



Financial Results

for the Fiscal Year ended March 2010

AIFUL CORPORATION

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

May 13, 2010

— 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.

E-Mail: ir@aiful.co.jp

1. Financial Results Summary





Financial position (FY 2009), consolidated profit/loss statement

(¥ million)	2009/3 (12M)	2010/3 (12M)	YOY	YOY%
Interest on loans to customers	263,797	170,662	-93,135	64.7%
Credit card revenue	16,880	17,824	944	105.6%
Per-item credit revenue	3,630	1,726	-1,904	47.5%
Credit guarantee revenue	8,020	7,034	-986	87.7%
Other operating revenue	19,914	20,855	941	104.7%
Operating revenue	312,241	218,102	-94,139	69.9%
Financial expenses	26,917	18,376	-8,541	68.3%
Credit cost	99,245	166,252	67,007	167.5%
Bad debt write-offs	177,960	151,428	-26,532	85.1%
Provision of allowance for losses on interest repayment	58,315	206,886	148,571	354.8%
Interest repayment	72,875	77,701	4,826	106.6%
SG&A	120,321	91,841	-28,480	76.3%
Operating expenses	304,799	483,358	178,559	158.6%
Operating income (loss)	7,441	-265,255	-272,696	-
Ordinary income (loss)	8,608	-264,176	-272,784	-
Extraordinary income	6,419	2,138	-4,281	33.3%
Gain on sales of fixed assets	19	0	-19	-
Gain on sales of investment securities	966	1,161	195	120.2%
Other	5,434	976	-4,458	18.0%
Extraordinary losses	7,312	27,392	20,080	374.6%
Provision of allowance for business reconstruction	305	1,323	1,018	433.8%
Business reconstruction cost	1,599	11,826	10,227	739.6%
Other	5,408	14,241	8,833	263.3%
Net income (loss) before taxes	7,715	-289,430	-297,145	-
Income taxes	-6,881	263	7,144	-
Adjustment on corporate tax, etc.	10,187	7,368	-2,819	72.3%
Gain on minority interest	161	-1,920	-2,081	-
Net income (loss)	4,247	-295,141	-299,388	-


(1) Financial position (FY2009), consolidated balance sheet

(¥ million)	2009/3 results	2010/3 results	YOY
Cash and cash equivalents	132,825	128,755	-4,070
Loans	1,290,353	835,928	-454,425
Installment receivables	142,017	125,990	-16,027
Customers' liabilities for acceptance and guarantees	118,206	100,152	-18,054
Purchased claims	10,936	5,579	-5,357
Other	65,953	64,717	-1,236
Allowance for bad debts	-209,317	-203,478	5,839
Total current assets	1,550,973	1,057,644	-493,329
Tangible fixed assets	38,646	30,107	-8,539
Intangible fixed assets	19,762	16,304	-3,458
Investment and other fixed assets	35,143	48,750	13,607
Total fixed assets	93,551	95,161	1,610
Total deferred assets	219	138	-81
Total assets	1,644,744	1,152,945	-491,799

(¥ million)	2009/3 results	2010/3 results	YOY
Acceptance and guarantees	118,206	100,152	-18,054
Short-term debts	102,140	61,205	-40,935
Current portion of long-term debts	230,034	45,231	-184,803
Current portion of bonds	94,849	105,610	10,761
Commercial paper	10,000	0	-10,000
Income taxes payable	916	644	-272
Reserve for business structure improvement	365	1,323	958
Other	52,188	63,018	10,830
Total current liabilities	639,648	377,185	-262,463
Bonds	258,210	152,600	-105,610
Long-term debts	222,558	283,922	61,364
Reserve for losses on interest repayment	124,164	237,909	113,745
Negative goodwill	1,088	870	-218
Other	5,741	3,152	-2,589
Total long-term liabilities	611,761	678,454	66,693
Total liabilities	1,251,409	1,055,639	-195,770
Common stock	143,324	143,324	0
Capital surplus	164,133	164,133	0
Retained earnings	86,056	-210,275	-296,331
Treasury stock	-3,110	-3,110	0
Total shareholders' equity	390,404	94,071	-296,333
Total evaluation and foreign currency translation adjustments	-2,831	-615	2,216
Minority interests	5,761	3,849	-1,912
Total net assets	393,334	97,305	-296,029
Total net assets and liabilities	1,644,744	1,152,945	-491,799

(¥ million)	2009/3	2010/3	YOY
Total debts (Consolidated)	917,791	648,568	-269,223
Equity ratio (Consolidated)	23.6%	8.1%	-15.5
Total debts (Non-consolidated)	687,073	465,754	-221,319
Equity ratio (Non-consolidated)	31.9%	15.8%	-16.1

(2) Interest-bearing liabilities and equity ratio



Financial position (FY2009), AIFUL profit/loss statement

(¥ million)		2009/3 (12M)	2010/3 (12M)	YOY	YOY%
Interest on loans to customers		167,415	113,069	-54,346	67.5%
Credit guarantee revenue		4,636	4,135	-501	89.2%
Other operating revenue		5,164	7,588	2,424	146.9%
Operating revenue		177,216	124,793	-52,423	70.4%
Financial expenses		19,771	13,799	-5,972	69.8%
Credit cost		65,310	125,177	59,867	191.7%
Bad debt write-offs		118,220	105,771	-12,449	89.5%
Provision of allowance for losses on interest repayment		39,877	176,866	136,989	443.5%
Interest repayment		55,025	64,024	8,999	116.4%
Other operating expenses		55,062	40,473	-14,589	73.5%
Operating expenses		180,022	356,316	176,294	197.9%
Operating income (loss)		-2,805	-231,522	-228,717	-
Ordinary income (loss)		2,807	-226,933	-229,740	-
Extraordinary income		9,888	681	-9,207	6.9%
Gain on sales of investment securities		867	12	-855	1.4%
Other		9,021	668	-8,353	7.4%
Extraordinary losses		2,002	31,859	29,857	-
Provision of allowance for business reconstruction		0	328	328	-
Business reconstruction cost		1	8,141	8,140	-
Other		2,001	23,390	21,389	-
Net income (loss) before taxes		10,694	-258,111	-268,805	-
Income taxes		-7,014	74	7,088	-
Adjustment on corporate tax, etc.		8,051	3,310	-4,741	41.1%
Net income (loss)		9,657	-261,495	-271,152	-



Financial position (FY2009), AIFUL balance sheet

(¥ million)	2009/3 results	2010/3 results	YOY	(¥ million)	2009/3 results	2010/3 results	YOY
Cash and cash equivalents	106,877	105,836	-1,041	Acceptance and guarantees	54,167	45,248	-8,919
Loans	842,786	553,476	-289,310	Short-term debts	40,000	11,125	-28,875
Customers' liabilities for acceptance and guarantees	54,167	45,248	-8,919	Current portion of long-term debts	147,276	7,723	-139,553
Deferred tax assets	3,310	0	-3,310	Current portion of bonds	94,849	105,610	10,761
Other	25,687	35,289	9,602	Income taxes payable	328	269	-59
Allowance for bad debts	-144,150	-154,143	-9,993	Other	16,100	13,354	-2,746
Total current assets	888,678	585,708	-302,970	Total current liabilities	352,721	183,330	-169,391
Tangible fixed assets	24,001	17,458	-6,543	Bonds	258,210	152,600	-105,610
Intangible fixed assets	10,744	8,401	-2,343	Long-term debts	146,738	188,696	41,958
Investment and other fixed asset	318,122	246,825	-71,297	Reserve for losses on interest repayment	84,318	197,160	112,842
Total fixed assets	352,868	272,685	-80,183	Other	3,545	1,208	-2,337
Total deferred assets	219	138	-81	Total long-term liabilities	492,812	539,665	46,853
Total assets	1,241,766	858,532	-383,234	Total liabilities	845,533	722,995	-122,538
				Common stock	143,324	143,324	0
				Capital surplus	150,232	150,232	0
				Retained earnings	108,442	-154,243	-262,685
				Treasury stock	-3,110	-3,110	0
				Total shareholders' equity	398,889	136,203	-262,686
				Total evaluation and foreign currency translation adjustments	-2,657	-666	1,991
				Total net assets	396,232	135,536	-260,696
				Total net assets and liabilities	1,241,766	858,532	-383,234



(1) Contract rate of unsecured loans

	2009/3					2010/3					
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	4Q	Total	YoY (%)
Number of New applications	79,176	85,617	74,628	61,400	300,821	63,495	65,934	52,936	54,317	236,682	-21.3
Number of New accounts	28,633	33,147	16,717	8,722	87,219	11,585	12,704	11,133	16,335	51,757	-40.7
Contract rate	36.2%	38.7%	22.4%	14.2%	29.0%	18.2%	19.3%	21.0%	30.1%	21.9%	-7.1

(2) Composition of unsecured loans outstanding according to the number of other lending companies used*

Existing clients using other companies' loans	2008/3	2009/3	2010/3	YoY (%)
Average	2.25	2.04	2.11	+0.07
No loans from other companies	18.5%	20.5%	17.6%	-2.9
Use of other companies: 1	19.5%	21.3%	22.1%	+0.8
Use of other companies: 2	19.0%	20.1%	20.8%	+0.7
Use of other companies: 3	17.9%	18.4%	19.3%	+0.9
Use of other companies: 4 or more	25.2%	19.7%	20.2%	+0.5
New applicants using other companies' loans	2008/3	2009/3	2010/3	YoY (%)
Average	1.31	1.24	1.11	-0.13
No loans from other companies	31.7	34.7%	35.8%	+1.1
Use of other companies: 1	27.1%	28.5%	32.5%	+4.0
Use of other companies: 2	22.0%	20.0%	19.8%	-0.2
Use of other companies: 3	17.0%	11.9%	8.9%	-3.0
Use of other companies: 4 or more	2.1%	4.8%	2.9%	-1.9

(3) Weight of unsecured loans in balance by interest rate


Breakdown of loan balance by interest rate	2009/3	2010/3	YoY (%)
≤ 15.0%	32.1%	35.2%	+3.1
15.0% < ≤ 18.0%	13.7%	14.8%	+1.1
18.0% < ≤ 20.0%	1.2%	1.2%	0.0
20.0% < ≤ 22.0%	3.3%	3.3%	0.0
22.0% < ≤ 24.0%	4.5%	4.3%	-0.2
24.0% < ≤ 26.0%	7.1%	6.7%	-0.4
26.0% < ≤ 28.0%	7.8%	7.3%	-0.5
28.0% <	30.3%	27.2%	-3.1


(4) Average effective yield on unsecured loans

Average effective yield	2009/3	2010/3	YoY (%)
Unsecured loans	21.0%	17.3%	-2.1

*Branches-balance base



 (¥ million)	2009/3	2010/3	YoY (%)	2011/3 (E)	YoY (%)
Operating revenue	100,355	73,370	-26.9%	46,709	-36.3%
Ordinary income	2,644	-22,148	-	1,065	-
Net income	217	-27,749	-	-2,019	-
Loans outstanding	327,493	211,632	-35.4%	146,034	-31.0%
Number of card holder (thousands)	15,252	12,718	-16.6%	7,569	-40.5%
Average yield (%)	16.1	14.6	-1.4	13.4	-1.2

 (¥ million)	2009/3	2010/3	YoY (%)	2011/3 (E)	YoY (%)
Operating revenue	10,528	8,888	-15.6%	7,790	-12.4%
Ordinary income	828	748	-9.7%	581	-22.3%
Net income	420	-1,763	-	556	-131.5%
Loans outstanding	74,720	64,551	-13.6%	57,753	-10.5%
Customer accounts (thousands)	39	34	-12.8%	31	-8.8%
Average interest yield (%)	14.3	14.2	-0.1	14.1	-0.1

Financial Results: Financial Estimate for FY2010



	Consolidated			Non-Consolidated		
	2010/3 Result	2011/3 (forecast)	YoY (%)	2010/3 Result	2011/3 (forecast)	YoY (%)
(¥ million)						
Interest on loans to customers	170,662	102,103	-40.2%	113,069	69,646	-38.4%
Operating revenue	218,102	140,832	-35.4%	124,793	80,421	-35.6%
Financial expenses	18,376	12,005	-34.7%	13,799	8,261	-40.1%
Credit cost	166,252	47,499	-71.4%	125,177	32,201	-74.3%
Bad debt write-offs	151,428	97,999	-35.3%	105,771	69,150	-34.6%
Provision of allowance for losses on interest repayments	206,886	-	-	176,866	-	-
Interest repayment	77,701	64,349	-17.2%	64,024	55,945	-12.6
Operating expenses – other	91,844	69,412	-24.4%	40,473	33,230	-17.9%
Operating expenses	483,358	128,915	-73.3%	356,316	73,775	-79.3%
Operating income	-265,255	11,917	-	-231,522	6,647	-
Ordinary income	-264,176	12,330	-	-226,933	9,259	-
Extraordinary income	2,138	936	-56.2%	681	556	-18.3%
Gain on sale of fixed assets	0	-	-	0	-	-
Gain on sales of investment securities	1,161	-	-	12	-	-
Other	976	-	-	668	-	-
Extraordinary losses	27,392	10,163	-62.9%	31,859	5,847	-81.6%
Provision of allowance for business reconstruction	1,323	-	-	328	-	-
Business reconstruction expenses	11,826	-	-	8,141	-	-
Other	13,577	-	-	23,388	-	-
Net income before taxes	-289,430	3,103	-	-258,111	3,968	-
Net income (loss)	-295,141	2,821	-	-261,495	3,938	-

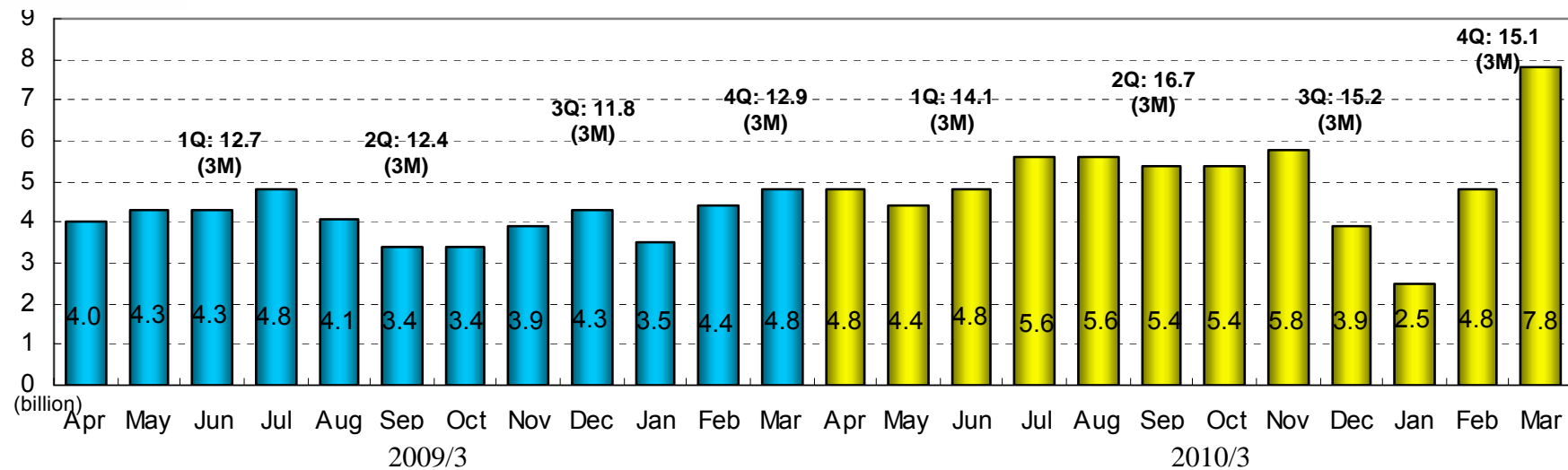
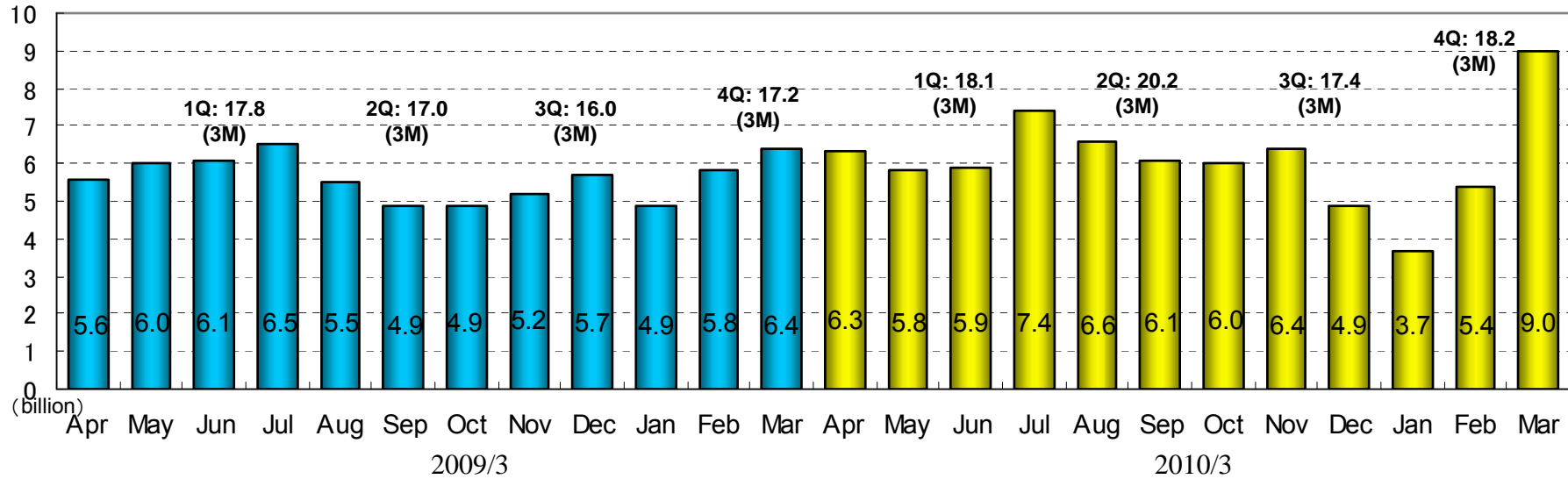
2. Business Environment





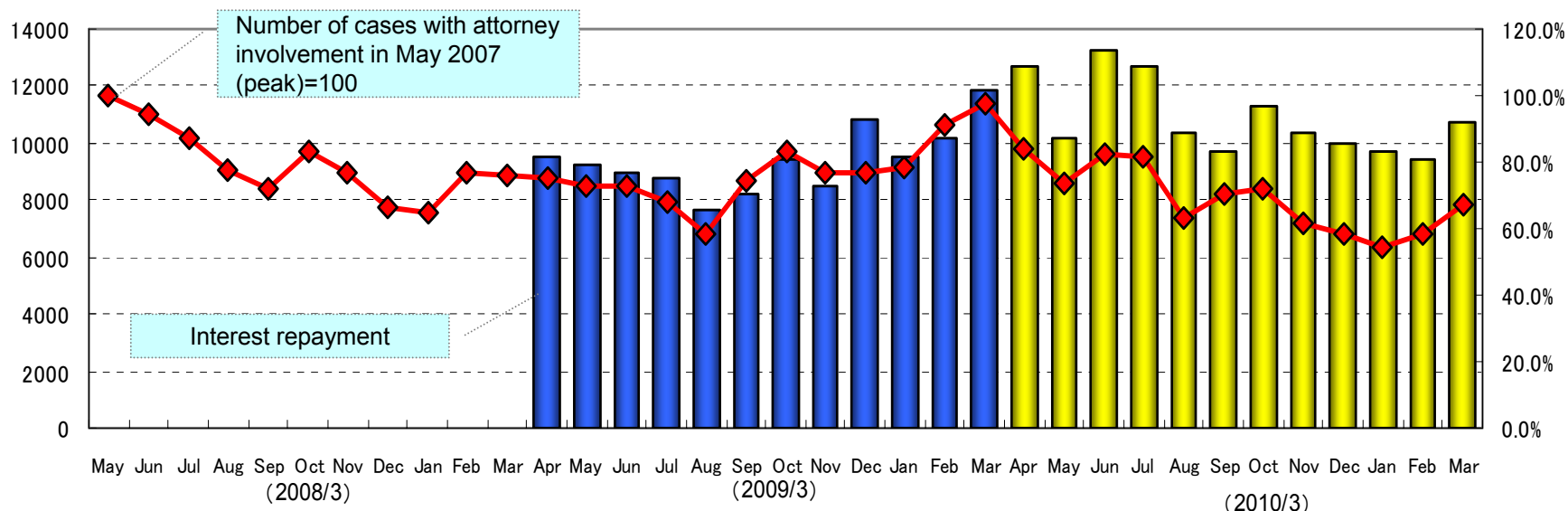
Consolidated

Actual amount on a cash-out basis (not including non-payment)





(1) Number of cases with attorney involvement & interest repayments



(2) Consolidated

(¥ million)	Allowance for Interest Repayment	Allowance for Waiver of Principal	Total
Allowance (beginning)	124,164	88,490	212,654
Reversal (interest repayment)	77,701	-	77,701
Reversal (credit losses)	7,786	57,531	65,317
Provision (return)	206,886	50,490	257,376
Exclusion from consolidated	7,654	4,458	12,112
Allowance (at the end of the fiscal year)	237,909	76,990	314,899

(3) Non-consolidated

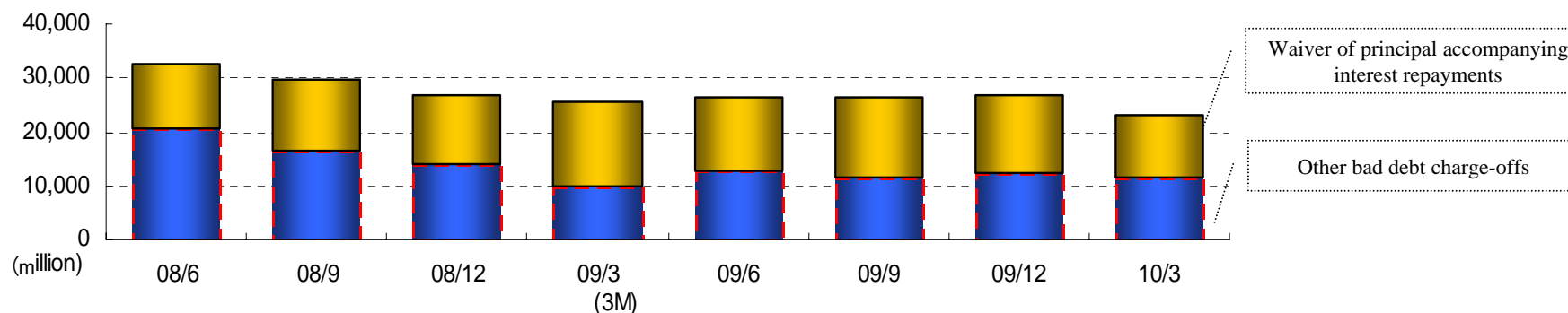
(¥ million)	Allowance for Interest Repayment	Allowance for Waiver of Principal	Total
Allowance (beginning)	84,318	79,151	163,470
Reversal (interest repayment)	64,024	-	64,024
Reversal (credit losses)	-	53,756	53,756
Provision (return)	176,866	48,699	225,565
Exclusion from consolidated	-	-	-
Allowance (at the end of the fiscal year)	197,160	74,094	271,254



Change in write-off ratio

(% , ¥ million)	2009/3 (12M)	2010/3 (12M)	YoY	2011/3(E) (12M)	YoY
	Consolidated	11.24%	14.23%	+2.99	12.65%
Non-consolidated	13.95%	19.10%	+5.15	17.97%	-1.13
Total write-off	127,748	115,159	-9.9%	70,354	-38.9%
Bad debt	114,252	102,383	-10.4%	66,478	-35.1%
Non-consolidated loans outstanding	842,786	553,476	-34.3%	391,456	-29.3%

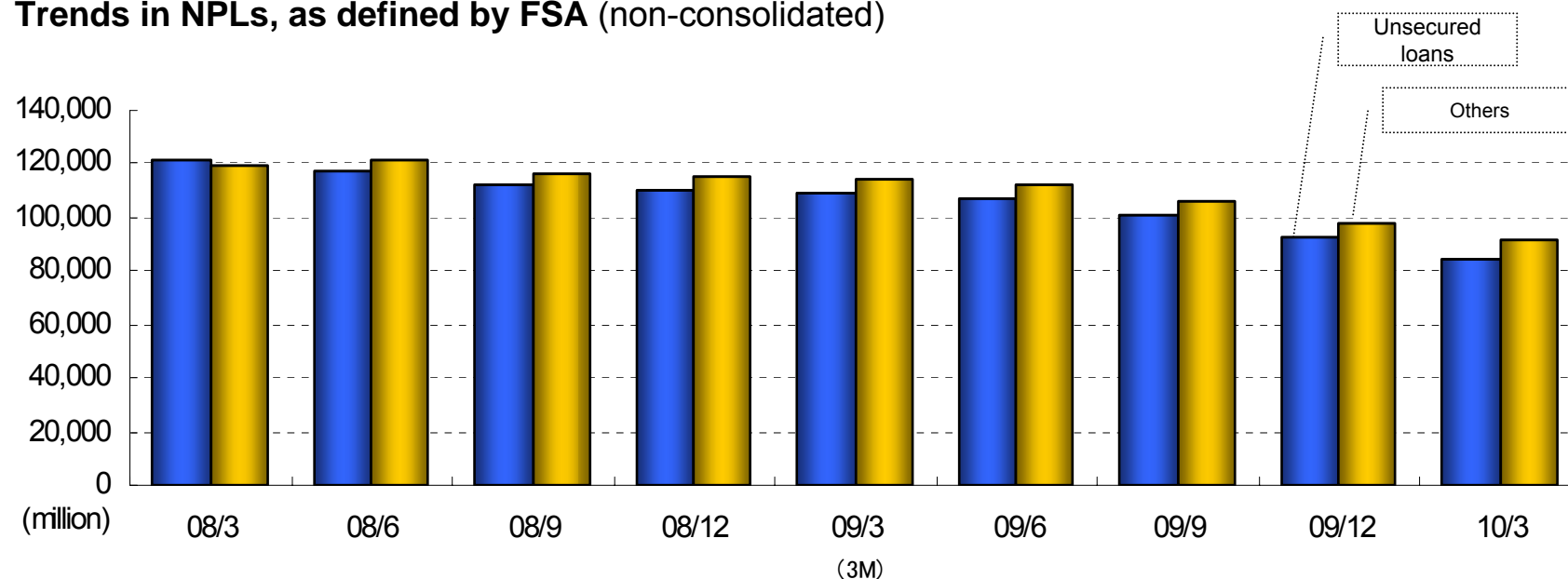
Trends in interest repayments and other bad debt charge-offs (quarter basis)



(% , ¥ million)	2009/3 (12M)	2009/9 (6M)	2010/3 (12M)	YoY	2011/3(E) (12M)	YoY
	Waiver of principal accompanying interest repayments	52,906	28,027	53,756	+1.6%	26,784
Other bad debt charge-offs	61,346	24,397	48,627	-20.7%	39,693	-18.4%
Total	114,252	52,424	102,383	-10.3%	66,477	-35.1%



Trends in NPLs, as defined by FSA (non-consolidated)

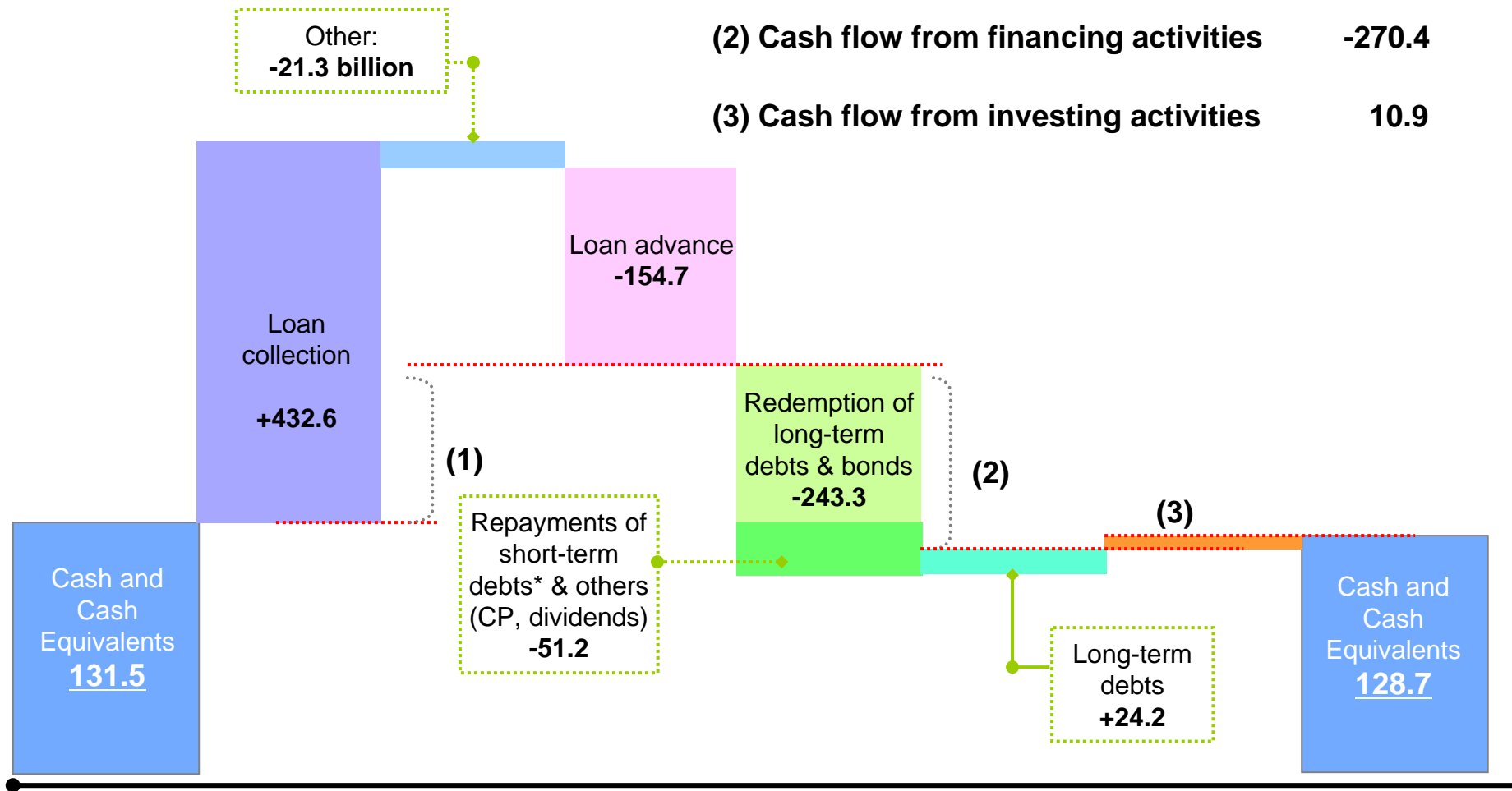


(¥ million)	Unsecured loans			Others		
	2009/3	2010/3	YoY	2009/3	2010/3	YoY
Claims in bankruptcy	2,129	1,736	-393	36,158	44,834	8,676
Loans in arrears	66,248	53,963	-12,285	74,229	44,348	-29,881
Loans in arrears longer than 3 months	10,641	7,087	-3,554	2,180	1,524	-656
Loans with adjusted terms	30,171	21,463	-8,708	1,374	1,051	-323
Total	109,191	84,251	-24,940	113,944	91,759	-22,185



(¥ billion)

(1) Cash flow from operating activities	256.6
(2) Cash flow from financing activities	-270.4
(3) Cash flow from investing activities	10.9



At the beginning of FY2009 (April, 2009)

* Repayment of short-term debts shows net amount after offsetting short-term debts.

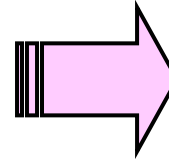
At the end of FY2009 (March 2010)

3. Adoption of Consensual Business Revitalization Plan





- (1) A huge expense as the result of continuing increase in Interest Repayment Claims
- (2) Administrative sanction from the Japanese Financial Service Agency in April 2006
- (3) Insufficiency of global financial marketing



Weakening fundraising capability

“In addition, the influence of the new legislation remained a serious concern”

Sep. 24, 2009 Application to start ADR process for business revitalization

Reasons for selecting ADR process

1. Ensure a continued provision of services to AIFUL's customers
2. Drastic improvement in financial base
3. Early achievement of business restructuring

Dec. 24, 2009 Approval of ADR process for business revitalization



1. Basic Policy

1. Reduce asset size to a level commensurate with the current availability of financing

2. Reduce costs in accordance with decrease in business scale and earnings

(1) Sales of 4 consumer finance subsidiary (September 30, 2009)

(2) Consolidation of Network of Sales branches

i) AIFUL: 99 staffed branches (as of March 31, 2009) scaled back to 28 as of March 31, 2010

854 unstaffed branches (as of March 31, 2009) scaled back to 637 as of March 31, 2010

ii) LIFE: 11 branch offices (as of March 2009) were closed by December 31, 2009

15 LIFE card branches (as of March 31, 2009) were reduced to 2 branches as of March 31, 2010

iii) Personnel reduction by offering voluntary retirement

a. AIFUL: 2,525 employees (as of March 31, 2009) reduced to 1,191 (as of March 31, 2010)

b. LIFE: 1,449 employees (as of March 31, 2009) reduced to 1,039 (as of March 31, 2010)

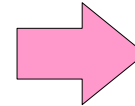
3. Group restructuring such as withdrawal from unprofitable business

(Refocus the management resources for consumer finance businesses operating under the “AIFUL” brand and credit card businesses operating under “LIFE” brand.



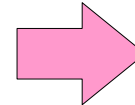
2. Policy of consumer finance business (AIFUL)

- Development of new scoring model in response of Restriction on total lending
- Development of new product



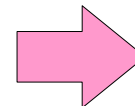
Increase in low risk and trusted customers

- To base least number of staffed branches and collection divisions in necessary area
- Low cost performance through unstaffed branches



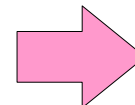
Strengthen our competitiveness

- Decrease in staffed branches from 100 to 30 (executed)
- Decrease in unstaffed branches from 900 to 650 (executed)
- Personnel reduction by offering voluntary retirement (executed)



Efficient management due to cost reduction

- Operation of a least required staffed branches
- Increase in number of staff for negotiation settlement of interest refund claim

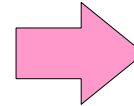


Strengthen the correspondence of interest repayment and debt collection



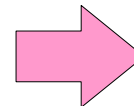
3. Policy of Credit card business (LIFE)

- Alliance cancellation of expected insufficient affinity cards
- Conversion of quality customers to affinity cards



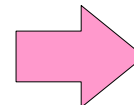
Improvement in earnings

- Offer services, mainly point earning system
- Promotion to increase usage volume of cards



Increase in portfolio of quality customer

- Closure of all 11 LIFE branch offices (executed)
- Closure of 13 LIFE card branches (executed)
- Personnel reduction through offering voluntary retirement (executed)



Efficient management due to cost reduction



1. Description of the relevant credit obligations

1. Participating creditors

“Financial institutions which hold loans or joint/multiply guaranteed credit to AIFUL, LIFE, Maruto and City’s. (Bonds are excluded from ADR procedure.)”

2. Number of participating creditors, loan and guarantee amount, etc.

(At the end of March, 2010)

Borrower	Number of creditor	Amount(billion)	Note
AIFUL	51	188.6	Loans
LIFE	28	83.4	Loans
MARUTO	1	—	Joint and several guaranteed credit
City's	1	—	Joint and several guaranteed credit
TOTAL	67(※)	272.1	—

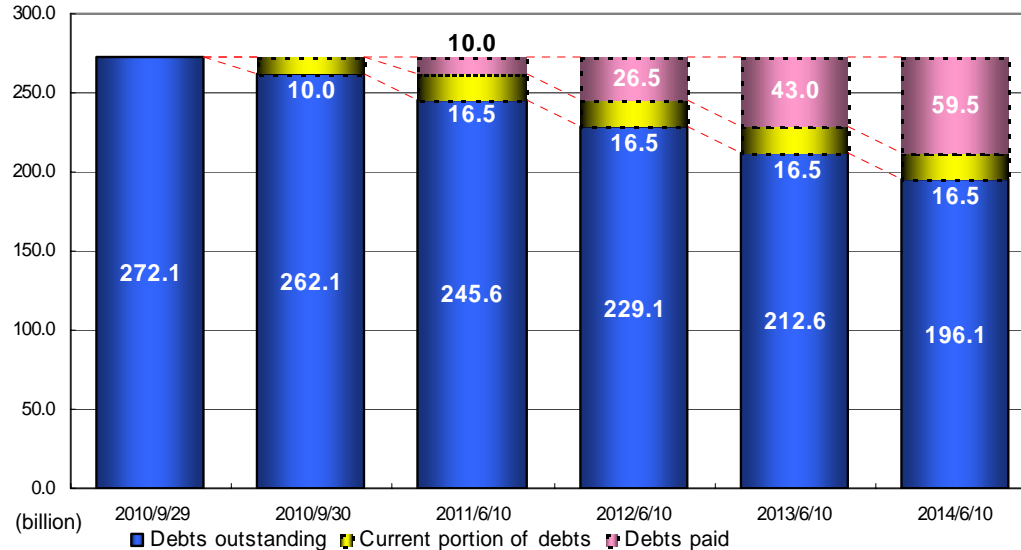
*The total number of lenders is 67 in gross: some of the lenders were used more than once.

*There were 65 cases when the ADR process for business revitalization was established, but there were 67 as of the end of March 2010 due to the sale of claims.



2. Payment method

(1) Rescheduling of relevant credit obligations



Ordinary payment schedule

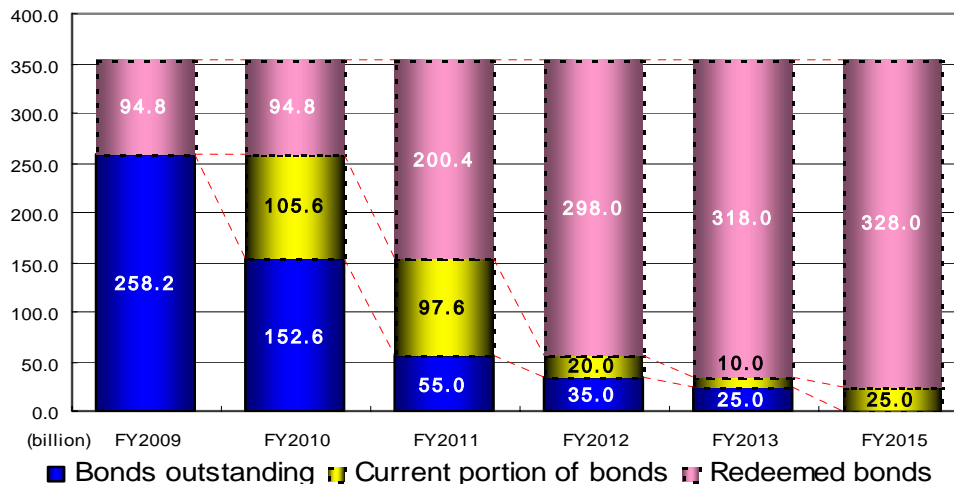
- Sep. 30, 2010: ¥10.0 billion
- Jun. 10, 2011: ¥16.5 billion
- Jun. 10, 2012: ¥16.5 billion
- Jun. 10, 2013: ¥16.5 billion
- Jun. 10, 2014: ¥16.5 billion

Total: ¥76.0 billion

➤ Besides rescheduled payment amount, capital gains from guaranteed assets such as real estate and securities are planned to be added to the repayment amount.

➤ For the remaining amount after the Business Revitalization Plan, we plan to receive refinancing by no later than Jul. 10, 2014 or to make a proposal to the participating creditors regarding the payment method in the period after Jul. 10, 2014, and to reach an agreement thereon.

(2) Redemption schedule for bonds



Annual redemption amount

- FY 2009: ¥94.8 billion (redeemed)
- FY 2010: ¥105.6 billion (incl. ¥10 billion redeemed)
- FY 2011: ¥97.6 billion
- FY 2012: ¥20.0 billion
- FY 2013: ¥10.0 billion
- FY 2015: ¥25.0 billion



Expected consolidated balance sheet

			2009/3	(¥ billion)	
				2015/3(E)	
Consolidated	B/ S	Total Assets	1,102.4	490	
		Loans Outstanding	771.3	260	
		Total liabilities	1,006.3	370	
		Current liabilities	349.7	140	
		Long-term liabilities	656.6	230	
		Net asset	96.0	120	
	P/ L	Operating revenue	209.2	70	
		Interest on loans to customers	161.8	40	
		Operating expenses	475.3	60	
		Ordinary income	-265.9	10	

*Results are at the point the Business Restructuring plan was made.

*BUSINEXT is excluded from the Business Restructuring plan because it is not included in ADR procedure.

- Due to the greatly reduced assets, total assets is expected to be ¥500 billion by 2015/3, more than half of current.
- Ensure a stronger base for earning performance, adapted to the changes in the operating environment, by building up superior receivables
- During the planned period, stable ordinary income is expected due to the decrease in operating expenses, even though operating revenue will decrease due to restrictions on total lending.

4. Financial Results of LIFE



LIFE's profit/loss statement (based on receivables outstanding)

(¥ million)	2009/3 (12M)	2010/3 (12M)	YOY	YOY%
Installment receivable	21,611	19,954	-1,657	92.3%
Loans	67,154	41,265	-25,889	61.4%
Credit guarantee	3,384	2,898	-486	85.6%
Other financial revenue	154	99	-55	64.3%
Other operating revenue	8,051	9,152	1,101	113.7%
Operating revenue	100,355	73,370	-26,985	73.1%
Financial expenses	9,086	6,399	-2,687	70.4%
Credit cost	32,232	35,381	3,149	109.8%
Provision of allowance for losses or interest repayment	7,767	16,362	8,595	210.7%
Other operating expenses	48,821	38,057	-10,764	78.0%
Operating expenses	97,907	96,199	-1,708	98.3%
Operating income (loss)	2,448	-22,829	-25,277	-
Ordinary income (loss)	2,644	-22,148	-24,792	-
Extraordinary income	50	1,302	1,252	-
Extraordinary expenses	1,297	5,237	3,940	403.8%
Net income (loss) before taxes	1,398	-26,083	-27,481	-
Income taxes	-340	196	536	-57.6%
Adjustment on corporate tax, etc.	1,520	1,470	-50	96.7%
Net income (loss)	217	-27,749	-27,966	-

LIFE's balance sheet

(¥ million)	2009/3 results	2010/3 results	YOY	(¥ million)	2009/3 results	2010/3 results	YOY
Cash and cash equivalents	20,908	16,833	-4,075	Acceptances and guarantees	64,038	54,903	-9,135
Loans	283,650	190,797	-92,853	Accounts payable-trade	24,652	19,569	-5,083
Installment receivables	150,600	133,916	-16,684	Short-term debts	62,140	50,080	-12,060
Customers' liabilities for acceptances and guarantees	64,038	54,903	-9,135	Current portion of long-term debts	49,777	188	-49,589
Deferred tax assets	1,270	0	-1,270	Reserve for business structure improvement	-	1,014	1,014
Others	20,910	19,580	-1,330	Other	51,759	30,825	-20,934
Allowance for bad debts	-39,978	-34,863	5,115	Total current liabilities	252,366	156,579	-95,787
Total current assets	501,398	381,166	-120,232	Long-term debts	146,309	155,435	9,126
Tangible fixed assets	6,853	6,108	-745	Reserve for loss on interest repayments	28,300	36,600	8,300
Intangible fixed assets	8,967	7,884	-1,083	Other	1,957	1,758	-199
Investment and other fixed assets	3,115	19,072	15,957	Total long-term liabilities	176,567	193,793	17,226
Total fixed assets	18,937	33,065	14,128	Total liabilities	428,933	350,373	-78,560
Total assets	520,335	414,231	-106,104	Common stock	70,000	70,000	0
				Capital surplus	262	262	0
				Retained earnings	21,229	-6,520	-27,749
				Total shareholders equity	91,491	63,741	-27,750
				Total evaluation and foreign currency translation adjustments	-89	116	205
				Total net assets	91,401	63,858	-27,543
				Total net assets and liabilities	520,335	414,231	-106,104

	2009/3	2010/3	2011/3(E)		
			YoY (%)	YoY (%)	
Bad debt write-offs (¥ million)	43,064	38,716	-10.1	29,944	-22.6
Main business *1	40,243	36,411	-9.5	27,563	-24.3
Credit card	21,298	19,033	-10.6	15,508	-18.5
Installment sales finance	2,370	2,609	+10.0	1,076	-58.7
LCP (unsecured consumer loans)	16,574	14,768	-10.9	10,979	-25.6
Other	2,820	2,304	-18.3	2,381	+3.3
Ratio of bad debt charge-offs (%) *2	7.55	9.44	+1.89	10.33	+0.9
Credit card	6.29	7.55	+1.26	8.72	+1.18
Installment sales finance	7.02	18.83	+11.82	18.32	-0.51
LCP (unsecured consumer loans)	13.36	18.44	+5.08	21.36	+2.92
Ratio of allowance for bad debts (%)	7.01	8.50	+1.49	7.62	-0.87

*1 Main business: Credit card shopping, installment sales finance, LIFE Cash Plaza (LCP; unsecured consumer loans), and loan guarantees.

*2 Effective from the fiscal year ending March 2009, the company has changed the method of calculating deemed write-offs and the allowance for bad debts. As a result, only receivables that fulfill the criteria for bad debt write-offs will be recorded as the amount written off, and an amount equivalent to receivables that are expected to be collected by the end of the period will be recorded.

LIFE's financial results

	2009/3	2010/3	2011/3		
			YOY (%)	(E)	YOY (%)
Number of new issue (Thousands)	1,440	731	-49.2	1,275	74.4
LIFE proper card	264	103	-61.0	821	697.1
Affinity cards	1,175	627	-46.6	455	-27.4
Number of cardholders (Thousands)	15,252	12,718	-16.6	7,569	-40.5
LIFE proper card	2,239	2,219	-0.9	2907	31.0
Affinity cards	13,012	10,499	-19.3	4,662	-55.6
Credit card purchase (¥ million)	963,926	863,975	-10.4	606,399	-29.8
Credit card shopping	775,779	796,376	2.7	551,374	-30.8
Credit card cashing	188,147	67,599	-64.1	55,025	-18.6
Total receivable outstanding* (¥ million)	570,668	410,315	-28.1	289,817	-29.4
Installment receivable	170,553	135,852	-20.3	89,978	-33.8
Operating loans	327,493	211,632	-35.4	146,034	-31.0
Guarantees	64,038	54,903	-14.3	46,694	-15.0
Other	8,582	7,926	-7.6	7,112	-10.3
Number of member stores	106,542	106,956	0.4	-	-

* Managed asset basis

5. Explanation of Figures



Breakdown of Consolidated Operating Revenue



(¥ million)	2010/3	YOY	YOY (%)	Reason for increase / decrease
Operating revenue	218,102	-94,139	-30.2%	
Interest income	170,662	-93,135	-35.3%	Further tightened credit and restrained lending in response to changes in the domestic and international business environment. As a result, loans outstanding fell ¥477.4 billion over the previous year.
AIFUL	113,069	-54,346	-32.5%	Unsecured: ¥92.8 billion (down ¥47.4 billion) Secured: ¥18.3 billion (down ¥4.2 billion) Small business: ¥1.8 billion (down ¥1.0 billion)
LIFE	41,163	-25,265	-38.0%	Credit card cash advances: ¥24.9 billion (down ¥14.4 billion) Loan card: ¥16.1 billion (down ¥10.7 billion)
BUSINEXT	8,806	-1,640	-15.6%	Balance of loans down 13%. Lending curbed in view of recent business sentiment at small and medium-size enterprises.
City's	4,075	-3,633	-47.1%	Focusing on collection
Consumer finance subsidiary	3,547	-5,962	-62.6%	Sale of subsidiary (TRYTO, WIDE, TCM, Passkey) on Sep. 30, 2009
Credit card revenue	17,824	943	5.6%	
Revenue from per-item installment sales	1,726	-1,904	-52.5%	Reduction due to rigorous screening of member store
Credit guarantee revenue	7,034	-986	-12.3%	AIFUL: ¥4.1 billion (down ¥0.5 billion) LIFE ¥2.8 billion (down ¥0.5 billion)
Other operating revenue	20,855	943	4.7%	
Bad debt write-off recovery	11,252	3,996	55.1%	AIFUL: ¥7.2 billion (up ¥3.0 billion); LIFE: ¥3.5 billion (up ¥1.3 billion)
Collection of purchased claims	3,205	-2,006	-38.5%	Due to increase in claims purchased at AsTry Loan Services

Breakdown of Consolidated Operating Expenses



(¥ million)	2010/3	YOY	YOY (%)	Reason for increase / decrease
Operating expenses	483,358	178,559	58.6%	Although expenses decreased as a result of structural reforms to cost, AIFUL transferred ¥257.3 billion to the allowance for losses on interest repayments (including debt write-off resulting from interest repayments) in light of the high levels of requests for interest repayment. As a result, operating costs increased.
Financial expenses	18,376	-8,541	-31.7%	Decline due to fall in balance of fund procurement accompanying drop in balance of operating receivables
Cost of claims purchasing	6,060	2,240	58.6%	Tied to AsTry Loan Service collections of claims purchased
Credit costs	166,252	67,007	67.5%	AIFUL: up ¥59.8 billion, LIFE; up ¥3.1 billion
Return of interest repayments	206,886	148,571	254.8%	AIFUL: up ¥136.9 billion, LIFE; up ¥8.6 billion
Advertising expenses	2,211	-4,503	-67.8%	AIFUL: down ¥2.5 billion, LIFE: down ¥2.7 billion Due to tightened credit and restrained lending
Point reserves	1,456	-	-	LIFE's point reserves (which have been posted under advertising expenses)
Personnel expenses	28,325	-11,099	-28.2%	AIFUL: down ¥5.5 billion, LIFE: down ¥3.3 billion, Other: down ¥3.0 billion Due to personnel cuts and reduction in overtime
Other expenses	53,792	-11,304	-19.4%	Due to reductions in various costs accompanying progress of cost structure reforms
Commission	16,441	-4,161	-20.2%	AIFUL: down ¥1.5 billion, LIFE: down ¥2.2 billion Due to reduction in number of accounts and branches
Rental expenses & land rent	6,803	-2,736	-28.7%	AIFUL: down ¥1.4 billion, LIFE: up ¥0.6 billion Decrease in rent for branches resulting from decrease in number of branches
Supplies, repair and maintenance	4,720	-1,767	-27.2%	AIFUL: down ¥0.8 billion, LIFE: down ¥0.7 billion
Communications	6,454	-773	-10.7%	LIFE: down ¥0.6 billion
Depreciation expenses	9,210	-1,988	-17.8%	AIFUL: down ¥1.6 billion Decrease resulting from elimination and sale of unnecessary assets
Operating income	-265,255	-272,696	-	

Breakdown of Consolidated Non-operating Income



(¥ million)	2010/3	YOY	YOY (%)	Reason for increase / decrease
Non-operating income	1,364	-413	-23.2%	¥0.5 billion in exchange gains on Mastercard security deposits and foreign currency deposits
Non-operating expenses	284	-326	-53.4%	
Ordinary income	-264,176	-272,784	-	
Extraordinary income	2,138	-4,281	-66.7%	¥1.1 billion in gains on sales of investment securities, ¥0.5 billion in the return of reserve for accrued bonuses
Extraordinary losses	27,392	20,080	274.6%	
Loss on transfer of business	6,141	6,141	-	Loss resulting from the sale of four consumer finance subsidiaries (loans and net income/loss)
Business reconstruction expenses	11,826	10,227	639.6%	¥8.8 billion in special retirement payments, ¥1.5 billion loss on branch closures, and ¥1.3 billion in other
Provision of allowance for business reconstruction	1,323	1,018	333.8%	
Loss on sale of fixed assets	639	-310	-32.7%	
Loss on valuation of investment securities	84	-307	-78.5%	
Net income (loss) before taxes	-289,430	-297,145	-	
Corporate tax, local and enterprise taxes	263	7,144	-103.8%	AIFUL posted ¥7.1 billion in refund of prior-year corporation taxes in 2009
Adjustment on corporate tax, etc.	7,368	-2,819	-27.7%	¥6.7 billion to match deferred tax assets
Gain (loss) on minority interests	-1,920	-2,082	-	
Net income	-295,141	-299,388	-	

Breakdown of Consolidated Forecast: Operating Revenue



(¥ million)	2011/3 (E)	YOY	YOY (%)	Reason for increase / decrease
Operating revenue	140,832	-77,270	-35.4%	Reduction in loans outstanding due to restrained lending and drop in interest rates
Interest on loans to customers	102,103	-68,559	-40.2%	
AIFUL	69,646	-43,423	-38.4%	Unsecured: ¥55.4 billion (down ¥37.4 billion) Secured: ¥13.0 billion (down ¥5.3 billion) Small business: ¥1.1 billion (down ¥0.6 billion)
LIFE	22,094	-19,069	-46.3%	Credit card cash advances: ¥13.0 billion (down ¥11.8 billion) Loan card: ¥9.2 billion (down ¥6.9 billion)
BUSINEXT	7,684	-1,122	-12.7%	Lending curbed in view of recent business sentiment at small- and medium-sized enterprises
City's	2,678	-1,425	-34.7%	
Credit card revenue	11,997	-5,827	-32.7%	LIFE credit card shopping purchases expected to be down 30% as a result of the dissolution of affiliated cards
Revenue from per-item installment sales	506	-1,220	-70.7%	Reduction due to rigorous screening of member store
Credit guarantee revenue	5,943	-1,091	-15.5%	AIFUL: ¥3.5 billion (down ¥0.6 billion) LIFE ¥2.4 billion (down ¥0.4 billion)
Other operating revenue	20,208	-503	-2.4%	
Bad debt write-off recovery	11,163	-89	-0.8%	AIFUL: ¥6.7 billion (down ¥0.3 billion) LIFE ¥4.2 billion (up ¥0.6 billion)
Collection of purchased claims	3,493	288	9.0%	

Breakdown of Consolidated Forecast: Operating Expenses



(¥ million)	2011/3 (E)	YOY	YOY (%)	Reason for increase / decrease
Operating expenses	128,915	-354,443	-73.3%	
Financial expenses	12,005	-6,371	-34.7%	Decline due to fall in borrowings accompanying falling balance of operating loans
Cost of purchased claims	2,424	-3,636	-60.0%	
Credit costs	47,499	-118,753	-71.4%	Waiver of principal accompanying interest repayment claims are covered by appropriating funds from the reserves Bad debt losses: ¥71.2 billion (consolidated), ¥69.1 billion (non-consolidated)
Return of interest repayments	-	-	-	Liquidation of reserves Interest repayments: ¥70.3 billion (consolidated), ¥55.9 billion (non-consolidated)
Advertising expenses	1,467	-744	-33.6%	Invested in efficient advertising
Personnel expenses	19,560	-8,765	-30.9%	Decrease in personnel as a result of voluntary retirement in the previous fiscal period
Operating income	11,917	277,172	-	
Ordinary income	12,330	276,506	-	
Extraordinary income	936	-1,202	-56.2%	¥1.1 billion in gains on sales of investment securities and ¥0.5 billion in the return of reserves for accrued bonuses posted in the previous fiscal period
Extraordinary loss	10,163	-17,229	-62.9%	Provision of allowance for business reconstruction: ¥1.5billion Impairment asset: ¥1.8billion Affinity cancellation fee : ¥2.5billion, etc.,
Net income before taxes	3,103	292,533	-	
Corporate tax, local and enterprise taxes	142	-121	-46.0%	
Adjustment on corporate tax, etc.	-	-7,368	-	
Gain on minority interests	139	2,052	-	
Net income	2,821	297,962	-	