

January 15, 2009

AIFUL Issues Another 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 entitled “AIFUL Issues Update on Strengthening of Compliance Structure,” dated August 22, 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 December 2008, AIFUL had held 1,027 executive caravan sessions, involving a total of 10,506 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 five-month period from August 2008 to December 2008, the company monitoring the following calls:

- 13,054 calls involving 1,303 employees at counseling centers (specializing in debt collection), credit management department, secured loan management department and assistance center
- 2,296 calls involving 220 employees at the toll-free customer service department Heartful Center
- 2,834 calls involving 286 employees at the customer center responsible for ATM applications
- 7,700 calls involving 814 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

Calling it “compliance day,” AIFUL conducts training once a month with standardized content for employees.

Apart from this, AIFUL ran a total of 974 study sessions, which were held by the managers of loan offices during the five-month period from August 2008 to December 2008, covering such topics as compliance, regulations, and service.

Operations Manager Certifications (in-house qualification)

AIFUL has introduced the Operations Manager Certification for employees at all branches and call centers who have contact with customers through loan and debt collection services, with the aim of ensuring they acquire the necessary legal knowledge and business expertise

for each service conducted. As of the end of December 2008, 3,356 employees had been certified.

Implemented In-house Counseling Education

AIFUL has conducted counselor training for 70 employees working in the secured loan management department. The aim is to enable employees to go beyond mere debt collection duties to also give money management counseling and help resolve customer issues.

In addition, AIFUL has introduced Counselor Follow Up Training for counseling centers where counselor training has been completed. The training aims to foster employees who can work in partnership with customers to resolve their problems and to maintain an even better relationship between the company and its customers. Approximately 600 employees are scheduled to undergo training by the end of this fiscal year.

External Certifications

AIFUL has made the Compliance Officer Certification and the Personal Information Protection Officer Certification, which are external certifications, requirements for promotion since fiscal 2006 in order to raise awareness and increase knowledge about legal compliance. By October 31, 2008, a total of 2,496 employees had obtained Compliance Officer Certification, including nine employees who passed in the latest round of examinations, and 1,908 employees had obtained Personal Information Protection Officer Certification.

Moreover, AIFUL designated the Third Class Business Practice and Legal Affairs Certification and the Third Class Financial Planning Skill Certification as new requirements for promotion in fiscal 2008 with the objective of improving knowledge of laws and regulations in the financial business overall.

The Third Class Financial Planning Skill Certification examination was held in September 2008, and 347 employees passed the examination. As of December 31, 2008, 524 employees had obtained at least Third Class Financial Planning Skill Certification. Five hundred employees have obtained at least the Third Class Business Practice and Legal Affairs Certification.

3. Enhancement of Compliance Structures

Periodic Examinations

AIFUL has been conducting inspections in line with Japan's Money Lending Business Control and Regulation Law to reveal any irregularities, and the company has completed its periodic inspections of all 251 branches and offices. AIFUL implemented its second round of periodic inspections for the current fiscal year in October 2008, completing periodic inspections at 81 branches and offices by December 31.

The company also conducted re-inspections at branches and offices which received a poor inspection evaluation during the fiscal year with the aim of quickly confirming the correction and improvement of inadequacies.

Compliance Officers report on the substance of their activities each month to the Compliance Monitoring Department, and the Compliance Monitoring Department compiles the activities and cases in the reports it receives from the Compliance Officers in its efforts to inform and educate all employees about compliance.

Inspections of Branches and Offices by the Compliance Monitoring Department

AIFUL appointed a Compliance Officer at all of its branches and offices in 2007, and these officers have been striving to enhance self correction functions and internal control at their respective posts. Further, the Compliance Monitoring Department began conducting direct on-site inspections in August 2008, taking steps to raise awareness of compliance and specific measures to prevent recurrence, proposing preventative strategies, and following up on Compliance Officers' operations.

Partial Change to Debt Collection Operations

In April 2006, AIFUL completely prohibited the contacting of customers at their place of work in connection with debt collection operations. Subsequently, the company has implemented efforts aimed at strengthening its approach to compliance, including employee education and the establishment of structures and systems, and it has also achieved enhanced inspection and checking functions through the Compliance Officer system and the improvement of monitoring structures. Based on this, on January 22, 2009, AIFUL recommenced the contacting of customers at their place of work only in cases where there is no other reasonable method for making contact with a customer.

Looking to the future, AIFUL will continue to be united in its efforts to establish a more robust compliance structure.

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