Consolidated Financial Results for the Fiscal Year Ended March 31, 2009

The summary of this document (unaudited) has been translated from the original Japanese document released on May 11, 2009 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
URL: http://www.promise.co.jp/english/ir/
President and Representative Director: Hiroki Jinnai
Inquiries: Hiromasa Tamai, General Manager, Corporate Communications Dept.
Telephone: 81-3-3287-1515
Date of General Meeting of Shareholders (Planned): June 23, 2009
Date of Payment of Dividends (Planned): —
Reporting Date of Financial Statement (Planned): June 24, 2009

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

1. Consolidated Financial Results for the Fiscal Year Ended March 2009 (Apr. 1, 2008 – Mar. 31, 2009)

(1) Consolidated Operating Results

(Note: Percentages represent percentage changes from the previous fiscal year.)

	Operating income		Operating profit (loss)		Recurring profit (loss)		Net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended Mar. 31, 2009	387,950	(0.8)	(68,037)	—	(67,720)	—	(125,122)	—
Year ended Mar. 31, 2008	391,240	6.1	62,974	—	64,325	—	15,955	—

	Net income (loss) per share	Diluted net income (loss) per share	ROE	Recurring profit to total asset ratio	Operating profit to operating income ratio
	Yen	Yen	%	%	%
Year ended Mar. 31, 2009	(986.64)	—	(40.3)	(3.6)	(17.5)
Year ended Mar. 31, 2008	125.81	—	4.2	3.6	16.1

Reference: Equity in net gain of affiliated companies
Year ended Mar. 31, 2009: 1,278 million yen
Year ended Mar. 31, 2008: 1,938 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Mar. 31, 2009	1,753,632	283,189	13.8	1,909.65
Mar. 31, 2008	2,019,055	418,885	18.8	2,991.03

Reference: Shareholders' equity Mar. 31, 2009: 242,173 million yen Mar. 31, 2008: 379,316 million yen

(3) Consolidated Cash Flows

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended Mar. 31, 2009	110,987	(29,911)	(137,225)	142,974
Year ended Mar. 31, 2008	116,299	(126,465)	13,106	205,052

2. Dividends

Record Dates	Cash dividends per share 1Q	2Q	3Q	Year-end	Total	Total cash dividends (Annual)	Payout ratio (Consolidated)	Dividends to net assets ratio (Consolidated)
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended Mar. 31, 2008	—	20.00	—	20.00	40.00	5,072	31.8	1.3
Year ended Mar. 31, 2009	—	20.00	—	0.00	20.00	2,536	—	0.8
Year ending Mar. 31, 2010 (Planned)		0.00		20.00	20.00		17.1	

3. Forecast for the Fiscal Year Ending March 2010 (Apr. 1, 2009 – Mar. 31, 2010)

(Note: Percentages are year-on-year changes for the six months period of the fiscal year and the fiscal year.)

	Operating income		Operating profit		Recurring profit		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Sep. 30, 2009	171,300	(15.1)	9,300	(65.9)	9,200	(66.6)	6,600	(46.9)	52.04
Year ending Mar. 31, 2010	330,900	(14.7)	20,600	—	20,400	—	14,800	—	116.70

4. Others

(1) Changes in significant subsidiaries during the fiscal year ended March 31, 2009

(Changes in subsidiaries affecting the scope of consolidation): No

(2) Revisions in accounting rules, procedures and presentations concerning preparation of consolidated financial statements (Revisions in significant items concerning the basis for preparing consolidated financial statements)

1. Revisions involving a change to accounting standards: Yes
2. Other revisions Yes

Note: For more information, please see “Basis of Presentation of Consolidated Financial Statements (Changes in Accounting Practices)” on page 37.

(3) Number of shares outstanding (Common shares)

1. Shares issued and outstanding (including treasury stock)
   Year ended March 2009: 134,866,665 Year ended March 2008: 134,866,665
2. Treasury stock
   Year ended March 2009: 8,051,288 Year ended March 2008: 8,048,944

Note: Please see “Per share data” on page 57 for information concerning the number of shares used to calculate consolidated net income per share.

(Reference)
Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended March 2009 (Apr. 1, 2008 – Mar. 31, 2009)

(1) Non-Consolidated Operating Results

(Notes: 1. Percentages represent percentage changes from the previous fiscal year.
2. In this report, amounts of less than one million yen are omitted and per share figures are rounded down to two decimal places.)

	Operating loss		Operating profit (loss)		Recurring profit (loss)		Net income (loss)	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended Mar. 31, 2009	243,058	(11.7)	(57,132)	—	(59,039)	—	(129,969)	—
Year ended Mar. 31, 2008	275,221	(8.2)	43,948	—	43,153	—	6,284	—

	Net income (loss) per share	Diluted net income (loss) per share
	Yen	Yen
Year ended Mar. 31, 2009	(1,024.85)	—
Year ended Mar. 31, 2008	49.55	—

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Mar. 31, 2009	1,197,432	215,984	18.0	1,703.13
Mar. 31, 2008	1,395,821	352,036	25.2	2,775.92

Reference: Shareholders' equity Mar. 31, 2009: 215,984 million yen Mar. 31, 2008: 352,036 million yen

2. Forecast for the Fiscal Year Ending March 2010 (Apr. 1, 2009 – Mar. 31, 2010)

(Note: Percentages are year-on-year changes for the six months period of the fiscal year and the fiscal year.)

	Operating income		Operating profit		Recurring profit		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending Sep. 30, 2009	109,200	(13.0)	6,900	(60.0)	6,300	(61.9)	6,000	6.1	47.31
Year ending Mar. 31, 2010	208,000	(14.4)	11,600	—	10,800	—	10,000	—	78.85

Explanation of proper use of forecasts and other important items

The above forecasts are based on information that was available when these materials were released. Actual operating results may differ from these forecasts for a number of reasons. Please see "1. Business Results, (1) Analysis of Business Results for the fiscal year" on page 4 for the assumptions of the forecast of business performance and notices of the forecast usage.

Qualitative Information and Financial Statements

1. Business Results

(1) Analysis of Business Results

1) Business Results for the Fiscal Year

During the fiscal year ended March 31, 2009, Japan's economy was severely impacted by the worldwide financial crisis caused by the subprime loan crisis, resulting in a decrease of corporate earnings and a steep drop in business. In particular, exports faced the highest drop on record, which is the major cause of deteriorated business. Steep declines in production at many companies in Japan caused a large number of temporary staffing contract terminations. The resulting pressure on household incomes triggered a sharp downturn in consumer spending.

In the consumer finance industry, companies continued to face an extremely challenging operating environment. The consumer finance market is steadily contracting as the volume of interest repayment claims remains high and the full enactment of the Money Lending Business Law approaches. These changes are forcing consumer finance companies to shut down their operations and decreasing their business.

The Promise Group is taking many actions in response to the rapid changes in market conditions with the aim of becoming an organization that can provide services with industry-leading support of customers. The core strategies are rebuilding our consumer finance business and diversifying our profit structure. The objectives are to build a sound earnings base and establish new sources of growth.

Results for the fiscal year ended March 31, 2009 by business are as follows.

[1] Financing Business

There was a substantial decline in loan yield at Promise Co., Ltd. due to the adoption of tighter credit scoring standards designed to improve loan portfolio quality and the downturn in interest rates on loans. Due to these factors, operating income in the financing business decreased 1.4% to 378,685 million yen.

The major policies undertaken in the fiscal year ended March 31, 2009 are outlined below.

(Rebuilding our consumer finance business)

The Promise Group is rebuilding its consumer finance business with the aim of shifting to a profit structure that can be successful following the enactment of all provisions of the Money Lending Business Law.

Specific measures included actions to increase the number of creditworthy customers; actions to raise the loan collection ratio, mainly through counseling services; and actions to restructure the loan portfolio in anticipation of the upcoming last stage of enactment of the Money Lending Business Law.

Promise is also reforming its cost structure. We capitalized on the management integration with SANYO SHINPAN through the sharing of operational resources, the integration of all IT systems into the Promise system, the establishment of a single branch network for both companies, and the deployment of human resources for maximum productivity.

The Board of Directors of Promise Co., Ltd. approved a resolution in March, 2009 for the sale to NEOLINE CAPITAL Co., Ltd. of all shares of wholly owned consolidated subsidiaries Tamport Co., Ltd. and Sun Life Co., Ltd., the sale of the entire 66.5% equity stake in Cecile Credit Service Co., Ltd., a non-consolidated subsidiary, held by wholly owned subsidiary PAL Life Co., Ltd., and the sale of part of the consumer loans receivable held by Promise.

In addition to these actions, Promise has been reorganizing its branch office network, primarily by converting some staffed branches to unstaffed branches. Furthermore, employees have been reassigned to improve employee efficiency in the consumer finance business and achieve the optimum use of human resources across the entire Promise Group.

(Diversifying profit structure)

The Promise Group is currently working on diversifying its profit structure and driving top line growth by integrating its own know-how with the strengths of alliance partners.

There has been steady progress in developing the loan guarantee business into a significant source of earnings. Loan guarantee operations are growing consistently, mainly for the loans of Sumitomo Mitsui Banking Corporation and At-Loan Co., Ltd. In addition, SANYO SHINPAN has an extensive network of loan guarantee agreements with regional banks and other local financial institutions. At the end of March 2009, the Group's guaranteed loans outstanding totaled 494,852 million yen.

In the loan management and collection business, PAL Servicer Co., Ltd. and Sanyo Shinpan Servicer Co., Ltd. purchase loans from Promise Group companies and financial institutions and operate a collection service. At the end of March 2009, these two companies held a combined balance of 24,452 million yen of purchased loans.

Regarding overseas activities, we are performing consumer finance business in Hong Kong and Thailand, and loan management and collection services in Taiwan. We are also considering advancement into new markets in the future with a focus on Asia.

In addition, the Promise Group will use alliances and other forms of cooperation with companies in other industries for the purpose of entering business fields which serve a broader range of customer segments as new business model activities. The Promise Group is targeting the settlement needs associated with these business fields.

[2] Other Businesses

The Promise Group is using its business resources and expertise gained through its consumer finance business to develop an open network alliance business for its ATMs, conduct telemarketing business, and develop systems for finance business.

Owing to these activities, operating income from other businesses increased 27.9% to 9,264 million yen.

Total consolidated operating income decreased 0.8% to 387,950 million yen. However, earnings were negatively impacted by a number of factors. Most significant were an increase in the allowance for losses on interest repayments in order to improve financial soundness, an increase in loan losses resulting from loan write-offs based on a conservative evaluation of loans outstanding, and an increase in net periodic benefit cost due to the recent drop in stock prices. As a result, there was an operating loss of 68,037 million yen and a recurring loss of 67,720 million yen. Earnings were also impacted by extraordinary losses resulting from impaired marketable securities and the reversal of deferred tax assets in consideration of the severe business environment. As a result, net loss was 125,122 million yen.

2) Outlook for the Fiscal Year Ending March 2010

Regarding the outlook for the Japanese economy in the fiscal year ending in March 2010, the present decline is anticipated to continue. The possibility of a large increase in unemployment caused by the rapid decline in production activity is a source of anxiety. Due to the worldwide financial crisis, growing concern over the state of the global economy, extreme fluctuations in stocks, and other items, it is possible that the Japanese economy may further weaken.

In the consumer finance industry, the number of interest repayment claims remains high, and there are also fears of acceleration in the realignment of the industry: a process that may force weaker companies out of business. Consequently, the operating environment is expected to remain challenging. In response to these challenges, the Promise Group is focusing on two priorities: "rebuilding our consumer finance business" and "diversifying our profit structure," while maintaining a strict compliance program. The Group will make efforts to sustain earnings growth.

For the fiscal year ending March 2010, Promise forecasts a consolidated operating income of 330,900 million yen, down 14.7%, a recurring profit of 20,400 million yen, and a net income of 14,800 million yen.

(2) Analysis of Financial Position

1) Assets, Liabilities, and Net assets for the Fiscal Year Ended March 31, 2009

Total assets decreased 265,423 million yen to 1,753,632 million yen. This was mainly attributable to a decrease of 208,305 million yen in consumer loans, mostly unsecured loans, which is the core business of the Promise Group. The increase was also attributable to decreases of 64,282 million yen to repurchase agreements and other short-term loans receivable, and to 40,244 million yen to the reversal of short-term deferred tax assets.

Total liabilities decreased 129,728 million yen from one year earlier to 1,470,442 million yen mainly because of a decrease in loans and other interest-bearing liabilities associated with the decline in the balance of consumer loans outstanding.

Net assets decreased 135,695 million yen to 283,189 million yen. This was mainly attributable to a 119,104 million yen decrease in retained earnings because of the large net loss in the fiscal year.

2) Consolidated Cash Flows for the Fiscal Year Ended March 31, 2009

Consolidated cash and cash equivalents at the end of the fiscal under review decreased 62,078 million yen, or 30.3%, from the end of the previous fiscal year, to 142,974 million yen.

Net cash provided by operating activities was 110,987 million yen. The primary factors for this were cash provided by a 204,882 million yen decrease in consumer loans receivable, a 15,681 million yen increase in the allowance for losses on interest repayments, cash used by a loss before income taxes and minority interests of 77,740 million yen, and a 46,052 million yen decrease in the allowance for credit losses.

Net cash used in investing activities was 29,911 million yen. This was primarily the result of 15,581 million yen used for payment for purchase of shares of subsidiaries resulting from the change in scope of consolidation and 7,020 million yen used for payment for purchase of intangible fixed assets.

Net cash provided by financing activities was 137,225 million yen. There was a net decrease of 130,968 million yen in borrowings.

(3) Fundamental Policy for Distribution of Earnings and Dividends in the Fiscal Year Ended March 2009 and the Fiscal Year Ending March 2010

Promise regards the distribution of earnings to shareholders as one of its most important management duties.

Regarding the distribution of earnings, the fundamental policy is to pay a stable and consistent dividend while taking into account operating results, market conditions, and plans for future growth.

For the dividend paid in the fiscal year ended March 31, 2009, an interim dividend of 20 yen was paid. However, the Company plans to pay no fiscal year-end dividend as business results for the fiscal year recorded a net loss of 125,122 million yen. Promise is committed to taking the actions needed to increase the amount of earnings available for distribution to shareholders. Promise plans to pay an annual dividend of 20 yen per share (with no interim dividend) in the fiscal year ending March 31, 2010.

Promise has conducted a special benefit plan for shareholders for some years. All shareholders who held at least one unit of stock (50 shares) at the end of each fiscal year received a Regional Products Gift Card. However, as was explained above, the company has suspended the fiscal year-end dividend. Furthermore, Promise has examined its stance concerning the fair distribution of earnings to shareholders. This has led to the decision to terminate the special benefit plan for shareholders.

(4) Business Risks

The following is a discussion of the major risk factors which may have an impact on the Promise Group's performance and the Group's ability to conduct business activities. Matters that may not necessarily be equivalent to risk but are deemed important for investment decisions and a better understanding of the Group's business activities have also been included in order to provide greater disclosure for investors.

Being fully aware of the potential risks described below, the Promise Group takes steps to prevent these risks from materializing and to respond promptly when problems arise. However, it should be noted that the risks described below may not represent complete coverage of the risks faced by the Group. Forward-looking statements contained in the following text are based upon assessments made as of March 31, 2009.

1) Legal Restrictions and Related Items

[1] Risks concerning restrictions on business activities

The consumer finance companies of the Promise Group are subject to the provisions of the Money Lending Business Law concerning the money lending business.

In December 2006, the Financial Services Agency announced the Money Lending Business Law, a ministerial code that was much different from the legislation introduced by a Diet member, which was then called the Money Lending Business Control and Regulation Law. In addition, enactment of this law is divided into four stages, with the first stage in January 2007. As of the end of March 2008, the second stage had already been enacted. Provisions in force at that time included stricter penalties, tighter restrictions on loan collection activities, the establishment of a business improvement order system, and the establishment of the Japan Financial Services Association.

The third stage of enactment is scheduled to take place in June 2009. This stage will include the start of a national examination system to certify money lending business managers, the establishment of a designated credit information institution system, and an increase in minimum net assets for moneylenders to 20 million yen. When the fourth and final stage is enacted in June 2010, there will be restrictions on total credit extensions to individuals, a requirement to supply certain written documents in advance, a requirement to use certified money lending business managers, and an increase in minimum net assets for moneylenders to 50 million yen.

All consumer finance companies in the Promise Group are dedicated to complying with laws, regulations and regulatory directives as well as with the voluntary regulations of the Japan Financial Services Association. These companies have established internal rules to prevent excessive lending, provide written documents as required, conduct proper collection activities, and meet other guidelines. There are activities to ensure that all executives and employees understand these rules. Furthermore, group companies are constantly working on upgrading compliance and internal management systems as well as internal auditing capabilities. In the event that a group company is subject to an administrative action due to a violation caused by the Promise Group or the Group's executives or employees, there may be a significant negative impact on the Promise Group's performance and the Group's ability to conduct business activities in the future.

[2] Risks involving interest rates

The consumer finance companies of the Promise Group are also subject to the provisions of the Capital Subscription Law and the Interest Rate Restriction Law.

The maximum interest rate under the Capital Subscription Law is 29.2%. The Interest Rate Restriction Law states that monetary consumer loan contracts are invalid with regard to the portion that exceeds the maximum interest rate of 20% for principal below 100,000 yen, 18% for principal of 100,000 yen or more but less than 1,000,000 yen, and 15% for principal of 1,000,000 yen or more. However, Article 43 of the Money Lending Business Law states that the payment of this excess portion of interest is a valid loan repayment ("deemed repayment" hereafter) irrespective of Article 1, Item 1 of the Interest Rate Restriction Law in cases where certain conditions are met. These conditions include, but are not limited to, the voluntary payment of the excess portion by the borrower as loan interest, and the provision to the borrower of written documents prescribed in Articles 17 and 18 of the Money Lending Business Law.

However, when the recently passed Money Lending Business Law is fully enforced, deemed repayments will be abolished. In addition, the maximum lending rate of the Capital Subscription Law will be lowered to the same maximum interest rate prescribed by the Interest Rate Restriction Law.

In response to the lower maximum interest rate under the Interest Rate Restriction Law and the Capital Subscription Law, Promise revised its credit approval standards and began offering loans with interest rates of no more than 17.8% to new customers beginning on December 19, 2007. In addition, the Promise Group is also offering loans with less than the maximum interest rate of the Interest Rate Restriction Law. However, if new amendments lower the maximum lending rate of the Interest Rate Restriction Law and the Capital Subscription Law further, there may be a significant negative impact on the Promise Group's operations and performance.

[3] Risks involving additional losses on interest repayments

All consumer finance companies of the Promise Group have loans based on contracts signed before the above interest rate reduction that have interest rates exceeding the maximum rate prescribed by the Interest Rate Restriction Law.

A January 2006 ruling by the Japanese Supreme Court noted that payment of the portion of interest that exceeds the maximum interest rate prescribed by the Interest Rate Restriction Law is mandatory in the event that a contractual interest payment is late and there is an acceleration clause. The court therefore concluded that such payments do not fulfill the qualifications for deemed repayments because these repayments must be voluntary. In January 2009, the Supreme Court ruled that the statute of limitations for when customers can claim excess interest repayments starts when all loans are repaid rather than when the right to submit a claim starts for an individual loan.

In response, the Promise Group recalculated its related allowances for losses on interest repayments, which amounted to the provision of 439,457 million yen. These additions to allowances provide protection for risks involving future interest repayments.

Nevertheless, if the interest repayment amount exceeds the expected amount, if the Supreme Court concludes in a manner disadvantageous to moneylenders, or if the ongoing revision of related laws should not be in the Group's favor, interest repayments could have a significant negative impact on the Promise Group's operations and performance.

[4] Risks involving other laws associated with money lending

The credit card business and consumer loan business of the Promise Group must comply with provisions of the Installment Credit Sales Law and all associated requirements (disclosure of business terms, provision of written documents and prevention of purchases that exceed a customer's ability to repay debts). In addition, we are working on responses to changes resulting from the June 2008 passage of the Law to Partially Amend the Installment Sales Law. However, if this response does not proceed as planned, or if existing laws are amended, there may be a negative impact on the Promise Group's operation and performance.

The operations of the Promise Group are subject to many other laws and regulations as well. New laws or regulations that place restrictions on the Group's operations, or amendments to existing laws and regulations could have a negative impact on the Promise Group's performance depending on their contents.

2) Risk Regarding Multiple Indebtedness Problem and Loans Made to Consumers

In recent years, against the backdrop of the economic conditions in Japan and the establishment of a legal framework for consumer debt relief, an increase in multiple indebtedness among individuals (including customers of the Promise Group) and an increase in the number of individuals seeking legal protection from creditors under personal bankruptcy have become social issues. In response, the Japan Financial Services Association, a self-regulatory organization of the consumer credit industry, has been taking actions aimed at solving the problem of individuals with multiple debts. One way is through activities to give the public a basic knowledge about the proper use of consumer finance. The association also assists individuals in restoring their financial health, primarily by operating a service that handles complaints and offering counseling services.

The Promise Group also uses data from consumer credit associations and its own credit appraisal system to evaluate the loan repayment capability of customers and continues to regularly revise credit limits after the loan has been made. Based on this system, the Group seeks to solve multiple indebtedness among individuals.

In spite of these precautions, the multiple indebtedness problem may worsen depending on economic conditions and changes in the legal system.

Furthermore, the Group provides for expected future credit losses by booking a provision for uncollectible loans as necessary in view of calculations based on such details as the historical default rate and the balance of loans outstanding. However, should credit costs including loan losses exceed the expected amount due to the worsening of the quality of loans, it could have a negative impact on the operation and performance of the Promise Group.

3) Risk Regarding Handling of Personal Information and the Information Privacy Law

Because the core business of the Promise Group is consumer finance, in which the Group provides loans based on the credit standing of customers, the Group is a member of personal credit information bureaus and can access bureau databases. In addition, information received from customers for the purpose of credit evaluation is stored in Promise's databases and is shared in-house.

The Promise Group treats this personal data as highly confidential information and takes appropriate steps to protect it and ensure its proper use. The Group has a thorough security system to prevent external tampering and has also introduced an IC card and fingerprint recognition security system for all information terminals. Among other preventative measures, the Group sets restrictions on access to personal data, monitors and maintains a record of database access, and disallows the use of memory media that could be taken off the premises, such as CD-Rs. Moreover, the Group has a variety of rules, produces guidance manuals, carries out thorough compliance training, and takes other preemptive steps to prevent an information leak. In October 2006, Promise received the Privacy Mark from the Japan Information Processing Development Corporation (JIPDEC). This is certification that Promise has established a personal information protection system.

Nevertheless, if for some reason a problem were to arise because of a leak of customer information, the repercussions could adversely affect the Promise Group's performance and business development.

On April 1, 2005, the Private Information Protection Law came into force in full. Under this law, businesses handling personal information (major companies of the Promise Group fall into this category) are obliged to make certain reports to a competent authority if deemed necessary. In the event of a violation of this obligation, the controlling authority is empowered to advise or command that necessary measures be taken if they are recognized to be in the best interest of the individuals.

The Promise Group has focused its efforts on appropriately responding to this law and its related guidelines. However, should some violation occur that results in administrative action being taken against the Group, or if its operations should be restricted by some future revision in the law, the consequences could have a negative impact on the Group's operation and performance.

4) Risk Regarding New Market Entrants and Competition

Japan's consumer finance industry is realigning and many companies are ceasing operations because of the upcoming enactment of the Money Lending Business Law. The number of registered moneylenders is much lower than before the Money Lending Business Law was passed.

However, should the number of new market entrants with abundant capital resources increase, or should a major capital tie-up, merger or acquisition be conducted, it could create a new competitive playing field within the industry that might have a negative impact on the performance of the Promise Group.

5) Risk Regarding Significant Litigation and Other Legal Proceedings

The Promise Group has business operations, primarily in the consumer finance business, in Japan and other countries. In conjunction with these operations, the Group may be subject to lawsuits or other legal proceedings initiated by business partners, customers, alliance partners, employees or others. It is difficult to predict the occurrence of lawsuits and other legal proceedings that name, or could name, Promise as a defendant or otherwise involved party. However, if such legal actions end with a result that is unfavorable for the Promise Group, there could be a negative impact on the Promise Group's performance.

6) Risk Regarding Fund Raising

[1] Fund Raising and Interest Rates on Financing

The fundamental strategy of the Promise Group is to procure long-term funds in order to minimize exposure to fund procurement risk. In line with this policy, group companies use a variety of direct and indirect procurement methods, such as loans from financial institutions and the sale of bonds in Japan and other countries. To minimize exposure to risk associated with rising interest rates, the fundamental policy is to procure funds with fixed interest rates. This includes the use of interest rate swaps to replace floating interest rates with fixed interest rates. The goal of these activities is to maintain the stability of fund procurement while holding down costs.

However, there may be a change in the willingness of financial institutions to extend loans to the Promise Group due to turmoil in financial markets, a downturn in the operating results of the Group, or some other reason. Furthermore, the fund procurement environment may become more difficult than expected due to weakened market sentiment, an increase in interest rates, a reduction in the credit rating of a Promise Group company, or some other negative development. These events may prevent the Group from procuring funds in a timely manner and raise the cost of fund raising activities, resulting in a negative impact on the Group's operation and performance.

[2] Financial covenants concerning funds procured

Some loans at the Promise Group have financial covenants. If there is a violation of a covenant, a lender may invoke the acceleration clause under which the entire loan subject to the covenant would have to be repaid immediately.

7) Effect of Decline in Stock Prices

The Promise Group holds marketable securities for the purpose of maintaining sound long-term relationships with business partners, financial institutions and other companies. In general, the prices of these securities are volatile. A significant decline in stock prices, depending on the magnitude of the downturn, may force the Promise Group to post losses on sales of securities and valuation losses that could have a negative impact on the Group's operation and performance.

8) Risk Concerning Changes in Retirement Benefit Liabilities

The Promise Group calculates retirement benefit expenses and liabilities based on the market value and expected return of plan assets and actuarial assumptions concerning future payments. However, if actual payments and other events differ from these assumptions, additional losses may be incurred that could have a negative impact on the Group's operation and performance.

9) Risk Regarding Computer System Failure

As a result of progressive use of IT systems along with the expansion of its consumer finance business, the Promise Group has come to depend much more on its computer systems and networks. For that reason, the Group has implemented measures to deal with system problems, such as strengthening security, creating a backup system for data, and adding and updating hardware to cope with greater volumes of data and higher access frequency. Regardless of these measures, if human error or a natural disaster were to cause a problem with the Group's computer systems, it could not only directly damage the operations of the Promise Group but also result in a loss in confidence in the services being offered by the Promise Group.

10) Business and Capital Alliances with Sumitomo Mitsui Financial Group, Inc.

Promise has formed strategic business and capital alliances with Sumitomo Mitsui Financial Group, Inc., and its group companies (the SMFG Group). Promise and the SMFG Group will recognize both companies as strategic partners in the consumer finance business, combining the brand power and know-how developed by both sides to provide top-class products and services to the customers of both partners. In addition, the Promise Group had loans totaling 283,724 million yen from Sumitomo Mitsui Banking Corporation as of March 31, 2009.

However, should performance not proceed as planned due to a sudden change in the business climate or other factors, it might have a damaging influence on the performance of the Promise Group and a negative impact on loan transactions between the Promise Group and the SMFG Group. In addition, if there are changes in the Banking Law or other related laws or if Sumitomo Mitsui Banking Corporation were to acquire more than a certain proportion of the outstanding shares of Promise Co., Ltd., it is possible that operations might be restricted to the scope of the businesses of the Company or its subsidiaries.

11) Country Risk

The Promise Group is developing business in overseas markets for the purpose of establishing a new earnings base.

It is possible that overseas Group companies could experience losses or face operating difficulties due to country risk factors of their resident country, such as market trends, existence of competitors, politics, economics, legal regulations, culture, religion, customs, exchange rates, or others. Should such a situation arise, it could impact negatively on the performance of the Promise Group.

12) Group Strategy and Performance Trends

The Promise Group will pursue its Group strategy under business and capital alliances with the SMFG Group and cooperation with other business partners while taking into account various factors, including its operating environment. In the event that the Promise Group is not able to achieve results as planned under the Group strategy because of a change in the direction of the Japanese economy or in competitive conditions, such a situation could have a negative impact on the operation and performance of the Promise Group.

As part of this strategy, the Promise Group will seek to expand established businesses and diversify our profit structure in order to increase its corporate value. To accomplish this goal, the Promise Group has acquired other companies and entered into business alliances that include joint investments, and it will take similar actions in the future. These actions may have a temporary impact on the Group’s earnings because of a large investment, amortization of goodwill, or other factors. When reaching decisions involving acquisitions and alliances, management will conduct an extensive due-diligence process that includes evaluations of the target company’s performance and financial position, the contract terms, and other items in order to identify and avoid risks. However, the occurrence of contingent liabilities, unrecognized liabilities, and other problems may prevent the investment or alliance from producing the expected benefits. This could have a negative impact on the operation and performance of the Promise Group.

2. Company Profile

(1) The Promise Group consists of Promise Co., Ltd., sixteen consolidated subsidiaries, twelve non-consolidated subsidiaries, one affiliated company accounted for by the equity method of consolidation, and two associated companies. The Group's principal business activities and the operations of each subsidiary and affiliated company are described below.

<u>Financing Business</u>

The financing business is the Promise Group's principal business. Its primary business activity is the extension of small loans, unsecured by collateral or guarantees, to general consumers based on a simple credit investigation process (consumer finance business).

The Promise Group is currently building an operating framework which will use the entire Group's capacity to offer a comprehensive line of consumer finance services to many customer segments. In Japan, Promise Co., Ltd., SANYO SHINPAN FINANCE CO., LTD. (consolidated subsidiary), At-Loan Co., Ltd. (consolidated subsidiary), and MOBIT CO., LTD. (equity-method affiliate) are engaged in the consumer finance business. In addition, Do Financial Service Co., Ltd. (consolidated subsidiary), POCKET CARD CO., LTD. (consolidated subsidiary) and AZ Card Co., Ltd. (consolidated subsidiary) are engaged in the sales finance business.

The Board of Directors of Promise Co., Ltd. approved a resolution on March 24, 2009 for the sale to NEOLINE CAPITAL Co., Ltd. of all shares of consolidated subsidiaries Tamport Co., Ltd. and Sun Life Co., Ltd., who are engaged in consumer finance business, and the sale of part of the consumer loans receivable held by Promise. All those shares were sold as of March 31, 2009.

Overseas, there are consumer finance businesses operated by PROMISE (HONG KONG) CO., LTD. (consolidated subsidiary) in Hong Kong and PROMISE (THAILAND) CO., LTD. in Thailand.

In addition, Liang Jing Co., Ltd. (consolidated subsidiary) is engaged in the loan management and collection business in Taiwan.

Promise Co., Ltd., SANYO SHINPAN FINANCE CO., LTD., At-Loan Co., Ltd., MOBIT CO., LTD., POCKET CARD CO., LTD. guarantee unsecured loans extended to individuals by financial institutions. Furthermore, PAL Servicer Co., Ltd. (consolidated subsidiary), Sanyo Shinpan Servicer Co., Ltd. (consolidated subsidiary) and SANYO ASSET MANAGEMENT CO., LTD. (consolidated subsidiary) are engaged in the loan management and collection business.

<u>Other Businesses</u>

In addition to the companies listed above, the Promise Group uses expertise gained through its core consumer finance business to conduct other financial businesses and peripheral financial businesses.

PAL Life Co., Ltd. (consolidated subsidiary) is a real estate company with operations that include building leasing, mainly at the PAL Building. Net Future Co., Ltd. (consolidated subsidiary) provides telemarketing services and computer system design, operation and development services to other Promise Group companies. CVC Co., Ltd. (non-consolidated subsidiary) is a comprehensive investigation company.

There are two companies classified as associated companies: Sumitomo Mitsui Banking Corporation, which is engaged in the banking business, and Sumitomo Mitsui Financial Group, Inc., which performs management, administration and related services for its group companies.

Related companies not contained in the above section and their business activities are listed as follows.

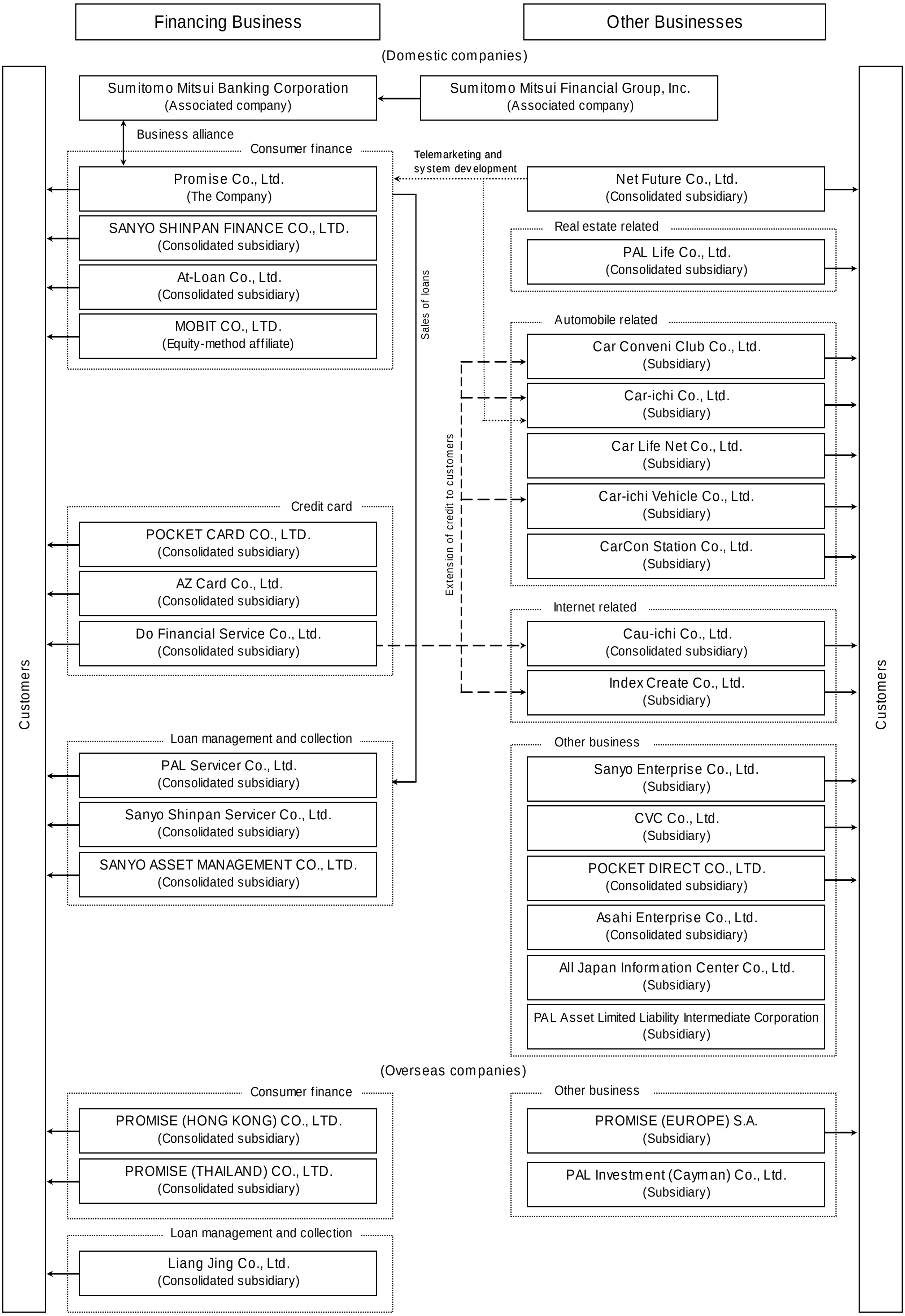
[Domestic subsidiary]

Name	Location	Principal business	Remarks
Asahi Enterprise Co., Ltd.	Chiyoda-ku, Tokyo	Investment in SANYO SHINPAN FINANCE CO., LTD.	Consolidated subsidiary
All Japan Information Center Co., Ltd.	Chuo-ku, Osaka City	Holding of securities	Subsidiary
Car Conveni Club Co., Ltd.	Chuo-ku, Tokyo	Automobile maintenance and repairs, automotive body work	Subsidiary
Car-ichi Co., Ltd.	Chuo-ku, Tokyo	Automobile auctions	Subsidiary
Car Life Net Co., Ltd.	Chuo-ku, Tokyo	Installation service for automotive parts	Subsidiary
Car-ichi Vehicle Co., Ltd.	Chuo-ku, Tokyo	Automobile sales	Subsidiary
CarCon Station Co., Ltd.	Chuo-ku, Tokyo	Petroleum sales, automobile maintenance	Subsidiary
POCKET DIRECT CO., LTD.	Minato-ku, Tokyo	Insurance brokerage, merchandise sales	Consolidated subsidiary
Sanyo Enterprise Co., Ltd.	Hakata-ku, Fukuoka City	Insurance brokerage	Subsidiary
Cau-ichi Co., Ltd.	Minato-ku, Tokyo	Information provision services using the Internet	Consolidated subsidiary
Index Create Co., Ltd.	Setagaya-ku, Tokyo	Intermediary for purchase of credit card receivables	Subsidiary
PAL Asset Limited Liability Intermediate Corporation	Chuo-ku, Tokyo	Title management for automobiles held as collateral	Subsidiary

[Overseas subsidiaries and affiliated company]

Name	Location	Principal business	Remarks
PROMISE (EUROPE) S.A.	L'Isle Adam, France	Management of golf courses	Subsidiary
PAL Investment (Cayman) Co., Ltd.	Grand Cayman, Cayman Island	Investment in China	Subsidiary

(2) Promise Group Organization



(3) Status of Consolidated Subsidiaries and Equity-method Affiliates

Name	Location	Capital	Principal business	Percentage of voting rights	Type of relation				Notes
					Number of concurrent directors	Capital support	Type of business	Leased facilities	
Consolidated Subsidiaries									
SANYO SHINPAN FINANCE CO., LTD.	Hakata-ku, Fukuoka City Chiyoda-ku, Tokyo	16,268 million yen	Consumer finance	100.0 (100.0)	7 (3)	—	Brokerage	Offices	1, 4, 5, 6
At-Loan Co., Ltd.	Minato-ku, Tokyo	10,912 million yen	Consumer finance	50.0	4 (2)	—	ATM and other network tie-ups and guarantees on unsecured loans	—	1
POCKET CARD CO., LTD	Minato-ku, Tokyo	11,268 million yen	Credit card	42.0 (42.0)	1 (—)	—	ATM network tie-ups	—	1, 4, 6, 7
Do Financial Service Co., Ltd.	Minato-ku, Tokyo	5,000 million yen	Sales finance	100.0	5 (3)	Loans	ATM network tie-ups	—	—
AZ Card Co., Ltd.	Hakata-ku, Fukuoka City	400 million yen	Credit card	66.0 (66.0)	— (—)	—	ATM network tie-ups	—	6
PAL Servicer Co., Ltd.	Chiyoda-ku, Tokyo	500 million yen	Loan management and collection	100.0	6 (3)	Loans	—	Offices	—
Sanyo Shinpan Servicer Co., Ltd.	Minato-ku, Tokyo	500 million yen	Loan management and collection	98.6 (98.6)	3 (1)	—	—	—	6
SANYO ASSET MANAGEMENT CO., LTD.	Minato-ku, Tokyo	3 million yen	Loan management and collection	100.0 (100.0)	— (—)	—	—	—	6
PAL Life Co., Ltd.	Chiyoda-ku, Tokyo	3,000 million yen	Management of leased real estate	100.0	4 (2)	Loans	—	Offices	—
Net Future Co., Ltd.	Chiyoda-ku, Tokyo	390 million yen	Telemarketing, ATM management / administration and system development	100.0	5 (2)	—	System development	Offices	—
Asahi Enterprise Co., Ltd.	Chiyoda-ku, Tokyo	63 million yen	Investment in SANYO SHINPAN FINANCE CO., LTD	100.0	4 (2)	Loans	—	—	—
POCKET DIRECT CO., LTD.	Minato-ku, Tokyo	40 million yen	Insurance brokerage, catalog sales	42.0 (42.0)	— (—)	—	—	—	6, 7

(Continued)

Name	Location	Capital	Principal business	Percentage of voting rights	Type of relation				Notes
					Number of concurrent directors	Capital support	Type of business	Leased facilities	
Cau-ichi Co., Ltd.	Minato-ku, Tokyo	240 million yen	Information provision services using the Internet	100.0 (100.0)	4 (3)	Debt guarantees and loans	—	—	3, 6
PROMISE (HONG KONG) CO., LTD.	Hong Kong, China	HK$45,000 thousand	Consumer finance	100.0	4 (4)	—	—	—	—
Liang Jing Co., Ltd.	Taipei, Taiwan	NT$290,000 thousand	Loan management and collection	100.0	4 (3)	—	—	—	—
PROMISE (THAILAND) CO., LTD.	Bangkok, Thailand	THB560,000 thousand	Consumer finance	100.0	3 (3)	Debt guarantees	—	—	—
Equity-method Affiliates									
MOBIT CO., LTD.	Shinjuku-ku, Tokyo	20,000 million yen	Consumer finance	50.0 (5.0)	5 (3)	—	ATM network tie-ups	—	2, 6

Notes: 1. Special subsidiary
2. Jointly controlled company
3. Cau-ichi Co., Ltd. changed its Japanese name on November 1, 2008.
4. The company submits a Securities Report (*Yuka Shoken Hokokusho*).
5. Consolidated subsidiary that accounts for more than 10% of consolidated operating income (after elimination of internal transactions), but where no earnings or other information is shown because the company submits a Securities Report (*Yuka Shoken Hokokusho*).
6. The figure in parentheses under “percentage of voting rights” represents the percentage of indirectly owned voting rights.
7. Categorized as a subsidiary even though ownership does not exceed 50% because the Promise Group has effective control.
8. The figure in parentheses under “Number of concurrent directors” represents the number of directors within the Company serving in concurrent positions.

(4) Status of Affiliated Companies

Name	Location	Capital	Principal business	Percentage of voting rights	Type of relation				
					Number of concurrent directors	Capital support	Type of business	Leased facilities	Notes
Sumitomo Mitsui Financial Group, Inc.	Chiyoda-ku, Tokyo	1,420,877 million yen	Holding company	22.0 (22.0)	—	—	—	—	1, 2
Sumitomo Mitsui Banking Corporation	Chiyoda-ku, Tokyo	664,986 million yen	Banking	22.0	—	—	Loan-related and deposit-related transactions and guarantees of unsecured loans	—	2

Notes: 1. The figure in parentheses under “percentage of voting rights” represents the percentage of indirectly owned voting rights.
2. The company submits a Securities Report (*Yuka Shoken Hokokusho*).

3. Management Policies

(1) Basic Management Policies

The Promise Group pursues its business based on the corporate philosophy of “Support affluent lifestyles and aim to be a trusted corporate citizen,” “Target appropriate profit levels through efficient management and seek to achieve sustainable growth,” and “Be appreciated by customers and cooperate with society to realize mutual harmony and benefit together with employees.”

By increasing its social contribution through higher levels of customer satisfaction and efforts to prevent multiple indebtedness among individuals, Promise aims to evolve into a personal main bank that can provide financial support and advice to customers on a one-to-one basis.

In line with these policies, the Promise Group is working to enhance and expand its consumer finance services, particularly in the retail sector. In addition, the Group is dedicated to earning the trust of customers and other stakeholders and meeting their expectations by executing a rigorous compliance program (adherence to ethical standards and laws and regulations), reinforcing internal control systems, and maintaining a firm commitment to corporate social responsibility. The objective is to maximize corporate value based on commitments to both earnings growth and corporate citizenship.

(2) Business Performance Indicators

Reflecting its goals of improving business efficiency and maintaining high profitability, the Promise Group gives high priority to return on assets (ROA) and return on equity (ROE) as business performance indicators and targets improvement in these figures.

(3) Medium- and Long-Term Business Plan

As many industries in Japan are forced to enact structural reforms, the consumer finance industry has also entered a period of major changes. The Promise Group is responding with speed and flexibility to these changes with the objective of maximizing corporate value based on commitments to both earnings growth and corporate citizenship.

With regard to earnings, the Promise Group is rebuilding its consumer finance business primarily by improving the quality of its loan portfolio while radically altering its cost structure. Another goal is making the loan guarantee business, loan servicer business and overseas operations, all established businesses, even more profitable. At the same time, the Group is aiming to diversify its profit structure by building a new business model that directly targets the settlement needs of customers.

Regarding social responsibilities, the Promise Group is building a stronger internal control system centered on compliance activities, reinforcing risk management systems, and establishing a sounder financial position. Furthermore, the Promise Group places limitations on multiple-debt holdings by customers and conducts corporate citizenship activities aimed at prospering with society. The goal is to be a highly trustworthy corporate group.

(4) Major Issues Facing the Company

Promise believes that the operating environment in the consumer finance industry will continue to be extremely challenging because the number of interest repayment claims remains high. Also there are fears that the Money Lending Business Law may cause earnings to fall and trigger a realignment of the industry that will force many companies to cease operations.

In response, the Promise Group is leveraging its position as an industry leader to respond properly to the Money Lending Business Law and other related laws and regulations. Furthermore, the Group plans to shift to a profit structure that can secure earnings and establish new sources of growth based on the medium- to long- term management strategy.

The entire consumer finance industry faces important issues that cannot be ignored, such as multiple indebtedness and the high number of interest repayments due to loan restructuring through legal proceedings. The Promise Group is working to address these issues to both protect its customers and enable the sound development of the overall industry.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
Assets		
Current assets:		
Cash and deposits	*4 122,994	*4 126,580
Notes and accounts receivable	*1 612	*1 428
Consumer loans receivable: Principal	*2, 3, 4, 9, 10 1,747,736	*2, 4, 9, 10 1,539,430
Installment receivables	65,767	83,212
Marketable securities	11,000	11,900
Purchased receivables	27,298	25,509
Short-term loans receivable	*11 87,298	*11 23,015
Deferred tax assets	46,058	5,814
Claim for indemnities	22,333	28,134
Other	36,365	*4 30,487
Allowance for credit losses	*13 (343,576)	*13 (295,578)
Total current assets	1,823,888	1,578,934
Fixed assets:		
Property and equipment		
Buildings and structures	35,652	29,918
Accumulated depreciation	(20,651)	(17,469)
Buildings and structures—net	15,000	12,449
Machinery, fixtures and equipment, and vehicles	28,954	25,710
Accumulated depreciation	(23,213)	(21,104)
Machinery, fixtures and equipment, and vehicles—net	5,740	4,606
Land	50,845	49,960
Lease assets	—	309
Accumulated depreciation	—	(77)
Lease assets—net	—	232
Construction in process	60	23
Total property and equipment	71,648	67,271
Intangible fixed assets		
Software	16,888	13,564
Goodwill	60,576	54,200
Other	457	206
Total intangible fixed assets	77,922	67,971
Investments and advances		
Investments in securities	*4, 5 28,389	*4, 5 21,398
Deferred tax assets	2,357	2,348
Other	*4, 6 14,849	*4, 6 15,707
Total investments and advances	45,596	39,454
Total fixed assets	195,166	174,697
Total assets	2,019,055	1,753,632

(Continued) (Millions of yen)

	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
Liabilities		
Current liabilities:		
Notes and accounts payable	12,128	11,565
Short-term borrowings	237,492	148,403
Current portion of long-term borrowing	*4 189,195	*4, 8 211,537
Commercial paper	25,000	20,500
Bonds scheduled for redemption within one year	38,200	57,200
Accrued income taxes	6,196	2,269
Accrued bonuses to employees	4,047	3,572
Accrued bonuses to directors and corporate auditors	43	—
Allowance for point services	771	809
Accruals for debt guarantees	14,902	17,443
Allowance for losses on interest repayments	87,693	87,594
Allowance for losses on sales of receivables	—	1,112
Allowance for business reorganization losses	—	10,176
Allowance for business restructuring expense	6,076	391
Other	21,230	19,903
Total current liabilities	642,979	592,478
Long-term liabilities:		
Corporate bonds	336,720	279,537
Convertible bonds	—	42,000
Long-term debt	*4 418,435	*4, 8 352,660
Securitized loan liabilities	—	11,000
Deferred tax liabilities	157	—
Accrued severance indemnities	4,005	7,326
Allowance for retirement benefits for directors and corporate auditors	339	375
Allowance for losses on interest repayments	196,194	183,353
Other	1,338	1,709
Total long-term liabilities	957,191	877,963
Total liabilities	1,600,170	1,470,442

(Continued) (Millions of yen)

	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
Net assets		
Shareholders' equity:		
Common stock	80,737	80,737
Capital surplus	138,413	127,332
Retained earnings	217,327	98,222
Treasury stock	(57,424)	(57,425)
Total shareholders' equity	379,054	248,867
Revaluation and translation adjustments:		
Net unrealized gain on securities	96	(1,463)
Net deferred hedge losses	(7)	—
Foreign currency translation adjustments	172	(5,230)
Total revaluation and translation adjustments	262	(6,694)
Minority interests	39,568	41,016
Total net assets	418,885	283,189
Total liabilities and net assets	2,019,055	1,753,632

(2) Consolidated Statements of Income

(Millions of yen)

	Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr.1, 2008 – Mar. 31, 2009)
Operating income:		
Interest on consumer loans	346,726	322,849
Other financial income	*1 755	*1 659
Sales	795	620
Other	42,963	63,821
Total operating income	391,240	387,950
Operating expenses:		
Financial expenses	*2 20,197	*2 22,034
Cost of sales	619	545
Other operating expenses		
Advertising expenses	12,351	13,361
Provision for uncollectible loans	102,458	169,223
Accruals for point services	191	808
Provision for accruals for debt guarantees	7,997	15,792
Provision for losses on interest repayments	48,042	103,023
Loss on sales of credit	17,642	1,380
Employees' salaries and bonuses	29,813	30,270
Provision for bonuses	2,732	4,022
Net periodic benefit cost	4,436	5,763
Allowance for retirement accounts for directors and corporate auditors	74	76
Employee welfare expenses	4,162	4,880
Rent expenses	10,745	10,073
Depreciation	7,758	7,959
Fee expenses	29,613	33,383
Communications expenses	4,866	5,527
Amortization of goodwill	3,243	6,376
Other	21,320	21,482
Total other operating expenses	307,448	433,407
Total operating expenses	328,265	455,987
Operating profit (loss)	62,974	(68,037)
Non-operating income:		
Interest and dividend income on investments	410	1,283
Insurance money received and insurance dividends	196	166
Gain on investment in partnership	164	1
Equity in net gain of affiliated companies	1,938	1,278
Other	729	530
Total non-operating income	3,441	3,260

(Continued) (Millions of yen)

	Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr.1, 2008 – Mar. 31, 2009)
Non-operating expenses:		
Interest expense	893	1,321
Fee expenses	526	500
Provision for uncollectible loans	—	821
Expense for relocation of offices	52	68
Other	617	232
Total non-operating expenses	2,090	2,943
Recurring profit (loss)	64,325	(67,720)
Extraordinary income:		
Net gain on sales of investments in securities	602	651
Gain on the sale of businesses	—	*3 3,192
Reversal of accrued bonuses to employees	—	107
Reversal of accruals for retirement benefits for directors and corporate auditors	485	—
Other	21	283
Total extraordinary income	1,109	4,236
Extraordinary losses:		
Loss on disposal of property and equipment	*4 1,306	*4 1,648
Loss on sales of property and equipment	*5 166	*5 141
Impairment loss	*6 1,842	*6 452
Loss on sales of receivables	*7 3,620	—
Allowance for losses on sales of receivables	—	*8 1,112
Loss on valuation of investments in securities	4,027	3,278
Loss on valuation of investments in subsidiaries	*9 555	*9 5,371
Loss on sales of investments in subsidiaries	1,692	—
Loss on interest repayments for prior years	1,194	—
Loss on reorganization of business	*10 1,113	*10 1,553
Provision for losses on business restructuring expenses	*11 4,861	—
Business losses of subsidiary	—	276
Other	467	421
Total extraordinary losses	20,848	14,256
Income (loss) before income taxes and minority interests	44,586	(77,740)
Income taxes: Current	4,602	5,282
Income taxes: Prior years	4,949	—
Income taxes: Deferred	17,366	40,369
Total income taxes	26,918	45,652
Minority interests	1,712	1,729
Net income (loss)	15,955	(125,122)

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Fiscal Year Ended Mar. 2008 (Apr.1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr.1, 2008 – Mar. 31, 2009)
Shareholders' equity:		
Common stock		
Balance at the end of previous fiscal year	80,737	80,737
Changes during the fiscal year		
Total changes during the fiscal year	—	—
Balance at the end of the fiscal year	80,737	80,737
Capital surplus		
Balance at the end of previous fiscal year	138,413	138,413
Changes during the fiscal year		
Decrease due to exclusion of a company in consolidation	—	(11,076)
Sales of treasury stock	(0)	(3)
Total changes during the fiscal year	(0)	(11,080)
Balance at the end of the fiscal year	138,413	127,332
Retained earnings		
Balance at the end of previous fiscal year	211,018	217,327
Changes during the fiscal year		
Cash dividends paid	(9,194)	(5,072)
Increase due to exclusion of a company in consolidation	—	11,076
Decrease due to exclusion of a company in consolidation	(8)	—
Decrease due to exclusion of a company in consolidation	(441)	—
Net income (loss)	15,955	(125,122)
Other	(1)	13
Total changes during the fiscal year	6,308	(119,104)
Balance at the end of the fiscal year	217,327	98,222
Treasury stock		
Balance at the end of previous fiscal year	(57,423)	(57,424)
Changes during the fiscal year		
Purchase of treasury stock	(2)	(5)
Sales of treasury stock	1	5
Total changes during the fiscal year	(1)	(0)
Balance at the end of the fiscal year	(57,424)	(57,425)

(Continued) (Millions of yen)

	Fiscal Year Ended Mar. 2008 (Apr.1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr.1, 2008 – Mar. 31, 2009)
Total shareholders' equity		
Balance at the end of previous fiscal year	327,747	379,054
Changes during the fiscal year		
Cash dividends paid	(9,194)	(5,072)
Decrease of capital surplus due to exclusion of a company in consolidation	—	(11,076)
Increase of retained earnings due to exclusion of a company in consolidation	—	11,076
Decrease of retained earnings due to inclusion of a company in consolidation	(8)	—
Decrease of retained earnings due to exclusion of a company in consolidation	(441)	—
Net income (loss)	15,955	(125,122)
Purchase of treasury stock	(2)	(5)
Sales of treasury stock	0	1
Other	(1)	13
Total changes during the fiscal year	6,306	(130,186)
Balance at the end of the fiscal year	379,054	248,867
Revaluation and translation adjustments:		
Net unrealized gains on securities		
Balance at the end of previous fiscal year	5,606	96
Changes during the fiscal year		
Changes of items other than shareholders' equity during the fiscal year—net	(5,509)	(1,560)
Total changes during the fiscal year	(5,509)	(1,560)
Balance at the end of the fiscal year	96	(1,463)
Net deferred hedge losses		
Balance at the end of previous fiscal year	(19)	(7)
Changes during the fiscal year		
Changes of items other than shareholders' equity during the fiscal year—net	12	7
Total changes during the fiscal year	12	7
Balance at the end of the fiscal year	(7)	—
Foreign currency translation adjustments		
Balance at the end of previous fiscal year	575	172
Changes during the fiscal year		
Changes of items other than shareholders' equity during the fiscal year—net	(403)	(5,403)
Total changes during the fiscal year	(403)	(5,403)
Balance at the end of the fiscal year	172	(5,230)

(Continued) (Millions of yen)

	Fiscal Year Ended Mar. 2008 (Apr.1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr.1, 2008 – Mar. 31, 2009)
Total revaluation and translation adjustments		
Balance at the end of previous fiscal year	6,163	262
Changes during the fiscal year		
Changes of items other than shareholders' equity during the fiscal year—net	(5,900)	(6,956)
Total changes during the fiscal year	(5,900)	(6,956)
Balance at the end of the fiscal year	262	(6,694)
Minority interests		
Balance at the end of previous fiscal year	7,261	39,568
Changes during the fiscal year		
Changes of items other than shareholders' equity during the fiscal year—net	32,307	1,447
Total changes during the fiscal year	32,307	1,447
Balance at the end of the fiscal year	39,568	41,016
Total net assets		
Balance at the end of previous fiscal year	386,171	418,885
Changes during the fiscal year		
Cash dividends paid	(9,194)	(5,072)
Decrease of capital surplus due to exclusion of a company in consolidation	—	(11,076)
Increase of retained earnings due to exclusion of a company in consolidation	—	11,076
Decrease of retained earnings due to inclusion of a company in consolidation	(8)	—
Decrease of retained earnings due to exclusion of a company in consolidation	(441)	—
Net income (loss)	15,955	(125,122)
Purchase of treasury stock	(2)	(5)
Sales of treasury stock	0	1
Other	(1)	13
Changes of items other than shareholders' equity during the fiscal year—net	26,406	(5,509)
Total changes during the fiscal year	32,713	(135,695)
Balance at the end of the fiscal year	418,885	283,189

[Note Concerning Consolidated Statements of Changes in Net Assets]

For the stock of Tamport Co., Ltd. and Sun Life Co., Ltd. that was received through exchanges of stock in the fiscal years that ended on March 31, 2001 and 2002, "Capital Linkage Procedure for Establishing Complete Parent Company Relationship Using Stock Exchange or Transfer System" (Accounting Standards Committee Research Report No. 6, final revision February 14, 2001) was applied and has been applied in each subsequent fiscal year.

In the fiscal year that ended on March 31, 2009, Promise sold all stock of both of these companies. Due to the resulting termination of the accounting procedures used in the fiscal years that ended on March 31, 2001 and 2002, there was a decrease in the consolidated capital surplus and an increase of the same amount in consolidated retained earnings.

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	Fiscal Year Ended Mar. 2008 (Apr.1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr.1, 2008 – Mar. 31, 2009)
Operating activities		
Income (loss) before income taxes and minority interests	44,586	(77,740)
Depreciation and amortization	7,758	7,959
Impairment loss	1,842	452
Amortization of goodwill	3,243	6,376
Decrease in allowance for credit losses	(80,887)	(46,052)
Decrease in provision for bonuses	(152)	(198)
Increase in accruals for debt guarantees	4,216	2,540
Increase (decrease) in allowance for losses on interest repayments	(38,069)	15,681
Increase in allowance for losses on sales of receivables	—	1,112
Increase in allowance for business reorganization losses	—	10,176
Increase (decrease) in allowance for business restructuring expenses	4,861	(5,685)
Increase in provision for accrued severance indemnities	1,964	3,745
Increase (decrease) in allowance for retirement benefits for directors and auditors	(582)	37
Interest and dividend income	(410)	(1,283)
Interest expense	893	1,321
Equity in net gain of affiliated company	(1,938)	(1,278)
Net gain on sales of investments in securities	(602)	(649)
Loss on valuation of investments in securities	4,027	3,278
Gain (loss) on sales of investments in subsidiaries	1,692	(3,192)
Gain (loss) on valuation of investments in subsidiaries	—	5,371
Net loss on sales or disposal of property and equipment	1,472	1,706
Investment in partnership	(164)	—
Decrease in consumer loans receivable: Principal	188,525	204,882
Increase in notes and accounts receivable	(4,272)	(15,531)
Increase in claim for indemnities	(6,027)	(5,800)
Decrease (increase) in purchased receivables	(7,761)	1,789
Decrease in accounts payable	(1,413)	(582)
Increase in securitized loan liabilities	—	11,000
Other	(7,298)	892
Subtotal	115,504	120,328
Interest and dividend income	422	1,265
Interest expense	(893)	(1,321)
Income taxes paid	(3,095)	(9,284)
Income taxes refunded	4,361	—
Net cash provided by operating activities	116,299	110,987

(Continued)

(Millions of yen)

	Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
Investing activities		
Decrease in time deposits	—	(4,984)
Decrease in marketable securities	—	(900)
Payment for purchase of property and equipment	(1,657)	(2,076)
Proceeds from sales of property and equipment	239	607
Payment for purchase of intangible fixed assets	(4,166)	(7,020)
Proceeds from sales of intangible fixed assets	—	1,611
Payment for purchase of investments in securities	—	(1,891)
Proceeds from sales of investments in securities	1,259	888
Payment for purchase of shares of subsidiaries	(1,808)	(2,464)
Proceeds from sales of shares of subsidiaries	799	63
Payment from sales of shares of subsidiaries	—	*3 (15,581)
Payment for purchase of shares of subsidiaries resulting from the change in scope of consolidation	*2 (122,180)	—
Increase in loans	(3,755)	(8,220)
Decrease in loans	582	9,387
Decrease in other investments	4,222	670
Net cash used in investing activities	(126,465)	(29,911)
Financing activities		
Increase (decrease) of commercial paper	9,000	(4,500)
Proceeds from short-term debt	286,875	161,645
Repayments of short-term debt	(202,902)	(249,916)
Repayments of financing lease	—	(80)
Proceeds from long-term debt	54,661	162,760
Repayments of long-term debt	(176,933)	(205,456)
Proceeds from issuance of bonds, net of expenses	104,713	41,861
Redemption of bonds	(53,100)	(38,200)
Proceeds from sales of treasury stock	0	1
Increase in treasury stock	(2)	(6)
Cash dividends paid	(9,206)	(5,072)
Cash dividends paid to minority shareholders	—	(261)
Net cash provided by (used in) financing activities	13,106	(137,225)
Effect of exchange rate changes on cash and cash equivalents	(55)	(6,292)
Net increase (decrease) in cash and cash equivalents	2,885	(62,442)
Cash and cash equivalents at beginning of the year	139,853	205,052
Effect of the increase in scope of consolidated subsidiaries	63,761	—
Effect of the decrease in scope of exclusion of consolidated subsidiaries	(1,448)	—
Effect of the increase in scope of merger	—	364
Cash and cash equivalents at end of the year	*1 205,052	*1 142,974

(5) Precaution Concerning Going-concern Assumption

Not applicable

(6) Basis of Presentation of Consolidated Financial Statements

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
1. Scope of Consolidation 1) Number of Consolidated Subsidiaries: 18 Company Name [Domestic]: Tamport Co., Ltd. Sun Life Co., Ltd. At-Loan Co., Ltd. PAL Servicer Co., Ltd. PAL Life Co., Ltd. Net Future Co., Ltd. Do Financial Service Co., Ltd. Asahi Enterprise Co., Ltd. SANYO SHINPAN FINANCE CO., LTD. POCKET CARD CO., LTD. AZ Card Co., Ltd. Sanyo Shinpan Servicer Co., Ltd. SANYO ASSET MANAGEMENT CO., LTD. POCKET DIRECT CO., LTD. Cau-ichi Co., Ltd. [Overseas]: PROMISE (HONG KONG) CO., LTD. Liang Jing Co., Ltd. PROMISE (THAILAND) CO., LTD. Due to the increased materiality of its business operations, Do Financial Service Co., Ltd., and Cau-ichi Co., Ltd. have been included in the scope of consolidation commencing with the fiscal year ended March 31, 2008. Newly consolidated subsidiaries that were included in consolidation effective from the fiscal year ended March 31, 2008, due to the acquisition of their stock by the Company: Asahi Enterprise Co., Ltd. SANYO SHINPAN FINANCE CO., LTD. POCKET CARD CO., LTD. AZ Card Co., Ltd. Sanyo Shinpan Servicer Co., Ltd. SANYO ASSET MANAGEMENT CO., LTD. POCKET DIRECT CO., LTD. PROMISE (TAIWAN) CO., LTD., is excluded from consolidation, effective from the fiscal year ended March 31, 2008, as the subsidiary was liquidated and its results are insignificant in the context of the consolidated financial statements. Effective December 1, 2007, QUOQLOAN INC. changed its name to Tamport Co., Ltd. (Additional Information) Information on the profiles of special purpose companies and the brief descriptions of transactions whose disclosure is required is provided in the section on “Information on Special Purpose Companies Included in Disclosure.”	**1. Scope of Consolidation** 1) Number of Consolidated Subsidiaries: 16 Company Name [Domestic]: At-Loan Co., Ltd. PAL Servicer Co., Ltd. PAL Life Co., Ltd. Net Future Co., Ltd. Do Financial Service Co., Ltd. Asahi Enterprise Co., Ltd. SANYO SHINPAN FINANCE CO., LTD. POCKET CARD CO., LTD. AZ Card Co., Ltd. Sanyo Shinpan Servicer Co., Ltd. SANYO ASSET MANAGEMENT CO., LTD. POCKET DIRECT CO., LTD. Cau-ichi Co., Ltd. (Cau-ichi Co., Ltd. changed its Japanese name on November 1, 2008.) [Overseas]: PROMISE (HONG KONG) CO., LTD. Liang Jing Co., Ltd. PROMISE (THAILAND) CO., LTD. Tamport Co., Ltd. and Sun Life Co., Ltd., which were consolidated subsidiaries in previous fiscal years, were excluded from the scope of consolidation commencing with the fiscal year ended March 31, 2009 due to the sale of all shares the Company owned.

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
Effective from the current consolidated fiscal year, the Company has adopted the Accounting Standards Board of Japan's "Guidance on Accounting Standard for Disclosure Related to Certain Special Purpose Companies," (Guidance No. 15 of March 29, 2007). 2) Major Non-Consolidated Subsidiary PROMISE (EUROPE) S.A. (Reason for exclusion from consolidation) The remaining non-consolidated subsidiaries were not consolidated because their aggregate amount of total assets, operating income, net income (amount corresponding to ownership), and retained earnings (amount corresponding to ownership) were not material to the consolidated financial statement.	2) Major Non-Consolidated Subsidiary (No change) (Reason for exclusion from consolidation) (No change)
2. Application of Equity Method 1) Number of Companies to Which Equity Method Has Been Applied: 2 Company Name MOBIT CO., LTD. Sumisho Pocket Finance Corporation Effective from the fiscal year ended March 31, 2008, Sumisho Pocket Finance Corporation, an affiliate of SANYO SHINPAN FINANCE CO., LTD., is included in affiliates accounted for by the equity method, as SANYO SHINPAN became a consolidated subsidiary. 2) The equity method was not applied to non-consolidated subsidiary PROMISE (EUROPE) S.A. and affiliated company, NANJING SHENZHOU SEED INDUSTRY CO., LTD., because their net income and retained earnings (amount corresponding to ownership) were not material to consolidated net income and retained earnings, respectively, and have no overall material influence on the consolidated financial statement. 3) The fiscal year-end of the Company applied the equity method coincides with the fiscal year-end of the consolidated financial statement.	**2. Application of Equity Method** 1) Number of Companies to Which Equity Method Has Been Applied: 1 Company Name MOBIT CO., LTD. SPF Co., Ltd. (named Sumisho Pocket Finance Corporation until May 27, 2008), which was an equity-method affiliate in previous fiscal years, was dissolved on December 1, 2008, due to its merger with consolidated subsidiary Do Financial Service Co., Ltd. 2) The equity method was not applied to non-consolidated subsidiary PROMISE (EUROPE) S.A., because their net income and retained earnings (amount corresponding to ownership) were not material to consolidated net income and retained earnings, and have no overall material influence on the consolidated financial statement. 3) (No change)

<table>
<tr><th>Fiscal Year Ended Mar. 2008
(Apr. 1, 2007 – Mar. 31, 2008)</th><th>Fiscal Year Ended Mar. 2009
(Apr. 1, 2008 – Mar. 31, 2009)</th></tr>
<tr><td>3. Fiscal Year-End of Consolidated Subsidiaries
Consolidated subsidiaries whose fiscal year-end differs from the end of the consolidated fiscal year-end are as follows:
Company Name — Fiscal Year-End
Cau-ichi Co., Ltd. — December 31
PROMISE (HONG KONG) CO., LTD. — December 31
Liang Jing Co., Ltd. — December 31
PROMISE (THAILAND) CO., LTD. — December 31
POCKET CARD CO., LTD. — February 29
POCKET DIRECT CO., LTD. — February 29
For the above consolidated subsidiaries, financial statements compiled as of their respective fiscal year-ends are used to tabulate consolidated results. However, significant transactions that occur between that time and the consolidated fiscal year-end are necessarily reflected in the consolidated financial statements.</td><td>3. Fiscal Year-End of Consolidated Subsidiaries
Consolidated subsidiaries whose fiscal year-end differs from the end of the consolidated fiscal year-end are as follows:
Company Name — Fiscal Year-End
Cau-ichi Co., Ltd. — December 31
PROMISE (HONG KONG) CO., LTD. — December 31
Liang Jing Co., Ltd. — December 31
PROMISE (THAILAND) CO., LTD. — December 31
POCKET CARD CO., LTD. — February 28
POCKET DIRECT CO., LTD. — February 28
For the above consolidated subsidiaries, financial statements compiled as of their respective fiscal year-ends are used to tabulate consolidated results. However, significant transactions that occur between that time and the consolidated fiscal year-end are necessarily reflected in the consolidated financial statements.</td></tr>
<tr><td>4. Summary of Significant Accounting Policies
1) Standards and Methods for Valuing Assets
(1) Investment securities
Other securities
a. 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.
b. Other securities that are not marketable are stated at cost, with cost being determined by the moving average method.
(2) Derivatives
Derivatives are stated at market value.
(3) Purchased receivables
Purchased receivables are stated at specific cost method.</td><td>4. Summary of Significant Accounting Policies
1) Standards and Methods for Valuing Assets
(1) Investment Securities
(No change)
(2) Derivatives
(No change)
(3) Purchased receivables
(No change)</td></tr>
</table>

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
2) Method of Depreciation of Material Depreciable Assets (1) Property and equipment Buildings (excluding Fixtures) a. Depreciation on property and equipment acquired before and on March 31, 1998, is computed by the former declining-balance method. b. Depreciation on property and equipment acquired on April 1, 1998, through March 31, 2007, is computed primarily by the former straight-line method. c. Depreciation on property and equipment acquired on and after April 1, 2007, is computed primarily by the straight-line method. Assets, excluding buildings a. Depreciation on assets, excluding buildings, acquired before and on March 31, 2007, is computed by the former declining-balance method. b. Depreciation on assets, excluding buildings, acquired on and after April 1, 2007, is computed by the declining-balance method. The main useful lives are as follows: Buildings and structures: 3–50 years Fixtures and equipment, vehicles: 2–20 years (Changes in accounting policy) Effective from the fiscal year ended March 31, 2008, in accordance with the revision of the Corporation Tax Law (Partial Revision of Income Tax Law, Law No. 6, March 30, 2007) and the Cabinet Order (Cabinet Order No. 83 of March 30, 2007) for the partial revision of the Corporation Tax Law Enforcement Guidance in the fiscal year ended March 31, 2007, depreciation on property and equipment acquired on and after April 1, 2007, is computed in accordance with the provisions of the revised Corporation Tax Law. The effect of this change on profit / loss is insignificant. (Additional information) Effective from the fiscal year ended March 31, 2008, the residual value of assets after maximum permissible depreciation, for assets acquired before and on March 31, 2007, is depreciated by the straight-line method over a period of five years, starting from the next year in which depreciation is completed. The effect of this change on profit / loss is insignificant.	2) Method of Depreciation of Material Depreciable Assets (1) Property and equipment (Excluding Lease assets) Buildings (excluding Fixtures) a. Depreciation on property and equipment acquired before and on March 31, 1998, is computed by the former declining-balance method. b. Depreciation on property and equipment acquired on April 1, 1998, through March 31, 2007, is computed primarily by the former straight-line method. c. Depreciation on property and equipment acquired on and after April 1, 2007, is computed primarily by the straight-line method. Assets, excluding buildings a. Depreciation on assets, excluding buildings, acquired before and on March 31, 2007, is computed by the former declining-balance method. b. Depreciation on assets, excluding buildings, acquired on and after April 1, 2007, is computed by the declining-balance method. The main useful lives are as follows: Buildings and structures: 3–50 years Fixtures and equipment, vehicles: 2–20 years

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
(2) Intangible fixed assets Intangible fixed assets are amortized 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.	(2) Intangible fixed assets (Excluding Lease assets) Intangible fixed assets are amortized 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. (3) Lease assets Finance leases and leased assets where there is no transfer of ownership Method in which the leasing period is the useful life and the residual value is zero.
3) Method of Transaction of Deferred Assets (1) Bond issue expenses Bond issue expenses are charged to the entire amount expensed as incurred. (2) Stock delivery expenses Stock delivery expenses are charged to the entire amount expensed as incurred.	3) Method of Transaction of Deferred Assets (1) Bond issue expenses (No change) (2) Stock delivery expenses (No change)
4) Accounting Basis for Allowances (1) Allowance for credit losses Concerning general loans, the allowance for credit losses for consumer loans outstanding is provided based on the actual loss rate. Concerning specific loans including doubtful credit losses, each uncollectible debt is accounted for based on the probability of collection. In addition, overseas consolidated subsidiaries provided reserve in amounts based on the probability of collection. (2) Accrued bonuses to employees To provide bonuses to employees at the end of the fiscal year, the Company provides an allowance for that fiscal year portion based on the expected amount. (3) Accrued bonuses to directors and corporate auditors To provide bonuses to directors and corporate auditors, the Company provides an allowance for that fiscal year portion based on the expected future payment amount.	4) Accounting Basis for Allowances (1) Allowance for credit losses (No change) (2) Accrued bonuses to employees (No change) (3) Accrued bonuses to directors and corporate auditors (No change)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
(4) Allowance for point services To provide for liabilities related to bonus points issued to cardholders (in accordance with the bonus points system for promoting the use of cards) by certain consolidated subsidiaries, the Company provides an allowance equivalent to the estimated cost of redemption of bonus points during the fiscal year.	(4) Allowance for point services (No change)
(5) Accruals for debt guarantees Accruals for debt guarantees are provided to cover possible future losses on guarantees at the end of the fiscal year.	(5) Accruals for debt guarantees (No change)
(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 debtors, 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 (No change)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
(7) ——————	(7) Allowance for losses on sales of receivables To prepare for losses from sales of receivables, an allowance equivalent to expected losses as of the end of the fiscal year is provided.
(8) ——————	(8) Allowance for business restructuring expenses To prepare for losses from sales of loans that are included in losses from sales of related company stock, an allowance equivalent to expected losses is provided.
(9) Allowance for business restructuring expenses To provide for losses resulting from the reorganization of the branch network in accordance with the scrap-and-build programs of certain subsidiaries, the Company provides an allowance equivalent to estimated losses for the fiscal year.	(9) Allowance for business restructuring expenses To provide for losses resulting from the reorganization of the branch network in accordance with scrap-and-build programs, the Company provides an allowance equivalent to estimated losses for the fiscal year.
(10) 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. Certain consolidated subsidiaries amortize actuarial differences lump sum in the year following the year in which they are recognized. 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.	(10) Accrued severance indemnities for employees (No change)
(11) 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.	(11) Allowance for retirement benefits for directors and corporate auditors (No change)
5) Foreign Currency Translations (assets and liabilities denominated in major foreign currencies) Foreign currency denominated receivables and payables are translated into Japanese yen at the spot rate prevailing on the respective balance sheet dates. Translation differences are treated as gains and losses. Assets and liabilities of overseas subsidiaries are translated into Japanese yen at the spot rate prevailing on the balance sheet date. Income and expenses are translated at the average rate for the period. Translation differences are included in Foreign currency translation adjustments under the net assets section on the consolidated balance sheet.	5) Foreign Currency Translations (assets and liabilities denominated in foreign currencies) (No change)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
6) Lease Transactions Where financing leases do not transfer ownership of the leased property to the lessee during the term of the lease, the leased property is not capitalized and the lease expenses are charged to income in the period they are incurred.	6) ――――――

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
7) Hedging (1) Hedge accounting method The Companies use the deferred method for hedge accounting. The exceptional accrual method is used to account for interest rate cap agreements and interest rate swap agreements that meet specified conditions. The specific allocation method is used to account for interest rate swap agreements that qualify for accounting treatment under this method.	7) Hedging (1) Hedge accounting method (No change)
(2) Hedging instruments and hedging targets a. Hedges related to interest rates 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) b. Hedges related to currency Hedging instruments: Currency swap agreements Hedging targets: Foreign currency denominated bonds	(2) Hedging instruments and hedging targets (No change)
(3) Hedging policy The basic hedging policy is to minimize the impact of sharp movements in interest rates on procured funds.	(3) Hedging policy (No change)
(4) Determining hedging effectiveness The hedging instruments are measured for effectiveness by correlation with respect to the difference between interest rate indicators upon the instruments and positions being hedged. Certain consolidated subsidiaries do not assess the effectiveness of interest rate swaps agreements accounted for by the exceptional accrual method.	(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 Companies' 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. Also, consolidated subsidiaries conduct hedging transactions with prior approval from the Company.	(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 Companies' 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. Consolidated subsidiaries also operate using the same system.

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
8) Other Material Items in Basis of Presentation of Consolidated Financial Statements (Accounting for revenues and expenses) (1) Interest on consumer loans Interest on consumer loans is recognized on an accrual basis. For the Company and its domestic subsidiaries, accrued interest on loans is determined using the lower of the interest rate specified in the Interest Rate Restriction Law or the contracted interest rate. For overseas subsidiaries, accrued interest on loans is determined using the contracted interest rate.	8) Other Material Items in Basis of Presentation of Consolidated Financial Statements (Accounting for revenues and expenses) (1) Interest on consumer loans (No change)
(2) Other operating income a. Loan guarantee revenues Booked based on the remaining balance method b. Fees and commissions from credit cards (i) Customer commission fees are booked based on the remaining balance method or the Rule of 78 (seventy eight). (ii) Franchise outlet commission fees are booked at the point of receiving business. c. Fees and commissions from installment sales (i) Customer commission fees are booked based on the remaining balance method or the Rule of 78 (seventy eight). (ii) Franchise outlet commission fees are booked at the point of receiving business. Note: The methods of recognition under principal methods are as follows: In the remaining balance method, the remaining balance of principal is used to calculate commission fees based on a fixed rate, which are then booked as revenues. Under the Rule of 78, commission fees are divided on the basis of the number of installments, and then recognized as accrued revenue.	(2) Other operating income (No change)
(Accounting for consumption taxes) National consumption taxes and regional consumption taxes are accounted for at the Company using the net-of-tax method, with the same method principally applied at consolidated subsidiaries. Nondeductible consumption taxes subject to fixed assets are recorded in Other under Investments and advances on the relevant balance sheet and are amortized over five years for the Company and certain consolidated subsidiaries.	(Accounting for consumption taxes) (No change)
5. Valuation of Assets and Liabilities of Consolidated Subsidiaries Assets and liabilities of the consolidated subsidiaries that exist at the date of acquisition are recorded at their fair value.	**5. Valuation of Assets and Liabilities of Consolidated Subsidiaries** (No change)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
6. Amortization of Goodwill Goodwill is amortized by the straight-line method over a period of 10 years. However, goodwill of insignificant amount is amortized in the year in which it is recognized.	**6. Amortization of Goodwill** (No change)
7. Scope of Cash on Consolidated Statement of Cash Flows The scope of cash (cash and cash equivalents) on the consolidated statements of cash flows is cash on hand, deposits readily convertible to cash and short-term investments that mature within three months and that carry little risk of price fluctuation.	**7. Scope of Cash on Consolidated Statement of Cash Flows** (No change)

(7) Basis of Presentation of Consolidated Financial Statements

(Changes in Accounting Practices)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
―――――	(Application of “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”) Beginning with the fiscal year ended March 31, 2009, the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ Practical Issues Task Force No. 18, May 17, 2006) has been applied and the consolidated financial statements revised as necessary. This change did not have a significant effect on consolidated operating loss, recurring loss and loss before income taxes.
―――――	(Application of “Accounting Standard for Lease Transactions”) Financial leases other than leases where ownership is transferred were previously accounted for using accounting methods for rental transactions. Beginning with the fiscal year that ended on March 31, 2009, “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, June 17, 1993, revised March 30, 2007) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, January 18, 1994, revised March 30, 2007) have been applied. Leases that started prior to April 1, 2008 will continue to be accounted for using accounting methods for ordinary rental transactions. This change did not have a significant effect on consolidated operating loss, recurring loss and loss before income taxes.

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
――――――	(Change in method for recording collection of purchased receivables) Collection of purchased receivables is included in other operating income. In previous fiscal years, some consolidated subsidiaries in Japan have been recording this income by including an amount equivalent to the acquisition cost of the corresponding receivables. Beginning with the second quarter of the fiscal year that ended on March 31, 2009, this has been changed to a method in which income from collections of purchased receivables does not include the corresponding acquisition cost. This change was made because of the increasing importance of this business with regard to its effect on consolidated income and expenses. As a result, there is a greater need to apply a uniform accounting method for this business in the entire Promise Group. Compared with the previous accounting method, this change had the effect of decreasing consolidated operating income and operating expenses by 3,956 million yen in the fiscal year that ended on March 31, 2009.

(Changes in Presentation)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
(Consolidated Balance Sheet) 1. Effective from the fiscal year ended March 31, 2008, Installment receivable (2,300 million yen in the previous fiscal year), included in Notes and accounts receivable under Current assets in the previous fiscal year was reclassified and presented individually in view of its increased importance in the context of the consolidated financial statements. 2. Effective from the fiscal year ended March 31, 2008, the Company has adopted “Implementation Guidance on Accounting Standards for Financial Instruments” (Accounting Systems Committee, Statement No. 14 of July 4, 2007). The revised guidance reclassifies Negotiable certificates of deposit as Marketable securities. Accordingly, effective from the current consolidated fiscal year, Negotiable certificates of deposit (11,000 million yen in the previous consolidated fiscal year) included in Cash and deposits under Current assets is reclassified and presented as Marketable securities (11,000 million yen in the current consolidated fiscal year). 3. Effective from the fiscal year ended March 31, 2008, Purchased receivables (8,497 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 consolidated financial statements.	(Consolidated Balance Sheet) Effective from the fiscal year ended March 31, 2009, Accrued bonuses to directors and corporate auditors (16 million yen at the end of the fiscal year ended March 2009), classified and presented individually in the previous fiscal year was reclassified in Other under current liabilities in the fiscal year that ended on March 31, 2009 because the amount became insignificant.
(Consolidated Statements of Income) Effective from the fiscal year ended March 31, 2008, Loss on sales or disposal of property and equipment in the previous fiscal year was reclassified. It was presented as Loss on disposal of property and equipment (476 million yen in the previous fiscal year) and Loss on sales of property and equipment (85 million yen in the previous fiscal year), respectively, in view of the increased importance in the context of the consolidated financial statements.	(Consolidated Statements of Income) Effective from the fiscal year ended March 31,2009, Allowance for consumer loans receivable (195 million yen in the previous fiscal year), included in Other under non-operating expenses in the previous fiscal year was reclassified and presented individually in view of its increased importance in the context of the consolidated financial statements.

(8) Notes to Consolidated Financial Statements

(Footnotes to Consolidated Balance Sheets)

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)

1. A breakdown of notes and accounts receivable is as follows:

(Millions of yen)

Details		Amount
Installment Sales	Installment notes receivable	0
Sales	Accounts receivable	611
Total		612

Effective from the fiscal year ended March 31, 2008, Installment receivables of 65,767 million yen was presented as a separate line item in view of its increased material impact.

2. Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were 1,731,606 million yen.

3. Consumer loans outstanding include off-balance-sheet loans of 9,943 million yen that have been securitized and sold.

4. Assets pledged and corresponding liabilities

a) Assets pledged

(Millions of yen)

Type	Book value at end of fiscal year
Consumer loans receivable	83,505
Other	6
Total	83,511

b) Corresponding liabilities

(Millions of yen)

Item	Balance at end of fiscal year
Current portion of long-term loans payable	30,212
Long-term loans payable	50,654
Total	80,866

In addition to the above, the Companies entered into forward contracts of assigning for consumer loans receivable of 253,928 million yen. Corresponding liabilities were long-term loans payable of 248,785 million yen, including the current portion of long-term loans payable of 61,154 million yen.

Of the total amount of investments in securities, 21 million yen was used as collateral for sales guarantees.

Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)

1. A breakdown of notes and accounts receivable is as follows:

(Millions of yen)

Details		Amount
Sales	Accounts receivable	428
Total		428

2. Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were 1,526,188 million yen.

3. ――――――

4. Assets pledged and corresponding liabilities

a) Assets pledged

(Millions of yen)

Type	Book value at end of fiscal year
Consumer loans receivable	58,569
Other	1
Total	58,571

b) Corresponding liabilities

(Millions of yen)

Item	Balance at end of fiscal year
Current portion of long-term loans payable	22,678
Long-term loans payable	33,816
Total	56,494

In addition to the above, the Companies entered into forward contracts of assigning for consumer loans receivable of 235,908 million yen. Corresponding liabilities were long-term loans payable of 231,631 million yen, including the current portion of long-term loans payable of 96,416 million yen.

In other current liabilities, a deposit paid of 2,707 million yen was collateral for a hedge (currency swap) against currency fluctuation risk associated with foreign currency-denominated bonds, and 22 million yen of the total amount of investment securities was used as collateral for sales guarantees.

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)

5. Securities in non-consolidated subsidiaries and affiliated companies were as follows:

Investments in securities (equity securities) 15,628 million yen

[Investments in securities for jointly controlled companies 7,865 million yen]

6. Allowance for credit losses included in Other in Investments and advances was 382 million yen.

7. Contingent liabilities

1) Guarantee obligations in the loan guarantee business

424,302 million yen

Guarantee obligations include loans for some borrowers where accrued interest is not included because accrued interest cannot be determined for these borrowers.

2) Guarantee obligations for loans payable of affiliated company

(Millions of yen)

Company Guaranteed	Guaranteed Amount
NANJING SHENZHOU SEED INDUSTRY CO., LTD.	71
Total	71

The loans guaranteed above are foreign currency denomination currency loans totaling CNY 5 million.

3) ————

Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)

5. Securities in non-consolidated subsidiaries and affiliated companies were as follows:

Investments in securities (equity securities) 12,048 million yen

[Investments in securities for jointly controlled companies 9,144 million yen]

6. Allowance for credit losses included in Other in Investments and advances was 379 million yen.

7. Contingent liabilities

1) Guarantee obligations in the loan guarantee business

496,124 million yen

Guarantee obligations include loans for some borrowers where accrued interest is not included because accrued interest cannot be determined for these borrowers.

2) ————

3) Early redemption liability of convertible bonds

2,100 million yen

In July 2008, Promise sold 42,000 million yen of euroyen convertible bonds that mature in 2015. The bonds include an early redemption clause that gives holders of these bonds the option to demand redemption on July 24, 2013 at 105% of face value, which would result in a payment of 44,100 million yen for all bonds. An amount equivalent to 5% of this early redemption (2,100 million yen) has been recognized as an early redemption liability.

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)

8. ————

9. Status of nonperforming loans

(Millions of yen)

Classification	Amount
Credits of bankrupt borrowers	1,729
Delinquent loans	14,063
Delinquent loans three months or more past the due date	31,138
Restructured loans	110,885
Total	157,817

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.

Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)

8. Financial covenants

Some loans at Promise and its consolidated subsidiaries have financial covenants that require repayment of the entire applicable loan if a covenant is violated and the financial institution demands repayment.

Promise and its consolidated subsidiaries are currently in violation of the following covenants for loans totaling 22,169 million yen.

(Promise)

(1) Non-consolidated tangible net assets of at least 250 billion yen
(2) Non-consolidated tangible net asset ratio of at least 20%
Tangible net assets are defined as net assets less intangible fixed assets.
(3) Non-consolidated and consolidated net assets that are at least 80% of the level at the end of the most recent fiscal year or interim period
(4) Consolidated equity ratio of at least 15%
(5) Consolidated net assets that are at least 75% of the level at the end of the previous quarter

(Consolidated subsidiaries)

(6) Equity ratio of at least 20%
(7) Net assets that are at least 80% of the level at the end of the previous fiscal year
(8) Must not have net loss in two or more consecutive fiscal years

9. Status of nonperforming loans

(Millions of yen)

Classification	Amount
Credits of bankrupt borrowers	3,234
Delinquent loans	13,129
Delinquent loans three months or more past the due date	27,117
Restructured loans	100,588
Total	144,069

1) (No change)

2) (No change)

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
3) Delinquent loans three months or more past the due date are loans which are delinquent for three months or more from the due date of interest or principal under the terms of the related loan agreements and do not include credits of bankrupt borrowers and delinquent loans, as described above.	3) (No change)
4) Restructured loans are loans to which a certain concession favorable to borrowers, such as postponement of interest payment and other methods, was made with the object of encouraging repayment and do not include credits of bankrupt borrowers, delinquent loans, and delinquent loans three months or more past the due date, as described above. Of 110,885 million in restructured loans, restructured loans which are 30 days or less past due were 102,767 million yen.	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 100,588 million yen in restructured loans, restructured loans which are 30 days or less past due were 91,429 million yen.
10. Revolving credit facility The contract for consumer loans receivable is based on revolving credit facility agreements (automatic renewal through basic revolving loan contracts). 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 1,657,518 million yen (including 75 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 Companies. For changes in the credit status of customers or other good reasons, each contract contains a clause in which the Companies can deny financing for loan applications and upwardly or downwardly revise the credit line. Even after the completion of contracts, the Companies periodically revise contract details and adopt measures to ensure credit safely.	**10. Revolving credit facility** The contract for consumer loans receivable is based on revolving credit facility agreements (automatic renewal through basic revolving loan contracts). 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 1,729,412 million yen (including 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 Companies. For changes in the credit status of customers or other good reasons, each contract contains a clause in which the Companies can deny financing for loan applications and upwardly or downwardly revise the credit line. Even after the completion of contracts, the Companies periodically revise contract details and adopt measures to ensure credit safely.

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)

11. Loan collateral

A repurchase agreement of 83,923 million yen was included in Short-term loans receivable.

Consequently, the type and market value at the end of the fiscal year for marketable securities as collateral received from the seller of the repurchased agreement is as follows:

(Millions of yen)

Type	Market value
Commercial paper	54,912
Securities	19,948
Short-term government securities	8,993
Total	83,854

12. The unutilized balance from overdraft contracts on current accounts (including similar contracts) and contracts for the loan commitment were as follows:

(Overdraft contracts on current accounts)

(Millions of yen)

Total contracts	147,422
Contracts exercised	136,495
Difference	10,926

(Contracts for the commitment line of loans)

(Millions of yen)

Total contracts	63,411
Contracts exercised	1,231
Difference	62,180

13. Of the allowance for credit losses, 183,281 million yen of estimated interest repayments was included as repayment applied to principal of loans.

Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)

11. Loan collateral

A repurchase agreement of 20,495 million yen was included in Short-term loans receivable.

Consequently, the type and market value at the end of the fiscal year for marketable securities as collateral received from the seller of the repurchased agreement is as follows:

(Millions of yen)

Type	Market value
Commercial paper	5,996
Securities	14,484
Total	20,480

12. The unutilized balance from overdraft contracts on current accounts (including similar contracts) and contracts for loan commitment were as follows:

(Overdraft contracts on current accounts)

(Millions of yen)

Total contracts	119,317
Contracts exercised	109,130
Difference	10,187

(Contracts for the commitment line of loans)

(Millions of yen)

Total contracts	15,500
Contracts exercised	15,500
Difference	—

13. Of the allowance for credit losses, 168,509 million yen of estimated interest repayments was included as repayment applied to principal of loans.

(Footnotes to Consolidated Statements of Income)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)

1. Other financial income

	(Millions of yen)
(1) Interest on deposits	203
(2) Interest on loans	464
(3) Interest on marketable securities	36
(4) Other	51
Total	755

2. Financial expenses

	(Millions of yen)
(1) Interest expense	12,304
(2) Bond interest	6,753
(3) Bond issuance expense	676
(4) Other	463
Total	20,197

3. ――――

4. Loss on disposal of property and equipment

	(Millions of yen)
Buildings and structures	823
Fixtures and equipment, vehicles	473
Software	5
Other	4
Total	1,306

5. Loss on sales of property and equipment

	(Millions of yen)
Buildings and structures	2
Fixtures and equipment, vehicles	45
Land	113
Telephone rights	5
Total	166

6. During the fiscal year ended March 31, 2008, the following groups of assets of the Companies have been charged with impairment losses.

Use	Category	Location
Idle assets	Land, buildings, fixtures and equipment, telephone rights	Hokkaido, Tokyo, Kanagawa, Okayama
Real estate scheduled for sale	Land, buildings	Fukuoka, Oita, Kagoshima
Other	Goodwill	――

Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)

1. Other financial income

	(Millions of yen)
(1) Interest on deposits	173
(2) Interest on loans	273
(3) Interest on marketable securities	110
(4) Other	102
Total	659

2. Financial expenses

	(Millions of yen)
(1) Interest expense	13,149
(2) Bond interest	7,184
(3) Bond issuance expense	138
(4) Other	1,561
Total	22,034

3. Gain on the sale of businesses represents gains from sales of stock of Tamport Co., Ltd. and Sun Life Co., Ltd. and from the sale of some consumer loans receivable at Promise.

4. Loss on disposal of property and equipment

	(Millions of yen)
Buildings and structures	622
Fixtures and equipment, vehicles	331
Software	686
Other	8
Total	1,648

5. Loss on sales of property and equipment

	(Millions of yen)
Buildings and structures	9
Fixtures and equipment, vehicles	34
Land	81
Telephone rights	15
Total	141

6. During the fiscal year ended March 31, 2009, the following groups of assets of the Companies have been charged with impairment losses.

Use	Category	Location
Idle assets	Land, buildings, structures, fixtures and equipment, lease assets, software, telephone rights	Tokyo, Fukuoka, etc.
Real estate scheduled for sale	Buildings, fixtures and equipment, software, telephone rights	Tokyo etc.

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
(Method of Grouping Assets) The Companies divides its asset groups mainly in such categories as finance, rental, and idle assets, based on independent cash flow units according to separate standards for different types of business segments. Certain consolidated subsidiaries are grouped according to classifications used for management accounting as a minimum unit, in which subsidiaries are grouped based on geographical segments.	(Method of Grouping Assets) (No change)
(Process of Recognizing Impairment Losses and Amount Recorded) Idle assets and real estate scheduled for sale 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 1,382 million yen was booked as an extraordinary loss. Of that amount, 568 million yen was for telephone rights, 451 million yen was for fixtures and equipment, 305 million yen was for land and 56 million yen was for buildings. An Impairment loss (460 million yen) as booked on goodwill due to the fact that revenue originally planned based on the business plan when the Company invested in subsidiary was no longer expected. The write-down of Sun Life Co., Ltd. represented the entire impairment loss.	(Process of Recognizing Impairment Losses and Amount Recorded) Book value has been reduced to the amounts that can be recovered for idle assets where market prices have fallen significantly below book values and for assets used for business operations where there are consistent losses from operating activities using that group of assets. The resulting impairment loss of 452 million yen was recorded as an extraordinary loss. Of that amount, 167 million yen was for telephone rights, 83 million yen was for fixtures and equipment, 69 million yen was for lease assets, 56 million yen was for land, 41 million yen was for software, 31 million yen was for buildings and 3 million yen was for structures.
(Method of Calculating Recovery Value) Recovery value was stated as net sales value. It is calculated using the assessment provided by a real estate appraiser. Telephone rights were carried at fair value. For goodwill their utility value was measured to zero.	(Method of Calculating Recovery Value) Recovery value was stated as net sales value. It is calculated using the assessment provided by a real estate appraiser. Telephone rights were carried at recent sale value.
7. Loss on sales of credit comprised losses recorded on the sale of a portion of the loans of Tamport Co., Ltd.	**7.** ――――――

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
8. ――――――――	**8.** The provision for the allowance for losses on sales of receivables represents the estimated loss on the sale of receivables held by AZ Card Co., Ltd.
9. Loss on valuation of investments in subsidiaries represents an impairment loss on the valuation of investments. Of the total amount, the impairment loss on Insite Co., Ltd. stock was 299 million yen and on PAL Investment (Cayman) Co., Ltd. stock was 255 million yen.	**9.** Loss on valuation of investments in subsidiaries represents impairment loss on valuation of investments. Of the total amount, the impairment loss on PROMISE (EUROPE) S. A. stock was 1,218 million yen, on Car Conveni Club Co., Ltd. stock was 2,919 million yen, and on Car-ichi Co., Ltd. stock was 1,233 million yen.
10. Loss on business restructuring expenses represent expenses incurred in branch network reorganizations at the Company, Tamport Co., Ltd., Sun Life Co., Ltd. and, SANYO SHINPAN FINANCE CO., LTD.	**10.** Loss on business restructuring expenses represent expenses incurred in branch network reorganizations at the Company, Tamport Co., Ltd., and Sun Life Co., Ltd.
11. Provision for losses on business restructuring expenses is provided in the amount derived from estimating losses resulting from branch mergers and system integration planned for SANYO SHINPAN FINANCE CO., LTD. in the next consolidated fiscal year.	**11.** ――――――――
12. The basis for classification of financial income and financial expenses in the financing business on the consolidated statement of income is as follows: 1) Scope of financial income expressed as operating income. Financial income excludes all loan interest and dividends at affiliated companies classified under other operations 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.	**12.** The basis for classification of financial income and financial expenses in the financing business on the consolidated statement of income is as follows: 1) Scope of financial income expressed as operating income. (No change) 2) Scope of financial expenses expressed as operating expenses. (No change)

(Footnotes to Consolidated Statements of Shareholders' Equity and Changes in Net Assets)
Fiscal Year Ended Mar. 2008 (Apr. 1, 2007– Mar. 31, 2008)

1. Shares Issued and Outstanding (Shares)

Type of shares	Fiscal Year Ended Mar. 2007 (Mar. 31, 2007)	Increase	Decrease	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)
Common shares	134,866,665	—	—	134,866,665

2. Treasury Stock (Shares)

Type of shares	Fiscal Year Ended Mar. 2007 (Mar. 31, 2007)	Increase	Decrease	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)
Common shares	8,048,402	690	148	8,048,944

(Summary of changes)
Increase in the number of shares
Purchase of odd-lot shares: 690 shares
Decrease in the number of shares
Sale of shares to shareholders holding odd-lot shares: 148 shares

3. Stock Acquisition Rights and Stock Acquisition Rights Held by the Company
Not applicable

4. Dividends
(1) Dividends paid

Resolution	Type of shares	Aggregate dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
General Meeting of Shareholders, Jun. 19, 2007	Common shares	6,657	52.50	Mar. 31, 2007	Jun. 20, 2007
Meeting of Board of Directors, Nov. 8, 2007	Common shares	2,536	20.00	Sep. 30, 2007	Dec. 3, 2007

(2) Of the dividends for which the record date was in the fiscal year ended March 31, 2009, dividends for which the effective date falls after the end of the fiscal year ended March 31, 2009.

Resolution	Type of shares	Source of funds	Aggregate dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
General Meeting of Shareholders, Jun. 24, 2008	Common shares	Retained earnings	2,536	20.00	Mar. 31, 2008	Jun. 25, 2008

Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)

1. Shares issued and outstanding

(Shares)

Type of shares	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Increase	Decrease	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
Common shares	134,866,665	—	—	134,866,665

2. Treasury stock

(Shares)

Type of shares	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Increase	Decrease	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
Common shares	8,048,944	3,057	713	8,051,288

(Summary of changes)

Increase in the number of shares

Purchase of odd-lot shares: 3,057 shares

Decrease in the number of shares

Sale of shares to shareholders holding odd-lot shares: 713 shares

3. Stock acquisition rights and Stock acquisition rights held by the Company

Not applicable

4. Dividends

(1) Dividends paid

Resolution	Type of shares	Aggregate dividend (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
General Meeting of Shareholders, Jun. 24, 2008	Common shares	2,536	20.00	Mar. 31, 2008	Jun. 25, 2008
Meeting of Board of Directors, Nov. 6, 2008	Common shares	2,536	20.00	Sep. 30, 2008	Dec. 1, 2008

(2) Of the dividends for which the record date was in the fiscal year ended March 31, 2009, dividends for which the effective date falls after the end of the fiscal year ended March 31, 2009.

Not applicable

(Footnotes to Consolidated Statements of Cash Flows)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)

1. The relationship between cash and cash equivalents and the amounts in the line items of the balance sheet as of the end of the fiscal year was as follows:

(Millions of yen)

Cash and deposits	122,994
Marketable securities	11,000
Short-term loans receivable	87,298
Total	221,292
Time deposits and negotiable deposits with maturity exceeding three months	(12,864)
Short-term loans receivable excluding repurchase agreements	(3,375)
Cash and cash equivalents	205,052

2. Significant assets and liabilities of subsidiaries newly included in the scope of consolidation due to acquisition of stock

The relationship between assets and liabilities and the reconciliation of acquisition cost of stock of Asahi Enterprise Co., Ltd. and SANYO SHINPAN FINANCE CO., LTD. and its group companies at the time of inclusion in consolidation were as follows:

(Millions of yen)

Current assets	496,771
Fixed assets	122,135
Goodwill	63,765
Current liabilities	(275,768)
Long-term liabilities	(256,457)
Minority interests	(28,265)
Acquisition cost of stock	122,180

3. ———————

Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)

1. The relationship between cash and cash equivalents and the amounts in the line items of the balance sheet as of the end of the fiscal year was as follows:

(Millions of yen)

Cash and deposits	126,580
Marketable securities	11,900
Short-term loans receivable	23,015
Total	161,496
Time deposits and negotiable deposits with maturity exceeding three months	(16,001)
Short-term loans receivable excluding repurchase agreements	(2,520)
Cash and cash equivalents	142,974

2. ———————

3. Significant assets and liabilities of subsidiaries excluded from consolidation due to sales of stock

1) Tamport Co., Ltd. (As of March 31, 2009)

(Millions of yen)

Current assets	6,491
Fixed assets	822
Total assets	7,314

(Millions of yen)

Current liabilities	14,899
Fixed liabilities	14,479
Total liabilities	29,379

(Millions of yen)

Sale price of stock	0
Cash and cash equivalents	(5,076)
Balance: Payment for sales	(5,076)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
	2) Sun Life Co., Ltd. (As of March 31, 2009)

(Millions of yen)

Current assets	10,702
Fixed assets	35
Total assets	10,737

(Millions of yen)

Current liabilities	425
Fixed liabilities	1,572
Total liabilities	1,997

(Millions of yen)

Sale price of stock	0
Cash and cash equivalents	(10,505)
Balance: Payment for sales	(10,505)

Fiscal Year Ended Mar. 2008	Fiscal Year Ended Mar. 2009
4. ――――――	**4. Significant non-capital transactions**

1) Merger

The following is a list of major assets and liabilities of SPF Co., Ltd. that were transferred to Do Financial Service Co., Ltd. when these two companies merged in the fiscal year ended on March 31, 2009.

There was an increase of 1,000 million yen in common stock due to this merger.

(Millions of yen)

Current assets	4,327
Fixed assets	87
Total assets	4,414

(Millions of yen)

Current liabilities	3,410
Fixed liabilities	1
Total liabilities	3,412

2) There were increases of 309 million yen in assets and liabilities from financial leases that were newly recorded in the fiscal year ended on March 31, 2009.

(Footnotes to Segment Information)

1. Operations by business segment

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008) and
Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)

Since the consumer finance business accounts for more than 90% of total operating income, operating profit and asset value for all segments, business segment information was omitted.

2. Operations by geographic segment

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008) and
Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)

Since Japan accounts for more than 90% of the Company’s total operating income and asset value for all segments, geographic segment information was omitted.

3. Overseas operating income

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008) and
Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)

Since overseas operating income accounts for less than 10% of total operating income, overseas operating income information was omitted.

(Footnotes to Transactions between Related Parties)
Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)

1. Parent Company and Major Corporate Shareholders

Category	Name	Location	Capital	Principal business	Percentage of voting rights owned	Type of relation		Transaction detail	Transaction amount	Items	Balance at fiscal year-end
						Number of concurrent directors	Type of business				
Associated company	Sumitomo Mitsui Banking Corporation (SMBC)	Chiyoda-ku, Tokyo	664,986 million yen	Banking	(Owned) 22.03	Employment transfer: 2	Loans	Loans and others	Loans: 100,000 million yen Repayments: 26,120 million yen	Long-term Debt	68,000 million yen
										Current portion of long-term borrowing	6,000 million yen
										Short-term borrowings	80,000 million yen
								Interest payments	1,738 million yen	Accrued expenses	21 million yen
							Business alliance	Receiving of loan guarantee fees	5,359 million yen	Debt guarantees	209,473 million yen
								Indemnification	5,846 million yen	—	—

Notes: 1. Business conditions and policy on deciding business conditions:
The interest rates on SMBC's loans to Promise are market interest rates.
Borrowings from SMBC are determined by the Board of Directors and in-house rules in the same way as for borrowings from other banks.
Loan guarantee fees and indemnification fees are determined by negotiations in accordance with the business alliance contract.
2. Only important transactions are included on above table.
3. The above transaction amounts do not include consumption tax.

2. Subsidiaries

Category	Name	Location	Capital	Principal business	Percentage of voting rights owned	Type of relation		Transaction detail	Transaction amount	Items	Balance at fiscal year-end
						Number of concurrent directors	Type of business				
Consolidated subsidiary	At-Loan Co., Ltd.	Minato-ku, Tokyo	10,912 million yen	Consumer finance	50.00	4	Business alliance	Indemnification	14,755 million yen	—	—
Consolidated subsidiary	PAL Servicer Co. Ltd.	Chiyoda-ku, Tokyo	500 million yen	Loan management and collection	100.00	8	Loan assignment	Sales of loans receivable	457 million yen	—	—

Notes: 1. Business conditions and policy on deciding business conditions:
Indemnification fees are determined by negotiations in accordance with the business alliance contract.
Sales prices for loans receivable are determined in accordance with collection rates for each loan category.
2. The Company recognized loss on sales of loans to PAL Servicer Co., Ltd. amounting to 16,350 million yen.
3. Only important transactions are included on above table.
4. The above transaction amounts do not include consumption tax.

Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)

(Additional information)

Beginning with the fiscal year that ended on March 31, 2009, “Accounting Standard for Related Party Disclosures” (ASBJ Statement No. 11, October 17, 2006) and “Guidance on Accounting Standard for Related Party Disclosures” (ASBJ Guidance No. 13, October 17, 2006) have been applied.

1. Transactions between Related Parties

(1) Transactions between Promise and related party

a. Promise’s Parent Company and Major Corporate Shareholders

Category	Name	Location	Capital	Principal business	Percentage of voting rights owned	Type of relation		Transaction detail	Transaction amount	Items	Balance at fiscal year-end
						Number of concurrent directors	Type of business				
Associated company	Sumitomo Mitsui Banking Corporation	Chiyoda-ku, Tokyo	664,986 million yen	Banking	(Owned) Direct:22.03	Employment transfer: 2	Loans	Loans and others	Loans: 60,000 million yen	Long-term debt	85,000 million yen
									Repayments: 91,000 million yen	Current portion of long-term borrowing	38,000 million yen
								Interest payments	2,092 million yen	Accrued expenses	58 million yen
							Business alliance	Receiving of loan guarantee fees	7,552 million yen	Debt guarantees	276,883 million yen
								Indemnification	9,103 million yen	—	—

Notes: 1. Business conditions and policy on deciding business conditions
Borrowings are determined by the board of directors and in-house rules in the same way as for borrowings from other banks, the interest rates are market interest rates. Loan guarantees are provided for unsecured loans and the guarantee fees and indemnification standards are based on terms of the business alliance contract.
2. Only important transactions are included on above table.
3. The above transaction amounts do not include consumption tax.

b. Promise’s Subsidiaries and Related Companies

Not applicable

c. Holding Same Parent Company as Promise and Other Related Companies’ Subsidiaries

Not applicable

d. Promise’s Directors and Individual Shareholders

Not applicable

(2) Transactions between Promise's consolidated subsidiaries and related party

a. Promise's Parent Company and Major Corporate Shareholders

Category	Name	Location	Capital	Principal business	Percentage of voting rights (owned)	Type of relation		Transaction detail	Transaction amount	Items	Balance at fiscal year-end
						Number of concurrent directors	Type of business				
At-Loan Co., Ltd.(Consolidated Subsidiary)											
Associated company	Sumitomo Mitsui Banking Corporation	Chiyoda-ku, Tokyo	664,986 million yen	Banking	(Owned) Direct:49.99 Indirect:11.02	—	Loans	Loans payable	Repayments: 14,800 million yen	Short-time borrowings	103,600 million yen
								Interest payment	1,153 million yen	Prepaid expenses	2 million yen
SANYO SHINPAN FINANCE CO., LTD.(Consolidated Subsidiary)											
Associated company	Sumitomo Mitsui Banking Corporation	Chiyoda-ku, Tokyo	664,986 million yen	Banking	(Owned) Indirect:22.03	—	Loans	Loans payable	Loans payable: 12,100 million yen Repayments: 7,543 million yen	Long-term debt	20,564 million yen
										Current portion of long-term borrowing	6,430 million yen
								Interest payment	508 million yen	Accrued expenses	189 million yen
POCKET CARD CO., LTD.(Consolidated Subsidiary)											
Associated company	Sumitomo Mitsui Banking Corporation	Chiyoda-ku, Tokyo	664,986 million yen	Banking	(Owned) Direct:4.99 Indirect:9.26	—	Loans	Loans payable	Loans payable: 37,533 million yen Repayments: 26,032 million yen	Short-time borrowings	13,000 million yen
										Long-time debt	8,422 million yen
										Current portion of long-term borrowing	4,578 million yen
								Interest payment	410 million yen	Accrued expenses	87 million yen
										Prepaid expenses	11 million yen

Notes: 1. Business conditions and policy on deciding business conditions
Borrowings are determined by the board of directors and in-house rules in the same way as for borrowings from other banks, the interest rates are market interest rates.
2. Only important transactions are included on above table.
3. The above transaction amounts do not include consumption tax.

b. Promise's Subsidiaries and Related Companies

Not applicable

c. Holding Same Parent Company as Promise and Other Related Companies' Subsidiaries

Not applicable

d. Promise's Directors and Individual Shareholders

Not applicable

2. Notes Regarding Parent Company and Related Companies

Not applicable

(Footnotes to Securities)

1. Other Securities Stated at Market Value

(Millions of yen)

Classification	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)			Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)		
	Acquisition cost	Book value per consolidated balance sheet at end of fiscal year	Difference	Acquisition cost	Book value per consolidated balance sheet at end of fiscal year	Difference
Securities whose book values on the accompanying consolidated balance sheet exceed their acquisition costs						
(1) Equity securities	4,600	6,907	2,306	291	392	101
(2) Bonds						
Government, Municipal	21	22	0	21	22	0
(3) Other	—	—	—	—	—	—
Subtotal	4,622	6,930	2,307	312	415	102
Securities whose book values on the accompanying consolidated balance sheet do not exceed their acquisition costs						
(1) Equity securities	6,330	4,413	(1,917)	7,172	5,731	(1,440)
(2) Bonds						
Government, Municipal	—	—	—	—	—	—
(3) Other	—	—	—	—	—	—
Subtotal	6,330	4,413	(1,917)	7,172	5,731	(1,440)
Total	10,953	11,343	389	7,485	6,147	(1,337)

Notes: 1. In the previous fiscal year, the Company recognized an impairment loss of 4,027 million yen on a write-down of listed Other securities.
2. In the fiscal year ended March 31, 2009, the Company recognized an impairment loss of 3,278 million yen on a write-down of listed Other securities.
3. Regarding impairment accounting, if the fair market value of securities has declined more than 50% below book value at fiscal year-end, any decreases in the carrying amount are charged to income as a loss on valuation of investments in securities. In the case that their fair market value has declined more than 30% but less than 50% of their book value, impairment accounting is applied to the necessary amount upon considering such factors as the possibility of a recovery in value.

2. Other Securities Sold During the Fiscal Year

(Millions of yen)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)			Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)		
Proceeds from sales	Gain on sales	Loss on sales	Proceeds from sales	Gain on sales	Loss on sales
1,259	602	1	888	651	2

3. Securities Without Market Quotations

(Millions of yen)

Classification	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
	Book value per consolidated balance sheet at end of fiscal year	Book value per consolidated balance sheet at end of fiscal year
Other securities		
(1) Non-listed equity securities	1,288	2,133
(2) Negotiable deposits	11,000	11,900
(3) Other	129	1,070

Note: For stock with no market value included in other securities, an appropriate impairment loss is recognized in cases where there is a substantial decline in the effective price due to a downturn in the financial condition of the company issuing that stock.

4. Other Securities Held to Maturity and the Amount of Payment at Maturity

(Millions of yen)

Classification	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)				Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)			
	Within one year	One year to five years	Five years to ten years	More than ten years	Within one year	One year to five years	Five years to ten years	More than ten years
Bond								
Government, Municipal	—	—	21	—	—	—	21	—
Other	—	—	—	—	—	—	—	1,000

(Footnotes to Derivatives Transactions)

1. Derivatives Transactions

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
1. Details of transactions The Company engages in interest rate cap, interest rate swap and currency swap transactions.	**1. Details of transactions** (No change)
2. Policy regarding transactions The Company does not independently engage in derivatives transactions for trading to achieve short-term buying and selling gains or in transactions for speculative purposes.	**2. Policy regarding transactions** (No change)
3. Purpose of transactions Regarding variable-rate interest payments on procured funds, to avoid the impact of a rise in future market interest rates on fund procurement costs (interest expenses), the Company establishes fixed ceilings using interest rate caps to hedge rises in interest expenses. In addition, the Company uses interest rate swaps to fix its cost of funds procured at variable interest rates. For bonds denominated in foreign currencies, the Company uses currency swap transactions to hedge against risks associated with foreign currency volatility.	**3. Purpose of transactions** (No change)
4. Transaction risks Derivatives transactions involve market risk and credit risk. However, market risk resulting from fluctuations in market interest rates and exchange rates are offset by risk resulting from fluctuations in market interest rates on funds procured (liabilities) at variable interest rates and foreign exchange rate volatility for funds procured that are denominated in foreign currencies. Moreover, the Company believes there is no significant credit risk since it engages in transactions only with large financial institutions.	**4. Transaction risks** (No change)
5. Risk management regarding transactions Criteria for determining the need for risk hedging as well as specific hedging methods for each type of risk accompanying the execution of finance activities are stipulated by the Company's Finance Regulations. The Treasury Department executes derivatives transactions in accordance with these regulations. Each derivatives contract is entered into only after obtaining a decision as stipulated by the Work Assignment Regulations. The details of the contract and the aforementioned decision are checked and confirmed by the General Affairs Department, and after a seal is affixed the contract can be executed. Prior approval from the Company is required for consolidated subsidiaries to execute derivatives transactions. Promise will base its decision on whether to approve or disapprove the derivatives transactions in accordance with standards determined by the Company.	**5. Risk management regarding transactions** Criteria for determining the need for risk hedging as well as specific hedging methods for each type of risk accompanying the execution of finance activities are stipulated by the Company's Finance Regulations. The Treasury Department executes derivatives transactions in accordance with these regulations. Each derivatives contract is entered into only after obtaining a decision as stipulated by the Work Assignment Regulations. The details of the contract and the aforementioned decision are checked and confirmed by the General Affairs Department, and after a seal is affixed the contract can be executed. The use of derivative transactions at consolidated subsidiaries is strictly managed in accordance with the internal rules and associated regulations established by each company.

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
A director in charge will report periodically to the Board of Directors about the management of derivatives transactions, including those of consolidated subsidiaries. The Inspection Department will check the details of the derivatives contracts by periodically inspecting the Treasury Department.	A director in charge will report periodically to the Board of Directors about the management of derivatives transactions, including those of consolidated subsidiaries. The Inspection Department will check the details of the derivatives contracts by periodically inspecting the Treasury Department.

2. Market Value, Etc., of Derivatives Transactions

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
There are no items other than derivatives transactions using the deferred method for hedge accounting.	(No change)

(Footnotes to Retirement Benefits)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
1. Overview of retirement benefit plans The Company and its domestic consolidated subsidiaries have three types of defined benefits plans: defined benefit pension plans, tax-qualified pension plans and lump-sum payments severance plans. In addition, some consolidated subsidiaries have defined contribution pension plans. Details are as follows: The Company adopted a defined benefits pension plan (cash balance plan). Certain domestic consolidated subsidiaries have tax-qualified pension plans, covering the full portion of their defined contribution pension plans and severance plans. The overseas consolidated subsidiaries have defined contribution plans, with company obligations contributing to retirement funds. **2. Retirement benefit obligations** (Millions of yen) (1) Benefit obligation (23,407) (2) Plan assets 19,320 (3) Funded status (4,086) (4) Unrecognized net actuarial gain 123 (5) Net liability recognized in balance sheet (3,963) (6) Prepaid pension expenses 42 (7) Accrued severance indemnities for employees ((5)-(6)) (4,005) Note: Certain subsidiaries' benefit obligations were calculated using a simplified method.	**1. Overview of retirement benefit plans** The Company and its domestic consolidated subsidiaries have three types of defined benefits plans: defined benefit pension plans, tax-qualified pension plans and lump-sum payments severance plans. In addition, some consolidated subsidiaries have defined contribution pension plans. Details are as follows: The Company adopted a defined benefits pension plan (cash balance plan). Certain domestic consolidated subsidiaries have tax-qualified pension plans, covering the full portion of their defined contribution pension plans and severance plans. The overseas consolidated subsidiaries have defined contribution plans, with company obligations contributing to retirement funds. **2. Retirement benefit obligations** (Millions of yen) (1) Benefit obligation (22,647) (2) Plan assets 15,179 (3) Funded status (7,468) (4) Unrecognized net actuarial gain 205 (5) Net liability recognized in balance sheet (7,262) (6) Prepaid pension expenses 63 (7) Accrued severance indemnities for employees ((5)-(6)) (7,326) Note: Certain subsidiaries' benefit obligations were calculated using a simplified method.

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
3. Net periodic benefit cost	3. Net periodic benefit cost

(Millions of yen)

	Fiscal Year Ended Mar. 2008	Fiscal Year Ended Mar. 2009
(1) Service cost (Notes 1 and 2)	2,357	2,040
(2) Interest cost	441	442
(3) Expected return on plan assets	(371)	(283)
(4) Past service cost	—	—
(5) Net actuarial gain	2,037	3,596
(6) Net periodic benefit cost	4,465	5,795

Fiscal Year Ended Mar. 2008

Notes: 1. Net periodic benefit cost of consolidated subsidiaries using the simplified method are added up in (1) Service cost.
2. Within Service cost, 28 million yen was included in Cost of sales and Software.

4. Assumptions in calculating retirement benefit obligations
(1) Allocation of projected retirement benefit obligations: Based on length of service
(2) Discount rate: 1.5%–2.5%
(3) Expected rate of return on investments:
(Tax-qualified pension plan) 1.0%
(Defined benefit corporate pension plan) 1.9%
(4) Years for amortizing past service cost: In year incurred
(5) Years for amortizing net actuarial gain (loss): In year incurred Mainly

Note: Certain subsidiaries recognize the entire unrecognized actuarial gain or loss in a lump sum in the following fiscal year.
In addition, certain consolidated subsidiaries have paid 141 million yen as premium severance payments in addition to the above net periodic benefit costs. These severance payments were recognized as extraordinary losses.

Fiscal Year Ended Mar. 2009

Notes: 1. Net periodic benefit cost of consolidated subsidiaries using the simplified method are added up in (1) Service cost.
2. Within Service cost, 31 million yen was included in Cost of sales and Software.

4. Assumptions in calculating retirement benefit obligations
(1) Allocation of projected retirement benefit obligations: Based on length of service
(2) Discount rate: 1.5%–2.1%
(3) Expected rate of return on investments:
(Tax-qualified pension plan) 1.0%
(Defined benefit corporate pension plan) 1.5%
(4) Years for amortizing past service cost: In year incurred
(5) Years for amortizing net actuarial gain (loss): In year incurred Mainly

Note: Certain subsidiaries recognize the entire unrecognized actuarial gain or loss in a lump sum in the following fiscal year.
In addition, certain consolidated subsidiaries have paid 85 million yen as premium severance payments in addition to the above net periodic benefit costs. These severance payments were recognized as extraordinary losses.

(Per Share Data)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
Net assets per share 2,991.03 yen Net income per share 125.81 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 1,909.65 yen Net loss per share 986.64 yen Although there are common stock equivalents, diluted earnings per share are not shown because there was a net loss.

Note: Base of calculations

1. Net assets per share

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
Total net assets on consolidated balance sheets 418,885 million yen	Total net assets on consolidated balance sheets 283,189 million yen
Net assets related to common stock 379,316 million yen	Net assets related to common stock 242,173 million yen
Major balance Minority interests 39,568 million yen	Major balance Minority interests 41,016 million yen
Number of common stock issued 134,866 thousand	Number of common stock issued 134,866 thousand
Number of treasury stock 8,048 thousand	Number of treasury stock 8,051 thousand
Numbers of common stock included in the calculation of net assets per share 126,817 thousand	Numbers of common stock included in the calculation of net assets per share 126,815 thousand

2. Net income (loss) per share, diluted net income per share

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
Net income on consolidated statements of income 15,955 million yen	Net loss on consolidated statements of income (125,122) million yen
Net income related to common stock 15,955 million yen	Net loss related to common stock (125,122) million yen
Principal category of funds not available to shareholders of common stock — million yen	Principal category of funds not available to shareholders of common stock — million yen
Amount not attributable to common stock — million yen	Amount not attributable to common stock — million yen
Average number of common stock outstanding in fiscal year 126,817 thousand	Average number of common stock outstanding in fiscal year 126,816 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 — thousand	Major categories of the additional number of common stock included in the calculation of diluted net income per share — 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 effects. ————	A summary of dilutive shares which were not included in the calculation of diluted net income per share since there were no dilutive effects. Euroyen convertible bonds due in 2015 (Total amount issued: 42,000 million yen)

(Subsequent events)

Not applicable

(Omission of certain items)

Notes concerning lease transactions, deferred tax accounting and business combinations are not disclosed in Financial Results since they are deemed less necessary to disclose.

5. Consolidated Business Results

(1) Operating Income

(Millions of yen)

Classification		Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)		Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)	
		Amount	%	Amount	%
Operating income from financing business	Interest on consumer loans	346,726	88.6	322,849	83.2
	Collection of written-off loans	6,874	1.8	7,613	2.0
	Fees and commissions	3,977	1.0	9,083	2.3
	Collection of purchased receivables	10,985	2.8	13,545	3.5
	Loan guarantee revenues	14,678	3.8	24,933	6.4
	Other financial income	755	0.2	659	0.2
	Subtotal	383,998	98.2	378,685	97.6
Operating income from other businesses	Sales	795	0.2	620	0.2
	Other	6,446	1.6	8,644	2.2
	Subtotal	7,242	1.8	9,264	2.4
Total		391,240	100.0	387,950	100.0

Notes:
1. Within Operating income from financing business, Other financial income includes interest on deposits and loans (excluding interest on consumer loans).
2. Within Operating income from other businesses, Other includes income from the leasing of real estate and commission income.
3. Within Operating income from financing business, Collection of written-off loans, Fees and commissions, Collection of purchased receivables and Loan guarantee revenues, as well as Other in Operating income from other businesses, are listed in the consolidated statements of income (loss) under Other operating income.
4. In the fiscal year ended March 2008, the following companies were included in the consolidated financial statements for the first time: Do Financial Service Co., Ltd.; Cau-ichi Co., Ltd.; Asahi Enterprise Inc.; SANYO SHINPAN FINANCE CO., LTD.; POCKET CARD CO., LTD.; AZ Card Co., Ltd.; Sanyo Shinpan Servicer Co., Ltd.; SANYO ASSET MANAGEMENT CO., LTD.; and POCKET DIRECT CO., LTD. In addition, PROMISE (TAIWAN) CO., LTD. was removed from the scope of consolidation. Newly consolidated subsidiaries, Asahi Enterprise Inc., SANYO SHINPAN FINANCE CO., LTD., POCKET CARD CO., LTD., AZ Card Co., Ltd., Sanyo Shinpan Servicer Co., Ltd., SANYO ASSET MANAGEMENT CO., LTD., and POCKET DIRECT CO., LTD. are deemed to have been acquired on September 30, 2007. As a result, the previous fiscal year financial statements include the revenue and earnings of these subsidiaries only for the period from October 1, 2007 through March 31, 2008 (for the period from September 1, 2007 through February 29, 2008 for POCKET CARD CO., LTD. and POCKET DIRECT CO., LTD.).

(2) Other Indicators

Classification		Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)		Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)	
		Consolidated	Non-consolidated	Consolidated	Non-consolidated
Consumer loans outstanding		1,757,679	1,143,770	1,539,430	1,016,635
(Millions of yen)	Unsecured loans	1,741,550	1,141,775	1,526,188	1,014,862
	Secured loans	16,129	1,995	13,242	1,773
Number of customers		3,342,982	2,115,494	2,976,956	1,902,481
	Unsecured loans	3,339,060	2,114,671	2,973,554	1,901,752
	Secured loans	3,922	823	3,402	729
Number of branches		2,124	1,367	1,606	1,554
	Staffed branches	363	306	358	306
	Unstaffed branches	1,761	1,061	1,248	1,248
Number of automated contract machines		2,075	1,371	1,582	1,582
Number of ATMs		2,364	1,569	1,760	1,737
Number of loan processing machines		365	365	260	206
Number of employees		5,984	3,339	5,292	2,911
Loan losses (Millions of yen)		182,194	126,805	215,416	141,422
Allowance for credit losses (Millions of yen)		343,959	221,306	295,957	206,145
Net income (loss) per share (Yen)		125.81	49.55	(986.64)	(1024.85)
Net assets per share (Yen)		2,991.03	2,775.92	1,909.65	1,703.13

Notes:
1. Consolidated Consumer loans outstanding in the fiscal year ended March 2008, include off-balance-sheet loans of 9,943 million yen that have been securitized and sold.
2. 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.
3. Number of automated contract machines is the total number of automated contract machines installed.
4. Number of employees is the number of workers.
5. Consolidated Loan losses in the fiscal year ended March 2008 include the loan losses of SANYO SHINPAN FINANCE CO., LTD., POCKET CARD CO., LTD., AZ Card Co., Ltd. and Sanyo Shinpan Servicer Co., Ltd. only for the period from October 1, 2007 through March 31, 2008 (but for the period from September 1, 2007 through February 29, 2008 for POCKET CARD CO., LTD.)
6. Loan losses include losses on claims for indemnity and installment receivables.
7. Allowance for credit losses includes Reserve for loan losses listed in Investments and advances on the consolidated balance sheets.

6. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheets

(Millions of yen)

	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
Assets		
Current assets:		
Cash and deposits	51,299	60,828
Consumer loans receivable: Principal	*1, 2, 3, 7 1,143,770	*1, 2, 3, 7 1,016,635
Marketable securities	11,000	11,900
Short-term loans receivable	*1, 8, 11 193,133	*8, 11 136,350
Prepaid expenses	780	631
Accrued income	10,679	9,920
Loans to affiliates	*4 4,700	*4 3,490
Deferred tax assets	40,904	—
Claim for indemnities	13,350	17,982
Other	*11 6,737	*1, 11 12,762
Allowance for credit losses	*10 (221,306)	*10 (206,145)
Total current assets	1,255,049	1,064,355
Fixed assets:		
Property and equipment		
Buildings	21,136	19,774
Accumulated depreciation	(12,023)	(11,633)
Buildings—net	9,113	8,140
Structures	3,690	3,299
Accumulated depreciation	(2,572)	(2,404)
Structures—net	1,117	894
Fixtures and equipment	25,767	23,568
Accumulated depreciation	(21,042)	(19,584)
Fixtures and equipment—net	4,724	3,983
Land	43,988	43,809
Lease assets	—	309
Accumulated depreciation	—	(77)
Lease assets—net	—	232
Total property and equipment	58,944	57,060
Intangible fixed assets		
Software	6,905	7,385
Telephone rights	203	—
Other	3	85
Total intangible fixed assets	7,113	7,470

(Continued) (Millions of yen)

	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
Investments and advances		
Investments in securities	*1 10,148	*1 7,163
Investments in and advances to subsidiaries and affiliates	*1 54,877	*1 48,817
Long-term prepaid expenses	*11 454	*11 1,004
Fixed leasehold deposits	8,334	8,234
Other	899	3,316
Total investments and advances	74,715	68,545
Total fixed assets	140,772	133,077
Total assets	1,395,821	1,197,432

(Continued) (Millions of yen)

	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
Liabilities		
Current liabilities:		
Short-term borrowings	*1 101,000	—
Current portion of long-term borrowing	*1 112,726	*1, 6 148,355
Bonds scheduled for redemption within one year	30,000	35,000
Accounts payable	3,714	3,827
Accrued expenses	3,208	3,221
Accrued income taxes	1,567	271
Deposits	1,678	4,186
Income in advance	26	24
Accrued bonuses to employees	2,825	2,600
Accrued bonuses to directors and corporate auditors	30	—
Accruals for debt guarantees	13,911	14,679
Allowance for losses on interest repayments	60,000	67,400
Allowance for business reorganization losses	—	10,176
Allowance for business restructuring expense	—	391
Other	317	455
Total current liabilities	331,004	290,587
Long-term liabilities:		
Corporate bonds	260,420	225,437
Convertible bonds	—	42,000
Long-term debt	*1 311,013	*1, 6 269,341
Deferred tax liabilities	157	—
Accrued severance indemnities	2,887	6,589
Allowance for retirement benefits for directors and corporate auditors	254	291
Allowance for losses on interest repayments	138,000	146,900
Other	48	300
Total long-term liabilities	712,781	690,860
Total liabilities	1,043,785	981,447

(Continued) (Millions of yen)

	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
Net assets		
Shareholders' equity:		
Common stock	80,737	80,737
Capital surplus		
Additional paid-in capital	112,639	112,639
Other	14,696	14,692
Total capital surplus	127,336	127,332
Retained earnings		
Legal reserve	12,263	12,263
Other		
Voluntary reserve	176,700	176,700
Retained earnings to be carried forward	12,200	(122,841)
Total retained earnings	201,164	66,122
Treasury stock	(57,424)	(57,425)
Total shareholders' equity	351,813	216,767
Revaluation and translation adjustments:		
Net unrealized gain on securities	229	(783)
Net deferred hedge losses	(7)	—
Total revaluation and translation adjustments	222	(783)
Total net assets	352,036	215,984
Total liabilities and net assets	1,395,821	1,197,432

(2) Non-consolidated Statements of Income

(Millions of yen)

	Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr.1, 2008 – Mar. 31, 2009)
Operating income:		
Interest on consumer loans	249,836	210,481
Other financial income		
Interest on deposits	176	149
Interest on loans	1,179	343
Other	36	112
Total other financial income	1,392	604
Other operating income	23,992	31,972
Total operating income	275,221	243,058
Operating expenses:		
Financial expenses		
Interest expense	*1 14,107	*1 13,337
Other	1,005	375
Total financial expenses	15,113	13,712
Other operating expenses		
Advertising expenses	7,846	7,033
Provision for uncollectible loans	81,779	116,122
Provision for accruals for debt guarantees	8,984	12,259
Provision for losses on interest repayments	30,589	82,514
Loss on sales of credit	16,350	—
Employees' salaries and bonuses	18,520	17,028
Provision for bonuses	2,383	2,600
Provision for bonuses to directors and corporate auditors	30	—
Net periodic benefit cost	4,069	5,211
Allowance for retirement accounts for directors and corporate auditors	42	46
Employee welfare expenses	2,695	2,742
Rent expenses	7,724	7,035
Depreciation	5,528	4,920
Fee expenses	15,997	14,818
Communications expenses	2,526	2,222
Other	11,093	11,922
Total other operating expenses	216,160	286,478
Total operating expenses	231,273	300,191
Operating profit (loss)	43,948	(57,132)
Non-operating income:		
Interest on loans	*9 1,162	*9 776
Dividend income	181	*9 690
Insurance money received and insurance dividends	188	160
Management consulting fees	*9 152	*9 24
Miscellaneous income	317	238
Total non-operating income	2,001	1,890

(Continued) (Millions of yen)

	Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr.1, 2008 – Mar. 31, 2009)
Non-operating expenses		
Interest expense	893	1,308
Fee expenses	526	500
Provision for uncollectible loans	1,057	1,783
Expense for relocation of offices	52	65
Expense for dissolution of offices	31	49
Amortization of guarantee deposits, etc.	1	1
Miscellaneous losses	232	88
Total non-operating expenses	2,795	3,796
Recurring profit (loss)	43,153	(59,039)
Extraordinary income:		
Gain on sales of property and equipment	*2 1	*2 39
Gain on sales of investments in securities	55	5
Reversal of uncollectable loans	—	549
Income on liquidations of subsidiary	—	112
Other	0	8
Total extraordinary income	56	715
Extraordinary losses:		
Loss on disposal of property and equipment	*3 974	*3 1,415
Loss on sales of property and equipment	*4 42	*4 137
Impairment loss	*5 1,019	*5 170
Loss on valuation of investments in securities	3,448	3,270
Loss on valuation of investments in subsidiaries	*6 6,967	*6 4,340
Loss on reorganization of business	864	1,541
Loss on the sale of businesses	—	*7 18,918
Other	*8 5	*8 864
Total extraordinary losses	13,322	30,657
Income (loss) before income taxes	29,887	(88,981)
Income taxes: Current	813	88
Income taxes: Prior years	4,178	—
Income taxes: Deferred	18,611	40,900
Total income taxes	23,603	40,988
Net income (loss)	6,284	(129,969)

(3) Consolidated Statements of Changes in Net Assets

(Millions of yen)

	Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr.1, 2008 – Mar. 31, 2009)
Shareholders' equity:		
Common stock		
Balance at the end of previous fiscal year	80,737	80,737
Changes during the fiscal year		
Total changes during the fiscal year	—	—
Balance at the end of the fiscal year	80,737	80,737
Capital surplus		
Additional paid-in capital		
Balance at the end of previous fiscal year	112,639	112,639
Changes during the fiscal year		
Total changes during the fiscal year	—	—
Balance at the end of the fiscal year	112,639	112,639
Other capital surplus		
Balance at the end of previous fiscal year	14,697	14,696
Changes during the fiscal year		
Sales of treasury stock	(0)	(3)
Total changes during the fiscal year	(0)	(3)
Balance at the end of the fiscal year	14,696	14,692
Retained earnings		
Legal reserves		
Balance at the end of previous fiscal year	12,263	12,263
Changes during the fiscal year		
Total changes during the fiscal year	—	—
Balance at the end of the fiscal year	12,263	12,263
Other legal reserve		
Voluntary reserve		
Balance at the end of previous fiscal year	566,700	176,700
Changes during the fiscal year		
Voluntary reserve	(390,000)	
Total changes during the fiscal year	(390,000)	—
Balance at the end of the fiscal year	176,700	176,700
Retained earnings to be carried forward		
Balance at the end of previous fiscal year	(374,889)	12,200
Changes during the fiscal year		
Cash dividends paid	(9,194)	(5,072)
Voluntary reserve	390,000	—
Net income (loss)	6,284	(129,969)
Total changes during the fiscal year	387,090	(135,041)
Balance at the end of the fiscal year	12,200	(122,841)

(Continued) (Millions of yen)

	Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr.1, 2008 – Mar. 31, 2009
Treasury stock		
Balance at the end of previous fiscal year	(57,423)	(57,424)
Changes during the fiscal year		
Purchase of treasury stock	(2)	(5)
Sales of treasury stock	1	5
Total changes during the fiscal year	(1)	(0)
Balance at the end of the fiscal year	(57,424)	(57,425)
Total shareholders' equity		
Balance at the end of previous fiscal year	354,725	351,813
Changes during the fiscal year		
Cash dividends paid	(9,194)	(5,072)
Net income (loss)	6,284	(129,969)
Purchase of treasury stock	(2)	(5)
Sales of treasury stock	0	1
Total changes during the fiscal year	(2,911)	(135,046)
Balance at the end of the fiscal year	351,813	216,767
Revaluation and translation adjustments:		
Net unrealized gains on other securities		
Balance at the end of previous fiscal year	5,609	229
Changes during the fiscal year		
Changes of items other than shareholders' equity during the fiscal year—net	(5,380)	(1,012)
Total changes during the fiscal year	(5,380)	(1,012)
Balance at the end of the fiscal year	229	(783)
Net deferred hedge losses		
Balance at the end of previous fiscal year	(19)	(7)
Changes during the fiscal year		
Changes of items other than shareholders' equity during the fiscal year—net	12	7
Total changes during the fiscal year	12	7
Balance at the end of the fiscal year	(7)	—
Total revaluation and translation adjustments		
Balance at the end of previous fiscal year	5,590	222
Changes during the fiscal year		
Changes of items other than shareholders' equity during the fiscal year—net	(5,368)	(1,005)
Total changes during the fiscal year	(5,368)	(1,005)
Balance at the end of the fiscal year	222	(783)

(Continued) (Millions of yen)

	Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr.1, 2008 – Mar. 31, 2009
Total net assets		
Balance at the end of previous fiscal year	360,315	352,036
Changes during the fiscal year		
Cash dividends paid	(9,194)	(5,072)
Net income (loss)	6,284	(129,969)
Purchase of treasury stock	(2)	(5)
Sales of treasury stock	0	1
Changes of items other than shareholders' equity during the fiscal year—net	(5,368)	(1,005)
Total changes during the fiscal year	(8,279)	(136,051)
Balance at the end of the fiscal year	352,036	215,984

(4) Precaution Concerning Going-concern Assumption

Not applicable

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

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
1. Standards and Methods for Valuing Investment Securities 1) Shares of subsidiaries and affiliated companies Shares of subsidiaries and affiliated companies are stated at cost, with cost being determined by the moving average method. 2) Other securities (1) Marketable Other securities 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) Other securities that are not marketable 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 Investment Securities** 1) Shares of subsidiaries and affiliated companies (No change) 2) Other securities (1) Marketable Other securities (No change) (2) Other securities that are not marketable (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 (1) Buildings (excluding fixtures) a. Depreciation on property and equipment acquired before and on March 31, 1998, is computed by the former declining-balance method. b. Depreciation on property and equipment acquired on April 1, 1998, through March 31, 2007, is computed primarily by the former straight-line method. c. Depreciation on property and equipment acquired on and after April 1, 2007, is computed primarily by the straight-line method. (2) Assets, excluding buildings a. Depreciation on assets, excluding buildings, acquired before and on March 31, 2007, is computed by the former declining-balance method. b. Depreciation on assets, excluding buildings, acquired on and after April 1, 2007, is computed by the declining-balance method. 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	**3. Method of Depreciation of Fixed Assets** 1) Property and equipment (excluding Lease assets) (1) Buildings (excluding fixtures) a. Depreciation on property and equipment acquired before and on March 31, 1998, is computed by the former declining-balance method. b. Depreciation on property and equipment acquired on April 1, 1998, through March 31, 2007, is computed primarily by the former straight-line method. c. Depreciation on property and equipment acquired on and after April 1, 2007, is computed primarily by the straight-line method. (2) Assets, excluding buildings a. Depreciation on assets, excluding buildings, acquired before and on March 31, 2007, is computed by the former declining-balance method. b. Depreciation on assets, excluding buildings, acquired on and after April 1, 2007, is computed by the declining-balance method. 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

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
(Changes in accounting policy) In accordance with revision of the Corporation Tax Law (Partial Revision of Income Tax Law, Law No. 6, March 30, 2007) and the Cabinet Order (Cabinet Order No. 83 of March 30, 2007) for the partial revision of the Corporation Tax Law Enforcement Guidance in the fiscal year ended March 31, 2007, depreciation on property and equipment acquired on and before April 1, 2007, is computed in accordance with the provisions of the revised Corporation Tax Law. The effect of this change on fiscal year profit/loss is insignificant. (Additional information) Furthermore, the residual value of assets after maximum permissible depreciation acquired on and after March 31, 2007 is depreciated by the straight-line method over a period of five years, starting from the year in which depreciation is completed. The effect of this change on fiscal year profit/loss is insignificant. 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) ――――――― 4) Long-term prepaid expenses Long-term prepaid expenses are amortized on an average basis.	2) Intangible fixed assets (excluding Lease 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) Lease assets Finance leases and leased assets where there is no transfer of ownership Method in which the leasing period is the useful life and the residual value is zero. 4) 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)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
5. Accounting Basis for Allowances	**5. Accounting Basis for Allowances**
1) Allowance for credit losses Concerning general loans, the allowance for credit losses for consumer loans outstanding is provided based on the actual loss rate. Concerning specific loans including doubtful credit losses, each uncollectible debt is accounted based on the probability of collection.	1) Allowance for credit losses (No change)
2) Accrued bonuses to employees To provide bonuses to employees at the end of the fiscal year, the Company provides an allowance for that fiscal year portion based on the expected amount.	2) Accrued bonuses to employees (No change)
3) Accrued bonuses to directors and corporate auditors To provide bonuses to directors and corporate auditors, the Company provides an allowance for that fiscal year portion based on the expected future payment amount.	3) ――――――
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) Allowance for losses on interest repayments The provision to this allowance is rationally estimated and booked based on the number of repayment claims by debtors, 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.	5) Allowance for losses on interest repayments (No change)
6) ――――――	6) Allowance for business reorganization losses To prepare for losses from sales of loans that are included in losses from sales of related company stock, an allowance equivalent to estimated losses is provided.
7) ――――――	7) Allowance for business restructuring expenses To prepare for losses resulting from the reorganization of the branch network in accordance with scrap-and-build programs, an allowance equivalent to estimated losses as of the fiscal year ended March 31, 2009 is provided.

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
8) 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. 9) 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.	8) Accrued severance indemnities for employees (No change) 9) Allowance for retirement benefits for directors and corporate auditors (No change)
6. 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.	**6. Accounting for Revenues and Expenses** (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** ——————
8. Hedging (1) Hedge accounting method The Company uses the deferred method for hedge accounting. The exceptional accrual method is used to account for interest rate cap agreements and interest rate swap agreements that meet specified conditions. The specific allocation method is used to account for currency swap agreements that qualify for accounting treatment under this method.	**8. Hedging** (1) Hedge accounting method (No change)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
(2) Hedging instruments and hedging targets Hedges related to interest rates 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). Hedges related to currency Hedging instruments: Currency swap agreements Hedging targets: Foreign currency denominated bonds	(2) Hedging instruments and hedging targets (No change)
(3) Hedging policy The basic hedging policy is to minimize the impact of sharp movements in interest rates on procured funds.	(3) Hedging policy (No change)
(4) Determining hedging effectiveness The hedging instruments are measured for effectiveness by correlation with respect to the difference between the interest rate indicators upon which the instruments and positions are being hedged.	(4) Determining hedging effectiveness (No change)
(5) Risk management system The Company manages market risk in accordance with methods for managing the various risks arising from financial activities as set forth in Guidelines for Managing Risk by Type, which is contained in the Company's Finance Regulations. Guidelines for Managing Risk by Type is revised in a timely manner in response to changes in the risk environment, whereupon such revisions shall be reported to the Board of Directors.	(5) Risk management system (No change)
9. Other Material Items 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)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
	(Leasing transactions) Financial leases other than leases where ownership is transferred were previously accounted for using accounting methods for rental transactions. Beginning with the fiscal year ended March 31, 2009, “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13, June 17, 1993, revised March 30, 2007) and “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16, January 18, 1994, revised March 30, 2007) have been applied. Leases that started prior to April 1, 2008 will continue to be accounted for using accounting methods for ordinary rental transactions. This change did not have a significant effect on consolidated operating loss, recurring loss and loss before income taxes.
	(Change in accounting treatment of computer system expenses) In previous years, with regard to joint use of computer systems with subsidiaries for the purpose of improving the operating efficiency of the entire Group, an amount equivalent to subsidiary expenses assumed from subsidiaries, primarily expenses associated with computer systems, was deducted from Promise’s selling, general and administrative expenses. Due to management integration with SANYO SHINPAN CO., LTD., the importance of the accounting method used for computer system expenses is expected to increase. Consequently, starting with the fiscal year ended March 31, 2009, the amount received is included in operating income and the corresponding expenses are included in operating expenses. This change increased operating income and operating expenses by 2,301 million yen but had no effect on operating loss.

(Changes in Disclosure Method)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
(Non-Consolidated Balance Sheet) Effective from the fiscal year ended March 31, 2008, the Company has adopted “Implementation Guidance on Accounting Standards for Financial Instruments” (Accounting Systems Committee, Statement No. 14 of July 4, 2007). The revised guidance reclassifies Negotiable certificates of deposit as Marketable securities. Accordingly, effective from the consolidated fiscal year ended March 31, 2008, Negotiable certificates of deposit (11,000 million yen in the consolidated fiscal year ended March 31, 2007) included in Cash and deposits under Current assets is reclassified and presented as Marketable securities (11,000 million yen in the consolidated fiscal year ended March 31, 2008).	(Non-Consolidated Balance Sheet) Effective from the fiscal year ended March 31, 2009, Telephone rights (82 million yen at the end of the fiscal year ended March 2009) classified and presented individually in the previous fiscal year was reclassified in Other under intangible fixed assets in the fiscal year ended March 31, 2009 because the amount became insignificant.

(7) Explanatory Notes

(Footnotes to Non-Consolidated Balance Sheets)

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)

1. Assets pledged and corresponding liabilities

a) Assets pledged

(Millions of yen)

Type	Book value at end of fiscal year
Consumer loans receivable	83,505
Loans receivable from subsidiaries	100,022
Shares of subsidiaries	16,981
Total	200,509

b) Corresponding liabilities

(Millions of yen)

Item	Balance at end of fiscal year
Short-term loans payable	80,000
Current portion of long-term borrowing	30,212
Long-term debt	50,654
Total	160,866

In addition to the above, Promise entered into forward contracts of assigning for consumer loans receivable of 253,603 million yen. Corresponding liabilities were long-term loans payable of 248,460 million yen (including 60,829 million yen current portion of long-term loans payable).

Of the total amount of investments in securities, 21 million yen was used as collateral for sales guarantees.

2. Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were 1,141,775 million yen.

Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)

1. Assets pledged and corresponding liabilities

a) Assets pledged

(Millions of yen)

Type	Book value at end of fiscal year
Consumer loans receivable	58,569
Shares of subsidiaries	16,981
Total	75,550

b) Corresponding liabilities

(Millions of yen)

Item	Balance at end of fiscal year
Current portion of long-term borrowing	32,678
Long-term debt	68,816
Total	101,494

In addition to the above, Promise entered into forward contracts of assigning for consumer loans receivable of 253,908 million yen. Corresponding liabilities were long-term loans payable of 231,631 million yen, including current portion of long-term loans payable of 96,416 million yen.

In other current liabilities, a deposit paid of 2,707 million yen was collateral for a hedge (currency swap) against currency fluctuation risk associated with foreign currency-denominated bonds and 22 million yen of the total amount of investment securities was used as collateral as collateral for sales guarantees.

2. Unsecured consumer loans to individual customers, which were included in Consumer loans receivable, were 1,014,862 million yen.

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
3. Revolving credit facility Within consumer loans receivable, 1,143,602 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 230,344 million yen (including 75 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.	**3. Revolving credit facility** Within consumer loans receivable, 1,016,493 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 211,232 million yen (including 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.
4. Loans to affiliates are loans to affiliate companies engaged in consumer finance business.	**4.** Loans to affiliates are loans to affiliate companies engaged in finance business.
5. Contingent liabilities 1) Guarantee obligations in the loan guarantee business 389,172 million yen Guaranteed obligations include loans for some borrowers where accrued interest is not included because accrued interest cannot be determined for these borrowers.	**5. Contingent liabilities** 1) Guarantee obligations in the loan guarantee business 455,608 million yen Guaranteed obligations include loans for some borrowers where accrued interest is not included because accrued interest cannot be determined for these borrowers.

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)

2) Guarantees of loans to subsidiaries

(Millions of yen)

Borrower	Guarantee amount
PAL Servicer Co., Ltd.	8,500
PROMISE (THAILAND) CO., LTD.	2,766
PROMISE (HONG KONG) CO., LTD.	514
NANJING SHENZHOU SEED INDUSTRY CO., LTD.	71
Cau-ichi Co., Ltd.	10
Total	11,863

Regarding guarantee obligations for loans payable, quotations in foreign currency to PROMISE (HONG KONG) CO., LTD., totaled 40 million Hong Kong dollars, to PROMISE (THAILAND) CO., LTD., totaled 870 million baht, and NANJING SHENZHOU SEED INDUSTRY CO., LTD. totaled 5 million yuan.

3) ―――――

6. ―――――

Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)

2) Guarantees of loans to subsidiaries

(Millions of yen)

Borrower	Guarantee amount
PROMISE (THAILAND) CO., LTD.	2,677
Cau-ichi Co., Ltd.	7
Total	2,685

Regarding guarantee obligations for loans payable, quotations in foreign currency to PROMISE (THAILAND) CO., LTD., totaled 970 million baht.

3) Early redemption liability of convertible bonds
2,100 million yen

In July 2008, Promise sold 42,000 million yen of euroyen convertible bonds that mature in 2015. The bonds include an early redemption clause that gives holders of these bonds the option to demand redemption on July 24, 2013 at 105% of face value, which would result in a payment of 44,100 million yen for all bonds. An amount equivalent to 5% of this early redemption (2,100 million yen) has been recognized as an early redemption liability.

6. Financial covenants

Some loans at Promise have financial covenants that require repayment of the entire applicable loan if a covenant is violated and the financial institution demands repayment.

Promise is currently in violation of the following covenants for loans totaling 16,232 million yen.

(1) Non-consolidated tangible net assets of at least 250 billion yen
(2) Non-consolidated tangible net asset ratio of at least 20%
Tangible net assets are defined as net assets less intangible fixed assets.
(3) Non-consolidated and consolidated net assets that are at least 80% of the level at the end of the most recent fiscal year or interim period.
(4) Consolidated equity ratio of at least 15%
(5) Consolidated net assets that are at least 75% of the level at the end of the previous quarter.

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)

7. Status of nonperforming loans

(Millions of yen)

Classification	Amount
Credits of bankrupt borrowers	465
Delinquent loans	4,790
Delinquent loans three months or more past the due date	18,673
Restructured loans	78,363
Total	102,292

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 78,363 million yen in restructured loans, restructured loans which are 30 days or less past due were 73,856 million yen.

Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)

7. Status of nonperforming loans

(Millions of yen)

Classification	Amount
Credits of bankrupt borrowers	1,725
Delinquent loans	4,555
Delinquent loans three months or more past the due date	17,016
Restructured loans	71,103
Total	94,400

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 71,103 million yen in restructured loans, restructured loans which are 30 days or less past due were 66,824 million yen.

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)

8. Loan collateral

A repurchase agreement of 83,923 million yen was included in Short-term loans receivable.

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

The market value for marketable securities received is as follows:

(Millions of yen)

Type	Market value
Commercial paper	54,912
Securities	19,948
Short-term government securities	8,993
Total	83,854

9. The unutilized balance from overdraft contracts on current accounts (including similar contracts) and contracts for loan commitments were as follows:

(Overdraft contracts on current accounts)

(Millions of yen)

Total contracts	50
Contracts exercised	—
Difference	50

(Contracts for the commitment line of loans)

(Millions of yen)

Total contracts	61,595
Contracts exercised	—
Difference	61,595

10. Of the allowance for credit losses, 118,300 million yen of estimated interest repayments was included as repayment applied to principal of loans.

11. Assets of related companies

Primary assets of related companies not shown on the list are as follows:

(Millions of yen)

Short-term loans receivable	109,210
Current assets, other	2,552
Long-term prepaid expenses	202
Total	111,965

Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)

8. Loan collateral

A repurchase agreement of 20,495 million yen was included in Short-term loans receivable.

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

The market value for marketable securities received is as follows:

(Millions of yen)

Type	Market value
Commercial paper	5,996
Securities	14,484
Total	20,480

9. The unutilized balance from overdraft contracts on current accounts (including similar contracts) was as follows:

(Overdraft contracts on current accounts)

(Millions of yen)

Total contracts	50
Contracts exercised	—
Difference	50

10. Of the allowance for credit losses, 124,300 million yen of estimated interest repayments was included as repayment applied to principal of loans.

11. Assets of related companies

Primary assets of related companies not shown on the list are as follows:

(Millions of yen)

Short-term loans receivable	115,855
Current assets, other	3,997
Deposit paid	194
Total	120,047

(Footnotes to Non-Consolidated Statements of Income)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)

1. Bond interest of 5,707 million yen is included in interest expense.

2. Gain on sales of property and equipment is due to the sale of telephone rights.

3. Breakdown of net loss on disposal of property and equipment:

	(Millions of yen)
Buildings	483
Structures	127
Equipment and fixtures	363
Total	974

4. Breakdown of net loss on sales of property and equipment:

	(Millions of yen)
Buildings	2
Equipment and fixtures	34
Telephone rights	5
Total	42

5. During the fiscal year ended March 31, 2008, the following groups of assets of the Company have been charged with impairment losses:

Use	Category	Location
Idle asset	Land, Telephone rights	Tokyo
Idle asset	Buildings, Land	Hokkaido
Idle asset	Land	Kanagawa
Idle asset	Buildings, Equipment and fixtures	Tokyo and other

(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.

Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)

1. Bond interest of 5,554 million yen is included in interest expense.

2. Gain on sales of property and equipment is due to the sale of company housing.

3. Breakdown of net loss on disposal of property and equipment:

	(Millions of yen)
Buildings	413
Structures	125
Equipment and fixtures	260
Software	615
Total	1,415

4. Breakdown of net loss on sales of property and equipment:

	(Millions of yen)
Buildings	9
Equipment and fixtures	33
Telephone rights	15
Land	78
Total	137

5. During the fiscal year ended March 31, 2009, the following groups of assets of the Company have been charged with impairment losses:

Use	Category	Location
Idle asset	Equipment and fixtures, telephone rights	Tokyo and other

(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.

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
(Process of Recognizing Asset Impairment Losses and Amount Recorded) Idle assets for which market value has fallen markedly below book value have been adjusted to amounts approaching their potential recovery value. Of the reduction amount, an impairment loss of 1,019 million yen was booked as extraordinary losses. Of that amount, 457 million yen was for telephone rights, 451 million yen was for equipment and fixtures, 89 million yen was for land and 21 million yen was for buildings.	(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 170 million yen was booked as extraordinary losses. Of that amount, 101 million yen was for telephone rights, 69 million yen was for equipment and fixtures.
(Method of Calculating Recovery Value) Recovery value was stated as net sales value. It is calculated using the assessment value provided by a real estate appraiser for buildings and land. Telephone rights are calculated based on market prices.	(Method of Calculating Recovery Value) Recovery value was stated as net sales value. Telephone rights were carried at recent sale value.
6. 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 Tamport Co., Ltd. was 6,712 million yen. Impairment loss related to PAL Investment (Cayman) Co., Ltd. was 255 million yen.	**6.** 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 PROMISE (EUROPE) S. A. was 1,218 million yen, to PROMISE (THAILAND) Co., Ltd. was 1,135 million yen, and PAL Life Co., Ltd. was 1,985 million yen.
7. ――――――	**7.** Loss on the sale of businesses represents expenses from sales of stock of Tamport Co., Ltd. and Sun Life Co., Ltd. Of that amount, 8,742 million yen was for loss on valuation of investments in subsidiaries, 10,176 million yen was for provision for business reorganization losses..
8. Other in Extraordinary losses comprises a 4 million yen loss on sales and valuation of golf club membership rights.	**8.** In extraordinary losses, “Other” includes a 391 million yen provision for the allowance for business reorganization and restructuring for losses associated with branch office consolidations and other activities, a 339 million yen loss for assistance provided to related companies, a 133 million yen loss for valuation losses and losses on sales of golf memberships, and other items.
9. Note concerning affiliates Main items included in each topic related to affiliates: (Millions of yen) Interest on loans 1,145 Management consulting fees 152	**9. Note concerning affiliates** Main items included in each topic related to affiliates: (Millions of yen) Interest on loans 761 Dividend income 94

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
10. The basis for classification of financial revenues and financial expenses on the non-consolidated statement of income are 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.	**10.** The basis for classification of financial revenues and financial expenses on the non-consolidated statement of income are 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)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)

Treasury stock (Shares)

Type of shares	Fiscal Year Ended Mar. 2007 (Mar. 31, 2007)	Increase	Decrease	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)
Common shares	8,048,402	690	148	8,048,944

(Summary of changes)
Increase in the number of shares
Purchase of odd-lot shares: 690 shares
Decrease in the number of shares
Sale of shares to shareholders holding odd-lot shares: 148 shares

Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)

Treasury stock (Shares)

Type of shares	Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Increase	Decrease	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
Common shares	8,048,944	3,057	713	8,051,288

(Summary of changes)
Increase in the number of shares
Purchase of odd-lot shares: 3,057 shares
Decrease in the number of shares
Sale of shares to shareholders holding odd-lot shares: 713 shares

(Footnotes to Securities)

Fiscal Year Ended Mar. 2008 (as of March 31, 2008)

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

Fiscal Year Ended Mar. 2009 (as of March 31, 2009)

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

(Footnotes to Tax Effect Accounting)

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)

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

(Millions of yen)

Deferred tax assets:	
Credit losses for receivables and consumer loans	16,557
Allowance for credit losses	55,884
Accrued income	2,648
Provision for bonuses	1,149
Accrued severance indemnities for employees	1,134
Allowance for losses on interest repayments	81,135
Provision for accruals for debt guarantee	5,660
Allowance for business losses of subsidiaries	3,728
Loss on valuation of investments in securities	1,403
Loss on valuation of investments in subsidiaries	13,896
Allowance for indemnity losses	2,722
Net operating loss carry forwards	9,710
Other	1,446
Subtotal deferred tax assets	197,079
Valuation allowance	(156,174)
Total deferred tax assets	40,904
Deferred tax liabilities:	
Net unrealized loss on securities	157
Total deferred tax liabilities	157
Net deferred tax assets	40,747

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	40,904
Fixed assets - Deferred tax assets	157

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.

Statutory tax rate	40.7%
Items which will never be accounted in loss such as expense allowance	0.6%
Items which will never be accounted in income such as dividend income on investments	(0.1%)
Inhabitant tax per capita	0.8%
Valuation allowance	36.1%
Income tax for prior years	14.0%
Revision for the fiscal year ended March 31, 2008 after reclamation	(14.0%)
Other	0.9%
Effective tax rate	79.0%

Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)

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

(Millions of yen)

Deferred tax assets:	
Credit losses for receivables and consumer loans	19,501
Allowance for credit losses	54,687
Accrued income	3,032
Provision for bonuses	1,057
Accrued severance indemnities for employees	2,646
Allowance for losses on interest repayments	87,198
Provision for accruals for debt guarantee	5,972
Allowance for business reorganization losses	4,140
Allowance for business restructuring expenses	159
Loss on valuation of investments in subsidiaries	7,850
Allowance for indemnity losses	4,421
Net operating loss carry forwards	34,082
Other	1,615
Subtotal deferred tax assets	226,366
Valuation allowance	(226,366)
Total deferred tax assets	—
Deferred tax liabilities:	
Net unrealized loss on securities	—
Total deferred tax liabilities	—
Net deferred tax assets	—

2. The following is a breakdown of the principal categories that are factors underlying significant differentials between the burden of the statutory tax rate and income taxes after the application of tax effect accounting.

No causes for the difference are shown because there was a loss before income taxes in the fiscal year ended March 31, 2009.

(Per Share Data)

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
Net assets per share 2,775.92 yen Net income per share 49.55 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 1,703.13 yen Net loss per share 1,024.85 yen The figure of diluted net income per share is not disclosed because it is net income (loss) per share despite that there was potential share of common stock that had a dilutive effect.

Note: Base of calculations

1. Net assets per share

Fiscal Year Ended Mar. 2008 (Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Mar. 31, 2009)
Total net assets on non-consolidated balance sheets 352,036 million yen	Total net assets on non-consolidated balance sheets 215,984 million yen
Net assets related to common stock 352,036 million yen	Net assets related to common stock 215,984 million yen
Major balance —	Major balance —
Number of common stock issued 134,866 thousand	Number of common stock issued 134,866 thousand
Number of treasury stock 8,048 thousand	Number of treasury stock 8,051 thousand
Major numbers of common stock included in the calculation of net assets per share 126,817 thousand	Major numbers of common stock included in the calculation of net assets per share 126,815 thousand

2. Net income (loss) per share, diluted net income per share

Fiscal Year Ended Mar. 2008 (Apr. 1, 2007 – Mar. 31, 2008)	Fiscal Year Ended Mar. 2009 (Apr. 1, 2008 – Mar. 31, 2009)
Net income on non-consolidated statement of income 6,284 million yen	Net loss on non-consolidated statement of income (129,969) million yen
Net income related to common stock 6,284 million yen	Net loss related to common stock (129,969) million yen
Principal category of funds not available to shareholders of common stock — million yen	Principal category of funds not available to shareholders of common stock — million yen
Amount not attributable to common stock — million yen	Amount not attributable to common stock — million yen
Average number of common stock outstanding in fiscal year 126,817 thousand	Average number of common stock outstanding in fiscal year 126,816 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 — thousand	Major categories of the additional number of common stock included in the calculation of diluted net income per share — 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 was no dilutive effect ―――――	A summary of dilutive shares which were not included in the calculation of diluted net income per share since there was no dilutive effect Euroyen convertible bonds due in 2015 (Total amount issued: 42,000 million yen)

(Subsequent events)
Not applicable

7. Other

Change in directors
Not applicable
Any change will be announced on May 20, 2009.