



Financial Results for the Fiscal Year ended March 2011

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

May 2011

- 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

1. Financial Results Summary






(¥ million)	10/3	11/3			12/3(E)
			YOY	YOY%	
Operating revenue	218,102	144,961	-73,140	-33.5%	-
Interest income	170,662	103,784	-66,878	-39.2%	-
Operating expenses	483,358	169,099	-314,258	-65.0%	-
Financial expenses	18,376	11,828	-6,547	-35.6%	-
Credit cost	166,252	65,040	-101,212	-60.9%	-
Expenses for Interest repayments	206,886	27,211	-179,675	-86.8%	-
Other operating expenses	85,719	61,880	-23,839	-27.8%	-
Operating income	-265,255	-24,137	241,117	-	-
Ordinary income	-264,176	-24,945	239,230	-	-
Extraordinary income	2,138	2,528	390	18.3%	-
Extraordinary losses	27,392	10,607	-16,784	-61.3%	-
Net income before taxes	-289,430	-33,023	256,406	-	-
Net income	-295,141	-31,935	263,205	-	-
Total Receivable outstanding *	1,105,056	768,341	-336,714	-30.5%	-
Loans outstanding	856,762	594,527	-262,235	-30.6%	-
LIFE: Installment receivable	135,852	80,990	-54,862	-40.4%	-
Credit guarantee	100,152	82,133	-18,018	-18.0%	-
Customer accounts (thousands)	1,966	1,515	-451	-23.0%	-

* Managed Asset Basis


Financial Results (2): Summary of AIFUL




 (¥ million)	10/3	11/3			12/3(E)
			YOY	YOY%	
Operating revenue	124,793	86,223	-38,560	-30.9%	-
Interest income	113,069	74,020	-39,049	-34.5%	-
Operating expenses	356,316	83,197	-273,118	-76.7%	-
Financial expenses	13,799	8,137	-5,661	-41.0%	-
Credit cost	125,177	44,812	-80,365	-64.2%	-
Bad debt write-offs	105,771	78,641	-27,130	-25.6%	-
Expenses for Interest repayments	176,866	-	-176,866	-	-
Interest repayments	64,024	63,209	-815	-1.3%	-
Other operating expenses	40,473	30,202	-10,270	-25.4%	-
Operating income	-231,522	3,026	234,548	-	-
Ordinary income	-226,933	5,549	232,482	-	-
Extraordinary income	681	1,937	1,255	184.2%	-
Extraordinary losses	31,859	77,493	45,634	143.2%	-
Net income	-261,495	-70,169	191,326	-	-
Total Receivable outstanding	603,087	422,004	-181,083	-30.0%	-
Loan outstanding	553,476	381,368	-172,108	-31.1%	-
Customer accounts (thousands)	1,060	814	-245	-23.2%	-
Average yield	16.2%	15.8%	-0.4%	-	-
Below 18% unsecured loan balance's occupancy rate	50.0%	61.0%	11.0%	-	-

Financial Results (3): Summary of LIFE and Businext



 (¥ million)	10/3	11/3			12/3(E)
			YOY	YOY%	
Operating revenue	72,706	44,144	-28,562	-39.3%	-
Operating expenses	95,536	71,645	-23,891	-25.0%	-
Operating income	-22,829	-27,500	-4,671	-	-
Ordinary income	-22,148	-28,866	-6,718	-	-
Net income	-27,749	-31,147	-3,398	-	-
Loans outstanding	190,797	137,023	-53,774	-28.2%	-
Installment receivables	125,990	77,335	-48,654	-38.6%	-
Average yield (%)	14.6%	13.4%	-1.2%	-	-

*On-Balance

 (¥ million)	10/3	11/3			12/3(E)
			YOY	YOY%	
Operating revenue	8,888	7,799	-1,089	-12.3%	-
Operating expense	8,151	6,781	-1,370	-16.8%	-
Operating income	737	1,018	280	38.1%	-
Ordinary income	748	1,022	273	36.6%	-
Net income	-1,763	488	2,252	-	-
Loans outstanding	64,551	59,474	-5,076	-7.9%	-
Customer accounts (thousands)	34	31	-3	-10.4%	-
Average yield (%)	14.2%	13.9%	-0.3%	-	-

2. Business Environment

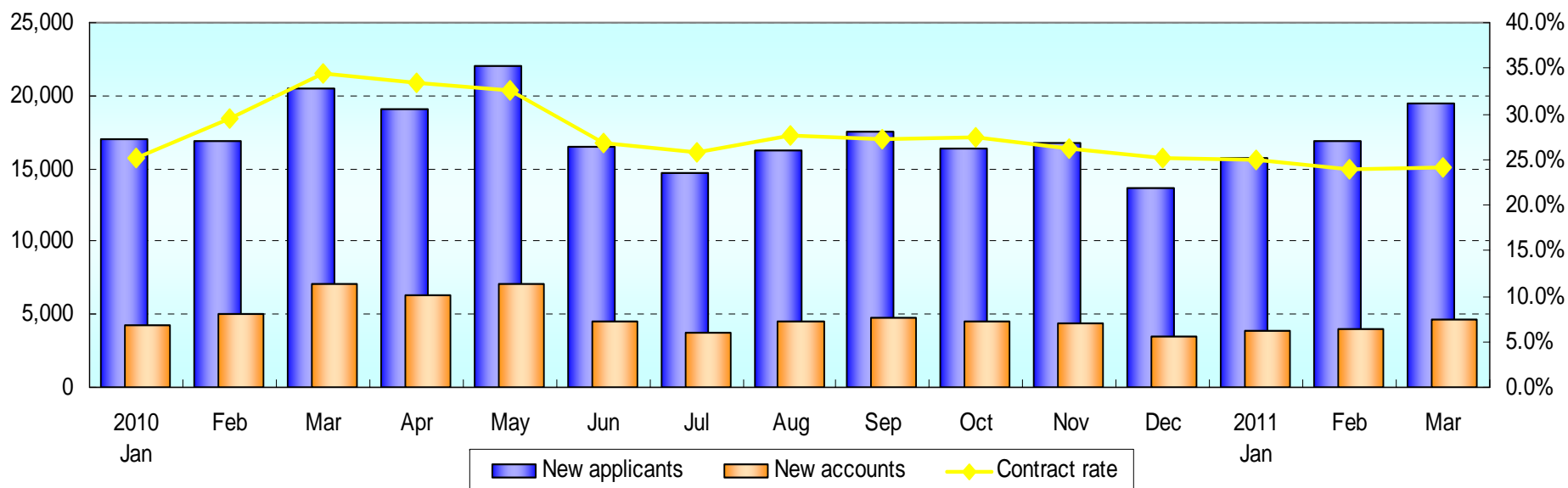




Contract rate and loan volume of Unsecured loans

	FY2009 (12M)					FY2010 (12M)					YOY
	1Q (3M)	2Q (3M)	3Q (3M)	4Q (3M)		1Q (3M)	2Q (3M)	3Q (3M)	4Q (3M)		
New applications	63,495	65,934	52,936	54,317	236,682	57,624	48,521	46,804	52,030	204,979	-13.4%
New accounts	11,585	12,704	11,133	16,335	51,757	17,951	13,076	12,319	12,640	55,986	8.2%
Contract rate	18.2%	19.3%	21.0%	30.1%	21.9%	31.2%	26.9%	26.3%	24.3%	27.3%	5.4%
Loans volume (¥ million)	16,587	11,956	9,931	13,205	51,679	20,226	16,634	17,028	18,741	72,629	40.5%

Trends of New applications, New accounts and Contract rate of Unsecured loan

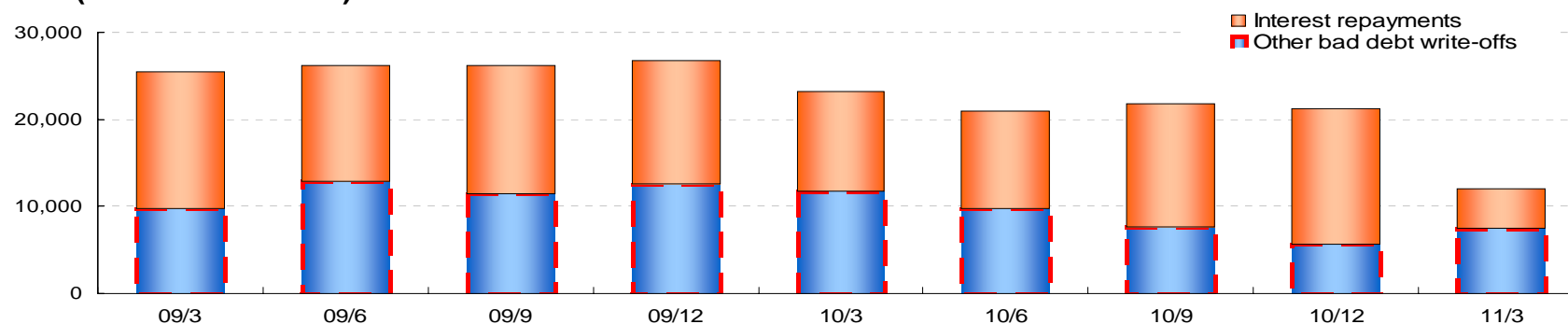




◆ Write-offs ratio and Write-offs

(%; ¥ million)	10/3	11/3	12/3(E)	
			YOY	YOY
Consolidated	14.23%	14.95%	0.72%	-
Non-consolidated	19.10%	19.98%	0.88%	-
Total Write-offs	115,159	84,320	-26.8%	-
Write-offs	102,383	76,046	-25.7%	-
Loans outstanding	553,476	381,368	-31.1%	-

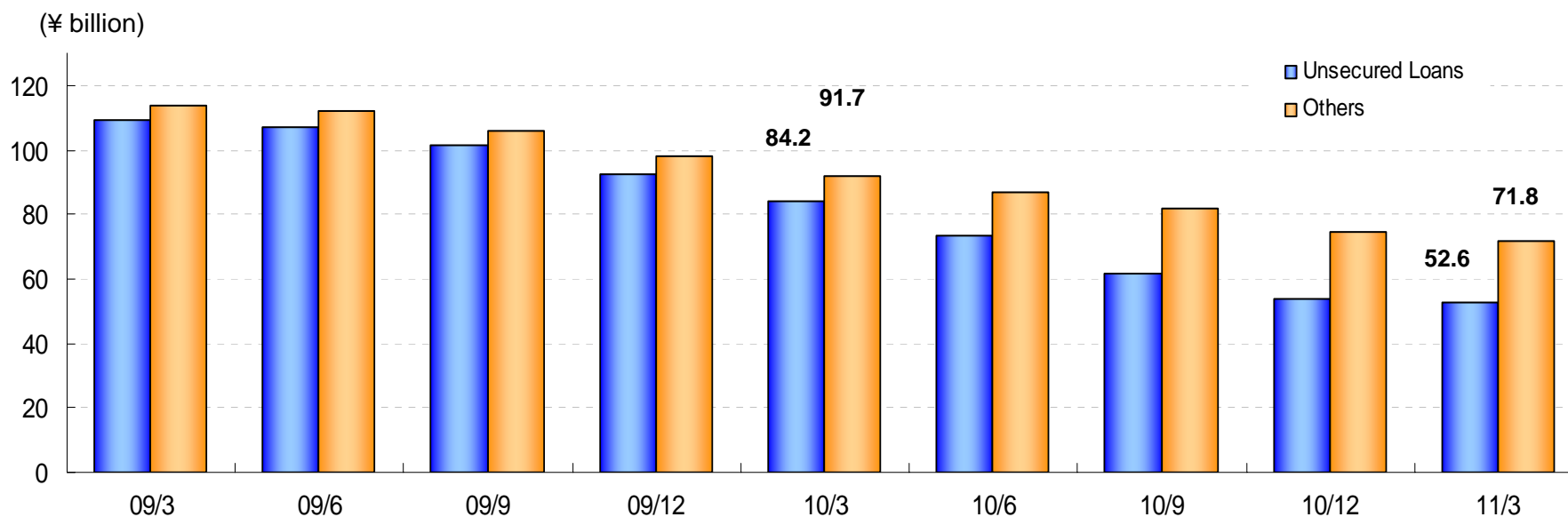
Trends of Interest repayments and other bad debt write-offs (Quarterly Basis) (Non-Consolidated)



(¥ million)	10/3	11/3	12/3(E)	
			YOY	YOY
Waiver of principal related to Interest repayment	53,756	48,604	-9.6%	-
Other bad debt write-offs	48,627	27,442	-43.6%	-
Total	102,383	76,046	-25.7%	-



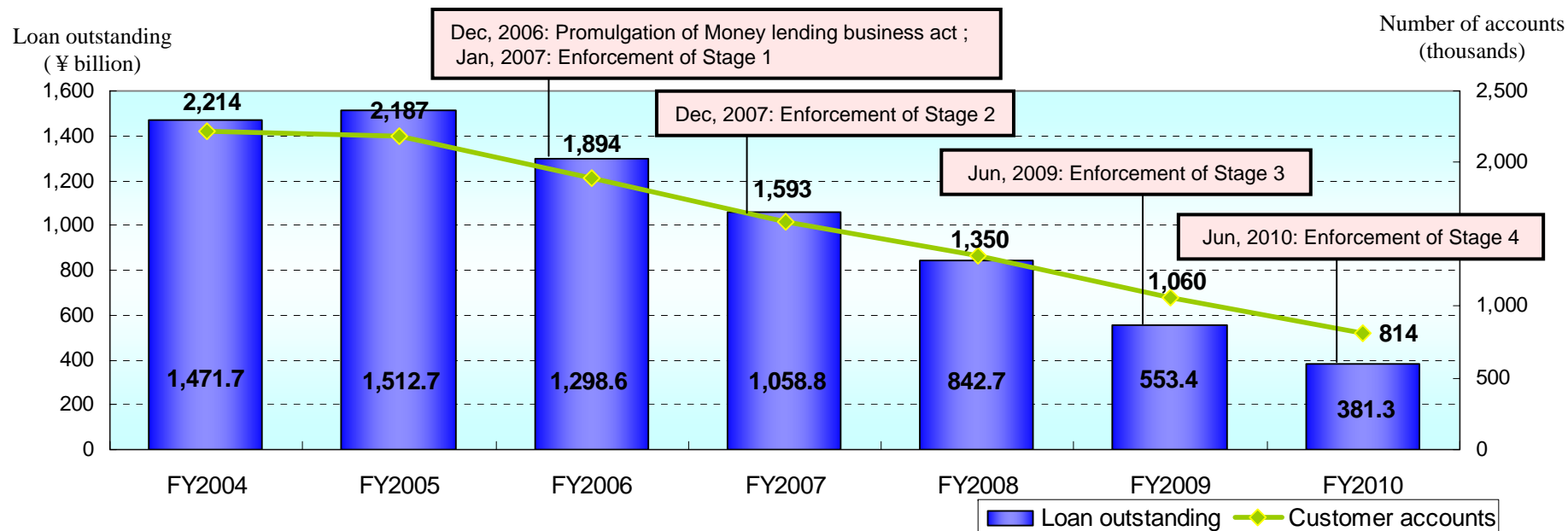
◆ Trends of NPL defined by FSA (Non-Consolidated)



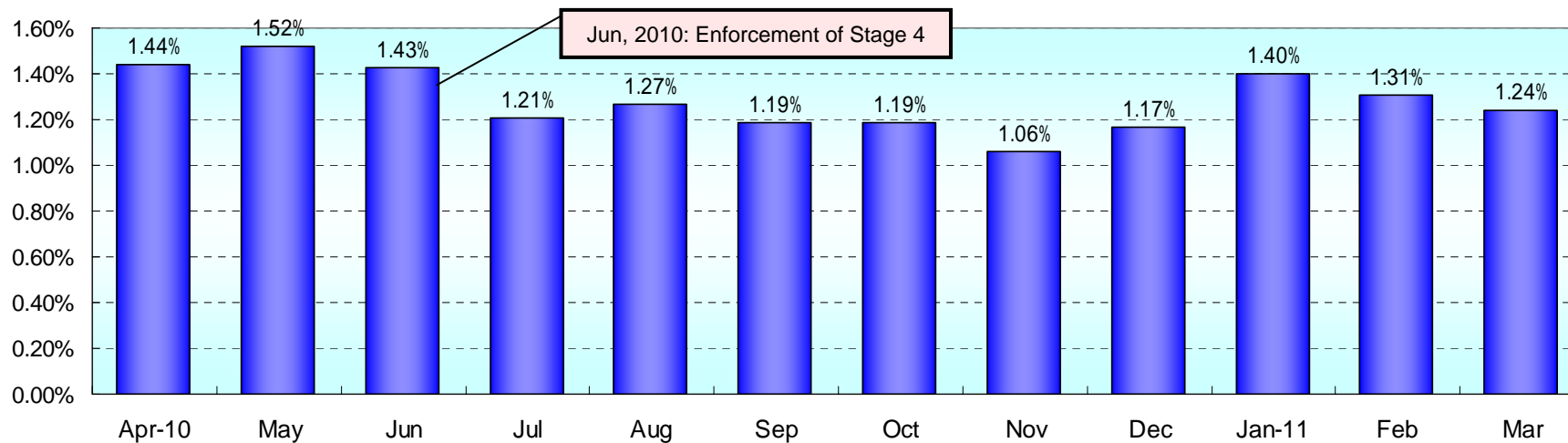
(¥ million)	Unsecured loans			Others		
	10/3	11/3	YOY%	10/3	11/3	YOY%
Claims in Bankruptcy	1,736	850	-51.0%	44,834	41,944	-6.4%
Loans in arrears	53,963	33,489	-37.9%	44,348	28,038	-36.8%
Loans in arrears longer than 3 months	7,087	4,684	-33.9%	1,524	1,211	-20.5%
Loans with adjusted terms	21,463	13,659	-36.4%	1,051	697	-33.7%
Total	84,251	52,683	-37.5%	91,759	71,890	-21.7%



Trends of Loan outstanding and Number of accounts

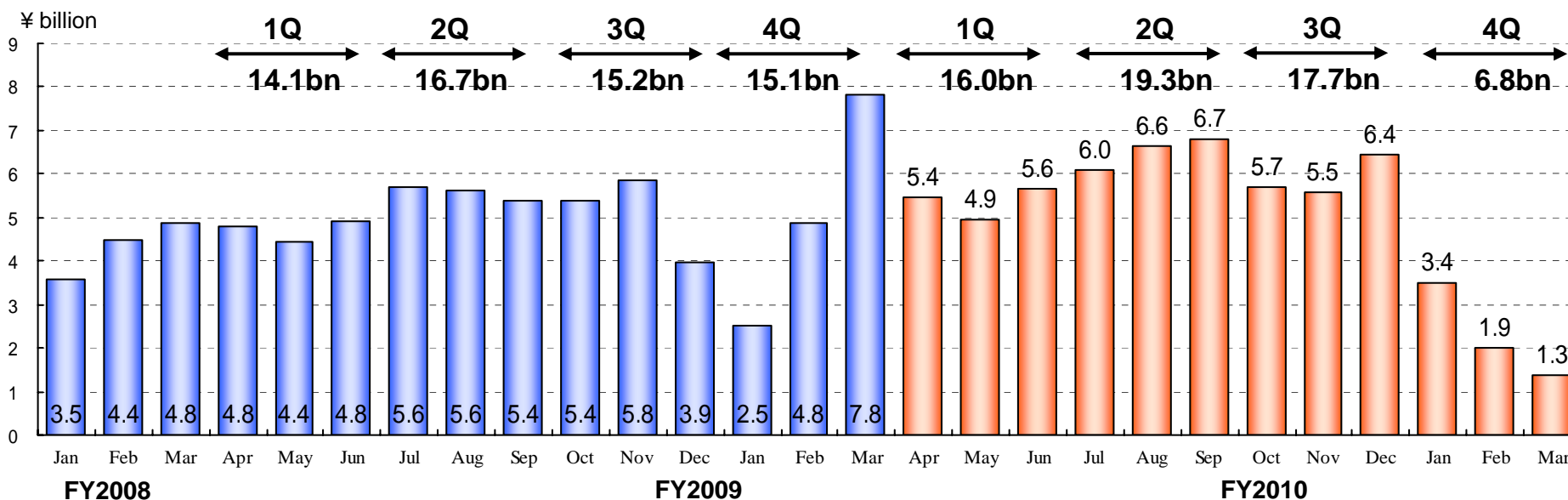


Delinquent loan ratio (Monthly)





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



Allowance on losses for Interest repayment:

1. Consolidated

(¥ million)	Interest repayment	Waiver of principal	Total
Allowance at the beginning of FY2010	237,909	76,990	314,899
Reversal (Interest repayment)	77,555	-	77,555
Reversal (Waiver of principal)	8,794	49,715	58,510
Provisions	27,211	49,737	76,948
Allowance at the end of FY2010	178,769	77,012	255,782

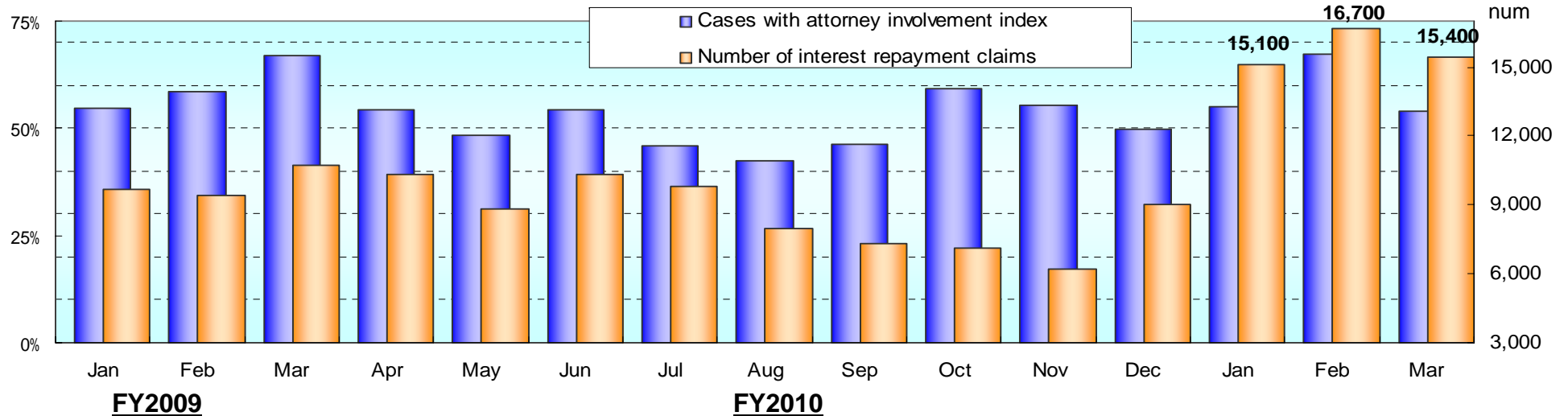
2. Non-Consolidated

Interest repayment	Waiver of principal	Total
197,160	74,094	271,254
63,209	-	63,209
-	48,604	48,604
-	49,737	49,737
133,951	75,227	209,178

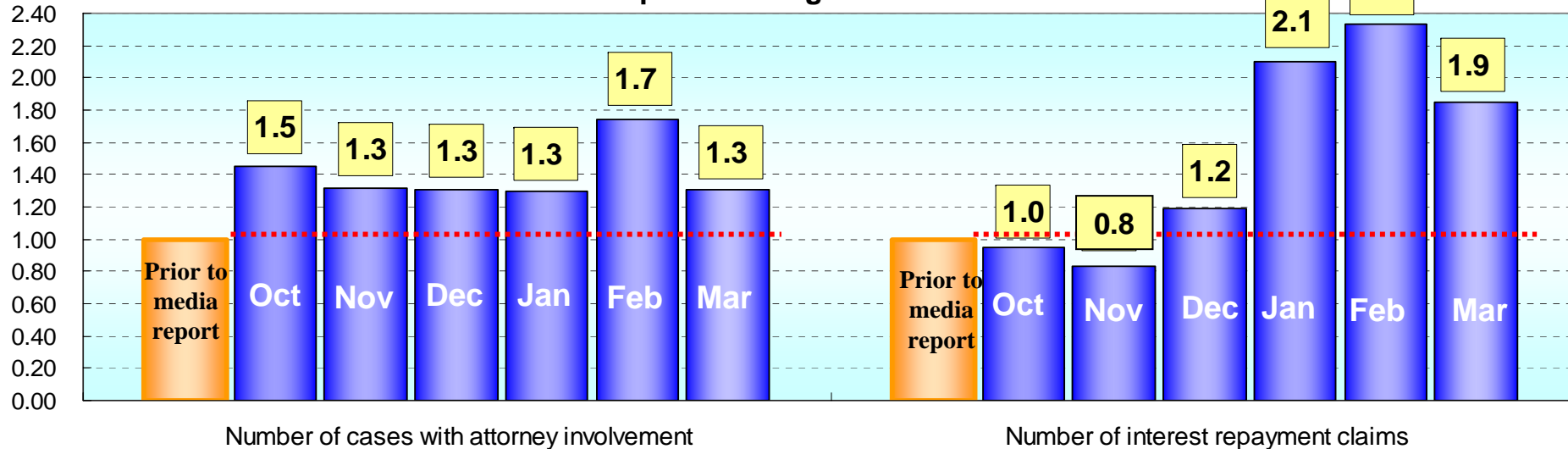


(Non-Consolidated)

The figure of attorney involvement & Interest repayment claims



Impact of a Major Consumer Finance Company Petitioning for Protection under the Corporate Reorganization Act

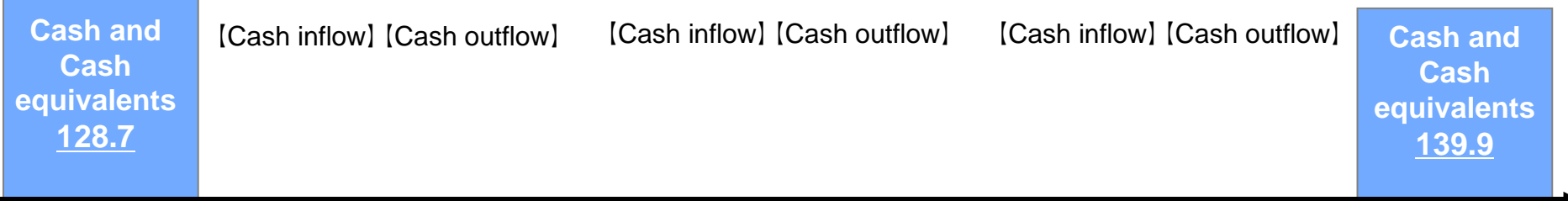
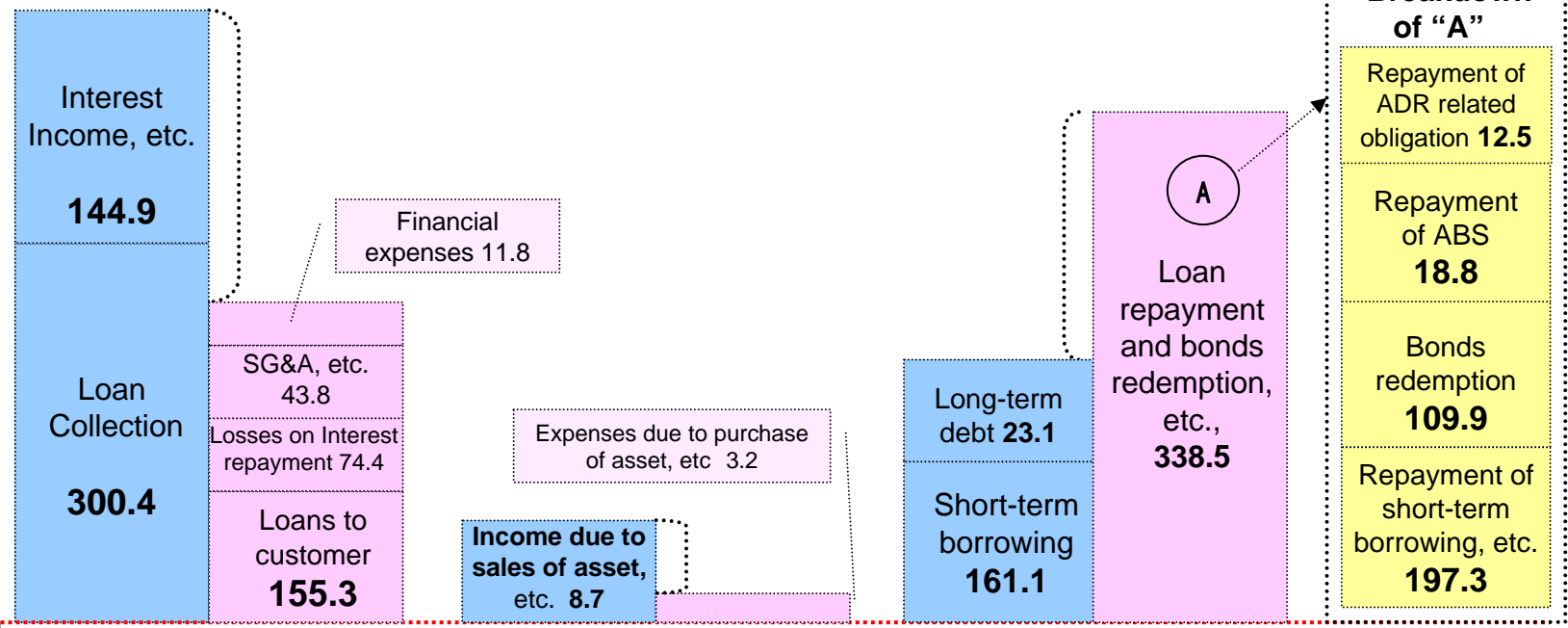
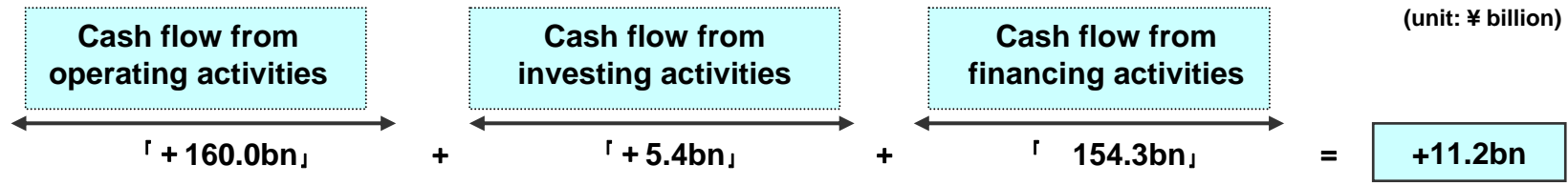


*1 Comparison of the numbers of attorney involvement and request for interest repayment per day prior to and after media report.
 *2 Average prior to media report is a period between Sep.1 and Sep.26

Cash Flows and Funding (Consolidated)



(unit: ¥ billion)



At the beginning of FY2010

At the end of FY2010

3. Business Restructuring





Basic Business Restructuring Policy under the Business Revitalization Plan

Business Restructuring Policy

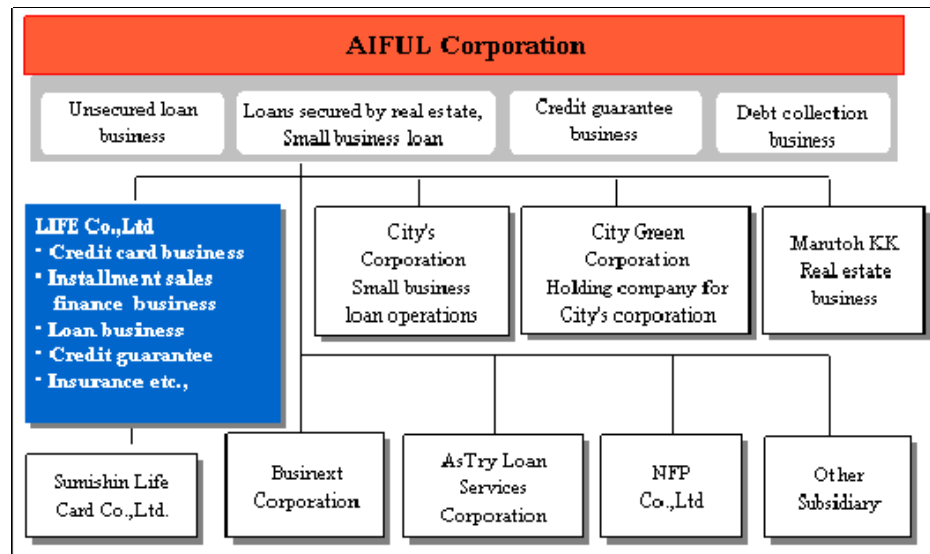
- (1) Reduce asset size to a level commensurate with the current status of fund-raising capability
- (2) Reduce costs in accordance with the decrease in business scale and earnings
- (3) Undertake Group restructuring measures including the withdrawal from unprofitable businesses

An Overview of the AIFUL Group's Reorganization

- (1) LIFE Co., Ltd. corporate spinoff and merger
 - ✓ Life Card Co., Ltd. established in July 2010 as a wholly owned subsidiary of LIFE.
 - ✓ The credit card, installment sales finance, credit guarantee and insurance businesses of LIFE transferred to Life Card by way of corporate spinoff and merger
 - ✓ AIFUL to absorb and merge with LIFE in its residual state after the transfer of the aforementioned businesses to Life Card by way of corporate spinoff and merger
- (2) Absorption-Type Merger with AIFUL Corporation as the Principal Company
 - ✓ AIFUL to absorb and merge with four companies comprising LIFE following its corporate spinoff, City's Corporation City Green Corporation and MARUTOH Co., Ltd.
- (3) Integration of Back Office Structures and Systems (Personnel) within the Group
- (4) Elimination and Consolidation of the Debt Collection Division of AIFUL and LIFE
 - ✓ Consolidation of the East and West Japan Contact centers into a single West Japan Counseling Center
 - ✓ Integration of LIFE's non-performing loan collection division into AIFUL's credit management division



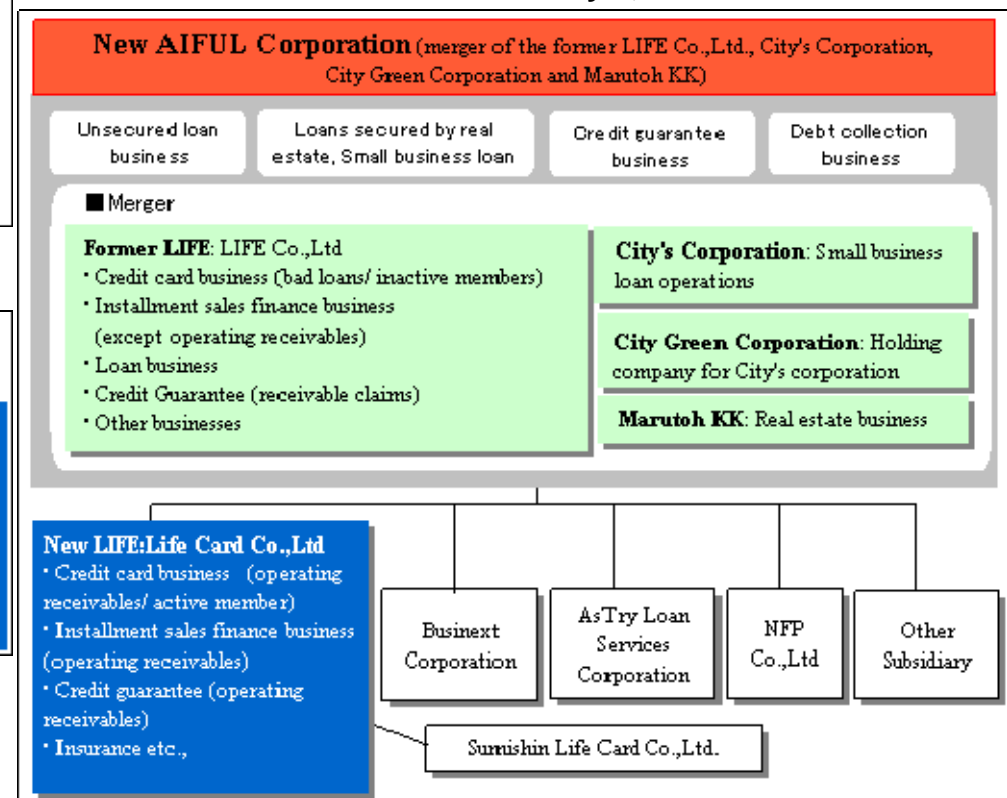
Current Organizational Structure of the group



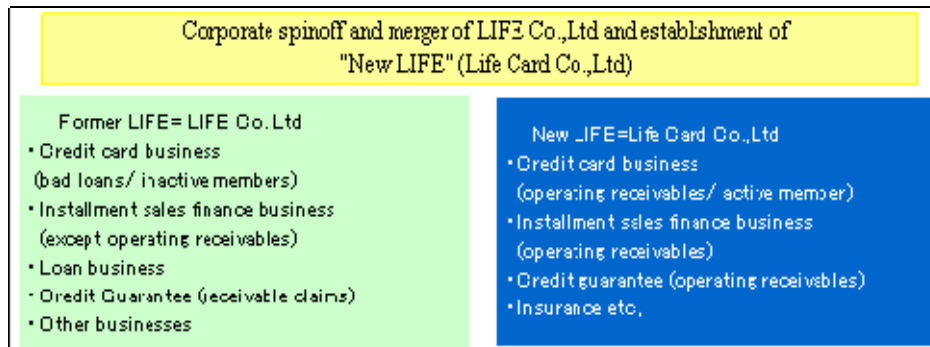
Effective July 1, 2011, the consumer finance business to be transferred to AIFUL following the corporate spinoff of LIFE and the credit card business to be transferred to the newly established Life Card

At the same time, AIFUL to absorb and merge with City's, City Green and MARUTOH in an effort to enhance efficiency

Conceptual Image of the Group's Organizational Structure from July 1, 2011



Corporate Spinoff of LIFE





Activities Emphasizing Group Reorganization

From September 2009	Transfer of four consumer finance subsidiaries; call for voluntary retirement; elimination and consolidation of branch network
January 2010	The inbound operation of the East Japan Contact Center consolidated into the West Japan Contact Center
June 2010	Relocation of AIFUL's Tokyo Branch and Group Company Head Office
June 2011 (Planned)	Closure of the East Japan Contact Center (consolidation into the West Japan Contact Center)

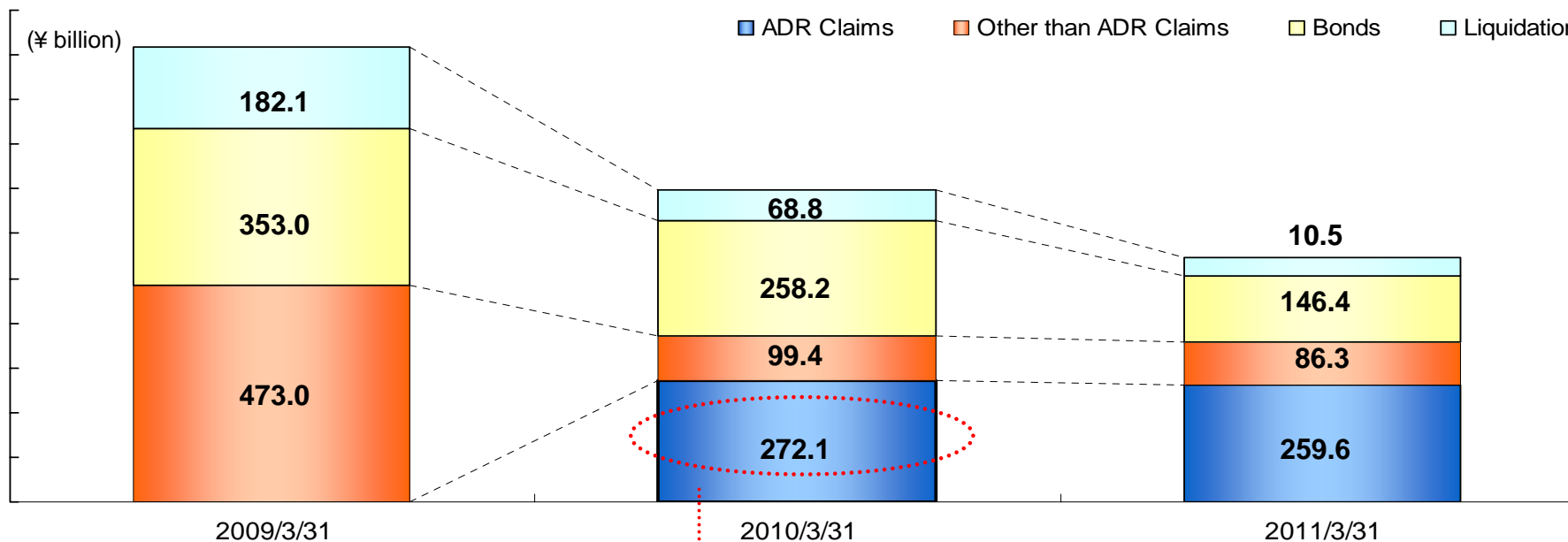
Effect of Activities undertaken to Date

		As of March 31, 2009	As of March 31, 2011
Branch Structure	AIFUL	Staffed: 99; Unstaffed: 854 Total: 953	Staffed: 28; Unstaffed: 601 Total: 629 (-324)
	LIFE	Branches: 11 Life Card branches: 15 Total: 26	Total eliminated (-26)
	Land Rent	around ¥10 billion	around ¥5 billion (-5 billion yen)
Personnel Measures	AIFUL	Full-time/Permanent: 2,525 Non-permanent: 642 Total: 3,167	Full-time/Permanent: 1,164 Non-permanent: 386 Total 1,550 (-1,617)
	LIFE	Full-time/Permanent: 1,449 Non-permanent: 1,458 Total 2,907	Full-time/Permanent: 682 Non-permanent: 903 Total 1,585 (-1,322)
	Personnel expenses	around ¥40 billion	around ¥20 billion (-20 billion yen)
Other Cost Reductions	Commission	around ¥20 billion	around ¥10 billion (-10 billion yen)
	Advertising expenses	around ¥7 billion	around ¥2 billion (-5 billion yen)

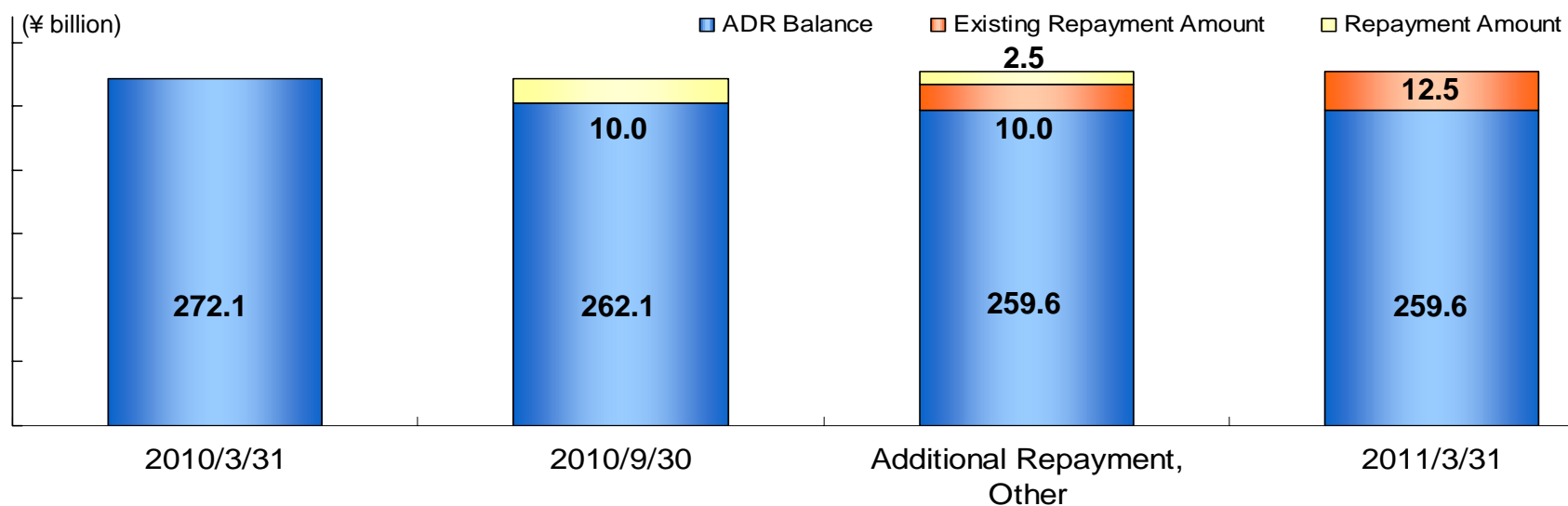
Note: All expenses are on a consolidated basis



Increase/Decrease in Consolidated Interest-Bearing Liabilities




Status of ADR Claim Repayment



4. Financial results of LIFE



 (¥ million)	10/3	11/3			12/3 (E)
			YOY	YOY%	
Operating revenue	72,706	44,144	-28,562	-39.3%	-
Installment receivable	19,392	12,854	-6,538	-33.7%	-
Credit card	17,824	12,328	-5,496	-30.8%	-
Loans	41,163	19,441	-21,722	-52.8%	-
with Credit card	24,903	10,457	-14,446	-58.0%	-
with Loan card	16,131	8,789	-7,341	-45.5%	-
Credit guarantee and others	12,150	11,848	-302	-2.5%	-
Operating expenses	95,536	71,645	-23,891	-25.0%	-
Financial expenses	5,735	3,829	-1,906	-33.2%	-
Credit cost	25,815	13,106	-12,709	-49.2%	-
Interest repayment	25,927	27,211	1,284	5.0%	-
Other	38,057	27,497	-10,560	-27.7%	-
Operating income	-22,829	-27,500	-4,671	-	-
Ordinary income	-22,148	-28,866	-6,718	-	-
Extraordinary income	1,302	491	-811	-62.3%	-
Extraordinary loss	5,237	2,957	-2,280	-43.5%	-
Net income before tax	-26,083	-31,332	-5,249	-	-
Net income	-27,749	-31,147	-3,398	-	-


*On-balance

LIFE (2): Overview of Company's Operating base



 (¥ million)	10/3	11/3	YOY%	12/3 (E)
Number of new issue (thousands)	731	1,308	79.0%	-
Proper	103	923	793.0%	-
Affinity	627	385	-38.7%	-
Number of card holders (thousands)	12,718	6,745	-47.0%	-
Proper	2,219	2,762	24.4%	-
Affinity	10,499	3,983	-62.1%	-
Credit card purchase results	863,975	491,803	-43.1%	-
Shopping	796,376	446,540	-43.9%	-
Cashing	67,599	45,263	-33.0%	-
Total receivable outstanding *	379,618	266,546	-29.8%	-
Installment receivable	125,990	77,335	-38.6%	-
Loans	190,797	137,023	-28.2%	-
Credit guarantee	54,903	45,164	-17.7%	-
Other	7,926	7,023	-11.4%	-
Member merchant (number)	106,956	106,896	-0.1%	-

* On-balance

 (¥ millions)	10/3	11/3	YOY%	12/3 (E)
Bad debt write-offs (¥ million)	38,716	30,308	-21.7%	-
Main business *1	37,979	29,646	-21.9%	-
Credit card	19,033	16,044	-15.7%	-
Installment sales finance	2,609	1,059	-59.4%	-
LCP (unsecured consumer loans)	14,768	11,285	-23.6%	-
Other	736	661	-10.3%	-
Ratio of bad debt write-offs (%)	9.44%	11.22%	1.78%	-
Credit card	7.55%	10.10%	2.56%	-
Installment sales finance	18.83%	16.79%	-2.05%	-
LCP (unsecured consumer loans)	18.44%	23.48%	5.04%	-
Ratio of allowance for doubtful account	8.50%	10.71%	2.21%	-

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

5. Explanation of figures



Explanation Figures (1): Breakdown of Consolidated operating revenue



(¥ million)	11/3	YOY	YOY%	Reasons for increase/ decrease
Operating revenue	144,961	-73,140	-33.5%	
Interest income	103,784	-66,878	-39.2%	The balance of loans outstanding fell ¥241.4 billion compared with the previous fiscal year resulting from restrained lending in response to controls on total lending limits and principal deterioration due largely to claims for interest repayment.
AIFUL	74,020	-39,049	-34.5%	Unsecured loan outstanding: ¥289.3 billion (down ¥134.3 billion) Secured loan outstanding: ¥83.4 billion (down ¥37.3billion) Small business loan outstanding: ¥8.5billion (down ¥0.3billion)
LIFE	19,441	-21,722	-52.8%	Credit card cash advances : ¥10.4billion (down ¥14.4billion) Loan card : ¥8.7billion (down ¥7.1billion)
BUSINEXT	7,764	-1,042	-11.8%	Balance of loans down 8%. Lending curbed in view of recent business sentiment at small and medium-size enterprises.
City's	2,558	-1,516	-37.2%	Focusing on collection
Revenue from credit card	12,328	-5,495	-30.8%	LIFE credit card shopping purchases was down 39% as a result of the dissolution of affiliated cards
Revenue from installment sales finance	692	-1,033	-59.9%	Reduction due to rigorous screening of member store
Revenue from credit guarantee	5,758	-1,275	-18.1%	AIFUL: ¥3.3billion (down ¥0.8billion) LIFE : ¥2.4billion (down ¥0.5billion)
Other operating income	22,323	1,612	7.8%	
Recovery of loans previously charged off	12,631	1,378	12.3%	AIFUL : ¥8.3billion (up ¥1.2billion) LIFE : ¥4.2billion (up ¥0.6billion)
Collection from purchased receivables	3,751	546	17.0%	Due to increase in purchased receivables at AsTry Loan Service

Explanation Figures (2): Breakdown of Consolidated operating expense and income



(¥ million)	11/3	YOY	YOY%	Reasons for increase/ decrease
Operating expenses	169,099	-314,258	-65.0%	
Financial expenses	11,828	-6,547	-35.6%	Decline due to fall in interest-bearing liabilities
Cost of purchased receivables	3,056	-3,004	-49.6%	Tied to AsTry Loan Service collections of purchased receivables
Credit cost	65,040	-101,212	-60.9%	AIFUL: ¥44.8billion (down ¥80.3billion), LIFE: ¥13.1billion (down ¥12.7billion)
Expenses related to interest repayment	27,211	-179,675	-86.8%	AIFUL: ¥0billion (down ¥176.8billion), LIFE: ¥27.2billion (up ¥13billion)
Advertising expenses	1,719	-492	-22.2%	Termination of television commercial from November 2010
Personnel expenses	18,734	-9,590	-33.9%	AIFUL: down ¥5billion, LIFE: down ¥3.3billion Due to personnel cuts
Other	41,508	-13,735	-24.9%	Due to reductions in various costs accompanying personnel cuts
Commission	12,514	-3,926	-23.9%	AIFUL: down ¥0.8billion, LIFE: down ¥3.0billion Due to reduction in number of accounts, branches and tie-up companies
Rental expenses & land rent	4,230	-2,573	-37.8%	AIFUL: down ¥1.5billion, LIFE: down ¥1.0billion Decrease in rent for branches resulting from decrease in number of branches
Supplies, repair and maintenance	3,777	-943	-20.0%	AIFUL: down ¥0.5billion, LIFE: down ¥0.4billion
Communications	4,688	-1,766	-27.4%	AIFUL: down ¥0.3billion, LIFE: down ¥1.4billion
Depreciation expenses	7,807	-1,402	-15.2%	AIFUL: down ¥1.1billion, LIFE down ¥0.3billion
Operating income	-24,137	241,117	-	



(¥ million)	11/3	YOY	YOY%	Reasons for increase/ decrease
Non-operating income	817	-546	-40.1%	
Non-operating expenses	1,624	1,340	471.4%	¥1.5billion loss on LIFE's foreign exchange
Ordinary income	-24,945	239,230	-	
Extraordinary income	2,528	390	18.3%	¥0.5billion in gain on sales of investment securities ¥0.2billion in gain on sales of non-current assets ¥1.5billion in gain on retirement of bond
Extraordinary losses	10,607	-16,785	-61.3%	Incidence of business reconstruction expenses in the previous fiscal year
Loss on retirement of assets	1,277	-	-	
Impairment loss	1,242	-3,617	-74.4%	
Provision for doubtful accounts	6,595	-	-	Estimate for the impact of the Great East Japan Earthquake brought to account AIFUL: ¥3.6billion; LIFE : ¥2.4billion; Businext ¥0.5billion
Net income before taxes	-33,023	256,406	-	
Income taxes-current	78	-185	-70.3%	
Income taxes-deferred	-78	-7,446	-	
Minority interests in income	-1,087	826	-	
Net income	-31,935	263,206	-	