

March 28, 2006

Self-imposed Attempt for Further Improvement of the Soundness of Consumer Finance Market

Seven consumer finance companies – Takefuji Corporation, ACOM CO., LTD., Promise Co., Ltd., AIFUL CORPORATION, SANYO SHINPAN FINANCE CO., LTD., CFJ K.K. and GE Consumer Finance Co., Ltd., - have reached an agreement on the following self-imposed attempts and have decided to conduct them in terms of: prevention of trouble, enough protection, and relief of loan customers. This is based on the recognition that an urgent task for major consumer finance companies is to tackle various problems related to loan customers and to support sound household budget management.

<Self-imposed Attempt>

1. Supporting sound household budget management
2. Providing information for safe usage
3. Approaching safety net construction

*This attempt is conducted based on each company's judgment and this does not create any mutually binding force.

[Background]

At present, loan needs in the consumer finance market have risen more than the past in Japan. According to the Japan Consumer Credit Industry Association's "CONSUMER CREDIT STATISTICS OF JAPAN - 2005", the total new credit extended in 2003 amounted to 73 trillion yen, which is about a quarter of private final consumption expenditure (approximately 283 trillion yen), and the outstanding receivables of consumer loans in the consumer finance market accounts for approximately 24 trillion yen out of 73 trillion yen. It is recognized that the role and social responsibility of the consumer finance industry has been greater considering the scale of loan demands. Five companies - Takefuji Corporation, ACOM CO., LTD., Promise Co., Ltd., AIFUL CORPORATION, SANYO SHINPAN FINANCE CO., LTD.- have been proactively conducting various activities of consumer enlightenment, consumer education and information disclosure, aiming at a sound development of the consumer finance market while attempting consumer protection and profit through the activity under the Liaison Group of Consumer Finance Companies.

[Concrete Content of Self-imposed Attempt]

1. Support to Sound Household Budget Management

Consumer finance companies have been making decisions in credit screening by taking into consideration not only each applicant's attribute, income situation and debt situation, but also the expertise accumulated in the past. As an important matter in the discussion of multiple-debt problems, it is considered that users are required to self-monitor their debt situation and household budget situation. At the same time, it is also a requirement that users ask themselves whether their debt and household budget situation is planned or not. One approach is to encourage sounder and more premeditated repayment in revolving payments, and also to develop and introduce "Consumption Behavior Analysis Service" and "Household Budget Management Analysis Service" which support users' budget management control.

Moreover, as a collaborated work of these attempts - by providing a Household Budget Management Analysis Service to users who are seen to be insecure in their repayment or who should exercise caution (according to the results of the Consumption Behavior Analysis Service), and producing a household revenue/expenditure table for establishing a system of repayment consultations - it should be possible to prevent multiple-debt problems before they occur. In addition, by guiding users whose problems cannot be solved by one company to a third-party institution, it is the intention to solve any potential problems at an early stage.

(1) Development / Introduction of Consumption Behavior Analysis Service

A check sheet in the form of a questionnaire is developed and introduced in order for users and the general public to realize their consumption behavior and money sense of one's own accord and to refer to it for information about appropriate loan usage.

Implementation Date: July 2006 (scheduled)

Establishment Location: Seven companies' branch counters, ATMs, and ACMs.

*It is planned that this service will be widely provided to the general public through downloading from the website of the Liaison Group of Consumer Finance Companies

Development Method: Developed under supervision of a psychologist and a household budget management specialist

Cooperating Organization in Development: Kinzai Institute for Financial Affairs Inc.

Target: Users and the general public

Analysis Result: Currently the following categories are assumed:
-Secure Signal: The type of person who can plan independently and take action
- Noteworthy Signal: The type of person who needs to pay more attention to his/her behavior
-Insecure signal: The type of person who needs to improve his/her living behavior
* Based on the analysis result, (2) household budget management analysis service is provided if requested.

(2) Development / Introduction of Household Budget Management Analysis Service

Having informed consumers who are seen to be insecure in their repayment or whose loan application was refused as a result of credit screening, seven companies offer consultations regarding household budget management and repayment at their customer consultation counters. This is for customers requiring consultation as indicated by the analysis results and/or from customer requests. For a consultation, revenue / expenditure table (filling style) are developed and introduced to aid understanding and improvement of actual household budget. Furthermore, according to the customers' situation, customers are introduced to a third-party institution such as Japan Credit Counselling Association, Money Management Counseling Service, or Moneylenders Association consultation desks in each prefecture.

Commencement Date: July 2006 (scheduled)
Establishment Location: Seven companies' branch counters, ATMs, and ACMs
Development Method: Developed under supervision of a psychologist and a household budget management specialist
Cooperating Organization in Development: Kinzai Institute for Financial Affairs Inc.
Target: Users
Other: At the customer consultation counters of seven companies, unified corresponding method etc. is discussed, and the improvement of counseling skills at each company and the education of employees regarding household budget management have been introduced

(3) Promotion of Premeditated Repayment in Revolving Payment

The following activities are arranged with the purpose of promoting customers' sound and premeditated repayment while maintaining the convenience of revolving payments

1. Promoting Sound Repayment Plan

It is assumed that the best repayment plan is presented based on customers' revenue and expenditure situation.

- The plan that can be repaid within maximum five years is presented and explained to customers.

2. Execution of Consultation of Repayment According to Transaction Situation

Repayment consultation at each company for preventing multiple-debt problems is conducted based on the following items;

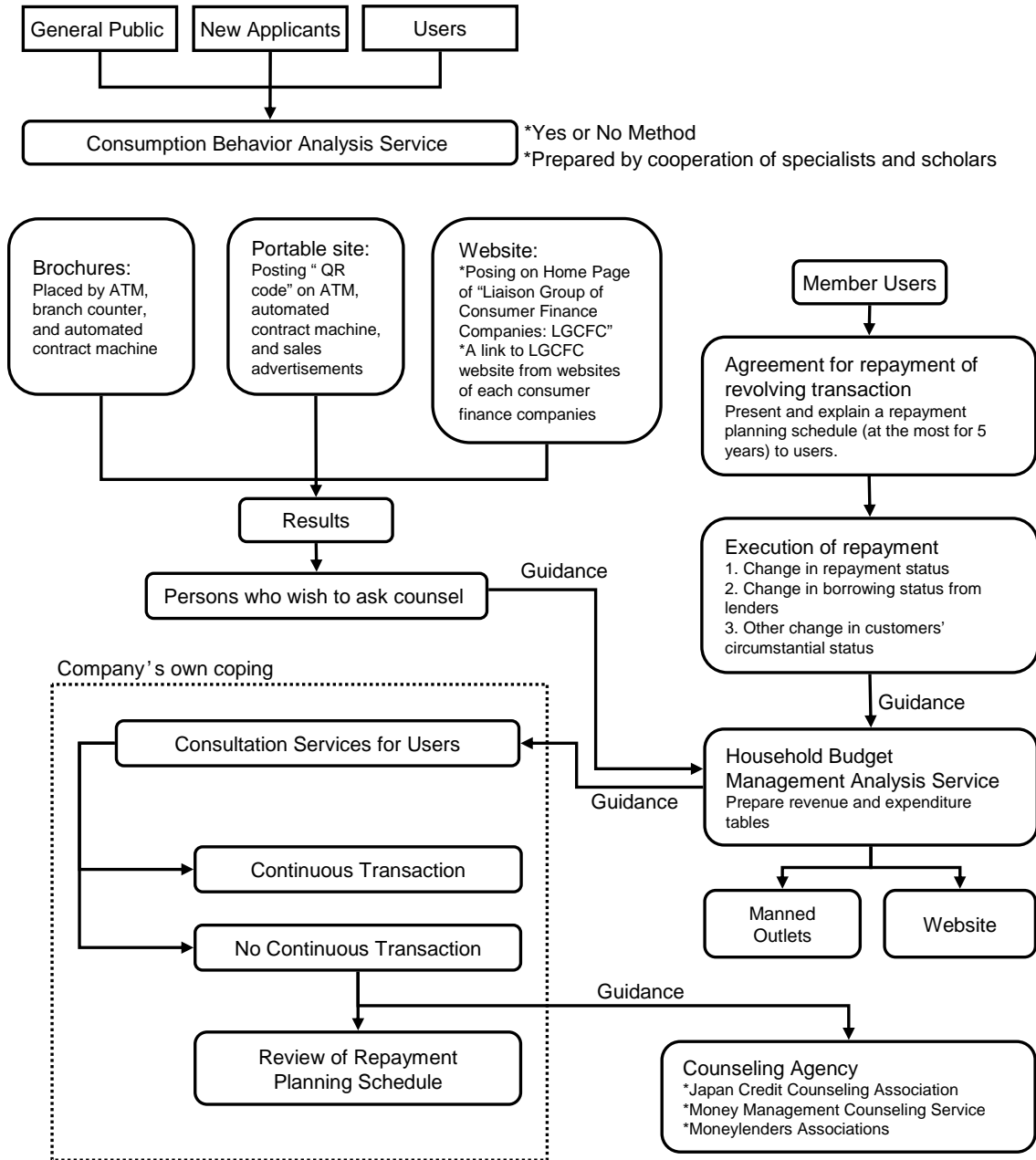
- Change in repayment situation

- Change in the situation of borrowings from other companies

- Other changes in customers' situation

Following these changes, it is assumed that the above-mentioned "Consumption Behavior Analysis Service" and "Household Budget Management Analysis Service" are implemented.

Support for Sound Household Budget Management (Concept Chart)



2. Conveyance of Information for Safe Usage

Currently there are a variety of loan products, and to utilize these products safely and conveniently is one of the means to lead an enriched life. However, at present, it cannot be said that all consumers use these products with enough understanding of their own household budget situation (revenue/expenditure situation). In order to emphasize the points that should be noted in using cashing loans safely and at ease, to not only users but also consumers widely, the following activities are introduced;

(1) Conduction of Campaign for Preventing Excessive Borrowings

In order to prevent multiple-debt problems, it is assumed that the campaign by an effective media mix with the “Prevention of Excessive Borrowings” as a keyword/concept is developed.

Outline (A) Cooperated Television Commercials

-Concentrated broadcast by spot commercials is conducted in 5 areas nationwide. (Tokyo, Osaka, Nagoya, Hokkaido and Fukuoka)

(B) Cooperated newspaper/magazine advertisement

-Advertisement is posted on the daily newspaper, the sports paper and evening newspaper.

-Advertisement is also posted on the comic magazine etc.

(C) Common Poster for Branch Counters

-The poster, with a content that synchronizes with the television, newspaper and magazine advertisements, is produced and it is posted at branch counters of the seven companies.

(D) Conveyance of Common Message

-A common message is provided in television commercials broadcasted by the seven companies in 5 areas nationwide (Tokyo, Osaka, Nagoya, Hokkaido and Fukuoka)

Conducting Period: From June 2006 to September 2006

(2) Conveyance / Distribution of Enlightenment Leaflet (usage guidance)

Enlightenment leaflet (usage guidance) is produced and distributed, in which basic information on use including self-checking for the validity of borrowing and its amount before users/the general public borrow, are summarized.

Production Method: Production committee of specialists is formed and the content is discussed

Production Committee: Ayako Shibuya (Advocator for Consumer Everyday-life)
 Shintaro Abe (Lecturer at JOSAI INTERNATIONAL UNIVERSITY, Lecturer of The Cabinet Office Consumer Education Specialist Dispatch System)
 Fujiko Sakai (Economic Journalist, "NIKKEI WOMAN" "NIKKEI MONEY" former chief editor)

Specification: A4 size, 12 page, color print (scheduled)

Issue Date: July 2006 (scheduled)

Distribution Method: Seven companies' branch counters, ATMs, and ACMs
 Application is available from the website of the Liaison Group of Consumer Finance Companies and the leaflet is distributed widely.

(3) Implementation of New Attempt Regarding Television Commercials

Regarding television commercials, as previously announced on March 17, 2006, the following action will take place from April 1, 2006.

7:00 - 9:00 and 17:00 - 22:00	No television commercials (in principle)
22:00-24:00	Maximum 100 television commercials per month per company at each broadcasting area

Seven companies have already been conducting self-imposed attempts to restrict each company's television commercials between 17:00 and 21:00, with regard to the unification of the enlightening message and broadcasting time zone based on the social environment at each occasion and opinions including viewers' voices. This attempt is to strengthen the self-imposed attempts further. Furthermore, as for this attempt, in addition to the seven companies, At-Loan Co., Ltd., MOBIL CO., LTD. and DC Cash One Ltd. have also approved this attempt and it is scheduled that these three companies will also conduct this self-imposed control.

3. Approach towards Construction of Safety Net

As one of the inevitable functions in the sound development of the consumer finance market, the construction of a safety net at an early stage, including the expansion of the counseling institution, has been discussed. Nevertheless, as a specialized institution, only the Japan Credit Counselling Association is implementing this currently. Moreover, the number of its bases is only 3 in Japan and its function has not yet been carried out on a nationwide scale. The seven companies have decided to attempt to construct this safety net in the early stage as a high priority task, by collaborating with the Federation of Moneylenders Association of Japan (the institution ordained by Money-Lending Business Control and Regulation Law - a nationwide institution of money-lending industry).

*Establishment of Group for the Construction of Safety Net at an Early Stage

Fund Scale: Approximately 5 billion yen per year is assumed for the next 5 years

Donator: It is planned to seek for support widely, cooperating with the Federation of Moneylenders Association of Japan.

Group Name: Undecided

Purpose: *Support the construction of an appropriate safety net for consumers with multiple debts at an early stage.

*Support the attempt to prevent multiple-debt problems before they occur

*Support the promotion/improvement of money education

*Support promoting counselors etc.

Establishment Date: September 2006 (Scheduled)

<Target of aid>

It is scheduled to be decided by referring to the opinion from the Financial Counseling Forum (FCF). The FCF invites administrative parties concerned as an observer (mainly specialists), held by the Japan Consumer Finance Association (JCFA) in October 2004, aiming to discuss the ideal image of a safety net in Japan. The FCF interim report detailing the discussion results was announced in February 2006, and the final proposal is scheduled to be announced within the year.

[Outline Image of Safety Net Construction]

