

Performance Highlights

Loans

The balance of the Company's core business, unsecured loans outstanding, advanced 12.8 percent, to ¥967,880 million. The principal factor behind this growth was an increase in the number of loan accounts, which expanded 4.9 percent, to 2,240,000. The average balance per account edged up to ¥432,000 from ¥401,000. Reflecting the deteriorating economic climate, the write-off ratio for unsecured loans climbed to 2.81 percent from 2.47 percent.

Sales and Service Networks

Promise's sales network expanded significantly, remaining one of the largest in the industry. The Company added 198 branches to raise the total number of branches (including secured loan branches) to 1,203, up 19.7%. The number of automated credit providers increased 19.1 percent to 1,164 units. Promise's service network also expanded. The Company's own network of ATMs grew 13.2 percent to 1,511 units, while its tie-up network of ATMs and CDs jumped 27.1 percent to 19,964 machines. A tie-up with a leading convenience store chain provided a new, convenient loan payment route for customers.

Financing

Following its first international share offering in June 1998, Promise continued to diversify its sources of capital during the fiscal year under review. In December 1998, the Company made its first domestic unsecured bond issue aimed at individual investors, raising ¥10 billion. During the same month, Promise signed a commitment line agreement with a syndicate of seven foreign banks providing the Company with a credit facility totaling ¥15 billion. Promise also took measures to minimize any possible impact from the nationalization of one of its main banks, the Long-term Credit Bank of Japan, Ltd.

Non-Consolidated Financial Highlights

Promise Co., Ltd.
Years ended March 31

	Millions of Yen		Thousands of	Percent
	1999	1998	U.S. Dollars**	Change
			1999	1999/1998
Total operating income	¥238,323	¥220,330	\$1,976,966	+8.2
Operating profit	84,714	86,140	702,731	-1.7
Net income	40,175	38,668	333,268	+3.9
Net income per share* (Yen)	342.69	356.78	2.84	-4.1
Cash dividends per share (Yen)	65.0	63.0	0.54	+3.2
Consumer loans outstanding	976,614	866,634	8,101,319	+12.7
Total assets	1,248,421	1,111,885	10,356,050	+12.3
Interest-bearing Debt	834,048	792,473	6,918,690	+5.2
Total shareholders' equity	359,314	265,016	2,980,618	+35.6
Net cash provided by operating activities	87,165	72,012	723,063	+21.0

* Net income per share has been calculated based on United States generally accepted accounting principles, APB 15.

** U.S. dollar amounts represent translations of yen, for convenience only, at the rate of ¥120.55 to U.S.\$1, the approximate exchange rate at March 31, 1999.