（Translation）

Brief Statement for the First Half of the Year Ended March 31, 2000

November 4, 1999

Listed Company Name: Aiful Corporation
Code Number: 8515
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Telephone Number: (03)-3274-3560
Listings: Tokyo Stock Exchange (Second Section)
Osaka Stock Exchange (Second Section)
Kyoto Stock Exchange
Date of Board of Directors' meeting to approve the half-yearly financial statements:
November 4, 1999
Start of interim dividend payments
December 10, 1999
Interim Dividend System: Yes

1. Financial Results for the Half-Year Ended September 30, 1999 (April 1~September 30, 1999)

(1) Operating results
(Amounts are rounded down to the nearest ¥1 million in this half-yearly report and the attached documents)

(Millions of yen)

	Operating Revenue	(A) %	Operating Income	(A) %	Ordinary Income	(A) %
Half-year to Sept. 1999	115,689	(16.5)	41,405	(35.4)	40,232	(44.6)
Half-year to Sept. 1998	99,299	(14.2)	30,575	(4.8)	27,831	(0.7)
Year ended March 1999	204,957		71,897		68,843	

(A): Increase or decrease compared with first half of previous year

	Net income	(A) %	Net income per share (¥)	Accounting standards
Half-year to Sept. 1999	20,491	(60.9)	365.25	Half-yearly financial statement standards
Half-year to Sept. 1998	12,736	(1.6)	274.35	Half-yearly financial statement standards
Year ended March 1999	28,448		610.63	-

(A): Increase or decrease compared with first half of previous year

Notes
1. Average number of shares issued and outstanding during the period
   Half-year to September 1999 56,103,000 shares
   Half-year to September 1998 46,424,631 shares
   Year ended March 1999 46,588,116 shares

2. Changes in accounting policies None
3. Tax-benefit accounting has been applied to the results for the half-year ended September 30, 1999.
4. Net income per share is calculated using the average of the total number of shares issued and outstanding during the period.

(2) Dividends

	Interim dividend per share (¥)	Annual dividend per share (¥)
Half-year to September 1999	30.00	-
Half-year to September 1998	30.00	-
Year ended March 1999	-	60.00

(3) Financial position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity to total assets (%)	Shareholders' equity per share (in ¥)
Half-year to September 1999	1,132,291	230,973	20.4	4,116.95
Half-year to September 1998	941,139	189,439	20.1	4,051.97
Year ended March 1999	996,523	203,748	20.4	4,358.03

Notes:

1. Number of shares issued and outstanding shares at year-end
   Half-year to September 1999 56,103,000 shares
   Half-year to September 1998 46,752,500 shares
   Year ended March 1999 46,752,500 shares

   (Units of par value shares: 50 shares)
2. Gain (loss) on valuation of marketable securities at the end of the half-year: ¥ 1,801million
3. Gain (loss) on valuation of derivatives at the end of the half-year: (¥ 2,070 million)

2. Projected Financial Results for the Year Ending March 31, 2000 (April 1, 1999~March 31, 2000)

	Operating Revenue (¥ millions)	Ordinary income (¥ millions)	Net income (¥ millions)	Annual dividend per share (¥)	
				Final	
Year ended March 31, 2000	240,425	85,000	43,742	30.00	60.00

Reference:

Projected net income per share ¥779.69

Attached Documents

1. Business Policies

(1) The Environment for the Consumer Finance Industry

The recession affecting the Japanese economy has been accompanied by falling prices, creating a phenomenon known as a "deflationary spiral." Though economic trends remain confused, encouraging signs, including a recovery in the Nikkei stock price average and an improvement in the lending stance of financial institutions, have started to emerge since the government injected public funds and implemented additional stimulatory measures. Moreover, while there is still uncertainty about the economic outlook because of factors that include high unemployment and the yen's rapid rise, there is increasing evidence that the economy as a whole has started to turn the corner.

The consumer finance industry continues to feel the effects of economic stagnation. However, the level of bad loans appears to have peaked, and the current year has brought signs of a recovery in the number of new customers.

This business environment has encouraged major companies to seize a bigger share of the market. In addition, both major and smaller firms have been bought by foreign non-banks. The industry restructuring process is gradually accelerating, as evidenced by participation in consumer finance by companies from other industries, and the expansion of consumer finance companies into other markets. Individual companies are meanwhile working to differentiate their strategies.

(2) Basic Management Policies

AIFUL's main aim is to attain support of the general public. Its efforts to expand and diversify its activities are a reflection of its basic mission to respond to the needs of all customers.

To achieve this goal, AIFUL will continue to improve the convenience and accessibility of its services in terms of both time and location. It will also work to make its services available to everyone by functioning as a "loan advisor" and as a dependable and innovative consumer finance company.

Specific moves toward these goals include the expansion of the branch and ATM networks, and the extension of operating hours. AIFUL is also diversifying its product range, which now includes not only unsecured loans, but also small real estate-secured loans, and small business loans for self-employed people.

(3) Medium- to Long-Range Business Strategies

The strategies that AIFUL will use to implement these basic policies are contained in its 7th Medium-Range Business Plan, which covers the period from the year ended March 2000 to the year ended March 2002. The basic themes identified in this plan are the reinforcement of product development capabilities, the expansion of market share and the improvement of operating efficiency. The focus of efforts to enhance product development capabilities will be the development and marketing of related products based primarily on three existing product categories: unsecured loans, small real estate-secured loans, and small business loans. Strategies to increase AIFUL's market share include the expansion of the branch network and the enhancement of the AIFUL brand image along with increased consumer support. The aim of efficiency improvements is to minimize the cost increases that tend to occur when a company is in its expansionary phase. Specific measures will include the centralization of "O-Jido-San" automatic loan application machines under 16 centralized management centers throughout

Japan, and the improvement of work-force efficiency. In addition, financing costs will be reduced through strategies that include the diversification of finance sources and the use of various interest rate hedging mechanisms.

Another focus will be the expansion of AIFUL’s range of activities. This will be achieved through an aggressive program of mergers, acquisitions and business tie-ups. AIFUL is using its branch network and know-how to expand into other areas of activity within the field of financing.

(4) Basic Policies on Profit Distribution

AIFUL’s basic policy on dividends is to distribute profits to shareholders positively and consistently on the basis of a comprehensive assessment of the economic and financial situation, industry trends and its own business performance. AIFUL’s goal is to maximize its value to shareholders by maintaining profit growth taking a medium- to long-term perspective. Retained earnings are reinvested in lending funds or used to fund the expansion of the branch network. By creating resources for future growth in this way, AIFUL aims to respond to investor expectations in the future.

(5) Improving Corporate Governance

Weekly board meetings provide a forum for in-depth discussion of day-to-day issues, management priorities and strategies, and business opportunities. AIFUL’s basic governance policy is to reach prompt management decisions after careful verification of the facts.

Management activities are subject to a system of checking functions. Compliance systems have been strengthened through audits by the Company’s own auditors and an auditing firm, and through the establishment of a Legal Department. Shareholders also participate in the management of the checking process thanks to AIFUL’s positive disclosure policy. The Public Relations Department and the Investor Relations Section of the Financial Planning Department were created as specialist units to provide information to the media, shareholders and investors. In addition to news releases, these units distribute detailed disclosure information in the form of data books. They also arrange briefings for journalists, investors and analysts and respond to media requests for information. AIFUL regards disclosure of corporate information as an important obligation for a listed company.

(6) Challenges

As stated earlier in this report, while the economic outlook remains uncertain, signs of recovery are starting to emerge. This environment is reflected in various changes in the consumer finance industry, including increased market dominance by major companies, escalating competition, participation by companies in other sectors, and diversification of consumer finance companies into other markets. These trends are all expected to intensify. AIFUL is adapting to this environment through measures designed to improve its competitiveness. For example, it is enhancing its product development and marketing capabilities, expanding its branch network, improving the accuracy of its credit management, and expanding its range of activities. At the same time, AIFUL is working to maximize its operating efficiency by minimizing costs. More than ever before, it is working to ensure long-term success and growth by maintaining a prudent management stance.

2. Business Results

(1) Overview of Half-Year Ended September 30, 1999

Summary of Operations

In the half-year ended September 30, 1999, AIFUL's policy toward its loan business called for the expansion of services networks in response to the growth of the consumer finance market. This was reflected in the establishment of 1 manned branch and 163 unmanned branches. This brought the total network as of September 30, 1999 to 1,191 branches, including 552 manned branches, 635 unmanned branches, and 4 branches specializing in secured loans. The CD-ATM network was also expanded through the formation of a new alliance with three banks and one company. The number of machines accessible to AIFUL customers increased to 15,304, including the Company's own units. These network improvements were accompanied by marketing measures. AIFUL's strategy calls for the development of a diverse line-up of unsecured loans and other products to meet a wide range of customer needs. At the same time, AIFUL responded to a continuing increase in personal bankruptcies by working to reduce bad loans through improvements in the accuracy of credit assessment procedures, including its scoring system. Efficiency improvements included the establishment of 16 centralized loan processing centers throughout Japan for automatic loan application machines. These centers will help to reduce costs by maximizing work-force efficiency.

These efforts were reflected in encouraging indications with regard to business performance. There was a positive shift in the number of new unsecured loan customers, which had been in decline from a peak recorded in fiscal 1996. In the half-year to September 30, 1999, the number of new unsecured loan customers increased by 3.3% year-on-year to 211 thousand. Moreover, the bad loan write off ratio, which had been tending to increase, remained at the previous year's level. The total balance of loans outstanding increased by 20.1% over the previous year's level to ¥915,755 million. This breaks down into ¥744,404 million (16.0% year-on-year increase) in unsecured loans, ¥160,084 million (40.5% year-on-year increase) in secured loans, and ¥11,266million (58.9% year-on-year increase) in small business loans.

M&A Strategy

AIFUL makes active use of mergers and acquisitions as a business diversification tool. On July 22, 1999, it bought the loan portfolio and operating assets of The Nippon Benefit Co., Ltd., a middle-ranked consumer finance company. As of March 31, 1999, The Nippon Benefit Co., Ltd. had ¥8.2 billion in loans to customers and a network of 19 branches throughout the Kanto region. AIFUL predicts that this kind of industry restructuring will accelerate due to market maturation and the growing dominance of major companies.

Financing

The lending stances of financial institutions have changed since the government began to inject public money into the economy at the end of March 1999. Another important change was the passage of the Non-Bank Bond Law in May 1999. AIFUL has registered as a special finance company in accordance with the law, enabling it to secure funds for its lending activities directly from the market. The result is a major improvement in both the quality and quantity of funds available.

During the period under review AIFUL worked to achieve further improvements in its financial structure. It obtained long-term loans and fixed-interest funds to guard itself against future interest rate rises. It also worked to improve the percentage of funds procured from financial institutions.

Performance Summary

Operating revenue of ¥115,689 million increased by 16.5% when compared with the result for the first half of the previous year, while ordinary income was 44.6% higher at ¥40,232 million. Net income for the first half amounted to ¥20,491 million, an increase of 60.9%. The interim dividend per share was set at ¥30.

(2) Outlook for Year Ended March 31, 2000

Based on current trends and issues, operating revenue can be expected to increase by 17.3% over the previous year's level to ¥240,425 million, and ordinary income by 23.5% to ¥85,000 million. Net income of ¥43,742 million, an increase of 53.8%, is predicted.

3. Y2K Compliance Measures

(1) Organization

To coordinate activities relating to the Y2K computer problem, AIFUL has established the Y2K Compliance Project under the leadership of the managing director in charge of information systems. This organization is responsible for compliance measures affecting not only the computer system, but all aspects of the Company’s activities. Its efforts to prepare AIFUL for every situation include reporting to the Board of Directors and ensuring that all staff are fully informed.

(2) Progress

① Computer Systems

Testing of host computer systems, including internal testing and connection testing with suppliers and customers, was completed on schedule by the end of September. Similar tests have also been completed for distributed systems, including subsidiaries’ systems. It is possible that additional testing will be required because of issues affecting suppliers and clients.

Internal testing will continue as part of efforts to ensure the effectiveness of countermeasures in preparation for the end of the millennium.

② Equipment

Various equipment, including elevators, telephone switchboards and security systems installed in offices and branches throughout Japan, are being inspected to determine whether or not these items will be affected by the Y2K problem. Where necessary, equipment is being modified.

③ Customer-Related Countermeasures

The Y2K preparedness of customers could have a direct or indirect impact on AIFUL’s own operations. A questionnaire survey has already been completed in an effort to minimize such effects. Where customers have failed to respond to the survey or have indicated that they are not Y2K compliant, written requests for further confirmation have been sent.

(3) Y2K Compliance Expenditure

Total expenditure on Y2K compliance will amount to approximately ¥100 million. This sum has already been included in the plan for the current financial year.

(4) Contingency Plan

AIFUL is continually checking its systems for Y2K compliance. At the same time, it has prepared a contingency plan defining countermeasures to be taken in the event of contingencies, including those affecting computer systems. Special organizational measures, including the establishment of a Y2K Command Center, will be implemented during the period around the turn of the century.

The Contingency Plan will be continually reviewed and amended to maximize its effectiveness. In addition, information will be distributed throughout the AIFUL organization.

4. FINANCIAL STATEMENTS
(1) Half-Yearly Balance Sheet

(Millions of yen)

	Current Half-Year As of 9/30/99		Prior Half-Year As of 9/30/98		Prior Year As of 3/31/1999	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
ASSETS		%		%		%
Current Assets:	[1,022,432]	[90.3]	[845,855]	[89.9]	[898,800]	[90.2]
Cash and cash equivalents	115,285		91,125		72,218	
Loans	915,755		762,766		837,981	
Securities	-		1,826		500	
Property for sale	2,087		3,470		2,997	
Property for sale under construction	5		372		132	
Stored goods	14		12		13	
Prepaid expenses	4,679		5,322		5,567	
Deferred tax assets	8,399		-		-	
Accrued income	7,346		6,022		6,728	
Short-term loans	221		218		221	
Investment in trusts	509		-		1,000	
Treasury stock	1		0		0	
Other	822		392		500	
Allowance for doubtful loans	-32,697		-25,675		-29,061	
Fixed assets	[109,344]	[9.7]	[95,157]	[10.1]	[97,426]	[9.8]
Tangible fixed assets:	(67,377)	(6.0)	(66,840)	(7.1)	(66,723)	(6.7)
Buildings	15,264		15,591		15,313	
Structures	2,548		1,944		2,217	
Machinery	97		120		110	
Vehicles	1		-		-	
Equipment and furniture	5,824		5,970		5,873	
Land	42,922		43,108		43,097	
Construction in progress	717		105		109	
Intangible Fixed Assets:	(4,514)	(0.4)	(581)	(0.1)	(581)	(0.1)
Operating rights	328		-		-	
Software	3,602		-		-	
Telephone rights	580		577		577	
Other	3		4		4	
Investments and Other Fixed Assets:	(37,452)	(3.3)	(27,735)	(2.9)	(30,121)	(3.0)
Investments in marketable securities	6,349		4,460		6,575	
Investments in and advances to subsidiaries	71		71		71	
Investments in equity other than capital stock	1,522		2,588		548	
Long-term loans						
Claims in bankruptcy	17,720		6,172		9,153	
Long-term prepaid expenses	16,233		17,688		16,611	
Deferred tax assets	2,074		5,395		5,071	
Lease deposits	1,060		-		-	
Other	8,336		7,766		8,038	
Allowance for doubtful loans	3,036		2,965		3,000	
Deferred Assets:	-18,952		-19,373		-18,948	
Bond issue costs	[514]	[0.0]	[126]	[0.0]	[296]	[0.0]
	514		126		296	
Total Assets	1,132,291	100.0	941,139	100.0	996.523	100.0

(Millions of yen)

	Current Half-Year As of 9/30/99		Prior Half-Year As of 9/30/98		Prior Year As of 3/31/1999	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
LIABILITIES						
Current Liabilities:	[340,306]	[30.1]	[394,312]	[41.9]	[345,716]	[34.7]
Trade notes payable	3,857		4,491		2,228	
Accounts payable	30		40		37	
Short-term debt	29,600		57,660		28,900	
Current portion of long-term debt	262,624		279,038		258,663	
Commercial paper	15,000		30,000		30,000	
Trade accounts payable	4,387		2,021		3,185	
Income taxes payable	20,749		14,459		19,476	
Accrued enterprise taxes	-		3,536		-	
Accrued expenses	1,490		795		1,121	
Accrued bonuses	2,024		1,758		1,585	
Other current liabilities	541		510		519	
Long-term Liabilities:	[561,011]	[49.5]	[357,387]	[38.0]	[447,057]	[44.9]
Bonds	130,500		15,500		80,500	
Long-term debt	429,128		340,405		365,111	
Retirement benefit for employees	147		189		168	
Retirement benefit for officers	864		855		891	
Other long-term liabilities	371		437		386	
Total Liabilities	901,318	79.6	751,699	79.9	792,774	79.6
SHAREHOLDERS' EQUITY:						
Common stock	(39,752)	(3.5)	(39,752)	(4.2)	(39,752)	(4.0)
Legal reserves:	(42,696)	(3.8)	(42,407)	(4.5)	(42,548)	(4.2)
Additional paid-in capital	41,912		41,912		41,912	
Surplus reserve	783		495		635	
Retained earnings:	(148,524)	(13.1)	(107,279)	(11.4)	(121,448)	(12.2)
General reserve	116,422		91,622		91,622	
Unappropriated retained earnings for the half-year	32,102		15,657		29,826	
[Including net income for the half-year]	[20,491]	[1.8]	[12,736]	[1.4]	[28,448]	[2.8]
Total Shareholders' Equity	230,973	20.4	189,439	20.1	203,748	20.4
Total Liabilities and Shareholders' Equity	1,132,291	100.0	941,139	100.0	996,523	100.0

(2) Interim Income Statement

(Millions of yen)

	Current Half-Year (from 4/1/99 to 9/30/99)		Prior Half-Year (from 4/1/98 to 9/30/98)		Prior Year (from 4/1/98 to 3/31/1999)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Operating revenue:	(115,689)	(100.0)	(99,299)	(100.0)	(204,957)	(100.0)
Interest on loans	110,924	95.9	95,039	95.7	196,525	95.9
Financial revenue – other	131	0.1	238	0.2	435	0.2
Operating revenue – other	4,634	4.0	4,021	4.1	7,995	3.9
Operating expenses:	(74,284)	(64.2)	(68,724)	(69.2)	(133,059)	(64.9)
Financial expenses	10,460	9.0	9,980	10.1	20,140	9.8
Financial expenses – other	1,996	1.7	916	0.9	2,305	1.1
Operating expenses – other	61,827	53.5	57,827	58.2	110,613	54.0
Operating revenue	41,405	35.8	30,575	30.8	71,897	35.1
Non-operating revenue:	(259)	(0.2)	(210)	(0.2)	(579)	(0.3)
Interest on loans	89		48		98	
Cash dividends	55		25		35	
Insurance dividends	31		38		181	
Gain from investments in leveraged lease partnership	6		56		84	
Miscellaneous income	76		42		179	
Non-operating expenses:	(1,431)	(1.2)	(2,955)	(3.0)	(3,632)	(1.8)
Provision for doubtful loans	557		64		572	
Loss on write-down of investments in marketable securities	277		807		334	
Loss on write-down of property for sale	394		129		561	
Stock issue costs	-		1,863		1,863	
Amortization of bond issue costs	127		25		182	
Miscellaneous loss	75		65		118	
Ordinary income	40,232	34.8	27,831	28.0	68,843	33.6
Special income:	(21)	(0.0)	(160)	(0.2)	(196)	(0.1)
Reversal of allowance for doubtful loans	21		160		196	
Special loss:	(246)	(0.2)	(595)	(0.6)	(4,280)	(2.1)
Loss on the disposal of fixed assets	121		126		248	
Loss on the sale of marketable securities	-		-		1,335	
Loss on write-down of investments in securities	-		-		80	
Loss on investments in leveraged lease partnership	-		-		1,999	
Provision for doubtful loans	-		468		615	
Prior year equivalent value on loss on write-down of real estate inventories	121		-		-	
Lease cancellation loss	3		-		-	

Income before taxes	40,007	34.6	27,396	27.6	64,759	31.6
Corporate income, local and enterprise taxes	20,765	18.0	14,659	14.8	36,311	17.7
Adjustment on corporation tax etc.	1,249	1.1	-	-	-	-
Net income	20,491	17.7	12,736	12.8	28,448	13.9
Retained earnings brought forward from the prior year	3,399		2,920		2,920	
Past year adjustment amount on tax effect	8,211		-		-	
Interim dividends	-		-		1,402	
Reserve for legal reserve due to interim dividends	-		-		140	
Unappropriated retained earnings at end of half-year	32,102		15,657		29,826	

Accounting Policies for Interim Financial Statements

Accounting Standards that Differ from Policies and Procedures Applied to Yearly Financial Statements

(1) Depreciation
Estimated annual depreciation of fixed assets as of September 30, 1999 was apportioned proportionately to the half-year.

(2) Directors' Retirement Benefits
Directors' retirement benefits were apportioned proportionately to the half-year on the basis of the estimated total for the year as calculated under the Directors' Retirement Benefit Regulations.

(3) Provision for Doubtful Loans
Provision for losses on doubtful loans is made up to the maximum based on individual assessments and the actual percentage of bad loan write off, as prescribed in the Corporate Income Tax Law of Japan. If that amount is deemed to be insufficient, additional provision is made. For the half-yearly period, the amount provided is based on the average of the maximum provision based on the bad loan ratio stipulated in the Corporate Income Tax Law of Japan and the actual bad loan ratios for the current and previous business years.

(4) Accounting Standards for Corporate Income Tax, Residential Tax and Enterprise Tax
The amounts are calculated by treating the half-year period as a single business year. For the purpose of calculating taxes, the maximum amount provided for doubtful loans is determined using the average actual bad loan ratio as stated in (3).

2. Valuation Standards and Methods for Inventory Assets
(1) Property for sale is stated at the lower of cost or market, cost being based on the specific identification method.
(2) Property for sale in process is stated at the cost determined by the specific identification method.
(3) Stored goods are stated using the most recent purchase method.

3. Valuation Standards when Standards Other than Cost are Applied for Assets Other than Inventory Assets
Negotiable securities quoted on an exchange are stated at the lower of cost or market value, cost being determined by the moving-average method.

4. Depreciation Method for Tangible Fixed Assets
Tangible fixed assets are depreciated by the declining balance method according to the useful life provisions of the Japanese Corporate Income Tax Law.

5. Treatment of Leases
Except for financing leases under which the title of the leased assets is deemed to be transferred to the lessee, financing leases are treated according to the method used for normal loan transactions, mutatis mutandis.

6. Other Significant Policies Affecting the Interim Financial Statements

(1) Accounting Standards for Income and Expenditure
Interest income on loans is recorded on an accrual basis. Accrued interest is recorded at the lower of the interest rate prescribed in the Interest Rate Restriction Law (the "IRRL") and the contract interest rate provided by the Company.

(2) Interest on borrowings
Interest on borrowings that relate to financial claims is included in operating expenses under financial expenses. Other interest expenses are included in financial expenses under non-operating expenses.

(3) Treatment of Consumption Tax, etc.
The accounts are prepared on an ex-tax basis, and accrued consumption tax, etc., amounting to ¥39 million is included in current liabilities under accrued expenses. Where consumption taxes, etc., pertaining to fixed assets are not refundable, the amount is included in “other” under investments and other fixed assets, and amortized to income over a five-year period on a straight-line basis.

(Additional information)
7. Accounting for enterprise taxes
These taxes were previously included in other operating expenses. Because of changes to the rules for interim financial statements, they are now included under corporate income, local and enterprise taxes, starting with these interim accounts. As a result of this change, other operating expenses are reduced by ¥4,362 million in these interim accounts, while operating income, ordinary income and net income before tax each increased by ¥4,362, compared with the results for the previous interim accounting period.

(Additional information)
8. Software Used by the Company
Until the previous interim accounting period, software was recorded in current assets under prepaid expenses and in investments and other fixed assets under long-term prepaid expenses. Under the transitional measures stipulated in the Accounting Guidelines for Research and Development Expenses and Software (Report No. 12 of Japanese Institute of Certified Public Accountants, March 31, 1999), the Company has maintained its existing accounting method. Under the provisions of the aforementioned report, however, software has been redefined from current assets (prepaid expenses) and investments and other fixed assets (long-term prepaid expenses) and is now an intangible fixed assets and depreciated on a straight-line basis over the useful life of such items within the Company (five years).

(Additional information)
9. Tax-Benefit Accounting
As a result of changes to the rules for the presentation of interim financial statements, tax-benefit accounting has been applied to these interim accounts. Because of this change, net income for the half-year has increased by ¥1,249 million and unappropriated retained earnings for the half-year by ¥9,460 million, compared with figures calculated without tax-benefit accounting.

Dividend per share

	Half-year ended 9/30/99	Half-year ended 9/30/98	Year ended 3/31/99
	Interim	Interim	Annual
Common stock	¥30.00	¥30.00	¥60.00

Notes

	Half-year ended 9/30/99	Half-year ended 9/30/98	Year ended 3/31/99
			(Millions of yen)
1. Accumulated depreciation of tangible fixed assets	15,897	13,191	14,587
2. Secured Assets			
Cash equivalents	820	820	820
Loans	383,933	324,456	304,572
Property for sale	—	608	392
Tangible fixed assets	17,062	20,408	20,050
Investments in marketable securities	153	410	156
3. Treasury Stock and Book Value at Year-End	59 stocks 1	40 stocks —	20 stocks —
4. Foreign Currency Assets			
Investments in a subsidiary	US$0 ¥0	US$0 ¥0	US$0 ¥0
Long-term loans	US$28mill. ¥2,971mill.	US$28mill. ¥2,971mill.	US$28mill. ¥2,971mill.
Investments and other assets [Long-term receivables]	US$4mill. ¥432mill.	US$4mill. ¥432mill.	US$4mill. ¥432mill.

5. Leases

Except where leased assets are deemed to be transferred to the lessee, financing leases are accounted for as operating leases.

(1) Acquisition cost, accumulated depreciation, and interim (year-end) balance of leased assets

(Millions of yen)

Current Half-Year

	Vehicles	Appliances and furniture	Total
Costs	177	26,330	26,508
Depreciation	99	17,636	17,735
Balance as of 9/30/1999	77	8,694	8,772

Previous Half-Year

	Vehicles	Appliances and furniture	Total
Costs	118	21,885	22,004
Depreciation	42	13,361	13,404
Balance as of 9/30/1998	76	8,523	8,600

Previous Year

	Vehicles	Appliances and furniture	Total
Costs	141	23,297	23,439
Depreciation	69	15,570	15,640
Balance as of 3/31/1999	71	7,727	7,798

(2) Balance of outstanding lease obligations as of September 30, 1999 (March 31, 1999)

(Millions of yen)

Within a year	5,405	5,069	5,187
Over a year	6,449	6,626	5,809
Total	11,855	11,695	10,997

(3) Lease fee payments, depreciation and interest payments

(Millions of yen)

Lease fee payment	3,204	2,847	5,820
Depreciation	2,892	2,994	5,656
Interest payment	233	253	487

(4) Computation of depreciation

Depreciation of leased tangible fixed assets is computed by the declining balance method over the related lease term using a residual value of zero.

(5) Computation of interest

Differences between the total lease fee and the acquisition cost of leased assets are deemed to be interest expenses. Such interest is allocated to each accounting period using the interest method.

6. Change in Purpose of Ownership of Tangible Fixed Assets

During the current half-yearly accounting period, buildings (¥65 million), structures (¥2 million), equipment and fittings (¥0 million) and land (¥224 million) were transferred to property for sale because of a change in the purpose of ownership. Of the valuation loss on property for sale resulting from valuation at the lower of cost or market value, the amount from the previous year (¥121 million) was shown as a special loss.

7. Change in Presentation Method

Accrued enterprise taxes and accrued business premises taxes were previously included in accrued enterprise taxes, etc. Starting with the current half-year accounting period, accrued enterprise taxes (¥4,362 million) are included in accrued corporate income taxes, etc., while accrued business premises taxes (¥23 million) are included in accounts payable.

5. BUSINESS RESULTS

(1)Operating Revenue (Millions of yen)

	Year	Current Half-Year (from 4/1/99 to 9/30/99)		Previous Half-Year (from 4/1/98 to 9/30/98)		Year ended (from 4/1/98 to 3/31/99)	
Item		Amount	Ratio (%)	Amount	Ratio (%)	Amount	Ratio (%)
Interest on loans to customers	Unsecured loans	96,610	83.5	85,303	85.9	174,846	85.3
	Secured loans	12,838	11.1	9,009	9.1	19,815	9.7
	Small business loans	1,474	1.3	726	0.7	1,864	0.9
	Subtotal	110,924	95.9	95,039	95.7	196,525	95.9
Other financial revenue	Interest on deposits	43	0.0	219	0.2	408	0.2
	Interest on marketable securities	1	0.0	0	0.0	4	0.0
	Interest on loans	86	0.1	5	0.0	9	0.0
	Other	0	0.0	13	0.0	13	0.0
	Subtotal	131	0.1	238	0.2	435	0.2
Other operating revenue	Sales of property	793	0.7	630	0.7	1,030	0.5
	Revenue from service business	760	0.6	904	0.9	1,749	0.8
	Bad debt recovery	1,596	1.4	1,278	1.3	2,620	1.3
	Other	1,483	1.3	1,208	1.2	2,594	1.3
	Subtotal	4,634	4.0	4,021	4.1	7,995	3.9
Total		115,689	100.0	99,299	100.0	204,957	100.0

Note: “Other” under “Other operating revenue” consists of clerical fees and property rent.

(2) Other Data (Millions of yen)

Year Item	Current Half-Year (as of 9/30/99)	Previous Half-Year (as of 9/30/98)	Year Ended 3/31/1999

Total Amount of Loans Outstanding	(915,755)	(762,766)	(837,981)
Unsecured loans	744,404	641,705	690,704
Secured loans	160,084	113,971	137,755
Small business loans	11,266	7,089	9,522
Number of Customer Accounts	1,913,926	1,769,836	1,822,261
Unsecured loans	1,860,867	1,730,805	1,776,319
Secured loans	44,511	33,906	38,877
Small business loans	8,548	5,125	7,065
Number of Branches	(1,204)	912	1,025
Staffed branches	552	505	540
Unstaffed branches	635	387	465
Branches for secured loans	4	4	4
Restaurants	10	11	11
Karaoke parlors	3	5	5
Number of "Ojidosan" loan-contracting machines	(1,166)	(890)	(1,002)
Number of AIFUL ATMs and Partner CDs	(15,304)	(12,057)	(14,118)
AIFUL ATMs	1,294	1,004	1,132
Partner CDs	14,010	11,053	12,986
Number of employees	3,477	3,164	3,141
Loss on write-off of loans	14,512	11,988	26,028
Allowance for doubtful loans	51,650	45,049	48,009
Net income per share	365.25	274.35	610.63
Net assets per share	4,116.95	4,051.97	4,358.03

Notes:

1. "Total Amount of Loans Outstanding" and "Number of Customer Accounts" do not include loans and customer accounts related to claims in bankruptcy, etc.
2. "Loss on write-off of loans" does not include loan losses related to claims in bankruptcy, etc. (¥531 million for the current half-year, ¥212 million for the previous half-year, and ¥1,257 million at the end of the previous business year).

6. MARKETABLE SECURITIES AND DERIVATIVES

(1) Fair Value of Marketable Securities

(Millions of yen)

Year	As of 9/30/1999			As of 9/30/1998			As of 3/31/1999		
Type	Carrying Value	Fair Value	Unrealized Gain (Loss)	Carrying Value	Fair Value	Unrealized Gain (Loss)	Carrying Value	Fair Value	Unrealized Gain (Loss)
(1) Current Assets									
Stocks	1	1	△ 0	0	0	△ 0	0	0	0
Bonds	-	-	-	-	-	-	-	-	-
Other securities	-	-	-	-	-	-	-	-	-
Sub-total	1	1	△ 0	0	0	△ 0	0	0	0
(2) Fixed Assets									
Stocks	4,464	6,265	1,801	2,856	2,895	39	4,742	5,297	554
Bonds	10	10	0	-	-	-	10	10	0
Other securities	-	-	-	-	-	-	-	-	-
Sub-total	4,474	6,276	1,801	2,856	2,895	39	4,752	5,307	554
Total	4,475	6,277	1,801	2,856	2,895	39	4,752	5,307	555

Notes:

1. Fair Values have been determined as follows:
   (1) Listed securities: Mainly Tokyo Stock Exchange closing prices
   (2) OTC traded marketable securities: As quoted by the Securities Dealers Association of Japan

2. Stocks included in "Current Assets" represent treasury stock.

3. The half-yearly balance sheet includes the following marketable securities that are not subject to disclosure.

(Millions of yen)

	As of 9/30/1999	As of 9/30/1998	As of 3/31/1999
Current assets			
Money Management Funds	-	-	500
Commercial paper	-	1,826	-
Fixed assets			
Unlisted stocks (excluding OTC marketable securities)	946	806	893
Non publicly offered domestic bonds	1,000	-	1,000
Unlisted warrants	-	750	-
Beneficiary certificates for closed investment trust funds	-	110	-
Government bonds within one year of maturity	-	8	-

(2) Contract Amount, Fair Value and Unrealized Gain/Loss for Derivative Transactions

(1) Currency derivatives

None.

(2) Interest derivatives (Millions of yen)

	As of 9/30/99	As of 9/30/98	As of 3/31/99

	Contract amount, etc.		Fair	Unrealized	Contract amount, etc.		Fair	Unrealized	Contract amount, etc.		Fair	Unrealized
		Over 1 year	Value	Gain (Loss)		Over 1 year	Value	Gain (Loss)		Over 1 year	Value	Gain (Loss)
Outside Markets: Interest Rate Swaps: Fixed rate payment, floating rate receipt	188, 276	182,000	△ 674	△ 674	62,754	62,644	△4,549	△4,549	109,460	109,240	△607	△607
Interest Rate Caps: Purchased interest rate caps	260,000 (1,881)	190,000 (1,293)	485	△1,396	225,000 (1,876)	225,000 (1,290)	319	△1,557	260,000 (2,174)	240,000 (1,584)	849	△1,324
Total	-	-	-	△2,070	-	-	-	△6,106	-	-	-	△1,932

Note:

1. The Company pays the applicable premiums for interest rate caps. The figures in parentheses are the amounts presented in the half-yearly balance sheets.
2. The notional principal amounts of interest swaps and interest caps do not represent the amounts actually paid and are simply used as the basis for calculating interest payments. The figures accordingly do not indicate the Company's exposure to market or credit risk.
3. Fair Values are based on prices indicated by the related financial institutions as contract parties.

7. Changes to Board Positions

None.