



Financial Results for Fiscal Year 2013 (Apr, 2013 - Mar, 2014)

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

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1. Financial Results Summary



Financial Results (1): Consolidated Summary




(¥ million)	13/3	14/3			15/3(E)
			YOY	YOY%	
Operating revenue	99,619	91,858	-7,760	-7.8	-
Interest income	61,607	50,577	-11,029	-17.9	-
Operating expenses	84,900	69,360	-15,540	-18.3	-
Financial expenses	6,895	5,844	-1,050	-15.2	-
Cost of sales	3,200	2,361	-838	-26.2	-
Credit cost	8,136	10,930	2,794	34.3	-
(Bad debt write offs)	40,419	25,570	-14,849	-36.7	-
Expenses for Interest repayment	17,296	1,885	-15,411	-89.1	-
(Interest repayment)	34,048	33,098	-950	-2.8	-
Other operating expenses	49,371	48,337	-1,033	-2.1	-
Operating income	14,718	22,498	7,779	52.9	-
Non-operating income	3,026	2,283	-742	-24.5	-
Ordinary income	17,646	24,752	7,105	40.3	-
Extraordinary income	6,037	6,398	361	6.0	-
Net income	22,705	30,461	7,756	34.2	-
Total Receivable outstanding *	556,031	515,960	-40,071	-7.2	-
Loans outstanding	390,635	348,010	-42,624	-10.9	-
Installment receivable	83,885	85,264	1,378	1.6	-
Credit guarantee	74,440	75,558	1,118	1.5	-
Customer accounts (thousands)	887	817	-70	-8.0	-

* Managed Asset Basis


Financial Results (2): Summary of AIFUL




 (¥ million)	13/3	14/3			15/3(E)
			YOY	YOY%	
Operating revenue	62,310	59,196	-3,113	-5.0	-
Interest income	47,402	42,066	-5,335	-11.3	-
Operating expenses	50,747	41,331	-9,416	-18.6	-
Financial expenses	5,407	4,652	-755	-14.0	-
Credit cost	571	8,579	8,007	-	-
(Bad debt write-offs)	34,542	21,805	-12,736	-36.9	-
Expenses for Interest repayment	15,877	-	-	-	-
(Interest repayment)	32,707	31,685	-1,022	-3.1	-
Other operating expenses	28,891	28,100	-791	-2.7	-
Operating income	11,562	17,865	6,302	54.5	-
Ordinary income	12,095	22,336	10,241	84.7	-
Extraordinary income	6,004	90	-5,914	-98.5	-
Extraordinary losses	8,815	25	-8,789	-99.7	-
Net income	10,648	24,045	13,396	125.8	-
Total Receivable outstanding	348,352	350,680	2,328	0.7	-
Loan outstanding	286,316	260,776	-25,540	-8.9	-
Customer accounts (thousands)	631	589	-41	-6.5	-
Average yield	15.0%	15.4%	+0.4pt	-	-
Below 18% unsecured loan balance's occupancy rate	84.0%	89.2%	+5.2pt	-	-

Financial Results (3): Summary of LIFECARD and BUSINEXT



 (¥ million) *On-Balance	13/3	14/3			15/3(E)
			YOY	YOY%	
Operating revenue	26,332	27,346	1,013	3.8	-
Operating expenses	23,647	25,934	2,287	9.7	-
Operating income	2,685	1,411	-1,273	-47.4	-
Ordinary income	4,926	3,219	-1,706	-34.6	-
Net income	3,319	2,418	-900	-27.1	-
Loans outstanding	48,375	45,322	-3,052	-6.3	-
Installment receivables	79,452	82,418	2,965	3.7	-

 (¥ million) *On-Balance	13/3	14/3			15/3(E)
			YOY	YOY%	
Operating revenue	7,391	2,366	-5,025	-68.0	-
Operating expense	6,109	2,758	-3,350	-54.8	-
Operating income	1,282	-392	-1,674	-	-
Ordinary income	1,285	-390	-1,675	-	-
Net income	1,129	-541	-1,670	-	-
Loans outstanding * Managed Asset Basis	55,943	41,911	-14,031	-25.1	-
Customer accounts (thousands)	27	23	-4	-15.7	-
Average yield (%)	13.6%	14.1%	+0.5pt	-	-

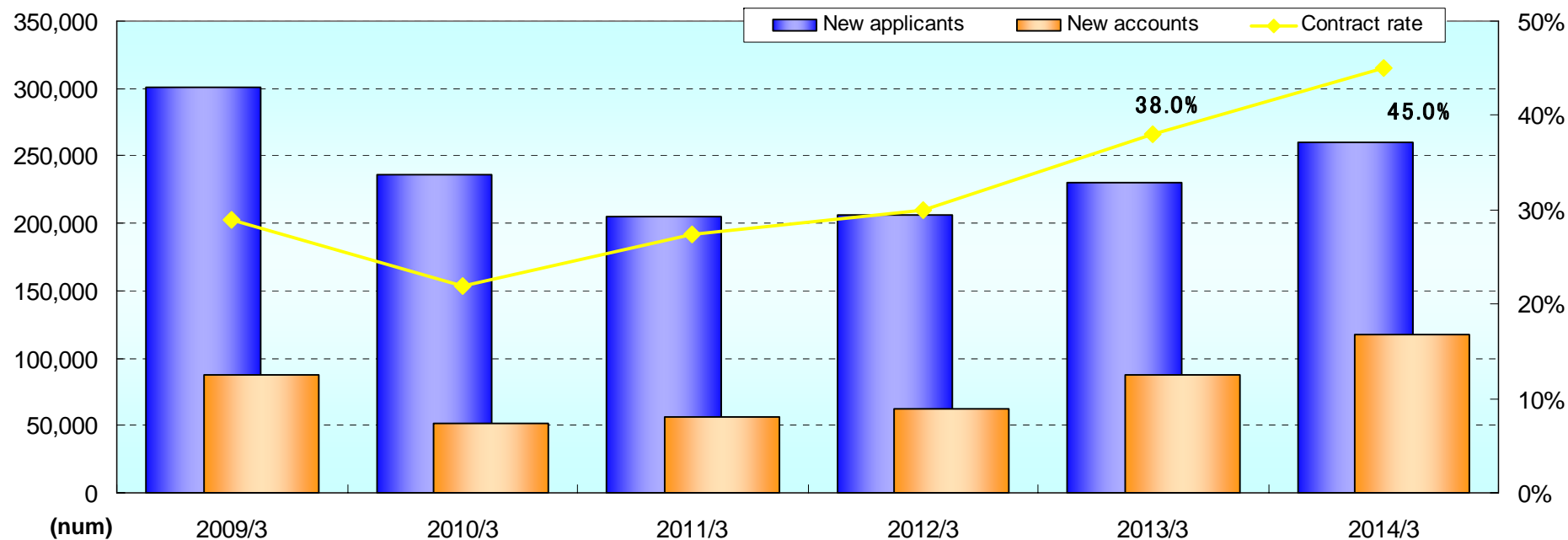
2. Business Environment





◆ Trends of New applications, New accounts and Contract rate of Unsecured loans

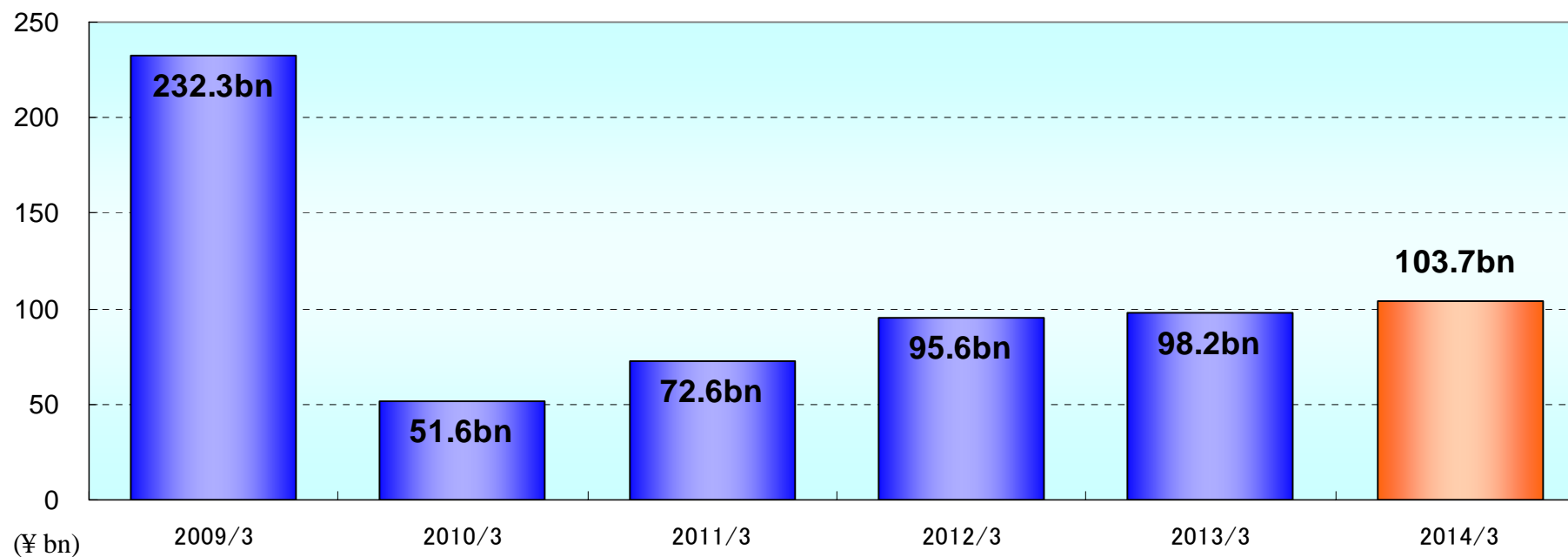
(number)	FY2012 (12M)					FY2013 (12M)					YOY
	1Q (3M)	2Q (3M)	3Q (3M)	4Q (3M)	TOTAL	1Q (3M)	2Q (3M)	3Q (3M)	4Q (3M)	TOTAL	
New applicants	54,386	49,542	57,273	69,159	230,360	66,075	63,111	59,001	72,102	260,289	+13.0%
New accounts	19,375	17,873	22,153	28,114	87,515	29,981	29,067	26,520	31,440	117,008	+33.7%
Contract rate	35.6%	36.1%	38.7%	40.7%	38.0%	45.4%	46.1%	44.9%	43.6%	45.0%	+7.0pt
Ratio of LE0+LE1	-	-	-	-	68.3%	-	-	-	-	71.0%	+2.7pt





◆Trends of Loan volume

(¥ million)	FY2012 (12M)					FY2013 (12M)					YOY
	1Q (3M)	2Q (3M)	3Q (3M)	4Q(3M)	TOTAL	1Q (3M)	2Q (3M)	3Q(3M)	4Q(3M)	TOTAL	
Loan volume	24,053	22,232	23,156	28,848	98,289	24,611	25,569	25,457	28,082	103,721	+5.5%
Loans to a new accounts	2,355	2,230	2,776	3,822	11,183	3,974	4,028	3,804	4,706	16,513	+47.7%
Loans to a existing accounts	21,698	20,002	20,380	25,026	87,106	20,636	21,541	21,652	23,376	87,208	+0.1%

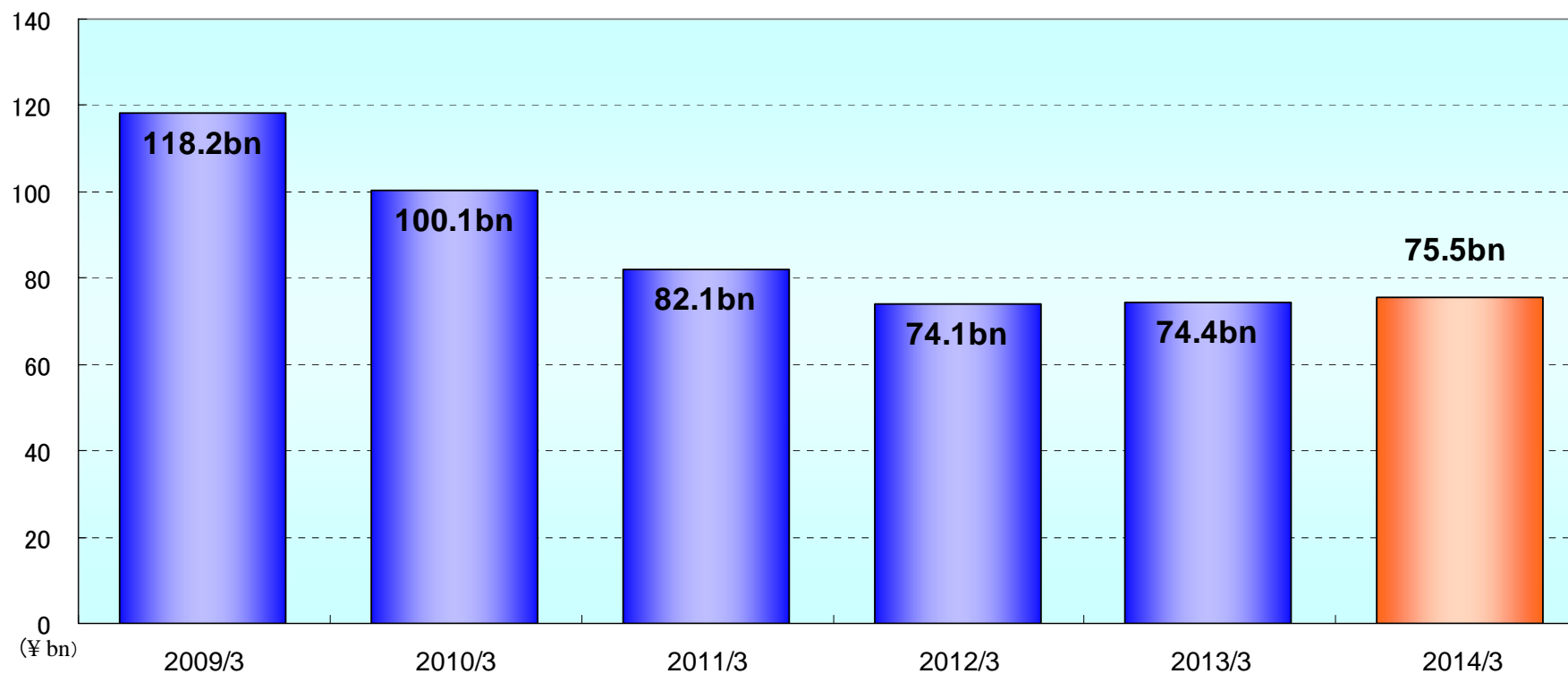




◆ Trends of Credit Guarantee outstanding

(¥ million)	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	YOY
Credit Guarantee *	118,206	100,152	82,133	74,147	74,440	75,558	+1.5%

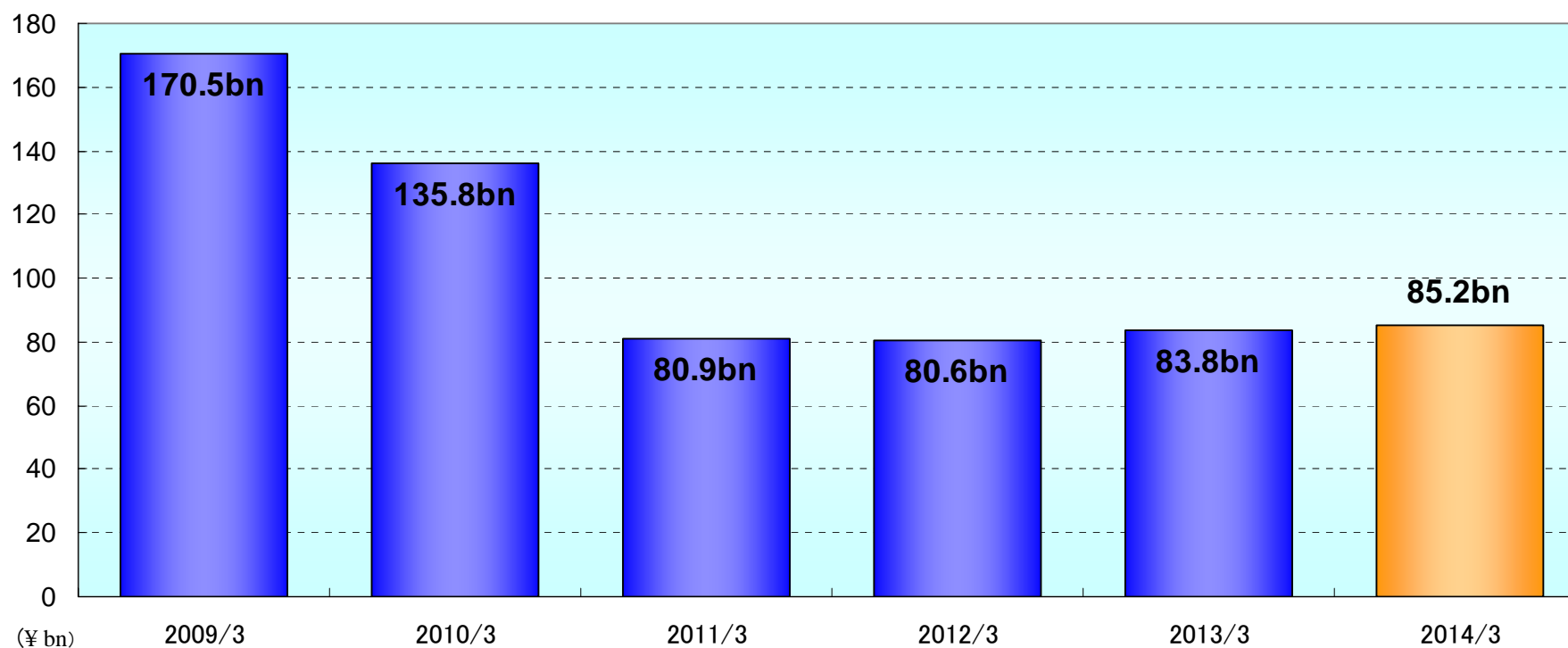
* Managed Asset Basis





◆ Trends of Installment Receivable outstanding

(¥ million)	2009/3	2010/3	2011/3	2012/3	2013/3	2014/3	YOY
Installment Receivable	170,553	135,825	80,990	80,614	83,885	85,264	+1.6%



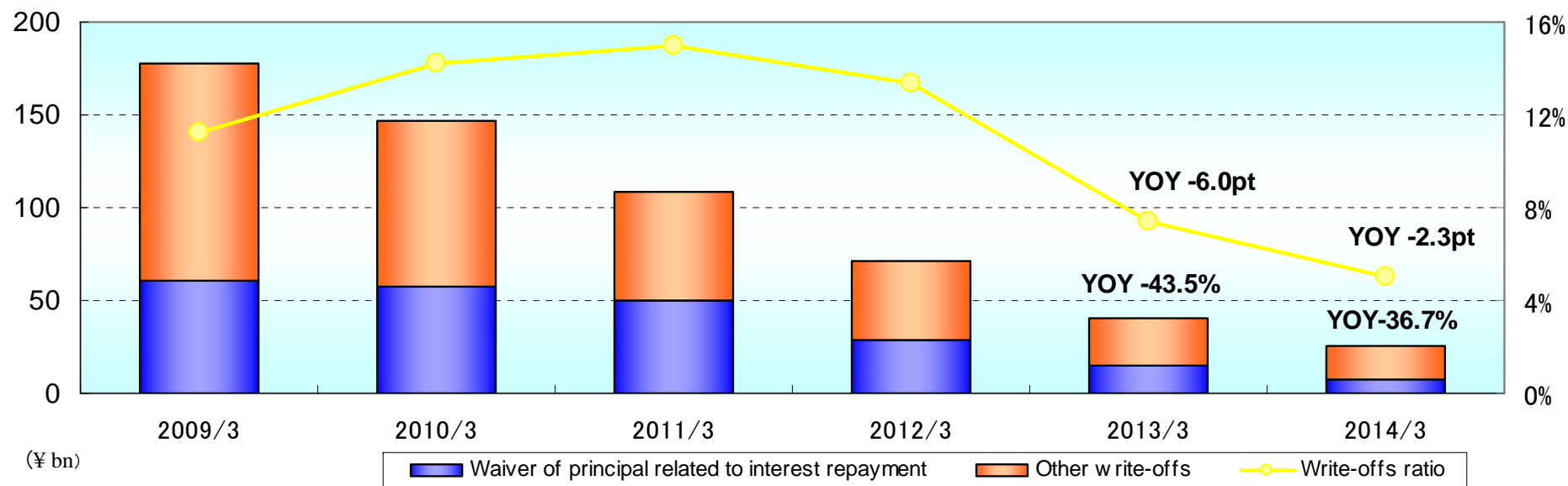


◆ Amount of Write-offs and Write-offs Ratio for Total Receivable Outstanding (Consolidated)

(¥ million)	13/3 (12M)	14/3 (12M)	YOY%
(1) Write-offs	40,419	25,570	-36.7%
Waiver of principal related to Interest repayment	15,286	7,535	-50.7%
Other	25,133	18,035	-28.2%
(2) Specific allowance for doubtful accounts	615	534	-13.1%
Total Write-offs (1)+(2)	41,035	26,105	-36.4%
Write-offs ratio	7.38%	5.06%	-2.32pt

(Non-consolidated)

14/3 (12M)	YOY%
21,805	-36.9%
7,535	-50.7%
14,270	-25.9%
488	+1.9%
22,294	-36.3%
6.36%	-3.70pt



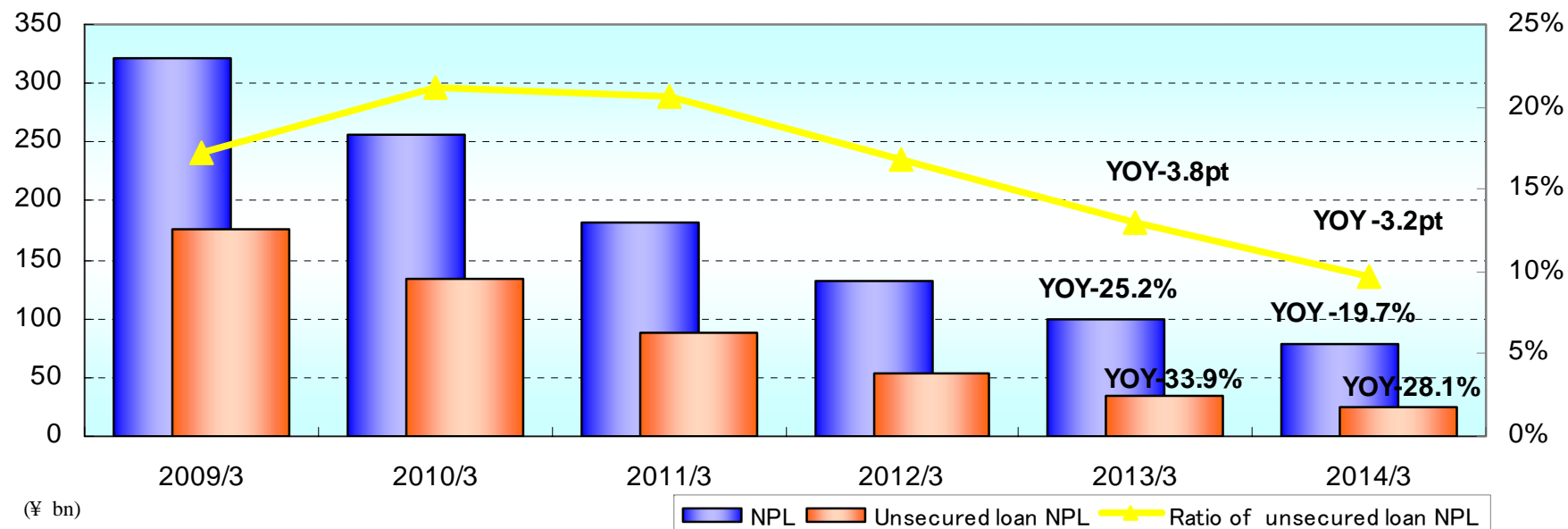


◆ Trends of NPL defined by FSA
(Consolidated)

(¥ million)	13/3	14/3	YOY
Total non-performing loans	98,627	79,222	-19.7%
Loans in legal bankruptcy	37,598	35,134	-6.6%
Non-accrual loans	36,905	27,289	-26.1%
Loans past due for three months or more	2,610	2,445	-6.3%
Restructured loans	21,513	14,352	-33.3%
Ratio of operating receivables NPL	25.3%	24.7%	-0.6pt
Ratio of Unsecured loan NPL	12.9%	9.7%	-3.2pt

(Non-consolidated)

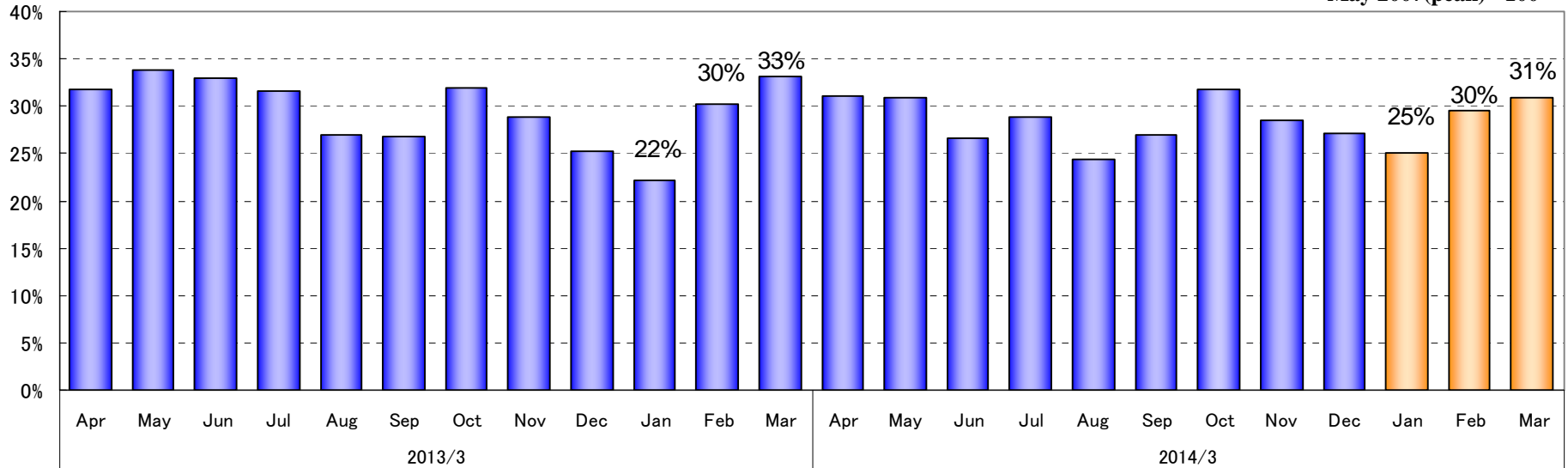
	14/3	YOY
Total non-performing loans	74,310	-20.1%
Loans in legal bankruptcy	35,100	-6.4%
Non-accrual loans	25,255	-26.8%
Loans past due for three months or more	1,900	-0.9%
Restructured loans	12,053	-36.9%
Ratio of operating receivables NPL	28.5%	-4.0pt
Ratio of Unsecured loan NPL	10.8%	-4.1pt



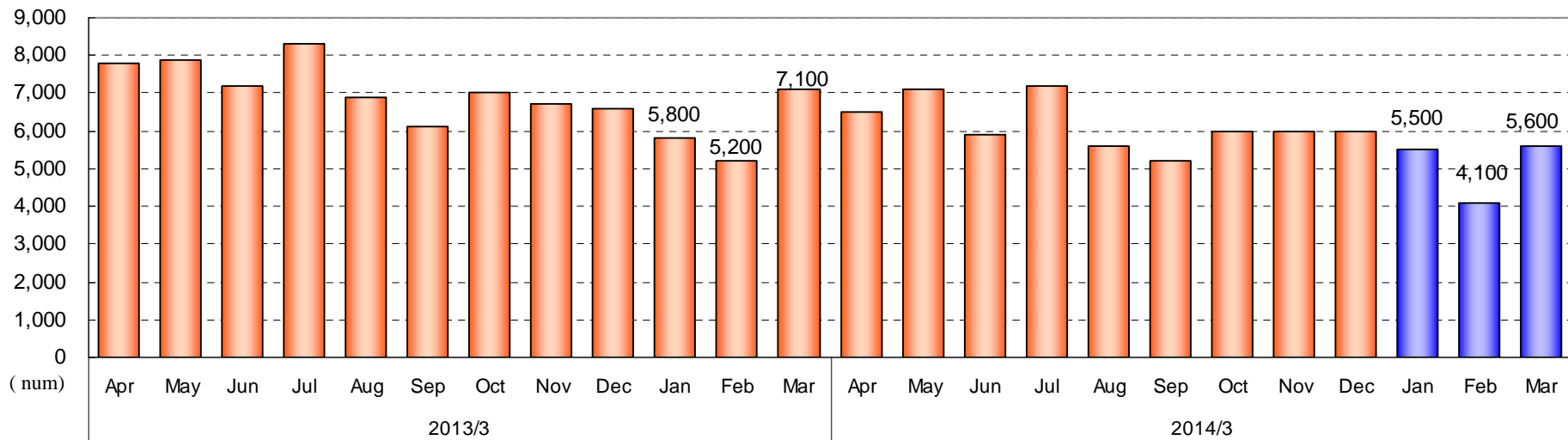


◆ Monthly Figure of Attorney Involvement (non-consolidated)

* May 2007(peak) =100

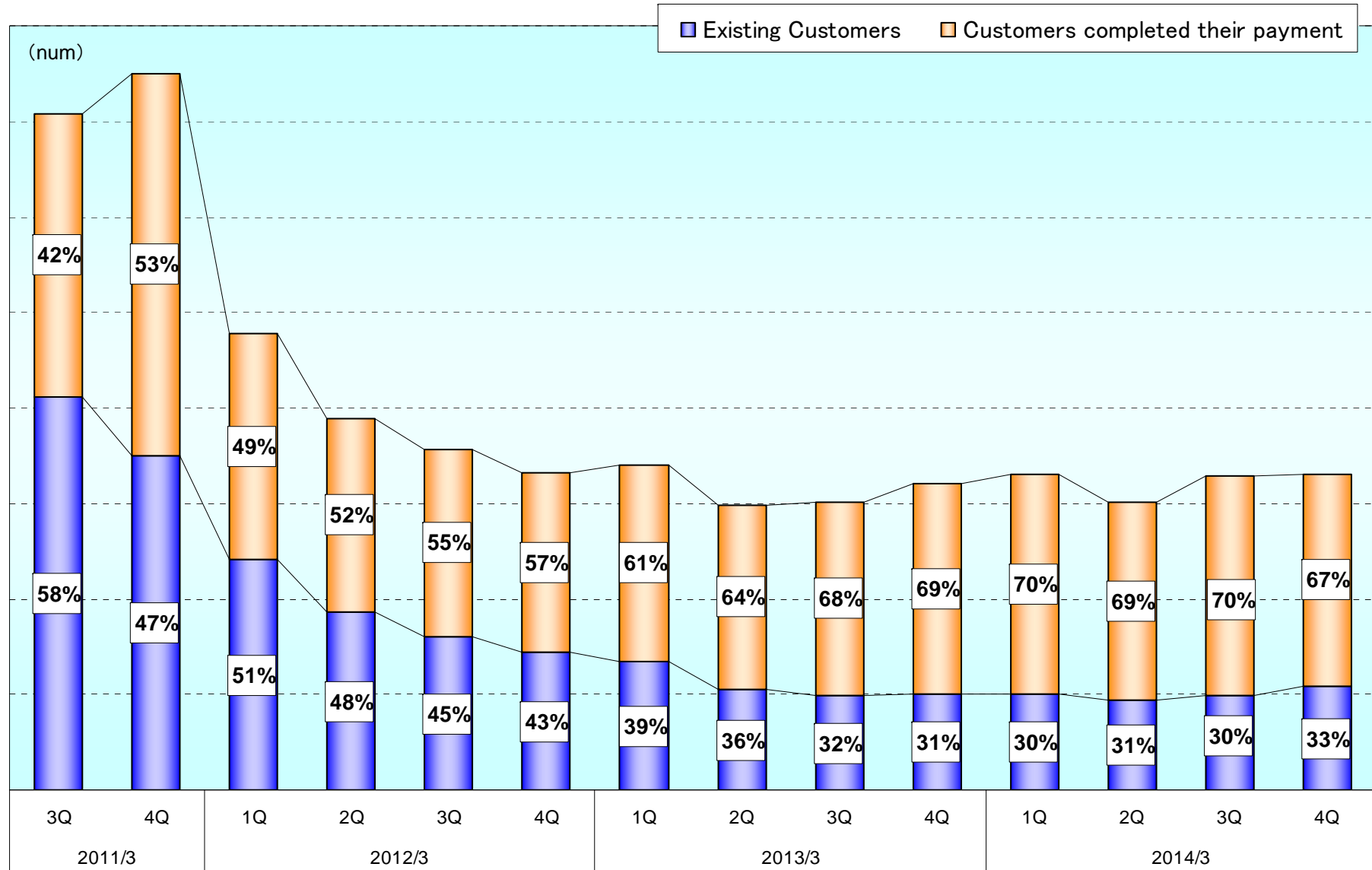


◆ Monthly Interest Repayment Claims (non-consolidated)





◆ Quarterly trend of Attorney Involvement (Former AIFUL)





◆ Allowance for losses on Interest repayment:

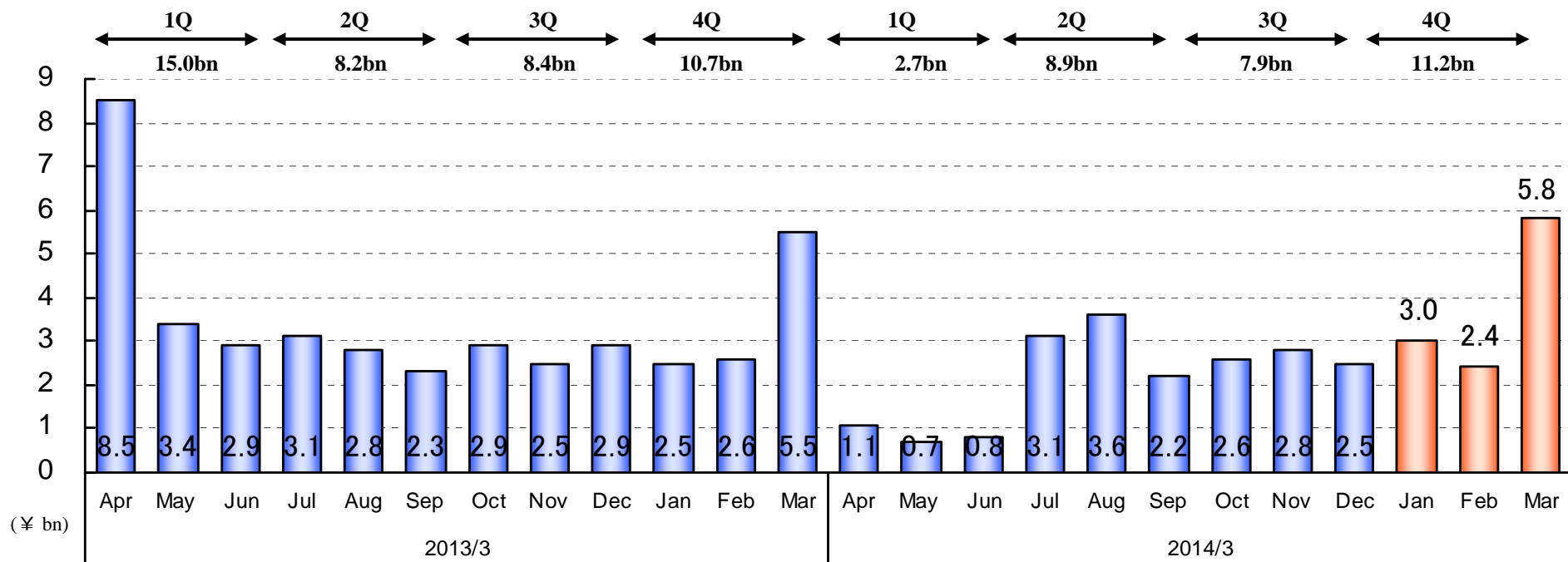
1. Consolidated

(¥ million)	Interest repayment	Waiver of principal	Total
Allowance at the beginning of FY2013	91,421	42,825	134,247
Reversal (Interest repayment)	33,098	-	33,098
Reversal (Waiver of principal)	326	7,535	7,861
Provisions	1,885	-	1,885
Allowance at the end of FY2013	59,881	35,290	95,172

2. Non-Consolidated

Interest repayment	Waiver of principal	Total
85,565	42,825	128,390
31,685	-	31,685
-	7,535	7,535
-	-	-
53,879	35,290	89,170

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





Earnings results since Fiscal year ended March 2010

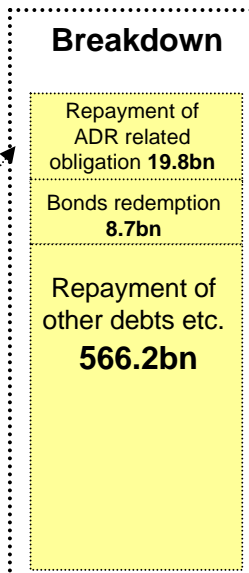
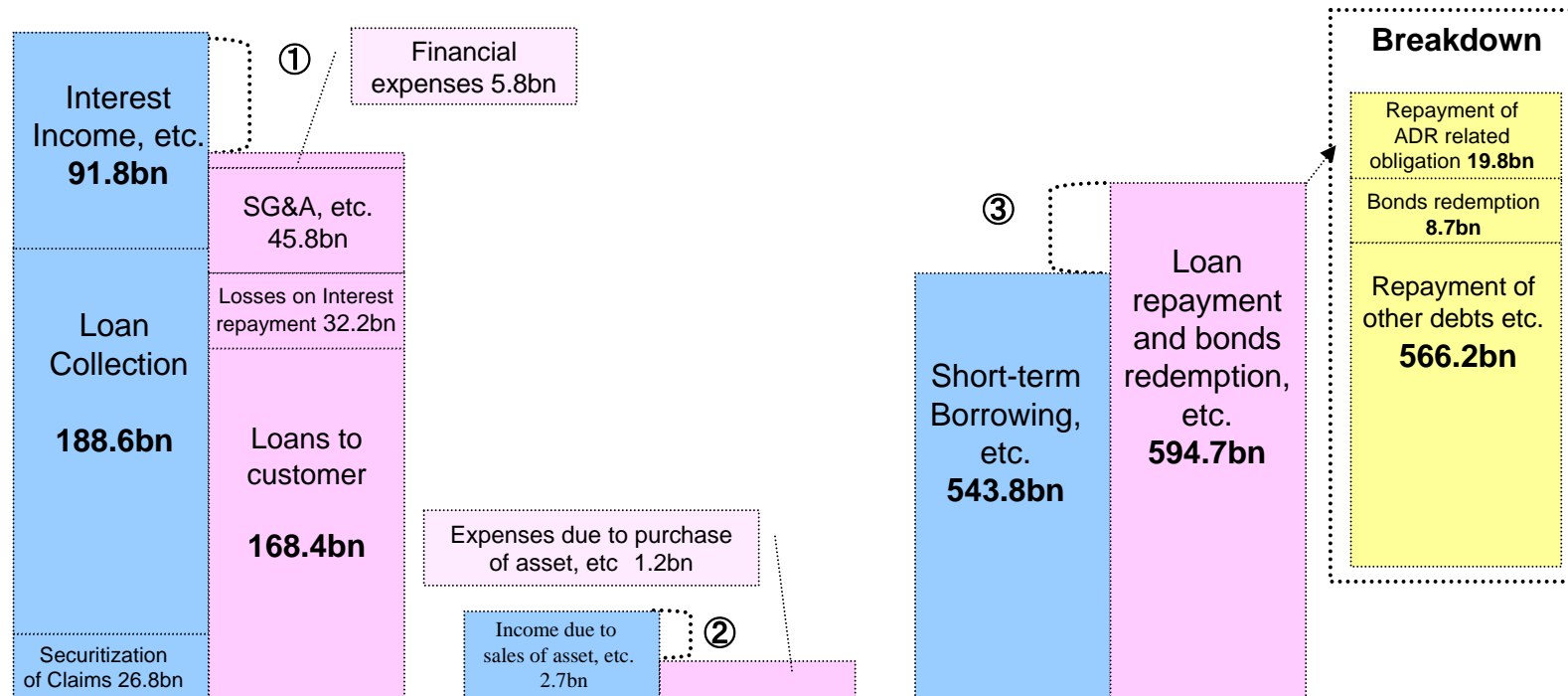
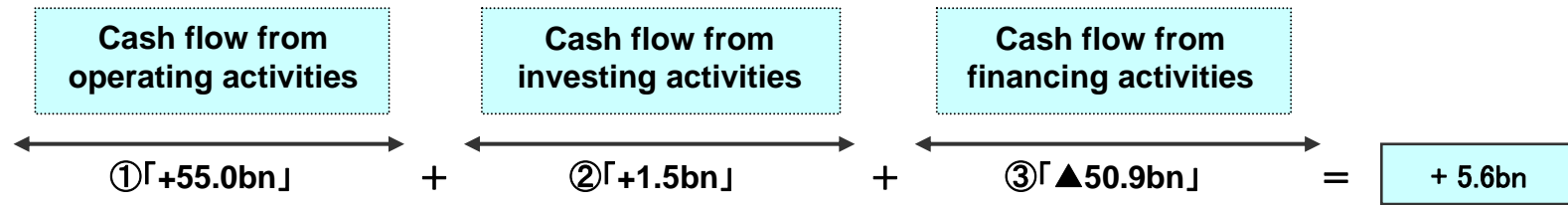
(¥ billion)		2010/3	2011/3	2012/3	2013/3	2014/3
Operating revenue		218.1	144.9	114.0	99.6	91.8
Operating expenses		483.3	169.0	97.5	84.9	69.3
※	Provision for losses on interest repayment	206.8	27.2	0	17.2	1.8
※	Provision for waiver of principal related to interest repayment	50.4	49.7	0	0	0
Operating income		-265.2	-24.1	16.4	14.7	22.4
Ordinary income		-264.1	-24.9	16.8	17.6	24.7



※Provision of allowance for losses on interest repayment and the waiver of principal tied to claims for interest repayment are replaced with actual values arisen.

Profits based on actual results

(¥ billion)		2010/3	2011/3	2012/3	2013/3	2014/3
Operating revenue		218.1	144.9	114.0	99.6	91.8
Operating expenses		363.3	225.0	186.4	127.6	107.5
※	Interest repayment (cash-out basis)	71.9	74.4	57.8	44.2	32.2
※	Waiver of principal related to interest repayment	65.3	58.5	31.1	15.7	7.8
Operating income		-145.2	-80.1	-72.4	-28.0	-15.7
Ordinary income		-144.1	-80.9	-72.1	-25.1	-13.5



Financial expenses 5.8bn

Expenses due to purchase of asset, etc. 1.2bn

【Cash inflow】
【Cash outflow】
【Cash inflow】
【Cash outflow】
【Cash inflow】
【Cash outflow】

Cash and Cash equivalents
61.1bn

Cash and Cash equivalents
66.8bn

At the beginning of FY2013

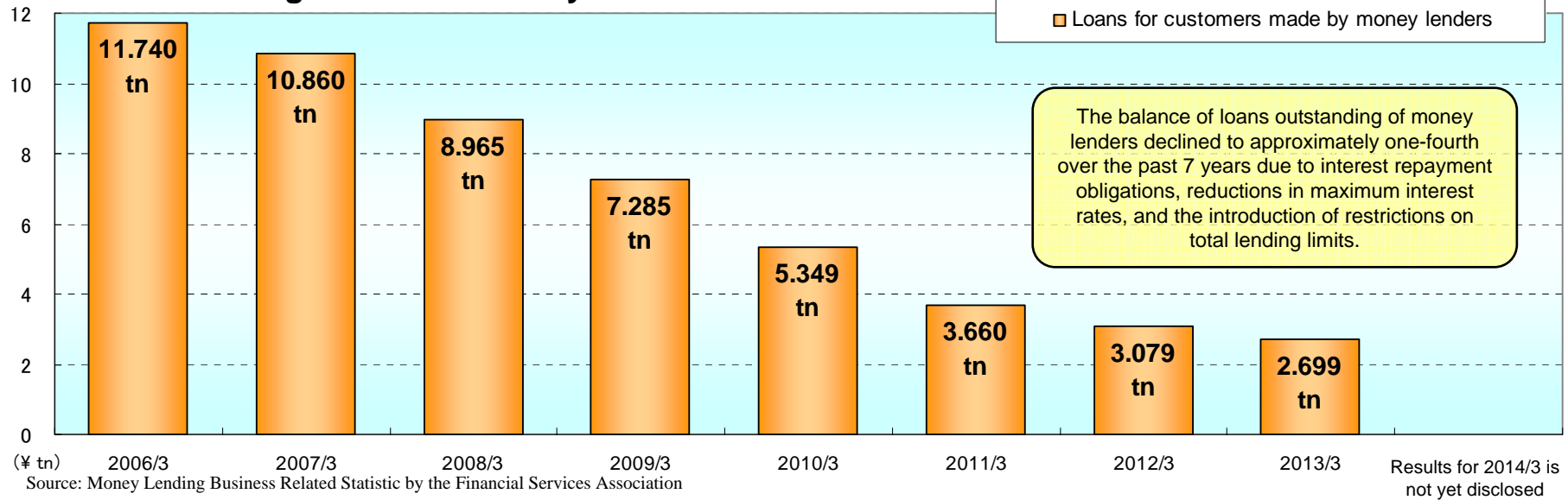
At the end of FY2013

3. Business Revitalization Plan (ADR)

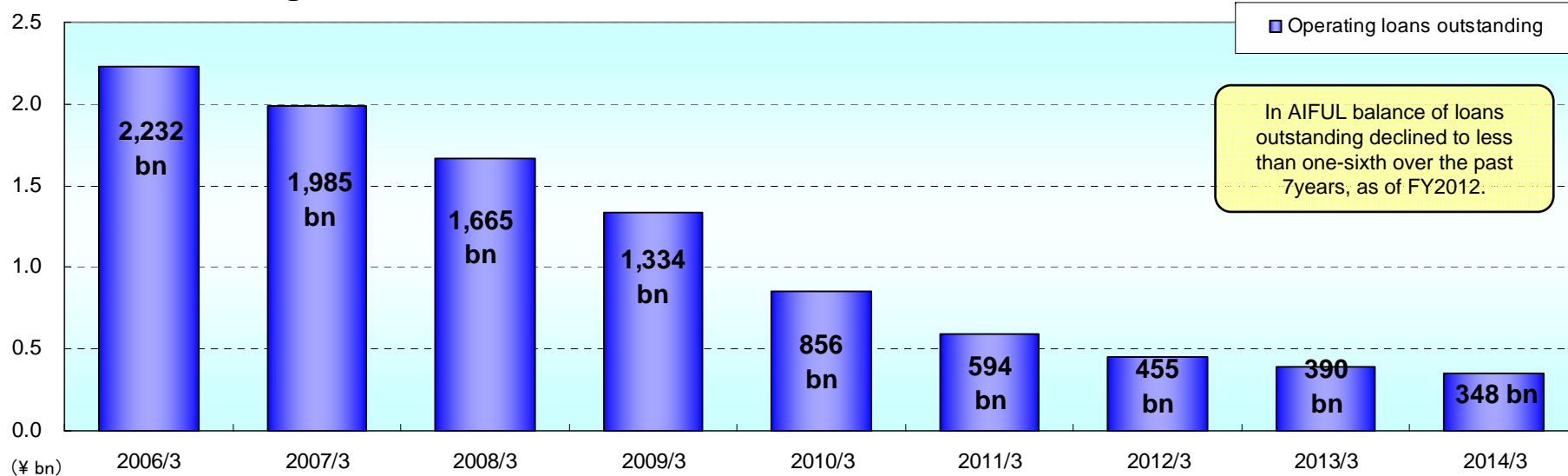




◆ Loan outstanding balance of money lenders

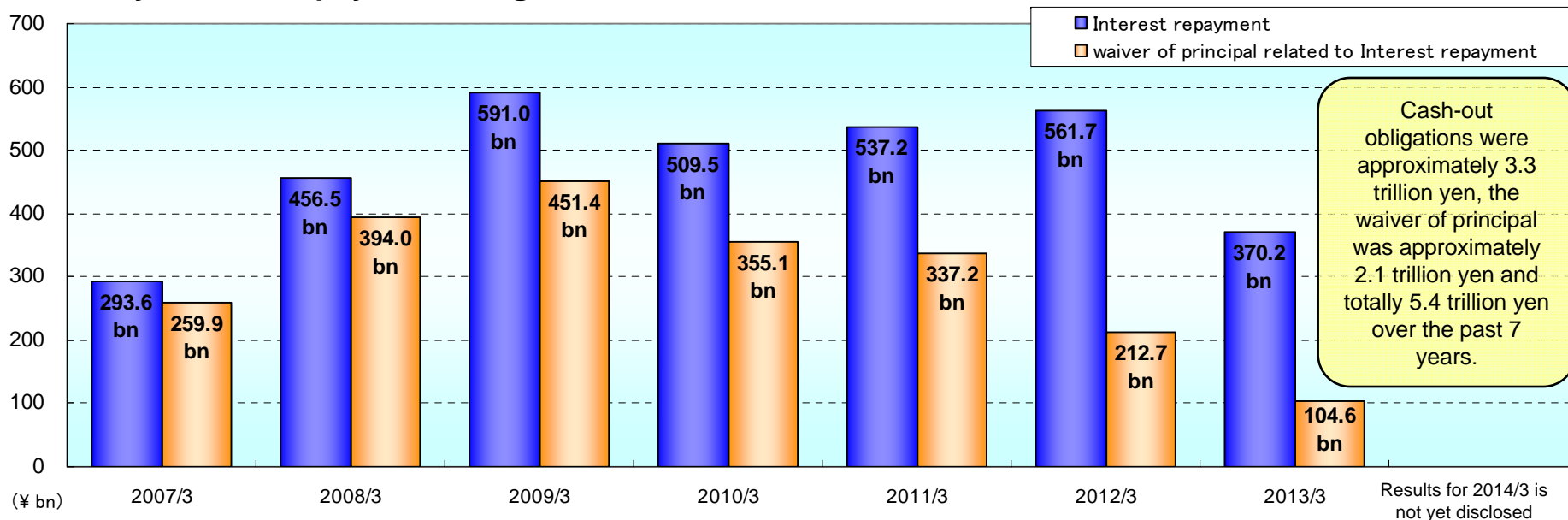


◆ Loan outstanding balance of AIFUL

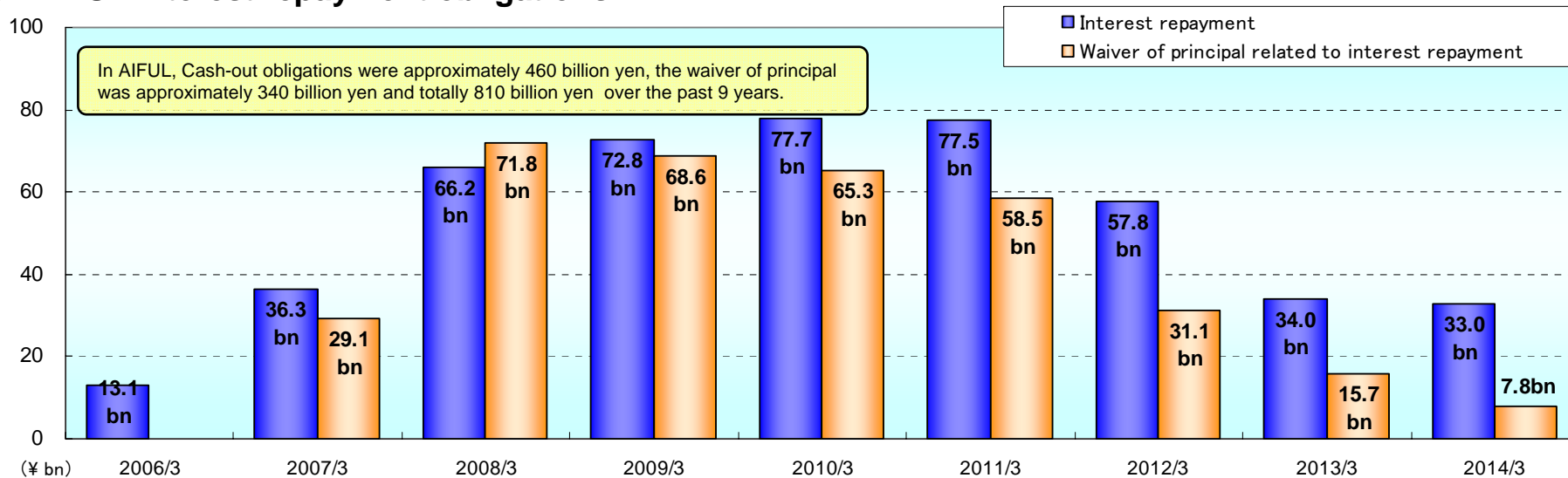


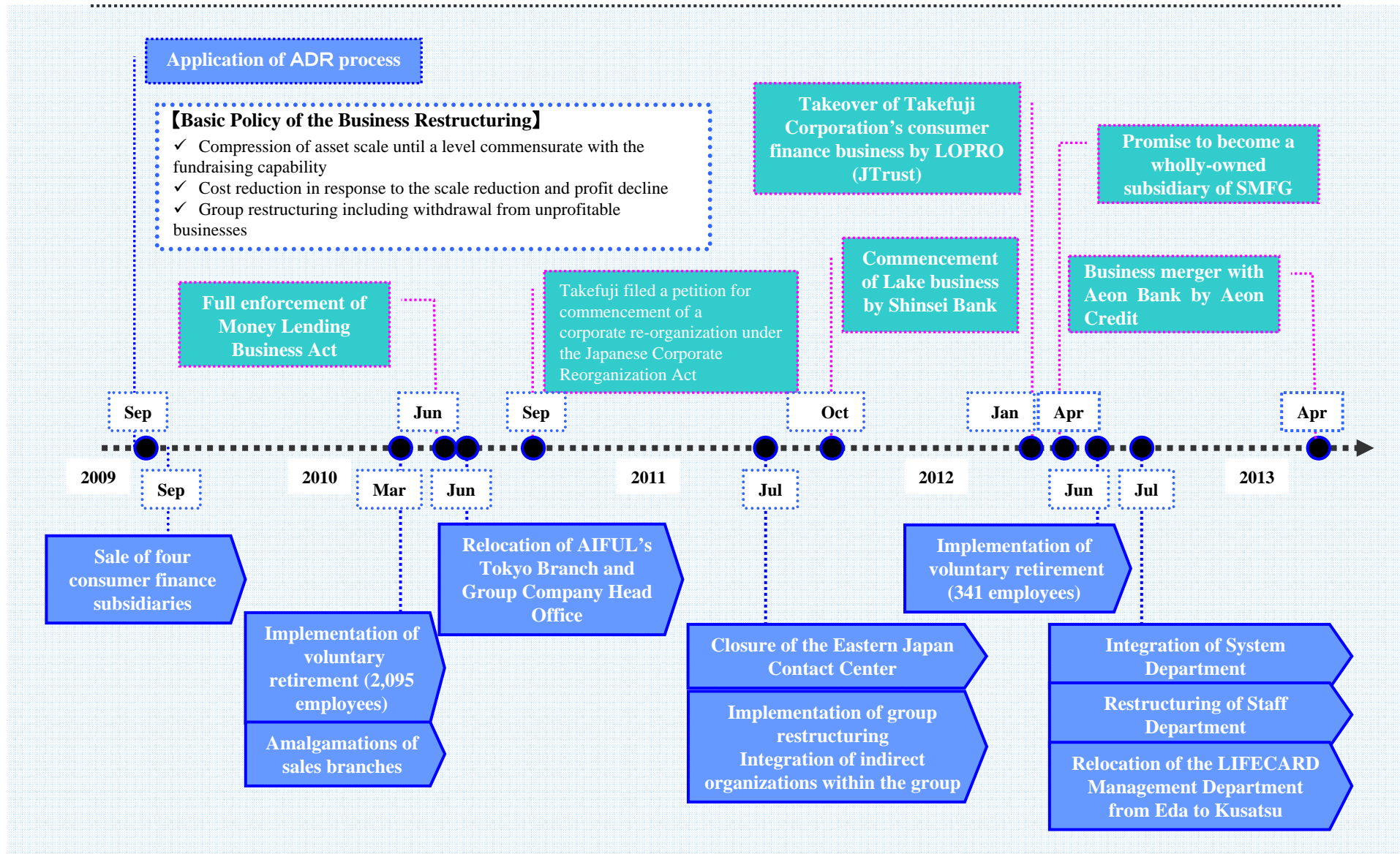


◆ Industry interest repayment obligations



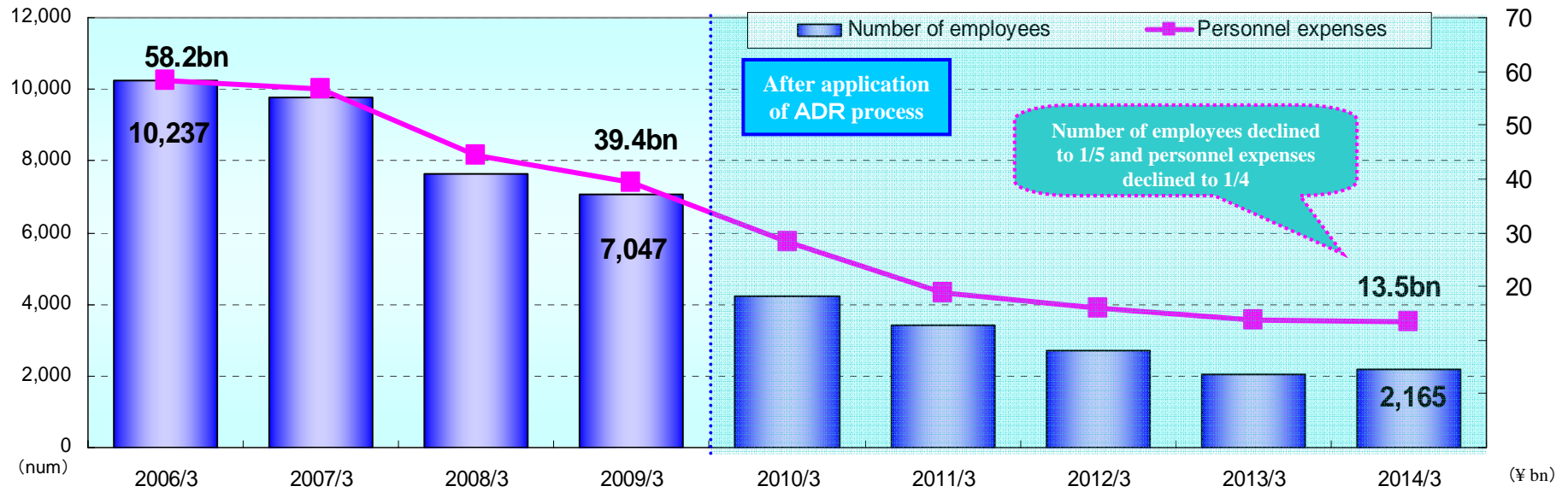
◆ AIFUL interest repayment obligations



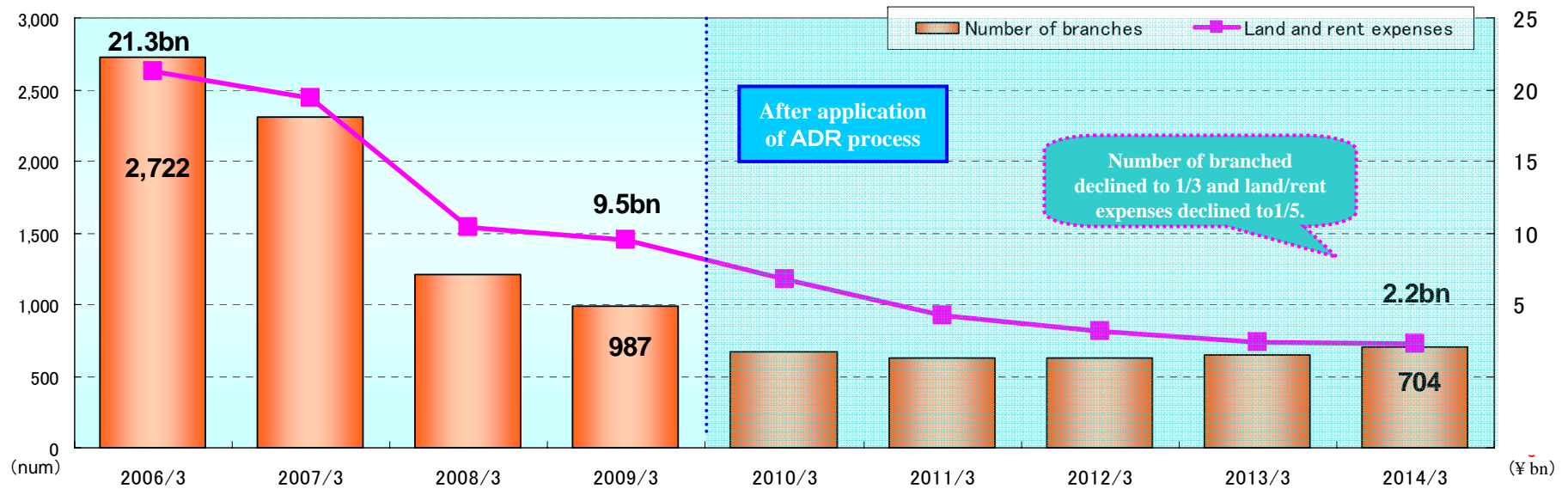




◆ Number of employees and Personnel expenses

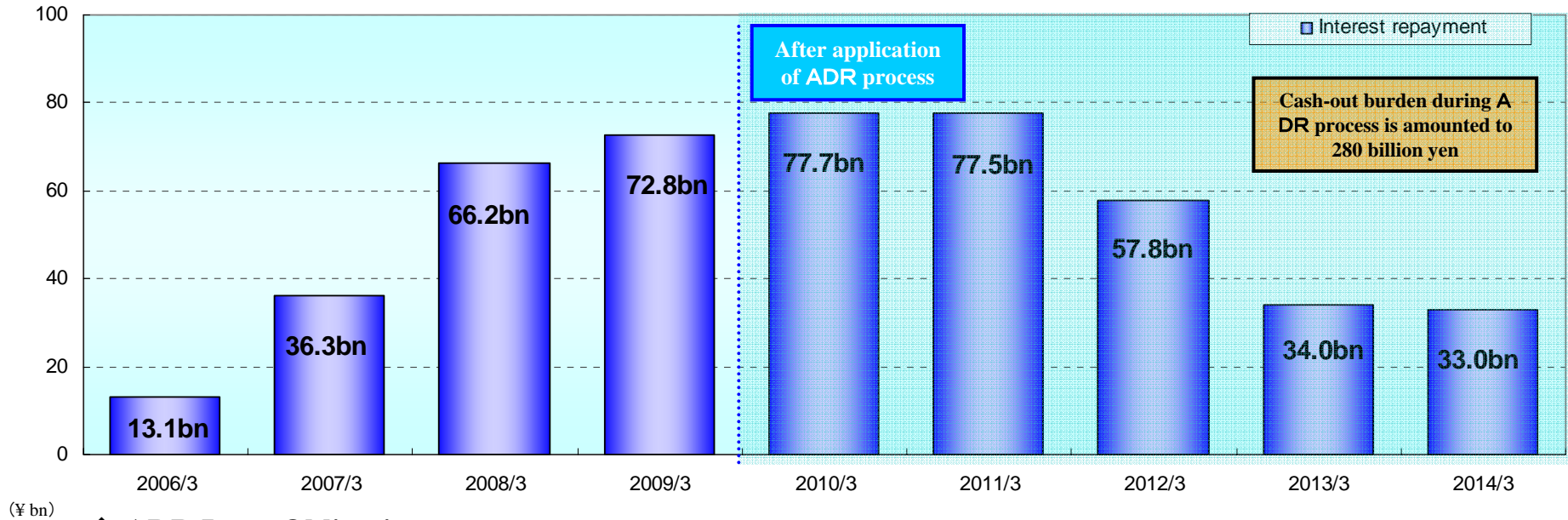


◆ Number of branches and Land/Rent expenses

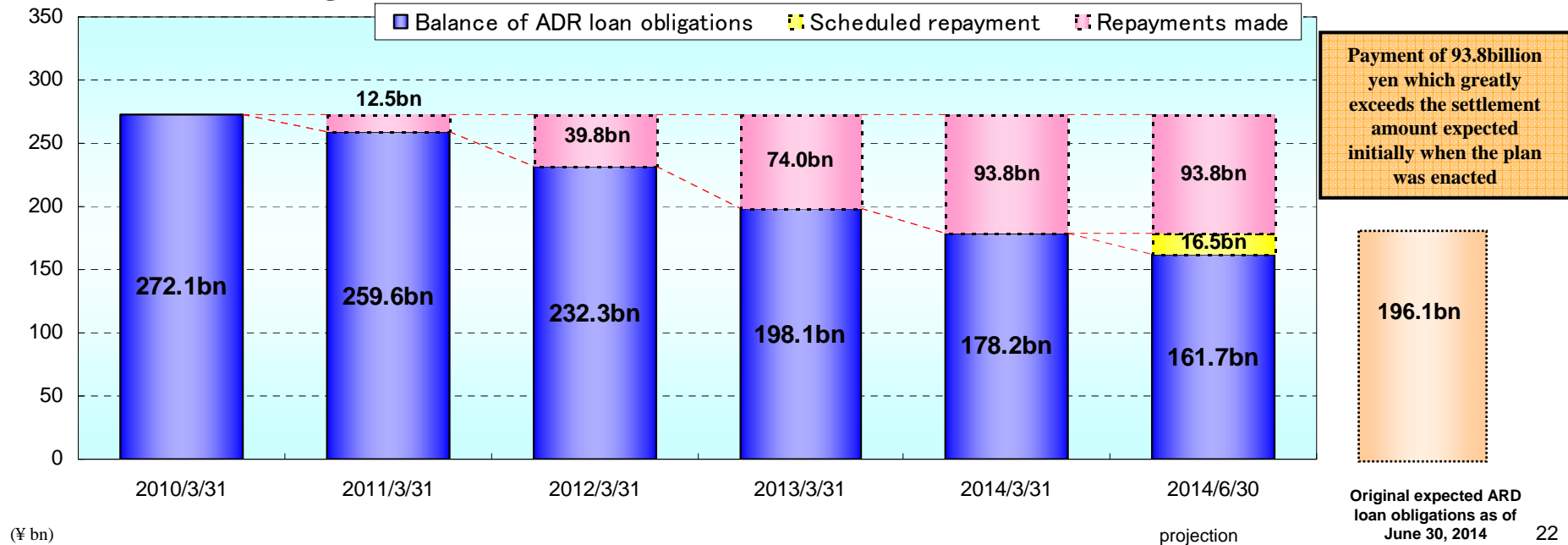




◆ Burden of Interest Repayment



◆ ADR Loan Obligations




4. Financial results of LIFE CARD




LIFECARD (1): Financial results Summary



 (¥ million) <small>*On-balance</small>	13/3	14/3			15/3 (E)
			YOY	YOY%	
Operating revenue	26,332	27,346	1,013	3.8	-
Installment receivable	12,440	13,387	946	7.6	-
Credit card	12,398	13,379	981	7.9	-
Loans	6,904	6,260	-643	-9.3	-
with Credit card	5,412	4,695	-717	-13.3	-
Credit guarantee and others	6,988	7,699	710	10.2	-
Operating expenses	23,647	25,934	2,287	9.7	-
Financial expenses	936	1,959	1,022	109.2	-
Credit cost	2,615	2,997	381	14.6	-
Interest repayment	1,419	1,885	465	32.8	-
Other	18,675	19,092	417	2.2	-
Operating income	2,685	1,411	-1,273	-47.4	-
Ordinary income	4,926	3,219	-1,706	-34.6	-
Extraordinary income	32	28	-4	-12.7	-
Extraordinary losses	27	4	-23	-83.3	-
Net income before tax	4,930	3,243	-1,687	-34.2	-
Net income	3,319	2,418	-900	-27.1	-

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



 (¥ million) <small>* Managed asset basis</small>	13/3	14/3	YOY%	15/3 (E)
Number of new issue (thousands)	509	483	-5.1	-
Proper	138	122	-12.1	-
Affinity	370	361	-2.5	-
Number of card holders (thousands)	5,811	5,818	0.1	-
Proper	2,020	1,910	-5.4	-
Affinity	3,790	3,907	3.1	-
Credit card purchase results	496,087	539,050	8.7	-
Shopping	455,181	498,756	9.6	-
Cashing	40,906	40,294	-1.5	-
Total receivable outstanding	151,735	150,228	-1.0	-
Installment receivable	79,452	82,418	3.7	-
Loans	48,375	45,322	-6.3	-
Credit guarantee	23,362	21,931	-6.1	-
Other	545	556	2.0	-
Bad debt write-offs	2,960	3,117	5.3	-
Ratio of bad debt write-offs (%)	1.95%	2.08%	+0.13pt	-

5. Explanation of figures



Explanation Figures (1): Breakdown of Consolidated operating revenue



(¥ million)	14/3	YOY	YOY%	Reasons for increase/ decrease
Operating revenue	91,858	-7,760	-7.8	
Interest income	50,577	-11,029	-17.9	The balance of loans outstanding fell ¥42.6billion year-on-year to ¥348.0billion due to the introduction of restrictions on total lending limits, reductions in maximum interest rates and expenses related to interest repayment.
AIFUL	42,066	-5,336	-11.3	Unsecured loan outstanding: ¥216.0billion (down ¥8.5billion), Secured loan outstanding: ¥37.6billion (down ¥15.0billion), Small business loan outstanding: ¥7.0billion (down ¥1.8billion).
LIFECARD	6,260	-643	-9.3	Loans outstanding: ¥45.3billion (down ¥3.0billion)
BUSINEXT	2,251	-5,049	-69.2	Reduction of loans outstanding (down ¥40.8billion) through the liquidation of loan receivables (off-balance)
Revenue from credit card	13,612	866	6.8	Increase in credit card shopping purchases (up ¥43.5billion) through an expansion of WEB services for LIFECARD
Revenue from credit guarantee	7,949	3,340	72.5	Credit guarantee outstanding in managed asset basis: ¥75.5billion (up ¥1.1billion)
Other operating income	19,718	-937	-4.5	
Recovery of loans previously charged off	9,663	-1,177	-10.9	Reduction in recovery of loans previously charged off together with a reduction in written-off bad debt.
Collection from purchased receivables	3,011	-896	-22.9	Collection from purchased receivables at Astry Loan Service

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



(¥ million)	14/3	YOY	YOY%	Reasons for increase/ decrease
Operating expenses	69,360	-15,540	-18.3	
Financial expenses	5,844	-1,050	-15.2	Interest-bearing loans amounting to ¥280.7billion (down ¥27.6billion) remain outstanding after settlement
Cost of purchased receivables	2,281	-870	-27.6	Tied to AsTry Loan Service collections of purchased receivables
Credit cost	10,930	2,794	34.3	Increase in amount carried over due to a conservative estimate in the allowance for doubtful accounts
Expenses related to interest repayment	1,885	-15,411	-89.1	Carry over provisions in view of the trend in base interest repayment claims in the LIFECARD
Advertising expenses	3,293	-520	-13.6	Even though there is an increase at the company level due to the increase in TV commercials, this is lower on a consolidated basis as there is an overall reduction for the group companies
Provision for credit card point redemption	2,666	318	13.6	Allowance for credit card point redemption at LIFECARD
Personnel expenses	13,517	-129	-0.9	
Other	28,939	-671	-2.3	
Commission	10,467	714	7.3	Handling charges etc, incurred together with an increase in V-preca transactions in the LIFECARD
Rental expenses & land rent	2,259	-188	-7.7	
Supplies, repair and maintenance	2,939	285	10.8	Increase in costs incurred together with the increase in the number of unmanned AIFUL branches opened
Communications	2,525	-224	-8.2	
Depreciation expenses	3,761	-2,259	-37.5	Due to decrease in assets
Operating income	22,498	7,779	52.9	

Explanation Figures (3): Breakdown of Consolidated extraordinary income/ loss, and Others



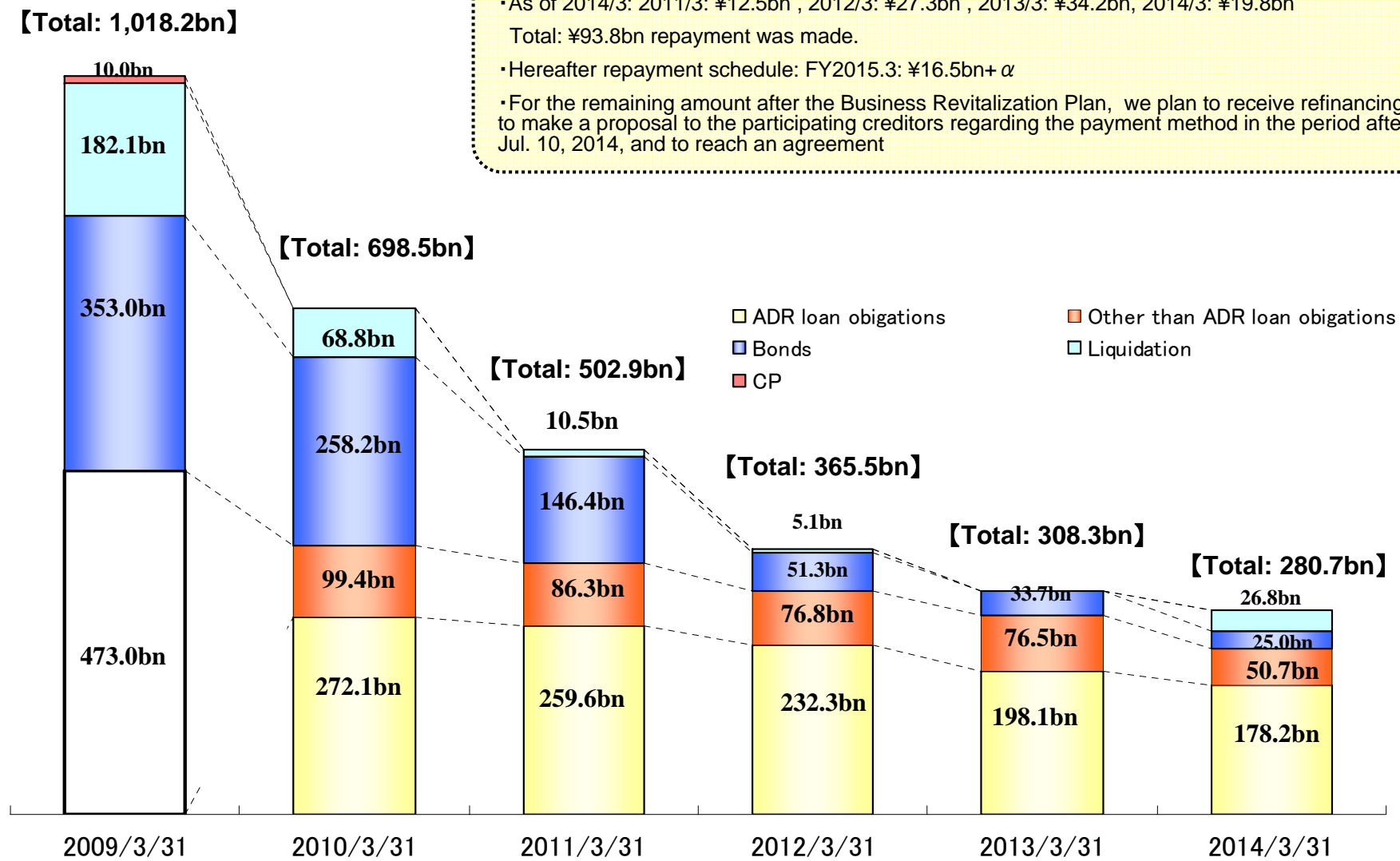
(¥ million)	14/3	YOY	YOY%	Reasons for increase/ decrease
Non- operating income	2,283	-742	-24.5	LIFECARD Foreign exchange gain was ¥1.7billion
Non-operating expenses	30	-68	-69.1	
Ordinary income	24,752	7,105	40.3	
Extraordinary income	6,398	361	6.0	
Gain on negative goodwill	2,305	-	-	Extraordinary income associated with the dissolution of a joint venture related to BUSINEXT CORPORATION
Gain on loan extinguishment	3,840	-2,108	-35.4	Extraordinary income associated with the dissolution of a joint venture related to BUSINEXT CORPORATION
Extraordinary losses	42	-40	-49.0	
Net income before taxes	31,108	7,507	31.8	
Income taxes-current	764	349	84.4	
Income taxes-deferred	-117	-	-	
Minority interests in income	-	-	-	
Net income	30,461	7,756	34.2	



◆ Increase/Decrease in Consolidated Interest-Bearing Liabilities

“ADR Loan Obligations”

- As of 2014/3: 2011/3: ¥12.5bn , 2012/3: ¥27.3bn , 2013/3: ¥34.2bn, 2014/3: ¥19.8bn
Total: ¥93.8bn repayment was made.
- Hereafter repayment schedule: FY2015.3: ¥16.5bn+ α
- For the remaining amount after the Business Revitalization Plan, we plan to receive refinancing 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



(Reference 2): Trend of the main items



(¥ billion)	06/3	07/3	08/3	09/3	10/3	11/3	12/3	13/3	14/3	
Loans outstanding	2,232	1,985	1,665	1,334	856	594	455	390	348	Declined to one-sixth
Operating revenue	549	499	405	312	218	144	114	99	91	Declined to one-sixth
Ordinary income	126	-163	32	8	-264	-24	16	17	24	-
Net income	65	-411	27	4	-295	-31	17	22	30	-
Bad dept write offs	149	205	227	177	151	108	71	40	25	Total:1,158billion
Interest repayment	13	36	66	72	77	77	57	34	33	Total:468billion
Cash flow during fiscal period	25	-7	130	-125	-2	11	-53	-25	5	-
Borrowings	1,128	930	694	473	371	346	309	274	228	-
Bonds	510	496	494	353	258	146	51	33	25	-
Other	349	243	297	192	68	10	5	0	26	-
Total interest bearing dept	1,988	1,670	1,486	1,018	698	502	365	308	280	Declined to one-seventh
Full-time/Permanent (num)	6,675	6,477	5,138	4,895	2,514	2,073	1,898	1,437	1,369	-
Non-permanent	3,562	3,278	2,508	2,152	1,723	1,321	794	620	796	-
Total	10,237	9,755	7,646	7,047	4,237	3,394	2,692	2,057	2,165	Declined to one-fifth
Staffed Branches (num)	873	364	223	133	33	30	30	27	26	-
Unstaffed Branches	1,849	1,943	982	854	637	601	595	624	678	-
Loan Business Branches	2,722	2,307	1,205	987	670	631	625	651	704	Declined to one-fourth