

(Translation for reference only)

May 12, 2015

## Consolidated Business Results (Under Japanese GAAP) For the Fiscal year ended in March 31, 2015

Company name: AIFUL Corporation  
 Stock Listing: Tokyo Stock Exchange  
 Stock Code: 8515  
 URL: <http://aiful.jp>  
 Representative: Yoshitaka Fukuda, President and Chief Executive Officer  
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 Scheduled date of convention of annual general meeting of shareholders: June 23, 2015  
 Scheduled date of commencement of dividend payments : —  
 Scheduled date of submission of financial report: June 23, 2015  
 Supplementary materials for the Financial results: Yes  
 Earnings release conference: Yes (For financial analysts and institutional investors)

### I. Consolidated Business Results for the Fiscal Year 2014 (April 1, 2014 – March 31, 2015)

#### 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	
FY ended March 31, 2015	86,352	(6.0)%	(39,562)	—	(36,498)	—	(36,499)	—
FY ended March 31, 2014	91,858	(7.8)%	22,498	52.9%	24,752	40.3%	30,461	34.2%

Note: Comprehensive income: End of FY2014: (36,547)million yen — %  
 End of FY2013: 30,488million yen 30.6 %

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	Net Income to Shareholders' Equity Ratio (%)	Ordinary Income to Total Assets Ratio (%)	Operating Income to Operating Revenue Ratio (%)
FY ended March 31, 2015	(75.74)	—	(31.8)	(6.4)	(45.8)
FY ended March 31, 2014	63.34	63.00	25.8	4.2	24.5

Reference: Equity in earnings of affiliated companies: End of FY2014: ( - ) million yen  
 End of FY2013: ( - ) 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)
FY ended March 31, 2015	560,323	97,475	17.3	200.45
FY ended March 31, 2014	577,339	133,541	23.1	276.80

Reference: Shareholders' equity for: End of FY2014: 96,737 million yen  
 End of FY2013: 133,129 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 Year
FY ended March 31, 2015	18,503	(6,385)	(26,588)	52,586
FY ended March 31, 2014	55,066	1,524	(50,954)	66,876

## II. Dividend Information

(Record date)	Dividend per share (Yen)					Total dividend payment (full year)	Payout Ratio % (Consolidated)	Dividend to equity ratio % (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
FY ended March 31, 2014	—	0.00	—	0.00	0.00	—	—	—
FY ended March 31, 2015	—	0.00	—	0.00	0.00	—	—	—
FY ending March 31, 2016 (Forecast)	—	0.00	—	0.00	0.00		—	

## III. Consolidated Forecast for the Fiscal Year 2015 (April 1, 2015 – March 31, 2016):

(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)
First Half	42,932	0.1%	4,698	(21.6)%	4,742	(37.0) %	4,667	(40.1)%	9.67
Full Year	87,634	1.5%	7,172	—	7,302	—	7,149	—	14.81

## IV. Other

### (1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries resulting changes in scope of consolidation): None

### (2) Changes in accounting principles, procedures and methods of presentation

(a) Changes accompanying amendments to accounting standards: None

(b) Changes other than those in (a): None

(c) Change in accounting estimates: None

(d) Restatement: None

### (3) 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 FY2014: 483,506,536 shares

End of FY2013: 481,867,836 shares

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

End of FY2014: 916,722 shares

End of FY2013: 916,568 shares

#### (c) Average number of shares during fiscal period:

FY2014: 481,898,473 shares

FY2013: 480,951,620 shares

## (Reference) Highlights of Non-Consolidated Business Results

### I. Non-Consolidated Business Results for the Fiscal Year 2014 (April 1, 2014 – March 31, 2015)

#### 1. Non-Consolidated Operating Results

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

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
FY ended March 31, 2015	54,921	(7.2)%	(44,244)	—	(42,500)	—	(41,434)	—
FY ended March 31, 2014	59,196	(5.0)%	17,865	54.5%	22,336	84.7%	24,045	125.8%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
FY ended March 31, 2015	(85.98)	—
FY ended March 31, 2014	50.00	49.73

#### 2. Non-Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
FY ended March 31, 2015	444,737	73,722	16.4	151.23
FY ended March 31, 2014	463,791	114,807	24.7	237.85

Reference: Shareholders' equity for: End of FY2014: 72,983 million yen  
End of FY2013: 114,394 million yen

### II. Non-Consolidated Forecast for the Fiscal Year 2015 (April 1, 2015 – March 31, 2016):

(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)
First Half	27,492	(1.5)%	2,804	(26.1)%	3,975	(15.9)%	4,082	(25.6)%	8.46
Full Year	55,405	0.9%	3,322	—	5,698	—	5,933	—	12.29

\* (Note: Details Concerning the Implementation Status of Audit Procedures)

As of the date of report disclosure, audit procedures applicable to financial statements stipulated under the Financial Instruments and Exchange Act of Japan are yet to be completed.

\* (Note: Disclaimer concerning the proper use of business results forecasts)

The results forecasts and other forward-looking statements contained in this Report are based on information currently available to the Company as well as certain assumptions that the AIFUL Group has judged to be reasonable. Accordingly, readers are advised that actual results may vary materially from forecasts due to a variety of factors. For matters related results forecasts above, please see the "1. Business Results, (1) Analysis on Business Results (Forecast for operations in fiscal 2015).

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## 1. Business Results and Financial Position

### (1) Analysis on Business Results

In the consolidated fiscal year under review, the Japanese economy saw continued improvements in corporate earnings and employment conditions, mainly attributable to the aggressive economic policies of the government and the weak yen. However, the outlook has become uncertain due to the sluggish recovery in consumer spending.

The consumer finance industry has been steadily moving toward recovery with a continued solid number of new contracts, mainly on the back of aggressive advertising by major players, and with clearer signs of the operating loan balance bottoming out.

Although the industry's biggest risk, interest repayment claims, is steadily trending downwards after hitting a peak, the number of claims has recently continued almost unchanged, leaving the future outlook still unpredictable.

In this environment, on June 10, 2014, the AIFUL Group made the final repayments related to the Business Revitalization Plan based on the alternative dispute resolution (ADR) process, and fulfilled the Business Revitalization Plan on July 10, 2014.

Moreover, as for the subject debts as of July 10, 2014, as stated in a news release dated June 13, 2014, "Completion of Business Revitalization Plan Period and Continued Financial Support," with the partial repayment of the debts, the purchase of the claims for the debts and the swap with corporate bonds, continued financial assistance has been extended for the outstanding debts

Furthermore, in the loan business, as at the end of the fiscal year under review, mainly reflecting an increase in loans to new and the existing customers, the amount of loans outstanding began to increase for the first time in nine terms, achieving a steady recovery in the same manner as other companies in the industry.

Going forward, while dealing with the principal management issue of interest repayment claims, the AIFUL Group will steadily carry out the repayment plan set forth in the new business plan. Moreover, the Group will strive to streamline its business efficiency across the Group, work to improve the quality of its credit portfolio by acquiring sound credit, and aim to bolster the top line.

The results by business segments are as follows:

#### (AIFUL Corporation)

##### Loan business

In the unsecured loan segment, the Group is working to improve the quality of its loan portfolio and further increase the number of new contracts concluded through the aggressive development of unstaffed branches, in addition to efficient advertising mainly on television and the Internet.

In the consolidated fiscal year under review, new contracts signed for unsecured loans were 153,000 (up 30.9% year on year) and the contract rate was 45.0%.

As a result, the amount of unsecured loans outstanding in the consolidated fiscal year under review is 229,391 million yen (up 6.2% year on year). The amount of secured loans outstanding is 29,274 million yen (down 22.2% year on year), the amount of Small business loans outstanding is 5,890 million (down 17.0% year on year) and total amount of 264,557 million yen in operating loans outstanding for the loan segment (up 1.4% year on year). (off-balance sheet operating loans from the securitization of receivables (36,759 million yen) have been included.

##### Credit guarantee business

For the credit guarantee business, the Group is working to expand the outstanding sum assured by proposing new products and providing marketing promotion support to existing partners, in addition to commencing sales to the four new financial institutions.

Accounting for the aforementioned factors, the Group secured affiliations with 82 unsecured personal loan companies, and held guarantees for outstanding loans amounting to 55,728 million yen, up 27.1% year on year. The Group commenced affiliations with 96 unsecured business loan companies, and held guarantees for outstanding loans totaling 34,394 million yen, down 6.2% year on year.

Of the credit guarantee for the unsecured business loan companies, 25,607 million yen comes from guarantees provided to BUSINEXT CORPORATION.

As a result, AIFUL posted operating revenue of 54,921 million yen (down 7.2% year on year).

Moreover, as for operating expenses, in light of claims for interest repayments, which remain at a high level, the Group provided an allowance for losses on interest repayments of 63,733 million yen, and it recorded a reversal of the allowance for

doubtful accounts of 11,597 million yen in relation to the waiver of principal accompanying interest repayments. As a result, operating loss amounted to 44,244 million yen (compared with operating income of 17,865 million yen in the previous period), ordinary loss was 42,500 million yen (compared with ordinary income of 22,336 million yen in the previous period), and net loss stood at 41,434 million yen (compared with net income of 24,045 million yen in the previous period).

#### (LIFECARD Co., Ltd)

##### Credit card business

For the credit card business, we took measures to promote card membership by expanding the card lineup, including cards for female customers and design cards that are limited to the web marketing channel. We also took initiatives to improve convenience for card members, primarily by improving functions mainly in the web marketing channel and providing software to deal with phishing to improve the security aspect.

As a result of the above, transactions at the end of the consolidated fiscal year under review were 558,193 million yen, up 9.3% year on year, and the balance of installment receivables stood at 82,499 million yen, up 0.1% year on year.

##### Card Cashing

The total amount of loans outstanding in the LIFECARD's loan business stood at 31,252 million yen, down 2.8% year on year.

##### Credit guarantee business

For the credit guarantee business, LIFECARD is working to expand the outstanding sum assured by proposing new products and offering marketing promotion support to existing partners, in addition to commencing sales to the six new financial institutions.

As a result, at the end of the consolidated fiscal year under review, there were affiliations with 155 unsecured personal loan companies and guarantees for outstanding loans amounting to 20,802 million yen, down 3.3% year on year. Also, there were affiliations with 30 unsecured business loan companies, and guarantees for outstanding loans totaling 546 million yen, up 29.1% year on year.

As a result, LIFECARD Co.,Ltd operating revenue amounted to 27,301 million yen (down 0.1% year on year), operating income was 1,640 million yen (up 17.4% year on year), ordinary income was 4,621 million yen (up 43.5% year on year) and net income was 3,530 million yen (up 45.9% year on year).

#### (Other)

There were three consolidated subsidiaries that are not included in reported segments for the consolidated fiscal year under review (BUSINEXT CORPORATION, AsTry Loan Services Corporation and New Frontier Partners Co. Ltd.) for which operating revenue was 4,531 million yen (down 20.3% year on year), operating income was 802 million yen (compared to an operating loss of 91 million yen in the previous period), ordinary income was 887 million yen (compared to an ordinary income of 0 million yen in the previous period) and net income was 918 million yen (down 66.7% year on year).

#### (Overview of the Results)

The AIFUL Group's consolidated operating revenue for the fiscal year 2014 fell 6.0% compared with the previous fiscal year to 86,352 million yen. The principal components and their movements were interest on loans, which contracted 13.5% year on year to 43,761 million yen, revenue from the credit card business, which increased 0.9% to 13,548 million yen and revenue in the credit guarantee business, which increased 43.2% to 11,381 million yen. In contrast, the collection of purchased receivables contracted 29.1% to 2,136 million yen while the recovery of loans previously charged off edged down 19.9% to 7,741 million yen.

As for operating expenses, in light of claims for interest repayments, which remain at a high level, the Group provided an allowance for losses on interest repayments of 63,733 million yen, and it recorded a reversal of the allowance for doubtful accounts of 11,597 million yen in relation to the waiver of principal accompanying interest repayments. Consequently, operating expenses increased 81.5% from the previous fiscal year, to 125,914 million yen.

As a result of the above factors, for the consolidated fiscal year under review, the AIFUL Group recorded an operating loss of 39,562 million yen (compared with operating income of 22,498 million yen in the previous period). Although the Group recorded a foreign exchange gain of 2,885 million yen in non-operating income, it posted an ordinary loss of 36,498 million

yen (compared with ordinary income of 24,752 million yen in the previous period), and it recorded a net loss of 36,499 million yen (compared with net income of 30,461 million yen in the previous period).

(Forecast for operations in fiscal 2015)

Regarding the business environment in which the Group operates has been steadily moving toward recovery with a continued solid number of new contracts, mainly on the back of aggressive advertising by major players, and with clearer signs of the operating loan balance bottoming out.

Although the industry's biggest risk, interest repayment claims, is steadily trending downwards after hitting a peak, the number of claims has recently continued almost unchanged, leaving the future outlook still unpredictable.

Based on such an environment, while dealing with the principal management issue of interest repayment claims, the AIFUL Group will steadily carry out the repayment plan set forth in the new business plan. Moreover, the Group will strive to streamline its business efficiency across the Group, work to improve the quality of its credit portfolio by acquiring sound credit, and aim to bolster the top line.

With regard to its earnings forecasts for the fiscal year ending March 2016, the AIFUL Group expects to record operating revenue of 87,634 million yen, operating income of 7,172 million yen, ordinary income of 7,302 million yen, and net income attributable to the shareholders of the parent company of 7,149 million yen. However, in the business environment that surrounds the Company, there are various risks and, in particular, the trends of claims for interest repayments remain uncertain. As a result, the final results may differ from the forecasts.

## (2) Analysis on Financial Position

(Analysis on assets, liabilities, net assets and cash flow)

Total assets on a consolidated basis declined 17,015 million yen, or 2.9%, compared to the end of the previous fiscal year to 560,323 million yen at the end of FY 2014. This was primarily due to a 33,499 million yen decline in operating loans. (This included a decline in operating loans that became off-balance as a result of the securitization of claims.)

Total liabilities at the end of FY2014 were 462,848 million yen, an increase of 19,051 million yen, or 4.3%, compared with the previous fiscal year-end. The principal factors contributing to this increase were an increase of 33,523 million yen in the allowance for losses on interest repayments due to the additional provision of the allowance for losses on interest repayments and an increase of 28,800 million yen in bonds, offsetting a decline of 55,761 million yen in debts.

Net assets edged down 36,066 million yen, or 27.0%, compared with the end of the previous fiscal year to 97,475 million yen. This was primarily due to the posting of net loss.

(Cash Flows)

Cash and cash equivalents ("funds") decline 14,290 million yen, or 21.4%, compared to the end of the previous fiscal year to 52,586 million yen.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 18,503 million yen, a decrease of 66.4% compared with the corresponding period of the previous fiscal year. This mainly reflected the fact that an increase in funds, reflecting an increase in the allowance for losses on interest repayments and a decline in operating receivables, including loans to customers, exceeded a decline in funds due to the recording of a loss before taxes.

(Cash flows from investing activities)

Net cash used for investing activities stood at 6,385 million yen, compared with net cash provided of 1,524 million yen in the corresponding period of the previous fiscal year. This was mainly attributable to the purchase of tangible fixed assets and intangible fixed assets.

(Cash flow from financing activities)

Net cash used for financing activities amounted to 26,588 million yen, down 47.8% year-on-year, primarily due to there payment of borrowings.



(Changes in Cash Flow Related Indicators)

	FY2010	FY2011	FY2012	FY2013	FY2014
Shareholders' Equity Ratio (%)	7.1	12.0	16.9	23.1	17.3
Shareholders' Equity Ratio Based on Market Price (%)	2.9	6.2	49.6	26.4	36.8
Interest Coverage Ratio (times)	—	4.2	1.6	6.0	—

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 operating receivables and reserves (allowance for doubtful accounts and allowance for losses on interest repayments) related to operating receivables from cash flow from operating activities on the consolidated statements of cash flows.
3. The Company implemented a stock split of 2 shares for each 1 share of common stock on October 1, 2013. Accordingly, shareholders' equity ratio based on market price has been calculated as though the stock split had occurred at the beginning of the FY2012.

### (3) Basic Policies on Profit Distribution and Dividend for the Fiscal Year under Review and Next Fiscal Year

The return of profits to shareholders is a management priority at the AIFUL Group. The Group's basic policy calls for a consistent return of profits in line with business results. The Group aims to maximize shareholder returns and shareholder value while simultaneously securing stable internal reserves through medium to long-term profit growth.

However, the demand for funds for interest repayments remains heavy and severe. For this reason, the Group sincerely regrets that it will not pay a dividend for the fiscal year under review or for the next fiscal year.

The AIFUL Group is committed to returning to the basic policy outlined above by implementing the new business plan that has been approved by the creditors and improving its financial position and profitability.

The AIFUL Group asks all of its shareholders for their understanding of and cooperation with the business revitalization of the Group.

### (4) Business Risks

The major factors among those related to the state of the business and its finances that could have a significant impact on the decisions of investors are those below. The AIFUL Group acknowledges that these risks may arise and endeavors to avoid their occurrence and to take countermeasures in the event that they do occur. Moreover, the following statement does not cover every business risk of the AIFUL Group, and new business risks may arise in the future due to unforeseen factors.

Forward-looking statements are deemed current as of March 31, 2015.

#### (New business plan)

It was resolved at the meeting of creditors held on June 13, 2014 that, with the consensus of the creditors, the AIFUL Group will be able to continue to receive financial support once part of its debt is repaid.

However, in the event of a breach of the new business plan and the terms and conditions outlined under the agreement between creditors executed in accordance with the new business plan, the financial position and business performance of the AIFUL Group may be adversely affected.

#### (Risks Arising from the Business Environment)

The business results and financial position of the AIFUL Group depend on a large number of factors, including the following major anticipated factors.

- 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 number of borrowers with debts to a number of companies
- Changes in the relevant legislation and regulations for the consumer finance market, and especially changes in the legal framework regarding the statutory maximum interest rate, 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 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 Corporation established a Risk Management Committee that reports directly to the Board of Directors, and gave it the task of performing cross-divisional control and management of risks that arise in all divisions, threatening corporate activities. This step is expected to reinforce systems for proactive measures to prevent risks before they arise and

accelerate the response if any incident should occur. Nevertheless, despite these measures, the AIFUL Group's financial position and business performance could be adversely affected by changes in the operating environment, including the strengthening or loosening of legislation and regulations, and changes in competitive conditions and the economy. The revision of the AIFUL Group's strategy may also be unavoidable.

#### (Legal Regulations)

##### 1. Legal Compliance System

In order to prevent misconduct including any infringement of the Money lending business act or leakage of information, AIFUL established the Compliance Committee as a body directly reporting to the Board of Directors. Moving forward, the Company takes steps to gather information on compliance while carrying out an examination and assessment of AIFUL's Company-wide compliance framework in an effort to prevent legal infringements before they occur. A uniform code of corporate ethics is commonly shared throughout the Group and the AIFUL Group Compliance Committee established with the aim of maintaining a consistent Group-wide compliance stance. In April 2007, AIFUL further strengthened its legal compliance framework by boosting compliance monitoring functions. This included centralizing the compliance hotline (internal whistle-blowing system), bolstering the function for collecting data on compliance, centralizing functions related to rewards and penalties and reinforcing the role and performance of the Internal Control Department.

The subcommittee also formulates detailed measures designed to counter inherent risks. Reports are issued with respect to the status of internal compliance with statutory and regulatory requirements to either the Compliance or Risk Management committees on a periodic basis as and when required.

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 Group, this could very likely 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

###### i. Operating Regulations under the Money Lending Business Act and the Installment Sales Act

From a legislative perspective, the AIFUL Group's mainstay consumer finance activities are governed by the Money lending business act. Under this law, the Group's operations are subject to a variety of regulatory requirements. These include the prohibited acts; restrictions, etc. on interest and guarantee charges, etc.; investigation of repayment capacity; prohibition on excess loans, etc.; posting of the conditions of a loan, etc.; advertising, etc. the conditions of a loan; prohibition, etc. on misleading advertising; delivery of documents prior to the conclusion of a contract; delivery of documents upon the conclusion of a contract; delivery of receipts; keeping of the books; inspection of the books; restrictions on acts of collection; return of claim deeds; posting of signs; restrictions on the assignment, etc. of claims ; duty to disclose transaction history; placement of chiefs of money lending operations; and carrying, etc. of identification cards.

Moreover, the AIFUL Group's credit card shopping and installment sales finance businesses are subject to a range of regulations based on the application of the Installment Sales Act. 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 prohibition of screening which exceed repayment capacity, and the prevention of consumer problems related to continuous service

###### ii. Voluntary Regulation by Japan Financial Services Association

The Japan Financial Services Association (JFSA) was established in December 2007 to oversee voluntary regulations applicable to money-lending businesses as stipulated by the Money lending business act. The JFSA formulated the Basic Rules for Voluntary Regulations governing matters related to the prevention of excess loans as well as the regulation of advertising and soliciting. In order to increase the efficacy of voluntary regulations, JFSA has also been given the authority to conduct surveys and inspections of its members and to impose sanctions that include the levying of fines for negligence and/or expulsion of members who fail to comply. AIFUL is a member of JFSA and is thus subject to the aforementioned voluntary regulations.

The AIFUL Group is endeavoring to strengthen its compliance framework by establishing in-house regulations based on the provision stipulated under legislation and the voluntary regulations outlined by JFSA identified in the preceding sub-paragraphs.

In addition, the Group is implementing thoroughgoing compliance education and training for the benefit of its employees.

However, the AIFUL Group's financial position and business performance could be adversely affected by administrative penalties resulting from legal infringements by its employees as well as instances where business regulations have been strengthened by new legislative and regulatory amendments.

##### 3. Lending Rate

Money lending business act came into full force on June 18, 2010. As a result, the maximum annual interest rate under the

capital subscription law was reduced from 29.2% to 20%, and the system of deemed payments under the Money lending business act outlined later in this document was abolished.

In response to this, AIFUL has been implementing a reduced interest rate under the Act Regulating the Receipt of Contributions, Receipt of Deposits and Interest Rates for customers who conclude a new loan agreement and customers who qualify for a loan agreement under the new lending criteria since August 1, 2007, and the maximum rate is now 18%. The AIFUL Group's financial position and business performance may be adversely affected in the event that the maximum interest rate under the Interest Rate Restriction Act and the Act Regulating the Receipt of Contributions, Receipt of Deposits and Interest Rates further reductions in the interest rate for customers with an existing loan agreement are unavoidable due to social issues, including economic conditions or an increase in the number of consumers requesting legal protection.

#### 4. Loss on Interest Repayments

In accordance with Article 1, Paragraph 1 of the Interest Rate Restriction Act, an agreement relating to the interest payable on a consumer finance loan shall be considered invalid with respect to the portion that exceeds certain prescribed ceiling limits (20% when the principal is less than ¥100,000, 18% when the principal is ¥100,000 or more but less than ¥1,000,000, and 15% when the principal is ¥1,000,000 or more). However, prior to the aforementioned full enforcement of the amendment to the Money lending business act, the Interest Rate Restriction Act stipulated that a debtor shall not be able to claim repayment when the that debtor has paid the relevant excess portion voluntarily.

In addition, under Article 43 of the Money lending business act prior to the aforementioned amendments and full enforcement, when the document, specified under Article 17 of the law, has been issued to the borrower at the time the loan is made and the borrower has voluntarily paid the excess portion as interest, and when the document specified under Article 18 of the law has been issued immediately at the time of payment and the payment is based on the agreement for which the document specified under Article 17 of the law is issued, this payment is regarded as the repayment of valid interest on the debt, notwithstanding the provision of Article 1, Paragraph 1 of the Interest Rate Restriction Act (hereafter payments under the relevant provision shall be referred to as "deemed payments").

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 Rate Restriction Act 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 cannot be deemed a voluntary payment by a borrower. In addition, the court ruled that paragraph 2, Article 15 of the Money lending business act 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 Rate Restriction Act. Thus far, a number of lawsuits have been brought for the repayment of the excess portion on the interest ceilings stipulated by the Interest Rate Restriction Act 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 act, 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 act have been recognized, as well as cases in which the Group has made repayment of excess interest based on settlements. The AIFUL Group's financial position and business performance may be adversely affected in the event that demands for interest repayments rise above expectations or that judicial decisions which are disadvantageous to consumer finance companies are handed down in the future.

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).

In accordance with Report No. 37, the AIFUL Group has recorded an allowance for losses on interest repayments which includes forecast repayments included in the bad debt reserve as estimated to receive priority application to operating loans.

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.

#### 5. Restrictions on Total Lending

Amendments to the Money lending business act came fully into force on June 18, 2010. As a result, restrictions on total

lending were introduced. Under these controls, the total balance of loans outstanding shall not exceed one-third of the total annual income of each individual. In principle, loans that exceed this established capacity to repay shall be prohibited. In preparation for the aforementioned introduction of restrictions on total lending pursuant to full-fledged enforcement of the amended law, AIFUL has provided loans utilizing more rigorous lending criteria. The AIFUL Group's financial position and business performance may be adversely affected in the event that the decline in interest income or the balance of loans is greater than expected.

#### 6. Other Legislative Issues

##### i. Act on the Protection of Personal Information and the Handling of Personal Information

On April 1, 2005, the Act on the Protection of Personal Information and the accompanying guidelines on the protection of personal information established by each government ministry came into force. Under the Act, 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 Act 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 debtors where necessary related to the handling of personal information, to supervise subcontractors 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 competent Minister.

##### ii. Effect of Other Legislative Amendments

The AIFUL Group's financial position and business performance may be adversely affected in the event of amendments to legislation, including the Bankruptcy Act, the Civil Rehabilitation Act and the Act on Special Conciliation Proceedings for Expediting Arrangement of Specified Debts, etc., depending on the details of the amendments.

#### (Bad Debt Risk)

The Japanese economy has deteriorated since the subprime loan problem and the "Lehman Shock." In this environment, the increase in the number of consumers requesting legal protection has become a social issue (AIFUL group customers are included among these consumers).

The AIFUL Group is screening repayment capacity (this includes monitoring credit extended to existing customers) based on data from credit bureaus and its own credit provision systems and tightening up credit criteria.

Nevertheless, in the event that the content of receivables deteriorates due to future economic conditions or the establishment of the legislative system, 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.

#### (Complications, Breakdowns or Other Damage to Technology Systems, Including Information Network Systems 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 complications, breakdowns, delays or other damage to 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.

#### (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, and affiliated companies combined owned about 39% 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.

(In Cases of Disaster or Similar Events)

In the natural course of its business activities, the AIFUL Group conducts maintenance on its equipment and facilities while implementing all necessary measures to ensure stable uninterrupted operations in the event of an emergency or disaster. In those instances, however, where events and/or disasters exceed expectations, such as the Great Eastern Japan Earthquake that occurred on March 11, 2011, and the Group is impeded in its ability to utilize equipment and facilities, its financial position and business performance may be adversely affected.

#### (5) 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 been confronted by difficult conditions in the current market environment due to a variety of reasons including increased expenses as the result of rising demands for excess interest repayments in accordance with a ruling by Japan's Supreme Court in 2006 as well as the rapid and sharp deterioration in the fund-raising environment.

Since the fiscal year March, 2010, there have accordingly been concerns that the AIFUL Group may have difficulty in raising sufficient new funds to sustain its business. As a result, conditions have arisen to cast significant doubt on the premise of the AIFUL Group as a going concern.

In order to resolve this situation, the AIFUL Group applied on September 24, 2009 for Business Revitalization Procedures using the ADR process in order to improve its earning capacity and financial strength with the goal of revitalizing and reinforcing its business. At a meeting of participating creditors held on December 24, 2009, the AIFUL Group received approval to its application and Business Revitalization Plan, which includes the provision of financial support. As a result, Business Revitalization Procedures using the ADR process were adopted. Based on the Business Revitalization Plan, the AIFUL Group has repaid a total of 110,391 million yen to creditors since the start of the process, with the final repayment of the subject debts being made on June 10, 2014. The period of the Business Revitalization Plan was completed on July 10, 2014.

Moreover, as for the subject debts of 161,740 million yen as of July 10, 2014, following the gaining of consent from the Participating Creditors, with the partial repayment of the debts, the purchase of the claims for the debts and the swap with corporate bonds, continued financial assistance has been extended for the outstanding debts of 52,700 million yen by revising the repayment schedule.

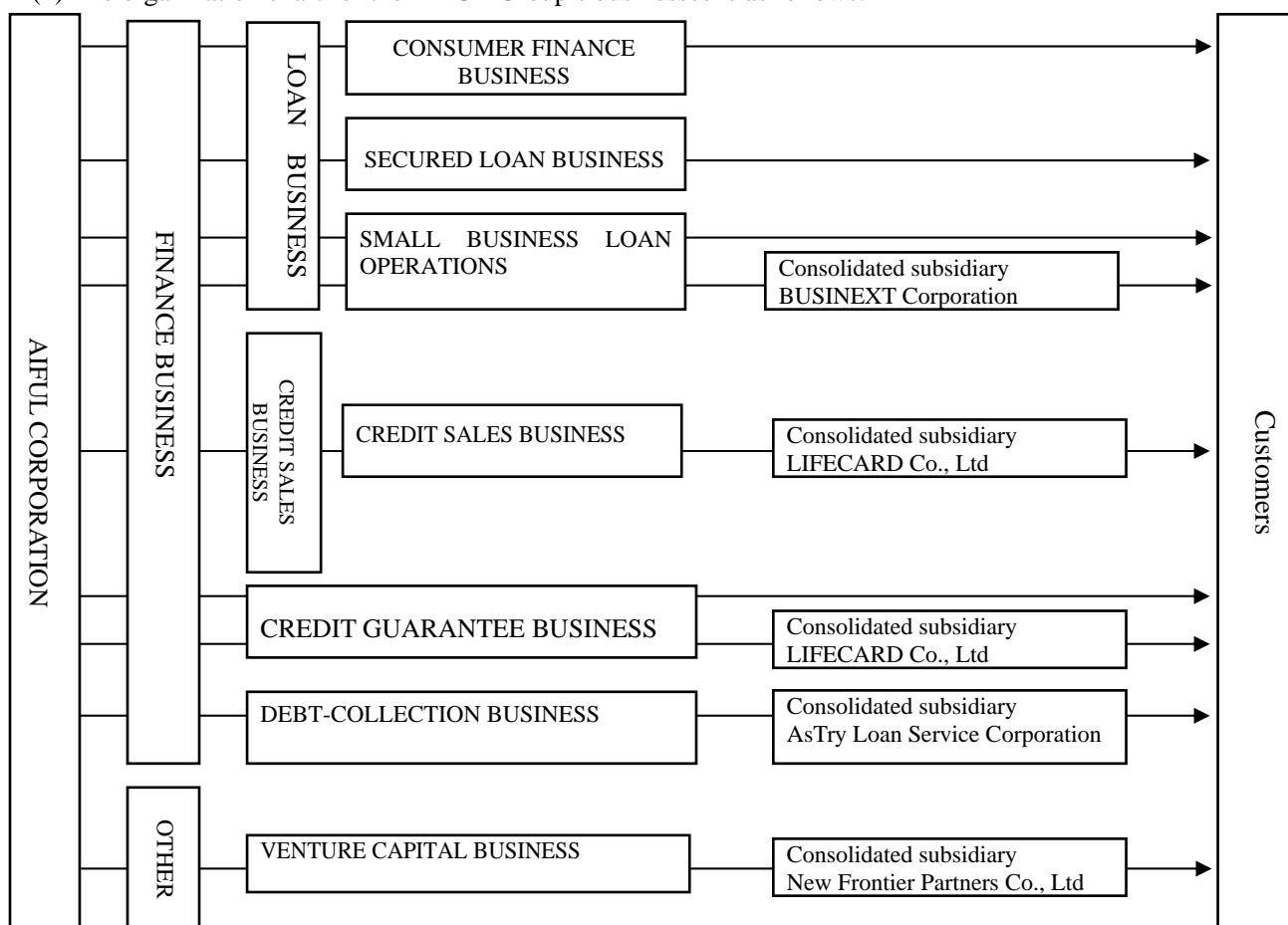
By implementing concrete measures under our New Business Plan, the AIFUL Group believes there is little uncertainty about its ability to continue as a going concern.

## 2. State of the Group

(1) The AIFUL Group is composed of AIFUL Corporation (“the Company”) and four consolidated subsidiaries and 12 non-consolidated subsidiaries. The Group’s main lines of business are consumer finance operations and credit sales. It is also active in the credit guarantee and debt collection and management.

Business Classification		AIFUL & subsidiaries	Business Descriptions	
Finance Business	Loan Business	Consumer finance business	AIFUL Corporation	The Company provides small, unsecured loans for consumers.
		Secured loan business	AIFUL Corporation	The Company and its subsidiaries provide loans secured by real estate.
		Small business loan operations	AIFUL Corporation BUSINEXT Corporation	The Company and its subsidiaries lend to small and other businesses.
	Credit sales business	Credit card shopping	LIFECARD Co.,Ltd	The Company’s subsidiary offer credit card shopping for consumers.
	Credit Guarantee business		AIFUL Corporation LIFECARD Co.,Ltd	Credit guarantee of loans provided by financial institutions.
	Debt-collection business		AsTry Loan Services Corporation	The company specializes in the management and collection of a full range of receivables and loans.
Other	Venture capital business	New Frontier Partners Co., Ltd.	The company assesses, invests in and supports venture companies.	

(2) The organization chart for the AIFUL Group’s businesses is as follows:



Non-consolidated Subsidiary

Company	Business Descriptions
(subsidiary) Sumishin LIFECARD Co., Ltd., 11 others	Credit card business and Credit sales business

(3) Affiliated companies are as follows.

Name	Address	Capital (¥ million)	Main Business	Percentage of Voting Rights Held (%)	Details of Relationship
(Consolidated subsidiaries) BUSINEXT Corporation	Minato-ku, Tokyo	100	Small business loan operations	100.0 (100.0)	Provides debt guarantee No. of concurrent directors... 1
AsTry Loan Services Corporation	Minato-ku, Tokyo	600	Debt-collection business	100.0	Receives financial assistance from AIFUL No. of concurrent directors: 2
New Frontier Partners Co., Ltd.	Minato-ku, Tokyo	10	Venture capital business	100.0	Receives financial assistance from AIFUL No. of concurrent directors: 1
LIFECARD Co.,Ltd <sup>1,4</sup>	Aoba-ku, Yokohama City	100	Credit sales business, Credit guarantee business	100.0	Receives financial assistance from AIFUL No. of concurrent directors: 6

Notes:

1. Qualifies as specified subsidiary.
2. The % figure indicated within the parentheses of the proportion of voting rights owned is included in the proportion of voting rights owned indirectly.
3. This company does not file either securities registration statements or securities financial reports.
4. Regarding LIFECARD Co., Ltd., operating revenue (excluding revenue generated from within the Group) exceeds 10% of consolidated operating revenue.

Major profit/loss report (million yen):

(1) Operating revenue	27,301
(2) Ordinary income	4,621
(3) Net income	3,530
(4) Net assets	35,934
(5) Total assets	177,180

### 3. Management Policies

#### (1) Basic Corporate Management Policies and Target Management Indicators

This section has been omitted as there are no significant changes from the details published in the summary of business results for the year ended March 2014 released on May 13, 2014.

This summary of business results can be viewed at the following URLs.

(AIFUL website)

<http://www.ir-aiful.com/english/finance01.cfm>

(Tokyo Stock Exchange website)

<http://www.tse.or.jp/listing/compsearch/index.html>

#### (2) Company management strategies in the medium-to-long term and issues that need to be tackled

Regarding the business environment in which the Group operates has been steadily moving toward recovery with a continued solid number of new contracts, mainly on the back of aggressive advertising by major players, and with clearer signs of the operating loan balance bottoming out.

Although the industry's biggest risk, interest repayment claims, is steadily trending downwards after hitting a peak, the number of claims has recently continued almost unchanged, leaving the future outlook still unpredictable.

Under such an environment, the Group has repaid a total of 110,391 million yen to creditors, including 16,500 million yen in the consolidated fiscal year under review, based on the approved Business Revitalization Plan of the ADR procedure. The period of the Business Revitalization Plan was completed on July 10, 2014.

Moreover, as for the subject debts of 161,740 million yen as of July 10, 2014, following the gaining of consent from the Participating Creditors, with the partial repayment of the debts, the purchase of the claims for the debts and the swap with corporate bonds, continued financial assistance has been extended for the outstanding debts of 52,700 million yen by revising the repayment schedule.

Going forward, while dealing with the principal management issue of interest repayment claims, the AIFUL Group will steadily carry out the repayment plan set forth in the new business plan. Moreover, the Group will strive to streamline its business efficiency across the Group, work to improve the quality of its credit portfolio by acquiring sound credit, and aim to bolster the top line.

In addition to the aforementioned, the AIFUL Group will strive to further enhance the compliance structure mainly by strengthening its in-house regulatory framework and internal control structures in an effort to comply with all related laws and regulations and appropriately address future changes in its operating environment.

#### 4. Basic approach to selection of accounting standards

In preparation for the pending application to the IFRS, the AIFUL Group is developing internal manuals, guidelines and other documents and examining the timing of the application.



## 5. Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(In millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Assets</b>		
Current assets		
Cash and deposits	66,880	52,590
Operating Loans	321,149	287,650
Installment receivables	85,264	84,332
Operational investment securities	825	688
Customers' liabilities for acceptances and guarantees	102,419	111,472
Other operating receivables	7,126	5,994
Purchased receivables	2,233	2,190
Deferred tax assets	147	140
Other	11,984	13,084
Allowance for investment loss	(18)	(9)
Allowance for doubtful accounts	(69,540)	(48,757)
Total current assets	528,473	509,377
Fixed assets		
Tangible fixed assets		
Buildings and structures	23,287	23,745
Total accumulated depreciation	(16,825)	(16,891)
Net buildings and structures	6,461	6,853
Machinery and equipment	404	392
Total accumulated depreciation	(238)	(244)
Net machinery and equipment	165	147
Furniture and fixtures	7,487	5,991
Total accumulated depreciation	(6,108)	(4,881)
Net furniture and fixtures	1,378	1,110
Land	8,895	8,895
Lease assets	334	553
Total accumulated depreciation	(166)	(13)
Net lease assets	168	539
Construction in progress	39	131
Total tangible fixed assets	17,108	17,678
Intangible fixed assets		
Software	2,953	2,472
Other	103	103
Total intangible fixed assets	3,057	2,575
Investment and other fixed assets		
Investment securities	1,450	5,534
Claims in bankruptcy	36,853	33,983
Lease and guarantee deposits	21,927	20,291
Other	1,459	1,837
Allowance for investment loss	(8)	(4)
Allowance for doubtful accounts	(32,981)	(30,950)
Total investment and other fixed assets	28,700	30,692
Total fixed assets	48,865	50,946
Total assets	577,339	560,323

(In millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
Current liabilities		
Notes & accounts payable-trade	10,261	10,158
Acceptances and guarantees	102,419	111,472
Short-term borrowings	49,250	51,460
Current portion of bonds	—	25,000
Current portion of long-term debt	16,800	7,713
Income taxes payable	619	555
Allowance for bonuses	898	902
Allowance for credit card point redemption	3,200	3,360
Deferred installment income	373	393
Other	8,674	11,854
Total current liabilities	192,498	222,869
Long-term liabilities		
Bonds	25,000	28,800
Long-term debt	162,865	113,982
Deferred tax liabilities	171	225
Allowance for losses on interest repayments	59,881	93,405
Other	3,379	3,566
Total long-term liabilities	251,299	239,978
Total liabilities	443,797	462,848
<b>Net Assets</b>		
Shareholders' equity		
Common stock	143,324	143,401
Capital surplus	164,392	164,469
Retained earnings	(171,652)	(208,152)
Treasury stock	(3,110)	(3,110)
Total shareholders' equity	132,953	96,608
Accumulated other comprehensive income		
Unrealized gain (loss) on available for sale securities	176	128
Total accumulated other comprehensive income	176	128
Stock acquisition rights	412	738
Total net assets	133,541	97,475
Total net assets and liabilities	577,339	560,323

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### i. Consolidated Statements of Income

(In millions of yen)

	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
Operating revenue		
Interest on loans to customers	50,577	43,761
Revenue from Credit card business	13,426	13,548
Revenue from Installment sales finance business	185	128
Revenue from Credit guarantee	7,949	11,381
Other financial revenue	11	14
Other operating revenue		
Collection of purchased receivable	3,011	2,136
Recovery of loans previously charged off	9,663	7,741
Other	7,032	7,638
Total other operating revenue	19,706	17,516
Total operating revenue	91,858	86,352
Operating expenses		
Financial expenses		
Interest expenses	4,700	4,092
Interest on bond	748	2,390
Other	395	2,124
Total financial expenses	5,844	8,606
Cost of sales		
Cost of sales of operational investment securities	80	197
Cost of purchased receivable	2,281	1,534
Total cost of sales	2,361	1,732
Other operating expenses		
Provision for credit card point redemption	2,666	2,863
Commissions	10,467	10,306
Provision for doubtful accounts	10,930	2,234
Provision for losses on interest repayments	1,885	63,733
Employees' salaries and bonuses	9,619	9,546
Provision for bonuses	866	869
Retirement benefit expenses	476	474
Other	24,241	25,546
Total other operating expenses	61,153	115,575
Total operating expenses	69,360	125,914
Operating income(loss)	22,498	(39,562)

(In millions of yen)

	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
Non-operating income		
Foreign exchange income	1,697	2,885
Other	586	248
Total non-operating income	2,283	3,133
Non-operating expenses		
Provision for doubtful accounts	—	41
Other	30	28
Total non-operating expenses	30	70
Ordinary income(loss)	24,752	(36,498)
Extraordinary income		
Gain on sale of investment securities	164	325
Gain on negative goodwill	2,305	—
Gain on loan extinguishment	3,840	320
Other	88	—
Total extraordinary income	6,398	645
Extraordinary losses		
Loss on sale of investment securities	32	—
Business structure improvement cost	9	—
Other	0	—
Total extraordinary losses	42	—
Income(loss) before taxes	31,108	(35,853)
Income taxes-current	764	584
Income taxes-deferred	(117)	61
Total income taxes	646	645
Income(loss) before minority interests	30,461	(36,499)
Net income(loss)	30,461	(36,499)

ii. Consolidated Statements of Comprehensive Income

	(In millions of yen)	
	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
Income(loss) before minority interest	30,461	(36,499)
Other Comprehensive income		
Unrealized gain (loss) on available-for-sale securities	26	(47)
Total other comprehensive income	26	(47)
Comprehensive income	30,488	(36,547)
Comprehensive income attributable to		
Owners of the parent	30,488	(36,547)
Minority interests	—	—

### (3) Consolidated Statements of Change in Shareholders' Equity

For the fiscal year ended March 31, 2014

(In millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2013	143,324	164,392	(202,114)	(3,110)	102,491
Changes during the period					
Issuance of new shares exercise of subscription rights to shares					
Net income(loss)			30,461		30,461
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock		(0)		0	0
Net changes in accounts other than shareholders' equity					
Total change during fiscal year		(0)	30,461	(0)	30,461
Balance at March 31, 2014	143,324	164,392	(171,652)	(3,110)	132,953

	Accumulated other comprehensive income		Stock acquisition rights	Minority interests	Total net assets
	Unrealized gain (loss) on available-for-sale securities	Total			
Balance at April 1, 2013	149	149	61	2,305	105,008
Changes during the period					
Issuance of new shares exercise of subscription rights to shares					
Net income(loss)					30,461
Purchase of treasury stock					(0)
Disposal of treasury stock					0
Net changes in accounts other than shareholders' equity	26	26	350	(2,305)	(1,927)
Total change during fiscal year	26	26	350	(2,305)	28,533
Balance at March 31, 2014	176	176	412	—	133,541

For the fiscal year ended March 31, 2015

(In millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at April 1, 2014	143,324	164,392	(171,652)	(3,110)	132,953
Changes during the period					
Issuance of new shares exercise of subscription rights to shares	77	77			154
Net income(loss)			(36,499)		(36,499)
Purchase of treasury stock				(0)	(0)
Disposal of treasury stock					
Net changes in accounts other than shareholders' equity					
Total change during fiscal year	77	77	(36,499)	(0)	(36,344)
Balance at March 31, 2015	143,401	164,469	(208,152)	(3,110)	96,608

	Accumulated other comprehensive income		Stock acquisition rights	Minority interests	Total net assets
	Unrealized gain (loss) on available-for-sale securities	Total accumulated other comprehensive income			
Balance at April 1, 2014	176	176	412	—	133,541
Changes during the period					
Issuance of new shares exercise of subscription rights to shares					154
Net income(loss)					(36,499)
Purchase of treasury stock					(0)
Disposal of treasury stock					
Net changes in accounts other than shareholders' equity	(47)	(47)	326		278
Total change during fiscal year	(47)	(47)	326		(36,066)
Balance at March 31, 2015	128	128	738	—	97,475

## (4) Consolidated Statements of Cash Flows

(In millions of yen)

	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
Cash flow from operating activities		
Net income(loss) before taxes	31,108	(35,853)
Depreciation and amortization	3,761	2,753
Amortization of negative goodwill	(2,523)	—
Gain on loan extinguishment	(3,840)	(320)
Increase (decrease) in allowance for investment loss	(7)	(13)
Increase (decrease) in allowance for doubtful accounts	(16,905)	(22,814)
Increase (decrease) in allowance for accrued bonuses	(3)	3
Increase (decrease) in allowance for credit card point redemption	370	160
Increase (decrease) in allowance for losses on interest repayments	(31,539)	33,523
Interest and dividends income	(24)	(43)
Loss (gain) on sales of investment securities	(131)	(325)
Decrease (increase) in loans to customers	69,485	33,499
Decrease (increase) in installment receivables	(1,378)	931
Decrease (increase) in other operating receivables	(55)	1,131
Decrease (increase) in purchased receivables	909	43
Decrease (increase) in claims in bankruptcy	2,978	2,869
Decrease (increase) in business security deposits	(1,837)	1,707
Decrease (increase) in other current assets	5,619	(1,346)
Increase (decrease) in other current liabilities	33	3,083
Other	428	(135)
Subtotal	56,447	18,855
Interest and dividends income	24	43
Income taxes-refund	71	369
Income taxes-paid	(1,476)	(764)
Cash flow from operating activities	55,066	18,503
Cash flow from investing activities		
Purchase of tangible fixed assets	(621)	(1,405)
Proceeds from sales of tangible fixed assets	1,269	141
Purchase of intangible fixed assets	(650)	(813)
Purchase of investment securities	(1)	(4,386)
Proceeds from sales of investment securities	667	375
Other	860	(296)
Cash flow from investing activities	1,524	(6,385)



(In millions of yen)

	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
Cash flow from financing activities		
Proceeds from short-term borrowings	542,310	611,820
Repayment of short-term borrowings	(533,960)	(609,610)
Proceeds from long-term debt	1,500	68,100
Repayments of long-term debt	(51,744)	(125,751)
Proceeds from issuance of bonds	—	28,800
Redemption of bonds	(8,700)	—
Proceeds from issuance of common stock	—	104
Purchase of treasury stock	(0)	(0)
Proceeds from disposal of treasury stock	0	—
Other	(359)	(52)
Cash flow from financing activities	(50,954)	(26,588)
Effect of exchange rate changes on cash and cash equivalents	41	179
Increase (decrease) in cash and cash equivalents	5,678	(14,290)
Balance of cash and cash equivalents at the beginning of the year	61,198	66,876
Balance of cash and cash equivalents at the end of the year	66,876	52,586

(5) Notes to Consolidated Financial Statements

(Notes on premise of going concern)

Fiscal year under review (April 1, 2014 to March 31, 2015): None

(Significant Items Forming the Basis for the Preparation of the Consolidated Financial Statements)

Item	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
4. Accounting principles used for standard accounting treatment	Method and period of amortization of goodwill Negative goodwill before March 31, 2010 is amortized equally over 10 years.	_____

Note: With the exception of the above-described items, there have been no significant changes since those listed in the most recent financial report (submitted June 27, 2014). Accordingly, no mention is made of them.

(Changes in disclosure method)

(Consolidated Statements of Income)

For the “Interest expense” (0 million yen in the fiscal year under review) that was presented as a separate item until the previous fiscal year, has been included under “Other” in “Non-operating expenses” in the fiscal year under review as its total amount has become less than 10% of total non-operating expenses. To reflect this change in presentation, the consolidated financial statements for the last consolidated fiscal year have been reclassified.

As a result, “Interest expense” of 3 million yen that was posted in consolidated statements of income for the previous fiscal year are reclassified into “Other” of 30 million yen in “Non-operating expenses”.

In the last consolidated fiscal year, the “Other” item of “Extraordinary income” included “Gain on sale of investment securities” but, as this item has exceeded 10% of total Non-operating expenses, from the consolidated fiscal year under review, it has been noted independently. To reflect this change in presentation, the consolidated financial statements for the last consolidated fiscal year have been reclassified.

As a result, the consolidated statements of income for the last consolidated fiscal year has been reclassified so that the 253 million yen presented as the “Other” item of “Extraordinary income” is recalculated into “Gain on sale of investment securities” 164 million yen and “Other” 88 million yen.

(Consolidated Statements of Cash Flows)

In the last consolidated fiscal year, “Purchase of investment securities” which was included in the “Other” item of “Cash flow from investing activities” has increased in importance and so is noted independently. To reflect this change in presentation, the consolidated financial statements for the last consolidated fiscal year have been reclassified.

As a result, the Consolidated Statements of Cash Flow have been reclassified so that in “Cash flow from investing activities” the -859 million yen presented as “Other” was reclassified into -1 million yen of “Purchase of investment securities” and 860 million yen of “Other”.

(Notes to Consolidated Balance Sheets)

\*1. An increase of ¥18,693 million (includes ¥13,900 million in recognized evaluation differences for shares of subsidiaries during the process of capital consolidation) in capital reserves resulting from a simple exchange of shares is included under capital surplus.

\*2. Assets pledged as collateral and corresponding liabilities

For the fiscal year ended March 31, 2014		For the fiscal year ended March 31, 2015	
(1) Assets pledged as collateral		(1) Assets pledged as collateral	
	(million yen)		(million yen)
Operating loans	223,554	Operating loans	225,453
Installment receivables	89,122	Installment receivables	64,439
Other operating receivables	77	Other operating receivables	47
Buildings and structures	4,803	Buildings and structures	4,763
Machinery and equipment	90	Machinery and equipment	86
Land	8,523	Land	8,523
Total	326,170	Total	303,313
(2) Corresponding liabilities		(2) Corresponding liabilities	
	(million yen)		(million yen)
Short-term borrowings	49,250	35,000 Short-term borrowings	51,460
Current portion of long-term debt	16,800	19,862 Current portion of long-term debt	6,445
Long-term debt	162,865	178,241 Long-term debt	111,250
Total	228,916	Total	169,155

i ) Parts of operating loans and installment receivables are amounts at the time of registration of the transfer of receivables.

i ) The amounts above at the end of the fiscal year under review include amounts associated with the securitization of receivables (operating loans of 14,895 million yen and short-term borrowings of 3,000 million yen).

ii ) Parts of operating loans and installment receivables are amounts at the time of registration of the transfer of receivables.

\*3. Unsecured personal loans included in operating receivables

For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
¥261,221 million	¥236,869 million

\*4. Shares of non-consolidated subsidiaries and affiliated companies and other securities issued by non-consolidated subsidiaries and affiliated companies included in investment securities

For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
¥671 million	¥3,856 million

\*5. Installment receivables

For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015	
	(million yen)	(million yen)
Revenue from Credit card business	84,381	83,680
Installment sales finance	882	651
Total	85,264	84,332

\*6. Deferred installment income

For the fiscal year ended March 31, 2014					For the fiscal year ended March 31, 2015				
(million yen)					(million yen)				
	Balance at the end of Mar, 2013	Current fiscal year receipts	Actual current fiscal year balance	Balance at end of Mar, 2014		Balance at the end of Mar, 2014	Current fiscal year receipts	Actual current fiscal year balance	Balance at end of Mar, 2015
Credit card shopping	398	13,163	13,220	340 (35)	Credit card shopping	340	13,323	13,297	366 (37)
Installment sales finance	8	-0	7	0 (0)	Installment sales finance	0	-0	0	0 (—)
Credit guarantee	39	1,344	1,351	32 (—)	Credit guarantee	32	1,279	1,285	26 (—)
Loans	—	8,598	8,598	— (—)	Loans	—	7,311	7,311	— (—)
Total	446	23,105	23,178	373 (35)	Total	373	21,915	21,895	393 (37)

Note: Figures in parenthesis indicate member store commissions

\*7. Securitization of claims removed from the balance sheet

For the fiscal year ended March 31, 2014		For the fiscal year ended March 31, 2015	
Operating loans outstanding	¥26,860 million		¥62,367 million

\*8. Non-performing loans

Non-performing loans (NPL) from out of operating loans and claims in bankruptcy are as follows

For the fiscal year ended March 31, 2014				For the fiscal year ended March 31, 2015			
(million yen)				(million yen)			
	Unsecured loans	Other than unsecured loans	Total		Unsecured loans	Other than unsecured loans	Total
Loans in legal bankruptcy	171	34,963	35,134	Loans in legal bankruptcy	243	32,665	32,908
Nonaccrual loans	12,167	15,121	27,289	Nonaccrual loans	12,236	11,582	23,819
Loans in 3-months+ in arrears	1,741	703	2,445	Loans in 3-months+ in arrears	2,517	311	2,829
Restructured loans	11,278	3,074	14,352	Restructured loans	8,724	2,136	10,861
Total	25,359	53,863	79,222	Total	23,721	46,697	70,418

The loan categories in the table above are as follows.

(Loans in legal bankruptcy)

Loans in legal bankruptcy are loans in which payment of principal or interest remain past due for a considerable period and accruals of interest are discontinued, with the conditions stipulated under (a) through (e) of sub-paragraph 3, paragraph 1, Article 96 or sub-paragraph 4 of the same paragraph of the Corporation Tax Law Enforcement Ordinance (Enforcement Ordinance No. 97 of 1965) arise. Allowances for claims in bankruptcy are stated at such amount less net realizable value of collateral.

(Nonaccrual loans)

Nonaccrual loans are loans in which accruals of interest is discontinued, other than loans in legal bankruptcy, as well as loans receiving regular payments in the case of granting deferral of interest payment to the debtors in financial difficulties to assist them in their recovery.

(Loans three months or more in arrears)

Loans three months or more in arrears are loans for which payments of principal or interest have not been received for a period of three months or more beginning with the next business day following the last due date for such payments. Loans classified as loans in legal bankruptcy and nonaccrual loans are excluded from loans three months or more in arrears.

(Restructured loans)

Restructured loans are loans on which creditors grant concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, waiver of the face amount, or other concessive measures) to the debtors in financial difficulties to assist them in their recovery and eventually enable them to pay creditors. Loans classified as loans in legal bankruptcy, nonaccrual loans and loans three months or more in arrears are excluded.

\*9. Loan commitments related to operating loans

(Previous fiscal year)

Of operating loans including off-balance sheet loans resulting from securitization, 267,678 million yen is loans under revolving credit agreements. Under revolving credit agreements, customers may get additional loans up to a specified maximum amount that does not exceed an amount requested by them.

Outstanding loan commitments under revolving credit agreements were 682,314 million yen (including 8,716 million yen under secured revolving credit agreements and revolving credit agreements with businesses).

The Group reviews revolving credit agreements and takes steps to preserve credit after the conclusion of revolving credit agreements if it considers that taking steps are necessary due to changes in customers' credit standing and other reasons.

Outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments and who have not requested any loans after the conclusion of credit agreements. Many revolving credit agreements expire with no loans being given. Outstanding loan commitments themselves therefore do not necessarily affect the Group's future cash flows.

(Fiscal year under review)

Of operating loans including off-balance sheet loans resulting from securitization, 268,315 million yen is loans under revolving credit agreements. Under revolving credit agreements, customers may get additional loans up to a specified maximum amount that does not exceed an amount requested by them.

Outstanding loan commitments under revolving credit agreements were 697,572 million yen (including 8,521 million yen under secured revolving credit agreements and revolving credit agreements with businesses).

The Group reviews revolving credit agreements and takes steps to preserve credit after the conclusion of revolving credit agreements if it considers that taking steps are necessary due to changes in customers' credit standing and other reasons.

The outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments and who have not requested any loans after the conclusion of credit agreements. Many revolving credit agreements expire with no loans being given. Outstanding loan commitments themselves therefore do not necessarily affect the Group's future cash flows.

\*10. Of the allowances for doubtful accounts, following amount in estimated interest repayment is expected to have priority application in operating loans.

For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
¥35,290 million	¥17,388 million

(Notes to Consolidated Statements of Comprehensive Income)

\*1 Reclassification adjustment and the related tax effects pertaining to Other comprehensive income

	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
Unrealized gain (loss) on available for sale securities		(million yen)
Amount accrued this fiscal year	311	307
Reclassification adjustment amount	(292)	(355)
Pre-adjustment for tax effects	19	(48)
Amount of tax effect	7	0
Other unrealized gain (loss) on available for sale securities	26	(47)
Total other comprehensive income	26	(47)

(Notes to Consolidated Statements of Change in Shareholders' Equity)

For the fiscal year ended March 31, 2014

1. Matters pertaining to class and number of issued shares and class and number of treasury stock

	No. of shares at end of previous consolidated fiscal year	Increase in no. of shares during current fiscal year	Decrease in no. of shares during current fiscal year	No. of shares at end of current fiscal year
No. of issued shares				
Common stock	240,933,918	240,933,918	–	481,867,836
Total	240,933,918	240,933,918	–	481,867,836
Treasury stock				
Common stock *	457,966	458,607	5	916,568
Total	457,966	458,607	5	916,568

Note. 1. The Company implemented a stock split of 2 shares for each 1 share of common stock on October 1, 2013. Accordingly, the number of common stocks issued increased to 240,933,918 while the number of common stocks held as treasury stock rose to 458,051.

2. The increase of 556 common stocks held as treasury stock is due to the purchase of odd lot shares. The decrease of 5 common stocks held as treasury stock is due to the sale of odd lot shares.

2. Matters pertaining to new stock acquisition rights

Category	Breakdown of new stock acquisition rights	Class of shares to be issued or transferred upon exercise of new stock acquisition rights	Number of shares to be issued or transferred upon exercise of new stock acquisition rights				New stock acquisition rights outstanding as of March 31, 2014 (millions of yen)
			End of previous fiscal year	Increase	Decrease	End of fiscal year under review	
Submitting company	New stock acquisition rights issued as stock options in 2010	-	- (-)	- (-)	- (-)	- (-)	81 (41)
Submitting company	New stock acquisition rights issued as stock options in 2013	-	- (-)	- (-)	- (-)	- (-)	331 (3)
Total			- (-)	- (-)	- (-)	- (-)	412 (45)

Note: 1. The first day of the exercise period for the new stock acquisition rights has yet to arrive.

2. Treasury stock acquisition rights are indicated outside within parentheses.

3. Matters pertaining to dividends

No relevant matters

For the fiscal year ended March 31, 2015

1. Matters pertaining to class and number of issued shares and class and number of treasury stock

	No. of shares at end of previous consolidated fiscal year	Increase in no. of shares during current fiscal year	Decrease in no. of shares during current fiscal year	No. of shares at end of current fiscal year
No. of issued shares				
Common stock	481,867,836	1,638,700	–	483,506,536
Total	481,867,836	1,638,700	–	483,506,536
Treasury stock				
Common stock *	916,568	154	–	916,722
Total	916,568	154	–	916,722

Note. 1. The increase of 1,638,700 issued shares of common stock is due to the exercise of new stock acquisition rights.

2. The increase of 154 common stocks held as treasury stock is due to the purchase of odd lot shares.

## 2. Matters pertaining to new stock acquisition rights

Category	Breakdown of new stock acquisition rights	Class of shares to be issued or transferred upon exercise of new stock acquisition rights	Number of shares to be issued or transferred upon exercise of new stock acquisition rights				New stock acquisition rights outstanding as of March 31, 2015 (million yen)
			End of previous fiscal year	Increase	Decrease	End of fiscal year under review	
Submitting company	New stock acquisition rights issued as stock options in 2010	-	- (-)	2,858,900 (2,000)	1,638,700 (-)	1,220,200 (2,000)	37 (0)
Submitting company	New stock acquisition rights issued as stock options in 2013	-	- (-)	- (-)	- (-)	- (-)	701 (24)
Total			- (-)	2,858,900 (2,000)	1,638,700 (-)	1,220,200 (2,000)	738 (24)

Note: 1. The first day of the exercise period for the new stock acquisition rights issued as stock options in 2013 has yet to arrive.

2. Treasury stock acquisition rights are indicated outside within parentheses.

3. Reasons of changes in the number of shares to be issued or transferred upon exercise of new stock acquisition rights  
The decrease of 1,638,700 in the number of shares to be issued or transferred upon exercise of new stock acquisition rights issued as stock options in 2010 is due to the exercise of new stock acquisition rights. An increase of 2,000 in the number of shares to be issued or transferred upon exercise of new stock acquisition rights is attributable to the acquisition of treasury stock acquisition rights.

## 3. Matters pertaining to dividends

No relevant matters

### (Notes to Consolidated Statements of Cash Flows)

\*1. Connection between balance of cash and cash equivalents at the end of the consolidated fiscal year and the amount of items recorded in the consolidated balance sheets

	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
Cash and deposits	66,880 million	52,590 million
Time deposits with maturities exceeding three months	-3 million	-3 million
Cash and cash equivalents	66,876 million	52,586 million

### (Notes to Financial Instruments)

For fiscal year ended March 31, 2014

#### 1. Notes Pertaining to Financial Instruments

##### (1) Policy for Dealing in Financial Instruments

The primary business of the AIFUL Group is finance, and the Group engages in the consumer finance, real estate secured loan, business loan, installment sales, credit guarantee and claim management and collection businesses. In order to engage in these businesses, the AIFUL Group raises funds from Japan and overseas, procuring funds directly through bonds in addition to indirect procurement based on borrowing from banks, all the while making adjustments for market conditions and maintaining a balance between long-term and short-term borrowing. This fund raising involves financial liabilities accompanying fluctuations in interest, and the AIFUL Group engages in derivative transactions to avoid the disadvantageous effects of fluctuations in interest. When engaging in derivative transactions, such transactions are, as a rule, limited to actual requirements. The AIFUL Group does not engage in individual derivative transactions for the purpose of obtaining short-term gains on sales and purchases.

## (2) Details and Risks of Financial Instruments

The financial assets owned by the AIFUL Group are primarily the operating loans and installment receivables of domestic individuals and corporations, and they are exposed to the risk of nonperformance of contract by customers. In addition, the Group also holds operational investment securities and investment securities, which are primarily shares and investments in anonymous associations, for the purpose of business promotion. This assets involves the risk of fluctuation in market prices.

The AIFUL Group primarily raise funds by loans and bonds. These liabilities are subject to liquidity risk involving the inability to make payments on the due date in the event that the Group is unable to utilize the market under certain circumstances. In addition, the AIFUL Group also raises funds that include floating interest rates which is subject to the risk of fluctuations in interest rates.

Derivative transactions include interest caps that are excluded from the application of hedge accounting. These derivative transactions involve fluctuations in interest rates and counterparty risk.

## (3) Risk Management System for Financial Instruments

### a. Credit Risk Management

AIFUL and its Group companies manage credit risk in accordance with the Company's management regulations. The Company has established credit management structures for operating loans, installment receivables and customers' liabilities for acceptance and guarantee, its primary financial assets, that include credit screening based on data from credit bureaus and the Group's own credit systems, the adjustment of credit limits, and the setting of guarantees and collateral. Moreover, the AIFUL Group manages the credit risk of issuers of negotiable securities through regular assessment of credit data and market prices.

The AIFUL Group contracts with reliable domestic and overseas leading financial institutions that have a low credit risk when assessing counterparty risk for derivative transactions. Each department in charge carries out assessments, analysis, and investigates countermeasures in the management of credit risk, reporting to the board of directors when appropriate.

### b. Market Risk Management

#### (i) Management of Interest and Exchange Rate Risk

The AIFUL Group manages interest rate risk based on the *Risk Management Manual* formulated with the approval of the Risk Management Committee, which reports directly to the board of directors. The Finance Department reports such risks to the Internal Control Office, which assesses the risks, examines the appropriateness and suitability of countermeasures, and reports the board of directors when appropriate. The AIFUL Group uses interest cap to hedge against the risk of fluctuation in interest rates.

#### (ii) Management of Price Fluctuation Risk

Many of the shares owned by the AIFUL Group are held for the purpose of business promotion, including operational and capital tie-ups, and the department responsible monitors the market environment and financial position of the business partner and examines countermeasures, reporting to the board of directors when appropriate.

The AIFUL Group does not hold financial instruments for trading purposes.

#### (iii) Derivative Transactions

The AIFUL Group manages derivative transactions in accordance with the Company's management regulations.

The Group implements an internal checking system in which each department that executes transactions evaluates the effectiveness of hedging, conducts the proper administrative management, and reports to the Accounting Department.

#### (iv) Quantitative information about market risk

The AIFUL Group does not perform a quantitative analysis of market risk.

#### (Interest rate risk)

The Group's main financial products whose fair value fluctuates due to the important risk variable of fluctuations in interest rates are commercial loans receivable, accounts receivable-instalment, loans payable and corporate bonds. The Group does not disclose increases or decreases in fair value at the balance sheet date using reasonable assumptions of fluctuations in the risk variable or other related information, because it is unable to provide a reasonable estimate based on risk variable fluctuations for corporate bonds, and because it is unable to provide a reasonable estimate based on risk variable fluctuations for loans payable that fall within



the scope of financial assistance under the business revitalization ADR process, which account for the majority of loans payable.

c. Management of Liquidity Risk Related to Fund Raising

The AIFUL Group manages liquidity risk by implementing timely management of the Group's overall funds in addition to diversifying fund raising methods and adjusting the balance of short-term and long-term fund raising, taking account of the market environment.

(4) Supplementary Information on Notes Concerning Fair value of Financial Instruments

The fair value of financial instruments includes a value based on the market price and a value calculated rationally when there is no market price. The AIFUL Group adopts certain assumptions in the calculation of the relevant value, so the relevant value may vary when different assumptions are used.

2. Notes Concerning the Fair value of Financial Instruments

The value on the consolidated balance sheets as of March 31, 2014, the fair value and the difference between these two values is as follows. Financial instruments for which it is extremely difficult to obtain a fair value are not included. (See Note 2)

(Million yen)	Value on the Consolidated Balance Sheets	Fair value	Difference
(1) Cash and cash equivalents	66,880	66,880	—
(2) Loans	321,149		
Allowance for doubtful account and allowance for losses on interest repayments <sup>1</sup>	(56,541)		
	264,608	317,142	52,534
(3) Installment receivables	85,264		
Deferred installment income <sup>2</sup>	(305)		
Allowance for doubtful account <sup>3</sup>	(4,946)		
	80,011	81,120	1,108
(4) Operational investment securities and investment securities	311	311	—
(5) Claims in bankruptcy	36,853		
Allowance for doubtful account <sup>3</sup>	(32,885)		
	3,968	3,968	—
Total assets	415,781	469,423	53,642
(1) Short-term borrowings	49,250	49,250	—
(2) Bonds	25,000	24,302	(697)
(3) Long term debt <sup>4</sup>	1,425	1,425	—
Total liabilities	75,675	74,977	(697)
Derivative transactions			
(1) Transactions to which hedge accounting is applied	—	—	—
(2) Transactions to which hedge accounting is not applied	—	—	—
Total derivative transactions	—	—	—

Note:1. Excludes the amount of estimated allowance for doubtful account and allowance for losses on interest repayments expected to be preferentially allocated to operating loans.

2. Excludes deferred gain on installment sales (liabilities).

3. Excludes respective allowance for doubtful account corresponding to installment receivables and claims in bankruptcy.

4. Excludes debts covered by financial assistance under the ADR process.

\*Notes on the Method of Computation of Fair value for Financial Instruments

**Assets**

(1) Cash and deposits

As all deposits are short term, the fair value is very similar to the book value, so fair value is computed based on the relevant book value.

(2) Loans

Fair value of loans is computed based on the present value of the amount of principal and interest forecast to be received reflecting the possibility of recovery minus the amount of forecast collection expenses discounted by the stable interest rate corresponding to the remaining period of the loan.

- (3) **Installment receivables**  
Fair value of credit card shopping is very similar to the book value and is computed based on the book value, as lump sum payments in the following month account for the majority of credit card shopping. The fair value for per-item credit is computed based on the present value of the amount of principal and commissions forecast to be received reflecting the possibility of recovery minus the amount of forecast collection expenses discounted by the stable interest rate corresponding to the remaining period of the loan.
- (4) **Operational investment securities and investment securities**  
The fair value of stocks and securities are based on quoted market price.
- (5) **Claims in bankruptcy**  
For claims in bankruptcy, the estimated amount of Non Performing Loans is computed based on the amount expected to be recovered from security. Therefore, the fair value is very similar to the amount calculated by subtracting the current estimated amount of Non Performing Loans from the amount on the balance sheet on the consolidated settlement date, and the fair value of Non Performing Loans is computed based on the relevant value.

### **Liabilities**

- (1) **Short-term borrowings**  
As short-term debts will be settled in the near future, the fair value is very similar to the book value and is computed based on the relevant book value.
- (2) **Bonds**  
The fair value of the bonds that the Company issues is computed based on the market price for bonds that have a market price. For bonds without a market price, the fair value is computed based on the amount of total principal and interest discounted by an interest rate calculated from remaining period of the relevant bonds and the credit risk.
- (3) **Long term debt**  
Of the long-term debts for which a fair value is computed, the fair value of long-term debts due within one year is very similar to the book value and is computed based on the relevant book value. Other debt is recorded at the relevant book value because the fair value is considered to be similar to the book value for debt with floating interest rates which reflect the market rate in the short term. In addition, the debt is the borrowing of subsidiaries and the financial position of the relevant subsidiary does not change significantly following execution of borrowing.

### **Derivatives**

All derivatives are off-market transactions, so the fair value is computed based on the price indicated by the partner financial institution.

## **2. Financial Instruments for Which It Is Extremely Difficult to Obtain a Fair value**

(million yen)	
Category	Value on the Consolidated Balance Sheets
Operational investment securities and investment securities <sup>1</sup>	
(1) Unlisted shares	1,692
(2) Investments in investment associations, etc.	271
Long term debts <sup>2</sup>	178,241
Total	180,205

As it is extremely difficult to obtain a fair value for these financial instruments, they were not included in Assets (4) Operational investment securities and investment securities and Liabilities (3) Long-term debts.

Notes: 1. As there is no market price for unlisted shares, it is extremely difficult to obtain a fair value, and they are not covered by disclosure of fair value.

2. AIFUL and some of its subsidiaries are receiving financial assistance under the ADR process. The details of the rescheduling under the financial assistance are that partial repayment will be made by June 13, 2014, and that debts remaining after this will be refinanced no later than July 10, 2014 or a proposal will be made to the Participating Creditors by this date regarding the method of repayment and agreement reached.

In light of this, there is a high level of uncertainty in the estimated future repayment plans for long-term debts that are covered by the financial assistance as well as an increase in credit risk and a prolonged collection period. This has a substantial impact on the discounted fair value. As it is not possible to rationally calculate the fair value, these long-term debts are not covered by the disclosure of fair value.

### 3. Scheduled Repayment Amounts of Money Claims and securities with contractual maturity after Consolidated Settlement Date

(million yen)

Category	Within One Year	More Than One Year and Within Five Years	More Than Five Years
Cash and deposits	66,880	—	—
Loans	131,696	176,910	12,542
Installment receivables	82,131	3,132	0
Total	280,708	180,043	12,542

Note: ¥36,853 million for which the amount of scheduled repayments is not expected, including claims in bankruptcy, is not included in loans.

### 4. Scheduled Repayment of Bonds, Long-Term Debt and Other Interest Bearing Debt after the Consolidated Settlement Date

(million yen)

Category	Within One Year	More Than One Year and Within Two Years	More Than Two Years and Within Three Years	More Than Three Years and Within Four Years	More Than Four Years and Within Five Years
Bonds	—	25,000	—	—	—
Finance lease claims	37	—	—	—	—
Long term debts	300	300	300	300	225
Long term debts <sup>1</sup>	16,500	—	—	—	—
Total	16,837	25,300	300	300	225

Note: 1. AIFUL and certain of its subsidiaries are receiving financial assistance under the Business Revitalization Plan. At a meeting of creditors held on June 13, 2014, it was determined that part of the remaining debt, ¥161,740 million, will be repaid and financial assistance will continue. Repayment schedules and methods for part of the remaining debt, including debt covered by financial assistance, have yet to be determined. The table above shows only amounts to be repaid for which a scheduled repayment date has been set in the Business Revitalization Plan as of the end of the fiscal year under review.

For fiscal year ended March 31, 2015

#### 1. Notes Pertaining to Financial Instruments

##### (1) Policy for Dealing in Financial Instruments

The primary business of the AIFUL Group is finance, and the Group engages in the consumer finance, real estate secured loan, business loan, installment sales, credit guarantee and claim management and collection businesses. In order to engage in these businesses, the AIFUL Group raises funds from Japan and overseas, procuring funds directly through bonds in addition to indirect procurement based on borrowing from banks, all the while making adjustments for market conditions and maintaining a balance between long-term and short-term borrowing.

##### (2) Details and Risks of Financial Instruments

The financial assets owned by the AIFUL Group are primarily the operating loans and installment receivables of domestic individuals and corporations, and they are exposed to the risk of nonperformance of contract by customers. In addition, the Group also holds operational investment securities and investment securities, which are primarily shares and investments in anonymous associations, for the purpose of business promotion. This assets involves the risk of fluctuation in market prices.

The AIFUL Group primarily raise funds by loans and bonds. These liabilities are subject to liquidity risk involving the inability to make payments on the due date in the event that the Group is unable to utilize the market under certain circumstances. In addition, the AIFUL Group also raises funds that include floating interest rates which is subject to the risk of fluctuations in interest rates.

### (3) Risk Management System for Financial Instruments

#### a. Credit Risk Management

AIFUL and its Group companies manage credit risk in accordance with the Company's management regulations. The Company has established credit management structures for operating loans, installment receivables and customers' liabilities for acceptance and guarantee, its primary financial assets, that include credit screening based on data from credit bureaus and the Group's own credit systems, the adjustment of credit limits, and the setting of guarantees and collateral. Moreover, the AIFUL Group manages the credit risk of issuers of negotiable securities through regular assessment of credit data and market prices.

Each department in charge carries out assessments, analysis, and investigates countermeasures in the management of credit risk, reporting to the board of directors when appropriate.

#### b. Market Risk Management

##### (i) Management of Interest and Exchange Rate Risk

The AIFUL Group manages interest rate risk based on the *Risk Management Manual* formulated with the approval of the Risk Management Committee, which reports directly to the board of directors. The Finance Department reports such risks to the Internal Control Office, which assesses the risks, examines the appropriateness and suitability of countermeasures, and reports the board of directors when appropriate.

##### (ii) Management of Price Fluctuation Risk

Many of the shares owned by the AIFUL Group are held for the purpose of business promotion, including operational and capital tie-ups, and the department responsible monitors the market environment and financial position of the business partner and examines countermeasures, reporting to the board of directors when appropriate.

The AIFUL Group does not hold financial instruments for trading purposes.

##### (iii) Quantitative information about market risk

The AIFUL Group does not perform a quantitative analysis of market risk.

##### (Interest rate risk)

The Group's main financial products whose fair value fluctuates due to the important risk variable of fluctuations in interest rates are commercial loans receivable, accounts receivable-installment, loans payable and corporate bonds. The Group does not disclose increases or decreases in the fair value of corporate bonds at the balance sheet date using reasonable assumptions of fluctuations in the risk variable or other related information, because it is unable to provide a reasonable estimate based on risk variable fluctuations for corporate bonds, and because it is unable to provide a reasonable estimate based on risk variable fluctuations for loans payable for which the Group continues to receive financial assistance after the expiration of the Business Revitalization Plan.

#### c. Management of Liquidity Risk Related to Fund Raising

The AIFUL Group manages liquidity risk by implementing timely management of the Group's overall funds in addition to diversifying fund raising methods and adjusting the balance of short-term and long-term fund raising, taking account of the market environment.

### (4) Supplementary Information on Notes Concerning Fair value of Financial Instruments

The fair value of financial instruments includes a value based on the market price and a value calculated rationally when there is no market price. The AIFUL Group adopts certain assumptions in the calculation of the relevant value, so the relevant value may vary when different assumptions are used.

## 2. Notes Concerning the Fair value of Financial Instruments

The value on the consolidated balance sheets as of March 31, 2015, the fair value and the difference between these two values is as follows. Financial instruments for which it is extremely difficult to obtain a fair value are not included. (See Note 2)

(million yen)	Value on the Consolidated Balance Sheets	Fair value	Difference
(1) Cash and cash equivalents	52,590	52,590	—
(2) Loans	287,650		
Allowance for doubtful account and allowance for losses on interest repayments <sup>1</sup>	(37,011)		
	250,639	298,810	48,171
(3) Installment receivables	84,332		
Deferred installment income <sup>2</sup>	(326)		
Allowance for doubtful account <sup>3</sup>	(4,691)		
	79,315	80,919	1,604
(4) Operational investment securities and investment securities	1,352	1,352	—
(5) Claims in bankruptcy	33,983		
Allowance for doubtful account <sup>3</sup>	(30,820)		
	3,163	3,163	—
<b>Total assets</b>	<b>387,060</b>	<b>436,836</b>	<b>49,776</b>
(1) Short-term borrowings	51,460	51,460	—
(2) Bonds	53,800	53,800	—
(3) Long term debt <sup>4</sup>	68,995	68,975	(19)
<b>Total liabilities</b>	<b>174,255</b>	<b>174,235</b>	<b>(19)</b>

Note:1. Excludes the amount of estimated allowance for doubtful account and allowance for losses on interest repayments expected to be preferentially allocated to operating loans.

2. Excludes deferred gain on installment sales (liabilities).

3. Excludes respective allowance for doubtful account corresponding to installment receivables and claims in bankruptcy.

4. Excludes long term debt for which the Group continues to receive financial assistance after the expiration of the Business Revitalization Plan.

**\*Notes on the Method of Computation of Fair value for Financial Instruments**

**Assets**

(1) Cash and deposits

As all deposits are short term, the fair value is very similar to the book value, so fair value is computed based on the relevant book value.

(2) Loans

Fair value of loans is computed based on the present value of the amount of principal and interest forecast to be received reflecting the possibility of recovery minus the amount of forecast collection expenses discounted by the stable interest rate corresponding to the remaining period of the loan.

(3) Installment receivables

Fair value of credit card shopping is very similar to the book value and is computed based on the book value, as lump sum payments in the following month account for the majority of credit card shopping. The fair value for per-item credit is computed based on the present value of the amount of principal and commissions forecast to be received reflecting the possibility of recovery minus the amount of forecast collection expenses discounted by the stable interest rate corresponding to the remaining period of the loan.

(4) Operational investment securities and investment securities

Fair value of stocks and securities are based on quoted market price.

(5) Claims in bankruptcy

For claims in bankruptcy, the estimated amount of Non Performing Loans is computed based on the amount expected to be recovered from security. Therefore, the fair value is very similar to the amount calculated by subtracting the current estimated amount of Non Performing Loans from the amount on the balance sheet on the consolidated settlement date, and the fair value of Non Performing Loans is computed based on the relevant value.

## Liabilities

(1) Short-term borrowings

As short-term debts will be settled in the near future, the fair value is very similar to the book value and is computed based on the relevant book value.

(2) Bonds

Of the bonds for which a fair value is computed, the fair value of bonds due within one year is very similar to the book value and is computed based on the book value. The other bonds were issued in the fiscal year under review, and their credit risk is reflected in their contract interest rate. Their fair value is computed based on the present value of the total amount of principal and interest discounted using the remaining period and contract interest rate.

(3) Long term debt

Of the long-term debts for which a fair value is computed, the fair value of long-term debts due within one year is very similar to the book value and is computed based on the relevant book value. Of the other long-term debt, the fair value of fixed-rate debt is their present value, that is, the total amount of their principal and interest discounted using an interest rate assumed for new debt under the same conditions. The fair value of debt with floating interest rates is considered to reflect the market interest rate and credit risk and be close to the book value and is recorded at book value.

## 2. Financial Instruments for Which It Is Extremely Difficult to Obtain a Fair value

(million yen)

Category	Value on the Consolidated Balance Sheets
Operational investment securities and investment securities <sup>1</sup>	
(1) Unlisted shares	3,386
(2) Investments in investment associations, etc.	1,484
Long term debts <sup>2</sup>	52,700
Total	57,570

As it is extremely difficult to obtain a fair value for these financial instruments, they were not included in Assets (4) Operational investment securities and investment securities and Liabilities (3) Long-term debts.

Notes: 1. As there is no market price for unlisted shares, it is extremely difficult to obtain a fair value, and they are not covered by disclosure of fair value.

2. There is uncertainty about the estimated future repayment plans for long-term debt for which financial assistance is continued after the expiration of the Business Revitalization Plan. Since it is not possible to rationally calculate the fair values of the long-term debt, they are not disclosed.

## 3. Scheduled Repayment Amounts of Money Claims after Consolidated Settlement Date

(million yen)

Category	Within One Year	More Than One Year and Within Five Years	More Than Five Years
Cash and deposits	52,590	—	—
Loans	105,838	166,676	15,135
Installment receivables	81,575	2,757	—
Total	240,003	169,434	15,135

Note: ¥33,983 million for which the amount of scheduled repayments is not expected, including claims in bankruptcy, is not included in loans.

4. Scheduled Repayment of Bonds, Long-Term Debt and Other Interest Bearing Debt after the Consolidated Settlement Date

(million yen)

Category	Within One Year	More Than One Year and Within Two Years	More Than Two Years and Within Three Years	More Than Three Years and Within Four Years	More Than Four Years and Within Five Years	More Than Five Years
Bonds	25,000	—	—	—	—	28,800
Finance lease claims	119	119	119	119	104	—
Long term debts <sup>1</sup>	7,713	9,638	7,559	6,420	9,590	41,250
Total	32,832	9,757	7,678	6,539	9,694	70,050

Note: 1. Repayment schedules and methods for part of the long term debts continued to be covered by financial assistance after the expiration of the Business Revitalization Plan have yet to be determined. The table above shows only amounts to be repaid for which a scheduled repayment date has been set as of the end of the fiscal year under review. Debts totaling ¥39,525 million for which no scheduled repayment date has been set are not included.

## (Notes to Segment information)

### Segment Information

#### (1) Overview of reportable segments

##### i) Determination of reportable segments

The Company's reportable segments are the Group's structural units, for which separate financial information is available. The financial results for all business segments are periodically reviewed by the Company's Board of Directors in order to make decisions on the proper allocation of business resources and to evaluate the business performance of the respective segments.

The Group draws up strategies for the Company and each of its consolidated subsidiaries and conducts business activities accordingly.

As a result, the AIFUL Group has two reporting segments, the core company AIFUL Co., Ltd., and LIFECARD Co., Ltd.

##### ii) Type of products and services belonging to each reportable segments

"AIFUL Corporation" is mainly involved in the loan business and credit guarantee business while "LIFECARD Co., Ltd." is mainly involved in the credit sales business and the credit guarantee business.

##### iii) Matters related to changes in reportable segments

The quantitative importance of New Frontier Partners Co., Ltd., which was a reportable segment, has declined, and in the fiscal year under review, is included in Other. (Before the change, the reported segments were three major business companies of AIFUL Corporation, LIFECARD Co., Ltd. and New Frontier Partners Co., Ltd.)

The segment information reported in the previous year has been re-written based on the new classification method after the change and restated in the statement for the previous consolidated fiscal year under "3. Information relating to operating revenue, profit or loss, assets, liabilities and other amounts for each reportable segment".

#### (2) Calculation of operating revenue, profit or loss, assets, liabilities, etc. by reporting segment

The accounting methods applied to reporting segments are the same as those described in Significant Items Forming the Basis for the Preparation of the Consolidated Financial Statements. Income for reportable segments are net income.

Inter-segment sales and transfers are calculated based on the amount equal to cost to the submitting company.



(3) Information relating to operating revenue, profit or loss, assets, liabilities and other amounts for each reportable segment

For the fiscal year ended March 31, 2014

(million yen)

	Reportable segments			Other *1	Total
	AIFUL	LIFE CARD	Total		
Operating revenue					
Operating revenue from third parties	59,186	26,985	86,172	5,686	91,858
Inter-segment sales	9	345	355	0	356
Total	59,196	27,331	86,527	5,687	92,214
Segment profits	24,045	2,418	26,464	2,755	29,219
Segment assets	463,791	181,813	645,605	26,380	671,985
Segment liabilities	348,984	149,409	498,394	9,504	507,898
Other items					
Provision for credit card point redemption	—	2,666	2,666	—	2,666
Provision for investment loss	—	—	—	—	—
Provision for doubtful accounts	8,579	2,997	11,576	960	12,536
Provision for loss on interest repayment	—	1,885	1,885	—	1,885
Provision for bonuses	546	5	552	17	569
Depreciation	2,098	1,640	3,739	21	3,761
Interest on loans to customers	1,345	—	1,345	117	1,463
Dividends received	5	15	20	0	21
Reversal provision for doubtful accounts	2,636	—	2,636	—	2,636
Reversal provision for investment loss	0	—	0	4	4
Amortization of negative goodwill	—	—	—	—	—
Interest expenses *2	2	—	2	38	40
Foreign exchange income	0	1,697	1,697	—	1,697
Extraordinary income	90	28	118	3,974	4,093
(Gain on sale of investment securities)	(1)	(28)	(30)	(134)	(165)
(Gain on loan extinguishment)	(—)	(—)	(—)	(3,840)	(3,840)
Extraordinary losses	25	4	30	9	40
(Loss on sale of investment securities)	(25)	(4)	(30)	(0)	(30)
(Loss on valuation of investment securities)	(0)	(—)	(0)	—	(0)
(Business structure improvement cost)	(—)	(—)	(—)	(9)	(9)
Income taxes- current	-1,677	1,228	-448	1,212	764
Income taxes- deferred	32	-404	-372	-2	-374
Increase/decrease in tangible and intangible assets	839	701	1,540	3	1,544

\*1. The other classification comprises businesses not included in reporting segments and encompasses the activities of BUSINEXT CORPORATION, AsTry Loan Services Corporation and related companies.

2. Interest paid is the amount that is not included in operating expenses but is noted as non-operating expenses.

For the fiscal year ended March 31, 2015

(million yen)

	Reportable segments			Other *1	Total
	AIFUL	LIFE CARD	Total		
Operating revenue					
Operating revenue from third parties	54,913	26,908	81,822	4,529	86,352
Inter-segment sales	8	393	401	1	402
Total	54,921	27,301	82,223	4,531	86,755
Segment profits or loss	-41,434	3,530	-37,903	918	-36,985
Segment assets	444,737	177,180	621,917	28,008	649,926
Segment liabilities	371,015	141,246	512,261	10,125	522,387
Other items					
Provision for credit card point redemption	—	2,863	2,863	—	2,863
Provision for investment loss	489	—	489	—	489
Provision for doubtful accounts *2	-840	3,150	2,309	-33	2,276
Provision for loss on interest repayment	63,733	—	63,733	—	63,733
Provision for bonuses	541	6	548	18	566
Depreciation	1,532	1,213	2,745	7	2,753
Interest on loans to customers	1,891	—	1,891	96	1,987
Dividends received	4	12	16	0	17
Reversal provision for doubtful accounts	—	—	—	—	—
Reversal provision for investment loss	—	—	—	10	10
Amortization of negative goodwill	—	—	—	—	—
Interest expenses *3	0	—	0	29	30
Foreign exchange income	—	2,921	2,921	—	2,921
Extraordinary income	320	322	642	2	645
(Gain on sale of investment securities)	(—)	(322)	(322)	(2)	(325)
(Gain on loan extinguishment)	(320)	(—)	(320)	(—)	(320)
Extraordinary losses	—	—	—	0	0
(Loss on sale of investment securities)	(—)	(—)	(—)	(—)	(—)
(Loss on valuation of investment securities)	(—)	(—)	(—)	(—)	(—)
(Business structure improvement cost)	(—)	(—)	(—)	(—)	(—)
Income taxes- current	-800	1,413	612	-27	584
Income taxes- deferred	54	0	55	—	55
Increase/decrease in tangible and intangible assets	1,935	1,045	2,981	0	2,982

\*1. The other classification comprises businesses not included in reporting segments and encompasses the activities of BUSINEXT CORPORATION, AsTry Loan Services Corporation and related companies.

2. Provision for doubtful accounts is the sum total of operating expenses and non-operating expenses.

3. Interest paid is the amount that is not included in operating expenses but is noted as non-operating expenses.

- (4) The amount and principal details of the difference between the total amount of reporting segments and amounts posted on the Company's financial statements

(million yen)

Operating revenue	FY2013	FY2014
Reportable segment total	86,527	82,223
Profit categorized in "Other"	5,687	4,531
Inter-segment eliminations	-356	-402
Operating revenue posted in consolidated financial statements	91,858	86,352

Profit / Loss	FY2013	FY2014
Reportable segment total	26,464	-37,903
Profit(loss) categorized in "Other"	2,755	918
Inter-segment eliminations	-1,281	485
Amortization of goodwill	2,523	—
Net income(loss) posted in consolidated financial statements	30,461	-36,499

Assets	FY2013	FY2014
Reportable segment total	645,605	621,917
Profit categorized in "Other"	26,380	28,008
Inter-segment eliminations	-94,646	-89,602
Total assets posted in consolidated financial statements	577,339	560,323

Liabilities	FY2013	FY2014
Reportable segment total	498,394	512,261
Profit categorized in "Other"	9,504	10,125
Inter-segment eliminations	-64,101	-59,539
Total liabilities posted in consolidated financial statements	443,797	462,848

(million yen)

	Total of reportable segment		Other		Adjustment		Amount posted in Consolidated Financial statements	
	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014	FY2013	FY2014
Other items								
Provision for credit card point redemption	2,666	2,863	—	—	—	—	2,666	2,863
Provision for investment loss	—	489	—	—	—	-489	—	—
Provision for doubtful accounts	11,576	2,309	960	-33	-1,606	—	10,930	2,276
Provision for loss on interest repayment	1,885	63,733	—	—	—	—	1,885	63,733
Provision for bonuses	552	548	17	18	296	303	866	869
Depreciation	3,739	2,745	21	7	—	—	3,761	2,753
Interest on loans to customers	1,345	1,891	117	96	-1,460	-1,962	3	25
Dividends received	20	16	0	0	—	—	21	17
Reversal provision for doubtful accounts	2,636	—	—	—	-2,600	—	36	—
Reversal provision for investment loss	0	—	4	10	—	—	4	10
Amortization of negative goodwill *1	—	—	—	—	2,523	—	2,523	—
Interest expenses *2	2	0	38	29	-37	-29	3	0
Foreign exchange income	1,697	2,921	—	—	—	-36	1,697	2,885
Extraordinary income	118	642	3,974	2	2,304	-0	6,398	645
(Gain on sale of investment securities)	(30)	(322)	(134)	(2)	(-0)	(-0)	(164)	(325)
(Gain on loan extinguishment)	(—)	(320)	(3,840)	(—)	(—)	(—)	(3,840)	(320)
Extraordinary losses	30	—	9	0	2	-0	42	—
(Loss on sale of investment securities)	(30)	(—)	(0)	(—)	(2)	(—)	(32)	(—)
(Loss on valuation of investment securities)	(0)	(—)	—	(—)	(—)	(—)	(0)	(—)
(Business structure improvement cost)	(—)	(—)	(9)	(—)	(—)	(—)	(9)	(—)
Income taxes- current	-448	612	1,212	-27	—	—	764	584
Income taxes- deferred	-372	55	-2	—	256	6	-117	61
Increase/decrease in tangible and intangible assets	1,540	2,981	3	0	—	—	1,544	2,982

\*1 Provision for doubtful accounts is the sum total of operating expenses and non-operating expenses.

2. The amortization of negative goodwill is combined in non-operating income and in extraordinary losses income.

3. Interest paid is the amount that is not included in operating expenses but is noted as a non-operating expenses.

4. The main adjustment for the consolidated fiscal year under review is an adjustment to interest on loans to customers of 1,962 million yen. The main adjustment for the previous consolidated fiscal year was an adjustment to reversal provision for doubtful accounts of 2,600 million yen.

(Related information)

For the fiscal year ended March 31, 2014

1. Information by product/service

	Loan business	Installment business	Credit guarantee business	Other	Total
Operating revenue from third parties	59,031	13,930	8,327	10,569	91,858

2. Geographic segment information

(1) Operating revenue

Information not stated, as the Company has no operating revenue attributable to external customers outside of Japan.

(2) Tangible fixed assets

Information not stated as the Company has no tangible fixed assets located outside of Japan.

3. Information about major customers

Information not stated, as the Company has no customers included in operating revenue attributable to external customers that account for 10% or more of the operating revenue in its consolidated income statement.

For the fiscal year ended March 31, 2015

1. Information by product/service

	Loan business	Installment business	Credit guarantee business	Other	Total
Operating revenue from third parties	50,268	13,997	11,823	10,263	86,352

2. Geographic segment information

(1) Operating revenue

Information not stated, as the Company has no operating revenue attributable to external customers outside of Japan.

(2) Tangible fixed assets

Information not stated as the Company has no tangible fixed assets located outside of Japan.

3. Information about major customers

Information not stated, as the Company has no customers included in operating revenue attributable to external customers that account for 10% or more of the operating revenue in its consolidated income statement.

(Information about impairment loss of fixed assets in reportable segments)

No relevant matters.

(Information about amortized amount and unamortized balance of goodwill in reportable segments)

No relevant matters.

(Information about gain on negative goodwill by reporting segment)

For the fiscal year ended March 31, 2014:

Regarding the joint venture business pertaining to BUSINEXT CORPORATION, in which the Company and Sumitomo-Mitsui Trust Bank has jointly invested based on the "Joint Venture Agreement" concluded on Nov 27, 2000, this has been dissolved with all shares held by both companies being transferred to New Frontier Partners Co. Ltd., a wholly-owned subsidiary of the Company. As a result, a loss of 2,305 million yen in negative goodwill has been provided for in the current consolidated fiscal year.

For the fiscal year ended March 31, 2015:

No relevant matters.

## (Per Share Information)

For the fiscal year ended March 31, 2014		For the fiscal year ended March 31, 2015	
Net assets per share	276.80 yen	Net assets per share	200.45 yen
Net income per share	63.34 yen	Net income per share	75.74 yen
Diluted net income per share	63.00 yen	Diluted net income per share omitted because there were no latent shares with a dilutive effect.	

Note 1: Basis of calculation of net assets per share is as follows (million yen, share)

	As of March 31, 2014	As of March 31, 2015
Total net assets	133,541	97,475
Amount deducted from total net assets	412	738
(Of which subscription rights to shares)	(412)	(738)
Net assets related to common stock at end of fiscal year	133,129	96,737
Number of shares of common stock at the end of the fiscal year used in the calculation of net assets per share	480,951,268 shares	482,589,814 shares

Note 2: Basis for calculation of net income (loss) per share and diluted net income per share is as follows.

Item	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
Net income (loss) per share		
Net income (loss)	30,461 million yen	(36,499) million yen
Amount not attributable to common stock shareholders	—	
Net income (loss) related to common stock	30,461 million yen	(36,499) million yen
Average number of shares of common stock during the period	480,951,620 shares	481,898,473 shares
Diluted net income per share		
Adjusted net income	—	—
Increase in number of common stock	2,550,274	1,643,502
(of which subscription rights to share)	(2,550,274)	(1,643,502)
Outline of stock not included in diluted net income per share due to lack of dilutive effect	Stock options issued in 2013. The details are described in Status of new stock acquisition rights etc.	Stock options issued in 2010 and in 2013. The details are described in Status of new stock acquisition rights etc.

## (Important Subsequent Events)

No relevant matters.

## 5. Consolidated Results of Operations

### (1) Operating Revenue

(million yen; %)

Item	Period	End of the current FY (Apr. 1, 2013 to Mar. 31, 2014)		End of the current FY (Apr. 1, 2014 to Mar. 31, 2015)	
		Amount	%	Amount	%
AIFUL CORPORATION	Interest on loans to customers	42,066	45.8	36,150	41.9
	Unsecured loans	34,472	37.5	29,937	34.7
	Secured loans	6,232	6.8	5,147	6.0
	Small business loans	1,360	1.5	1,064	1.2
	Revenue from credit card business	47	0.1	16	0.0
	Revenue from Installment sales finance business	178	0.2	126	0.2
	Revenue from Credit guarantee	6,654	7.2	10,136	11.7
	Other financial revenue	9	0.0	8	0.0
	Other operating revenue	10,231	11.1	8,476	9.8
	Recovery of loans previously charged off	9,536	10.4	7,542	8.7
	Other	695	0.7	933	1.1
	Subtotal	59,186	64.4	54,913	63.6
LIFECARD Co., Ltd	Interest on loans to customers	6,260	6.8	5,944	6.9
	Unsecured loans	6,244	6.8	5,917	6.9
	Secured loans	9	0.0	9	0.0
	Small business loans	6	0.0	16	0.0
	Revenue from credit card	13,379	14.6	13,532	15.7
	Revenue from Installment sales finance business	7	0.0	2	0.0
	Revenue from Credit guarantee	1,295	1.4	1,245	1.4
	Other financial revenue	0	0.0	0	0.0
	Other operating revenue	6,041	6.6	6,183	7.2
	Recovery of loans previously charged off	99	0.1	181	0.2
	Other	5,941	6.5	6,002	7.0
	Subtotal	26,985	29.4	26,908	31.2

Item	Period	End of the current FY (Apr. 1, 2013 to Mar. 31, 2014)		End of the current FY (Apr. 1, 2014 to Mar. 31, 2015)	
		Amount	%	Amount	%
OTHER	Interest on loans to customers	2,251	2.5	1,667	1.9
	Secured loans	821	0.9	409	0.5
	Small business loans	1,429	1.6	1,257	1.4
	Other financial revenue	1	0.0	6	0.0
	Other operating revenue	3,433	3.7	2,856	3.3
	Revenue from operational investment securities	248	0.2	637	0.7
	Collection of purchased receivables	3,011	3.3	2,136	2.5
	Recovery of loans previously charged off	26	0.0	18	0.0
	Other	146	0.2	64	0.1
	Subtotal	5,686	6.2	4,529	5.2
	Total	91,858	100.0	86,352	100.0

Notes: 1. Segment classifications are consistent with segment information classifications.

2. Included in the "Other" category of "Operating revenue — other" for and LIFECARD Co.,Ltd. is card membership revenue and related items

3. The aforementioned amounts are exclusive of consumption and related taxes

4. The quantitative importance of New Frontier Partners Co., Ltd., which was a reportable segment, has declined, and in the fiscal year under review, is included in Other.



## (2) Other operating indicators

Item	Period	As of Mar. 31, 2014	As of Mar. 31, 2015
Total amount of loans outstanding (millions yen)		348,010	350,017
Unsecured loans		261,221	273,628
Secured loans		41,267	34,904
Small business loans		45,521	41,485
Number of customer accounts		817,039	824,342
Unsecured loans		768,700	782,065
Secured loans		17,592	14,198
Small business loans		30,747	28,079
Number of branches		704	833
Staffed branches		26	26
Unstaffed branches		678	807
Number of automatic loan-contracting machines		716	862
Number of ATMs		162,629	165,139
Company-owned		482	490
Partner-owned		162,147	164,649
Number of employees		1,369	1,350
Write-offs (millions yen)		25,570	22,883
Allowance for doubtful accounts (millions yen)		102,522	79,708
Net income per share (yen)		63.34	(75.74)
Net assets per share (yen)		276.80	200.45

- 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. Off-balance sheet operating loans resulting from the securitization of receivables (26,860 million yen in the previous fiscal year and 62,367 million yen in the fiscal year under review) are included.
2. Write-offs does not include losses on claims in bankruptcy, which came to 2,229 million yen in the previous fiscal year, and 2,207 million yen in the fiscal year under review.
3. The allowance for doubtful accounts includes the expected amount of interest repayments estimated to have priority application to loans outstanding (35,290 million yen at the end of the previous fiscal year and 17,388 million yen at the end of the fiscal year under review)

## 7. Non-Consolidated Financial Statements

### (1) Non-Consolidated Balance Sheets

(In millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	53,483	44,681
Operating loans	260,776	227,797
Installment receivables	2,845	1,820
Customers' liabilities for acceptances and guarantees	80,488	90,123
Other operating receivables	6,569	5,440
Prepaid expenses	735	337
Accrued income	1,697	1,548
Other	6,918	7,818
Allowance for doubtful accounts	(59,234)	(38,765)
<b>Total current assets</b>	<b>354,280</b>	<b>340,802</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings	12,515	12,954
Total accumulated depreciation	(7,470)	(7,698)
Net buildings	5,044	5,255
Structures	1,421	1,426
Total accumulated depreciation	(1,163)	(1,135)
Net structures	257	291
Machinery and equipment	146	146
Total accumulated depreciation	(119)	(123)
Net machinery and equipment	27	23
Furniture and fixtures	4,999	3,496
Total accumulated depreciation	(4,002)	(2,597)
Net furniture and fixtures	997	898
Land	6,805	6,805
Lease assets	248	553
Total accumulated depreciation	(87)	(13)
Net lease assets	161	539
Construction in process	39	131
<b>Total tangible fixed assets</b>	<b>13,333</b>	<b>13,945</b>
<b>Intangible fixed assets</b>		
Software	1,156	806
Other	25	24
<b>Total intangible fixed assets</b>	<b>1,181</b>	<b>831</b>
<b>Investment and other fixed assets</b>		
Investment securities	318	1,332
Stock in affiliated companies	29,365	27,927
Long-term loans to affiliated companies	62,405	54,798
Claims in bankruptcy	35,988	33,398
Long-term prepaid expenses	83	141
Lease and guarantee deposits	1,712	1,720
Other	250	258
Allowance for investment loss	(2,915)	—
Allowance for doubtful accounts	(32,211)	(30,419)
<b>Total investment and other fixed assets</b>	<b>94,996</b>	<b>89,157</b>
<b>Total fixed assets</b>	<b>109,510</b>	<b>103,934</b>
<b>Total Assets</b>	<b>463,791</b>	<b>444,737</b>

(In millions of yen)

	As of March 31, 2014	As of March 31, 2015
<b>Liabilities</b>		
Current liabilities		
Acceptances and guarantees	80,488	90,123
Short-term borrowings	3,000	3,000
Current portion of bonds	—	25,000
Current portion of long-term debt	16,500	7,053
Lease obligations	27	119
Trade accounts payable	3,044	5,477
Accrued expenses	618	1,531
Income taxes payable	242	242
Allowance for bonuses	875	876
Deferred installment income	32	26
Asset retirement obligations	16	24
Other	509	530
Total current liabilities	105,356	134,004
Long-term liabilities		
Bonds	25,000	28,800
Long-term debt	161,740	111,747
Long-term debt to affiliated companies	—	4,000
Lease obligations	—	463
Deferred tax liabilities	171	225
Allowance for losses on interest repayments	53,879	89,088
Asset retirement obligation	1,603	1,804
Other	1,231	881
Total long-term liabilities	243,627	237,010
Total liabilities	348,984	371,015
<b>Net Assets</b>		
Shareholders' equity		
Common stock	143,324	143,401
Capital surplus		
Capital reserves	150,232	150,310
Other capital surplus	258	258
Total capital surplus	150,491	150,568
Retained earnings		
Earned surplus reserves	1,566	1,566
Other retained earnings		
General reserve	102,230	102,230
Retained earnings carried forward	(280,108)	(321,542)
Total retained earnings	(176,311)	(217,745)
Treasury stock	(3,110)	(3,110)
Total shareholders' equity	114,393	73,114
Valuation and translation adjustments		
Unrealized gain (loss) on available for sale securities	1	(130)
Total valuation and translation adjustments	1	(130)
Stock acquisition rights	412	738
Total net assets	114,807	73,722
Total net assets and liabilities	463,791	444,737

## (2) Non-Consolidated Statements of Income

(In millions of yen)

	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
Operating revenue		
Interest on loans to customers	42,066	36,150
Other financial revenue	9	8
Other operating revenue		
Revenue from Credit guarantee	6,654	10,136
Recovery of loans previously charged off	9,536	7,542
Other	930	1,084
Total other operating revenue	17,121	18,763
Total operating revenue	59,196	54,921
Operating expenses		
Financial expenses		
Interest expenses	3,869	3,255
Interest on bond	748	2,390
Other	33	1,629
Total financial expenses	4,652	7,275
Other operating expenses		
Provision for doubtful accounts	8,579	(881)
Provision for losses on interest repayments	—	63,733
Salaries for employees	5,760	5,528
Provision for bonuses	546	541
Depreciation expenses	2,098	1,532
Other	19,694	21,436
Total other operating expenses	36,679	91,890
Total operating expenses	41,331	99,166
Operating income(loss)	17,865	(44,244)

	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
<b>Non-operating income</b>		
Interest on loans	1,345	1,891
Fiduciary obligation fee	283	262
Reversal provision for doubtful accounts	2,636	—
Other	226	181
Total non-operating income	4,492	2,335
<b>Non-operating expenses</b>		
Provision for investment loss	—	489
Loss on sales of golf club memberships	2	—
Other	18	102
Total non-operating expenses	21	591
Ordinary income(loss)	22,336	(42,500)
<b>Extraordinary income</b>		
Gain on loan extinguishment	—	320
Gain on sale of fixed assets	88	—
Other	1	—
Total extraordinary income	90	320
<b>Extraordinary losses</b>		
Loss on sale of investment securities	25	—
Loss on valuation of stocks of affiliated companies	—	—
Other	0	—
Total extraordinary losses	25	—
Income(loss) before taxes	22,400	(42,180)
Income taxes-current	(1,677)	(800)
Income taxes-deferred	32	54
Total income taxes	(1,644)	(746)
Net income(loss)	24,045	(41,434)

### (3) Non-Consolidated Statements of Change in Shareholders' Equity

For the fiscal year ended March 31, 2014

(In millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings			
		Capital reserve	Other capital surplus	Total capital surplus	Earned surplus reserve	Other retained earnings		Total retained earnings
					General reserve	Retained earnings carried forward		
Balance at April 1, 2013	143,324	150,232	258	150,491	1,566	102,230	(304,154)	(200,357)
Changes during the period								
Issuance of new shares exercise of subscription rights to shares								
Net income(loss)							24,045	24,045
Purchase of treasury stock								
Disposal of treasury stock			(0)	(0)				
Net changes in accounts other than shareholders' equity								
Total change during fiscal year			(0)	(0)			24,045	24,045
Balance at March 31, 2014	143,324	150,232	258	150,491	1,566	102,230	(280,108)	(176,311)

	Shareholders' equity		Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gain (loss) in available-for-sale securities	Total valuation and translation adjustments		
Balance at April 1, 2013	(3,110)	90,347	1	1	61	90,410
Changes during the period						
Issuance of new shares exercise of subscription rights to shares						
Net income(loss)		24,045				24,045
Purchase of treasury stock	(0)	(0)				(0)
Disposal of treasury stock	0	0				0
Net changes in accounts other than shareholders' equity			0	0	350	351
Total change during fiscal year	(0)	24,045	0	0	350	24,396
Balance at March 31, 2014	(3,110)	114,393	1	1	412	114,807

For the fiscal year ended March 31, 2015

(In millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings			
		Capital reserve	Other capital surplus	Total capital surplus	Earned surplus reserve	Other retained earnings		Total retained earnings
					General reserve	Retained earnings carried forward		
Balance at April 1, 2014	143,324	150,232	258	150,491	1,566	102,230	(280,108)	(176,311)
Changes during the period								
Issuance of new shares exercise of subscription rights to shares	77	77		77				
Net income(loss)							(41,434)	(41,434)
Purchase of treasury stock								
Disposal of treasury stock								
Net changes in accounts other than shareholders' equity								
Total change during fiscal year	77	77		77			(41,434)	(41,434)
Balance at March 31, 2015	143,401	150,310	258	150,568	1,566	102,230	(321,542)	(217,745)

	Shareholders' equity		Valuation and translation adjustments		Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity	Unrealized gain (loss) in available-for-sale securities	Total valuation and translation adjustments		
Balance at April 1, 2014	(3,110)	114,393	1	1	412	114,807
Changes during the period						
Issuance of new shares exercise of subscription rights to shares		154				154
Net income(loss)		(41,434)				(41,434)
Purchase of treasury stock	(0)	(0)				(0)
Disposal of treasury stock						
Net changes in accounts other than shareholders' equity			(132)	(132)	326	193
Total change during fiscal year	(0)	(41,279)	(132)	(132)	326	(41,085)
Balance at March 31, 2015	(3,110)	73,114	(130)	(130)	738	73,722

#### (4) Notes to Non-consolidated financial statements

(Notes on premise of going concern)

No relevant matter

(Important accounting principle)

Disclosure omitted since there are no major changes from the descriptions in the latest Financial Information (Yukashoken-Hokokusho) (submitted on Jun 27, 2014).

(Changes in disclosure method)

(Statements of Income)

For the “Commission paid” (4,587 million yen in the fiscal year under review) that was presented as a separate item until the previous fiscal year, has been included under “Other” in “Operating expenses” in the fiscal year under review as its total amount has become less than 10% of total non-operating expenses. To reflect this change in presentation, the consolidated financial statements for the last consolidated fiscal year have been reclassified.

As a result, “Commission paid” of 4,718 million yen that was posted in consolidated statements of income for the previous fiscal year are reclassified into “Other” of 19,694 million yen in “Operating expenses”.

In the last consolidated fiscal year, the “Other” item of “Non-operating income” included “Fiduciary obligation fee” but, as this item has exceeded 10% of total Non-operating expenses, from the consolidated fiscal year under review, it has been noted independently. To reflect this change in presentation, the consolidated financial statements for the last consolidated fiscal year have been reclassified.

As a result, the consolidated statements of income for the last consolidated fiscal year has been reclassified so that the 510 million yen presented as the “Other” item of “Non-operating income” is recalculated into “Fiduciary obligation fee” 283 million yen and “Other” 226 million yen.



## (Notes to non-consolidated Balance sheets)

## \*1. Assets pledged as collateral and corresponding liabilities

As of March 31, 2014		As of March 31, 2015	
(1) Assets pledged as collateral		(1) Assets pledged as collateral	
	(million yen)		(million yen)
Operating loans	175,593	Operating loans	181,158
Installment receivables	550	Installment receivables	325
Other operating receivables	77	Other operating receivables	47
Buildings	3,766	Buildings	3,571
Lands	6,433	Lands	6,433
<u>Total</u>	<u>186,421</u>	<u>Total</u>	<u>191,536</u>
(2) Corresponding liabilities		(2) Corresponding liabilities	
Short-term borrowings	3,000	Short-term borrowings	3,000
<u>Current portion of long-term debt</u>	<u>16,500</u>	<u>Current portion of long-term debt</u>	<u>5,785</u>
<u>Long term debt</u>	<u>161,740</u>	<u>Long term debt</u>	<u>109,015</u>
<u>Total</u>	<u>181,241</u>	<u>Total</u>	<u>117,800</u>
i) ¥87,727 million in operating loans, ¥280 million in installment receivables and ¥77 million in other operating receivables, are included as joint collateral of AIFUL and its subsidiaries under the ADR process.		i) The amounts above at the end of the fiscal year under review include amounts associated with the securitization of receivables (operating loans of 14,895 million yen and short-term borrowings of 3,000 million yen).	
ii) Within the assets noted above, 807 million yen of operating loans and 269 million yen of installment receivables are being used as collateral for borrowing by LIFECARD Co., Ltd.		ii) ¥41,088 million in operating loans, ¥174 million in installment receivables and ¥47 million in other operating receivables, are included as financial assistance after the expiration of the Business Revitalization Plan have yet to be determined.	
		iii) Within the assets noted above, 395 million yen of operating loans and 151 million yen of installment receivables are being used as collateral for borrowing by LIFECARD Co., Ltd.	

## \*2. Unsecured personal loans

As of March 31, 2014	As of March 31, 2015
¥216,072 million	¥192,632 million

\*3. Non-performing loans from out of operating loans and claims in bankruptcy are as follows

As of March 31, 2014				As of March 31, 2015			
(million yen)				(million yen)			
	Unsecured loans	Other than unsecured loans	Total		Unsecured loans	Other than unsecured loans	Total
Loans in legal bankruptcy	158	34,942	35,100	Loans in legal bankruptcy	211	32,658	32,870
Nonaccrual loans	11,764	13,491	25,255	Nonaccruals loans	11,777	10,052	21,829
Loans in 3-months+ in arrears	1,561	339	1,900	Loans in 3-months+ in arrears	2,292	294	2,586
Restructured loans	9,941	2,112	12,053	Restructured loans	6,966	1,435	8,402
Total	23,425	50,885	74,310	Total	21,247	44,440	65,687

The loan categories in the table above are as follows.

(Loans in legal bankruptcy)

Loans in legal bankruptcy are those loans in which payment of principal or interest remain past due for a considerable period and accruals of interest are discontinued, with the conditions stipulated under (a) through (e) of sub-paragraph 3, paragraph 1, Article 96 or sub-paragraph 4 of the same paragraph of the Corporation Tax Law Enforcement Ordinance (Enforcement Ordinance No. 97 of 1965) arise. Allowances for claims in bankruptcy are stated at the amount estimated to be non-recoverable based on individual assessment of claims

(Nonaccrual loans)

Nonaccrual loans in arrears are loans in which accruals of interest are discontinued, other than loans in legal bankruptcy, excluding those loans receiving regular payments in the case of reduction, waiver or deferral of interest payments for debtors in financial difficulties to assist them in business restructuring

(Loans three months or more in arrears)

Loans three months or more in arrears are loans for which payments of principal or interest have not been received for a period of three months or more beginning with the next business day following the last due date for such payments. Loans classified as loans in legal bankruptcy and nonaccrual loans are excluded from loans three months or more in arrears.

(Restructured loans)

Restructured loans are loans in which regular payments are being received on loans with concessions such as reduction, waiver, or deferral of interest granted to debtors in order to assist in business restructuring. Loans classified as loans in legal bankruptcy and nonaccrual loans are excluded from restructured loans.

\*4. Loan commitments related to operating loans

(Previous fiscal year)

Of operating loans, 198,653 million yen is loans under revolving credit agreements. Under revolving credit agreements, customers may get additional loans up to a specified maximum amount that does not exceed an amount requested by them.

Outstanding loan commitments under revolving credit agreements were 34,859 million yen (including 731 million yen under secured revolving credit agreements and revolving credit agreements with businesses).

The Group reviews revolving credit agreements and takes steps to preserve credit after the conclusion of revolving credit agreements if it considers that taking steps are necessary due to changes in customers' credit standing and other reasons.

Outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments and who have not requested any loans after the conclusion of credit agreements. Many revolving credit agreements expire with no loans being given. Outstanding loan commitments themselves therefore do not necessarily affect the Group's future cash flows.

(Fiscal year under review)

Of operating loans, 201,914 million yen is loans under revolving credit agreements. Under revolving credit agreements, customers may get additional loans up to a specified maximum amount that does not exceed an amount requested by them.

Outstanding loan commitments under revolving credit agreements were 43,341 million yen (including 745 million yen under secured revolving credit agreements and revolving credit agreements with businesses).

The Group reviews revolving credit agreements and takes steps to preserve credit after the conclusion of revolving credit agreements if it considers that taking steps are necessary due to changes in customers' credit standing and other reasons.

The outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments and who have not requested any loans after the conclusion of credit agreements. Many revolving credit agreements expire with no loans being given. Outstanding loan commitments themselves therefore do not necessarily affect the Group's future cash flows.

\*5. Estimated interest repayment of allowance of doubtful accounts expected to have priority application in operating loans

As of March 31, 2014	As of March 31, 2015
¥35,290 million	¥17,388 million

(Notes to Non-consolidated Statements of Income)

\*1. Notes related to relevant subsidiaries

	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015	(million yen)
Interest on loans	1,342	1,888	
Reversal provision for doubtful accounts	2,600	-	
Fiduciary obligation fee	283	262	

\*2. Gain (loss) on investment in anonymous associations is the evaluation gain (loss) based on the financial statements of investment partnerships, etc.

(Important Subsequent Events)

No relevant matters.

## 8 Non-Consolidated Results of Operations

### (1) Operating Revenue

(Million yen, %)

Item	Period	For the fiscal year ended March 31, 2014		For the fiscal year ended March 31, 2015	
		Amount	%	Amount	%
Interest on loans to customers		42,066	71.1	36,150	65.8
Unsecured loans		34,472	58.2	29,937	54.5
Secured loans		6,232	10.6	5,147	9.4
Small business loans		1,360	2.3	1,064	1.9
Other financial revenue		9	0.0	8	0.0
Other operating revenue		17,121	28.9	18,763	34.2
Credit guarantee revenue		6,654	11.2	10,136	18.5
Other		10,467	17.7	8,627	15.7
<b>Total</b>		<b>59,196</b>	<b>100.0</b>	<b>54,921</b>	<b>100.0</b>

Note 1: "Other" included in other operating revenue includes recovery of loans previously charged off.

2: The aforementioned amounts are exclusive of consumption and related taxes

### (2) Other Operating Indicators

Item	Period	As of March 31, 2014	As of March 31, 2015
		Total amount of loans outstanding (millions yen)	260,776
Unsecured loans	216,072	229,391	
Secured loans	37,610	29,274	
Small business loans	7,093	5,890	
Number of customer accounts	589,915	613,018	
Unsecured loans	565,172	592,956	
Secured loans	17,324	13,763	
Small business loans	7,419	6,299	
Number of branches	703	832	
Staffed branches	25	25	
Unstaffed branches	678	807	
Number of automatic loan-contracting machines	716	862	
Number of ATMs	59,808	62,816	
Company-owned	482	490	
Partner-owned	59,326	62,326	
Number of employees	924	903	
Write-offs (millions yen)	21,805	19,467	
Allowance for doubtful accounts (millions yen)	91,446	69,185	
Net income per share (yen)	50.00	(85.98)	
Net assets per share (yen)	237.85	151.23	

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. Off-balance sheet operating loans resulting from the securitization of receivables (- million yen in the previous fiscal year and 36,759 million yen in the fiscal year under review) are included.

2. Write-offs does not include losses on claims in bankruptcy, which came to 1,947 million yen in the previous fiscal year, and 1,952 million yen in the fiscal year under review.

3. The allowance for doubtful accounts includes the expected amount of interest repayments estimated to have priority application to loans outstanding (35,290 million yen at the end of the previous fiscal year and 17,388 million yen at the end of the fiscal year under review).

4. The Company implemented a stock split of 2 shares for each 1 share of common stock on October 1, 2013. Net income per share and net asset per share have been calculated as though the stock split had occurred at the beginning of the FY2013.

## 9. Other

### (1) Transfers of Directors

To be published when the information is available.

## Corrections to Consolidated Financial Results For The Fiscal Year Ended March 31, 2015

AIFUL Corporation (“AIFUL” or “Company”) made the following corrections to the consolidated financial results announced on May 12, 2015, for the fiscal year ended March 31, 2015

No correction is posted for Financial Statements.

1. Correction content

Corrected sections are underlined.

i) “5. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements”

(Notes to Consolidated Statements of Change in Shareholders’ Equity) ( Page 27,28)

[Before correction]

For the fiscal year ended March 31, 2014

2. Matters pertaining to new stock acquisition rights

Category	Breakdown of new stock acquisition rights	Class of shares to be issued or transferred upon exercise of new stock acquisition rights	Number of shares to be issued or transferred upon exercise of new stock acquisition rights				New stock acquisition rights outstanding as of March 31, 2014 (millions of yen)
			End of previous fiscal year	Increase	Decrease	End of fiscal year under review	
Submitting company	New stock acquisition rights issued as stock options in 2010		-	-	-	-	81 <u>(41)</u>
Submitting company	New stock acquisition rights issued as stock options in 2013		-	-	-	-	331 <u>(3)</u>
Total			-	-	-	-	412 <u>(45)</u>

Note: 1.The first day of the exercise period for the new stock acquisition rights has yet to arrive.

2. Treasury stock acquisition rights are indicated outside within parentheses.

For the fiscal year ended March 31, 2015

2. Matters pertaining to new stock acquisition rights

Category	Breakdown of new stock acquisition rights	Class of shares to be issued or transferred upon exercise of new stock acquisition rights	Number of shares to be issued or transferred upon exercise of new stock acquisition rights				New stock acquisition rights outstanding as of March 31, 2015 (million yen)
			End of previous fiscal year	Increase	Decrease	End of fiscal year under review	
Submitting company	New stock acquisition rights issued as stock options in 2010		-	2,858,900 <u>(2,000)</u>	1,638,700 <u>(-)</u>	1,220,200 <u>(2,000)</u>	37 <u>(0)</u>
Submitting company	New stock acquisition rights issued as stock options in 2013		-	-	-	-	701 <u>(24)</u>
Total			-	2,858,900 <u>(2,000)</u>	1,638,700 <u>(-)</u>	1,220,200 <u>(2,000)</u>	738 <u>(24)</u>

Note: 1.The first day of the exercise period for the new stock acquisition rights issued as stock options in 2013 has yet to arrive.

2. Treasury stock acquisition rights are indicated outside within parentheses.

3. Reasons of changes in the number of shares to be issued or transferred upon exercise of new stock acquisition rights

The decrease of 1,638,700 in the number of shares to be issued or transferred upon exercise of new stock acquisition rights issued as stock options in 2010 is due to the exercise of new stock acquisition rights. An increase of 2,000 in the number of shares to be issued or transferred upon exercise of new stock acquisition rights is attributable to the acquisition of treasury stock acquisition rights.

[After correction]

For the fiscal year ended March 31, 2014

2. Matters pertaining to new stock acquisition rights

Category	Breakdown of new stock acquisition rights	Class of shares to be issued or transferred upon exercise of new stock acquisition rights	Number of shares to be issued or transferred upon exercise of new stock acquisition rights				New stock acquisition rights outstanding as of March 31, 2014 (millions of yen)
			End of previous fiscal year	Increase	Decrease	End of fiscal year under review	
Submitting company	New stock acquisition rights issued as stock options in 2010	-	- (-)	- (-)	- (-)	- (-)	81 (19)
Submitting company	New stock acquisition rights issued as stock options in 2013	-	- (-)	- (-)	- (-)	- (-)	331 (4)
Total			- (-)	- (-)	- (-)	- (-)	412 (23)

Note: 1.The first day of the exercise period for the new stock acquisition rights has yet to arrive.

2. Treasury stock acquisition rights are indicated outside within parentheses.

For the fiscal year ended March 31, 2015

2. Matters pertaining to new stock acquisition rights

Category	Breakdown of new stock acquisition rights	Class of shares to be issued or transferred upon exercise of new stock acquisition rights	Number of shares to be issued or transferred upon exercise of new stock acquisition rights				New stock acquisition rights outstanding as of March 31, 2015 (million yen)
			End of previous fiscal year	Increase	Decrease	End of fiscal year under review	
Submitting company	New stock acquisition rights issued as stock options in 2010	-	- (-)	2,858,900 (1,526,400)	1,638,700 (-)	1,220,200 (1,526,400)	37 (20)
Submitting company	New stock acquisition rights issued as stock options in 2013	-	- (-)	- (-)	- (-)	- (-)	701 (18)
Total			- (-)	2,858,900 (1,526,400)	1,638,700 (-)	1,220,200 (1,526,400)	738 (38)

Note: 1.The first day of the exercise period for the new stock acquisition rights issued as stock options in 2013 has yet to arrive.

2. Treasury stock acquisition rights are indicated outside within parentheses.

3. Reasons of changes in the number of shares to be issued or transferred upon exercise of new stock acquisition rights

The decrease of 1,638,700 in the number of shares to be issued or transferred upon exercise of new stock acquisition rights issued as stock options in 2010 is due to the exercise of new stock acquisition rights.

ii) “5. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements”

(Notes to Segment information) ( Page 37)

[Before correction]

(2) Calculation of operating revenue, profit or loss, assets, liabilities, etc. by reporting segment

The accounting methods applied to reporting segments are the same as those described in Significant Items Forming the Basis for the Preparation of the Consolidated Financial Statements. Income for reportable segments are net income.

[After correction]

(2) Calculation of operating revenue, profit or loss, assets, liabilities, etc. by reporting segment

The accounting methods applied to reporting segments are the same as those described in Significant Items Forming the Basis for the Preparation of the Consolidated Financial Statements. Income or loss for reportable segments are net income or loss.

iii) “5. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements”

(Notes to Segment information) ( Page 41)

(4) The amount and principal details of the difference between the total amount of reporting segments and amounts posted on the Company’s financial statements

[Before correction]

Other items    Provision for doubtful accounts  
                   Amortization of negative goodwill \*1  
                   Interest expenses \*2

[After correction]

Other items    Provision for doubtful accounts \*1  
                   Amortization of negative goodwill \*2  
                   Interest expenses \*3

iv) “5. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements”

(Per Share Information) ( Page 43)

[Before correction]

For the fiscal year ended March 31, 2014		For the fiscal year ended March 31, 2015	
Net assets per share	276.80 yen	Net assets per share	200.45 yen
Net income per share	63.34 yen	Net income per share	75.74 yen
Dilutednet income per share	63.00 yen	<u>Diluted net income per share omitted because there were no latent shares with a dilutive effect.</u>	

[After correction]

For the fiscal year ended March 31, 2014		For the fiscal year ended March 31, 2015	
Net assets per share	276.80 yen	Net assets per share	200.45 yen
Net income per share	63.34 yen	Net income per share	75.74 yen
Dilutednet income per share	63.00 yen	<u>Although dilutive shares exist, the adjusted earnings per share are not stated because we posted net loss per share.</u>	

v) “5. Consolidated Financial Statements, (5) Notes to Consolidated Financial Statements”  
(Per Share Information) ( Page 43)

Note 2: Basis for calculation of net income (loss) per share and diluted net income per share is as follows.

[Before correction]

Item	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
Net income (loss) per share		
Net income (loss)	30,461 million yen	(36,499) million yen
Amount not attributable to common stock shareholders	—	
Net income (loss) related to common stock	30,461 million yen	(36,499) million yen
Average number of shares of common stock during the period	480,951,620 shares	481,898,473 shares
Diluted net income per share		
Adjusted net income	—	—
Increase in number of common stock	2,550,274	1,643,502
(of which subscription rights to share)	(2,550,274)	(1,643,502)
Outline of stock not included in diluted net income per share due to lack of dilutive effect	Stock options issued in 2013. The details are described in Status of new stock acquisition rights etc.	Stock options issued in 2010 and in 2013. The details are described in Status of new stock acquisition rights etc.

[After correction]

Item	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
Net income (loss) per share		
Net income (loss)	30,461 million yen	(36,499) million yen
Amount not attributable to common stock shareholders	—	
Net income (loss) related to common stock	30,461 million yen	(36,499) million yen
Average number of shares of common stock during the period	480,951,620 shares	481,898,473 shares
Diluted net income per share		
Adjusted net income	—	—
Increase in number of common stock	2,550,274	—
(of which subscription rights to share)	(2,550,274)	—
Outline of stock not included in diluted net income per share due to lack of dilutive effect	Stock options issued in 2013. The details are described in Status of new stock acquisition rights etc.	Stock options issued in 2013. The details are described in Status of new stock acquisition rights etc.

vi) “7. Non-Consolidated Financial Statements, (4) Notes to Non-consolidated financial statements”  
(Important accounting principle) ( Page 53)

[Before correction]

Disclosure omitted since there are no major changes from the descriptions in the latest Financial Information (Yukashoken-Hokokusho) (submitted on Jun 27, 2014).



[After correction]

Item	For the fiscal year ended March 31, 2014	For the fiscal year ended March 31, 2015
<u>4. Accounting principles used for standard accounting treatment</u>	=====	<u>Lease assets</u> <u>Lease assets related to finance lease transactions in which ownership is not transferred</u> <u>Calculation is based on the straight-line method, with the useful life equaling the lease term and the salvage value at zero.</u>

Note: With the exception of the above-described items, there have been no significant changes since those listed in the most recent financial report (submitted June 27, 2014). Accordingly, no mention is made of them.

2. Reason for the Correction

Some errors were found after the company disclosed the Financial Results and corrections have been made accordingly.