November 13, 2007

Interim Financial Statements

For the first half of the fiscal year ending March 31, 2008

AIFUL Corporation Stock Exchange: 1st Section of Tokyo and Osaka Stock Exchanges
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Scheduled date of submission of interim financial report: December 25, 2007
Scheduled date of commencement of dividend payments: December 10, 2007

I. Consolidated Business Results for the Interim Period (April 1, 2007 – September 30, 2007)

1. Consolidated Operating Results

Note: Amounts in financial statements and the supplementary data are rounded down.

(In millions of yen, except where noted; percentage figures show year-on-year growth.)

	Operating Revenue		Operating Income (loss)		Ordinary Income (loss)		Net Income (loss)	
Interim Period Ended September 30, 2007	216,502	(17.5)%	21,068	(24.1)%	21,504	(23.5)%	21,475	–
Interim Period Ended September 30, 2006	262,283	(3.9)%	27,744	(63.0)%	28,115	(62.9)%	(179,564)	–
Fiscal Year Ended March 31, 2007	499,031	–	(163,801)	–	(163,092)	–	(411,250)	–

	Net Income (loss) per Share (Yen)	Diluted Net Income per Share (Yen)
Interim Period Ended September 30, 2007	151.68	–
Interim Period Ended September 30, 2006	(1,267.91)	–
Fiscal Year Ended March 31, 2007	(2,903.85)	–

Reference: Equity method investment gain or loss for: Interim period ended September 30, 2007: - million yen
Interim period ended September 30, 2006: - million yen
Fiscal year ended March 31, 2007: - million yen

2. Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
Interim Period Ended September 30, 2007	2,016,531	272,861	13.3	1,887.85
Interim Period Ended September 30, 2006	2,490,928	495,339	19.6	3,447.03
Fiscal Year Ended March 31, 2007	2,214,559	257,144	11.4	1,777.44

Reference: Shareholders' equity for: Interim period ended September 30, 2007: 267,281 million yen
Interim period ended September 30, 2006: 488,176 million yen
Fiscal year ended March 31, 2007: 251,724 million yen

3. Consolidated Cash Flows

(In millions of yen)

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents at the End of the Period
Interim Period Ended September 30, 2007	153,825	22,751	(185,773)	117,917
Interim Period Ended September 30, 2006	120,518	45,104	(166,183)	133,832
Fiscal Year Ended March 31, 2007	250,558	13,498	(271,390)	127,089

II. Dividend Information

	Dividend per share (Yen)		
(Record date)	Interim	Year-end	Annual
Fiscal year ending March 31, 2007	30.00	30.00	60.00
Fiscal year ending March 31, 2008	20.00		40.00
Fiscal year ending March 31, 2008 (Forecast)		20.00	

III. Full Year Consolidated Forecast (April 1, 2007 - March 31, 2008)

(In millions of yen, except where noted; Percentage figures show year-on-year growth)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)
Full year	403,644	(19.1)%	31,684	–	32,000	–	32,133	–	226.96

IV. Other

(1) Transfers of leading subsidiaries during the period (transfers of specified subsidiaries accompanied by changes in the scope of consolidation): None

(2) Changes in accounting principles, procedures and methods of presentation relating to the preparation of interim consolidated financial statements (Recorded under Changes in Significant Accounting Policies Relating to the Interim Consolidated Financial Statements)

(a) Changes accompanying amendments to accounting standards: Yes
(b) Changes other than those in (a): None

(3) Number of shares issued and outstanding (Ordinary shares)

(a) Number of shares issued and outstanding at end of the period (including treasury stock)

Interim period ended September 30, 2007: 142,035,000 shares
Interim period ended September 30, 2006: 142,035,000 shares
Fiscal year ended March 31, 2007: 142,035,000 shares

(b) Number of shares of treasury stock issued and outstanding at end of the period

Interim period ended September 30, 2007: 455,610 shares
Interim period ended September 30, 2006: 412,502 shares
Fiscal year ended March 31, 2007: 412,835 shares

Note: Please refer to Per Share Information on page 34 for the number of shares used in the computation of consolidated net income per share.

(Reference) Summary of Non-Consolidated Business Results

I. Non-Consolidated Business Results for the Interim Period (April 1, 2007 – September 30, 2007)

1. Non-Consolidated Operating Results

(In millions of yen, except where noted; percentage figures show year-on-year growth.)

	Operating Revenue		Operating Income (loss)		Ordinary Income (loss)		Net Income (loss)	
Interim Period Ended September 30, 2007	125,211	(21.5)%	10,323	(46.9)%	13,163	(40.9)%	18,409	–
Interim Period Ended September 30, 2006	159,524	(7.6)%	19,428	(65.5)%	22,283	(62.7)%	(159,647)	–
Fiscal Year Ended March 31, 2007	300,755	–	(106,937)	–	(101,225)	–	(359,399)	–

	Net Income (loss) per Share (Yen)
Interim Period Ended September 30, 2007	130.03
Interim Period Ended September 30, 2006	(1,127.27)
Fiscal Year Ended March 31, 2007	(2,537.73)

2. Non-Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
Interim Period Ended September 30, 2007	1,491,234	267,535	17.9	1,889.65
Interim Period Ended September 30, 2006	1,906,636	459,395	24.1	3,243.80
Fiscal Year Ended March 31, 2007	1,660,826	255,005	15.4	1,800.60

II. Full Year Non-Consolidated Forecast (April 1, 2007 - March 31, 2008)

(In millions of yen, except where noted; Percentage figures show year-on-year growth)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)
Full year	235,055	(21.8)%	14,426	–	20,000	–	32,454	–	229.23

* Explanation and other important precautions concerning the proper use of business results forecasts
(Precautions concerning forward-looking statements)

1. The full year consolidated and non-consolidated forecasts have been revised from those published in the Year-End Financial Statements for the fiscal year ended March 2007 (published May 9, 2007) in view of the business results for the interim period and the future outlook.

   Please refer to 1. Operating Results (1) Analysis of Operating Results on page 4 for matters relating to business results forecasts.
2. The forecasts above are based on data available as of the date of publication and certain assumptions that the Company deems to be reasonable. Actual results may differ significantly for a number of reasons.

Supplementary Data

I. Operating Results

1. Analysis of Operating Results

During the interim period under review, the Japanese economy has been demonstrating firmness, including persistently solid capital investment and a trend of improvement in the employment environment. This has been in spite of disparities that have arisen according to company size due to the impact of the appreciation of the yen and rising raw material prices, and despite uncertainty over the future because of the problems with housing loans to individuals with low creditworthiness (subprime loans) in the US.

Meanwhile, the business environment for the AIFUL Group has become increasingly difficult, including the continued increase in requests for interest repayments and an intensification in moves toward industry reorganization due to the impact of the revisions to Japan's Money Lending Business Control and Regulation Law (Money Lending Business Control Law).

In this environment, the AIFUL Group has been pushing ahead with cost structure reforms based on such measures as a large-scale amalgamation and closure of branches in order to build a corporate structure that can accommodate the new Money Lending Business Control Law. Moreover, the Group has also been consistently making efforts aimed at further strengthening its internal control and compliance structures. These efforts include the establishment of the Risk Management Committee in April 2007 with the aims of further bolstering risk management structures, preventing risk before it arises, and maintaining and improving sound corporate management, as well as the introduction of an executive officer system in June 2007 with the objectives of speeding up business execution functions and clarifying authority and responsibility.

Furthermore, the Group has also worked even harder than in the past to be an enterprise that can earn the trust and meet the expectations of all of its stakeholders through such means as revising its corporate philosophy, beginning with the management philosophy, in order to become an enterprise that is truly trusted by society.

A. Operations

(1) AIFUL Corporation

During the interim period under review, the entire Company was united in its focus on strengthening the compliance structure, including the reinforcement of the internal management structure and establishment of various regulations and rules.

Moreover, based on the belief that the establishment of a corporate structure that complies with Japan's new Money Lending Business Control Law will lead to an improvement in corporate value, the Company worked on extensive cost structure reforms that included the achievement of operations with approximately 1,000 branches through large-scale amalgamation and closure of branches. Apart from this, the Company also lowered the maximum lending rate to no more than 18% on all unsecured loans, home equity loans, and small business loans to customers taking out new agreements from August 1, 2007 as well as existing customers able to take out agreements under the new lending criteria.

Consolidated operating results during the interim period under review in the loan business by product are as follows.

i) Unsecured Loans
There were 165,000 new applications during the interim period under review, an increase of 12.6% year-on-year, and new account acquisitions were 59,000, down 32.7% due to tightening up of credit criteria. Unsecured loans outstanding stood at 894,929 million yen, down 10.1% compared to the end of the previous fiscal year.

ii) Home Equity Loans and Small Business Loans
The balance of loans outstanding at the end of the interim period stood at 248,241 million yen, down 9.7% compared to the end of the previous fiscal year, for home equity loans, and 23,597 million yen, down 17.9%, for small business loans.

iii) Credit Guarantees Business
At the end of the interim period, with the addition of five new partner financial institutions, AIFUL's guarantee partners numbered 43 unsecured personal loan companies and 63 small business unsecured loan companies, and the balance of customers' liabilities for acceptances and guarantees stood at 56,740 million yen, marking a decline of 3.7% compared with the end of the previous fiscal year.

(2) LIFE Co., Ltd.

As a result of the reorganization of branches that it conducted at the end of the previous fiscal year, LIFE commenced the interim period under review with a new structure consisting of 11 business branches, 41 staffed and 74 unstaffed LIFE Cash Plazas, and 12 LIFE Card stores, which it has developed as a brand store, and the company has been working to establish its business style under this new structure.

i) Credit Cards Business

In the credit card business, LIFE has begun to issue a wide variety of co-branded cards, including cards with major medical institutions as well as distribution and temporary staff agencies. Moreover, the company concluded an agreement for the joint promotion of LIFE Card, LIFE's own card, and iD, NTT DoCoMo's deferred payment e-money.

In terms of customer services, the company revamped its LIFE Thanks Present point system, extending the validity of points to a maximum five years, as well as realizing the credit card industry's first in-house remote duplexed card authorization system, building a structure that will enable consistent service delivery even in the event of a disaster. Furthermore, LIFE introduced SyncShop, a reception-type Web application that shares screening information with customers and provides support for customers who apply for card membership online. Apart from this, LIFE made the Contact History Management System, which provides integrated management of the history of contact with customers, operational on an individual customer level in July. In conjunction with the renewal of the Credit Management System conducted at the same time, this has achieved even more accurate customer service and has further enhanced data security.

LIFE has maintained its active social contribution activities through the promotion of sport, including sponsorship of the 3rd LIFE Card Ladies Golf Tournament.

As a result, the total number of credit card holders at the end of the interim period rose 470,000 to 14,540,000.

ii) Per-item Credit Business

In the per-item credit business, LIFE has carried out substantial changes to its member store transaction policy, including tightening up member store screening criteria last fiscal year in view of socially problematic sales methods by pernicious home renovators, for example. During the interim period under review, LIFE has continued to develop its operations based on strict screening criteria with the aim of providing sound per-item installment services.

iii) Credit Guarantees Business

At the end of the interim period, the number of guarantee partners stood at 115. Furthermore, the company has begun handling new products for businesses since the last fiscal year. Looking ahead, LIFE will aim to continuously expand bank loan guarantee products.

iv) Consumer Finance Business

In the consumer finance business, LIFE has been seeking agreements with new customers through the enhancement of its product lineup, including the Real Estate Secured Loan for Business Proprietors and LIFE Special Purpose Loan, which are new products launched in the previous fiscal year.

As a result, the volume of business during the interim period was up 17.6% year-on-year to 316,330 million yen for credit card shopping, down 74.6% to 6,654 million yen for per-item credit, down 16.2% to 10,660 million yen for credit guarantees, and down 14.1% to 141,709 million yen for credit card cash advances.

(3) Other Group Companies

i) Small Business Finance Business

Businext has been seeking the further enhancement of its services, including the commencement of an ATM withdrawal tie-up with Tokyo Star Bank in January 2007. The company will continue to meet diverse funding needs in order to play a role in the success of large number of business people.

As a result, the balance of loans outstanding stood at 83,078 million yen at the end of the interim period under review, up 0.9% compared with the end of the previous fiscal year.

Moreover, City's has conducted an exhaustive review of its cost structure in order to establish a new business model that bears in mind the revised Money Lending Business Control Law and to meet the diverse needs of customers.

The balance of loans outstanding at City's stood at 54,894 million yen at the end of the interim period, down 5.9% compared with the end of the previous fiscal year.

ii) Consumer Finance Business

It had been planned that TCM Co., Ltd., and Passkey Co., Ltd., would be integrated into AIFUL by March 2008, with Tryto Corporation and Wide Corporation integrated by March 2009. However, the plan has been partially amended to include the transfer of some claims to LIFE by December 2007. In the future, AIFUL will reconsider the optimum scheme after assessing the business environment.

The balance of loans outstanding at the four consumer finance companies was 123,459 million yen at the end of the interim period, down 17.6% compared with the end of the previous fiscal year.

iii) Other Business

AsTry Loan Services has built a new one-center structure, changing from a two-center structure that consisted of a head office and a management division, with the objectives of accelerating decision making and raising the efficiency of operations, and it commenced operations at the new center on October 1, 2007.

In addition, the company has been striving to strengthen its compliance framework and internal control structures, and it became the first in the servicing industry to receive approval from Japan Information Processing Development Corporation for the privacy mark based on the new standard (JISQ15001: 2006) in February 2007.

The balance of purchased claims stood at 11,779 million yen at the end of the interim period under review, down 7.6% compared to the end of the previous fiscal year.

Investment by New Frontier Partners Co., Ltd., totaled 4,667 million yen (including investment through funds) at the end of the interim period, down 3.3% compared to the end of the previous fiscal year.

As a result of the foregoing, at the end of the interim period, the AIFUL Group had 1,810,833 million yen in loans outstanding on a consolidated basis, down 8.8% compared to the end of the previous fiscal year, 201,635 million yen in installment receivables, down 12.2% compared to the end of the previous fiscal year, and 134,779 million yen in customers' liabilities for acceptances and guarantees, down 5.0% compared to the end of the previous fiscal year. (These amounts included 129,476 million yen in off-balance sheet loans due to securitization comprised of 82,373 in loans outstanding and 47,102 million yen in installment receivables.)

B. Overview of Performance

Consolidated operating revenue for the AIFUL Group for the interim period under review decreased by 17.5% year-on-year, to 216,502 million yen, of which 191,345 million yen, or 88.4%, was accounted for by interest on loans to customers, 11,046 million yen, or 5.1%, by revenue from credit card shopping and per-item credit, and 4,348 million yen, or 2.0%, by credit guarantee revenue.

Meanwhile, operating expenses for the AIFUL Group totaled 195,433 million yen, down 16.7% year-on-year. This amount can be broken down into 73,192 million yen, or 37.5%, for bad debt expenses, 35,961 million yen, or 18.4%, in expenses related to interest repayments, 3,925 million yen, or 2.0%, in advertising expenses, and 22,985 million yen, or 11.8%, in personnel expenses.

As a result of the foregoing, consolidated operating income for the interim period under review was 21,068 million yen, down 24.1% year-on-year, ordinary income was 21,504 million yen, down 23.5%, and net income was 21,475 million yen.

AIFUL's non-consolidated operating income for the interim period was 10,323 million yen, down 46.9%, ordinary income was 13,163 million yen, down 40.9%, and net income was 18,409 million yen.

C. Outlook for the Full Year

The environment for the AIFUL Group is expected to remain difficult. Nevertheless, the Group will continue to move forward with the firm establishment of its compliance structure, cost structure reforms, and aggressive business activity with the aim of being reborn as a company that is trusted by all of its stakeholders and realizing its management philosophy, which is "Earn the support of the public with sincerity and hard work."

In the fiscal year ending March 2008, AIFUL forecasts a 19.1% year-on-year decline in consolidated operating revenue to 403,644 million yen, 32,000 million yen in ordinary income, and net income of 32,133 million yen.

AIFUL forecasts that non-consolidated operating revenue will decrease 21.8% to 235,055 million yen, ordinary income will be 20,000 million yen, and net income will be 32,454 million yen.

2. Analysis of Financial Position

A. Assets, Liabilities, Net Assets, Cash Flows

Total assets on a consolidated basis declined by 198,027 million yen, or 8.9%, compared to the end of the previous fiscal year to 2,016,531 million yen at the end of the interim period under review.

The main reasons for the decline included a reduction of 184,229 million yen in loans outstanding due to the impact of such factors as the tightening up on credit, decreases of 29,984 million yen and 20,391 million yen respectively in short-term loans (*gensaki* repurchase agreements on financial instruments) and installment receivables despite an increase of 58,104 million yen due to the decrease in the allowance for bad debts, which is deducted from current assets.

Total liabilities fell by 213,744 million yen, or 10.9%, compared to the end of the previous fiscal year to 1,743,670 million yen. This was due to such factors as a 181,382 million yen reduction resulting from the repayment and redemption of interest bearing debts.

Net assets rose by 15,717 million yen, or 6.1%, compared to the previous fiscal year due to such factors as 21,475 million yen recorded in net income for the interim period and the distribution of 4,248 million yen from retained earnings.

B. Cash Flows

Cash and cash equivalents (“Funds”) on a consolidated basis during the interim period under review declined by 9,171 million yen compared to the end of the previous fiscal year to 117,917 million yen. Although cash flow from operating activities increased by 153,825 million yen because the increase in funds due to the decline in operating receivables, including loans outstanding, exceeded the decline in funds due to the reduction in allowance for bad debts, cash flow from financial activities fell 185,773 million yen due to repayment of debts and redemption of corporate bonds.

Changes in Cash Flow Related Indicators

	Year ended March 2004	Year ended March 2005	Year ended March 2006	Year ended March 2007	Interim period ended September 2007
Shareholders’ Equity Ratio (%)	23.5	24.0	24.4	11.4	13.3
Shareholders’ Equity Ratio Based on Market Price (%)	43.2	47.3	39.5	23.0	12.6
Interest coverage ratio (times)	2.0	3.1	2.5	–	0.5

Shareholder’s equity ratio: shareholder’s equity/total assets
Shareholder’s equity ratio based on market price: total market capitalization/total assets
Interest coverage ratio: operating cash flow/interest payments
Notes: 1. All indicators computed using consolidated financial figures.
2. Operating cash flow is the figure obtained by excluding changes in funds due to changes in outstanding receivables and reserves related to operating receivables (allowance for bad debts and reserve for losses on interest repayments) from cash flow from operating activities on the consolidated statements of cash flows.

3. Basic Policies on Profit Distribution and Dividends for the Current Fiscal Year

The AIFUL Group’s basic dividend policy is to consistently distribute profits to shareholders in a stable manner on the basis of a comprehensive assessment of the economic and financial situation and the Company’s own business performance.

Based on this basic policy, the AIFUL Group aims to increase returns for shareholders and shareholder value by moving back into long-term profit growth.

Although the difficult business environment has continued thus far in the current fiscal year, the Company plans to pay an interim dividend of 20 yen per share and year-end dividend of 20 yen per share, for an annual dividend of 40 yen per share, in order to maintain a stable dividend.

Internal reserves are to be used effectively, considering market conditions and other factors, in strategic investments that contribute to the rebuilding of the earnings base, as well as in the reconstruction of corporate infrastructure, including the strengthening of compliance, and strategies for reinforcing a variety of internal control functions.

4. Business Risk

The main factors concerning the financial position and business performance of the AIFUL Group that could significantly impact the decisions of investors are those described below.

Factors in the text relating to the future are based on judgements as of the end of the interim period under review.

A. Risks Arising from the Business Environment

Whether the AIFUL Group maintains and improves past profit levels and rates of profit growth depends on a number of factors, and those that are expected to be the main factors are described below.

- Japanese economic conditions and market trends, especially trends in the consumer credit market
- Intensification of competition with competitors in the consumer finance market

- Changes in the relevant legislation and regulations for the consumer finance market, and especially changes in the legal framework, the enforcement status of such changes and judicial decisions relating to relevant legislation, accompanying changes in accounting standards, and incidence of other lawsuits requesting interest repayments
- Changes in the AIFUL Group's ability to provide credit, the number of accounts, the average balance per account, the average contracted interest rate, and the default ratio
- Changes in fund procurement capabilities due to factors such as market interest rate trends, and changes in the creditworthiness of the AIFUL Group
- Changes in expenses, including various commissions, advertising expenses and personnel expenses, and losses
- Negative media coverage of the AIFUL Group and the consumer finance industry, and the incidence of scandals

In April 2007, AIFUL set up the Risk Management Committee as a body attached directly to the Board of Directors, establishing a structure to monitor and manage risk across the Company, prevent risks before they emerge, and for times of emergency. Nevertheless, despite these measures, the AIFUL Group's financial position and business results may be adversely affected and revisions to the Group's strategy may be required by such factors as changes in the business environment, including the strengthening or relaxation of legal regulations, competition, and economic fluctuations.

B. Risk Arising from the Problem of Borrowers with Multiple Debts

Against the background of recent economic conditions and the establishment of a legislative system for consumer protection, the increase in the number of consumers with multiple debts from borrowing from a number of credit providers and the use of credit cards, and the accompanying growth in the number of consumers requesting legal protection, have become social problems. (Some customers of the AIFUL Group may also fall into this category.)

In response to this problem, the consumer finance industry set up the Liaison Group of Consumer Finance Companies in January 1997 to work on educational activities for consumers through TV commercials and pamphlets at the same time as carrying out activities to support financial education such as the production of video teaching materials for high schools. Moreover, in June 1997, 14 consumer finance companies invested 1,722 million yen to establish the Japan Consumer Counseling Fund, providing funding aid for a range of counseling programs.

Apart from this, seven major consumer finance companies and the Liaison Group of Consumer Finance Companies launched a media campaign entitled "Stop! Karisugi" in June 2006 to prevent multiple indebtedness. In October 2006, the Support Services for Sound Household Budget Management Site was introduced as a site to provide consumer behavior diagnostic services and household budget management diagnostic services.

The AIFUL Group is working to avoid the risk of excessive lending through such means as screening repayment capacity (includes monitoring credit extended to existing customers) based on data from personal credit bureaus and its own credit provision systems and tightening up of credit criteria. At the same time, AIFUL is reviewing its products to make the maximum repayment term five years in order to promote systematic repayment in revolving credit agreements.

Nevertheless, in the event that the content of receivables deteriorates due to future economic conditions or the establishment of the legislative system, the number of customers requesting legal debt adjustment increases, or other regulations and restrictions related to the consumer credit market are strengthened, the financial position and business performance of the AIFUL Group may be adversely affected by a contraction in the size of the market or an increase in credit costs, including bad debt write-offs.

C. Legal Regulations

(1) Legal Compliance System

On April 14, 2006, AIFUL Corporation was deemed in breach of the Money Lending Business Control and Regulation Law (Money Lending Business Control Law) with respect to the unlawful preparation and exercise of letters of attorney, demanding claims against borrowers who had received judgments for the commencement of assistance, the frequent demanding of claims through telephone calls to the debtor's workplace, persistently requesting cooperation from third parties in the demanding of claims, and inadequate entries in the records of negotiations as a result of on-the-spot inspections by the Kinki Finance Bureau of the Financial Services Agency. The Company was penalized with the halting of operations for between 20 and 25 days from May 8, 2006 at five of its branches and offices and for three days from May 8, 2006 at all of its other branches and offices.

In order to prevent the occurrence of any scandal including the infringement of the Money Lending Business Control Law and leakage of information, AIFUL Corporation has already established a Compliance Committee as a body directly under the Board of Directors and a Compliance Office as its secretariat as well as collecting information on compliance and carrying out an examination and assessment of the company-wide compliance framework, taking measures to prevent legal infringements before they occur. In addition, AIFUL aims to further strengthen the legal compliance framework by boosting the functions of the Compliance Office (name changed to Compliance Monitoring Department) to include centralizing the compliance hotline, strengthening the function of collecting data on compliance, and centralizing functions related to rewards and penalties in April 2007. Apart from this, the AFIUL Group is formulating business rules that provide for a legal compliance education function, strengthening the acquisition of knowledge about legislation and the penetration of legal compliance awareness via in-house training, increasing the effectiveness of internal checking to include the monitoring of telephone calls, as well as taking other measures while also establishing structures for the proper review of these measures.

In the event that unlawfulness and scandal, including activities in breach of the law involving the employees of the AIFUL Group, occur despite these reviews and the response made by the Company, this will result in legal punishments such as administrative penalties and other obligations, and could affect confidence in the Group as well as its financial position and business performance.

(2) Legal Regulations

In terms of the legal regulation of business, the loan business, including the AIFUL Group's mainstay consumer finance business, is subject to the application of the Money Lending Business Control Law and the Law concerning the Regulation of Receiving Capital Subscription, Deposits, and Interest on Deposits (Capital Subscription Law). Under these laws, business is subject to a range of regulations. These include the prohibition of excessive lending, the publication of loan terms, the advertising of loan terms, the prohibition of exaggerated advertising, duty to provide explanations when concluding a loan agreement, the issue of documents, the issue of receipts, the preparation of account books, limitations on the acquisition of blank powers of attorney, regulation of collection activities, surrender of claim documents, the posting of signs, regulation of the cession of claims, duty to disclose transaction history, the appointment of managers to handle lending operations, the carrying of identification documents, the legal regulation of the items to be entered on payment notices, and regulations on the proper handling of personal information.

In addition, the Administrative Guidelines for Precautions Regarding Financial Supervision (Administrative Guidelines) dated October 29, 2003 of the Financial Services Agency of Japan, the supervisory agency for AIFUL Corporation, set standards for preventing excessive lending. The amount that one lender can lend to a borrower with a brief screening at a counter in unsecured, non-guaranteed loans is 500,000 yen or an amount equivalent to 10% of the annual income of the borrower. Moreover, the AIFUL Group's credit card shopping and per-item credit businesses are subject to a range of regulations based on the application of the Installment Sales Law. These regulations include the publications of terms of business, the issue of documents, the limitation of the amount of compensation for damages accompanying the cancellation of contracts, pleas against installment sales service providers, the prevention of purchases that exceed capacity to pay, and the prevention of consumer problems related to continuous service.

Moreover, based on the Money Lending Business Control Law, when AIFUL Group companies which operate a money lending business conclude a loan agreement or a guarantee agreement, and extend a loan, they have an obligation to issue a document that records the specified matters concerning the terms of the loan immediately to the customer, who is the borrower, and the guarantor.

The Administrative Guidelines require lenders to issue a document that records all the statutory matters immediately whenever a customer borrows funds from an ATM or staffed office (includes mailing the document immediately) in addition to issuing the prescribed document when the contract is concluded. AIFUL Corporation changed the software for its ATMs and has been issuing the document described above that records all the statutory matters since August 2003, and it is taking measures to make the required changes based on the amendments to the Enforcement Regulations for the Money Lending Business Control Law as described later with relation to the statutory matters to be recorded on the relevant document. In addition, for the ATM's of partner financial institutions, the Company obtains the prior consent of customers to mail the document that records the statutory matters to the customer separately immediately after a loan. However, the Company does not mail the document to customers from which it has not obtained prior consent.

The Financial Services Agency has statutory authority to impose administrative penalties for non-compliance by lenders with such obligations as issuing documents and providing explanations, including an order to completely or partially suspend business, to restrict the use of ATMs at partner financial institutions, as well as to cancel registration as a lender. The imposition of such administrative penalties on the AIFUL Group could affect the Group's financial position and business performance in addition to necessitating a revision of the Group's management policy.

On May 1, 2005, the Administrative Guidelines were partially amended to (a) add failure to take the necessary and appropriate measures to ensure that the duty to provide explanations is fulfilled when engaged in the operation of a money lending business (such as specifying in internal regulations and operations manuals that it is necessary to provide explanations when concluding a loan contract or a guarantee contract so that the opposite party can understand the details of the contract) as an example of an action that could very likely correspond to a violation of paragraph 2, Article 13 of the Money Lending Business Control Law, which prohibits lending based on unlawful or clearly unfair methods, (b) stress the supervisory policy concerning the duty of money lenders to provide explanations, (c) reinforce the duty of money lenders to provide explanations relating to guarantees (they should provide an explanation of the legal consequences and risks for the guarantor if they are actually forced to fulfill the guaranteed obligation in accordance with the details of the individual contract and the ability of the opposite party to understand), and (d) establish a new provision concerning the duty of money lenders to provide an explanation regarding letters of attorney authorizing creation of notarized documents (they should provide an explanation so that the essential details, including the legal consequences of preparing a notarized document with a compulsory execution agreement attached, in accordance with the details of the individual letter of attorney and the ability of the opposite party to understand).

Moreover, the Administrative Guidelines were partially amended on November 14, 2005 to clarify the duty of the money lender to disclose transaction histories. Furthermore, the Cabinet Order for Partial Amendment of the Enforcement Regulations of the Money Lending Business Control Law was promulgated and implemented on April 11, 2006 to change the provisions for the mandatory matters to be recorded on the receipts and payment advice documents provided when a money lender receives a repayment. In addition, matters to be entered related to acceleration in an agreement were added to come into force on July 1, 2006. In addition, the Administrative Guidelines were partially amended on June 14, 2006 to (a) clarify that demands by the money lender for the debtor to maintain the amount of a debt through refusal of repayments and blanket increases in the borrowing limit despite not having been requested by the customer fall under “solicitations to borrow more than necessary,” and to clarify the need to examine and record in writing whether a debtor can make repayments without converting the relevant property into cash when seeking collateral on property for lending and the need to record the results of screening of a guarantor’s ability to fulfill the guaranteed obligation in writing in order to prevent excessive lending, and (b) clarify that the actions listed in the Administrative Guidelines as examples of acts that very likely constitute infringements of paragraph 2, Article 13 of the Money Lending Business Control Law must not be committed when changing an agreement, including requiring a customer to make automatic transfers from an account into which a public benefit is paid, except when requested by the customer himself or herself for his or her own convenience, in the relevant examples.

Subsequently, the Administrative Guidelines were amended and implemented on November 1, 2006 to clarify examples of practices that very likely fall under “threats and menaces” under paragraph 1, Article 21 of the Money Lending Business Control Law and what money shall be regarded as interest under paragraph 7, Article 5 of the Capital Subscription Law. Apart from this, the Guidelines were further amended on December 28, 2006 with an enforcement date of February 1, 2007 to establish the communication of information and other regulations relating to transferred claims obtained through notice, including business closure. The AIFUL Group is currently taking appropriate and lawful responses for each of these various amendments.

Under the Law to Partially Amend the Money Lending Business Control Law promulgated in December 2006, the Interest Limitation Law, the Capital Subscription Law, and the Money Lending Business Control Law are all partially amended with the amendments to be generally enforced gradually in stages within three years of promulgation. As a result, the lowering of the maximum interest rate under the Capital Subscription Law to the level under the Interest Restriction Law, the introduction of restrictions on aggregate loan amounts that include a general prohibition on combined lending of the balance of loans from AIFUL and the balance of loans from other money lenders that exceeds 1/3 of annual income, the tightening up of restrictions on the practices of money lenders including solicitation activities and the duty to provide documentation, the strengthening of monitoring by supervisory agencies including the establishment of business improvement orders and officer dismissal orders as well as various other regulations have been strengthened. The amendments are predicted to make a major impact on Japan’s consumer finance industry.

The AIFUL Group intends to adapt by looking into the restructuring of the Group, diversifying its business portfolio and developing new products that comply with the relevant legal amendments as well as by changing the management of its operation and raising business efficiency through thorough cost cutting that includes the closure and amalgamation of outlets and greater personnel efficiency. Nevertheless, in the event that these strategies do not proceed as planned due to a further intensification in competition and contraction of credit, a review of the AIFUL Group’s business strategy may be necessary as a result of a decline in earning potential from the fall in customer drawing power or a drop in sales capabilities as a result of the fall in human resources.

(3) Lending Rate and Deemed Payments

The Law to Partially Amend the Money Lending Business Control Law came into force on June 1, 2000, and under the Capital Subscription Law, the maximum lending rate for when money lenders make loans as part of business operations was reduced from 40.004% per annum to 29.2% per annum, and infringements are subject to criminal penalties. However, the maximum lending rate at the AIFUL Group is lower than this.

Moreover, as described previously, the Law to Partially Amend the Money Lending Business Control Law was approved and promulgated in December 2006. The amendments of related laws consist of the lowering of the maximum interest rate under the Capital Subscription Law from 29.2% to 20% and the abolition of the deemed repayments system described later under the Money Lending Business Control Law within three years of the promulgation of the law.

In response to this, AIFUL has implemented a reduction in the maximum interest rate on all products for customers who conclude a new agreement from August 2007, taking current interest rates to 18% and below.

The AIFUL Group’s financial position and business results could be adversely affected by a decline in earning capacity, an increase in credit costs due to the contraction of the size of the market, and the accrual of other new and unforeseen expenses as a result of the strengthening of regulations.

In addition, under Paragraph 1 of Article 1 of the Interest Limitation Law, a contract for interest on a cash loan for consumption is considered invalid with regard to the portion in excess of the interest ceiling (20% when the principal is less than 100,000 yen, 18% when the principal is 100,000 or more but less than 1,000,000 yen, and 15% when the principal is 1,000,000 yen or more). When the debtor paid the relevant excess portion voluntarily under paragraph 2 of the same Article, it is considered that he or she shall not be able to claim repayment. However, under Article 43 of the Money Lending Business Control Law, when the document specified in Article 17 of the same Law has been issued to the borrower at the time of the loan and the borrower has voluntarily paid the excess portion as interest, and these payments are based on the contract, which is the document issued immediately at the time of payment as specified by Article 18 of the same Law, this payment is regarded as the repayment of valid interest on the debt based on the agreement for which documents were issued as specified in

Article 17 of the same Law, notwithstanding the provision of Paragraph 1 of Article 1 of the Interest Limitation Law (payments under the relevant provision called “deemed payments” below.).

Nevertheless, the Supreme Court ruling on January 13, 2006 ruled that the payment of the portion exceeding the ceiling on interest set in paragraph 1, Article 1 of the Interest Limitation Law under a covenant requiring the lump sum payment of the outstanding loan in the event that the payment of a loan installment is late is effectively compulsion and can not be deemed as a voluntary payment by a borrower. In addition, the court ruled that paragraph 2, Article 15 of the Enforcement Regulations for the Money Lending Business Control Law under which the entry of the contract date on the receipt can be substituted with the contract number exceeds the scope of legal authorization and is invalid.

The AIFUL Group earnestly accepts these judicial decisions and intends to respond through such means as changing agreements to reflect the decisions. At present, the contracted interest rate for the loan products (with some exceptions) provided by the AIFUL Group includes the excess portion on the interest ceiling stipulated by the Interest Limitation Law. Thus far, a number of lawsuits have been brought for the repayment of the excess portion on the interest ceilings stipulated by the Interest Limitation Law due to a lack of preparation in the industry of the matters to be entered on the contract document specified in the Money Lending Business Control Law, and a number of rulings in favor of these suits have been passed down. A number of lawsuits for the repayment of excess interest have also been lodged against the AIFUL Group. There have been cases in which the plaintiffs’ claims that the Group did not fulfill its obligation as a loan business operator to issue the necessary documents required for the payment to be regarded as “deemed payments” under the Money Lending Business Control Law have been recognized, as well as cases in which the Company has made repayment of excess interest based on settlements. As a result, cash repayments related to excess interest amounted to 25,148 million yen on a consolidated basis during the interim period under review.

On October 13, 2006, the Japanese Institute of Certified Public Accountants (JICPA) published Accounting Treatment for Calculation of Reserves Relating to Losses at Consumer Finance Companies, etc., Resulting from Interest Repayment Claims (Industry Audit Committee Report No. 37, “Report No. 37”) to be applicable from the audits of consolidated and non-consolidated accounts for the interim accounting period ending on or after September 1, 2006 (including audits related to the consolidated and non-consolidated accounts for the fiscal year of which the relevant consolidated and non-consolidated accounts for the interim accounting period are each respectively a part). From the perspective of providing a reasonable estimate of the amount of future losses on interest repayments under Report No. 37, the reserve for losses on interest repayments is, in principle, calculated based on the amount obtained by multiplying (a) the number of loan accounts of each type for each borrower account (the number of normal accounts, the number of accounts in arrears, and the historical number of accounts paid off/written off) by (b) the actual rate of repayments relating to the period of the reasonable estimate and (c) average amount of repayment with certain corrections as needed.

In accordance with Report No. 37, the AIFUL Group recorded a reserve for losses on interest repayments of 362,698 million yen in the previous fiscal year. This included 195,545 million yen in forecast repayments included in the bad debt reserve as estimated to receive priority application to loans outstanding.

Nevertheless, accounting estimates are made on the basis of factors such as historical repayment and recent repayments, and in the event that a level of repayments arises that exceeds the assumptions based on these estimates, this could adversely affect the financial position and business performance of the AIFUL Group.

(4) Other Laws

i) Personal Information Protection Law and the Handling of Personal Information
On April 1, 2005, the Personal Information Protection Law and the accompanying guidelines on the protection of personal information established by each government ministry came into force. Under the Law, businesses that handle personal information have specific reporting obligations when judged necessary. In addition, the competent Minister can recommend or order that the necessary measures be taken when deemed necessary to protect the interests of individuals in the event that specific obligations under the Law are breached. Furthermore, in the guidelines, businesses are required to make notification, clearly state and publish the purpose of use of personal information, obtain the consent of customers where necessary related to the handling of personal information, to supervise sub-contractors when subcontracting the handling of personal information, establish a system for security management from the organizational, personnel and technological perspectives, and publish their basic policy on the handling of personal information. In accordance with this, as well as reviewing its handling of personal information, the AIFUL Group has formulated a Privacy Policy and has also taken measures to prevent the leaking of personal information before it happens. The credibility, financial condition and business performance of the AIFUL Group may be affected in the event of a leakage of personal information for any reason or in the event that the Group is subject to a recommendation or order from the Financial Services Agency.

ii) Amendment of the Judicial Scrivener Law
Effective April 1, 2003, the Judicial Scrivener Law was amended to expand the scope of judicial scrivener services, making it possible for judicial scriveners to appear as representatives in court like lawyers in cases such as arbitration and civil lawsuits (maximum claim of 1.4 million yen) that can be handled by a summary court. If these revisions, future trends and further expansion in the scope of services bring about a further increase in lawsuits and adjustments of debt, it may lead to longer repayment plans for the Group’s loans and a rise in bad debts. This could adversely affect the financial position and business performance of the AIFUL Group.

iii) Impact from Amendment of Bankruptcy Law

The amendments to the Bankruptcy Law came into force on January 1, 2005. The amendments seek to streamline and accelerate bankruptcy proceedings by integrating bankruptcy and discharge proceedings and shortening the period during which it is not possible to obtain approval for discharge. In addition, the free assets remaining available to a bankrupt have been extended, and protection of the rights of individual bankrupts has been strengthened. If the amendments are accompanied by a rise in the number of bankruptcies, it could lead to an increase in bad debts, and this could adversely affect the financial position and business performance of the AIFUL Group.

iv) Possibility of Increase in Adjustment of Debts due to Formulation of the Special Conciliation Law and Amendments to Civil Rehabilitation Law

Under the Law concerning Special Conciliation to Promote the Liquidation of Specified Debts that came into force on February 17, 2000, debtors who are likely to be unable to pay off their debts, are now able to negotiate with creditors via arbitration by an arbitration committee composed of a judge and civil conciliators with specialist knowledge and experience in the necessary laws, taxes, finances, corporate finances, and asset appraisal, depending on the nature of the business operated by the debtor to adjust the debt, such as by changing the due date for payment. In addition, the amendments also made it possible for a debtor to request a suspension of civil execution proceedings against personal assets during the special conciliation proceedings.

Moreover, under the amended Civil Rehabilitation Law, which came into force on April 1, 2001, a number of optional proceedings were adopted to allow the postponement of loan repayments, without adjudication of bankruptcy, for personal loans to bankrupt borrowers. One of the procedures based on the Law does not require the approval of creditors for a draft rehabilitation plan. In addition, in certain circumstances, it makes it possible to avoid losing a personal residence covered by a home loan through the application of the special provisions for home funds.

Thus far, large numbers of AIFUL Group customers have not requested legal protection from creditors as a result of these introductions to the legal system. However, in the event of an increase in the future due to economic trends and so on, it could lead to longer repayment plans for the Group’s loans and a rise in bad debts. These developments could adversely affect the financial position and business performance of the AIFUL Group.

v) Impact of Enforcement of Law concerning Promotion of Alternative Dispute Resolution

On April 1, 2007, Japan’s Law concerning Promotion of Alternative Dispute Resolution came into force, expanding the functions of out-of-court dispute resolution proceedings to include Minister of Justice approval in out-of-court dispute resolution proceedings (refers to the resolution of civil disputes without litigation involving specified third parties) for a dispute resolution operator as an adequate third party to take part in the relevant proceedings, and giving a specified legal effect to operations in brokering conciliation conducted in out-of-court proceedings by the relevant operators. In the event that the use of out-of-court dispute resolution proceedings rises in the future, this could lead to longer repayment plans for the Group’s loans and a rise in bad debts. These developments could adversely affect the financial position and business performance of the AIFUL Group.

D. Risk in Capital Procurement Environment

(1) Interest Rate Fluctuation Risk

The interest rate for the capital procurement of the AIFUL Group varies depending on the market environment and other factors. In order to minimize the risk of interest rate fluctuation, AIFUL hedges against increases in interest rates using interest caps and swaps. However, there could be a negative impact on the capital procurement costs of the AIFUL Group depending on the extent of future increases in interest rates.

(2) Changes in Credit Rating

AIFUL has obtained credit ratings from credit rating agencies. However future changes in the Company’s credit rating could have an adverse effect on capital procurement.

(3) Status of Capital Procurement and Diversification

The AIFUL Group has been seeking to diversify its fund raising methods to include borrowing from financial institutions, syndicate loans, domestic and foreign corporate bonds, commercial paper and asset securitization. Capital procurement on the same terms as at present may become difficult if borrowing terms deteriorate and the amount of borrowings falls due to a decline in the Company’s creditworthiness, and this could affect the financial position and business performance of the AIFUL Group.

E. Dislocation, Breakdown and Other Damage to Technology Systems, including Information Network System and Internet Services

The AIFUL Group depends on internal and external information and technology systems to manage its business, and this dependence on software, hardware and networks to manage the branch network and the diversity of information that makes up the Group’s business, including customer and account data, is growing. The hardware and software used by the AIFUL Group could suffer damage or interruption due to human errors, natural disasters, power outages, computer viruses, and other similar phenomena, or be adversely affected by an interruption in support services provided by a third party, such as a telephone company or an Internet service provider. Such dislocation, breakdown, delay or other damage in information or technology systems could reduce the number of accounts established by new customers, delay the repayment of accrued balances, reduce the trust of consumers in the AIFUL Group's business, or result in other disadvantageous effects, which in turn could adversely affect the financial position and business performance of the AIFUL Group.

The AIFUL Group seeks to duplicate both its hardware and telecommunications equipment to keep damage to a minimum by replacing equipment with backups when damage occurs. However, interruption to the operations of the AIFUL Group may be unavoidable in the event of natural disasters, such as earthquakes or typhoons.

F. Holding and Disposal of Stock by Representative Director and Relatives

As of the end of the fiscal year under review, Yoshitaka Fukuda, the representative director of AIFUL, his relatives (including Yasutaka Fukuda, a director of the Company), and affiliated companies combined owned about 47% of the Company's issued shares. As a result, they are able to exercise a controlling influence over the important decisions with an impact on the Company's business activities which involve important corporate transactions such as the transfer of the Company's right of control, reorganization and restructuring of the business, investments in other businesses and assets, and terms of future capital procurement. Moreover, these shareholders have thus far maintained a stable shareholding. However, if they dispose of a portion of this shareholding in the future, this could have an impact on the Company's share price in view of the increase in the supply of the Company's stock in the market.

G. Significant Lawsuits

The AIFUL Group is aware that a number of lawsuits have been initiated by groups for reasons such as the Company's debt collection practices. As a result, if further lawsuits arise, new, unforeseen expenses could be incurred, and media coverage of such lawsuits could damage the Group's credibility. This may result in an impact on customers' use of the AIFUL Group's products and services, stock price formation and borrowing of funds, which may adversely affect the financial position and business performance of the AIFUL Group.

II. State of the Group

This has been omitted as there have been no significant changes compared to Business Content and State of Affiliated Companies in the Company's recent Financial Report (submitted June 27, 2007).

III. Management Policies

This has been omitted as there have been no significant changes compared to the details in (1) Basic Corporate Management Policies, (2) Management Indicator Objectives, (3) Medium and Long-Term Medium Term Business Strategies, and (4) Issues to be Addresses by the Company published in Year-End Financial Statements for the Fiscal Year ended March 2007 (published May 9, 2007).

The Financial Statements can be viewed at the following URLs.

AIFUL website
http://www.ir-aiful.com/japanese/finance01.cfm

Tokyo Stock Exchange Homepage (listed company information search page)
http://www.tse.or.jp/listing/compsearch/index.html

IV. Consolidated Interim Financial Statements

1. Consolidated Interim Balance Sheets

(In millions of yen, except where noted)

		End of previous interim period (As of September 30, 2006)			End of interim period under review (As of September 30, 2007)			Condensed consolidated balance sheets for previous fiscal year (As of March 31, 2007)		
Category	Note No.	Amount		%	Amount		%	Amount		%
(Assets)										
I. Current assets										
1. Cash and cash equivalents			133,909			120,995			127,166	
2. Loans	*3, 4 7, 8		2,048,050			1,728,460			1,912,689	
3. Installment receivables	*3 5, 7		189,139			154,532			174,923	
4. Operational investment securities			1,654			1,339			1,836	
5. Customers' liabilities for acceptances and guarantees			148,930			134,779			141,929	
6. Other operating receivables			11,614			12,701			12,652	
7. Purchased claims			10,983			11,779			12,753	
8. Inventory	*3		385			—			—	
9. Deferred tax assets			17,093			18,299			13,770	
10. Other	*3		50,877			41,038			77,559	
11. Allowance for bad debts	*9		(262,215)			(321,744)			(379,848)	
Total current assets			2,350,424	94.4		1,902,181	94.3		2,095,434	94.6
II. Fixed assets										
1. Tangible fixed assets										
(1) Land	*3	15,953			14,363			14,463		
(2) Other	*2, 3	35,827	51,781		27,434	41,797		27,941	42,405	
2. Intangible fixed assets										
(1) Good will		8,405			2,716			3,144		
(2) Other		20,593	28,998		22,393	25,110		21,723	24,868	
3. Investment and other fixed assets										
(1) Claims in bankruptcy	*8	32,751			40,951			38,988		
(2) Deferred tax assets		5,598			1,179			334		
(3) Other		44,795			32,557			39,621		
(4) Allowance for bad debts		(23,919)	59,227		(27,712)	46,975		(27,725)	51,219	
Total fixed assets			140,007	5.6		113,883	5.7		118,493	5.4
III Deferred assets										
Bond issuing expenses		497			466			631		
Total deferred assets			497	0.0		466	0.0		631	0.0
Total assets			2,490,928	100.0		2,016,531	100.0		2,214,559	100.0

(In millions of yen, except where noted)

Category	Note No.	End of previous interim period (As of September 30, 2006)		End of interim period under review (As of September 30, 2007)		Condensed consolidated balance sheets for previous fiscal year (As of March 31, 2007)	
		Amount	%	Amount	%	Amount	%
(Liabilities)							
I Current liabilities							
1. Notes & accounts payable - trade		28,418		26,683		24,621	
2. Acceptances and guarantees		148,930		134,779		141,929	
3. Short-term debts	*3	103,050		86,770		91,370	
4. Current portion of bonds		62,500		54,000		72,000	
5. Current portion of long-term debts	*3	390,033		307,507		332,241	
6. Commercial paper		20,000		—		—	
7. Income taxes payable		14,356		1,463		7,991	
8. Reserve for accrued bonuses		4,521		3,784		3,783	
9. Reserve for losses on treatment of soil contamination		—		—		630	
10. Business reorganization reserve		—		1,080		11,316	
11. Gains on deferred installments	*6	10,258		5,852		8,453	
12. Lease assets impairment account		—		2		134	
13. Other		45,621		43,599		48,916	
Total current liabilities		827,689	33.2	665,524	33.0	743,389	33.6
II Long-term liabilities							
1. Bonds		385,500		399,100		424,100	
2. Long-term debts	*3	669,730		501,502		610,551	
3. Deferred tax liabilities		691		54		525	
4. Reserve for losses on interest repayments		98,755		167,559		167,153	
5. Allowance for retirement benefits for directors		1,291		1,006		1,338	
6. Other		11,930		8,922		10,356	
Total long-term liabilities		1,167,899	46.9	1,078,145	53.5	1,214,025	54.8
Total liabilities		1,995,589	80.1	1,743,670	86.5	1,957,414	88.4
(Net Assets)							
I. Shareholders' equity							
1. Common stock		83,317	3.3	83,317	4.1	83,317	3.7
2. Capital surplus	*1	104,125	4.2	104,125	5.2	104,125	4.7
3. Retained earnings		302,400	12.1	83,692	4.2	66,465	3.0
4. Treasury stock		(2,967)	(0.1)	(3,110)	(0.2)	(2,968)	(0.1)
Total shareholders' equity		486,876	19.5	268,024	13.3	250,940	11.3
II. Evaluation and foreign currency translation adjustments							
1. Differences in evaluation of other marketable securities		7,669	0.3	4,038	0.2	6,536	0.3
2. Loss on deferred hedge		(6,369)	(0.2)	(4,781)	(0.2)	(5,752)	(0.3)
Total evaluation and foreign currency translation adjustments		1,299	0.1	(743)	(0.0)	784	0.0
III. Minority interests		7,163	0.3	5,580	0.2	5,419	0.3
Total net assets		495,339	19.9	272,861	13.5	257,144	11.6
Total net assets and liabilities		2,490,928	100.0	2,016,531	100.0	2,214,559	100.0

2. Consolidated Interim Statements of Income

(In millions of yen, except where noted)

		Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)			Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)			Condensed consolidated statements of income for previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)		
Category	Note No.	Amount		%	Amount		%	Amount		%
I. Operating revenue										
1. Interest on loans to customers			236,055	90.0		191,345	88.4		448,662	89.9
2. Credit card revenue			6,195	2.4		7,111	3.3		12,754	2.6
3. Per-item credit revenue			7,468	2.8		3,934	1.8		12,998	2.6
4. Credit guarantee revenue			4,668	1.8		4,348	2.0		9,186	1.8
5. Financial revenue - other			36	0.0		237	0.1		229	0.0
6. Operating revenue - other										
Revenue from operational investment securities		303			415			527		
Collection of purchased claims		1,798			3,398			3,725		
Collection of bad debts		2,328			2,374			4,022		
Other		3,428	7,858	3.0	3,334	9,523	4.4	6,924	15,200	3.1
Total operating revenue			262,283	100.0		216,502	100.0		499,031	100.0
II Operating expenses										
1. Financial expenses			18,314	7.0		16,985	7.8		36,615	7.3
2. Cost of sales										
Cost of sales of operational investment securities		72			125			163		
Cost of purchased claims		1,335	1,407	0.5	2,601	2,727	1.3	2,666	2,829	0.6
3. Operating expenses - other	* 1		214,816	81.9		175,720	81.2		623,387	124.9
Total operating expenses			234,539	89.4		195,433	90.3		662,832	132.8
Operating income (loss)			27,744	10.6		21,068	9.7		(163,801)	(32.8)
III. Non-operating income										
1. Dividends received		152			315			217		
2. Dividends on insurance		88			—			292		
3. Gain on investment in anonymous association		95			—			—		
4. Other		256	592	0.2	218	533	0.2	554	1,064	0.2
IV Non-operating expenses										
1. Loss on investment in anonymous association		142			40			213		
2. Other		79	221	0.1	57	97	0.0	141	354	0.1
Ordinary income (loss)			28,115	10.7		21,504	9.9		(163,092)	(32.7)
V. Extraordinary income										
1. Gain on sale of fixed assets	*2	—			870			—		
2. Gain on sale of investment securities		349			—			3,286		
3. Gain on liquidation of lease deposits and guarantees		18			—			—		
4. Other		51	418	0.1	94	965	0.5	458	3,744	0.8
VI Extraordinary losses										
1. Loss on disposal of fixed assets		216			486			—		
2. Impairment losses	*3	152			—			6,804		
3. Transfer to allowance for bad debts		107,012			—			107,012		
4. Transfer to reserve for losses on interest repayments		69,312			—			69,312		
5. Dissolution fees for cancellation of contract		599			—			2,210		
6. Other		109	177,403	67.6	214	700	0.3	27,574	212,914	42.7
Net income (loss) before taxes			(148,869)	(56.8)		21,769	10.1		(372,262)	(74.6)
Corporate tax, local and enterprise taxes		14,439			1,191			15,795		
Prior-year corporate tax, local and enterprise taxes		—			3,451			—		
Adjustment on corporate tax, etc.		16,054	30,493	11.6	(4,512)	130	0.1	24,733	40,529	8.1
Gain (loss) on minority interests			201	0.1		163	0.1		(1,540)	(0.3)
Net income (loss)			(179,564)	(68.5)		21,475	9.9		(411,250)	(82.4)

3. Consolidated Interim Statements of Change in Shareholders' Equity

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)

(In millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	83,317	104,125	486,214	(2,964)	670,692
Change during the period					
Distribution of retained earnings*			(4,248)		(4,248)
Net loss			(179,564)		(179,564)
Acquisition of treasury stock			–	(2)	(2)
Total change during the period	–	–	(183,813)	(2)	(183,815)
Balance at September 30, 2006	83,317	104,125	302,400	(2,967)	486,876

(In millions of yen)

	Evaluation and foreign currency translation adjustments			Minority interests	Total net assets
	Differences in evaluation of other marketable securities	Loss on deferred hedge	Total evaluation and foreign currency translation adjustments		
Balance at March 31, 2006	11,001	–	11,001	6,964	688,658
Change during the period					
Distribution of retained earnings*			–		(4,248)
Net loss			–		(179,564)
Acquisition of treasury stock			–		(2)
Net change in items other than shareholders' equity during the period	(3,331)	(6,369)	(9,701)	198	(9,503)
Total change during the period	(3,331)	(6,369)	(9,701)	198	(193,318)
Balance at September 30, 2006	7,669	(6,369)	1,299	7,163	495,339

Note: Distribution of retained earnings approved by the ordinary general meeting of shareholders in June 2006.

Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)

(In millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2007	83,317	104,125	66,465	(2,968)	250,940
Change during the period					
Distribution of retained earnings			(4,248)		(4,248)
Net income			21,475		21,475
Acquisition of treasury stock				(142)	(142)
Total change during the period	–	–	17,226	(142)	17,084
Balance at September 30, 2007	83,317	104,125	83,692	(3,110)	268,024

(In millions of yen)

	Evaluation and foreign currency translation adjustments			Minority interests	Total net assets
	Differences in evaluation of other marketable securities	Loss on deferred hedge	Total evaluation and foreign currency translation adjustments		
Balance at March 31, 2007	6,536	(5,752)	784	5,419	257,144
Change during the period					
Distribution of retained earnings					(4,248)
Net income			–		21,475
Acquisition of treasury stock			–		(142)
Net change in items other than shareholders' equity during the period	(2,498)	970	(1,527)	160	(1,367)
Total change during the period	(2,498)	970	(1,527)	160	15,717
Balance at September 30, 2007	4,038	(4,781)	(743)	5,580	272,861

Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)

(In millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2006	83,317	104,125	486,214	(2,964)	670,692
Change during fiscal year					
Distribution of retained earnings*			(4,248)		(4,248)
Distribution of retained earnings			(4,248)		(4,248)
Net loss			(411,250)		(411,250)
Acquisition of treasury stock			–	(3)	(3)
Sale of treasury stock			(0)	0	0
Total change during fiscal year	–	–	(419,748)	(3)	(419,751)
Balance at March 31, 2007	83,317	104,125	66,465	(2,968)	250,940

(In millions of yen)

	Evaluation and foreign currency translation adjustments			Minority interests	Total net assets
	Differences in evaluation of other marketable securities	Loss on deferred hedge	Total evaluation and foreign currency translation adjustments		
Balance at March 31, 2006	11,001	–	11,001	6,964	688,658
Change during fiscal year					
Distribution of retained earnings*			–		(4,248)
Distribution of retained earnings			–		(4,248)
Net loss			–		(411,250)
Acquisition of treasury stock			–		(3)
Sale of treasury stock			–		0
Net change in items other than shareholders' equity during fiscal year	(4,465)	(5,752)	(10,217)	(1,544)	(11,762)
Total change during fiscal year	(4,465)	(5,752)	(10,217)	(1,544)	(431,514)
Balance at March 31, 2007	6,536	(5,752)	784	5,419	257,144

Note: Distribution of retained earnings approved by the ordinary general meeting of shareholders in June 2006.

4. Consolidated Interim Statements of Cash Flows

(In millions of yen)

Category	Note No.	Previous interim period (Apr. 1, 2006 to Sep. 30, 2006) Amount	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007) Amount	Condensed consolidated statements of cash flows for previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007) Amount
I. Cash flow from operating activities				
Net income (loss) before taxes		(148,869)	21,769	(372,262)
Depreciation expenses		6,496	5,744	13,122
Impairment losses		152	—	6,804
Goodwill write-offs		867	427	6,128
Increase (decrease) in allowance for bad debts		114,419	(58,116)	235,857
Increase (decrease) in reserve for accrued bonuses		367	—	—
Increase (decrease) in reserve for losses on interest repayments		77,680	406	146,078
Increase (decrease) in allowance for retirement benefits for directors		(36)	—	—
Non-operating interest on loans and cash dividends		(164)	(138)	(242)
Amortization of bond issuing expenses		247	—	—
Loss (gain) on disposal of fixed assets		216	486	1,964
Loss (gain) on liquidation of lease deposits and guarantees		(18)	—	—
Loss (gain) on sale of investment securities		(349)	—	(3,241)
Decrease (increase) in loans to customers		75,966	184,229	211,327
Decrease (increase) in installment receivables		20,441	20,390	34,661
Decrease (increase) in operational investment securities		141	452	(12)
Decrease (increase) in other operating receivables		(1,094)	(49)	(2,132)
Decrease (increase) in purchased claims		(51)	974	(1,821)
Decrease (increase) in claims in bankruptcy		279	(1,963)	(5,957)
Decrease (increase) in inventory		(32)	—	—
Decrease (increase) in other current assets		1,457	6,525	5,114
Increase (decrease) in other current liabilities		(3,578)	(16,244)	5,620
Other		935	(36)	2,148
Subtotal		145,476	164,858	283,160
Non-operating interest on loans and cash dividends		164	138	242
Payments for corporate and other taxes		(25,122)	(11,171)	(32,843)
Cash flow from operating activities		120,518	153,825	250,558
II. Cash flow from investing activities				
Funds used for purchase of tangible fixed assets		(2,096)	(2,578)	(3,043)
Funds provided by sale of tangible fixed assets		0	379	457
Funds used for purchase of intangible fixed assets		(2,556)	(4,457)	(8,224)

(In millions of yen)

		Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Condensed consolidated statements of cash flows for previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
Category	Note No.	Amount	Amount	Amount
Funds used for purchase of investment securities		(1,183)	(953)	(1,676)
Funds provided by sales of investment securities		772	392	5,087
Decrease (increase) in short-term loans		49,987	29,984	20,028
Funds used for long-term loan receivables		(63)	—	—
Funds provided by collection of long-term loan receivables		10	—	—
Other		233	(15)	870
Cash flow from investing activities		45,104	22,751	13,498
III. Cash flow from financing activities				
Increase in short-term debts		517,740	261,780	746,500
Repayment of short-term debts		(527,890)	(266,380)	(768,330)
Increase (decrease) in commercial paper		(5,000)	—	(25,000)
Proceeds from long-term debts		155,851	58,500	374,710
Repayments of long-term debts		(240,134)	(192,283)	(575,964)
Proceeds from issuance of bonds		—	—	67,194
Redemption of bonds		(62,500)	(43,000)	(82,000)
Payment for acquisition of treasury stock		(2)	(142)	(3)
Proceeds from disposal of treasury stock		—	—	0
Cash dividends paid		(4,248)	(4,248)	(8,497)
Cash flow from financing activities		(166,183)	(185,773)	(271,390)
IV. Effect of exchange rate changes on cash and cash equivalents		16	24	45
V. Increase (decrease) in cash and cash equivalents		(544)	(9,171)	(7,287)
VI. Balance of cash and cash equivalents at the beginning of the year		134,376	127,089	134,376
VIII. Balance of cash and cash equivalents at the end of the interim period	*1	133,832	117,917	127,089

5. Significant Accounting Policies Relating to the Consolidated Interim Financial Statements

Item	Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
1. Matters pertaining to consolidation	(1) No. of consolidated subsidiaries: 13 Names of consolidated subsidiaries Tryto Corporation, LIFE Co., Ltd, Businext Corporation, AsTry Loan Services Corporation, City's Corporation, Wide Corporation, New Frontier Partners Co., Ltd., TCM Co., Ltd., Passkey Co., Ltd., id Credit Corporation, Net One Club Corporation and two other companies	(1) No. of consolidated subsidiaries: 11 Names of consolidated subsidiaries Tryto Corporation, LIFE Co., Ltd, Businext Corporation, AsTry Loan Services Corporation, City's Corporation, Wide Corporation, New Frontier Partners Co., Ltd., TCM Co., Ltd., Passkey Co., Ltd., and two other companies	(1) No. of consolidated subsidiaries: 11 Names of consolidated subsidiaries Tryto Corporation, LIFE Co., Ltd, Businext Corporation, AsTry Loan Services Corporation, City's Corporation, Wide Corporation, New Frontier Partners Co., Ltd., TCM Co., Ltd, Passkey Co., Ltd., and two others On March 26, 2007, id Credit Corporation and Net One Club Corporation merged with AIFUL Corporation, with AIFUL as the surviving company.
	(2) Names of non-consolidated subsidiaries LIFE Stock Center Co., Ltd., and 18 others (Reasons the companies are excluded from consolidation) Non-consolidated subsidiaries have not been included in the scope of consolidation. This is due to the fact that they are small in size and the total assets, operating income, interim net profit/loss and retained earnings represented in the Company's share of their equity has a small effect on the consolidated interim financial statements. (Change in accounting policy) The Company applied the Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associates (Accounting Standards Board of Japan [ASBJ], PITF No. 20) from the interim period under review. As a result, 16 of the non-consolidated subsidiaries above have become subsidiaries since the interim period under review.	(2) Names of non-consolidated subsidiaries LIFE Stock Center Co., Ltd., and 19 others (Reasons the companies are excluded from consolidation) Non-consolidated subsidiaries have not been included in the scope of consolidation. This is due to the fact that they are small in size and the total assets, operating income, interim net profit/loss and retained earnings represented in the Company's share of their equity has a small effect on the consolidated interim financial statements.	(2) Names of non-consolidated subsidiaries LIFE Stock Center Co., Ltd., and 17 others (Reasons the companies are excluded from consolidation) Non-consolidated subsidiaries have not been included in the scope of consolidation. This is due to the fact that they are small in size and the total assets, operating income, net profit/loss and retained earnings represented in the Company's share of their equity has a small effect on the consolidated financial statements. (Change in accounting policy) The Company applied the Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associates (Accounting Standards Board of Japan [ASBJ], PITF No. 20) from the fiscal year under review. As a result, 15 of the non-consolidated subsidiaries above became subsidiaries in the fiscal year.
2. Matters concerning the application of equity method accounting	19 non-consolidated subsidiaries and two affiliated companies (Sumishin Life Card Co., Ltd., and one other company) have not adopted the equity method. This is due to the fact that they are small in size, and the sums of AIFUL's share of their interim net profit/loss and retained earnings has a small effect on the consolidated interim financial statements.	20 non-consolidated subsidiaries and two affiliated companies (Sumishin Life Card Co., Ltd., and one other company) have not adopted the equity method. This is due to the fact that they are small in size, and the sums of AIFUL's share of their interim net profit/loss and retained earnings has a small effect on the consolidated interim financial statements.	18 non-consolidated subsidiaries and two affiliated companies (Sumishin Life Card Co., Ltd., and one other company) have not adopted the equity method. This is due to the fact that they are small in size, and the sums of AIFUL's share of their net profit/loss and retained earnings has a small effect on the consolidated financial statements.

Item	Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
3. Accounting principles used for standard accounting treatment	(1) Depreciation methods for depreciable assets i) Tangible fixed assets Diminishing balance depreciation method Major useful lives are as follows: Buildings and structures 2-62 years Machinery and vehicles 2-15 years Equipment and fixtures 2-20 years	(1) Depreciation methods for depreciable assets i) Tangible fixed assets Diminishing balance depreciation method Straight line depreciation method for buildings (excluding attached facilities) that consolidated subsidiaries acquired on or after April 1, 1998 Major useful lives are as follows: Buildings and structures 2-62 years Machinery and vehicles 2-17 years Equipment and fixtures 2-20 years (Changes to accounting policies) In conjunction with the revision of Japan's Corporation Tax Law, AIFUL and its consolidated subsidiaries have changed the method of depreciation for tangible fixed assets (excludes buildings at AIFUL) acquired on or after April 1, 2007 to the method based on the Corporation Tax Law after its revision, starting in the interim period under review. As a result, operating income, ordinary income, and net income before income taxes have each declined by 19 million yen. (Supplementary Data) In conjunction with the revision of the Corporation Tax Law, AIFUL and its consolidated subsidiaries have accounted for assets (excludes buildings at AIFUL) acquired on or before March 31, 2007 through the uniform depreciation over 5 years of the difference between an amount equivalent to 5% of the acquisition price and the memorandum price from the fiscal year following the fiscal year when 5% of the acquisition price is reached, through the adoption of a depreciation method based on the Corporation Tax Law before its revision. As a result, operating income, ordinary income, and net income before income taxes have each declined by 18 million yen.	(1) Depreciation methods for depreciable assets i) Tangible fixed assets Diminishing balance depreciation method Major useful lives are as follows: Buildings and structures 2-62 years Machinery and vehicles 2-17 years Equipment and fixtures 2-20 years
	(2) Accounting standards for allowances and reserves i) —	(2) Accounting standards for allowances and reserves i) Business reorganization reserve The Company calculated the amount of the estimated losses, including outlet liquidation losses, to provide for losses arising accompanying business reorganization.	(2) Accounting standards for allowances and reserves i) Business reorganization reserve As on left

Note: The depreciation methods for depreciable assets and accounting standards for allowances and reserves other than those noted above have been omitted, as there have been no significant changes since they were recorded in the Company's most recent interim financial report (submitted December 25, 2007).

6. Changes to Significant Accounting Policies Relating to the Consolidated Interim Financial Statements

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
(Accounting Standards for Presentation of Net Assets in the Balance Sheets) The Company adopted Accounting Standards for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5, December 9, 2005) and Implementation Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No. 8, December 9, 2005) starting in the interim period under review. The amount of shareholders' equity under former accounting standards was 494,546 million yen. With the amendment of the regulations for interim consolidated financial statements, the Company has presented net assets in the interim consolidated balance sheets for the interim period under review on the basis of the regulations for interim consolidated financial statements after amendment.	—	(Accounting Standards for Presentation of Net Assets in the Balance Sheets) The Company adopted Accounting Standards for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5, December 9, 2005) and Implementation Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No. 8, December 9, 2005) starting in the fiscal year under review. The amount of shareholders' equity under former accounting standards was 257,477 million yen. With the amendment of the regulations for consolidated financial statements, the Company has presented net assets in the consolidated balance sheets for the fiscal year under review on the basis of the regulations for consolidated financial statements after amendment.
—	—	(Accounting Standards for Business Combinations, etc.) The Company adopted Accounting Standard for Business Combinations (Business Accounting Council, October 31, 2003) and Accounting Standard for Business Separations (ASBJ Statement No. 7, December 27, 2005) as well as Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Separations (ASBJ Guidance No. 10, December 27, 2005) starting in the fiscal year under review.

7. Changes in Labeling Method

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)
(Consolidated Interim Balance Sheets) 1. In the previous interim period, Purchased claims were included under Inventory in Current assets, but have been presented as a separate item due to an increase in significance. The amount of Purchased claims at the end of the previous interim period was 8,832 million yen. 2. As a result of amendments to the regulations on interim consolidated financial statements, items presented under the Consolidation adjustment account in the previous interim period are presented as Goodwill from the interim period under review.	(Consolidated Interim Balance Sheets) 1. Inventory (384 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Current assets due to its lack of financial significance.
(Consolidated Interim Statements of Income) 1. Collection of purchased claims was presented under Other in Operating revenue – other until the previous interim period, but it is presented as an item on the Consolidated Interim Statements of Income accompanying the presentation of Purchased claims as an item on the Consolidated Interim Balance Sheets. Collection of purchased claims was 1,373 million yen in the previous interim period. 2. Cost of purchased claims was presented under Other in Operating expenses – other until the previous interim period, but it is presented as an item on the Consolidated Interim Statements of Income accompanying the presentation of Purchased claims as an item on the Consolidated Interim Balance Sheets. Cost of purchased claims was 734 in the previous interim period. 3. Interest on loans (12 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Non-operating income due to its lack of financial significance. 4. Interest expenses (0 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Non-operating expenses due to its lack of financial significance. 5. Gain on sale of fixed assets (0 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Extraordinary income due to its lack of financial significance. 6. Allowance for bad debts from previous year (0 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Extraordinary income due to its lack of financial significance. 7. Loss on sale of fixed assets (0 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Extraordinary losses due to its lack of financial significance. 8. Loss on valuation of investment securities (0 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Extraordinary losses due to its lack of financial significance.	(Consolidated Interim Statements of Income) 1. Dividends on insurance (6 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Non-operating income because it amounts to no more than 10/100 of total non-operating income. 2. Gain on investment in anonymous association (32 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Non-operating income because it amounts to no more than 10/100 of total non-operating income. 3. Gain on sale of fixed assets was presented under Other in Extraordinary income until the previous interim period, but it is presented as an item on the Consolidated Interim Statements of Income because it amounts to more than 10/100 of total extraordinary income. Gain on sale of fixed assets was 0 million yen in the previous interim period. 4. Gain on sale of investment securities (27 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Extraordinary income because it amounts to no more than 10/100 of total non-operating income. 5. Gain on liquidation of lease deposits and guarantees (56 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Extraordinary income due to its lack of financial significance. 6. Transfer to allowance for bad debts (0 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Extraordinary losses because it amounts to no more than 10/100 of total extraordinary losses. 7. Dissolution fees for cancellation of contract (0 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Extraordinary income due to its lack of financial significance.

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)
(Consolidated Interim Statements of Cash Flows) 1. As a result of amendments to the regulations on interim consolidated financial statements, items presented under the Consolidation adjustment account write-offs in the previous interim period are presented as Goodwill write-offs from the interim period under review. 2. Loss on valuation of investment securities (0 million yen for the interim period under review) under Cash flow from operating activities is included in Other due to its lack of financial significance. 3. Decrease (increase) in purchased claims (-792 million yen for the previous interim period), which was included under Decrease (increase) in inventory in Cash flow from operating activities in the previous interim period, is presented as a separate item on the Consolidated Interim Statements of Cash Flows accompanying the presentation of Purchased claims as a separate item on the Consolidated Interim Balance Sheets. 4. Decrease (increase) in pre-paid expenses (724 million yen for the interim period under review) under Cash flow from operating activities is included in Decrease (increase) in other current assets due to its lack of financial significance. 5. Decrease (increase) in long-term pre-paid expenses (662 million yen for the interim period under review) under Cash flow from operating activities is included in Other due to its lack of financial significance. 6. Funds used for purchases of investments and other assets (-24 million yen for the interim period under review) under Cash flow from investing activities are included in Other due to its lack of financial significance. 7. Funds provided from sales of investments and other assets 55 million yen for the interim period under review) under Cash flow from investing activities are included in Other due to its lack of financial significance.	(Consolidated Interim Statements of Cash Flows) 1. Increase (decrease) in reserve for accrued bonuses (0 million yen for the interim period under review) under Cash flow from operating activities is included in Other due to its lack of financial significance. 2. Increase (decrease) in allowance for retirement benefits for directors (-332 million yen for the interim period under review) under Cash flow from operating activities is included in Other due to its lack of financial significance. 3. Amortization of bond issuing expenses (165 million yen for the interim period under review) under Cash flow from operating activities is included in Other due to its lack of financial significance. 4. Loss (gain) on liquidation of lease deposits and guarantees (-56 million yen for the interim period under review) under Cash flow from operating activities is included in Other due to its lack of financial significance. 5. Loss (gain) on sale of investment securities (-6 million yen for the interim period under review) under Cash flow from operating activities is included in Other due to its lack of financial significance. 6. Decrease (increase) in inventory (13 million yen for the interim period under review) under Cash flow from operating activities is included in Other due to its lack of financial significance. 7. Funds used for long-term loan receivables (-41 million yen for the interim period under review) under Cash flow from investing activities are included in Other due to its lack of financial significance. 8. Funds provided by collection of long-term loan receivables (22 million yen for the interim period under review) under Cash flow from investing activities are included in Other due to its lack of financial significance.

8. Notes

A. Notes to the Consolidated Interim Balance Sheets

End of previous interim period (As of September 30, 2006)	End of interim period under review (As of September 30, 2007)	End of previous fiscal year (As of Mar. 31, 2007)
*1 Capital surplus includes an increase of 18,693 million yen in a simple equity swap. This includes a difference of 13,900 million yen recorded in the valuation of subsidiary's stock incurred in capital consolidation methods.	*1 As on left	*1 As on left
*2 Cumulative amortization of tangible fixed assets 43,036 million yen	*2 Cumulative amortization of tangible fixed assets 34,849 million yen	*2 Cumulative amortization of tangible fixed assets 42,339 million yen
*3 Assets pledged as collateral and corresponding liabilities (1) Assets pledged as collateral (In millions of yen) Loans 819,917 Installment receivables 38,836 Inventory 104 Land 563 Tangible fixed assets (other) 810 Total 860,231 (2) Corresponding liabilities (In millions of yen) Short-term debts 74,100 Current portion of long-term debts 135,999 Long-term debts 210,633 Total 420,732 Above amounts include items related to the securitization of loans receivables, 605,826 million yen for outstanding loans receivables, 20,000 million yen for short-term debts, 39,216 million yen for the current portion of long-term debts, and 122,103 million yen for the long-term debts. The matters below are not included in the aforementioned amounts. i) With regards to 500 million yen of short-term debts, 102,003 million yen of the current portion of long-term debts, and 146,938 million yen of long-term debts, totaling 249,442 million yen, the Company has contracted to offer 267,044 million yen in loans as collateral in response to creditors' requests. ii) The Company has also offered 1,907 million yen in cash and cash equivalents (Current assets [other]) as collateral for swap transactions.	*3 Assets pledged as collateral and corresponding liabilities (1) Assets pledged as collateral (In millions of yen) Loans 316,301 Installment receivables 48,089 Current assets (other) 97 Land 501 Tangible fixed assets (other) 767 Total 365,758 (2) Corresponding liabilities (In millions of yen) Short-term debts 58,040 Current portion of long-term debts 85,565 Long-term debts 145,686 Total 289,291 Above amounts include items related to the securitization of loans receivables, 150,641 million yen for outstanding loans receivables, 17,810 million yen for the current portion of long-term debts, and 69,600 million yen for the long-term debts. The matters below are not included in the aforementioned amounts. i) With regard to 85,277 million yen of the current portion of long-term debts, and 118,135 million yen of long-term debts, totaling 203,412 million yen, the Company has contracted to offer 214,470 million yen in loans as collateral in response to creditors' requests. ii) The Company has also offered 1,332 million yen in cash and cash equivalents (Current assets [other]) as collateral for swap transactions.	*3 Assets pledged as collateral and corresponding liabilities (1) Assets pledged as collateral (In millions of yen) Loans 423,753 Installment receivables 39,983 Current assets (other) 100 Buildings and structures 774 Machinery, equipment and vehicles 7 Land 501 Total 465,121 (2) Corresponding liabilities (In millions of yen) Short-term debts 60,360 Current portion of long-term debts 87,774 Long-term debts 163,954 Total 312,089 Above amounts include items related to the securitization of loans receivables, 240,426 million yen for outstanding loans receivables, 11,846 million yen for the current portion of long-term debts, and 92,036 million yen for the long-term debts. The matters below are not included in the aforementioned amounts. i) With regard to 400 million yen of short-term debts, 98,623 million yen of the current portion of long-term debts, and 135,508 million yen of long-term debts, totaling 234,531 million yen, the Company has contracted to offer 248,077 million yen in loans as collateral in response to borrowers' requests. ii) The Company has also offered 1,734 million yen in cash and cash equivalents (Current assets [other]) as collateral for swap transactions.
*4 —	*4 Includes 1,315,217 million yen in personal unsecured loans.	*4 Includes 1,465,330 million yen in personal unsecured loans.
*5 Installment receivables (In millions of yen) Card shopping 82,773 Per item shopping 106,365 Total 189,139	*5 Installment receivables (In millions of yen) Card shopping 93,162 Per item shopping 61,369 Total 154,532	*5 Installment receivables (In millions of yen) Card shopping 94,541 Per item shopping 80,382 Total 174,923

End of previous interim period (As of September 30, 2006)

*6 Gains on deferred installments

(In millions of yen)

	Balance at end of prior period	Gains during period	Amounts realized during period	Balance at end of period
Credit card shopping	663	6,073	6,143	593 (149)
Per item shopping	13,108	3,702	7,360	9,450 (1,013)
Guarantees	239	2,062	2,094	207 (-)
Loans	10	45,686	45,690	5 (-)
Total	14,021	57,525	61,288	10,258 (1,163)

Note: Amounts in parenthesis are merchant fees.

*7 Securitization of receivables

The amount of loans and installment receivables removed from the balance sheet through the securitization of claims stood at 165,772 million yen at the end of the interim period. The break down was as follows:

(In millions of yen)

Loans	97,169
Installment receivables	68,603
Total	165,772

*8 Bad debts

The bad debts included in loans and claims in bankruptcy are shown below:

(In millions of yen)

	Unsecured loans	Other loans	Total
Claims in bankruptcy	5,779	28,252	34,031
Loans in arrears	79,847	66,099	145,946
Loans in arrears longer than 3 months	36,278	12,168	48,447
Loans with adjusted terms	54,347	4,181	58,528
Total	176,252	110,701	286,954

Explanations for each of the above items follow:

(Claims in bankruptcy)

"Claims in bankruptcy" refers to loans that are included in loans on which principal or interest payments have been continuously late for a considerable period of time for the reasons cited in Article 96, Paragraph 1, Number 3, Items A through E of the Corporate Income Tax Law Execution Ordinance (1965, Ordinance No. 97), or for the reasons set forth in Number 4 of the same paragraph. The Company sets aside a reserve for bad debts that is equivalent to the amount the Company believes it will be unable to recover based on an evaluation of each loan.

End of interim period under review (As of September 30, 2007)

*6 Gains on deferred installments

(In millions of yen)

	Balance at end of prior period	Gains during period	Amounts realized during period	Balance at end of period
Credit card shopping	1,087	6,778	7,033	832 (237)
Per item shopping	7,181	1,464	3,785	4,859 (526)
Guarantees	181	1,926	1,949	158 (-)
Loans	3	44,162	44,164	1 (-)
Total	8,453	54,331	56,932	5,852 (764)

Note: Amounts in parenthesis are merchant fees.

*7 Securitization of receivables

The amount of loans and installment receivables removed from the balance sheet through the securitization of claims stood at 129,476 million yen at the end of the interim period. The break down was as follows:

(In millions of yen)

Loans	82,373
Installment receivables	47,102
Total	129,476

*8 Bad debts

The bad debts included in loans and claims in bankruptcy are shown below:

(In millions of yen)

	Unsecured loans	Other loans	Total
Claims in bankruptcy	5,556	36,604	42,161
Loans in arrears	93,182	91,046	184,229
Loans in arrears longer than 3 months	28,894	8,754	37,649
Loans with adjusted terms	66,494	5,166	71,661
Total	194,128	141,572	335,701

Explanations for each of the above items follow:

(Claims in bankruptcy)

As on left

End of previous fiscal year (As of Mar. 31, 2007)

*6 Gains on deferred installments

(In millions of yen)

	Balance at end of prior period	Gains during period	Amounts realized during period	Balance at end of period
Credit card shopping	663	13,058	12,633	1,087 (160)
Per item shopping	13,108	6,830	12,757	7,181 (750)
Guarantees	239	4,076	4,134	181 (-)
Loans	10	89,802	89,809	3 (-)
Total	14,021	113,768	119,335	8,453 (911)

Note: Amounts in parenthesis are merchant fees.

*7 Securitization of receivables

The amount of loans and installment receivables removed from the balance sheets through the securitization of claims stood at 127,390 million yen at the end of the fiscal year. The break down was as follows:

(In millions of yen)

Loans	72,573
Installment receivables	54,817
Total	127,390

*8 Bad debts

The bad debts included in loans and claims in bankruptcy are shown below:

(In millions of yen)

	Unsecured loans	Other loans	Total
Claims in bankruptcy	6,094	36,913	43,008
Loans in arrears	100,173	80,645	180,819
Loans in arrears longer than 3 months	28,250	8,414	36,664
Loans with adjusted terms	62,900	4,653	67,553
Total	197,418	130,627	328,045

Explanations for each of the above items follow:

(Claims in bankruptcy)

As on left

End of previous interim period (As of September 30, 2006)	End of interim period under review (As of September 30, 2007)	End of previous fiscal year (As of Mar. 31, 2007)
(Loans in arrears) "Loans in arrears" refers to loans other than claims in bankruptcy for which unpaid interest is not accrued. This excludes loans, however, that are included in loans for which the Company has made arrangements convenient to the borrower for the purpose of reorganization or support of the borrower, such as reduction or exemption of interest or extension of the repayment period on which the Company is periodically receiving payments.	(Loans in arrears) As on left	(Loans in arrears) As on left
(Loans in arrears longer than 3 months) "Loans in arrears longer than 3 months" refers to loans for which the principal or interest payment is three or more months overdue from the day following the scheduled payment date and that are not regarded as claims in bankruptcy or loans in arrears.	(Loans in arrears longer than 3 months) As on left	(Loans in arrears longer than 3 months) As on left
(Loans with adjusted terms) "Loans with adjusted terms" refers to loans for which the Company has made arrangements convenient to the borrower for the purpose of reorganization or support of the borrower, such as reduction or exemption of interest or extension of the repayment period on which the Company is periodically receiving payments, and that are not regarded as claims in bankruptcy, loans in arrears or loans in arrears longer than 3 months.	(Loans with adjusted terms) As on left	(Loans with adjusted terms) As on left
*9 129,367 million yen of the allowance for bad debts is the estimated amount of interest repayments expected to be given priority application to loans outstanding.	*9 This includes 140,611 million yen in forecast repayments as estimated to receive priority application to loans outstanding.	*9 This includes 195,545 million yen in forecast repayments as estimated to receive priority application to loans outstanding.

B. Notes to the Consolidated Interim Statements of Income

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)

*1 Breakdown of primary other operating expenses is as follows:

	(In millions of yen)
Commissions	13,087
Transfer to allowance for bad debts	103,907
Transfer to reserve for losses on interest repayments	19,343
Employee salaries and bonuses	20,628
Transfer to allowance for bonus payments	4,466

*2 —

*3 Impairment losses
The AIFUL Group recorded the following impairment losses in the interim period under review.

(1) Assets with recognized impairment losses

Location	Use	Category
Utsunomiya, Tochigi Prefecture	Idle real estate	Land and buildings, etc.
Nasu-gun, Tochigi Prefecture	Idle real estate	Land
Tamatsukuri-gun, Miyagi Prefecture	Idle real estate	Land

(2) Asset grouping method
The AIFUL Group uses each operating company in the financial and venture capital businesses, with the exception of idle real estate and real estate for sale, and each property for rental in the real estate business as the smallest unit for asset grouping.

Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)

*1 Breakdown of primary other operating expenses is as follows:

	(In millions of yen)
Commissions	11,862
Transfer to allowance for bad debts	73,192
Transfer to reserve for losses on interest repayments	35,961
Employee salaries and bonuses	15,033

*2 Breakdown of gains on sale of fixed assets is as follows:

	(In millions of yen)
Equipment and fixtures	196
Software	600
Other	73
Total	870

*3 —

Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)

*1 Breakdown of primary other operating expenses is as follows:

	(In millions of yen)
Advertising expenses	15,073
Transfer to allowance for bad debts	280,618
Transfer to reserve for losses on interest repayments	97,835
Employee salaries and bonuses	43,651
Transfer to allowance for bonus payments	3,782
Commissions	25,584

*2 —

*4 Impairment losses
The AIFUL Group recorded the following impairment losses in the fiscal year under review.

(1) Assets with recognized impairment losses

(In millions of yen)

Use	Category	Impairment losses
Real estate for lease	Land and buildings, etc.	1,306
Idle real estate	Land and buildings, etc.	179
Business offices scheduled for closure	Structures, buildings, equipment and fittings, and finance leasing assets, etc.	5,318

(2) Asset grouping method
The AIFUL Group uses each operating company in the financial and venture capital businesses, with the exception of idle real estate and real estate for sale, and each property for rental in the real estate business as the smallest unit for asset grouping. For assets involved in business reorganization, all of the business offices scheduled for closure at each operating company are used as a single unit for asset grouping.

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
(3) Background to recognition of impairment losses The AIFUL Group recognizes impairment losses due to a marked fall in the net sale value from the book value for idle real estate. (4) Amount of Impairment Losses (In millions of yen) Buildings and structures 121 Land 31 Total 152 (5) Method of calculation for recoverable value Recoverable value for idle real estate is measured using net sale value based on an appraised value provided by a real estate appraiser.		(3) Background to recognition of impairment losses The AIFUL Group recognizes the respective impairment losses when there is a marked decline in the net sales value of some real estate for lease and idle real estate compared to the book value, and on business offices scheduled for closure accompanying the announcement of the business reorganization plan. (4) Amount of Impairment Losses (In millions of yen) Buildings and structures 3,794 Equipment and fittings 1,223 Land 1,319 Real estate for lease 134 Other 332 Total 6,804 (5) Method of calculation for recoverable value The AIFUL Group calculates the recoverable value of real estate for lease and idle real estate from the net sale value computed on the basis of the saleable value estimated individually. Moreover, for business offices scheduled for closure, the AIFUL Group calculates recoverable value with an amount corresponding to depreciation and amortization at the time of closure as the use value.

C. Notes to the Consolidated Interim Statements of Change in Shareholders' Equity

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)

(1) Matters pertaining to issued shares

Type of shares	Number of shares at end of previous fiscal year	Increase in number of shares during interim period under review	Decrease in number of shares during interim period under review	Number of shares at end of interim period under review
Issued shares				
Common stock	142,035,000	—	—	142,035,000
Total	142,035,000	—	—	142,035,000
Treasury stock				
Common stock (Note)	412,124	378	—	412,502
Total	412,124	378	—	412,502

Note: The increase of 378 in the number of common shares of treasury stock is the result of the purchase of less-than-one-unit shares.

(2) Matters pertaining to warrants, etc.
There are no relevant matters.

(3) Matters pertaining to dividends
i) Amount of dividend payment

Resolution	Type of shares	Total amount of dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders, June 27, 2006	Common stock	4,248	30	Mar. 31, 2006	Jun. 28, 2006

ii) Dividends with a record date during the interim period under review for which the effective date is during the next interim period

Resolution	Type of shares	Source of dividends	Total amount of dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
Board of directors meeting, November 7, 2006	Common stock	Retained earnings	4,248	30	Sep. 30, 2006	Dec. 11, 2006

Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)

(1) Matters pertaining to issued shares

Type of shares	Number of shares at end of previous fiscal year	Increase in number of shares during interim period under review	Decrease in number of shares during interim period under review	Number of shares at end of interim period under review
Issued shares				
Common stock	142,035,000	—	—	142,035,000
Total	142,035,000	—	—	142,035,000
Treasury stock				
Common stock (Note)	412,835	42,775	—	455,610
Total	412,835	42,775	—	455,610

Note: The increase of 42,775 in the number of common shares of treasury stock is the result of the purchase of 42,700 shares in response to purchase requests and the purchase of 75 less-than-one-unit shares.

(2) Matters pertaining to warrants, etc.
There are no relevant matters.

(3) Matters pertaining to dividends
i) Amount of dividend payment

Resolution	Type of shares	Total amount of dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders, May 21, 2007	Common stock	4,248	30	Mar. 31, 2007	Jun. 28, 2007

ii) Dividends with a record date during the interim period under review for which the effective date is during the next interim period

Resolution	Type of shares	Total amount of dividends (Million yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
Board of directors meeting, November 5, 2007	Common stock	2,831	Retained earnings	20	Sep. 30, 2007	Dec. 10, 2007

Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)

(1) Matters pertaining to issued shares

Type of shares	Number of shares at end of previous fiscal year	Increase in number of shares during fiscal year under review	Decrease in number of shares during fiscal year under review	Number of shares at end of fiscal year under review
Issued shares				
Common stock	142,035,000	—	—	142,035,000
Total	142,035,000	—	—	142,035,000
Treasury stock				
Common stock (Note)	412,124	754	43	412,835
Total	412,124	754	43	412,835

Note: The increase of 754 in the number of common shares of treasury stock is the result of the purchase of less-than-one-unit shares.
The decrease of 43 in the number of common shares of treasury stock is the result of the sale of less-than-one-unit shares.

(2) Matters pertaining to warrants, etc.
There are no relevant matters.

(3) Matters pertaining to dividends
i) Amount of dividend payment

Resolution	Type of shares	Total amount of dividends (Million yen)	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders, June 27, 2006	Common stock	4,248	30	Mar. 31, 2006	Jun. 28, 2006
Board of directors meeting, November 7, 2006	Common stock	4,248	30	Sep. 30, 2006	Dec. 11, 2006

ii) Dividends with a record date during the fiscal year under review for which the effective date is during the next fiscal year

Resolution	Type of shares	Total amount of dividends (Million yen)	Source of dividends	Dividend per share (Yen)	Record date	Effective date
General meeting of shareholders, May 21, 2007	Common stock	4,248	Retained earnings	30	Mar. 31, 2007	Jun. 28, 2007

D Note to the Consolidated Interim Statements of Cash Flows

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
*1 Relationship between the balance of cash and cash equivalents at the end of the interim period and the amounts recorded in the categories shown on the Consolidated Interim Balance Sheets: (In millions of yen) Cash and cash equivalents account 133,909 Term deposits with maturity greater than 3 months (77) Cash and cash equivalents 133,832	*1 Relationship between the balance of cash and cash equivalents at the end of the interim period and the amounts recorded in the categories shown on the Consolidated Interim Balance Sheets: (In millions of yen) Cash and cash equivalents account 120,995 Term deposits with maturity greater than 3 months (3,077) Cash and cash equivalents 117,917	*1 Relationship between the balance of cash and cash equivalents at the end of the fiscal year and the amounts recorded in the categories shown on the Consolidated Balance Sheets: (In millions of yen) Cash and cash equivalents account 127,166 Term deposits with maturity greater than 3 months (77) Cash and cash equivalents 127,089

E Segment Information

Segment Information by Type of Business, Location, and Foreign Sales

	Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
By type of business	The Company has omitted segment information by type of business, as the consumer loan business accounts for more than 90% of total operating revenues and operating income in all of the Company's business segments.	As on left	As on left
By region	The Company did not report segment information by location, as the Company did not have any consolidated subsidiaries or important offices located in countries or regions outside of Japan during the period.	As on left	As on left
Foreign sales	The Company did not have any foreign sales during the period.	As on left	As on left

F Per Share Information

(Yen)

	Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
Net assets per share	3,447.03	1,887.85	1,777.44
Net income (loss) per share	(1,267.91)	151.68	(2,903.85)
Diluted net income per share	Diluted net income per share is not recorded because the Company posted a net loss per share and because there were no latent shares with a dilutive effect.	Diluted net income per share is not recorded because there were no latent shares with a dilutive effect.	Diluted net income per share is not recorded because the Company recorded a net loss per share and because there were no latent shares with a dilutive effect.

Note 1: Basis for calculation of net assets per share

	Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
Total net assets	495,339 million yen	272,861 million yen	257,144 million yen
Amount deducted from total net assets	7,163 million yen	5,580 million yen	5,419 million yen
(Of which minority interests)	(7,163 million yen)	(5,580 million yen)	(5,419 million yen)
Net assets related to common stock at end of interim period	488,176 million yen	267,281 million yen	251,724 million yen
Number of shares of common stock at the end of the interim period used in the calculation of net assets per share	141,622,498 shares	141,579,390 shares	141,622,165 shares

Note 2: Basis for calculation of net income (loss) per share

	Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
Net income (loss) per share			
Net income (loss)	(179,564 million yen)	21,475 million yen	(411,250 million yen)
Amount not attributable to common stock shareholders	—	—	—
Net income (loss) related to common stock	(179,564 million yen)	21,475 million yen	(411,250 million yen)
Average number of shares of common stock during the period	141,622,661 shares	141,584,803 shares	141,622,497 shares
Outline of stock not included in diluted net income per share due to lack of dilutive effect	New share subscription-type stock options (No. of shares: 328,200) decided upon at the 27th ordinary general meeting of shareholders (June 25, 2004) New share subscription-type stock options (No. of shares: 355,200) decided upon at the 28th ordinary general meeting of shareholders (June 24, 2005)	New share subscription-type stock options (No. of shares: 253,200) decided upon at the 27th ordinary general meeting of shareholders (June 25, 2004) New share subscription-type stock options (No. of shares: 278,400) decided upon at the 28th ordinary general meeting of shareholders (June 24, 2005)	New share subscription-type stock options (No. of shares: 325,800) decided upon at the 27th ordinary general meeting of shareholders (June 25, 2004) New share subscription-type stock options (No. of shares: 351,600) decided upon at the 28th ordinary general meeting of shareholders (June 24, 2005)

(Omissions from disclosure)
Notes pertaining to lease transactions, marketable securities, derivative transactions, stock options, etc., and business combinations have been omitted because there is not considered to be a strong necessity for disclosure in these brief financial statements.

V. Consolidated Results of Operations

1. Operating Revenue

(In millions of yen, except where noted)

Item \ Period		Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)		Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)		Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)	
		Amount	%	Amount	%	Amount	%
Interest on loans to customers		236,055	90.0	191,345	88.4	448,662	89.9
	Unsecured loans	196,418	74.9	161,883	74.8	374,839	75.1
	Secured loans	23,517	9.0	17,142	7.9	43,575	8.7
	Small business loans	16,119	6.1	12,319	5.7	30,247	6.1
Credit card revenue		6,195	2.4	7,111	3.3	12,754	2.6
Per-item credit revenue		7,468	2.8	3,934	1.8	12,998	2.6
Credit guarantee revenue		4,668	1.8	4,348	2.0	9,186	1.8
Other financial revenue		36	0.0	237	0.1	229	0.0
Other operating revenue		7,858	3.0	9,523	4.4	15,200	3.1
	Collection of purchased claims	1,798	0.7	3,398	1.6	3,725	0.8
	Revenue from operational investment securities	303	0.1	415	0.2	527	0.1
	Other	5,757	2.2	5,709	2.6	10,947	2.2
Total		262,283	100.0	216,502	100.0	499,031	100.0

Note: "Other" included in other operating revenue includes bad debt write-off recovery and card membership fees.

2. Other Operating Indicators

Item \ Period		End of previous interim period (As of September 30, 2006)	End of interim period under review (As of September 30, 2007)	End of previous fiscal year (As of March 31, 2007)
Total amount of loans outstanding (millions of yen)		2,145,220	1,810,833	1,985,263
	Unsecured loans	1,652,361	1,397,591	1,537,904
	Secured loans	325,322	265,597	291,716
	Small business loans	167,536	147,644	155,642
Number of customer accounts		3,773,046	3,291,426	3,547,633
	Unsecured loans	3,577,813	3,122,806	3,366,873
	Secured loans	96,255	80,449	87,384
	Small business loans	98,978	88,171	93,376
Number of branches		2,713	1,224	2,307
	Staffed branches	820	232	364
	Unstaffed branches	1,893	992	1,943
Number of automatic loan-contracting machines		2,237	1,100	1,872
Number of loan application processing machines		310	39	304
Number of ATMs		164,413	169,671	167,238
	Company-owned	2,359	1,231	1,998
	Partner-owned	162,054	168,440	165,240
Number of employees		6,876	5,306	6,477
Bad debt write-off (millions of yen)		89,343	127,400	205,980
Allowance for bad debts (millions of yen)		286,134	349,456	407,573
Net income (loss) per share (yen)		(1,267.91)	151.68	(2,903.85)
Net assets per share (yen)		3,447.03	1,887.85	1,777.44

Notes: 1. Total amount of loans outstanding and the number of customer accounts do not include loans and customer accounts related to claims in bankruptcy. Furthermore, off-balance sheet operating loans from the securitization of receivables (82,373 million yen at the end of the interim period under review, 97,169 million yen at the end of the previous interim period, and 72,573 at the end of the previous fiscal year) have been included.

2. Bad debt write-off does not include losses on claims in bankruptcy, which came to 3,907 million yen in the interim period under review, 4,157 million yen in the previous interim period, and 5,505 million yen in the previous fiscal year.

3. The allowance for bad debts includes the expected amount of interest repayments estimated to have priority application to loans outstanding (140,611 million yen at the end of the interim period under review, 129,367 million yen at the end of the previous interim period, and 195,545 at the end of the previous fiscal year).

VI. Non-Consolidated Interim Financial Statements

1. Non-Consolidated Interim Balance Sheets

(In millions of yen, except where noted)

		End of previous interim period (As of September 30, 2006)			End of interim period under review (As of September 30, 2007)			Condensed non-consolidated balance sheets for previous fiscal year (As of March 31, 2007)		
Category	Note No.	Amount		%	Amount		%	Amount		%
(Assets)										
I. Current assets										
1. Cash and cash equivalents		78,251			64,915			75,255		
2. Loans	*2 3, 5	1,425,810			1,166,767			1,298,611		
3. Customers' liabilities for acceptances and guarantees		61,437			56,740			58,914		
4. Real estate for sale	*2	134			—			—		
5. Deferred tax assets		8,440			12,742			9,333		
6. Short-term loans	*4	140			115			30,099		
7. Other	*2	29,412			21,555			28,466		
8. Allowance for bad debts	*6	(187,668)			(218,001)			(262,185)		
Total current assets			1,415,960	74.3		1,104,834	74.1		1,238,494	74.6
II. Fixed assets										
1. Tangible fixed assets										
(1) Land		6,762			6,762			6,762		
(2) Other	*1	26,388			19,652			21,056		
Total tangible fixed assets		33,151			26,414			27,818		
2. Intangible fixed assets		11,449			12,967			12,217		
3. Investment and other fixed assets										
(1) Stock in affiliated companies		133,929			110,419			110,144		
(2) Claims in bankruptcy	*5	27,769			35,110			33,517		
(3) Long-term loans to affiliated companies		269,866			240,302			277,502		
(4) Other		34,149			25,087			30,264		
(5) Allowance for bad debts	*7	(20,136)			(64,368)			(69,765)		
Total investment and other fixed assets		445,578			346,551			381,664		
Total fixed assets			490,179	25.7		385,933	25.9		421,700	25.4
III. Deferred assets										
Bond issuing expenses		497			466			631		
Total deferred assets			497	0.0		466	0.0		631	0.0
Total assets			1,906,636	100.0		1,491,234	100.0		1,660,826	100.0

(In millions of yen, except where noted)

Category	Note No.	End of previous interim period (As of September 30, 2006) Amount		%	End of interim period under review (As of September 30, 2007) Amount		%	Condensed non-consolidated balance sheets for previous fiscal year (As of March 31, 2007) Amount		%
(Liabilities)										
I Current liabilities										
1. Notes payable - trade		2,647			—			—		
2. Acceptance and guarantees		61,437			56,740			58,914		
3. Short-term debts	*2	33,000			16,000			16,000		
4. Current portion of bonds		62,500			54,000			72,000		
5. Current portion of long-term debts	*2	286,649			195,507			228,600		
6. Income taxes payable		11,571			183			37		
7. Reserve for accrued bonuses		2,346			2,009			2,042		
8. Business reorganization reserve		—			694			4,381		
9. Other		10,176			10,353			16,552		
Total current liabilities			470,328	24.7		335,488	22.5		398,529	24.0
II Long-term liabilities										
1. Bonds		375,500			389,100			414,100		
2. Long-term debts	*2	510,006			366,451			460,259		
3. Deferred tax liabilities		691			—			425		
4. Reserve for losses on interest repayments		79,757			124,744			122,956		
5. Allowance for retirement benefits for directors		1,222			931			1,255		
6. Interest swaps		9,598			6,714			8,193		
7. Other		136			268			101		
Total long-term liabilities			976,912	51.2		888,210	59.6		1,007,292	60.6
Total liabilities			1,447,241	75.9		1,223,698	82.1		1,405,821	84.6

(In millions of yen, except where noted)

Category	Note No.	End of previous interim period (As of September 30, 2006)			End of interim period under review (As of September 30, 2007)			Condensed non-consolidated balance sheets for previous fiscal year (As of March 31, 2007)		
		Amount		%	Amount		%	Amount		%
(Net Assets)										
I. Shareholders' equity										
1. Common stock			83,317	4.4		83,317	5.6		83,317	5.0
2. Capital surplus										
(1) Capital reserves		90,225			90,225			90,225		
Total capital surplus			90,225	4.7		90,225	6.0		90,225	5.4
3. Retained earnings										
(1) Earned surplus reserves		1,566			1,566			1,566		
(2) Other retained earnings										
General reserve		437,296			437,296			437,296		
Retained earnings carried forward		(151,054)			(340,893)			(355,054)		
Total retained earnings			287,808	15.1		97,968	6.6		83,807	5.1
4. Treasury stock			(2,967)	(0.2)		(3,110)	(0.2)		(2,968)	(0.1)
Total shareholders' equity			458,383	24.0		268,400	18.0		254,381	15.4
II. Evaluation and foreign currency translation adjustments										
1. Differences in evaluation of other marketable securities			7,381	0.4		3,916	0.2		6,376	0.4
2. Loss on deferred hedge			(6,369)	(0.3)		(4,781)	(0.3)		(5,752)	(0.4)
Total evaluation and foreign currency translation adjustments			1,011	0.1		(865)	(0.1)		623	0.0
Total net assets			459,395	24.1		267,535	17.9		255,005	15.4
Total net assets and liabilities			1,906,636	100.0		1,491,234	100.0		1,660,826	100.0

2. Non-Consolidated Interim Statements of Income

(In millions of yen, except where noted)

Category	Note No.	Previous interim period (Apr. 1, 2006 to Sep. 30, 2006) Amount		%	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007) Amount		%	Condensed non-consolidated statements of income for previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007) Amount		%
I. Operating revenue										
1. Interest on loans to customers		155,281		97.3	120,909		96.6	292,668		97.3
2. Financial revenue - other		12		0.0	175		0.1	179		0.1
3. Operating revenue - other		4,230		2.7	4,126		3.3	7,907		2.6
Total operating revenue			159,524	100.0		125,211	100.0		300,755	100.0
II. Operating expenses										
1. Financial expenses		14,537		9.1	12,925		10.3	28,858		9.6
2. Operating expenses - other		125,558		78.7	101,963		81.4	378,834		126.0
Total operating expenses			140,095	87.8		114,888	91.7		407,693	135.6
Operating income (loss)			19,428	12.2		10,323	8.3		(106,937)	(35.6)
III. Non-operating income	*1		3,040	1.9		2,916	2.3		6,002	2.0
IV Non-operating expenses	*2		185	0.1		77	0.1		289	0.1
Ordinary income (loss)			22,283	14.0		13,163	10.5		(101,225)	(33.7)
V. Extraordinary income	*3		4	0.0		6,063	4.8		2,941	1.0
VI Extraordinary losses	*4		158,419	99.3		663	0.5		242,879	80.7
Net income (loss) before taxes			(136,132)	(85.3)		18,563	14.8		(341,163)	(113.4)
Corporate tax, local and enterprise taxes		11,949			119			7,563		
Prior-year corporate tax, local and enterprise taxes		—			3,442			—		
Adjustment on corporate tax, etc.		11,565	23,514	14.8	(3,408)	153	0.1	10,672	18,235	6.1
Net income (loss)			(159,647)	(100.1)		18,409	14.7		(359,399)	(119.5)

3. Non-Consolidated Interim Statements of Change in Shareholders' Equity

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)

(In millions of yen)

	Shareholders' equity		
	Common stock	Capital surplus	
		Capital reserves	Total capital surplus
Balance at March 31, 2006	83,317	90,225	90,225
Change during the period			
Total change during the period	–	–	–
Balance at September 30, 2006	83,317	90,225	90,225

(In millions of yen)

	Shareholders' equity					
	Retained earnings				Treasury stock	Total shareholders' equity
	Earned surplus reserves	Other retained earnings		Total retained earnings		
		General reserve	Retained earnings carried forward			
Balance at March 31, 2006	1,566	395,496	54,641	451,704	(2,964)	622,281
Change during the period						
Distribution of retained earnings*			(4,248)	(4,248)		(4,248)
Addition to general reserve*		41,800	(41,800)	–		–
Net loss			(159,647)	(159,647)		(159,647)
Acquisition of treasury stock				–	(2)	(2)
Total change during the period	–	41,800	(205,695)	(163,895)	(2)	(163,898)
Balance at September 30, 2006	1,566	437,296	(151,054)	287,808	(2,967)	458,383

(In millions of yen)

	Evaluation and foreign currency translation adjustments			Total net assets
	Differences in evaluation of other marketable securities	Loss on deferred hedge	Total evaluation and foreign currency translation adjustments	
Balance at March 31, 2006	10,636	–	10,636	632,917
Change during the period				
Distribution of retained earnings*			–	(4,248)
Addition to general reserve*			–	–
Net loss			–	(159,647)
Acquisition of treasury stock			–	(2)
Net change in items other than shareholders' equity during the period	(3,254)	(6,369)	(9,624)	(9,624)
Total change during the period	(3,254)	(6,369)	(9,624)	(173,522)
Balance at September 30, 2006	7,381	(6,369)	1,011	459,395

Note*: Distribution of retained earnings approved by the ordinary general meeting of shareholders in June 2006.

Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)

(In millions of yen)

	Shareholders' equity		
	Common stock	Capital surplus	
		Capital reserves	Total capital surplus
Balance at March 31, 2007	83,317	90,225	90,225
Change during the period			
Total change during the period	–	–	–
Balance at September 30, 2007	83,317	90,225	90,225

(In millions of yen)

	Shareholders' equity					
	Retained earnings				Treasury stock	Total shareholders' equity
	Earned surplus reserves	Other retained earnings		Total retained earnings		
		General reserve	Retained earnings carried forward			
Balance at March 31, 2007	1,566	437,296	(355,054)	83,807	(2,968)	254,381
Change during the period						
Distribution of retained earnings			(4,248)	(4,248)		(4,248)
Net income			18,409	18,409		18,409
Acquisition of treasury stock				–	(142)	(142)
Total change during the period	–	–	14,161	14,161	(142)	14,019
Balance at September 30, 2007	1,566	437,296	(340,893)	97,968	(3,110)	268,400

(In millions of yen)

	Evaluation and foreign currency translation adjustments			Total net assets
	Differences in evaluation of other marketable securities	Loss on deferred hedge	Total evaluation and foreign currency translation adjustments	
Balance at March 31, 2007	6,376	(5,752)	623	255,005
Change during the period				
Distribution of retained earnings			–	(4,248)
Net income			–	18,409
Acquisition of treasury stock			–	(142)
Net change in items other than shareholders' equity during the period	(2,459)	970	(1,488)	(1,488)
Total change during the period	(2,459)	970	(1,488)	12,530
Balance at September 30, 2007	3,916	(4,781)	(865)	267,535

Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)

(In millions of yen)

	Shareholders' equity		
	Common stock	Capital surplus	
		Capital reserves	Total capital surplus
Balance at March 31, 2006	83,317	90,225	90,225
Change during fiscal year			
Total change during fiscal year	–	–	–
Balance at March 31, 2007	83,317	90,225	90,225

(In millions of yen)

	Shareholders' equity					
	Retained earnings				Treasury stock	Total shareholders' equity
	Earned surplus reserves	Other retained earnings		Total retained earnings		
		General reserve	Retained earnings carried forward			
Balance at March 31, 2006	1,566	395,496	54,641	451,704	(2,964)	622,281
Change during fiscal year						
Distribution of retained earnings*			(4,248)	(4,248)		(4,248)
Distribution of retained earnings			(4,248)	(4,248)		(4,248)
Addition to general reserve*		41,800	(41,800)	–		–
Net loss			(359,399)	(359,399)		(359,399)
Acquisition of treasury stock				–	(3)	(3)
Disposal of treasury stock			(0)	(0)	0	0
Total change during fiscal year	–	41,800	(409,696)	(367,896)	(3)	(367,899)
Balance at March 31, 2007	1,566	437,296	(355,054)	83,807	(2,968)	254,381

(In millions of yen)

	Evaluation and foreign currency translation adjustments			Total net assets
	Differences in evaluation of other marketable securities	Loss on deferred hedge	Total evaluation and foreign currency translation adjustments	
Balance at March 31, 2006	10,636	–	10,636	632,917
Change during fiscal year				
Distribution of retained earnings*			–	(4,248)
Distribution of retained earnings			–	(4,248)
Addition to general reserve*			–	–
Net loss			–	(359,399)
Acquisition of treasury stock			–	(3)
Disposal of treasury stock			–	0
Net change in items other than shareholders' equity during fiscal year	(4,260)	(5,752)	(10,012)	(10,012)
Total change during fiscal year	(4,260)	(5,752)	(10,012)	(377,912)
Balance at March 31, 2007	6,376	(5,752)	623	255,005

Note*: Distribution of retained earnings approved by the ordinary general meeting of shareholders in June 2006.

4. Significant Accounting Policies Relating to the Non-Consolidated Interim Financial Statements

Item	Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
1. Depreciation methods for depreciable assets	Diminishing balance depreciation method Major useful lives are as follows: Buildings and structures 3-50 years Machinery and vehicles 13-15 years Equipment and fixtures 3-20 years	Diminishing balance depreciation method Major useful lives are as follows: Buildings and structures 3-50 years Machinery and vehicles 13-15 years Equipment and fixtures 3-20 years (Changes to accounting policies) In conjunction with the revision of Japan's Corporation Tax Law, AIFUL has changed the method of depreciation for assets except buildings (excludes attached facilities) acquired on or after April 1, 2007 to the method based on the Corporation Tax Law after its revision from the interim period under review. As a result, operating income, ordinary income, and net income before income taxes have each declined by 6 million yen. (Supplementary Data) In conjunction with the revision of the Corporation Tax Law, AIFUL has accounted for assets except building (excludes attached facilities) acquired on or before March 31, 2007 through the uniform depreciation over 5 years of the difference between an amount equivalent to 5% of the acquisition price and the memorandum price from the fiscal year following the fiscal year when 5% of the acquisition price is reached, through the adoption of a depreciation method based on the Corporation Tax Law before its revision. As a result, operating income, ordinary income, and net income before income taxes have each declined by 17 million yen.	Diminishing balance depreciation method Major useful lives are as follows: Buildings and structures 3-50 years Machinery and vehicles 13-15 years Equipment and fixtures 3-20 years
2. Accounting standards for allowances and reserves	(1) —	(1) Business reorganization reserve The Company calculated the amount of the estimated losses, including outlet liquidation losses, to provide for losses arising accompanying business reorganization.	(1) Business reorganization reserve As on left

5. Changes to Significant Accounting Policies Relating to the Non-Consolidated Interim Financial Statements

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
(Accounting Standards for Presentation of Net Assets in the Balance Sheets) The Company adopted Accounting Standards for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5, December 9, 2005) and Implementation Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No. 8, December 9, 2005) starting in the interim period under review. The amount of shareholders' equity under former accounting standards was 465,765 million yen. With the amendment of the regulations for interim financial statements, the Company has presented net assets in the non-consolidated interim balance sheets for the interim period under review on the basis of the regulations for interim financial statements after amendment.	—	(Accounting Standards for Presentation of Net Assets in the Balance Sheets) The Company adopted Accounting Standards for Presentation of Net Assets in the Balance Sheet (ASBJ Statement No. 5, December 9, 2005) and Implementation Guidance on Accounting Standards for Presentation of Net Assets in the Balance Sheet (ASBJ Guidance No. 8, December 9, 2005) starting in the fiscal year under review. The amount of shareholders' equity under former accounting standards was 260,757 million yen. With the amendment of the regulations for financial statements, the Company has presented net assets in the non-consolidated balance sheets for the fiscal year under review on the basis of the regulations for financial statements after amendment.
—	—	(Accounting Standards for Business Combinations, etc.) The Company adopted Accounting Standard for Business Combinations (Business Accounting Council, October 31, 2003) and Accounting Standard for Business Separations (ASBJ Statement No. 7, December 27, 2005) as well as Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Separations (ASBJ Guidance No. 10, December 27, 2005) starting in the fiscal year under review.

A Changes in Labeling Method

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)
—	(Non-Consolidated Interim Balance Sheets) 1. Real estate for sale (127 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Current assets due to its lack of financial significance. 2. Notes payable - trade (24 million yen for the interim period under review), which was presented as a separate item until the previous interim period, has been included under Other in Current liabilities due to its lack of financial significance.

6. Notes

A. Notes to the Non-Consolidated Interim Balance Sheets

End of previous interim period (As of September 30, 2006)

*1 Cumulative amortization of tangible fixed assets 26,480 million yen

*2 Assets pledged as collateral and corresponding liabilities

(1) Assets pledged as collateral

(In millions of yen)

Loans	714,457
Real estate for sale	104
Total	714,562

(2) Corresponding liabilities

(In millions of yen)

Short-term debts	20,000
Current portion of long-term debts	96,649
Long-term debts	165,397
Total	282,046

Above amounts include items related to the securitization of loans receivables, 605,826 million yen for outstanding loans receivables, 20,000 million yen for short-term debts, 39,216 million yen for the current portion of long-term debts, and 122,103 million yen for the long-term debts.

The matters below are not included in the aforementioned amounts.

i) With regard to 69,331 million yen of the current portion of long-term debts, and 106,409 million yen of long-term debts, totaling 175,741 million yen, the Company has contracted to offer 190,945 million yen in loans as collateral in response to creditors' requests.

ii) The Company has also offered 1,907 million yen in cash and cash equivalents (Current assets [other]) as collateral for swap transactions.

iii) Marutoh K.K. has offered its land, etc., as collateral for AIFUL's loans.

*3. Includes 1,083,031 million yen in personal unsecured loans.

*4 —

*5 The bad debts included in loans and claims in bankruptcy are shown below:

(In millions of yen)

	Unsecured loans	Other loans	Total
Claims in bankruptcy	3,877	27,203	31,081
Loans in arrears	62,244	57,462	119,706
Loans in arrears longer than 3 months	21,682	7,354	29,036
Loans with adjusted terms	31,544	898	32,442
Total	119,349	92,918	212,267

End of interim period under review (As of September 30, 2007)

*1 Cumulative amortization of tangible fixed assets 21,140 million yen

*2 Assets pledged as collateral and corresponding liabilities

(1) Assets pledged as collateral

(In millions of yen)

Loans	197,472
Current assets (other)	97
Total	197,570

(2) Corresponding liabilities

(In millions of yen)

Current portion of long-term debts	46,359
Long-term debts	85,582
Total	131,941

Above amounts include items related to the securitization of loans receivables, 150,641 million yen for outstanding loans receivables, 17,810 million yen for the current portion of long-term debts, and 69,600 million yen for the long-term debts.

The matters below are not included in the aforementioned amounts.

i) With regard to 47,469 million yen of the current portion of long-term debts, and 78,734 million yen of long-term debts, totaling 126,203 million yen, the Company has contracted to offer 139,061 million yen in loans as collateral in response to creditors' requests.

ii) The Company has also offered 1,332 million yen in cash and cash equivalents (Current assets [other]) as collateral for swap transactions.

iii) Marutoh K.K. has offered its land, etc., as collateral for AIFUL's loans.

*3. Includes 894,929 million yen in personal unsecured loans.

*4 —

*5 The bad debts included in loans and claims in bankruptcy are shown below:

(In millions of yen)

	Unsecured loans	Other loans	Total
Claims in bankruptcy	3,885	35,257	39,142
Loans in arrears	68,079	74,416	142,496
Loans in arrears longer than 3 months	15,007	3,504	18,512
Loans with adjusted terms	38,006	1,683	39,690
Total	124,979	114,862	239,842

End of previous fiscal year (As of Mar. 31, 2007)

*1 Cumulative amortization of tangible fixed assets 26,696 million yen

*2 Assets pledged as collateral and corresponding liabilities

(1) Assets pledged as collateral

(In millions of yen)

Loans	314,882
Current assets (other)	100
Total	314,982

(2) Corresponding liabilities

(In millions of yen)

Current portion of long-term debts	54,042
Long-term debts	118,823
Total	172,866

Above amounts include items related to the securitization of loans receivables, 240,426 million yen for outstanding loans receivables, 11,846 million yen for the current portion of long-term debts, and 92,036 million yen for the long-term debts.

The matters below are not included in the aforementioned amounts.

i) With regard to 60,756 million yen of the current portion of long-term debts, and 96,713 million yen of long-term debts, totaling 157,469 million yen, the Company has contracted to offer 171,158 million yen in loans as collateral in response to creditors' requests.

ii) The Company has also offered 1,734 million yen in cash and cash equivalents (Current assets [other]) as collateral for swap transactions.

iii) Marutoh K.K. has offered its land, etc., as collateral for AIFUL's loans.

*3. Includes 995,077 million yen in personal unsecured loans.

*4. Assets pledged as collateral and corresponding market values
Commercial paper 29,968 million yen

*5 The bad debts included in loans and claims in bankruptcy are shown below:

(In millions of yen)

	Unsecured loans	Other loans	Total
Claims in bankruptcy	4,152	32,783	36,935
Loans in arrears	74,402	68,529	142,932
Loans in arrears longer than 3 months	16,056	4,305	20,361
Loans with adjusted terms	36,207	1,695	37,903
Total	130,819	107,313	238,132

End of previous interim period (As of September 30, 2006)	End of interim period under review (As of September 30, 2007)	End of previous fiscal year (As of Mar. 31, 2007)
Explanations for each of the above items follow: (Claims in bankruptcy) “Claims in bankruptcy” refers to loans that are included in loans on which principal or interest payments have been continuously late for a considerable period of time for the reasons cited in Article 96, Paragraph 1, Number 3, Items A through E of the Corporate Income Tax Law Execution Ordinance (1965, Ordinance No. 97), or for the reasons set forth in Number 4 of the same paragraph. The Company sets aside a reserve for bad debts that is equivalent to the amount the Company believes it will be unable to recover based on an evaluation of each loan.	Explanations for each of the above items follow: (Claims in bankruptcy) As on left	Explanations for each of the above items follow: (Claims in bankruptcy) As on left
(Loans in arrears) “Loans in arrears” refers to loans other than claims in bankruptcy for which unpaid interest is not accrued. This excludes loans, however, that are included in loans for which the Company has made arrangements convenient to the borrower for the purpose of reorganization or support of the borrower, such as reduction or exemption of interest or extension of the repayment period on which the Company is periodically receiving payments.	(Loans in arrears) As on left	(Loans in arrears) As on left
(Loans in arrears longer than 3 months) “Loans in arrears longer than 3 months” refers to loans for which the principal or interest payment is three or more months overdue from the day following the scheduled payment date and that are not regarded as claims in bankruptcy or loans in arrears.	(Loans in arrears longer than 3 months) As on left	(Loans in arrears longer than 3 months) As on left
(Loans with adjusted terms) “Loans with adjusted terms” refers to loans for which the Company has made arrangements convenient to the borrower for the purpose of reorganization or support of the borrower, such as reduction or exemption of interest or extension of the repayment period on which the Company is periodically receiving payments, and that are not regarded as claims in bankruptcy, loans in arrears or loans in arrears longer than 3 months.	(Loans with adjusted terms) As on left	(Loans with adjusted terms) As on left
*6 120,609 million yen of the allowance for bad debts is the estimated amount of interest repayments expected to be given priority application to operating loans.	*6 This includes 121,201 million yen in forecast repayments as estimated to receive priority application to operating loans.	*6 This includes 167,530 million yen in forecast repayments as estimated to receive priority application to operating loans.
*7 —	*7 This includes 41,000 million yen in allowance for bad debts at affiliated companies.	*7 This includes 46,200 million yen in allowance for bad debts at affiliated companies.

B. Notes to the Non-Consolidated Interim Statements of Income

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
*1. Primary item for non-operating income Interest on loans 2,300 million yen	*1. Primary item for non-operating income Interest on loans 2,184 million yen	*1. Primary item for non-operating income Interest on loans 4,495 million yen
*2. Primary item for non-operating expenses Loss on investment in anonymous association 139 million yen	*2. Primary item for non-operating expenses Loss on investment in anonymous association 40 million yen	*2. Primary item for non-operating expenses Loss on investment in anonymous association 209 million yen
*3 —	*3 Primary items in extraordinary income Allowance for bad debts from previous year 5,200 million yen	*3 —
*4 Primary items in extraordinary loss Transfer to allowance for bad debts 99,197 million yen Transfer to reserve for losses on interest repayments 57,070 million yen	*4 —	*4 Primary items in extraordinary loss Transfer to allowance for bad debts 145,397 million yen Transfer to reserve for losses on interest repayments 57,070 million yen
*5 Depreciation expenses Tangible fixed assets 2,404 million yen Intangible fixed assets 1,906 million yen	*5 Depreciation expenses Tangible fixed assets 1,681 million yen Intangible fixed assets 1,812 million yen	*5 Depreciation expenses Tangible fixed assets 4,849 million yen Intangible fixed assets 3,792 million yen

C. Notes to the Non-Consolidated Interim Statements of Change in Shareholders' Equity

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)

(1) Matters pertaining to treasury stock

	Number of shares at end of previous fiscal year	Increase in number of shares during interim period under review	Decrease in number of shares during interim period under review	Number of shares at end of interim period under review
Common stock (Note)	412,124	378	—	412,502
Total	412,124	378	—	412,502

Note: The increase of 378 in the number of common shares of treasury stock is the result of the purchase of less-than-one-unit shares.

Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)

(1) Matters pertaining to treasury stock

	Number of shares at end of previous fiscal year	Increase in number of shares during interim period under review	Decrease in number of shares during interim period under review	Number of shares at end of interim period under review
Common stock (Note)	412,835	42,775	—	455,610
Total	412,835	42,775	—	455,610

Note: The increase of 42,775 in the number of common shares of treasury stock is the result of the purchase of 42,700 shares in response to purchase requests and the purchase of 75 less-than-one-unit shares.

Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)

(1) Matters pertaining to treasury stock

	Number of shares at end of previous fiscal year	Increase in number of shares during fiscal year under review	Decrease in number of shares during fiscal year under review	Number of shares at end of fiscal year under review
Common stock (Note)	412,124	754	43	412,835
Total	412,124	754	43	412,835

Note: The increase of 754 in the number of common shares of treasury stock is the result of the purchase of less-than-one-unit shares.
The decrease of 43 in the number of common shares of treasury stock is the result of the sale of less-than-one-unit shares.

D Per Share Information

Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
Net assets per share 3,243.80 yen Net income (loss) per share (1,127.27 yen) Diluted net income per share Diluted net income per share is not recorded because the Company posted a net loss per share and because there were no latent shares with a dilutive effect.	Net assets per share 1,889.65 yen Net income (loss) per share 130.03 yen Diluted net income per share Diluted net income per share is not recorded because there were no latent shares with a dilutive effect.	Net assets per share 1,800.60 yen Net income (loss) per share (2,537.73 yen) Diluted net income per share Diluted net income per share is not recorded because the Company recorded a net loss per share and because there were no latent shares with a dilutive effect.

Note: Basis for calculation of net income (loss) per share

	Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)	Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)	Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)
Net income (loss) per share			
Net income (loss)	(159,647 million yen)	18,409 million yen	(359,399 million yen)
Amount not attributable to common stock shareholders	—	—	—
Net income (loss) related to common stock	(159,647 million yen)	18,409 million yen	(359,399 million yen)
Average number of shares of common stock during the period	141,622,661 shares	141,584,803 shares	141,622,497 shares
Outline of stock not included in diluted net income per share due to lack of dilutive effect	New share subscription-type stock options (No. of shares: 328,200) decided upon at the 27th ordinary general meeting of shareholders (June 25, 2004) New share subscription-type stock options (No. of shares: 355,200) decided upon at the 28th ordinary general meeting of shareholders (June 24, 2005)	New share subscription-type stock options (No. of shares: 253,200) decided upon at the 27th ordinary general meeting of shareholders (June 25, 2004) New share subscription-type stock options (No. of shares: 278,400) decided upon at the 28th ordinary general meeting of shareholders (June 24, 2005)	New share subscription-type stock options (No. of shares: 325,800) decided upon at the 27th ordinary general meeting of shareholders (June 25, 2004) New share subscription-type stock options (No. of shares: 351,600) decided upon at the 28th ordinary general meeting of shareholders (June 24, 2005)

VII. Non-Consolidated Results of Operations

1. Operating Revenue

(In millions of yen, except where noted)

Item \ Period	Previous interim period (Apr. 1, 2006 to Sep. 30, 2006)		Interim period under review (Apr. 1, 2007 to Sep. 30, 2007)		Previous fiscal year (Apr. 1, 2006 to Mar. 31, 2007)	
	Amount	%	Amount	%	Amount	%
Interest on loans to customers	155,281	97.3	120,909	96.6	292,668	97.3
Unsecured loans	128,529	80.5	102,236	81.7	243,614	81.0
Secured loans	22,447	14.1	16,072	12.8	41,423	13.8
Small business loans	4,303	2.7	2,600	2.1	7,630	2.5
Other financial revenue	12	0.0	175	0.1	179	0.1
Other operating revenue	4,230	2.7	4,126	3.3	7,907	2.6
Credit guarantee revenue	2,574	1.6	2,399	1.9	5,052	1.7
Other	1,656	1.1	1,727	1.4	2,855	0.9
Total	159,524	100.0	125,211	100.0	300,755	100.0

Note: "Other" included in other operating revenue includes bad debt write-off recovery and credit management fees related to securitization of receivables.

2. Other Operating Indicators

Item \ Period	End of previous interim period (As of September 30, 2006)	End of interim period under review (As of September 30, 2007)	End of previous fiscal year (As of March 31, 2007)
Total amount of loans outstanding (millions of yen)	1,425,810	1,166,767	1,298,611
Unsecured loans	1,083,031	894,929	995,077
Secured loans	308,446	248,241	274,787
Small business loans	34,332	23,597	28,747
Number of customer accounts	2,060,365	1,723,659	1,894,105
Unsecured loans	1,942,320	1,628,460	1,788,545
Secured loans	92,995	77,033	84,047
Small business loans	25,050	18,166	21,513
Number of branches	1,903	1,019	1,805
Staffed branches	463	101	101
Unstaffed branches	1,440	918	1,704
Number of "Ojidosan" automatic loan-contracting machines	1,588	980	1,501
Number of loan application processing machines	310	39	304
Number of ATMs	87,319	90,046	89,058
Company-owned	1,809	1,056	1,668
Partner-owned	85,510	88,990	87,390
Number of employees	3,216	2,657	3,046
Bad debt write-off (millions of yen)	57,432	84,608	134,128
Allowance for bad debts (millions of yen)	207,804	282,369	331,951
Net income (loss) per share (yen)	(1,127.27)	130.03	(2,537.73)
Net assets per share (yen)	3,243.80	1,889.65	1,800.60

Notes: 1. Total amount of loans outstanding and the number of customer accounts do not include loans and customer accounts related to claims in bankruptcy.

2. Bad debt write-off does not include losses on claims in bankruptcy, which came to 3,322 million yen in the interim period under review, 3,676 million yen in the previous interim period, and 4,663 million yen in the previous fiscal year.

3. The allowance for bad debts includes the expected amount of interest repayments estimated to have priority application to operating loans (121,201 million yen at the end of the interim period under review, 120,609 million yen at the end of the previous interim period, and 167,530 at the end of the previous fiscal year).