

Interim Results Information Meeting As of September 2006

November 8, 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

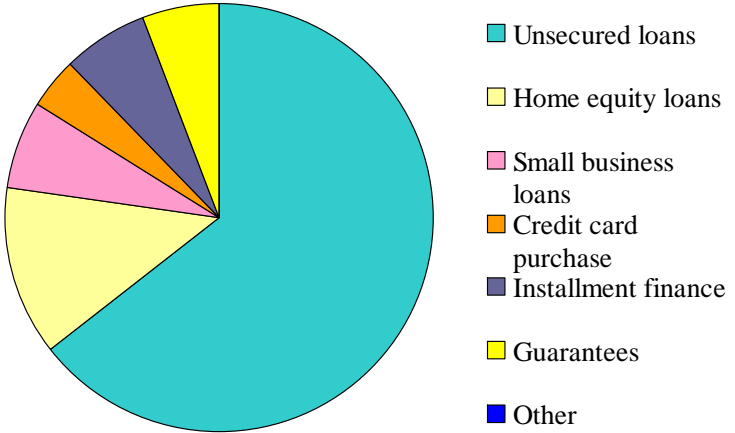
- LIFE Co., Ltd.
- WIDE CORPORATION
- TRYTO CORPORATION
- Businext Corporation
- City's Corporation
- TCM Co., Ltd.
- Passkey Co., Ltd. (*1)
- AsTry Loan Services Corporation
- New Frontier Partners Co., Ltd.
- Marutoh K.K.
- id CREDIT CORPORATION (*1)
- NET ONE CLUB CORPORATION (*1)
- City Green Corporation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

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

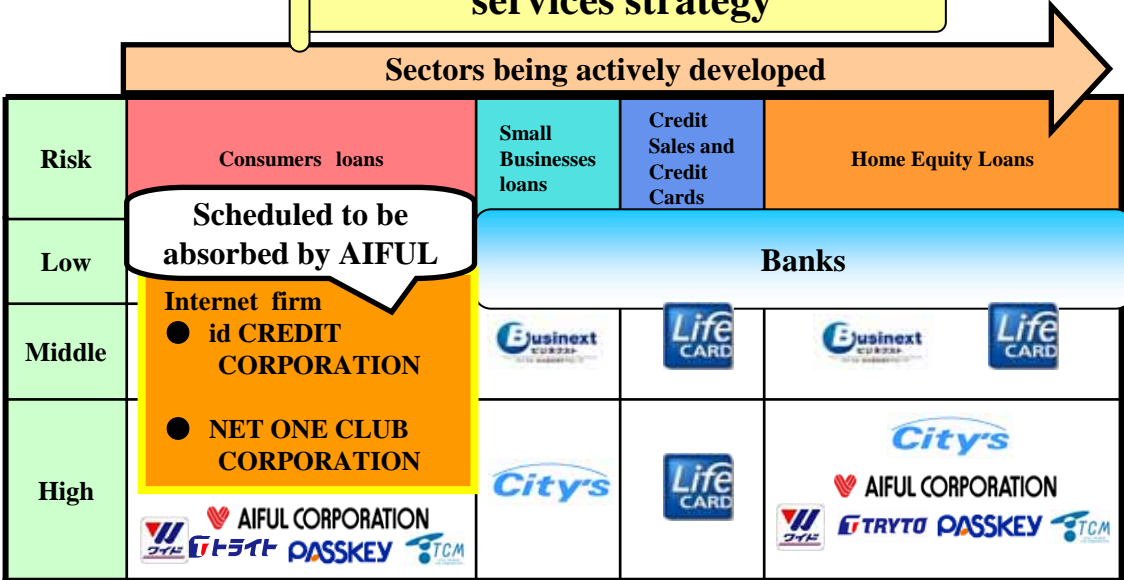
Note 2: City Green Corporation is the holding company for City's Corporation and does not conduct business operations.

Financial Results – AIFUL Group

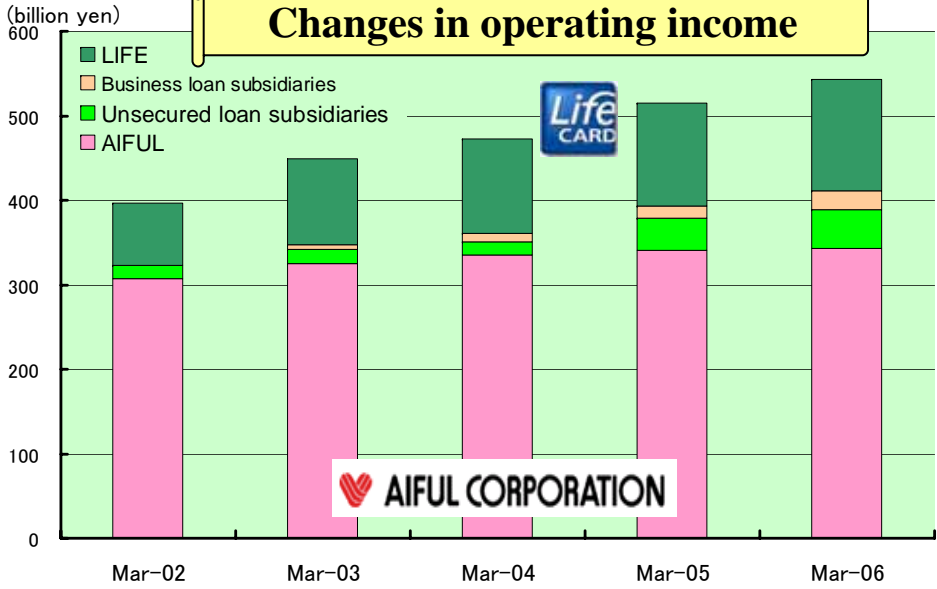
Portfolio of loans receivable (Sep-06)



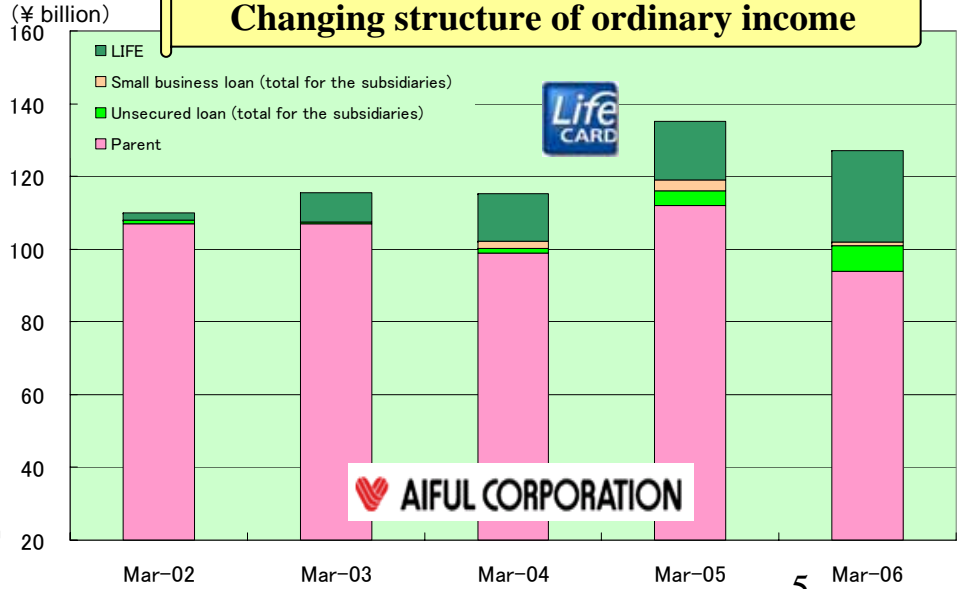
Comprehensive financial services strategy



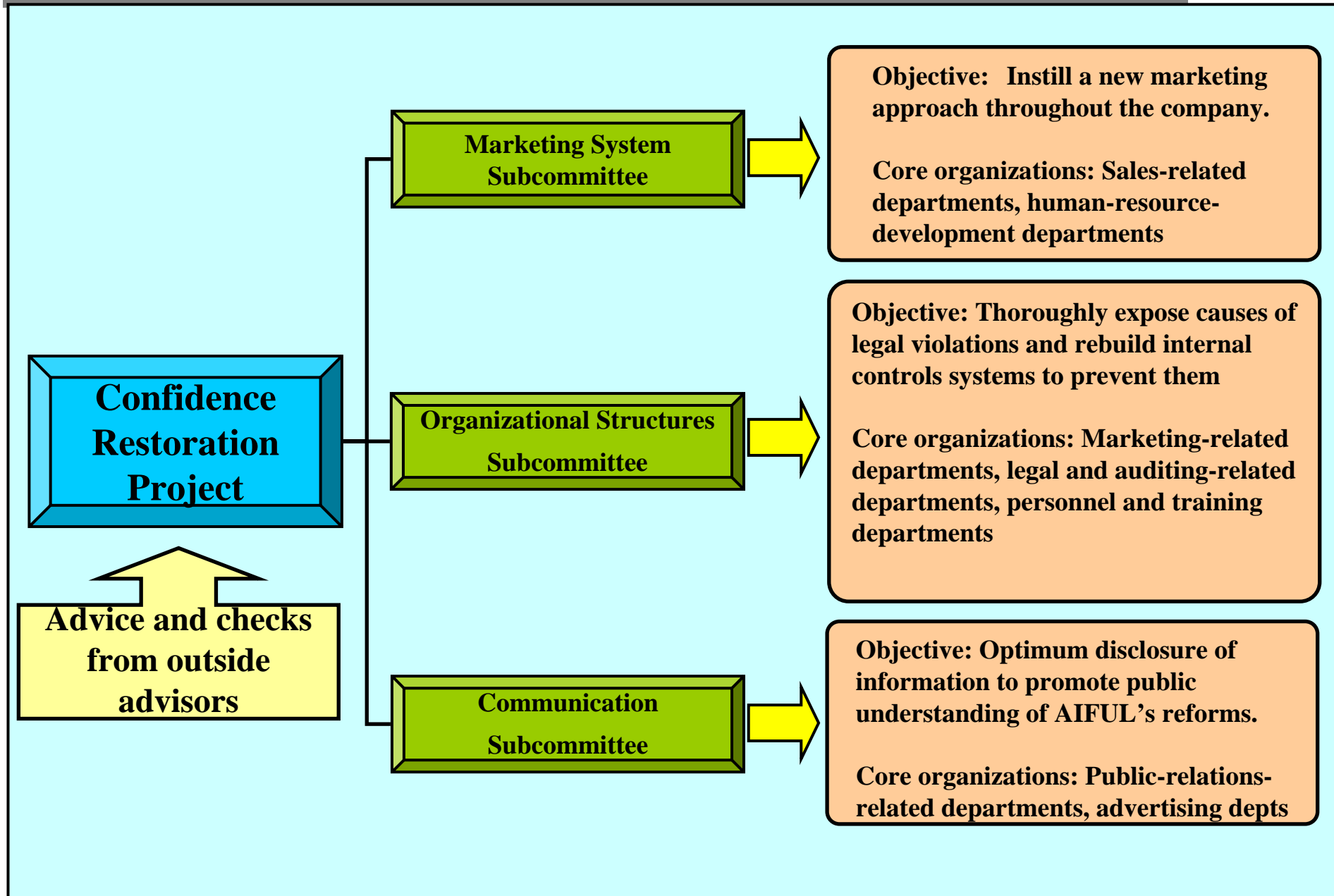
Changes in operating income



Changing structure of ordinary income



Financial Results – Progress of the Confidence Restoration Project



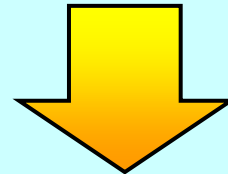
Financial Results – Measures Taken to Restore Confidence

In-house questionnaires and surveys

Interviews with AIFUL business partners

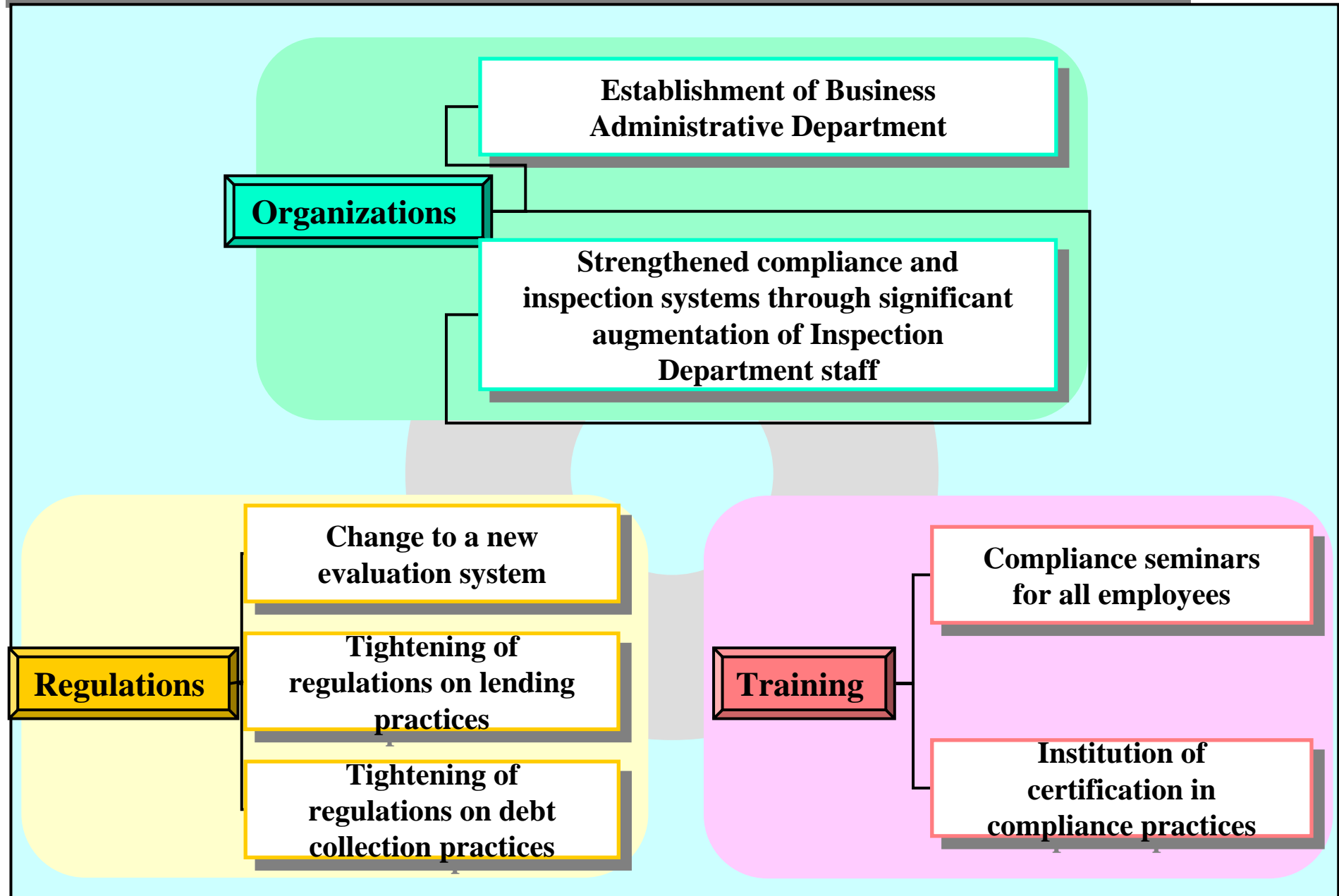
Identification of management issues

Checks of internal management systems by outside consultants



Building on the Confidence Restoration Project, including companywide measures relating to corporate culture, systems, and management structure, the company will utilize the advice of outside experts to strengthen compliance and implement radical reform.

Financial Results – Response to the administrative penalties



Financial Results - Interim Results (Consolidated)

(¥ billion)	Sep-05 (6M)	Sep-06 (6M)	YoY	Mar-07(E)	YoY
Total Outstanding (Managed)	2,611.0	2,563.5	-1.8%	2,457.7	-8.4%
Loans (Managed)	2,170.1	2,145.2	-1.1%	2,052.7	-8.0%
Loans outstanding of AIFUL	1,492.8	1,425.8	-4.5%	1,342.9	-11.2%
Shopping Receivables of LIFE	291.6	266.3	-8.7%	250.7	-14.5%
Number of Loan Customer Accounts (Thousands)	3,859	3,773	-2.2%	—	—
Number of Credit Card Holders (Thousands)	12,438	13,592	+9.3%	14,414	+10.1%
Number of New Loan Customers (Thousands)	269	145	-46.1%	263	-50.7%
Operating Revenue	272.8	262.2	-3.9%	508.7	-7.4%
Operating Income	74.9	27.7	-63.0%	19.0	-84.8%
Ordinary Income	75.7	28.1	-62.9%	20.0	-84.2%
Net Income	44.2	-179.5	—	-185.4	—

* “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-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	159.5	66.5	5.4	7.3	12.1	8.1	262.2
Operating Expenses	140.0	60.4	4.8	5.5	13.3	7.5	234.5
Operating Income	19.4	6.1	0.6	1.8	-1.2	0.6	27.7
Ordinary Income	22.2	6.2	0.6	1.8	-1.2	0.6	28.1
Net Income	-159.6	1.7	0.3	0.5	-13.5	-6.6	-179.5

(¥ billion)	Aiful	Life* ¹	Businext	City's	Wide* ¹	Tryto	AIFUL Group
Receivables Outstanding	1,490.2	753.7	80.1	66.9	92.7	62.5	2,563.5
Asset	1,906.6	650.3	79.4	68.3	82.9	57.2	2,490.9
Liability	1,447.2	517.2	75.4	50.2	81.7	54.6	1,995.5
Shareholder's Equity	459.3	133.0	4.0	18.0	1.2	2.6	495.3

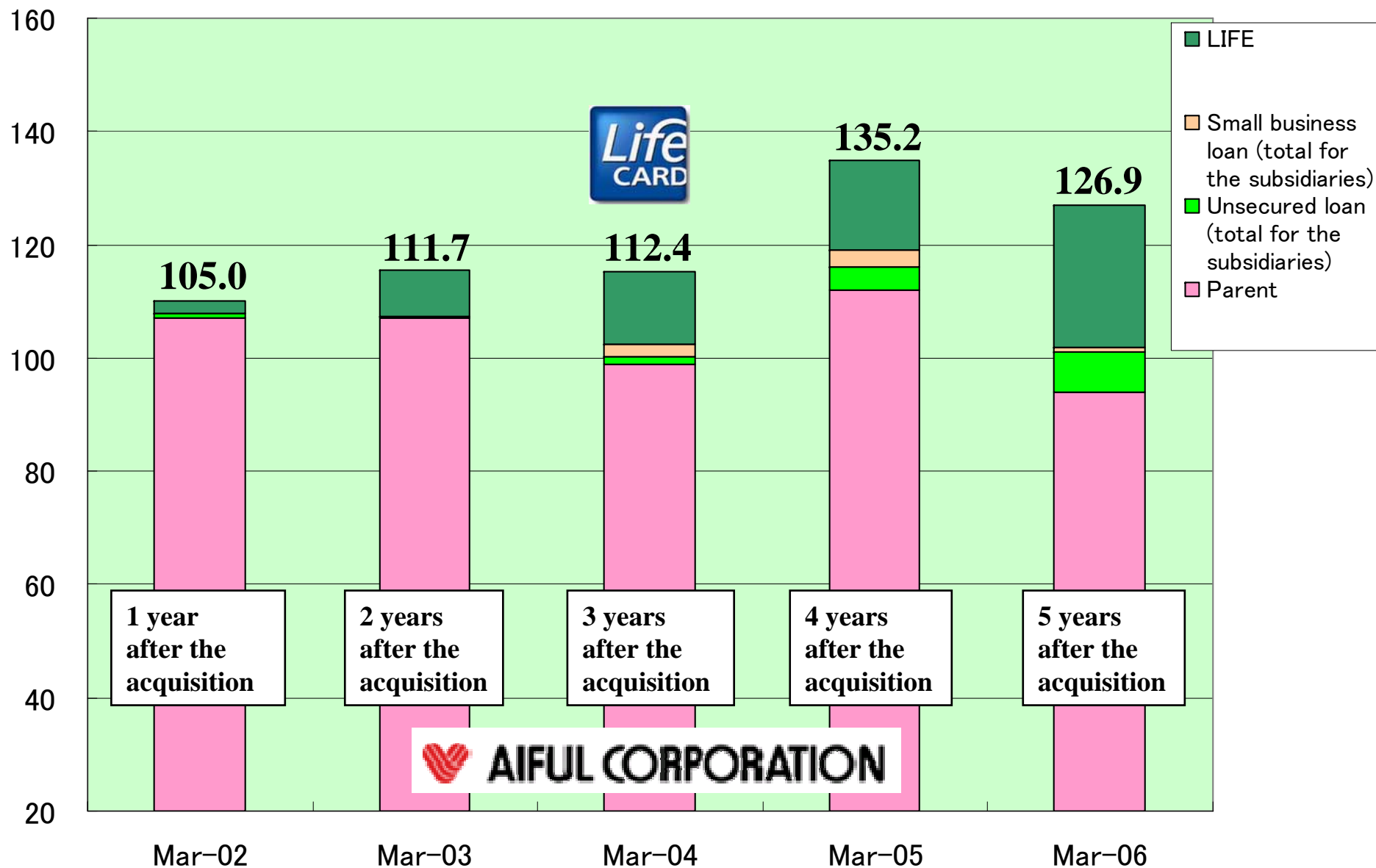
*1 Managed Asset Basis

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

Financial Results - Change of Ordinary Income

(¥ billion)

Ordinary Income




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	1,490.2	746.2	86.6	59.2	83.1	57.8	2,457.7
yoy	-10.7%	-4.3%	+18.5%	-12.8%	-16.8%	-13.1%	-8.4%
Operating Revenue	305.8	132.5	11.3	13.5	23.1	15.2	508.7
yoy	-11.0%	-1.0%	+30.9%	-3.2%	-9.0%	-6.2%	-7.4%
Operating Income	6.7	9.9	0.9	1.9	-2.3	0.6	19.0
Yoy	-92.3%	-60.1%	-38.9%	+1,479.8%	-156.5%	-81.7%	-84.8%
Ordinary Income	12.5	10.0	0.9	2.0	-2.3	0.6	20.0
yoy	-86.8%	-60.1%	-39.2%	+1,490.6%	-155.1%	-81.4%	-84.2%
Net Income	-163.4	3.7	0.5	0.6	-16.4	-6.7	-185.4
yoy	—	-73.3%	-75.6%	+1,730.6%	—	—	—

*1 Managed Asset Basis

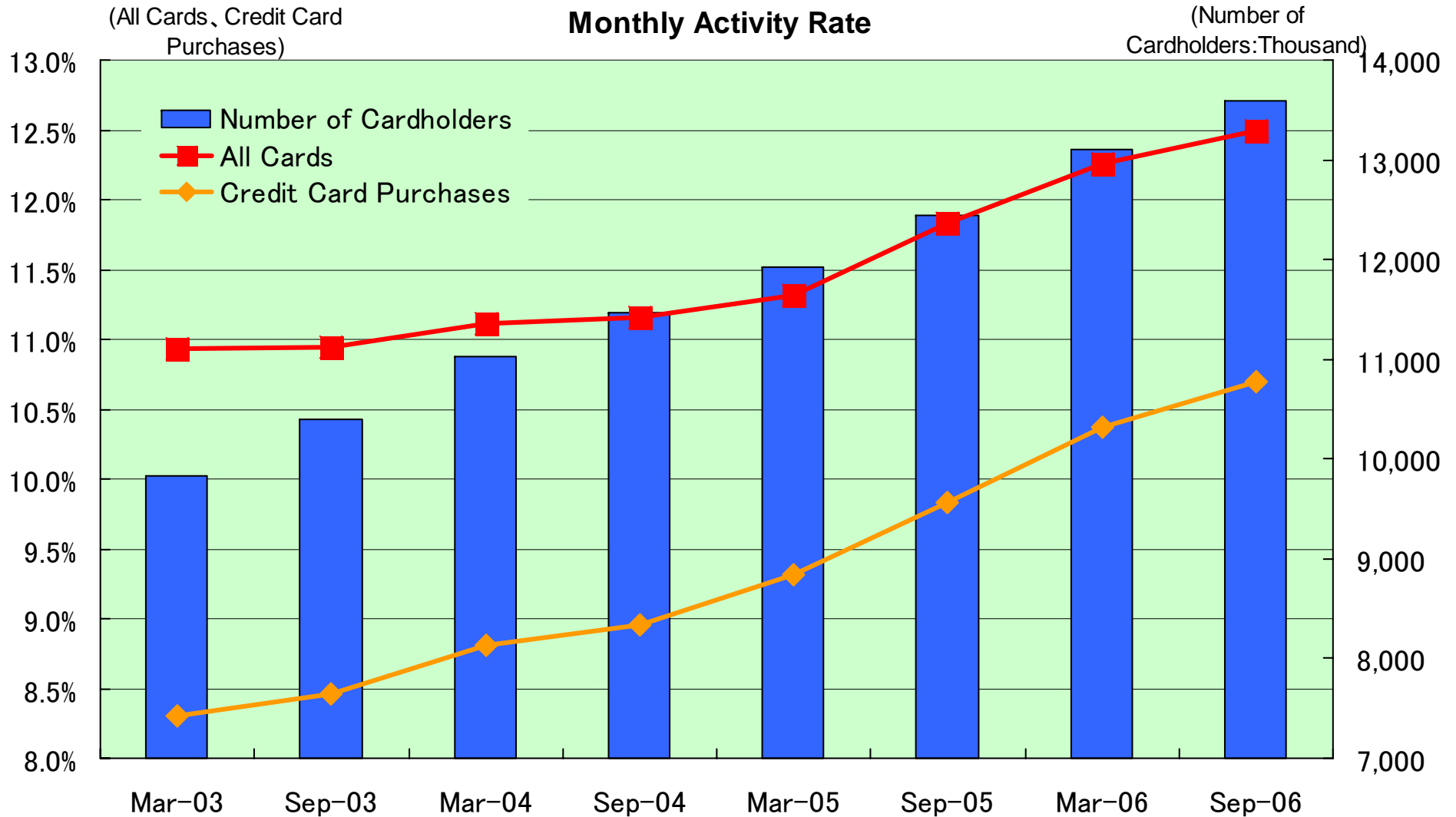
*2 Receivables outstanding includes off-balance-sheet receivables.

Financial Results - AIFUL

(¥ billion)	Sep-05 (6M)	Sep-06 (6M)	YoY	Mar-07(E)	YoY
 AIFUL CORPORATION					
Loans Outstanding	1,492.8	1,425.8	-4.5%	1,342.9	-11.2%
Unsecured	1,115.1	1,083.0	-2.9%	1,031.1	-9.0%
Home Equity Loan	342.2	308.4	-9.9%	279.5	-18.1%
Small Business Loan	35.4	34.3	-3.2%	32.3	-16.0%
Number of Accounts (Thousands)	2,194	2,060	-6.1%	1,921	-12.2%
Number of New Loan Customers (Thousands)	164	89	-45.7%	165	-51.2%
Number of Branches	1,671	1,903	—	1,853	—
Operating Revenue	172.6	159.5	-7.6%	305.8	-11.0%
Operating Income	56.3	19.4	-65.5%	6.7	-92.3%
Ordinary Income	59.6	22.2	-62.7%	12.5	-86.8%
Net Income	35.5	-159.6	—	-163.4	—
Cash Dividends per Share *1	30.00	30.00	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 – Sharp Increase in Number of Cardholders: “Activity rates growing”



Number of Cardholders (Thousands)	9,834	10,392	11,032	11,475	11,916	12,438	13,096	13,592
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Financial Results – Credit Card Subsidiary “LIFE”

 (¥ billion)	Sep-05 (6M)	Sep-06 (6M)	YoY	Mar-07(E)	YoY
Transaction Volume	398.7	409.6	+2.7%	856.9	+5.2%
Credit card purchases	220.4	265.8	+20.6%	569.7	+21.0%
Receivable Outstanding (Managed)	769.6	753.7	-2.1%	746.2	-4.3%
Credit card purchases	88.8	106.8	+20.3%	117.2	+16.0%
Installment finance	202.8	159.5	-21.4%	133.4	-30.6%
Credit card-cash advance	215.5	228.6	+6.1%	235.7	+6.8%
LIFE Cash Plaza	167.0	170.2	+1.9%	170.3	-1.7%
Guarantee	94.7	87.4	-7.7%	88.0	-3.8%
Number of New Issue (Thousands)	1,099	1,136	+3.4%	2,634	+14.0%
Number of Card Holders (Thousands)	12,438	13,592	+9.3%	14,414	+10.1%
Operating Revenue	65.5	65.3	-0.3%	130.3	-1.4%
Operating Income	11.5	6.1	-46.9%	9.9	-60.1%
Ordinary Income	11.6	6.2	-46.7%	10.0	-60.1%
Net Income	6.8	1.7	-74.5%	3.7	-73.3%

**Financial Results – Target of Small Business Loans:
“Attractive Market with 5.6 Million Firms”**

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 estaurant
Total 5,592,169	284,654	1,560,868	126,914	2,439,001

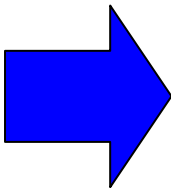
Source: The Small and Medium Enterprise Agency

● **5.6 million potential customers**

Small business loan Receivables

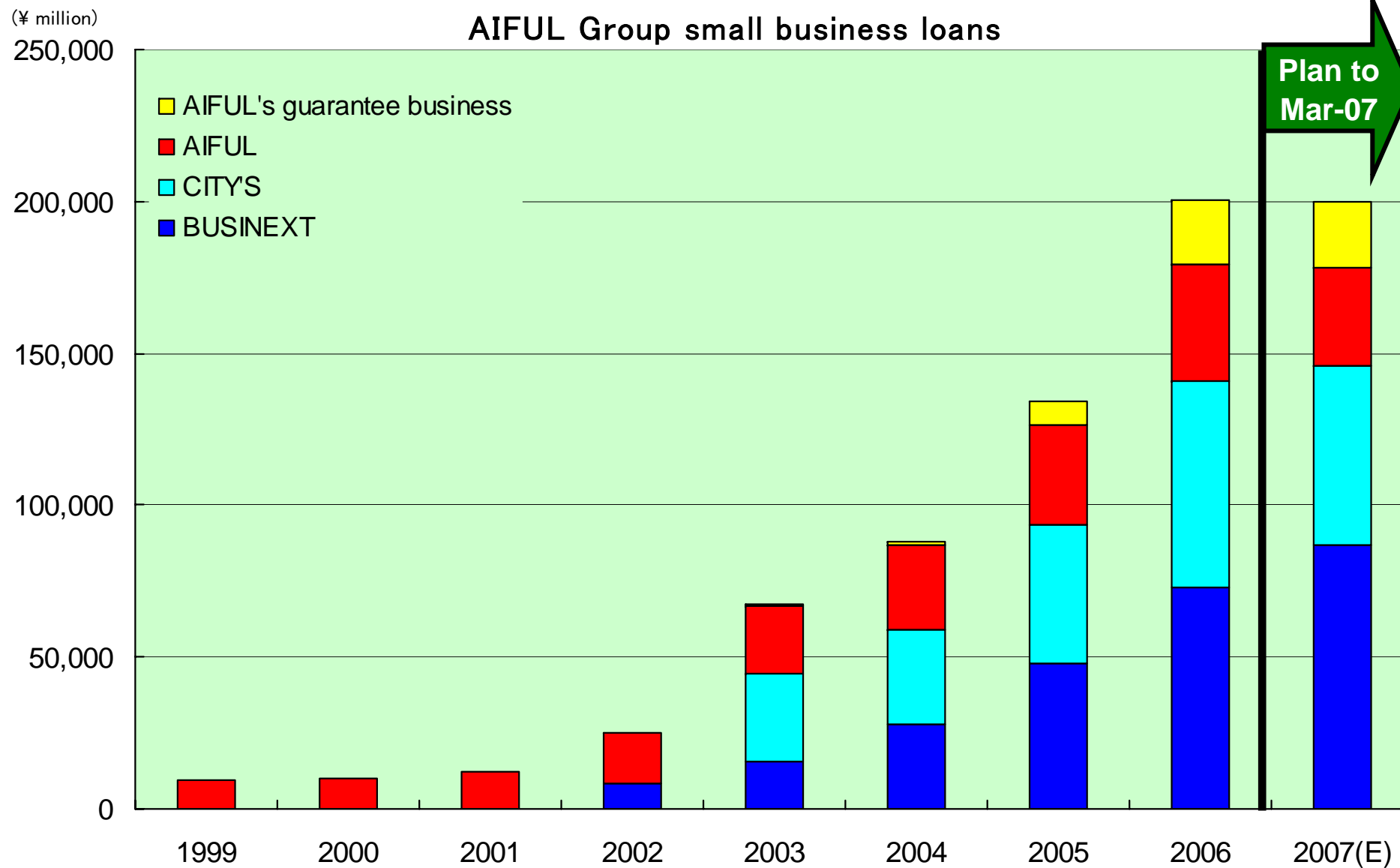
“SHOUKOU Loan” Scandal

(¥ million)

	2000	2001	yoy		2005	yoy	2006	yoy
SFCG *	332,610	295,997	-11.0%		360,470	2.1%	434,419	20.5%
LOPRO	322,214	246,922	-23.4%		102,805	6.2%	125,570	22.1%
Other companies	273,065	277,773	1.7%		400,201	22.6%	531,886	32.9%
Total	927,889	820,692	-11.6%		863,476	11.2%	1,057,573	22.5%

● **Consistent Small business demand for funds**



Financial Results – Remarkable Growth in Small Business Loans





AIFUL Group *1: Receivables for BUSINEXT and CITY'S are simple totals.


*2: Fiscal year ending March 31


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

Middle Risk		(¥ billion)	Sep-05(6M)	Sep-06(6M)	YOY	Mar-07(E)	YOY
	Loans Outstanding		59.7	80.1	+34.1%	86.6	+18.5%
	Number of Accounts (Thousands)		37	44	+18.6%	45	+7.1%
	Average Interest Rate (%)		15.0	14.9	-0.1%	14.9	-0.1%
	Operating Revenue		3.8	5.4	+42.6%	11.3	+30.9%
	Ordinary Income		0.5	0.6	+6.1%	0.9	-39.2%
	Net Income		1.6	0.3	-77.1%	0.5	-75.6%
 AIFUL CORPORATION		Small Business Loan Guarantees	14.5	21.0	+44.5%	21.5	+3.5%

High Risk		(¥ billion)	Sep-05(6M)	Sep-06(6M)	YOY	Mar-07(E)	YOY
	Loans Outstanding		57.1	66.9	+17.1%	59.2	-12.8%
	Number of Accounts (Thousands)		26	32	+26.2%	30	-3.2%
	Average Interest Rate (%)		26.6	24.3	-2.3%	23.6	-1.8%
	Operating Revenue		6.5	7.3	+13.7%	13.5	-3.2%
	Ordinary Income		0.6	1.8	+184.0%	2.0	+1,490.6%
	Net Income		0.3	0.5	+63.5%	0.6	+1,730.6%
 AIFUL CORPORATION		Small Business Loans	35.4	34.3	-3.2%	32.3	-16.0%

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

 (¥ billion)	Sep-05(6M)	Sep-06(6M)	YoY	Mar-07(E)	YoY
Loans Outstanding	61.8	62.5	+1.2%	57.8	-13.1%
Number of Accounts (Thousands)	170	167	-1.6%	151	-14.7%
Loan Business Branches	104	110	—	100	—
Number of New Loan Customers (Thousands)	21	11	-45.2%	16	-63.6%
Operating Revenue	7.9	8.1	+2.2%	15.2	-6.2%
Ordinary Income	1.9	0.6	-69.0%	0.6	-81.4%
Net Income	1.1	-6.6	—	-6.7	—

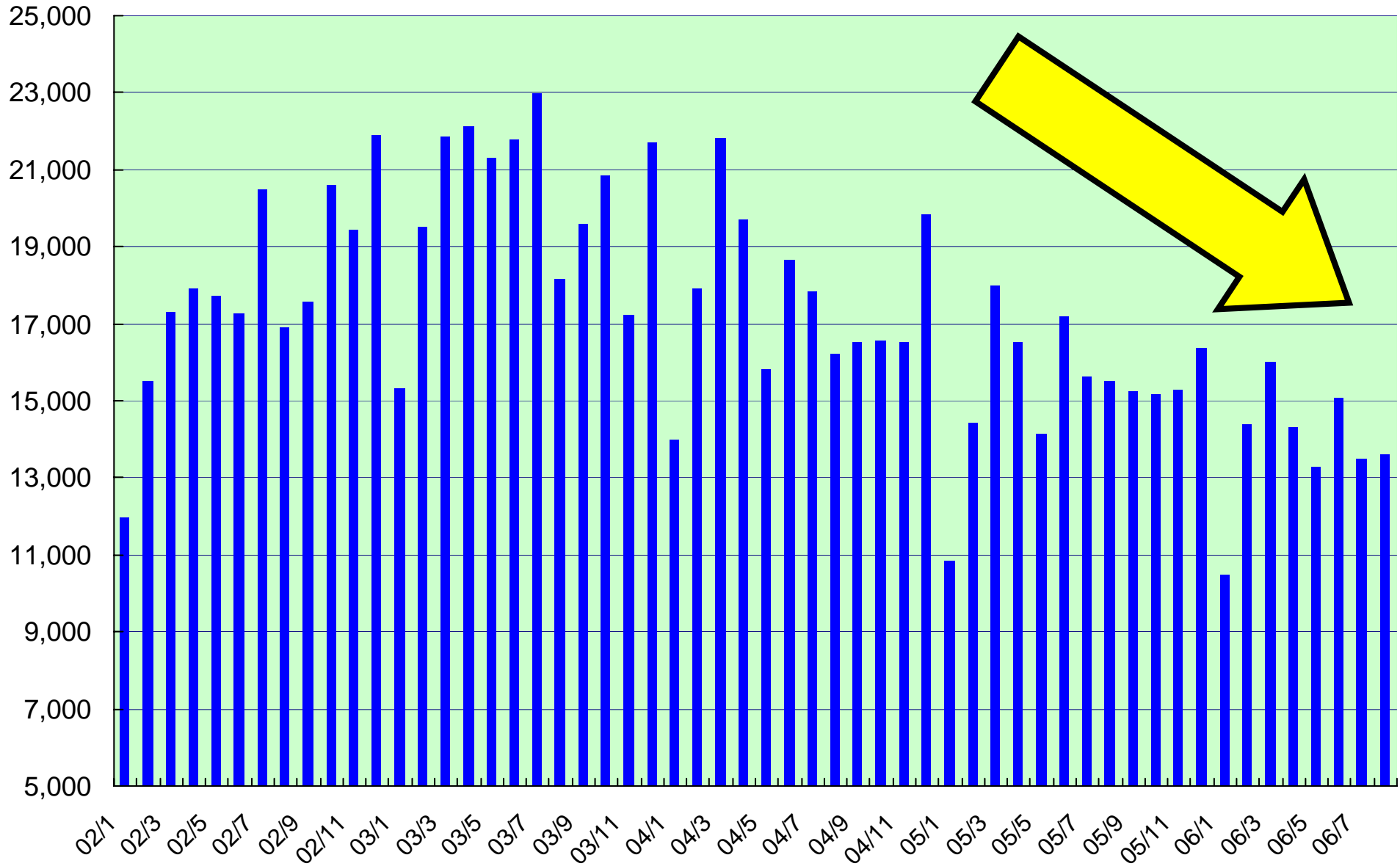
 (¥ billion)	Sep-05(6M)	Sep-06(6M)	YoY	Mar-07(E)	YoY
Loans Outstanding	98.7	92.7	-6.1%	83.1	-16.8%
Number of Accounts (Thousands)	219	215	-1.6%	195	-13.7%
Loan Business Branches	293	294	—	294	—
Number of New Loan Customers (Thousands)	35	16	-53.5%	23	-65.2%
Operating Revenue	12.5	12.1	-4.4%	23.1	-9.0%
Ordinary Income	2.5	-1.2	-148.0%	-2.3	-155.1%
Net Income	1.3	-13.5	—	-16.4	—

Financial Results - Consolidated vs. Parent Forecasts

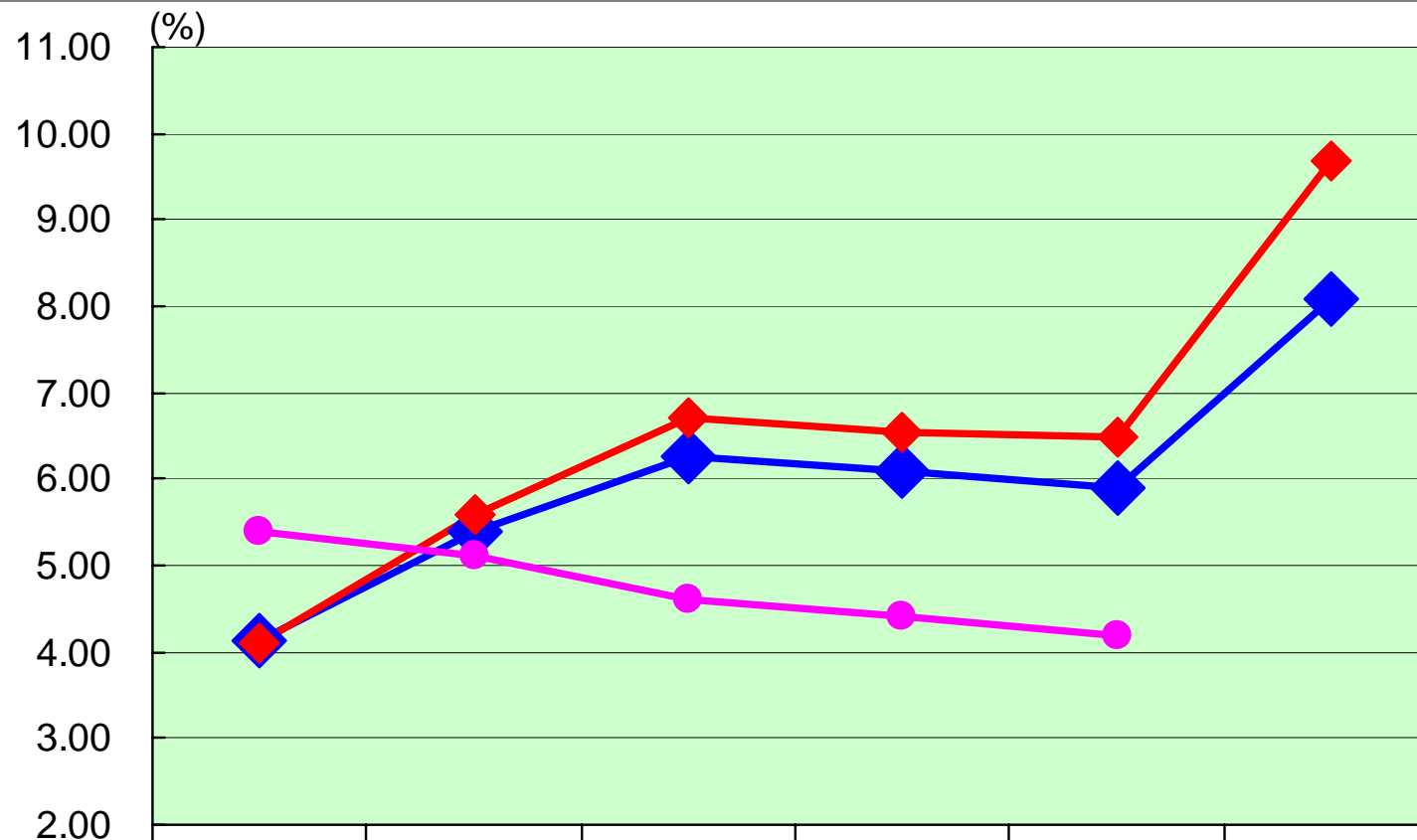
(¥ billion)	Mar-05	Mar-06	Mar-07(E)
Operating Revenue (Con) (A)	518.4	549.5	508.7
Operating Revenue (Non-Con) (B)	340.6	343.5	305.8
(A) – (B)	177.8	206.0	202.8
(A) / (B)	1.5	1.6	1.7
Ordinary Income (Con) (C)	135.2	126.9	20.0
Ordinary Income (Non-Con) (D)	112.5	94.6	12.5
(C) – (D)	22.7	32.3	7.5
(C) / (D)	1.2	1.3	1.6
Net Income (Con) (E)	75.7	65.8	-185.4
Net Income (Non-Con) (F)	67.3	50.3	-163.4
(E) – (F)	8.4	15.4	-22.0
(E) / (F)	1.1	1.3	—

2. Business Environment

Bad Debts - Trend of Personal Bankruptcy (Japan Supreme Court)
“YOY Decline for 34 Consecutive Months”



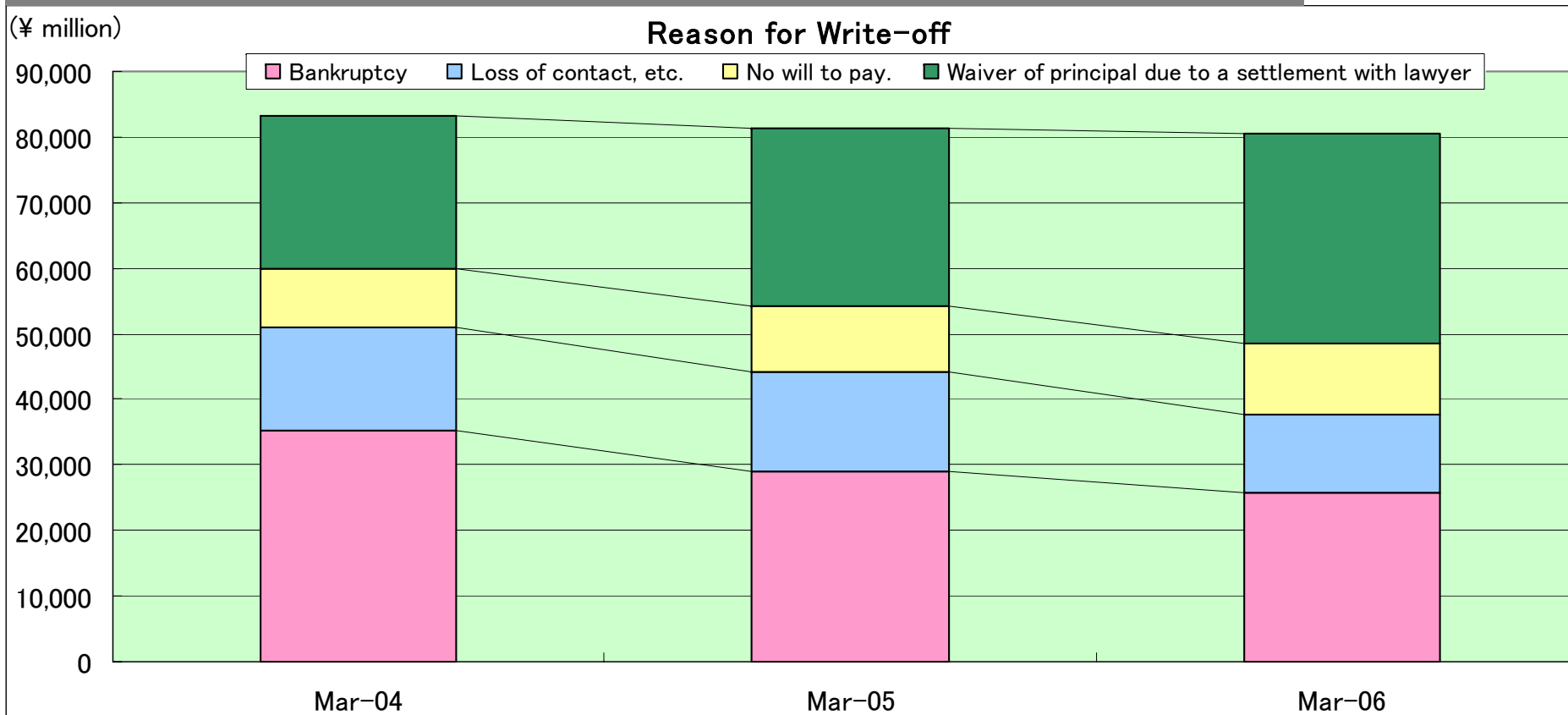
Bad Debts - Write-off Ratio “Changes in Write-off Ratio”



	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	8.09
◆ AIFUL (Non-consolidated)	4.10	5.59	6.71	6.54	6.50	9.68
● Unemployment rate	5.4	5.1	4.6	4.4	4.2(Sep)	—

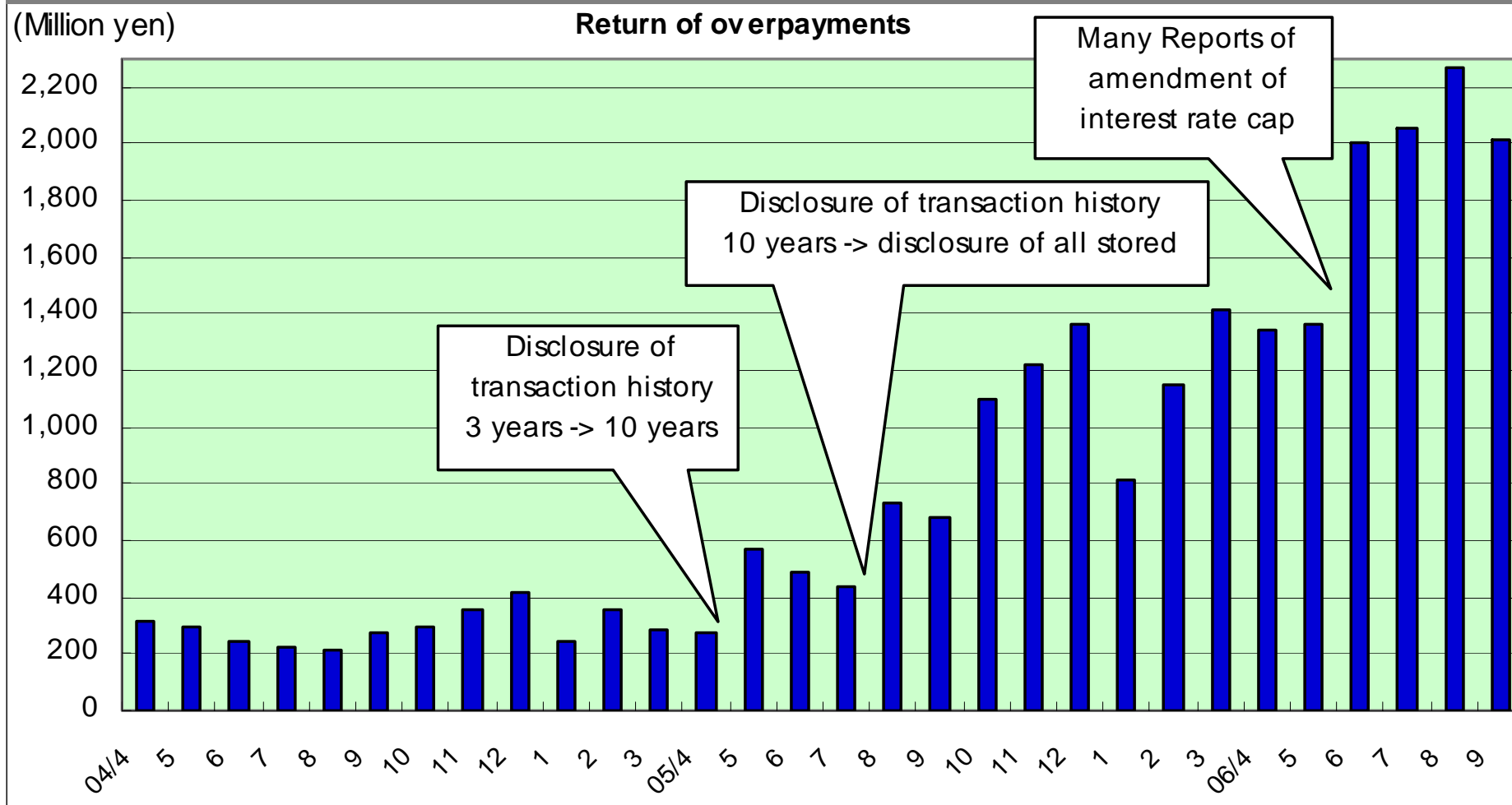
*The figures for AIFUL are the bad debt write-off ratios in the loan business.

Bad Debts – Reason for Write-off



Share (%)	Sep-05 (6M)	Mar-06	Sep-06 (6M)
Bankruptcy	33.6%	31.9%	22.5%
Loss of contact, etc.	17.5%	15.0%	14.6%
No will to pay.	12.5%	13.5%	23.6%
Waiver of principal due to a settlement with lawyer	36.5%	39.6%	39.2%

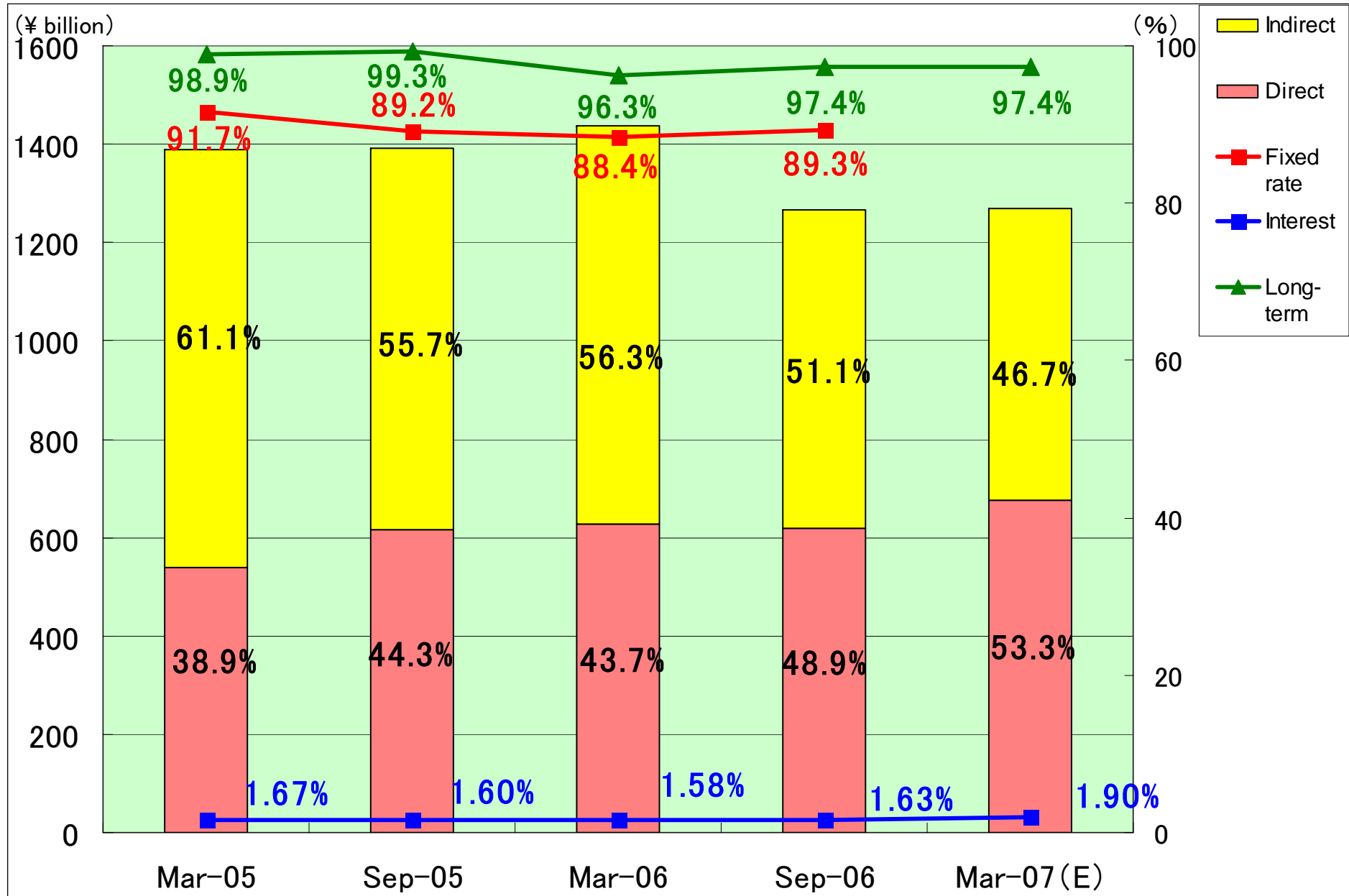
Bad Debts - Monthly Trends in Amount of Return of Overpayments (Non-consolidated) (Apr 2004 – Sep 2006)



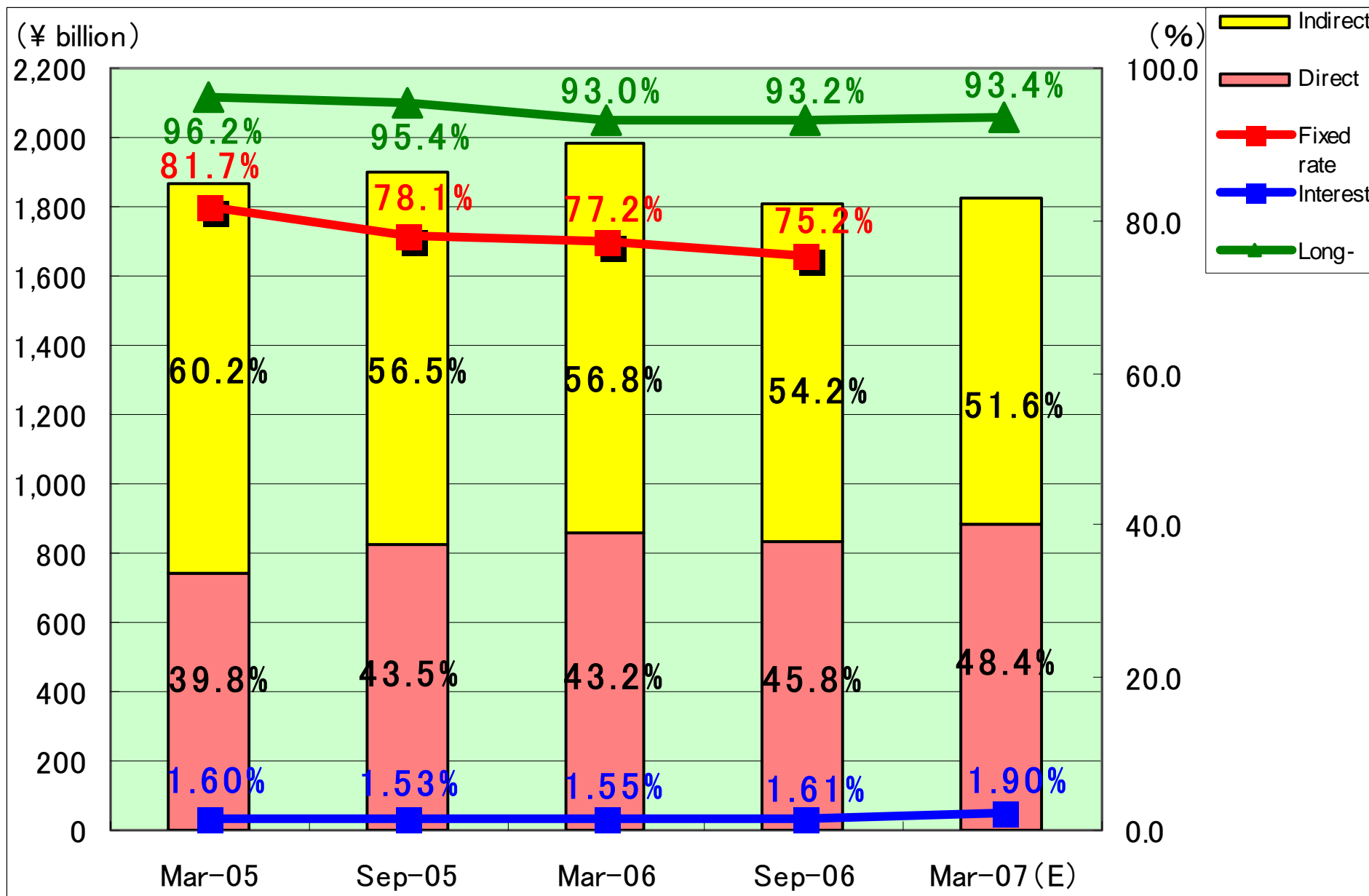
**Return of overpayments of ¥25.7 billion for this period on a non-consolidated basis.
Reserves for 1H including future obligations are ¥200.3 billion.***

* Reserves for bad debt is ¥120,609 million, and reserves for losses on return of overpayment is ¥79,757 million.

Funding - AIFUL (Non-consolidated)

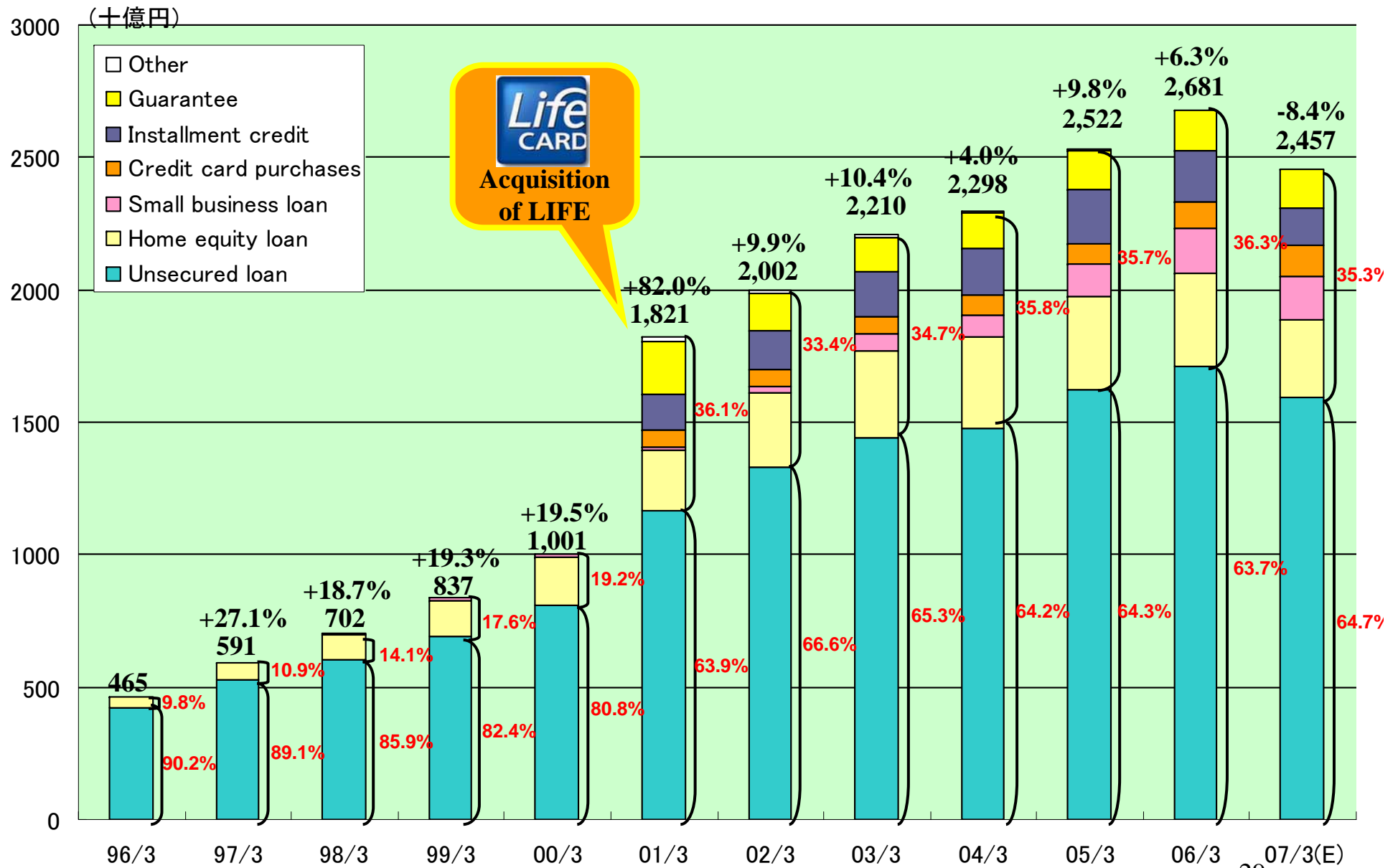


Funding - AIFUL Group (Consolidated)






















3. Business Strategy

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 Scheduled to be absorbed by AIFUL	Small Businesses loans	Credit Sales and Credit Cards	Home Equity Loans
Personal	Low	Internet firm ● id CREDIT CORPORATION ● NET ONE CLUB CORPORATION	Banks		
	Middle				 
	High		   	 	
Corporate	Low	Banks			
	Middle	   			
	High	  			

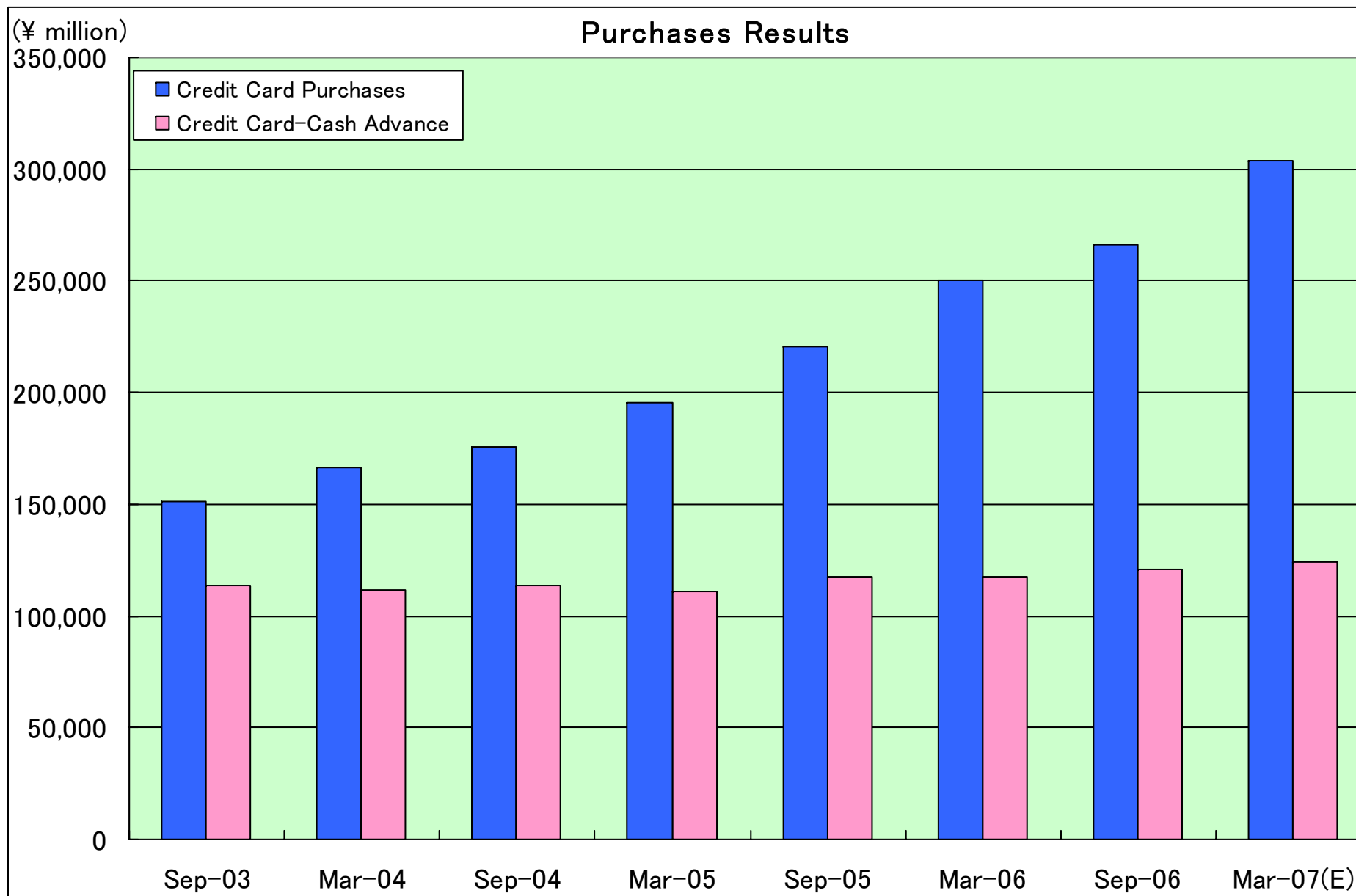
4. Financial Results of LIFE

LIFE (1)- Operating Results

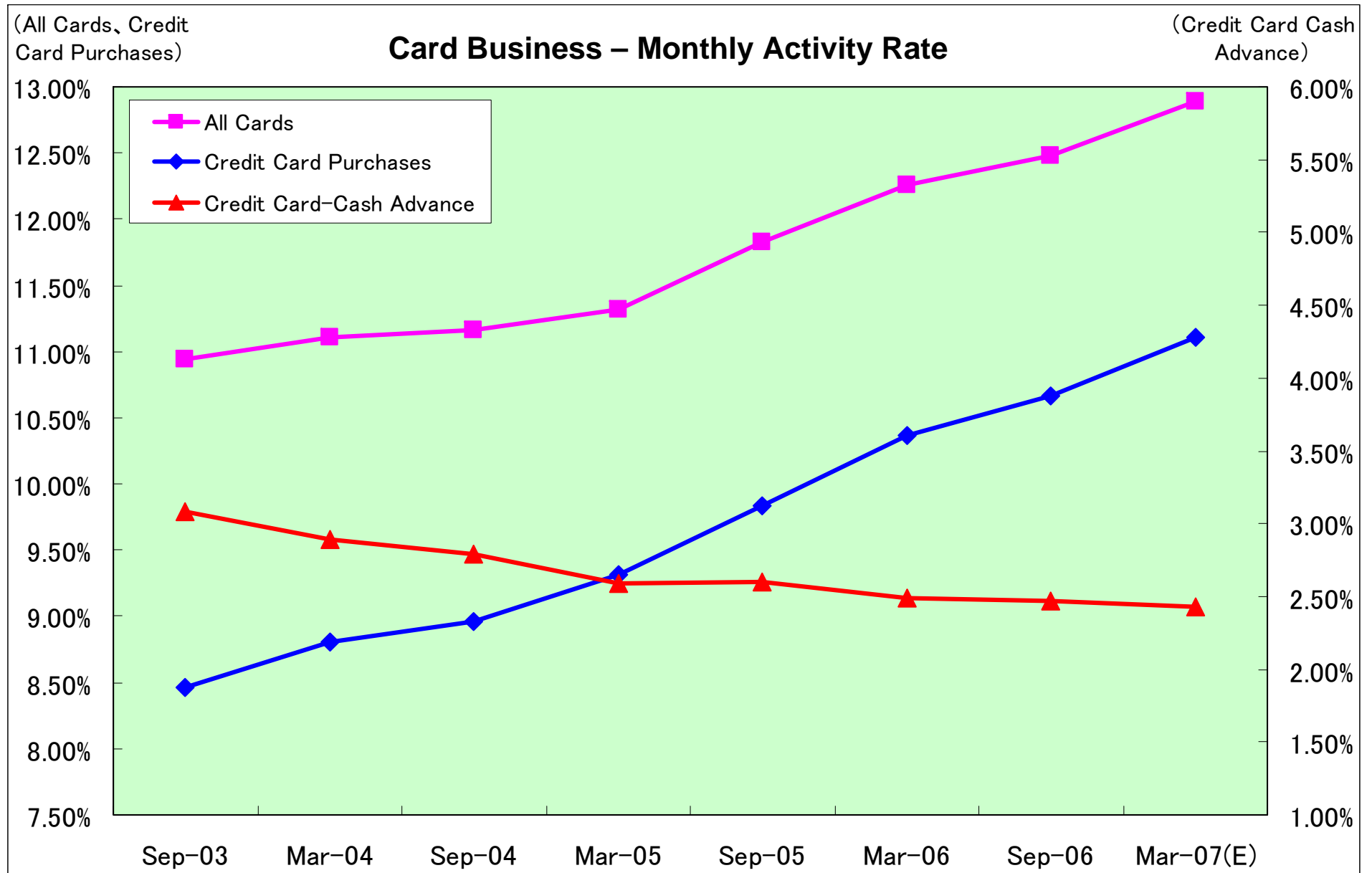
(¥ million)

	Sep-05	Mar-06	Sep-06		Mar-07	
	(6M)		(6M)	YoY	(E)	YoY
Number of card holders (Thousand)	12,438	13,096	13,592	+9%	14,414	+10%
Proper	1,739	1,820	1,909	+10%	1,991	+9%
Affinity	10,698	11,276	11,683	+9%	12,423	+10%
Number of new issue (Thousand)	1,099	2,310	1,136	+3%	2,634	+14%
Proper	108	233	131	+21%	350	+50%
Affinity	990	2,077	1,004	+1%	2,283	+10%
Credit card purchase results	338,245	706,274	386,440	+14%	814,642	+15%
Credit card purchases	220,431	470,896	265,858	+21%	569,771	+21%
Credit card-cash advance	117,814	235,378	120,581	+2%	244,870	+4%
Installment finance purchase results	60,515	107,974	23,215	-62%	42,289	-61%
Merchant members	96,746	98,383	99,659	+3%	101,585	+3%

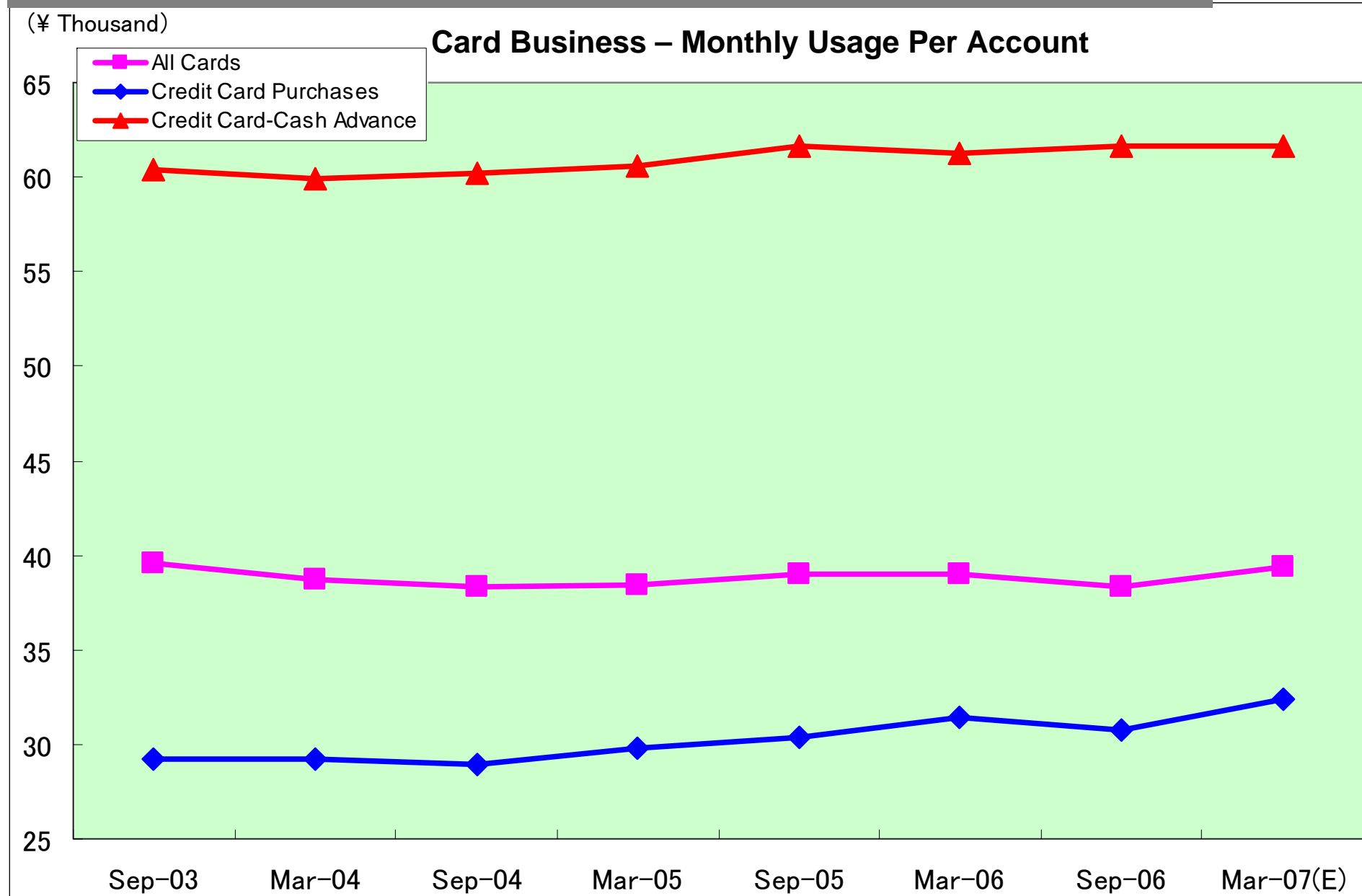
LIFE (2)-1 - Card Business – Purchases Results



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



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

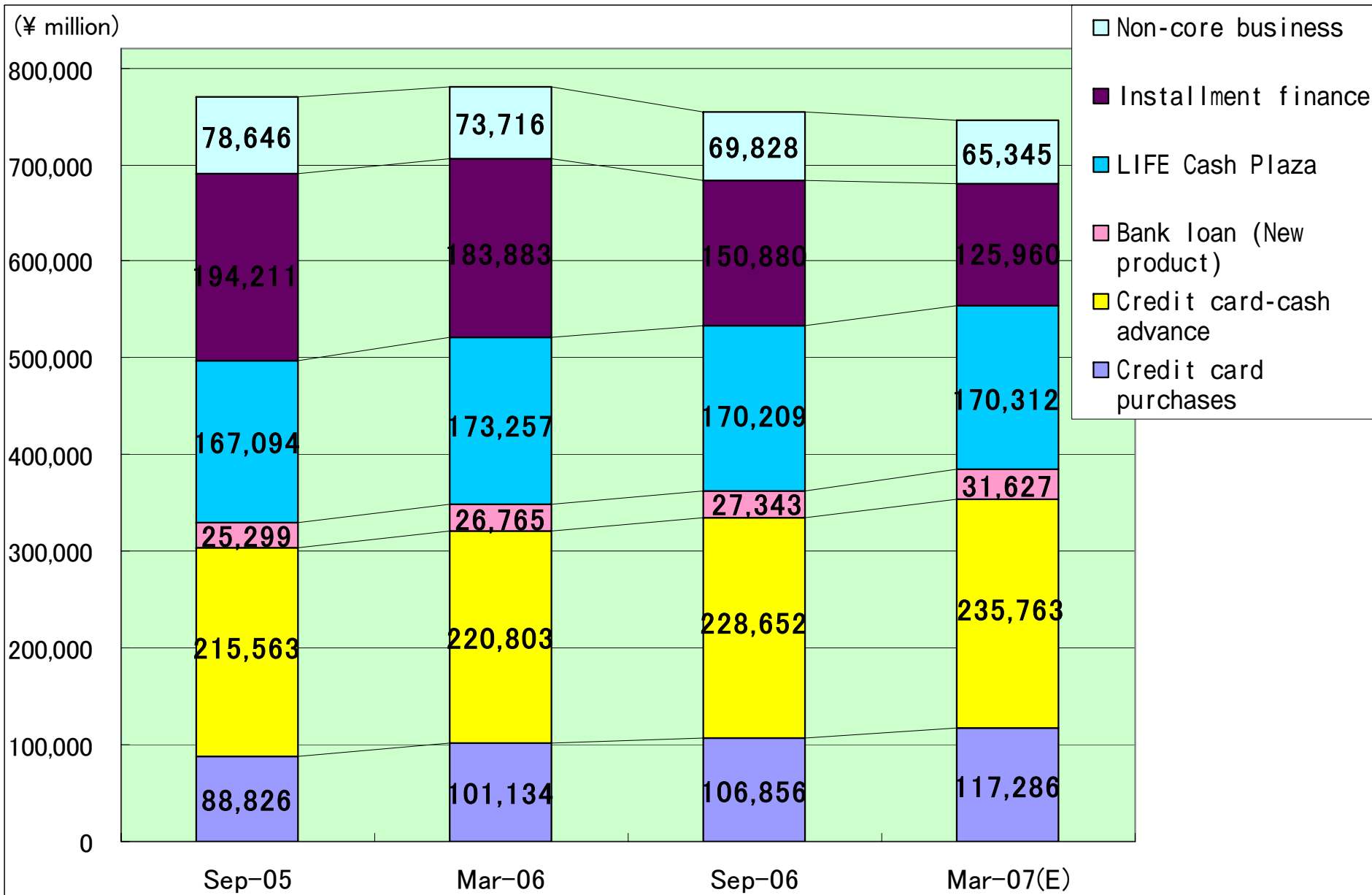


LIFE (3)-1- Operating Results

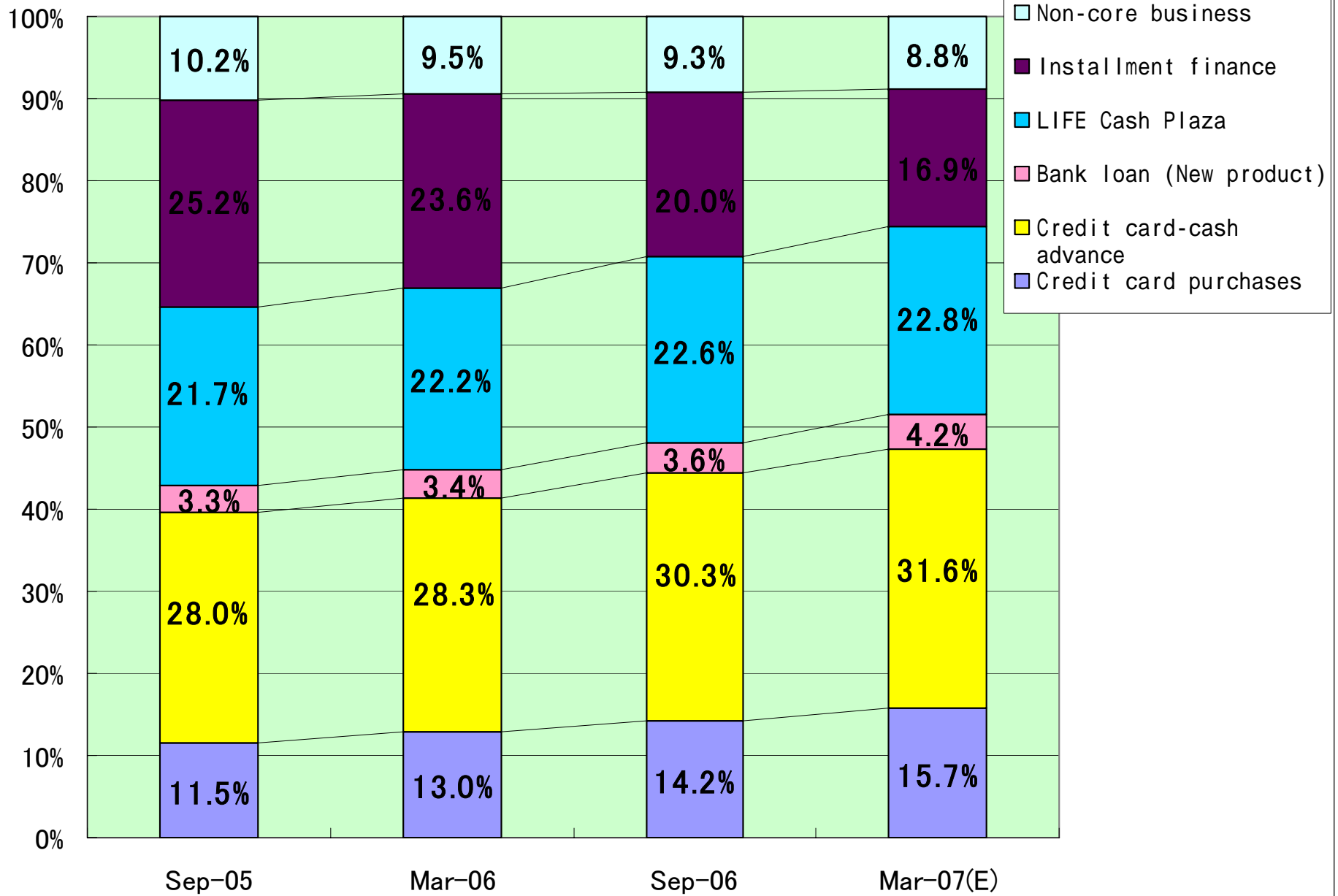
(¥ million)

	Sep-05	Mar-06	Sep-06		Mar-07		
	(6M)		(6M)	YoY	(E)	YoY	
Total	769,643	779,560	753,769	-2%	746,295	-4%	
Expanding businesses	329,689	348,703	362,852	+10%	384,677	+10%	
Credit card purchases	88,826	101,134	106,856	+20%	117,286	+16%	
Credit card-cash advance	215,563	220,803	228,652	+6%	235,763	+7%	
Bank loan (New product)	25,299	26,765	27,343	+8%	31,627	+18%	
Stable business	361,306	357,140	321,089	-11%	296,272	-17%	
Installment finance	194,211	183,883	150,880	-22%	125,960	-31%	
LIFE Cash Plaza	167,094	173,257	170,209	+2%	170,312	-2%	
Non-core businesses	78,646	73,716	69,828	-11%	65,345	-11%	
Partner loan	967	814	681	-30%	575	-29%	
Home loan	30,016	28,178	26,234	-13%	24,731	-12%	
Bank loan (Old product)	38,514	35,691	33,231	-14%	31,080	-13%	
Other	9,147	9,031	9,680	+6%	8,959	-1%	
Composition	Expanding businesses	43%	45%	48%	+5	52%	+7
	Stable business	47%	46%	43%	-4	40%	-6
	Non-core businesses	10%	9%	9%	-1	9%	-1

LIFE (3)-2 - Operating Assets



LIFE (3)-3 - Outstanding Balance



LIFE (4)- Profit and loss

(¥ million)

	Sep-05	Mar-06	Sep-06	Mar-07		
	(6M)		(6M)	YoY	(E)	YoY
Operating Revenue	66,429	133,936	66,564	+0%	132,564	-1%
Credit card purchases	5,296	11,533	6,449	+22%	13,745	+19%
Installment finance	9,200	17,933	7,659	-17%	14,070	-22%
Credit card-cash advance	25,172	50,508	25,976	+3%	52,048	+3%
LIFE Cash Plaza	20,170	40,753	20,576	+2%	40,716	-0%
Guarantee	2,118	4,241	2,094	-1%	4,203	-1%
Bad Debt Recovery	1,831	3,531	960	-48%	2,064	-42%
Other	2,637	5,432	2,846	+8%	5,713	+5%
Operating Expenses	54,851	109,041	60,418	+10%	122,618	+12%
Financial Expenses	4,330	8,621	4,729	+9%	9,795	+14%
Credit Costs	20,924	39,070	24,599	+18%	49,747	+27%
Advertising Expenses	3,250	6,478	2,927	-10%	5,645	-13%
Salaries	8,288	16,495	8,434	+2%	16,763	+2%
Other	18,058	38,375	19,726	+9%	40,667	+6%
Operating Income	11,577	24,895	6,145	-47%	9,945	-60%
Ordinary Income	11,639	25,032	6,205	-47%	10,000	-60%

LIFE (5) Operating Revenue Ratio

(¥ million)

	Sep-05	Mar-06	Sep-06	YoY	Mar-07	YoY
	(6M)		(6M)		(E)	
Number of Card- holders (Thousands)	1,244	1,310	1,359	+9%	1,441	+10%
Receivables Outstanding	769,643	779,560	753,769	-2%	746,295	-4%
Installment Receivable	291,685	293,333	266,357	-9%	250,724	-15%
Loans (Cash Advance)	383,158	394,776	399,921	+4%	407,557	+3%
Guarantee & Other	94,799	91,450	87,490	-8%	88,013	-4%
Operating Revenue	66,429	133,936	66,564	0%	132,564	-1%
Operating Revenue Ratio *2	17.3%	17.2%	17.7%	+0.4%	17.8%	+0.6%

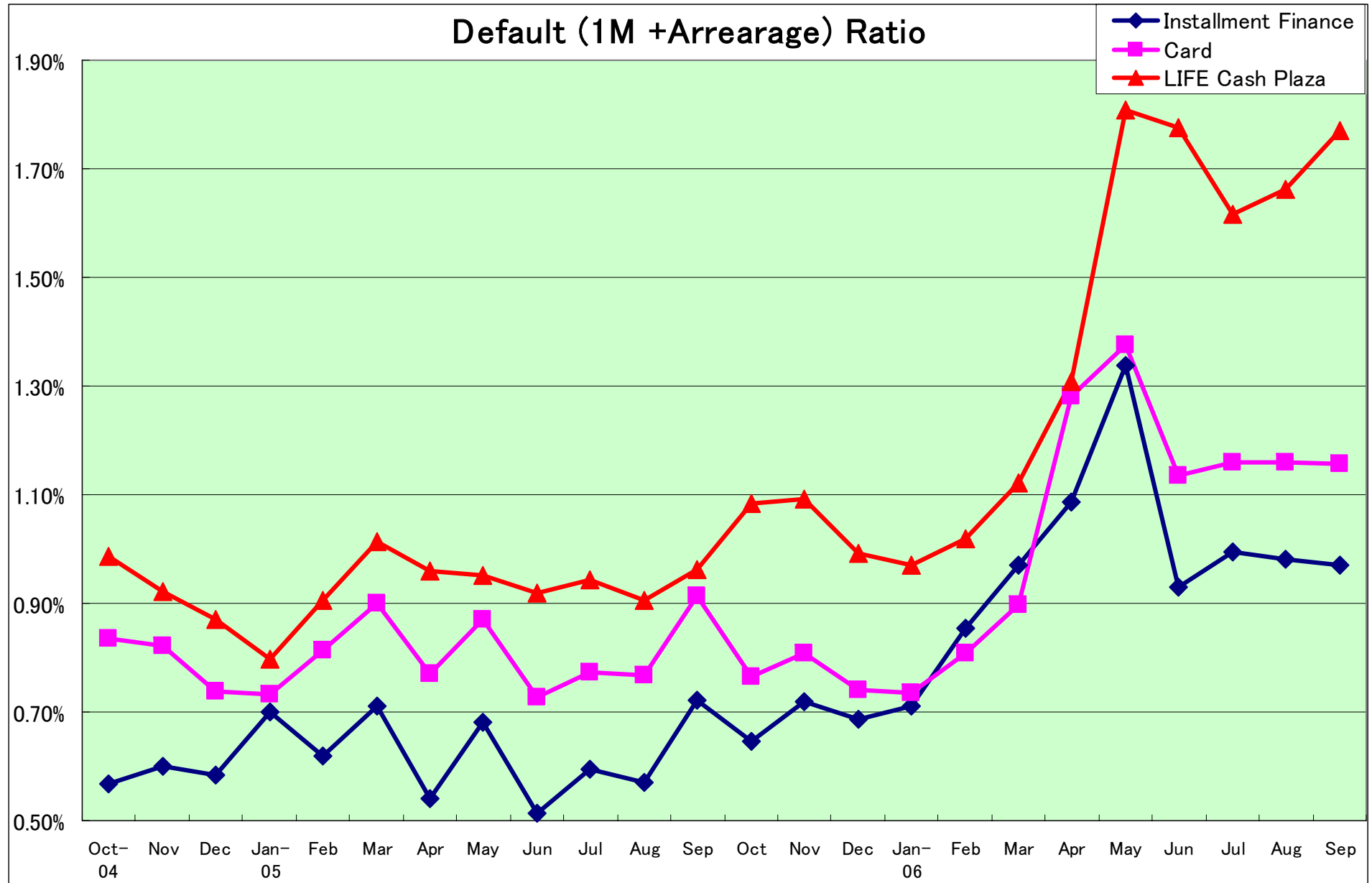
* Operating revenue ratio = operating revenue ÷ total receivables outstanding (interim results are annualized.)

LIFE (6) - Bad debt

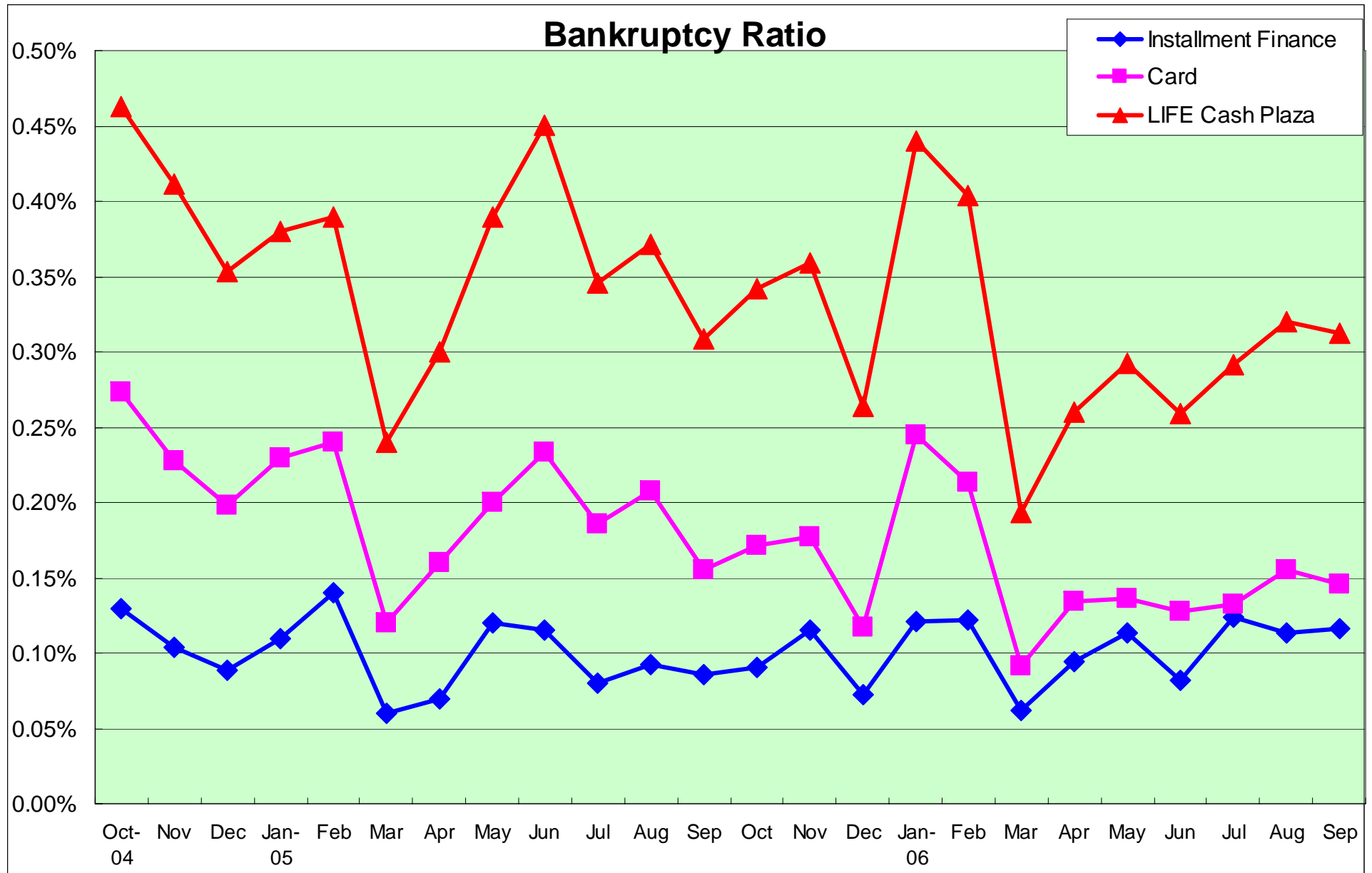
(¥ million)

	Sep-05	Mar-06	Sep-06	YoY	Mar-07	YoY
	(6M)		(6M)		(E)	
Credit cost	20,924	39,070	24,599	+18%	49,747	+27%
Bad debt Write offs	20,601	37,266	20,108	-2%	40,046	+7%
Main Business	17,764	34,060	19,525	+10%	38,833	+14%
Other Business	2,837	3,202	583	-79%	1,213	-62%
Home Loan	216	675	219	+1%	479	-29%
Loss from fraudulent use of credit card	171	368	132	-23%	272	-26%
Loss from member merchant fraudulence	2,443	2,148	227	-91%	453	-79%
Other	8	11	4	-48%	8	-27%
New Provisions for bad debt	38,682	40,162	44,654	+15%	49,863	+24%
Bad debt provisions used	-38,359	-38,358	-40,162	+5%	-40,162	+5%
Write off ratio	2.68%	4.78%	2.67%	-0.01%	5.37%	+0.59%
Ratio of allowance for bad debt	5.03%	5.15%	5.92%	+0.90%	6.68%	+1.53%

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 (9/06)
(¥ billion)

Items	9/06	yoy	yoy%	Reasons for increase/decrease	3/07(E)
Operating Revenue	262.2	-10.5	-3.9%	Decrease—primarily at AIFUL—due to voluntary restraint in marketing and collection	508.7
Interest Income	236.0	-8.9	-3.7%		455.4
AIFUL	155.2	-12.2	-7.3%	Unsecured Loan, ¥128.5 billion (down ¥6.7 billion); Home Equity, ¥22.4 billion (down ¥5.3 billion); Small business loan, ¥4.3 billion (down ¥80 million)	297.6
LIFE	45.8	+0.9	+2.1%	Card cashing, ¥25.5 billion (up ¥600 million); Life Cash Plaza, ¥20.2 billion (up ¥200 million)	91.2
BUSINEXT	5.4	+1.6	+42.8%	34% growth in receivables	11.2
City's	7.3	+0.9	+14.2%	17% growth in receivables	13.4
WIDE	11.9	-0.5	-4.3%	Reduction due to tightened credit	22.7
TRYTO	7.9	+0.2	+3.1%	Reduction due to tightened credit	14.9
Other	2.1	+0.0	+1.3%	TCM, PassKey, id Credit, Net One Club (id Credit and Net One Club will be absorbed by AIFUL)	4.0
Credit Card Purchases	6.1	+1.1	+23.4%	Life Card Shopping transactions up 20%	13.5
Installment Finance	7.4	-1.5	-17.6%	Stricter examinations of affiliated stores.	13.7
Loan Guarantee	4.6	+0.5	+12.5%	AIFUL, ¥2.5 billion (up ¥500 million); Life, ¥2.0 billion (down ¥20 million)	9.3
Other Operating Revenue	7.8	-1.6	-17.2%		16.5
Bad Debt Recovery	2.3	-2.3	-50.0%	AIFUL, ¥1.0 billion (down ¥1.4 billion); Life, ¥900 million (down ¥800 million)	4.5
Revenue from Debt Collection	1.7	+0.4	+30.9%	AsTry Loan Services' debt collection (joint venture with the Aozora Bank, Ltd.)	4.7

Breakdown of Consolidated Operating Expense (1) (9/06)
(¥ billion)

Items	9/06	yoy	yoy%	Reasons for increase/decrease	3/07(E)
Operating Expenses	234.5	+36.7	+18.6%	Increase in bad debts and interest repayment expenses	489.6
Financial Expenses	18.3	-0.6	-3.3%	Funding rate as of Sep. 30, 2006 rose slightly (8bp), but the decline resulted from the lower procurement accruing from the lower receivables	37.7
Credit Cost	103.9	+27.5	+36.0%	AIFUL, ¥62.7 billion (up ¥17.5 billion); Life, ¥24.5 billion (up ¥3.6 billion)	229.8
Allowance for Return of Overpayment	19.3	+19.3	—	As of March 2006, a reserve for losses on interest repayments was established	37.1
Advertising Expenses	9.0	-5.5	-38.0%	AIFUL, ¥3.4 billion (down ¥5.4 billion); Life, ¥2.9 billion (down ¥300 million)	17.5
Personnel Expenses	30.0	+0.5	+1.8%	Virtually unchanged from the previous period's 1H at all group companies	59.1
Amortization of Goodwill and Consolidation Differences	0.8	-0.3	-27.0%	See accompanying documents	1.7
Other	52.9	-4.1	-7.3%	Last year's 1H includes interest repayment of ¥4.1 billion; thus, virtually unchanged	106.3
Commission	13.0	-0.3	-2.7%	AIFUL, ¥6.1 billion (down ¥600 million); Life, ¥5.9 billion (up ¥200 million)	—
Rental Expenses - Land Rent	10.2	-0.7	-6.6%	AIFUL, ¥6.1 billion (down ¥400 million); Life, ¥2.6 billion (down ¥100 million)	—
Depreciation	6.4	+1.3	+25.1%	AIFUL, ¥4.3 billion (up ¥1.0 billion); Life, ¥1.8 billion (up ¥300 million)	—

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

(Time of acquisition) (¥ million) Figure = Consolidation difference at time of acquisition)	<u>Change in each year</u> Balance of consolidation difference at end of each year	3/06	9/06	3/07 (E)	3/08 (E)	3/09 (E)
TRYTO (formerly Shinwa) (Jun 2000) 4,347	<i>Ordinary amortization (P/L)</i>	434	217	434	434	434
	Balance (B/S)	1,739	1,521	1,304	869	434
LIFE (Mar 2001) 32,861	<i>Ordinary amortization (P/L)</i>	824	412	824	824	824
	Balance (B/S)	4,120	3,708	3,296	2,472	1,648
City's (Oct 2002) 2,493	<i>Ordinary amortization (P/L)</i>	249	124	249	249	249
	Balance (B/S)	1,620	1,496	1,371	1,122	872
NFP (Mar 2004) -2,176	<i>Ordinary amortization (P/L)</i>	-217	-108	-217	-217	-217
	Balance (B/S)	-1,741	-1,632	-1,523	-1,306	-1,088
Wide (Jun 2004) 4,378	<i>Ordinary amortization (P/L)</i>	437	218	437	437	437
	Balance (B/S)	3,502	3,283	3,065	2,627	2,189
Passkey (Mar 2005) 320	<i>Ordinary amortization (P/L)</i>	320	—	—	—	—
	Balance (B/S)	0	—	—	—	—
Total	<i>Total amortization (P/L)</i>	<u>2,055</u>	<u>867</u>	<u>1,734</u>	<u>1,734</u>	<u>1,734</u>
	<i>Total balance (B/S)</i>	<u>9,272</u>	<u>8,405</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.

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

Extraordinary Profit and Loss	9/06	3/07 (E)	Description or reasons for increase/decrease
Ordinary income	28.1	20,0	
Extraordinary profit	0.4	3.2	Includes ¥2.7 billion in revenue from sale of stock in STB Leasing in the second half
Extraordinary loss	177.4	182.4	
New Provisions for bad debt	107.0	107.0	Includes reserve to cover revisions of past fiscal years' figures, in accordance with "Accounting Treatment for Calculation of Reserves Relating to Losses at Consumer Finance Companies, etc, Resulting from Interest Repayment Claims"
Transfer to the reserve for demands for restitution of interest	69.3	69.3	-ditto-
Pre-tax net income	-148.8	-159.2	
Corporate income tax, inhabitant tax, enterprise tax	14.4	17.2	Although the company posted a pretax loss, the entire amount of the reserve for losses on interest repayments and the increase in the reserve for bad debts are taxable. As a result, taxes due and owing emerged.
Adjustment for corporate income tax, etc.	16.0	8.6	At interim period, some companies in the group eliminated their deferred tax assets. AIFUL posted taxes from previous income as deferred tax assets. TRYTO, Wide and TCM eliminated the total.
Effective tax rate	0.2	0.3	
Net income	-179.5	-185.4	Reasons as stated above

Breakdown of Accounting Items (Consolidated) – Comparison of Initial Consolidated Targets and Adjusted Consolidated Targets (accounting base) (1) (¥ billion)

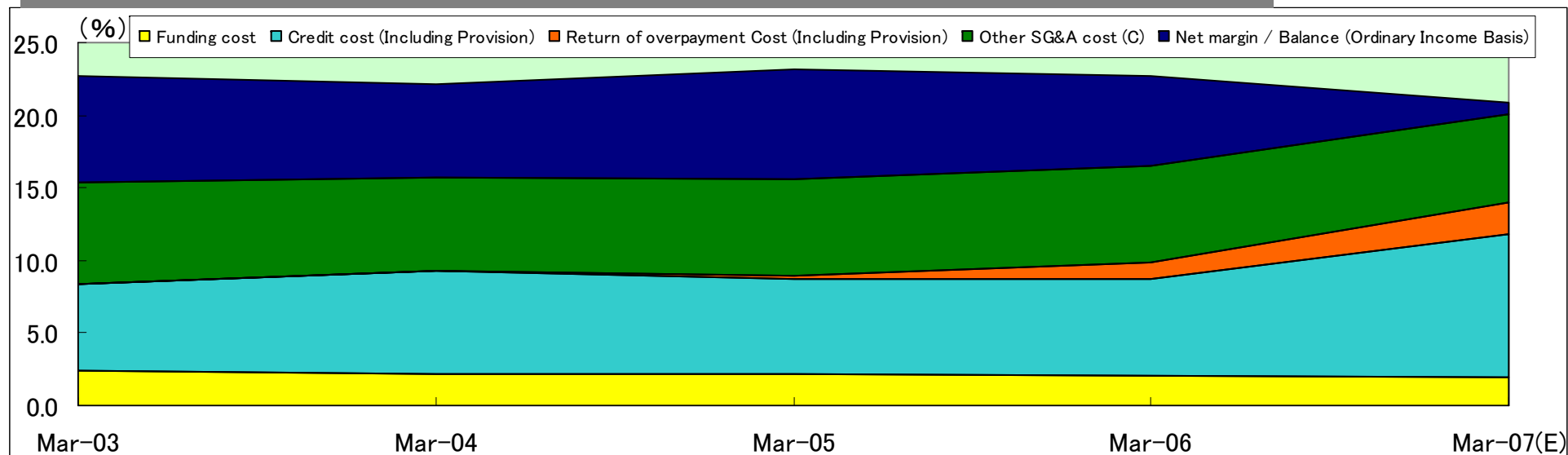
Items	3/07 Initial target	3/07 Adjusted target	yoy	Description or reasons for increase/decrease
Operating Revenue	537.9	508.7	-29.2	With the exception of products covered by the Interest Rate Restriction Law, the lowering of the upper limit on interest and the tightening of credit is forecast to result in lower interest income
Interest Income	480.6	455.4	-25.2	Planned adjustments: AIFUL, ¥297.5 billion (down ¥15.6 billion); Life, ¥91.2 billion (down ¥5.0 billion); other subsidiaries, ¥66.5 billion (down ¥4.6 billion)
Credit Card Shopping	13.4	13.5	+0.08	Shopping remained strong
Installment Sales Finance	14.6	13.7	-0.9	Examinations of affiliated offices were made stricter
Guarantees	10.0	9.3	-0.7	The effect of voluntary restraint on sales by some affiliates
Other Operating Revenue	19.0	16.5	-2.5	
Bad Debt Recovery	6.5	4.5	-1.9	A result of the review of company regulations to tighten compliance, and the implementation of various systems
Operating Expenses	442.7	489.6	+46.8	
Financial Expenses	40.8	37.7	-3.1	Decrease due to lower receivables, although funding cost is forecast to increase
Other Operating Expenses	401.8	451.7	+49.9	
Credit Cost	166.3	229.8	+63.5	An increase in bad loans is forecast for each company
Return of Overpayment Cost	21.2	37.1	+15.9	Interest repayment will peak, but the figure was revised to reflect the increase for the 1 st half Interest repayment: Consolidated, ¥31.7 billion; of which ¥25.7 billion is AIFUL's
Advertising Expenses	23.0	17.5	-5.4	Decline due to voluntary restraint on advertising
Personnel Expenses	62.1	59.1	-3.0	The result of more efficient use of human resources and restraint in hiring
Amortization of Goodwill and Consolidation Differences	1.7	1.7	+0.0	See accompanying documents
Other	127.3	106.3	-20.9	The result of restraint in establishing offices, reduced variable costs as a result of lower receivables, and reductions in costs
Operating Income	95.1	19.0	-76.0	
Ordinary Income	96.0	20.0	-76.0	

Breakdown of Accounting Items (Consolidated) – Comparison of Initial Consolidated Targets and Adjusted Consolidated Targets (accounting base) (2) (¥ billion)

Items	3/07 Initial target	3/07 Adjusted target	yoy	Description or reasons for increase/decrease
Ordinary Income	96.0	20.0	-76.0	
Extraordinary Income	0.0	3.2	+3.2	Includes ¥2.7 billion in revenue from the sale of stock in STB Leasing in the second half
Extraordinary Losses	1.3	182.4	+181.0	
New Provisions for Bad Debt	-	107.0	+107.0	Includes reserve to cover revisions of past fiscal years' figures, in accordance with "Accounting Treatment for Calculation of Reserves Relating to Losses at Consumer Finance Companies, etc, Resulting from Interest Repayment Claims"
Reserve for Interest Repayment	-	69.3	+69.3	-ditto-
Income Before Income Taxes	94.6	-159.2	-253.8	
Income Taxes	48.3	17.2	-31.0	The reserve for losses on interest repayments and the increase in the reserve for bad debts are taxable. As a result, taxes due and owing emerged
Effect of a Tax Consequences	-7.4	8.6	+16.0	A portion of deferred tax assets were liquidated in the revised plan
Net Income	52.5	-185.4	-238.0	For the reasons outlined above

★ Appendix

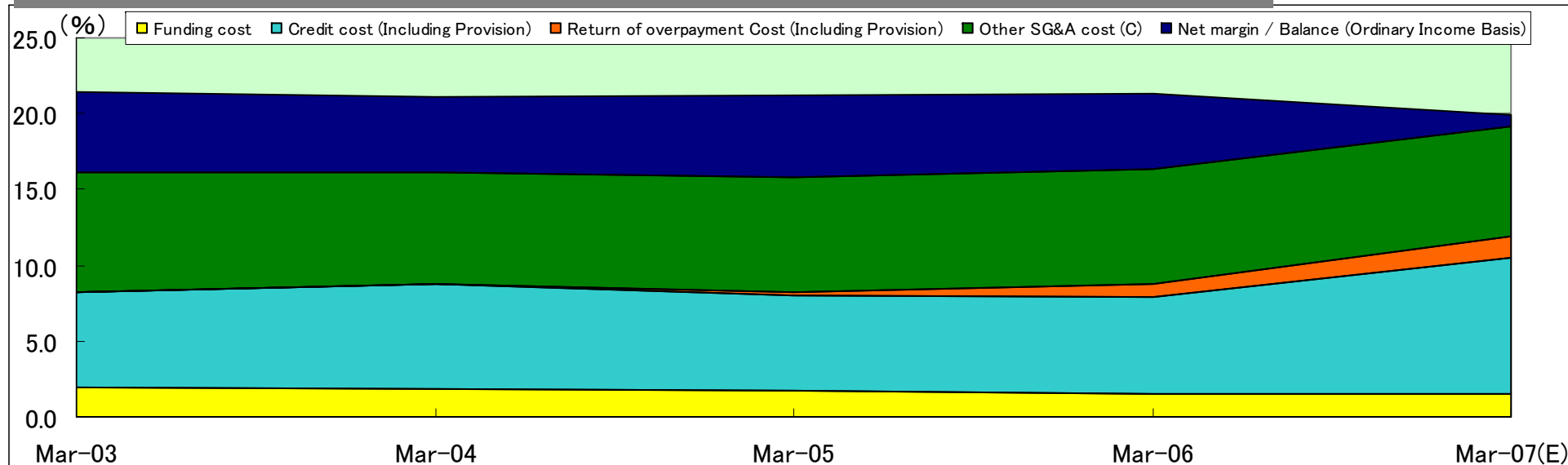
Appendix 1 - Net Margin – AIFUL (Parent)



(%)	Mar-03	Mar-04	Mar-05	Mar-06	Mar-07(E)
Average Yield (Loan Business)	21.7	21.4	22.3	21.8	20.3
Average Yield (other)	0.9	0.7	0.8	0.8	0.6
Average Yield (total)	22.7	22.1	23.1	22.7	20.9
Funding cost	2.4	2.2	2.2	2.0	2.0
Credit cost (Including Provision)	5.9	7.1	6.5	6.7	9.9
Return of overpayment Cost (Including Provision)	—	—	0.2	1.1	2.1
Other SG&A cost (C)	7.0	6.4	6.7	6.7	6.1
Salary (A)	2.0	1.9	2.0	1.9	1.9
Advertising (B)	1.1	0.9	1.0	1.1	0.5
Other (C)-((A)+(B))	3.9	3.6	3.7	3.8	3.6
Net margin / Balance (Ordinary Income Basis)	7.4	6.4	7.5	6.1	0.8

* Loan Business Average Yield = (Interest Income + Loan Guarantee Fee) / Average Receivable Outstanding × 100%

Appendix 2 - Net Margin – Consolidated

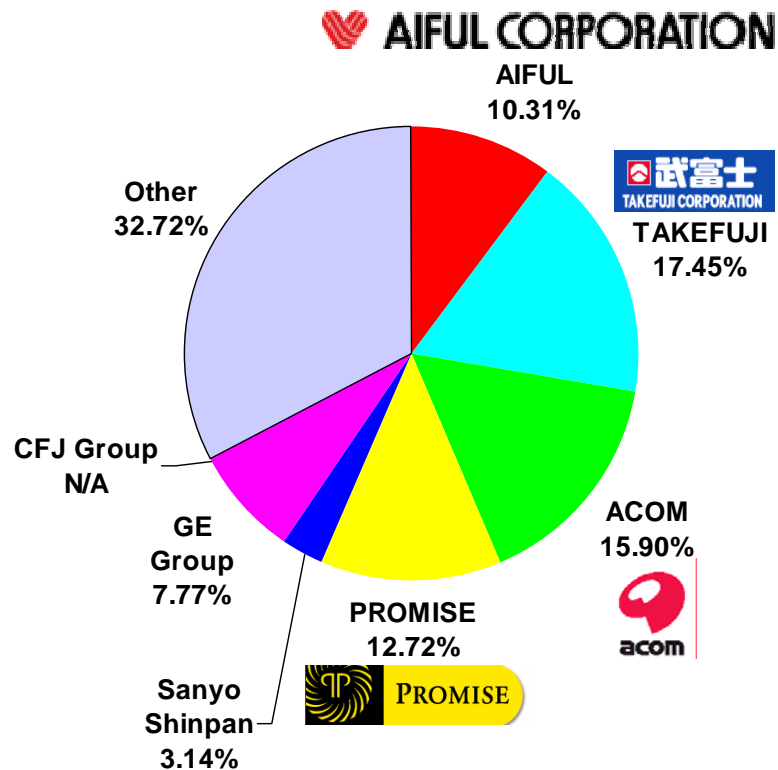


(%)	Mar-03	Mar-04	Mar-05	Mar-06	Mar-07(E)
Average Yield (Loan Business)	20.7	20.5	20.4	20.4	19.2
Average Yield (other)	0.8	0.7	0.8	0.9	0.7
Average Yield (total)	21.5	21.1	21.3	21.3	19.9
Funding cost	1.9	1.8	1.7	1.5	1.6
Credit cost (Including Provision)	6.4	7.0	6.3	6.4	8.9
Return of overpayment Cost (Including Provision)	—	—	0.2	0.8	1.4
Other SG&A cost (C)	7.9	7.4	7.5	7.7	7.2
Salary (A)	2.3	2.2	2.2	2.2	2.3
Advertising (B)	1.0	0.9	1.0	1.1	0.7
Other (C)-((A)+(B))	4.6	4.3	4.3	4.4	4.2
Net margin / Balance (Ordinary Income Basis)	5.3	5.0	5.5	4.9	0.8

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

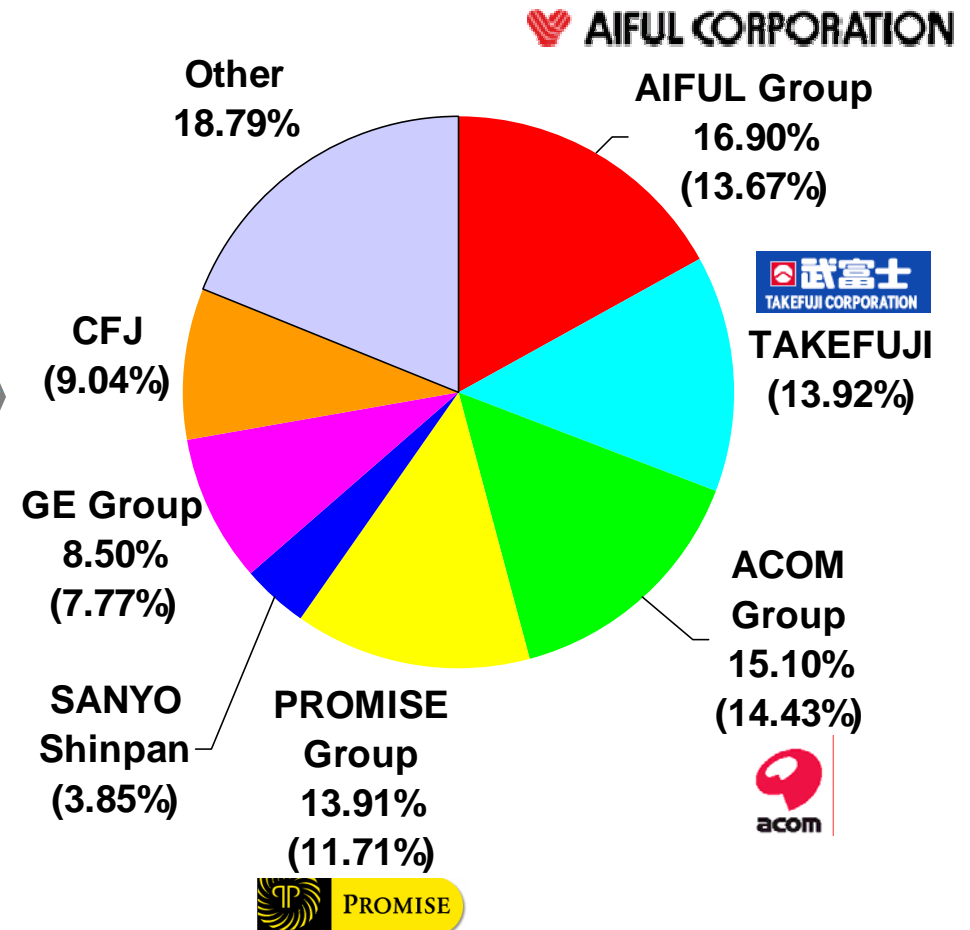
March 1998

¥7.1 trillion



March 2006

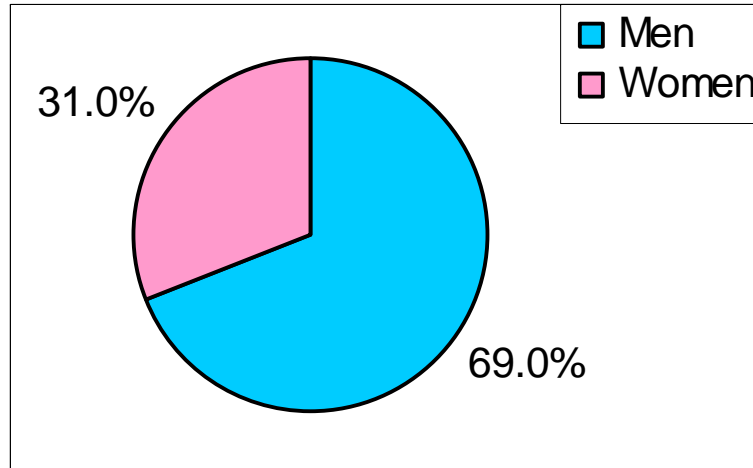
¥11.6 trillion



Appendix 4 - Diversification of Customer Profile

AIFUL CORPORATION (Sep-06)

Customer account: 2,060,000

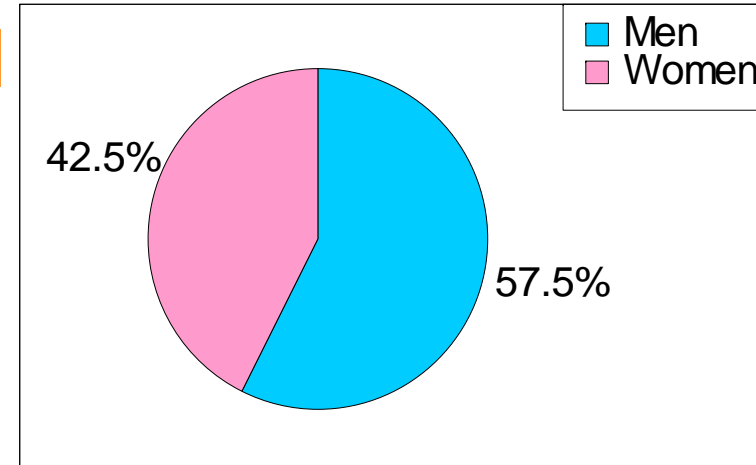


Sex

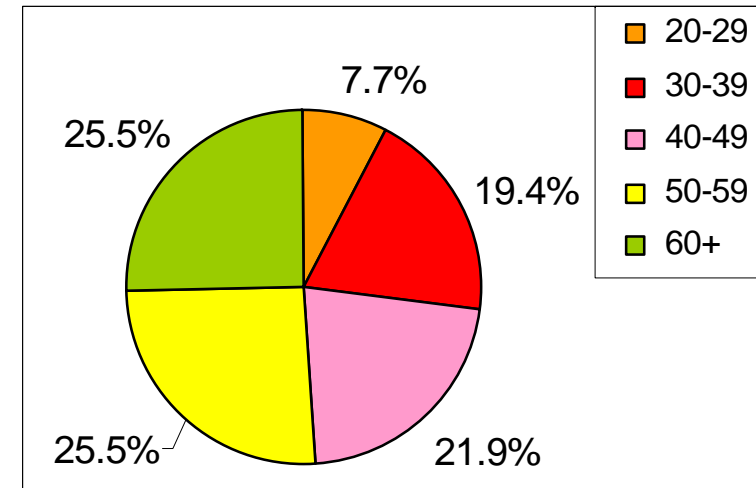
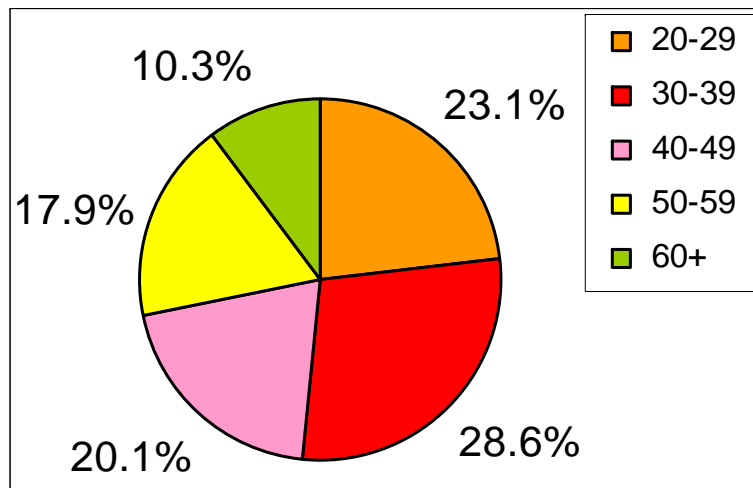


(Sep-06)

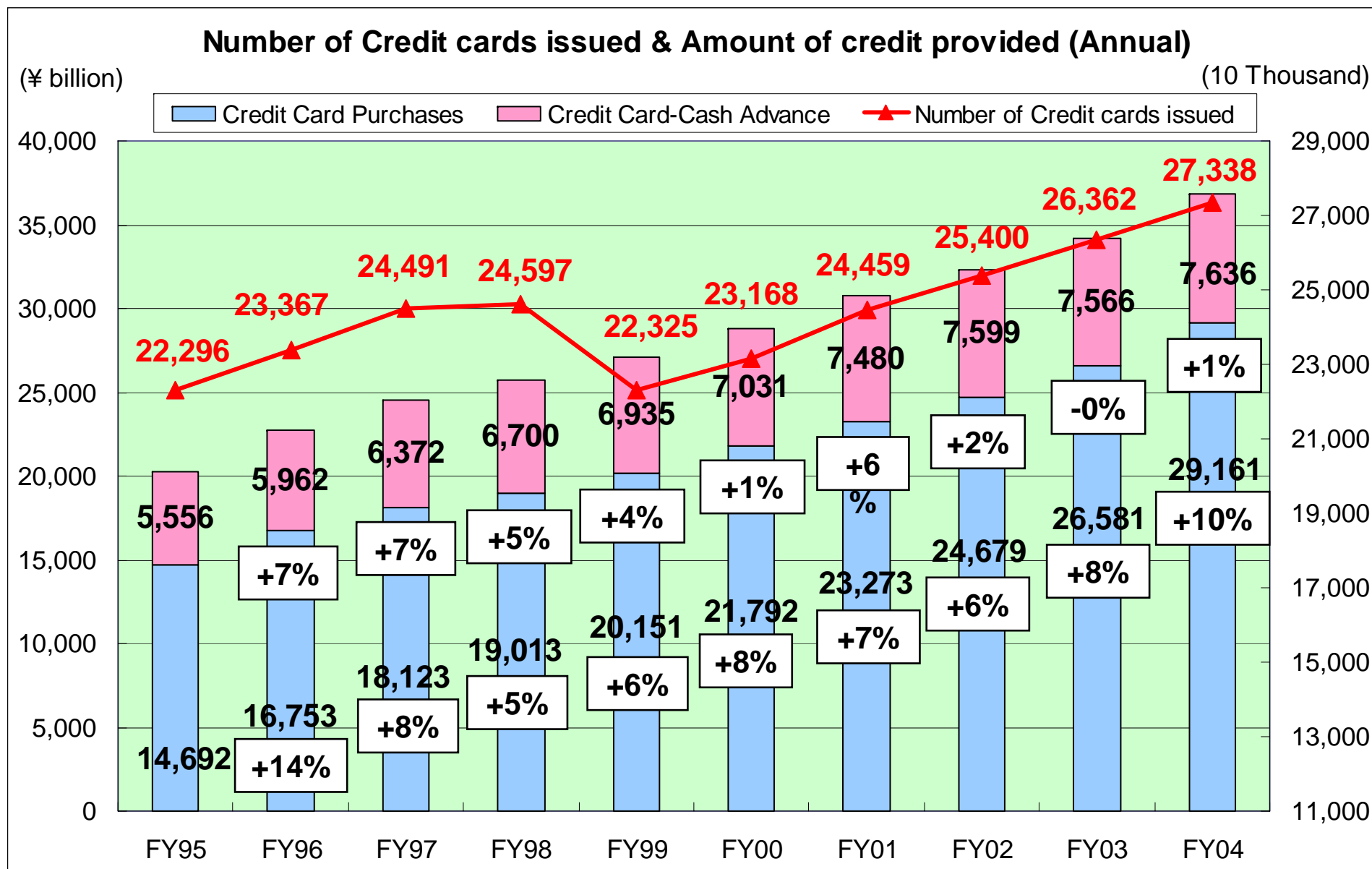
Valid card members: 13,592,000



Age



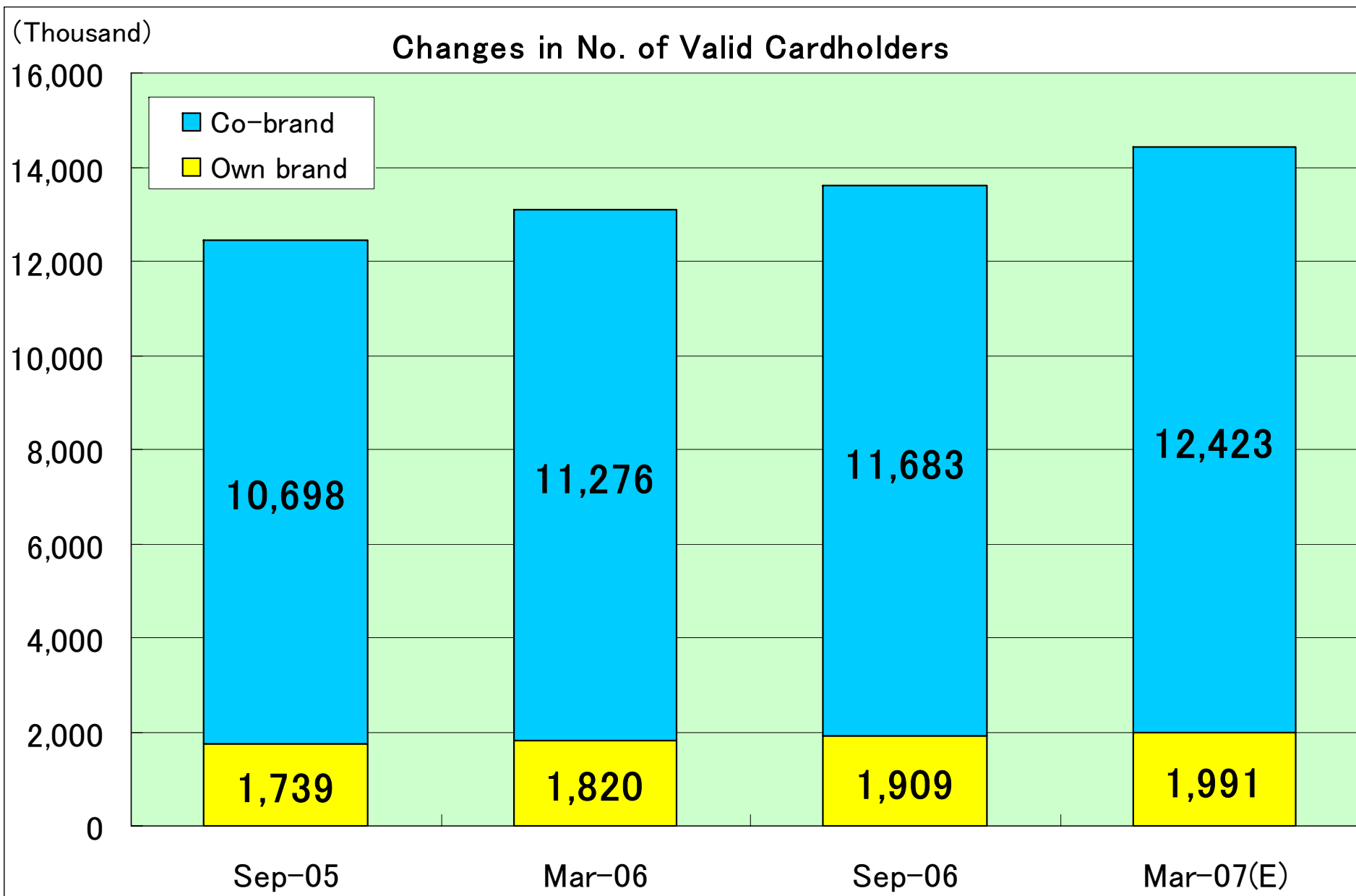
Appendix 5 - Growth of Credit Card Market in Japan



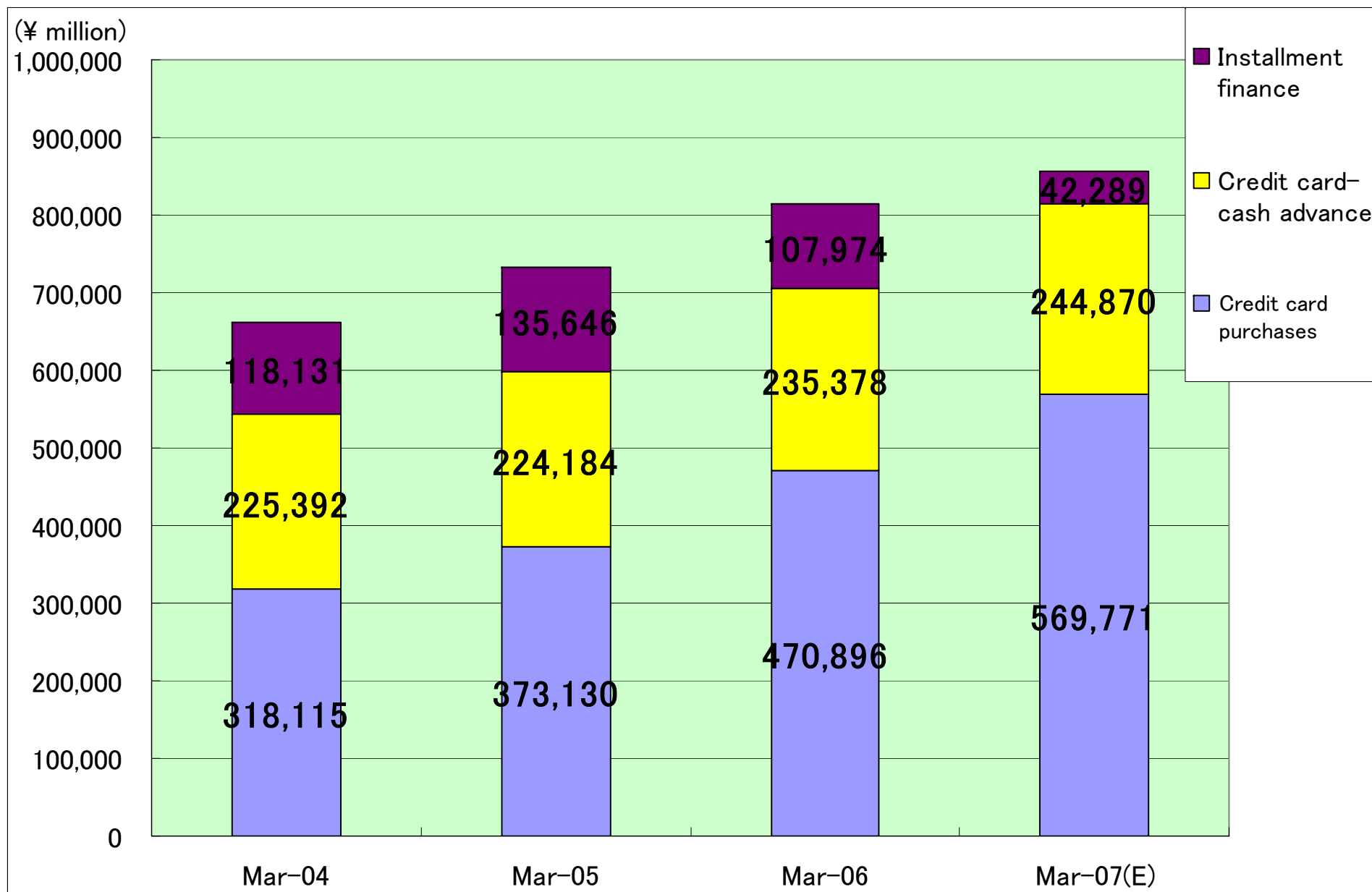
Figures for credit cards issued between 1995 and 1998 reflect total number of credit cards issued, while those from 1999 reflect only valid cards



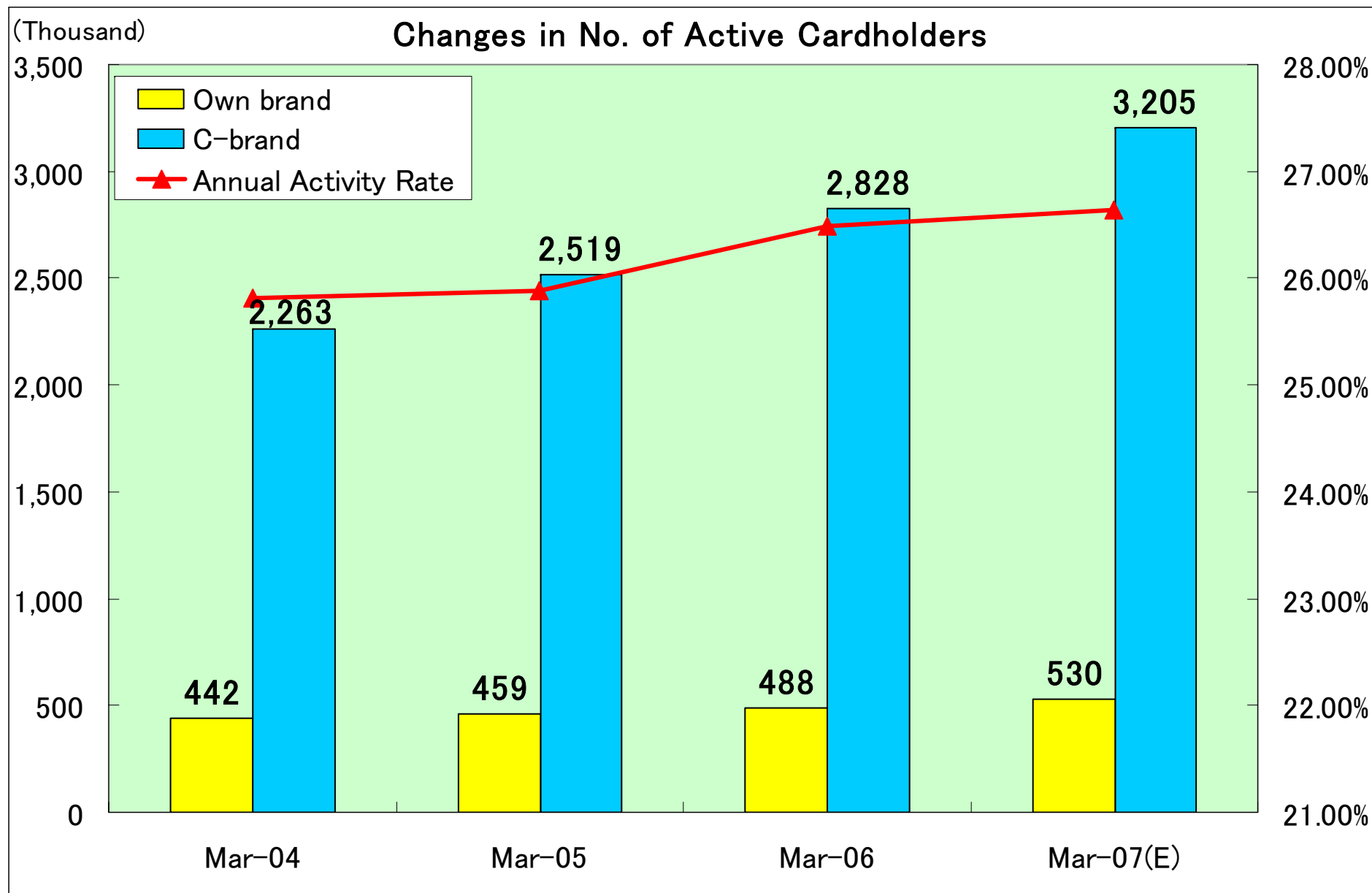
Appendix 1 (LIFE) - Changes in No. of Valid Cardholders



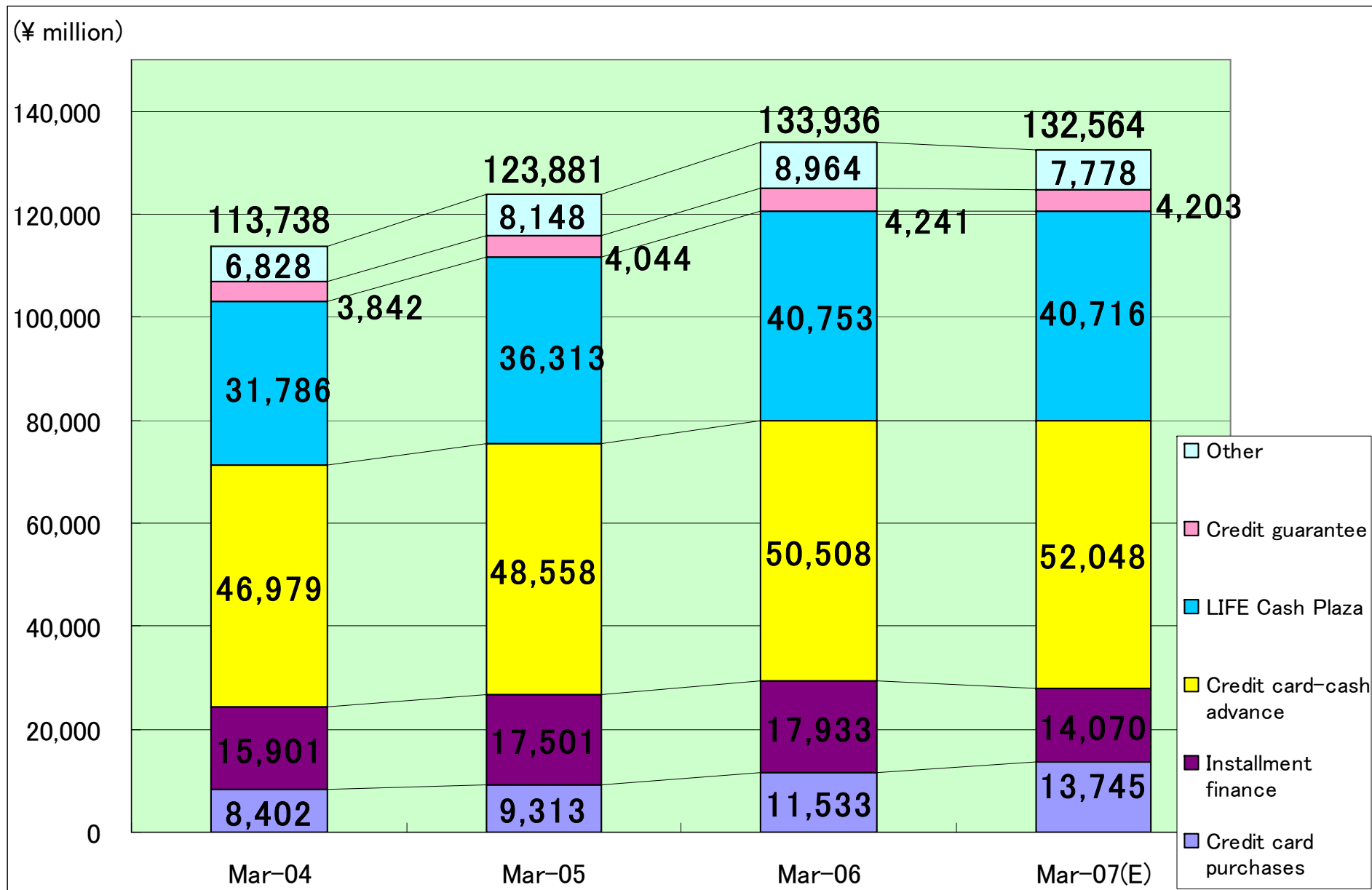
Appendix 2 (LIFE) - Trend of Volume (purchases & cash advances)



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

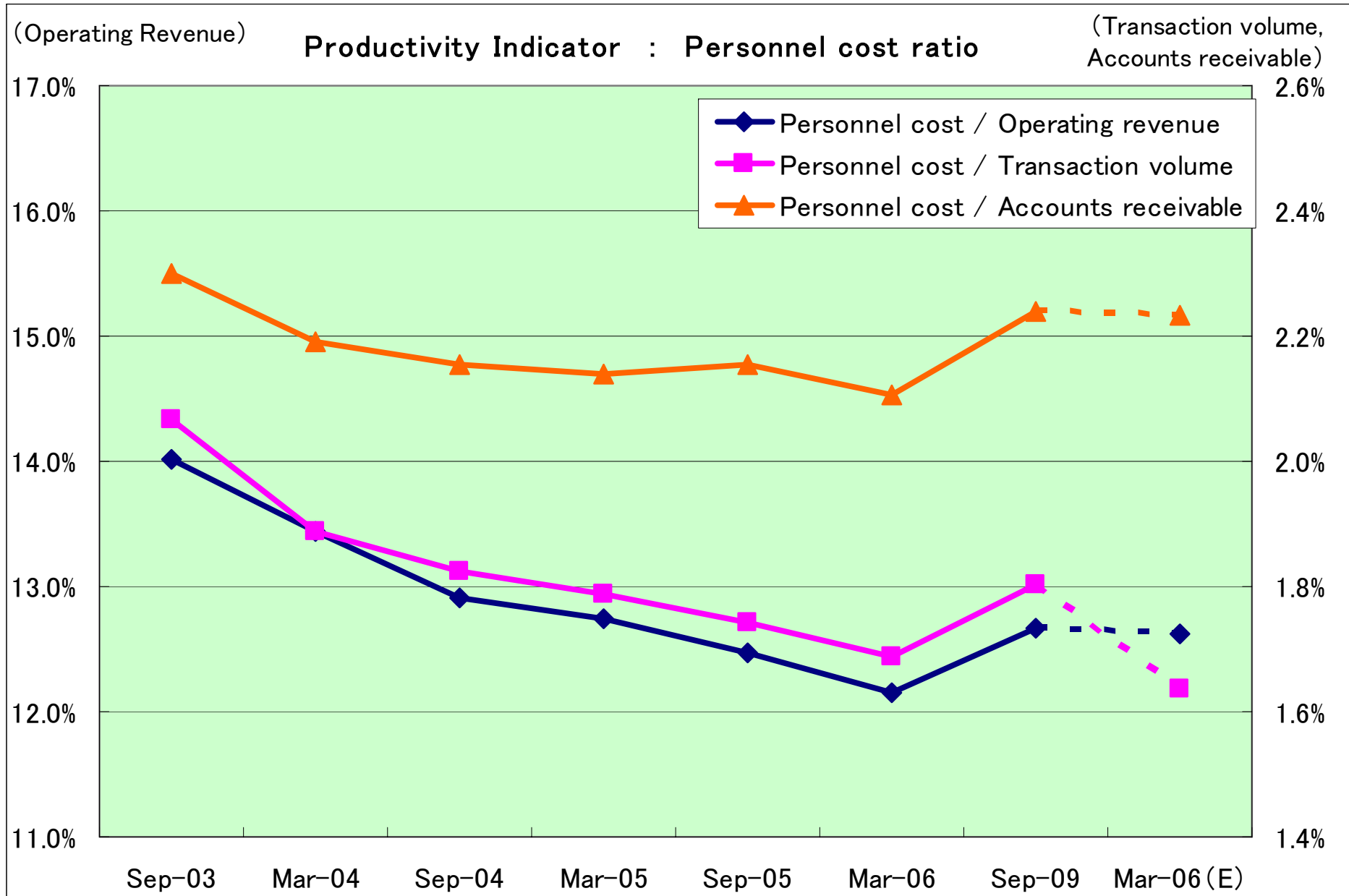


Appendix 4 (LIFE) - Trend of Operating Revenue



* Managed Asset Basis

Appendix 5 (LIFE) - Trend in Productivity



Appendix 6 (LIFE) - Cash Advance Annual Activity Rates ad Loans Outstanding, and Shopping and Cashing

