

March 19, 2012

AIFUL Offers Voluntary Retirement to Employees

It is hereby advised that AIFUL Corporation and Group Companies have decided to offer voluntary retirement, in accordance with the following:

1. Reason for offering voluntary retirement

In order for AIFUL Corporation and Group Companies to steadily execute its Business Revitalization Plan established on December 24, 2009 utilizing consensual business revitalization alternative dispute resolution, the Group is endeavoring to slash operating overheads and improve operating efficiency through cost structural reforms, including the closure and amalgamation of offices.

Voluntary retirement has been implemented in the past, in respect of 644 people in March 2007, 304 people in March 2009, and 2,095 people in December 2009 on a consolidated basis, resulting in a total reduction in the workforce of 3,043 employees. However, the economic environment in which the company is operating continues to be tough, not only because of the shrinking market due to the effect of restrictions on total lending and reductions in maximum interest rates as a result of the revised Money Lending Business Act, but because of the extremely heavy financial burden that has resulted from interest refunds.

In light of this economic environment, the company took the view that further cost reductions were inevitable, and decided to continue to offer voluntary retirement following on from 2007 and 2009.

The number of employees in the Group as a whole was 9,755 at 31 March 2007 (of which 6,477 were regular employees and 3,278 were non-regular employees), falling to 2,615 on March 1, 2012 (of which 1,907 were regular employees and 708 were non-regular employees), a reduction of 73% over approximately five years.

2. Outline of voluntary retirement offer

(1) Number of employees to be offered voluntary retirement: 250

(There were 1,907 regular employees in the Group as of March 1, 2012)

(2) Eligible employees: Regular employees aged between 35 and 59 as of June 30, 2012

(3) Voluntary retirement offer period: April 2, 2012 to April 20, 2012

(4) Retirement date: June 30, 2012

(5) Incentive: Payment of special retirement allowance

(6) Reemployment support: Provision of reemployment support through a specialized reemployment support company for those employees who desire support

It is also planned to reduce the number of non-regular employees – contract employees and temporary employees – by around 200 in the Group as a whole by June 30, 2012.

3. Future outlook

In the event that the number of applicants reaches the number of eligible candidates, the total amount in special retirement allowances and so forth is expected to be 1.6 billion yen, but an annual reduction in personnel expenditure of 2.2 billion yen is expected from the next fiscal year. Further, it is planned to appropriate the cost associated with offering voluntary retirement as an extraordinary loss.

The company is not disclosing earnings forecasts for the fiscal year ending March 31, 2012, due to a large number of uncertainties in the economic environment, such as the trend to request a refund of interest, making it difficult to make a rational calculation of projected earnings at the present time.

We will disclose earnings forecasts as soon as it becomes possible to do so, including the impact on earnings as a result of this measure.

[Reference]

(1) Past employee trends (consolidated)

(Unit: people)	Regular employees	Non-regular employees	Total	Compared with
				fiscal year ended March 31, 2007
Fiscal year ending March 31, 2007	6,477	3,278	9,755	
Fiscal year ending March 31, 2008	5,138	2,508	7,646	-2,109
Fiscal year ending March 31, 2009	4,895	2,152	7,047	-2,708
Fiscal year ending March 31, 2010	2,514	1,723	4,237	-5,518
Fiscal year ending March 31, 2011	2,073	1,321	3,394	-6,361
As of March 1, 2012	1,907	708	2,615	-7,140

(2) Results of past voluntary retirement offer (consolidated)

(Unit: people)	Number of offers	Number of applications
First round (March 2007)	400	644
Second round (March 2009)	300	304
Third round (December 2009)	2,000	2,095
Total	2,700	3,043