

[Translation]

TENDER OFFER EXPLANATORY STATEMENT

October 2011

Sumitomo Mitsui Banking Corporation

(Target: Promise Co., Ltd.)

TENDER OFFER EXPLANATORY STATEMENT

The tender offer pursuant to this statement is subject to the provision of Chapter II-2, Section 1 of the Financial Instruments and Exchange Law of Japan (Law No.25 of 1948, as amended). This statement is prepared in accordance with Article 27-9 of the Financial Instruments and Exchange Law of Japan.

[Name of Filing Person]	Sumitomo Mitsui Banking Corporation
[Address of Filing Person]	1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo
[Place to Contact]	Same as Above
[Telephone Number]	(03)-3282-1111
[Name of Person to Contact]	Hirohiko Taniguchi, Senior Vice President of Subsidiaries & Affiliates Department
[Names of Attorney-in-fact]	Not Applicable
[Address]	Same as Above
[Place to Contact]	Same as above
[Telephone Number]	Same as Above
[Names of Person to Contact]	Same as Above
[Location at which the Statement is Available to the Public]	Sumitomo Mitsui Banking Corporation (1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo) Tokyo Stock Exchange Inc. (2-1 Nihonbashi, Kabutocho, Chuo-ku, Tokyo)

(Note 1) “Tender Offeror” in this Statement refers to Sumitomo Mitsui Banking Corporation.

(Note 2) “Target” in this Statement refers to Promise Co., Ltd.

(Note 3) In the event calculated numbers are rounded or cut-off, the number shown as the total may not necessarily coincide with the aggregate of the individual calculated numbers.

(Note 4) “Law” in this Statement refers to the “Financial Instruments and Exchange Act” (Law No. 25 of 1948, as amended).

(Note 5) “Order” in this Statement refers to the “Order for Enforcement of the Financial

Instruments and Exchange Act” (Cabinet Order No. 321 of 1965, as amended).

- (Note 6) “Cabinet Office Order” in this Statement refers to the “Cabinet Office Order Regarding Disclosure of Tender Offers for Shares by Non-Issuers.” (Ministry of Finance Order No. 38 of 1990, as amended).
- (Note 7) References to the number of days and dates and times set forth in this Statement refer to the number of days and dates and times in Japan, unless specified otherwise.
- (Note 8) Although the tender offer under this Statement (the “Tender Offer”) will be conducted in accordance with the procedures and disclosure standards prescribed in the Law, these procedures and standards are not necessarily the same as the corresponding procedures and standards in the United States. In particular, Section 13(e) or Section 14(d) of the U.S. Securities Exchange Act of 1934 as amended, and the rules prescribed thereunder do not apply to the Tender Offer, and the Tender Offer does not conform to those procedures and standards. The financial statements contained in this Statement are prepared based on the accounting standards of Japan, and not equal to those of a U.S. company.
- (Note 9) Unless otherwise provided in this Statement, all procedures with respect to this Tender Offer shall be conducted in the Japanese language. If all or any part of the documents related to this Tender Offer are prepared in English, and in the event any discrepancy arises between the English documents and Japanese documents, the Japanese documents shall prevail.
- (Note 10) This Document contains “forward-looking statements” as defined in Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. Actual results could differ materially from any explicit or implicit predictions made as “forward-looking statements” due to known and unknown risks, uncertainty and other factors. No assurance is given by the Tender Offeror or its affiliates that any such “forward-looking statements” will be achieved. The “forward-looking statements” contained in this Document were made based on information available to the Tender Offeror as of the date of this Statement, and except where required by laws or regulations, neither the Tender Offeror nor its affiliates intends to change or revise the statements to reflect future events or circumstances.
- (Note 11) The financial advisors to the Tender Offeror and the Target, the Tender Offer agent (including their respective affiliates) may engage prior to the commencement of, or during the tender offer period in the Tender Offer (“the Tender Offer Period”) in the purchase or arrangement to purchase of shares or stock acquisitions rights of the Target for their own account or for their customers’ accounts to the extent permitted

under Japanese and U.S. securities laws and regulations. Such purchase may be made at the market price through market transactions, or at a price determined by negotiation outside of the market.

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No. 1 【Terms and Conditions of the Tender Offer】

1. [Name of Target]

Promise Co., Ltd.

2. [Type of Shares to be Purchased]

(1) Common Shares

(2) Stock Acquisition Rights

- a. The first series of stock acquisition rights for the stock compensation-type stock options issued pursuant to the resolutions approved at the meeting of the Board of Directors of the Target held on July 30, 2009 (the “First Series of Stock Acquisition Rights”)
- b. The second series of stock acquisition rights for the stock compensation-type stock options issued pursuant to the resolutions approved at the meeting of the Board of Directors of the Target held on July 28, 2010 (the “Second Series of Stock Acquisition Rights”)
- c. The third series of stock acquisition rights for the stock compensation-type stock options issued pursuant to the resolutions approved at the meeting of the Board of Directors of the Target held on June 15, 2011 (the “Third Series of Stock Acquisition Rights”; and, together with the First Series of Stock Acquisition Rights and the Second Series of Stock Acquisition Rights, collectively referred to as the “Stock Acquisition Rights”)

(3) Bonds with Stock Acquisition Rights

The euro yen callable bonds with stock acquisition rights due 2015 issued pursuant to the resolutions approved at the meeting of the Board of Directors of the Target held on July 8 and 9, 2008 (the “Bonds with Stock Acquisition Rights”)

3. [Objective of the Tender Offer]

(I) Overview of the Tender Offer

The Tender Offeror holds 27,926,750 shares of common stock of the Target (the ratio to the total number of issued shares of the Target (134,866,665 shares) as of June 30, 2011, as set forth in the 51st Term - First Quarter Report filed by the Target on August 12, 2011, is 20.71% (the calculated number shall be rounded to the nearest hundredth)) as of the date hereof, and makes the Target an equity-method affiliate of the Tender Offeror. The Tender Offeror has decided that it will implement the Tender Offer for the purpose of acquiring all the issued shares of the Target (the “Shares of the Target”, and excluding treasury shares owned by the Target) and all the Stock Acquisition Rights and the Bonds with Stock Acquisition Rights, with the ultimate goal of making the Target a wholly-owned subsidiary of Sumitomo Mitsui Financial Group (“SMFG”), which is the wholly-owning parent company of the Tender Offeror (the “Making the Target a Wholly-Owned Subsidiary”). For the Tender Offer, no maximum or minimum number of shares scheduled to be purchased (the “Number of Shares Scheduled to be Purchased”) has been provided. If the Tender Offeror cannot acquire all the Shares of the Target (excluding treasury shares owned by the Target) through the Tender Offer, SMFG, the Tender Offeror and the Target, in principle, plan to make the Target a wholly-owned subsidiary of SMFG after going through a series of procedures including the share exchange under which SMFG will become a wholly-owning parent company of the Target and the Target will become a wholly-owned subsidiary of SMFG (the “Share Exchange”) (The series of transactions including the Tender Offer, the Third-Party Allotment (as defined below) and the Making the Target a Wholly-Owned Subsidiary shall be collectively referred to herein as the “Transactions”).

According to the Target, at the meeting of the Target’s Board of Directors held on September 30, 2011, as a result that the Target carefully considered the purchase price of the Shares of the Target in the Tender Offer (the “Tender Offer Price”), the Tender Offer Period, conditions that no maximum or minimum Number of Shares Scheduled to be Purchased is set, conditions of withdrawal of the Tender Offer and other conditions of the Tender Offer for the purpose to make the Target a wholly-owned subsidiary of SMFG, taking into consideration of, among other relevant documents, the report on valuation of shares and the opinion described in “(ii) Share Valuation Report and Opinion from Independent Third Party Appraiser to the Target”, the report by the project team described in “(v) Establishment of Project Team at the Target for Eliminating Potential Conflicts of Interest” and

advice from UBS Securities Japan Ltd. (“UBS Securities”) and Nishimura & Asahi as well as the response and opinion submitted by the third-party committee and other relevant materials described in “(vi) Establishment of Independent Third Party Committee at the Target” of “(III) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest, etc.” below, the Target believes that strengthening alliances with each company in SMFG group and strengthening its business and financial base by becoming a wholly-owned subsidiary of SMFG through the Tender Offer would contribute to the enhancement of its profit-earning capacity and is the best solution from the perspective of enhancement of its enterprise value and the common interests of its shareholders, and also judged that the Tender Offer Price and other conditions of the Tender Offer are appropriate to the shareholders and the Tender Offer will provide a reasonable opportunity to the shareholders of the Target other than SMFG Group to sell their shares. For the above-mentioned reasons, the Target’s Board of Directors resolved (i) to express its opinion in favor of the Tender Offer and (ii) to recommend that the shareholders of the Target tender their shares in the Tender Offer at the meeting of the Target’s Board of Directors held on September 30, 2011. In addition, the Target resolved to leave the decision whether to tender the Stock Acquisition Rights and the Bonds with Stock Acquisition Rights in the Tender Offer, to the judgment of the holders of the Stock Acquisition Rights and the holders of the Bonds with Stock Acquisition Rights as the Target has not verified the appropriateness of the Tender Offer Price for the Stock Acquisition Rights and the Bonds with Stock Acquisition Rights.

Of the directors of the Target, Mr. Shozo Watanabe and Mr. Masahiko Iwanami served as employees of the Tender Offeror until 2011 and 2010, respectively. Therefore, for the purpose of avoiding conflicts of interest, neither of them participated in any deliberation or voting concerning the Transactions, including the approval of the opinion in favor of the Tender Offer, at any meetings of the Board of Directors of the Target, nor were they involved in any discussions or negotiations with the Tender Offeror or SMFG.

At the meeting of the Board of Directors held on September 30, 2011, regarding the approval of the opinion in favor of the Tender Offer, all directors of the Target, except the above-mentioned two directors, were present, and the above-mentioned resolution was unanimously adopted. At that meeting of the Board of Directors,

all of the four auditors (including two external auditors) of the Target were present and stated that they had no objection to the above-mentioned resolution.

(II) Background and decision making process of the implementation of the Tender Offer and management policies after the Tender Offer

SMFG, the wholly-owing parent company of the Tender Offeror, is one of Japan's largest bank holding companies, whose group has developed a wide variety of financial businesses centering on the banking business, and the Tender Offeror is one of the nation's leading commercial banks and the core entity of the group. As a financial group whose mother market is Japan, SMFG focuses on its strategic business areas and aims to establish a globally competitive business, corporate and financial base in order to respond sufficiently to its clients' needs in a timely and effective manner, while addressing new financial regulations and other issues. Specifically, SMFG designates five critical business areas consisting of "financial consulting for individuals," "solution providing for corporations," "commercial banking in emerging markets, especially in Asia," "broker-dealer / investment banking," and "non-asset business such as payment & settlement services and asset management" and implements and executes focused business strategy on group-wide basis, while developing the establishment of a solid corporate infrastructure that supports its business strategy. With respect to the consumer finance business, such as the consumer loan business and the credit card business, SMFG considers such consumer finance business as one of the line-ups of its financial consulting business for individuals, and promotes the enhancement of its cooperation among group companies.

The Target was established in 1962 as Kansai Financial Corporation, and, after the subsequent name changes and mergers, has developed its business since 1980 under the name of Promise Co., Ltd. The consumer loan service, which the Target newly introduced in 1963, that does not require joint guarantors or mortgages, and providing swift lending through use of system and convenience of repeated use within the maximum limit (current revolving system) was well perceived. Thereafter, by spreading its network of offices and ATMs throughout the nation, and constructing highly-accurate information systems and credit systems, the Target has established a framework for quickly responding to variety

of customers' funding needs. According to the annual securities report for the 50th fiscal year filed by the Target on June 27, 2011, the Target's entire group had approximately 1,890,000 customers (by number of loan bookings), with the amount of outstanding loans being approximately JPY879.5 billion, as of March 31, 2011.

SMFG and the Target, aiming at establishing the top position in Japan in the consumer finance business, entered into a strategic business and capital alliance in the consumer finance business in 2004, by which the Target became an equity-method affiliate of SMFG and the Tender Offeror, and the Tender Offeror and the Target commenced the cooperative development of the unsecured loan business for individuals. Although the consumer finance business in SMFG group has faced a severe business environment, including a market scale reduction, as stated below, the unsecured loan business for individuals which the Tender Offeror and the Target have developed cooperatively ("cascade business") has showed steady performance so far, with the amount of outstanding loans growing steadily.

SMFG group considers the Target group as one of its core entity in its consumer finance business from the following reasons: (i) although the consumer finance business has faced a severe business environment, due to the strengthening of interest rate ceiling regulation and market scale reduction associated with the implementation of restriction on total volume for money lending, while the number of interest refund claims hovering at a high level, the business still remains a relatively higher margin and continuously and steadily profitable business, therefore, SMFG intends to, in the medium to long term, emphasize the consumer finance business as a part of its retail business line-up that support individual consumption, (ii) the Target will contribute to the enhancement of client base of SMFG group as the banks and consumer finance companies are in supplemental relationship due mainly to different characteristics of customers, and (iii) credit screening and other knowhow of the Target is strategically indispensable for the consumer finance business of SMFG group.

Currently the management environment surrounding the Target remains severe, as stated above, and the Target has proactively promoted business structure reform in order to establish a solid foundation as the "No.1 consumer finance company both in terms of quality and quantity." Specifically, the Target has implemented

various measures: (i) streamlined its business operation through the total elimination of its staffed branches and substantial personnel downsizing, (ii) transformed its operational framework effectively while providing sophisticated services to its customers, including by integration with Sanyo Shinpan Finance Co., Ltd. and At-Loan Co., Ltd., and (iii) enlarge its operation through installation of its loan agreement machine and ATMs for the Tender Offeror in the branches of the Target, making loan agreement machine in the Tender Offeror's branches available for the Target, and commencing guarantee services to a part of the card-type loans made by ORIX Credit Corporation.

Against backdrop, based on the recognition that (i) in order to reinforce the consumer finance business of SMFG group and to enhance earnings generation capacity promptly, it is necessary to build up an infrastructure accommodating group-wide prompt and flexible decision making by further strengthen the cooperation between the Target and SMFG group companies, and (ii) in order to effectively achieve the expansion of the consumer finance business centering on the Target, it is necessary to strengthen financial base of the Target; SMFG and the Tender Offeror started to discuss and consult with the Target for establishment of such infrastructure and strengthening of the financial base from early August 2011 and, on September 30 2011, came to judge it best that SMFG ultimately makes the Target its wholly-owned subsidiary through and after the Tender Offer to be conducted by the Tender Offeror, and simultaneously strengthens the financial base of the Target promptly through subscription of the third-party allotment by SMFG or the Tender Offeror (the "Third-Party Allotment").

The Target also is of the opinion that becoming a wholly-owned subsidiary of SMFG, which focuses on the consumer finance business as a part of its retail business line-up and place the Target group as one of the core players of the consumer finance business, will enable the Target to implement various measures such as (i) the strengthening of the ability to develop operations by proactive utilization of the Tender Offeror's brand and channels, (ii) the strengthening of overseas business by utilizing SMFG group's global management resources, and (iii) the redistribution to sales promotion and so forth of the management resources required for procurement of funds or head office functions, and therefore bring big advantages. From this point of view, the Target believes that strengthening alliances with SMFG group companies and promptly strengthening its business and financial base through becoming a wholly-owned subsidiary of SMFG will (i)

contribute to the establishment of a competitive advantage in the industry and further the enhancement of its enterprise value, and (ii) result in the enhancement of its profit-earning capacity in the aspect that more efficient and flexible business management will be possible by further utilizing the management resources of SMFG group.

After SMFG makes the Target a wholly-owned subsidiary, through further developing cooperation with SMFG group companies and utilizing the Tender Offeror's brand and channels proactively, and also by maximally utilizing the financial base enforced by the Third-Party Allotment to SMFG or the Tender Offeror, SMFG and the Target plan to enlarge the Target's operations further and to strengthen the position of SMFG group in the consumer finance business on a group-wide basis.

SMFG, the Tender Offeror and the Target entered into a basic agreement (the "Basic Agreement") dated September 30, 2011 regarding strengthening of business alliances after SMFG makes the Target a wholly-owned subsidiary of SMFG. Specifically, under the common understanding that mutual business collaboration should be further strengthened, SMFG, the Tender Offeror and the Target agree to promptly establish a business alliance committee, and to the extent permitted by laws and regulations, to specifically consider the following matters, and strengthen mutual collaboration.

- (1) Further promotion of co-utilization of sales channel between the Target and the Tender Offeror
- (2) Enhancement of sales promotion at the Target through utilization of the Tender Offeror's brand
- (3) Development of the Target's retail business in Asia through collaboration with the Tender Offeror
- (4) Pursuit of efficiency through consolidation of servicer and middle back functions* within the group
- (5) Fortification of sharing various information including credit screening knowhow among SMFG group companies

* Middle back functions mean back-office or support services including office work.

According to the Target, the Target was required to additionally provide the

interest repayments-related allowance (including the allowance for losses on interest repayments and the allowance for credit losses which is to be applied to the principal related to interest repayments) so that the amount thereof will be approximately JPY390 billion at the end of the second quarter of the fiscal year ending March 31, 2012. Therefore, the Target will implement additional provision of the interest repayments-related allowance; in connection therewith the Target recognized a net loss of JPY 203.4 billion in the 6 months period of the fiscal year ending September 30, 2011 and resolved at a meeting of the Board of Directors held on September 30, 2011 to amend earnings forecasts for the fiscal year ending March 31, 2012. In addition, the Target resolved at such meeting of the Board of Directors that they would distribute no year-end dividend for the fiscal year ending March 31, 2012.

In such circumstances, according to the Target, the Target has decided that it is essential to promptly improve its impaired financial base by sufficiently preparing for the issue of claims for interest repayments, which is a significant constraint on the Target's financial base, and to enable the promotion of aggressive policies toward future growth strategies, and the Target, at the meeting of the Board of Directors held on September 30, 2011, resolved the Third-Party Allotment mentioned below that designates SMFG or the Tender Offeror as the party to which 451,977,400 shares will be allotted.

Number of new shares to be issued: 451,977,400 shares

Issue price: JPY531 per share

Total amount of issue price: JPY239,999,999,400

Closing date: December 26, 2011

It has been agreed, in a share subscription agreement entered into by and between SMFG and the Target as of September 30, 2011 (the "Subscription Agreement"), that 225,988,700 shares of the offered shares (the total amount to be paid: JPY119,999,999,700) will be allotted to SMFG (or the Tender Offeror, if SMFG designates separately) through the third-party allotment, and it is planned that, only for such number of shares, only either of SMFG or the Tender Offeror will subscribe them. In other words, in the Third-Party Allotment, shares will finally be allotted to only either of SMFG or the Tender Offeror, and the party to which shares will not be allotted will lose its rights to subscribe such shares; therefore, the actual number of shares to be issued will be 225,988,700 shares that is half of

the above-mentioned number of new shares to be issued, i.e., 451,977,400 shares.

In addition, SMFG and the Tender Offeror, at their respective board meetings held on September 30, 2011, resolved the subscription of the Target's Third-Party Allotment by SMFG or the Tender Offeror, and SMFG and the Target entered into the Subscription Agreement on September 30, 2011. The allotted party of the Third-Party Allotment will be determined, around early December, to be SMFG if Making the Target Wholly-owned Subsidiary is expected to be implemented, or the Tender Offeror, if it is not expected to be implemented, based on the result of the Tender Offer and considering whether or not the Making the Target Wholly-owned Subsidiary will be implemented. The shares to be allotted to SMFG or the Tender Offeror through the Third-Party Allotment, the number of which is 225,988,700 shares (voting rights; 4,519,774 units), will represent 167.6% (rounded to one decimal place) of the ratio to the total number of issued shares of the Target as of June 30, 2011, which is 134,866,665 shares as stated in the 51st Term - First Quarter Report filed by the Target on August 12, 2011, and 178.2% (rounded to one decimal place) of the ratio to the number of voting rights of all shareholders as of March 31, 2011, which is 2,535,922 units as stated in the 51st Term - First Quarter Report filed by the Target on August 12, 2011. Regardless of the result of the Tender Offer, the Target is expected to become a consolidated subsidiary of SMFG after the completion of the payment of the Third-Party Allotment.

The amount to be paid in above shall be (a) 0.6% (rounded to one decimal place) premium for JPY528 (rounded down to the nearest whole number) of the average of the closing prices of the Target's common stock at the Tokyo Stock Exchange (the "TSE") for a one (1) month period (from August 30, 2011 to September 29, 2011), (b) 11.8% (rounded to one decimal place) discount for JPY602 (rounded down to the nearest whole number) of the average of the closing prices of the Target's common stock at the TSE for a three (3) month period (from June 30, 2011 to September 29, 2011), and (c) 12.2% (rounded to one decimal place) discount for JPY605 (rounded down to the nearest whole number) of the average of the closing prices of the Target's common stock at the TSE for a six (6) month period (from March 30, 2011 to September 29, 2011) up to one business day preceding the date of the resolution made at the Target's Board of Directors' meeting regarding the Third-Party Allotment (September 29, 2011).

The amount to be paid in for the Third-Party Allotment was decided to be JPY531

(rounded down to the nearest whole number), which is the amount obtained by multiplying the closing price of the Target's common stock at TSE First Section on September 29, 2011, which is one business day prior to the date of the resolution made at the Target's Board of Directors' meeting regarding the Third-Party Allotment, by 0.95. According to the Target, the Target engaged Ernst & Young Transaction Advisory Services Co., Ltd. ("E&Y"), which is a third-party appraisal institution independent from SMFG, the Tender Offeror and the Target, requested a calculation of the share value of the Target, and acquired the share valuation report from E&Y as of September 28, 2011. According to the Target, the results of E&Y's calculation of the share value are as follows;

In calculating the Target's share value, E&Y examined the Target's business plans and other relevant information provided by the Target and determined that it would be appropriate to evaluate them from various perspectives. Accordingly, E&Y calculated the Target's share value by the market price method, the discounted cash flow method (the "DCF method") and the adjusted book value method.

(a) Market price method

E&Y adopted the market price method, considering that it was a method for deciding a share value based on the listed company's share price traded on a stock market, and therefore was the most objective valuation method suitable for evaluating the share value of a listed company. E&Y calculated that the value of the Target's common shares was in the range of JPY492 to JPY722 per share, based on the maximum value and the minimum value of the closing prices of the Target's common shares on the TSE First Section from May 16, 2011, the following business day of May 13, 2011, when the Target announced the financial results for the fiscal year ended March 2011, to September 28, 2011.

(b) DCF method

E&Y adopted the DCF method, considering that it was an evaluation method based on the future cash flow (profit-earning capacity) generated from a company's business activities and therefore was appropriate for evaluating the value of a going concern. Based on the Target's business plans and other relevant information provided by the Target, E&Y calculated that the value of the Target's common shares was in the range of JPY312 to JPY569 per share, by discounting the future cash flow that belongs to the Target shareholders to arrive at the present value by using a certain discount rate.

(c) Adjusted book value method

E&Y adopted the adjusted book value method, considering that it was a method for evaluating the share value by the net asset value on the basis of the assets and liabilities on the balance sheet, reflecting a latent gain or loss based on the market value, and therefore was an appropriate valuation method for the Target, whose primary assets were financial assets. E&Y calculated the adjusted net asset value by adjusting the book value on the Target's consolidated balance sheet as of March 31, 2011, by the amount of increase or decrease resulting from the market value evaluation of its assets and liabilities and by reflecting the changes in the book value during the period from March 31, 2011 to June 30, 2011. E&Y accordingly calculated that the value of the Target's common shares was in the range of JPY97 to JPY193 per share.

E&Y has assumed that the public information, financial information and all other information provided by the Target that E&Y examined in calculating the Target's share value was accurate and complete, and has not independently verified the accuracy or completeness of such information. E&Y has also assumed that the financial forecasts and other information related to the future provided by the Target were reasonably prepared based on the best forecasts and decisions that the Target management were able to render at the time, and that the Target's financial status is subject to change depending on the forecasts of its management. E&Y has relied on such forecasts and related materials without performing an independent investigation. The calculation of the Target's share value by E&Y reflects the content of "Announcement of Revision of Earnings Forecast and Dividends Forecast" released as of September 30, 2011, additional information regarding the Target, and economic conditions and other relevant factors available up to September 28, 2011.

After examination of the results of the calculation of the share value, the Target determined that the share value based on the most recent market value is appropriate because the most recent market value is in the range of the results of the valuations based on the various method in the share valuation report, or higher than the results of the valuations. After comprehensive consideration of the market conditions of the Target's shares, the possibility of market fluctuation up to the payment date and the number of shares issued by the Target, the Target's financial status, the business environment, and the possibility of subscription by the allottee, etc., the Target determined the amount to be paid in above.

According to the Target, the Target determined that based on the closing price of the Target's common stock one business day preceding the date of the resolution made at the Board of Directors' meeting regarding the Third-Party Allotment, the amount to be paid in above is in compliance with the principle of the "Guidelines for the Handling of capital increase through Third-Party Allotment" of the Japan Securities Dealers Association, and the Third-Party Allotment is not 'particularly favorable' (provided in Article 199, paragraph (3) of the Companies Act (Law No.86 of 2005 including any subsequent amendments thereto)) to SMFG or the Tender Offeror.

Also, on the same date as that of the share value calculation statement above, the Target obtained an opinion from E&Y that the amount to be paid in for the Third-Party Allotment is appropriate from a financial point of view within a certain extent for the shareholders of the Target's common stock, other than the Tender Offeror, considering that the amount to be paid in is in the range of the results of the valuations based on the various method in the share valuation report, or higher than the results of the valuations, and other factors.

According to the Target, the Target established a third-party committee comprised of total of three (3) persons, as described in "(6) Establishment of Independent Third Party Committee at the Target" of "(III) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest, etc." below: one (1) attorney-at-law, and two (2) external auditors independent from the Target; and the Target obtained an opinion from the third-party committee that recognizes the necessity to procure funds through the Third-Party Allotment and that the manner and the terms and conditions of issue are appropriate (including the fact that the decision at the Target's Board of Directors' meeting on the Third-Party Allotment is not unfavorable to the Target's minority shareholders other than the Tender Offeror, and that the Third-Party Allotment is not 'particularly favorable' (provided in Article 199, paragraph (3) of the Companies Act.)) to SMFG or the Tender Offeror.

(III) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest, etc.

While the Tender Offeror is not a parent company of the Target as of the date hereof, the Target and the Tender Offeror have implemented the measures set forth below to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price, and measures to avoid conflicts of interest, in light of the following factors: (i) the Tender Offeror holds 27,926,750 shares of the Target and the Target is an equity-method affiliate of the Tender Offeror; (ii) SMFG, the wholly-owning parent company of the Tender Offeror, the Tender Offeror and the Target have a business and capital alliance with each other; and (iii) the Tender Offeror or SMFG are expected to become controlling shareholders of the Target through the subscription of the Third-Party Allotment.

① Financial Analysis Report from the Financial Advisor

In the process of determining the tender offer price, the Tender Offeror requested Goldman Sachs Japan Co. Ltd. (“Goldman Sachs”), a financial advisor for SMFG and the Tender Offeror, to perform financial analyses relating to the Target’s common stock, and received from Goldman Sachs the financial analysis report dated September 30, 2011 (the “Goldman Sachs Report”) prepared by Goldman Sachs. The Tender Offeror did not receive any financial analysis reports for the Target’s Stock Acquisition Rights and Bonds with Stock Acquisition Rights. Goldman Sachs is not a related party of either SMFG or the Tender Offeror and does not have any material conflicts of interest with respect to the Tender Offer.

(i) Common Stock

SMFG and the Tender Offeror first prepared a financial projection for the Target and its subsidiaries and affiliates based on information presented to SMFG and the Tender Offeror by the management of the Target, and assessed the strategic rationale for, and the potential benefits of, the proposed transaction related to the Tender Offer, and assessed together with the Target's management the past and current business operations, financial condition and future prospects of the Target.

Goldman Sachs, as part of preparing the Goldman Sachs Report referred to above and the fairness opinion described below, performed a historical stock price analysis, a dividend discount model (“DDM”) analysis, and a comparable company analysis. The DDM analysis and comparable company analysis were based on the above financial projection for the Target prepared by the managements of SMFG and the Tender Offeror, as approved for Goldman Sachs’ use by SMFG and the Tender Offeror. The respective analyses resulted in a range

of implied values per share of the Target shown below.

1. Historical Stock Price Analysis: JPY314 – 889

In performing the historical stock price analysis, Goldman Sachs used September 29, 2011 as the base date and reviewed the closing market prices of the Target for the 52 week period ending on such date.

2. DDM Analysis: JPY687 – 878

In performing the DDM Analysis, Goldman Sachs analyzed the value of the Target's common stock based on a discounting of future dividends, after taking into account retained earnings that would be necessary to maintain certain capital requirements, to be paid to the Target's shareholders to present value.

3. Comparable Company Analysis: JPY 792 – 1,170

In performing the comparable company analysis, Goldman Sachs used September 29, 2011 as the base date and analyzed the value of the Target's common stock by selecting a listed company that, while not directly comparable to the Target, is engaged in businesses that for purposes of analysis may be considered similar to the Target, and applying the comparable company's estimated fiscal year 2013 March price to earnings multiple, based on the most recent publicly available information, to the financial projection for the Target prepared by the managements of SMFG and the Tender Offeror.

Goldman Sachs provided its advisory services, the Goldman Sachs Report and Goldman Sachs' fairness opinion described below solely for the information and assistance of the Boards of Directors of SMFG and the Tender Offeror in connection with their consideration of the Transactions. Goldman Sachs did not recommend any specific Tender Offer price to SMFG, the Tender Offeror or their Boards of Directors or that any specific Tender Offer price constituted the only appropriate offer price. Please refer to (Note) which sets forth in more detail the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Goldman Sachs.

Goldman Sachs' financial analyses, the Goldman Sachs Report and Goldman Sachs' fairness opinion described below are necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of September 30, 2011, and Goldman Sachs assumes no responsibility for updating, revising or reaffirming its financial analyses, the Goldman Sachs Report or its opinion based on circumstances,

developments or events occurring after the date thereof. Goldman Sachs assumed with the consent of SMFG and the Tender Offeror that the financial analyses and forecasts for the Target prepared by the managements of SMFG and the Tender Offeror have been reasonably prepared on a basis reflecting the best available estimates and judgments of the managements of SMFG and the Tender Offeror as of September 30, 2011. Except as otherwise noted, the quantitative information used in Goldman Sachs' financial analyses, to the extent it is based on market data, is based on market data as it existed on or before September 29, 2011 and is not necessarily indicative of current market conditions.

As of the date hereof, the Tender Offeror holds 27,926,750 shares of the Target's common stock directly (20.71%, which is the ratio to the total number of issued shares (134,866,665 shares) as of June 30, 2011 (rounded to the nearest hundredth)).

The Tender Offeror, using as a reference the results of the financial analyses of the Target's common stock by Goldman Sachs and taking into consideration the synergy effects to be created between the Tender Offeror and the Target, the results of business, legal, accounting and tax due diligence related to the Target including potential interest-refund claims risk, the Target's revised earnings forecasts for the fiscal year ending March 2012 (April 1, 2011 to March 31, 2012), the likelihood of obtaining the support of the Target's Board of Directors for the Tender Offer, the historical stock price of the Target, the likelihood of a successful completion of the Tender Offer, and other factors, as well as premium implied at the time of determining the tender offer price in precedent tender offers for share certificates etc. by entities other than the issuer, all considered as a whole, and in addition taking into account the results of discussions and negotiations with the Target, determined the Tender Offer Price under the Tender Offer to be JPY780 in cash per share of common stock of the Target at the meeting of the Tender Offeror's Board of Directors held on September 30, 2011. SMFG and the Tender Offeror also received a fairness opinion from Goldman Sachs, dated September 30, 2011, to the effect that, as of such date and based upon and subject to certain conditions, including the limitations, assumptions and other matters described in (Note) below, the Tender Offer Price was fair from a financial point of view to SMFG, parent company of the wholly-owned subsidiary Tender Offeror, in the context of the Transactions contemplated by the Basic Agreement.

The Tender Offer Price of JPY780 per share for the Target's share of common stock proposed under the Tender Offer represents a premium of approximately 39.5% (rounded to one decimal place; hereinafter the same) on the JPY559 closing price of the Target's share on the First Section of the Tokyo Stock Exchange on September 29, 2011, a premium of approximately 47.7%, on the JPY528 (rounded down to the nearest whole number; hereinafter the same) simple average of closing price of the Target's share for the last 1 month (from August 30, 2011 to September 29, 2011), a premium of approximately 29.6% on the JPY602 simple average of closing price of the Target's shares for the last 3 months (from June 30, 2011 to September 29, 2011) and premium of approximately 28.9% on the JPY605 simple average of closing price of the Target's share for the last 6 months (from March 30, 2011 to September 29, 2011). The Tender Offer Price of JPY780 per share for the Target's share of common stock proposed under the Tender Offer represents a premium of approximately 0.6% on the JPY775 closing price of the Target's share on the First Section of the TSE on October 17, 2011, which is one business day prior to the date hereof, a premium of approximately 16.1%, on the JPY672 simple average of closing price of the Target's share for the last 1 month (from September 20, 2011 to October 17, 2011), a premium of approximately 27.7% on the JPY611 simple average of closing price of the Target's shares for the last 3 months (from July 19, 2011 to October 17, 2011) and premium of approximately 25.0% on the JPY624 simple average of closing price of the Target's share for the last 6 months (from April 18, 2011 to October 17, 2011).

(Note) The following is a supplemental explanation of the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with performing Goldman Sachs' financial analyses of the Target's common stock and preparing the Goldman Sachs Report and Goldman Sachs' fairness opinion.

Goldman Sachs and its affiliates (the "Goldman Sachs Group") are engaged in investment banking and financial advisory services, commercial banking, securities trading, investment management, principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities and other financial and non-financial activities and services for various persons and entities. In the ordinary course of these activities and services, the Goldman Sachs Group may at any time make or hold long or short positions and investments, as well as actively trade or effect transactions, in the

equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of third parties, SMFG, the Tender Offeror, the Target and any of their respective affiliates or any currency or commodity that may be involved in the Transactions for their own account and for the accounts of their customers. Goldman Sachs has acted as financial advisor to SMFG and the Tender Offeror in connection with, and have participated in certain of the negotiations leading to, the Transactions. Goldman Sachs expects to receive fees for its services in connection with the Transactions, a principal portion of which is contingent upon consummation of the Transactions, and SMFG and the Tender Offeror have agreed to reimburse Goldman Sachs' expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs' engagement. The Goldman Sachs Group has provided certain investment banking services to SMFG, the Tender Offeror and their respective affiliates from time to time for which the Investment Banking Division of the Goldman Sachs Group has received, and may receive, compensation, including having acted as (i) financial advisor to SMFG and the Tender Offeror with regard to SMFG's acquisition of Nikko Cordial Securities Inc. and other related businesses in October 2009, (ii) joint global coordinator with regard to SMFG's issuance of 360,000,000 common shares in January 2010, (iii) lead dealer manager and structuring agent for SMFG, the Tender Offeror, SMFG Preferred Capital USD 1 Limited and SMFG Preferred Capital GBP 1 Limited with regard to tender offers for euro denominated perpetual subordinated bonds and dollar denominated perpetual subordinated bonds issued by the Tender Offeror, dollar denominated non-cumulative perpetual preferred securities issued by SMFG Preferred Capital USD 1 Limited, and sterling denominated non-cumulative perpetual preferred securities issued by SMFG Preferred Capital GBP 1 Limited (aggregate amount of EUR368,635,000 (principal amount basis), USD1,022,747,000 (principal amount basis), USD1,000,859,000 (liquidation preference basis), and GBP426,424,000 (liquidation preference basis), respectively) in February 2010, and (iv) financial advisor to SMFG and SMFG Card & Credit, Inc. ("FGCC") with regard to FGCC's acquisition of a control stake of Cedyne Financial Corporation in May 2010. The Goldman Sachs Group may also in the future provide investment banking services to SMFG, the Tender Offeror, the Target and their respective affiliates for which the Investment Banking Division of the Goldman Sachs Group may receive

compensation.

In connection with performing its financial analyses and preparing the Goldman Sachs Report and its fairness opinion, Goldman Sachs has reviewed, among other things, the Basic Agreement; the Subscription Agreement; the Annual Securities Reports (Yuka Shoken Hokoku-sho) of the Target for the five fiscal years ended March 31, 2011 and SANYO SHINPAN FINANCE CO., LTD., which merged with the Target on October 10, 2010, for the four fiscal years ended March 31, 2010; the First Quarter Securities Report (Daiichi Shihanki Hokoku-Sho) of the Target for the first fiscal quarter ended June 30, 2011; certain other communications from the Target to its shareholders; certain internal financial analyses and forecasts for the Target prepared by its management; and certain financial analyses and forecasts for the Target prepared by the managements of SMFG and the Tender Offeror and approved for Goldman Sachs' use by SMFG and the Tender Offeror (the "Forecasts"). Goldman Sachs has also held discussions with a member of the senior management of the Target regarding the assessment of the Target of the past and current business operations, financial condition and future prospects of the Target and with a member of the senior management of SMFG and the Tender Offeror regarding the assessment of SMFG and the Tender Offeror of the past and current business operations, financial condition and future prospects of the Target and the strategic rationale for, and the potential benefits of, the Transactions. In addition, Goldman Sachs has reviewed the reported price and trading activity for the shares of common stock of the Target, compared certain financial and stock market information for the Target with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent tender offers in the Japanese consumer finance industry specifically and in other industries generally, and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of performing its financial analyses and preparing the Goldman Sachs Report and its opinion, Goldman Sachs has relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by Goldman Sachs, and Goldman Sachs does not assume any responsibility for any such

information. In that regard, Goldman Sachs has assumed with SMFG and the Tender Offeror's consent that the Forecasts have been reasonably prepared on a basis reflecting the best available estimates and judgments of the managements of SMFG and the Tender Offeror as of September 30, 2011. In addition, Goldman Sachs has not reviewed individual credit files nor has Goldman Sachs made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of the Target, SMFG or the Tender Offeror or any of their respective subsidiaries and Goldman Sachs has not been furnished with any such evaluation or appraisal. Goldman Sachs is not an expert in the evaluation of credit portfolios for purposes of assessing the adequacy of the reserves for credit losses and interest refunds with respect thereto and, accordingly, Goldman Sachs has relied on estimates provided to Goldman Sachs by the managements of SMFG and the Tender Offeror of the adequate amount of such reserves for the Target. Goldman Sachs has assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transactions will be obtained without any adverse effect on SMFG, the Tender Offeror or the Target or on the expected benefits of the Transactions in any way meaningful to Goldman Sachs' analysis. Goldman Sachs also has assumed that the Transactions, including the Tender Offer and the Third-Party Allotment, will be consummated on the terms set forth in the Basic Agreement and the Subscription Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to Goldman Sachs' analysis.

Goldman Sachs' financial analyses, the Goldman Sachs Report and its opinion do not address the underlying business decision of SMFG and the Tender Offeror to engage in the Transactions, or the relative merits of the Transactions as compared to any strategic alternatives that may be available to SMFG or the Tender Offeror nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' written opinion addresses only the fairness from a financial point of view to SMFG, as of the date thereof, of the Tender Offer Price to be paid by the Tender Offeror in respect of each share of common stock of the Target in the Tender Offer pursuant to the Basic Agreement. Goldman Sachs does not express any view on, and Goldman Sachs' opinion does not address, any other term or aspect of the Basic Agreement, the Subscription Agreement or the Transactions or any term or aspect of any other agreement or

instrument contemplated by the Basic Agreement or the Subscription Agreement or entered into or amended in connection with the Transactions, including, without limitation, the Share Exchange, the Third-Party Allotment, the fairness of the Transactions to, or any consideration received in connection therewith by, the Tender Offeror, the holders of any class of securities, creditors, or other constituencies of SMFG and the Tender Offeror; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of SMFG, the Tender Offeror or the Target, or any class of such persons in connection with the Transactions, whether relative to the Tender Offer Price to be paid by the Tender Offeror in respect of each share of common stock of the Target in the Tender Offer pursuant to the Basic Agreement or otherwise. Goldman Sachs is not expressing any opinion as to the prices at which the shares of common stock of the Target or the shares of common stock of SMFG will trade at any time or as to the impact of the Transactions on the solvency or viability of SMFG, the Tender Offeror or the Target or the ability of SMFG, the Tender Offeror or the Target to pay their respective obligations when they come due. The Goldman Sachs Report and Goldman Sachs' opinion do not constitute a recommendation as to whether any holder of shares of common stock of the Target, the Stock Acquisition Rights or Bonds with Stock Acquisition Rights should tender their shares, Stock Acquisition Rights or Bonds with Stock Acquisition Rights in the Tender Offer or any other matter. Goldman Sachs' opinion has been approved by a fairness committee of the Goldman Sachs Group.

The preparation of a fairness opinion is a complex process and Goldman Sachs' financial analyses, the Goldman Sachs Report and Goldman Sachs' opinion are not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses, the Goldman Sachs Report or its opinion or the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' financial analyses, the Goldman Sachs Report or Goldman Sachs' opinion. Goldman Sachs did not attribute any particular weight to any factor or any analysis it performed.

(ii) Stock Acquisition Rights

The Stock Acquisition Rights, which are subject to the Tender Offer, are issued as a stock option to the directors, executive officers and employees of the Target.

As a condition thereof, a holder of the Stock Acquisition Rights must exercise such right within five years from the day after the date on which such holder lost his position as a director, an auditor, an executive officer or an advisor (to whom the rules for executive officers are applicable). In addition, a holder of such Stock Acquisition Rights is required to obtain the approval of the Board of Directors of the Target before transferring the rights (including tender of such right in the Tender Offer). After taking into consideration the terms and conditions of the Stock Acquisition Rights, including the fact that the Tender Offeror would not be able to exercise the Stock Acquisition Rights even if it acquires such rights in the Tender Offer, the Tender Offeror decided to set the Tender Offer price at JPY1 per each Stock Acquisition Right.

(iii) Bonds with Stock Acquisition Rights

The Tender Offer price of JPY2,765,880 per each Bond with Stock Acquisition Rights (face value of JPY 10,000,000) was determined by dividing the face value of JPY10,000,000 by JPY 2,820, which is the conversion price effective as of the date hereof (3,546 shares) (rounded down to the nearest whole number), and multiplying the quotient by JPY 780, which is the Tender Offer Price per share of common stock of the Target. Due to the implementation of the Third-Party Allotment, the conversion price of the Bonds with Stock Acquisition Rights is expected to be adjusted to approximately JPY2,662 per share after the day following the payment date of the Third-Party Allotment. However, because the purchase of the Bonds with Stock Acquisition Rights through the Tender Offer is made before the date on or after which the conversion price after adjustment of the Bond with Stock Acquisition Rights is applicable, the purchase price of the Bonds with Stock Acquisition Rights per par value of JPY 10,000,000 was calculated on the basis of the conversion price (JPY2,820) effective as of the date hereof.

② Obtainment by the Target of Share Valuation Report and Opinion from Independent Third Party Appraiser

(i) Common Shares

In deciding the opinion on the Tender Offer, the Target has requested that E&Y, a third party appraiser independent from the Tender Offeror, SMFG and the Target evaluate its share, and obtained a share valuation report therefrom on September 28, 2011. The Target has also obtained an opinion to the effect that the Tender Offer Price is appropriate for its ordinary shareholders other than the Tender Offeror to a certain extent from a financial point of view based on the result of

valuation in the share valuation report. The results of the valuation of the Target's share by E&Y are as follows.

In calculating the Target's share value, E&Y examined the Target's business plans and other relevant information provided by the Target and determined that it would be appropriate to evaluate them from various perspectives. Accordingly, E&Y calculated the Target's share value by the market price method, the discounted cash flow method (the "DCF method") and the adjusted book value method.

(a) Market price method

E&Y adopted the market price method, considering that it was a method for deciding a share value based on the listed company's share price traded on a stock market, and therefore was the most objective valuation method suitable for evaluating the share value of a listed company. E&Y calculated that the value of the Target's common shares was in the range of JPY492 to JPY722 per share, based on the maximum value and the minimum value of the closing prices of the Target's common shares on the TSE First Section from May 16, 2011, the following business day of May 13, 2011, when the Target announced the financial results for the fiscal year ended March 2011, to September 28, 2011.

(b) DCF method

E&Y adopted the DCF method, considering that it was an evaluation method based on the future cash flow (profit-earning capacity) generated from a company's business activities and therefore was appropriate for evaluating the value of a going concern. Based on the Target's business plans and other relevant information provided by the Target, E&Y calculated that the value of the Target's common shares was in the range of JPY312 to JPY569 per share, by discounting the future cash flow that belongs to the Target shareholders to arrive at the present value by using a certain discount rate.

(c) Adjusted book value method

E&Y adopted the adjusted book value method, considering that it was a method for evaluating the share value by the net asset value on the basis of the assets and liabilities on the balance sheet, reflecting a latent gain or loss based on the market value, and therefore was an appropriate valuation method for the Target, whose primary assets were financial assets. E&Y calculated the adjusted net asset value by adjusting the book value on the Target's consolidated balance sheet as of March

31, 2011, by the amount of increase or decrease resulting from the market value evaluation of its assets and liabilities and by reflecting the changes in the book value during the period from March 31, 2011 to June 30, 2011. E&Y accordingly calculated that the value of the Target's common shares was in the range of JPY97 to JPY193 per share.

E&Y has assumed that the public information, financial information and all other information provided by the Target that E&Y examined in calculating the Target's share value was accurate and complete, and has not independently verified the accuracy or completeness of such information. E&Y has also assumed that the financial forecasts and other information related to the future provided by the Target were reasonably prepared based on the best forecasts and decisions that the Target management were able to render at the time, and that the Target's financial status is subject to change depending on the forecasts of its management. E&Y has relied on such forecasts and related materials without performing an independent investigation. The calculation of the Target's share value by E&Y reflects the content of "Announcement of Revision of Earnings Forecast and Dividends Forecast" released today, additional information regarding the Target, and economic conditions and other relevant factors available up to September 28, 2011.

(ii) Stock Acquisition Rights

As stated in "(2) Price of Tender Offer" of "4. Tender Offer Period, Price of Tender Offer, Number of Shares to be Acquired", the Tender Offeror has decided that the purchase price per Stock Acquisition Right would be JPY1, as it would not be able to exercise any Stock Acquisition Right though it may purchase them through the Tender Offer due to the condition of the Stock Acquisition Rights that holders thereof must exercise such right within five years from the day after the date which such holder lost his position as a director, an auditor, an executive officer or an advisor (to whom the rules for executive officers are applicable). The Target has not obtained from E&Y, a third party appraiser, any valuation report or opinion on the appropriateness of the purchase price, given the fact that the Stock Acquisition Rights were issued as a stock-based compensation stock option and the purchase price per Stock Acquisition Right was JPY1. Furthermore, the Target has passed a resolution at its Board of Directors' meeting held on September 30, 2011, to leave the decision whether to tender their Stock Acquisition Rights in the Tender Offer up to the holders of the Stock Acquisition Rights, as the Target has not

examined the appropriateness of the purchase price for the Stock Acquisition Rights.

(iii) Bonds with Stock Acquisition Rights

As stated in “(2) Price of Tender Offer” of “4. Tender Offer Period, Price of Tender Offer, Number of Shares to be Acquired” below, the Tender Offeror has decided that the purchase price of the Bonds with Share Acquisition Rights per par value (JPY10,000,000) will be JPY2,765,880 in the Tender Offer, which is an amount obtained by dividing the par value (JPY10,000,000) by the conversion price effective as of the date hereof (JPY2,820). Due to the implementation of the Third-Party Allotment, the conversion price of the Bonds with Stock Acquisition Rights is expected to be adjusted to approximately JPY2,662 per share after the day following the payment date of the Third-Party Allotment. However, because the purchase of the Bonds with Stock Acquisition Rights through the Tender Offer is made before the date on or after which the conversion price after adjustment of the Bond with Stock Acquisition Rights is applicable, the purchase price of the Bonds with Stock Acquisition Rights per par value of JPY10,000,000 was calculated on the basis of the conversion price of (JPY2,820) effective as of the date hereof. The Target has not obtained from E&Y, a third party appraiser, any valuation report or opinion on the appropriateness of the purchase price in connection with the Bonds with Stock Acquisition Rights, given the following facts: (a) that the said purchase price of the Bonds with Stock Acquisition Rights would fall below the face value of the Bonds with Stock Acquisition Rights; and (b) that the Bonds with Stock Acquisition Rights would be redeemed at a price at least equal to the par value calculated pursuant to the applicable terms and conditions in accordance with the advance redemption clause if the Share Exchange would be conducted as provided in “(7) Others” below. Furthermore, the Target has passed a resolution at its Board of Directors’ meeting held on September 30, 2011, to leave the decision whether to tender their Bonds with Stock Acquisition Rights in the Tender Offer up to the holders of the Bonds with Stock Acquisition Rights, as the Target has not examined the appropriateness of the purchase price for the Bonds with Stock Acquisition Rights.

③ Relatively Long Tender Offer Period

The Tender Offeror has set the Tender Offer Period in the Tender Offer to a relatively long period of 30 business days, while the minimum Tender Offer Period prescribed by law is 20 business days. This is to secure an appropriate

opportunity for the Target's shareholders to determine whether to tender their shares in the Tender Offer, as well as to secure an opportunity for potential purchasers other than the Tender Offeror to purchase the Target's shares.

④ Advice from Independent Law Firm

The Target has retained Nishimura & Asahi, a legal advisor independent from the Target, the Tender Offeror and SMFG, and received legal advice therefrom on procedures related to the Transactions, in order to carefully deliberate the Transactions and to ensure the fairness and appropriateness of the decision-making of its Board of Directors.

⑤ Establishment of Project Team at the Target for Eliminating Potential Conflicts of Interest

In order to eliminate any possible potential arbitrariness in the decision-making process of the Target in connection with the Transactions, the Target has established a project team (the "PT") consisting of: (a) Messrs. Ken Kubo and Yoshiyuki Tateishi, who are directors of the Target other than Mr. Shozo Watanabe, who used to be an employee of the Tender Offeror until 2011; Mr. Masahiko Iwanami who used to be an employee of the Tender Offeror until 2010; and Mr. Tomohiko Tashiro who used to be an employee of The Sumitomo Trust and Banking Co., Ltd., a major shareholder of the Target, until 2009, and who are independent from the Tender Offeror and SMFG; and (b) Mr. Masahide Kitakado, an executive officer. The PT has discussed and negotiated for the Tender Offer with the Tender Offeror, and considered the Transactions including the Tender Offer from the Target's perspective, and carefully examined the propriety thereof based on advice from and consultation with UBS Securities, the Target's financial advisor.

⑥ Establishment of Independent Third-Party Committee at the Target

On August 3, 2011, for the purpose of ensuring the appropriateness and fairness of the Transactions and ensuring the transparency and objectivity of the negotiations and decision-making process regarding the Transactions, the PT established a third-party committee consisting of three members — Mr. Shinji Mizuno, attorney at law of HIBIYA PARK LAW OFFICES, who is an external expert independent from the Target, the Tender Offeror, and SMFG; and Messrs. Hiroaki Mori and Takanori Yasunaga, external auditors of the Target — and asked the third-party committee to give its opinions on the following consultation issues: (i) the

appropriateness of the conditions for the Tender Offer, including the Tender Offer Price, and (ii) the appropriateness of the Target deciding that conditions for the Tender Offer including the Tender Offer Price are not unfavorable to the minority shareholders of the Target other than the Tender Offeror, and thus expressing the opinion in favor of the Tender Offer.

The meetings of the third-party committee were held 5 times in total between August 11, 2011, and September 28 of the same year, and considered the above-mentioned consultation issues. In considering the above-mentioned consultation issues, the third-party committee received explanations from the Target about: (a) the contents of the proposal made by the Tender Offeror; (b) the state of discussions and negotiations with the Tender Offeror with respect to the conditions for the Tender Offer, including the Tender Offer Price, and other conditions for the Transactions; and (c) the purposes of the series of procedures planned to be implemented after the Tender Offer for Making the Target a Wholly-Owned Subsidiary, as described under “(3) Policies on Organizational Restructuring Following the Tender Offer (Matters Relating to the So-called Second-Step Takeover)” below, and specific details of the Target’s enterprise value expected to be enhanced as a result thereof; and also interviewed officers of the Target and so forth. Additionally, the third-party committee referred to the share valuation report of the Target and the opinion that were submitted by E&Y to the Target, and received explanations from E&Y about the share valuation report of the Target and the opinion. In addition, the third-party committee received explanations about the procedures for the Transactions from UBS Securities and Nishimura & Asahi. Furthermore, the third-party committee appointed Nijubashi Partners, which is a law firm independent from the Target, the Tender Offeror, and SMFG, to be an independent legal advisor to the third-party committee; received legal advice therefrom on the Transactions; and obtained the legal opinion therefrom as of September 28, 2011, to the effect that the conditions for the Tender Offer as a part of the Transactions and the decision by the Target’s Board of Directors to express its opinion in favor of the Tender Offer are appropriate from a legal standpoint and do not violate the fiduciary duty owed by the directors of the Target. Based on these considerations, on September 29, 2011, the third-party committee submitted to the Board of Directors of the Target a response and opinion (including that conditions for the Tender Offer, including the Tender Offer Price are not unfavorable to the minority shareholders of the Target) to the effect

that (i) the conditions for the Tender Offer, including the Tender Offer Price, are appropriate, and (ii) it is appropriate for the Target to decide that conditions for the Tender Offer, including the Tender Offer Price, are not unfavorable to the minority shareholders of the Target other than the Tender Offeror, and thus to express the opinion in favor of the Tender Offer.

⑦ Approval of All Disinterested Directors

The Board of Directors of the Target carefully discussed and considered the Tender Offer Price, the Tender Offer Period, conditions that no maximum or minimum Number of Shares Scheduled to be Purchased is set, conditions of withdrawal of the Tender Offer and other conditions for the Tender Offer that aims at SMFG making the Target its wholly-owned subsidiary, based on the share valuation report and opinion obtained from E&Y, reports from the PT, advice obtained from UBS Securities and Nishimura & Asahi, and the response and opinion submitted by, and other related materials of, the third-party committee. Consequently, the Board of Directors of the Target has decided (a) that to strengthen the alliance with SMFG's group companies and promptly strengthen the Target's business and financial base by becoming a wholly-owned subsidiary of SMFG through the Tender Offer will lead to an increase in the Target's profit-earning capacity, and thus is the best measure in terms of the Target's enterprise value and the shareholders' common interest, and (b) that the Tender Offer Price and other various conditions for the Tender Offer are appropriate for the shareholders of the Target, and the Tender Offer will provide them, other than SMFG group, with a reasonable opportunity to sell their shares. For the above-mentioned reasons, the Board of Directors of the Target resolved at its meeting held on September 30, 2011, (i) to express an opinion in favor of the Tender Offer and (ii) to recommend that the shareholders of the Target tender their shares in the Tender Offer. In addition, the Board of Directors of the Target resolved, at the same meeting, (iii) as to whether or not the holders of the Stock Acquisition Rights and Bonds with Stock Acquisition Rights will tender their Stock Acquisition Rights and Bonds with Stock Acquisition Rights in the Tender Offer, to leave the decision up to the holders, as the Target has not examined the appropriateness of the purchase price regarding the Stock Acquisition Rights and the Bonds with Stock Acquisition Rights.

Of the directors of the Target, Mr. Shozo Watanabe and Mr. Masahiko Iwanami served as employees of the Tender Offeror until 2011 and 2010, respectively. Therefore, for the purpose of avoiding conflicts of interest, neither of them

participated in any deliberation or voting concerning the Transactions, including the approval of the Tender Offer, at any meetings of the Board of Directors of the Target, nor were they involved in any discussions or negotiations with the Tender Offeror or SMFG.

At the meeting of the Board of Directors held on September 30, 2011, regarding the approval of the Tender Offer, all directors of the Target, except the two above-mentioned directors, were present, and the above-mentioned resolution was unanimously adopted. At that meeting of the Board of Directors, all of the four auditors (including two external auditors) of the Target were present and stated that they had no objection to the above-mentioned resolution.

⑧ Securing Objective Circumstances that Ensure Appropriateness of Price

In the Subscription Agreement, the Target has made an agreement that (a) until the Third-Party Allotment is completed, the Target shall not, whether directly or indirectly, solicit any third party with respect to a certain management integration, organizational restructuring, capital alliance, equity participation, share transfer, business transfer, asset transfer, or other competing transactions, nor shall the Target cause any of its consolidated subsidiaries to engage in any of the foregoing (however, this shall not apply to the case where a tender offer targeting shares, etc. of the Target or other acquisition of the Target is proposed by a third party other than the Tender Offeror, and then it is reasonably determined that performing these obligations might constitute a breach of the fiduciary duty owed by the Target's directors or auditors under the Companies Act, even if the fact that the Subscription Agreement has already been executed is taken into consideration), and that (b) if a proposal, a request for information provision, or so forth concerning any of these competing transactions is made by a third party, the Target shall promptly notify SMFG and the Tender Offeror of that fact (including the name of such third party) and of the details in writing, and discuss measures to be taken with SMFG and the Tender Offeror.

Except for the above, the Tender Offeror and the Target have not made any agreement that would, in the event of the actual appearance of a competing acquirer other than the Tender Offeror, restrain such competing acquirer from making contact and so forth with the Target.

**(IV) Policies on Organizational Restructuring Following the Tender Offer
(Matters Relating to the So-called Second-Step Takeover)**

In the event the Tender Offeror is unable to acquire all Shares of the Target (excluding treasury shares held by the Target) through the Tender Offer, SMFG, Tender Offeror and the Target in principle plan to make the Target a wholly-owned subsidiary of SMFG by implementing the share exchange with the Target after the Tender Offer, in which SMFG will become a wholly-owning parent and the Target will become a wholly-owned subsidiary, subject to the approval of the relevant regulatory authorities.

It is anticipated that, in the event the Share Exchange is implemented, the shares of SMFG's common stock will be allocated and delivered in consideration for Shares of the Target held by the Target's shareholders, and every shareholder of the Target, to whom not less than one share of SMFG's common stock is allocated, will become a shareholder of SMFG. The Share Exchange is planned to be implemented, aiming the effective date to be in or around April 2012. Also, SMFG plans to deliver the shares of SMFG's common stock that will be delivered in consideration for the Share Exchange, upon acquiring such shares through market purchases, etc., before the Share Exchange. The Share Exchange is planned to be implemented in the form of a summary share exchange (kanni kabushiki kokan) prescribed in the main text of Article 796, Paragraph 3 of the Companies Act, without obtaining the approval at a general meeting of shareholders of SMFG. Further, the Share Exchange may be implemented in the form of a short form share exchange (ryakushiki kabushiki kokan) prescribed in the provisions of Article 784, Paragraph 1 of the Companies Act, without obtaining the approval at a general meeting of shareholders of the Target.

The share exchange ratio applicable to the Share Exchange, where it is implemented, will be determined after the completion of the Tender Offer, through consultations between SMFG and the Target, giving full consideration to the interest of shareholders of the respective companies; however, when determining the consideration to be received by the Target's shareholders upon the Share Exchange (i.e., SMFG's shares; provided, however, that, if fractional number of share less than one (1) share are allocated, the proceeds for sale of such fractions shall be delivered), Shares of the Target are expected to be valued based on a price equivalent to the Tender Offer Price. In connection with the Share Exchange, any

shareholder of the Target, which will become a wholly-owned subsidiary of SMFG, will be entitled to demand that the Target purchase the shares owned by such shareholder pursuant to the procedures prescribed by the Companies Act and other applicable laws and regulations. In such event, the purchase price will ultimately be determined by the court.

From the viewpoint of ensuring that the Share Exchange reflect the intention of the shareholders of the Target appropriately and that the Share Exchange be implemented with the support of the shareholders of the Target, it is agreed among SMFG, the Tender Offeror and the Target that: (i) if the ratio of the total number of shares tendered in the Tender Offer to the number obtained by subtracting the number of Shares of the Target held by the Tender Offeror as of the date hereof from the total number of issued Shares of the Target (excluding the number of treasury shares held by the Target and not including the number of shares to be issued under the Third-Party Allotment) (the “Number of Shares Held by Minority Shareholders”) becomes more than 50% (the “Minority Shareholder Tender Ratio”) (in this case, the ratio of voting rights to be held by the Tender Offeror after the Tender Offer to the number of voting rights of all shareholders as of March 31, 2011, which is 2,535,922 as stated in the Quarterly Report for the First Quarter of the 51st Fiscal Year submitted by the Target on August 12, 2011, is more than 61.02% (rounded to the nearest hundredth)), the Share Exchange shall be implemented on the understanding that the Making the Target a Wholly-Owned Subsidiary has obtained sufficient support from the shareholders of the Target; however, (ii) if the Minority Shareholder Tender Ratio becomes 50% or less, the Share Exchange shall be implemented only in the case where SMFG, the Tender Offeror and the Target confirm that the ratio of (a) the total number of Shares of the Target tendered in the Tender Offer plus the number of Shares of the Target held by the shareholders of the Target (excluding the Tender Offeror) who expressed their support for the Share Exchange upon the solicitation of the Tender Offer or after the Tender Offer to (b) the number obtained by subtracting (x) the number of shares held by shareholders to which direct solicitation may not be made in the Tender Offer for reasons such as their whereabouts were unknown from (y) the Number of Shares Held by Minority Shareholders becomes more than 50%, and if such confirmation is not made, the implementation of the Share Exchange shall be postponed or the details of the Share Exchange shall be changed. In any of the above cases, implementation of the Share Exchange is subject to

receiving from the third-party committee of the Target an opinion to the effect that the implementation and method of the Share Exchange will not be detrimental to the interests of minority shareholders other than the Tender Offeror. The implementation and method of the Share Exchange are scheduled to be decided by around February 2012, and the specific procedures and timing for the implementation of the Share Exchange will be promptly announced as soon as they are decided upon consultation with the Target.

The Tender Offer is not intended to solicit the shareholders of the Target to support the implementation of the Share Exchange. With respect to the tax consequences of tendering in the Tender Offer or the Share Exchange, shareholders should consult their respective tax experts at their own responsibility.

(V) Expected Delisting and Reasons Therefor

The Shares of the Target are currently listed on the First Section of the Tokyo Stock Exchange. However, because the Tender Offeror has not set a maximum limit on the number of shares to be purchased through the Tender Offer, depending on the outcome of the Tender Offer, there is the possibility of the Shares of the Target being delisted in accordance with the prescribed procedures pursuant to the share delisting standards of the Tokyo Stock Exchange. Furthermore, even if these standards are not applicable, in the event that the Share Exchange is implemented as set forth in the aforementioned “(4) Policies on Organizational Restructuring Following the Tender Offer (Matters Relating to the So-Called Second-Step Takeover,” the Shares of the Target will be delisted in accordance with the prescribed procedures and pursuant to the share delisting standards of the Tokyo Stock Exchange. After the delisting, the Shares of the Target will no longer be able to be traded on the Tokyo Stock Exchange.

(VI) Matters Relating to Material Agreements between the Tender Offeror and the Shareholders of the Target concerning the Tender of the Shareholders’ Shares in the Tender Offer

Not applicable.

(VII) Others

Under the Basic Agreement dated September 30, 2011, the Target agrees with the Tender Offeror and SMFG that in the case where the Share Exchange is implemented, the Target will acquire, by the effective date of the Share Exchange, all the outstanding Stock Acquisition Rights without consideration in accordance with their terms and conditions.

In addition, the terms and conditions of the Bonds with Stock Acquisition Rights provide that, upon the passing of a resolution at a general meeting of shareholders of the Target (or, where a resolution of general meeting of shareholders is not necessary, at a meeting of the board of directors of the Target) for the Target to become a wholly-owned subsidiary of another corporation by way of a share exchange, the Target may, having given not less than 14 Tokyo business days' prior notice to the holders of the Bonds with Stock Acquisition Rights, redeem all, but not some only, of the Bonds with Stock Acquisition Rights then outstanding, at a redemption price determined by reference to the redemption date and the parity of the Bonds with Stock Acquisition Rights in accordance with a certain formula (but which redemption price shall not be smaller than the principal amount of the Bonds with Stock Acquisition Rights), on the date (which shall in principle be the date of, or before, the effective date of the Share Exchange) specified for redemption in such notice.

Under the Basic Agreement dated September 30, 2011, the Target agrees with the Tender Offeror and SMFG that in the case where the Share Exchange is implemented, the Target will redeem, by the effective date of the Share Exchange, all the outstanding Bonds with Stock Acquisition Rights, in accordance with the early redemption clause provided for in the terms and conditions of the Bonds with Stock Acquisition Rights, at a redemption price calculated in accordance with such provisions.

The Target is reported to have resolved to revise its dividends forecast for the fiscal year ending March 31, 2012 and not to pay its fiscal year-end dividends for the fiscal year ending March 31, 2012 at the meeting of the Board of Directors of the Target held on September 30, 2011. For details, please refer to “(3) Revision of Earnings Forecast and Dividends Forecast” of “No.5 Status of the Target 5 Other”

mentioned below.

4. [Tender Offer Period, Price of Tender Offer, Number of Shares to be Acquired]

(1) [Tender Offer Period]

(i) [Tender Offer Period as of the filing of this Statement]

Tender Offer Period	From October 18, 2011 (Tuesday) through November 30, 2011 (Wednesday) (30 business days in Japan)
Date of Public Notice	October 18, 2011 (Tuesday)
Newspaper Listing Public Notice	Public notice is made electronically and a notice thereof will be published in the Nihon Keizai Shimbun URL of electronic public notice (http://info.edinet-fsa.go.jp/)

(ii) [Possibility of Extension Pursuant to Request by Target]

Not applicable

(iii) [Contact Information to Confirm Period Extension]

Not applicable

(2) [Price of Tender Offer]

Share Certificate	JPY 780 per 1 share of common stock
Stock Acquisition Rights	First Series of Stock Acquisition Rights: JPY 1 per 1 right Second Series of Stock Acquisition Rights : JPY 1 per 1 right Third Series of Stock Acquisition Rights : JPY 1 per 1 right
Bonds with Stock Acquisition Rights	Bonds with Stock Acquisition Rights: JPY 2,765,880 per JPY 10,000,000 of Bond with Stock Acquisition Right
Share Certificates Etc. – Trust Beneficiary Interest Certificates ()	—

stock by selecting a listed company that, while not directly comparable to the Target, is engaged in businesses that for purposes of analysis may be considered similar to the Target, and applying the comparable company's estimated fiscal year 2013 March price to earnings multiple, based on the most recent publicly available information, to the financial projection for the Target prepared by the managements of SMFG and the Tender Offeror.

Goldman Sachs provided its advisory services and the Goldman Sachs Report solely for the information and assistance of the Boards of Directors of SMFG and the Tender Offeror in connection with their consideration of the Transactions. Goldman Sachs did not recommend any specific Tender Offer price to SMFG, the Tender Offeror or their Boards of Directors or that any specific Tender Offer price constituted the only appropriate offer price. Please refer to the following (Note) which sets forth in more detail the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Goldman Sachs.

Goldman Sachs' financial analyses, the Goldman Sachs Report and Goldman Sachs' fairness opinion are necessarily based on economic, monetary, market and other conditions as in effect on, and the information provided for Goldman Sachs as of September 30, 2011, and Goldman Sachs assumes no responsibility for updating, revising or reaffirming its financial analyses or the Goldman Sachs Report based on circumstances, developments or events occurring after the date thereof. Goldman Sachs assumed with the consent of SMFG and the Tender Offeror that the financial analyses and forecasts for the Target prepared by the managements of SMFG and the Tender Offeror have been reasonably prepared on a basis reflecting the best available estimates and judgments of the managements of SMFG and the Tender Offeror as of September 30, 2011. Except as otherwise noted, the quantitative information used in Goldman Sachs' financial analyses, to the extent it is based on market data, is based on market data as it existed on or before September 29, 2011 and is not necessarily indicative of current market conditions.

As of the date hereof, the Tender Offeror holds 27,926,750 shares of the Target's common stock directly (representing 20.71% of the total number of issued shares (134,866,665 shares) as of June 30, 2011 (rounded to the nearest hundredth)).

The Tender Offeror, using as a reference the results of such financial analyses by Goldman Sachs and taking into consideration the synergy effects to be created between the Tender Offeror and the Target, the results of business, legal, accounting and tax due diligence related to the Target including potential interest-refund claims risk, the Target's revised earnings forecasts for the fiscal year ending March 2012 (April 1, 2011 to March 31, 2012), the likelihood of obtaining the support of the Target's Board of Directors for the Tender Offer, the historical stock price of the Target, the likelihood of a successful completion of the Tender Offer, and other factors, as well as premium implied at the time of determining the tender offer price in precedent tender

offers for share certificates etc. by entities other than the issuer, all considered as a whole, and in addition taking into account the results of discussions and negotiations with the Target, determined the Tender Offer Price under the Tender Offer to be JPY780 in cash per share of common stock of the Target at the meeting of the Tender Offeror's Board of Directors held on September 30, 2011.

The Tender Offer Price for the Target's share of common stock proposed under the Tender Offer represents a premium of approximately 39.5% (rounded to one decimal place; hereinafter the same in "Basis of Calculation") on the JPY559 closing price of the Target's share on the First Section of the Tokyo Stock Exchange on September 29, 2011), a premium of approximately 47.7%, on the JPY528 (rounded down to the nearest whole number; hereinafter the same in "Basis of Calculation") simple average of closing price of the Target's share for the last 1 month (from August 30, 2011 to September 29, 2011), a premium of approximately 29.6% on the JPY602 simple average of closing price of the Target's shares for the last 3 months (from June 30, 2011 to September 29, 2011) and premium of approximately 28.9% on the JPY605 simple average of closing price of the Target's share for the last 6 months (from March 30, 2011 to September 29, 2011). The Tender Offer Price of JPY780 per share for the Target's share of common stock proposed under the Tender Offer represents a premium of approximately 0.6% on the JPY775 closing price of the Target's share on the First Section of the TSE on October 17, 2011, which is one business day prior to the date hereof, a premium of approximately 16.1%, on the JPY672 simple average of closing price of the Target's share for the last 1 month (from September 20, 2011 to October 17, 2011), a premium of approximately 27.7% on the JPY611 simple average of closing price of the Target's shares for the last 3 months (from July 19, 2011 to October 17, 2011) and premium of approximately 25.0% on the JPY624 simple average of closing price of the Target's share for the last 6 months (from April 18, 2011 to October 17, 2011).

(ii) Stock Acquisition Rights

The Stock Acquisition Rights, which are subject to the Tender Offer, are issued as a stock option to the directors, executive officers and employees of the Target. As a condition thereof, a holder of the Stock Acquisition Rights must exercise such right within five years from the day after the date on which such holder lost his position as a director, an auditor, an executive officer or an advisor (to whom the rules for executive officers are applicable). In addition, a holder of such Stock Acquisition Rights is required to obtain the approval of the Board of Directors of the Target before transferring the rights (including tender of such right in the Tender Offer). After taking into consideration the terms and conditions of the Stock Acquisition Rights, including the fact that the Tender Offeror would not be able to exercise the Stock Acquisition Rights even if it acquires such rights in the Tender Offer, the Tender Offeror decided to set the Tender Offer price at JPY1 per each Stock Acquisition Right.

	<p>(iii) Bonds with Stock Acquisition Rights The Tender Offer price of JPY2,765,880 per each Bond with Stock Acquisition Rights (face value of JPY 10,000,000) was determined by dividing the face value of JPY10,000,000 by JPY 2,820, which is the conversion price effective as of the date hereof (3,546 shares) (rounded down to the nearest whole number), and multiplying the quotient by JPY 780, which is the Tender Offer Price per share of common stock of the Target. Due to the implementation of the Third-Party Allotment, the conversion price of the Bonds with Stock Acquisition Rights is expected to be adjusted to approximately JPY2,662 per share after the day following the payment date of the Third-Party Allotment. However, because the purchase of the Bonds with Stock Acquisition Rights through the Tender Offer is made before the date on or after which the conversion price after adjustment of the Bond with Stock Acquisition Rights is applicable, the purchase price of the Bonds with Stock Acquisition Rights per par value of JPY 10,000,000 was calculated on the basis of the conversion price (JPY2,820) effective as of the date hereof.</p>
Background of Calculation	<p>(Process of Determining the Tender Offer Price) SMFG group considers the Target group as one of its core entity in its consumer finance business from the following reasons: (i) although the consumer finance business has faced a severe business environment, due to the strengthening of interest rate ceiling regulation and market scale reduction associated with the implementation of restriction on total volume for money lending, while the number of interest refund claims hovering at a high level, the business still remains a relatively higher margin and continuously and steadily profitable business, therefore, SMFG intends to, in the medium to long term, emphasize the consumer finance business as a part of its retail business line-up that support individual consumption, (ii) the Target will contribute to the enhancement of client base of SMFG group as the banks and consumer finance companies are in supplemental relationship due mainly to different characteristics of customers, and (iii) credit screening and other knowhow of the Target is strategically indispensable for the consumer finance business of SMFG group. Currently the management environment surrounding the Target remains severe, as stated above, and the Target has proactively promoted business structure reform in order to establish a solid foundation as the “No.1 consumer finance company both in terms of quality and quantity.” Specifically, the Target has implemented various measures: (i) streamlined its business operation through the total elimination of its staffed branches and substantial personnel downsizing, (ii) transformed its operational framework effectively while providing sophisticated services to its customers, including by integration with Sanyo Shinpan Finance Co., Ltd. and Ai-Loan Co., Ltd., and (iii) enlarge its operation through installation of its loan agreement machine and ATMs for the Tender Offeror in the branches of the Target, making loan agreement machine in the Tender Offeror’s branches available for the Target, and commencing guarantee services to a part of the</p>

card-type loans made by ORIX Credit Corporation. Against backdrop, based on the recognition that (i) in order to reinforce the consumer finance business of SMFG group and to enhance earnings generation capacity promptly, it is necessary to build up an infrastructure accommodating group-wide prompt and flexible decision making by further strengthen the cooperation between the Target and SMFG group companies, and (ii) in order to effectively achieve the expansion of the consumer finance business centering on the Target, it is necessary to strengthen financial base of the Target; SMFG and the Tender Offeror started to discuss and consult with the Target for establishment of such infrastructure and strengthening of the financial base from early August 2011 and, on September 30, 2011, came to judge it best that as stated below, SMFG ultimately makes the Target its wholly-owned subsidiary through and after the Tender Offer to be conducted by the Tender Offeror, and simultaneously strengthens the financial base of the Target promptly through subscription of the Third-Party Allotment by SMFG or the Tender Offeror.

The Target also is of the opinion that becoming a wholly-owned subsidiary of SMFG, which focuses on the consumer finance business as a part of its retail business line-up and place the Target group as one of the core players of the consumer finance business, will enable the Target to implement various measures such as (i) the strengthening of the ability to develop operations by proactive utilization of the Tender Offeror's brand and channels, (ii) the strengthening of overseas business by utilizing SMFG group's global management resources, and (iii) the redistribution to sales promotion and so forth of the management resources required for procurement of funds or head office functions, and therefore bring big advantages. From this point of view, the Target convinces that strengthening alliances with SMFG group companies and promptly strengthening its business and financial base through becoming a wholly-owned subsidiary of SMFG will (i) contribute to the establishment of a competitive advantage in the industry and further the enhancement of its enterprise value, and (ii) result in the enhancement of its profit-earning capacity in the aspect that more efficient and flexible business management will be possible by further utilizing the management resources of SMFG group.

In the process of determining the tender offer price, the Tender Offeror requested Goldman Sachs to perform financial analyses relating to the Target's common stock, and received the Goldman Sachs Report dated September 30, 2011. The Tender Offeror did not receive any financial analysis reports for the Target's Stock Acquisition Rights and Bonds with Stock Acquisition Rights. Goldman Sachs is not a related party of either SMFG or the Tender Offeror and does not have any material conflicts of interest with respect to the Tender Offer.

(1) Common Stock

SMFG and the Tender Offeror first prepared a financial projection for the Target and its subsidiaries and affiliates based on information presented to SMFG and the Tender Offeror by the management of the Target, and assessed the strategic rationale for,

and the potential benefits of, the proposed transaction related to the Tender Offer, and assessed together with the Target's management the past and current business operations, financial condition and future prospects of the Target.

The Tender Offeror, using as a reference the results of the financial analyses of the Target's common stock in the Goldman Sachs Report received from Goldman Sachs and taking into consideration the synergy effects to be created between the Tender Offeror and the Target, the results of business, legal, accounting and tax due diligence related to the Target including potential interest-refund claims risk, the Target's revised earnings forecasts for the fiscal year ending March 2012 (April 1, 2011 to March 31, 2012), the likelihood of obtaining the support of the Target's Board of Directors for the Tender Offer, the historical stock price of the Target, the likelihood of a successful completion of the Tender Offer, and other factors, as well as premium implied at the time of determining the tender offer price in precedent tender offers for share certificates etc. by entities other than the issuer, all considered as a whole, and in addition taking into account the results of discussions and negotiations with the Target, determined the Tender Offer Price under the Tender Offer to be JPY780 in cash per share of common stock of the Target at the meeting of the Tender Offeror's Board of Directors held on September 30, 2011.

(2) Stock Acquisition Rights

The Stock Acquisition Rights, which are subject to the Tender Offer, are issued as a stock option to the directors, executive officers and employees of the Target. As a condition thereof, a holder of the Stock Acquisition Rights must exercise such right within five years from the day after the date on which such holder lost his position as a director, an auditor, an executive officer or an advisor (to whom the rules for executive officers are applicable). In addition, a holder of such Stock Acquisition Rights is required to obtain the approval of the Board of Directors of the Target before transferring the rights (including tender of such right in the Tender Offer). After taking into consideration the terms and conditions of the Stock Acquisition Rights, including the fact that the Tender Offeror would not be able to exercise the Stock Acquisition Rights even if it acquires such rights in the Tender Offer, the Tender Offeror decided to set the Tender Offer price at JPY1 per each Stock Acquisition Right.

(3) Bonds with Stock Acquisition Rights

The Tender Offer price of JPY2,765,880 per each Bond with Stock Acquisition Rights (face value of JPY 10,000,000) was determined by dividing the face value of JPY10,000,000 by JPY 2,820, which is the conversion price effective as of the date hereof (3,546 shares) (rounded down to the nearest whole number), and multiplying the quotient by JPY 780, which is the Tender Offer Price per share of common stock of the Target. Due to the implementation of the Third-Party Allotment, the conversion price of the Bonds with Stock Acquisition Rights is expected to be adjusted to approximately JPY2,662 per share after the day following the payment date of the Third-Party Allotment. However, because the

purchase of the Bonds with Stock Acquisition Rights through the Tender Offer is made before the date on or after which the conversion price after adjustment of the Bond with Stock Acquisition Rights is applicable, the purchase price of the Bonds with Stock Acquisition Rights per par value of JPY 10,000,000 was calculated on the basis of the conversion price (JPY2,820) effective as of the date hereof.

(Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest, etc.)

While the Tender Offeror is not a parent company of the Target as of the date hereof, the Target and the Tender Offeror have implemented the measures set forth below to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price, and measures to avoid conflicts of interest, in light of the following factors: (i) the Tender Offeror holds 27,926,750 shares of the Target and the Target is an equity-method affiliate of the Tender Offeror; (ii) SMFG, the wholly-owning parent company of the Tender Offeror, the Tender Offeror and the Target have a business and capital alliance with each other; and (iii) the Tender Offeror or SMFG are expected to become controlling shareholders of the Target through the subscription of the Third-Party Allotment.

(1) Financial Analysis Report from the Financial Advisor

In the process of determining the tender offer price, the Tender Offeror requested Goldman Sachs, a financial advisor for SMFG and the Tender Offeror, to perform financial analyses relating to the Target's common stock, and received from Goldman Sachs the Goldman Sachs Report dated September 30, 2011. The Tender Offeror did not receive any financial analysis reports for the Target's Stock Acquisition Rights and Bonds with Stock Acquisition Rights. Goldman Sachs is not a related party of either SMFG or the Tender Offeror and does not have any material conflicts of interest with respect to the Tender Offer.

(2) Obtainment by the Target of Share Valuation Report and Opinion from Independent Third Party Appraiser

In deciding the opinion on the Tender Offer, the Target has requested that E&Y, a third party appraiser independent from the Tender Offeror, SMFG and the Target evaluate its share, and obtained a share valuation report therefrom on September 28, 2011. The Target has also obtained an opinion to the effect that the Tender Offer Price is appropriate for its ordinary shareholders other than the Tender Offeror to a certain extent from a financial point of view based on the result of valuation in the share valuation report.

(3) Relatively Long Tender Offer Period

The Tender Offeror has set the Tender Offer Period in the Tender Offer to a relatively long period of 30 business days, while the minimum Tender Offer

	<p>Period prescribed by law is 20 business days. This is to secure an appropriate opportunity for the Target's shareholders to determine whether to tender their shares in the Tender Offer, as well as to secure an opportunity for potential purchasers other than the Tender Offeror to purchase the Target's shares.</p> <p>(4) Advice from Independent Law Firm The Target has retained Nishimura & Asahi, a legal advisor independent from the Target, the Tender Offeror and SMFG, and received legal advice therefrom on procedures related to the Transactions, in order to carefully deliberate the Transactions and to ensure the fairness and appropriateness of the decision-making of its Board of Directors.</p> <p>(5) Establishment of Project Team at the Target for Eliminating Potential Conflicts of Interest In order to eliminate any possible potential arbitrariness in the decision-making process of the Target in connection with the Transactions, the Target has established the PT consisting of: (a) Messrs. Ken Kubo and Yoshiyuki Tateishi, who are directors of the Target other than Mr. Shozo Watanabe, who used to be an employee of the Tender Offeror until 2011; Mr. Masahiko Iwanami who used to be an employee of the Tender Offeror until 2010; and Mr. Tomohiko Tashiro who used to be an employee of the Sumitomo Trust and Banking Co., Ltd., a major shareholder of the Target, until 2009, and who are independent from the Tender Offeror and SMFG; and (b) Mr. Masahide Kitakado, an executive officer. The PT has discussed and negotiated for the Tender Offer with the Tender Offeror, and considered the Transactions including the Tender Offer from the Target's perspective, and carefully examined the propriety thereof based on advice from and consultation with UBS Securities, the Target's financial advisor.</p> <p>(6) Establishment of Independent Third-Party Committee at the Target On August 3, 2011, for the purpose of ensuring the appropriateness and fairness of the Transactions and ensuring the transparency and objectivity of the negotiations and decision-making process regarding the Transactions, the PT established a third-party committee consisting of three members — Mr. Shinji Mizuno, attorney at law of HIBIYA PARK LAW OFFICES, who is an external expert independent from the Target, the Tender Offeror, and SMFG; and Messrs. Hiroaki Mori and Takanori Yasunaga, external auditors of the Target — and asked the third-party committee to give its opinions on the following consultation issues: (i) the appropriateness of the conditions for the Tender Offer, including the Tender Offer Price, and (ii) the appropriateness of the Target deciding that conditions for the Tender Offer including the Tender Offer Price are not unfavorable to the minority shareholders of the Target other than the Tender Offeror, and thus expressing the opinion in favor of the Tender Offer. The meetings of the third-party committee were held 5 times in total between August 11, 2011, and September 28 of the same year, and considered the</p>
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	<p>above-mentioned consultation issues. In considering the above-mentioned consultation issues, the third-party committee received explanations from the Target about: (a) the contents of the proposal made by the Tender Offeror; (b) the state of discussions and negotiations with the Tender Offeror with respect to the conditions for the Tender Offer, including the Tender Offer Price, and other conditions for the Transactions; and (c) the purposes of the series of procedures for Making the Target a wholly-Owned Subsidiary planned to be implemented after the Tender Offer, and specific details of the Target's enterprise value expected to be enhanced as a result thereof; and also interviewed officers of the Target and so forth. Additionally, the third-party committee referred to the share valuation report of the Target and the opinion that were submitted by E&Y to the Target, and received explanations from E&Y about the share valuation report of the Target and the opinion. In addition, the third-party committee received explanations about the procedures for the Transactions from UBS Securities and Nishimura & Asahi. Furthermore, the third-party committee appointed Nijubashi Partners, which is a law firm independent from the Target, the Tender Offeror, and SMFG, to be an independent legal advisor to the third-party committee; received legal advice therefrom on the Transactions; and obtained the legal opinion therefrom as of September 28, 2011, to the effect that the conditions for the Tender Offer as a part of the Transactions and the decision by the Target's Board of Directors to express its opinion in favor of the Tender Offer are appropriate from a legal standpoint and do not violate the fiduciary duty owed by the directors of the Target. Based on these considerations, on September 29, 2011, the third-party committee submitted to the Board of Directors of the Target a response and opinion (including that conditions for the Tender Offer, including the Tender Offer Price are not unfavorable to the minority shareholders of the Target) to the effect that (i) the conditions for the Tender Offer, including the Tender Offer Price, are appropriate, and (ii) it is appropriate for the Target to decide that conditions for the Tender Offer, including the Tender Offer Price, are not unfavorable to the minority shareholders of the Target other than the Tender Offeror, and thus to express the opinion in favor of the Tender Offer.</p> <p>(7) Approval of All Disinterested Directors The Board of Directors of the Target carefully discussed and considered the Tender Offer Price, the Tender Offer Period, conditions that no maximum or minimum Number of Shares Scheduled to be Purchased is set, conditions of withdrawal of the Tender Offer and other various conditions for the Tender Offer that aims at SMFG making the Target its wholly-owned subsidiary, based on the share valuation report and opinion obtained from E&Y, reports from the PT, advice obtained from UBS Securities and Nishimura & Asahi, and the response and opinion submitted by, and other related materials of, the third-party committee. Consequently, the Board of Directors of the Target has decided (a) that</p>
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to strengthen the alliance with SMFG's group companies and promptly strengthen the Target's business and financial base by becoming a wholly-owned subsidiary of SMFG through the Tender Offer will lead to an increase in the Target's profit-earning capacity, and thus is the best measure in terms of the Target's enterprise value and the shareholders' common interest, and (b) that the Tender Offer Price and other conditions for the Tender Offer are appropriate for the shareholders of the Target, and the Tender Offer will provide them, other than SMFG group, with a reasonable opportunity to sell their shares. For the above-mentioned reasons, the Board of Directors of the Target resolved at its meeting held on September 30, 2011, (i) to express an opinion in favor of the Tender Offer and (ii) to recommend that the shareholders of the Target tender their shares in the Tender Offer. In addition, the Board of Directors of the Target resolved, at the same meeting, (iii) as to whether or not the holders of the Stock Acquisition Rights and Bonds with Stock Acquisition Rights will tender their Stock Acquisition Rights and Bonds with Stock Acquisition Rights in the Tender Offer, to leave the decision up to the holders, as the Target has not examined the appropriateness of the purchase price regarding the Stock Acquisition Rights and the Bonds with Stock Acquisition Rights.

Of the directors of the Target, Mr. Shozo Watanabe and Mr. Masahiko Iwanami served as employees of the Tender Offeror until 2011 and 2010, respectively. Therefore, for the purpose of avoiding conflicts of interest, neither of them participated in any deliberation or voting concerning the Transactions, including the approval of the Tender Offer, at any meetings of the Board of Directors of the Target, nor were they involved in any discussions or negotiations with the Tender Offeror or SMFG.

At the meeting of the Board of Directors held on September 30, 2011, regarding the approval of the Tender Offer, all directors of the Target, except the two above-mentioned directors, were present, and the above-mentioned resolution was unanimously adopted. At that meeting of the Board of Directors, all of the four auditors (including two external auditors) of the Target were present and stated that they had no objection to the above-mentioned resolution.

(8) Securing Objective Circumstances that Ensure Appropriateness of Price

In the Subscription Agreement, the Target has made an agreement that (a) until the Third-Party Allotment is completed, the Target shall not, whether directly or indirectly, solicit any third party with respect to a certain management integration, organizational restructuring, capital alliance, equity participation, share transfer, business transfer, asset transfer, or other competing transactions, nor shall the Target cause any of its consolidated subsidiaries to engage in any of the foregoing (however, this shall not apply to the case where a tender offer targeting shares, etc. of the Target or other acquisition of the Target is proposed by a third party other than the Tender Offeror, and then it is reasonably determined that

	<p>performing these obligations might constitute a breach of the fiduciary duty owed by the Target's directors or auditors under the Companies Act, even if the fact that the Subscription Agreement has already been executed is taken into consideration), and that (b) if a proposal, a request for information provision, or so forth concerning any of these competing transactions is made by a third party, the Target shall promptly notify SMFG and the Tender Offeror of that fact (including the name of such third party) and of the details in writing, and discuss measures to be taken with SMFG and the Tender Offeror.</p> <p>Except for the above, the Tender Offeror and the Target have not made any agreement that would, in the event of the actual appearance of a competing acquirer other than the Tender Offeror, restrain such competing acquirer from making contact and so forth with the Target.</p>
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(Note) The following is a supplemental explanation of the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with performing Goldman Sachs' financial analyses of the Target's common stock and preparing the Goldman Sachs Report and Goldman Sachs' fairness opinion.

The Goldman Sachs Group is engaged in investment banking and financial advisory services, commercial banking, securities trading, investment management, principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities and other financial and non-financial activities and services for various persons and entities. In the ordinary course of these activities and services, the Goldman Sachs Group may at any time make or hold long or short positions and investments, as well as actively trade or effect transactions, in the equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of third parties, SMFG, the Tender Offeror, the Target and any of their respective affiliates or any currency or commodity that may be involved in the Transactions for their own account and for the accounts of their customers. Goldman Sachs has acted as financial advisor to SMFG and the Tender Offeror in connection with, and have participated in certain of the negotiations leading to, the Transactions. Goldman Sachs expects to receive fees for its services in connection with the Transactions, a principal portion of which is contingent upon consummation of the Transactions, and SMFG and the Tender Offeror have agreed to reimburse Goldman Sachs' expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs' engagement. The Goldman Sachs Group has provided certain investment

banking services to SMFG, the Tender Offeror and their respective affiliates from time to time for which the Investment Banking Division of the Goldman Sachs Group has received, and may receive, compensation, including having acted as (i) financial advisor to SMFG and the Tender Offeror with regard to SMFG's acquisition of Nikko Cordial Securities Inc. and other related businesses in October 2009, (ii) joint global coordinator with regard to SMFG's issuance of 360,000,000 common shares in January 2010, (iii) lead dealer manager and structuring agent for SMFG, the Tender Offeror, SMFG Preferred Capital USD 1 Limited and SMFG Preferred Capital GBP 1 Limited with regard to tender offers for euro denominated perpetual subordinated bonds and dollar denominated perpetual subordinated bonds issued by the Tender Offeror, dollar denominated non-cumulative perpetual preferred securities issued by SMFG Preferred Capital USD 1 Limited, and sterling denominated non-cumulative perpetual preferred securities issued by SMFG Preferred Capital GBP 1 Limited (aggregate amount of EUR368,635,000 (principal amount basis), USD1,022,747,000 (principal amount basis), USD1,000,859,000 (liquidation preference basis), and GBP426,424,000 (liquidation preference basis), respectively) in February 2010, and (iv) financial advisor to SMFG and FGCC with regard to FGCC's acquisition of a control stake of Cedyna Financial Corporation in May 2010. The Goldman Sachs Group may also in the future provide investment banking services to SMFG, the Tender Offeror, the Target and their respective affiliates for which the Investment Banking Division of the Goldman Sachs Group may receive compensation.

In connection with performing its financial analyses and preparing the Goldman Sachs Report and its opinion, Goldman Sachs has reviewed, among other things, the Basic Agreement; the Subscription Agreement; the Annual Securities Reports (Yuka Shoken Hokoku-sho) of the Target for the five fiscal years ended March 31, 2011 and SANYO SHINPAN FINANCE CO., LTD., which merged with the Target on October 10, 2010, for the four fiscal years ended March 31, 2010; the First Quarter Securities Report (Daiichi Shihanki Hokoku-Sho) of the Target for the first fiscal quarter ended June 30, 2011; certain other communications from the Target to its shareholders; the Forecasts Goldman Sachs has also held discussions with a member of the senior management of the Target regarding the assessment of the Target of the past and current business operations, financial condition and future prospects of the Target and with a member of the senior management of SMFG and the Tender Offeror regarding the assessment of SMFG

and the Tender Offeror of the past and current business operations, financial condition and future prospects of the Target and the strategic rationale for, and the potential benefits of, the Transactions. In addition, Goldman Sachs has reviewed the reported price and trading activity for the shares of common stock of the Target, compared certain financial and stock market information for the Target with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent tender offers in the Japanese consumer finance industry specifically and in other industries generally, and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of performing its financial analyses and preparing the Goldman Sachs Report and its opinion, Goldman Sachs has relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by Goldman Sachs, and Goldman Sachs does not assume any responsibility for any such information. In that regard, Goldman Sachs has assumed with SMFG and the Tender Offeror's consent that the Forecasts have been reasonably prepared on a basis reflecting the best available estimates and judgments of the managements of SMFG and the Tender Offeror as of September 30, 2011. In addition, Goldman Sachs has not reviewed individual credit files nor has Goldman Sachs made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of the Target, SMFG or the Tender Offeror or any of their respective subsidiaries and Goldman Sachs has not been furnished with any such evaluation or appraisal. Goldman Sachs is not an expert in the evaluation of credit portfolios for purposes of assessing the adequacy of the reserves for credit losses and interest refunds with respect thereto and, accordingly, Goldman Sachs has relied on estimates provided to Goldman Sachs by the managements of SMFG and the Tender Offeror of the adequate amount of such reserves for the Target. Goldman Sachs has assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transactions will be obtained without any adverse effect on SMFG, the Tender Offeror or the Target or on the expected benefits of the Transactions in any way meaningful to Goldman Sachs' analysis. Goldman Sachs also has assumed that the Transactions, including the Tender Offer and the Third-Party Allotment, will be consummated on the terms set forth in the Basic

Agreement and the Subscription Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to Goldman Sachs' analysis.

Goldman Sachs' financial analyses, the Goldman Sachs Report and its opinion do not address the underlying business decision of SMFG and the Tender Offeror to engage in the Transactions, or the relative merits of the Transactions as compared to any strategic alternatives that may be available to SMFG or the Tender Offeror nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' written opinion addresses only the fairness from a financial point of view to SMFG, as of the date thereof, of the Tender Offer Price to be paid by the Tender Offeror in respect of each share of common stock of the Target in the Tender Offer pursuant to the Basic Agreement. Goldman Sachs does not express any view on, and Goldman Sachs' opinion does not address, any other term or aspect of the Basic Agreement, the Subscription Agreement or the Transactions or any term or aspect of any other agreement or instrument contemplated by the Basic Agreement or the Subscription Agreement or entered into or amended in connection with the Transactions, including, without limitation, the Share Exchange, the Third-Party Allotment, the fairness of the Transactions to, or any consideration received in connection therewith by, the Tender Offeror, the holders of any class of securities, creditors, or other constituencies of SMFG and the Tender Offeror; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of SMFG, the Tender Offeror or the Target, or any class of such persons in connection with the Transactions, whether relative to the Tender Offer Price to be paid by the Tender Offeror in respect of each share of common stock of the Target in the Tender Offer pursuant to the Basic Agreement or otherwise. Goldman Sachs is not expressing any opinion as to the prices at which the shares of common stock of the Target or the shares of common stock of SMFG will trade at any time or as to the impact of the Transactions on the solvency or viability of SMFG, the Tender Offeror or the Target or the ability of SMFG, the Tender Offeror or the Target to pay their respective obligations when they come due. The Goldman Sachs Report and Goldman Sachs' opinion do not constitute a recommendation as to whether any holder of shares of common stock of the Target, the Stock Acquisition Rights or Bonds with Stock Acquisition Rights should tender their shares, Stock Acquisition Rights or Bonds with Stock Acquisition Rights in the Tender Offer or any other matter. Goldman Sachs'

opinion has been approved by a fairness committee of the Goldman Sachs Group.

The preparation of a fairness opinion is a complex process and Goldman Sachs' financial analyses, the Goldman Sachs Report and Goldman Sachs' opinion are not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses, the Goldman Sachs Report or its opinion or the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' financial analyses, the Goldman Sachs Report or Goldman Sachs' opinion. Goldman Sachs did not attribute any particular weight to any factor or any analysis it performed.

(3) [Number of Share Certificates, etc. to be Purchased through the Tender Offer]

Number of Shares Scheduled to be Purchased	Minimum Number of Shares Scheduled to be Purchased	Maximum Number of Shares Scheduled to be Purchased
113,891,049 (shares)	— (shares)	— (shares)

(Note 1) There will be no maximum or minimum amount set for the Number of Shares Scheduled to be Purchased through the Tender Offer; all tendered shares will be acquired.

(Note 2) Fractional unit shares are also subject to the Tender Offer. Note, if pursuant to the Companies Act, a shareholder exercises its right to request the purchase of fractional unit shares by the Target, the Target may purchase its own shares during the Tender Offer Period pursuant to the procedures set forth in the laws and regulations.

(Note 3) The shares held by the Target will not be purchased through this Tender Offer.

(Note 4) The Number of Shares Scheduled to be Purchased is 113,891,049 shares, which is obtained by way of the total number of issued shares (134,866,665 shares) as of June 30, 2011, as set forth in the 51st Term - First Quarter Report filed by the Target on August 12, 2011, plus the maximum number of Shares of the Target which may be issued or transferred by the last day of the Tender Offer Period as a result of the exercising of the Stock Acquisition Rights and the stock acquisition rights attached to the Bonds with Stock Acquisition Rights (including Shares of the Target which may be issued or transferred on or after June 30, 2011 by the date hereof as a result of the exercising of the Stock Acquisition Rights and the stock acquisition rights attached to the Bonds with Stock Acquisition Rights) (i.e., 15,000,117 shares, which is the total

number obtained by adding (i) 26,550 shares, which is the number of the Shares of the Target to be issued upon exercise of the First Series of Stock Acquisition Rights as of May 31, 2011, as set forth in the 50th Term – Annual Securities Report filed by the Target on June 27, 2011, (ii) 33,000 shares, which is the number of the Shares of the Target to be issued upon exercise of the Second Series of Stock Acquisition Rights, as set forth in the same annual report (iii) 46,950 shares, which is the number of the Shares of the Target to be issued upon exercise of the Third Series of Stock Acquisition Rights, as stated in the Announcement of Issue Price for Stock Options Granted as Compensation for Directors and Executive Officers announced by the Target on August 5, 2011 and (iv) 14,893,617 shares, which is the number obtained by (a) multiplying the number of the stock acquisition rights attached to the Bonds with Stock Acquisition Rights as of May 31, 2011 (4,200 units), as set forth in the 50th Term – Annual Securities Report, by JPY10,000,000, which is the par value of the Bonds with Stock Acquisition Rights, and then by (b) dividing the result of (a) by JPY2,820, which is the valid conversion price as of the date hereof (rounded down to the nearest whole number); the “Number of Shares to be Issued by Exercise of Stock Acquisition Rights”) minus the number of shares held by the Target as of June 30, 2011, as set forth in the 51st Term - First Quarter Report filed by the Target on August 12, 2011 (8,048,983 shares) and the number of the Shares of the Target held by the Tender Offeror as of the date hereof (27,926,750 shares). According to the Target, during the period from June 1, 2011 through June 30, 2011, none of the Stock Acquisition Rights or the stock acquisition rights attached to the Bonds with Stock Acquisition Rights were exercised, and no change was made in the number of the Shares of the Target to be issued upon exercise of the Stock Acquisition Rights nor the stock acquisition rights attached to the Bonds with Stock Acquisition Rights nor the number of voting rights corresponding thereto.

(Note 5) There is the possibility that the Stock Acquisition Rights and the stock acquisition rights attached to the Bonds with Stock Acquisition Rights are exercised prior to the last day of the Tender Offer Period; the Shares of the Target issued or transferred pursuant to such exercising of rights will also be subject to the Tender Offer.

5. [Ownership Percentage After the Tender Offer]

Category	Number of Voting Rights
The Number of Voting Rights Represented by Share Certificates, Etc. Scheduled to be Purchased (units) (a)	2,277,820
Of (a), Number of Voting Rights Represented by Share Certificates, Etc. (diluted) (b)	300,002
Of (b), Number of Voting Rights Represented by Trust Beneficiary Certificates and Depository Receipts (c)	—
Number of Voting Rights Represented by Share Certificates, Etc. Held by the Tender Offeror (as of October 18, 2011) (units) (d)	558,535
Of (d), Number of Voting Rights Represented by Share Certificates, Etc. (diluted) (units) (e)	—
Of (e), Number of Voting Rights Represented by Trust Beneficiary Certificates and Depository Receipts (units) (f)	—
The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)	0
Of (g), Number of Voting Rights Represented by Share Certificates, Etc. (diluted) (units) (h)	—
Of (h), Number of Voting Rights Represented by Trust Beneficiary Certificates and Depository Receipts (units) (i)	—
The Number of Voting Rights of the Total Number of Shareholders of the Target (as of March 31, 2011) (j)	2,535,922
Percentage of the Voting Rights Represented by Share Certificates, Etc. to be Acquired against the Voting Rights of the Total Number of Shareholders. (a/j) (%)	80.31
Ownership Percentage after the Tender Offer, Etc. $((a+d+g)/(j+(b-c)+(e-f)+(h-i))\times 100)$ (%)	100.00

(Note 1) The “Number of Voting Rights Represented by Share Certificates, Etc. Scheduled to be Purchased (units) (a)” is the number of voting rights relating to the Number of Shares Scheduled to be Purchased through the Tender Offer (113,891,049 shares).

(Note 2) “Of (a), Number of Voting Rights Represented by Share Certificates, Etc. (diluted) (units) (b)” is the number of voting rights relating to the Number of Shares to be Issued by Exercise of Stock Acquisition Rights of the Target’s Shares (15,000,117 shares).

(Note 3) The “Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (units) (g)” and “Of (g), Number of Voting Rights Represented by Share Certificates, Etc. (diluted) (units) (h)” is total number of voting rights related to the Number of Shares owned by Special Related Parties (except for the Target and of Special Related Parties, the person excluded from Special Related Parties in relation to the calculation of the Ownership Percentage in each item of Article 27-2, paragraphs of the Act in accordance with Article 3, Paragraph 2, Item 1 of Cabinet Office Order (the “Small Scale Owner”)).

(Note 4) “the Number of Voting Rights of Shareholders, Etc. of the Total Number of Shareholders of the Target (as of March 31, 2011) (units) (j)” is the total number of

voting rights of all shareholders as of June 30, 2011 as set forth in the 51st Term – First Quarter Report filed by the Target on August 12, 2011 (based on the number of shares of 1 unit as 50 shares). However, since the shares less than one unit, the Stock Acquisition Rights and the Bonds with Stock Acquisition Rights are also subject to the Tender Offer, in calculating the “Percentage of the Voting Rights Represented by Share Certificates, Etc. to be Acquired against the Voting Rights of the Total Number of Shareholders ” and “Ownership Percentage after the Tender Offer,” the total number of voting rights (2,836,355 units), corresponding to the number of shares (141,817,799 shares), which is obtained by adding (A) the number (126,817,682 shares) obtained by deducting the number of treasury shares held by the Target as of June 30, 2011 (8,048,983 shares) from the total number of issued shares (134,866,665 shares) as of June 30, 2011, as set forth in 51st Term – First Quarter Report, to (B) the Number of Shares to be Issued by Exercise of Stock Acquisition Rights (i.e., 15,000,117 shares, which is the total number obtained by adding (i) 26,550 shares, which is the number of the Shares of the Target to be issued upon exercise of the First Series of Stock Acquisition Rights as of May 31, 2011, as set forth in the 50th Term – Annual Securities Report filed by the Target on June 27, 2011, (ii) 33,000 shares, which is the number of the Shares of the Target to be issued upon exercise of the Second Series of Stock Acquisition Rights as set forth in the same annual report, (iii) 46,950 shares, which is the number of the Shares of the Target to be issued upon exercise of the Third Series of Stock Acquisition Rights, as stated in the Announcement of Issue Price for Stock Options Granted as Compensation for Directors and Executive Officers announced by the Target on August 5, 2011 and (iv) 14,893,617 shares, which is the number obtained by (a) multiplying the number of the stock acquisition rights attached to the Bonds with Stock Acquisition Rights as of May 31, 2011 (4,200 units), as set forth in the 50th Term – Annual Securities Report, by JPY10,000,000, which is the par value of the Bonds with Stock Acquisition Rights, and then by (b) dividing the result of (a) by JPY2,820, which is the valid conversion price as of the date hereof), is used as the denominator. According to the Target, during the period from June 1, 2011 through June 30, 2011, none of the Stock Acquisition Rights or the stock acquisition rights attached to the Bonds with Stock Acquisition Rights was exercised, and no change were made in the number of the Shares of the Target to be issued upon exercise of the Stock Acquisition Rights nor the stock acquisition rights attached to the Bonds with Stock Acquisition Rights nor the number of voting rights corresponding thereto.

(Note 5) The “Percentage of the Voting Rights Represented by Share Certificates, Etc. to

be Acquired against the Voting Rights of the Total Number of Shareholders” and the “Ownership Percentage after the Tender Offer, Etc.” are rounded to the second decimal place.

6. [Authorizations, Etc. In Connection with Obtaining Share Certificates, Etc.]

(1) [Classes of Share Certificates, Etc.]

Common Shares

(2) [Legal Basis (Laws and Regulations)]

Regarding the acquisition of shares of common stock of the Target through the Tender Offer, the Tender Offeror is required to notify the Fair Trade Commission of Japan in advance of the plan with regard to the share acquisition through the Tender Offer (the “Share Acquisition”), pursuant to Article 10, Paragraph 2 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Law No. 54 of 1947, as amended; the “Antimonopoly Act”) (hereinafter such notification is referred to as the “Prior Notification”), and the Tender Offeror is prohibited from acquiring shares of common stock of the Target until the expiration of the thirty (30) day (such period may be shortened) from the date of acceptance of the Prior Notification, pursuant to Paragraph 8 of said article (hereinafter such period during which the acquisition of shares is prohibited is referred to as the “Prohibition Period for Acquisition”).

In addition, Article 10, Paragraph 1 of the Antimonopoly Act prohibits any acquisition of shares of other companies causing substantial restraint on competition in any particular field of trade, and the Fair Trade Commission of Japan may order that necessary measures be taken to eliminate acts in violation of said provisions (Article 17-2, Paragraph 1 of the Antimonopoly Act; hereinafter such order is referred to as the “Cease and Desist Order”). In the case where the Prior Notification mentioned above is made and then the Fair Trade Commission of Japan issues the Cease and Desist Order, the Fair Trade Commission of Japan must notify the person who is to be the addressee of such Cease and Desist Order

of the expected content, etc. of the Cease and Desist Order and other matters (hereinafter such notification is referred to as the “Prior Notice of the Cease and Desist Order”; Article 49, Paragraph 5 of the Antimonopoly Act). It is provided that in the case where the Prior Notice of the Cease and Desist Order is not issued, a notification to that effect (the “Notification of Non-Issuance of the Cease and Desist Order”) is to be made (Article 9 of the Rules on Applications for Approval, Reporting, Notification, etc. Pursuant to the Provisions of Articles 9 to 16 of the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade (Fair Trade Commission Rule No. 1 of 1953)).

The Tender Offeror filed the Prior Notification concerning the Share Acquisition with the Fair Trade Commission of Japan on September 30, 2011, and said Prior Notification was accepted on said date. Accordingly, the Prohibition Period for Acquisition for the Share Acquisition is expected to terminate at the end of October 30, 2011, in principle. Further, because the Tender Offeror has received the Notification of Non-Issuance of the Cease and Desist Order dated October 14, 2011 from the Fair Trade Commission of Japan, the period during which the Tender Offeror may receive the Prior Notice of the Cease and Desist Order pursuant to the Antimonopoly Act (the “Waiting Time”) terminated at October 14, 2011.

(3) [Date and Number of Authorizations, Etc.]

Date of Authorizations, etc.: October 14, 2011 (result of the termination of the Waiting Period)

Number of Authorizations, etc.: Mergers and Acquisitions Division, Economic Affairs Bureau, Fair Trade Commission of Japan, No. 255

7. [Method of Tender Offer and Terminating Contract]

(1) [Method of Tender Offer]

(i) Tender Offer Agent

SMBC Nikko Securities Inc.: 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo,

Japan

- (ii) For the persons who will accept the offer to purchase of share certificates, etc. or apply for the sale of share certificates, etc. pertaining to the Tender Offer (meaning shareholders, holders of the stock acquisition rights or holders of the bonds with stock acquisition rights; the “Applicant Shareholders”), please apply by 15:30 (TOKYO) on the last day of the Tender Offer Period at the head office or sales offices located in Japan of the tender offer agent by filling in a “Tender Offer Application Form”. (Please note that business hours may be different depending on sales offices. At the time of executing procedures, please confirm the business hours etc. of the sales office to visit, in advance.) At the time of application, it is required that share certificates, etc. to be tendered be recorded in an account established by and in the name of the Applicant Shareholders at the tender offer agent (the “Applicant Shareholders Account”). Tendering applications will not be accepted through any Financial Instruments Service Providers other than the tender offer agent.
- (iii) For the Applicant Shareholders, at the time of application, please prepare a personal seal along with the “Tender Offer Application Form” mentioned above. In the event that no account has been previously established at the tender offer agent, the Applicant Shareholders shall be required to establish a new account. In the event of establishing an account, identification documents (see Note 1) are required to be submitted.
- (iv) In the event that the share certificates, etc. to be tendered are stock acquisition rights, due to the transfer restrictions on the Stock Acquisition Rights, please submit a “Transfer Consent Notice” to be issued by the Target upon the request of the holder of the Stock Acquisition Rights. In addition, as a document to confirm that a party is a holder of the Stock Acquisition Rights, please submit along with the “Tender Offer Application Form” mentioned above, the “Document Describing the Items Stated in the Register of Stock Acquisition Rights” to be issued by the Target upon the request of the holder of the Stock Acquisition Rights, as well as the documents necessary for the request for transfer of the Register of Stock Acquisition Rights, which is subject to the completion of the Tender Offer. Tendering applications will not be accepted through any Financial Instruments Service Providers other than the tender offer agent.
- (v) In the event that the share certificates, etc. to be tendered are bonds with stock acquisition rights, if the global notes for the Bonds with Stock Acquisition

Rights are in the custody of the common depository within Euroclear Bank S.A./N.V. or Clearstream Banking, societe anonyme, both of which are securities settlement institutions in Europe, submission of certificates of the Bonds with Stock Acquisition Rights shall not be required. However, during the Tender Offer Period, it shall be required to transfer the Bonds with Stock Acquisition Rights to be tendered to the customer settlement account of the tender offer agent established at Euroclear Bank S.A./N.V. For the tendering of Bonds with Stock Acquisition Rights, please submit along with the “Tender Offer Application Form” mentioned above, the Requests for Custody of Foreign Securities in the customer settlement account of the tender offer agent. After an account is established at the tender offer agent, the holders of the Bonds with Stock Acquisition Rights, having completed such procedures, shall keep the Bonds with Stock Acquisition Rights in that account until the completion of the Tender Offer and the settlement of the Bonds with Stock Acquisition Rights. Tendering applications will not be accepted through any Financial Instruments Service Providers other than the tender offer agent.

- (vi) For shareholders who are resident in a foreign nation (including shareholders who are judicial persons; the “Foreign Shareholders”), please apply through standing proxies residing in Japan (the “Standing Proxy”). Identification documents (See Note 1) are required to be submitted.
- (vii) For individual shareholders residing in Japan, any capital gain arising from the difference between the income for the sale of share certificates, etc. and the expense to purchase them will, as a general rule, be subject to a self-assessment tax separate from other income, as applicable to income from the transfer of shares, etc. (See Note 2).
- (viii) Applications will be accepted by 15:30 (TOKYO) on the last day of the Tender Offer Period at the head office or sales offices located in Japan of the tender offer agent. (Please note that business hours may be different depending on sales offices. At the time of executing the procedures, please confirm the business hours etc. of the sales office to visit, in advance.)
- (ix) In connection with the share certificates, etc. to be tendered that are not recorded at the time of application in the Applicant Shareholders Account at the tender offer agent, applications will be accepted only after the tender offer agent confirms that transfer of such share certificates, etc. to be tendered into the Applicant Shareholders Account is completed.

- (x) In connection with the share certificates, etc. that are recorded at the time of application in a special account established at the Sumitomo Trust and Banking Co., Ltd., who is the shareholder registry administrator of the Target, the application will not be acceptable in the case where such share certificates, etc. continue to be recorded in the special account. Transfer of such share certificates, etc. to be tendered into the Applicant Shareholders Account at the tender offer agent is required in this case. Applications will be accepted only after the tender offer agent confirms that transfer of such share certificates, etc. to be tendered into the Applicant Shareholders Account is completed and they are recorded in the Applicant Shareholders Account at the tender offer agent. Please note that it may take a certain period of time for the necessary procedures for transfer. In addition, please note that it is not possible to record the share certificates, etc. to be tendered that are transferred into the Applicant Shareholders Account in the special account again.

(Note 1) Identification documents

In the event where a new account at the tender offer agent is established at the time of application, or the Foreign Shareholders apply through the Standing Proxies, the following identification documents are necessary:

Individuals [Originals within the expiration date]

Driver's license; various types of health insurance cards; various types of pension handbooks; various types of social welfare handbooks; basic resident registration card (with name, address and birth date); passport; and alien registration certificate.

[Originals issued within six (6) months of submission]

Copy of certificate of residence; certificate of seal impression; certificate of items stated in certificate of residence; copy of alien registration card; and certificate of items stated in alien registration card.

* Copy of certificate of residence and documents similar thereto are required to include pages with the issuer's seal impression and issuance date.

* In the case where you submit any type of health insurance card, please make sure that there is no omission of your address etc. in it.

* When applying by mail, please prepare originals or copies of

any of the foregoing. In the case of a driver's license, etc. with a statement to correct your address on the backside, please also provide a copy of the backside.

Corporate Clients

- (i) Certified copy of corporate register; and
- (ii) In addition to identification documents of the corporate client, identification documents (the same as described in "Individuals" above) of the individual representative, agent or transaction conductor (a person who is in charge of signing agreements).

Foreign Shareholders

In addition to the necessary documents for application through the Standing Proxy described above, a copy of a proxy or an agreement with respect to a mandate agreement entered into with the Standing Proxy (only those including statement of the name, representative's name and address outside of Japan, of the Foreign Shareholder are acceptable), and in the case where the Standing Proxy is other than a financial institution, documents or similar items that are issued by a foreign government approved by the Japanese government or an authoritative international organization and are equivalent to identification documents for residents of Japan.

(Note 2) Self-assessment tax separate from other income, as applicable to income from the transfer of shares, etc. (for individual shareholders residing in Japan)

As a general rule, the transfer of shares, etc. will be subject to self-assessment tax separate from other income. Please make decisions by yourself on tax matters after consulting and inquiring specific questions with a tax expert like a tax accountant.

(2) [Method of Terminating Contract]

Applicant Shareholders may terminate an agreement pertaining to the Tender Offer at any time during the Tender Offer Period. Applicant Shareholders intending to terminate an agreement are required to deliver or send by mail a document stating the intention to terminate an agreement pertaining to the Tender Offer (the "Termination Document") to the person specified below by 15:30 (TOKYO) on the last day of the Tender Offer Period. (Business hours may be different

depending on the sales office. Please follow the procedure described above after inquiring the business hours of the sales office to be used.) In the case where a Termination Document is mailed, it must arrive at the person specified below by 15:30 (TOKYO) on the last day of the Tender Offer Period (Business hours may be different depending on the sales office. Please follow the procedure described above after inquiring the business hours of the sales office to be used.).

Person who is granted the authority to receive Termination Documents
SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku,
Tokyo, Japan
(Other sales offices of SMBC Nikko Securities Inc. located in Japan)

The Tender Offeror will not demand compensations or payments of penalty for breach of contract to an Applicant Shareholder on the ground that he/she has terminated an agreement.

(3) [Method of Returning Share Certificates]

In the event a Tendering Shareholder terminates the agreement in connection with the Tender Offer through the method described in “(2) Method of Terminating Contract”, the Tendered Shares will be promptly returned by the method described in “(4) Procedure for returning share certificates, etc. ” of “10 Settlement Method”.

(4) [Name and Location of Main Office of Financial Instruments Business Operator and Bank Undertaking the Custody and Return of Share Certificates]

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo,
Japan

8. [Funds Required for Acquisition, Etc.]

(1) [Funds Required for Acquisition, Etc.]

Acquisition Funds (Yen) (a)	88,835,018,220
Type of Consideration other than Cash	—
Total Amount of Consideration Other than Cash	—
Commission (b)	280,000,000
Others (c)	7,000,000
Total (a)+(b)+(c)	89,122,018,220

(Note 1) The row “Acquisition Funds (Yen) (a)” lists the amount that is the product of the Number of Shares to be Purchased (113,891,049 shares) multiplied by the price per shares (780 yen).

(Note 2) The row “Commission (b)” lists the estimated fees to be paid to the Agent for the Tender Offeror.

(Note 3) The row “Others (c)” lists the estimated amount of the printing fees for the public notice and the explanatory materials for the Tender Offer, as well as other various fees.

(Note 4) There are other fees to be paid to agent of the Tender Offeror and fees to legal counsel, but such costs are unknown.

(Note 5) The costs above do not include consumption tax, etc.

(2) [Deposits and Loans available as funds necessary for the Acquisition]

(i) [Deposits two days prior and one day prior to filing date]

Type	Amount (yen)
Checking Account	1,145,736,626,897
Total(a)	1,145,736,626,897

(ii) Borrowings before the submission date

a. [Financial Institutions]

Lender Business	Name, etc. of Lender	Terms of Loan Agreement	Amount (thousand yen)

1	—	—	—	—
2	—	—	—	—
Total				—

b. [Non-Financial Institutions]

Lender Business	Name, etc. of Lender	Terms of Loan Agreement	Amount (thousand yen)
—	—	—	—
Total			—

(iii) [Funds to be Borrowed After the Date of Filing of this Statement]

a. [Financial Institutions]

	Lender Business	Name, etc. of Lender	Terms of Loan Agreement	Amount (thousand yen)
1	—	—	—	—
2	—	—	—	—
Total (b)				—

b. [Non-Financial Institutions]

Lender Business	Name, etc. of Lender	Terms of Loan Agreement	Amount (thousand yen)
—	—	—	—
Total (c)			—

(iv) [Other Methods of Procuring Funds]

Content	Amount (thousand yen)
Total (d)	

(v) [Total Deposits and Loans that can be used as funds necessary for the Acquisition]

1,145,736,626,897 Yen ((a)+(b)+(c)+(d))

(3) [Relationship between Issuer of Securities to be provided as Consideration for Tender Offer and Tender Offeror].

Not Applicable

9. [Information of Issuer of Securities to be provided as Consideration for Tender Offer]

Not Applicable

10. [Settlement Method]

- (1) **[Name and the location of the head office of a financial instruments business operator, a bank, etc. handling the settlement]**

SMBC Nikko Securities Inc. 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo, Japan

- (2) **[Settlement start date]**

Wednesday, December 7, 2011

- (3) **[Settlement method]**

A notice on purchase under the Tender Offer will be mailed to the address of the Applicant Shareholders (or, in the case of Foreign Shareholders, the Standing Proxies) without delay after the closing of the Tender Offer Period.

Purchase will be settled in cash. The tender offer agent will remit proceeds pertaining to the sale of shares to the address designated by Applicant Shareholders (or, in the case of Foreign Shareholders, their Standing Proxies) without delay after settlement begins in accordance with instructions made by the Applicant Shareholders (or, in the case of Foreign Shareholders, their Standing Proxies).

- (4) **[Procedure for returning share certificates, etc.]**

In case the Tender Offeror decides not to acquire any of the tendered shares in accordance with provisions of “(2) Conditions of withdrawal of the Tender Offer and procedure for disclosure of withdrawal” under “11 Other terms and procedures for the Tender Offer” below, share certificates, etc. that need to be returned will be returned the second business day after the last day of the Tender Offer Period (or, in case of withdrawal of the Tender Offer, the date of such withdrawal) in the following manner:

- (a) With respect to capital stock, the tendered shares will be restored to the original state at the time of the application (meaning the state of the shares under which they are no longer subject to the execution of the order to apply for the Tender Offer) in the account of the Applicant Shareholders under their names with the tender offer agent.
- (b) With respect to the Stock Acquisition Rights, documents mentioned in (iv) of “(1) Method of Tender Offer” of “7 Method of Tender Offer and Terminating Contract” submitted at the time of the application will be mailed or delivered to each Applicant Shareholder (or the Standing Proxies in the case of Foreign Shareholders).
- (c) With respect to the Bonds with Stock Acquisition Rights, documents mentioned in (v) of “(1) Method of Tender Offer” of “7 Method of Tender Offer and Terminating Contract” submitted at the time of the application will be mailed or delivered to each Applicant Shareholder (or the Standing Proxies in the case of Foreign Shareholders) and the Bonds with Stock Acquisition Rights held by Euroclear Bank S.A./N.V. will be restored to the original state at the time of the application.

11. [Other terms and procedures for the Tender Offer]

(1) Conditions described in each item of Article 27-13, Paragraph 4 of the Act

There will be no maximum or minimum amount set for the number of shares scheduled to be purchased. Accordingly, the Tender Offeror will acquire all of the tendered shares.

(2) Conditions of withdrawal of the Tender Offer and procedure for disclosure of withdrawal

If any of the events described in Item 1 (i) through (ix), (xii) through (xviii), Item 3 (i) through (viii) and (x), Item 4, and Item 5 of Paragraph 1 of Article 14, and Items 3 through 6 of Paragraph 2 of Article 14 of the Order occurs, the Tender Offer may be withdrawn.

The event referred to by Item 3 (x) of Paragraph 1 of Article 14 of the Order shall be the event where it has been found that any of the statutory disclosure documents submitted by the Target in the past contained a fake statement about important matters or omitted a statement on important matters that should be stated, which is considered to be similar to those listed in (i) through (ix) of said item.

In case of withdrawal, an electronic public notice will be placed and a notification to that effect will be placed on the Nihon Keizai Shimbun. However, if it is impractical to place such public notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement in accordance with the method prescribed in Article 20 of the Ordinance and place a public notice immediately thereafter.

(3) [Conditions for and details of reducing purchase price and procedure for disclosure of price reduction]

In case the Target takes any of the actions set out in Article 13, Paragraph 1 of the Order during the Tender Offer Period pursuant to the provisions of Article 27-6, Paragraph 1, Item 1 of the Act, the Tender Offeror may reduce the purchase price in accordance with the standard set forth in Article 19, Paragraph 1 of the

Ordinance. In case of such price reduction, an electronic public notice will be placed and a notification to that effect will be placed on the Nihon Keizai Shimbun. However, if it is impractical to place such public notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement in accordance with the method prescribed in Article 20 of the Ordinance and place a public notice immediately thereafter.

In the case where the purchase price is reduced, share certificates, etc. for which the application was made prior to the date of such public notice, will be also purchased at the reduced price.

(4) [Right of Applicant Shareholders for termination of agreement]

Applicant Shareholders may terminate an agreement pertaining to the Tender Offer at any time during the Tender Offer Period. The Methods of the termination is as set forth in “(2) Method of Terminating Contract” of “7. Method of Tender Offer and Terminating Contract” above.

The Tender Offeror will not demand compensations or payments of penalty for breach of contract to an Applicant Shareholder on the ground that he/she has terminated an agreement.

(5) Procedure for disclosure of changes in purchasing terms

The Tender Offeror may change the purchasing terms during the Tender Offer Period except in the case where such change is prohibited by Article 27-6 of the Act and Article 13 of the Order. In the case where the Tender Offeror intends to change the purchasing terms, it will make an electronic public notice of the detail and publish a notification on the Nihon Keizai Shimbun to that effect. However, if it is impractical to place such public notice by the last day of the Tender Offer Period, the Tender Offeror will make an announcement in accordance with the method prescribed in Article 20 of the Ordinance and place a public notice immediately thereafter. When changes are made into the purchasing terms, share certificates, etc. for which the application was made prior to such public announcement, will be purchased under the changed purchasing terms.

(6) Procedure for disclosure of the submission of amendments to the registration statement

In case an Amendment Statement is filed to the Director of the Kanto Local Financial Bureau, the Tender Offeror will immediately announce the contents of the Amendment Statement, but only with respect to amendments affecting the contents of the public notice on the commencement of the Tender Offer, in accordance with the method prescribed in Article 20 of the Ordinance. In addition, the Tender Offeror will immediately amend the Tender Offer Explanatory Statement, and provide an amended version thereof to the Applicant Shareholders who have already received the Tender Offer Explanatory Statement in order to reflect such amendments. However, if the amendments are minor, the Tender Offeror will draw up a document that contains reasons for the amendments, the items that have been amended and the details of the amendments, and send such document to the Applicant Shareholders in order to reflect such amendments.

(7) Procedure for disclosure of results of the Tender Offer

The results of the Tender Offer will be announced in accordance with the procedures prescribed in Article 9-4 of the Order and Article 30-2 of the Ordinance on the following day of the last day of the Tender Offer Period.

(8) Others

- (a) In certain jurisdictions, distribution of Tender Offer Registration Statement, Tender Offer Explanatory Statement or other documents relating to the Tender Offer (the “Offer Documents”) may be restricted by the relevant laws. Any person who obtains any Offer Documents is required to be aware of and comply with the restrictions.
- (b) The communication through the Offer Documents is not made or has not been approved, by any person authorized for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, the Offer Documents are not distributed to or shall not be circulated among the general

national in the United Kingdom, but are intended to be distributed only to the persons outside the United Kingdom, investment professionals (as defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “FPO”), the persons who fall within Article 49 of the FPO, and any other persons to whom the Offer Documents may lawfully be communicated in accordance with the FPO. Only the above persons may participate or engage in the transactions to which the Offer Documents relate.

- (c) None of the Offer Documents have been submitted to the clearance procedure of the Commissione Nazionale per le Società e la Borsa (CONSOB) in accordance with the laws and regulations of the Republic of Italy (“Italy”). Accordingly, the Tender Offer shall not be made and none of the Offer Documents shall be distributed or otherwise made available in Italy, unless the Bondholder is the qualified investor under Rule 11971 of CONSOB regulations dated 14 May 1999 acting on its own account, or in any other circumstances where an express exemption under the above Rule or the Legislative Decree no. 58 of 24 February, 1998 applies.
- (d) None of the Offer Documents have been submitted to or will be submitted for approval by the Autorité des services et marchés financiers in the Kingdom of Belgium (“Belgium”). Accordingly, the Tender Offer shall not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the law of 1 April 2007 relating to tender offer as amended or replaced from time to time. It shall be made only to the qualified investors as defined in Article 10 of the law of 16 June 2006 relating to public offering and admission to trading on regulated markets of securities, acting on their own account, and shall not be subscribed by any person other than the above qualified investors. The Offer Documents shall be distributed only to the above persons, and any information contained in the Offer Documents shall not be used for any other purpose or disclosed to any other person.
- (e) The Tender Offer shall not be made, directly or indirectly, to the general national in French Republic (“France”). None of the Offer Documents have been or shall in future be distributed to the general national in France.
- (f) In the jurisdictions where an offer for purchase or a solicitation of offer for sale of any common shares, the Stock Acquisition Rights or the Bonds with Stock Acquisition Rights to which the Offer Documents relate is not lawful, the Offer Documents shall not constitute the offer or solicitation. In any of the above jurisdictions, the subscription by a shareholder, a holder of the

Stock Acquisition Rights or a holder of the Bonds with Stock Acquisition Rights shall not be accepted.

- (g) Upon subscription for the Tender Offer, the Applicant Shareholder (or, in the case of Foreign Shareholders, their Standing Proxies) shall be deemed to have given the following representations and warranties:
 - (i) solicitation relating to the Tender Offer to the Applicant Shareholder is lawful in accordance with the applicable laws and regulations;
 - (ii) the Applicant Shareholder is neither located or resides in the United Kingdom, or, if it does, it is an investment professional (as defined in the FPO) or any other person to whom the communicate through the Offer Documents can be made lawfully under the FPO;
 - (iii) the Applicant Shareholder is neither located or resides in Belgium, or, if it does, it is a qualified investor as defined in Article 10 of the law of 16 June 2006 relating to public offering and admission to trading on regulated markets of securities, acting on its own account;
 - (iv) the Applicant Shareholder is neither located or resides in Italy, or, if it is a Bondholder, it is the qualified investor under Rule 11971 of CONSOB regulations dated 14 May 1999, or an express exemption under the above Rule or the Legislative Decree no. 58 of 24 February 24, 1998 applies; and
 - (v) the Applicant Shareholder is neither a resident nor a national of France.

No. 2 [Status of Tender Offeror]

1. [If a Company]

(1) [Outline of Company]

- (i) [History of Company]
- (ii) [Purpose and Business of Company]
- (iii) [Capital Amount and Total Number of Issued Shares]
- (iv) [Major Shareholder]

as of,

Name	Location or Address	Number of Held Shares	Held Shares as a Proportion of the Total Issued Shares (%)
Total			

(v) [Professional Experience and Held Shares of Officers]

as of,

Title	Occupation	Name	Birth Date	Professional Experience	Held Shares

(2) [Financial Conditions]

- (i) [Balance Sheet]
- (ii) [Profit and Loss Statement]
- (iii) [Statement of changes in Net Assets]

(3) [Matters regarding the Tender Offeror subject to Continuous Disclosure Requirement]

- (i) [Filing Documents of the Tender Offeror]
 - (a) [Security report and attached documents]
Fiscal year the 8th Term (from April 1, 2010 to March 31, 2011), filed with Director-General of Kanto Local Finance Bureau on June 30, 2011
 - (b) [Quarter Report or Half Year Report]
Not Applicable
The Tender Offeror schedules to file with Director-General of Kanto Local Finance Bureau the 9th Term Half Year Report (The 9th Term Half: from April 1, 2011 to September 30, 2011) on or around November 29, 2011
 - (c) [Reissued Report]
Not Applicable
- (ii) [Location at which the Statement is Available to the Public]
Sumitomo Mitsui Banking Corporation: head office
(1-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo)

2. [If an organization other than a company]

Not Applicable

3. [If an individual]

Not Applicable

No. 3 [Ownership and Trade of Share Certificates by Tender Offeror and Special Related Parties]

1. [Ownership of Shares]

(1) [Total of Ownership of Shares by Tender Offeror and Special Related Parties]

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	559,010 (units)	-	-
Stock Acquisition Rights	764	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	559,774	-	-
Total Number of Shares Owned	559,774	-	-
(Total Number of Shares (diluted))	(764)	-	-

(Note) “The Total Number of Shares Owned” above includes 1,239 units (shares 475 units and stock acquisition rights 764 units), which is the number of voting rights represented by share certificates, etc. owned by the Small Scale Owner.

(2) [Ownership of Shares by Tender Offeror]

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	558,535 (units)	-	-
Stock Acquisition Rights	-	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	558,535	-	-
Total Number of Shares Owned	558,535	-	-
(Total Number of Shares (diluted))	(-)	-	-

(Note) “The Total Number of Shares Owned” above includes 1,239 units (shares 475 units and stock acquisition rights 764 units), which is the number of voting rights represented by share certificates, etc. owned by the Small Scale Owner.

(3) [Ownership of Shares by Special Related Parties (in total)]

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	475 (units)	-	-

Stock Acquisition Rights	764	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	1,239	-	-
Total Number of Shares Owned	1,239	-	-
(Total Number of Shares (diluted))	(764)	-	-

(4) [Ownership of Shares by Special Related Parties (breakdown by each such Party)]

(i) Special Related Parties

(as of October 18, 2011)

Name	Promise Co., Ltd.
Address or Location	2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo
Occupation or Business	Consumer loan business
Contact	Contact Person: Promise Co., Ltd. General Affairs Department Contact Address: 2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-3213-5055
Relationship with Tender Offeror	Company with which the Tender Offeror has a special shareholding relation

(as of October 18, 2011)

Name	SMBC Nikko Securities Inc.
Address or Location	3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo
Occupation or Business	General securities business
Contact	Contact Person: SMBC Nikko Securities Inc. Management Planning & Administration Contact Address: 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo Telephone Number: 03-5644-3111
Relationship with Tender Offeror	Company with which the Tender Offeror has a special shareholding relation

(as of October 18, 2011)

Name	Ken Kubo
Address or Location	2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo (Location of Promise Co., Ltd.)
Occupation or Business	President and Representative Director of Promise Co., Ltd.
Contact	Contact Person: Promise Co., Ltd. General Affairs Department Contact Address: 2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-3213-5055
Relationship with Tender Offeror	Officer of the company with which the Tender Offeror has a special shareholding relation

(as of October 18, 2011)

Name	Shozo Watanabe
Address or Location	2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo (Location of Promise Co., Ltd.)
Occupation or Business	Director of Promise Co., Ltd.
Contact	Contact Person: Promise Co., Ltd. General Affairs Department Contact Address: 2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-3213-5055
Relationship with Tender Offeror	Officer of the company with which the Tender Offeror

Offeror	has a special shareholding relation
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(as of October 18, 2011)

Name	Yoshiyuki Tateishi
Address or Location	2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo (Location of Promise Co., Ltd.)
Occupation or Business	Director of Promise Co., Ltd.
Contact	Contact Person: Promise Co., Ltd. General Affairs Department Contact Address: 2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-3213-5055
Relationship with Tender Offeror	Officer of the company with which the Tender Offeror has a special shareholding relation

(as of October 18, 2011)

Name	Tomohiko Tashiro
Address or Location	2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo (Location of Promise Co., Ltd.)
Occupation or Business	Director of Promise Co., Ltd.
Contact	Contact Person: Promise Co., Ltd. General Affairs Department Contact Address: 2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-3213-5055
Relationship with Tender Offeror	Officer of the company with which the Tender Offeror has a special shareholding relation

(as of October 18, 2011)

Name	Masahiko Iwanami
Address or Location	2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo (Location of Promise Co., Ltd.)
Occupation or Business	Director of Promise Co., Ltd.
Contact	Contact Person: Promise Co., Ltd. General Affairs Department Contact Address: 2-4, Ohtemachi 1-chome,

	Chiyoda-ku, Tokyo Telephone Number: 03-3213-5055
Relationship with Tender Offeror	Officer of the company with which the Tender Offeror has a special shareholding relation

(as of October 18, 2011)

Name	Hiromichi Ezawa
Address or Location	2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo (Location of Promise Co., Ltd.)
Occupation or Business	Company Auditor of Promise Co., Ltd.
Contact	Contact Person: Promise Co., Ltd. General Affairs Department Contact Address: 2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-3213-5055
Relationship with Tender Offeror	Officer of the company with which the Tender Offeror has a special shareholding relation

(as of October 18, 2011)

Name	Yoshiyuki Akasako
Address or Location	2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo (Location of Promise Co., Ltd.)
Occupation or Business	Company Auditor of Promise Co., Ltd.
Contact	Contact Person: Promise Co., Ltd. General Affairs Department Contact Address: 2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-3213-5055
Relationship with Tender Offeror	Officer of the company with which the Tender Offeror has a special shareholding relation

(as of October 18, 2011)

Name	Toshihiro Kubode
Address or Location	Second floor of Ohtemachi Pal Building, 2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo (Location of Abilio Servicer Co., Ltd.)

Occupation or Business	President and Representative Director of Abilio Servicer Co., Ltd.
Contact	Contact Person: Promise Co., Ltd. General Affairs Department Contact Address: 2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-3213-5055
Relationship with Tender Offeror	Officer of the company with which the Tender Offeror has a special shareholding relation

(as of October 18, 2011)

Name	Koichi Mitsui
Address or Location	Second floor of Ohtemachi Pal Building, 2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo (Location of Abilio Servicer Co., Ltd.)
Occupation or Business	Vice-President and Representative Director of Abilio Servicer Co., Ltd.
Contact	Contact Person: Promise Co., Ltd. General Affairs Department Contact Address: 2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-3213-5055
Relationship with Tender Offeror	Officer of the company with which the Tender Offeror has a special shareholding relation

(as of October 18, 2011)

Name	Shoichi Azuma
Address or Location	14/F Luk Kwok Centre, 72 Gloucester Road, Wan chai, Hong Kong (Location of PROMISE (HONG KONG) CO., LTD.)
Occupation or Business	Director of PROMISE (HONG KONG) CO., LTD. Director of PROMISE (SHENZHEN) CO., LTD. Director of PROMISE (SHENYANG) CO., LTD.
Contact	Contact Person: Promise Co., Ltd. General Affairs Department Contact Address: 2-4, Ohtemachi 1-chome,

	Chiyoda-ku, Tokyo Telephone Number: 03-3213-5055
Relationship with Tender Offeror	Officer of the company with which the Tender Offeror has a special shareholding relation

(as of October 18, 2011)

Name	Toshifumi Sugiki
Address or Location	14/F Luk Kwok Centre, 72 Gloucester Road, Wan chai, Hong Kong (Location of PROMISE (HONG KONG) CO., LTD.)
Occupation or Business	Director of PROMISE (HONG KONG) CO., LTD. Company Auditor of PROMISE (SHENZHEN) CO., LTD. Company Auditor of PROMISE (SHENYANG) CO., LTD. Director of PROMISE (THAILAND) CO., LTD.
Contact	Contact Person: Promise Co., Ltd. General Affairs Department Contact Address: 2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-3213-5055
Relationship with Tender Offeror	Officer of the company with which the Tender Offeror has a special shareholding relation

(as of October 18, 2011)

Name	Masayuki Watabe
Address or Location	Room 911-912, Ying Long Development Center, Shennan Road 6025, Fu Tian District, Shenzhen 518040, The People's Republic of China (Location of PROMISE (SHENZHEN) CO., LTD.)
Occupation or Business	Chairman of PROMISE (SHENZHEN) CO., LTD.
Contact	Contact Person: Promise Co., Ltd. General Affairs Department Contact Address: 2-4, Ohtemachi 1-chome, Chiyoda-ku, Tokyo Telephone Number: 03-3213-5055

Relationship with Tender Offeror	Officer of the company with which the Tender Offeror has a special shareholding relation
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(ii) Number of Shares Owned

Promise Co., Ltd.

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	0 (unit)	-	-
Stock Acquisition Rights	-	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	0	-	-
Total Number of Shares Owned	0	-	-
(Total Number of Shares (diluted))	(-)	-	-

(Note) Although the Target, which is a special related party, holds 8,049,051 shares of common stock of the Target (5.97% (rounded to two decimal places) of the total number of issued shares of the Target, which is 134,866,665 shares as of June 30, 2011 as set forth in the 51st Term – First Quarter Report filed by the Target on August 12, 2011), the number of owned shares is 0 unit because all of them are treasury shares. The number of treasury shares held by the Target as of June 30, 2011, as set forth in 51st Term – First Quarter Report file by the Target on August 12, 2011, was 8,048,983 shares. However, according to the Target, by October 18, 2011, the number of treasury shares held by the Target increases as above due to request of the purchase of fractional unit shares by the Target etc.

SMBC Nikko Securities Inc.

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	107 (units)	-	-
Stock Acquisition Rights	-	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	107	-	-
Total Number of Shares Owned	107	-	-
(Total Number of Shares (diluted))	(-)	-	-

(Note) Because SMBC Nikko Securities Inc. falls under the Small Scale Owner, “The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)”, in “5 Ownership Percentage After the Tender Offer” of “No. 1 Terms and Conditions of the Tender Offer” above, does not include the total number of shares owned by it.

Ken Kubo

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	40 (units)	-	-
Stock Acquisition Rights	283	-	-

Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	323	-	-
Total Number of Shares Owned	323	-	-
(Total Number of Shares (diluted))	(283)	-	-

(Note) Because Ken Kubo falls under the Small Scale Owner, “The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)”, in “5 Ownership Percentage After the Tender Offer” of “No. 1 Terms and Conditions of the Tender Offer” above, does not include the total number of shares owned by him.

Shozo Watanabe

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	- (units)	-	-
Stock Acquisition Rights	75	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	75	-	-

Total Number of Shares Owned	75	-	-
(Total Number of Shares (diluted))	(75)	-	-

(Note) Because Shozo Watanabe falls under the Small Scale Owner, “The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)”, in “5 Ownership Percentage After the Tender Offer” of “No. 1 Terms and Conditions of the Tender Offer” above, does not include the total number of shares owned by him.

Yoshiyuki Tateishi

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	136 (units)	-	-
Stock Acquisition Rights	137	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	273	-	-
Total Number of Shares Owned	273	-	-
(Total Number of Shares (diluted))	(137)	-	-

(Note) Because Yoshiyuki Tateishi falls under the Small Scale Owner, “The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)”, in “5 Ownership Percentage After the Tender Offer” of “No. 1 Terms and Conditions of the Tender Offer” above, does not include the total number of shares owned by him.

Tomohiko Tashiro

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	20 (units)	-	-
Stock Acquisition Rights	137	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	157	-	-
Total Number of Shares Owned	157	-	-
(Total Number of Shares (diluted))	(137)	-	-

(Note) Because Tomohiko Tashiro falls under the Small Scale Owner, “The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)”, in “5 Ownership Percentage After the Tender Offer” of “No. 1 Terms and Conditions of the Tender Offer” above, does not include the total number of shares owned by him.

Masahiko Iwanami

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	- (units)	-	-
Stock Acquisition Rights	109	-	-

Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	109	-	-
Total Number of Shares Owned	109	-	-
(Total Number of Shares (diluted))	(109)	-	-

(Note) Because Masahiko Iwanami falls under the Small Scale Owner, “The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)”, in “5 Ownership Percentage After the Tender Offer” of “No. 1 Terms and Conditions of the Tender Offer” above, does not include the total number of shares owned by him.

Hiromichi Ezawa

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	4 (units)	-	-
Stock Acquisition Rights	23	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	27	-	-

Total Number of Shares Owned	27	-	-
(Total Number of Shares (diluted))	(23)	-	-

(Note) Because Hiromichi Ezawa falls under the Small Scale Owner, “The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)”, in “5 Ownership Percentage After the Tender Offer” of “No. 1 Terms and Conditions of the Tender Offer” above, does not include the total number of shares owned by him.

Yoshiyuki Akasako

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	9 (units)	-	-
Stock Acquisition Rights	-	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	9	-	-
Total Number of Shares Owned	9	-	-
(Total Number of Shares (diluted))	(-)	-	-

(Note) Because Yoshiyuki Akasako falls under the Small Scale Owner, “The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)”, in “5 Ownership Percentage After the Tender Offer” of “No. 1 Terms and Conditions of the Tender Offer” above, does not include the total number of shares owned by him.

Toshihiro Kubode

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	20 (units)	-	-
Stock Acquisition Rights	-	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	20	-	-
Total Number of Shares Owned	20	-	-
(Total Number of Shares (diluted))	(-)	-	-

(Note) Because Toshihiro Kubode falls under the Small Scale Owner, “The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)”, in “5 Ownership Percentage After the Tender Offer” of “No. 1 Terms and Conditions of the Tender Offer” above, does not include the total number of shares owned by him.

Koichi Mitsui

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	20 (units)	-	-
Stock Acquisition Rights	-	-	-

Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	20	-	-
Total Number of Shares Owned	20	-	-
(Total Number of Shares (diluted))	(-)	-	-

(Note) Because Koichi Mitsui falls under the Small Scale Owner, “The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)”, in “5 Ownership Percentage After the Tender Offer” of “No. 1 Terms and Conditions of the Tender Offer” above, does not include the total number of shares owned by him.

Shoichi Azuma

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	1 (units)	-	-
Stock Acquisition Rights	-	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	1	-	-

Total Number of Shares Owned	1	-	-
(Total Number of Shares (diluted))	(-)	-	-

(Note) Because Shoichi Azuma falls under the Small Scale Owner, “The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)”, in “5 Ownership Percentage After the Tender Offer” of “No. 1 Terms and Conditions of the Tender Offer” above, does not include the total number of shares owned by him.

Toshifumi Sugiki

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	10 (units)	-	-
Stock Acquisition Rights	-	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	10	-	-
Total Number of Shares Owned	10	-	-
(Total Number of Shares (diluted))	(-)	-	-

(Note) Because Toshifumi Sugiki falls under the Small Scale Owner, “The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)”, in “5 Ownership Percentage After the Tender Offer” of “No. 1 Terms and Conditions of the Tender Offer” above, does not include the total number of shares owned by him.

Masayuki Watabe

(as of October 18, 2011)

	Number of Held Shares	Number of Shares Under Order Article 7, Paragraph 1 Item (2)	Number of Shares Under Order Article 7, Paragraph 1 Item (3)
Shares	108 (units)	-	-
Stock Acquisition Rights	-	-	-
Bonds with Stock Acquisition Rights	-	-	-
Trust Beneficiary Certificates for Shares ()	-	-	-
Depository Receipts for Shares ()	-	-	-
Total	108	-	-
Total Number of Shares Owned	108	-	-
(Total Number of Shares (diluted))	(-)	-	-

(Note) Because Masayuki Watabe falls under the Small Scale Owner, “The Number of Voting Rights Represented by Share Certificates, Etc. Owned by Special Related Parties (as of October 18, 2011) (Number) (units) (g)”, in “5 Ownership Percentage After the Tender Offer” of “No. 1 Terms and Conditions of the Tender Offer” above, does not include the total number of shares owned by him.

2. [Trading of Shares]

(1) [Trading during the 60 day-period before the Filing Date]

Not Applicable

3. [Material Agreements Entered into Regarding the Shares]

Not Applicable

4. [Agreements on Acquisition of Share Certificates After the Registration Submission Date]

According to the Target, in the consumer finance industry, companies in the industry are facing a severe business environment due to the strengthening of interest rate ceiling regulation and the market scale reduction associated with implementation of restriction on total volume for money lending, while the number of interest refund claims hovering at a high level, and have been forced to experience a decrease in their consumer loans outstanding. In such a challenging business, the Target has been making efforts to improve its management base by carrying out a cost structure reform and the streamlining of group management resources, through selection and concentration thereof, based on the Business Structural Reform Plan that the Target announced in January 2010.

However, as stated in “(3) Revision of Earnings Forecast and Dividends Forecast” of “5 Other” of “No.5 Status of the Target” below, the Target is required to additionally provide the interest repayments-related allowance so that the amount thereof will be approximately JPY390 billion at the end of the second quarter of the fiscal year ending March 31, 2012. Therefore, the Target will implement additional provision of the interest repayments-related allowance; in connection therewith the Target recognized a net loss of JPY 203.4 billion in the 6 months period of the fiscal year ending September 30, 2011 and resolved at a meeting of the Board of Directors held in September 30, 2011 to amend earnings forecasts for the fiscal year ending March 31, 2012. In addition, the Target resolved at such meeting of the Board of Directors that they would distribute no year-end dividend for the fiscal year ending March 31, 2012.

In such circumstances, according to the Target, the Target has decided that it is essential to promptly improve its impaired financial base by sufficiently preparing for the issue of claims for interest repayments, which is a significant constraint on the Target's financial base, and to enable the promotion of aggressive policies toward future growth strategies, and therefore has come to the decision to implement the Third-Party Allotment.

The amount planned to be procured through the Third-Party Allotment is approximately JPY120 billion. The Target has come to the decision that as a method to procure such a large amount of required funds in a prompt and reliable manner and strengthen the financial base, the Third-Party Allotment where the accepting party is SMFG group, which intends to, in the medium to long term, emphasize the consumer finance business as a part of its retail business line-up supporting individual consumption and has already placed the Target group as one of the core players of the consumer finance business, is a reasonable option in terms of management and is the most effective measure. The Target has decided that the Third-Party Allotment will (i) enable SMFG group to further strengthen and nurture the consumer finance business, which is one of the core businesses in the retail business, in terms of cross-selling to individuals and (ii) contribute to the enhancement of the enterprise value of the Target that aims to "realize the No. 1 consumer finance company both in quality and quantity."

According to the Target, in accordance with the above-mentioned judgment, the Target, at its board meeting held on September 30, 2011, resolved the Third-Party Allotment that designates SMFG and the Tender Offeror as the party to which shares will be allotted, under the conditions that the closing date is December 26, 2011, the number of new shares to be issued is 451,977,400 shares, the amount to be paid per share is JPY531, and the total amount to be paid is JPY239,999,999,400. However, it has been agreed, in the Share Subscription Agreement entered into by and between SMFG and the Target as of September 30, 2011, that 225,988,700 shares of the offered shares (the total amount to be paid: JPY119,999,999,700) will be allotted to SMFG (or the Tender Offeror, if SMFG designates separately) through the third-party allotment, and it is planned that, only for such number of shares, only either of SMFG or the Tender Offeror will subscribe them. In other words, in the Third-Party Allotment, shares will finally be allotted to only either of SMFG or the Tender Offeror, and the party to which shares will not be allotted will lose its rights to subscribe such shares; therefore, the

actual number of shares to be issued will be 225,988,700 shares that is half of the above-mentioned number of new shares to be issued, i.e., 451,977,400 shares. In addition, SMFG and the Tender Offeror, at their respective board meetings held on September 30, 2011, resolved the subscription of the Target's Third-Party Allotment by SMFG or the Tender Offeror. The allotted party of the Third-Party Allotment will be determined, around early December, to be SMFG if Making the Target Wholly-owned Subsidiary is expected to be implemented, or the Tender Offeror, if it is not expected to be implemented, based on the result of the Tender Offer and considering whether or not the Making the Target Wholly-owned Subsidiary will be implemented. The Third-Party Allotment shall be performed for the purpose of strengthening the Target's financial base and is scheduled to be implemented regardless of the result of the Tender Offer (provided, however, that the certain conditions for subscription have been agreed, including no change to or no retraction of the resolution by the board meeting with respect to the expression of their opinion in favor of the Tender Offer by the Board of Directors of the Target and to recommend that the shareholders of the Target tender their shares in the Tender Offer.) The shares to be allotted to SMFG or the Tender Offeror through the Third-Party Allotment, the number of which is 225,988,700 shares (voting rights; 4,519,774 units), will represent 167.6% (rounded to one decimal place) of the ratio to the total number of issued shares of the Target as of June 30, 2011, which is 134,866,665 shares as stated in the 51st Term - First Quarter Report filed by the Target on August 12, 2011, and 178.2% (rounded to one decimal place) of the ratio to the number of voting rights of all shareholders as of March 31, 2011, which is 2,535,922 units as stated in the 51st Term - First Quarter Report filed by the Target on August 12, 2011. Regardless of the result of the Tender Offer, the Target is expected to become a consolidated subsidiary of SMFG after the completion of the payment of the Third-Party Allotment.

No. 4 [Transactions between the Tender Offeror and the Target]

1. [Existence and Details of Transactions between the Tender Offeror and the Target or its directors and corporate auditors]

The Tender Offeror is the affiliate company of the Target, and the material transactions between the Tender Offeror and the Target through the latest 3 fiscal years are as follows. There is no material transaction between the Tender Offeror and the directors and corporate auditors of the Target.

Attribution	Name of Company	Address	Stated Capital or Investment (million JPY)	Business	Owned Percentages of voting rights (%)	Relation	Content of Transaction	Transaction Amount (million JPY)	Account Item	Closing balance (million JPY)
Other Affiliate Company	Sumitomo Mitsui Banking Corporation	Chiyoda -ku, Tokyo	664,986	Banking	(Owned) 22.03	Borrowing	Borrowing of Fund	Borrowing 60,000 Repayment 91,000	Long-Term Borrowing	85,000
									Long-Term Borrowing expected to be repaid within a year	38,000
								Payment of Interest	2,092	Accrued Expense
						Business Alliance	Operation debt Warranty Fee Received	7,552	Warranty Debt	276,883
							Subrogation Performance	9,103	—	—

From April 1, 2008 to March 31, 2009

(Note1) The transaction conditions and the policy on determination of the transaction conditions

The borrowing from SMBC is determined by the resolution of the Board of Directors and the administrative rules along with the financing from other banks, and the interest rate borrowed from SMBC is the general market rate.

The Operation debt warranty fee and amount of the subrogation performance are those on unsecured loans, and are calculated based on the agreement regarding the business alliance.

(Note2) Only material transactions are described.

(Note3) The transaction amount above doesn't include the consumption tax, etc.

(Note4) The above (including from (Note1) to (Note3)) is quoted from the annual securities report for the 49th fiscal year filed by the Target on June 23, 2010.

Attribution	Name of Company	Address	Stated Capital or Investment (million JPY)	Business	Owned Percentages of voting rights (%)	Relation	Content of Transaction	Transaction Amount (million JPY)	Account Item	Closing balance (million JPY)
Other Affiliate Company	Sumitomo Mitsui Banking Corporation	Chiyoda -ku, Tokyo	664,986	Banking	(Owned) 22.03	Borrowing	Borrowing of Fund	Borrowing 38,000 Repayment 38,000	Long-Term Borrowing	92,400
									Long-Term Borrowing expected to be repaid within a year	30,600
								Payment of Interest	2,212	Accrued Expense
						Business Alliance	Operation debt Warranty Fee Received	10,930	Warranty Debt	315,518
							Subrogation Performance	12,761	—	—

From April 1, 2009 to March 31, 2010

(Note1) The transaction conditions and the policy on determination of the transaction conditions

The borrowing from SMBC is determined by the resolution of the Board of Directors and the administrative rules along with the financing from other banks, and the interest rate borrowed from SMBC is the general market rate.

The Operation debt warranty fee and amount of the subrogation performance are those on unsecured loans, and are calculated based on the agreement regarding the business alliance.

(Note2) Only material transactions are described.

(Note3) The transaction amount above doesn't include the consumption tax, etc.

(Note4) The above (including from (Note1) to (Note3)) is quoted from the annual securities report for the 50th fiscal year filed by the Target on June 27, 2011.

Attribution	Name of Company	Address	Stated Capital or Investment (million JPY)	Business	Owned Percentages of voting rights (%)	Relation	Content of Transaction	Transaction Amount (million JPY)	Account Item	Closing balance (million JPY)
Other Affiliate Company	Sumitomo Mitsui Banking Corporation	Chiyoda -ku, Tokyo	664,986	Banking	(Owned) 22.03	Borrowing	Borrowing of Fund	Borrowing 34,800 Repayment 34,565	Long-Term Borrowing	97,520
									Long-Term Borrowing expected to be repaid within a year	49,619
							Payment of Interest	2,825	Accrued Expense	223
						Business Alliance	Operation debt Warranty Fee Received	16,248	Warranty Debt	347,775
							Subrogation Performance	12,826	—	—
						Transfer of shares	Transfer of Shares	8,965	—	—

From April 1, 2010 to March 31, 2011

(Note1) The transaction conditions and the policy on determination of the transaction conditions

The borrowing from SMBC is determined by the resolution of the Board of Directors and the administrative rules along with the financing from other banks, and the interest rate borrowed from SMBC is the general market rate.

Further, the transaction amount does not include the amount of JPY 239,04 million succeeded from Sanyo Shinpan Financial, Co., Ltd. upon merger effective on October 1, 2010.

The Operation debt warranty fee and amount of the subrogation performance are those on unsecured loans, and are calculated based on the agreement regarding the business alliance.

The share acquisition price is the market value as of the date immediately preceding the signing date of the share purchase agreement.

(Note2) Only material transactions are described.

(Note3) The transaction amount above doesn't include the consumption tax, etc.

(Note4) The above (including from (Note1) to (Note3)) is quoted from the annual securities report for the 50th fiscal year filed by the Target on June 27, 2011.

2. [Existence and Details of Agreements between the Tender Offeror and the Target or its Directors and Corporate Auditors]

(1) Existence and Details of Agreements between the Tender Offeror and the Target or its Directors and Corporate Auditors

According to the Target, at the meeting of the Target's Board of Directors held on September 30, 2011, as a result that the Target carefully considered the Tender Offer Price, the Tender Offer Period, conditions that no maximum or minimum Number of Shares Scheduled to be Purchased is set, conditions of withdrawal of the Tender Offer and other conditions of the Tender Offer for the purpose to make the Target a wholly-owned subsidiary of SMFG, taking into consideration of, among other relevant documents, the report on valuation of shares and the fairness opinion described in "(ii) Share Valuation Report and Opinion from Independent Third Party Appraiser to the Target", the report by the project team described in "(v) Establishment of Project Team at the Target for Eliminating Potential Conflicts of Interest" and advice from UBS Securities Japan Ltd. ("UBS Securities") and Nishimura & Asahi as well as the response and opinion submitted by the third-party committee and other relevant materials described in "(vi) Establishment of Independent Third Party Committee at the Target" of "(III)

Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest, etc.” above, the Target believes that strengthening alliances with each company in SMFG group and strengthening its business and financial base by becoming a wholly-owned subsidiary of SMFG through the Tender Offer would contribute to the enhancement of its profit-earning capacity and is the best solution from the perspective of enhancement of its enterprise value and the common interests of its shareholders, and also judged that the Tender Offer Price and other conditions of the Tender Offer are appropriate to the shareholders and the Tender Offer will provide a reasonable opportunity to the shareholders of the Target other than SMFG Group to sell their shares. For the above-mentioned reasons, the Target’s Board of Directors resolved (i) to express its opinion in favor of the Tender Offer and (ii) to recommend that the shareholders of the Target tender their shares in the Tender Offer at the meeting of the Target’s Board of Directors held September 30, 2011. In addition, the Target resolved to leave the decision whether to tender the Stock Acquisition Rights and the Bonds with Stock Acquisition Rights in the Tender Offer, to the judgment of the holders of the Stock Acquisition Rights and the holders of the Bonds with Stock Acquisition Rights as the Target has not verified the appropriateness of the Tender Offer Price for the Stock Acquisition Rights and the Bonds with Stock Acquisition Rights.

Of the directors of the Target, Mr. Shozo Watanabe and Mr. Masahiko Iwanami served as employees of the Tender Offeror until 2011 and 2010, respectively. Therefore, for the purpose of avoiding conflicts of interest, neither of them participated in any deliberation or voting concerning the Transactions, including the approval of the opinion in favor of the Tender Offer, at any meetings of the Board of Directors of the Target, nor were they involved in any discussions or negotiations with the Tender Offeror or SMFG.

At the meeting of the Board of Directors held on September 30, 2011, regarding the approval of the opinion in favor of the Tender Offer, all directors of the Target, except the above-mentioned two directors, were present, and the above-mentioned resolution was unanimously adopted. At that meeting of the Board of Directors, all of the four auditors (including two external auditors) of the Target were present and stated that they had no objection to the above-mentioned resolution.

(2) Background, and decision making process of the implementation of the Tender Offer and management policies after the Tender Offer

SMFG, the wholly-owing parent company of the Tender Offeror, is one of Japan's largest bank holding companies, whose group has developed a wide variety of financial businesses centering on the banking business, and the Tender Offeror is one of the nation's leading commercial banks and the core entity of the group. As a financial group whose mother market is Japan, SMFG focuses on its strategic business areas and aims to establish a globally competitive business, corporate and financial base in order to respond sufficiently to its clients' needs in a timely and effective manner, while addressing new financial regulations and other issues. Specifically, SMFG designates five critical business areas consisting of "financial consulting for individuals," "solution providing for corporations," "commercial banking in emerging markets, especially in Asia," "broker-dealer / investment banking," and "non-asset business such as payment & settlement services and asset management" and implements and executes focused business strategy on group-wide basis, while developing the establishment of a solid corporate infrastructure that supports its business strategy. With respect to the consumer finance business, such as the consumer loan business and the credit card business, SMFG considers such consumer finance business as one of the line-ups of its financial consulting business for individuals, and promotes the enhancement of its cooperation among group companies.

The Target was established in 1962 as Kansai Financial Corporation, and, after the subsequent name changes and mergers, has developed its business since 1980 under the name of Promise Co., Ltd. The consumer loan service, which the Target newly introduced in 1963, that does not require joint guarantors or mortgages, and providing swift lending through use of system and convenience of repeated use within the maximum limit (current revolving system) was well perceived. Thereafter, by spreading its network of offices and ATMs throughout the nation, and constructing highly-accurate information systems and credit systems, the Target has established a framework for quickly responding to variety of customers' funding needs. According to the annual securities report for the 50th fiscal year filed by the Target on June 27, 2011, the Target's entire group had approximately 1,890,000 customers (by number of loan bookings), with the amount of outstanding loans being approximately JPY879.5 billion, as of March 31, 2011.

SMFG and the Target, aiming at establishing the top position in Japan in the consumer finance business, entered into a strategic business and capital alliance in the consumer finance business in 2004, by which the Target became an equity-method affiliate of SMFG and the Tender Offeror, and the Tender Offeror and the Target commenced the cooperative development of the unsecured loan business for individuals. Although the consumer finance business in SMFG group has faced a severe business environment, including a market scale reduction, as stated below, the unsecured loan business for individuals which the Tender Offeror and the Target have developed cooperatively (“cascade business”) has showed steady performance so far, with the amount of outstanding loans growing steadily.

SMFG group considers the Target group as one of its core entity in its consumer finance business from the following reasons: (i) although the consumer finance business has faced a severe business environment, due to the strengthening of interest rate ceiling regulation and market scale reduction associated with the implementation of restriction on total volume for money lending, while the number of interest refund claims hovering at a high level, the business still remains a relatively higher margin and continuously and steadily profitable business, therefore, SMFG intends to, in the medium to long term, emphasize the consumer finance business as a part of its retail business line-up that support individual consumption, (ii) the Target will contribute to the enhancement of client base of SMFG group as the banks and consumer finance companies are in supplemental relationship due mainly to different characteristics of customers, and (iii) credit screening and other knowhow of the Target is strategically indispensable for the consumer finance business of SMFG group.

Currently the management environment surrounding the Target remains severe, as stated above, and the Target has proactively promoted business structure reform in order to establish a solid foundation as the “No.1 consumer finance company both in terms of quality and quantity.” Specifically, the Target has implemented various measures: (i) streamlined its business operation through the total elimination of its staffed branches and substantial personnel downsizing, (ii) transformed its operational framework effectively while providing sophisticated services to its customers, including by integration with Sanyo Shinpan Finance Co., Ltd. and At-Loan Co., Ltd., and (iii) enlarge its operation through installation of its loan agreement machine and ATMs for the Tender Offeror in the branches of the

Target, making loan agreement machine in the Tender Offeror's branches available for the Target, and commencing guarantee services to a part of the card-type loans made by ORIX Credit Corporation.

Against backdrop, based on the recognition that (i) in order to reinforce the consumer finance business of SMFG group and to enhance earnings generation capacity promptly, it is necessary to build up an infrastructure accommodating group-wide prompt and flexible decision making by further strengthen the cooperation between the Target and SMFG group companies, and (ii) in order to effectively achieve the expansion of the consumer finance business centering on the Target, it is necessary to strengthen financial base of the Target; SMFG and the Tender Offeror started to discuss and consult with the Target for establishment of such infrastructure and strengthening of the financial base from early August 2011 and, on September 30 2011, came to judge it best that, as stated below, SMFG ultimately makes the Target its wholly-owned subsidiary through and after the Tender Offer to be conducted by the Tender Offeror, and simultaneously strengthens the financial base of the Target promptly through subscription of the Third-Party Allotment by SMFG or the Tender Offeror.

The Target also is of the opinion that becoming a wholly-owned subsidiary of SMFG, which focuses on the consumer finance business as a part of its retail business line-up and place the Target group as one of the core players of the consumer finance business, will enable the Target to implement various measures such as (i) the strengthening of the ability to develop operations by proactive utilization of the Tender Offeror's brand and channels, (ii) the strengthening of overseas business by utilizing SMFG group's global management resources, and (iii) the redistribution to sales promotion and so forth of the management resources required for procurement of funds or head office functions, and therefore bring big advantages. From this point of view, the Target believes that strengthening alliances with SMFG group companies and promptly strengthening its business and financial base through becoming a wholly-owned subsidiary of SMFG will (i) contribute to the establishment of a competitive advantage in the industry and further the enhancement of its enterprise value, and (ii) result in the enhancement of its profit-earning capacity in the aspect that more efficient and flexible business management will be possible by further utilizing the management resources of SMFG group.

After SMFG makes the Target a wholly-owned subsidiary, through further developing cooperation with SMFG group companies and utilizing the Tender Offeror's brand and channels proactively, and also by maximally utilizing the financial base enforced by the Third-Party Allotment to SMFG or the Tender Offeror, SMFG and the Target plan to enlarge the Target's operations further and to strengthen the position of SMFG group in the consumer finance business on a group-wide basis.

SMFG, the Tender Offeror and the Target entered into the Basic Agreement dated September 30, 2011 regarding strengthening of business alliances after SMFG makes the Target a wholly-owned subsidiary of SMFG. Specifically, under the common understanding that mutual business collaboration should be further strengthened, SMFG, the Tender Offeror and the Target agree to promptly establish a business alliance committee, and to the extent permitted by laws and regulations, to specifically consider the following matters, and strengthen mutual collaboration.

- (1) Further promotion of co-utilization of sales channel between the Target and the Tender Offeror
- (2) Enhancement of sales promotion at the Target through utilization of the Tender Offeror's brand
- (3) Development of the Target's retail business in Asia through collaboration with the Tender Offeror
- (4) Pursuit of efficiency through consolidation of servicer and middle back functions* within the group
- (5) Fortification of sharing various information including credit screening knowhow among SMFG group companies

According to the Target, the Target was required to additionally provide the interest repayments-related allowance (including the allowance for losses on interest repayments and the allowance for credit losses which is to be applied to the principal related to interest repayments) so that the amount thereof will be approximately JPY390 billion at the end of the second quarter of the fiscal year ending March 31, 2012. Therefore, the Target will implement additional provision of the interest repayments-related allowance; in connection therewith the Target recognized a net loss of JPY 203.4 billion in the 6 months period of the fiscal year ending September 30, 2011 and resolved at a meeting of the Board of Directors held on September 30, 2011 to amend earnings forecasts for the fiscal year ending March 31, 2012. In addition, the Target resolved at such meeting of

the Board of Directors that they would distribute no year-end dividend for the fiscal year ending March 31, 2012.

In such circumstances, according to the Target, the Target has decided that it is essential to promptly improve its impaired financial base by sufficiently preparing for the issue of claims for interest repayments, which is a significant constraint on the Target's financial base, and to enable the promotion of aggressive policies toward future growth strategies, and the Target, at its meeting of the Board of Directors held on September 30, 2011, resolved the Third-Party Allotment mentioned below that designates SMFG and the Tender Offeror as the party to which shares will be allotted.

Number of new shares to be issued: 451,977,400 shares

Issue price: JPY531 per share

Total amount of issue price: JPY239,999,999,400

Closing date: December 26, 2011

It has been agreed, in the Share Subscription Agreement entered into by and between SMFG and the Target as of September 30, 2011, that 225,988,700 shares of the offered shares (the total amount to be paid: JPY119,999,999,700) will be allotted to SMFG (or the Tender Offeror, if SMFG designates separately) through the third-party allotment, and it is planned that, only for such number of shares, only either of SMFG or the Tender Offeror will subscribe them. In other words, in the Third-Party Allotment, shares will finally be allotted to only either of SMFG or the Tender Offeror, and the party to which shares will not be allotted will lose its rights to subscribe such shares; therefore, the actual number of shares to be issued will be 225,988,700 shares that is half of the above-mentioned number of new shares to be issued, i.e., 451,977,400 shares.

In addition, SMFG and the Tender Offeror, at their respective board meetings held on September 30, 2011, resolved the subscription of the Target's Third-Party Allotment by SMFG or the Tender Offeror, and SMFG and the Target entered into the Subscription Agreement on September 30, 2011. The allotted party of the Third-Party Allotment will be determined, around early December, to be SMFG if Making the Target Wholly-owned Subsidiary is expected to be implemented, or the Tender Offeror, if it is not expected to be implemented, based on the result of the Tender Offer and considering whether or not the Making the Target Wholly-owned

Subsidiary will be implemented. The shares to be allotted to SMFG or the Tender Offeror through the Third-Party Allotment, the number of which is 225,988,700 shares (voting rights; 4,519,774 units), will represent 167.6% (rounded to one decimal place) of the ratio to the total number of issued shares of the Target as of June 30, 2011, which is 134,866,665 shares as stated in the 51st Term - First Quarter Report filed by the Target on August 12, 2011, and 178.2% (rounded to one decimal place) of the ratio to the number of voting rights of all shareholders as of March 31, 2011, which is 2,535,922 units as stated in the 51st Term - First Quarter Report filed by the Target on August 12, 2011. Regardless of the result of the Tender Offer, the Target is expected to become a consolidated subsidiary of SMFG after the completion of the payment of the Third-Party Allotment.

The amount to be paid in above shall be (a) 0.6% (rounded to one decimal place) premium for JPY528 (rounded down to the nearest whole number) of the average of the closing prices of the Target's common stock at the TSE for a one (1) month period (from August 30, 2011 to September 29, 2011), (b) 11.8% (rounded to one decimal place) discount for JPY602 (rounded down to the nearest whole number) of the average of the closing prices of the Target's common stock at the TSE for a three (3) month period (from June 30, 2011 to September 29, 2011), and (c) 12.2% (rounded to one decimal place) discount for JPY605 (rounded down to the nearest whole number) of the average of the closing prices of the Target's common stock at the TSE for a six (6) month period (from March 30, 2011 to September 29, 2011) up to one business day preceding the date of the resolution made at the Board of Directors' meeting regarding the Third-Party Allotment (September 29, 2011).

The amount to be paid in for the Third-Party Allotment was decided to be JPY531 (rounded down to the nearest whole number), which is the amount obtained by multiplying the closing price of the Target's common stock at TSE First Section on September 29, 2011, which is one business day prior to the date of the resolution made at the Board of Directors' meeting regarding the Third-Party Allotment, by 0.95. According to the Target, the Target engaged E&Y which is a third-party appraisal institution independent from SMFG, the Tender Offeror and the Target, requested a calculation of the share value of the Target, and acquired the share valuation report from E&Y as of September 28, 2011. According to the Target, the results of E&Y's calculation of the share value are as follows;

In calculating the Target's share value, E&Y examined the Target's business plans and other relevant information provided by the Target and determined that it would be appropriate to evaluate them from various perspectives. Accordingly, E&Y calculated the Target's share value by the market price method, the discounted cash flow method (the DCF method) and the adjusted book value method.

(a) Market price method

E&Y adopted the market price method, considering that it was a method for deciding a share value based on the listed company's share price traded on a stock market, and therefore was the most objective valuation method suitable for evaluating the share value of a listed company. E&Y calculated that the value of the Target's common shares was in the range of JPY492 to JPY722 per share, based on the maximum value and the minimum value of the closing prices of the Target's common shares on the TSE First Section from May 16, 2011, the following business day of May 13, 2011, when the Target announced the financial results for the fiscal year ended March 2011, to September 28, 2011.

(b) DCF method

E&Y adopted the DCF method, considering that it was an evaluation method based on the future cash flow (profit-earning capacity) generated from a company's business activities and therefore was appropriate for evaluating the value of a going concern. Based on the Target's business plans and other relevant information provided by the Target, E&Y calculated that the value of the Target's common shares was in the range of JPY312 to JPY569 per share, by discounting the future cash flow that belongs to the Target shareholders to arrive at the present value by using a certain discount rate.

(c) Adjusted book value method

E&Y adopted the adjusted book value method, considering that it was a method for evaluating the share value by the net asset value on the basis of the assets and liabilities on the balance sheet, reflecting a latent gain or loss based on the market value, and therefore was an appropriate valuation method for the Target, whose primary assets were financial assets. E&Y calculated the adjusted net asset value by adjusting the book value on the Target's consolidated balance sheet as of March 31, 2011, by the amount of increase or decrease resulting from the market value evaluation of its assets and liabilities and by reflecting the changes in the book value during the period from March 31, 2011 to June 30, 2011. E&Y accordingly

calculated that the value of the Target's common shares was in the range of JPY97 to JPY193 per share.

E&Y has assumed that the public information, financial information and all other information provided by the Target that E&Y examined in calculating the Target's share value was accurate and complete, and has not independently verified the accuracy or completeness of such information. E&Y has also assumed that the financial forecasts and other information related to the future provided by the Target were reasonably prepared based on the best forecasts and decisions that the Target management were able to render at the time, and that the Target's financial status is subject to change depending on the forecasts of its management. E&Y has relied on such forecasts and related materials without performing an independent investigation. The calculation of the Target's share value by E&Y reflects the content of "Announcement of Revision of Earnings Forecast and Dividends Forecast" released as of September 30, 2011, additional information regarding the Target, and economic conditions and other relevant factors available up to September 28, 2011.

After examination of the results of the calculation of the share value, the Target determined that the share value based on the most recent market value is appropriate because the most recent market value is in the range of the results of the valuations based on the various method in the share valuation report, or higher than the results of the valuations. After comprehensive consideration of the market conditions of the Target's shares, the possibility of market fluctuation up to the payment date and the number of shares issued by the Target, the Target's financial status, the business environment, and the possibility of subscription by the allottee, etc., the Target determined the amount to be paid in above.

According to the Target, the Target determined that based on the closing price of the Target's common stock one business day preceding the date of the resolution made at the Board of Directors' meeting regarding the Third-Party Allotment, the amount to be paid in above is in compliance with the principle of the "Guidelines for the Handling of capital increase through Third-Party Allotment" of the Japan Securities Dealers Association, and the Third-Party Allotment is not 'particularly favorable' (provided in Article 199, paragraph (3) of the Companies Act.) to SMFG or the Tender Offeror.

Also, on the same date as that of the share value calculation statement above, the Target obtained an opinion from E&Y that the amount to be paid in for the Third-Party Allotment is appropriate from a financial point of view within a certain extent for the shareholders of the Target's common stock, other than the Tender Offeror, considering that the amount to be paid in is in the range of the results of the valuations based on the various method in the share valuation report, or higher than the results of the valuations, and other factors.

According to the Target, the Target established a third-party committee comprised of total of three (3) persons, described in “⑥ Establishment of Independent Third Party Committee at the Target” of “(3) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest, etc.” below: one (1) attorney-at-law, and two (2) external auditors independent from the Target; and the Target obtained an opinion from the third-party committee that recognizes the necessity to procure funds through the Third-Party Allotment and that the manner and the terms and conditions of issue are appropriate (including the fact that the decision at the Target's Board of Directors' meeting on the Third-Party Allotment is not unfavorable to the Target's minority shareholders other than the Tender Offeror, and that the Third-Party Allotment is not 'particularly favorable' (provided in Article 199, paragraph (3) of the Companies Act.) to SMFG or the Tender Offeror.

(3) Measures to Ensure Fairness of the Tender Offer including Measures to Ensure Fairness of the Tender Offer Price and Measures to Avoid Conflicts of Interest, etc.

While the Tender Offeror is not a parent company of the Target as of the date hereof, the Target and the Tender Offeror have implemented the measures set forth below to ensure the fairness of the Tender Offer, including measures to ensure the fairness of the Tender Offer Price, and measures to avoid conflicts of interest, in light of the following factors: (i) the Tender Offeror holds 27,926,750 shares of the Target and the Target is an equity-method affiliate of the Tender Offeror; (ii) SMFG, the wholly-owning parent company of the Tender Offeror, the Tender Offeror and the Target have a business and capital alliance with each other; and (iii) the Tender Offeror or SMFG are expected to become controlling shareholders of the Target through the subscription of the Third-Party Allotment.

① Financial Analysis Report from the Financial Advisor

In the process of determining the tender offer price, the Tender Offeror requested Goldman Sachs, a financial advisor for SMFG and the Tender Offeror, to perform financial analyses relating to the Target's common stock, and received from Goldman Sachs the Goldman Sachs Report. The Tender Offeror did not receive any financial analysis reports for the Target's Stock Acquisition Rights and Bonds with Stock Acquisition Rights. Goldman Sachs is not a related party of either SMFG or the Tender Offeror and does not have any material conflicts of interest with respect to the Tender Offer.

(i) Common Stock

SMFG and the Tender Offeror first prepared a financial projection for the Target and its subsidiaries and affiliates based on information presented to SMFG and the Tender Offeror by the management of the Target, and assessed the strategic rationale for, and the potential benefits of, the proposed transaction related to the Tender Offer, and assessed together with the Target's management the past and current business operations, financial condition and future prospects of the Target.

Goldman Sachs, as part of preparing the Goldman Sachs Report referred to above and the fairness opinion described below, performed a historical stock price analysis, a dividend discount model ("DDM") analysis, and a comparable company analysis. The DDM analysis and comparable company analysis were based on the above financial projection for the Target prepared by the managements of SMFG and the Tender Offeror, as approved for Goldman Sachs' use by SMFG and the Tender Offeror. The respective analyses resulted in a range of implied values per share of the Target shown below.

1. Historical Stock Price Analysis: JPY314 – 889

In performing the historical stock price analysis, Goldman Sachs used September 29, 2011 as the base date and reviewed the closing market prices of the Target for the 52 week period ending on such date.

2. DDM Analysis: JPY687 – 878

In performing the DDM Analysis, Goldman Sachs analyzed the value of the Target's common stock based on a discounting of future dividends, after taking into account retained earnings that would be necessary to maintain certain capital requirements, to be paid to the Target's shareholders to present value.

3. Comparable Company Analysis: JPY 792 – 1,170

In performing the comparable company analysis, Goldman Sachs used September 29, 2011 as the base date and analyzed the value of the Target's common stock by selecting a listed company that, while not directly comparable to the Target, is engaged in businesses that for purposes of analysis may be considered similar to the Target, and applying the comparable company's estimated fiscal year 2013 March price to earnings multiple, based on the most recent publicly available information, to the financial projection for the Target prepared by the managements of SMFG and the Tender Offeror.

Goldman Sachs provided its advisory services, the Goldman Sachs Report and Goldman Sachs' fairness opinion solely for the information and assistance of the Boards of Directors of SMFG and the Tender Offeror in connection with their consideration of the Transactions. Goldman Sachs did not recommend any specific Tender Offer price to SMFG, the Tender Offeror or their Boards of Directors or that any specific Tender Offer price constituted the only appropriate offer price. Please refer to (Note) which sets forth in more detail the assumptions made, procedures followed, matters considered and limitations on the review undertaken by Goldman Sachs.

Goldman Sachs' financial analyses, the Goldman Sachs Report and Goldman Sachs' fairness opinion are necessarily based on economic, monetary, market and other conditions as in effect on, and the information made available to Goldman Sachs as of September 30, 2011, and Goldman Sachs assumes no responsibility for updating, revising or reaffirming its financial analyses, the Goldman Sachs Report or its opinion based on circumstances, developments or events occurring after the date thereof. Goldman Sachs assumed with the consent of SMFG and the Tender Offeror that the financial analyses and forecasts for the Target prepared by the managements of SMFG and the Tender Offeror have been reasonably prepared on a basis reflecting the best available estimates and judgments of the managements of SMFG and the Tender Offeror as of September 30, 2011. Except as otherwise noted, the quantitative information used in Goldman Sachs' financial analyses, to the extent it is based on market data, is based on market data as it existed on or before September 29, 2011 and is not necessarily indicative of current market conditions.

As of the date hereof, the Tender Offeror holds 27,926,750 shares of the Target's common stock directly (20.71%, which is the ratio to the total number of issued

shares (134,866,665 shares) as of June 30, 2011 (rounded to the nearest hundredth)).

The Tender Offeror, using as a reference the results of the financial analyses of the Target's common stock by Goldman Sachs and taking into consideration the synergy effects to be created between the Tender Offeror and the Target, the results of business, legal, accounting and tax due diligence related to the Target including potential interest-refund claims risk, the Target's revised earnings forecasts for the fiscal year ending March 2012 (April 1, 2011 to March 31, 2012), the likelihood of obtaining the support of the Target's Board of Directors for the Tender Offer, the historical stock price of the Target, the likelihood of a successful completion of the Tender Offer, and other factors, as well as premium implied at the time of determining the tender offer price in precedent tender offers for share certificates etc. by entities other than the issuer, all considered as a whole, and in addition taking into account the results of discussions and negotiations with the Target, determined the Tender Offer Price under the Tender Offer to be JPY780 in cash per share of common stock of the Target at the meeting of the Tender Offeror's Board of Directors held on September 30, 2011. SMFG and the Tender Offeror also received a fairness opinion from Goldman Sachs, dated September 30, 2011, to the effect that, as of such date and based upon and subject to certain conditions, including the limitations, assumptions and other matters described in (Note) below, the Tender Offer Price was fair from a financial point of view to SMFG, parent company of the wholly-owned subsidiary Tender Offeror, in the context of the Transactions contemplated by the Basic Agreement.

The Tender Offer Price of JPY780 per share for the Target's share of common stock proposed under the Tender Offer represents a premium of approximately 39.5% (rounded to one decimal place; hereinafter the same) on the JPY559 closing price of the Target's share on the First Section of the Tokyo Stock Exchange on September 29, 2011, a premium of approximately 47.7%, on the JPY528 (rounded down to the nearest whole number; hereinafter the same) simple average of closing price of the Target's share for the last 1 month (from August 30, 2011 to September 29, 2011), a premium of approximately 29.6% on the JPY602 simple average of closing price of the Target's shares for the last 3 months (from June 30, 2011 to September 29, 2011) and premium of approximately 28.9% on the JPY605 simple average of closing price of the Target's share for the last 6 months (from March 30, 2011 to September 29, 2011). The Tender Offer Price of JPY780 per share for the

Target's share of common stock proposed under the Tender Offer represents a premium of approximately 0.6% on the JPY775 closing price of the Target's share on the First Section of the TSE on October 17, 2011, which is one business day prior to the date hereof, a premium of approximately 16.1%, on the JPY672 simple average of closing price of the Target's share for the last 1 month (from September 20, 2011 to October 17, 2011), a premium of approximately 27.7% on the JPY611 simple average of closing price of the Target's shares for the last 3 months (from July 19, 2011 to October 17, 2011) and premium of approximately 25.0% on the JPY624 simple average of closing price of the Target's share for the last 6 months (from April 18, 2011 to October 17, 2011).

(Note) The following is a supplemental explanation of the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with performing Goldman Sachs' financial analyses of the Target's common stock and preparing the Goldman Sachs Report and Goldman Sachs' fairness opinion.

Goldman Sachs Group is engaged in investment banking and financial advisory services, commercial banking, securities trading, investment management, principal investment, financial planning, benefits counseling, risk management, hedging, financing, brokerage activities and other financial and non-financial activities and services for various persons and entities. In the ordinary course of these activities and services, the Goldman Sachs Group may at any time make or hold long or short positions and investments, as well as actively trade or effect transactions, in the equity, debt and other securities (or related derivative securities) and financial instruments (including bank loans and other obligations) of third parties, SMFG, the Tender Offeror, the Target and any of their respective affiliates or any currency or commodity that may be involved in the Transactions for their own account and for the accounts of their customers. Goldman Sachs has acted as financial advisor to SMFG and the Tender Offeror in connection with, and have participated in certain of the negotiations leading to, the Transactions. Goldman Sachs expects to receive fees for its services in connection with the Transactions, a principal portion of which is contingent upon consummation of the Transactions, and SMFG and the Tender Offeror have agreed to reimburse Goldman Sachs' expenses arising, and indemnify Goldman Sachs against certain liabilities that may arise, out of Goldman Sachs' engagement. The Goldman Sachs Group has provided certain investment

banking services to SMFG, the Tender Offeror and their respective affiliates from time to time for which the Investment Banking Division of the Goldman Sachs Group has received, and may receive, compensation, including having acted as (i) financial advisor to SMFG and the Tender Offeror with regard to SMFG's acquisition of Nikko Cordial Securities Inc. and other related businesses in October 2009, (ii) joint global coordinator with regard to SMFG's issuance of 360,000,000 common shares in January 2010, (iii) lead dealer manager and structuring agent for SMFG, the Tender Offeror, SMFG Preferred Capital USD 1 Limited and SMFG Preferred Capital GBP 1 Limited with regard to tender offers for euro denominated perpetual subordinated bonds and dollar denominated perpetual subordinated bonds issued by the Tender Offeror, dollar denominated non-cumulative perpetual preferred securities issued by SMFG Preferred Capital USD 1 Limited, and sterling denominated non-cumulative perpetual preferred securities issued by SMFG Preferred Capital GBP 1 Limited (aggregate amount of EUR368,635,000 (principal amount basis), USD1,022,747,000 (principal amount basis), USD1,000,859,000 (liquidation preference basis), and GBP426,424,000 (liquidation preference basis), respectively) in February 2010, and (iv) financial advisor to SMFG and FGCC with regard to FGCC's acquisition of a control stake of Cedyna Financial Corporation in May 2010. The Goldman Sachs Group may also in the future provide investment banking services to SMFG, the Tender Offeror, the Target and their respective affiliates for which the Investment Banking Division of the Goldman Sachs Group may receive compensation.

In connection with performing its financial analyses and preparing the Goldman Sachs Report and its opinion, Goldman Sachs has reviewed, among other things, the Basic Agreement; the Subscription Agreement; the Annual Securities Reports (Yuka Shoken Hokoku-sho) of the Target for the five fiscal years ended March 31, 2011 and SANYO SHINPAN FINANCE CO., LTD., which merged with the Target on October 10, 2010, for the four fiscal years ended March 31, 2010; the First Quarter Securities Report (Daiichi Shihanki Hokoku-Sho) of the Target for the first fiscal quarter ended June 30, 2011; certain other communications from the Target to its shareholders; certain internal financial analyses and forecasts for the Target prepared by its management; and the Forecasts. Goldman Sachs has also held discussions with a member of the senior management of the Target regarding the assessment of the Target of the past and current business operations, financial condition and future prospects of

the Target and with a member of the senior management of SMFG and the Tender Offeror regarding the assessment of SMFG and the Tender Offeror of the past and current business operations, financial condition and future prospects of the Target and the strategic rationale for, and the potential benefits of, the Transactions. In addition, Goldman Sachs has reviewed the reported price and trading activity for the shares of common stock of the Target, compared certain financial and stock market information for the Target with similar information for certain other companies the securities of which are publicly traded, reviewed the financial terms of certain recent tender offers in the Japanese consumer finance industry specifically and in other industries generally, and performed such other studies and analyses, and considered such other factors, as Goldman Sachs deemed appropriate.

For purposes of performing its financial analyses and preparing the Goldman Sachs Report and its opinion, Goldman Sachs has relied upon and assumed, without assuming any responsibility for independent verification, the accuracy and completeness of all of the financial, legal, regulatory, tax, accounting and other information provided to, discussed with or reviewed by Goldman Sachs, and Goldman Sachs does not assume any responsibility for any such information. In that regard, Goldman Sachs has assumed with SMFG and the Tender Offeror's consent that the Forecasts have been reasonably prepared on a basis reflecting the best available estimates and judgments of the managements of SMFG and the Tender Offeror as of September 30, 2011. In addition, Goldman Sachs has not reviewed individual credit files nor has Goldman Sachs made an independent evaluation or appraisal of the assets and liabilities (including any contingent, derivative or other off-balance-sheet assets and liabilities) of the Target, SMFG or the Tender Offeror or any of their respective subsidiaries and Goldman Sachs has not been furnished with any such evaluation or appraisal. Goldman Sachs is not an expert in the evaluation of credit portfolios for purposes of assessing the adequacy of the reserves for credit losses and interest refunds with respect thereto and, accordingly, Goldman Sachs has relied on estimates provided to Goldman Sachs by the managements of SMFG and the Tender Offeror of the adequate amount of such reserves for the Target. Goldman Sachs has assumed that all governmental, regulatory or other consents and approvals necessary for the consummation of the Transactions will be obtained without any adverse effect on SMFG, the Tender Offeror or the Target or on the expected benefits of the Transactions in any way

meaningful to Goldman Sachs' analysis. Goldman Sachs also has assumed that the Transactions, including the Tender Offer and the Third-Party Allotment, will be consummated on the terms set forth in the Basic Agreement and the Subscription Agreement, without the waiver or modification of any term or condition the effect of which would be in any way meaningful to Goldman Sachs' analysis.

Goldman Sachs' financial analyses, the Goldman Sachs Report and its opinion do not address the underlying business decision of SMFG and the Tender Offeror to engage in the Transactions, or the relative merits of the Transactions as compared to any strategic alternatives that may be available to SMFG or the Tender Offeror nor does it address any legal, regulatory, tax or accounting matters. Goldman Sachs' written opinion addresses only the fairness from a financial point of view to SMFG, as of the date thereof, of the Tender Offer Price to be paid by the Tender Offeror in respect of each share of common stock of the Target in the Tender Offer pursuant to the Basic Agreement. Goldman Sachs does not express any view on, and Goldman Sachs' opinion does not address, any other term or aspect of the Basic Agreement, the Subscription Agreement or the Transactions or any term or aspect of any other agreement or instrument contemplated by the Basic Agreement or the Subscription Agreement or entered into or amended in connection with the Transactions, including, without limitation, the Share Exchange, the Third-Party Allotment, the fairness of the Transactions to, or any consideration received in connection therewith by, the Tender Offeror, the holders of any class of securities, creditors, or other constituencies of SMFG and the Tender Offeror; nor as to the fairness of the amount or nature of any compensation to be paid or payable to any of the officers, directors or employees of SMFG, the Tender Offeror or the Target, or any class of such persons in connection with the Transactions, whether relative to the Tender Offer Price to be paid by the Tender Offeror in respect of each share of common stock of the Target in the Tender Offer pursuant to the Basic Agreement or otherwise. Goldman Sachs is not expressing any opinion as to the prices at which the shares of common stock of the Target or the shares of common stock of SMFG will trade at any time or as to the impact of the Transactions on the solvency or viability of SMFG, the Tender Offeror or the Target or the ability of SMFG, the Tender Offeror or the Target to pay their respective obligations when they come due. The Goldman Sachs Report and Goldman Sachs' opinion do not constitute a recommendation as to whether any

holder of shares of common stock of the Target, the Stock Acquisition Rights or Bonds with Stock Acquisition Rights should tender their shares, Stock Acquisition Rights or Bonds with Stock Acquisition Rights in the Tender Offer or any other matter. Goldman Sachs' opinion has been approved by a fairness committee of the Goldman Sachs Group.

The preparation of a fairness opinion is a complex process and Goldman Sachs' financial analyses, the Goldman Sachs Report and Goldman Sachs' opinion are not necessarily susceptible to partial analysis or summary description. Selecting portions of the analyses, the Goldman Sachs Report or its opinion or the summary set forth above, without considering the analyses as a whole, could create an incomplete view of the processes underlying Goldman Sachs' financial analyses, the Goldman Sachs Report or Goldman Sachs' opinion. Goldman Sachs did not attribute any particular weight to any factor or any analysis it performed.

(ii) Stock Acquisition Rights

The Stock Acquisition Rights, which are subject to the Tender Offer, are issued as a stock option to the directors, executive officers and employees of the Target. As a condition thereof, a holder of the Stock Acquisition Rights must exercise such right within five years from the day after the date on which such holder lost his position as a director, an auditor, an executive officer or an advisor (to whom the rules for executive officers are applicable). In addition, a holder of such Stock Acquisition Rights is required to obtain the approval of the Board of Directors of the Target before transferring the rights (including tender of such right in the Tender Offer). After taking into consideration the terms and conditions of the Stock Acquisition Rights, including the fact that the Tender Offeror would not be able to exercise the Stock Acquisition Rights even if it acquires such rights in the Tender Offer, the Tender Offeror decided to set the Tender Offer price at JPY1 per each Stock Acquisition Right.

(iii) Bonds with Stock Acquisition Rights

The Tender Offer price of JPY2,765,880 per each Bond with Stock Acquisition Rights (face value of JPY 10,000,000) was determined by dividing the face value of JPY10,000,000 by JPY 2,820, which is the conversion price effective as of the date hereof (3,546 shares) (rounded down to the nearest whole number), and multiplying the quotient by JPY 780, which is the Tender Offer Price per share of

common stock of the Target. Due to the implementation of the Third-Party Allotment, the conversion price of the Bonds with Stock Acquisition Rights is expected to be adjusted to approximately JPY2,662 per share after the day following the payment date of the Third-Party Allotment. However, because the purchase of the Bonds with Stock Acquisition Rights through the Tender Offer is made before the date on or after which the conversion price after adjustment of the Bond with Stock Acquisition Rights is applicable, the purchase price of the Bonds with Stock Acquisition Rights per par value of JPY 10,000,000 was calculated on the basis of the conversion price (JPY2,820) effective as of the date hereof.

② Obtainment by the Target of Share Valuation Report and Opinion from Independent Third Party Appraiser

(i) Common Shares

In deciding the opinion on the Tender Offer, the Target has requested that E&Y, a third party appraiser independent from the Tender Offeror, SMFG and the Target evaluate its share, and obtained a share valuation report therefrom on September 28, 2011. The Target has also obtained an opinion to the effect that the Tender Offer Price is appropriate for its ordinary shareholders other than the Tender Offeror to a certain extent from a financial point of view based on the result of valuation in the share valuation report. The results of the valuation of the Target's share by E&Y are as follows.

In calculating the Target's share value, E&Y examined the Target's business plans and other relevant information provided by the Target and determined that it would be appropriate to evaluate them from various perspectives. Accordingly, E&Y calculated the Target's share value by the market price method, the discounted cash flow method (the "DCF method") and the adjusted book value method.

(a) Market price method

E&Y adopted the market price method, considering that it was a method for deciding a share value based on the listed company's share price traded on a stock market, and therefore was the most objective valuation method suitable for evaluating the share value of a listed company. E&Y calculated that the value of the Target's common shares was in the range of JPY492 to JPY722 per share, based on the maximum value and the minimum value of the closing prices of the Target's common shares on the TSE First Section from May 16, 2011, the

following business day of May 13, 2011, when the Target announced the financial results for the fiscal year ended March 2011, to September 28, 2011.

(b) DCF method

E&Y adopted the DCF method, considering that it was an evaluation method based on the future cash flow (profit-earning capacity) generated from a company's business activities and therefore was appropriate for evaluating the value of a going concern. Based on the Target's business plans and other relevant information provided by the Target, E&Y calculated that the value of the Target's common shares was in the range of JPY312 to JPY569 per share, by discounting the future cash flow that belongs to the Target shareholders to arrive at the present value by using a certain discount rate.

(c) Adjusted book value method

E&Y adopted the adjusted book value method, considering that it was a method for evaluating the share value by the net asset value on the basis of the assets and liabilities on the balance sheet, reflecting a latent gain or loss based on the market value, and therefore was an appropriate valuation method for the Target, whose primary assets were financial assets. E&Y calculated the adjusted net asset value by adjusting the book value on the Target's consolidated balance sheet as of March 31, 2011, by the amount of increase or decrease resulting from the market value evaluation of its assets and liabilities and by reflecting the changes in the book value during the period from March 31, 2011 to June 30, 2011. E&Y accordingly calculated that the value of the Target's common shares was in the range of JPY97 to JPY193 per share.

E&Y has assumed that the public information, financial information and all other information provided by the Target that E&Y examined in calculating the Target's share value was accurate and complete, and has not independently verified the accuracy or completeness of such information. E&Y has also assumed that the financial forecasts and other information related to the future provided by the Target were reasonably prepared based on the best forecasts and decisions that the Target management were able to render at the time, and that the Target's financial status is subject to change depending on the forecasts of its management. E&Y has relied on such forecasts and related materials without performing an independent investigation. The calculation of the Target's share value by E&Y reflects the content of "Announcement of Revision of Earnings Forecast and

Dividends Forecast” released today, additional information regarding the Target, and economic conditions and other relevant factors available up to September 28, 2011.

(ii) Stock Acquisition Rights

As stated in “(2) Price of Tender Offer”, “4. Tender Offer Period, Price of Tender Offer, Number of Shares to be Acquired” of “No.1 Terms and Conditions of the Tender Offer” above, the Tender Offeror has decided that the purchase price per Stock Acquisition Right would be JPY1, as it would not be able to exercise any Stock Acquisition Right though it may purchase them through the Tender Offer due to the condition of the Stock Acquisition Rights that holders thereof must exercise such right within five years from the day after the date which such holder lost his position as a director, an auditor, an executive officer or an advisor (to whom the rules for executive officers are applicable). The Target has not obtained from E&Y, a third party appraiser, any valuation report or opinion on the appropriateness of the purchase price, given the fact that the Stock Acquisition Rights were issued as a stock-based compensation stock option and the purchase price per Stock Acquisition Right was JPY1. Furthermore, the Target has passed a resolution at its Board of Directors’ meeting held on September 30, 2011, to leave the decision whether to tender their Stock Acquisition Rights in the Tender Offer up to the holders of the Stock Acquisition Rights, as the Target has not examined the appropriateness of the purchase price for the Stock Acquisition Rights.

(iii) Bonds with Stock Acquisition Rights

As stated in “(2) Price of Tender Offer”, “4. Tender Offer Period, Price of Tender Offer, Number of Shares to be Acquired” of “No.1 Terms and Conditions of the Tender Offer” above, the Tender Offeror has decided that the purchase price of the Bonds with Share Acquisition Rights per par value (JPY10,000,000) will be JPY2,765,880 in the Tender Offer, which is an amount obtained by dividing the par value (JPY10,000,000) by the conversion price effective as of the date hereof (JPY2,820). Due to the implementation of the Third-Party Allotment, the conversion price of the Bonds with Stock Acquisition Rights is expected to be adjusted to approximately JPY2,662 per share after the day following the payment date of the Third-Party Allotment. However, because the purchase of the Bonds with Stock Acquisition Rights through the Tender Offer is made before the date on or after which the conversion price after adjustment of the Bond with Stock

Acquisition Rights is applicable, the purchase price of the Bonds with Stock Acquisition Rights per par value of JPY10,000,000 was calculated on the basis of the conversion price of (JPY2,820) effective as of the date hereof. The Target has not obtained from E&Y, a third party appraiser, any valuation report or opinion on the appropriateness of the purchase price in connection with the Bonds with Stock Acquisition Rights, given the following facts: (a) that the said purchase price of the Bonds with Stock Acquisition Rights would fall below the face value of the Bonds with Stock Acquisition Rights; and (b) that the Bonds with Stock Acquisition Rights would be redeemed at a price at least equal to the par value calculated pursuant to the applicable terms and conditions in accordance with the advance redemption clause if the Share Exchange would be conducted as provided in “(7) Others” of “3 Objective of the Tender Offer” of “No.1 Terms and Conditions of the Tender Offer” above. Furthermore, the Target has passed a resolution at its Board of Directors’ meeting held on September 30, 2011, to leave the decision whether to tender their Bonds with Stock Acquisition Rights in the Tender Offer up to the holders of the Bonds with Stock Acquisition Rights, as the Target has not examined the appropriateness of the purchase price for the Bonds with Stock Acquisition Rights.

③ Relatively Long Tender Offer Period

The Tender Offeror has set the Tender Offer Period in the Tender Offer to a relatively long period of 30 business days, while the minimum Tender Offer Period prescribed by law is 20 business days. This is to secure an appropriate opportunity for the Target’s shareholders to determine whether to tender their shares in the Tender Offer, as well as to secure an opportunity for potential purchasers other than the Tender Offeror to purchase the Target’s shares.

④ Advice from Independent Law Firm

The Target has retained Nishimura & Asahi, a legal advisor independent from the Target, the Tender Offeror and SMFG, and received legal advice therefrom on procedures related to the Transactions, in order to carefully deliberate the Transactions and to ensure the fairness and appropriateness of the decision-making of its Board of Directors.

⑤ Establishment of Project Team at the Target for Eliminating Potential Conflicts of Interest

In order to eliminate any possible potential arbitrariness in the decision-making

process of the Target in connection with the Transactions, the Target has established the PT consisting of: (a) Messrs. Ken Kubo and Yoshiyuki Tateishi, who are directors of the Target other than Mr. Shozo Watanabe, who used to be an employee of the Tender Offeror until 2011; Mr. Masahiko Iwanami who used to be an employee of the Tender Offeror until 2010; and Mr. Tomohiko Tashiro who used to be an employee of The Sumitomo Trust and Banking Co., Ltd., a major shareholder of the Target, until 2009, and who are independent from the Tender Offeror and SMFG; and (b) Mr. Masahide Kitakado, an executive officer. The PT has discussed and negotiated for the Tender Offer with the Tender Offeror, and considered the Transactions including the Tender Offer from the Target's perspective, and carefully examined the propriety thereof based on advice from and consultation with UBS Securities, the Target's financial advisor.

⑥ Establishment of Independent Third-Party Committee at the Target

On August 3, 2011, for the purpose of ensuring the appropriateness and fairness of the Transactions and ensuring the transparency and objectivity of the negotiations and decision-making process regarding the Transactions, the PT established a third-party committee consisting of three members — Mr. Shinji Mizuno, attorney at law of HIBIYA PARK LAW OFFICES, who is an external expert independent from the Target, the Tender Offeror, and SMFG; and Messrs. Hiroaki Mori and Takanori Yasunaga, external auditors of the Target — and asked the third-party committee to give its opinions on the following consultation issues: (i) the appropriateness of the conditions for the Tender Offer, including the Tender Offer Price, and (ii) the appropriateness of the Target deciding that conditions for the Tender Offer including the Tender Offer Price are not unfavorable to the minority shareholders of the Target other than the Tender Offeror, and thus expressing the opinion in favor of the Tender Offer.

The meetings of the third-party committee were held 5 times in total between August 11, 2011, and September 28 of the same year, and considered the above-mentioned consultation issues. In considering the above-mentioned consultation issues, the third-party committee received explanations from the Target about: (a) the contents of the proposal made by the Tender Offeror; (b) the state of discussions and negotiations with the Tender Offeror with respect to the conditions for the Tender Offer, including the Tender Offer Price, and other conditions for the Transactions; and (c) the purposes of the series of procedures for Making the Target a Wholly-Owned Subsidiary planned to be implemented after

the Tender Offer, and specific details of the Target's enterprise value expected to be enhanced as a result thereof; and also interviewed officers of the Target and so forth. Additionally, the third-party committee referred to the share valuation report of the Target and the opinion that were submitted by E&Y to the Target, and received explanations from E&Y about the share valuation report of the Target and the opinion. In addition, the third-party committee received explanations about the procedures for the Transactions from UBS Securities and Nishimura & Asahi. Furthermore, the third-party committee appointed Nijubashi Partners, which is a law firm independent from the Target, the Tender Offeror, and SMFG, to be an independent legal advisor to the third-party committee; received legal advice therefrom on the Transactions; and obtained the legal opinion therefrom as of September 28, 2011, to the effect that the conditions for the Tender Offer as a part of the Transactions and the decision by the Target's Board of Directors to express its opinion in favor of the Tender Offer are appropriate from a legal standpoint and do not violate the fiduciary duty owed by the directors of the Target. Based on these considerations, on September 29, 2011, the third-party committee submitted to the Board of Directors of the Target a response and opinion (including that conditions for the Tender Offer, including the Tender Offer Price are not unfavorable to the minority shareholders of the Target) to the effect that (i) the conditions for the Tender Offer, including the Tender Offer Price, are appropriate, and (ii) it is appropriate for the Target to decide that conditions for the Tender Offer, including the Tender Offer Price, are not unfavorable to the minority shareholders of the Target other than the Tender Offeror, and thus to express the opinion in favor of the Tender Offer.

⑦ Approval of All Disinterested Directors

The Board of Directors of the Target carefully discussed and considered the Tender Offer Price, the Tender Offer Period, conditions that no maximum or minimum Number of Shares Scheduled to be Purchased is set, conditions of withdrawal of the Tender Offer and other conditions for the Tender Offer that aims at SMFG making the Target its wholly-owned subsidiary, based on the share valuation report and opinion obtained from E&Y, reports from the PT, advice obtained from UBS Securities and Nishimura & Asahi, and the response and opinion submitted by, and other related materials of, the third-party committee. Consequently, the Board of Directors of the Target has decided (a) that to strengthen the alliance with SMFG's group companies and promptly strengthen the Target's business and financial base

by becoming a wholly-owned subsidiary of SMFG through the Tender Offer will lead to an increase in the Target's profit-earning capacity, and thus is the best measure in terms of the Target's enterprise value and the shareholders' common interest, and (b) that the Tender Offer Price and other conditions for the Tender Offer are appropriate for the shareholders of the Target, and the Tender Offer will provide them, other than SMFG group, with a reasonable opportunity to sell their shares. For the above-mentioned reasons, the Board of Directors of the Target resolved at its meeting held on September 30, 2011, (i) to express an opinion in favor of the Tender Offer and (ii) to recommend that the shareholders of the Target tender their shares in the Tender Offer. In addition, the Board of Directors of the Target resolved, at the same meeting, (iii) as to whether or not the holders of the Stock Acquisition Rights and Bonds with Stock Acquisition Rights will tender their Stock Acquisition Rights and Bonds with Stock Acquisition Rights in the Tender Offer, to leave the decision up to the holders, as the Target has not examined the appropriateness of the purchase price regarding the Stock Acquisition Rights and the Bonds with Stock Acquisition Rights.

Of the directors of the Target, Mr. Shozo Watanabe and Mr. Masahiko Iwanami served as employees of the Tender Offeror until 2011 and 2010, respectively. Therefore, for the purpose of avoiding conflicts of interest, neither of them participated in any deliberation or voting concerning the Transactions, including the approval of the Tender Offer, at any meetings of the Board of Directors of the Target, nor were they involved in any discussions or negotiations with the Tender Offeror or SMFG.

At the meeting of the Board of Directors held on September 30, 2011, regarding the approval of the Tender Offer, all directors of the Target, except the two above-mentioned directors, were present, and the above-mentioned resolution was unanimously adopted. At that meeting of the Board of Directors, all of the four auditors (including two external auditors) of the Target were present and stated that they had no objection to the above-mentioned resolution.

⑧ Securing Objective Circumstances that Ensure Appropriateness of Price

In the Subscription Agreement, the Target has made an agreement that (a) until the Third-Party Allotment is completed, the Target shall not, whether directly or indirectly, solicit any third party with respect to a certain management integration, organizational restructuring, capital alliance, equity participation, share transfer,

business transfer, asset transfer, or other competing transactions, nor shall the Target cause any of its consolidated subsidiaries to engage in any of the foregoing (however, this shall not apply to the case where a tender offer targeting shares, etc. of the Target or other acquisition of the Target is proposed by a third party other than the Tender Offeror, and then it is reasonably determined that performing these obligations might constitute a breach of the fiduciary duty owed by the Target's directors or auditors under the Companies Act, even if the fact that the Subscription Agreement has already been executed is taken into consideration), and that (b) if a proposal, a request for information provision, or so forth concerning any of these competing transactions is made by a third party, the Target shall promptly notify SMFG and the Tender Offeror of that fact (including the name of such third party) and of the details in writing, and discuss measures to be taken with SMFG and the Tender Offeror.

Except for the above, the Tender Offeror and the Target have not made any agreement that would, in the event of the actual appearance of a competing acquirer other than the Tender Offeror, restrain such competing acquirer from making contact and so forth with the Target.

(4) The Basic Agreement regarding strengthening of business alliance after SMFG makes the Target a wholly-owned subsidiary of SMFG

SMFG, the Tender Offeror and the Target entered into the Basic Agreement dated September 30, 2011 regarding strengthening of business alliances after SMFG makes the Target a wholly-owned subsidiary of SMFG. Specifically, under the common understanding that mutual business collaboration should be further strengthened, SMFG, the Tender Offeror and the Target agree to promptly establish a business alliance committee, and to the extent permitted by laws and regulations, to specifically consider the following matters, and strengthen mutual collaboration.

- (1) Further promotion of co-utilization of sales channel between the Target and the Tender Offeror
- (2) Enhancement of sales promotion at the Target through utilization of the Tender Offeror's brand
- (3) Development of the Target's retail business in Asia through collaboration with the Tender Offeror

- (4) Pursuit of efficiency through consolidation of servicer and middle back functions within the group
- (5) Fortification of sharing various information including credit screening knowhow among SMFG group companies

(5) Subscription of the Third-Party Allotment

According to the Target, in the consumer finance industry, companies in the industry are facing a severe business environment due to the strengthening of interest rate ceiling regulation and the market scale reduction associated with implementation of restriction on total volume for money lending, while the number of interest refund claims hovering at a high level, and have been forced to experience a decrease in their consumer loans outstanding. In such a challenging business, the Target has been making efforts to improve its management base by carrying out a cost structure reform and the streamlining of group management resources, through selection and concentration thereof, based on the Business Structural Reform Plan that the Target announced in January 2010.

However, as stated in “(3) Revision of Earnings Forecast and Dividends Forecast” of “5 Other” of “No.5 Status of the Target”, the Target is required to additionally provide the interest repayments-related allowance so that the amount thereof will be approximately JPY390 billion at the end of the second quarter of the fiscal year ending March 31, 2012. Therefore, the Target will implement additional provision of the interest repayments-related allowance; in connection therewith the Target recognized a net loss of JPY 203.4 billion in the 6 months period of the fiscal year ending September 30, 2011 and resolved at a meeting of the Board of Directors held in September 30, 2011 to amend earnings forecasts for the fiscal year ending March 31, 2012. In addition, the Target resolved at such meeting of the Board of Directors that they would distribute no year-end dividend for the fiscal year ending March 31, 2012.

In such circumstances, according to the Target, the Target has decided that it is essential to promptly improve its impaired financial base by sufficiently preparing for the issue of claims for interest repayments, which is a significant constraint on the Target’s financial base, and to enable the promotion of aggressive policies toward future growth strategies, and therefore has come to the decision to implement the Third-Party Allotment.

The amount planned to be procured through the Third-Party Allotment is approximately JPY120 billion. The Target has come to the decision that as a method to procure such a large amount of required funds in a prompt and reliable manner and strengthen the financial base, the Third-Party Allotment where the accepting party is SMFG group, which intends to, in the medium to long term, emphasize the consumer finance business as a part of its retail business line-up supporting individual consumption and has already placed the Target group as one of the core players of the consumer finance business, is a reasonable option in terms of management and is the most effective measure. The Target has decided that the Third-Party Allotment will (i) enable SMFG group to further strengthen and nurture the consumer finance business, which is one of the core businesses in the retail business, in terms of cross-selling to individuals and (ii) contribute to the enhancement of the enterprise value of the Target that aims to “realize the No. 1 consumer finance company both in quality and quantity.”

According to the Target, in accordance with the above-mentioned judgment, the Target, at its board meeting held on September 30, 2011, resolved the Third-Party Allotment that designates SMFG and the Tender Offeror as the party to which shares will be allotted, under the conditions that the closing date is December 26, 2011, the number of new shares to be issued is 451,977,400 shares, the amount to be paid per share is JPY531, and the total amount to be paid is JPY239,999,999,400. However, it has been agreed, in the Share Subscription Agreement entered into by and between SMFG and the Target as of September 30, 2011, that 225,988,700 shares of the offered shares (the total amount to be paid: JPY119,999,999,700) will be allotted to SMFG (or the Tender Offeror, if SMFG designates separately) through the third-party allotment, and it is planned that, only for such number of shares, only either of SMFG or the Tender Offeror will subscribe them. In other words, in the Third-Party Allotment, shares will finally be allotted to only either of SMFG or the Tender Offeror, and the party to which shares will not be allotted will lose its rights to subscribe such shares; therefore, the actual number of shares to be issued will be 225,988,700 shares that is half of the above-mentioned number of new shares to be issued, i.e., 451,977,400 shares. In addition, SMFG and the Tender Offeror, at their respective board meetings held on September 30, 2011, resolved the subscription of the Target’s Third-Party Allotment by SMFG or the Tender Offeror. The allotted party of the Third-Party Allotment will be determined, around early December, to be SMFG if Making the

Target Wholly-owned Subsidiary is expected to be implemented, or the Tender Offeror, if it is not expected to be implemented, based on the result of the Tender Offer and considering whether or not the Making the Target Wholly-owned Subsidiary will be implemented. In accordance with such resolution, SMFG and the Target have entered into the Share Subscription Agreement on September 30, 2011 with respect to the Third Party Allotment.

The major content thereof is as follows.

① Issuance of Shares for Subscription

The Target shall allot 225,988,700 shares for subscription to SMFG (or, if separately designated by SMFG, the Tender Offeror) by way of third-party allotment; and SMFG or the Tender Offeror shall subscribe for such shares.

② Major Conditions Precedent for Payment Obligation of SMFG or the Tender Offeror

- The resolution of the Board of Directors to the effect that the Target is in favor of the Tender Offer and recommends that the shareholders of the Target tender their shares in the Tender Offer, which was passed by the unanimous approval of the directors present, has not been changed or revoked by the Target.

- Events that might exert a material adverse effect on the financial position, results of operations or state of cash flow as a business group, or rights or obligations of the Target, or other events that would make it extremely difficult for SMFG or the Tender Offeror to attain the purpose of the Third-Party Allotment (limited to those which pertain to the Target or its business group; and excluding those resulting from a domestic or overseas change in terms of politics, economy, finance, exchange, or laws) have not arisen, nor have any of these events been found to have arisen.

③ Major Covenants

- Until the Third-Party Allotment is completed, the Target shall not, whether directly or indirectly, solicit any third party with respect to a certain management integration, organizational restructuring, capital alliance, equity participation, share transfer, business transfer, asset transfer, or other competing transactions, which conflict(s) with or might interfere with the purposes of the Share Subscription Agreement, nor shall the Target cause any of its consolidated subsidiaries to engage in any of the foregoing (however, this shall not apply to the case where a

tender offer targeting shares, etc. of the Target or other acquisition of the Target is proposed by a third party other than the Tender Offeror, and then it is reasonably determined that performing such obligations might constitute a breach of the fiduciary duty owed by the Target's directors or auditors under the Companies Act, even if the fact that the Share Subscription Agreement has already been executed between SMFG and the Target is taken into consideration). If a proposal, a request for information provision, or so forth concerning any of these competing transactions is made by a third party, the Target shall promptly notify SMFG and the Tender Offeror of that fact and of the details in writing, and discuss measures to be taken with SMFG and the Tender Offeror.

- The Target shall not resolve, at its Board of Directors meeting, to change or revoke the resolution in favor of the Tender Offer. However, this shall not apply to the case where a tender offer targeting shares, etc. of the Target or other acquisition of the Target is proposed by a third party other than the Tender Offeror, and then it is reasonably determined that performing such obligation might constitute a breach of the fiduciary duty owed by the Target's directors or auditors under the Companies Act, even if the fact that the Share Subscription Agreement has already been executed between SMFG and the Target is taken into consideration.

- When the Share Exchange is implemented, the Target shall acquire all of the remaining Stock Acquisition Rights of the Target in accordance with the provisions of the terms and conditions of the Stock Acquisition Rights, by the effective date of the Share Transfer, without compensation.

- When the Share Exchange is implemented, the Target shall conduct early redemption for all of the remaining Bonds with Stock Acquisition Rights of the Target in accordance with the provisions of the terms and conditions of the Bonds with Stock Acquisition Rights, at the redemption price to be calculated pursuant to such provisions, by the effective date of the Share Transfer.

No. 5 [Status of the Target]

1. [Profit and losses of the Past Three Years]

(1) [Profit and losses]

Fiscal Year	—	—	—
Net Sales	—	—	—
Cost of sales	—	—	—
Selling, general and administrative expenses	—	—	—
Non-operating Income	—	—	—
Non-operating Expenses	—	—	—
Net Profit (Net Loss for Term)	—	—	—

(2) [Results Per Share]

Fiscal Year	—	—	—
Net Profit and Loss Per Share	—	—	—
Dividend Per Share	—	—	—
Net Assets Per Share	—	—	—

2. [Status of Share Price]

(yen)

Name of Financial Instruments Exchange or Authorized Financial Products Business Association	First Section of the Tokyo Stock Exchange							
	By Month	April 2011	May	June	July	August	September	October
Maximum Share Price		685	777	702	732	680	659	776
Minimum Share Price		524	542	559	663	498	491	759

(Note) The figures for October 2011 are until October 17, 2011.

3. [Status of Shareholders]

(1) [Status by Shareholder]

As of MM,DD,YY

Classification	Status of Shares (1 Unit = Shares)							Fractional Units (shares)	
	Government and Local Public Bodies	Financial Institution	Financial Instruments Business Operator	Other Legal Persons	Foreign Legal Persons, Etc.		Individuals and Others		Total
					Other than Individuals	Individuals			
Number of Shareholders (person)	—								
Number of Held Shares (Unit)	—								
Percentage of Shares Held (%)	—								

② [Directors and Corporate Auditors]

As of MM,DD,YY

Name	Position	Title	Held Shares (shares)	Held Shares as a Proportion of the Total Issued Shares (%)
Total	—	—		

4. [Matters regarding the Target subject to Ongoing Disclosure Requirement]

(1) [Filing Documents of the Target]

(i) [Securities Report and attached documents]

Fiscal year the 49th Term (from April 1, 2009 to March 31, 2010), filed with Director-General of Kanto Local Finance Bureau on June 23, 2010

Fiscal year the 50th Term (from April 1, 2010 to March 31, 2011), filed with Director-General of Kanto Local Finance Bureau on June 27, 2011

(ii) [Quarter Report or Half Year Report]

Fiscal year the 51st Term First Quarter (from April 1, 2011 to June 30, 2011) filed with Director-General of Kanto Local Finance Bureau on August 12, 2011

Fiscal year the 51th Term Second Quarter (from July 1, 2011 to September 30, 2011) schedule to be filed with Director-General of Kanto Local Finance Bureau

on or around November 14, 2011

(iii) [Extraordinary Report]

Not Applicable

(iv) [Correction Report]

Not Applicable

(2) [Location at which above Documents are Available to the Public]

Promise Co., Ltd.: head office

(2-4 Ohtemachi 1-chome, Chiyoda-ku, Tokyo)

Tokyo Stock Exchange, Inc.

(2-1 Nihonbashi, Kabutocho, Chuo-ku, Tokyo)

5. [Other]

(1) Conclusion of the Basic Agreement regarding strengthening of business alliances after SMFG makes the Target a wholly-owned subsidiary

SMFG, the Tender Offeror and the Target entered into the Basic Agreement dated September 30, 2011 regarding strengthening of business alliances after SMFG makes the Target a wholly-owned subsidiary of SMFG. Specifically, under the common understanding that mutual business collaboration should be further strengthened, SMFG, the Tender Offeror and the Target agree to promptly establish a business alliance committee, and to the extent permitted by laws and regulations, to specifically consider the following matters, and strengthen mutual collaboration.

- (1) Further promotion of co-utilization of sales channel between the Target and the Tender Offeror
- (2) Enhancement of sales promotion at the Target through utilization of the Tender Offeror's brand
- (3) Development of the Target's retail business in Asia through collaboration with the Tender Offeror
- (4) Pursuit of efficiency through consolidation of servicer and middle back functions* within the group

- (5) Fortification of sharing various information including credit screening knowhow among SMFG group companies

Regarding the details of the strengthening of the business alliances described above, please refer to the release, “Notice Regarding Conclusion of Basic Agreement for Making Promise a Wholly-owned Subsidiary of Sumitomo Mitsui Financial Group” issued as of September 30, 2011 by SMFG, the Tender Offeror and the Target.

(2) The Third-Party Allotment

According to the Target, in the consumer finance industry, companies in the industry are facing a severe business environment due to the strengthening of interest rate ceiling regulation and the market scale reduction associated with implementation of restriction on total volume for money lending, while the number of interest refund claims hovering at a high level, and have been forced to experience a decrease in their consumer loans outstanding. In such a challenging business, the Target has been making efforts to improve its management base by carrying out a cost structure reform and the streamlining of group management resources, through selection and concentration thereof, based on the Business Structural Reform Plan that the Target announced in January 2010.

However, as stated in “(3) Revision of Earnings Forecast and dividends Forecast” below, the Target is required to additionally provide the interest repayments-related allowance so that the amount thereof will be approximately JPY390 billion at the end of the second quarter of the fiscal year ending March 31, 2012. Therefore, the Target will implement additional provision of the interest repayments-related allowance; in connection therewith the Target recognized a net loss of JPY 203.4 billion in the 6 months period of the fiscal year ending September 30, 2011 and resolved at a meeting of the Board of Directors held on September 30, 2011 to amend earnings forecasts for the fiscal year ending March 31, 2012. In addition, the Target resolved at such meeting of the Board of Directors that they would distribute no year-end dividend for the fiscal year ending March 31, 2012.

In such circumstances, according to the Target, the Target has decided that it is essential to promptly improve its impaired financial base by sufficiently preparing

for the issue of claims for interest repayments, which is a significant constraint on the Target's financial base, and to enable the promotion of aggressive policies toward future growth strategies, and therefore has come to the decision to implement the Third-Party Allotment.

The amount planned to be procured through the Third-Party Allotment is approximately JPY120 billion. The Target has come to the decision that as a method to procure such a large amount of required funds in a prompt and reliable manner and strengthen the financial base, the Third-Party Allotment where the accepting party is SMFG group, which intends to, in the medium to long term, emphasize the consumer finance business as a part of its retail business line-up supporting individual consumption and has already placed the Target group as one of the core players of the consumer finance business, is a reasonable option in terms of management and is the most effective measure. The Target has decided that the Third-Party Allotment will (i) enable SMFG group to further strengthen and nurture the consumer finance business, which is one of the core businesses in the retail business, in terms of cross-selling to individuals and (ii) contribute to the enhancement of the enterprise value of the Target that aims to "realize the No. 1 consumer finance company both in quality and quantity."

According to the Target, in accordance with the above-mentioned judgment, the Target, at its board meeting held on September 30, 2011, resolved the Third-Party Allotment that designates SMFG and the Tender Offeror as the party to which shares will be allotted, under the conditions that the closing date is December 26, 2011, the number of new shares to be issued is 451,977,400 shares, the amount to be paid per share is JPY531, and the total amount to be paid is JPY239,999,999,400. However, it has been agreed, in the Share Subscription Agreement entered into by and between SMFG and the Target as of September 30, 2011, that 225,988,700 shares of the offered shares (the total amount to be paid: JPY119,999,999,700) will be allotted to SMFG (or the Tender Offeror, if SMFG designates separately) through the third-party allotment, and it is planned that, only for such number of shares, only either of SMFG or the Tender Offeror will subscribe them. In other words, in the Third-Party Allotment, shares will finally be allotted to only either of SMFG or the Tender Offeror, and the party to which shares will not be allotted will lose its rights to subscribe such shares; therefore, the actual number of shares to be issued will be 225,988,700 shares that is half of the above-mentioned number of new shares to be issued, i.e., 451,977,400 shares.

In addition, SMFG and the Tender Offeror, at their respective board meetings held on September 30, 2011, resolved the subscription of the Target's Third-Party Allotment by SMFG or the Tender Offeror. The allotted party of the Third-Party Allotment will be determined, around early December, to be SMFG if Making the Target Wholly-owned Subsidiary is implemented, or the Tender Offeror, if it is not implemented, based on the result of the Tender Offer and considering whether or not the Making the Target Wholly-owned Subsidiary will be implemented. The Third-Party Allotment shall be performed for the purpose of strengthening the Target's financial base and is scheduled to be implemented regardless of the result of the Tender Offer (provided, however, that the certain conditions for subscription have been agreed, including no change to or no retraction of the resolution by the board meeting with respect to the expression of their opinion in favor of the Tender Offer by the Board of Directors of the Target and to recommend that the shareholders of the Target tender their shares in the Tender Offer.) The shares to be allotted to SMFG or the Tender Offeror through the Third-Party Allotment, the number of which is 225,988,700 shares (voting rights; 4,519,774 units), will represent 167.6% (rounded to one decimal place) of the ratio to the total number of issued shares of the Target as of June 30, 2011, which is 134,866,665 shares as stated in the 51st Term - First Quarter Report filed by the Target on August 12, 2011, and 178.2% (rounded to one decimal place) of the ratio to the number of voting rights of all shareholders as of March 31, 2011, which is 2,535,922 units as stated in the 51st Term - First Quarter Report filed by the Target on August 12, 2011. Regardless of the result of the Tender Offer, the Target is expected to become a consolidated subsidiary of SMFG after the completion of the payment of the Third-Party Allotment.

The amount to be paid in above shall be (a) 0.6% (rounded to one decimal place) premium for JPY528 (rounded down to the nearest whole number) of the average of the closing prices of the Target's shares at the TSE for a one (1) month period (from August 30, 2011 to September 29, 2011), (b) 11.8% (rounded to one decimal place) discount for JPY602 (rounded down to the nearest whole number) of the average of the closing prices of the Target's shares at the TSE for a three (3) month period (from June 30, 2011 to September 29, 2011), and (c) 12.2% (rounded to one decimal place) discount for JPY605 (rounded down to the nearest whole number) of the average of the closing prices of the Target's shares at the TSE for a six (6) month period (from March 30, 2011 to September 29, 2011) up to one business

day preceding the date of the resolution made at the Board of Directors' meeting regarding the Third-Party Allotment (September 29, 2011).

The amount to be paid in for the Third-Party Allotment was decided to be JPY531 (rounded down to the nearest whole number), which is the amount obtained by multiplying the closing price of the Target's shares at TSE First Section on September 29, 2011, which is one business day prior to the date of the resolution made at the Target's Board of Directors' meeting regarding the Third-Party Allotment, by 0.95. According to the Target, the Target engaged E&Y, which is a third-party appraisal institution independent from SMFG, the Tender Offeror and the Target, requested a calculation of the share value of the Target, and acquired the share valuation report from E&Y as of September 28, 2011. After examination of the results of the calculation of the share value, the Target determined that the share value based on the most recent market value is appropriate because the most recent market value is in the range of the results of the valuations based on the various methods in the share valuation report, or higher than the results of the valuations. After comprehensive consideration of the market conditions of the Target's shares, the possibility of market fluctuation up to the payment date and the number of shares issued by the Target, the Target's financial status, the business environment, and the possibility of subscription by the allottee, etc., the Target determined the amount to be paid in above.

According to the Target, the Target determined that based on the closing price of the Target's shares one business day preceding the date of the resolution made at the Board of Directors' meeting regarding the Third-Party Allotment, the amount to be paid in above is in compliance with the principle of the "Guidelines for the Handling of capital increase through Third-Party Allotment" of the Japan Securities Dealers Association, and the Third-Party Allotment is not 'particularly favorable' (provided in Article 199, paragraph (3) of the Companies Act) to SMFG or the Tender Offeror.

Also, according to the Target, on the same date as that of the share valuation report above, the Target obtained an opinion from E&Y that the amount to be paid in for the Third-Party Allotment is appropriate from a financial point of view within a certain extent for the Target's shareholders other than the Tender Offeror, considering that the amount to be paid in is in the range of the results of the valuations based on the various methods in the share valuation report, or higher

than the results of the valuations, and other factors. In addition, the Target established a third-party committee comprised of total of three (3) persons: one (1) attorney-at-law, and two (2) external auditors independent from the Target; and the Target obtained an opinion from the third-party committee that recognizes the necessity to procure funds through the Third-Party Allotment and that the manner and the terms and conditions of issue are appropriate (including the fact that the decision at the Target's Board of Directors' meeting on the Third-Party Allotment is not unfavorable to the Target's minority shareholders other than the Tender Offeror, and that the Third-Party Allotment is not 'particularly favorable' (provided in Article 199, paragraph (3) of the Companies Act.) to SMFG or the Tender Offeror.

(3) Revision of Earnings Forecast and Dividends Forecast

The Target released its "Announcement of Revision of Earnings Forecast and Dividends Forecast" on September 30, 2011. An overview of the revision of the earnings forecast and dividends forecast according to such release is as given below. Such overview of the release is a partial excerpt from the information released by the Target. The Tender Offeror is not in a position to be able to independently verify the accuracy and veracity of such overview, and it has not in fact done so.

Further, according to the Target's "Announcement of Revision of Earnings Forecast and Dividends Forecast" mentioned above, the Target is expected to record a significant loss for the fiscal year ending March 31, 2012 mentioned below, and in order to respond to a severe managerial environment, the Target resolved at the meeting of its Board of Directors held on September 30, 2011, that it would distribute no year-end dividends for the fiscal year ending March 31, 2012.

- (1) Revision of the value of the earnings forecast for the second quarter cumulative period of the fiscal year ending March 2012 (April 1, 2011 to September 30, 2011)

(Consolidated)

(Unit: in millions of yen)

	Operating Revenue	Operating Profit	Ordinary Profit	Net Profit for the Current Fiscal Year	Net Profit for the Current Fiscal Year per Share (yen)
Previously Announced Forecast (A)	99,800	10,200	10,000	8,300	65.44
Revised Forecast (B)	99,800	(207,500)	(206,600)	(208,000)	(1,640.18)
Amount of Increase or Decrease (B - A)	0	(217,700)	(216,600)	(216,300)	(1,705.62)
Rate of Increase or Decrease (%)	—	—	—	—	—
Earnings for the Second Quarter of the Previous Fiscal Year (Earnings for the Second Quarter of the Fiscal Year ending March 2011)	129,026	5,815	7,087	(3,371)	(26.58)

(Unconsolidated)

(Unit: in millions of yen)

	Operating Revenue	Operating Profit	Ordinary Profit	Net Profit for the Current Fiscal Year	Net Profit for the Current Fiscal Year per Share (yen)
Previously Announced	88,400	5,700	5,900	14,700	115.91

Forecast (A)					
Revised Forecast (B)	89,000	(212,500)	(212,200)	(203,400)	(1,603.91)
Amount of Increase or Decrease (B - A)	600	(218,200)	(218,100)	(218,100)	(1,719.82)
Rate of Increase or Decrease (%)	0.68	—	—	—	—
Earnings for the Second Quarter of the Previous Fiscal Year (Earnings for the Second Quarter of the Fiscal Year ending March 2011)	93,167	9,508	9,691	2,795	22.04

- (2) Revision of the value of the earnings forecast for the entire fiscal year ending March 2012 (April 1, 2011 to March 31, 2012)

(Consolidated)

(Unit: in millions of yen)

	Operating Revenue	Operating Profit	Ordinary Profit	Net Profit for the Current Fiscal Year	Net Profit for the Current Fiscal Year per Share (yen)
Previously Announced Forecast (A)	195,000	22,000	21,400	17,500	137.99
Revised Forecast (B)	193,000	(192,700)	(191,400)	(195,400)	(1,540.83)
Amount of Increase or Decrease (B - A)	(2,000)	(214,700)	(212,800)	(212,900)	(1,678.82)

A)					
Rate of Increase or Decrease (%)	(1.03)	—	—	—	—
Earnings for the Previous Fiscal Year (Fiscal Year ending March 2011)	238,427	(51,160)	(48,811)	(96,010)	(757.09)

(Unconsolidated)

(Unit: in millions of yen)

	Operating Revenue	Operating Profit	Ordinary Profit	Net Profit for the Current Fiscal Year	Net Profit for the Current Fiscal Year per Share (yen)
Previously Announced Forecast (A)	171,000	11,400	13,700	22,100	174.26
Revised Forecast (B)	171,000	(203,900)	(201,500)	(193,100)	(1,522.69)
Amount of Increase or Decrease (B - A)	0	(215,300)	(215,200)	(215,200)	(1,696.95)
Rate of Increase or Decrease (%)	—	—	—	—	—
Earnings for the Previous Fiscal Year (Fiscal Year ending March 2011)	187,546	(54,157)	(50,684)	(104,408)	(823.31)

(3) Reasons for revision

Companies in the consumer loan industry are facing a severe business environment, such as the number of claims for interest repayments remaining high, and the contraction of the market size due to the introduction of the maximum interest rate regulation, and the restriction on total credit extensions to borrowers imposed on money lenders, and have been forced to experience a decrease in their consumer loans outstanding. Thus, the operating climate remains challenging. In such an environment, the Target group aimed to “become the No. 1 consumer finance company both in terms of quality and quantity” based on a new management base developed by cost structure reform carried out in the previous consolidated fiscal year and the streamlining of group management resources, through selection and concentration thereof, and made efforts focusing on enhancement of sales capabilities, with emphasis on the Target’s regular business, the consumer finance business.

At the same time, the Target is also making efforts to actively develop sales in the guarantee business and overseas business, which are expected to be the fields of future growth. As a result, the operating revenue, operating expenses, and general and administrative costs such as personnel costs are expected to be almost the same as planned on both a consolidated and unconsolidated basis for the second quarter cumulative period, and currently, there are also no significant revisions for the entire fiscal year.

In such circumstances, there was progress in the analysis of the data regarding the effects of the introduction of restrictions on total credit extensions to borrowers last June, and the petition for the application of the Corporate Reorganization Act by a major company in the same trade last September, etc., and a more detailed estimate became possible for the interest repayments-related allowance (including the allowance for losses on interest repayments and the allowance for credit losses which is to be applied to the principal related to the interest repayments). Thus, as a result of the necessity of recording the interest repayments-related allowance in the amount of approximately 390,000 million at the end of the second quarter, the Target expects to conduct an additional provision for the relevant allowance. Therefore, the Target expects to make operating losses, ordinary losses, and net losses on both a consolidated and unconsolidated basis for the second quarter cumulative period and for the entire fiscal year.

**Outline of Content of Business of the Tender Offeror and Development
of Major Managerial Index, etc.**

1. Outline of Content of Business

Content of business of the Tender Offeror group

The Tender Offeror group (the Tender Offeror and its affiliates (including one-hundred and fifty-three (153) consolidated subsidiaries and thirty-three (33) equity-method affiliates)) operates businesses concerning financial services centering on the banking business, such as securities business, leasing business, credit card business, investment and finance business, loan business and venture capital business. The position of the Tender Offeror and its affiliates in each business segment is as described below.

SMFG, which is the parent company of the Tender Offeror, performs management and ancillary services thereto for its affiliates.

(Banking Business)

At the head office and branches in Japan and abroad of the Tender Offeror, the Tender Offeror performs deposit business, lending business, trading securities business, securities investment business, domestic exchange business, foreign exchange business, acceptance for consignment of financial futures and related business, bond trustee and bond registration business, trust business, over-the-counter sale of securities investment trust and insurance products and securities brokerage business, etc.

In Japan the Minato Bank, Ltd., Kansai Urban Banking Corporation and the Japan Net Bank, Limited, and in foreign countries Sumitomo Mitsui Banking Corporation Europe Limited, Sumitomo Mitsui Banking Corporation (China) Limited, Manufacturers Bank, Sumitomo Mitsui Banking Corporation of Canada, Banco Sumitomo Mitsui Brasileiro S.A., ZAO Sumitomo Mitsui Rus Bank, PT Bank Sumitomo Mitsui Indonesia and Vietnam Export Import Commercial Joint Stock Bank develop deposit business and lending business. In addition, SMBC Guarantee Co., Ltd. performs guarantee business for mortgages, handled by the Tender Offeror in Japan.

(Securities Business)

For this business segment, in Japan mainly SMBC Nikko Securities Inc. and in foreign countries mainly SMBC Nikko Securities America, Inc. and SMBC Nikko Capital Markets Limited perform securities business.

(Other Businesses)

For this business segment, businesses concerning financial services other than banking business and securities business are performed; i.e., in Japan, ORIX Credit Corporation and the Target perform a consumer loan business, Sakura Card Co., Ltd. and Pocketcard CO., LTD. perform a credit card business, SMBC Venture Capital Co., Ltd. performs a venture capital business, SMBC Consulting Co., Ltd. performs management consultation business and business for its members, SMBC Finance Service Co., Ltd. performs a finance business as well as a factoring business and collection agency business, Financial Link Co., Ltd. performs an information processing services business and consulting business, Sakura KCS Corporation and Sakura Information Systems Co., Ltd. perform system development and information processing business, Japan Pension Navigator Co., Ltd. performs plan operational management business of defined contribution pension, SMM Auto Finance, Inc. performs an automobile sales finance business, and Sumitomo Mitsui Asset Management Company, Limited performs an investment management business as well as an investment advisory and agency business, and in foreign countries, SMBC Leasing and Finance, Inc. performs a leasing business and SMBC Capital Markets, Inc. performs swap-related business and investment and loan business.

2. Development of Major Managerial Index, etc.

(1) Development of Major Managerial Index, etc. for the Past four (4) Consolidated Fiscal Years and the Current Consolidated Fiscal Year

		Year Ended March 2007	Year Ended March 2008	Year Ended March 2009	Year Ended March 2010	Year Ended March 2011
		(From April 1, 2006 through March 31, 2007)	(From April 1, 2007 through March 31, 2008)	(From April 1, 2008 through March 31, 2009)	(From April 1, 2009 through March 31, 2010)	(From April 1, 2010 through March 31, 2011)
Consolidated total income	(millions of yen)	2,925,665	3,411,052	2,989,608	2,579,933	2,711,380
Consolidated Trust fee	(millions of yen)	3,482	3,710	2,074	1,736	2,299
Consolidated recurring profit (loss)	(millions of yen)	716,697	734,958	59,285	557,781	751,208
Consolidated net income (loss)	(millions of yen)	401,795	351,820	(317,306)	332,497	450,832
Consolidated comprehensive income	(millions of yen)	—	—	—	—	363,689
Consolidated total net assets	(millions of yen)	5,412,458	5,080,747	4,518,647	6,894,564	6,983,132
Consolidated total	(millions of yen)	98,570,638	108,637,791	115,849,385	120,041,369	132,715,674

assets						
Net assets per share	(yen)	67,823.69	60,442.81	41,492.54	49,036.12	50,344.52
Net income (loss) per share	(yen)	7,072.09	6,132.91	(5,740.34)	4,240.20	4,184.89
Net income - diluted per share	(yen)	7,012.46	6,132.75	—	4,236.01	4,184.07
Consolidated capital ratio (uniform international standard)	(%)	12.95	12.19	13.54	16.68	19.16
Consolidated return on equity	(%)	12.95	9.56	—	8.64	8.42
Consolidated price to earnings ratio	(multiple)	—	—	—	—	—
Net cash provided by operating activities	(millions of yen)	(8,335,522)	5,277,695	7,212,801	(1,791,781)	13,578,795
Net cash provided by investing activities	(millions of yen)	5,177,694	(4,613,441)	(6,510,859)	(210,123)	(11,060,775)
Net cash used in financing activities	(millions of yen)	(81,995)	138,059	393,904	1,409,008	(329,907)

Cash and cash equivalents at the end of the year	(millions of yen)	1,907,823	2,720,542	3,771,699	3,358,994	5,539,966
Number of employees (besides, average number of temporary employees)	(persons)	31,718 (13,222)	36,085 (13,317)	37,345 (13,075)	47,837 (13,132)	48,219 (12,686)
Trust assets and liabilities	(millions of yen)	1,174,396	1,175,711	1,262,993	1,403,236	1,576,094

- (Note)
- 1 Account processing of consumption taxes and local consumption tax of the Tender Offeror and its consolidated domestic subsidiaries are accounted for using the tax-excluded method.
 - 2 Net income - diluted per share for the year ended March 2009 is not described since a consolidated net loss was recognized for the year ended March 2009.
 - 3 Consolidated capital ratio is calculated based on the formula provided for in the Public Notice of the Financial Services Agency No. 19, 2006 pursuant to the provisions of Article 14-2 of the Banking Act. The Tender Offeror applies the uniform international standard.
 - 4 Consolidated return on equity is calculated by dividing the amount of the consolidated net income less the total amount of dividends for preferred stock by the interim average amount of consolidated net assets less the amount of the preferred stock, stock acquisition rights and minority interest. The consolidated return on equity for the year ended March 2009 is not described since a consolidated net loss was recognized for the same year.
 - 5 Consolidated price earnings ratio is not described since the stock is not listed.
 - 6 The amount of trust assets and liabilities is the amount concerning the trust business pursuant to the Act on Concurrent Operation, etc. of Trust Business by Financial Institutions. The company that operates the appropriate trust business is only the Tender Offeror.

(2) Development of Major Managerial Index, etc. for the Past 4 Non-Consolidated Fiscal Years and the Current Fiscal Year of the Tender Offeror

Fiscal term	4th	5th	6th	7th	8th
Fiscal year	Ended March 2007	Ended March 2008	Ended March 2009	Ended March 2010	Ended March 2011
Total income (millions of yen)	2,451,351	2,933,626	2,546,997	2,080,536	2,108,724
Trust fee (millions of yen)	3,482	3,710	2,074	1,736	2,299
Recurring profit (millions of yen)	573,313	510,739	36,055	462,749	595,704
Net income (loss) (millions of yen)	315,740	205,742	(301,116)	317,995	421,180
Capital (millions of yen)	664,986	664,986	664,986	1,770,996	1,770,996
Total number of shares issued (in thousands)	Common stock 56,355 Preferred stock 70	Common stock 56,355 Preferred stock 70	Common stock 56,355 Preferred stock 70	Common stock 106,248 Preferred stock 70	Common stock 106,248 Preferred stock 70
Total net assets (millions of yen)	3,992,884	3,493,249	2,546,493	5,397,949	5,559,293
Total assets (millions of yen)	91,537,228	100,033,020	107,478,218	103,536,394	115,484,907
Deposits (millions of yen)	66,235,002	66,417,260	69,499,997	70,457,266	74,036,469

Loans and bills discounted	(millions of yen)	53,756,440	56,957,813	60,241,266	56,619,058	55,237,613
Securities	(millions of yen)	20,060,873	22,758,241	28,000,515	28,536,200	39,853,432
Net assets per share	(yen)	67,124.90	58,204.22	41,404.62	48,799.31	50,317.86
Dividends per share (interim dividends per share)	(yen)	Common stock 763 (763) 1st series 88,500 Type 6 (88,500) Preferred stock	Common stock 1,487 (1,269) 1st series 88,500 Type 6 (44,250) Preferred stock	Common stock 1,638 (1,339) 1st series 88,500 Type 6 (44,250) Preferred stock	Common stock 1,620 (0) 1st series 88,500 Type 6 (44,250) Preferred stock	Common stock 1,388 (1,180) 1st series 88,500 Type 6 (44,250) Preferred stock
Net income (loss) per share	(yen)	5,533.69	3,540.84	(5,453.06)	4,051.75	3,905.80
Net income - diluted per share	(yen)	5,487.21	—	—	—	—
Capital ratio (uniform international standard)	(%)	13.45	12.67	13.85	18.28	21.45
Return on equity	(%)	10.13	5.64	—	8.28	7.87

Price to earnings ratio	(multiple)	—	—	—	—	—
Dividend payout ratio	(%)	13.89	41.99	—	48.06	35.53
Number of employees	(persons)	16,407	17,886	21,816	22,460	22,524
Trust assets and liabilities	(millions of yen)	1,174,396	1,175,711	1,262,993	1,403,236	1,576,094
Loans and bills discounted of trust account	(millions of yen)	5,350	223,740	222,030	221,970	237,383
Securities of trust account	(millions of yen)	267,110	273,504	392,812	457,585	444,664

- (Note)
- 1 Account processing of consumption taxes and local consumption tax are accounted for using the tax-excluded method.
 - 2 Interim dividends for the 8th fiscal term were resolved at the meeting of the Board of Directors held on November 12, 2010.
 - 3 Net income - diluted per share is not described since there have been no dilutive shares since the 5th fiscal term.
 - 4 Non-consolidated capital ratio was calculated based on the formula provided for in Public Notice of the Financial Services Agency No. 19, 2006 pursuant to the provisions of Article 14-2 of the Banking Act. The Tender Offeror applies the uniform international standard.

- 5 Return on equity was calculated by dividing the amount of the consolidated net income less the total amount of dividends for preferred stock by the interim average amount of net assets less the amount of the preferred stock. The return on equity for the 6th fiscal term is not provided since a net loss was recognized for the same term.
- 6 Price earnings ratio is not described since the stock is not listed.
- 7 Dividend payout ratio was calculated by dividing the total amount of dividends for common stock by the amount of net income less the total amount of dividends for preferred stock. The dividend payout ratio for the 6th fiscal term is not described since a net loss was recognized for the same term.
- 8 The amount of trust assets and liabilities is the amount concerning the trust business pursuant to the Act on Concurrent Operation, etc. of Trust Business by Financial Institutions.

Development of Major Managerial Index, etc. of the Target

Development of Major Managerial Index, etc.

(1) Consolidated Managerial Index, etc.

Fiscal term	46th	47th	48th	49th	50th
Fiscal year	Ended March 2007	Ended March 2008	Ended March 2009	Ended March 2010	Ended March 2011
Total operating income (millions of yen)	368,915	391,240	387,950	338,982	238,427
Recurring profit (loss) (millions of yen)	(201,502)	64,325	(67,720)	17,929	(48,811)
Net income (loss) (millions of yen)	(378,282)	15,955	(125,122)	14,566	(96,010)
Comprehensive income (millions of yen)	—	—	—	—	(98,311)
Total Net assets (millions of yen)	386,171	418,885	283,189	299,606	173,590
Total assets (millions of yen)	1,569,539	2,019,055	1,753,632	1,563,843	1,079,164
Net assets per share (yen)	2,987.82	2,991.03	1,909.65	2,045.02	1,249.13
Net income (loss) per share (yen)	(2,982.86)	125.81	(986.64)	114.86	(757.09)

Net income - diluted per share	(yen)	—	—	—	102.77	—
Capital ratio	(%)	24.14	18.79	13.81	16.58	14.68
Return on equity	(%)	(65.49)	4.21	(40.27)	5.81	(45.97)
Price to earnings ratio	(multiple)	—	22.77	—	7.55	—
Net cash provided by operating activities	(millions of yen)	86,587	116,299	110,987	177,946	186,728
Net cash provided by investing activities	(millions of yen)	(5,118)	(126,465)	(29,911)	11,270	65,071
Net cash used in financing activities	(millions of yen)	(5,873)	13,106	(137,225)	(185,642)	(199,046)
Cash and cash equivalents at the end of the year	(millions of yen)	139,853	205,052	142,974	147,074	188,673
Number of employees (besides, average number of temporary employees)	(persons)	4,961 (811)	5,984 (955)	5,292 (944)	4,522 (886)	2,773 (19)

- (Notes)
- 1 The total operating income does not include consumption tax, etc.
 - 2 The net income - diluted per share for the 46th fiscal term is not described because there were no dilutive shares and there was a net loss per share for this

term. The net income - diluted per share for the 47th fiscal term is not described because there were no dilutive shares. The net income - diluted per share for the 48th and 50th fiscal terms is not described because there was a net loss per share, although there were dilutive shares for these terms.

- 3 The price to earnings ratio for the 46th, 48th and 50th fiscal terms is not described because there was a net loss for these terms.
- 4 The deemed acquisition date of Sanyo Shinpan Finance Co., Ltd., Asahi Enterprise Co., Ltd., Pocketcard CO., LTD., AZ Card Co., Ltd., Sanyo Shinpan Servicer Co., Ltd., Sanyo Asset Management Co., Ltd. and Pocket Direct Co., Ltd., all of which are included in the scope of consolidation for the 47th fiscal term, is September 30, 2007. For this reason, only the figures for Sanyo Shinpan Finance Co., Ltd. and the six other companies for the period from October 1, 2007 to March 31, 2008 (as for Pocketcard Co., Ltd. and Pocket Direct Co., Ltd., for the period from September 1, 2007 to February 29, 2008) are included in the total operating income, recurring profit, net income, net cash provided by operating activities, net cash provided by investing activities and net cash used in financing activities described in the consolidated managerial index, etc. for the 47th fiscal term. In addition, the figures for Sanyo Shinpan Finance Co., Ltd. and the six other companies are included in the net assets, total assets, cash and cash equivalents at end of the year and number of employees.
- 5 As of March 31, 2009, the Target sold all shares of Tamport Co., Ltd. and Sun Life Co., Ltd. which had been included in the scope of consolidation until the 47th fiscal term; therefore, such companies are excluded from the scope of consolidation.
- 6 As of October 1, 2009, the Target sold all shares of Cau-ichi Co., Ltd., which had been included in the scope of consolidation until the 48th fiscal term, and, as of March 15, 2010, Sanyo Asset Management Co., Ltd., which had been included in the scope of consolidation until the 48th fiscal term, was liquidated; therefore, such companies are excluded from the scope of consolidation.
- 7 As of January 19, 2011, the Target sold all shares of Car Conveni Club Co., Ltd., which had been included in the scope of consolidation until the 49th fiscal term; therefore, it is excluded from the scope of consolidation.
- 8 The Target no longer has effective control over Pocketcard Co., Ltd., which was a consolidated subsidiary of the Target until the 49th fiscal term; therefore, it has now been changed to an equity-method affiliate of the Target.
- 9 The number of employees is the number of workers.

(2) Non-consolidated Managerial Index, etc. of the Target

Fiscal term	46th	47th	48th	49th	50th
Fiscal year	Ended March 2007	Ended March 2008	Ended March 2009	Ended March 2010	Ended March 2011
Total operating income (millions of yen)	299,910	275,221	243,058	212,795	187,546
Recurring profit (loss) (millions of yen)	(196,852)	43,153	(59,039)	10,198	(50,684)
Net income (loss) (millions of yen)	(374,940)	6,284	(129,969)	7,250	(104,408)
Capital (millions of yen)	80,737	80,737	80,737	80,737	80,737
Total number of issued shares (shares)	134,866,665	134,866,665	134,866,665	134,866,665	134,866,665
Total Net assets (millions of yen)	360,315	352,036	215,984	225,246	118,561
Total assets (millions of yen)	1,385,254	1,395,821	1,197,432	1,076,593	954,246
Net assets per share (yen)	2,841.19	2,775.92	1,703.13	1,775.99	934.57
Dividends per share (interim dividends per share) (yen)	105.00 (52.50)	40.00 (20.00)	20.00 (20.00)	10.00 (—)	—

share)						
Net income (loss) per share	(yen)	(2,956.51)	49.55	(1,024.85)	57.17	(823.31)
Net income – diluted per share	(yen)	—	—	—	51.15	—
Capital ratio	(%)	26.01	25.22	18.04	20.92	12.42
Return on equity	(%)	(67.26)	1.76	(45.76)	3.29	(60.75)
Price to earnings ratio	(multiple)	—	57.82	—	15.17	—
Dividend payout ratio	(%)	—	80.73	—	17.49	—
Number of employees (average number of temporary employees)	(persons)	3,544 (27)	3,339 (15)	2,911 (10)	2,277 (7)	1,718 (3)

- (Notes)
- 1 The total operating income does not include consumption tax, etc.
 - 2 The net income - diluted per share for the 46th fiscal term is not described because there were no dilutive shares and there was a net loss per share for this term. The net income - diluted per share for the 47th fiscal term is not described because there were no dilutive shares. The net income - diluted per share for the 48th and 50th fiscal terms is not described because there was a net loss per share, although there were dilutive shares for these terms.
 - 3 The price to earnings ratio and dividend payout ratio for the 46th and 48th fiscal

terms are not described because there was a net loss for these terms. The price to earnings ratio for the 50th fiscal term is not described because there was a net loss for this term, and the dividend payout ratio for the same fiscal term is not described because there was a net loss for this term and no dividends were paid.

4 The number of employees is the number of workers.