

# Non-Consolidated Financial Highlights

Promise Co., Ltd.

Years ended March 31

	Millions of Yen		Thousands of	Percent
	1997	1996	U.S. Dollars	Change
			1997	1997/1996
<b>Financial Results</b>				
Total operating income .....	<b>¥198,897</b>	¥179,238	<b>\$1,602,716</b>	11.0
Operating profit .....	<b>76,914</b>	67,355	<b>619,772</b>	14.2
Net income .....	<b>34,690</b>	30,770	<b>279,536</b>	12.7
Consumer loans outstanding .....	<b>784,201</b>	682,066	<b>6,319,109</b>	15.0
Total assets .....	<b>989,670</b>	894,716	<b>7,974,774</b>	10.6
Total shareholders' equity .....	<b>231,359</b>	202,712	<b>1,864,297</b>	14.1

Note: U.S. dollar amounts represent translations of yen, for convenience only, at the rate of ¥124.10 to U.S.\$1, the approximate exchange rate at March 31, 1997.

## The Year's Highlights

The financial year to March 31, 1997 marked another successful period of profit and expansion for Promise. Consistent with the company's ambitious strategy of balanced growth, indices of corporate success once again moved higher. With a vigorous management strategy to foster balanced growth of the Company drawing on our fundamental principles, we have realized a high level of growth resulting from the expansion of our store network mainly through the installation of automated credit providers. This expansion offset pressure on margins stemming from a reduction in the maximum interest rate charged on loans.

### ■ Signs of Promise

The balance of the Company's principal business--unsecured consumer loans--rose to ¥775.16 billion, an increase of 15.6 percent, while the number of customer accounts (customers with outstanding unsecured loan balances) increased by 10.9 percent to 1,991,000. While the average balance per account did rise from ¥373,000 to ¥389,000 or over 4.2 percent during fiscal 1997, Promise's achievements once again stemmed from a continued drive to expand the number of customer loan accounts.

Promise provides the lowest maximum interest rate (25.55 percent) in the consumer finance specialists. This we believe will leave us well placed to take further market share as the industry rationalizes in favor of larger competitors such as ourselves. In addition, we stand by our policy of providing financial products which apply preferential interest rates to our best customers.

### ■ A Growing Network

As of the end of March 1997, Promise had the largest branch network among Japan's consumer finance industries totaling 748 branches. The company, in addition to having set up 1,056 ATMs (Automated Teller Machines) all over the country, has tied up with other financial institutions and entities in the distribution industry and now boasts a network of 12,344 CD machines.

### ■ Promise's Capital Market Activity

In accordance with its policy of seeking to diversify its sources of funding, Promise has engaged in a variety of capital procurement methods. In February 1996, Promise was the first company in the consumer finance industry to issue Yen-denominated convertible bonds. In September of the same year Promise's stock was listed on the First Section of the Tokyo Stock Exchange and in November of 1996, the company issued commercial paper for the first time. Also, in January 1997, we became the first company in the industry to issue unsecured domestic straight bonds.