



First Quarter Financial Results for Fiscal Year 2016 (Apr, 2016 - Jun, 2016)

AIFUL CORPORATION
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Financial Results (1): Highlights (Consolidated & Non-consolidated)



(Consolidated)

(¥ million)	15/6	16/6	17/3(E)		
			YOY%		YOY%
Operating revenue	21,716	22,210	2.3%	92,400	5.3%
Operating expenses	18,405	20,617	12.0%	85,400	5.4%
Operating income	3,311	1,593	-51.9%	7,000	4.9%
Ordinary income	3,382	1,487	-56.0%	7,000	2.0%
Net income attributable to owners of parent	3,413	1,589	-53.4%	6,800	-3.5%
Loans outstanding (Managed Asset Basis)	354,267	384,737	8.6%	412,600	9.7%
Unsecured loans outstanding	280,836	316,828	12.8%	347,100	13.2%
Installment receivable	84,116	90,337	7.4%	96,500	7.0%
Credit guarantee	73,054	72,764	-0.4%	83,500	13.7%

(AIFUL)

(¥ million)	15/6	16/6	17/3(E)		
			YOY%		YOY%
Operating revenue	13,607	14,205	4.4%	59,400	7.8%
Operating expenses	12,080	13,587	12.5%	55,700	8.3%
Operating income	1,526	617	-59.6%	3,600	-2.7%
Ordinary income	2,140	647	-69.8%	4,200	-16.2%
Net income	2,285	721	-68.4%	4,800	-9.1%


Financial Results (2): Consolidated Summary



(¥ million)	15/6	16/6	YOY	
			YOY	YOY%
Operating revenue	21,716	22,210	493	2.3%
Interest income	10,705	11,536	831	7.8%
Revenue from installment receivable	3,543	3,759	215	6.1%
Revenue from credit guarantee	3,167	3,121	-46	-1.5%
Operating expenses	18,405	20,617	2,211	12.0%
Financial expenses	1,791	1,891	100	5.6%
Cost of sales	355	213	-142	-40.0%
Credit cost	3,234	5,168	1,934	59.8%
(Bad debt write-offs)	5,861	5,906	45	0.8%
Expenses for Interest repayment	-	-	-	-
(Interest repayment)	8,165	7,594	-571	-7.0%
Other operating expenses	13,024	13,343	319	2.5%
Advertising expenses	961	947	-14	-1.5%
Personnel expenses	3,290	3,524	234	7.1%
Sales promotion expenses	1,966	1,835	-130	-6.7%
Operating income	3,311	1,593	-1,718	-51.9%
Non-operating expenses	8	155	147	-
Ordinary income	3,382	1,487	-1,894	-56.0%
Net income attributable to owners of parent	3,413	1,589	-1,824	-53.4%


Financial Results (3): Summary of AIFUL



 (¥ million)	15/6	16/6	YOY	YOY%
	Operating revenue	13,607	14,205	598
Interest income	8,843	9,668	824	9.3%
Revenue from credit guarantee	2,850	2,803	-46	-1.6%
Recovery of loans previously charged off	1,608	1,346	-262	-16.3%
Operating expenses	12,080	13,587	1,507	12.5%
Financial expenses	1,563	1,553	-10	-0.7%
Credit cost	2,650	4,158	1,507	56.9%
(Bad debt write-offs)	4,717	4,937	219	4.7%
Expenses for Interest repayment	-	-	-	-
(Interest repayment)	7,842	7,196	-645	-8.2%
Other operating expenses	7,866	7,875	9	0.1%
Operating income	1,526	617	-908	-59.6%
Ordinary income	2,140	647	-1,492	-69.8%
Net income	2,285	721	-1,563	-68.4%
Loans outstanding (Managed Asset Basis)	269,155	297,777	28,622	10.6%
Unsecured loans outstanding	236,713	272,447	35,734	15.1%
Credit guarantee	78,294	78,356	62	0.1%
Customer accounts (thousands)	625	678	52	8.5%
Average yield	15.4%	14.9%	-0.5pt	-
Below 18% unsecured loan balance's occupancy rate	93.5%	96.0%	+2.5pt	-

Financial Results (4): Summary of LIFE CARD

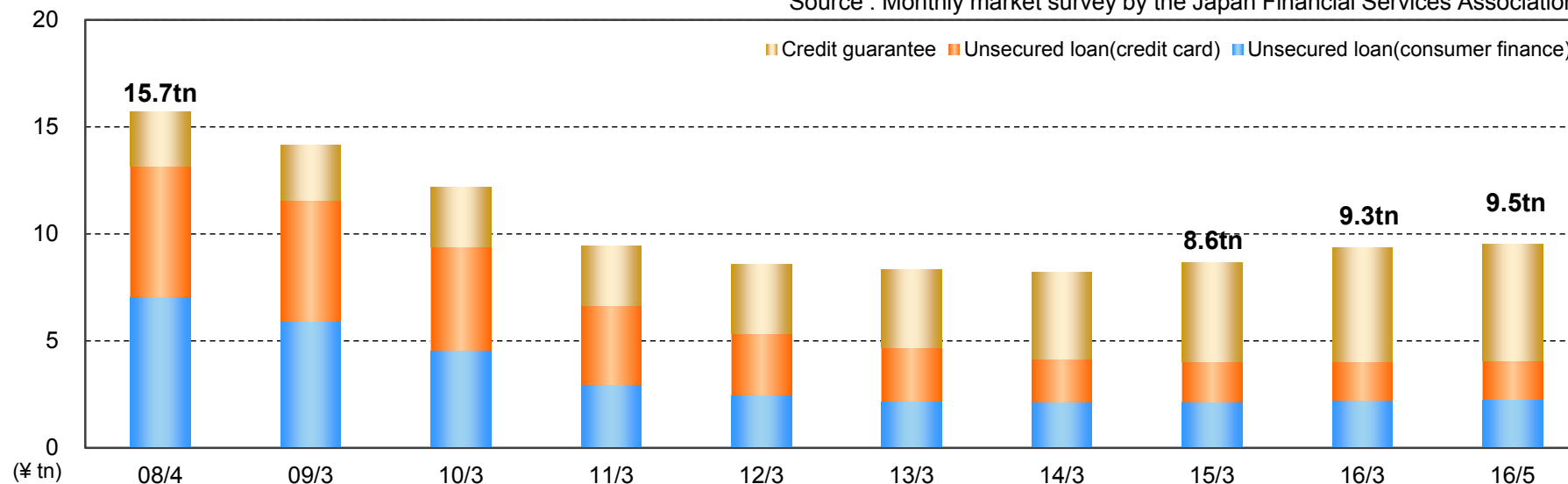


 (¥ million)	15/6	16/6	YOY	YOY%
Operating revenue	7,100	7,258	158	2.2%
Revenue from installment receivable	3,511	3,721	210	6.0%
Interest income	1,435	1,390	-45	-3.2%
Operating expenses	6,202	6,339	137	2.2%
Operating income	897	919	21	2.4%
Ordinary income	934	895	-38	-4.1%
Net income	1,003	1,354	351	35.0%
Total Receivable Outstanding (Managed Asset Basis)	148,408	155,309	6,901	4.7%
Installment receivables	82,476	89,251	6,774	8.2%
Loans outstanding	44,338	44,599	261	0.6%
Credit guarantee	21,054	20,819	-235	-1.1%
Number of card holders (thousand)	6,100	6,332	231	3.8%
Number of new issue (thousand)	129	135	5	4.6%
Purchase Results	154,230	165,963	11,732	7.6%
Shopping	143,819	155,550	11,730	8.2%
Cashing	10,411	10,413	1	0.0%

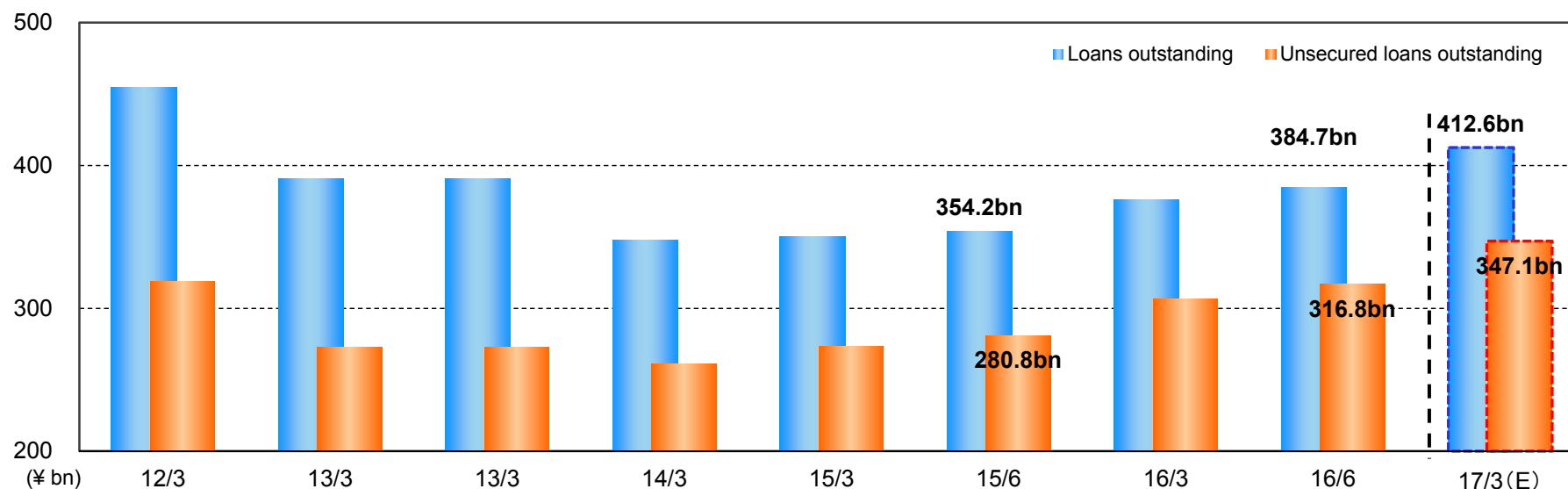


◆ Trend of loans outstanding in the unsecured loan market for consumers

Source : Monthly market survey by the Japan Financial Services Association



◆ Trends of loans outstanding (AIFUL consolidated basis)



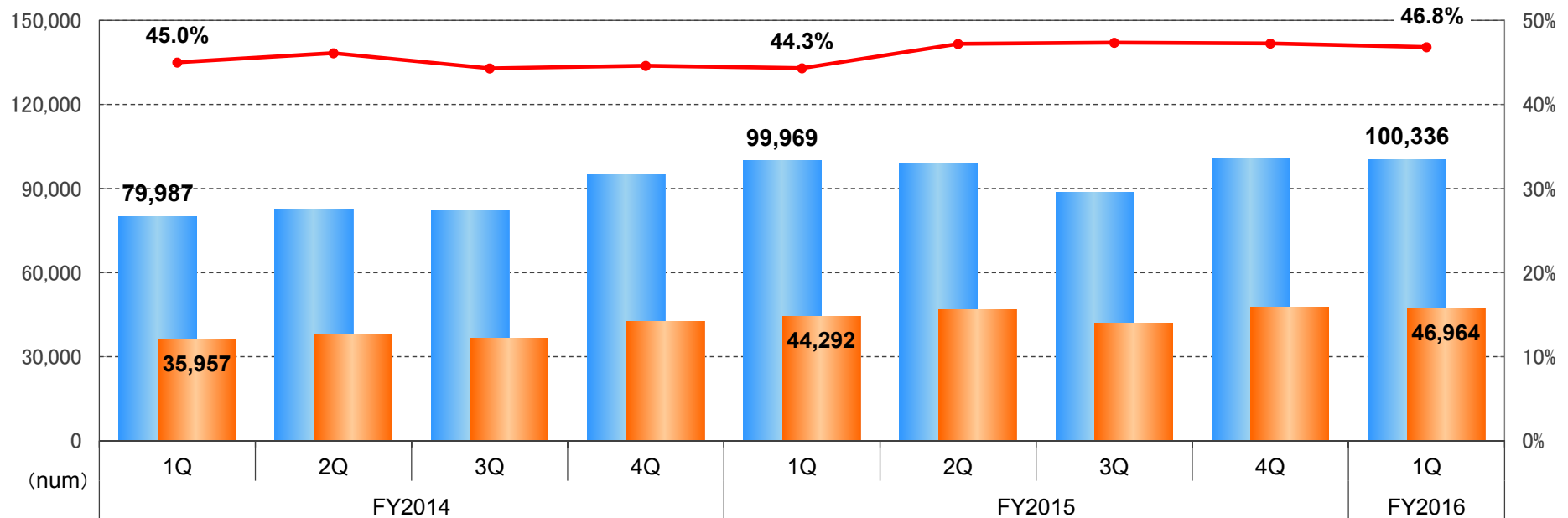


◆ Situation of Unsecured Loans' New Application

	FY2015					FY2016	
	1Q(3M)	2Q(3M)	3Q(3M)	4Q(3M)	TOTAL	1Q(3M)	YOY
New applications (num)	99,969	98,862	88,699	101,011	388,541	100,336	0.4%
New accounts (num)	44,292	46,665	41,986	47,723	180,666	46,964	6.0%
Contract rate (%)	44.3%	47.2%	47.3%	47.2%	46.5%	46.8%	+2.5pt

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

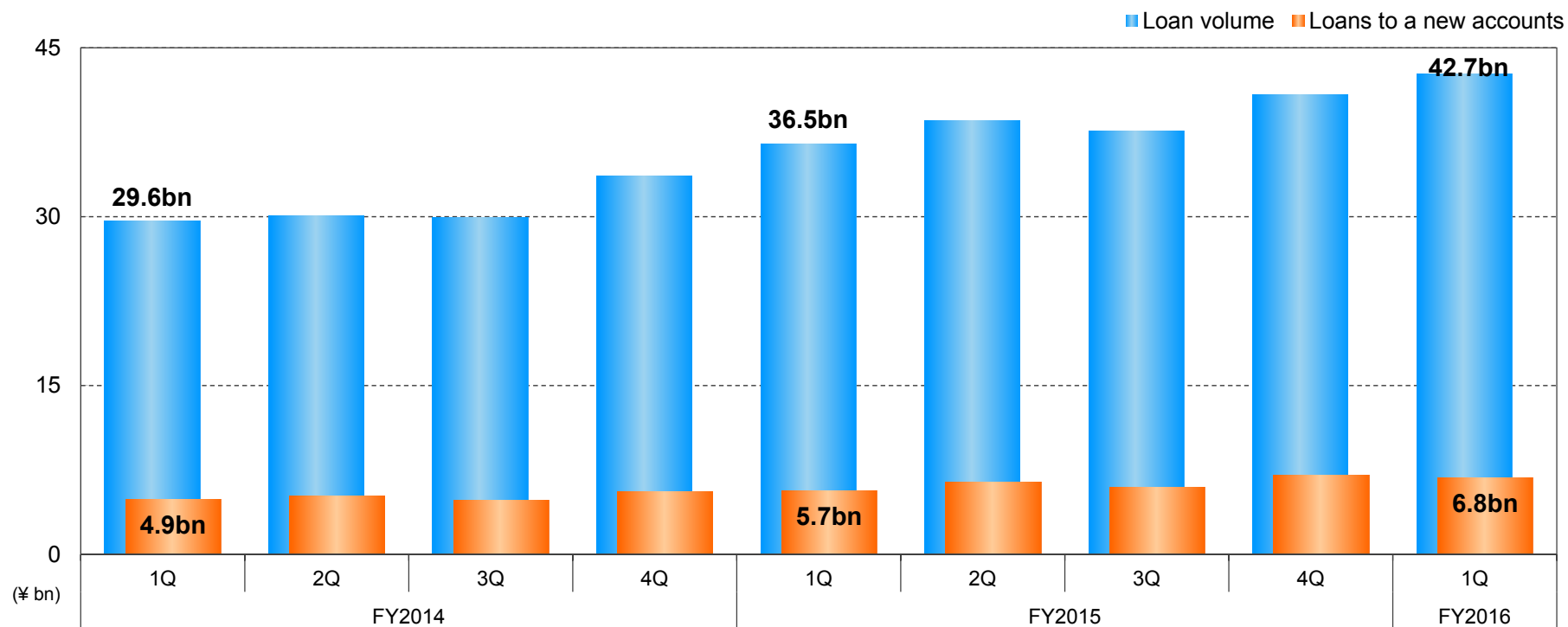




◆ Situation of Loan Volume

¥ million)	FY2015					FY2016	
	1Q(3M)	2Q(3M)	3Q(3M)	4Q(3M)	TOTAL	1Q(3M)	YOY
Loan volume	36,476	38,565	37,640	40,809	153,492	42,711	17.1%
Loans to a new accounts	5,695	6,396	5,979	7,047	25,120	6,852	20.3%
Loans to a existing accounts	30,780	32,168	31,661	33,761	128,371	35,858	16.5%

◆ Trends of Loan Volume





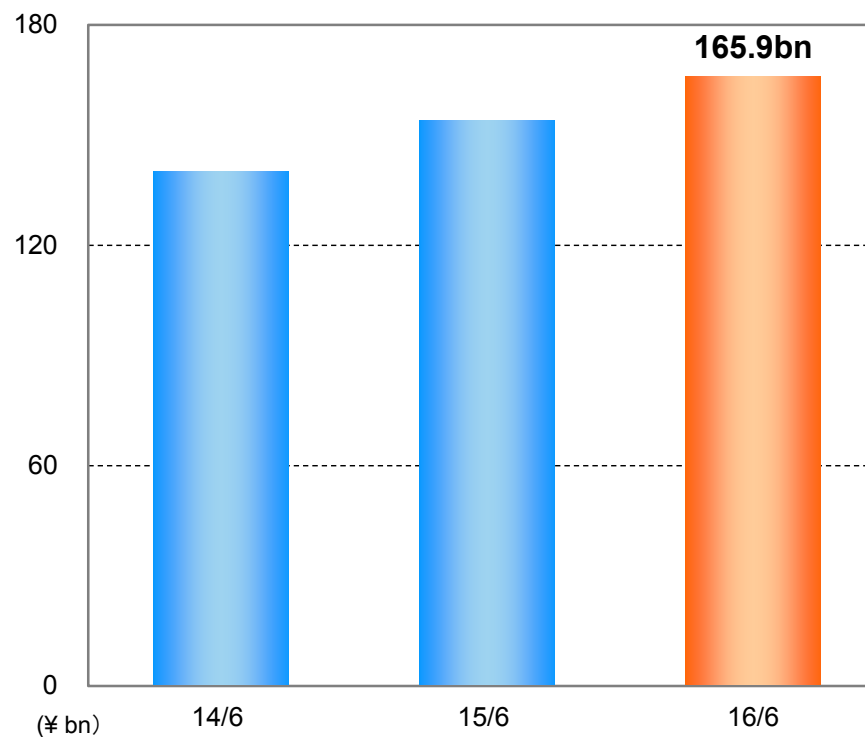
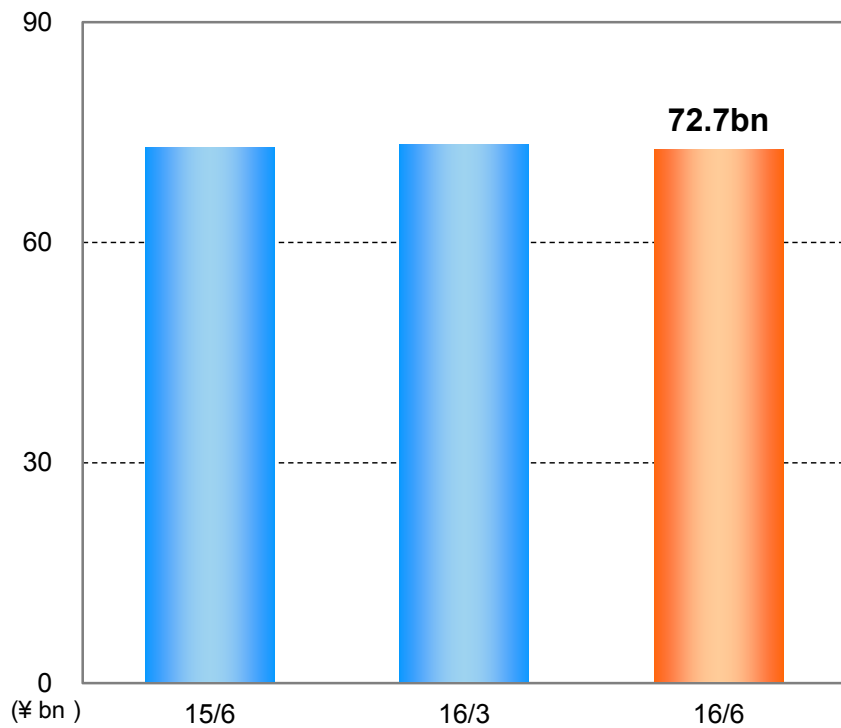
◆ Credit Guarantee Business

(¥ million)	15/6	16/3	16/6	YOY
Credit guarantee *	73,054	73,411	72,764	-0.4%

*Managed Asset Basis

◆ Credit Card Business

(¥ million)	14/6	15/6	16/6	YOY
Purchase results (LIFECARD)	154,230	636,901	165,963	7.6%



Trends of Non-performing loans (1): Status of Bad Debt Write-offs



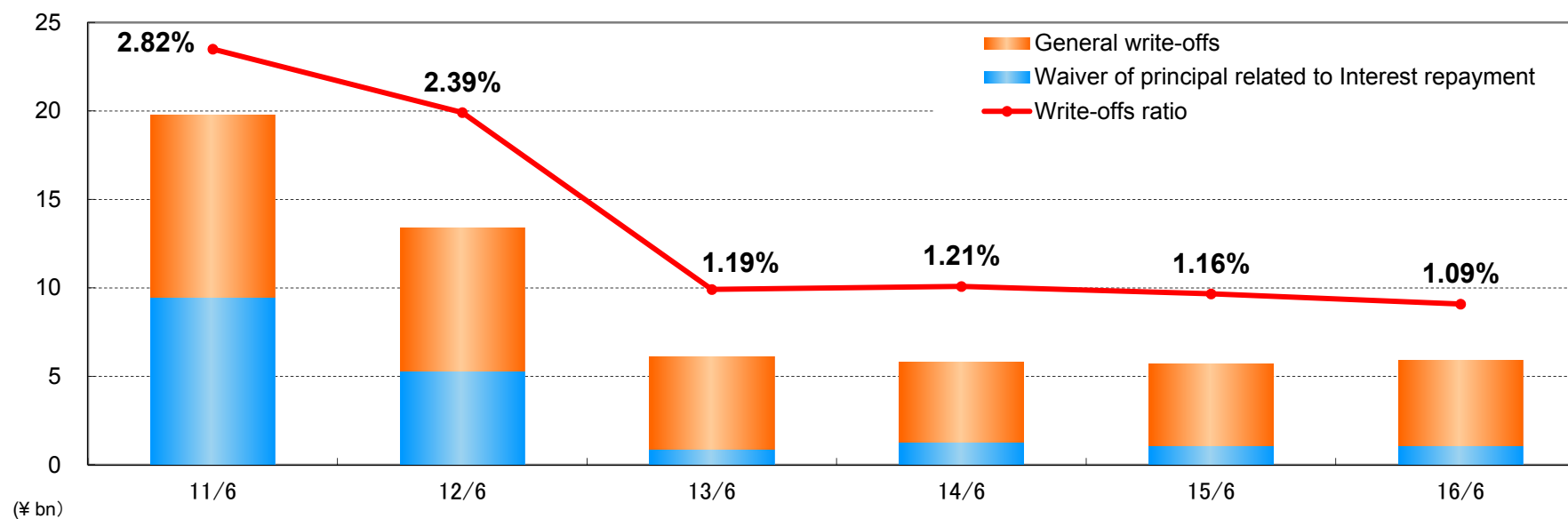
◆ Amount of Write-offs and Write-offs Ratio for Total Receivable Outstanding

(Consolidated)

(Non-consolidated)

(¥ million)	15/6	16/6	YOY	15/6	16/6	YOY
	(3M)	(3M)		(3M)	(3M)	
(1) Write-offs	5,861	5,906	0.8%	4,717	4,937	4.7%
Waiver of principal related to Interest repayment	1,165	1,074	-7.9%	1,165	1,074	-7.9%
General write-offs (other than interest repayment)	4,696	4,832	2.9%	3,552	3,863	8.8%
(2) Specific allowance for doubtful accounts	125	141	12.6%	126	141	12.2%
Total Write-offs (1)+(2)	5,987	6,048	1.0%	4,843	5,079	4.9%
Write-offs ratio	1.16%	1.09%	-0.07pt	1.37%	1.33%	-0.04pt

(Consolidated)



Trends of Non-performing loans (2) : Trends of NPL defined by FSA



◆ Trends of NPL defined by FSA

(Consolidated)

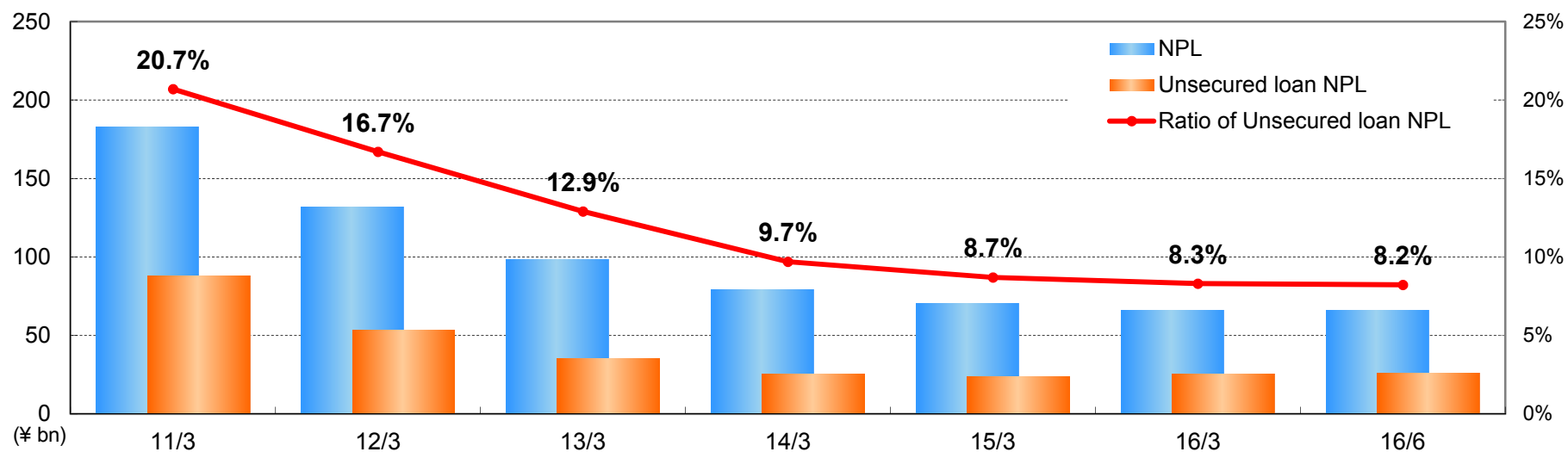
(¥ million)	15/6	16/6	YOY
	Total non-performing loans	68,183	65,889
Loans in legal bankruptcy	32,626	30,648	-6.1%
Non-accrual loans	22,097	22,084	-0.1%
Loans past due for three months or more	3,211	4,242	32.1%
Restructured loans	10,247	8,914	-13.0%
Ratio of loan outstanding and claims in bankruptcy NPL	17.58%	15.83%	-1.75pt
Ratio of Unsecured loan NPL	8.39%	8.22%	-0.17pt

(Non-consolidated)

	15/6	16/6	YOY
	Total non-performing loans	63,616	61,263
Loans in legal bankruptcy	32,592	30,616	-6.1%
Non-accrual loans	20,291	20,409	0.6%
Loans past due for three months or more	2,947	3,979	35.0%
Restructured loans	7,784	6,258	-19.6%
Ratio of loan outstanding and claims in bankruptcy NPL	21.06%	18.63%	-2.43pt
Ratio of Unsecured loan NPL	8.88%	8.48%	-0.40pt

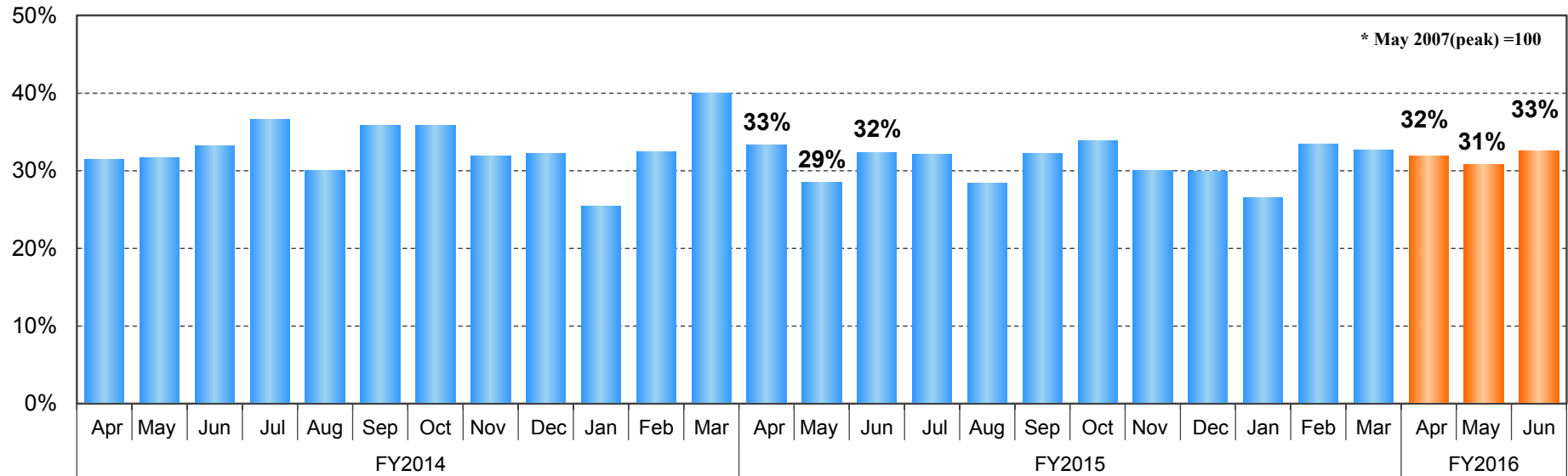
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(Consolidated)

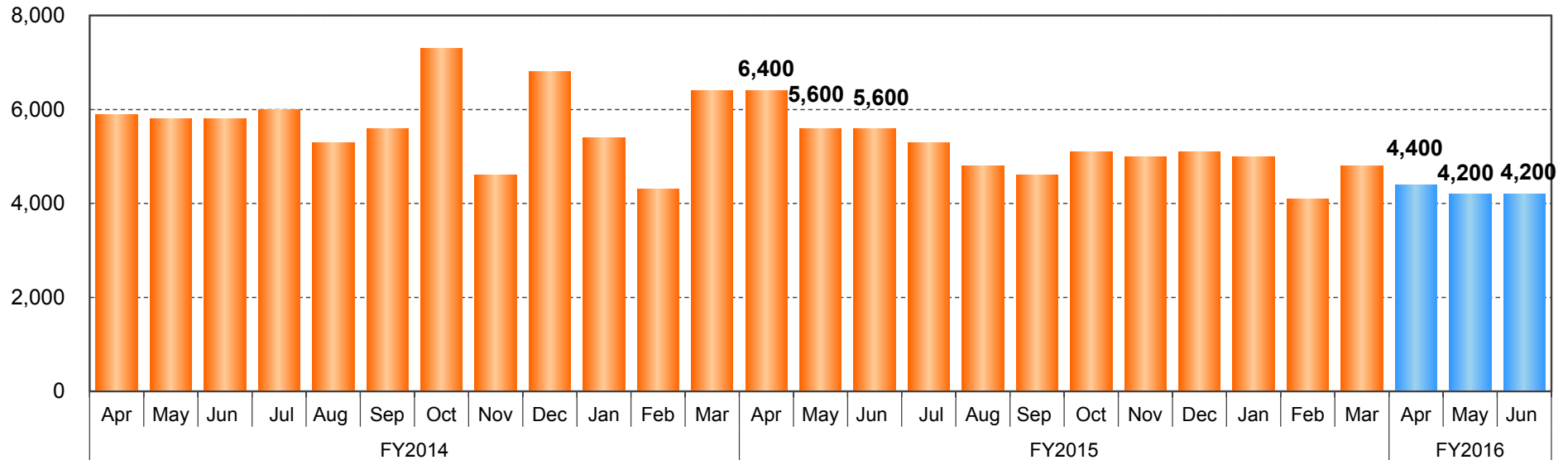




◆ Monthly Figure of Attorney Involvement (non-consolidated)



◆ Monthly Interest Repayment Claims (non-consolidated)





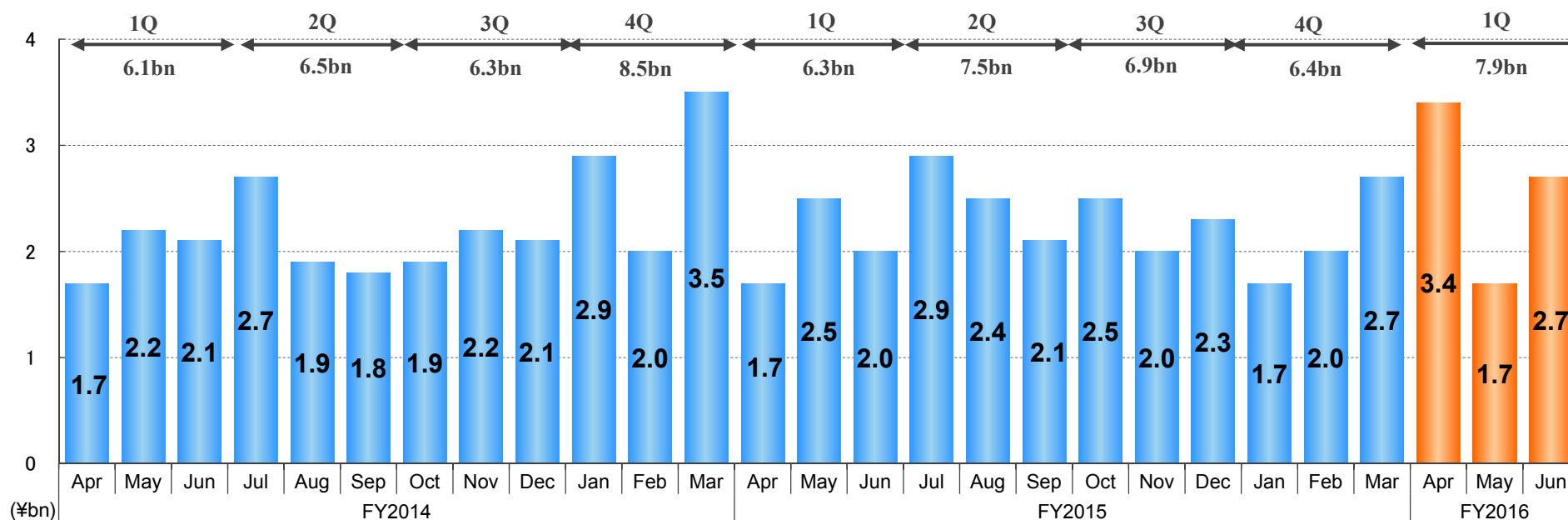
◆ Allowance for losses on Interest repayment

(Consolidated)

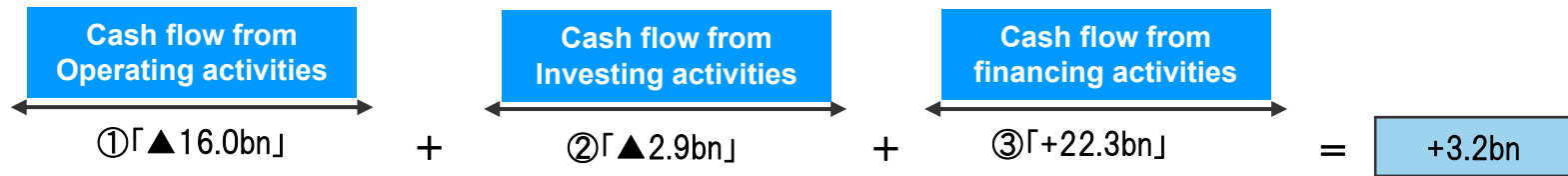
(Non-consolidated)

(¥ million)	Interest repayment	Waiver of principal	Total	Interest repayment	Waiver of principal	Total
Allowance at the beginning of FY2016	63,438	12,434	75,873	58,000	12,434	70,435
Reversal (Interest repayment)	7,594	-	7,594	7,196	-	7,196
Reversal (Waiver of principal)	72	1,074	1,146	-	1,074	1,074
Provisions	-	-	-	-	-	-
Allowance at the end of FY2016	55,771	11,360	67,132	50,804	11,360	62,164

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



Cash Flows and Funding: Consolidated



※Managed Asset Basis

