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Summary of Proposed Business Revitalization Plan

(Application for and acceptance of business revitalization procedures)

As announced in our press release dated September 18, 2009, AIFUL CORPORATION (“**Aiful**”) and certain of our subsidiaries¹ (collectively with our other subsidiaries, the “**Aiful Group**”), have been preparing to apply for commencement of consensual business revitalization alternative dispute resolution procedures as prescribed in the Act on Special Measures for Industrial Revitalization (the “**Business Revitalization Procedures**”) with certain of our creditors in order to improve our earning capacity and financial strength with the goal of revitalizing and strengthening our business. Today we submitted an application to the Japanese Association of Turnaround Professionals (“**JATP**”) to commence the Business Revitalization Procedures with certain of our creditors in order to improve our earning capacity and financial strength with the goal of revitalizing and strengthening our business, and JATP officially accepted our application.

This press release outlines the background to these developments and the Aiful Group’s future plans.

1. Course of events leading the Aiful Group to consider application for permission to commence Business Revitalization Procedures

(a) Events leading to deterioration in the business environment

The Aiful Group’s efforts to diversify our business by expanding the number of branches and introducing automated loan contract machines and an aggressive marketing strategy via television commercials and other means, combined with our acquisition of a consumer credit company, Life Co., Ltd. (“**Life**”), led to our development into a leading consumer finance company that has maintained high-level growth over an extended period of time. The expansion of our asset base has also required us to increase our funding procurement.

The Aiful Group has traditionally raised short-term and long-term funds through various methods, including borrowing from financial institutions, issuing bonds and securitization of loan receivables. However, the Aiful Group’s fund-raising capacity has weakened in the current market environment due to a variety of reasons such as (1) increased expenses as the result of continuing demands for returns of excess interest payments (gray-zone interest refunds), (2) Aiful’s business operations being subject to an administrative sanction from the Japanese Financial Services Agency in 2006 and (3) the global economic downturn and severe credit conditions that have been present since fiscal 2008. As a result, it is becoming more difficult to raise sufficient funds to maintain our current asset size. In addition, we are expecting the Japanese consumer finance business market will shrink, and the business environment will grow more

¹ LIFE Co., LTD., MARUTOH CO., LTD., and City’s Corporation.

competitive and severe once the phase-in period for enactment of the amended Moneylending Business Act ends and individual borrower total volume controls are implemented.

(b) Application for permission to commence Business Revitalization Procedures

In an attempt to meet this challenging business environment, we have implemented a number of measures aimed at structural reform, including scaling back our workforce through the voluntary retirement in March 2007 of 644 employees from a total of 11,098. Further personnel reductions of 780 employees were achieved through consolidation of Aiful Group branches. Eliminating all Life Cash Plazas (41 in total) brought about a further downsizing of 79 employees in the period from September to December 2008. The closure of the Fukuoka contact center in June 2009, which resulted in the reduction of 97 positions, also contributed to these efforts. Despite such measures, overcoming the current adverse situation requires us to adopt additional initiatives, including consolidating our organization and operations to the greatest extent possible and implementing further significant structural reforms to concentrate management resources on the Aiful Group's core operations.

Within this context, our decision to apply for Business Revitalization Procedures was reached after determining that the following steps were essential:

- Developing an organizational structure in preparation for the full implementation of the amended Moneylending Business Act in 2010;
- Implementing the far-reaching structural reforms described above; and
- Obtaining financial support and cooperation through modifications to the repayment schedules for loans from certain of our financial institution creditors.

2. Basic Corporate Restructuring Policy

A number of factors, including the difficult financing situation currently faced by the Aiful Group, the coming full implementation of the amended Moneylending Business Act, and the adverse operating environment for the consumer finance business, have led the Aiful Group to adopt a policy of continuing to reduce its asset size to a level commensurate with our current capacity to procure funds.

We will also focus management resources on our consumer finance business under the Aiful brand and the consumer credit business under the Life brand. By taking these steps, we hope to enhance our consumer finance business by taking fuller advantage of the Aiful brand while expanding the consumer credit business through the broad incorporation of our Life brand into the business.

The Aiful Group will adopt far-reaching business rationalization and cost saving policies through consolidation of sales branches, contact centers, and corporate staff divisions throughout the organization and reductions of work force by offering voluntary retirement for the purpose of achieving a cost structure better adapted to our core business sectors and commensurate with the planned reduction in asset size and business scale.

(a) Consolidation of network of sales branches

The Aiful Group will consolidate the network of sales branches operated by various group companies in order to achieve a cost structure commensurate with the overall reduction in asset size and business scale. The Aiful Group will first work to reduce the cost of maintaining Aiful branches by scaling back the number of staffed branches from 96 to 30 and the number of unstaffed branches from 837 to 650. The Aiful Group will also close all 11 of Life's branch offices and reduce the 15 Life Card branches to only two, thereby reducing branch maintenance costs.

(b) Consolidation of the contact centers and credit management and collection division

As a step towards streamlining the Aiful Group's system of contact centers, the inbound function currently assigned to Aiful's West contact center (Kusatsu-shi, Shiga) and East contact center (Tama-shi, Tokyo) will be integrated into the West contact center. The Aiful Group also plans for a similar consolidation for Life's customer centers.

The Aiful Group intends to reorganize and consolidate the functions and hubs for the credit management and collection divisions, which are currently assigned within each group company and located throughout operations in the western and eastern regions.

(c) Consolidation of head office operations and back office divisions

Consolidation of the Aiful Group's head office operations and back office divisions (cutting back corporate staff divisions) in each of the group companies will be performed in conjunction with the consolidation of head office operations and back office divisions that are assigned and duplicated among different group companies. This is expected to achieve significant reductions in personnel among back office divisions and improve the ratio between the Aiful Group's front and back office operations.

3. Request for Financial Support and Cooperation

In addition to implementing the proposed business revitalization plan, outlined in Item 2 above, we will request financial support and cooperation from certain of our financial institution creditors. The request outlined in our current proposed business revitalization plan contemplates requests for modification of certain maturity and principal repayment schedules of our existing borrowings from the relevant creditor institutions. The Aiful Group currently does not plan to request debt forgiveness or debt for equity swaps.

The principal reason we are electing to undertake Business Revitalization Procedures is to resolve the problems we are currently facing while ensuring continued provision of services to our customers. We envision that our proposed business revitalization plan, which includes requests for financial support and cooperation through modifications to the repayment schedules for loans from certain of our financial institution creditors, will not affect the terms and conditions of transactions for our borrowers, credit card users, and member stores.

Aiful believes that compared to other options available to it, proactively utilizing the Business Revitalization Procedures is more likely to minimize negative impacts on our financial creditors as a whole, while preserving the business value in the company. Likewise, with Japan's financial markets beginning to show signs of recovery and having passed the worst of the financial crisis, the decision to commence Business Revitalization Procedures is one that will allow the Aiful Group to address its problems while minimizing potential negative effects on Japanese society as a whole.

The anticipated time schedule for Business Revitalization Procedures is as follows:

- *October 8, 2009* – The 1st meeting for relevant creditors (explanation of the proposed business revitalization plan and some other matters)
- *Late November 2009* (anticipated) – The 2nd meeting of relevant creditors (discussion of the proposed business revitalization plan)
- *Late December 2009* (anticipated) – The 3rd meeting of relevant creditors (resolution on the proposed business revitalization plan)