

FY3/06 Financial Results

May 17, 2006

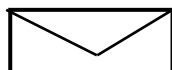


— Forward Looking Statements —

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.

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1. Financial Results

Consolidated subsidiaries

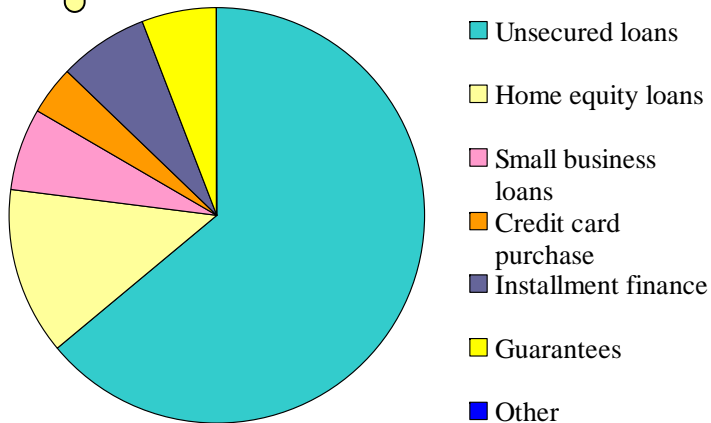
- LIFE Co., Ltd.
- WIDE CORPORATION
- TRYTO CORPORATION
- Businext Corporation
- City's Corporation
- TCM Co., Ltd.
- Passkey Co., Ltd. (*1)
- AsTry Loan Services Corporation
- New Frontier Partners Co., Ltd.
- Marutoh K.K.
- id CREDIT CORPORATION (*1)
- NET ONE CLUB CORPORATION (*1)
- City Green Corporation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

Note 1: Changed to consolidated subsidiary in year ended March 2006.

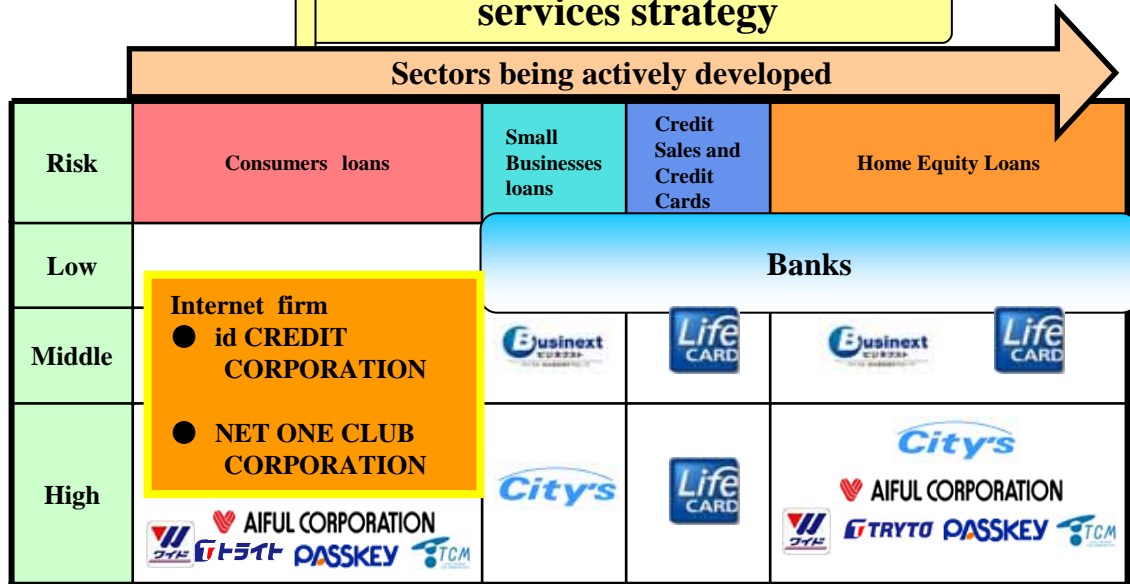
Note 2: City Green Corporation is the holding company for City's Corporation and does not conduct business operations.

Financial Results – AIFUL Group

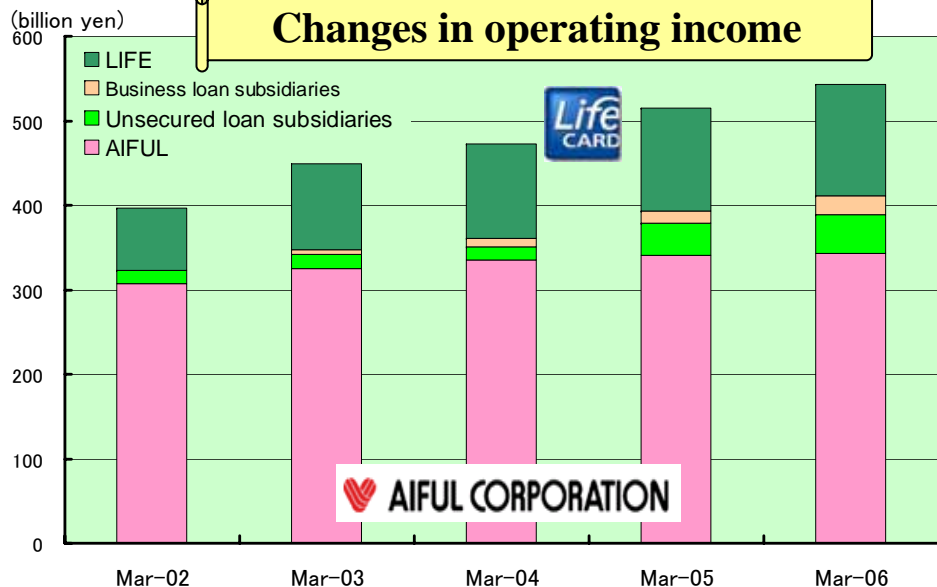
Portfolio of loans receivable (06/3)



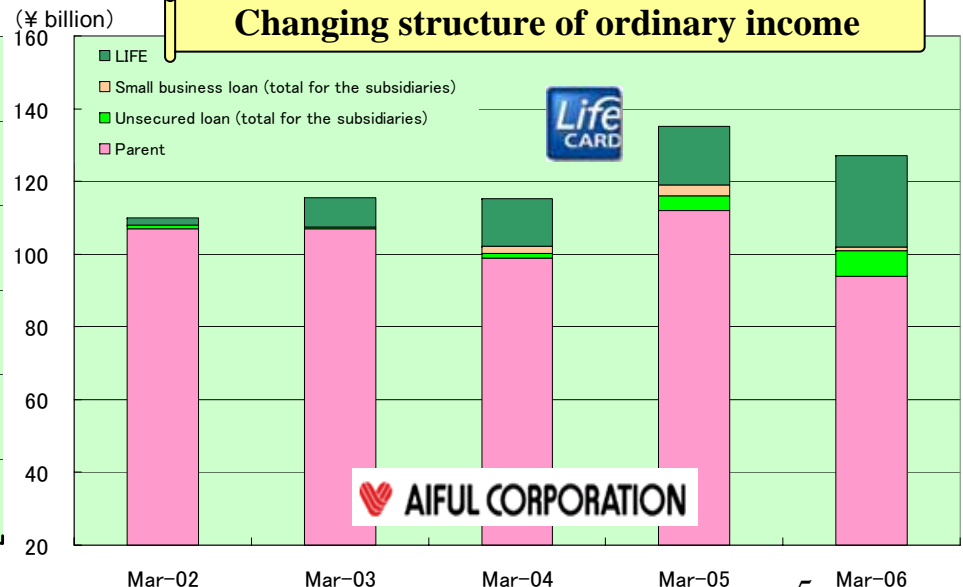
Comprehensive financial services strategy



Changes in operating income



Changing structure of ordinary income



Financial Results - Reinforcement of Compliance Structure

Strengthening of training and guidance

1. Introduction of various in-house licenses (compliance manager certification, system of qualification for handling specific tasks)
2. Implementation of counseling training
Introduction of revised repayment counseling based on “money management counseling method”

Revision of incentive plan

1. Scrapping of results-first approach
2. Increased emphasis on compliance evaluation in personnel evaluations

Reinforcement of compliance structure

System adaptations

1. Centralization of collection operations in call centers
2. Monitoring of all telephone calls
3. Abolition of home calls for debt collection
4. Systemization of recording negotiation progress

Strengthening of check functions

1. Establishment of new Business Administration Department and strengthened monitoring of PDCA (plan-do-check-act) cycle
2. Establishment of Compliance Office
3. Review of inspection plans in line with Financial Services Agency inspection manual

Financial Results - Interim Results (Consolidated)

(¥ billion)	Mar-05	Mar-06	YoY	Mar-07(E)	YoY
Total Outstanding (Managed)	2,522.5	2,681.7	+6.3%	26,528	-1.1%
Loans (Managed)	2,095.2	2,232.4	+6.5%	21,867	-2.0%
Loans outstanding of AIFUL	1,471.7	1,512.7	+2.8%	1,421.2	-6.0%
Shopping Receivables of LIFE	285.8	293.3	+2.6%	293.6	+0.1%
Number of Loan Customer Accounts (Thousands)	3,796	3,898	+2.7%	—	—
Number of Credit Card Holders (Thousands)	11,967	13,096	+9.4%	14,825	+13.2%
Number of New Loan Customers (Thousands)	526	533	+1.2%	361	-32.3%
Operating Revenue	518.4	549.5	+6.0%	537.9	-2.1%
Operating Income	134.7	125.1	-7.1%	95.1	-24.0%
Ordinary Income	135.2	126.9	-6.2%	96.0	-24.4%
Net Income	75.7	65.8	-13.1%	52.5	-20.2%

* “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 Mar-06

(¥ billion)	Aiful	Life* ¹	Businext	City's	Wide* ¹	Tryto	AIFUL Group
Business	Consumer Finance	Credit Card	Small Business Loan	Small business Loan	Consumer Finance	Consumer Finance	–
Operating Revenue	343.5	133.9	8.6	13.9	25.4	16.2	549.5
Operating Expenses	255.9	109.0	7.1	13.8	21.2	12.6	424.4
Operating Income	87.5	24.8	1.5	0.1	4.1	3.5	125.1
Ordinary Income	94.6	25.0	1.5	0.1	4.2	3.5	126.9
Net Income	50.3	14.0	2.4	0.03	1.9	1.8	65.8

(¥ billion)	Aiful	Life* ¹	Businext	City's	Wide* ¹	Tryto	AIFUL Group
Receivables Outstanding	1,577.2	779.5	73.1	67.8	99.8	66.5	2,681.7
Asset	2,204.4	654.0	72.3	68.9	97.2	65.1	2,790.9
Liability	1,571.5	522.6	68.6	51.4	82.4	55.8	2,102.3
Shareholder's Equity	632.9	131.4	3.6	17.5	14.7	9.3	681.6

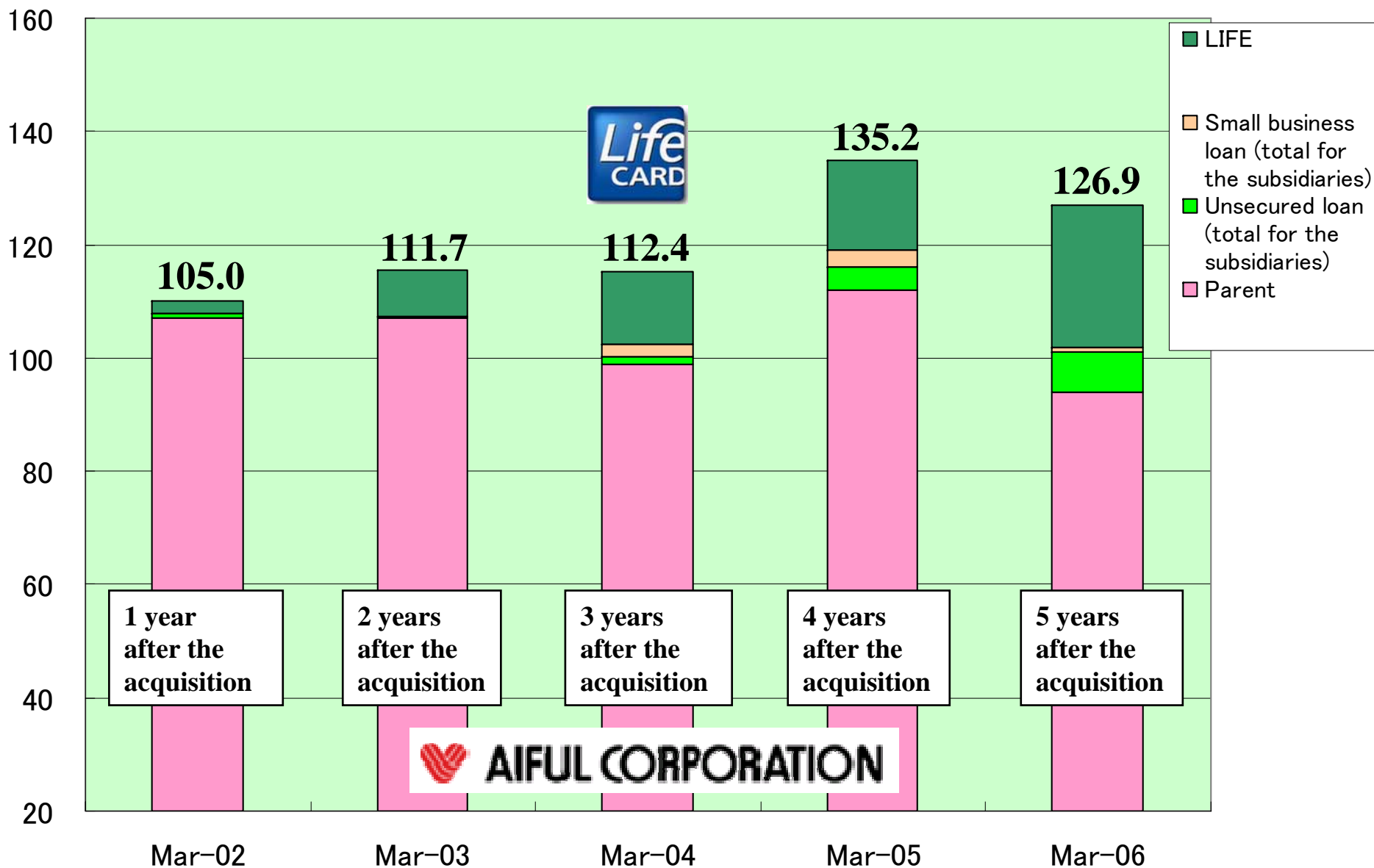
*1 Managed Asset Basis

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

Financial Results - Change of Ordinary Income

(¥ billion)

Ordinary Income



 **AIFUL CORPORATION**


Financial Results - PL Mar-07(E)

(¥ billion)	Aiful	Life* ¹	Businext	City's	Wide* ¹	Tryto	AIFUL Group
Business	Consumer Finance	Credit Card	Small Business Loan	Small business Loan	Consumer Finance	Consumer Finance	–
Receivables	1,505.8	807.6	97.8	70.7	85.7	65.1	2652.8
yoy	-4.5%	+3.6%	+33.8%	+4.3%	-14.1%	-2.0%	-1.1%
Operating Revenue	322.3	140.9	12.1	14.8	24.1	16.6	537.9
yoy	-6.2%	+5.2%	+40.3%	+6.2%	-5.1%	+2.4%	-2.1%
Operating Income	58.5	27.5	2.1	0.1	3.5	1.8	95.1
Yoy	-33.1%	+10.5%	+41.6%	+58.1%	-15.2%	-46.5%	-24.0%
Ordinary Income	65.0	27.5	2.1	0.2	3.5	1.9	96.0
yoy	-31.3%	+9.9%	+41.0%	+78.0%	-16.6%	-46.5%	-24.4%
Net Income	38.0	16.0	1.2	0.1	1.9	1.0	52.5
yoy	-24.4%	+14.4%	-49.4%	+236.1%	+1.7%	-45.2%	-20.2%

*1 Managed Asset Basis


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

Financial Results - AIFUL





(¥ billion)	Mar-05	Mar-06	YoY	Mar-07(E)	YoY
 AIFUL CORPORATION					
Loans Outstanding	1,471.7	1,512.7	+2.8%	1,421.2	-6.0%
Unsecured	1,093.6	1,133.0	+3.6%	1,080.2	-4.7%
Home Equity Loan	345.1	341.1	-1.2%	303.0	-11.2%
Small Business Loan	32.9	38.4	+16.9%	37.9	-1.3%
Number of Accounts (Thousands)	2,214	2,187	-1.2%	2,034	-7.0%
Number of New Loan Customers (Thousands)	343	338	-1.6%	227	-32.7%
Number of Branches	1,572	1,912	—	2,004	—
Operating Revenue	340.6	343.5	+0.9%	322.3	-6.2%
Operating Income	107.5	87.5	-18.6%	58.5	-33.1%
Recurring Income	112.5	94.6	-15.9%	65.0	-31.3%
Net Income	67.3	50.3	-25.1%	38.0	-24.4%
Cash Dividends per Share *1	60.00	60.00	0.0%	60.00	0.0%

*1: 50% effective increase in dividend due to 1:1.5 stock split on May 23, 2005



Financial Results – Credit Card Subsidiary “LIFE”

 (¥ billion)	Mar-05	Mar-06	YoY	Mar-07(E)	YoY
Transaction Volume	732.9	814.2	+11.1%	928.0	+14.0%
Credit card purchases	373.1	470.8	+26.2%	579.6	+23.1%
Receivable Outstanding (Managed)	751.5	779.5	+3.7%	807.6	+3.6%
Credit card purchases	79.6	101.1	+27.0%	118.0	+16.8%
Installment finance	206.2	192.1	-6.8%	175.5	-8.6%
Credit card-cash advance	209.3	220.8	+5.5%	242.3	+9.8%
LIFE Cash Plaza	157.6	173.2	+9.9%	182.4	+5.3%
Guarantee	98.2	91.4	-6.9%	87.7	-4.0%
Number of New Issue (Thousands)	2,086	2,310	+10.7%	2,951	+27.7%
Number of Card Holders (Thousands)	11,916	13,096	+9.9%	14,825	+13.2%
Operating Revenue	121.9	132.2	+8.4%	137.9	+4.3%
Operating Income	16.4	24.8	+51.1%	27.5	+10.5%
Ordinary Income	16.5	25.0	+51.5%	27.5	+9.9%
Net Income	10.6	14.0	+31.4%	16.0	+14.4%

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

Middle Risk		(¥ billion)	Mar-05	Mar-06	YOY	Mar-07(E)	YOY
	Loans Outstanding		47.6	73.1	+53.5%	97.8	+33.8%
	Number of Accounts (Thousands)		32	42	+28.9%	48	+14.3%
	Average Interest Rate (%)		15.1	15.0	-0.1%	14.9	-0.1%
	Operating Revenue		5.4	8.6	+58.6%	12.1	+40.3%
	Ordinary Income		0.6	1.5	+142.1%	2.1	+41.0%
	Net Income		0.6	2.4	+303.3%	1.2	-49.4%
 AIFUL CORPORATION	Small Business Loan Guarantees		7.9	20.8	+163.1%	32.3	+55.5%
High Risk		(¥ billion)	Mar-05	Mar-06	YOY	Mar-07(E)	YOY
	Loans Outstanding		45.6	67.8	+48.6%	70.7	+4.3%
	Number of Accounts (Thousands)		21	31	+50.0%	35	+12.9%
	Average Interest Rate (%)		26.0	26.4	-1.8%	22.8	-2.6%
	Operating Revenue		9.5	13.9	+46.1%	14.8	+6.2%
	Ordinary Income		2.5	0.1	-95.1%	0.2	+78.0%
	Net Income		1.4	0.03	-97.5%	0.1	+236.1%
 AIFUL CORPORATION	Small Business Loans		32.9	38.4	+16.9%	37.9	-1.3%

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

 (¥ billion)	Mar-05	Mar-06	YoY	Mar-07(E)	YoY
Loans Outstanding	58.1	66.5	+14.5%	65.1	-2.0%
Number of Accounts (Thousands)	165	177	+7.0%	170	-4.0%
Loan Business Branches	100	110	—	110	—
Number of New Loan Customers (Thousands)	35	44	+27.5%	27	-38.6%
Operating Revenue	14.5	16.2	+11.7%	16.6	+2.4%
Ordinary Income	2.8	3.5	+28.0%	1.9	-46.5%
Net Income	1.4	1.8	+29.9%	1.0	-45.2%
 (¥ billion)	Mar-05	Mar-06	YoY	Mar-07(E)	YoY
Loans Outstanding	95.3	99.8	+4.8%	85.7	-14.1%
Number of Accounts (Thousands)	204	226	+10.8%	206	-8.8%
Loan Business Branches	293	295	—	295	—
Number of New Loan Customers (Thousands)	52	66	+25.8%	32	-51.5%
Operating Revenue	23.3	25.4	+6.8%	24.1	-5.1%
Ordinary Income	1.6	4.2	+150.7%	3.5	-16.6%
Net Income	0.3	1.9	+436.0%	1.9	+1.7%

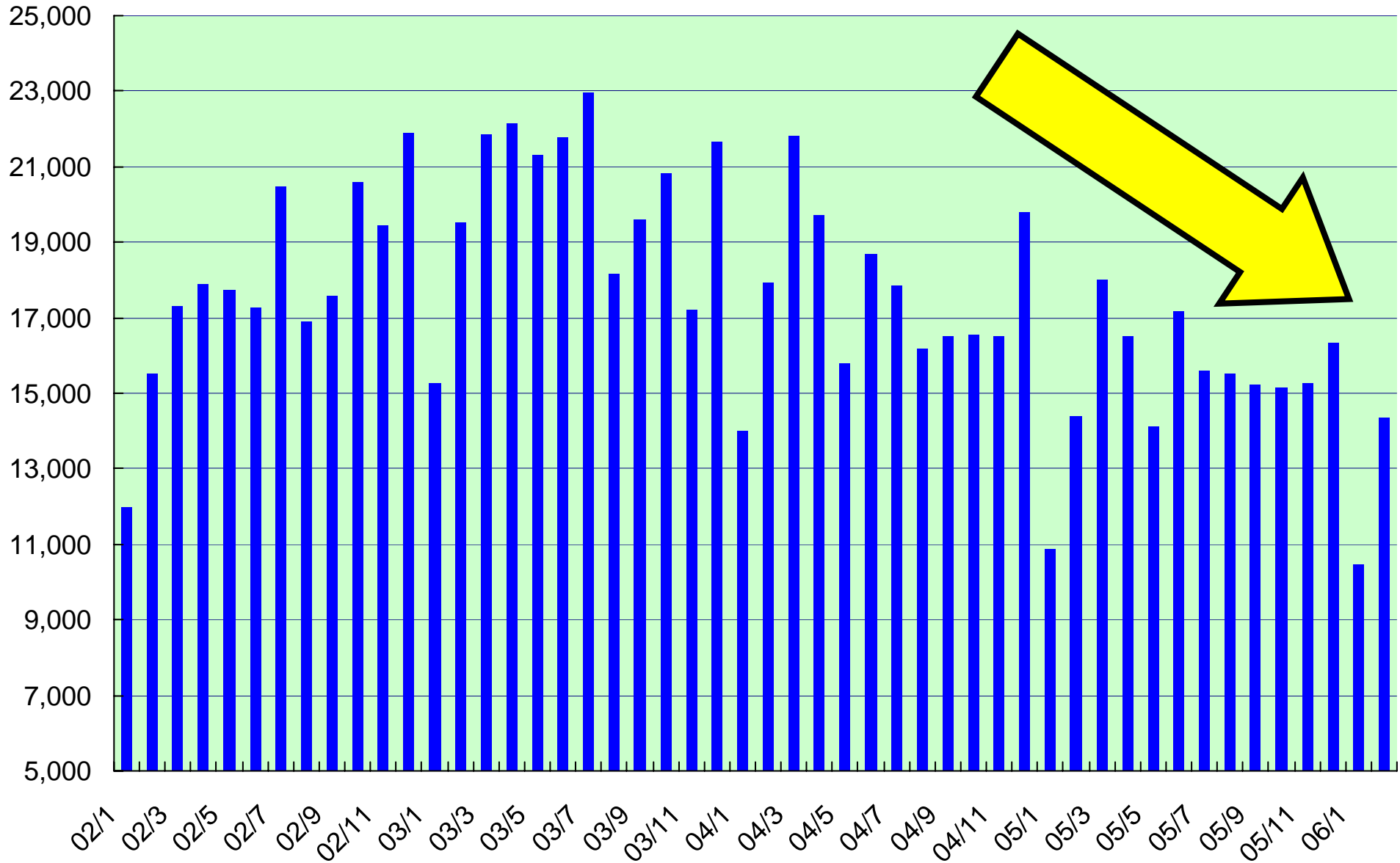
*Wide's loans reflect on-balance figures only

Financial Results - Consolidated vs. Parent Forecasts

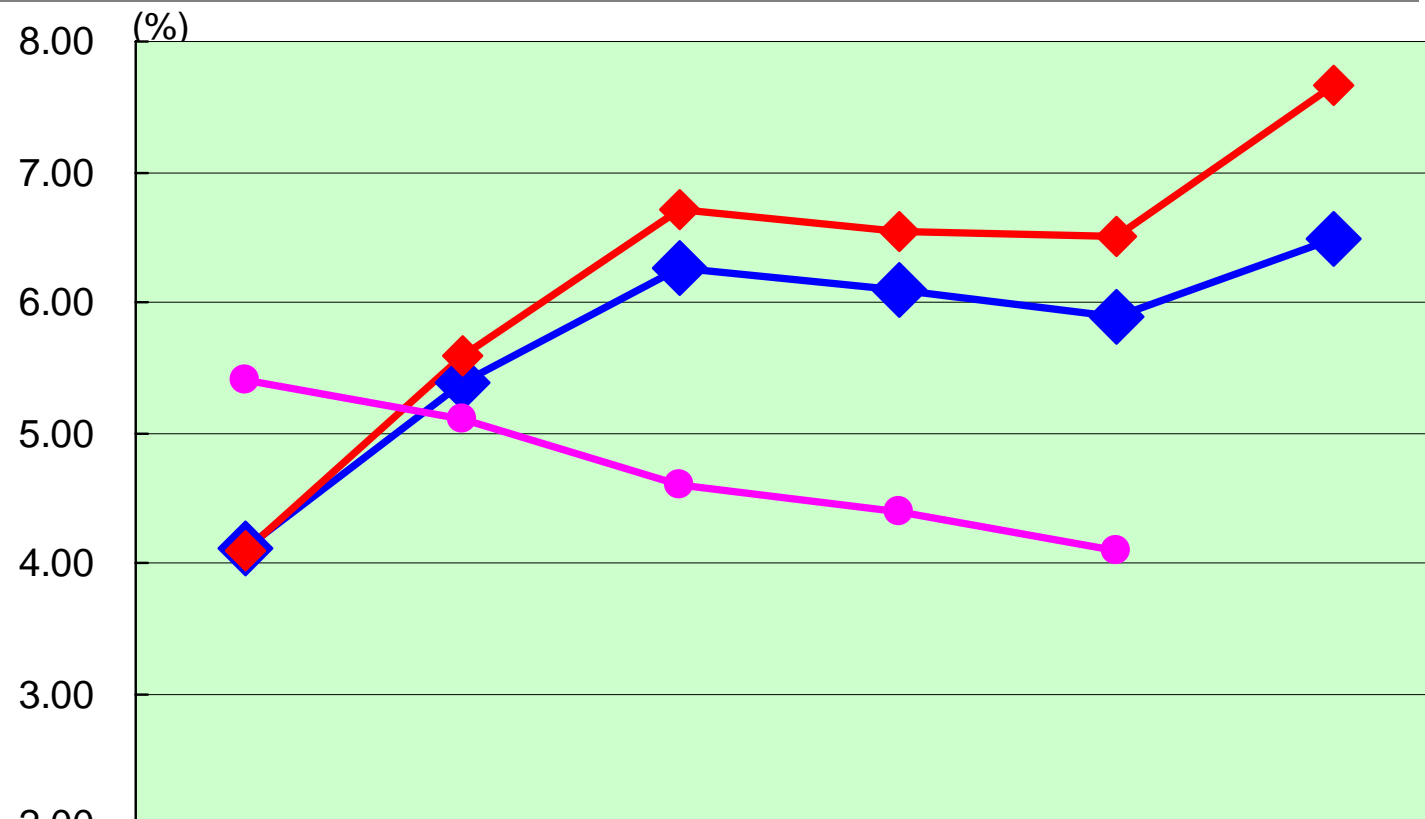
(¥ billion)	Mar-05	Mar-06	Mar-07(E)
Operating Revenue (Con) (A)	518.4	5,495	537.9
Operating Revenue (Non-Con) (B)	340.6	3,435	322.3
(A) – (B)	177.8	2,060	215.5
(A) / (B)	1.5	1.6	1.7
Ordinary Income (Con) (C)	135.2	1,269	96.0
Ordinary Income (Non-Con) (D)	112.5	946	65.0
(C) – (D)	22.7	323	31.0
(C) / (D)	1.2	1.3	1.5
Net Income (Con) (E)	75.7	658	52.5
Net Income (Non-Con) (F)	67.3	503	38.0
(E) – (F)	8.4	154	14.4
(E) / (F)	1.1	1.3	1.4

2. Business Environment

Bad Debts - Trend of Personal Bankruptcy (Japan Supreme Court)
“YOY Decline for 28 Consecutive Months”



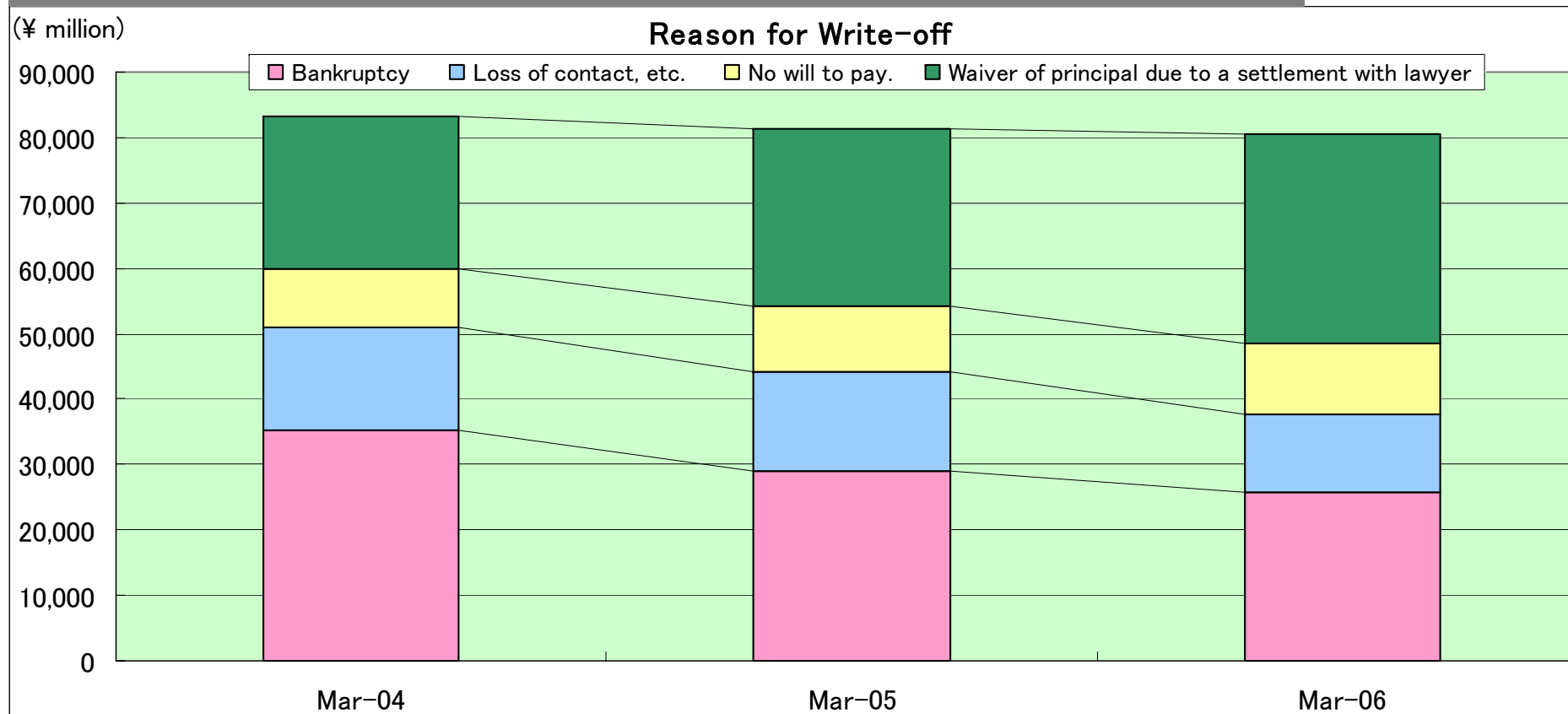
Bad Debts - Write-off Ratio “Changes in Write-off Ratio”



	Mar-02	Mar-03	Mar-04	Mar-05	Mar-06	Mar-07(E)
◆ AIFUL (Consolidated)	4.12	5.38	6.26	6.09	5.89	6.48
◆ AIFUL (Non-consolidated)	4.10	5.59	6.71	6.54	6.50	7.66
● Unemployment rate	5.4	5.1	4.6	4.4	4.1(Mar)	—

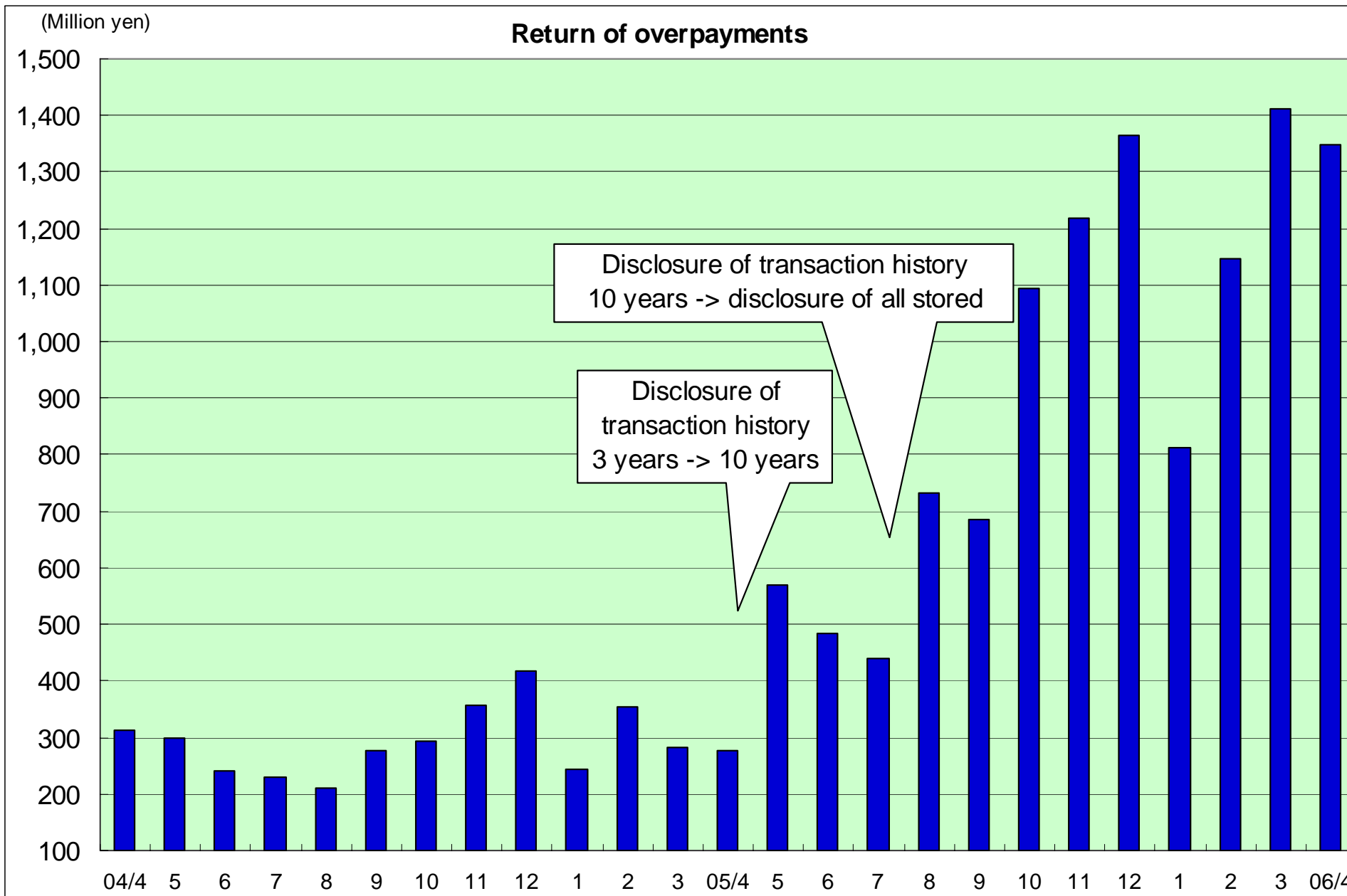
*The figures for AIFUL are the bad debt write-off ratios in the loan business.

Bad Debts – Reason for Write-off

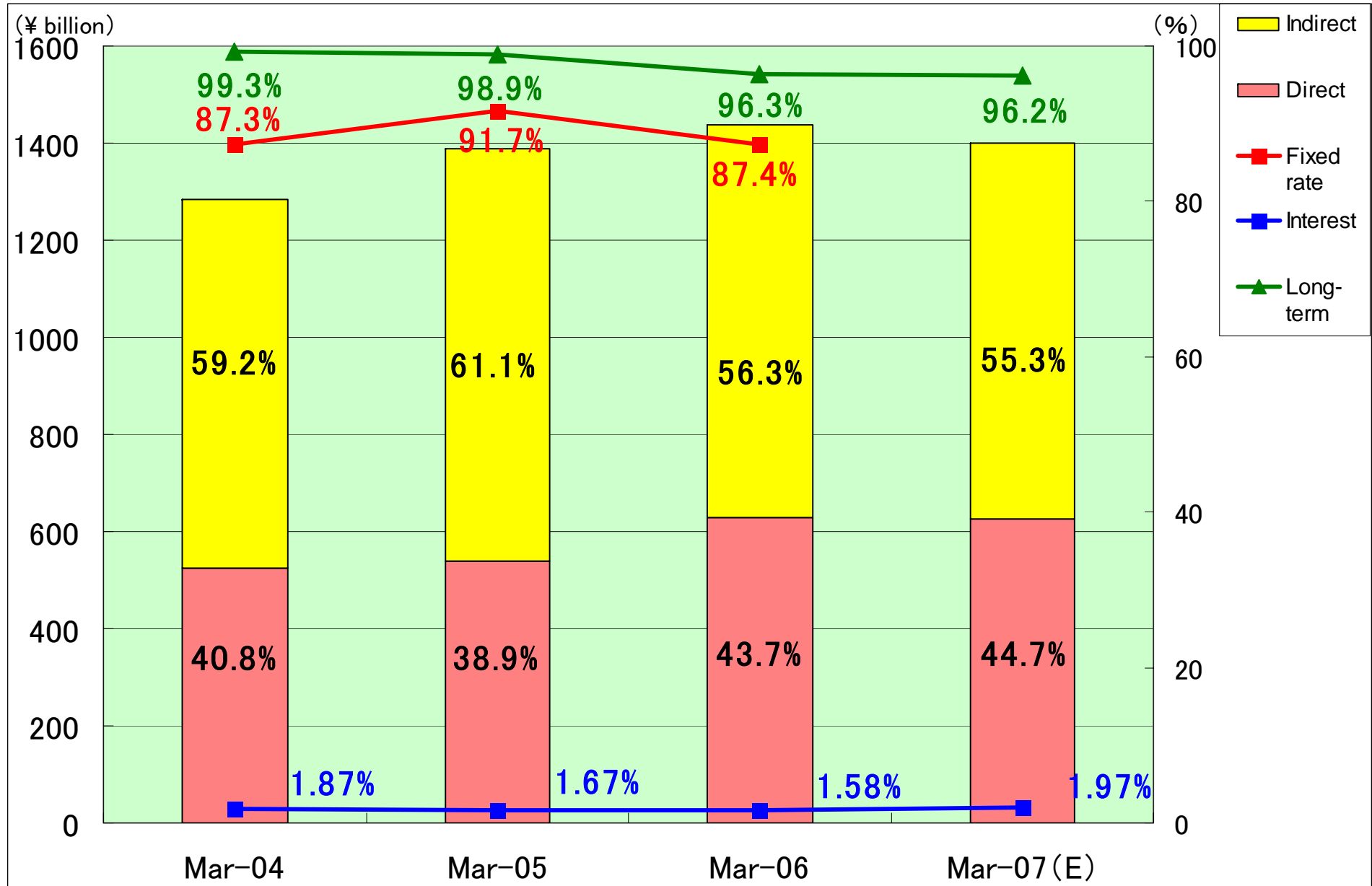


Share (%)	Mar-04	Mar-05	Mar-06
Bankruptcy	42.3	35.6	31.9
Loss of contact, etc.	18.9	18.8	15.0
No will to pay.	10.6	12.5	13.5
Waiver of principal due to a settlement with lawyer	28.3	33.1	39.6

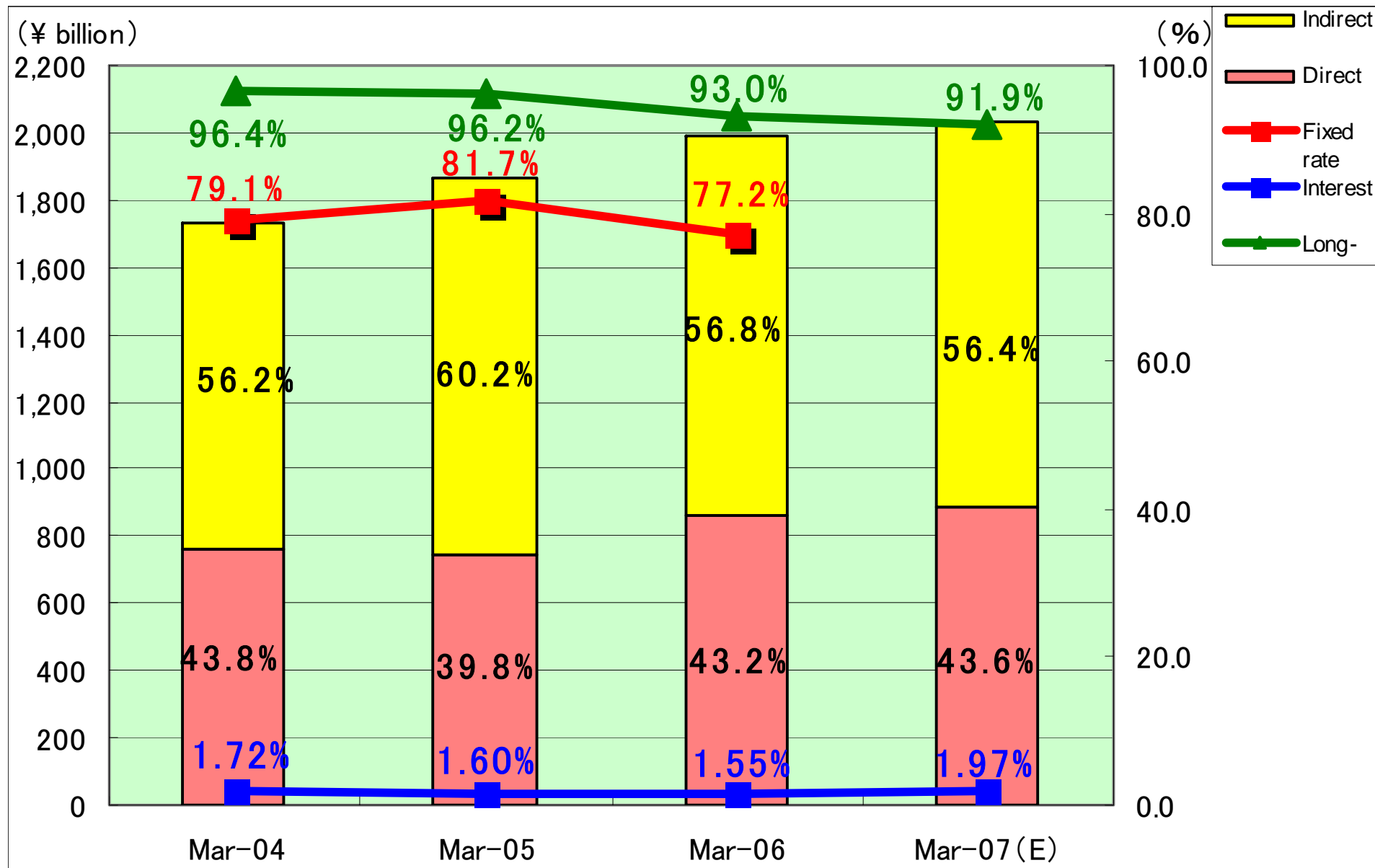
Bad Debts - Monthly Trends in Amount of Return of Overpayments (April 2004 – April 2006)



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







- S & P (BBB+: Stable),
Moody's (Baa2: Positive)
(Both ratings pending)

3. Business Strategy

Diversification Strategy - Overview of Japanese Consumer Credit Market

(¥ trillion)

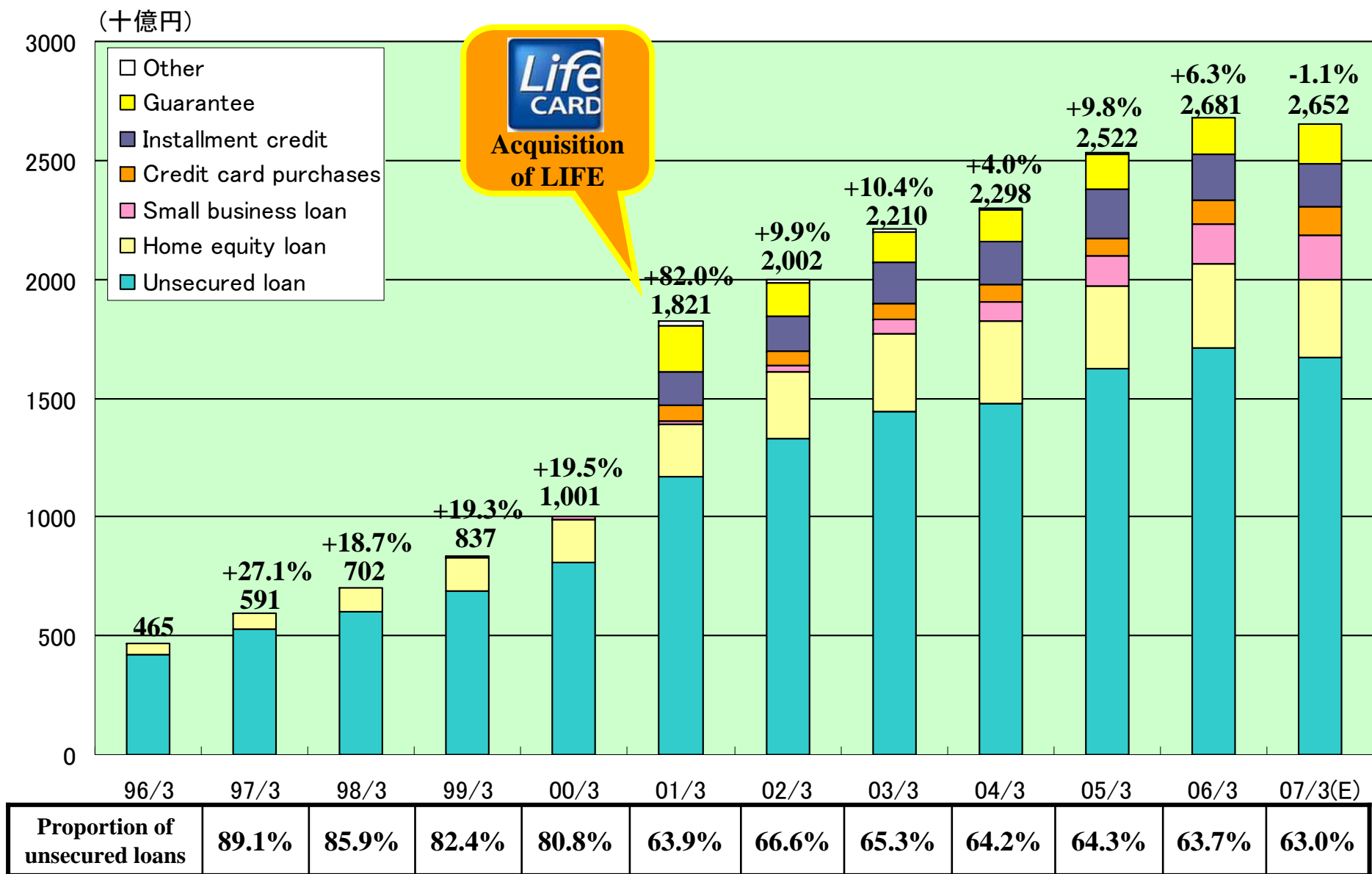
FY2004
(74.1 / 58.2)  **FY2012**
(- / 72.0)

	Credit Card Purchases (29.1 / 4.1)	Credit Card Purchases (34.3 / 4.8)
	Installment Finance (11.0 / 10.6)	Installment Finance (9.0 / 9.5)
	Credit Card-Cash Advance (7.6 / 3.4)	Credit Card-Cash Advance (- / 4.2)
	Consumer Loans by Credit Card Companies (2.5 / 3.2)	Consumer Loans by Credit Card Companies (- / 3.9)
	Traditional Consumer Finance Companies (10.2 / 10.1)	Traditional Consumer Finance Companies (- / 14.0)
	Banks and Other Financial Institutions (3.3 / 17.6)	Banks and Other Financial Institutions (- / 23.1)
	Post Offices, Banks and Other Financial Institutions (10.1 / 8.9)	Post Offices, Banks and Other Financial Institutions (- / 12.4)

Source: Consumer Credit Market Statistics, Japan Consumer Credit Industry Association






















Note: (Transaction volume per annum / Credit outstanding)

Diversification Strategy - Increasing Diversification of Loans Receivable Portfolio and Diversifying the Risk Portfolio



Diversification Strategy - Future AIFUL Group

Direction of Strategy in Development of Comprehensive Financial Group

M&A Strategy		Pure Investment	Strategic Investment			
		Sectors for Active Expansion 				
	Risk	Consumers loans	Small Businesses loans	Credit Sales and Credit Cards	Home Equity Loans	
Personal	Low		Banks			
	Middle	<div style="border: 1px solid black; background-color: yellow; padding: 5px;"> Internet firm ● id CREDIT CORPORATION ● NET ONE CLUB CORPORATION </div>	 ビジネス 株式会社	 LIFE CARD	 ビジネス 株式会社	 LIFE CARD
	High	  	 ビジネス 株式会社 	 LIFE CARD	 AIFUL CORPORATION  	
Corporate	Low		Banks			
	Middle		 ビジネス 株式会社	 LIFE CARD	 ビジネス 株式会社	 LIFE CARD
	High			 LIFE CARD		

4. Financial Results of LIFE

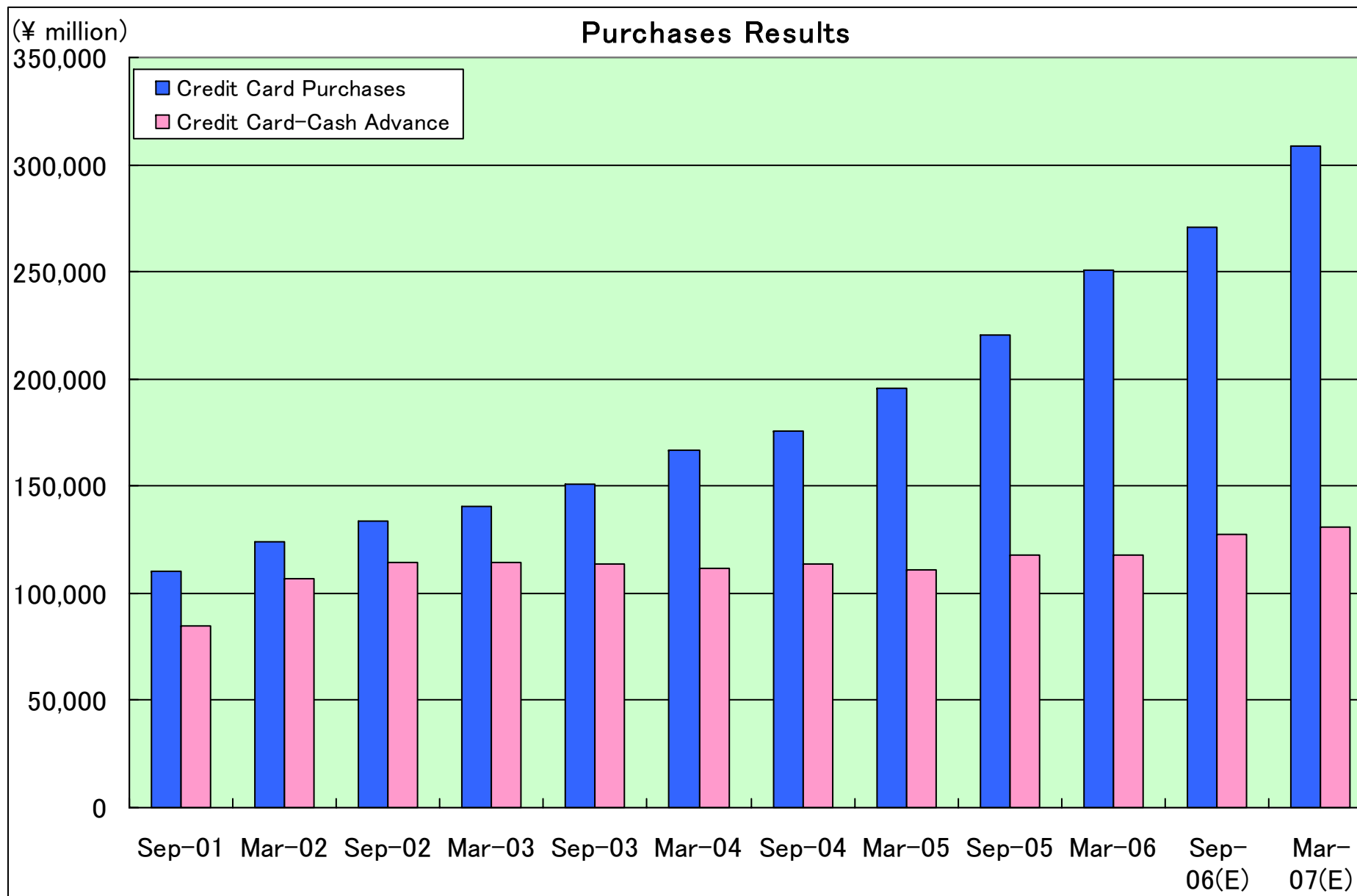
LIFE (1)- Operating Results

(¥ million)

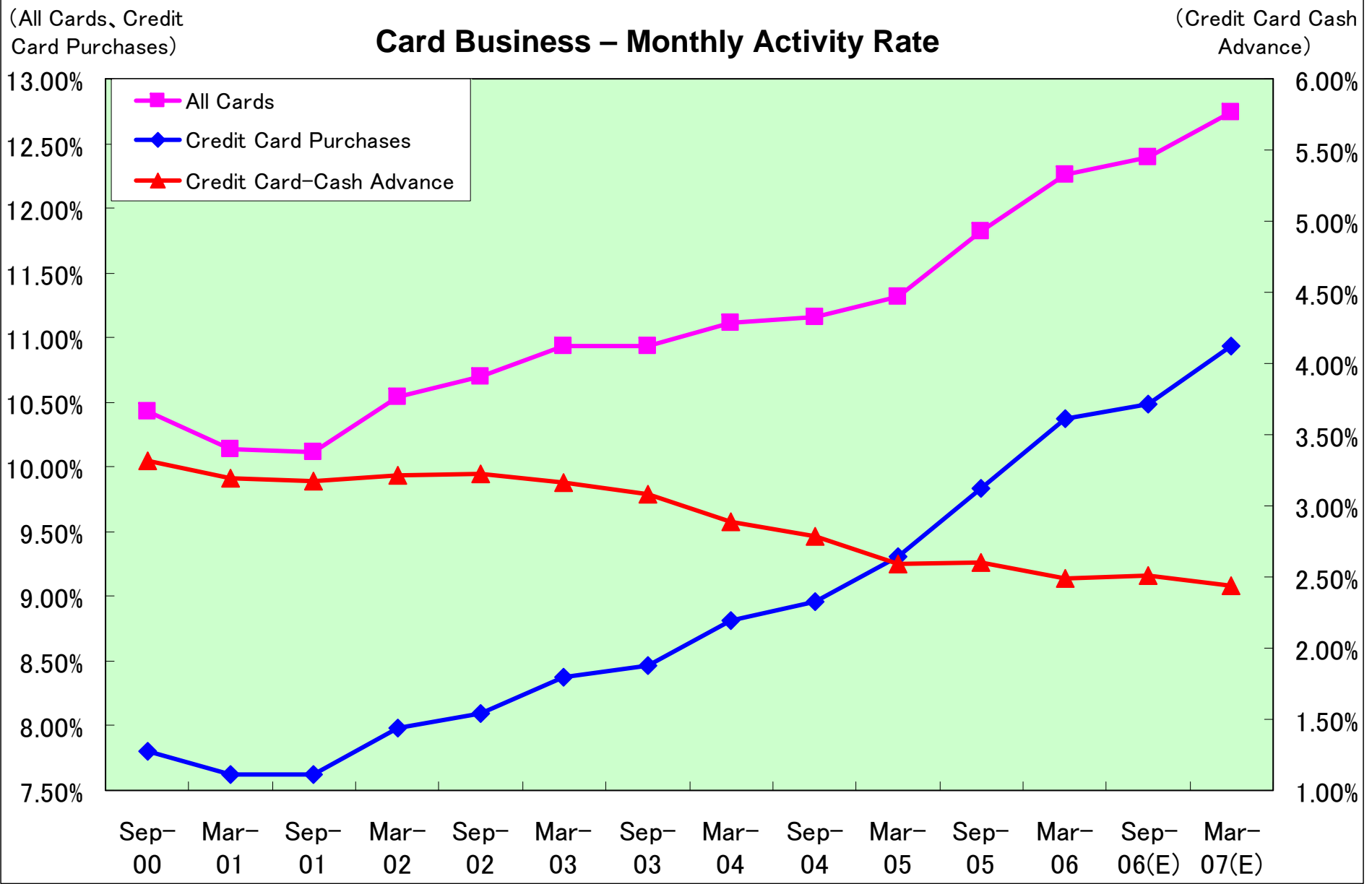
	Mar-04	Mar-05	Mar-06	Mar-07		
				YoY	(E)	YoY
Number of card holders (Thousand)	11,032	11,916	13,096	+10%	14,825	+13%
Proper	1,625	1,710	1,820	+6%	1,963	+8%
Affinity	9,406	10,205	11,276	+10%	12,861	+14%
Number of new issue (Thousand)	2,142	2,086	2,310	+11%	2,951	+28%
Proper	192	207	233	+13%	297	+27%
Affinity	1,950	1,878	2,077	+11%	2,653	+28%
Credit card purchase results	543,507	597,314	706,274	+18%	838,162	+19%
Credit card purchases	318,115	373,130	470,896	+26%	579,684	+23%
Credit card-cash advance	225,392	224,184	235,378	+5%	258,478	+10%
Installment finance purchase results	118,131	135,646	107,974	-20%	89,900	-17%
Merchant members	90,556	95,281	98,383	+3%	101,586	+3%



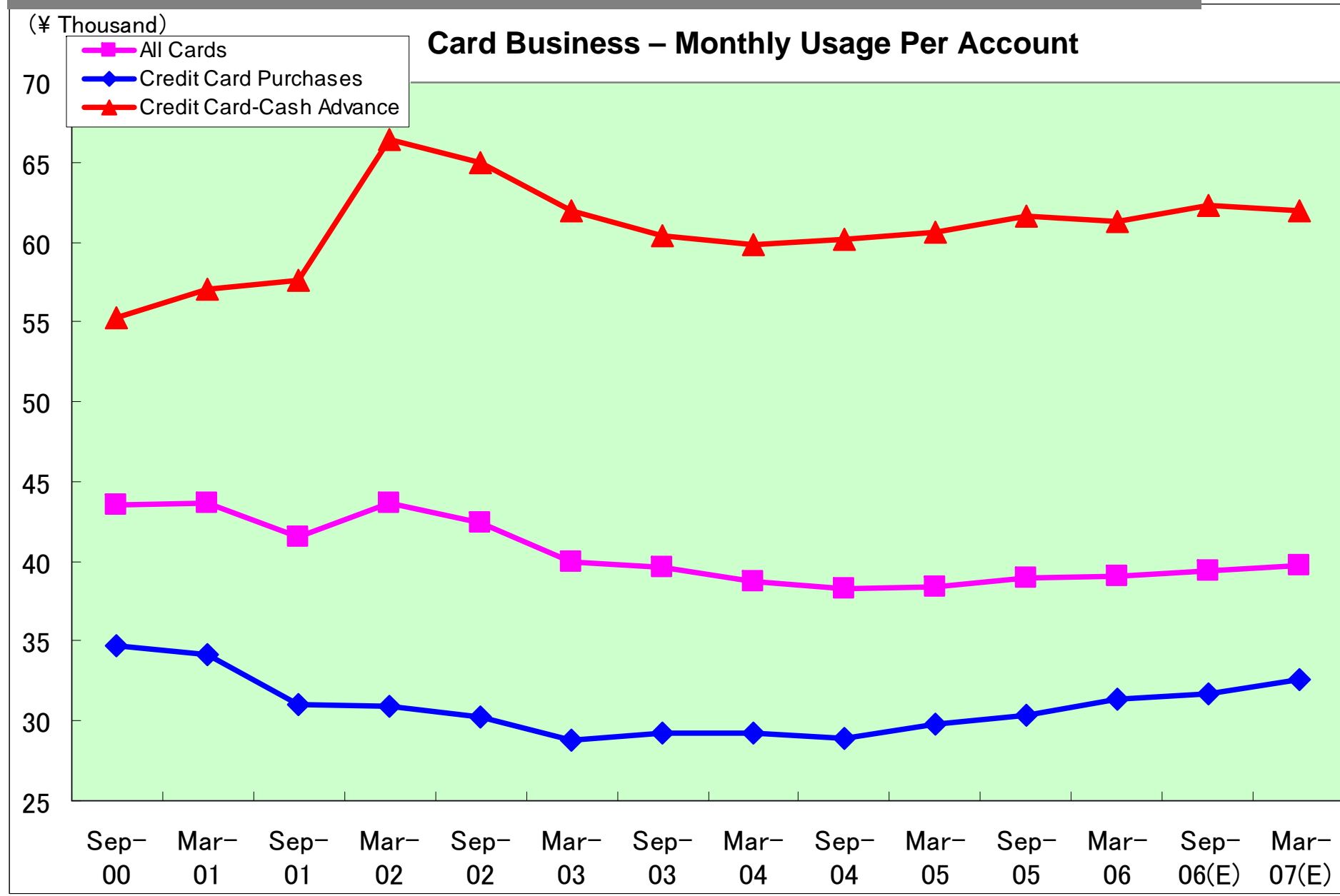
LIFE (2)-1 - Card Business – Purchases Results



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



LIFE (2)-3-(LIFE) - Card Business – Monthly Usage Per Account

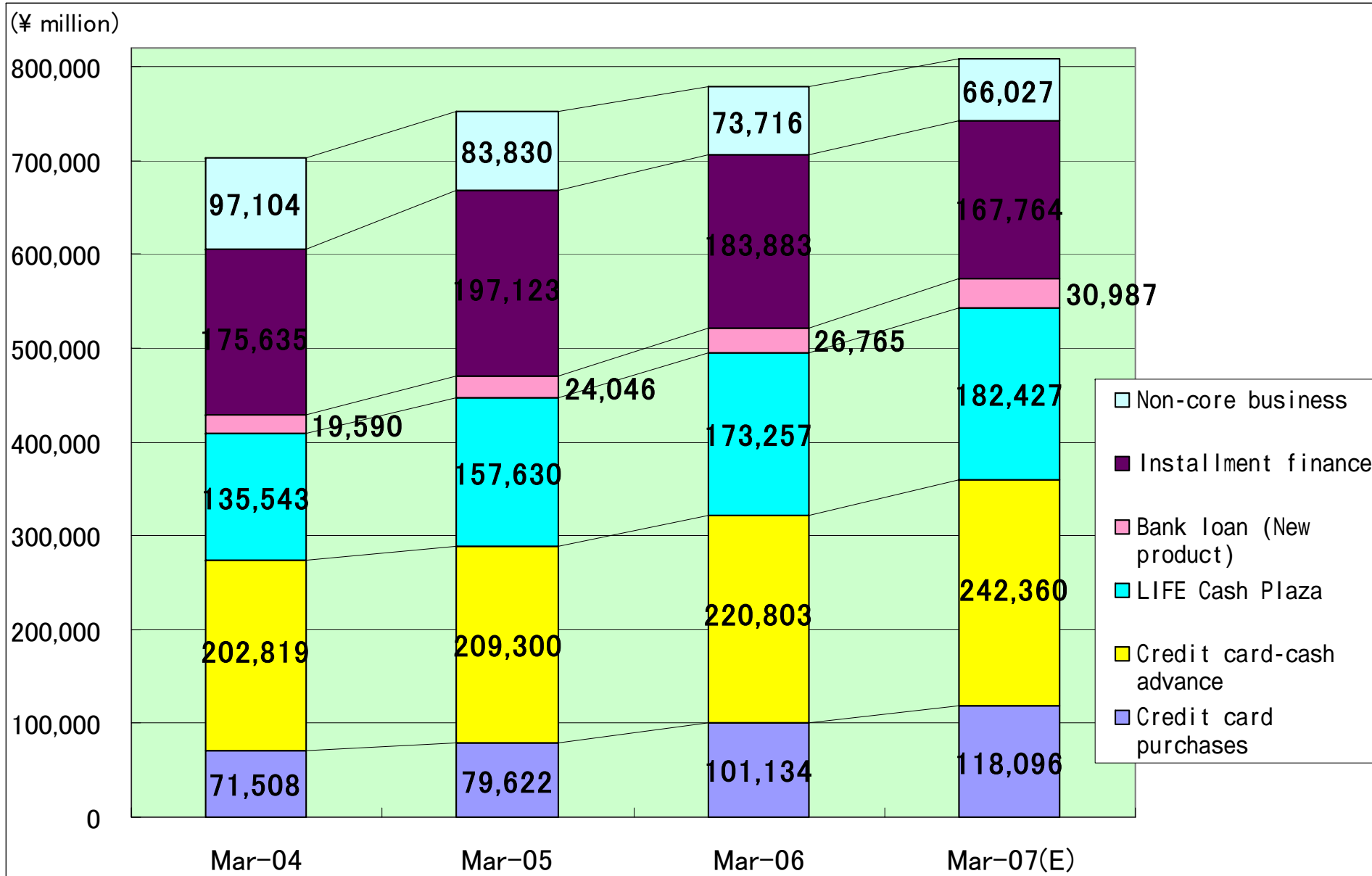


LIFE (3)-1- Operating Results

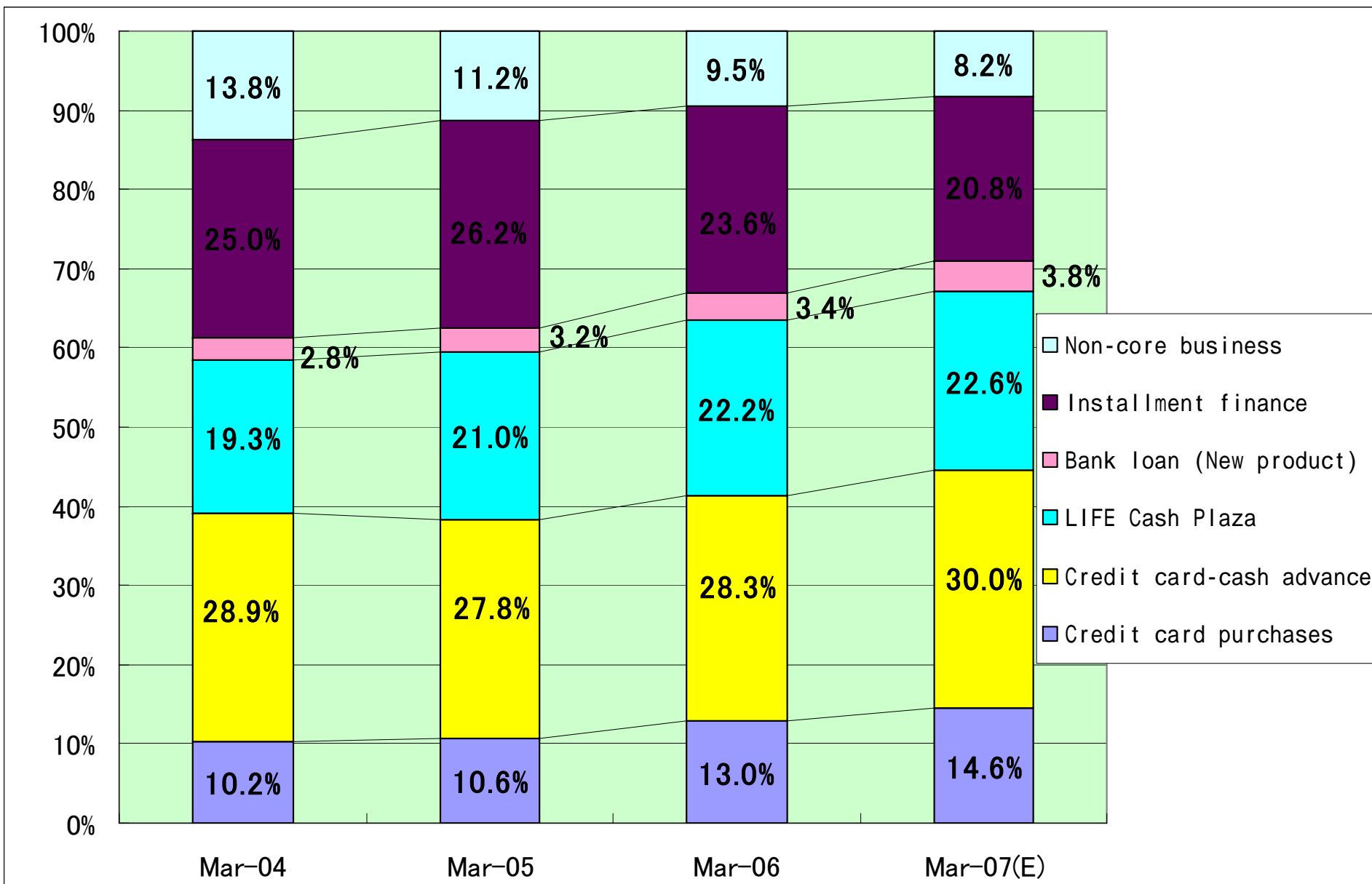
(¥ million)

	Mar-04	Mar-05	Mar-06	Mar-07			
				YoY	(E) YoY		
Total	702,202	751,553	779,560	+4%	807,663	+4%	
Expanding businesses	293,918	312,969	348,703	+11%	391,443	+12%	
Credit card purchases	71,508	79,622	101,134	+27%	118,096	+17%	
Credit card-cash advance	202,819	209,300	220,803	+5%	242,360	+10%	
Bank loan (New product)	19,590	24,046	26,765	+11%	30,987	+16%	
Stable business	311,179	354,753	357,140	+1%	350,192	-2%	
LIFE Cash Plaza	135,543	157,630	173,257	+10%	182,427	+5%	
Installment finance	175,635	197,123	183,883	-7%	167,764	-9%	
Non-core businesses	97,104	83,830	73,716	-12%	66,027	-10%	
Partner loan	2,504	1,194	814	-32%	574	-29%	
Home loan	35,866	31,726	28,178	-11%	25,042	-11%	
Bank loan (Old product)	48,329	41,258	35,691	-13%	31,178	-13%	
Other	10,403	9,650	9,031	-6%	9,231	+2%	
Composition	Expanding businesses	42%	42%	45%	—	48%	—
	Stable business	44%	47%	46%	—	43%	—
	Non-core businesses	14%	11%	9%	—	8%	—

LIFE (3)-2 - Operating Assets



LIFE (3)-3 - Outstanding Balance



LIFE (4)- Profit and loss

(¥ million)

	Mar-04	Mar-05	Mar-06		Mar-07	
				YoY	(E)	YoY
Operating Revenue	113,738	123,881	133,936	+8%	140,901	+5%
Credit card purchases	8,402	9,313	11,533	+24%	13,683	+19%
Installment finance	15,901	17,501	17,933	+2%	15,126	-16%
Credit card-cash advance	46,979	48,558	50,508	+4%	54,312	+8%
LIFE Cash Plaza	31,786	36,313	40,753	+12%	44,109	+8%
Guarantee	3,842	4,044	4,241	+5%	4,314	+2%
Bad Debt Recovery	2,670	3,175	3,531	+11%	3,682	+4%
Other	4,155	4,972	5,432	+9%	5,671	+4%
Operating Expenses	101,943	107,401	109,041	+2%	113,390	+4%
Financial Expenses	8,588	8,806	8,621	-2%	11,760	+36%
Credit Costs	37,902	39,775	39,070	-2%	34,394	-12%
Advertising Expenses	5,054	5,464	6,478	+19%	6,510	+0%
Salaries	15,153	15,257	16,495	+8%	17,178	+4%
Other	35,243	38,096	38,375	+1%	43,547	+13%
Operating Income	11,795	16,480	24,895	+51%	27,511	+11%
Ordinary Income	12,081	16,524	25,032	+51%	27,500	+10%

LIFE (5) Operating Revenue Ratio

(¥ million)

	Mar-04	Mar-05		Mar-06		Mar-07	
			yoy		yoy	(E)	yoy
Number of Card- holders (Thousands)	11,032	11,916	+8%	13,096	+10%	14,825	+13%
Receivables Outstanding	702,202	751,553	+7%	779,560	+4%	807,663	+4%
Installment Receivable	256,773	285,867	+11%	293,333	+3%	293,687	+0%
Loans (Cash Advance)	339,137	367,459	+8%	394,776	+7%	426,192	+8%
Guarantee & Other	106,290	98,226	-8%	91,450	-7%	87,783	-4%
Operating Revenue	113,738	123,881	+9%	133,936	+8%	140,901	+5%
Operating Revenue Ratio *2	16.4%	16.9%	+0.5%	17.3%	+0.4%	17.8%	+0.4%

LIFE (6) - Bad debt

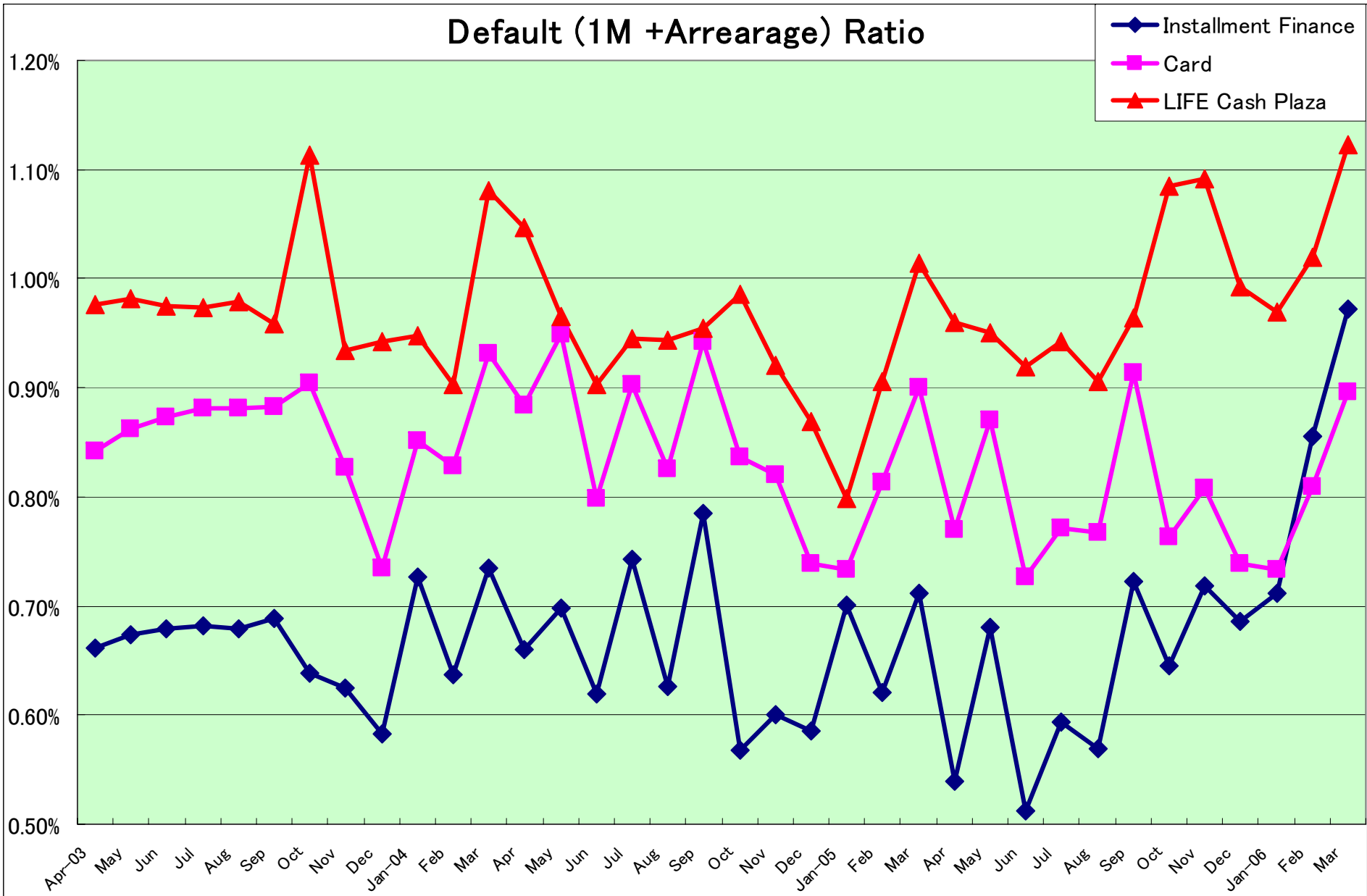
(¥ million)

	Mar-04	Mar-05	Mar-06	Mar-07		
				YoY	YoY	
Credit cost	37,902	39,775	39,070	-2%	34,394	-12%
Bad debt Write offs	35,566	36,658	37,266	+2%	37,133	-0%
Main Business *1	34,215	33,664	34,060	+1%	35,748	+5%
Other Business	1,351	2,994	3,202	+7%	1,382	-57%
Home Loan	521	1,266	675	-47%	519	-23%
Loss from fraudulent use of credit card	772	1,159	368	-68%	400	+9%
Loss from member merchant fraudulence	31	526	2,148	+308%	455	-79%
Other	25	42	11	-74%	8	-27%
New Provisions for bad debt	35,132	38,249	40,162	+5%	37,424	-7%
Bad debt provisions used	-32,796	-35,132	-38,358	+9%	-40,162	+5%
Write off ratio	5.06%	4.88%	4.78%	-0.10%	4.60%	-0.18%
Ratio of allowance for bad debt	5.00%	5.09%	5.15%	+0.06%	4.63%	-0.52%

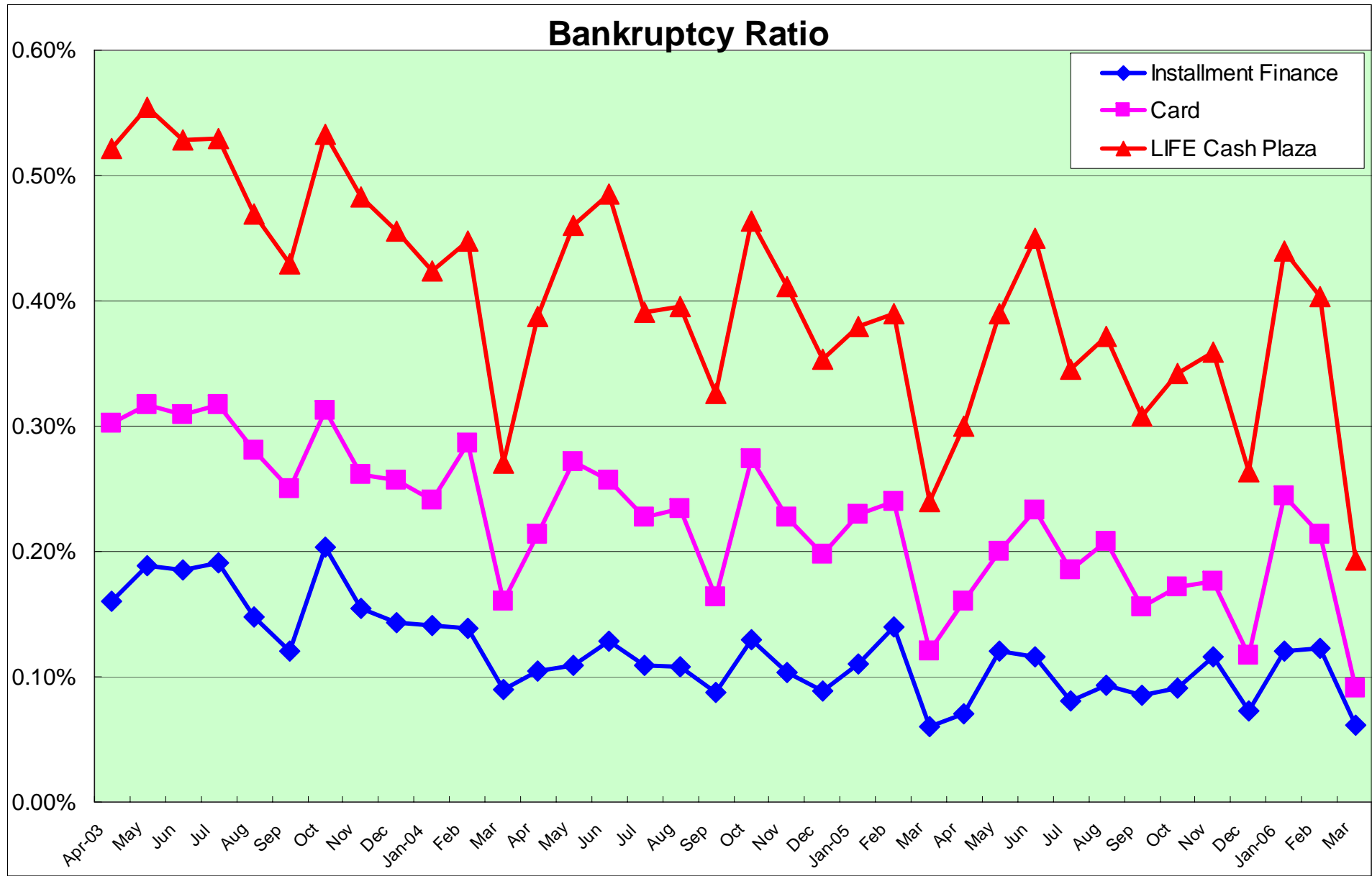
*1: Credit card Business, Installment finance, LIFE Cash Plaza, Guarantee



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



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



5. Explanation of Figures

Breakdown of Consolidated Operating Revenue (3/06)
(¥ billion)

Items	3/06	yoy	yoy%	Reasons for increase/decrease
Operating Revenue	549.5	+31.1	+6.0%	Result of multiple brand strategy
Interest Income	491.3	+24.9	+5.3%	
AIFUL	333.5	+3.0	+0.9%	269.9 billion yen in unsecured loans (+3.0 billion), 54.5 billion yen in secured loans (-1.3 million), 8.9 billion yen in small business loans (+1.2 billion)
LIFE	90.2	+6.5	+7.9%	49.7 billion yen in credit card cash advances (+1.9 billion), 40.4 billion yen from Cash Plaza (+4.6 billion)
BUSINEXT	8.6	+3.1	+58.7%	Boosted by introduction of Ver2 of scoring system for small business loans; seeing 54% growth in loans outstanding continuing
City's	13.8	+4.3	+46.7%	Boosted by opening new outlets; seeing 49% growth in loans outstanding continuing
WIDE	25.0	+1.8	+8.1%	Growth in receivables outstanding due to TV commercials
TRYTO	15.8	+1.6	+11.4%	Effect of branch openings and TV commercials
Other	4.2	4.2	—	TV commercials, turning of Passkey Co., Ltd., into subsidiary, establishment of id Credit Corporation and Net One Club Corporation
Credit Card Purchases	11.2	+2.1	+24.0%	Life Card credit card shopping purchases up 26.2%
Installment Finance	17.6	+0.4	+2.8%	Implementation of careful screening of member stores
Loan Guarantee	8.6	+1.5	+22.3%	4.4 billion yen at AIFUL (+1.3 billion), 4.2 billion yen at LIFE (+100 million)
Other Operating Revenue	20.5	+2.0	+11.2%	
Bad Debt Recovery	8.5	+0.8	+10.6%	4.2 billion yen at AIFUL (+200 million), 3.5 billion yen at LIFE (+300 million)
Revenue from Debt Collection	4.7	+2.9	+171.0%	AsTry Loan Services Corporation

Breakdown of Consolidated Operating Expense & Income (3/06)
(¥ billion)

Items	3/06	yoy	yoy%	Reasons for increase/decrease
Operating Expenses	424.4	+40.7	+10.6%	
Financial Expenses	37.7	-1.9	-4.8%	Decline in interest rates on fund procurement
Credit Cost	166.1	+10.7	+6.9%	Loss of principal and increase in allowance accompanying increase in return of overpayment
Allowance for return of overpayment	21.0	+21.0	—	Calculated based on information issued by Japan Institute of Certified Public Accountants, includes 17 billion yen at AIFUL
Advertising Expenses	28.0	+4.3	+18.4%	1.5 billion yen increase at AIFUL, 900 million yen increase at LIFE, 400 million yen increase at WIDE, 300 million yen increase at TRYTO
Personnel Expenses	58.2	+3.5	+6.5%	Up 2 billion yen due to increase in personnel with opening of City's branches, 1.2 billion yen increase at LIFE
Amortization of Goodwill and Consolidation Differences	2.0	+0.1	+5.9%	See next page.
Other	110.8	+3.0	+2.8%	
Commission	28.4	+2.9	+11.5%	2 billion yen increase at AIFUL, 600 million yen increase at LIFE from commissions charged for ATM services and system-related expenses
Rental Expenses - Land Rent	21.3	-2.0	-8.8%	1.3 billion yen decrease at AIFUL, 800 million yen decrease at LIFE due to expiry of lease periods and replacement, etc., of system equipment (automatic loan machines, etc.)
Supplies · Repair and Maintenance	9.8	+1.3	+16.5%	1.4 billion yen increase at AIFUL due to opening of 300 "Suguwaza" branches
Depreciation	11.8	+0.6	+5.6%	800 million yen increase at AIFUL due to system development and purchase of system equipment, etc.
Cost of receivables purchased	3.2	+2.1	+208.0%	AsTry Loan Services Corporation depending on balance of collections on purchased receivables
Operating Income	125.1	-9.6	-7.1%	
Ordinary Income	126.9	-8.3	-6.2%	
Extraordinary Losses	14.9	+7.9	+113.1%	
Return of overpayment	13.1	+13.1	—	Treated as extraordinary loss accompanying calculation of new allowance for losses on return of overpayment. To be recorded as operating expense in future. Includes 10.4 billion yen at AIFUL.
Net Income	65.8	-9.8	-13.1%	

Explanation of Figures (Consolidated) - Consolidated Operating Expenses (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	3/06	3/07 (E)	3/08 (E)	3/09 (E)
TRYTO (formerly Shinwa) (Jun 2000) 4,347	<i>Ordinary amortization (P/L)</i>	434	434	434	434	434
	Balance (B/S)	2,173	1,739	1,304	869	434
LIFE (Mar 2001) 32,861	<i>Ordinary amortization (P/L)</i>	824	824	824	824	824
	<i>One-off amortization (P/L)</i>	3,830	—	—	—	—
	<i>Total (P/L)</i>	4,654	824	824	824	824
	Balance (B/S)	4,945	4,120	3,296	2,472	1,648
City's (Oct 2002) 2,493	<i>Ordinary amortization (P/L)</i>	249	249	249	249	249
	Balance (B/S)	1,870	1,620	1,371	1,122	872
NFP (Mar 2004) -2,176	<i>Ordinary amortization (P/L)</i>	-217	-217	-217	-217	-217
	Balance (B/S)	-1,959	-1,741	-1,523	-1,306	-1,088
Wide (Jun 2004) 4,378	<i>Ordinary amortization (P/L)</i>	437	437	437	437	437
	Balance (B/S)	3,940	3,502	3,065	2,627	2,189
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	—	—	—
	Balance (B/S)	—	0	—	—	—
Total	<i>Total amortization (P/L)</i>	<u>5,770</u>	<u>2,055</u>	<u>1,734</u>	<u>1,734</u>	<u>1,734</u>
	<i>Total balance (B/S)</i>	<u>11,007</u>	<u>9,272</u>	<u>7,538</u>	<u>5,803</u>	<u>4,068</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.

Breakdown of Consolidated Operating Revenue (3/07(E))
(¥ billion)

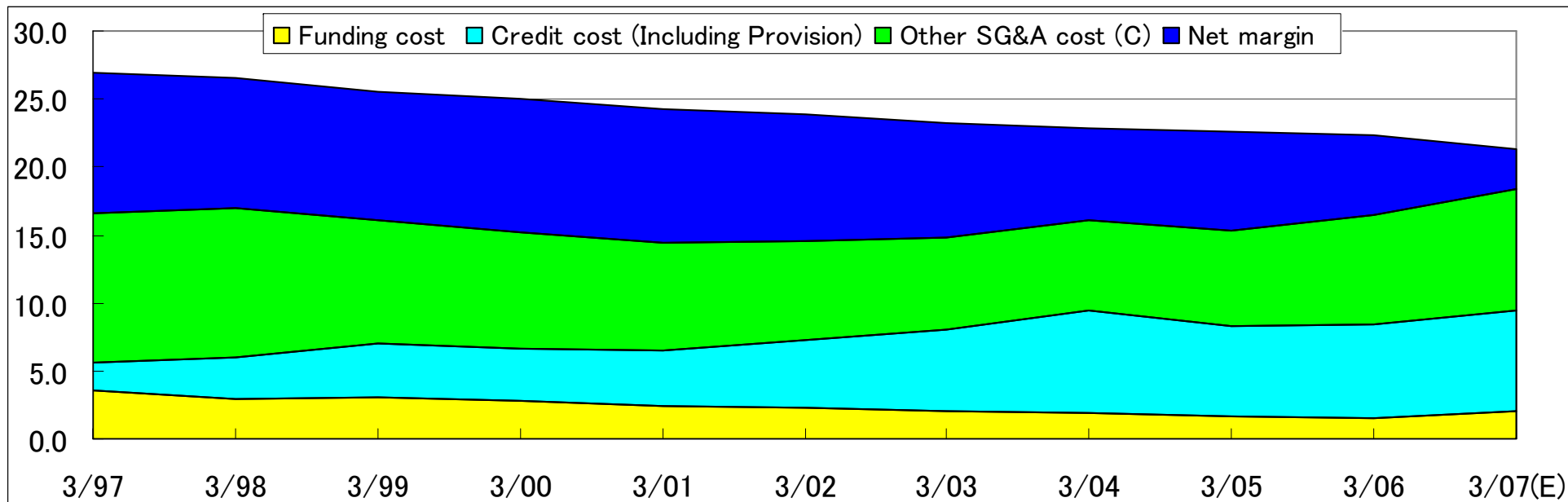
Items	3/07 (E)	yoy	yoy%	Reasons for increase/decrease
Operating Revenue	537.9	-11.6	-2.1%	Down YOY due to decline in operating receivables outstanding
Interest Income	480.6	-10.7	-2.2%	Loans outstanding decreased 2%
AIFUL	313.1	-20.3	-6.1%	Unsecured loans: 256.7 billion yen (down 13.2 billion yen), secured loans: 47.3 billion yen (down 7.2 billion yen), business loans: 9 billion yen (no change). Unsecured loans down due to decline in balance resulting from self restraint in marketing and decline in interest income resulting from stronger application of customer preferential interest rates. Secured loans down due to decline in interest income resulting from decrease in balance related to current comprehensive review of product design.
LIFE	96.2	6.0	6.8%	Credit card cash advances: 53.1 billion yen (up 3.4 billion yen), Cash Plaza: 43 billion yen (up 2.5 billion yen)
BUSINEXT	12.0	3.4	40.3%	33% growth in receivables
City's	14.6	0.8	5.8%	Due to stricter credit
WIDE	23.7	-1.3	-5.5%	Due to stricter credit
TRYTO	16.3	0.4	3.1%	Due to stricter credit
Other	4.4	0.1	4.0%	Due to stricter credit
Credit Card Purchases	13.4	2.1	19.2%	LifeCard credit card shopping purchases projections up 23.1%
Installment Finance	14.6	-3.0	-17.0%	Due to careful screening of member stores
Loan Guarantee	10.0	1.3	16.0%	AIFUL: 5.7 billion yen (up 1.3 billion yen), LIFE: 4.3 billion yen (no change)
Other Operating Revenue	19.0	-1.4	-7.2%	
Bad Debt Recovery	6.5	-1.9	-23.3%	AIFUL: 2.2 billion yen (down 2 billion yen), LIFE: 3.6 billion yen (up 100 million yen)
Revenue from Debt Collection	5.2	0.5	10.8%	AsTry Loan Services Corporation

Breakdown of Consolidated Operating Expense & Income (3/07(E))
(¥ billion)

Items	3/07 (E)	yoy	yoy%	Reasons for increase/decrease
Operating Expenses	442.7	18.3	4.3%	
Financial Expenses	40.8	3.0	8.2%	Increase in preparation for interest rate rise
Credit Cost	166.3	0.1	0.1%	AIFUL up 3.1 billion yen, relinquishment of claims expected to accompany return of overpayments. LIFE down 4.6 billion yen due to extraordinary factors of increase in amortization and reserves due to bankruptcy of member stores in year ended March 2006. Businext up 1.3 billion yen due to increase in receivables outstanding.
Return of overpayment expenses	21.2	0.2	0.6%	Return of overpayments: 21.2 billion yen. Transfer to allowance for losses on return of overpayments: 21 billion yen. Includes AIFUL's return of 17 billion yen in overpayments and 17 billion yen transfer to allowance for losses on return of overpayments
Advertising Expenses	23.0	-4.9	-17.8%	Decrease due to self-restraint in advertising by AIFUL
Personnel Expenses	62.1	3.9	6.7%	
Amortization of Goodwill and Consolidation Differences	1.7	-0.3	-15.6%	Refer to page 44
Other	123.7	16.4	14.8%	Business expansion at LIFE and strengthening of compliance expected
Operating Income	95.1	-29.9	-24.0%	
Ordinary Income	96.0	-30.9	-24.4%	
Extraordinary Losses	1.3	-13.6	-90.8%	Year ended March 2006: 13.1 billion yen in return of overpayments treated as extraordinary loss with recording of new allowance. Year ending March 2007: interest repayments booked as operating expenses
Net Income	52.5	-13.2	-20.2%	

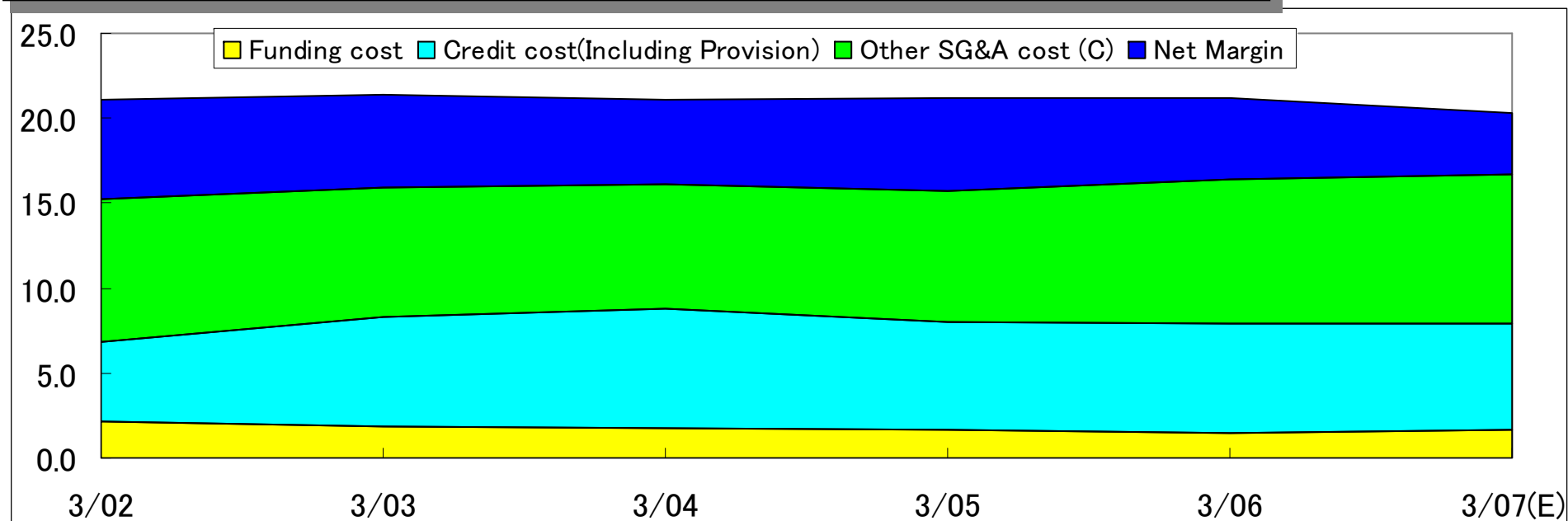
★ Appendix

Appendix 1 - Net Margin – AIFUL (Parent)



(%)	Mar-00	Mar-01	Mar-02	Mar-03	Mar-04	Mar-05	Mar-06	Mar-07(E)
Loan Interest Yield / Balance	25.0	24.3	23.9	23.2	22.8	22.6	22.4	21.3
Funding cost	2.8	2.5	2.3	2.0	1.9	1.7	1.6	2.0
Credit cost (Including Provision)	3.9	4.1	5.0	6.1	7.5	6.6	6.8	7.5
Other SG&A cost (C)	8.5	7.9	7.2	6.8	6.7	7.0	8.0	8.8
Salary (A)	2.5	2.2	2.0	2.1	2.0	2.0	2.0	2.1
Advertising (B)	1.3	1.5	1.5	1.1	0.9	1.0	1.1	0.7
Other (C)-((A)+(B))	4.7	4.1	3.8	3.6	3.7	3.9	5.0	6.0
Net margin / Balance	9.8	9.9	9.4	8.3	6.7	7.3	6.0	3.0

Appendix 2 - Net Margin – Consolidated

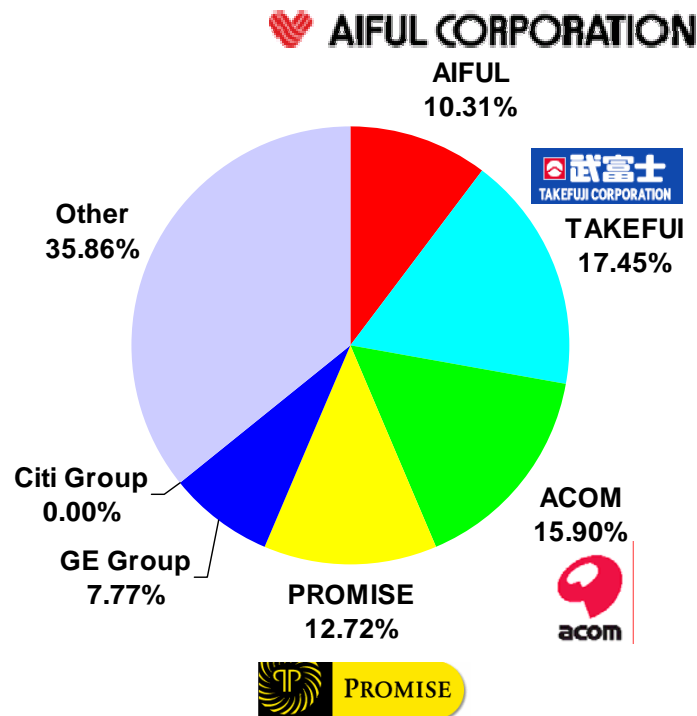


(%)	Mar-02	Mar-03	Mar-04	Mar-05	Mar-06	Mar-07(E)
Loan Interest Yield / Balance	21.1	21.4	21.1	21.2	21.2	20.3
Funding cost	2.1	1.9	1.8	1.7	1.5	1.7
Credit cost (Including Provision)	4.7	6.4	7.0	6.3	6.4	6.2
Other SG&A cost (C)	8.4	7.6	7.3	7.7	8.5	8.8
Salary (A)	2.3	2.3	2.2	2.2	2.2	2.3
Advertising (B)	1.4	1.0	0.9	1.0	1.1	0.9
Other (C)-((A)+(B))	4.7	4.3	4.3	4.5	5.2	5.6
Net margin / Balance	5.8	5.5	5.0	5.5	4.8	3.6

Appendix 3 - Market Share Break Down of the Consumer Finance Industry

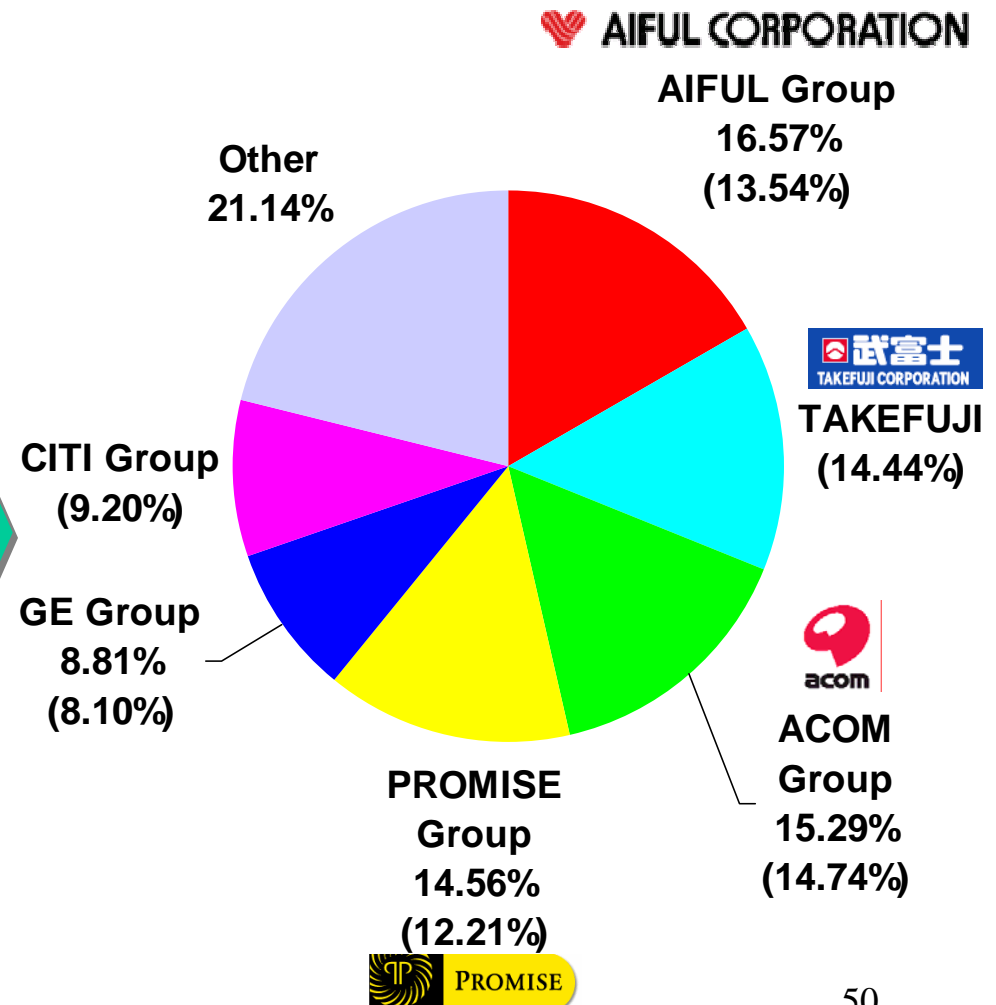
March 1998

¥7.1 trillion



March 2005

¥10.8 trillion

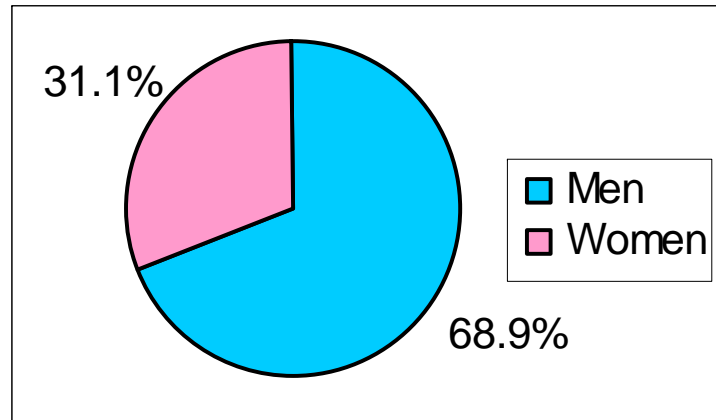


*(Non-Consolidated)

Appendix 4 - Diversification of Customer Profile

AIFUL CORPORATION (Mar-06)

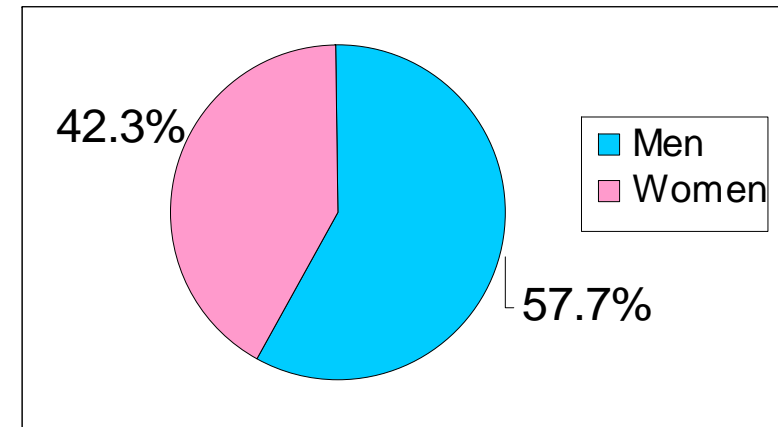
Customer account: 2,187,000



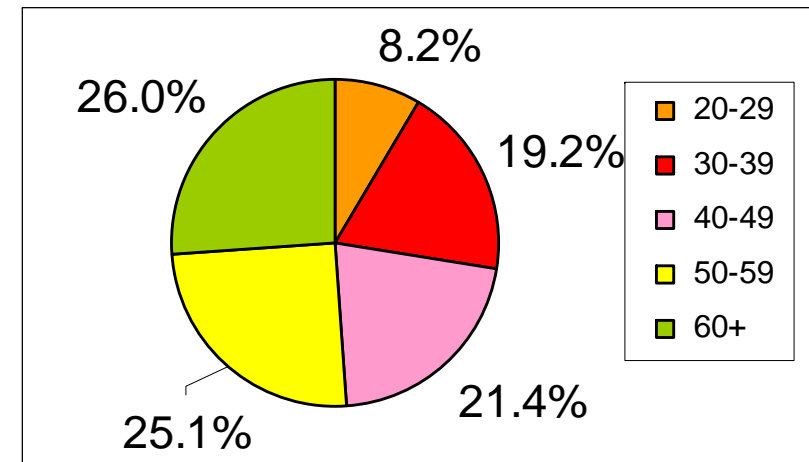
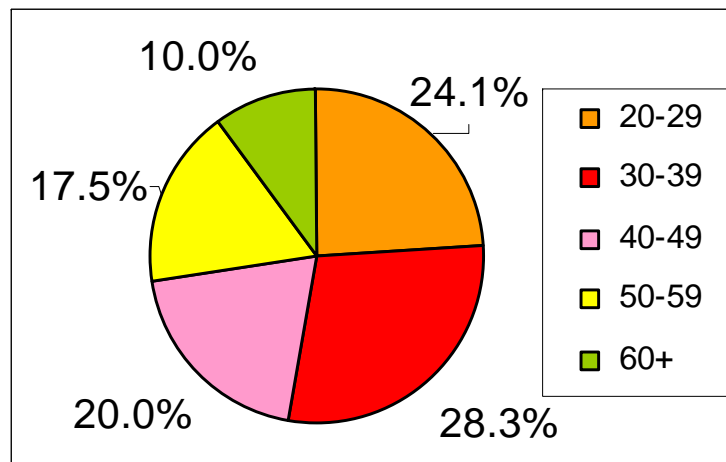
(Mar-06)

Valid card members: 13,096,000

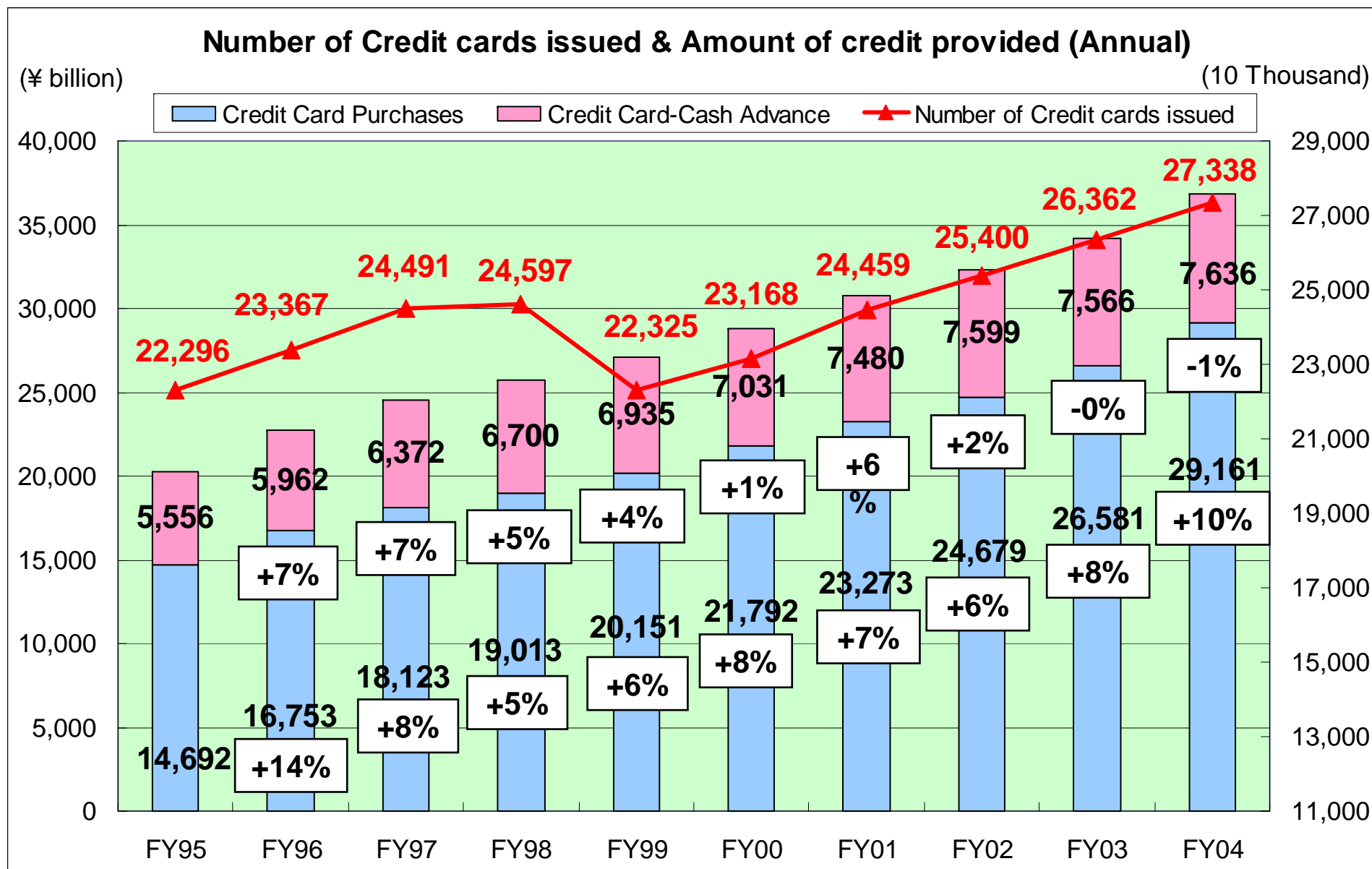
Sex



Age



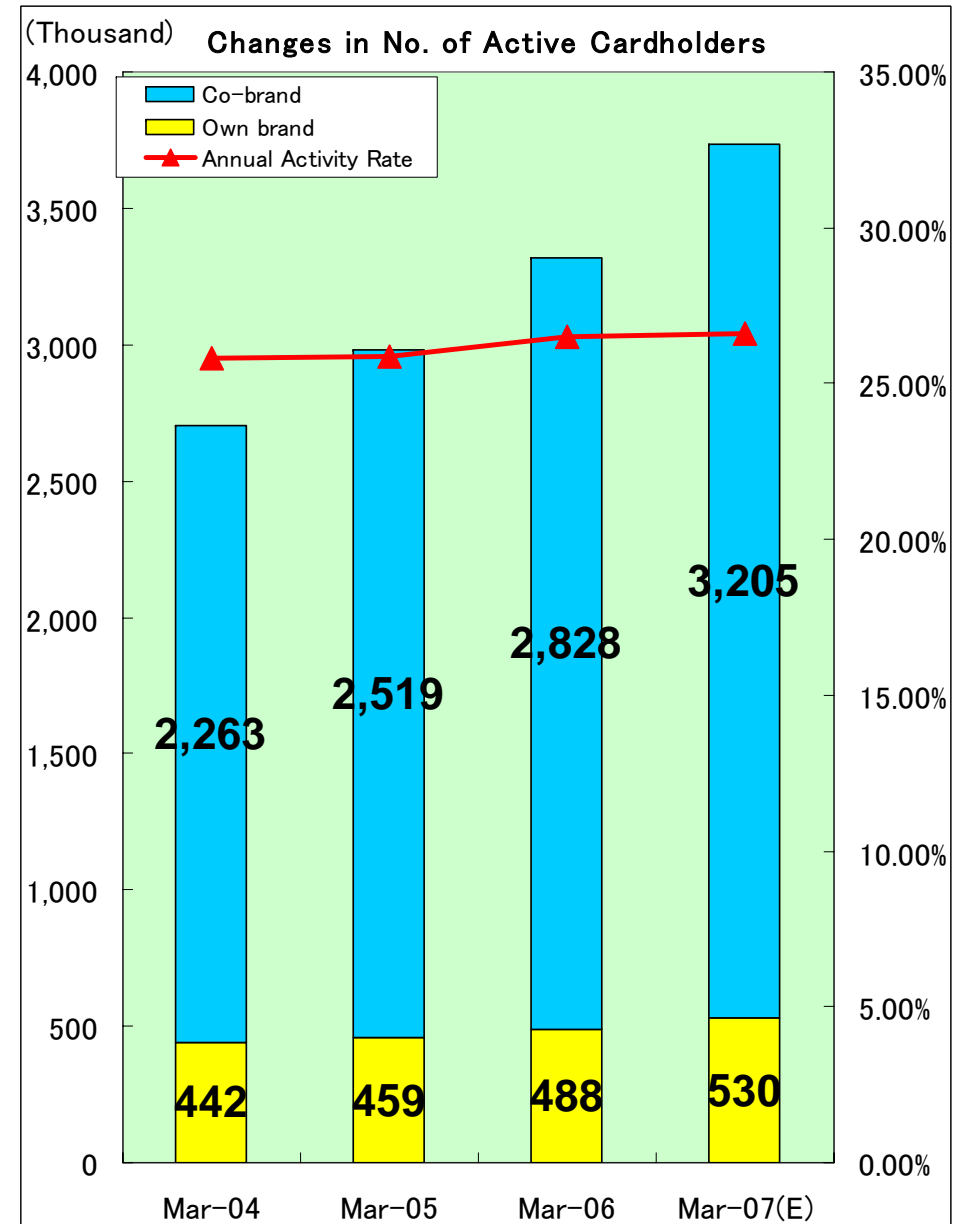
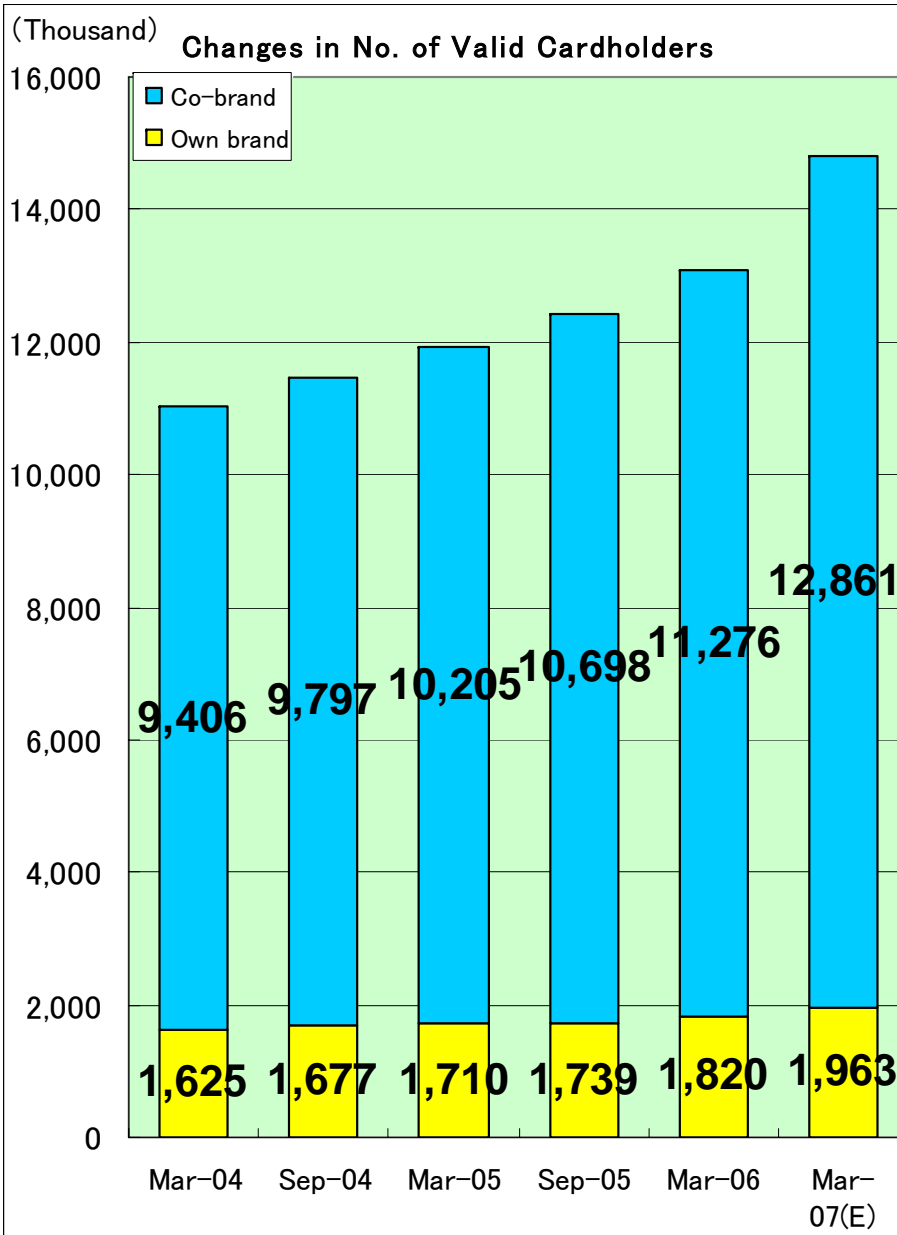
Appendix 5 - Growth of Credit Card Market in Japan



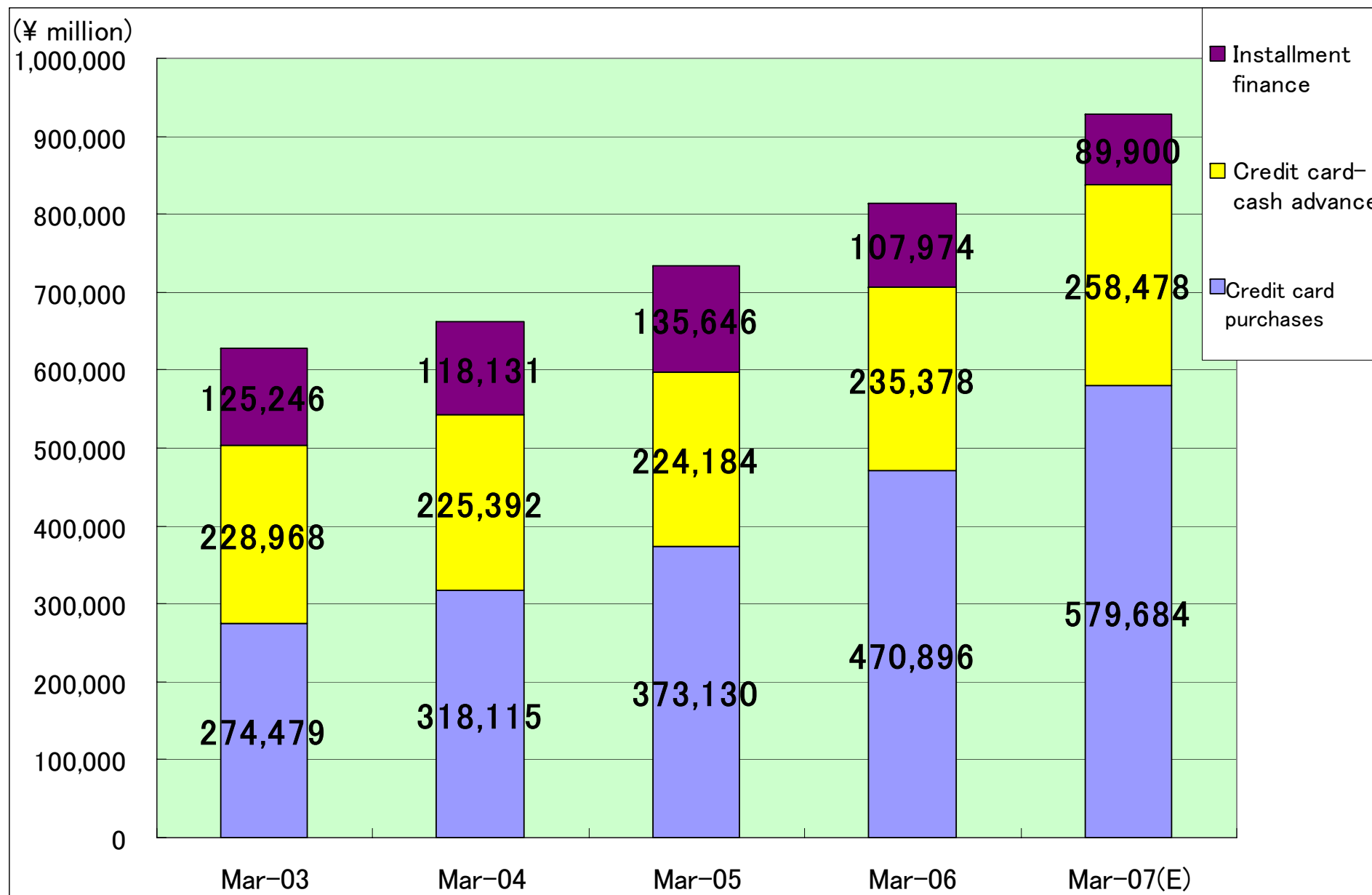
Figures for credit cards issued between 1995 and 1998 reflect total number of credit cards issued, while those from 1999 reflect only valid cards



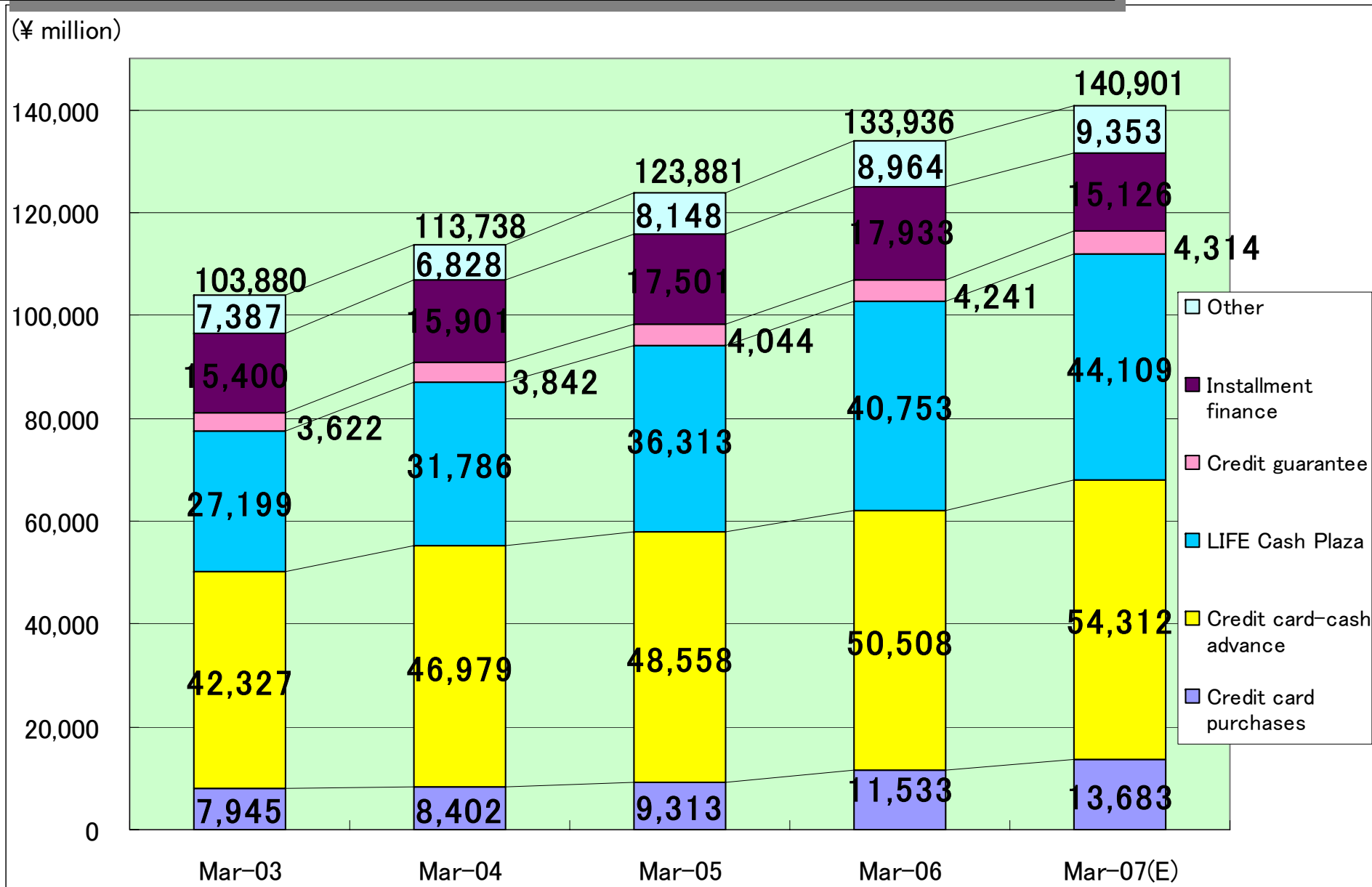
Appendix 1 (LIFE) - Changes in No. of Valid Cardholders and No. of Active Cardholders



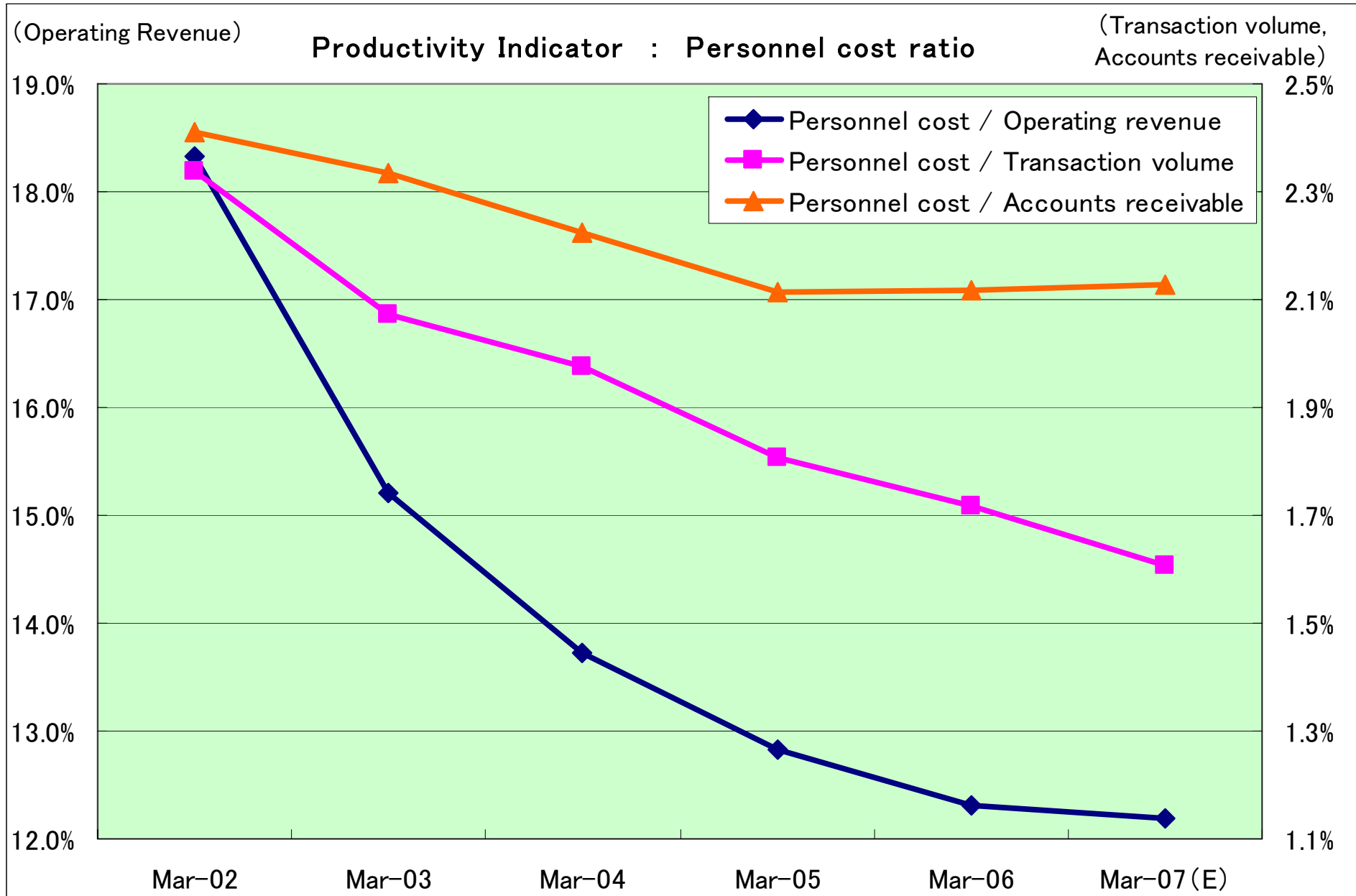
Appendix 2 (LIFE) - Trend of Volume (purchases & cash advances)



Appendix 3 (LIFE) - Trend of Operating Revenue



Appendix 4 (LIFE) - Trend in Productivity



Appendix 5 (LIFE) - Cash Advance Annual Activity Rates ad Loans Outstanding, and Shopping and Cashing

