



First Quarter Financial Results for the Fiscal Year ending March 2011

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

August 11, 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: spokesperson@aiful.co.jp

First Quarter Financial Results (1): Consolidated Summary



(¥ million)	09/6	10/6			11/3(E)
			YOY	YOY%	
Operating Revenue	64,467	42,846	-21,621	-33.5%	140,832
Interest Income	51,744	31,289	-20,455	-39.5%	102,103
Operating Expenses	60,786	39,431	-21,355	-35.1%	128,915
Financial Expenses	5,610	3,325	-2,284	-40.7%	12,005
Credit Cost	27,393	15,671	-11,722	-42.8%	47,499
Expenses for Interest Repayments	2,558	3,019	461	18.0%	-
Other Operating Expenses	24,603	16,516	-8,087	-32.9%	66,853
Operating Income	3,680	3,414	-265	-7.2%	11,917
Ordinary Income	3,950	2,947	-1,002	-25.4%	12,330
Extraordinary Income	1,803	779	-1,024	-56.8%	936
Extraordinary Loss	398	1,589	1,190	298.9%	10,163
Income before Income Taxes	5,355	2,137	-3,217	-60.1%	3,103
Net Income	4,940	2,127	2,813	-56.9%	2,821


(Unit: billions of yen)

Total Receivable Outstanding *	1,515	1,010	-505	-33.3%	799.8
Loans Outstanding	1217	784	-432	-35.5%	613.4
LIFE: Installment Receivable	170	118	-52	-30.8%	89.9
Credit guarantee and Other	127	107	-20	-15.7%	96.4
Customer Accounts (thousands)	2,481	1,845	-63.6	-25.6%	-

* Managed Asset Basis

First Quarter Financial Results (2): Summary of AIFUL



 アイフル (¥ million)	09/6	10/6			11/3 (E)
			YOY	YOY%	
Operating Revenue	36,398	24,630	-11,768	-32.3%	80,421
Interest Income	33,324	21,470	-11,853	-35.6%	69,646
Operating Expenses	35,500	22,195	-13,305	-37.5%	73,775
Financial Expenses	4,299	2,359	-1,939	-45.1%	8,261
Credit Cost	19,407	11,626	-7,780	-40.1%	32,201
Bad debt write-offs	27,156	21,738	-5,418	-20.0%	69,150
Expenses for Interest Repayments	-	-	-	-	-
Interest Repayments	16,956	17,442	486	2.9%	55,945
Other Operating Expenses	11,794	8,209	-3,584	-30.4%	33,230
Operating Income	897	2,434	1,536	171.2%	6,647
Ordinary Income	2,351	3,286	935	39.8%	9,259
Net Income	3,501	1,918	-1,582	-45.2%	3,938

(Unit: billions of yen)

Total Receivable Outstanding	824	552	-272	-33.0%	434
Loan Outstanding	767	505	-262	-34.2%	391
Unsecured Loan	585	385	-199	-34.1%	292
Customer Accounts (thousands)	1,274	997	-277	-21.8%	846
Unsecured Loan	1,208	948	-259	-21.5%	807
Average Yield	16.6%	16.3%	-0.3%	-	14.7%
Below 18% unsecured loan balance's occupancy rate	46.8%	53.5%	-	-	-



◆ Contract rate of Unsecured loans

	FY 2009				FY 2010	
	1Q(3M)	2Q(3M)	3Q(3M)	4Q(3M)	1Q(3M)	YOY%
New Applications	63,495	65,934	52,936	54,317	57,624	-9.2%
New Accounts	11,585	12,704	11,133	16,335	17,951	+55.0%
Contract Rate	18.2%	19.3%	21.0%	30.1%	31.2%	+12.9%

◆ Composition of Unsecured loans Outstanding according to the number of other lending company usage*

	09/3	09/6	10/3	10/6	YOY
Average	2.04	2.00	1.93	1.93	-0.07
No loans from other companies	20.5%	21.2%	21.1%	20.7%	-0.5%
Usage of other companies: 1	21.3%	21.7%	24.3%	24.9%	+3.2%
Usage of other companies: 2	20.1%	20.0%	20.1%	20.3%	+0.3%
Usage of other companies: 3	18.4%	18.1%	17.0%	16.7%	-1.4%
Usage of other companies: 4 or more	19.7%	19.0%	17.6%	17.4%	-1.6%


◆ New applicants Ratio of Other lending company usage

	09/3 (12M)	09/6 (3M)	10/3 (12M)	10/6 (3M)	YOY
	1.24	0.87	1.11	1.45	+0.58
	34.7%	42.9%	35.8%	27.5%	-15.4%
	28.5%	34.8%	32.5%	27.8%	-7.0%
	20.0%	15.4%	19.8%	23.0%	+7.6%
	11.9%	5.4%	8.9%	15.4%	+10.0%
	4.8%	1.4%	2.9%	6.2%	+4.8%


*Branches-balance base

First Quarter Financial Results (3): Summary of LIFE and Businext




 (¥ million)	09/6	10/6			11/3 (E)
			YOY	YOY%	
Operating revenue	21,630	14,292	-7,337	-33.9%	46,709
Operating expenses	21,519	14,011	-7,507	-34.9%	45,635
Credit cost	5,618	2,765	-2,853	-50.8%	11,207
Expenses for Interest repayments	2,974	2,763	-211	-7.1%	-
Operating income	110	280	170	153.8%	1,074
Ordinary income	142	-387	-529	-	1,065
Extraordinary income	1,224	315	-908	-74.2%	496
Extraordinary losses	45	88	43	93.7%	3,515
Net income	931	35	-896	-96.2%	-2,019

*Outstanding: Managed Assets Basis

 (¥ million)	09/6	10/6			11/3 (E)
			YOY	YOY%	
Operating Revenue	2,379	2,031	-348	-14.6%	7,790
Ordinary Income	-40	97	137	-	581
Net Income	-60	77	137	-	556
Loans outstanding	71,431	62,874	-8,557	-12.0%	57,753
Customer accounts (thousands)	38	33	-5	-11.4%	31
Average interest rate (%)	14.2%	14.0%	-0.2%	-	14.1%

First Quarter Financial Results (3): Summary of Operating Results of LIFE



 (¥ million)	09/6	10/6	YOY%	11/3 (E)
Number of new issue (thousands)	371	147	-60.3%	1,275
Proper	49	21	-57.2%	821
Affinity	322	126	-60.8%	455
Number of card holders (thousands)	15,375	12,480	-18.8%	7,569
Proper	2,258	2,181	-3.4%	2,907
Affinity	13,117	10,299	-21.5%	4,662
Credit card purchase results	224,189	151,234	-32.5%	606,399
Shopping	198,220	137,893	-30.4%	551,374
Cashing	25,968	13,341	-48.6%	55,025
Total receivable outstanding *	541,370	371,315	-31.4%	289,817
Installment receivable	170,881	118,283	-30.8%	89,978
Loans	299,631	192,261	-35.8%	146,034
Credit guarantee	62,175	52,905	-14.9%	46,694
Other	8,681	7,864	-9.4%	7,112
Member merchant	106,633	106,958	325	-
Average yield	15.7%	14.7%	-0.9%	13.4%

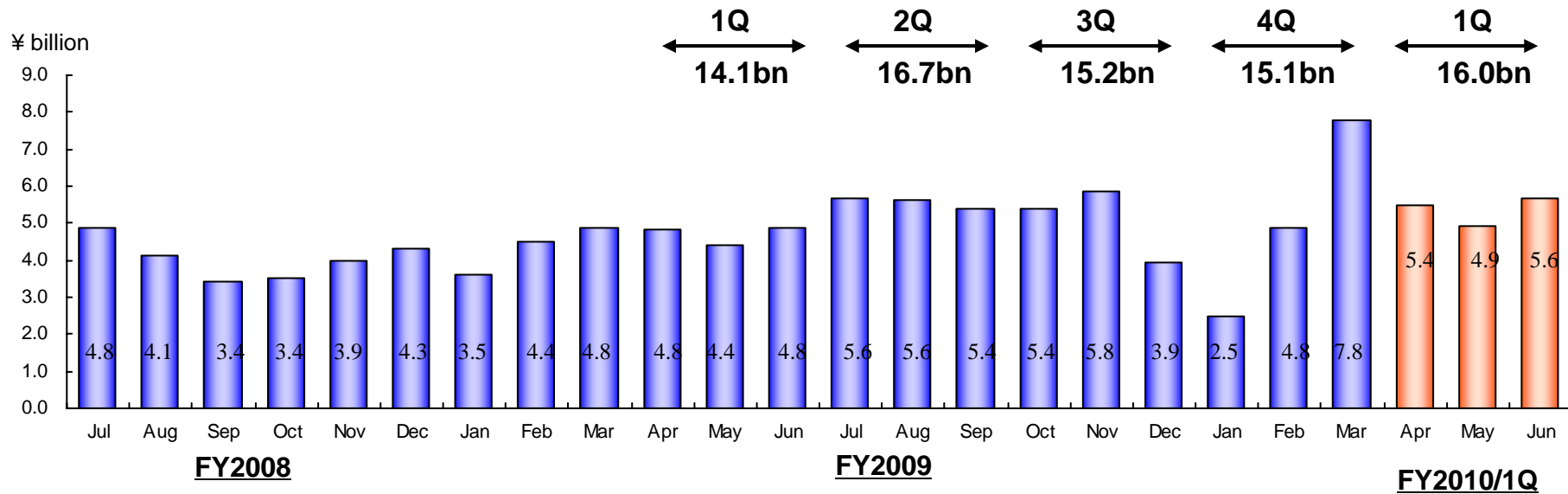
* Managed Asset Basis



◆ Breakdown of losses due to Interest Repayment

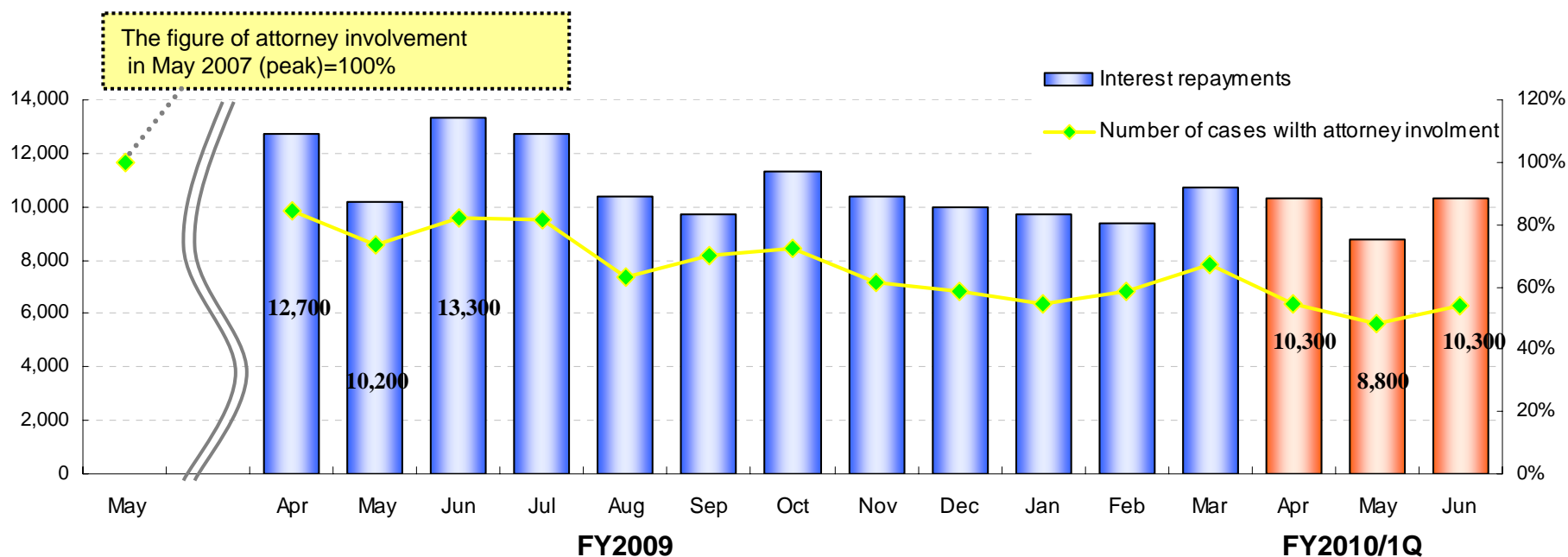
(¥ million)										11/3 (E)
		10/3 (12M)	09/6 (3M)	09/9 (3M)	09/12 (3M)	10/3 (3M)	10/6 (3M)	YOY%	QOQ	
Consolidated	Interest Repayment	77,701	21,234	17,607	16,893	21,967	21,669	+2.0%	-1.4%	64,349
	Waiver of principal	65,317	16,375	18,378	16,163	14,401	13,728	-16.2%	-4.7%	33,744
Non-consolidated	Interest Repayment	64,024	16,956	13,347	14,822	18,899	17,442	+2.9%	-7.7%	55,944
	Waiver of principal	53,756	13,331	14,695	14,206	11,524	11,205	-15.9%	-2.8%	26,784

◆ Monthly Interest Repayments (Cash out basis) : Non-consolidated





The figure of attorney involvement & Interest repayments on non-consolidated basis



Allowance on losses for Interest repayment:

1. Consolidated

(¥ million)	Interest repayment	Waiver of principal	Total
Allowance at the end of the FY 2009	237,909	76,990	314,899
Reversal (Interest repayment)	21,669	-	21,669
Reversal (Waiver of principal)	2,256	11,472	13,728
Provisions	3,019	6,245	9,265
Allowance at end of the FY2010 1Q	217,002	71,764	288,767

2. Non-Consolidated

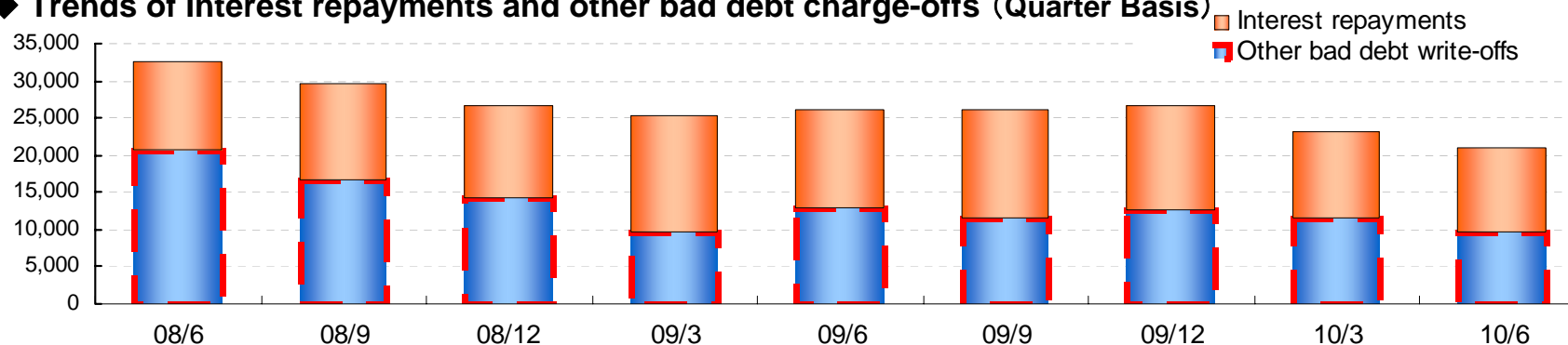
Interest repayment	Waiver of principal	Total
197,160	74,094	271,254
17,442	-	17,442
-	11,205	11,205
-	6,245	6,245
179,718	69,134	248,852



◆ Write-offs ratio and Write-offs

(%; ¥ millions)	09/6 (3M)	10/3 (12M)	10/6 (3M)	YOY	11/3(E) (12M)
Consolidated	2.40%	14.23%	2.75%	+0.35%	12.65%
Non-consolidated	3.79%	19.10%	4.22%	+0.43%	17.97%
Total Write-offs	29,127	115,159	23,323	-19.9%	70,354
Write-offs	26,221	102,383	20,958	-20.1%	66,478
Loans outstanding	767,894	553,476	505,419	-34.2%	391,456

◆ Trends of Interest repayments and other bad debt charge-offs (Quarter Basis)

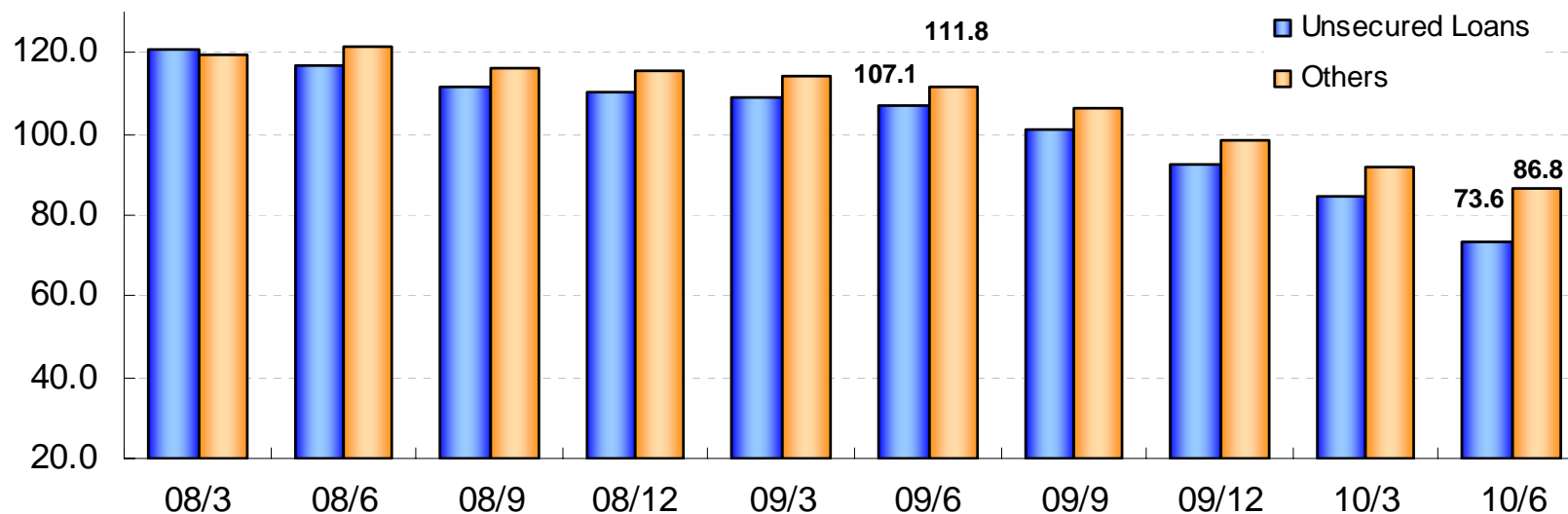


(¥ million)	09/6 (3M)	10/3 (12M)	10/6 (3M)	YOY%	11/3(E) (12M)
Waiver of principal related to Interest repayment	13,331	53,756	11,205	-15.9%	26,784
Other bad debt write-offs	12,890	48,627	9,753	-24.3%	39,693
Total	26,221	102,383	20,958	-20.1%	66,478



◆ Trends of NPL defined by FSA

(¥ billion)



(¥ millions)	Unsecured loans			Others		
	09/6	10/6	YOY%	09/6	10/6	YOY%
Claims in Bankruptcy	1,918	1,367	-28.7%	36,350	42,693	+17.4%
Loans in arrears	63,365	46,583	-26.5%	71,319	40,906	-42.6%
Loans in arrears longer than 3 months	13,611	6,574	-51.7%	2,901	1,733	-40.2%
Loans with adjusted terms	28,291	19,104	-32.5%	1,305	1,514	+16.0%
Total	107,186	73,629	-31.3%	111,877	86,848	-22.4%

