

Notice Regarding Decreases in the Amounts of Capital Legal Reserve and Earned Legal Reserve, and the Appropriation of Surplus

AIFUL Corporation (“AIFUL” or the “Company”) announces that at a meeting held today, the Company’s Board of Directors resolved to decrease the amounts of capital and earned legal reserves and to appropriate surplus in accordance with Article 40 of the Company’s Articles of Incorporation based on the provisions of Paragraph 1, Article 459 of the Companies Act. Details are as follows.

1. Purposes

The Company decided to make up for a loss in earned surplus carried forward due to losses posted in the past by decreasing the amounts of capital legal reserve and earned legal reserve based on the provisions of Article 448 of the Companies Act and appropriating a surplus based on the provisions of Article 452 of the same Act in order to promptly place its finances on a sound footing.

2. Main points regarding the decreases in the amounts of capital and earned legal reserves

The Company will decrease the total amounts of capital legal reserve and earned legal reserve and transfer the amounts of their decrease to other capital surpluses based on the provisions of Paragraph 1, Article 448 of the Companies Act.

(1) Items and amounts of reserve to be decreased

Capital legal reserve	¥ 150,310,075,219
Earned legal reserve	¥ 1,566,395,891

(2) Items and amounts of surplus to be increased

Other capital surpluses	¥ 150,310,075,219
Earned surplus carried forward	¥ 1,566,395,891

3. Main points regarding the appropriation of surplus

The Company will make up for a loss by decreasing the total amounts of other capital surpluses subject to the transfer in Section 2 above and the special reserve fund and transferring the amounts to earned surplus carried forward based on the provisions of Article 452 of the Companies Act.

(1) Items and amounts of surplus to be decreased

Other capital surpluses	¥ 150,568,608,890
Special reserve fund	¥ 102,230,453,875

(2) Item and amount of surplus to be increased

Earned surplus carried forward	¥ 252,799,062,765
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(3) Items and balances of surplus increased or decreased

Other capital surpluses	¥ 0
Special reserve fund	¥ 0
Earned surplus carried forward	¥ -67,177,196,687

4. Effective dates

(1) Date of Board of Directors resolution May 18, 2015

(2) Effective dates May 18, 2015

5. Outlook for the future

The items announced in this release correspond to transfers among account titles under net assets. They do not result in any change in the amount of the Company's net assets, and have negligible effects on the Company's financial results on consolidated and non-consolidated bases.