

**Partial Revision to the AIFUL Group's Basic Policy on Reorganization
(Subsidiary Spinoff and Merger)**

KYOTO, February 28, 2011 — AIFUL Corporation (“AIFUL” or “the Company”) today announced details of its resolution to revise the Group’s basic policy on reorganization following meetings of the relevant Group companies’ boards of directors held on February 28, 2011.

Details of the basic policy on reorganization were initially announced in the press release *AIFUL Group Sets Basic Policy on Reorganization (Subsidiary Spinoff and Merger)* issued on December 1, 2010. When first announced, the basic policy called for Life Co., Ltd. (“LIFE”), an AIFUL consolidated subsidiary, to be spun off and merged. In this context, Life Card Co., Ltd. would acquire by way of corporate spinoff and merger LIFE’s credit sales (credit card and installment sales finance) business as well as the credit guarantee and insurance businesses previously transferred to LIFE. Furthermore, the basic policy stipulated the business integration of four consolidated subsidiaries comprising LIFE, following its corporate spin off, City’s Corporation, City Green Corporation and Marutoh KK by way of merger with AIFUL as the surviving company.

Brief details of the resolution are presented as follows.

1. Details of the Revision

Under the initially announced basic policy on reorganization, the scheduled effective date for Group reorganization was set as April 1, 2011. The Company has decided to revise this scheduled effective date to July 1, 2011.

2. Rationale for the Revision

In order to fix the terms of business with respect to Group reorganization, it is imperative that the Company reviews its account settlement policy as of March 31, 2011 after determining the impact of interest refund claims since last year following the corporate reorganization proceedings of a major consumer finance company.

With respect to the corporate reorganization proceedings of the aforementioned major consumer finance company, unprecedented television commercial announcements and individual postal notifications are being implemented. This has made it exceedingly difficult to measure the level of impact on the industry as a whole.

Under these circumstances, AIFUL has decided to revise the scheduled Group reorganization effective date to July 1, 2011.

3. Earnings Forecast

AIFUL has not disclosed an earnings forecast for the fiscal year ending March 31, 2011 due to difficulties in reasonable estimating earnings projections at this time. This decision is predicated on the large number of uncertain factors that exist at present including the impact of full enforcement of Japan’s money lending law and concerns surrounding an increase in interest repayment claims in light of the previously mentioned commencement of reorganization proceedings by a major consumer finance company.

In the event the Company is able to determine the impact of Group reorganization on its operating results as well as a reasonable accurate outlook for the aforementioned interest repayment claims, AIFUL will disclose its earnings forecasts for the fiscal year ending March 31, 2011 in a timely manner.