

April 3, 2006

AIFUL Announces Revision to Full Year Financial Results Forecasts

KYOTO — AIFUL Corporation has announced the revision of its financial results forecasts for the fiscal year ended March 31, 2006. The original forecasts were released on November 1, 2005, when the company announced its interim financial results. The revision was based on such factors as recent business performance trends, as well as a report by The Japanese Institute of Certified Public Accountants on auditing considerations for consumer finance companies.

1. Revision of Full Year Financial Results Forecasts (April 1, 2005 – March 31, 2006)

(1) Consolidated
(Unit: Millions of Yen, %)

	Operating Income	Ordinary Income	Net Income
Previous forecast (A)	552,941	153,000	89,116
Current forecast (B)	549,320	130,840	67,901
Change (B – A)	(3,621)	(22,160)	(21,215)
Rate of change (%)	(0.7)	(14.5)	(23.8)
(Reference) Actual results for previous year (ended March 2005)	518,416	135,294	75,723

(2) Non-consolidated

	Operating Income	Ordinary Income	Net Income
Previous forecast (A)	346,097	121,000	71,934
Current forecast (B)	343,765	98,766	52,802
Change (B – A)	(2,332)	(22,234)	(19,132)
Rate of change (%)	(0.7)	(18.4)	(26.6)
(Reference) Actual results for previous year (ended March 2005)	340,615	112,533	67,301

2. Reasons for Revision of Financial Results

(1) Revision of Non-consolidated Financial Results

The revision of the non-consolidated financial results was based on recent trends in business performance, as well as a report on auditing considerations for consumer finance companies, which was released by The Japanese Institute of Certified Public Accountants on March 15, 2006. AIFUL has decided to make accounting provision for a reserve for losses on interest repayments from the current financial year, and it expects to record a reserve of 17 billion yen. Moreover, bad-debt expenses have exceeded initial projections, and interest repayments are expected to be 10.3 billion yen, 3.3 billion yen higher than initial projections. Largely as a result of such factors, AIFUL considers it unlikely that it will achieve its projections for operating income, ordinary income, and net income, and the company has decided to revise its financial results forecasts downwards. Upon consulting with independent auditors, AIFUL has decided to record interest repayments as an extraordinary loss.

(2) Revision of Consolidated Financial Results

Consolidated operating income, ordinary income, and net income have been revised downwards to accompany the revision to the non-consolidated financial results.

3. Dividend

AIFUL has no plans to change the year-end dividend.

The financial results forecasts above are future forecasts based on information available as of the date of the publication of the material. Final results may differ from forecasts due to a variety of factors.

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