

Interim Results Information Meeting As of September 2005

November 2, 2005



— 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.

URL

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



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1. Financial Results

Consolidated subsidiaries

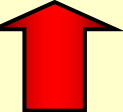
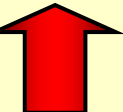


- **LIFE Co., Ltd.**
- **WIDE CORPORATION (*1)**
- **TRYTO CORPORATION**
- **Businext Corporation**
- **City's Corporation**
- **TCM Co., Ltd. (*1)**
- **Passkey Co., Ltd. (*2)**
- **AsTry Loan Services Corporation**
- **New Frontier Partners Co., Ltd. (*1)**
- **Marutoh K.K.**
- **City Green Corporation (*3)**

Note 1: Changed to consolidated subsidiary in year ended March 2005.

Note 2: Changed to consolidated subsidiary in year ended September 2005.

Note 3: City Green Corporation is the holding company for City's Corporation and does not conduct business operations.

Financial Results - Consolidated vs. Parent Forecasts for the Top Four Firms (Sep-05)

Sep-05 (¥ billion)	AIFUL	TAKEFUJI	ACOM	PROMISE
Operating Revenue (Consolidated)	272.8	176.9	222.1	190.4
yoy%	 +6.4	▲2.8	+2.6	+2.1
Operating Revenue (Non-Consolidated)	172.6	175.9	200.3	154.2
yoy%	 +1.6	▲2.5	▲0.9	▲2.5
Ordinary Income (Consolidated)	75.7	59.2	79.9	52.8
yoy%	 +15.5	+10.4	+2.7	▲22.2
Ordinary Income (Non-Consolidated)	59.6	56.3	77.0	49.3
yoy%	 +9.1	+7.3	+0.4	▲20.6

Financial Results - Interim Results (Consolidated)

(¥ billion)	Sep-04 (6M)	Sep-05 (6M)	YoY	Mar-06(E)	YoY
Total Outstanding (Managed)	2,446.5	2,611.0	+6.7%	2,707.5	+7.3%
Loans (Managed)	2,039.7	2,170.1	+6.4%	2,252.8	+7.5%
Loans outstanding of AIFUL	1,459.3	1,492.8	+2.3%	1,518.8	+3.2%
Shopping Receivables of LIFE	270.8	291.6	+7.7%	296.7	+3.8%
Number of Loan Customer Accounts (Thousands)	3,744	3,859	+3.1%	—	—
Number of Credit Card Holders (Thousands)	11,511	12,438	+8.0%	12,967	+8.4%
Number of New Loan Customers (Thousands)	263	269	+2.1%	545	+3.6%
Operating Revenue	256.4	272.8	+6.4%	552.9	+6.7%
Operating Income	65.8	74.9	+13.8%	152.5	+13.2%
Ordinary Income	65.6	75.7	+15.5%	153.0	+13.1%
Net Income	32.7	44.2	+35.1%	89.1	+17.7%

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

Financial Results - BS / PL Sep-05

(¥ billion)	Aiful	Life* ¹	Businext	City's	Wide* ¹	Tryto	TCM	Passkey	AIFUL Group
Business	Consumer Finance	Credit Card	Small Business Loan	Small business Loan	Consumer Finance	Consumer Finance	Consumer Finance	Consumer Finance	-
Operating Revenue	172.6	66.4	3.8	6.5	12.6	7.9	1.2	0.8	272.8
Operating Expenses	116.2	54.8	3.2	5.8	10.2	5.9	1.2	0.9	197.8
Operating Income	56.3	11.5	0.5	0.6	2.4	1.9	0.05	-0.09	74.9
Ordinary Income	59.6	11.6	0.5	0.6	2.5	1.9	0.07	-0.09	75.7
Net Income	35.5	6.8	1.6	0.3	1.3	1.1	0.1	-0.1	44.2

Higher earnings from group companies contributed

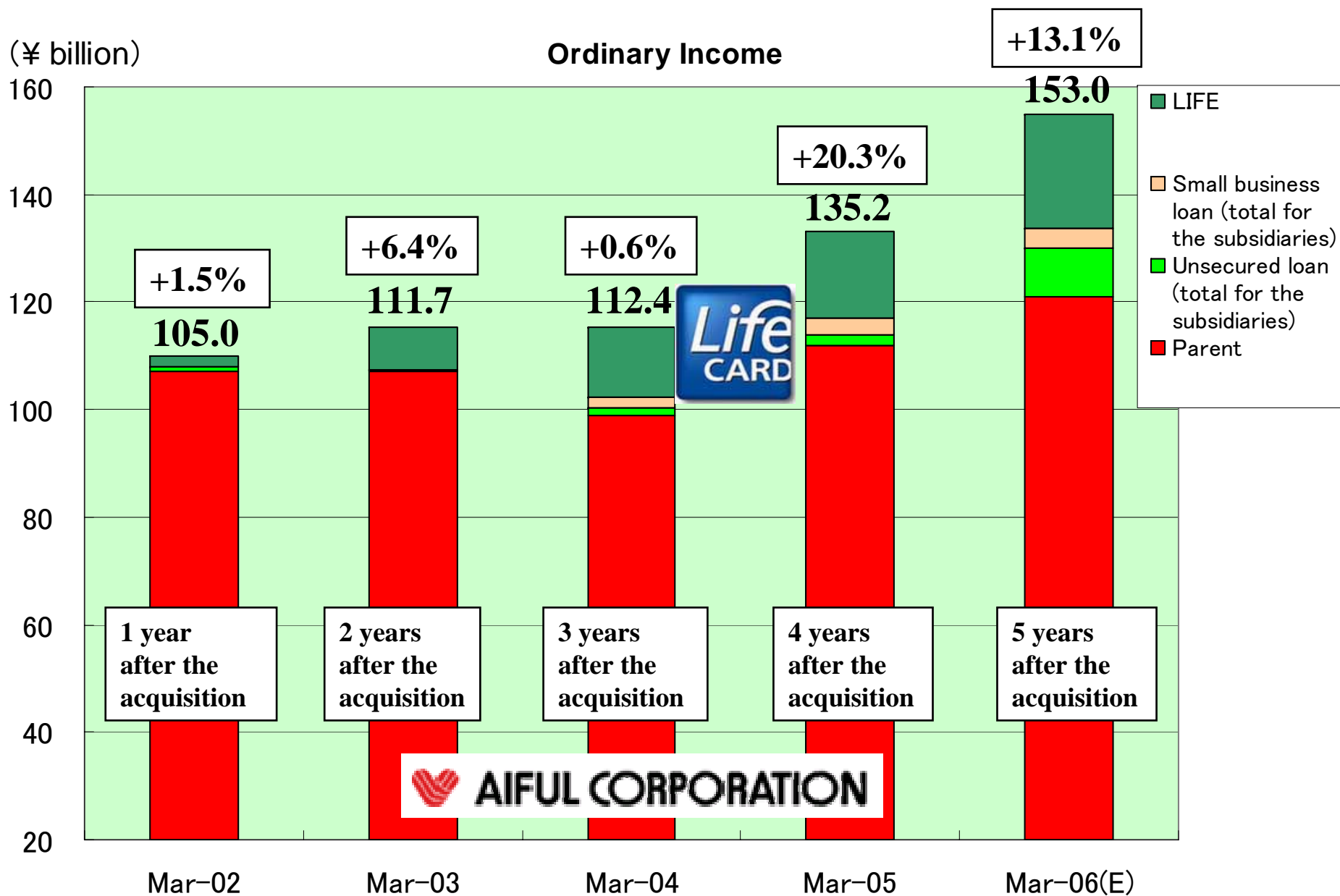
(¥ billion)	Aiful	Life* ¹	Businext	City's	Wide* ¹	Tryto	TCM	Passkey	AIFUL Group
Receivables Outstanding	1,547.2	769.6	59.7	57.1	98.7	61.8	9.2	7.2	2,611.0
Asset	2,129.9	663.8	59.5	59.0	94.8	60.1	9.7	7.3	2,680.0
Liability	1,510.1	539.7	56.7	41.2	80.7	51.4	9.7	7.8	2,011.9
Shareholder's Equity	619.8	124.1	2.8	17.8	14.1	8.6	-0.03	-0.4	661.7

*1 Managed Asset Basis

*2 Receivables outstanding includes off-balance-sheet receivables.

7

Financial Results - Change of Ordinary Income



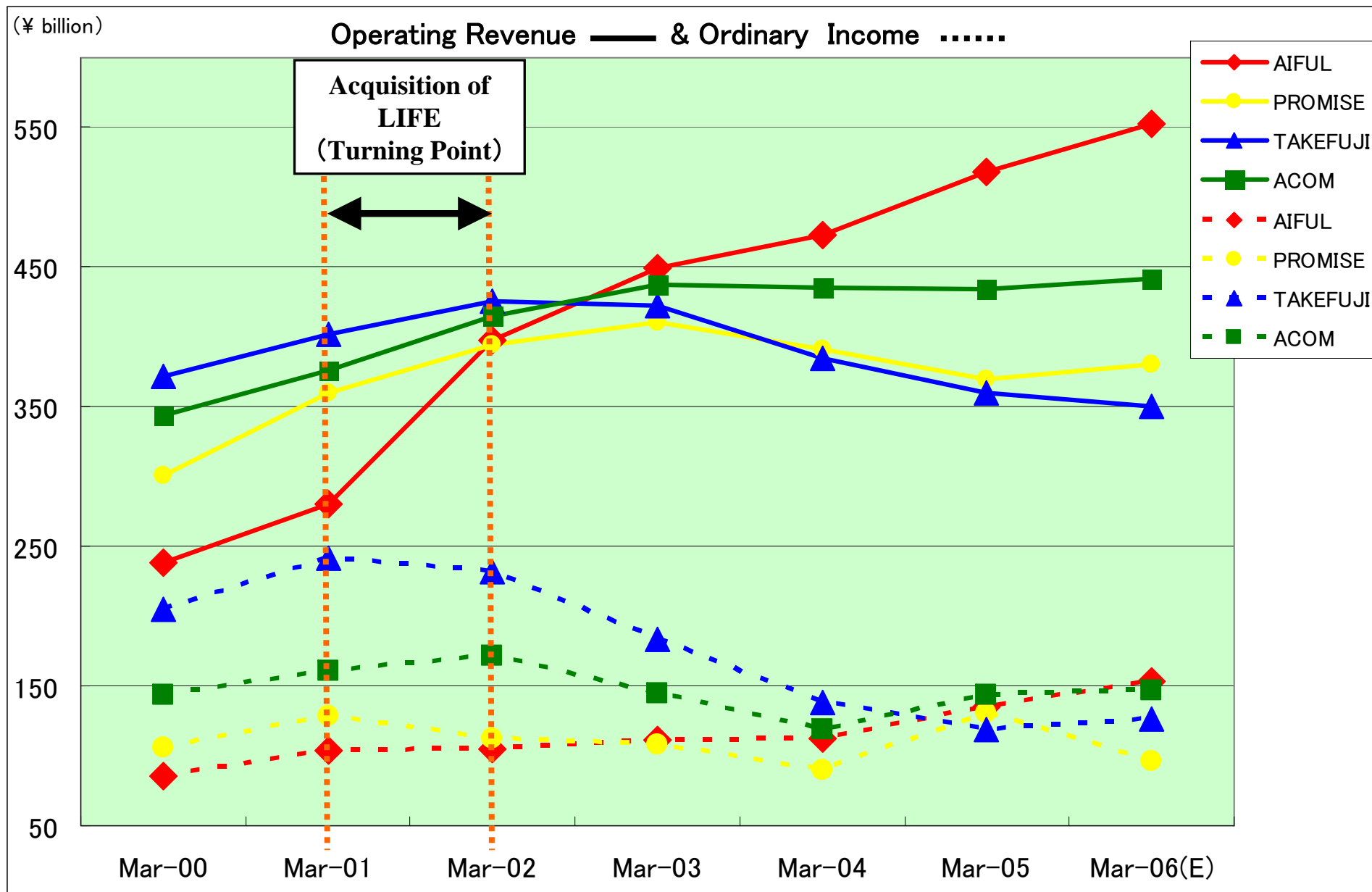
Financial Results - PL Mar-06(E)

(¥ billion)	Aiful	Life*1	Businext	City's	Wide*1	Tryto	TCM	Passkey	AIFUL Group
Business	Consumer Finance	Credit Card	Small Business Loan	Small business Loan	Consumer Finance	Consumer Finance	Consumer Finance	Consumer Finance	-
Receivables	1,584.0	791.4	71.6	73.4	103.8	66.1	9.5	7.4	2,707.5
yoy	+4.6%	+5.3%	+50.4%	+60.7%	+9.0%	+13.8%	+3.5%	-	+7.3%
Operating Revenue	346.0	134.7	8.6	14.6	25.8	16.2	2.5	1.7	552.9
yoy	+1.6%	+8.7%	+58.2%	+52.7%	+8.3%	+11.8%	-	-	+6.7%
Operating Income	114.5	21.0	1.3	2.1	5.8	3.0	0.2	-0.07	152.5
Yoy	+6.5%	+27.6%	+118.9%	-15.8%	+243.7%	+9.4%	-	-	+13.2%
Ordinary Income	121.0	21.1	1.3	2.1	5.8	3.0	0.2	-0.06	153.0
yoy	+7.5%	+27.7%	+118.6%	-15.0%	+247.0%	+9.4%	-	-	+13.1%
Net Income	71.9	12.3	2.3	1.2	3.2	1.8	0.2	-0.09	89.1
yoy	+6.9%	+15.4%	+290.2%	-17.0%	+792.0%	+31.1%	-	-	+17.7%


*1 Managed Asset Basis

*2 Receivables outstanding includes off-balance-sheet receivables.

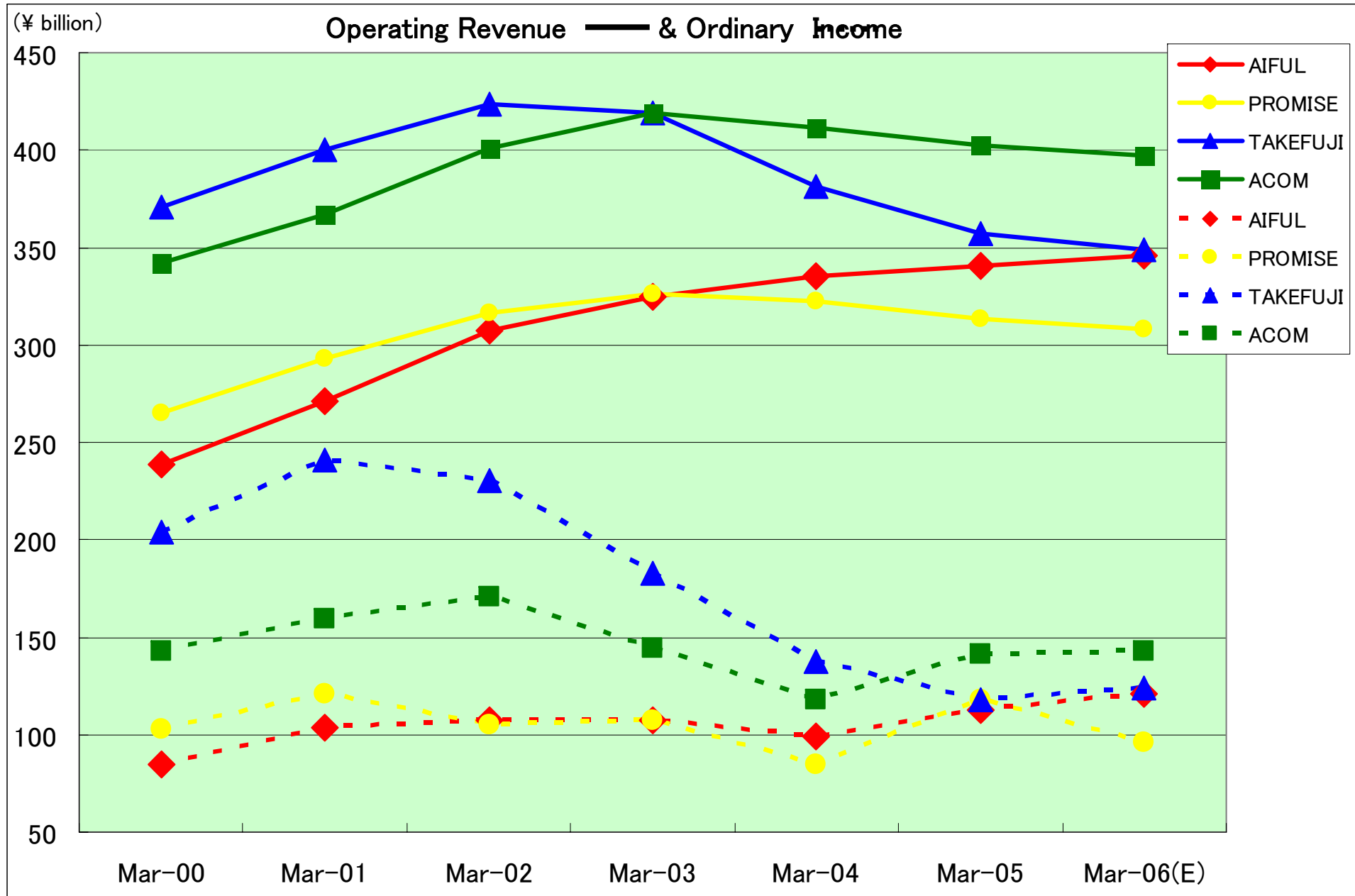
Financial Results - Trend of Operating Revenue & Ordinary Income (Consolidated)



Financial Results - Interim Results (AIFUL) “Revenue and Profit Growth: Record High Profit”

(¥ billion)	Sep-04 (6M)	Sep-05 (6M)	YoY	Mar-06(E)	YoY
 AIFUL CORPORATION					
Loans Outstanding	1,459.3	1,492.8	+2.3%	1,518.8	+3.2%
Unsecured	1,085.5	1,115.1	+2.7%	1,135.1	+3.8%
Home Equity Loan	343.5	342.2	-0.4%	342.4	-0.8%
Small Business Loan	30.1	35.4	+17.6%	41.2	+25.3%
Number of Accounts (Thousands)	2,232	2,194	-1.7%	2,205	-0.4%
Number of New Loan Customers (Thousands)	177	164	-7.7%	344	+0.4%
Number of Branches	1,559	1,671	—	1,964	—
Operating Revenue	169.9	172.6	+1.6%	3,460	+1.6%
Operating Income	52.9	56.3	+6.4%	1,145	+6.5%
Recurring Income	54.6	59.6	+9.1%	1,210	+7.5%
Net Income	30.1	35.5	+17.8%	719	+6.9%
EPS	319.46	251.18	-21.4%	507.97	-28.5%(*1)
Cash Dividends per Share	30.00	30.00	+0.0%	60.00	+0.0%(*2)


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





Financial Results - Consolidated vs. Parent Forecasts for the Top Four Firms (Mar-06(E))

Mar-06(E)	(¥ billion)	AIFUL	TAKEFUJI	ACOM	PROMISE
Operating Revenue (Con)	(A)	552.9	350.0	442.1	380.9
Operating Revenue (Non-Con)	(B)	346.0	348.6	397.0	308.1
(A) – (B)		206.8	1.4	45.1	72.7
(A) / (B)		1.60	1.00	1.11	1.24
Ordinary Income (Con)	(C)	153.0	126.6	146.7	96.6
Ordinary Income (Non-Con)	(D)	121.0	123.6	142.5	95.8
(C) – (D)		32.0	3.0	4.2	0.8
(C) / (D)		1.26	1.02	1.03	1.01
Net Income (Con)	(E)	89.1	67.2	86.3	58.2
Net Income (Non-Con)	(F)	71.9	59.1	84.8	60.0
(E) – (F)		17.1	8.1	1.5	-1.8
(E) / (F)		1.24	1.14	1.02	0.97

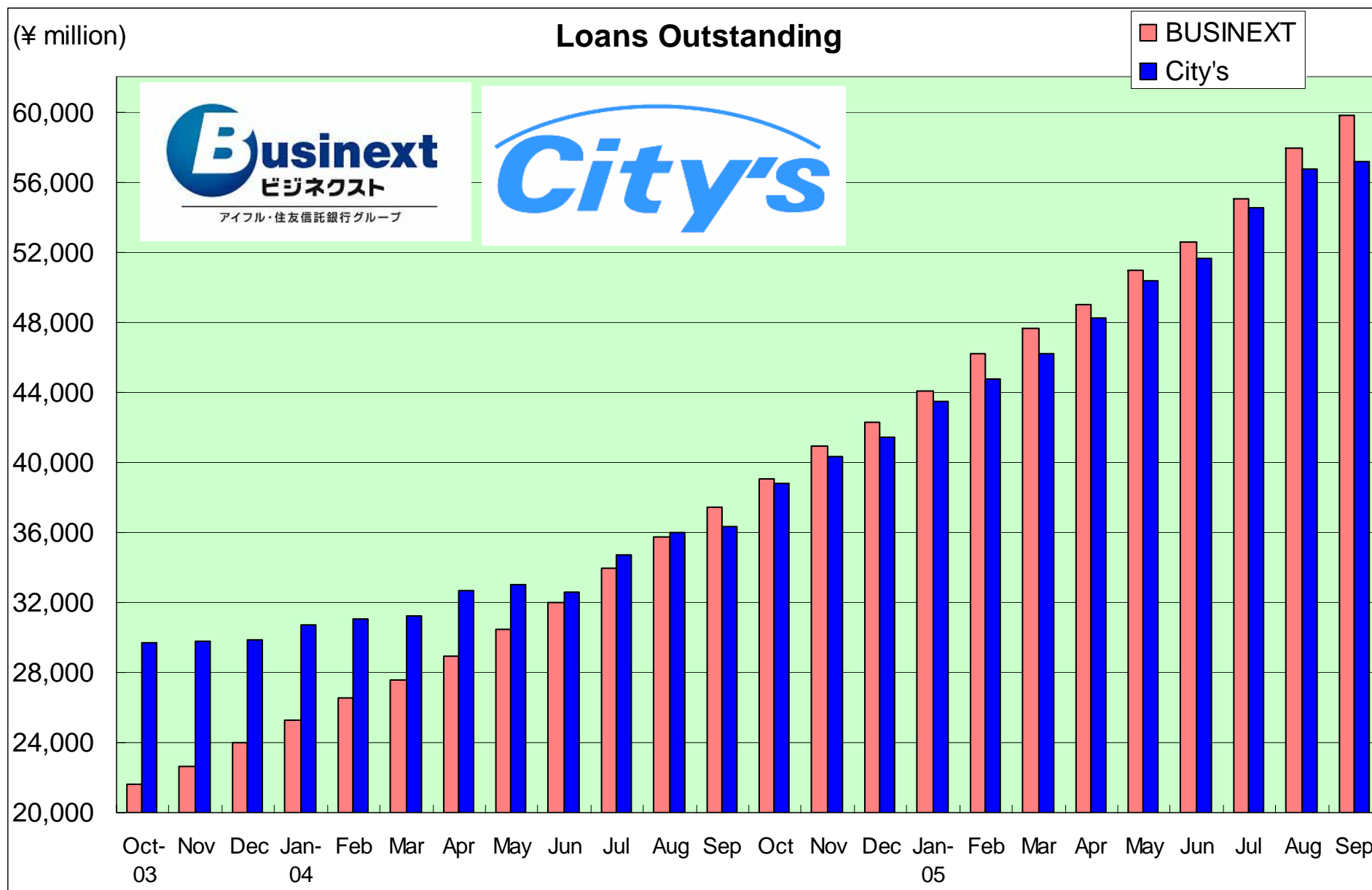
Financial Results – Steady Growth of Credit Card Subsidiary “LIFE”

 (¥ billion)	Sep-04 (6M)	Mar-05 (6M)	YoY	Mar-06(E)	YoY
Transaction Volume	357.5	398.7	+11.5%	830.5	+13.3%
Credit card purchases	176.4	220.4	+24.9%	460.5	+23.4%
Receivable Outstanding (Managed)	729.0	769.6	+5.6%	791.4	+5.3%
Credit card purchases	74.6	88.8	+19.0%	90.7	+13.9%
Installment finance	196.2	202.8	+3.4%	206.0	-0.1%
Credit card-cash advance	208.4	215.5	+3.4%	227.8	+8.9%
LIFE Cash Plaza	147.0	167.0	+13.6%	173.5	+10.1%
Guarantee	102.2	94.7	-7.2%	92.7	-5.5%
Number of New Issue (Thousands)	1,050	1,099	+4.7%	2,271	+8.9%
Number of Card Holders (Thousands)	11,475	12,438	+8.4%	12,967	+8.8%
Operating Revenue	59.8	65.5	+9.5%	132.9	+9.0%
Operating Income	7.7	11.5	+49.7%	21.0	+27.6%
Ordinary Income	7.7	11.6	+50.2%	21.1	+27.7%
Net Income	5.7	6.8	+20.0%	12.3	+15.4%


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


 (¥ billion)	Sep-04(6M)	Sep-05(6M)	YoY	Mar-06(E)	YoY
Loans Outstanding	37.4	59.7	+59.7%	71.6	+50.4%
Number of Accounts (Thousands)	27	37	+34.9%	41	+28.1%
Loan Business Branches	2	7	—	7	—
Number of New Loan Customers (Thousands)	6	7	+12.5%	14	+7.7%
Operating Revenue	2.3	3.8	+62.8%	8.6	+58.2%
Ordinary Income	0.1	0.5	+273.9%	1.3	+118.6%
Net Income	0.1	1.6	+937.2%	2.3	+290.2%
 (¥ billion)	Sep-04(6M)	Sep-05(6M)	YoY	Mar-06(E)	YoY
Loans Outstanding	36.3	57.1	+57.4%	73.4	+60.7%
Number of Accounts (Thousands)	17	26	+51.3%	32	+52.4%
Loan Business Branches	42	57	—	63	—
Number of New Loan Customers (Thousands)	3	7	+101.0%	16	+77.8%
Operating Revenue	4.3	6.5	+51.0%	14.6	+52.7%
Ordinary Income	1.2	0.6	-50.5%	2.1	-15.0%
Net Income	0.6	0.3	-51.7%	1.2	-17.0%

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





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

 (¥ billion)	Sep-04(6M)	Sep-05(6M)	YoY	Mar-06(E)	YoY
Loans Outstanding	94.7	98.7	+4.2%	103.8	+9.0%
Number of Accounts (Thousands)	199	219	+9.8%	235	+15.2%
Loan Business Branches	293	293	—	297	—
Number of New Loan Customers (Thousands)	22	35	+54.6%	73	+40.4%
Operating Revenue	11.5	12.5	+8.5%	25.6	+9.8%
Ordinary Income	0.9	2.5	+162.8%	5.8	+247.0%
Net Income	-0.01	1.3	—	3.2	+792.0%

 (¥ billion)	Sep-04(6M)	Sep-05(6M)	YoY	Mar-06(E)	YoY
Loans Outstanding	55.9	61.8	+10.6%	66.1	+13.8%
Number of Accounts (Thousands)	167	170	+1.6%	179	+8.5%
Loan Business Branches	100	104	—	109	—
Number of New Loan Customers (Thousands)	16	21	+32.4%	44	+25.7%
Operating Revenue	7.1	7.9	+11.3%	16.2	+11.8%
Ordinary Income	1.3	1.9	+41.9%	3.0	+9.4%
Net Income	0.7	1.1	+49.8%	1.8	+31.1%

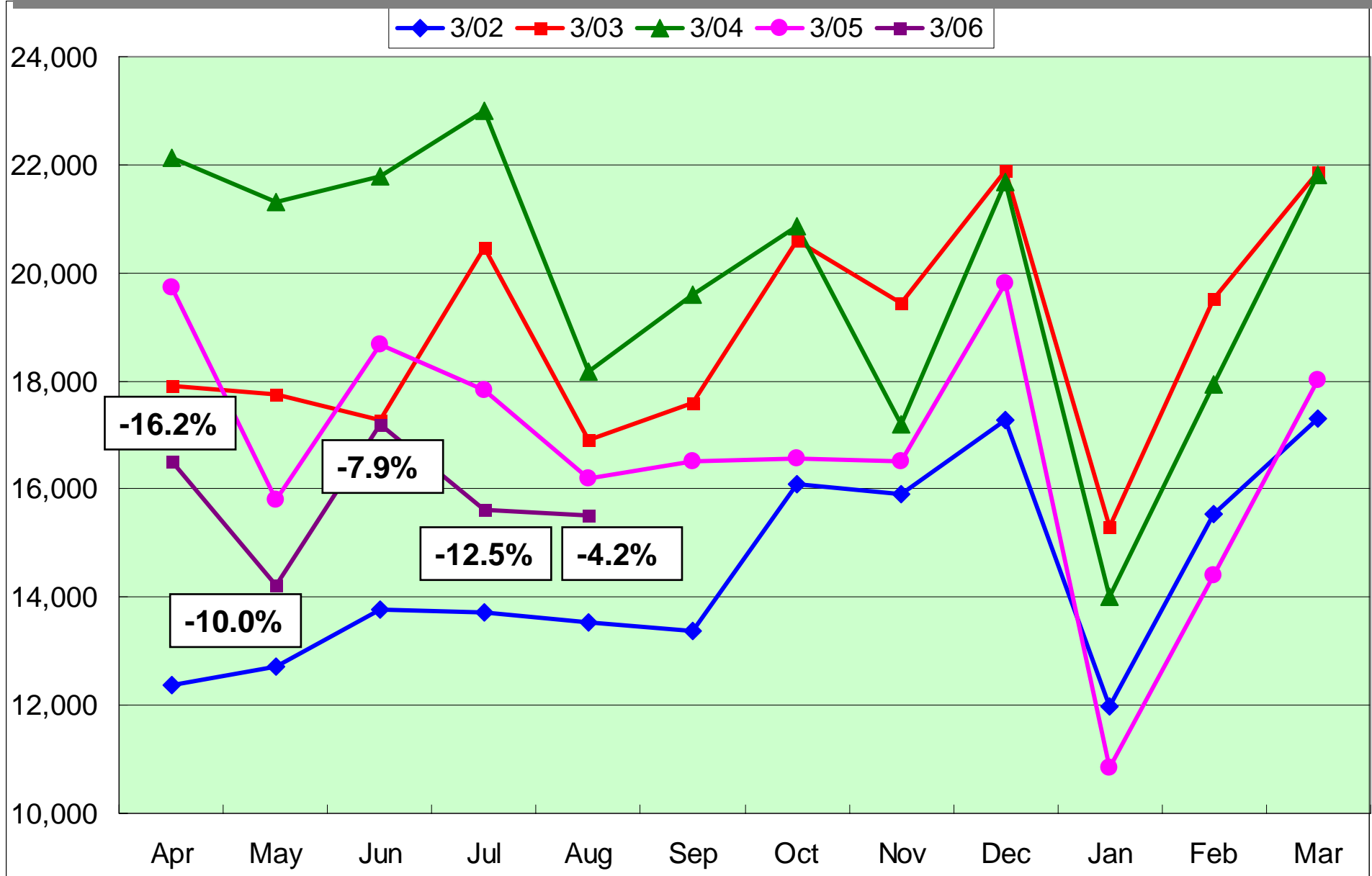
Financial Results - Consumer Finance Subsidiaries “TCM” and “PASSKEY”

 (¥ billion)	Sep-04(6M)	Sep-05(6M)	YoY	Mar-06(E)	YoY
Loans Outstanding	—	9.2	—	9.5	+3.5%
Number of Accounts (Thousands)	—	25	—	26	0.0%
Loan Business Branches	—	24	—	23	—
Number of New Loan Customers (Thousands)	—	1	—	3	—
Operating Revenue	—	1.2	—	2.5	—
Ordinary Income	—	0.07	—	0.2	—
Net Income	—	0.1	—	0.2	—

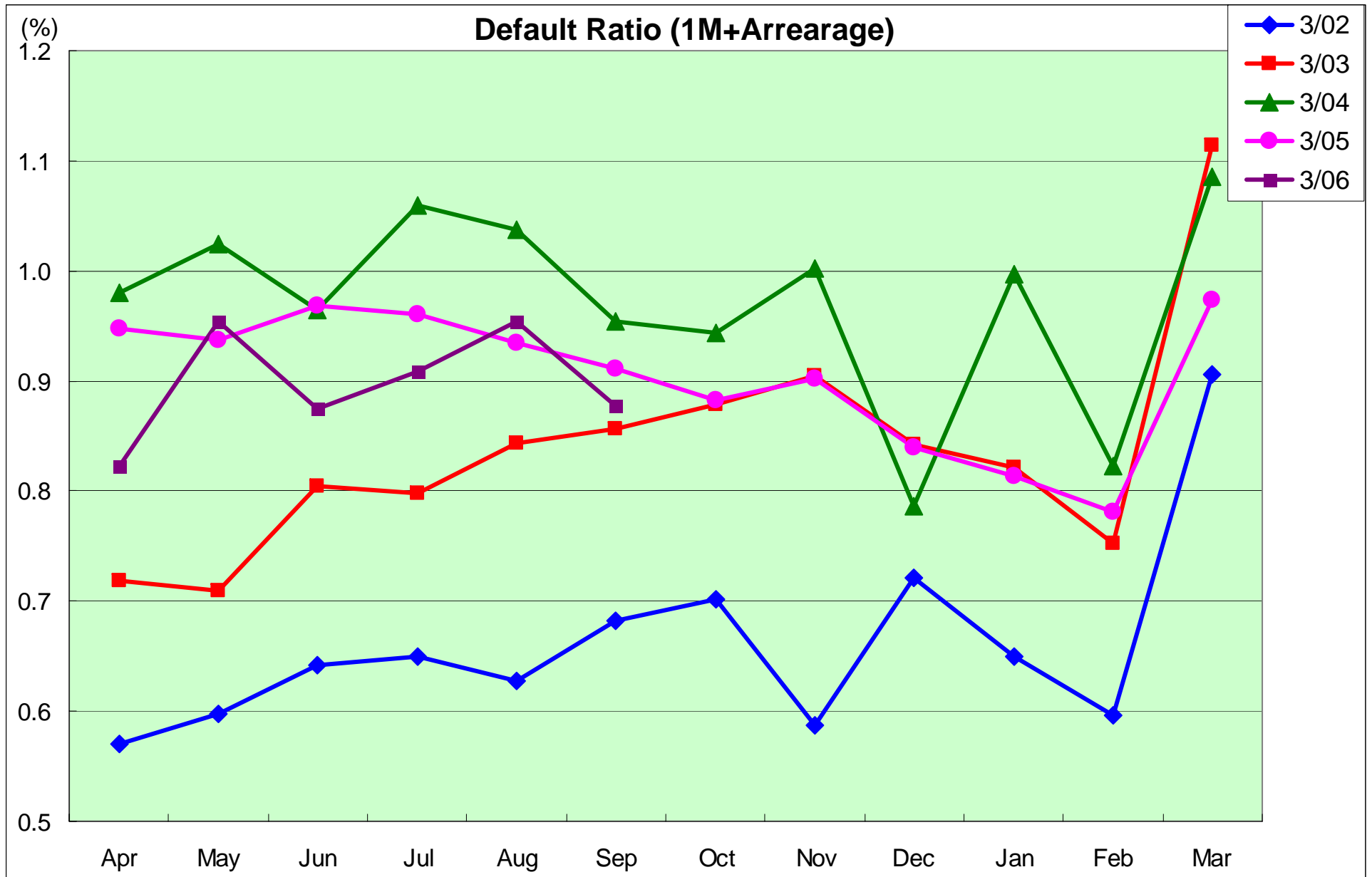
 (¥ billion)	Sep-04(6M)	Sep-05(6M)	YoY	Mar-06(E)	YoY
Loans Outstanding	—	7.2	—	7.4	—
Number of Accounts (Thousands)	—	18	—	19	—
Loan Business Branches	—	27	—	27	—
Number of New Loan Customers (Thousands)	—	1	—	3	—
Operating Revenue	—	0.8	—	1.7	—
Ordinary Income	—	-0.09	—	-0.06	—
Net Income	—	-0.1	—	-0.09	—

2. Business Environment

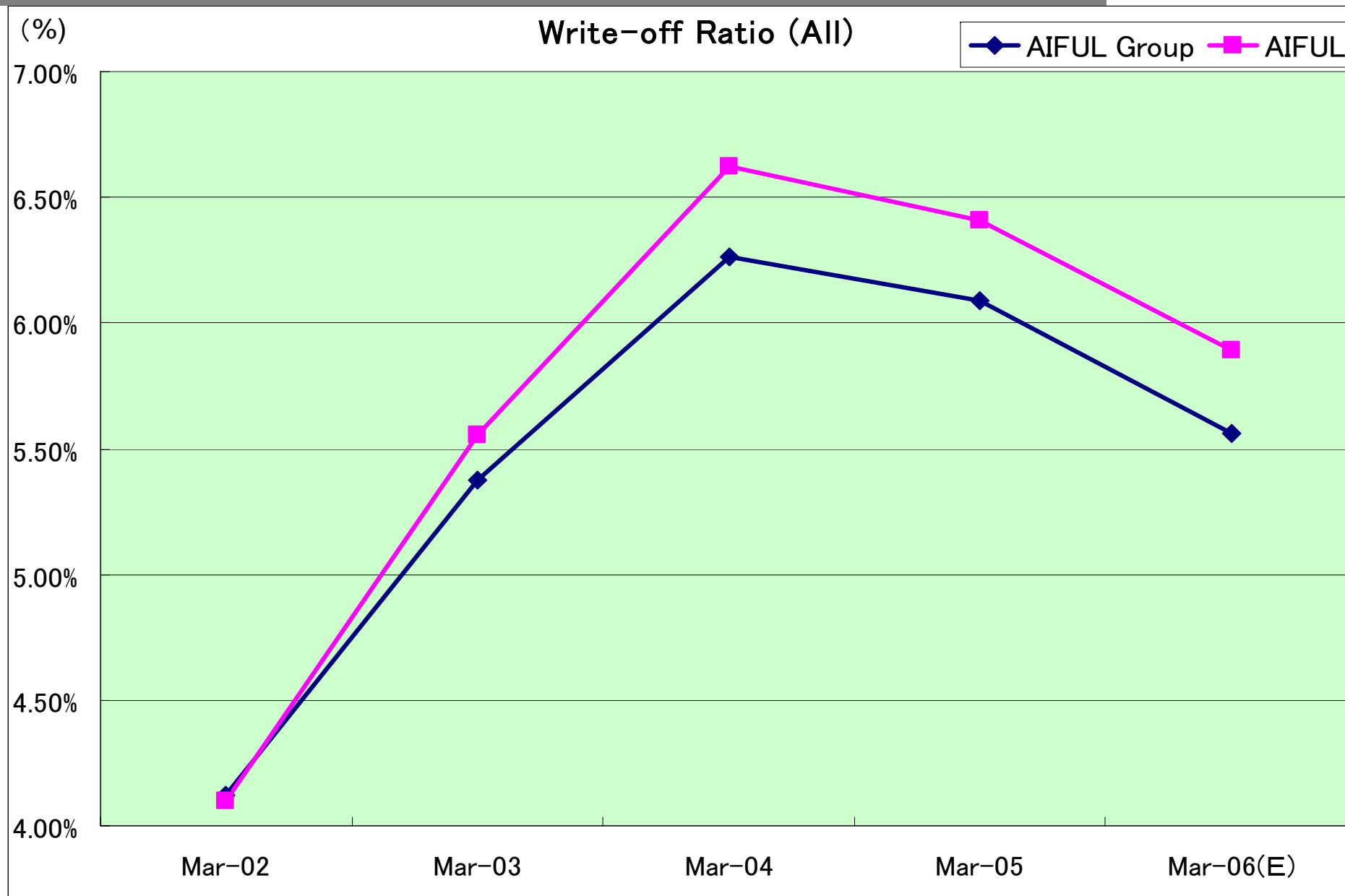
Bad Debts - Trend of Personal Bankruptcy (Japan Supreme Court) Negative YoY Growth for 22 Consecutive Months



Bad Debts - Default Ratio (AIFUL)

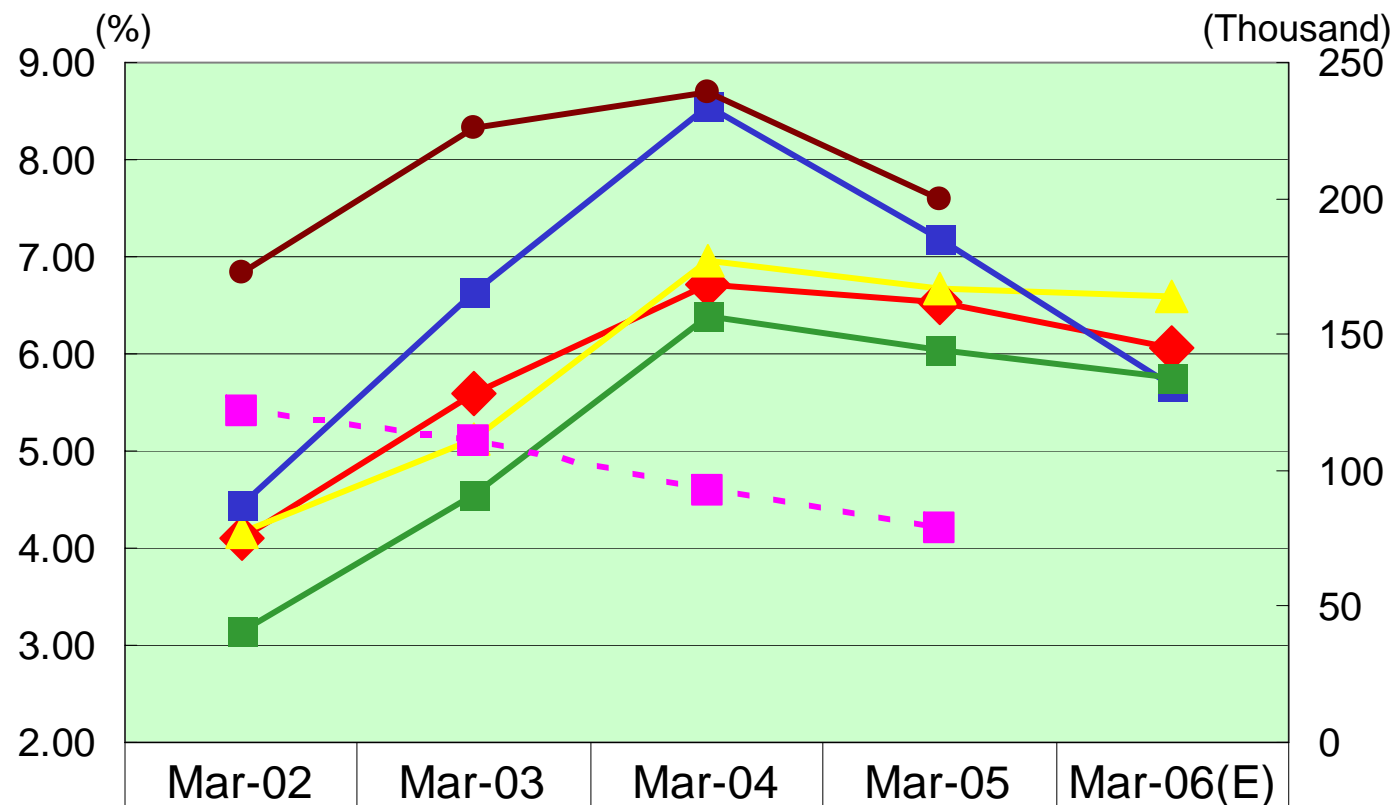


Bad Debts - Write-off Ratio (All)



*Credit guarantee balance is included in the calculation for both AIFUL Group and AIFUL.

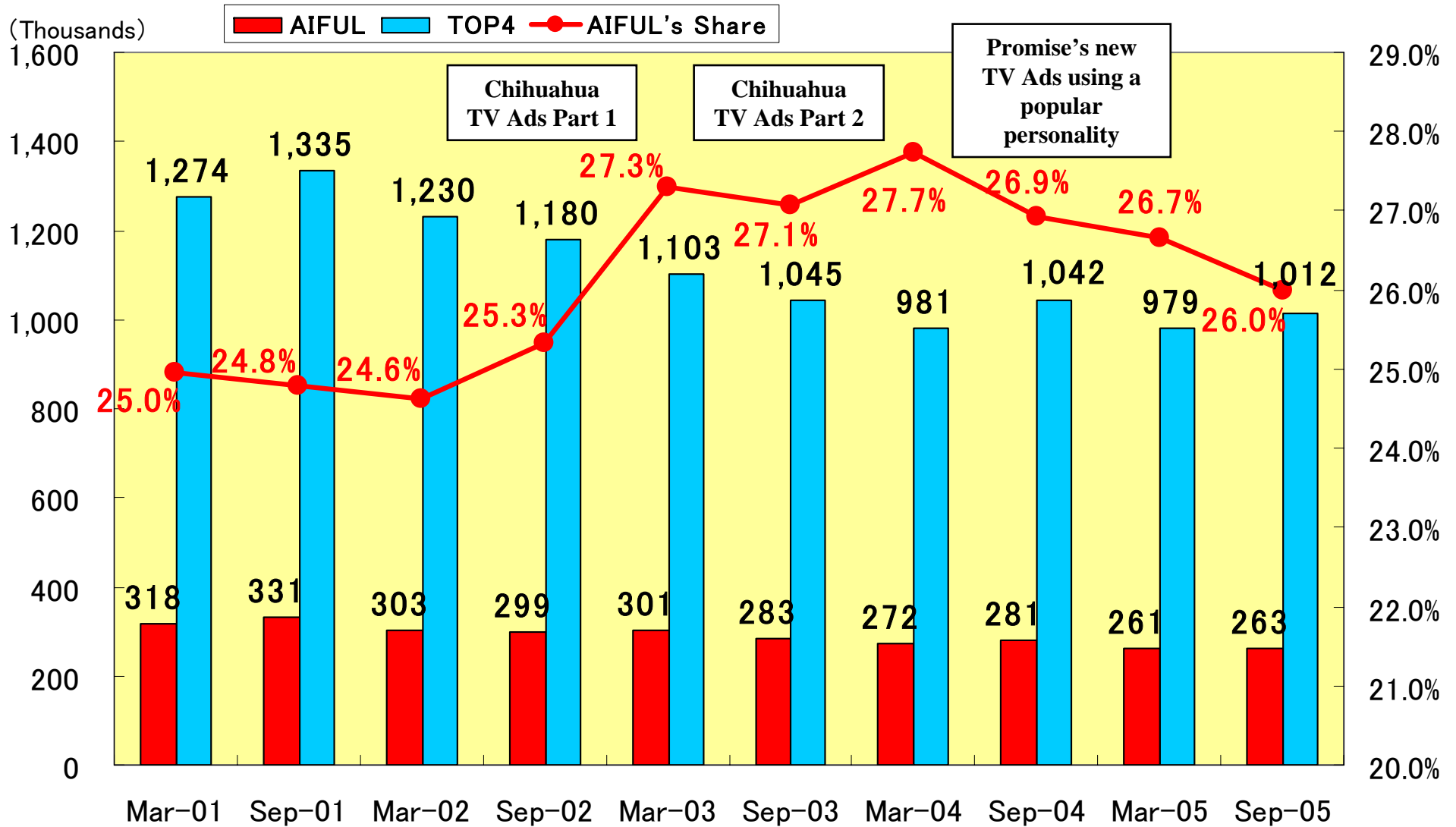
Bad Debts - Write-off Ratio (Competitor Comparison)



◆ AIFUL	4.10	5.59	6.71	6.54	6.07
▲ PROMISE	4.16	5.12	6.95	6.68	6.60
■ TAKEFUJI	4.45	6.64	8.55	7.19	5.67
■ ACOM	3.15	4.56	6.38	6.05	5.75
- ■ - Unemployment rate (%)	5.4	5.1	4.6	4.2(9/05)	-
● Bankruptcy (Thousand)	173	226	239	200	-

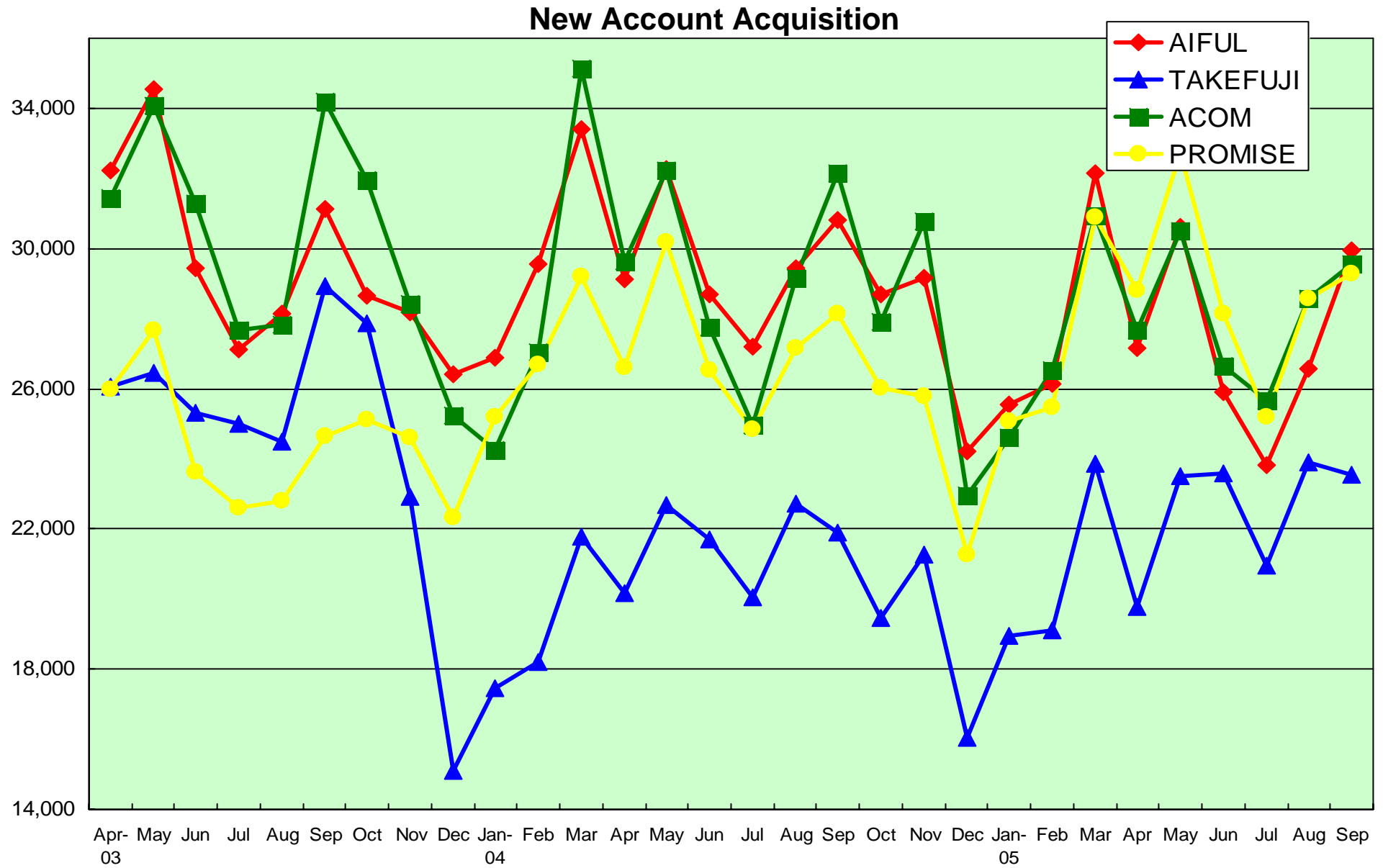
*The figures for AIFUL are the bad debt write-off ratios in the loan business.

New Accounts - New Applications for Unsecured Loans (Mar.2001-Sep.2005)

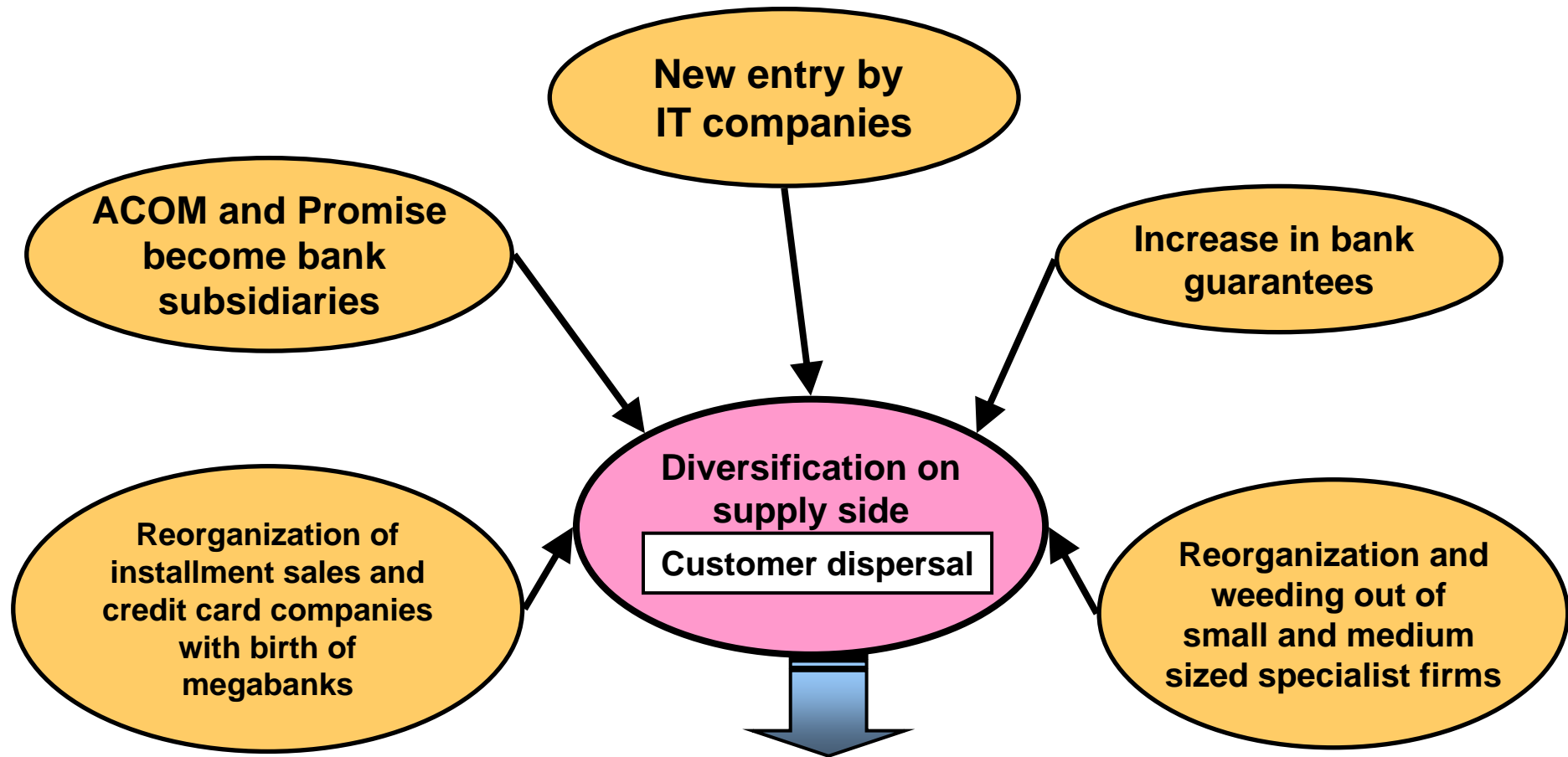


The ratio of a new customer without the debt from the other company	35.2%	36.5%	36.3%	36.6%
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New Accounts – New Account Acquisition for Unsecured Loans (Apr.2003 - Sep.2005)



New Accounts – “Diversification on Supply Side”



Tackle with multiple-brand strategy

 AIFUL CORPORATION

 TRYTO

 WIDE

 TCM
TOTAL FINANCE
NEW CORPORATION

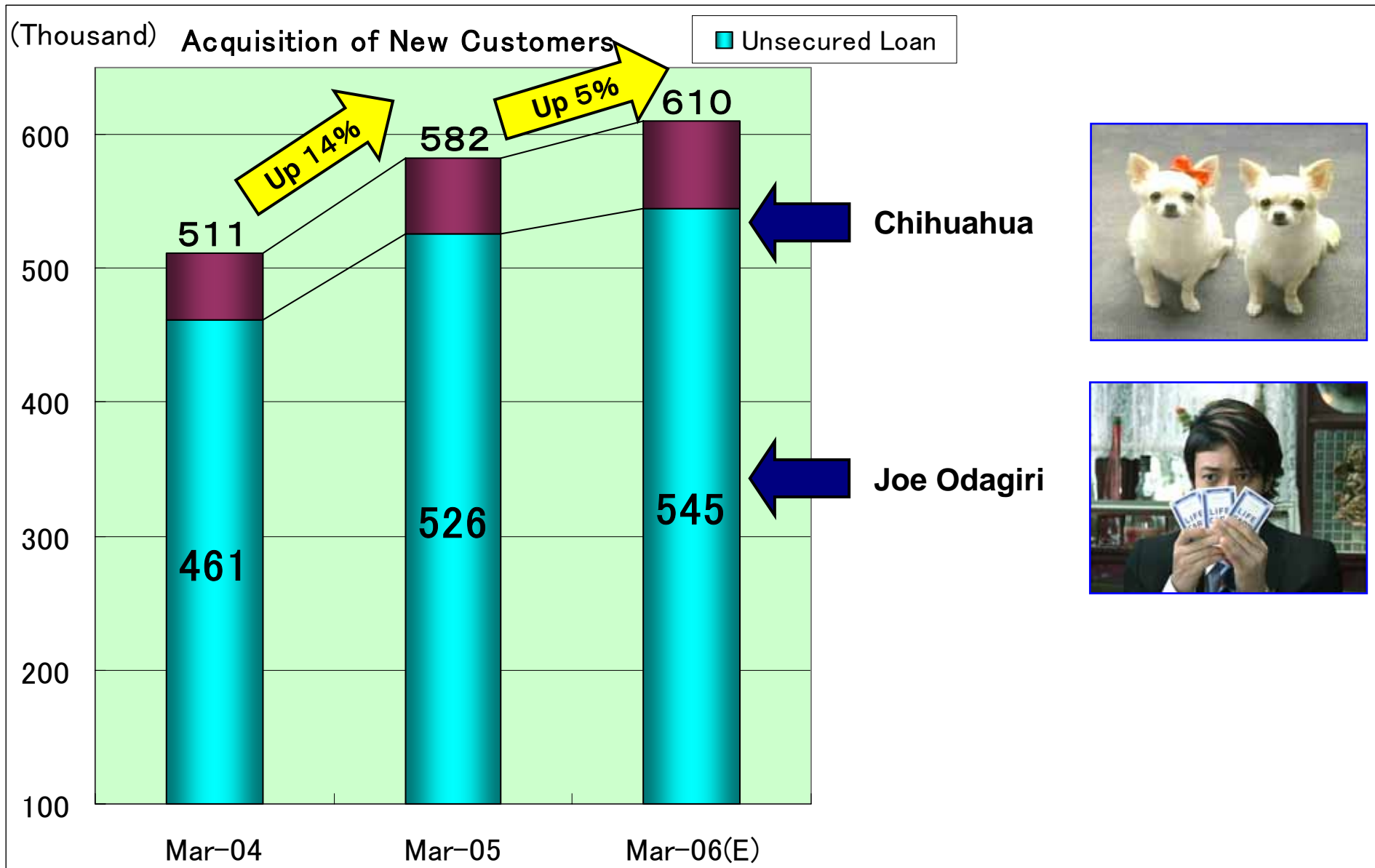
 PASSKEY

 Life
CARD

 Businext
ビジネスコスト
PVTB-88888074-0

 City's

New Accounts – “Acquisition of New Customers by Group” Multiple Brand Strategy



• Excludes new customer acquisition from Life's credit card cash advance and guarantee businesses..

New Customers – New TV Commercials (AIFUL)

“Puzzle” starring Misako Yasuda and “Body building” starring Shogo Shimizu began nationwide broadcasts from July 1 and September 3 respectively

“Puzzle”



“Body building”



Misakao Yasuda: Born 1982 and brought up in Kyoto. Selected as Miss Young Magazine 2002 (Kodansha). Appears in numerous productions including variety shows, dramas, and magazines.

Shogo Shimizu: Appears in numerous dramas including the TV series “Northern Family” (1973 NHK), “The Great White Tower” (CX), “Bright Half Moon in the Night” (CX), and “The Beauty or the Beast” (CX).

Best 2 at the TV Commercial Film Awards 2004.

View these commercials here: <http://www.aiful.co.jp/f/cm/PF60H010.html>

New Customers – New TV Commercials (LIFE)

“Choice of Card Determines Life – The Date” and “Choice of Card Determines Life - The overseas business trip,” starring Joe Odagiri, began airing nationwide on April 7 and July 1 respectively.

“The Date”



“The overseas business trip”

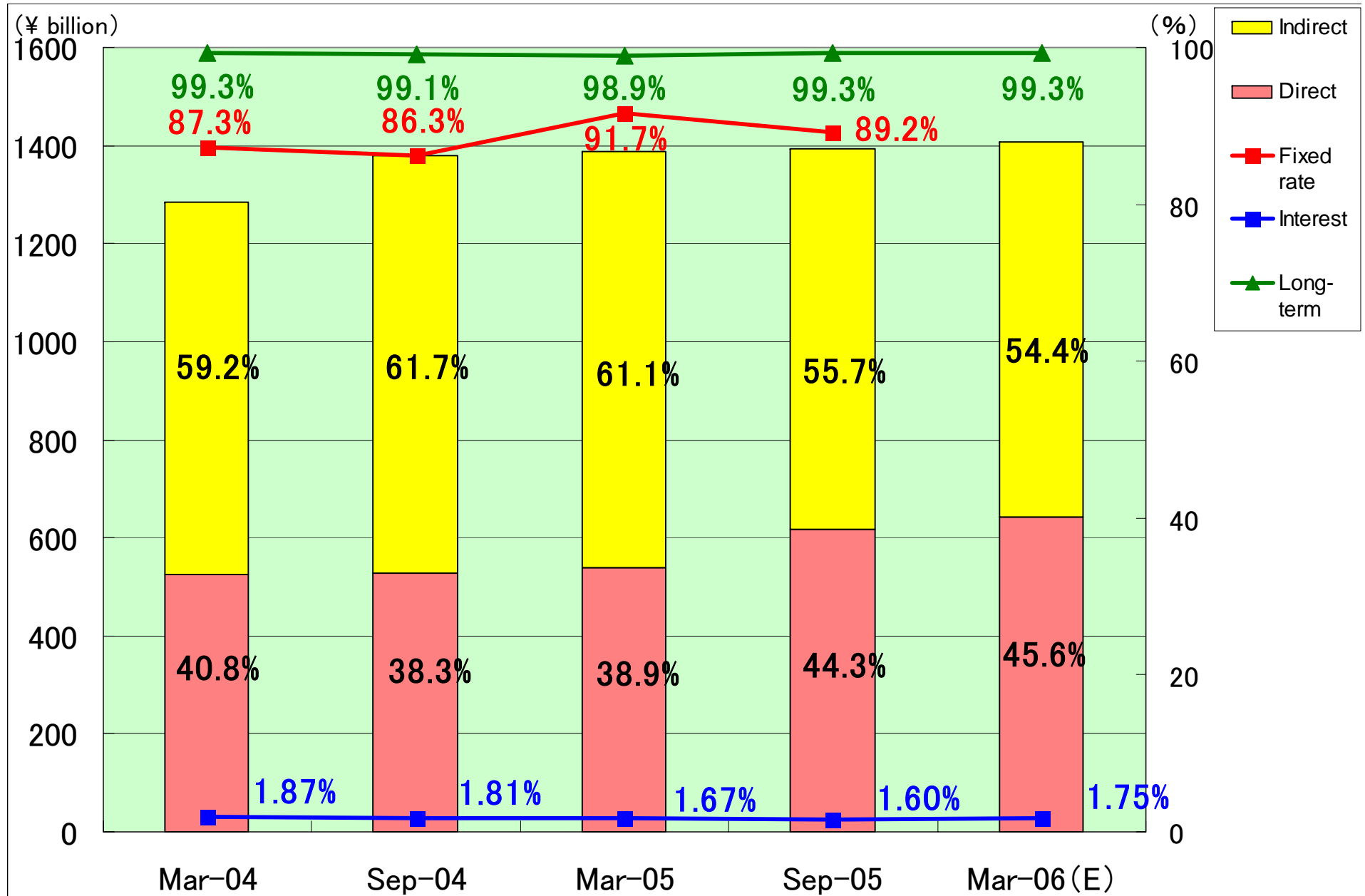


Joe Odagiri: Born in 1976 and brought up in Okayama Prefecture. First appeared in “Dream of Passion” in 1999. Won Japan Academy Best New Actor Award and Ecran d'Or Best New Actor Award for “Azumi” (2003, directed by Ryuhei Kitamura). Won Japan Academy Best Supporting Actor, Yujiro Ishihara Award for New Actors (Nikkan Sports Film Awards), Mainichi Film Awards Best Supporting Actor, Kinema-Junpo Best Supporting Actor Award, Tokyo Sports Film Best Supporting Actor Award, and Blue Ribbon Best Supporting Actor Award for “Blood and Bone” (2004, directed by Yoichi Sai). Appears in numerous films, plays, and dramas.

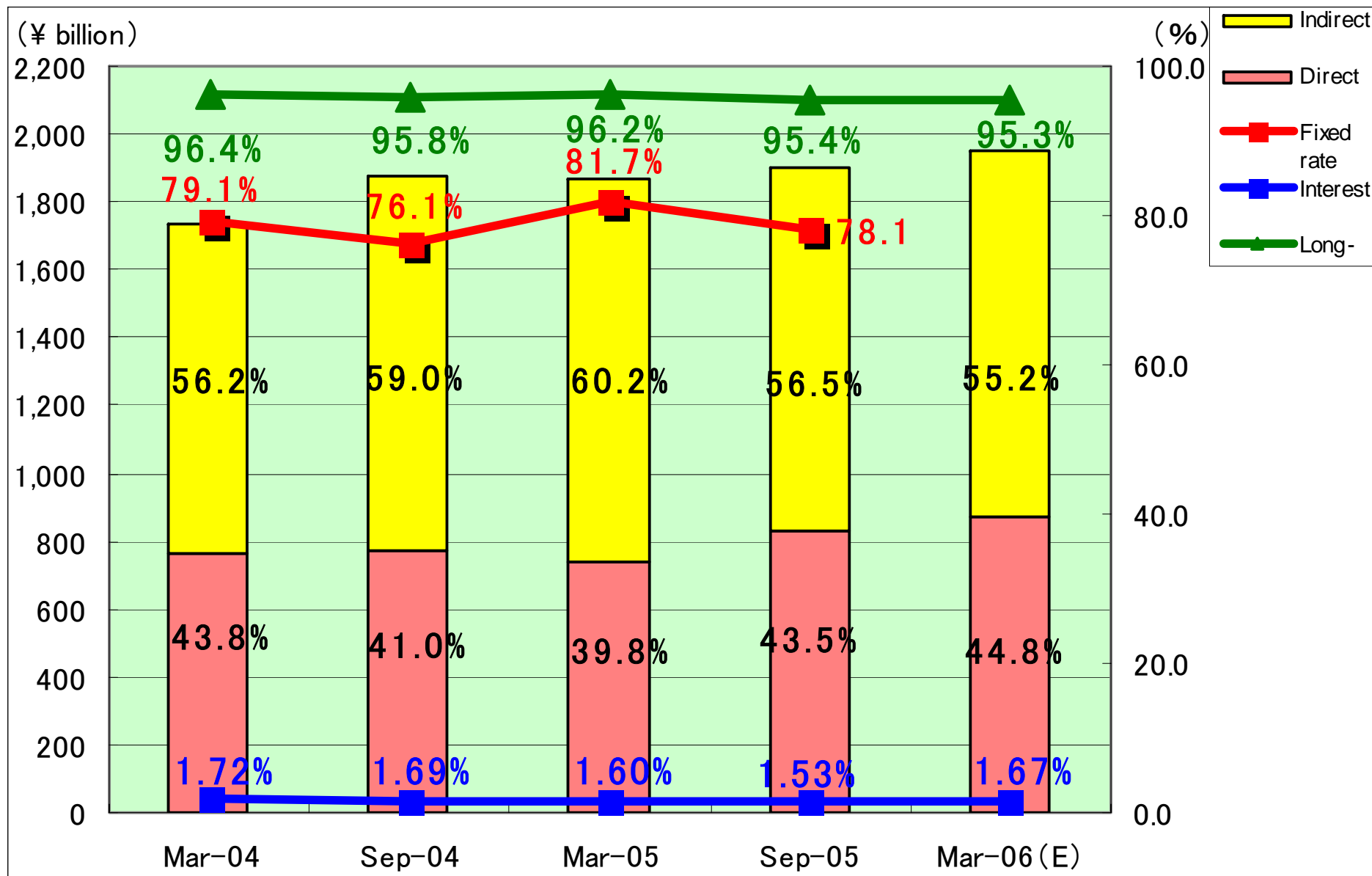
View these commercials here: <http://www.lifecard.co.jp/cm/cm1.htm>



Funding - AIFUL (Non-consolidated)



Funding - AIFUL Group (Consolidated)



● Issuance of Foreign Bonds

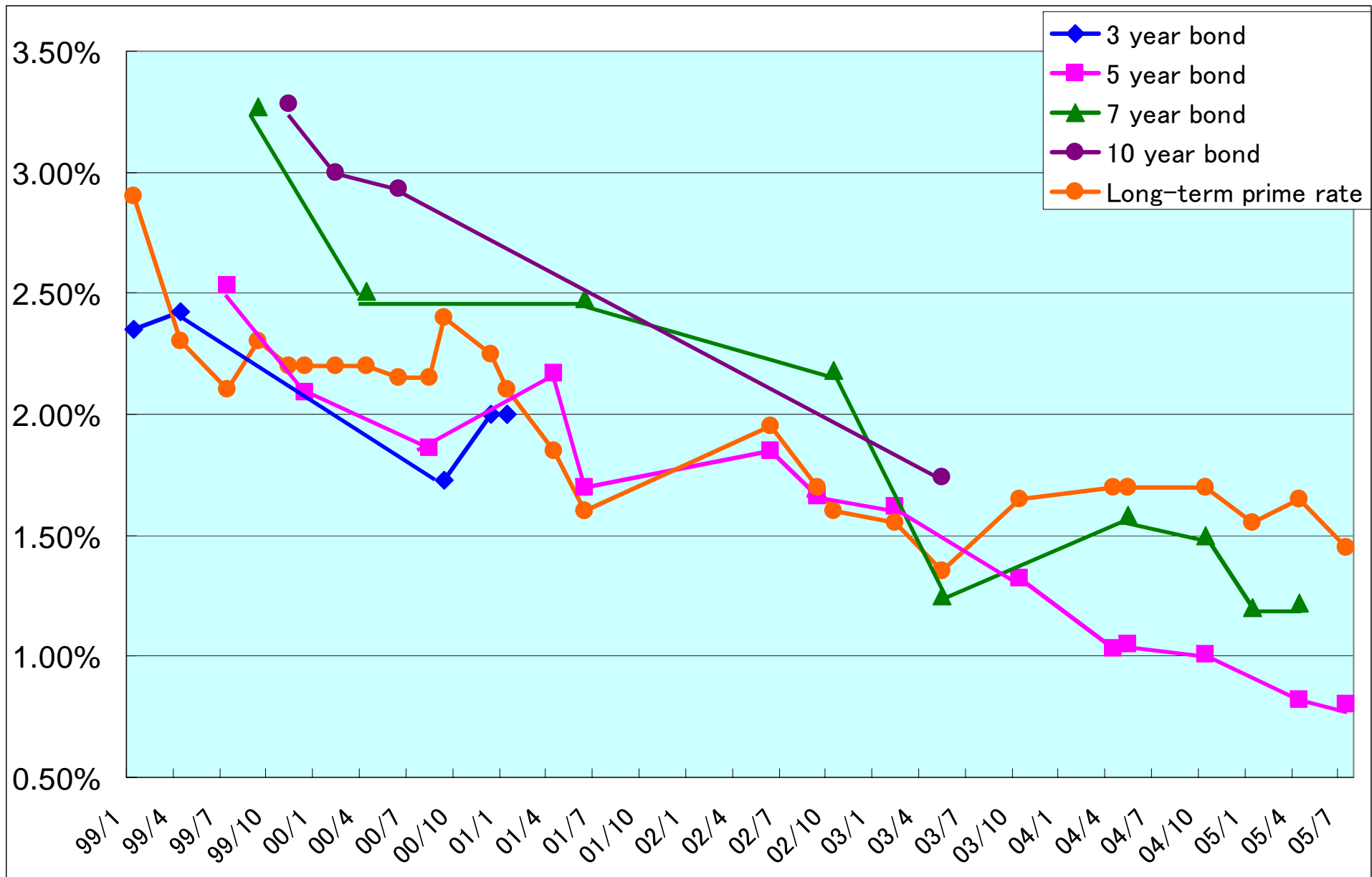
	Feb-05	Aug-05
Issue amount	\$ 500,000,000	\$ 500,000,000
Maturity date	5 years	5 years
Interest rate	4.45 %	5.00 %
Issue price	99.925 %	99.603 %

⇒ Diversification and development of funding portfolio

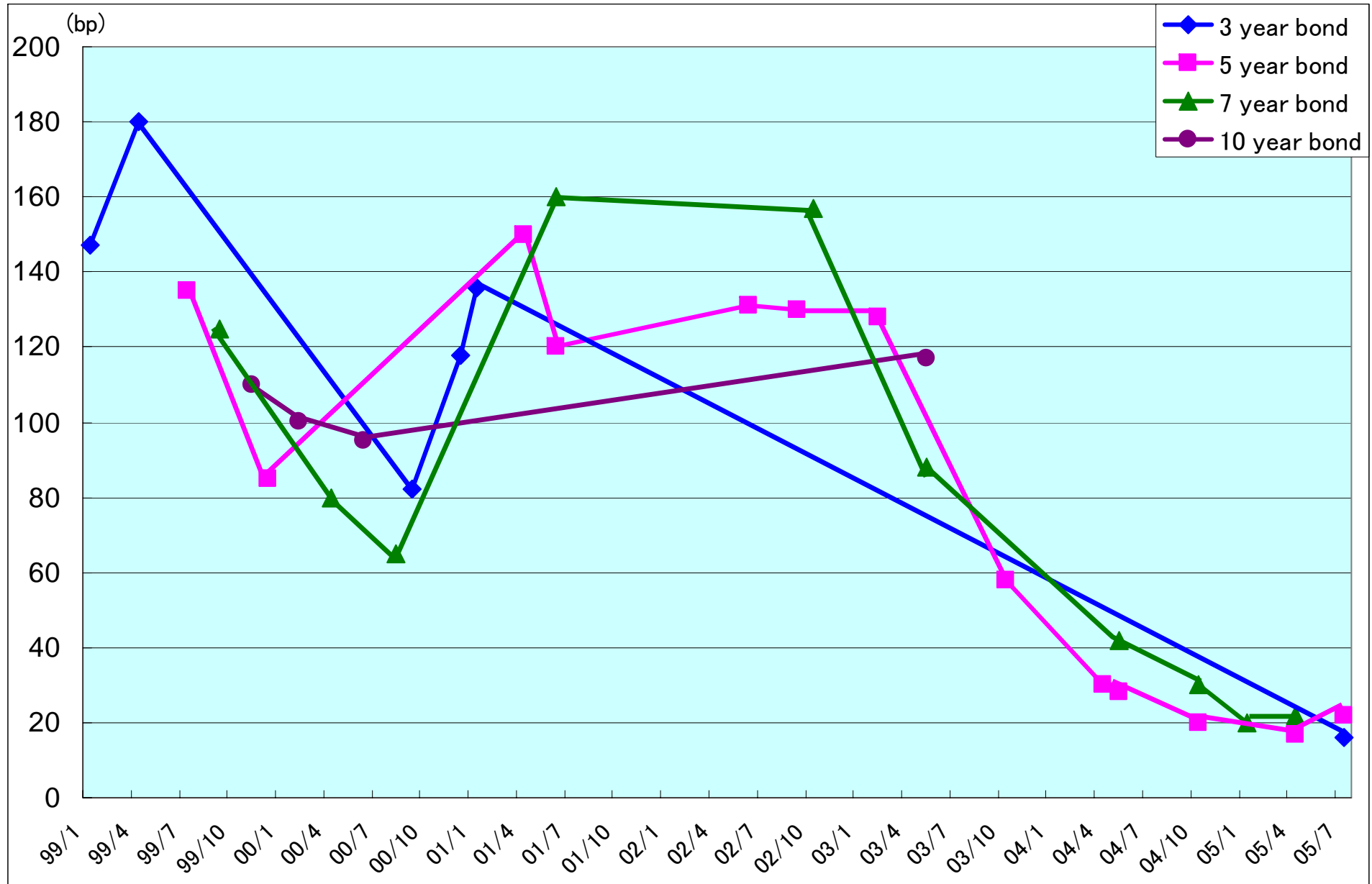
● AIFUL S&P rating raised to BBB+

⇒ Higher rating reflects analysts' favorable opinion of AIFUL earnings potential and comprehensive financial services strategy for shifting from unsecured loans to installment finance, credit cards, and secured and small business loans.

Funding - Corporate Bond Interest Rate

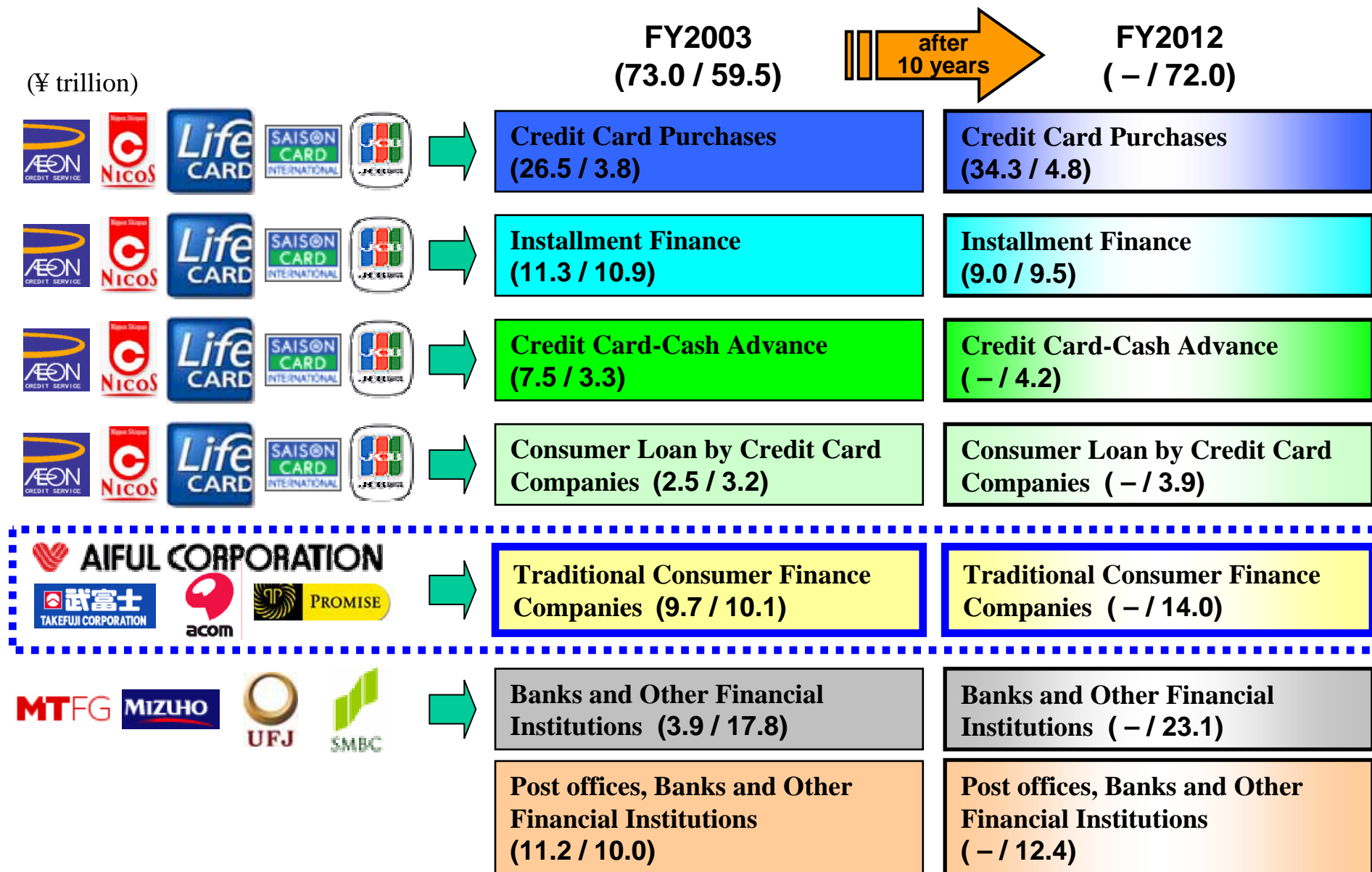


Funding – Transition of Spread



3. Business 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 – SME Loan target market
“The appeal of the Small business loan market”

BUSINEXT’s target market

- Firms with fewer than 20 employees
- Target industries: construction, electricity, finance & insurance, manufacture, real estate, service, transportation communication, wholesaler/retailer/restaurant

FY 2001	Construction	Electricity	Finance & insurance	Manufacture
Firms with fewer than 20 employees	549,939	1,724	79,080	549,989
	Real estate	Service	Transportation communication	Wholesaler/retailer/r restaurant
Total 5,592,169	284,654	1,560,868	126,914	2,439,001

Source: The Small and Medium Enterprise Agency

● **5.6 million potential customers**

Small business loan Receivables

“SHOUKOU Loan” Scandal

(¥ million)

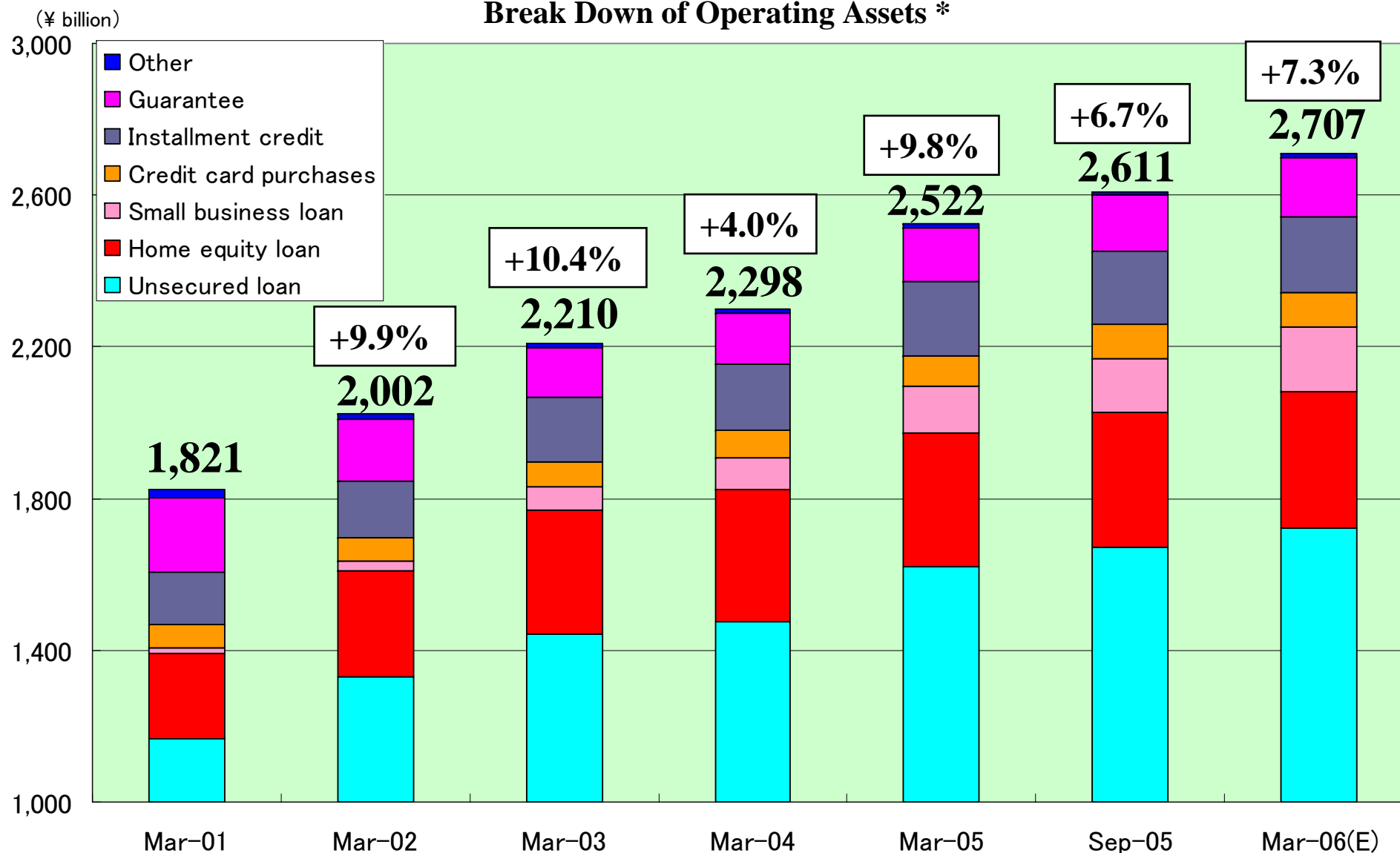
	2000	2001	yoy		2004	yoy	2005	yoy
SFCG *	332,610	295,997	-11.0%		353,031	7.8%	378,654	7.3%
LOPRO	322,214	246,922	-23.4%		96,830	-46.7%	102,805	6.2%
Other companies	273,065	277,773	1.7%		326,381	10.2%	379,051	16.1%
Total	927,889	820,692	-11.6%		776,242	-3.6%	859,550	10.9%

● **Consistent Small business demand for funds**

* Loans for SFCG are as of January 31 because this company ends its fiscal year on July 31.

Diversification Strategy - Risk Diversification

Break Down of Operating Assets *



Share of unsecured loan	65.8%	65.3%	64.2%	64.3%	64.1%	63.5%
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Diversification Strategy - Future AIFUL Group

Direction of Strategy in Development of Comprehensive Financial Group

M&A Strategy		Pure Investment	Strategic Investment			
		Active expansion taking profitability, stability, and growth into account				
		Sectors for Active Expansion (Large Growth Margin)				
	Risk	Consumers loans	Small Businesses loans	Credit Sales and Credit Cards	Home Equity Loans	
Personal	Low		Banks			
	Middle		Businext ビジネス フューチャーズ	Life CARD	Businext ビジネス フューチャーズ	Life CARD
	High	AIFUL CORPORATION TRYTO PASKEY TCM	Businext City's	Life CARD	City's AIFUL CORPORATION TRYTO PASKEY TCM	
Corporate	Low		Banks			
	Middle		Businext ビジネス フューチャーズ	Life CARD	Businext ビジネス フューチャーズ	Life CARD
	High		City's	Life CARD	City's	

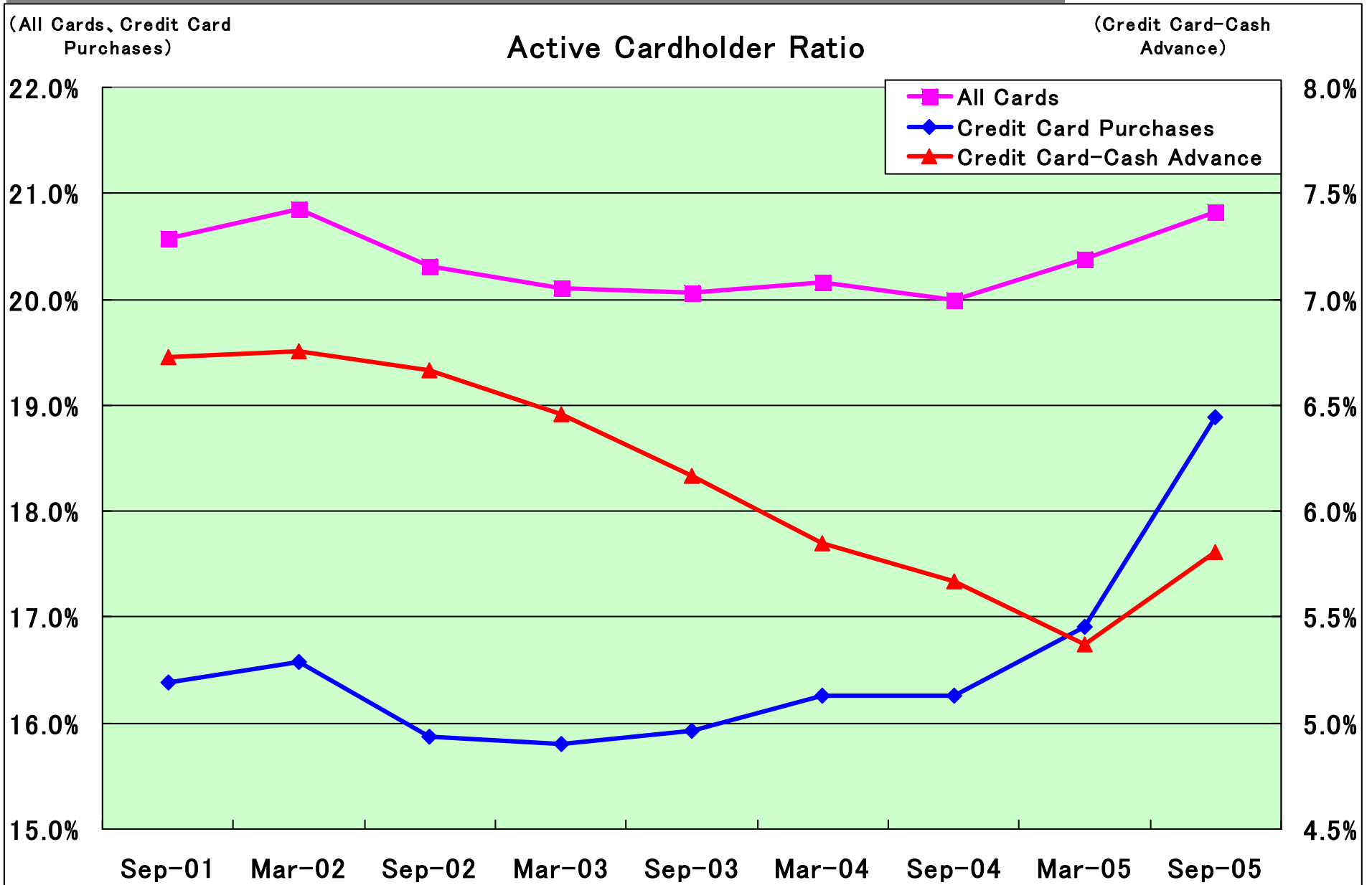
4. Financial Results of LIFE

LIFE (1)- Operating Results

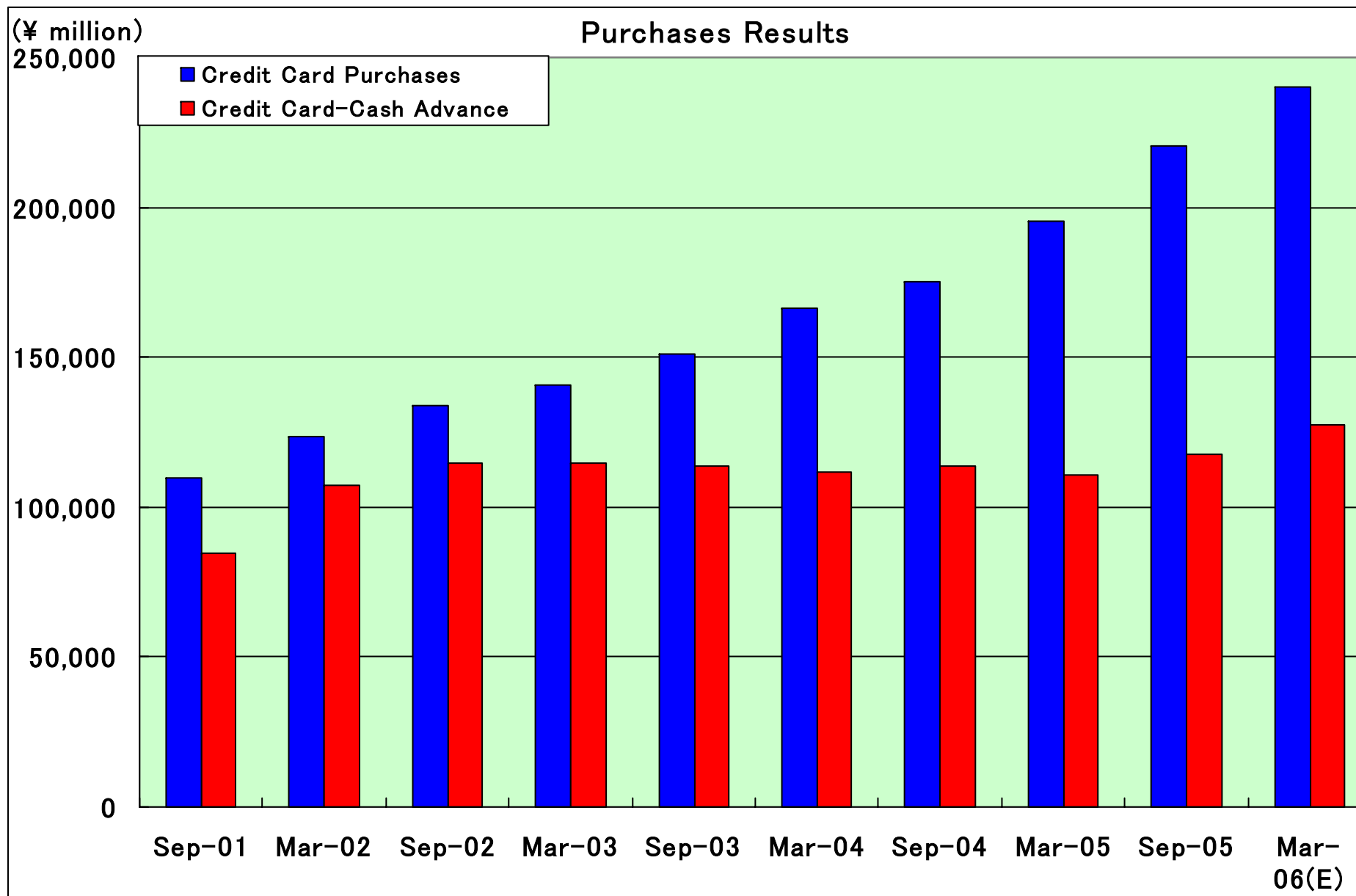
(¥ million)

	Sep-04	Mar-05	Sep-05	YoY	Mar-06	YoY
	(6M)		(6M)		(E)	
Number of card holders (Thousand)	11,475	11,916	12,438	+8%	12,967	+9%
Proper	1,677	1,710	1,739	+4%	1,809	+6%
Affinity	9,797	10,205	10,698	+9%	11,158	+9%
Number of new issue (Thousand)	1,050	2,086	1,099	+5%	2,271	+9%
Proper	102	207	108	+6%	242	+17%
Affinity	947	1,878	990	+5%	2,028	+8%
Credit card purchase results	289,964	597,314	338,245	+17%	706,052	+18%
Credit card purchases	176,482	373,130	220,431	+25%	460,562	+23%
Credit card-cash advance	113,482	224,184	117,814	+4%	245,490	+10%
Installment finance purchase results	67,541	135,646	60,515	-10%	124,515	-8%
Merchant members	93,627	95,281	96,746	+3%	100,253	+5%

LIFE (2)-1 - Card Business – Active Cardholder Ratio



LIFE (2)-2 - Card Business – Purchases Results

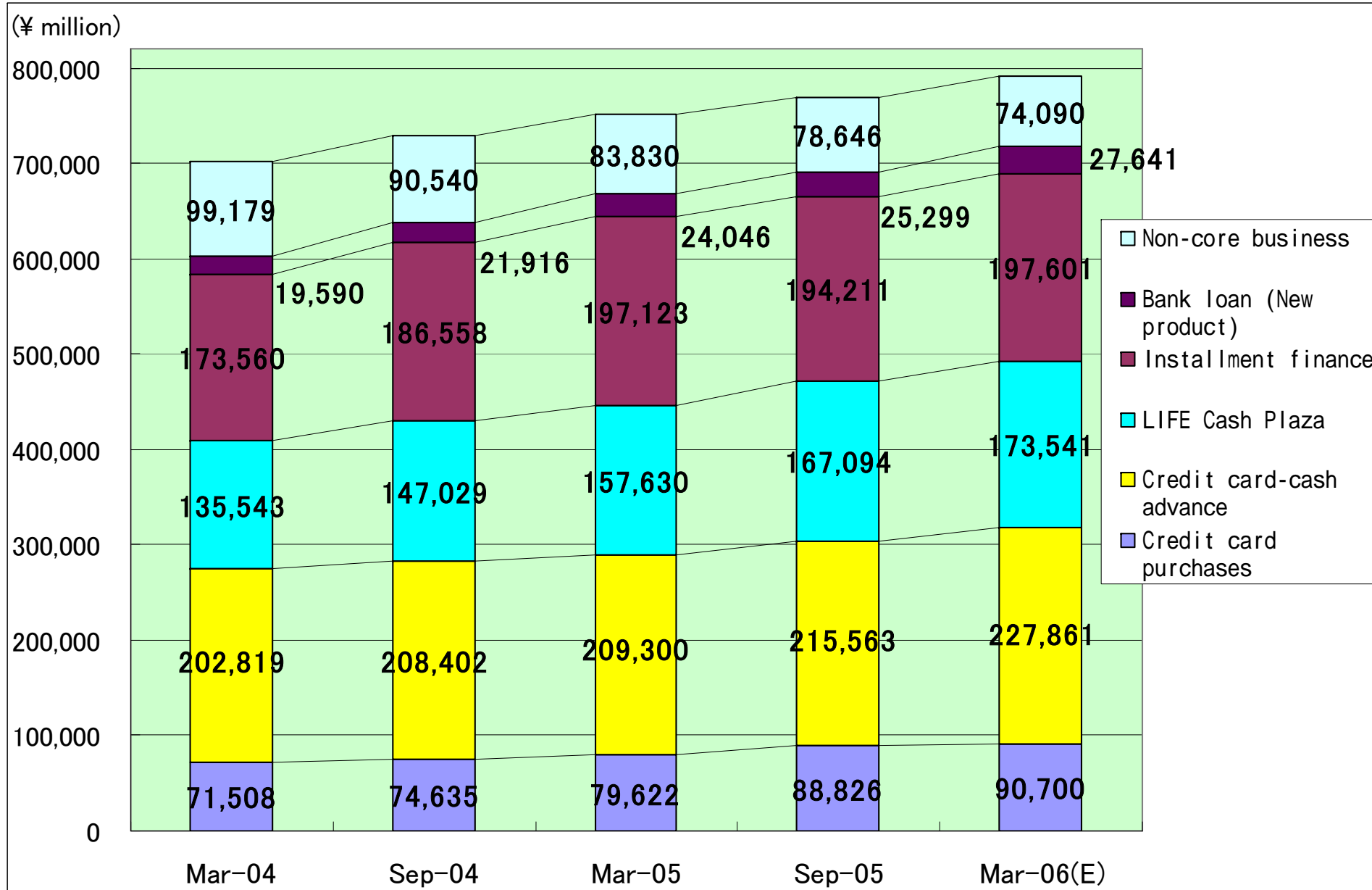


LIFE (3)-1- Operating Results

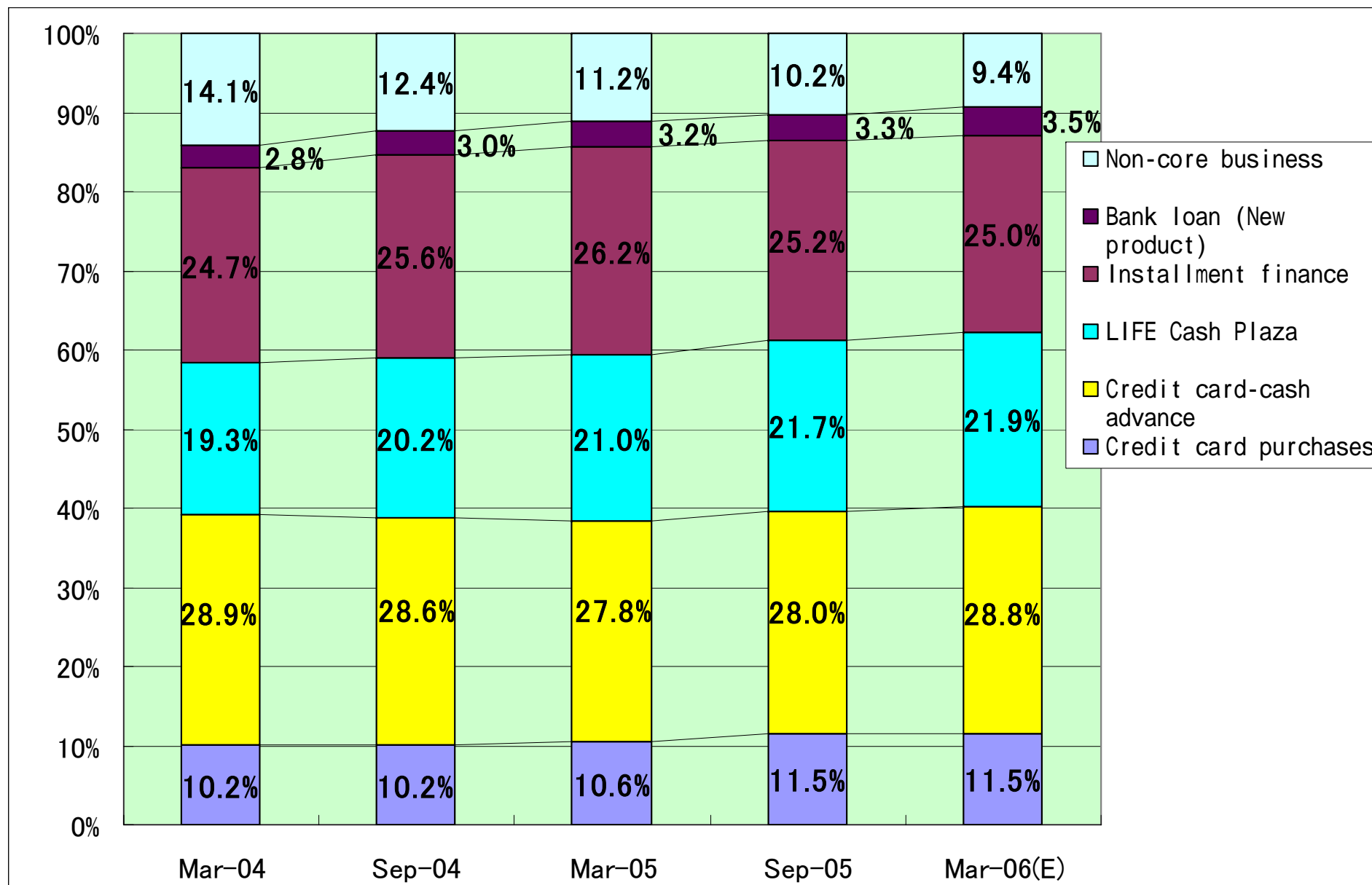
(¥ million)

	Sep-04	Mar-05	Sep-05	YoY	Mar-06	YoY	
	(6M)		(6M)		(E)		
Total	729,081	751,553	769,643	+6%	791,436	+5%	
Expanding businesses	638,541	667,723	690,996	+8%	717,346	+7%	
Credit card purchases	74,635	79,622	88,826	+19%	90,700	+14%	
Installment finance	186,558	197,123	194,211	+4%	197,601	+0%	
Credit card-cash advance	208,402	209,300	215,563	+3%	227,861	+9%	
LIFE Cash Plaza	147,029	157,630	167,094	+14%	173,541	+10%	
Bank loan (New product)	21,916	24,046	25,299	+15%	27,641	+15%	
Non-core businesses	90,540	83,830	78,646	-13%	74,090	-12%	
Partner loan	1,615	1,194	967	-40%	713	-40%	
Home loan	33,741	31,726	30,016	-11%	28,236	-11%	
Bank loan (Old product)	44,928	41,258	38,514	-14%	36,205	-12%	
Other	10,254	9,650	9,147	-11%	8,935	-7%	
Composition	Expanding businesses	88%	89%	90%	—	91%	—
	Non-core businesses	12%	11%	10%	—	9%	—

LIFE (3)-2 - Operating Assets



LIFE (3)-3 - Outstanding Balance



LIFE (4)-1- Profit and loss

(¥ million)

	Sep-04	Mar-05	Sep-05	YoY	Mar-06	YoY
	(6M)		(6M)		(E)	
Operating Revenue	60,815	123,881	66,429	+9%	134,701	+9%
Credit card purchases	4,474	9,313	5,296	+18%	11,018	+18%
Installment finance	8,509	17,501	9,200	+8%	18,231	+4%
Credit card-cash advance	24,130	48,558	25,172	+4%	51,502	+6%
LIFE Cash Plaza	17,522	36,313	20,170	+15%	41,091	+13%
Guarantee	2,013	4,044	2,118	+5%	4,279	+6%
Bad Debt Recovery	1,683	3,175	1,831	+9%	3,468	+9%
Other	2,478	4,972	2,637	+6%	5,109	+3%
Operating Expenses	53,081	107,401	54,851	+3%	113,670	+6%
Financial Expenses	4,367	8,806	4,330	-1%	9,001	+2%
Credit Costs	19,747	39,775	20,924	+6%	37,946	-5%
Advertising Expenses	2,737	5,464	3,250	+19%	6,539	+20%
Salaries	7,595	15,257	8,288	+9%	16,764	+10%
Other	18,633	38,096	18,058	-3%	43,417	+14%
Operating Income	7,733	16,480	11,577	+50%	21,031	+28%
Ordinary Income	7,750	16,524	11,639	+50%	21,100	+28%

LIFE (4)-2- Operating Revenue Ratio

(¥ million)

	Mar-04	Mar-05	Mar-06(E)		
			yoy	yoy	
Number of Card- holders (Thousands)	11,032	11,916	+8%	12,967	+9%
Receivables Outstanding	702,202	751,553	+7%	791,436	+5%
Installment Receivable	256,773	285,867	+11%	296,763	+4%
Loans (Cash Advance)	339,137	367,459	+8%	401,876	+9%
Guarantee & Other	106,290	98,226	-8%	92,796	-6%
Operating Revenue	113,738	123,881	+9%	134,701	+9%
Operating Revenue Ratio *2	16.4%	16.9%	+0.5%	17.4%	+0.5%

LIFE (5) - Bad debt

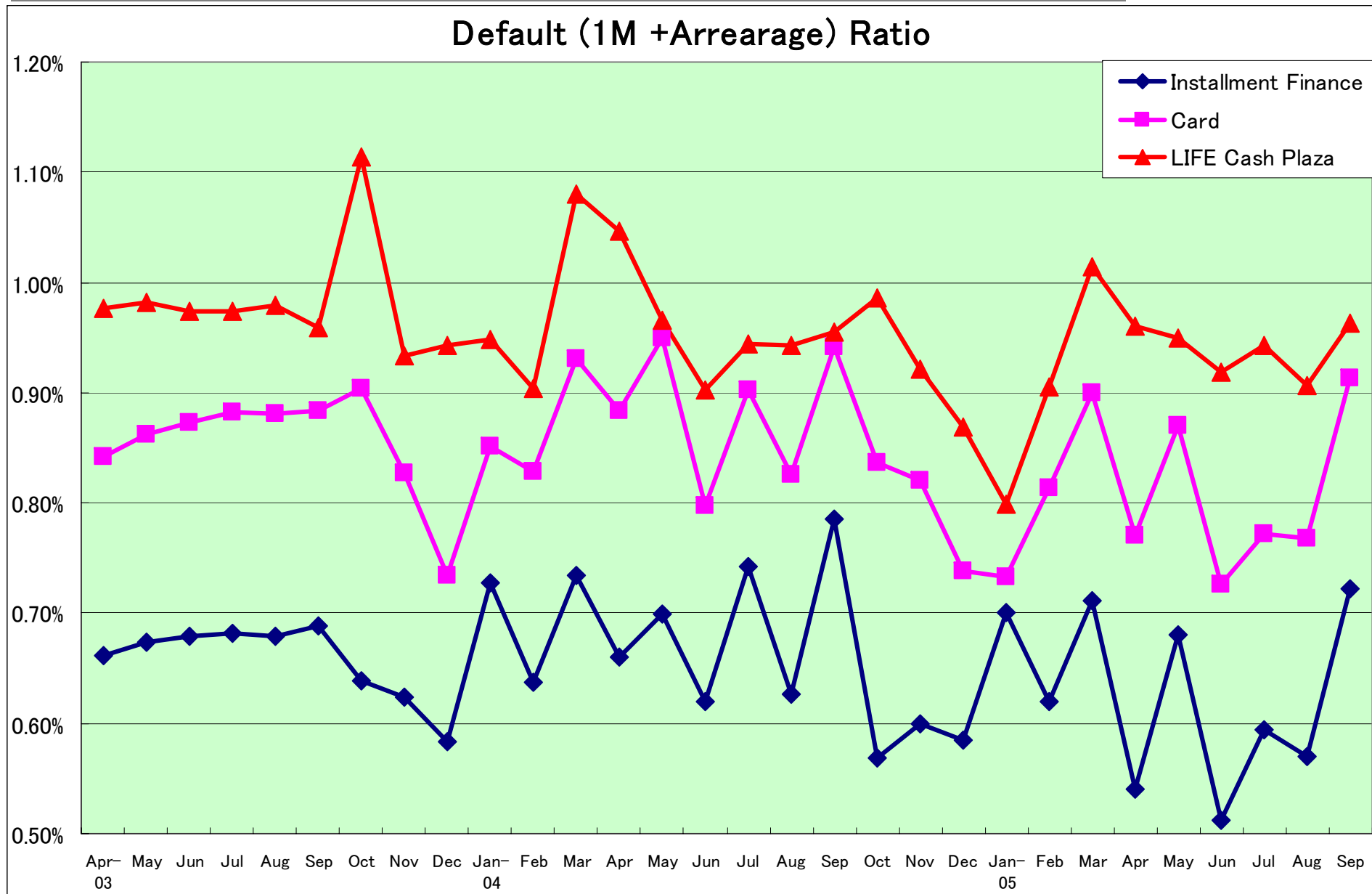
(¥ million)

	Sep-04	Mar-05	Sep-05	YoY	Mar-06	YoY
	(6M)		(6M)		(E)	
Credit cost	19,747	39,775	20,924	+6%	37,946	-5%
Bad debt Write offs	19,668	36,658	20,601	+5%	36,905	+1%
Main Business *1	17,247	33,664	17,764	+3%	33,288	-1%
Other Business	2,421	2,994	2,837	+17%	3,617	+21%
Home Loan	1,071	1,266	216	-80%	517	-59%
Loss from fraudulent use of credit card	967	1,159	171	-82%	387	-67%
Loss from member merchant fraudulence	371	526	2,443	+559%	2,699	+412%
Other	13	42	8	-39%	14	-66%
New Provisions for bad debt	35,212	38,249	38,682	+10%	39,400	+3%
Bad debt provisions used	-35,133	-35,133	-38,359	+9%	-38,359	+9%
Write off ratio	2.70%	4.88%	2.68%	-0.02%	4.66%	-0.21%
Ratio of allowance for bad debt	4.83%	5.09%	5.03%	+0.20%	4.98%	-0.11%

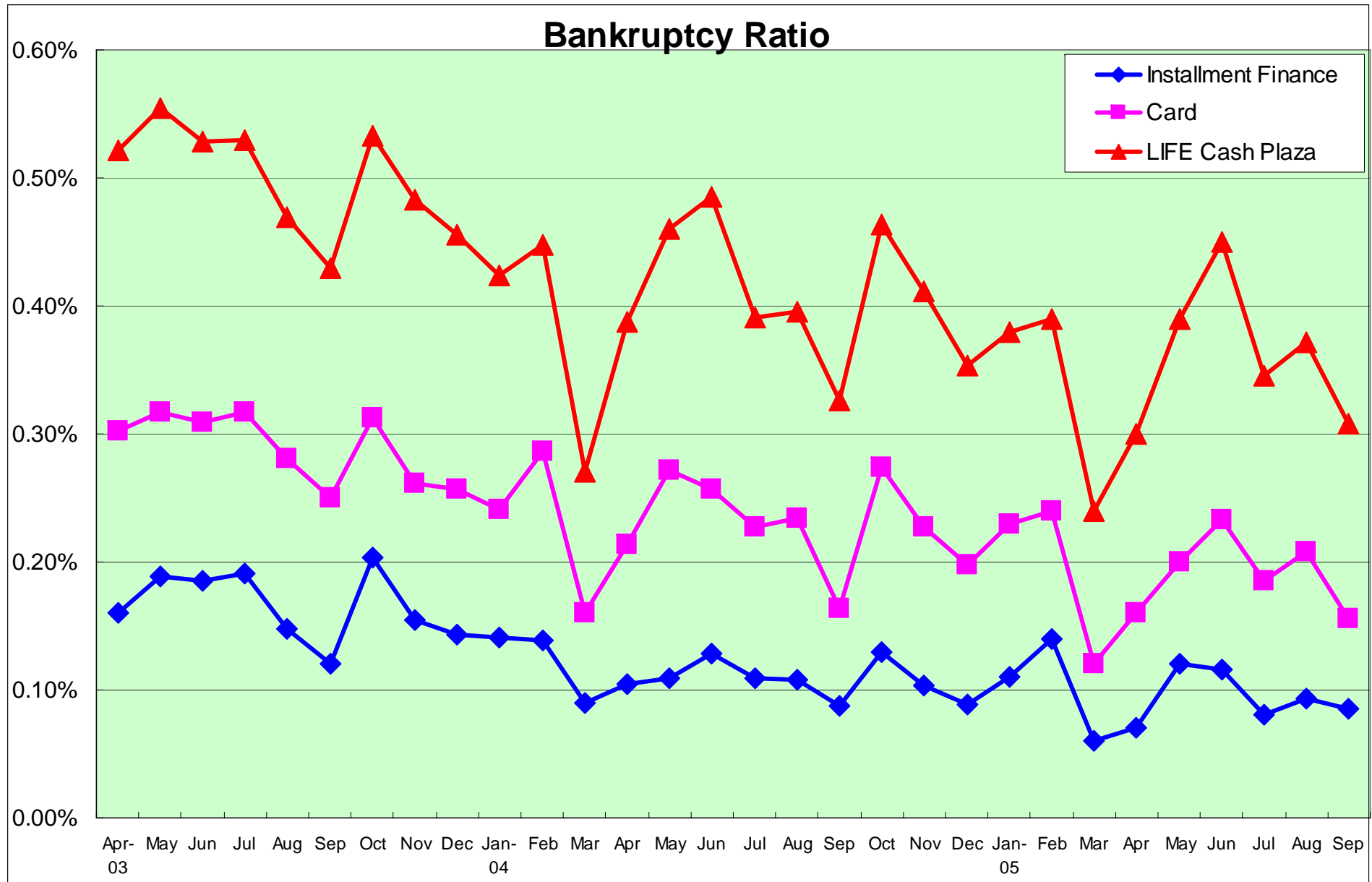


*1: Credit card Business, Installment finance, LIFE Cash Plaza, Guarantee

LIFE (6)-1 - Trend of Default (1M +Arrearage) Ratio by Business Line



LIFE (6)-2 - Trend of Bankruptcy Ratio by Business Line





5. Explanation of Figures

Breakdown of Accounting Items (Consolidated) – Comparison of Initial Consolidated Targets and Adjusted Consolidated Targets (accounting base) (¥ million)

Items	06/3 Initial target	06/3 Adjusted target	yoy	Description or reasons for increase/decrease
Operating Revenue	555,049	552,941	-2,108	2.6 billion yen decrease of revenue from interest due to lowering of estimate for average balance of loans outstanding and returns on AIFUL unsecured loans in the first half of the year
Operating Expenses	400,244	400,384	140	
Financial Expenses	42,971	38,441	-4,530	Financial expense estimates lowered due to decline in open market rates and improved borrowing terms at AIFUL and LIFE
Other Operating Expenses	356,525	361,459	4,934	
Credit Cost	140,916	144,553	3,637	Bad debt expense estimates raised for WIDE, TRYTO, and City's
Advertising Expenses	28,250	28,926	676	Advertising expense estimates at group companies (for ads designed to boost business) raised
Personnel Expenses	60,413	61,131	718	Estimates of number of personnel to be hired raised to reflect business expansion at City's and other group companies
Amortization of Goodwill and Consolidation Differences	1,734	2,055	321	One-time amortization of goodwill and consolidation differences for Passkey, acquired by AIFUL in a merger in March of current year
Other	125,210	124,792	-418	
Operating Income	154,805	152,557	-2,248	
Ordinary Income	155,000	153,000	-2,000	Result of increases and decreases described above

Breakdown of Consolidated Operating Revenue (Reasons for Increase)
(¥ billion)

Items	9/05	yoy	yoy%	Description or reasons for increase/decrease	3/06 (E)
Operating Revenue	272.8	+16.3	+6.4%	AIFUL alone does not account for 16.3 billion yen year-on-year increase in revenue. Unsecured and consumer loans alone also do not account for 16.3 billion yen year-on-year increase in revenue.	552.9
Interest Income	245.0	+13.6	+5.9%		495.4
AIFUL	167.5	+2.4	+1.5%	135.3 billion yen in unsecured loans (+1.6 billion), 27.8 billion yen in secured loans (+80 million), 4.3 billion yen in small business loans (+700 million)	335.6
LIFE	44.9	+3.7	+9.0%	25.1 billion yen in credit card cash advances (+1.0 billion), 20.1 billion yen from Cash Plaza (+2.6 billion)	91.2
BUSINEXT	3.8	+1.4	+63.0%	Boosted by introduction of Ver2 of scoring system for small business loans; seeing 60% growth in loans outstanding continuing	8.5
City's	6.4	+2.1	+51.7%	Boosted by opening new outlets; seeing 57% growth in loans outstanding continuing	14.3
WIDE	12.5	+0.9	+8.6%	Became fully owned subsidiary in June 2004; seeing growth in loans outstanding continuing thanks to TV commercials	25.4
TRYTO	7.7	+0.7	+10.7%	Tightening of credit and improvement of receivables completed; ready in current term to see growth in loans outstanding	15.8
TCM / Passkey	2.1	+2.1	—	Became fully owned subsidiaries in February and March 2005 (Top performer in local markets in Nagano and Hokkaido, respectively)	4.2
Credit Card Purchases	5.0	+0.7	+17.5%	Significant increase of 24.9% in LIFE credit card purchases	10.7
Installment Finance	9.0	+0.7	+9.5%	Seeing growth in loans outstanding, while stressing profitability	18.0
Loan Guarantee	4.1	+0.7	+23.7%	2.0 billion yen at AIFUL (+600 million), 2.1 billion yen at LIFE (+100 million)	8.6
Other Operating Revenue	9.4	+0.4	+4.9%		19.9
Bad Debt Recovery	4.6	+0.6	+16.7%	2.4 billion yen at AIFUL (+400 million), 1.8 billion yen at LIFE (+100 million)	8.9
Revenue from Debt Collection	1.3	+0.7	+134.0%	AsTry Loan Services Corporation (joint venture with Aozora Bank)	3.6

Breakdown of Consolidated Operating Expense (1)

(¥ billion)

Items	9/05	yoy	yoy%	Description or reasons for increase/decrease	3/06 (E)
Operating Expenses	197.8	+7.3	+3.8%	“Fully investing in our future in terms of people, facilities, and money.”	400.3
Financial Expenses	18.9	-1.3	-6.6%	Decline in interest rates on fund procurement + aggressive increase in large-scale loans from mega-banks and others	38.4
Credit Cost	76.3	-1.5	-2.0%	Continued decline in bad debt	144.5
Advertising Expenses	14.6	+2.9	+25.5%	1.5 billion yen increase at AIFUL, 400 million yen increase at LIFE (cosponsor of Real Madrid matches), increases at other group companies	28.9
Personnel Expenses	29.5	+2.7	+10.2%	Aggressive campaign at City’s to open new outlets + increases at other group companies	61.1
Amortization of Goodwill and Consolidation Differences	1.1	+0.3	+37.0%	See attached for details	2.0
Other	57.0	+4.2	+7.9%		124.7
Commission	13.4	+1.4	+12.0%	900 million yen increase at AIFUL, 400 million yen increase at LIFE from commissions charged for ATM services	—
Rental Expenses - Land Rent	10.9	-1.3	-11.1%	500 million yen decrease at AIFUL, 800 million yen decrease at LIFE due to restructuring of the system network and expiration of leases	—
Depreciation	5.1	-0.2	-4.3%		—
Return of overpayment	4.1	+2.2	+119.3%	Change in disclosure period (from three years to entire period) for transaction records resulted in increased returns of overpaid interest	9.0

Explanation of Figures (Consolidated) - Consolidated Operating Expenses (2) (Consolidation Difference = Schedule for Amortization of Goodwill)

(Time of acquisition) (¥ million) Figure = Consolidation difference at time of acquisition)	Change in each year Balance of consolidation difference at end of each year	3/05	9/05 (6M)	3/06 (E)	3/07 (E)	3/08 (E)
TRYTO (formerly Shinwa) (Jun 2000) 4,347	<i>Ordinary amortization (P/L)</i>	434	217	434	434	434
	Balance (B/S)	2,173	1,956	1,739	1,304	869
LIFE (Mar 2001) 32,861	<i>Ordinary amortization (P/L)</i>	824	412	824	824	824
	<i>One-off amortization (P/L)</i>	3,830	—	—	—	—
	<i>Total (P/L)</i>	4,654	412	824	824	824
	Balance (B/S)	4,945	4,513	4,120	3,296	2,472
City's (Oct 2002) 2,493	<i>Ordinary amortization (P/L)</i>	249	124	249	249	249
	Balance (B/S)	1,870	1,745	1,620	1,371	1,122
NFP (Mar 2004) -2,176	<i>Ordinary amortization (P/L)</i>	-217	-108	-217	-217	-217
	Balance (B/S)	-1,959	-1,850	-1,741	-1,523	-1,306
Wide (Jun 2004) 4,378	<i>Ordinary amortization (P/L)</i>	437	218	437	437	437
	Balance (B/S)	3,940	3,721	3,502	3,065	2,627
TCM (Feb 2005) 205	<i>Ordinary amortization (P/L)</i>	205	—	—	—	—
	Balance (B/S)	0	—	—	—	—
Passkey (Mar 2005) 320	<i>Ordinary amortization (P/L)</i>	—	320	320	—	—
	Balance (B/S)	—	0	0	—	—
Total	<i>Total amortization (P/L)</i>	<u>5,770</u>	<u>1,187</u>	<u>2,055</u>	<u>1,734</u>	<u>1,734</u>
	<i>Total balance (B/S)</i>	<u>11,007</u>	<u>10,139</u>	<u>9,272</u>	<u>7,538</u>	<u>5,803</u>

“Ordinary amortization” = Straight-line amortization over ten years (fixed amount), recorded as “Operating Expenses” in consolidated P/L.

“One-off amortization” = Extraordinary amortization due to effect of LIFE’s deferred tax assets (tax effect accounting), recorded as “Extraordinary Loss”

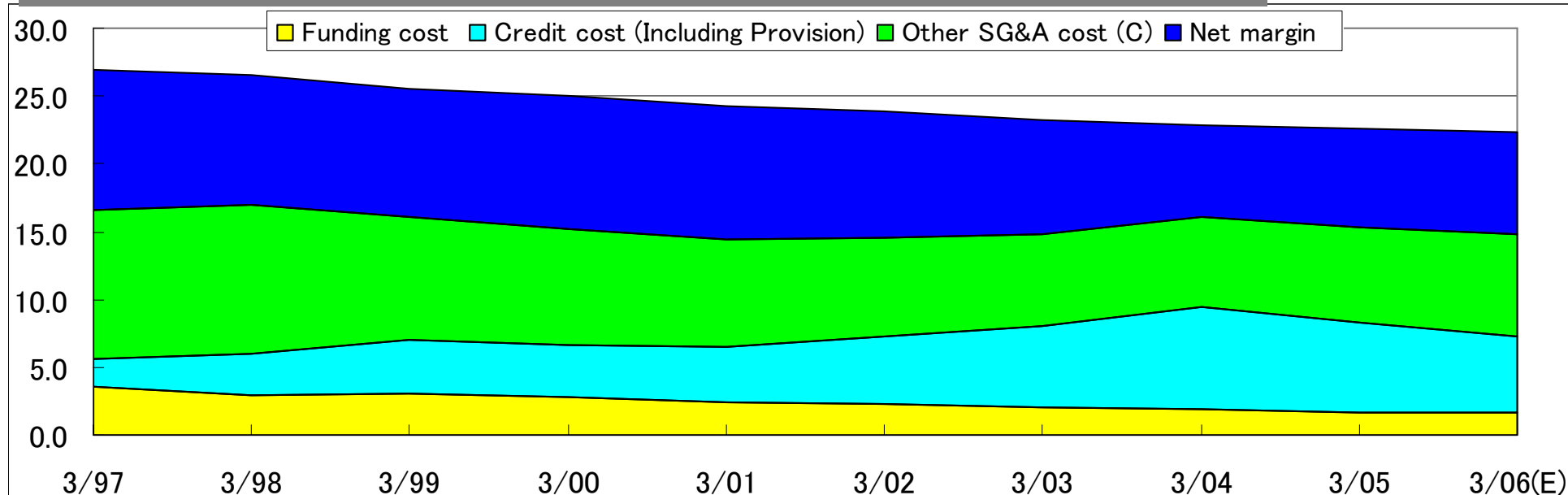
in consolidated P/L.

Explanation of Figures (Consolidated) - Extraordinary Profit and Loss & Others

Extraordinary Profit and Loss (¥ billion)	9/05	3/06 (E)	Description or reasons for increase/decrease
Ordinary Income	75.7 +15.5%	153.0 +13.1%	Double-digit growth maintained due to declines in bad debt expenses since first half of previous fiscal year and steady top-line growth. Similar growth in income is expected to continue for the full year for a 13% increase overall.
Extraordinary profit	0.7	0.8	400 million yen of extraordinary profits resulting from the shift to a defined contribution pension plan; plus, profits on sale of fixed assets, investment securities, etc.
Extraordinary loss	1.1	1.9	Disposal of AIFUL non-consolidated impairment completed March 2002. Negligible effect from disposal of 743 million yen in impairment at companies acquired through mergers; plus, loss on disposal of fixed assets.
Pre-tax net income	75.3 +24.6%	151.9 +17.4%	High rate of income growth for September 2005 term reflects one-time amortization of goodwill for LIFE in September 2004 term (3.8 billion yen)
Corporate income tax, inhabitant tax, enterprise tax	26.1	53.5	Taxation on retained earnings eliminated in March 2005
Adjustment for corporate income tax, etc.	3.9	7.7	
Effective tax rate	40.0%	40.4%	
Net income	44.2 35.1%	89.1 +17.7%	High rate of income growth for September 2005 term reflects the fact that the corporation was paying taxes on retained earnings in the September 2005 term. Improvement is the natural outcome of eliminating the impact of this tax in the previous full year.

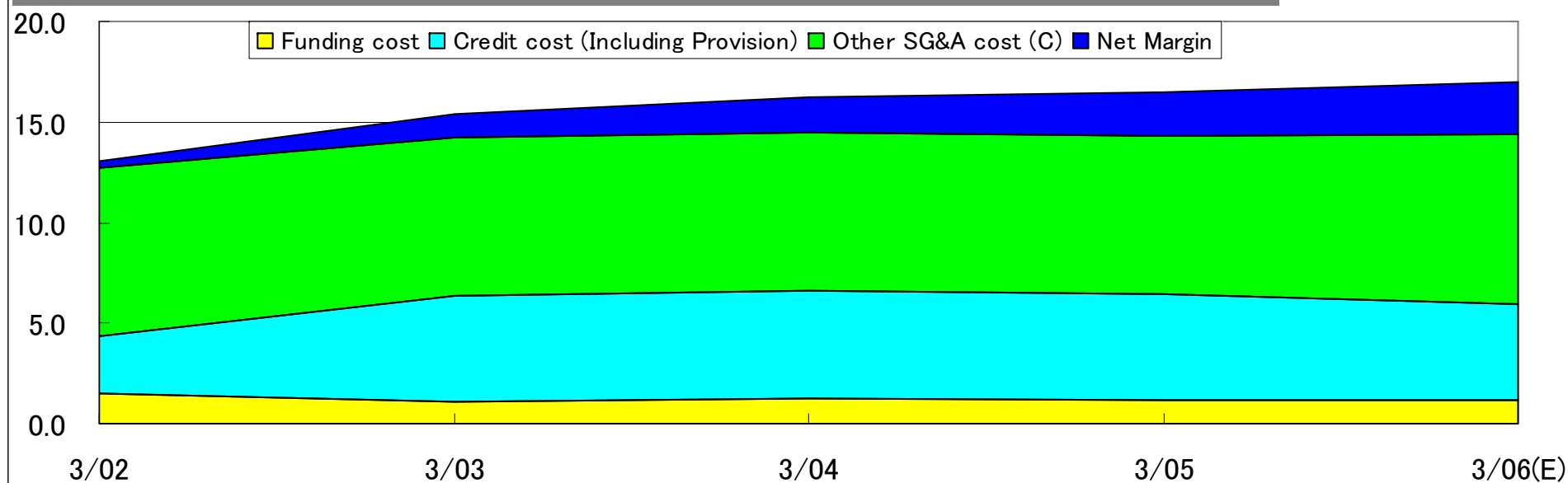
★ Appendix

Appendix 1 - Net Margin – AIFUL (Parent)



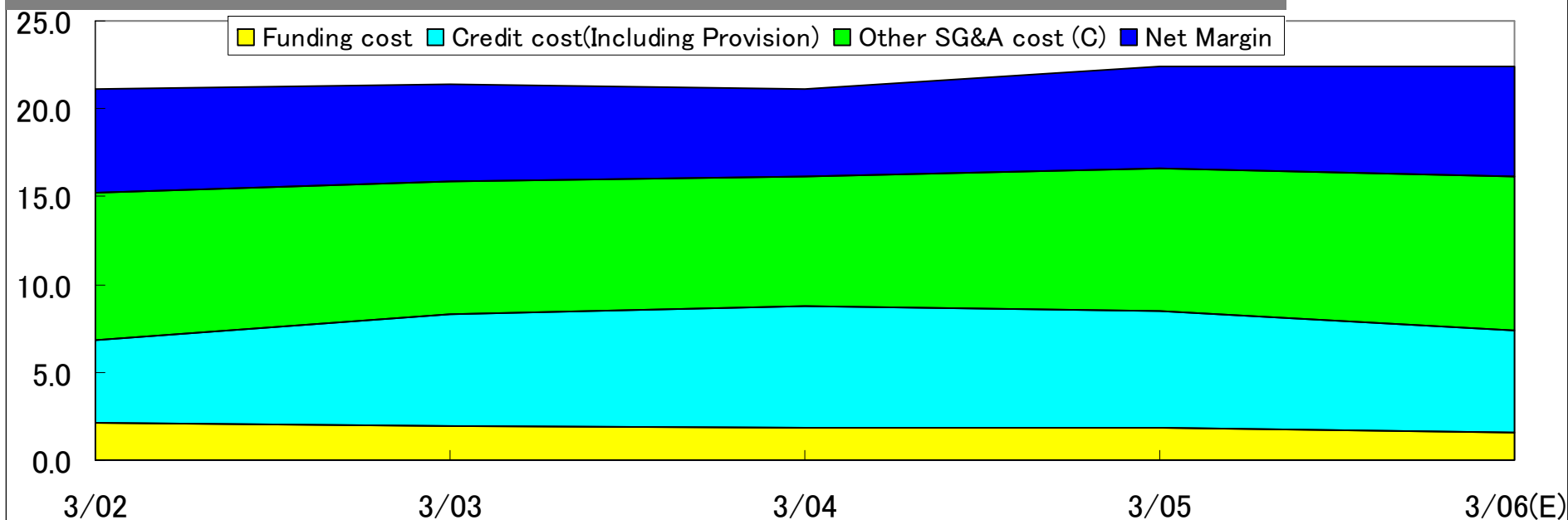
(%)	Mar-00	Mar-01	Mar-02	Mar-03	Mar-04	Mar-05	Mar-06(E)
Loan Interest Yield / Balance	25.0	24.3	23.9	23.2	22.8	22.6	22.4
Funding cost	2.8	2.5	2.3	2.0	1.9	1.7	1.7
Credit cost (Including Provision)	3.9	4.1	5.0	6.1	7.5	6.6	5.6
Other SG&A cost (C)	8.5	7.9	7.2	6.8	6.7	7.0	7.5
Salary (A)	2.5	2.2	2.0	2.1	2.0	2.0	2.0
Advertising (B)	1.3	1.5	1.5	1.1	0.9	1.0	1.1
Other (C)-((A)+(B))	4.7	4.1	3.8	3.6	3.7	3.9	4.4
Net margin / Balance	9.8	9.9	9.4	8.3	6.7	7.3	7.5

Appendix 2 - Net Margin – LIFE



(%)	Mar-02	Mar-03	Mar-04	Mar-05	Mar-06(E)
Loan Interest Yield / Balance	13.0	15.4	16.2	16.5	17.0
Funding cost	1.5	1.0	1.2	1.2	1.1
Credit cost (Including Provision)	2.8	5.3	5.4	5.3	4.8
Other SG&A cost (C)	8.4	7.9	7.9	<u>7.8</u>	<u>8.4</u>
Salary (A)	2.4	2.3	2.2	2.0	2.1
Advertising (B)	0.7	0.7	0.7	0.7	0.8
Other (C)-((A)+(B))	5.2	4.9	5.0	5.1	5.5
Net margin / Balance	0.3	1.2	1.7	2.2	2.7

Appendix 3 - Net Margin – Consolidated

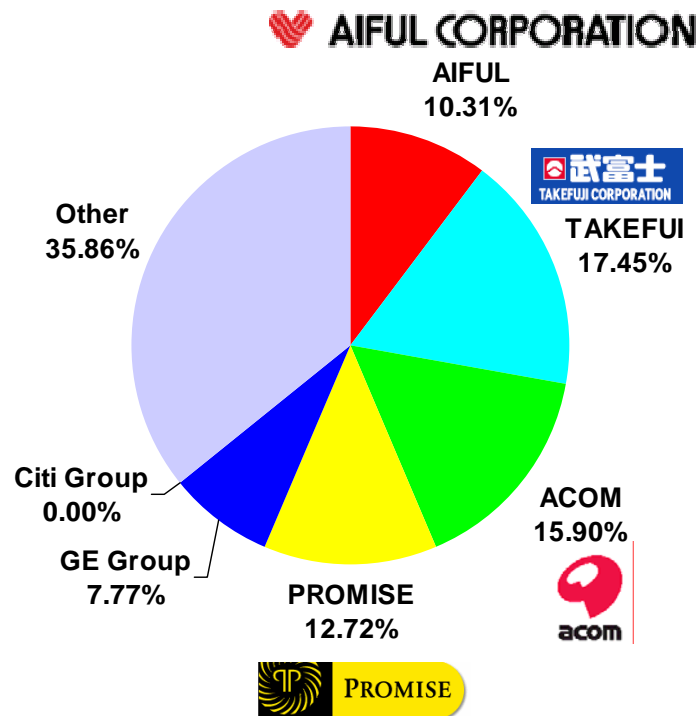


(%)	Mar-02	Mar-03	Mar-04	Mar-05	Mar-06(E)
Loan Interest Yield / Balance	21.1	21.4	21.1	22.4	22.4
Funding cost	2.1	1.9	1.8	1.8	1.6
Credit cost (Including Provision)	4.7	6.4	7.0	6.7	5.8
Other SG&A cost (C)	8.4	7.6	7.3	8.1	8.8
Salary (A)	2.3	2.3	2.2	2.4	2.5
Advertising (B)	1.4	1.0	0.9	1.0	1.2
Other (C)-((A)+(B))	4.7	4.3	4.3	4.7	5.1
Net margin / Balance	5.8	5.5	5.0	5.8	6.2

Appendix 5- Market Share Break Down of the Consumer Finance Industry

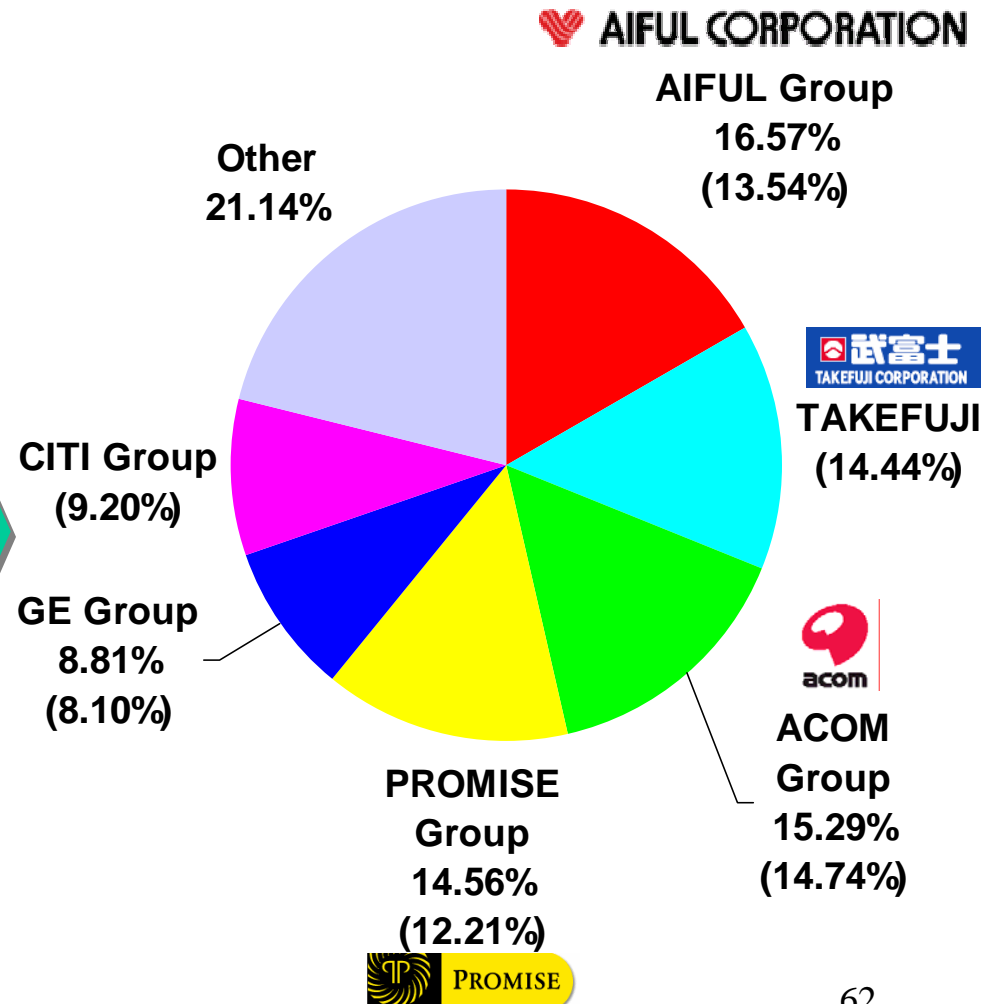
March 1998

¥7.1 trillion



March 2005

¥10.8 trillion

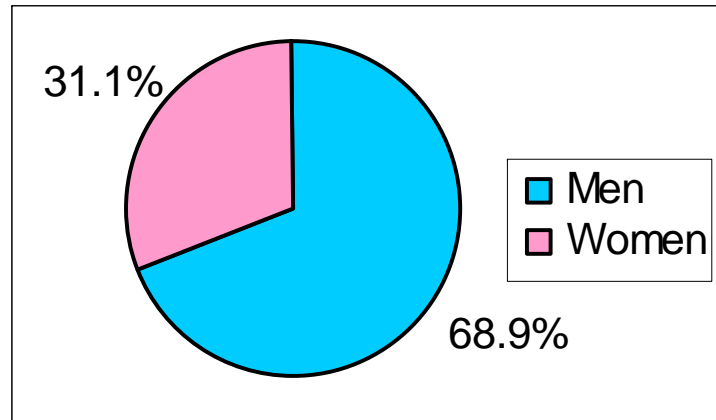


*(Non-Consolidated)

Appendix 5 - Diversification of Customer Profile

AIFUL CORPORATION (Sep-05)

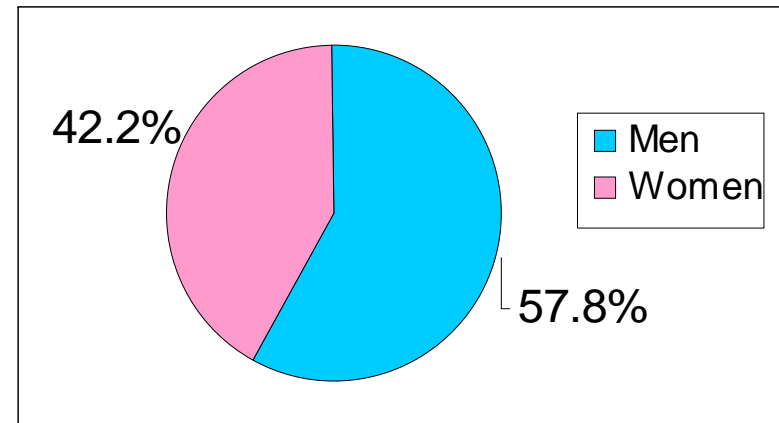
Customer account: 2,194,000



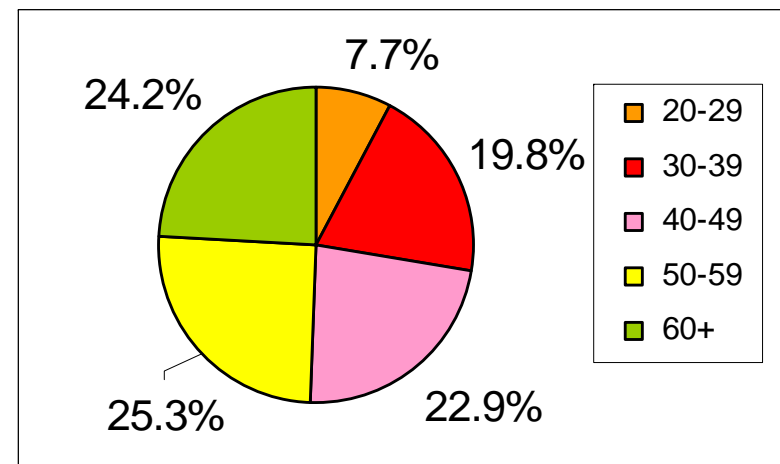
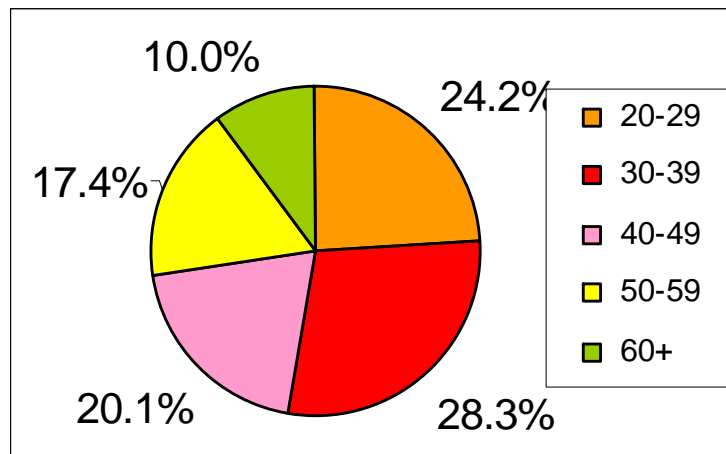
(Sep-05)

Valid card members: 12,438,000

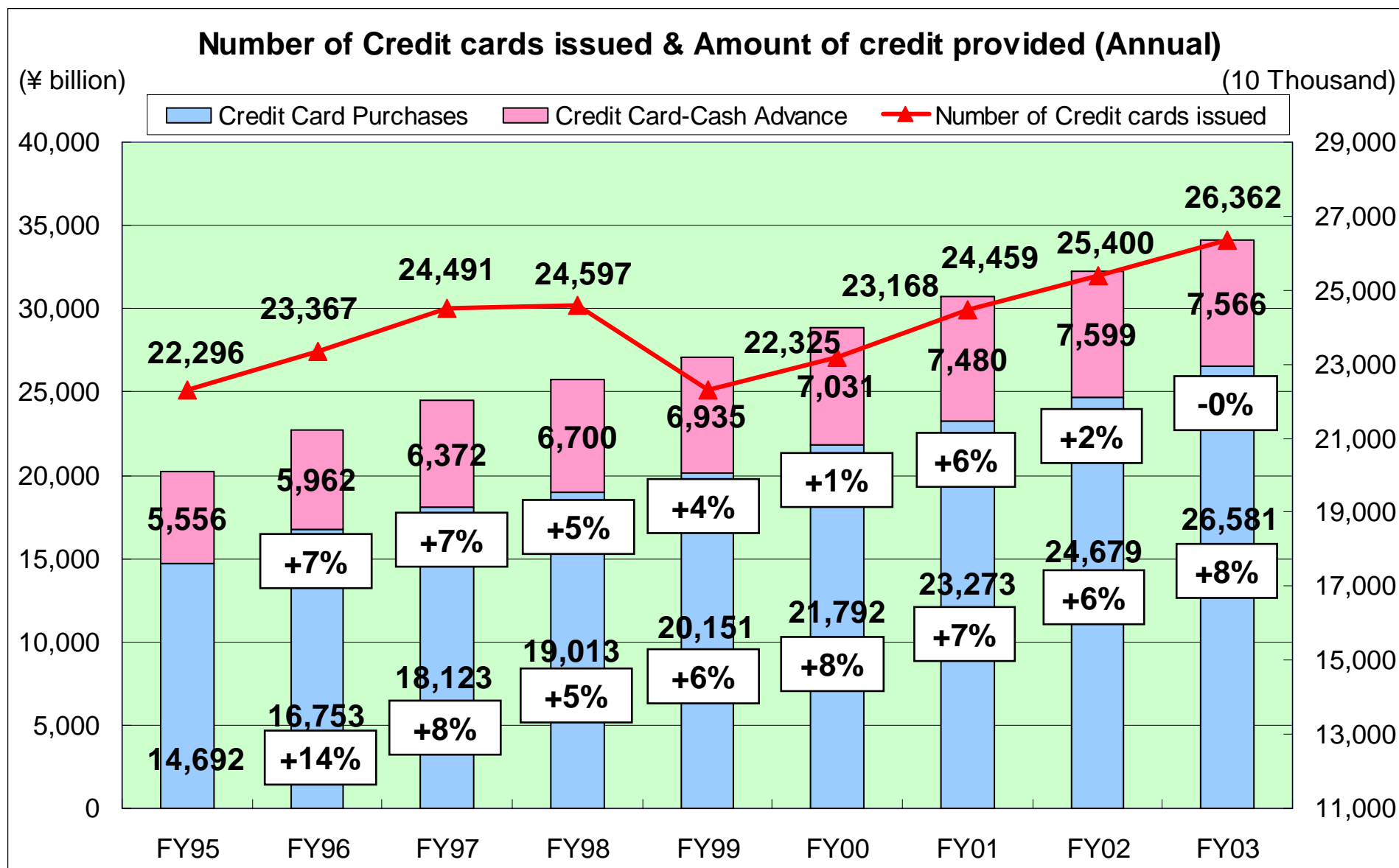
Sex



Age

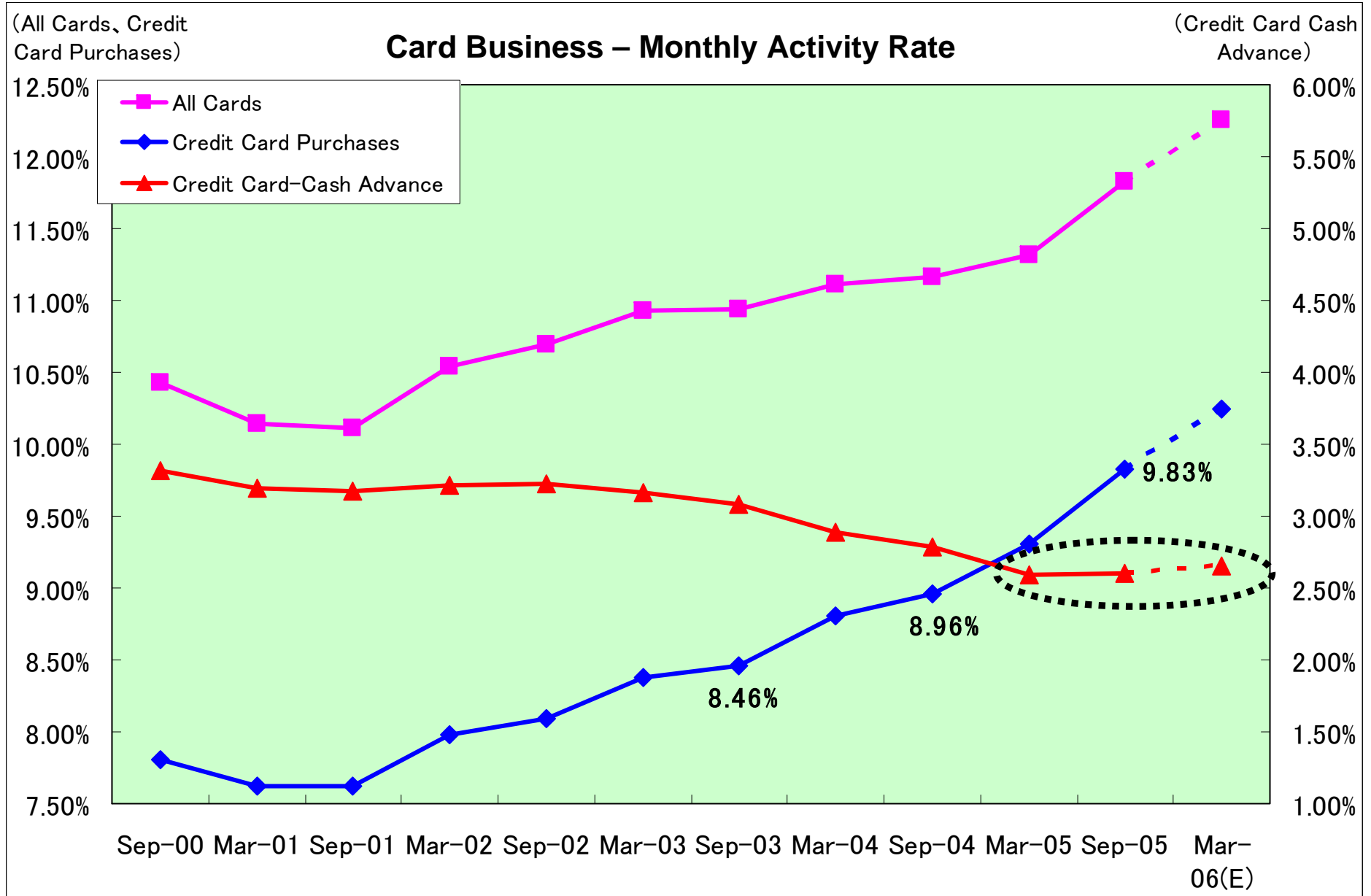


Appendix 6 - Growth of Credit Card Market in Japan

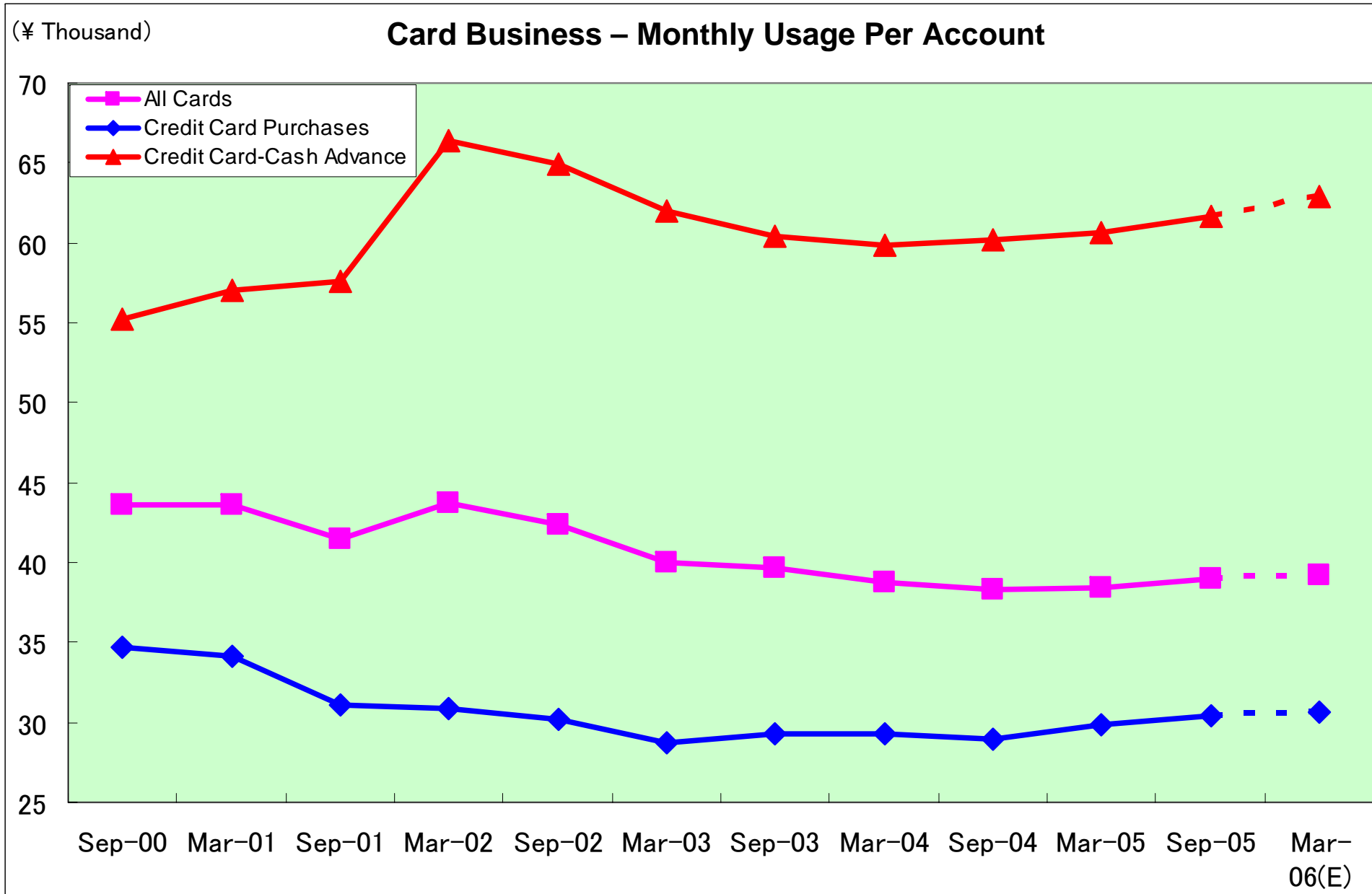


Figures for credit cards issued between 1995 and 1998 reflect total number of credit cards issued, while those from 1999 reflect only valid cards

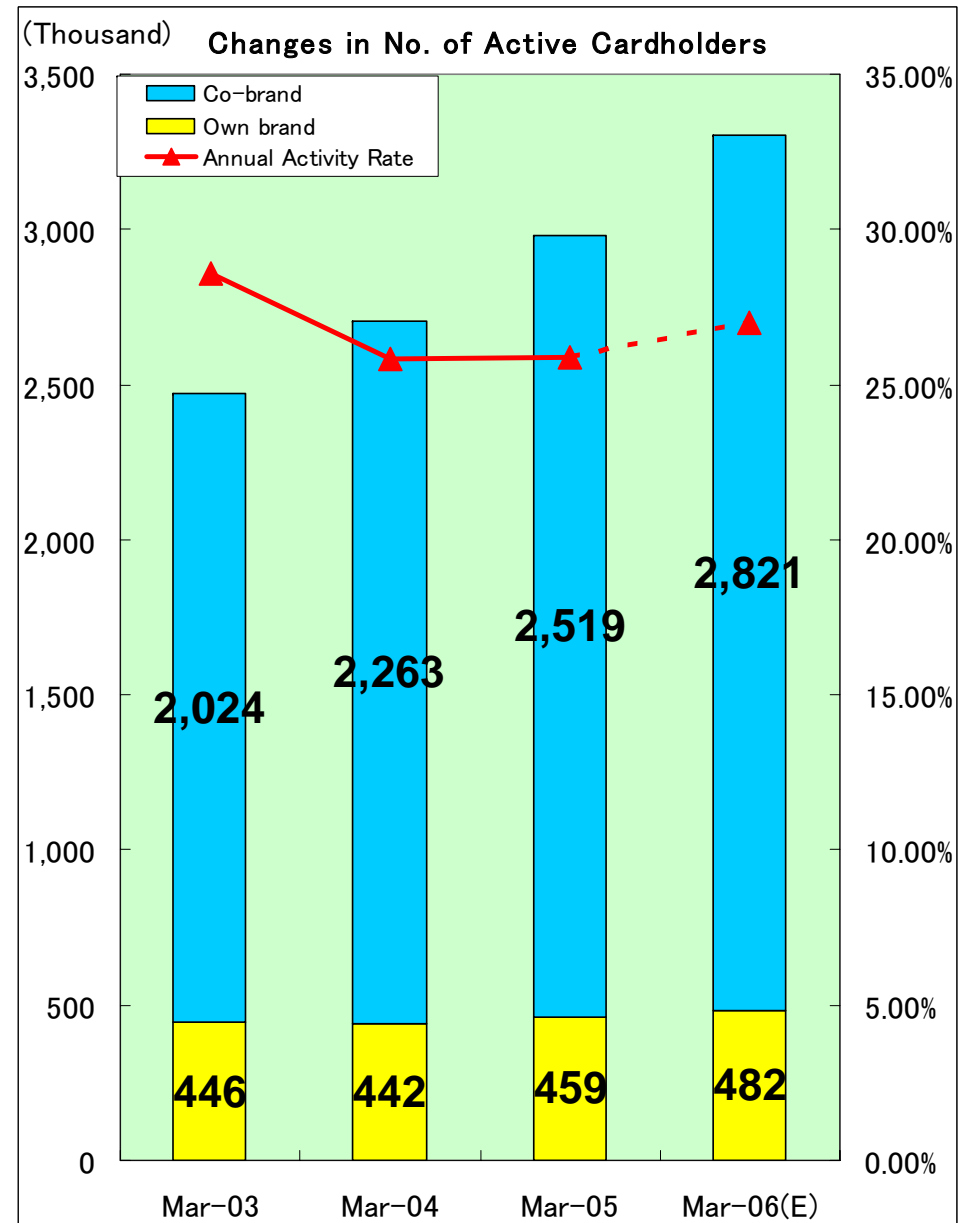
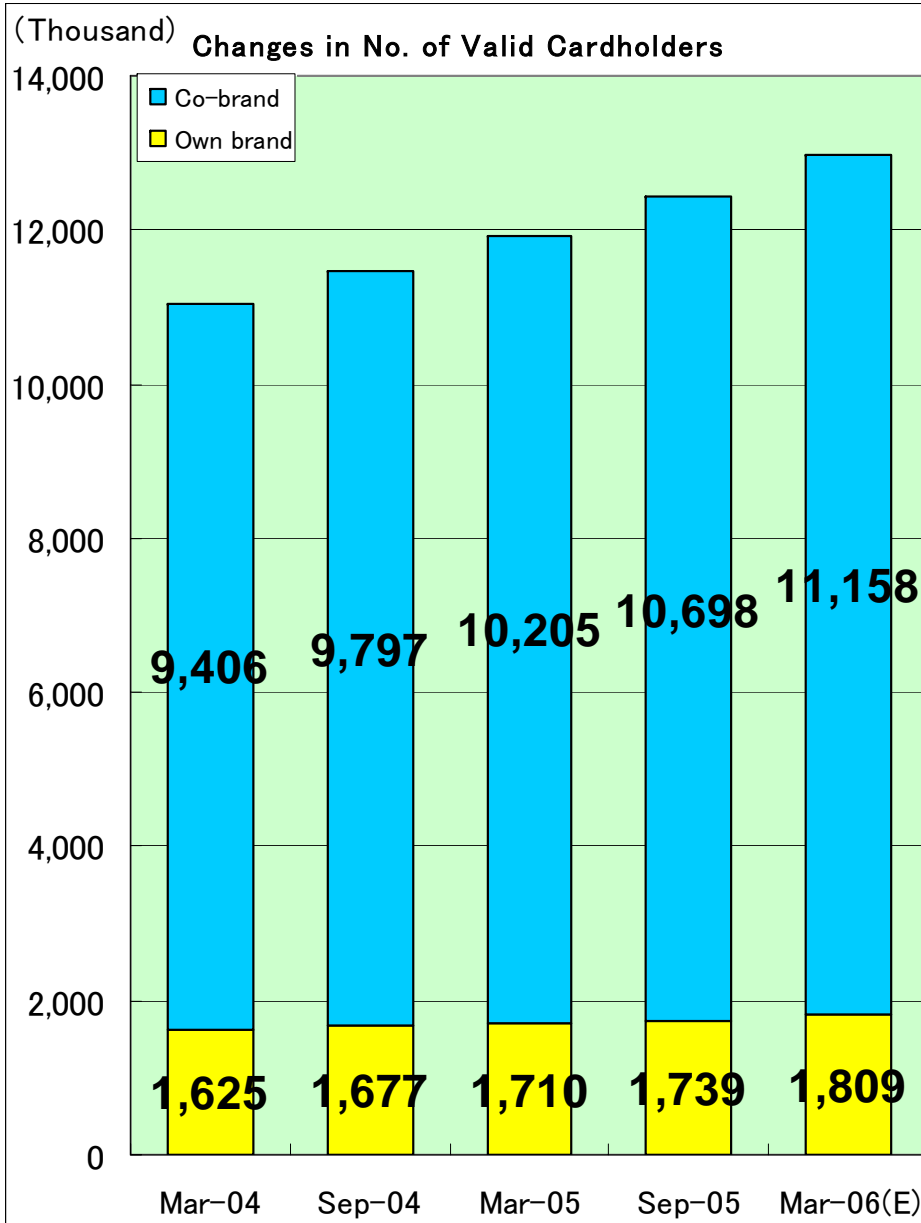
Appendix 1 (LIFE) - Card Business – Monthly Activity Rate



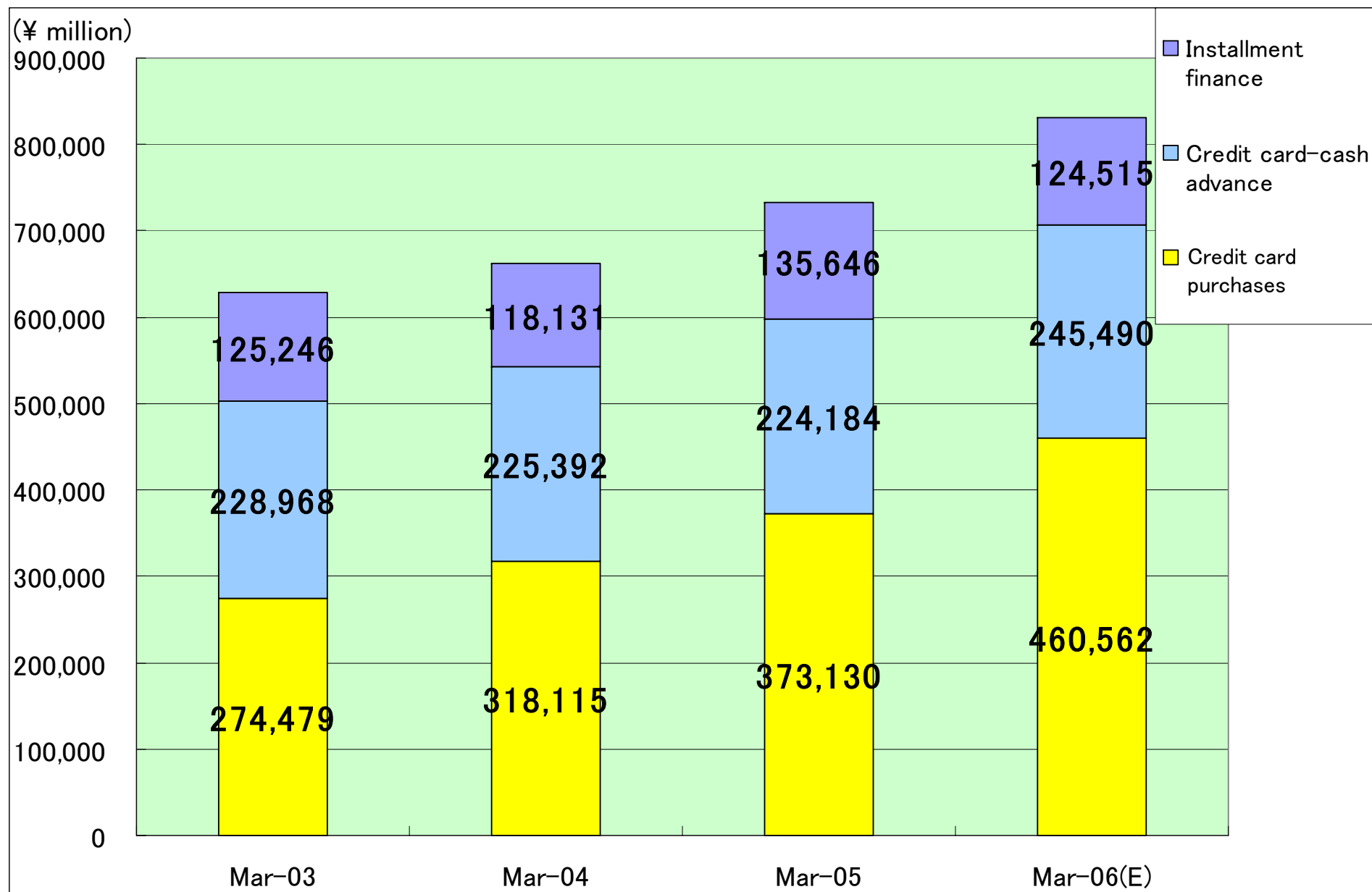
Appendix 2 (LIFE) - Card Business – Monthly Usage Per Account



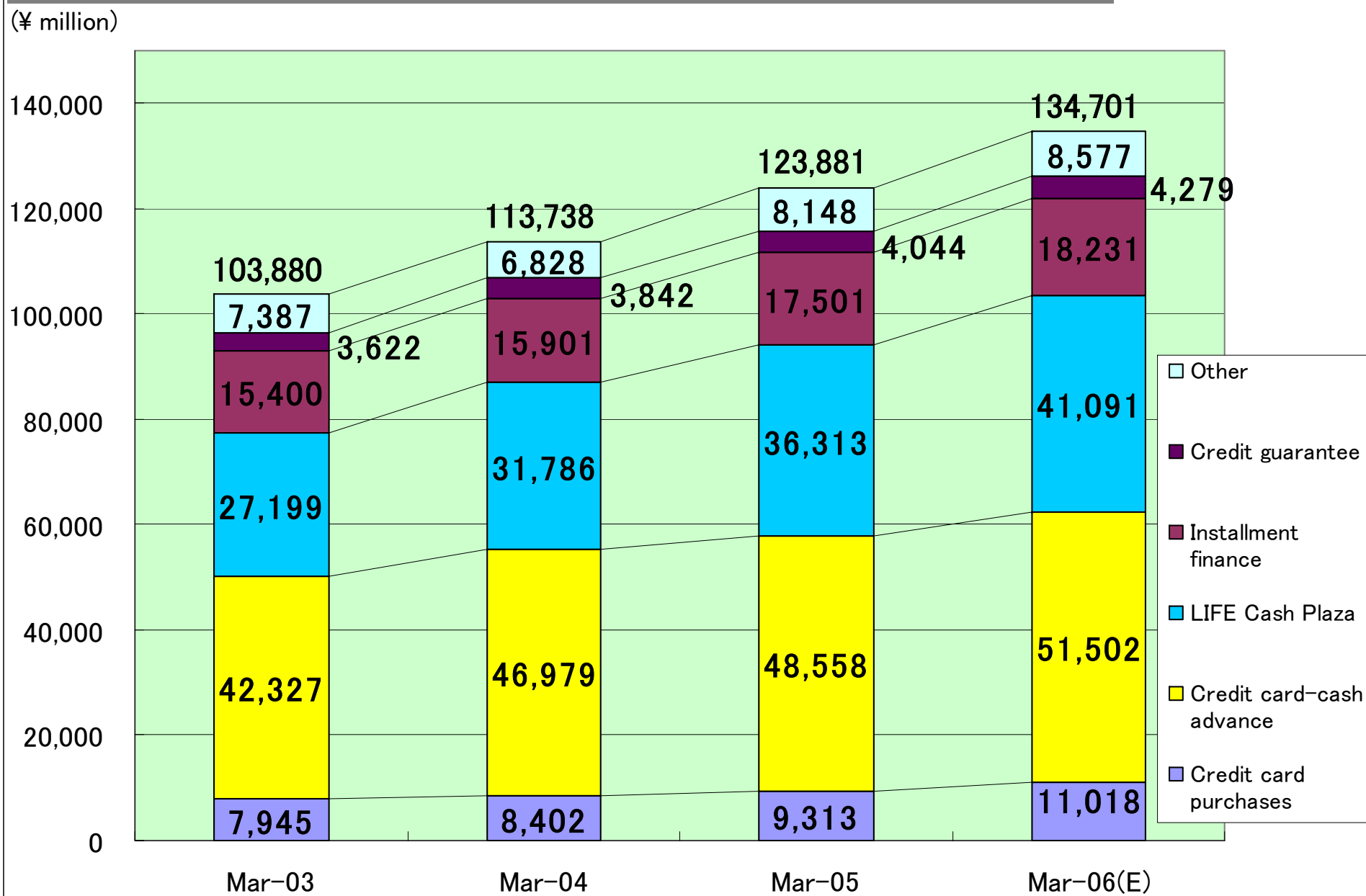
Appendix 3 (LIFE) - Changes in No. of Valid Cardholders and No. of Active Cardholders



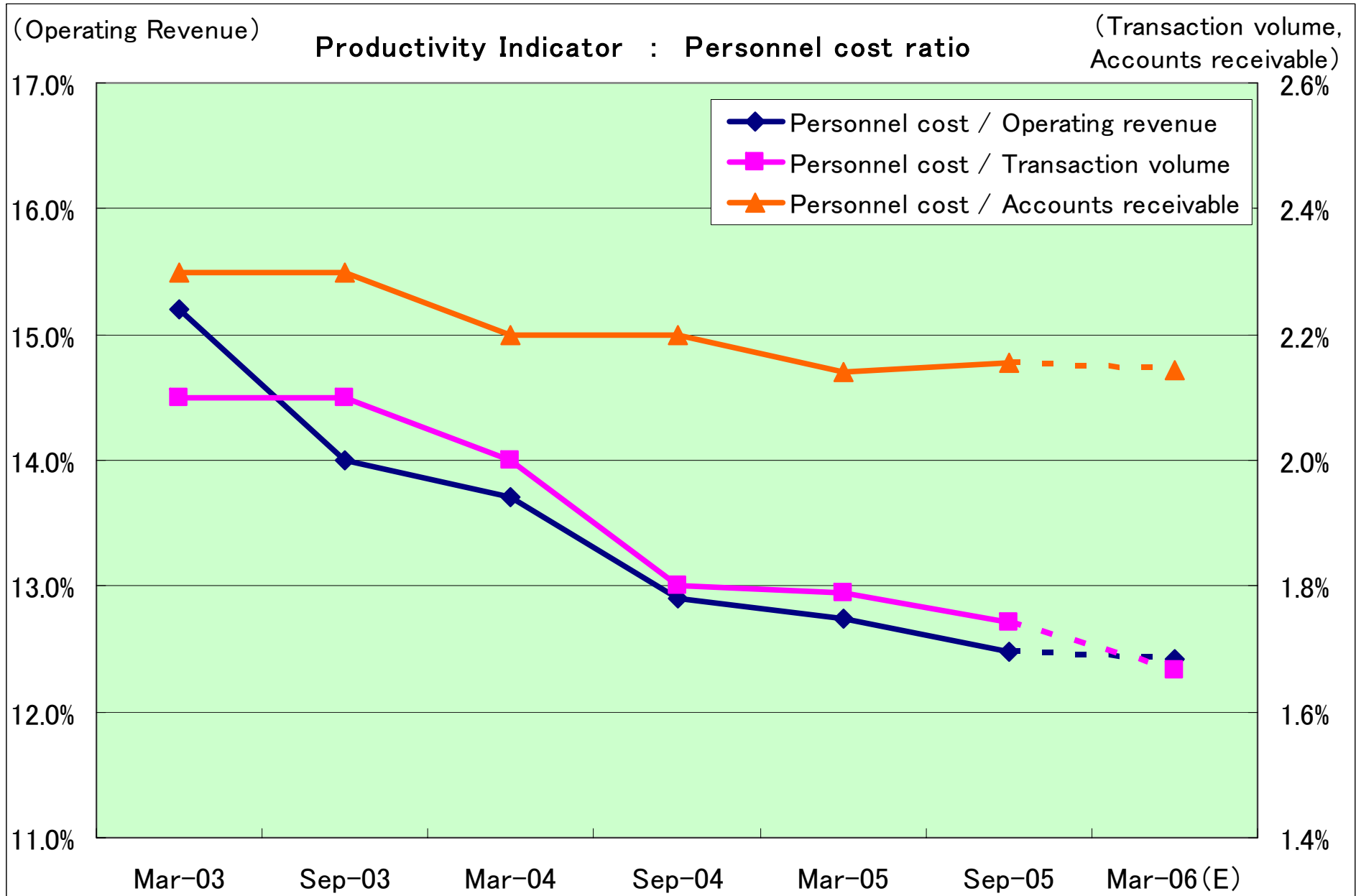
Appendix 4 (LIFE) - Trend of Volume (purchases & cash advances)



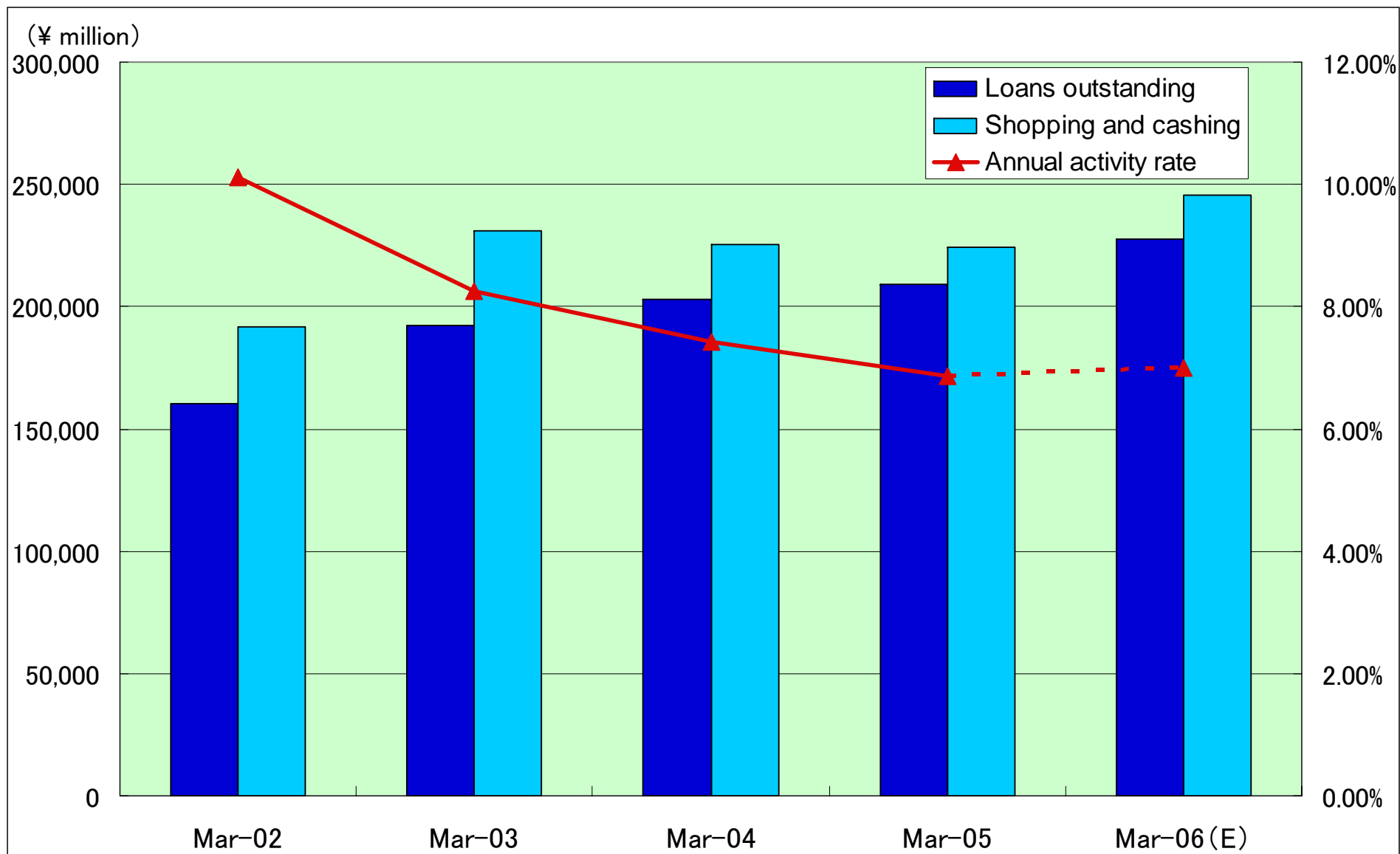
Appendix 5 (LIFE) - Trend of Operating Revenue



Appendix 6 (LIFE) - Trend in Productivity



Appendix 7 (LIFE) - Cash Advance Annual Activity Rates and Loans Outstanding, and Shopping and Cashing



Appendix - AIFUL Group CSR Framework

