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AIFUL Corporation

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Press Release

AIFUL Issues Update on Strengthening of Compliance Structure

KYOTO — AIFUL Corporation continues to work to strengthen its compliance structure and revise internal regulations, systems, organizations and employee education programs. The progress that AIFUL has made since the previous announcement (news release titled “AIFUL Issues Another Update on Strengthening of Compliance Structure,” dated May 19, 2008) is summarized below.

1. The Executive Caravan Program

The Executive Caravan program, initiated in December 2006, facilitates the direct communication of business policies and business conditions from the management to onsite employees. In this program, executives visit workplaces and engage in face-to-face dialogue with employees to ensure that employee views are reflected in the Company’s management.

By the end of July 2008, AIFUL had held 905 executive caravan sessions, involving a total of 9,502 employees. This program will be continued in the future.

2. Thorough Employee Guidance and Training

Strengthened telephone service monitoring

AIFUL has been implementing telephone service monitoring, aiming to further improve the quality of its phone-based services. Over the four-month period from April 2008 to July 2008, the Company monitored the following calls:

11,074 calls involving 1,410 employees at counseling centers (specializing in debt collection), credit management department, secured loan management department and assistance center;

2,002 calls involving 257 employees at the toll-free customer service department, Heartful Center

2,372 calls involving 303 employees at the customer center responsible for ATM applications

6,313 calls involving 856 employees at all loan offices

Looking to the future, AIFUL will continue this monitoring with the objectives of raising the quality of customer service and ensuring total compliance.

Held compliance training sessions at all branches

The Company is offering its employees training that is standardized in contents once every month under the name of “compliance day.”

Apart from this, AIFUL ran a total of 1,161 study sessions, which were held by the managers of loan offices during the four-month period from April 2008 to July 2008, covering such topics as compliance, regulations and service.

Law and Regulations Manager Certification (in-house qualification)

To urge actual onsite managers to continue their studies of laws and in-house regulations necessary for continually satisfying the latest compliance requirements, the Company conducted examinations for updating the qualification of employees who held the in-house Law and Regulations Manager Certification. A total of 358 examinees passed these examinations. In addition, seven mid-career managers attained the certification for the first time, bringing the total number of certification holders to 1,531.

Operations Manager Certification (in-house qualification)

AIFUL has introduced the Operations Manager Certification for employees at all branches and call centers who contact customers through loan and debt collection services, with the aim of ensuring that they acquire the legal knowledge and business expertise necessary for each service conducted. The certification has been awarded to 28 employees since the last report, bringing the total number of certification holders to 2,760.

External certifications

With awareness enhancement for compliance and knowledge improvement as objectives, AIFUL designated two external certifications, the Compliance Officer Certification and Personal Information Protection Officer Certification, as requirements for promotion in 2006. Employees who had obtained the Compliance Officer Certification and the “Personal Information Protection Officer Certification” totaled 2,588 and 1,962, respectively, as of July 31, 2008.

The Company required the Third Class Business Practice and Legal Affairs Certification and the Third Class Financial Planning Skill Certification as additional conditions for promotion in 2008 for increasing the legal knowledge concerning financial services in general.

Examinations for the Third Class Business Practice and Legal Affairs Certification were conducted in July 2008. As a result, employees holding this or a higher certification reached 529.

3. Enhancement of Compliance Structures

Periodic Examinations

AIFUL has been conducting inspections in line with the Money Lending Business Control and Regulation Law and in pursuit of irregularities. As of July 31, 2008, regular inspections had been completed for 169 of the 251 targeted sites.

Moreover, the Company has been re-inspecting branches and offices at which poor conditions were found during regular inspections during the same period, with the aims of correcting inadequacies and promptly confirming the status of improvement.

Inspections of Branches and Offices by the Compliance Monitoring Department

AIFUL appointed a Compliance Officer at all of its branches and offices in 2007. These officers have been working to strengthen self-cleaning and internal control functions at their respective posts.

In an additional step, the Compliance Monitoring Department will begin conducting inspections in August 2008 to promote awareness on compliance, take specific actions for recurrence prevention, propose preventive measures, and follow up on Compliance Officers' operations.

Compliance Audit Implemented by External Organization

AIFUL concluded a legal consulting agreement with Nakajima Transactional Law Office (representative attorney: Shigeru Nakajima) in July 2006. To allow further development of the company's compliance structure, it has been decided to continue this relationship to the end of March 2009.

Lecture for Business Managers by Nakajima Transactional Law Office

Shigeru Nakajima, the representative attorney for Nakajima Transactional Law Office, delivered a lecture for management position holders at the Company and its affiliates in June 2008 toward the objectives of sustaining and improving compliance management.

Looking to the future, AIFUL will continue to be united in its efforts to establish a firm compliance structure, and will continue to report on the progress of these efforts.