

April 25, 2014

AIFUL Announces Earnings Forecast

AIFUL Corporation hereby announces its full fiscal year earnings forecast for the fiscal year 2013, which it had left undetermined in “Consolidated Business Results for the Fiscal Year Ended in March 31, 2013” published on May 14, 2013. Details are as follows.

1. Consolidated Earnings Forecast for the Fiscal Year Ended March 31, 2014
(April 1, 2013- March 31, 2014)

	Operating Revenue (million yen)	Operating Income (million yen)	Ordinary Income (million yen)	Net Income (million yen)	Net Income Per Share (yen)
Previous Forecast (A) (announced on May 14, 2013)	-	-	-	-	-
Revised Forecast (B)	91,800	22,400	24,700	30,400	63.21
Amount of change (B-A)	-	-	-	-	-
Percentage Change (%)	-	-	-	-	-
Reference: Earnings for previous FY ended in March 31, 2013	99,619	14,718	17,646	22,705	47.21

Note: The Company split each share of common stock into 2 shares effective on October 1, 2013. Therefore net income per share for the previous fiscal year has been adjusted retrospectively to reflect the stock split.

2. Reason for Announcement and Qualitative Information on Consolidated Earnings Forecast

AIFUL Corporation had left its earnings forecast for the fiscal year 2013 (April 1, 2013 – March 31, 2014) undetermined due to unpredictable trend towards claims for interest repayment, which made it difficult to reasonably estimate earnings projections. Recognizing its ability to now reasonably estimate earnings projections, the Company announces its full year fiscal earnings forecast briefly as follows.

In its consolidated earnings forecast for the fiscal year 2013, the Company expects operating revenue to decrease to 91.8 billion yen, mainly reflecting a reduction in interest income associated with the decline in loans to customers. On the operating expense front, financial expenses and advertising expenses are expected to decrease. On the other hand, provision for doubtful accounts is expected to increase due to conservative provisioning. Also, the Company has decided to post 1.8 billion yen provision for losses on interest repayment, due to the continuing uncertainty in the trend of claims for interest repayment. As a result, operating income is expected to be 22.4 billion yen.

In addition, net income is expected to be 30.4 billion yen due to posting an extraordinary income which includes 2.3 billion yen gain on negative goodwill and 3.8 billion yen gain on loan extinguishment associated with the dissolution of a joint venture related to BUSINEXT CORPORATION reported in the first quarter.

The forecasts provided above are based on information that was available as of the date of this announcement. Actual earnings may differ from this forecast due to various factors.