

AIFUL Corporation

Press Release

November 6, 2008

AIFUL Announces Revisions to Earnings Forecasts and Interim and Forecast Dividends

KYOTO — Based on recent earnings trends, AIFUL Corporation (“AIFUL” or “the Company”) today announced revisions to its earnings and dividend forecasts published on May 15, 2008. Moreover, by resolution of its board of directors in a meeting held on November 6, 2008, the Company announced payment of the revised interim dividend detailed below, with the date of record being September 30, 2008.

(All figures in millions of yen, unless otherwise stated)

1. Revised Consolidated Earnings Forecast for the Second Quarter of the Fiscal Year Ending March 31, 2009 (April 1, 2008 – September 30, 2008)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previous forecast (A)	164,567	16,237	16,200	16,518	98.90
Revised forecast (B)	165,685	7,962	9,054	7,171	42.94
Amount of change (B–A)	1,118	(8,275)	(7,146)	(9,347)	—
Percentage change (%)	0.7	(51.0)	(44.1)	(56.6)	—
Reference: Earnings for second quarter of the previous fiscal year (Second quarter of the fiscal year ended March 31, 2008)	216,502	21,068	21,504	21,475	151.68

2. Revised Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2009 (April 1, 2008 – March 31, 2009)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previous forecast (A)	312,039	32,892	33,000	31,730	189.98
Revised forecast (B)	311,140	11,383	12,000	8,599	51.49
Amount of change (B–A)	(899)	(21,509)	(21,000)	(23,131)	—
Percentage change (%)	(0.3)	(65.4)	(63.6)	(72.9)	—
Reference: Earnings for the previous fiscal year (Fiscal year ended March 31, 2008)	405,784	31,725	32,065	27,434	190.77

3. Revised Non-consolidated Earnings for the Second Quarter of the Fiscal Year Ending March 2009 (April 1, 2008 – September 30, 2008)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previous forecast (A)	93,812	11,336	13,948	16,263	97.37
Revised forecast (B)	94,122	1,579	4,739	7,609	45.56
Amount of change (B–A)	310	(9,757)	(9,209)	(8,654)	—
Percentage change (%)	0.3	(86.1)	(66.0)	(53.2)	—
Reference: Earnings for second quarter of the previous fiscal year (Second quarter of the fiscal year ended March 31, 2008)	125,211	10,323	13,163	18,409	130.03

4. Revised Non-consolidated Earnings for the Fiscal Year Ending March 2009 (April 1, 2008 – March 31, 2009)

	Operating revenue	Operating income	Ordinary income	Net income	Net income per share (Yen)
Previous forecast (A)	176,676	20,898	26,000	30,931	185.19
Revised forecast (B)	175,852	2,576	8,000	11,914	71.33
Amount of change (B–A)	(824)	(18,322)	(18,000)	(19,017)	—
Percentage change (%)	(0.5)	(87.7)	(69.2)	(61.5)	—
Reference: Earnings for the previous fiscal year (Fiscal year ended March 31, 2008)	233,039	16,957	22,191	27,069	188.24

5. Reasons for Revision of Earnings Forecasts

A. Reasons for Revision of Non-consolidated Earnings Forecasts

Considering that interest repayments have been running at a level that slightly exceeds projections, AIFUL made conservative provision for the reserve for losses on interest repayments in the second quarter and expects to record 30.7 billion yen in expenses related to interest repayments.

Meanwhile, AIFUL made conservative projections with regard to bad debt related expenses. As such, the Company expects an overall rise in operating expenses by about 10.0 billion yen as a result of a 16.3 billion yen decline in bad debt related expenses that was caused by a drop in bad debts other than those related to interest repayments as well as a result of a fall in expenses caused by such factors as other cost reductions.

Moreover, despite 7.1 billion yen in refunds of corporation tax for prior fiscal years, forecast earnings for the current second quarter have been revised based on an anticipated decline of 8.6 billion yen in net income due to an increase of 6.6 billion yen in adjustments for corporation tax compared to initial projections owing to such factors as the breakdown of deferred tax assets in view the revised Money Lending Business Control Law. Further, in addition to the impact of second quarter earnings, AIFUL has revised the earnings forecasts for the full year in view of the current economic environment.

B. Reasons for Revision of Consolidated Earnings Forecasts

The main reason for the revision of consolidated earnings forecasts is the revision of the non-consolidated earnings forecast.

6. Dividend for the End of the Second Quarter of the Fiscal Year Ending March 31, 2009 (April 1, 2008 – September 30, 2008)

Details of Interim Dividend

	Amount resolved to be paid	Most recent dividend forecast (Published May 15, 2008)	Actual dividend for previous period (Interim period of the fiscal year ended March 31, 2008)
Date of record	September 30, 2008	As on left	September 30, 2007
Dividend per share	10 yen	20 yen	20 yen
Total amount of dividends	1,670 million yen	-	2,831 million yen
Effective date	December 10, 2008	-	December 10, 2007
Source of dividend funds	Earned surplus	-	Earned surplus

7. Revised Dividend Forecast

	Dividend per share (yen)		
	End of second quarter (interim)	End of year	Full year
Previous forecast (Published May 15, 2008)	20	20	40
Revised forecast		10	20
Actual dividend for current period	10		
Reference: Actual dividend for the previous fiscal year (Fiscal year ended March 31, 2008)	20	20	40

8. Reasons for Revision of Dividend Forecasts

AIFUL Corporation's basic dividend policy aims for a stable and consistent return of profits based on a comprehensive consideration of economic and monetary circumstances, primarily including the earnings of the AIRUL Group. Based on this basic policy, AIFUL aims to make returns to all of its shareholders and raise shareholder value. Nevertheless, with regard to dividends for the fiscal year ending in March 31, 2009, a substantial decline in net income is anticipated with the latest revisions to earnings, and AIFUL has regrettably revised the dividend per share for the end of the second quarter to ten yen with an end of year forecast dividend of ten yen, taking the forecast full year dividend to 20 yen.

Statement regarding the appropriate use of earnings forecasts

The above earnings forecasts are forward looking statements based on information available at the time they were determined and include a variety of indeterminate factors. Actual earnings may differ from the forecast values due to a variety of factors.

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