

Interim Results Information Meeting As of September 2004

November 5, 2004

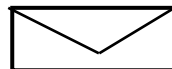


— Forward Looking Statements —

The figures contained in this presentation with respect to the plans, strategies and other statements that are not historical facts of AIFUL and the AIFUL Group are forward-looking statements about the future performance of AIFUL and the AIFUL Group which are based on management's assumptions and beliefs in light of the information currently available to it and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various facts. Potential risks and uncertainties include, without limitation, general economic conditions in the market in which AIFUL and the AIFUL Group operate business, and changes in the size of the overall market for consumer loans, the rate of default by customers, and the level of interest rates charged by AIFUL and the AIFUL Group. This presentation does not constitute any offer of any securities for sale.



<http://www.ir-aiful.com>



ir@aiful.co.jp

Interim Result for March 2005

1. Financial Results , Recent Developments & Business Strategy

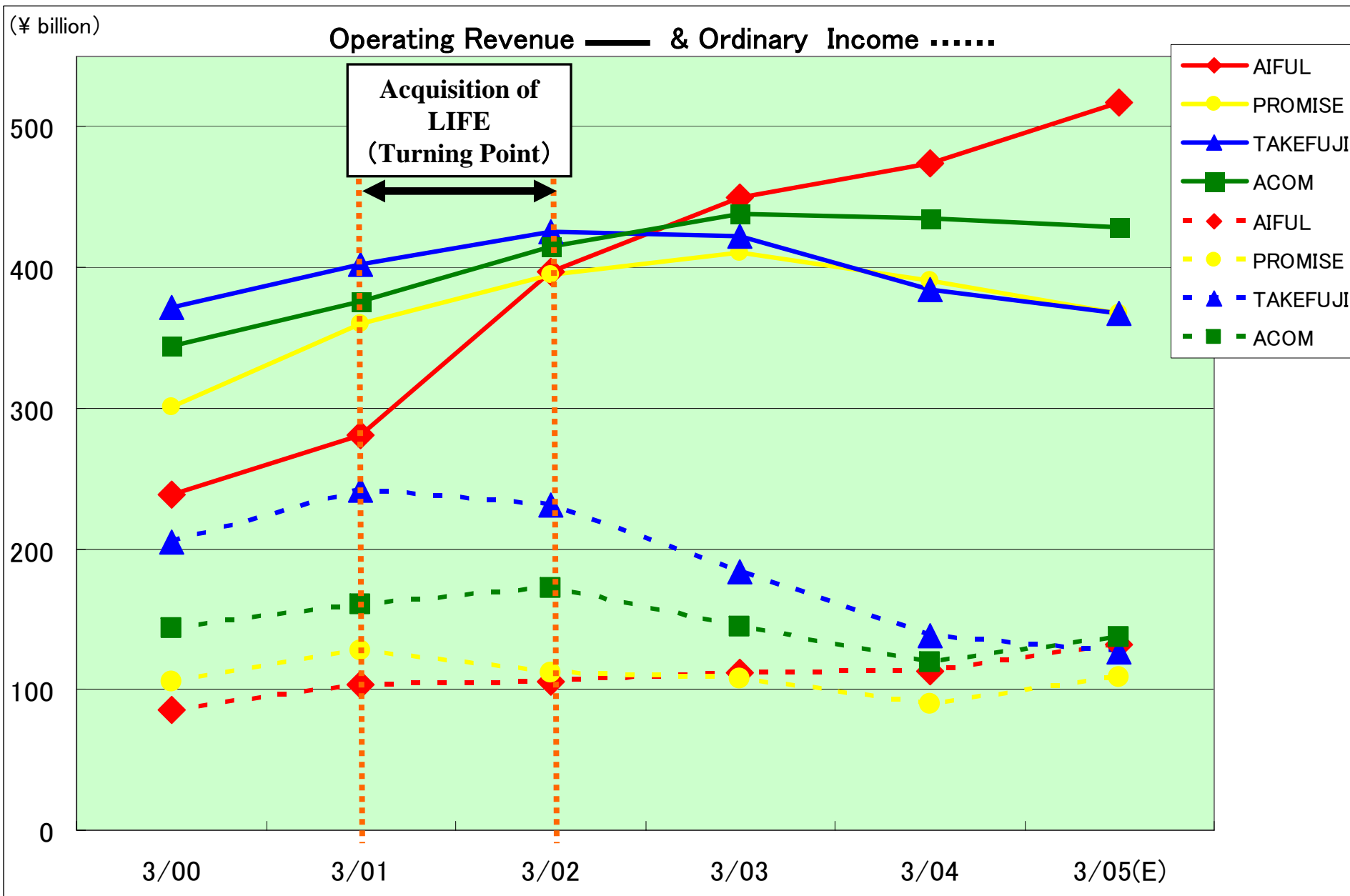
2. Progress of LIFE

Financial Results - Interim Results (Consolidated)


(¥ billion)	Sep-03 (6M)	Sep-04 (6M)	YoY	Mar-05(E)	YoY
Total Receivables (Managed)	2,255.8	2,446.5	+8.5%	2,500.7	+8.8%
Loans (Managed)	1,871.5	2,039.7	+9.0%	2,079.8	+9.0%
Loans outstanding of AIFUL	1,435.7	1,459.3	+1.6%	1,468.0	+1.1%
Shopping Receivables	252.3	270.8	+7.3%	280.6	+9.3%
Number of Loan Customer Accounts (Thousands)	3,521	3,744	+6.3%	—	—
Number of Credit Card Holders (Thousands)	10,403	11,511	+10.7%	12,057	+9.1%
Number of New Loan Customers (Thousands)	232	263	+13.4%	533	+15.6%
Operating Revenue	235.4	256.4	+8.9%	517.5	+9.3%
Operating Income	45.9	65.8	+43.3%	131.4	+16.8%
Ordinary Income	45.4	65.6	+44.3%	132.0	+17.4%
Net Income	27.5	32.7	+18.6%	66.3	+6.1%

* “Loan” related figures include loan provided to AIFUL, LIFE, and other subsidiaries. “Shopping Receivables” include credit card, installment finance and guarantee businesses provided by LIFE.

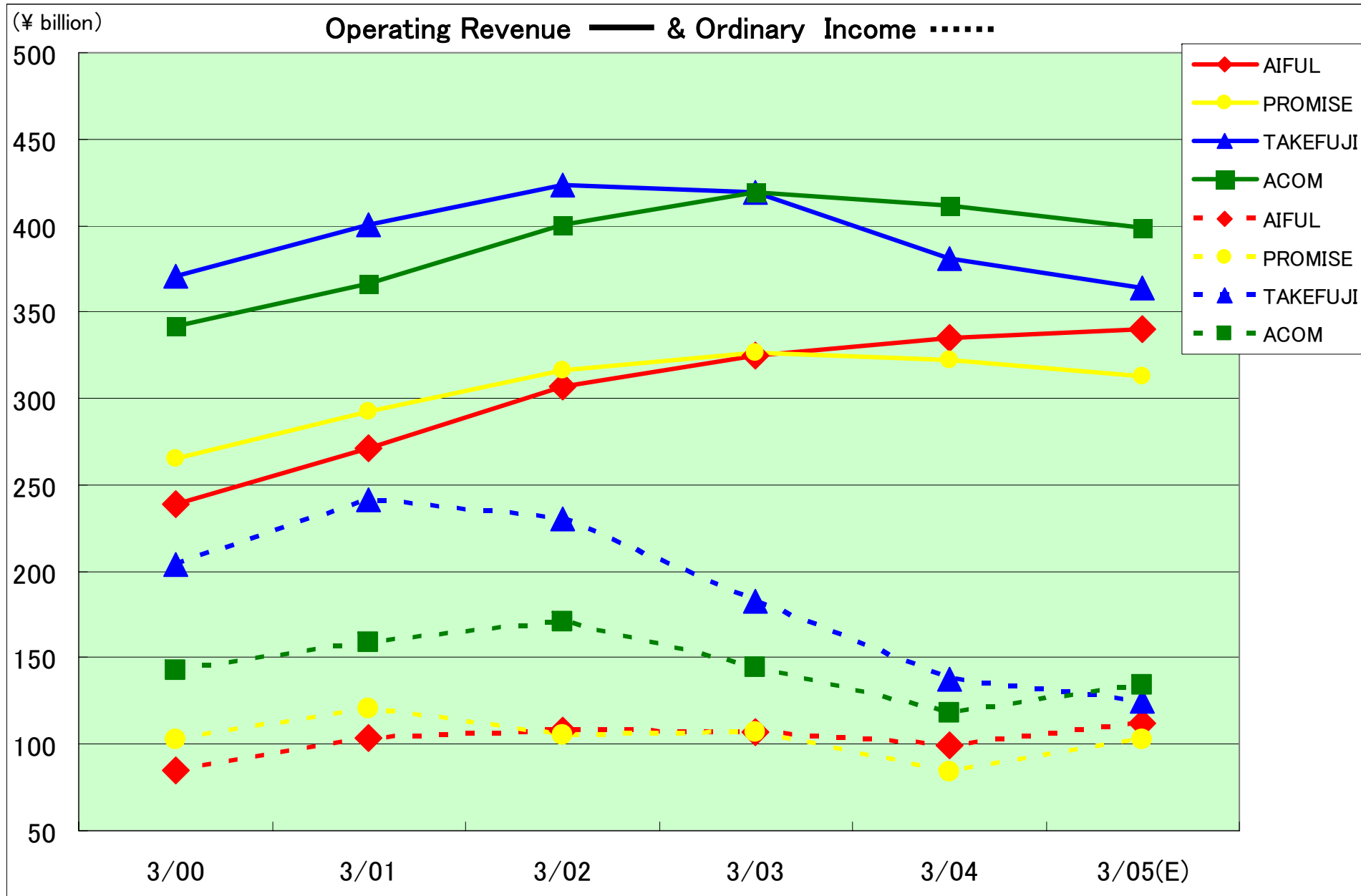
Financial Results - Trend of Operating Revenue & Ordinary Income (Consolidated)




Financial Results - Interim Results (AIFUL)

 AIFUL CORPORATION (¥ billion)	Sep-03 (6M)	Sep-04 (6M)	YoY	Mar-05(E)	YoY
Loans Outstanding	1,435.7	1,459.3	+1.6%	1,468.0	+1.1%
Unsecured	1,074.5	1,085.5	+1.0%	1,089.9	+0.8%
Home Equity Loan	335.7	343.5	+2.3%	342.7	+0.0%
Small Business Loan	25.4	30.1	+18.5%	35.3	+26.4%
Number of Accounts (Thousands)	2,269	2,232	-1.6%	2,233	-0.6%
Number of New Loan Customers (Thousands)	182	177	-2.8%	360	+1.4%
Number of Branches	1,573	1,559	—	1,570	—
Operating Revenue	166.8	169.9	+1.9%	340.0	+1.5%
Operating Income	41.1	52.9	+28.6%	106.8	+12.2%
Recurring Income	42.6	54.6	+28.3%	112.0	+13.2%
Net Income	21.2	30.1	+42.0%	59.6	+12.3%


Financial Results - Trend of Operating Revenue & Ordinary Income (Non-Consolidated)




Financial Results – Credit Card Subsidiary “LIFE”

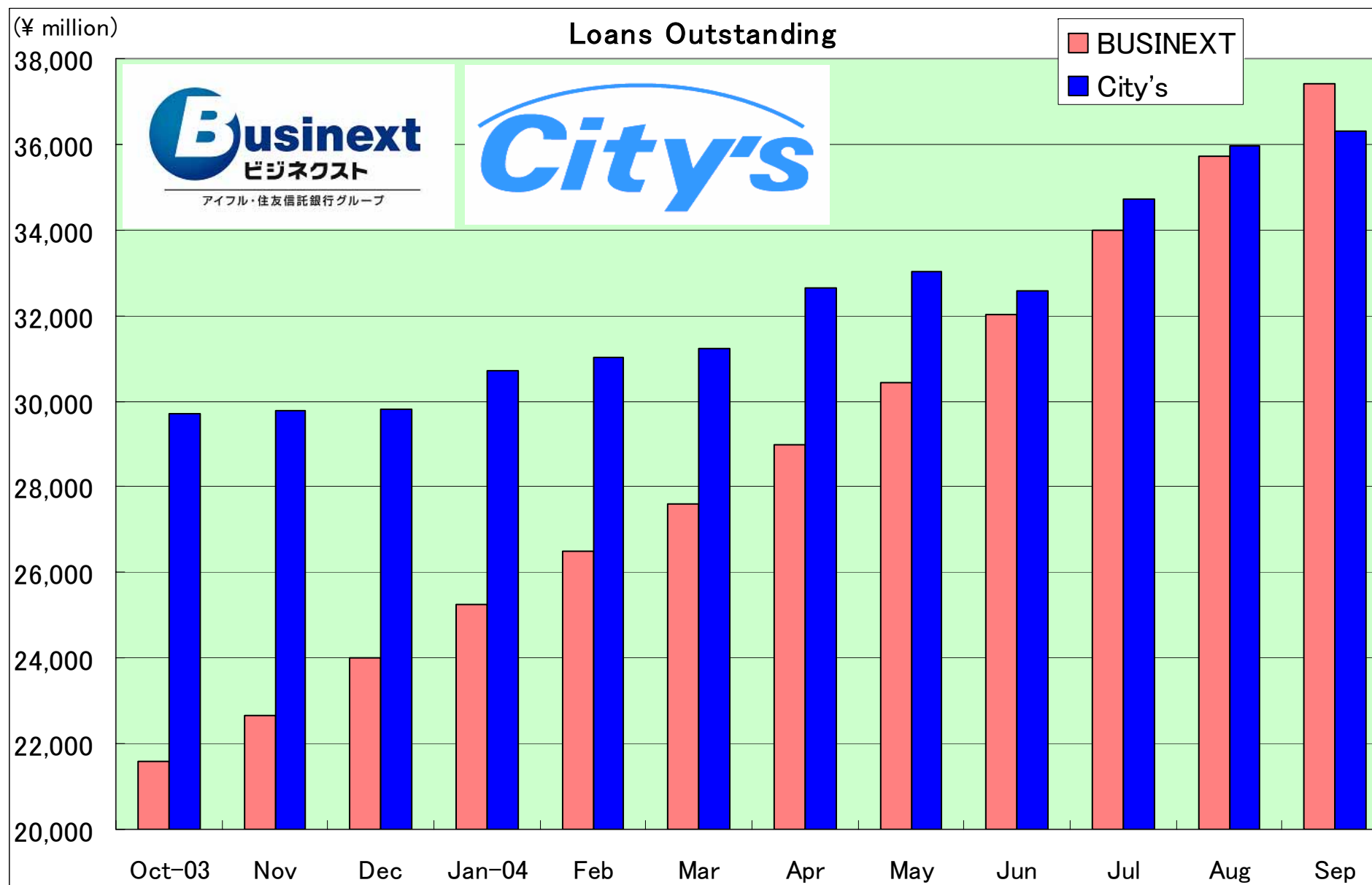
 (¥ billion)	Sep-03 (6M)	Sep-04 (6M)	YoY	Mar-05(E)	YoY
Transaction Volume	322.2	357.5	+10.9%	724.7	+9.5%
Credit card purchases	151.1	176.4	+16.8%	366.6	+15.2%
Receivable Outstanding (Managed)	688.7	729.0	+5.9%	746.6	+6.3%
Credit card purchases	68.9	74.6	+8.3%	76.7	+7.3%
Installment finance	183.4	196.2	+7.0%	203.9	+10.1%
Credit card-cash advance	199.2	208.4	+4.6%	209.9	+3.5%
LIFE Cash Plaza	125.0	147.0	+17.6%	155.6	+14.8%
Guarantee	111.2	102.2	-8.1%	99.8	-6.1%
Number of Card Holders (Thousands)	10,392	11,475	+10.4%	12,057	+9.3%
Operating Revenue	55.3	59.8	+8.1%	122.1	+9.5%
Operating Income	4.0	7.7	+89.4%	15.4	+31.1%
Ordinary Income	4.1	7.7	+87.5%	15.5	+28.3%
Net Income	8.9	5.7	-36.0%	10.1	-37.0%

Financial Results – SME Loan Subsidiaries “BUSINEXT” and “City’s”



 (¥ billion)	Sep-03(6M)	Sep-04(6M)	YoY	Mar-05(E)	YoY
Loans Outstanding	20.2	37.4	+85.1%	46.9	+70.1%
Number of Accounts (Thousands)	17	27	+57.7%	32	+45.5%
Number of New Loan Customers (Thousands)	6	6	+8.6%	13	+8.3%
Operating Revenue	1.2	2.3	+86.6%	5.4	+81.4%
Recurring Income	-0.5	0.1	—	0.4	—
Net Income	-0.5	0.1	—	0.4	—

 (¥ billion)	Sep-03(6M)	Sep-04(6M)	YoY	Mar-05(E)	YoY
Loans Outstanding	28.9	36.3	+25.4%	45.5	+46.1%
Number of Accounts (Thousands)	15	17	+14.8%	21	+40.0%
Number of New Loan Customers (Thousands)	1	3	+85.6%	9	+125.0%
Operating Revenue	3.6	4.3	+18.6%	9.4	+27.9%
Recurring Income	0.8	1.2	+44.9%	2.3	-22.4%
Net Income	0.3	0.6	+98.1%	1.2	-17.4%

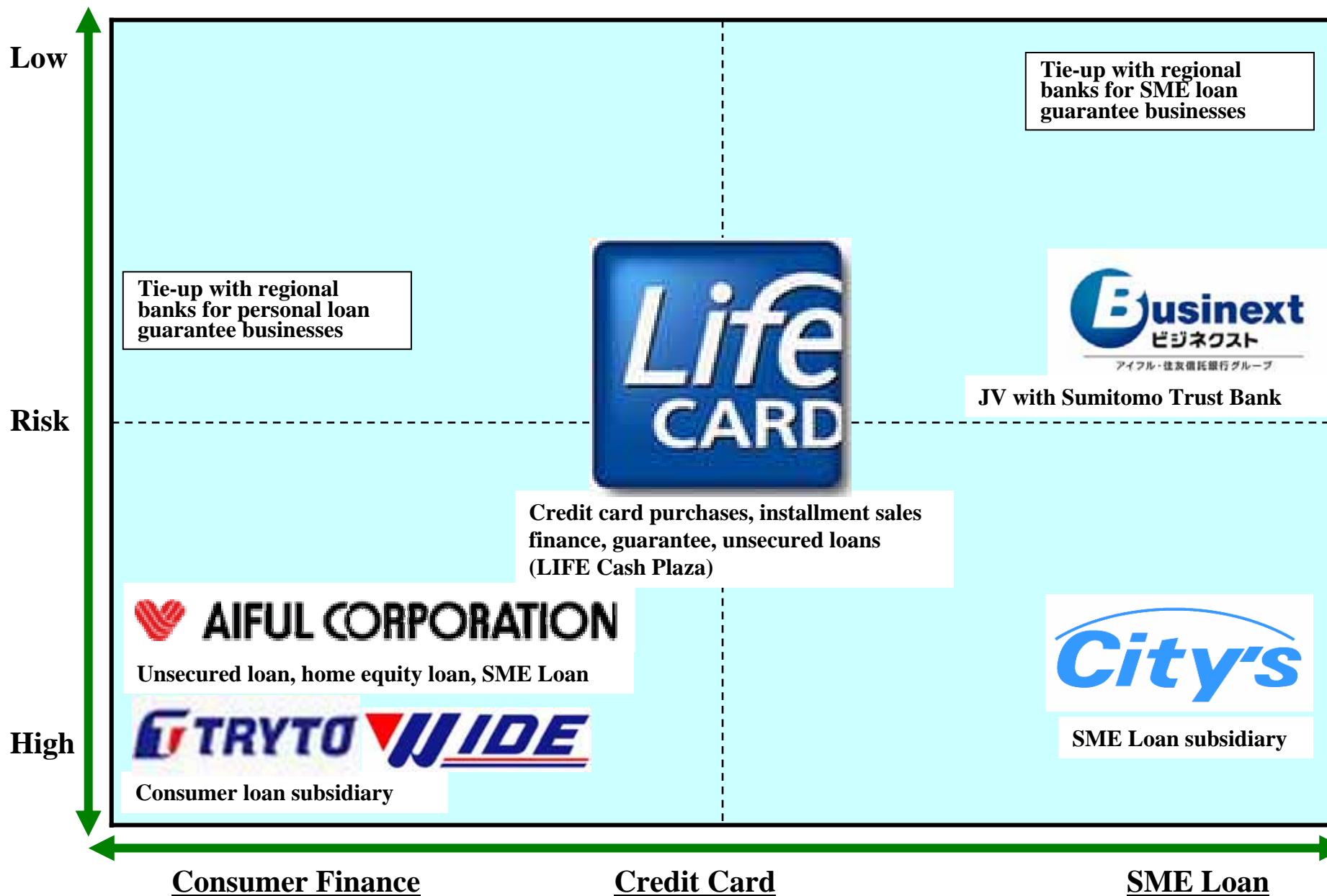
Financial Results – SME Loan Subsidiaries “BUSINEXT” and “City’s”



Financial Results - Consumer Finance Subsidiaries “WIDE” and “TRYTO”

 (¥ billion)	Sep-03(6M)	Sep-04(6M)	YoY	Mar-05(E)	YoY
Loans Outstanding	N.A.	94.7	—	95.7	—
Number of Accounts (Thousands)	N.A.	199	—	199	—
Number of New Loan Customers (Thousands)	N.A.	22	—	46	—
Operating Revenue	N.A.	11.5	—	23.1	—
Recurring Income	N.A.	0.9	—	1	—
Net Income	N.A.	-0.01	—	0.006	—
 (¥ billion)	Sep-03(6M)	Sep-04(6M)	YoY	Mar-05(E)	YoY
Loans Outstanding	61.8	55.9	-9.7%	57.4	-1.6%
Number of Accounts (Thousands)	184	167	-9.2%	164	-6.3%
Number of New Loan Customers (Thousands)	13	16	+23.1%	33	+43.5%
Operating Revenue	8.0	7.1	-11.8%	14.4	-7.9%
Recurring Income	-0.3	1.3	—	2.3	+73.0%
Net Income	-0.2	0.7	—	1.1	+58.3%

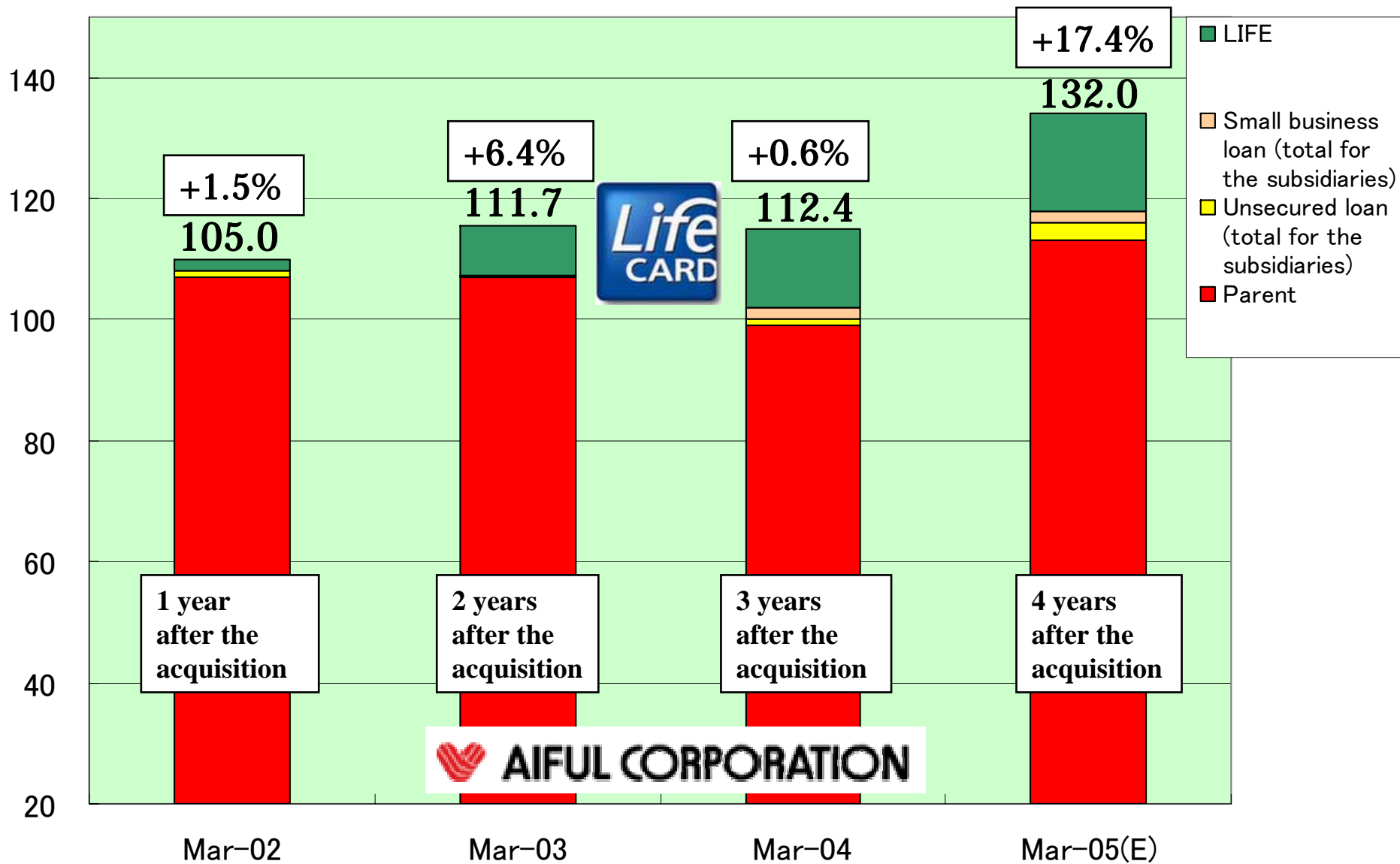
Financial Results - Diversification of Product & Customer Acquisition



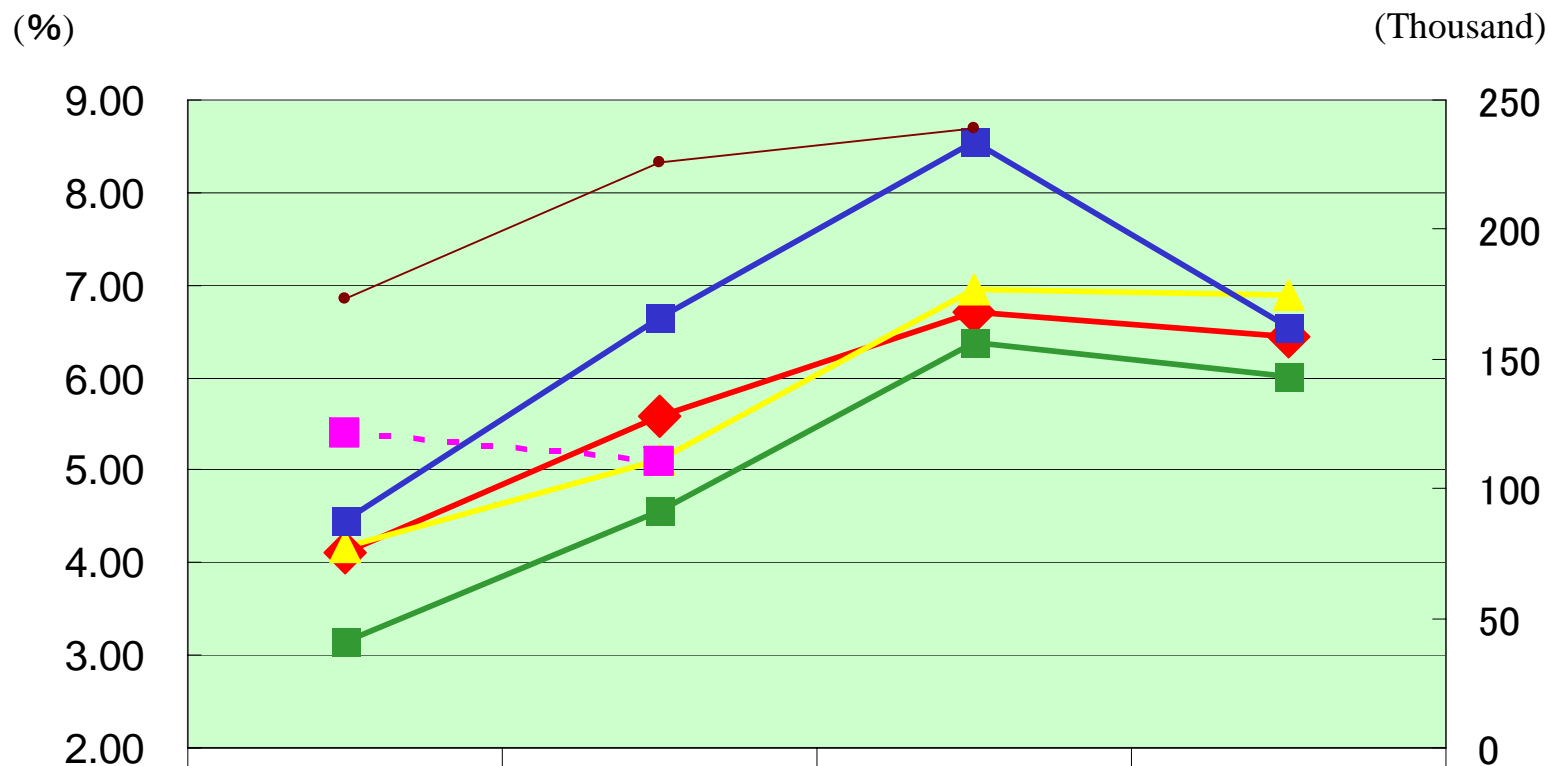
Financial Results - Change of Ordinary Income

(¥ billion)

Ordinary Income



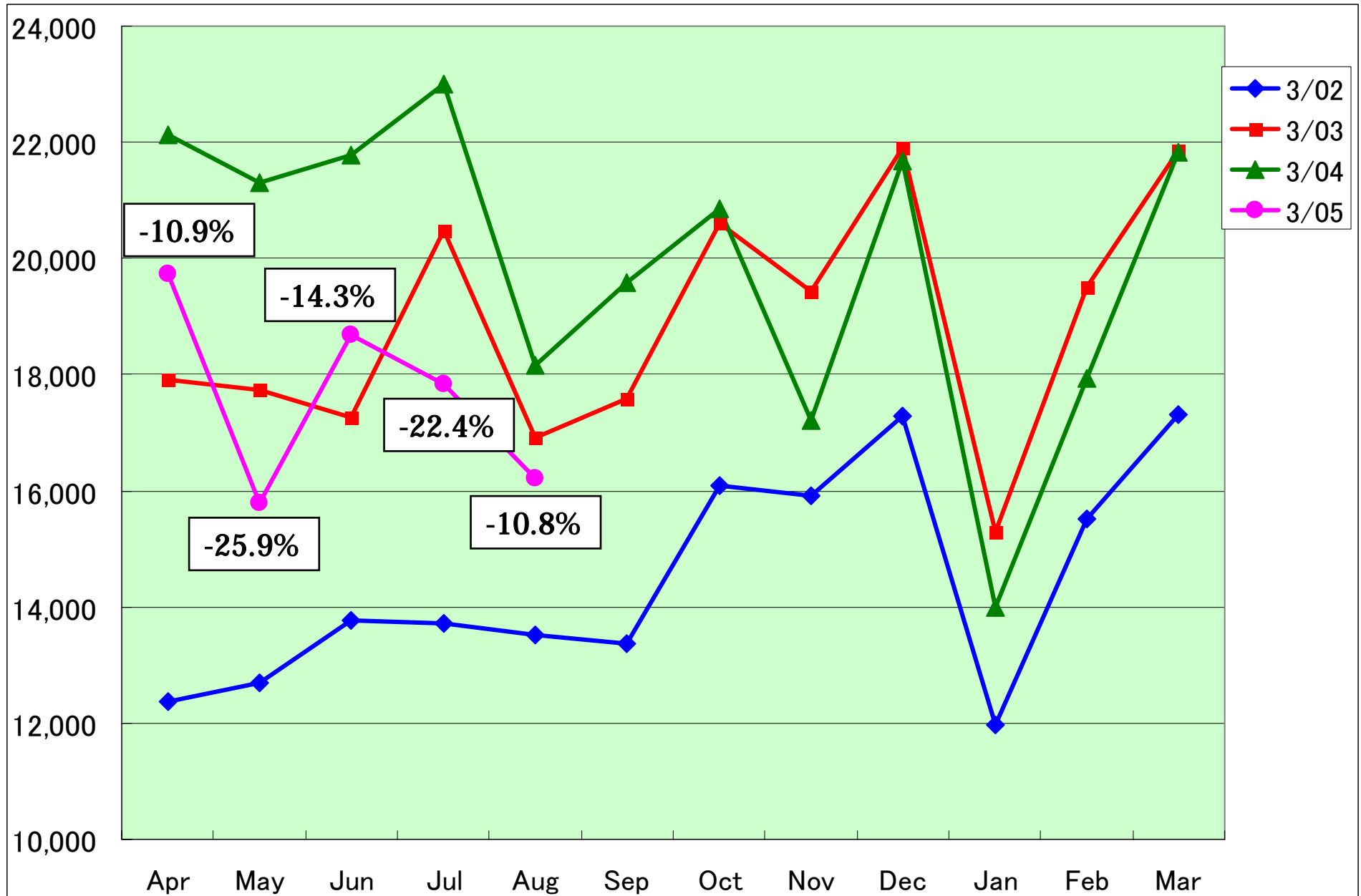
Bad Debts - Bad Debt Write-off Ratio



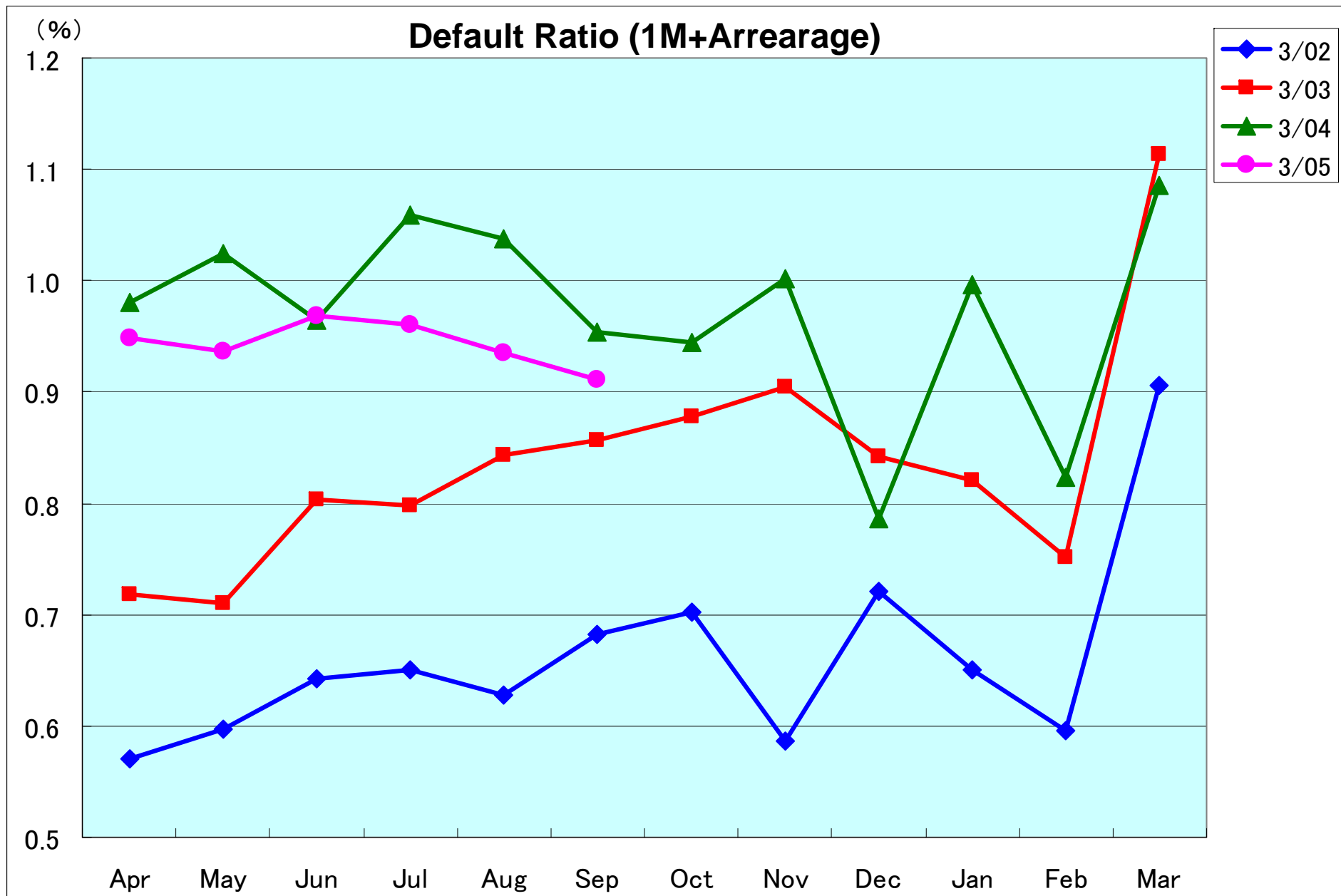
◆ AIFUL	4.10	5.59	6.71	6.44
▲ PROMISE	4.16	5.12	6.95	6.90
■ TAKEFUJI	4.45	6.64	8.55	6.55
■ ACOM	3.15	4.56	6.38	6.02
- ■ - Unemployment rate	5.40	5.10	—	—
● Bankruptcy	173	226	239	—

Bad Debts - Trend of Personal Bankruptcy

(Japan Supreme Court)



Bad Debts - Default Ratio (AIFUL)

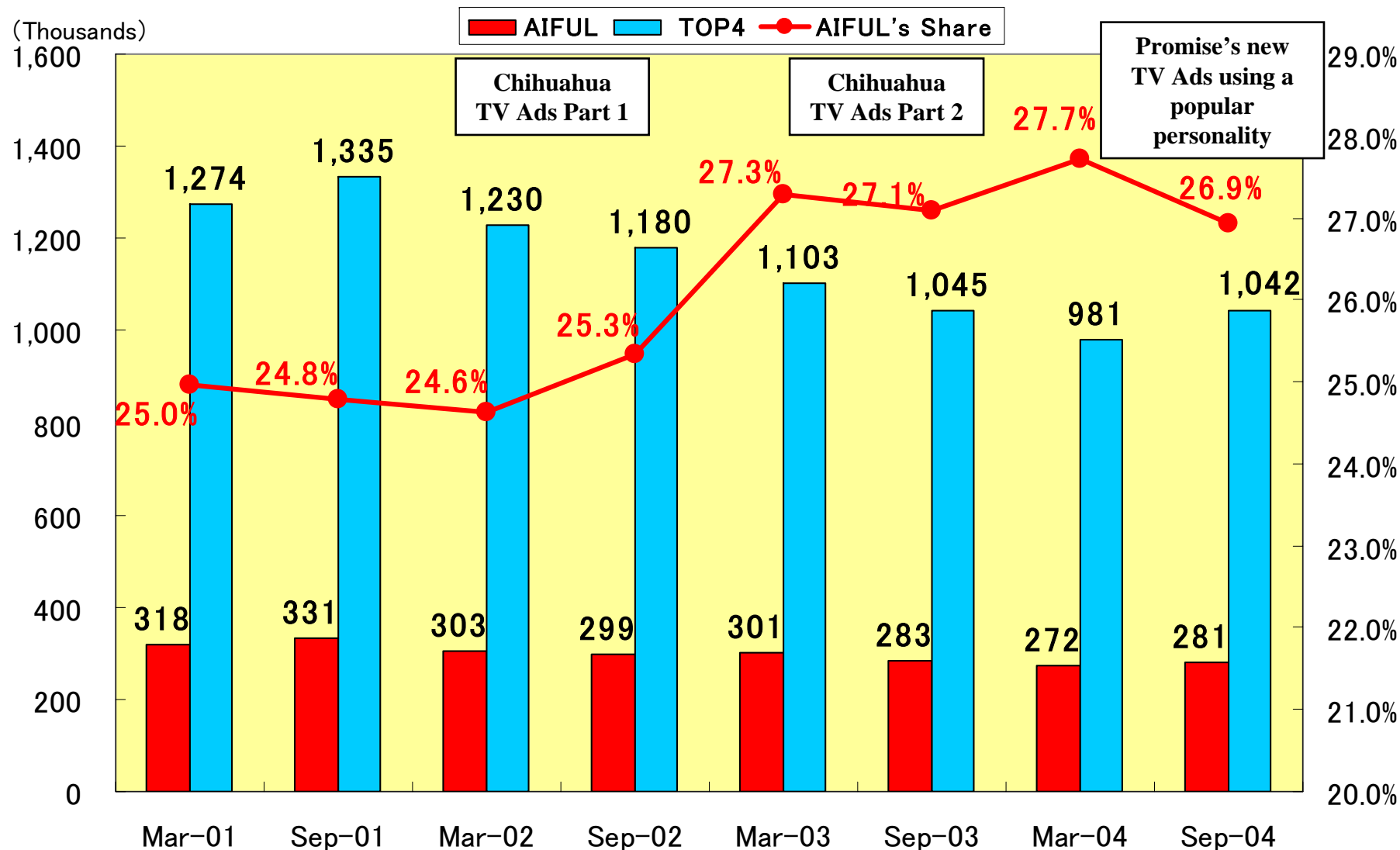


Bad Debts - NPL, Bad Debt Ratio, 4 FSA Categories (AIFUL)

Delinquent loan type	Sep-03	Mar-04	Sep-04	Mar-05(E)
<u>Defaulted loans</u>	5.95%	6.02%	6.18%	6.22%
Total of the 4 loan categories	6.13%	6.47%	6.71%	—
Restructured loans	3.28%	3.44%	3.58%	—
Loans 3 months+ in arrears	0.87%	0.83%	0.87%	—
Loans in arrears	1.60%	1.75%	1.83%	—
Loans to bankrupt parties	0.38%	0.45%	0.44%	—
Bad debt reserve	7.13%	6.89%	6.95%	7.08%
Current assets	5.76%	5.63%	5.60%	5.57%

<u>Write-off ratio, by reason</u>	Sep-03	Mar-04	Sep-04
Bankruptcy	45.4%	42.3%	37.9%
<u>Legal Settlement, etc.</u>	26.6%	28.3%	29.3%
Loss of contact, etc.	19.1%	18.9%	21.0%
No will to pay	8.9%	10.6%	11.8%

New Accounts - New Applications for Unsecured Loans (Mar.2001-Sep.2004)

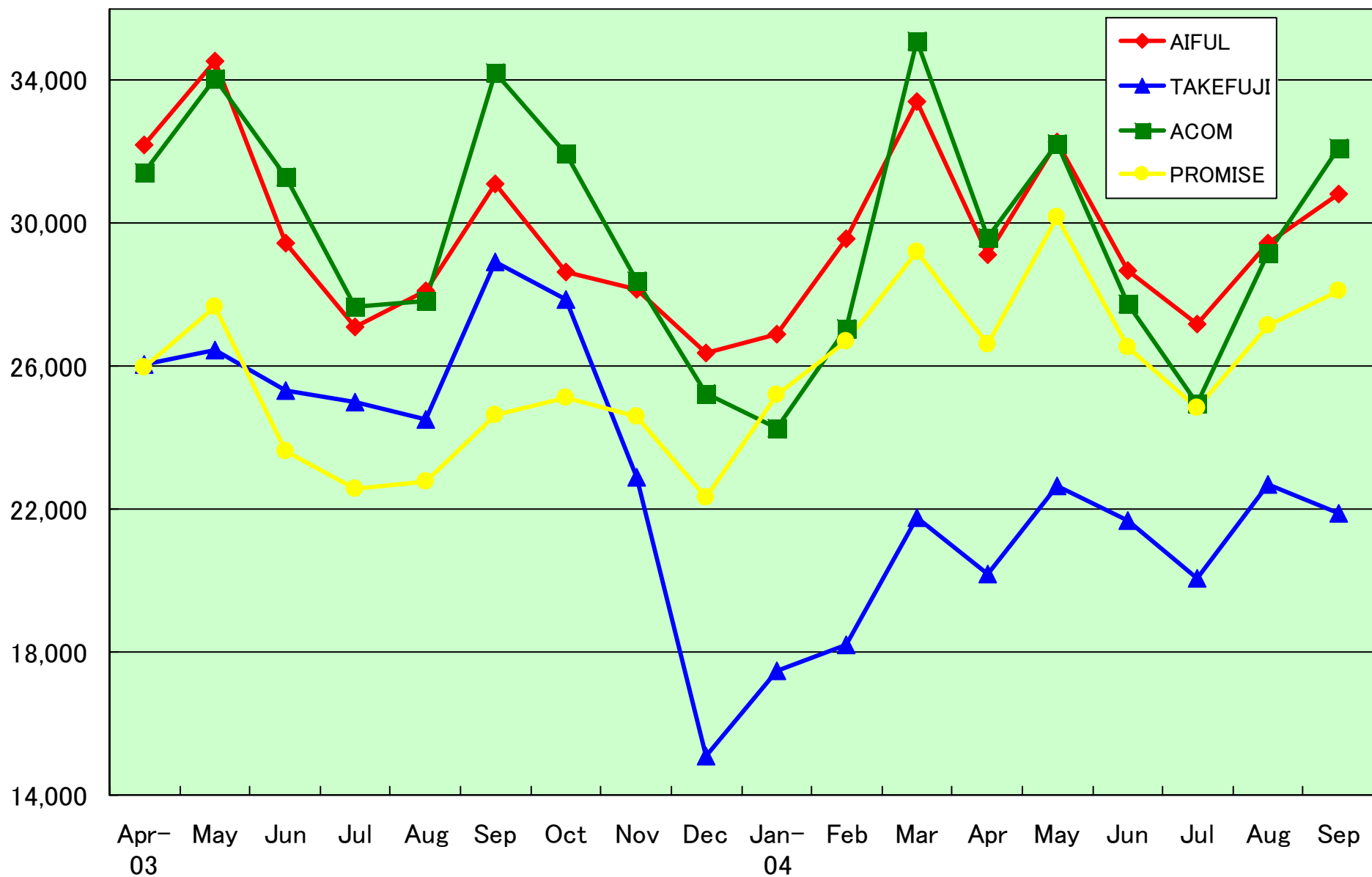


The ratio of a new customer without the debt from the other company	33.5%	34.4%	35.2%	36.5%

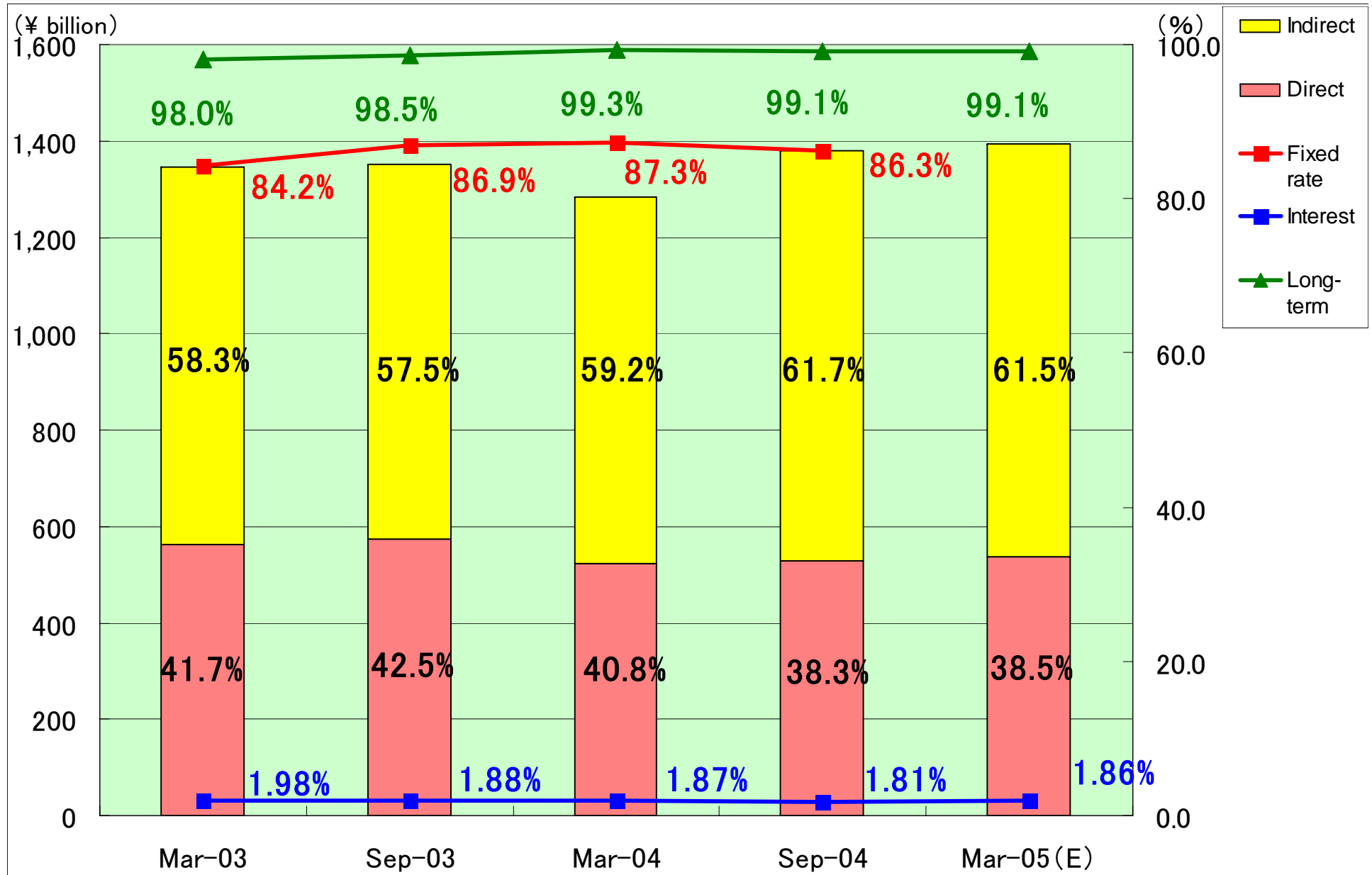
※"STARNET" has started in Mar-03

New Accounts - New Account Acquisition for Unsecured Loans (Apr.2003-Sep.2004)

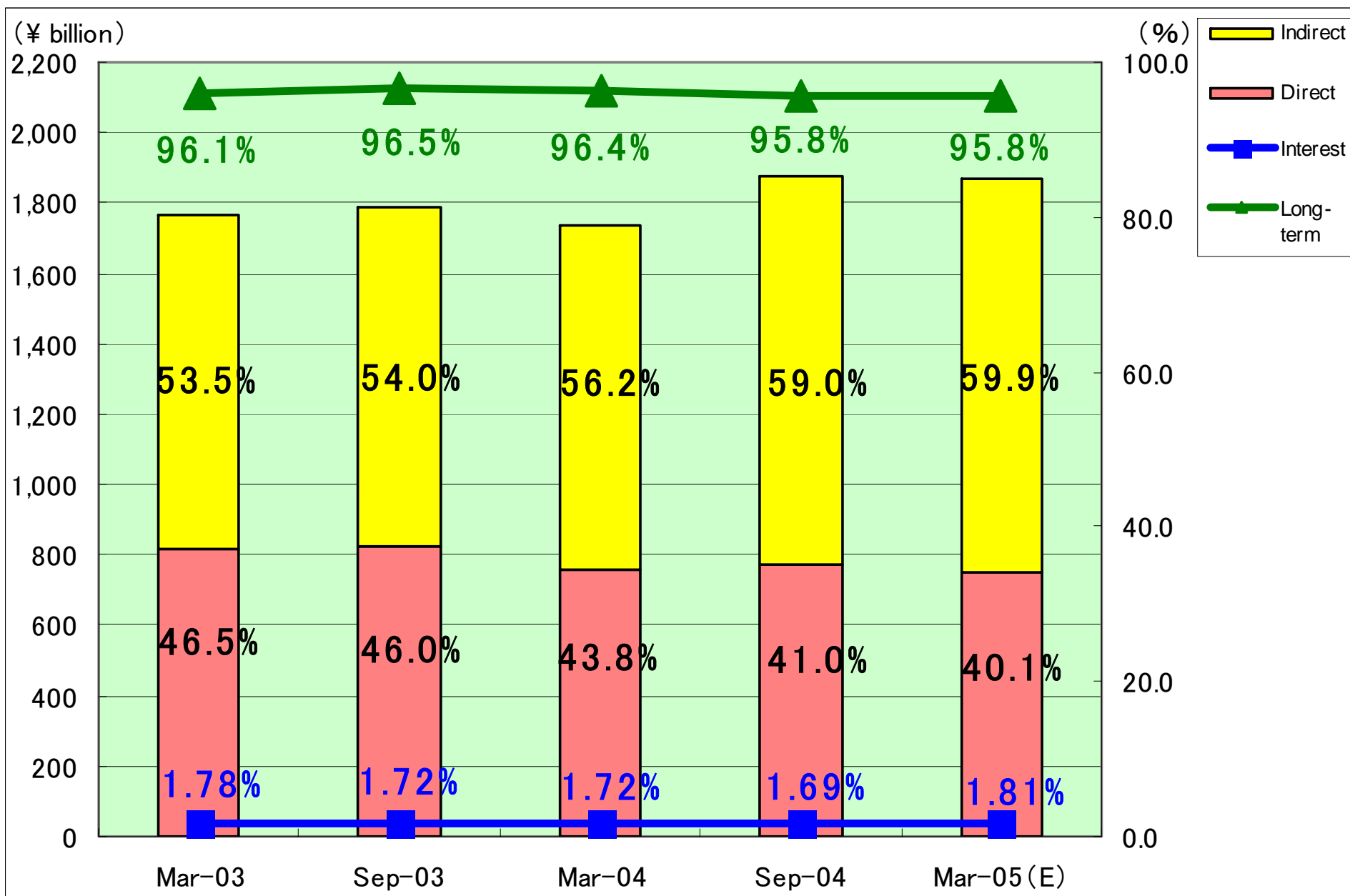
New Account Acquisition



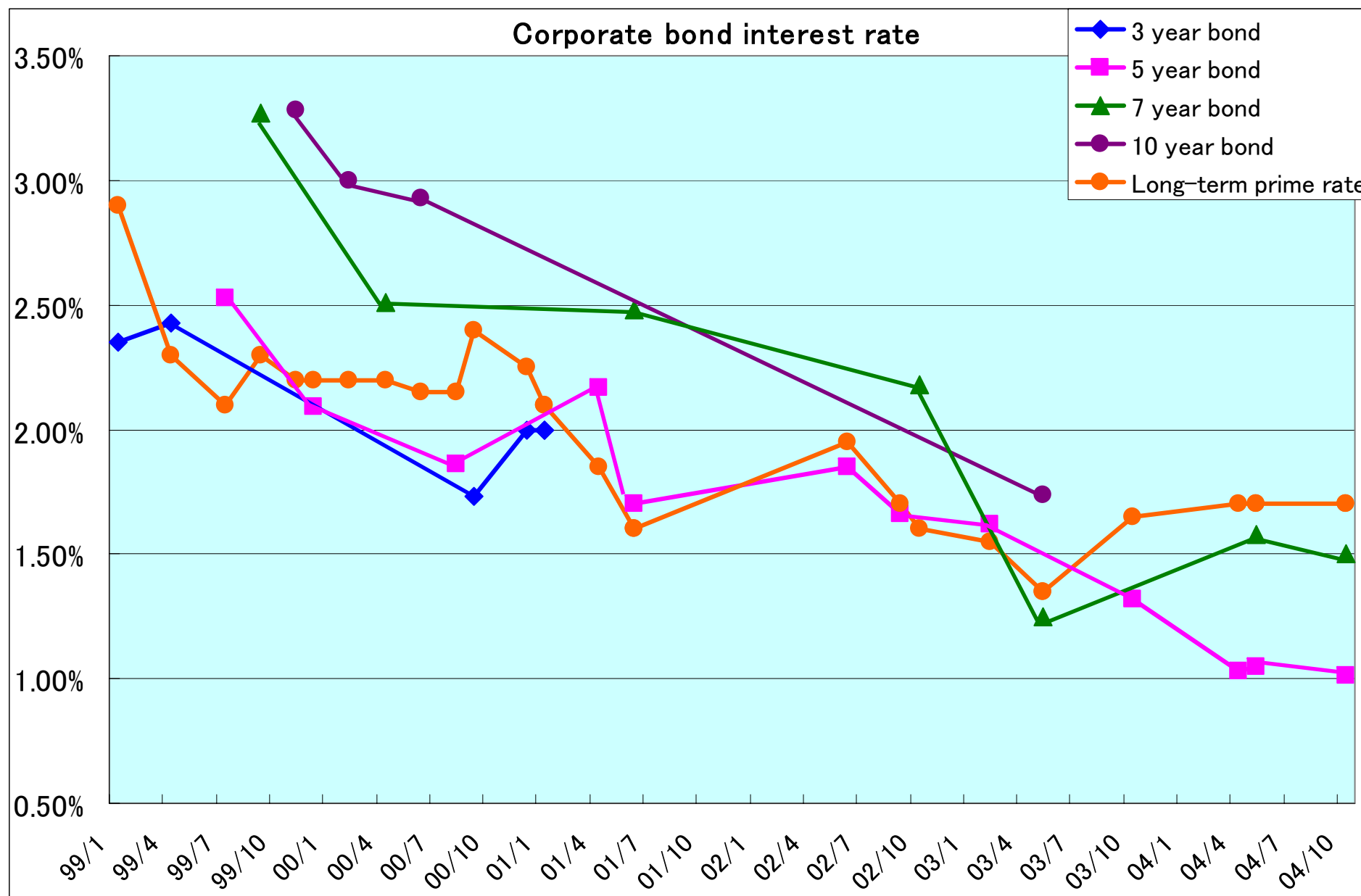
Funding - AIFUL (Non-consolidated)



Funding - AIFUL Group (Consolidated)



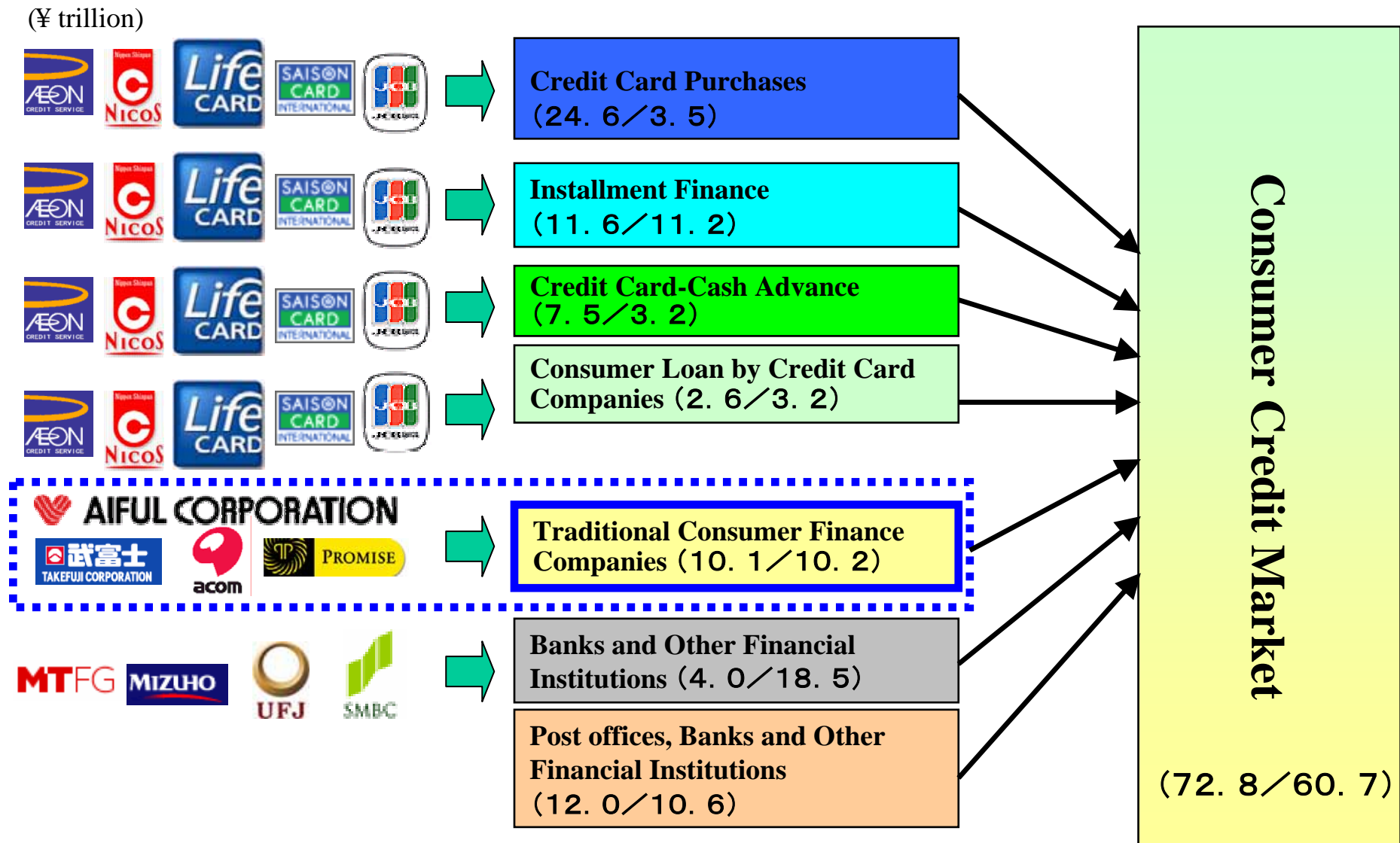
Funding - Corporate bond interest rate




























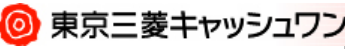



Management Strategy

Diversification Strategy - Overview of Japanese Consumer Credit Market

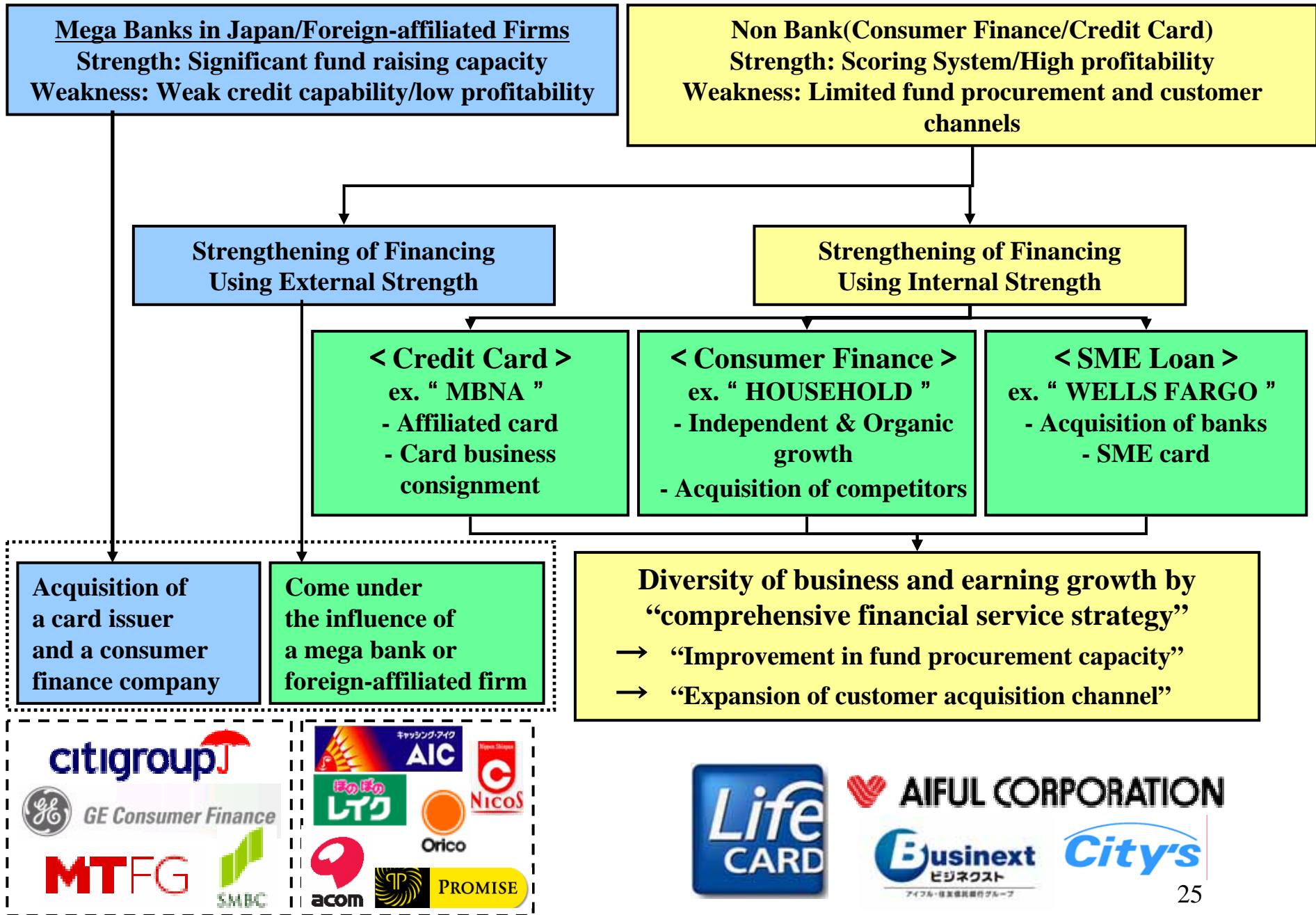


Source: Consumer Credit Market Statistics, Japan Consumer Credit Industry Association
 Note : (Transaction volume per annum / Credit outstanding)

Diversification Strategy - Main Players in the Consumer Credit Market

Mega Banks					Others
Bank Affiliated Cards			 		
Shinpan Cards			 		 
Retailer Affiliated Cards					 
Companies Dedicated to Consumer Finance					 
Joint Corporations					 <small>アイフル・住友銀行グループ</small>

Diversification Strategy – “Able to Access Critical Skills across Sectors”



Diversification Strategy - Capital Efficiency

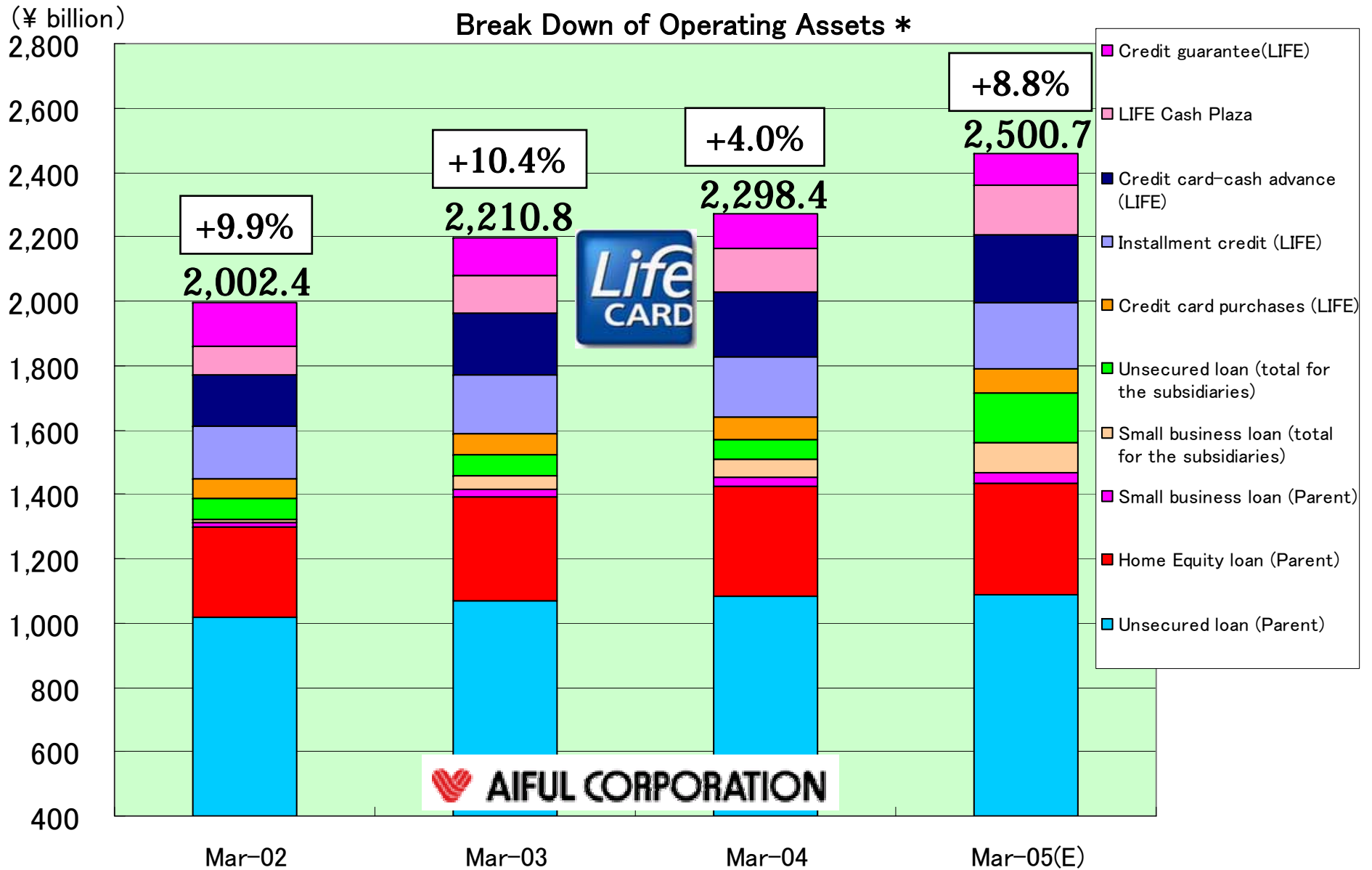
Sep-04	AIFUL	TAKEFUJI	ACOM	PROMISE
ROA (Non-consolidated)	3.1%	3.1%	4.5%	4.4%
ROE (Non-consolidated)	11.2%	6.5%	11.8%	10.8%
ROA (Consolidated)	2.7%	3.0%	4.3%	4.7%
ROE (Consolidated)	<u>11.6%</u>	<u>6.4%</u>	<u>11.6%</u>	<u>11.4%</u>
Leverage (Consolidated)	4.3 ×	2.1 ×	2.7 ×	2.5 ×
Leverage (Non-consolidated)	3.6 ×	2.1 ×	2.6 ×	2.4 ×
Credit Rating (S&P)	BBB	BBB	BBB+	BBB+
Equity Ratio (Consolidated)	<u>23.0%</u>	<u>47.7%</u>	<u>41.0%</u>	<u>44.7%</u>
Shareholders' Equity (Consolidated)*¥billion	577.3	921.7	832.8	765.0
Total Assets (Consolidated)*¥billion	2,506.5	1,933.7	2,030.4	1,710.6
The rate of increase for the past five years	+121%	+8%	+20%	+29%

*ROE = Interim net income / Averaged shareholders equity / Number of 1H days (183) * 365

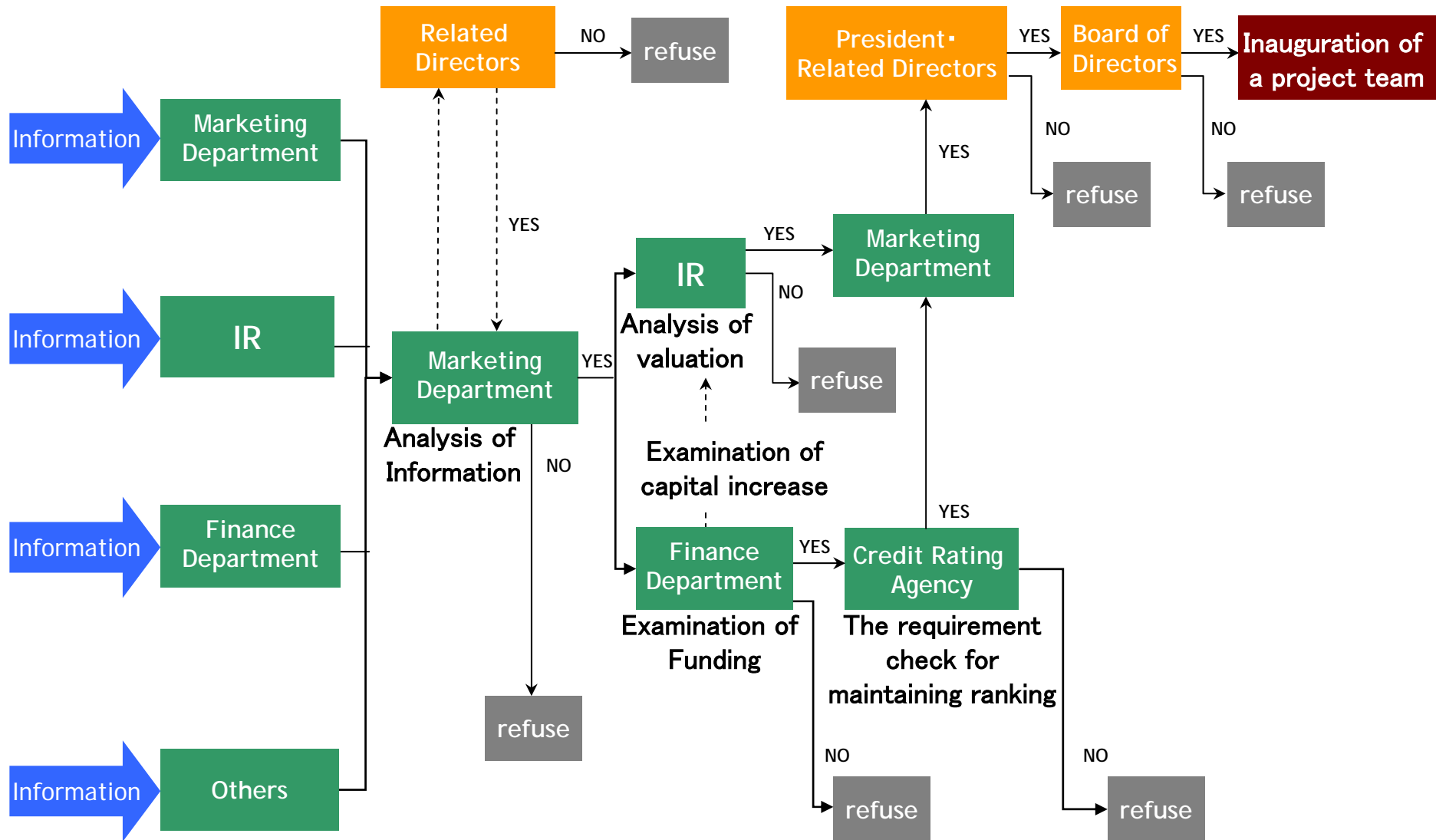
*ROA = Interim net income / Averaged total assets / Number of 1H days (183) * 365

26

Diversification Strategy - Risk Diversification



Diversification Strategy – Internal M&A evaluation process





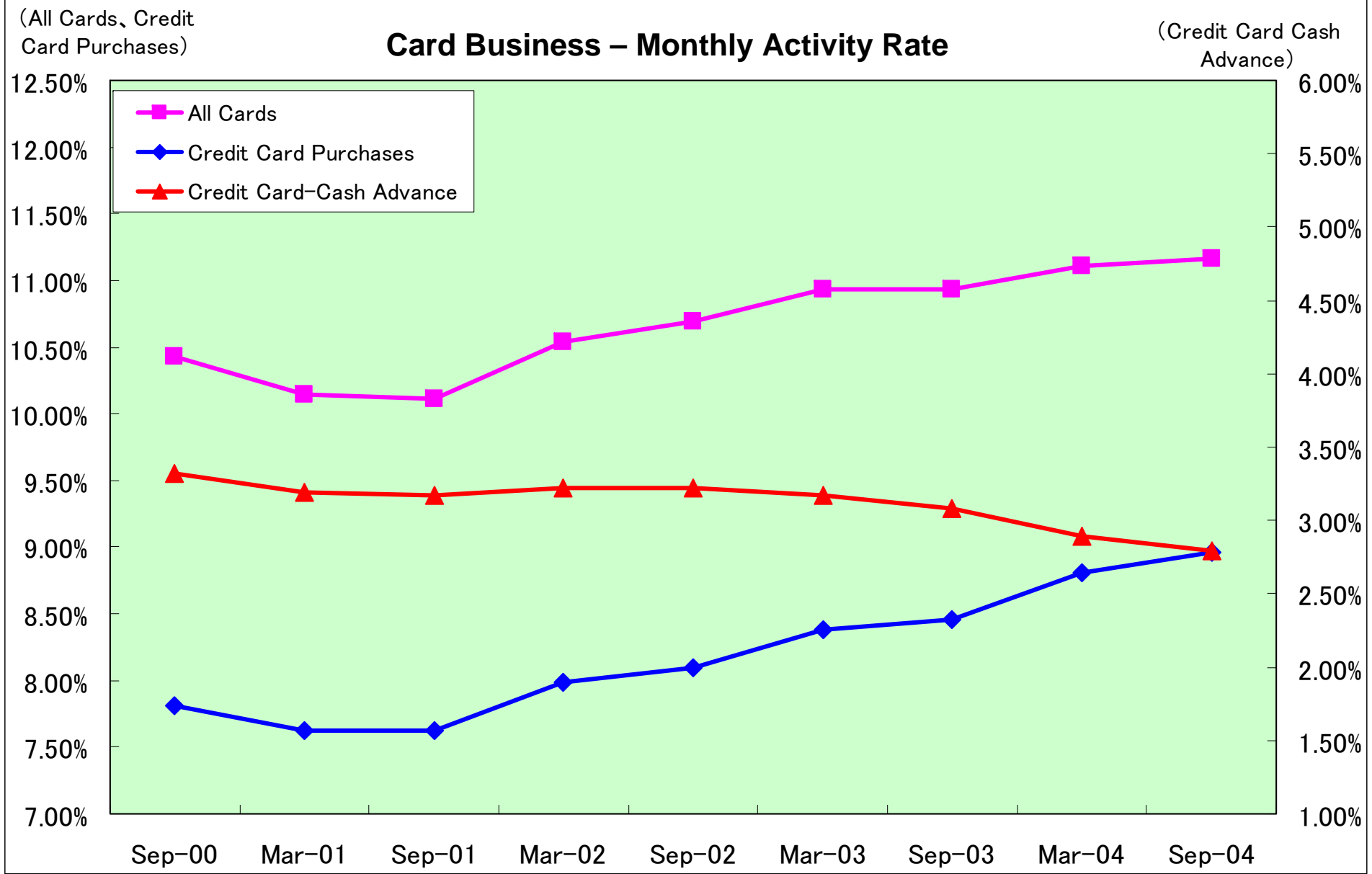
Progress of LIFE

LIFE (1)-1 - Operating Results

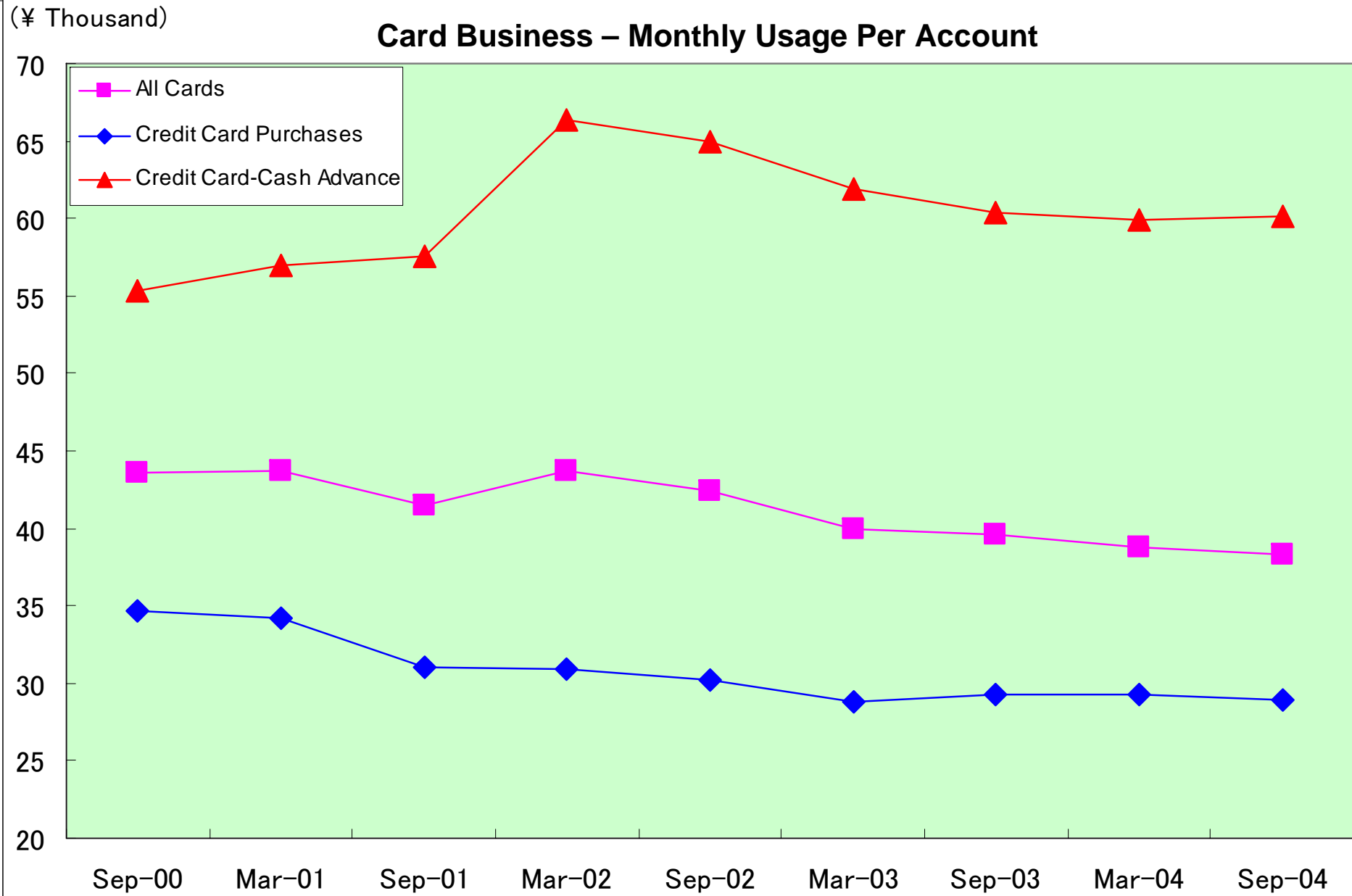
(¥ million)

	Sep-03	Mar-04	Sep-04	YoY	Mar-05	YoY
	(6M)		(6M)		(E)	
Number of card holders (Thousand)	10,392	11,032	11,475	+10%	12,057	+9%
Proper	1,578	1,625	1,677	+6%	1,760	+8%
Affinity	8,814	9,406	9,797	+11%	10,296	+9%
Number of new issue (Thousand)	1,007	2,142	1,050	+4%	2,145	+0%
Proper	92	192	102	+11%	244	+27%
Affinity	914	1,950	947	+4%	1,901	-3%
Credit card purchase results	264,875	543,507	289,964	+9%	590,699	+9%
Credit card purchases	151,159	318,115	176,482	+17%	366,612	+15%
Credit card-cash advance	113,716	225,392	113,482	-0%	224,087	-1%
Installment finance purchase results	57,372	118,131	67,541	+18%	134,041	+13%
Merchant members	86,793	90,556	93,627	+8%	98,815	+9%

LIFE (1)-2 - Card Business – Monthly Activity Rate



LIFE (1)-3 - Card Business – Monthly Usage Per Account



LIFE (2) - Operating Results (1)

(¥ million)

	Sep-03	Mar-04	Sep-04	YoY	Mar-05	YoY
	(6M)		(6M)		(E)	
Total	688,738	702,202	729,081	+6%	746,625	+6%
Expanding businesses	576,486	603,022	638,541	+11%	662,014	+10%
Credit card purchases	68,932	71,508	74,635	+8%	76,731	+7%
Installment finance (Exclude automobile)	166,466	173,560	186,558	+12%	194,008	+12%
Credit card-cash advance	199,276	202,819	208,402	+5%	209,950	+4%
LIFE Cash Plaza	125,049	135,543	147,029	+18%	155,612	+15%
Bank loan (New product)	16,761	19,590	21,916	+31%	25,711	+31%

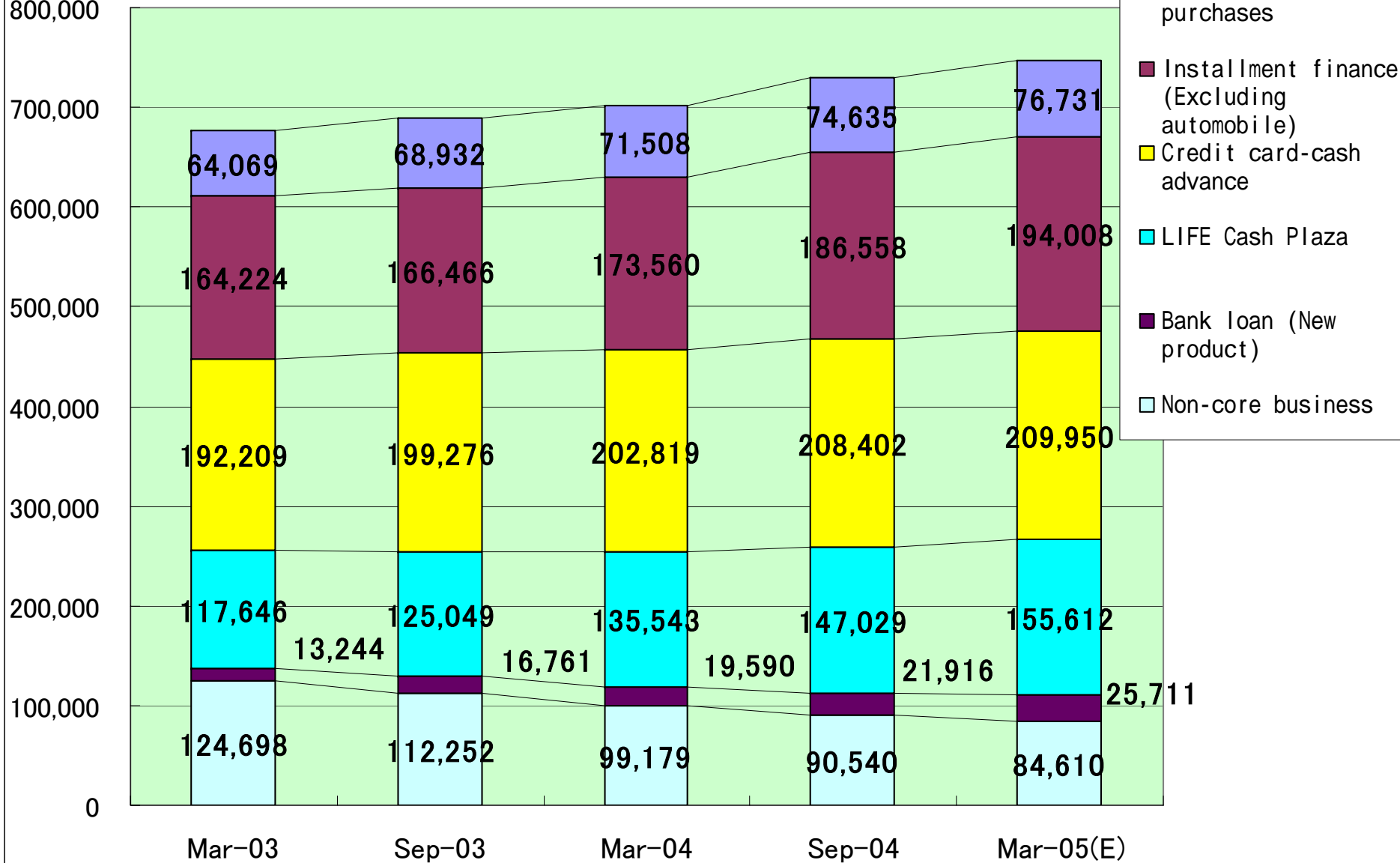
LIFE (2) - Operating Results (2)

(¥ million)

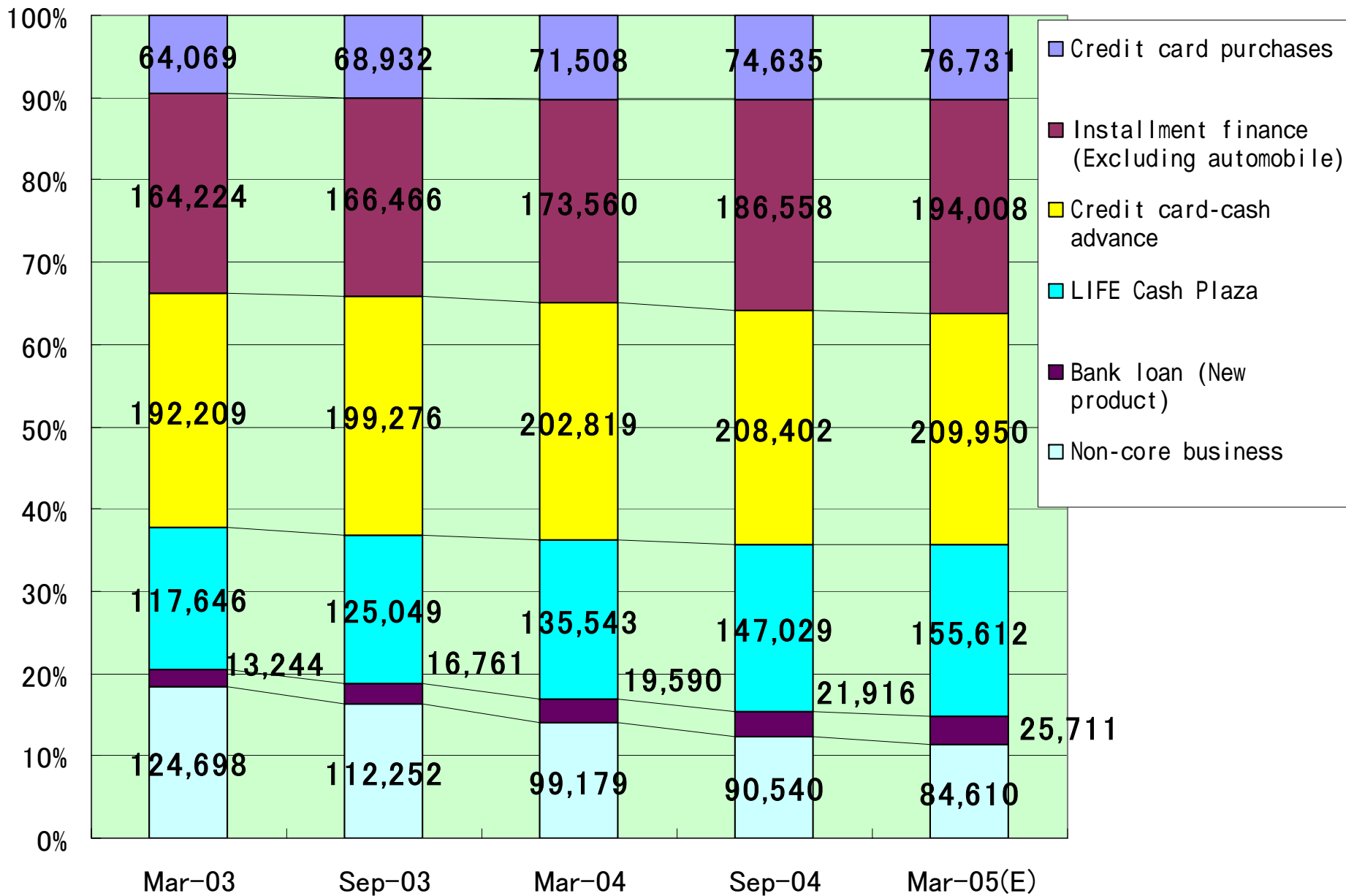
	Sep-03	Mar-04	Sep-04	YoY	Mar-05	YoY	
	(6M)		(6M)		(E)		
Non-core businesses	112,252	99,179	90,540	-19%	84,610	-15%	
Automobile	4,574	2,075	804	-82%	660	-68%	
Partner loan (Automobile)	4,163	2,504	1,615	-61%	901	-64%	
Home loan	38,319	35,866	33,741	-12%	31,267	-13%	
Bank loan (Old product)	51,980	48,329	44,928	-14%	41,932	-13%	
Other	13,213	10,403	9,450	-28%	9,847	-5%	
Composition	Expanding businesses	84%	86%	88%	—	89%	—
	Non-core businesses	16%	14%	12%	—	11%	—

LIFE (3)-1 - Operating Assets

(¥ million)



LIFE (3)-2 - Outstanding Balance



LIFE (4) - Comparison with Other Industry Majors

(¥ million)

	LIFE			NICOS	Orico	JACCS
	Mar-03	Mar-04	Mar-05 (E)	Mar-04	Mar-04	Mar-04
Number of Card-holders (Thousands)	9,834	11,032	12,057	12,348	10,231	6,770
Receivables Outstanding *1	676,093	702,202	746,625	3,693,317	4,135,357	2,646,996
Installment Receivable	247,494	256,773	280,657	519,378	1,283,057	606,470
Loans (Cash Advance)	310,749	339,137	366,154	983,319	911,631	364,377
Guarantee	117,849	106,290	99,813	2,190,619	1,940,669	1,642,288
Operating Revenue	103,880	113,738	124,038	263,406	296,053	145,065
Operating Revenue Ratio *2	15.0%	16.4%	17.0%	7.1%	7.2%	5.5%
Ordinary Income	8,048	12,081	15,500	12,051	30,906	11,312

*1: Includes liquidation of receivables (securitized assets)

*2: Operating Revenue / Receivables Outstanding



LIFE (5) - Profit and loss

(¥ million)

	Sep-03		Mar-04		Sep-04		Mar-05	
	(6M)	YoY		YoY	(6M)	YoY	(E)	YoY
Operating Revenue	56,497	+14%	113,738	+9%	60,815	+8%	124,038	+9%
Credit card purchases	4,130	+7%	8,402	+6%	4,474	+8%	9,320	+11%
Installment finance	8,246	+13%	15,901	+3%	8,509	+3%	17,792	+12%
Credit card-cash advance	23,232	+15%	46,979	+11%	24,130	+4%	48,447	+3%
LIFE Cash Plaza	15,431	+21%	31,786	+17%	17,522	+14%	36,476	+15%
Guarantee	1,916	+8%	3,842	+6%	2,013	+5%	4,080	+6%
Other	3,537	-0%	6,825	-8%	4,161	+18%	7,919	+16%
Operating Expenses	52,413	+12%	101,943	+6%	53,081	+1%	108,568	+6%
Financial Expenses	4,107	+9%	8,588	+21%	4,367	+6%	9,771	+14%
Credit Costs	20,525	+29%	37,902	+6%	19,747	-4%	40,434	+7%
Advertising Expenses	2,891	+6%	5,054	+6%	2,737	-5%	5,666	+12%
Salaries	7,673	+0%	15,153	-1%	7,595	-1%	15,545	+3%
Other	17,215	+4%	35,243	+7%	18,633	+8%	37,150	+5%
Operating Income	4,083	+46%	11,795	+50%	7,733	+89%	15,469	+31%
Ordinary Income	4,134	+41%	12,081	+50%	7,750	+87%	15,500	+28%

LIFE (6) - Bad debt

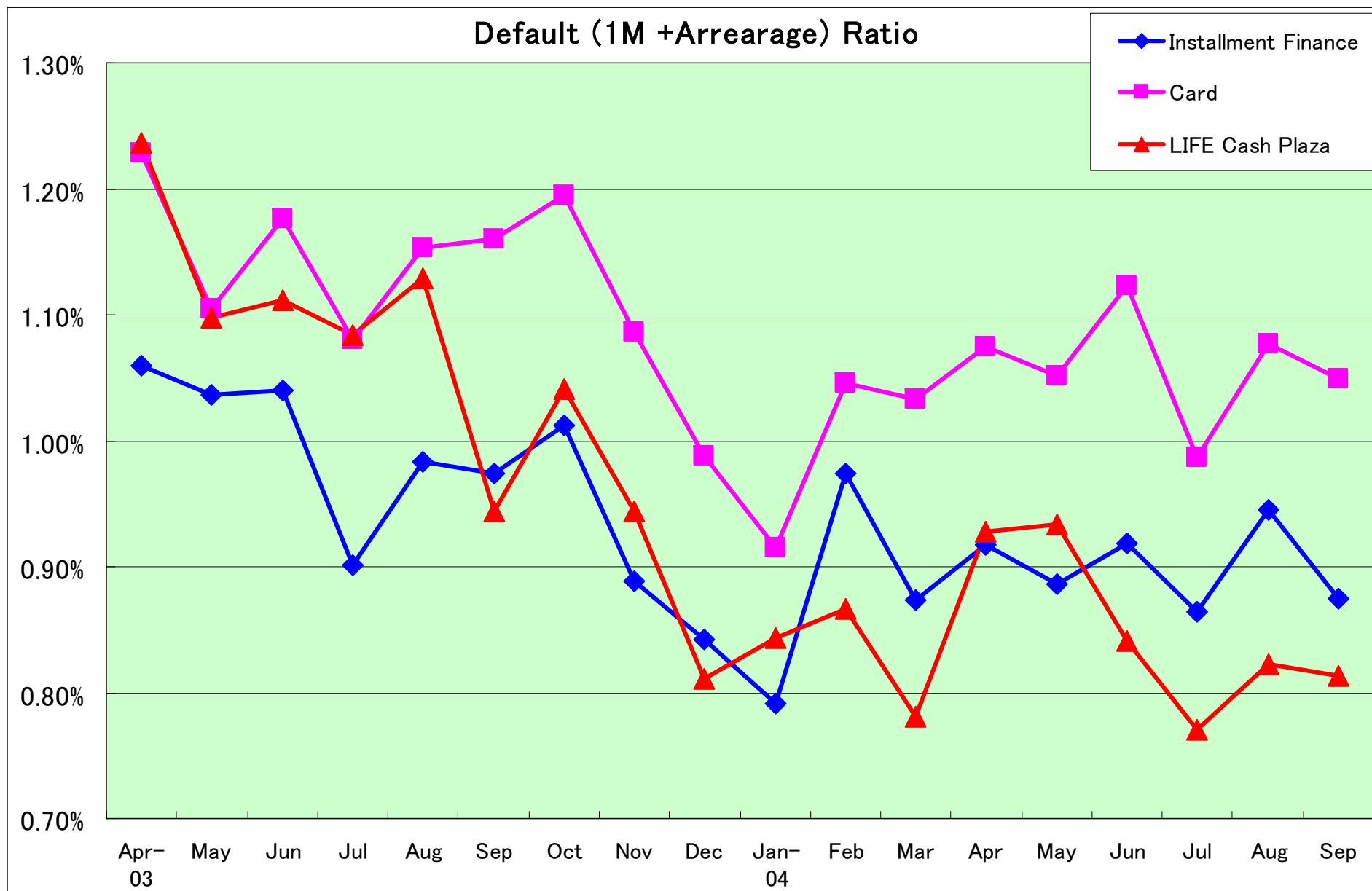
(¥ million)

	Sep-03	Mar-04	Sep-04	YoY	Mar-05	YoY
	(6M)		(6M)		(E)	
Credit cost	20,525	37,902	19,747	-4%	40,434	+7%
Bad debt Write offs	19,559	35,566	19,668	+1%	37,846	+6%
Main Business *1	19,180	34,215	17,247	-10%	34,774	+2%
Other Business	379	1,351	2,421	+539%	3,071	+127%
Home Loan	124	522	1,071	+765%	1,272	+144%
Loss from fraudulent use of credit card	228	772	967	+323%	1,277	+65%
Loss from member merchant fraudulence	10	32	371	+3,463%	502	+1,481%
Other	17	26	13	-26%	21	-19%
New Provisions for bad debt	33,763	35,133	35,212	+4%	37,721	+7%
Bad debt provisions used	-32,796	-32,796	-35,133	+7%	-35,133	+7%
Write off ratio	2.84%	5.06%	2.70%	-0.14%	5.07%	+0.00%
Ratio of allowance for bad debt	4.90%	5.00%	4.83%	-0.07%	5.05%	+0.05%

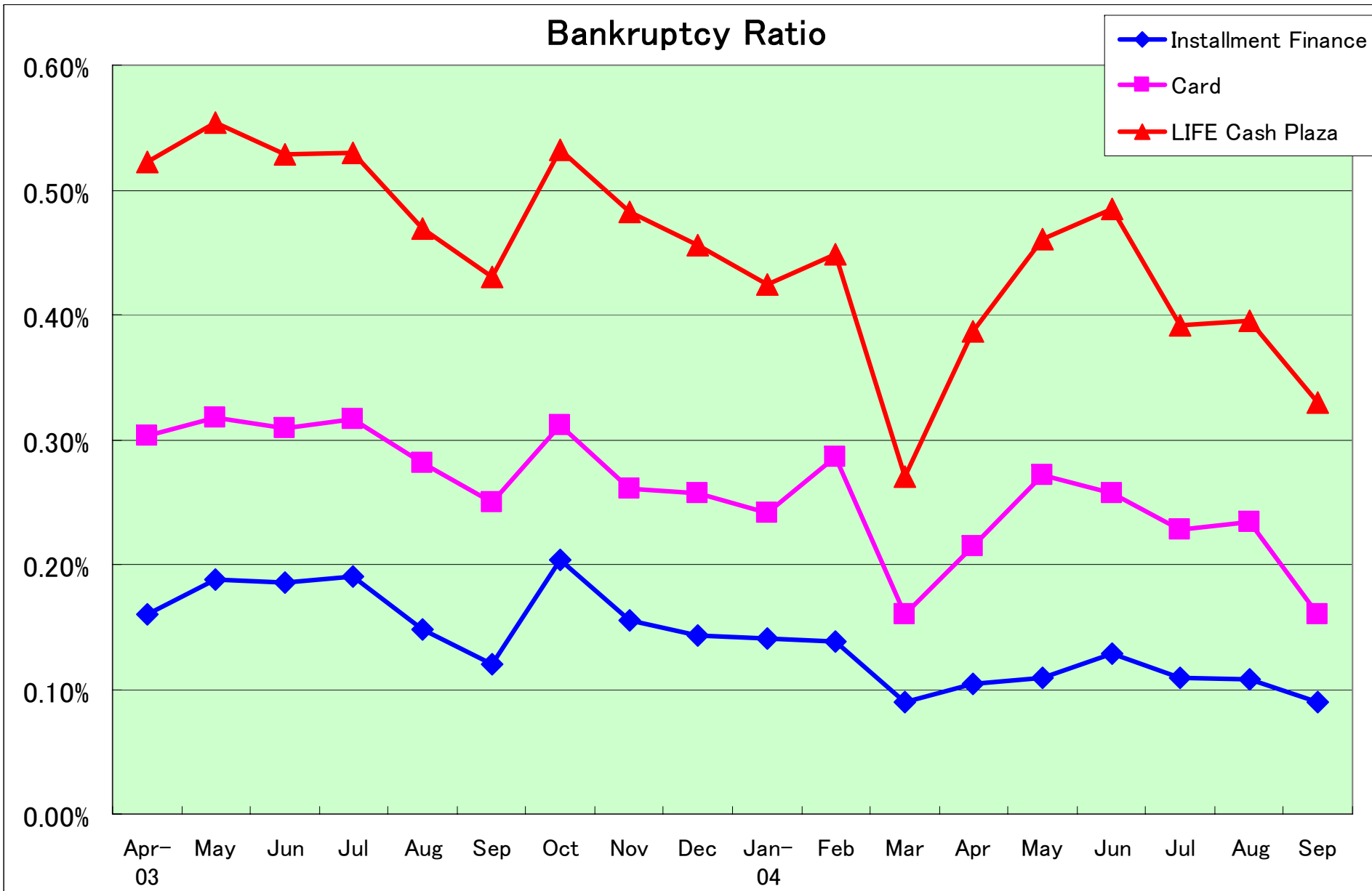
*1: Credit card Business, Installment finance, LIFE Cash Plaza, Guarantee



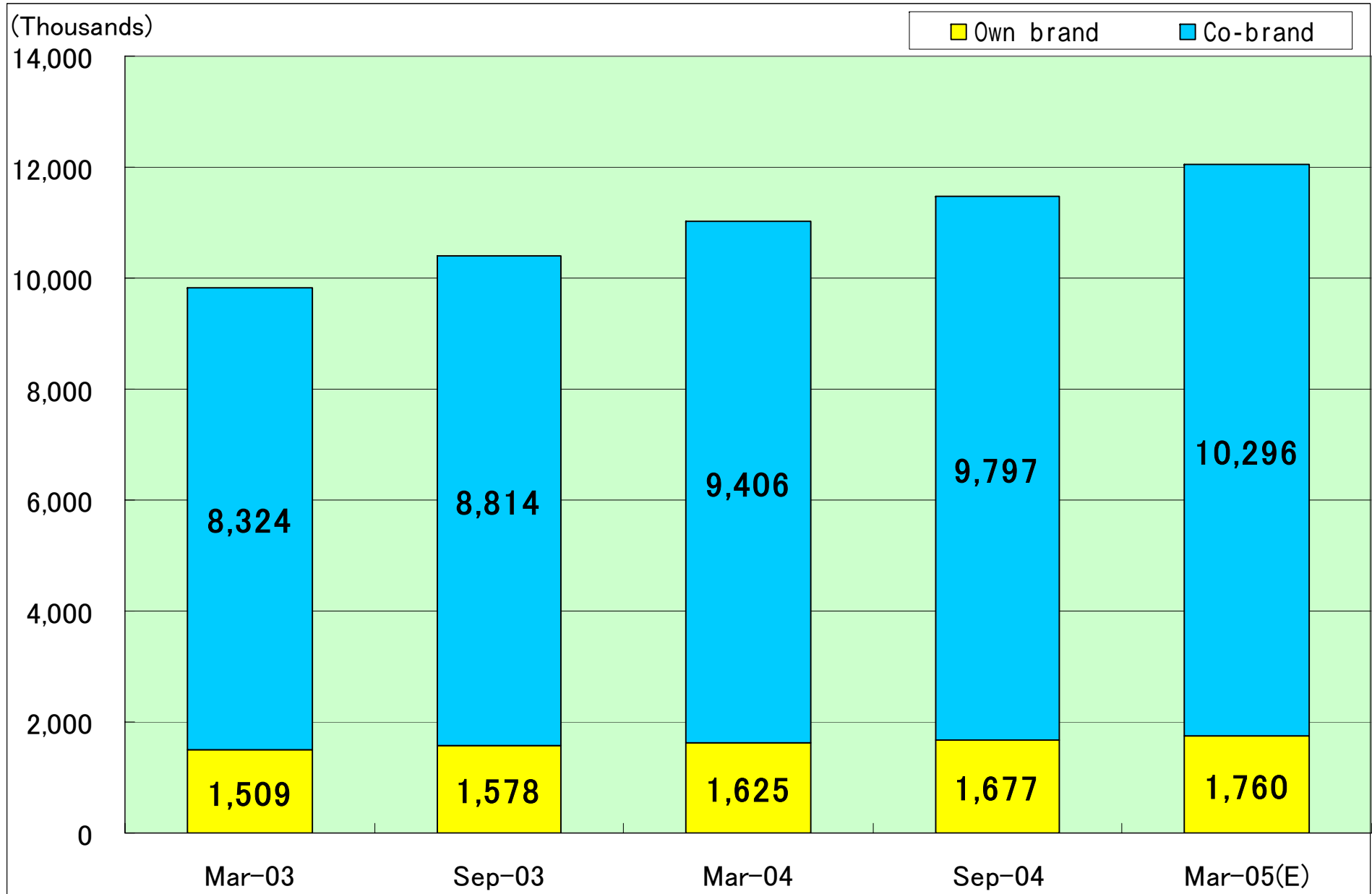
LIFE (7)-1 - Trend of Default (1M +Arrearage) Ratio by Business Line



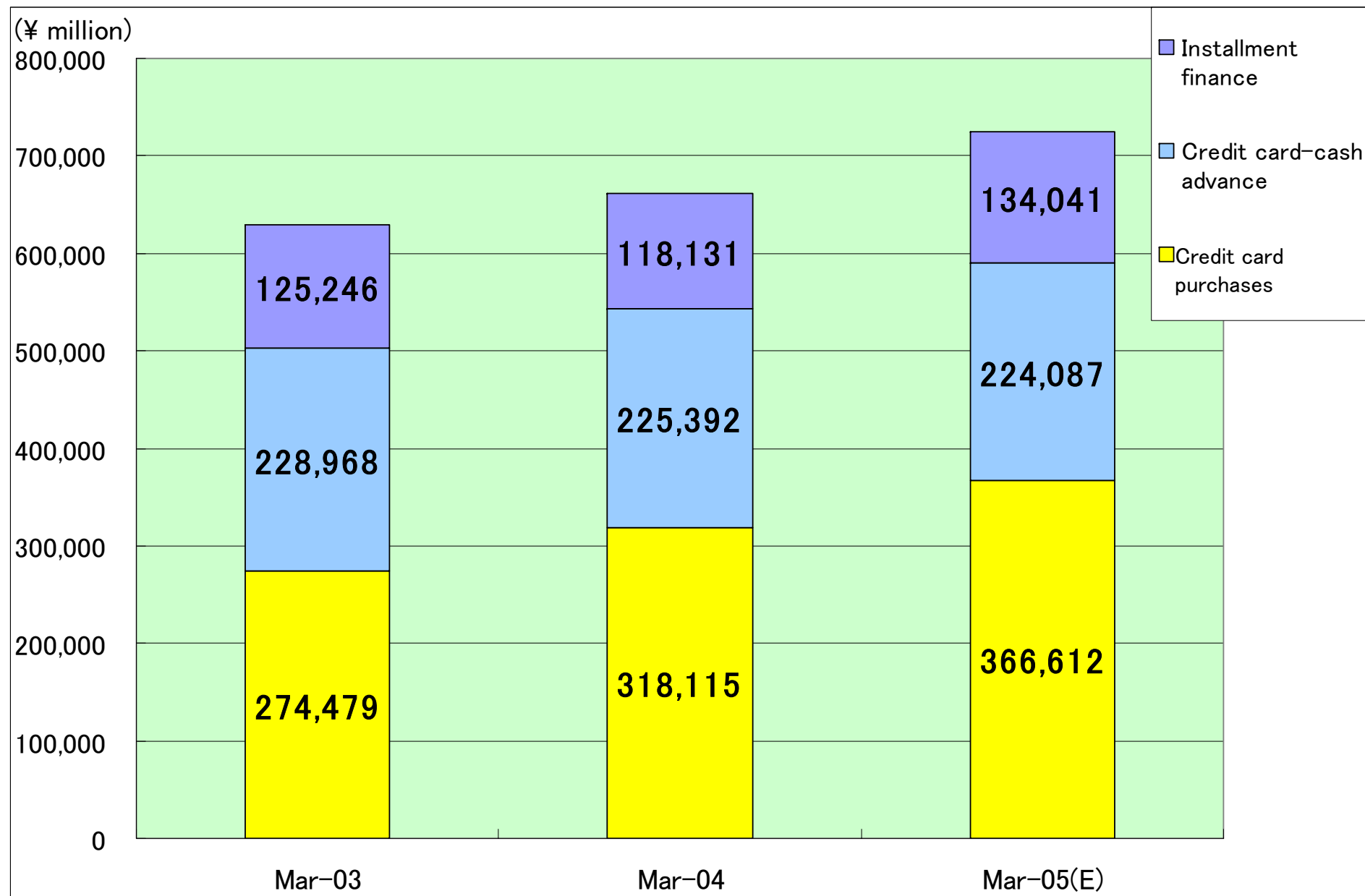
LIFE (7)-2 - Trend of Bankruptcy Ratio by Business Line



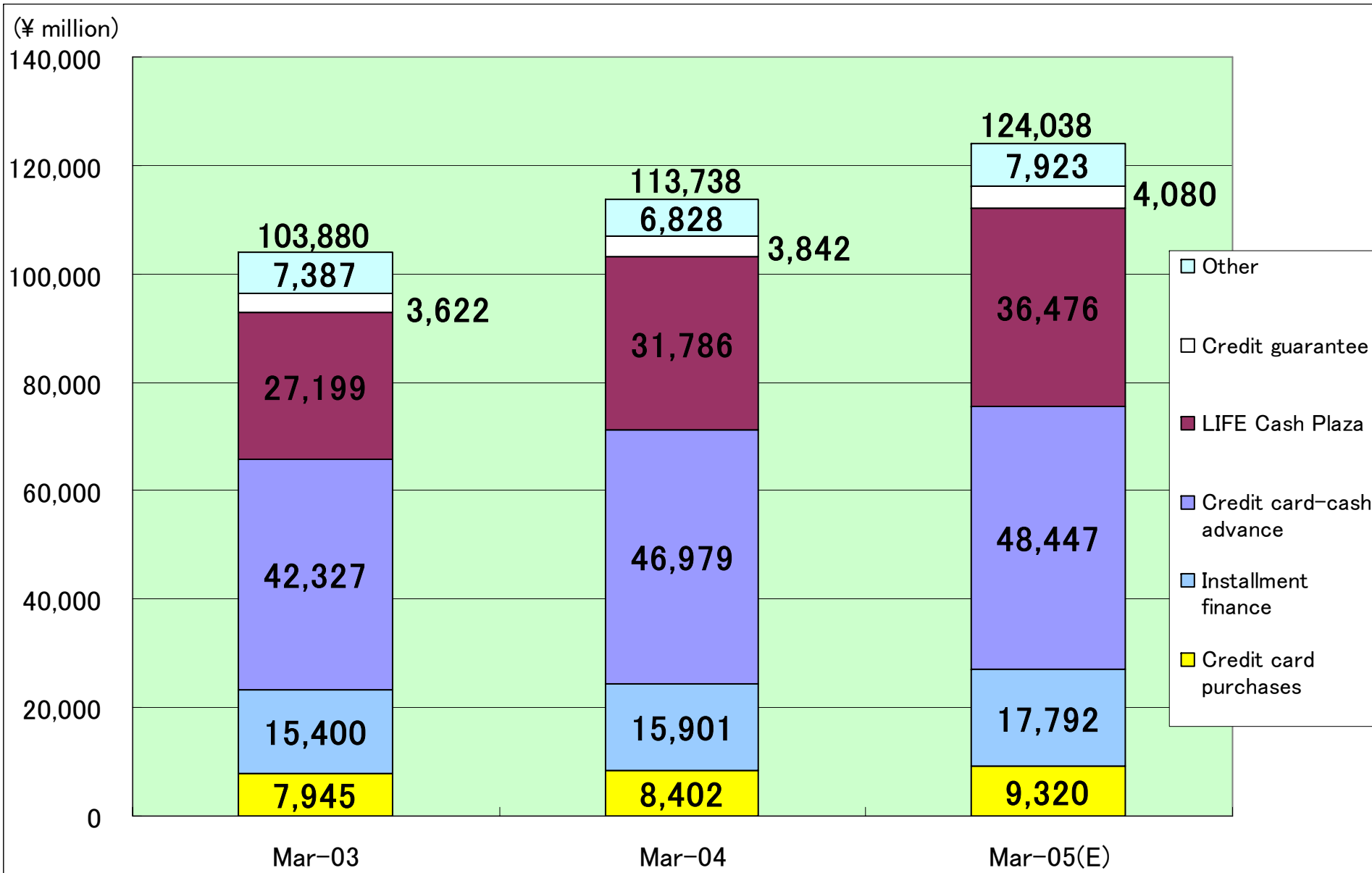
Appendix 1 (LIFE) - Trend of Number of Cardholders



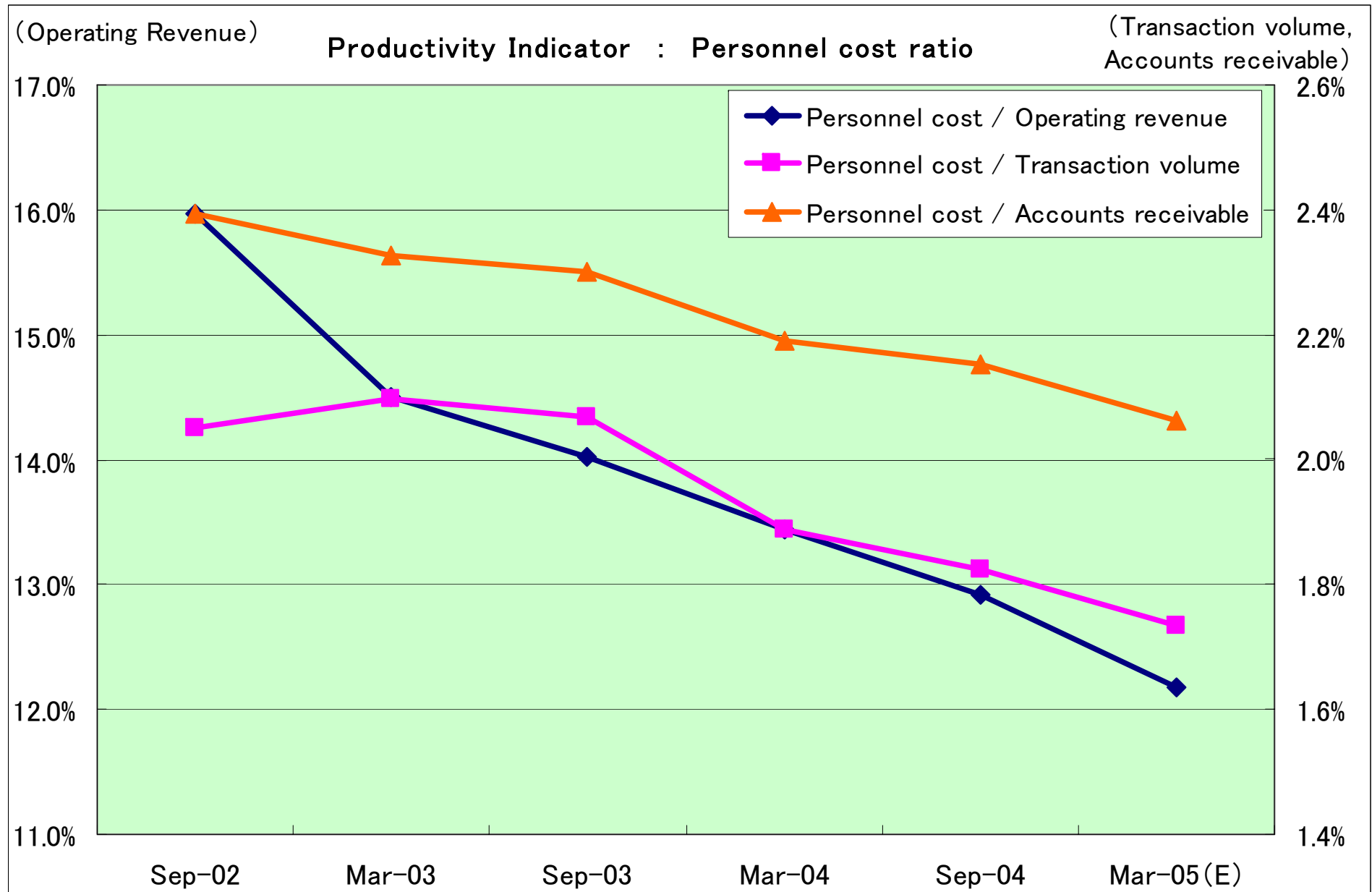
Appendix 2 (LIFE) - Trend of Volume (purchases & cash advances)



Appendix 3 (LIFE) - Trend of Operating Revenue



Appendix 4 (LIFE) - Trend in Productivity

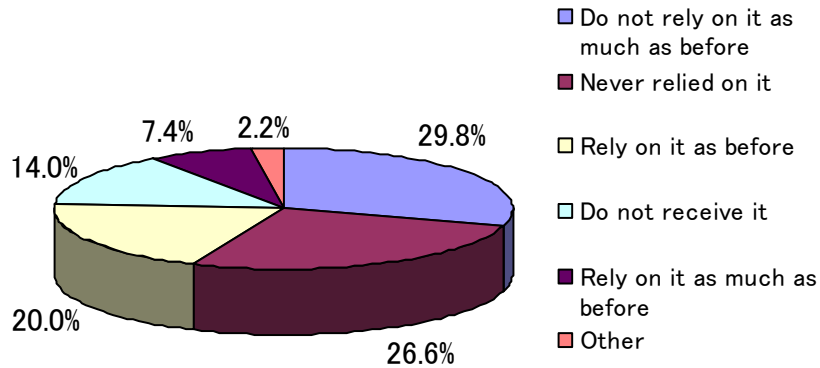


Appendix 5 (LIFE) - Major Credit Card Companies in Japan (end of March 31, 2004)

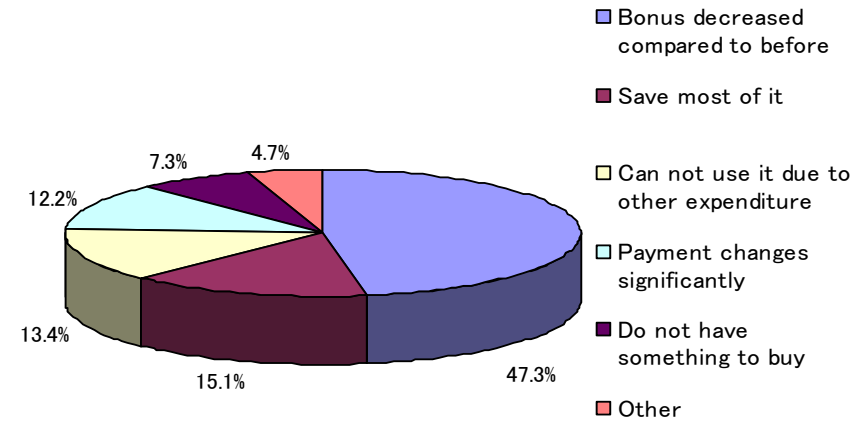
Co.	Credit Card Transaction Volume (¥ billion)						Card Holder (million)		Revenue (¥ billion)		RP (¥ billion)	
	Total	yoy%	shopping	yoy%	cashing	yoy%		yoy%		yoy%		yoy%
JCB	5,693	+9.9	4,933	+12.5	759	▼4.1	51.6	+6.7	179	+7.2	18	+6.6
VISA	4,901	+5.6	4,225	+8.0	676	▼6.9	22.7	+0.0	126	+3.4	18	+16.2
Credit Saison	2,736	+0.8	1,912	+5.7	824	▼11.6	15.8	+6.5	220	+3.8	52	+3.8
NICOS	2,487	▼2.9	1,735	+0.4	752	▼9.6	14.3	▼1.5	263	▼5.8	12	▼25.6
UC	2,372	▼0.3	1,888	+3.0	483	▼11.5	12.0	+0.1	72	▼0.5	4	+5.3
DC	2,315	+9.1	1,988	+12.2	327	▼6.6	9.8	+3.3	81	+3.6	5	+3.9
UFJ	1,541	+1.3	1,183	+3.3	358	▼4.7	8.7	+0.1	61	+6.2	5	+639.4
Aeon	1,480	+15.2	895	+23.3	584	+4.8	12.1	+7.1	109	+7.7	30	+15.5
OMC	1,319	+0.8	830	+2.1	488	▼1.3	7.3	+4.6	126	+4.2	18	▼8.1
Orico	1,124	+25.8	613	+17.3	510	+37.9	10.2	+1.5	296	+1.8	30	+20.8
JAL	960	+29.5	960	+29.5	-	-	1.2	+14.0	-	-	-	-
TOYOTA	824	+33.8	634	+34.4	189	+31.8	4.2	+16.0	-	-	-	-
JACCS	677	+6.0	448	+8.6	228	+1.2	6.7	+4.0	145	+1.8	11	+49.0
LIFE	545	+7.9	320	+15.8	225	▼1.6	11.0	+12.2	111	+9.1	12	+50.1
Total of Top14	28,980	+6.8	22,571	+9.8	6,408	▼2.6	188.0	+4.3	1,794	+2.5	219	+11.2
Mar-03 Actual	27,132	+5.4	20,554	+7.2	6,578	+0.2	180.2	+4.9	1,749	-	197	-
Mar-02 Actual	25,738	+8.2	19,172	+8.6	6,566	+6.9	171.8	+11.8	-	-	-	-

Appendix 6 (LIFE) - Card Business – Trends in Use of Payment at the time of bonus

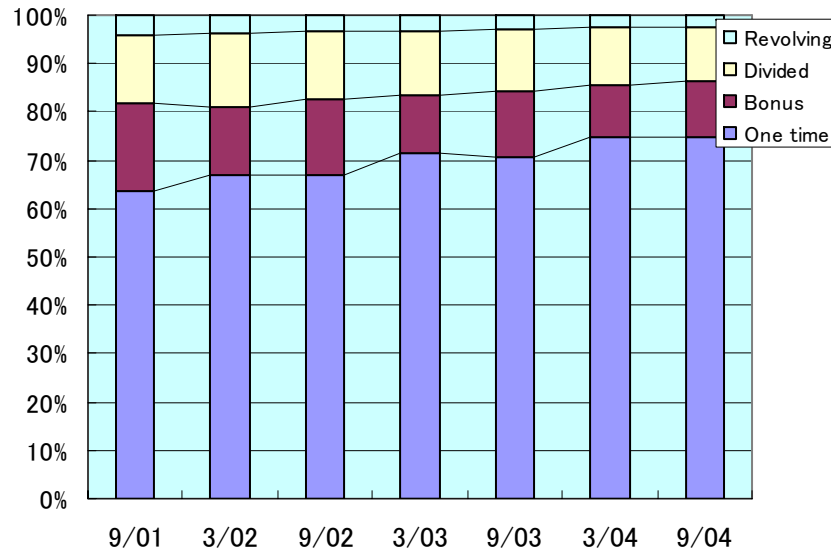
Cart 1) Do you rely on your bonus to go shopping compared to before?



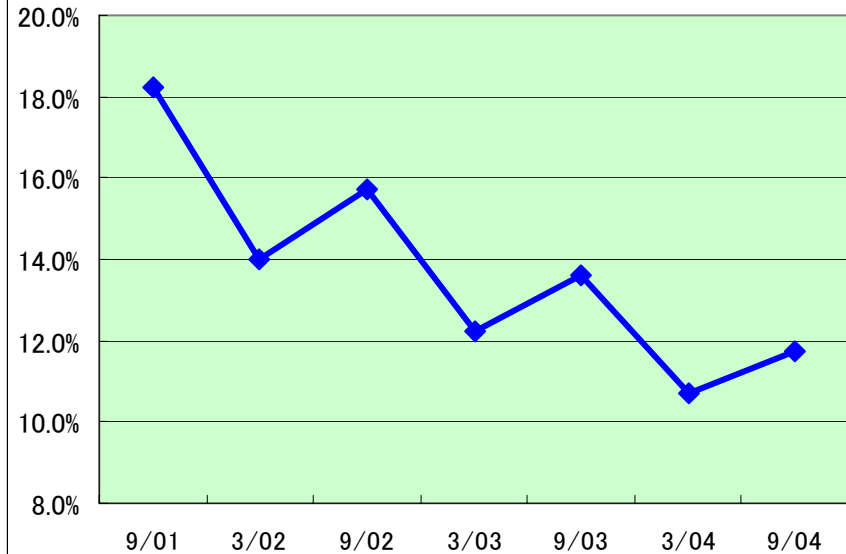
Cart 2) Why can you not rely on it?



Cart 3) Credit card shopping amount by type of payment



Cart 4) Trends in use of payment at the time of bonus



※Source : Chart 1&2 – Nikkei (June 7, 2004), Chart 3&4 – Aiful

Breakdown of Consolidated Operating Revenue (“Top-line Growth”)
(¥ billion)

Items	9/04 (6M)	vs 9/03 (6M)	Description or reasons for increase/decrease
Operating Revenue	256	+21	¥44bn revenue growth (full-year basis) would not have been achieved without group companies' contributions nor without diversification of revenue sources
Interest Income	231	+18	
AIFUL	165	+2	Unsecured 133(+0.6), <u>Secured 27(+0.8)</u> , <u>SME Loans3(+0.6)</u>
LIFE	41	+3	Cash advances23(+1), Cash Plaza17(+2)
WIDE	11	+11	100% acquired in Jun 04 (assumed to be consolidated since April 04)
BUSINEXT	2	+1	<u>JV with Sumitomo Trust targeting middle-risk SME. 85% growth in loan balance</u>
City' s	4	+0.6	<u>Acquired in Oct 02 targeting sub-prime SME. 25% growth in loan balance</u>
TRYTO	7	▼0.8	Placed more focus on loan quality than on loan balance last year. Re-focus on loan balance from next FY going forward
Credit Card Purchases	4	+0.3	<u>LIFE card shopping volume has been growing at 17% (yoy)</u>
Installment Finance	8	+0.2	<u>LIFE's installment credit volume has also been growing at 17% (yoy)</u>
Loan Guarantee	3	+0.7	LIFE2(+0.1), AIFUL1(+0.6)
Sales Proceeds from Investment Securities	0.2	+0.2	New Frontier Partners (NFP, engaging in venture capital business) ※ex-Kokusai Capital
Revenue from Debt Collection	0.5	+0.4	AsTry Loan Services (JV with Aozora Bank, engaging in debt collection)
Bad Debt Recovery	3	+0.3	AIFUL2(+0.1), LIFE1(+0.2)

Breakdown of Consolidated Operating Expense

(¥ billion)

Items	9/04 (6M)	vs 9/03 (6M)	Growth rate	Description or reasons for increase/decrease
Operating Expenses	190	+10	+0.6%	Ample investments in identified opportunities
Financial Expenses	20	+1	+6.1%	Consolidation of WIDE + New loans from Mega-banks
Credit Cost	77	9	11.0%	% of bad loan allowance remains the same. No reversal of allowance recognized
Advertising Expenses	11	+0.9	+9.3%	Consolidation of WIDE + Slight increase at AIFUL
Salaries	26	+2	+9.0%	Consolidation of WIDE + Aggressive promotion at City's
Amortization of Goodwill and Consolidation Differences	0.8	1	35.2%	Goodwill has been decreasing as scheduled (see a table on the next page)
Other	52	+6	+14.6%	See below
Commission	12	+1	+15.4%	AIFUL 5.7(+0.5), LIFE 5.2(+0.2), WIDE(+0.5)
Communications	4	0.3	-7.8%	AIFUL 1.2(-0.8), LIFE 2.6(+0.2), WIDE(+0.2)
Rental Expenses	12	+0.1	+1.6%	Aggressive promotion at City's and BUSINEXT
Depreciation	5	+2	+67.1%	AIFUL contact center (+1.3) LIFE Eda center expansion (+0.4), WIDE(+0.3)

Breakdown of Consolidated Operating Expense (Goodwill amortization schedule)

Company (timing of acquisition) Goodwill (¥ million)	(Upper) Amount of amortization (Lower) Goodwill balance	9/03 (6M)	3/04	9/04 (6M)	3/05 (E)	3/06 (E)	3/07 (E)
TRYTO (4/04) 4,347	<i>Ordinary amortization</i>	217	434	217	434	434	434
	Balance	2,826	2,608	2,391	2,173	1,739	1,304
LIFE (3/01) 32,861	<i>Ordinary amortization</i>	993	1,371	412	824	824	824
	<i>Extra ordinary amortization</i>	692	5,614	3,830	3,830	—	—
	<i>Total of above (Total burden on profit)</i>	1,685	6,985	4,242	4,654	824	824
	Balance	14,899	9,599	5,357	4,945	4,120	3,296
City' s(10/02) 2,493	<i>Ordinary amortization</i>	124	249	124	249	249	249
	Balance	2,244	2,119	1,994	1,870	1,620	1,371
NFP(3/04) -2,176	<i>Ordinary amortization</i>	—	—	-108	-217	-217	-217
	Balance	—	—	-2,067	-1,959	-1,741	-1,523
WIDE(6/04) 4,378	<i>Ordinary amortization</i>	—	—	218	437	437	437
	Balance	—	—	4,159	3,940	3,502	3,065
TOTAL	<i>Total amortization (P/L)</i>	2,031	7,675	4,697	5,565	1,734	1,734
	<i>Total balance (B/S)</i>	20,015	14,370	11,874	11,007	9,272	7,538

“Balance” = Recognized as an intangible fixed asset on balance sheet

“Ordinary amortization” = Straight-line amortization for 10 year period. Recognized as operating expense in P/L

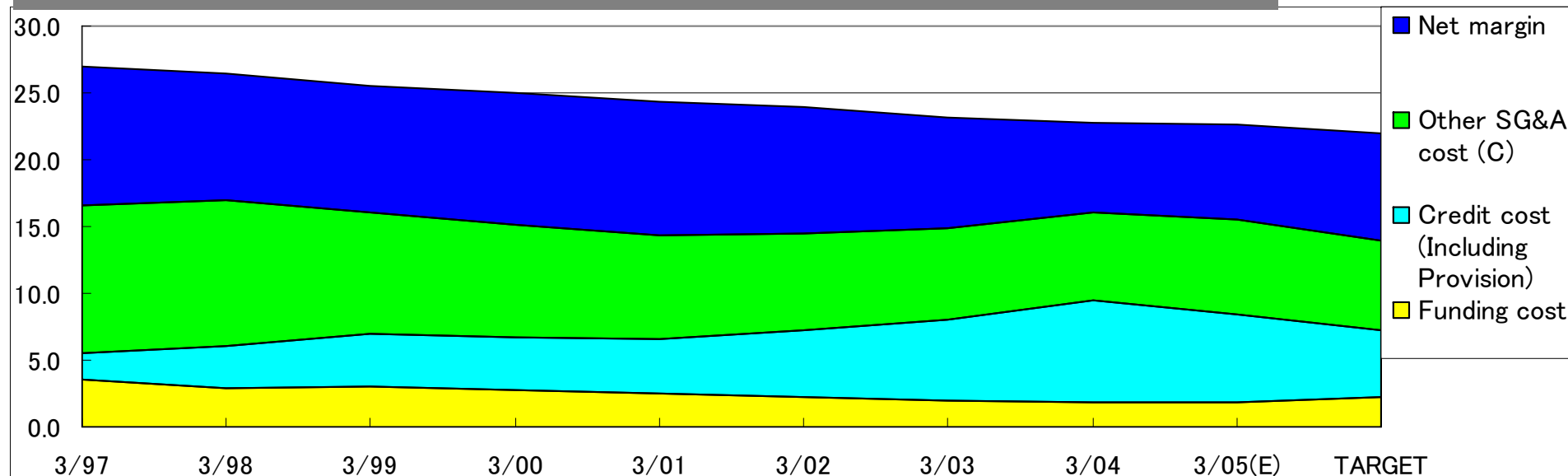
“Extraordinary amortization”=Amortization reflecting adjustment in deferred tax asset of LIFE. Recognized as extraordinary loss in 49

Breakdown of Extraordinary Losses and Income

(¥ billion)

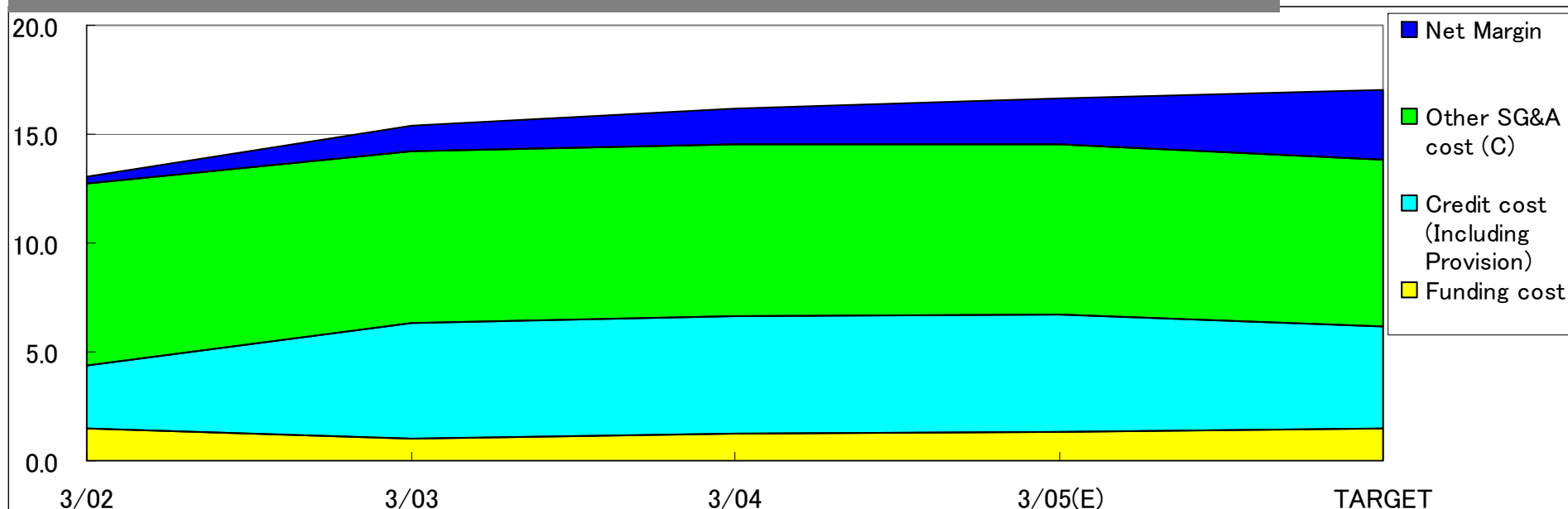
Items	9/04 (6M)	3/05 (E)	Description or reasons for increase/decrease
Ordinary Income	65 +44.3%	132 +17.4%	As expected, credit cost peaked out in 2H last year. 1H result this year by far exceeded that of previous year as 1H last year was the bottom of the stagnant business environment (the same trend can be seen in the peer companies)
Extraordinary Income	0.6	1	(3/05(E)) 0.3 = capital gain from investment securities held by AIFUL, 0.4 = gain on exemption from pension obligation of the governmental program, 0.3 = extraordinary profit by revision of the retirement plan at LIFE
Extraordinary Losses	5	7	(3/05(E)) 3.8 = extraordinary amortization of goodwill at LIFE (see the previous page), 0.8 = extraordinary loss by revision of the retirement plans at AIFUL. Others = loss incurred by lease contracts cancellation, loss on retirement of fixed assets, appraisal loss on investment, cancellation charges, etc.
Income before Taxes	60 +28.5%	125 +21.2%	
Income Taxes	21	50	
Effect of a Tax Consequences	5	8	As positive deferred tax effect due to the tax losses carried forward at LIFE will no longer exist from this year, tax charge cost will incur from this year going forward.
Effective Tax Rate	45.3%	46.8%	No tax relief on IT related investments is available this year. Further, due to the termination of positive deferred tax effect, the effective tax rate increased by 5% to 46.8%. Accordingly, growth rate of the Net Income has been compressed
Net Income	32 +18.6%	66 +6.1%	Please see above

Appendix 1 - Net Margin – AIFUL (Parent)



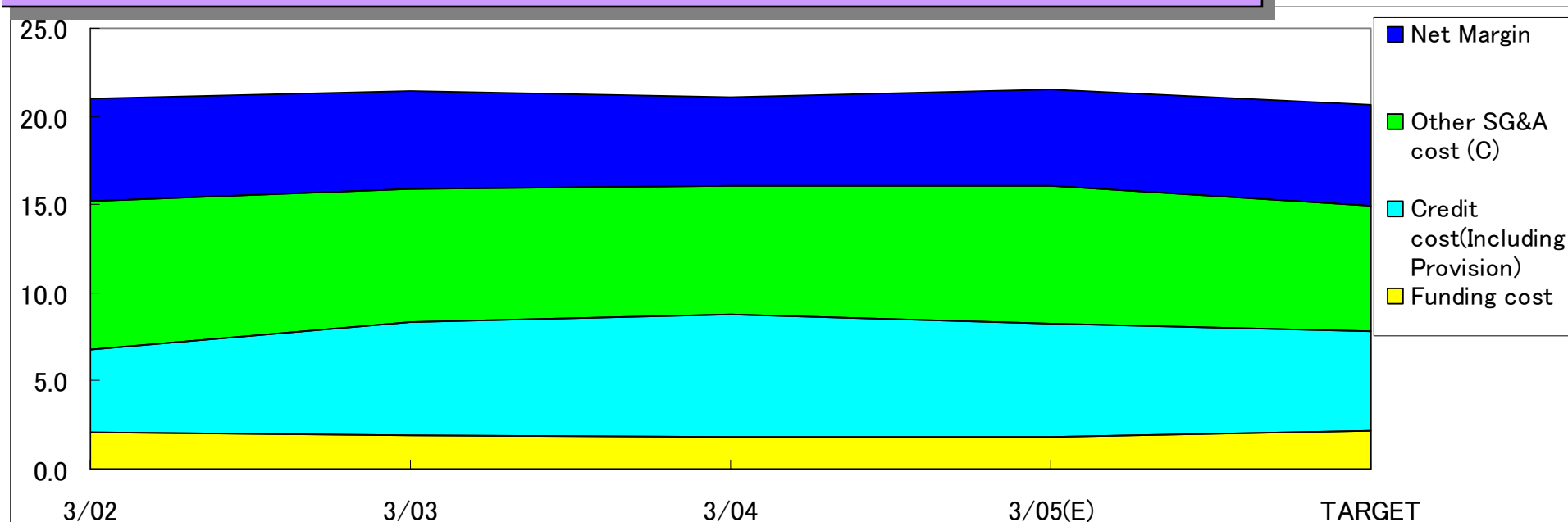
(%)	Mar-99	Mar-00	Mar-01	Mar-02	Mar-03	Mar-04	Mar-05(E)	TARGET
Loan Interest Yield / Balance	25.5	25.0	24.3	23.9	23.2	22.8	22.6	22.0
Funding cost	3.0	2.8	2.5	2.3	2.0	1.9	1.9	2.2
Credit cost (Including Provision)	3.9	3.9	4.1	5.0	6.1	7.5	6.5	5.0
Other SG&A cost (C)	9.1	8.5	7.9	7.2	6.8	6.7	7.1	6.8
Salary (A)	2.7	2.5	2.2	2.0	2.1	2.0	2.0	2.0
Advertising (B)	1.5	1.3	1.5	1.5	1.1	0.9	1.0	1.0
Other (C)-((A)+(B))	4.9	4.7	4.1	3.8	3.6	3.7	4.1	3.8
Net margin / Balance	9.4	9.8	9.9	9.4	8.3	6.7	7.1	8.0

Appendix 2 - Net Margin – LIFE



(%)	Mar-02	Mar-03	Mar-04	Mar-05(E)	TARGET
Loan Interest Yield / Balance	13.0	15.4	16.2	16.6	17.0
Funding cost	1.5	1.0	1.2	1.3	1.5
Credit cost (Including Provision)	2.8	5.3	5.4	5.4	4.7
Other SG&A cost (C)	8.4	7.9	7.9	7.8	7.6
Salary (A)	2.4	2.3	2.2	2.1	2.0
Advertising (B)	0.7	0.7	0.7	0.8	1.0
Other (C)-((A)+(B))	5.2	4.9	5.0	5.0	4.5
Net margin / Balance	0.3	1.2	1.7	2.1	3.2

Appendix 3 - Net Margin – Consolidated

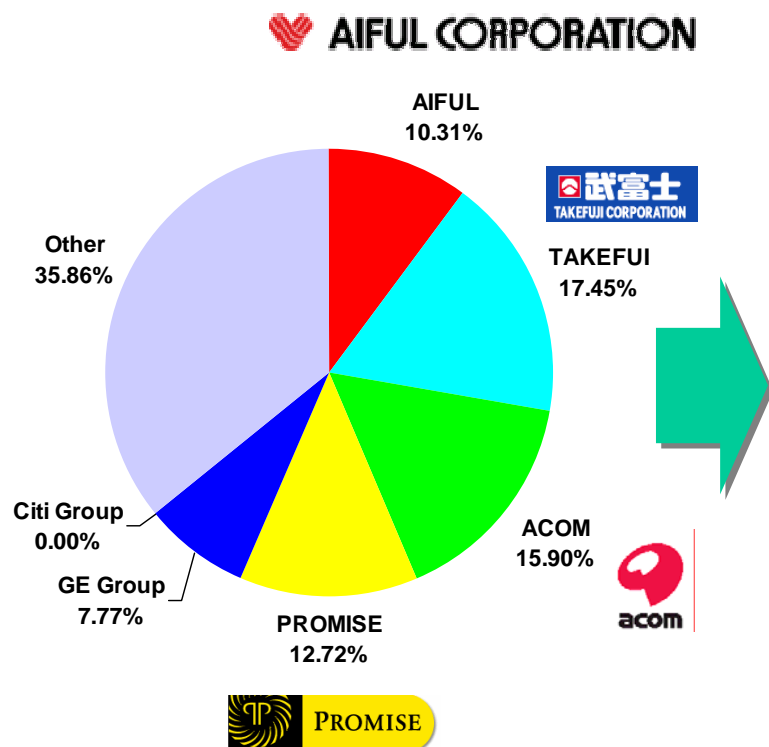


(%)	Mar-02	Mar-03	Mar-04	Mar-05(E)	TARGET
Loan Interest Yield / Balance	21.1	21.4	21.1	21.5	20.7
Funding cost	2.1	1.9	1.8	1.8	2.2
Credit cost (Including Provision)	4.7	6.4	7.0	6.4	5.6
Other SG&A cost (C)	8.4	7.6	7.3	7.9	7.1
Salary (A)	2.3	2.3	2.2	2.3	2.2
Advertising (B)	1.4	1.0	0.9	1.0	0.9
Other (C)-((A)+(B))	4.7	4.3	4.3	4.6	4.0
Net margin / Balance	5.8	5.5	5.0	5.4	5.8

Appendix 4 - Market Share Break Down of the Consumer Finance Industry

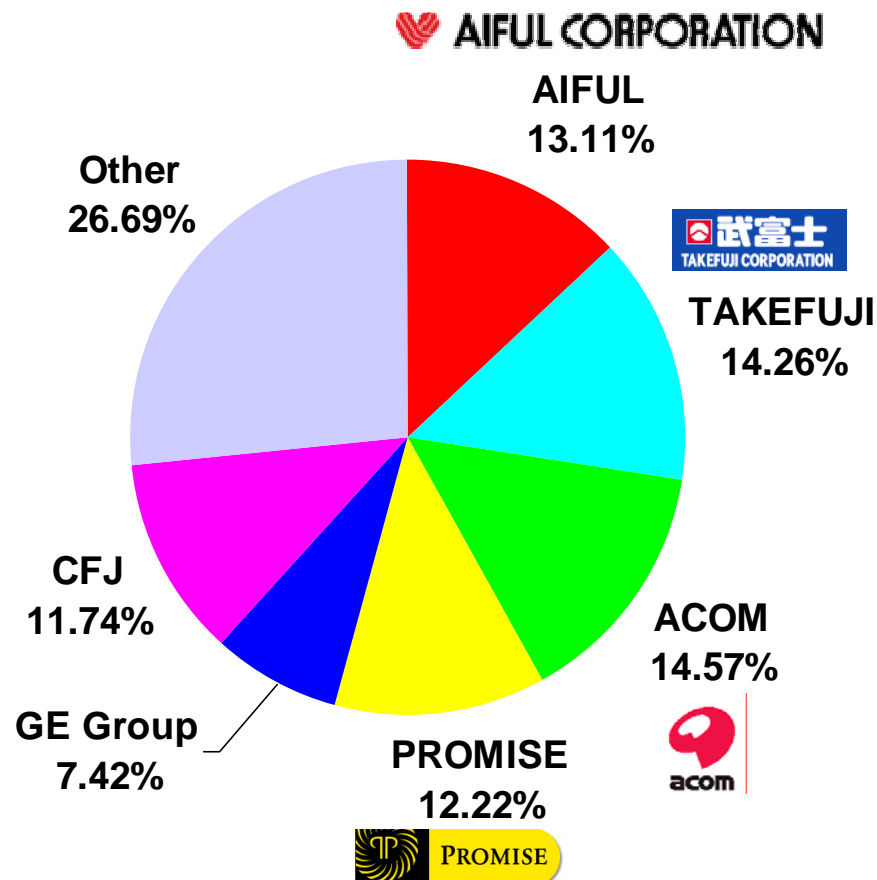
March 1998

¥ 7.1 trillion



March 2004

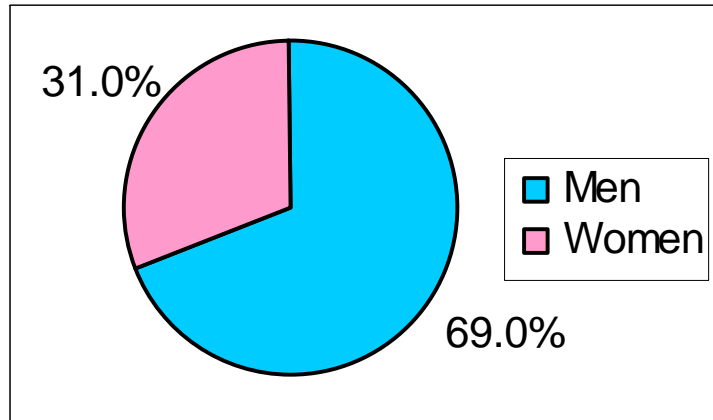
¥ 11.0 trillion



Appendix 5 - Diversification of Customer Profile

AIFUL CORPORATION (Sep-04)

Customer account: 2,232,000

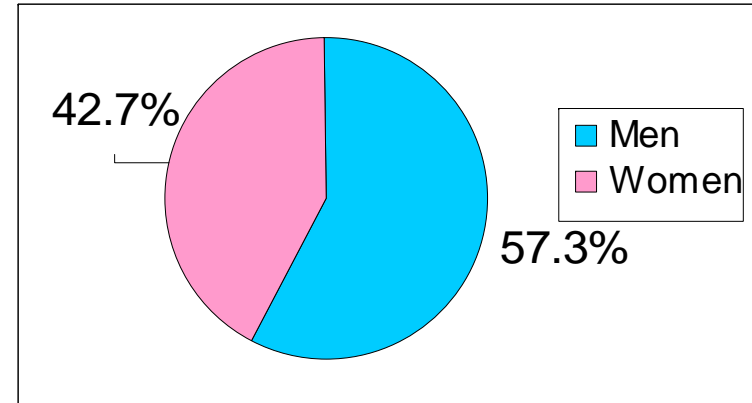


Sex

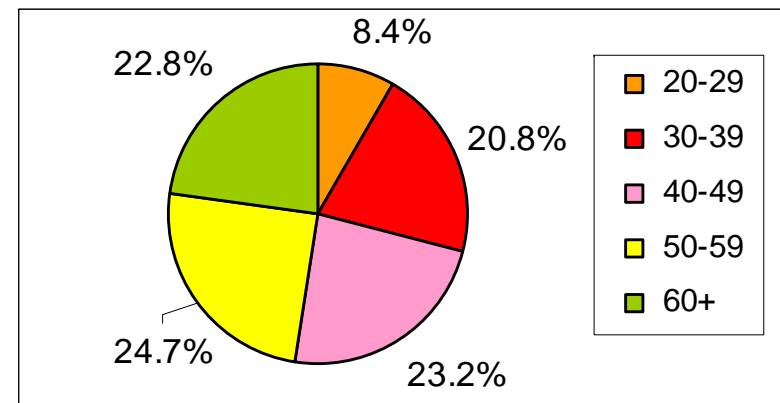
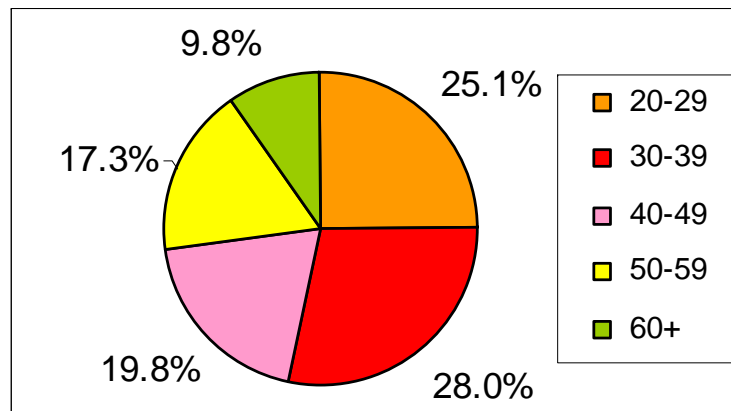


(Sep-04)

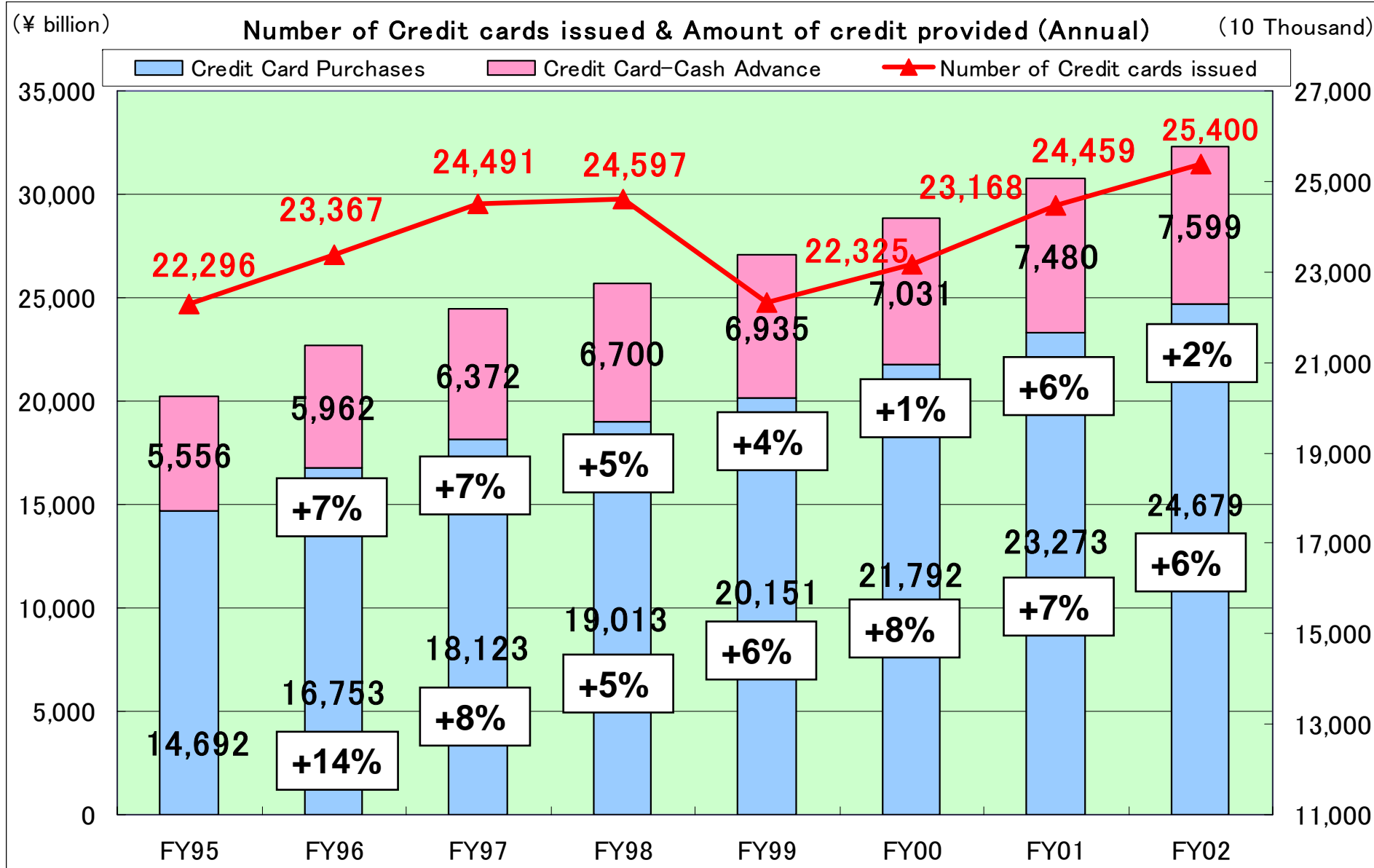
Valid card members: 11,475,000



Age



Appendix 6 - Growth of Credit Card Market in Japan



Figures for credit cards issued between 1995 and 1998 reflect total number of credit cards issued, while those from 1999 reflect only valid cards