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To all stakeholders

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Change in Policy for SFCG Group Reorganization and Announcement of Fiscal 2007 Forecast

SFCG Co., Ltd. today announced a change in its group reorganization policy and its forecast for consolidated and non-consolidated performance in the fiscal year that ended on July 31, 2007.

1. Change in SFCG Group reorganization policy: T-ZONE Holdings will remain a consolidated subsidiary of SFCG due to cancellation of planned parent company merger

A merger of SFCG parent company KE Holdings Co., Ltd. and SFCG subsidiary T-ZONE Holdings, Inc. had been planned for October 1, 2007. However, this merger has been cancelled based on the mutual agreement of these two companies. Therefore, T-ZONE Holdings will remain a consolidated subsidiary of SFCG in fiscal 2008, which is the year ending in July 2008.

2. SFCG non-consolidated performance: recurring profit of 27.4 billion yen and net income of 73.6 billion yen both exceeded the forecast. In addition, we spun off 46 regional asset finance companies as regional sales companies on June 1, 2007. Simultaneously, we established a stricter standard for credit control to each sales company. we took the strategic action to write-off all the delinquent loans that could be written off under this new standard at the end of fiscal year 2007. We have thus quickly established the credit control standards that will be required when Japan's maximum lending rate is lowered to 15% in 2010.

(1) Non-consolidated forecast for fiscal 2007 (August 1, 2006 – July 31, 2007)

Yen in millions

	Operating revenue	Recurring profit	Net income
Previous forecast (A) (announced March 29, 2007)	73,300	24,200	13,100
Revised forecast (B)	73,611	27,456	15,145
Increase/(decrease) (B-A)	311	3,256	2,045
Percentage change (%)	0.42%	13.45%	15.61%
FY ended July 2006 (for reference)	69,110	22,209	11,535

Notes:

1. Non-consolidated revenue and profit include the performance of the 46 asset finance companies and the SF real estate credit company. These were spun off from SFCG during fiscal year 2007.

2. Non-consolidated net income includes extraordinary gains of 21.9 billion yen (15.6 billion yen on the sale of T-ZONE Holdings stock, 4.5 billion yen on the sale of T-ZONE Capital stock, and 1.8 billion yen from the reversal of the loan loss reserve) and extraordinary losses 26.0 billion yen (23.3 billion yen for loan write-offs, 1.7 billion yen to establish an allowance for the excess interest payment refunds for past years, and a 1.0 billion yen valuation loss on stocks and others). The net impact of extraordinary items was immaterial.

3. SFCG Consolidated performance: although we achieved another growth in recurring profit as in consolidated operating revenue of 109.8 billion yen, recurring profit of 34.1 billion yen, net income declined because the extraordinary gain of 20.1 billion yen from the sale of stock was eliminated as internal transactions.

(1) Consolidated forecast for fiscal 2007 (August 1, 2006 – July 31, 2007))

Yen in millions

	Operating revenue	Recurring profit	Net income
Previous forecast (A) (announced March 29, 2007)	107,000	30,000	15,000
Revised forecast (B)	109,811	34,142	2,291
Increase/(decrease) (B-A)	2,811	4,142	(12,709)
Percentage change (%)	2.63%	13.81%	(84.72%)
FY ended July 2006 (for reference)	104,048	26,831	12,579

Note:

Regarding consolidated net income; extraordinary gains of 20.1 billion yen (15.6 billion yen on the sale of T-ZONE Holdings stock and 4.5 billion yen on the sale of T-ZONE Capital stock) were eliminated in consolidation.