

Summary of Business Results for the First Three Quarters

For the fiscal year ending March 2010

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I. Consolidated Business Results for the First Three Quarters of Fiscal 2009 (April 1, 2009 – December 31, 2009)

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 change.)

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
First three quarters, FY2009	173,230	(28.7)%	(255,554)	–	(254,708)	–	(283,816)	–
First three quarters, FY2008	242,913	–	9,585	–	10,888	–	9,222	–

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
First three quarters, FY2009	(1,191.36)	–
First three quarters, FY2008	55.22	45.51

2. Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
End of third quarter, FY2009	1,279,681	108,100	8.1	437.23
End of FY2008	1,644,744	393,334	23.6	1,626.89

Reference: Shareholders' equity for: End of third quarter, FY2009: 104,161 million yen
 End of FY2008: 387,572 million yen

II. Dividend Information

(Record date)	Dividend per share (Yen)				
	End of First quarter	End of First half	End of Third quarter	Year-end	Annual
FY2008	–	10.00	–	5.00	15.00
FY2009	–	0.00	–		
FY2009 (Forecast)				0.00	0.00

Note: Revisions to quarterly dividend forecasts: None

III. Consolidated Results Forecasts for Fiscal 2009 (April 1, 2009 – March 31, 2010):

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

	Operating Revenue	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Full year	216,531 (30.7)%	(280,206) –	(279,326) –	(308,258) –	(1,293.96)

Note: Revisions to consolidated earnings forecasts: None

IV. Other

- (1) Transfers of leading subsidiaries during the fiscal period (transfers of specified subsidiaries accompanied by changes in the scope of consolidation): None
- (2) Application of simplified accounting procedures and specific accounting procedures in preparing consolidated financial statements: None
- (3) Changes in accounting principles, procedures and methods of presentation relating to the preparation of quarterly consolidated financial statements (Recorded under Changes to Significant Matters Forming the Basis for the Preparation of Quarterly Consolidated Financial Statements)
 - (a) Changes accompanying amendments to accounting standards: None
 - (b) Changes other than those in (a): None
- (4) Number of shares issued and outstanding (Ordinary shares)
 - (a) Number of shares issued and outstanding at end of fiscal period (including treasury stock)
 - End of third quarter, FY2009: 238,685,568 shares
 - End of FY2008: 238,685,568 shares
 - (b) Number of shares of treasury stock issued and outstanding at end of fiscal period
 - End of third quarter, FY2009: 457,058 shares
 - End of FY2008: 456,724 shares
 - (c) Average number of shares during fiscal period: (year-to-date)
 - First three quarter, FY2009: 238,685,568 shares
 - First half, FY2008: 167,019,138 shares

* Disclaimer concerning the proper use of business results forecasts

The consolidated forecasts above are based on information available as of the day of the announcement of this material. Actual results may vary materially due to various unknown future factors.

Qualitative Information, Financial Statements and Other Information

1. Qualitative Information Regarding Consolidated Operating Results

Throughout the first three quarters of the fiscal year ending March 31, 2010, the Japanese economy remained shrouded in uncertainty, despite signs of a partial recovery. Concerns about the economy were exacerbated by sharp exchange rate fluctuations, deflation, which continues to place downward pressure on corporate-sector earnings, and the persistently difficult conditions in employment and disposable income.

In the consumer finance industry, corporate management is under pressure from the demand for interest repayments, which remains high and is forcing many companies to withdraw from the market. In addition, the business environment has become even more difficult as consumer finance companies have accelerated moves to tighten up on credit in anticipation of the full enforcement of Japan's new Money Lending Business Law. This includes a reduction in the maximum interest rate according to the Capital Subscription Law and the introduction of restrictions on total lending to start in June 2010, which is already causing the market to shrink.

In this environment, the AIFUL Group is reinforcing its system for responding to demands for interest repayments—its most crucial issue—by augmenting personnel in the division handling these demands. In addition, the Group is working to protect its receivables by setting up a collection system, including strengthening its legal collection methods.

AIFUL Corporation is restructuring the Group by focusing its resources on carefully selected businesses. As part of this effort, the Group transferred all of its shareholdings in consumer finance subsidiaries Wide Corporation, TRYTO Corporation, TCM Co. Ltd., and Passkey Co., Ltd. (not specified subsidiaries), as well as its loans to these subsidiaries, to NEOLINE CAPITAL Co., Ltd.

With no signs that the demand for interest repayments will peak or abate in the short term, and facing a very challenging fund-procurement environment, the AIFUL Group had to confront the fact that it could become impossible for it to continue to serve as a social lifeline, a role that consumer finance companies are expected to fill. Given this, AIFUL Corporation and its subsidiaries LIFE Co., Ltd., MARUTOH Co., Ltd., and City's Corporation applied for Business Revitalization Procedures using an alternative dispute resolution (ADR) process on September 24, 2009 in order to build a stronger earnings capacity and dramatically improve their financial position. These efforts are expected to contribute to the goal of revitalizing and continuing the Group's business.

This was followed by a series of discussions concerning the proposed Business Revitalization Plan with all Participating Creditors. At a meeting of creditors on December 24, 2009, the Business Revitalization Plan, which includes financial assistance, was approved and Business Revitalization Procedures adopted.

Based on the Business Revitalization Plan, the AIFUL Group will undertake the large-scale consolidation of its sales branches, contact centers, and corporate staff divisions. Personnel will be reduced by approximately 2,100 persons by offering voluntary retirement. At the same time, the Group will work to improve its financial position and profitability by significantly reducing costs and, as a part of its management rationalization strategy, will endeavor to achieve a cost structure commensurate with the consolidation of business segments and reduction in operating assets and business scale.

Looking ahead, the AIFUL Group will do its utmost to measure up to the support and expectations of all interested parties, including Participating Creditors, shareholders, business partners, and customers, by consistently implementing its Business Revitalization Plan.

Results by business in the first three quarters are described below.

Conditions by Business

Unsecured loans

AIFUL Corporation and LIFE have continued to make systematic preparations for the full enforcement of the Money Lending Business Law by moving to low interest rate products for trusted customers and tightening up credit screening. The number of new contracts signed in the unsecured loan category declined 54.9% year on year to 35,000 in the first three quarters of the current fiscal year, with a signing rate of 19.4%, down 13.4% year on year.

As a result, the balance of unsecured loans outstanding fell 29.7% compared to the end of fiscal 2008 to 714,019 million yen (this includes 25,612 million yen in off-balance sheet receivables that were securitized), which is partly due to loan forgiveness resulting from interest repayments, which remain high.

Secured loans and small business loans

The AIFUL Group temporarily suspended sales of personal home equity loans beginning April 2009 to comply with the introduction of restrictions on total lending. As a result, the balance of secured loans fell 20.4% over the end of fiscal 2008 to 164,710 million yen at the end of the third quarter.

BUSINEXT Corporation remains cautious on providing credit for small business loans, in light of the current deterioration in economic sentiment among small and medium-sized companies. As a result, the balance of small business loans fell 18.8% over the end of fiscal 2008 to 90,624 million yen at the end of the third quarter.

As a result, the total balance of loans outstanding was down 27.3% over the end of fiscal 2008 to 969,354 million yen at the end of the third quarter (including 25,612 million yen in off-balance sheet receivables that were securitized).

Credit card business

In the credit card business, LIFE redoubled its efforts to enhance customer convenience by establishing the online shopping mall L-Mall to meet diverse customer needs, among other initiatives.

This, coupled with a strong performance in the payment of utility bills and e-money using credit cards as well as special demand from such government-led factors as the expansion of the discount for electronic toll collection (ETC) cards for expressway tolls and the offering of Eco-points for environmentally friendly home electrical appliances resulted in an increase of 6.5% year on year in credit card transaction volume to 624,120 million yen.

As a result, the balance of installment receivables stood at 145,264 million yen, up 6.2% over the end of fiscal 2008 (including 9,045 million yen in off-balance sheet installment receivables that were securitized).

Credit guarantee business

AIFUL Corporation and LIFE continued their marketing efforts to expand guarantee affiliations, proposed new products to existing clients, and provided support in sales promotions.

As a result, the Group secured affiliations with 183 unsecured personal loan companies, and held guarantees for outstanding loans amounting to 85,811 million yen, down 9.7% over the end of fiscal 2008, partly due to heightened competition. The Group secured affiliations with 104 unsecured business loan companies, and held guarantees for outstanding loans totaling 19,959 million yen, down 13.8% over the end of fiscal 2008.

Loan servicing business

The loan servicing business run by AsTry Loan Services Corporation suffered from a harsh business environment marked by concerns of prolonged collection times due to the deteriorating economic environment. As a result, the balance of purchased claims was 8,937 million yen at the end of the third quarter, down 18.3% over the end of fiscal 2008.

Overview of Results

The AIFUL Group's consolidated operating revenue fell 28.7% year-on-year to 173,230 million yen in the first three quarters of the fiscal year. The primary contributing factors were a 33.9% year-on-year decrease in interest on loans to 136,405 million yen; a 8.9% increase in revenue from the credit card business to 13,631 million yen; a 11.4% decrease in revenue in the credit guarantee business to 5,399 million yen; a 31.3% decrease in money collected from purchased claims to 2,712 million yen; and a 64.3% jump in bad debt write-off recovery to 8,656 million yen.

Operating expenses rose 83.8% year-on-year to 428,784 million yen. This was primarily due to the transfer of 198,046 million yen to the reserve for losses on interest repayments and 145,732 million yen to the allowance for bad debts.

As a result, in the first three quarters the AIFUL Group posted a consolidated operating loss of 255,554 million yen and an ordinary loss of 254,708 million yen. The Group recorded a net loss of 283,816 million yen because of a 24,850 million yen extraordinary loss for the third quarter resulting from losses on the transfer of loans to subsidiaries related to the sale of the four consumer finance subsidiaries, and expenses related to business reorganization.

On a non-consolidated basis, AIFUL Corporation posted an operating loss of 238,725 million yen, an ordinary loss totaling 235,026 million yen, and a net loss for the first three quarters amounting to 264,687 million yen.

2. Qualitative Information Regarding Consolidated Financial Position

Total assets on a consolidated basis declined 365,063 million yen, or 22.2%, compared to the end of the previous fiscal year to 1,279,681 million yen at the end of the third quarter. This was primarily due to a 346,610 million yen decline in loans outstanding due to stricter lending criteria and a 26,592 million yen increase in allowance for bad debts.

Total liabilities fell 79,829 million yen, or 6.4%, compared to the end of the previous fiscal year to 1,171,580 million yen. This can be attributed to a 188,928 million yen decline in interest-bearing liabilities due to repayment and redemption, offsetting a 129,364 million yen increase in the reserve for losses on interest repayments.

Net assets decreased 285,233 million yen, or 72.5% compared to the end of the previous fiscal year to 108,100 million yen because of the 283,816 million yen net loss posted in this quarter.

Cash Flows

Cash and cash equivalents (“funds”) rose 847 million yen, or 0.6%, compared to the end of the previous fiscal year to 132,444 million yen.

Net cash provided by operating activities totaled 202,056 million yen, an increase of 30.8% year on year. The increase in funds reflected the decline in loans outstanding, an increase in the allowance for bad debts, and the reserve for losses on interest repayments, which exceeded the decrease in funds resulting from the posting of a net loss before taxes for the third quarter.

For the period under review, net cash used in investing activities amounted to 11,117 million yen, compared with net cash provided by investing activities totaling 146 million yen for the same period of the previous fiscal year. This was mainly attributable that the funds expended on deposits and guarantees exceeded the funds from the sale of loans made to subsidiaries and funds from the sale of investment securities.

Net cash used for financing activities amounted to 190,120 million yen, down 34.3% year-on-year, due to the repayment of borrowings and the redemption of bonds.

3. Qualitative Information on Consolidated Earnings Forecasts

Earnings for the third quarter have been moving steadily in line with the forecasts previously announced on November 11, 2009, and thus there are no revisions to earnings forecasts.

4. Other

- (1) Transfers of leading subsidiaries during the fiscal period (transfers of specified subsidiaries accompanied by changes in the scope of consolidation):

None

- (2) Application of simplified accounting procedures and specific procedures in preparing quarterly consolidated financial statements:

None

- (3) Changes in accounting principles, procedures and methods of presentation relating to the preparation of quarterly financial statements:

None

(4) Important events affecting premise of going concern:

The AIFUL Group has traditionally raised short-term and long-term funds through various methods, including borrowing from financial institutions, issuing bonds, and securitizing loan receivables. However, the AIFUL Group's fund-raising capacity has weakened in the current market environment due to a variety of reasons such as: (1) increased expenses as the result of rising demands for returns of excess interest payments in accordance with a ruling by Japan's Supreme Court in 2006; (2) AIFUL's business operations being subject to an administrative sanction from the Japanese Financial Services Agency on April 14, 2006; and (3) the dramatic deterioration in the fund-raising environment since fiscal 2008 created by the subprime loan problem and the Lehman shock. In addition, the Group expects the Japanese consumer finance business market to shrink and the business environment to grow even more challenging once the amended Money Lending Business Control and Regulation Law comes into full force and restrictions on total lending are implemented.

As a result, there have been concerns that the AIFUL Group may have difficulty in raising sufficient new funds to sustain its business. Accordingly, conditions had arisen which cast significant doubt on the premise of the AIFUL Group as a going concern.

In order to resolve this situation, AIFUL Corporation and its subsidiaries LIFE Co., Ltd., MARUTOH Co., Ltd., and City's Corporation applied for Business Revitalization Procedures through an ADR process in September 2009 in order to build a stronger earnings capacity and dramatically improve their financial position. These efforts are expected to contribute to the goal of revitalizing and continuing the Group's business.

This was followed by a series of discussions concerning the proposed Business Revitalization Plan with all Participating Creditors. At a meeting of creditors on December 24, 2009, the Business Revitalization Plan, which includes financial assistance, was approved and Business Revitalization Procedures adopted.

As a result of the implementation of the concrete strategies compiled in the Business Revitalization Plan, the AIFUL Group has determined that significant uncertainty surrounding the premise of the Group as a going concern is not justified. Therefore, the note concerning the premise of the Group as a going concern that appeared in the quarterly consolidated statement of business results for the second quarter has been omitted this quarter.

5. Consolidated Financial Statements for the First Three Quarters of Fiscal 2009

1. Consolidated Balance Sheets for the First Three quarters of Fiscal 2009

(In millions of yen)

	End of third quarter (As of December 31, 2009)	Condensed consolidated balance sheets for previous fiscal year (As of March 31, 2009)
Assets		
Current assets		
Cash and cash equivalents	132,967	132,825
Loans	943,742	1,290,353
Installment receivables	153,346	142,017
Operational investment securities	914	899
Customers' liabilities for acceptances and guarantees	105,771	118,206
Other operating receivables	13,305	13,363
Purchased claims	8,937	10,936
Others	66,842	51,687
Allowance for investment loss	(183)	
Allowance for bad debts	(238,033)	(209,317)
Total current assets	1,187,611	1,550,973
Fixed assets		
Tangible fixed assets	30,991	38,646
Intangible fixed assets	16,914	19,762
Investment and other fixed assets	44,005	35,143
Total fixed assets	91,911	93,551
Deferred assets	158	219
Total assets	1,279,681	1,644,744
Liabilities		
Current liabilities		
Notes & accounts payable - trade	27,367	25,361
Acceptances and guarantees	105,771	118,206
Short-term debts	75,870	102,140
Commercial paper		10,000
Current portion of bonds	159,059	94,849
Current portion of long-term debts	60,766	230,034
Income taxes payable	956	916
Reserves	4,514	3,392
Others	46,427	54,747
Total current liabilities	480,734	639,648
Long-term liabilities		
Bonds	152,600	258,210
Long term debts	280,612	222,558
Reserve for losses on interest repayments	253,529	124,164
Negative goodwill	925	1,088
Others	3,179	5,740
Total long-term liabilities	690,846	611,761
Total liabilities	1,171,580	1,251,409
Net Assets		
Shareholders' equity		
Common stock	143,324	143,324
Capital surplus	164,133	164,133
Retained earnings	(198,951)	86,056
Treasury stock	(3,110)	(3,110)
Total shareholders' equity	105,396	390,404
Evaluation and foreign currency translation adjustments		
Differences in evaluation of other marketable securities	(1,234)	(732)
Gain (loss) on deferred hedge		(2,098)
Total evaluation and foreign currency translation adjustments	(1,234)	(2,831)
Minority interests	3,939	5,761
Total net assets	108,100	393,334
Total net assets and liabilities	1,279,681	1,644,744

2. Consolidated Statements of Income for the First Three Quarters of Fiscal 2009

(In millions of yen)

	First Three Quarters (Apr. 1 to December 31, 2008)	First Three Quarters (Apr. 1 to December 31, 2009)
Operating revenue		
Interest on loans to customers	206,371	136,405
Credit card revenue	12,519	13,631
Per-item credit revenue	3,113	1,520
Credit guarantee revenue	6,093	5,399
Financial revenue – other	430	104
Operating revenue – other	14,386	16,169
Total operating revenue	242,913	173,230
Operating expenses		
Financial expenses	20,827	14,777
Cost of sales	2,822	2,128
Operating expenses – other	209,677	411,878
Total operating expenses	233,327	428,784
Operating income (loss)	9,585	(255,554)
Non-operating income		
Dividends received	684	
Gain on foreign exchange		376
Interest on refund of corporate taxes and other taxes	452	
Others	319	684
Total non-operating income	1,457	1,060
Non-operating expenses		
Loss on investment association fund management	96	
Cost of investment securities		116
Others	57	98
Total non-operating expenses	154	214
Ordinary income (loss)	10,888	(254,708)
Extraordinary income		
Gain on sales of investment securities	966	1,114
Reversal of reserve for bonuses		579
Others	151	311
Total extraordinary income	1,118	2,005
Extraordinary losses		
Losses on disposal of fixed assets	762	
Business structure improvement cost		7,071
Loss on the sales of business		6,141
Others	1,753	11,637
Total extraordinary losses	2,515	24,850
Net income (loss) before taxes	9,491	(277,553)
Corporate tax, local and enterprise taxes	1,242	782
Refunds on corporate and other taxes	(7,122)	
Adjustment on corporate tax, etc.	5,972	7,310
Total corporate and other taxes	93	8,092
Gain (loss) on minority interests	175	(1,828)
Net income (loss)	9,222	(283,816)

Consolidated Statements of Income for the Third Quarter of Fiscal 2009

(In millions of yen)

	Third quarter (Oct. 1 to December 31, 2008)	Third quarter (Oct. 1 to December 31, 2009)
Operating revenue		
Interest on loans to customers	64,995	39,458
Credit card revenue	4,407	4,619
Per-item credit revenue	894	404
Credit guarantee revenue	2,005	1,734
Financial revenue – other	61	28
Operating revenue – other	4,866	5,179
Total operating revenue	77,230	51,423
Operating expenses		
Financial expenses	6,820	4,077
Cost of sales	901	673
Operating expenses – other	67,885	43,116
Total operating expenses	75,607	47,867
Operating income	1,623	3,556
Non-operating income		
Insurance dividend	102	—
Gain on foreign exchange	—	369
Interest on refund of corporate taxes and other taxes	75	—
Others	101	235
Total non-operating income	279	605
Non-operating expenses		
Loss on foreign exchange	49	—
Others	19	12
Total non-operating expenses	69	12
Ordinary income	1,833	4,149
Extraordinary income		
Gain on sales of investment securities	966	—
Reversal of allowance for business reorganization	97	—
Gain on liquidation of derivatives	—	100
Liquidation dividends	—	32
Others	42	20
Total extraordinary income	1,106	153
Extraordinary losses		
Loss on valuation of investment securities	259	—
Transfer to allowance for business reorganization	—	2,615
Loss on cancellation of hedge accounting	—	1,596
Others	450	172
Total extraordinary losses	710	4,384
Net income (loss) before taxes	2,229	(81)
Corporate tax, local and enterprise taxes	692	416
Refunds on corporate and other taxes	(2)	—
Adjustment on corporate tax, etc.	(530)	2,210
Total corporate and other taxes	159	2,627
Gain (loss) on minority interests	19	(1,210)
Net income (loss)	2,051	(1,498)

3. Consolidated Statements of Cash Flows for the First Three Quarters of Fiscal 2009

(In millions of yen)

	First three quarters (Oct. 1 to December 31,2008)	First three quarters (Oct. 1 to December 31,2009)
Cash flow from operating activities		
Net income (loss) before taxes	9,491	(277,553)
Depreciation expenses	8,353	6,888
Impairment losses		4,662
Goodwill write-offs	641	(163)
Increase (decrease) in allowance for bad debts	(60,456)	38,099
Increase (decrease) in reserve for losses on interest repayments	(11,811)	136,798
Increase (decrease) in allowance for investment losses		1,552
Increase (decrease) in transfer to allowance for business reorganization		3,528
Loss on disposal of fixed assets	762	564
Interest on loans and cash dividends	(703)	(234)
Loss (gain) on sale of investment securities	(960)	(1,114)
Loss (gain) on the sale of business		6,141
Decrease (increase) in loans to customers	192,505	315,334
Decrease (increase) in installment receivables	(16,449)	(11,328)
Decrease (increase) in operational investment securities	137	
Decrease (increase) in other operating receivables	682	2,057
Decrease (increase) in claims in bankruptcy	4,225	1,541
Decrease (increase) in other current assets	6,170	(19,361)
Increase (decrease) in other current liabilities	16,190	(5,387)
Others	(23)	(180)
Subtotal	148,754	201,846
Interest on loans and cash dividends	703	234
Refunds on corporate and other taxes	7,091	568
Payments for corporate and other taxes	(2,063)	(592)
Cash flow from operating activities	154,487	202,056
Cash flow from investing activities		
Funds used for fixed term deposits	(1,150)	
Income from repayment of fixed term deposits	3,010	705
Funds used for purchase of tangible fixed assets	(753)	(550)
Funds used for purchase of intangible fixed assets	(3,233)	(2,164)
Funds used for purchase of investment securities	(1,035)	
Funds provided by sales of investment securities	2,273	1,251
Funds used for sales of shares of subsidiaries from the change in scope of consolidation		(432)
Funds provided by sales of loan to affiliated companies		5,000
Funds used for long-term loan receivables	(205)	
Increase (decrease) in liquidation of lease deposits and guarantees		(15,242)
Others	1,239	316
Cash flow from investing activities	146	(11,117)

Cash flow from financing activities		
Proceeds from short-term debts	378,490	202,110
Repayment of short-term debts	(434,410)	(227,489)
Increase (decrease) in commercial paper	(2,000)	(10,000)
Proceeds from long-term debts	59,635	12,700
Repayments of long-term debts	(248,601)	(124,803)
Redemption of bonds	(37,358)	(41,400)
Proceeds from disposal of treasury stock	0	
Payment for acquisition of treasury stock	(0)	(0)
Cash dividends paid	(5,010)	(1,191)
Repayment of finance lease	(8)	(46)
Cash flow from financing activities	<u>(289,264)</u>	<u>(190,120)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(9)</u>	<u>27</u>
Increase (decrease) in cash and cash equivalents	<u>(134,640)</u>	<u>847</u>
Balance of cash and cash equivalents at the beginning of period	<u>257,310</u>	<u>131,597</u>
Balance of cash and cash equivalents at the end of period	<u>122,669</u>	<u>132,444</u>

4. Notes on premise going concern

None

5. Notes in event of significant changes in shareholder's equity

None

6. Results of Operations (Consolidated)

Operating Revenue

(In millions of yen, %)

Item	Period	First three quarters, FY2008 (Apr. 1 to Dec. 31, 2008)		First three quarters (Apr. 1 to Dec. 31, 2009)		Reference: FY2008 (Apr. 1, 2008 to Mar. 31, 2009)	
		Amount	%	Amount	%	Amount	%
Interest on loans to customers		206,371	85.0	136,405	78.7	263,797	84.4
Unsecured loans		172,231	70.9	110,216	63.6	219,968	70.4
Secured loans		19,626	8.1	15,876	9.2	25,327	8.1
Small business loans		14,513	6.0	10,312	5.9	18,501	5.9
Credit card revenue		12,519	5.1	13,631	7.9	16,880	5.4
Per-item credit revenue		3,113	1.3	1,520	0.9	3,630	1.2
Credit guarantee revenue		6,093	2.5	5,399	3.1	8,020	2.6
Other financial revenue		430	0.2	104	0.1	550	0.2
Other operating revenue		14,386	5.9	16,169	9.3	19,361	6.2
Revenue from operational investment securities		68	0.0	16	0.0	76	0.0
Collection of purchased claims		3,947	1.6	2,712	1.5	5,211	1.7
Bad debt write-off recovery		5,270	2.2	8,656	5.0	7,256	2.3
Other		5,099	2.1	4,783	2.8	6,816	2.2
Total		242,913	100.0	173,230	100.0	312,241	100.0

Note: 1. "Other" included in other operating revenue includes card membership fees.

Note: 2. The amounts above do not include consumption tax.

Other Operating Indicators

Item	Period	End of third quarter, FY2008 (As of Dec. 31, 2008)	End of third quarter (As of Dec. 31, 2009)	Reference: End of FY2008 (As of Mar. 31, 2009)
		Total amount of loans outstanding (millions of yen)		1,454,658
Unsecured loans		1,116,815	714,019	1,015,647
Secured loans		217,214	164,710	206,941
Small business loans		120,628	90,624	111,607
Number of customer accounts		2,748,544	2,087,681	2,629,257
Unsecured loans		2,611,313	1,977,647	2,498,764
Secured loans		64,513	52,542	62,140
Small business loans		72,718	57,492	68,353
Number of branches		1,052	680	987
Staffed branches		181	33	133
Unstaffed branches		871	647	854
Number of automatic loan-contracting machines		975	679	957
Number of ATMs		153,282	159,092	163,507
Company-owned		1,058	721	1,040
Partner-owned		152,224	158,371	162,467
Number of employees		4,995	4,246	4,895

Notes: 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 (48,458 million yen at the end of the third quarter of the previous fiscal year, 25,612 million yen at the end of the third quarter, and 43,842 million yen at the end of the previous fiscal year) have been included.

(Reference)

Non-Consolidated Financial Statements for the First Three Quarters of Fiscal 2009

1. Non-Consolidated Balance Sheets as of the end of the Third Quarter of Fiscal 2009

(In millions of yen)

	End of third quarter (As of December 31, 2009)	Condensed consolidated balance sheets for previous fiscal year (As of March 31, 2009)
Assets		
Current assets		
Cash and cash equivalents	103,954	106,877
Loans	624,368	842,786
Customers' liabilities for acceptances and guarantees	47,689	54,167
Others	48,932	28,998
Allowance for bad debts	(177,553)	(144,150)
Total current assets	647,390	888,678
Fixed assets		
Tangible fixed assets	18,227	24,001
Intangible fixed assets	8,946	10,744
Investment and other fixed assets	280,437	318,122
Total fixed assets	307,611	352,868
Deferred assets	158	219
Total assets	955,161	1,241,766
Liabilities		
Current liabilities		
Acceptances and guarantees	47,689	54,167
Short-term debts	19,860	40,000
Current portion of bonds	159,059	94,849
Current portion of long-term debts	22,238	147,276
Income taxes payable	162	328
Reserves	1,441	1,837
Others	14,386	14,262
Total current liabilities	264,838	352,721
Long-term liabilities		
Bonds	152,600	258,210
Long term debts	188,696	146,738
Reserve for losses on interest repayments	216,059	84,318
Others	1,229	3,545
Total long-term liabilities	558,586	492,812
Total liabilities	823,424	845,533
Net Assets		
Shareholders' equity		
Common stock	143,324	143,324
Capital surplus	150,232	150,232
Retained earnings	(157,435)	108,442
Treasury stock	(3,110)	(3,110)
Total shareholders' equity	133,010	398,889
Evaluation and foreign currency translation adjustments		
Differences in evaluation of other marketable securities	(1,274)	(558)
Gain (loss) on deferred hedge		(2,098)
Total evaluation and foreign currency translation adjustments	(1,274)	(2,657)
Total net assets	131,736	396,232
Total net assets and liabilities	955,161	1,241,766

Note: These quarterly statements of income were prepared in accordance with the Regulation for Quarterly Financial Statements but are not reviewed as part of legally mandated disclosure.

2. Non-consolidated Statements of Income for the First Three Quarters of Fiscal 2009

(In millions of yen)

	First Three Quarters (Apr. 1 to December 31, 2008)	First Three Quarters (Apr. 1 to December 31, 2009)
Operating revenue		
Interest on loans to customers	130,891	89,727
Financial revenue – other	322	48
Operating revenue – other	6,891	8,873
Total operating revenue	138,105	98,649
Operating expenses		
Financial expenses	15,211	11,198
Operating expenses – other	121,619	326,176
Total operating expenses	136,830	337,374
Operating income (loss)	1,275	(238,725)
Non-operating income		
Interest on loans	3,061	3,057
Others	1,660	831
Total non-operating income	4,722	3,888
Non-operating expenses		
Loss on investment association fund management	96	
Cost of investment securities		116
Others	25	72
Total non-operating expenses	122	189
Ordinary income	5,874	(235,026)
Extraordinary income		
Allowance for bad debts from previous year	1,800	
Reversal of reserve for bonuses		407
Gain on sales of investment securities	867	
Gain on bond redemption	144	
Others		274
Total extraordinary income	2,811	681
Extraordinary losses		
Losses on disposal of fixed assets	699	
Loss on valuation investment securities		5,693
Non-recurrent losses	295	
Transfer to allowance for business reorganization		7,034
Others	183	14,240
Total extraordinary losses	1,179	26,967
Net income (loss) before taxes	7,506	(261,312)
Corporate tax, local and enterprise taxes	74	65
Refunds on corporate and other taxes	(7,111)	
Adjustment on corporate tax, etc.	5,437	3,310
Total corporate and other taxes	(1,599)	3,375
Net income (loss)	9,105	(264,687)

Note: These quarterly statements of income were prepared in accordance with the Regulation for Quarterly Financial Statements but are not reviewed as part of legally mandated disclosure.

Non-consolidated Statements of Income for the Third Quarter of Fiscal 2009

(In millions of yen)

	Third quarter (October 1 to December 31, 2008)	Third quarter (October 1 to December 31, 2009)
Operating revenue		
Interest on loans to customers	41,589	26,818
Financial revenue – other	35	12
Operating revenue – other	2,362	2,842
Total operating revenue	43,986	29,672
Operating expenses		
Financial expenses	5,058	2,972
Operating expenses - other	39,232	18,677
Total operating expenses	44,291	21,649
Operating Income (loss)	(304)	8,023
Non-operating income		
Interest on loans	1,089	851
Others	357	276
Total non-operating income	1,446	1,128
Non-operating expenses		
Gain on foreign exchange	1	—
Others	6	9
Total non-operating expenses	7	9
Ordinary income	1,134	9,141
Extraordinary income		
Gain on sales of investment securities	867	—
Gain on liquidation of derivative	—	100
Liquidation dividends	—	32
Others	136	0
Total extraordinary income	1,003	132
Extraordinary losses		
Losses on disposal of fixed assets	203	—
Transfer to allowance for bad debts	304	—
Loss on cancellation of hedge accounting	—	1,596
Others	108	424
Total extraordinary losses	616	2,021
Net income before taxes	1,521	7,253
Corporate tax, local and enterprise taxes	24	19
Total corporate and other taxes	24	19
Net income	1,496	7,234

Note: These quarterly statements of income were prepared in accordance with the Regulation for Quarterly Financial Statements but are not reviewed as part of legally mandated disclosure.