



MEMBERSHIP

November 7, 2006

Consolidated Interim Financial Statements (Summary)

For the fiscal year ending March 31, 2007

AIFUL Corporation

Stock Code: 8515

(URL <http://www.aiful.co.jp>)

Representative:

Inquiries:

Date of the Board of Directors' meeting to approve financial statements:

Adoption of U.S. G.A.A.P.:

Stock Exchange: Tokyo, Osaka

Headquarters: Kyoto City

Yoshitaka Fukuda, President and Chief Executive Officer

Kenichi Kayama, General Manager, Public Relations Department

TEL (03) 4503 - 6050

November 7, 2005

No

I. Consolidated Results for the Interim Period (April 1, 2006 – September 30, 2006)

1. Consolidated Operating Results

(In millions of yen - rounded down, except where noted)

	Operating Revenue		Operating Income		Ordinary Income	
Interim Period Ended September 30, 2006	262,283	(3.9)%	27,744	(63.0)%	28,115	(62.9)%
Interim Period Ended September 30, 2005	272,802	6.4%	74,972	13.8%	75,757	15.5%
Fiscal Year Ended March 31, 2006	549,547	6.0%	125,116	(7.1)%	126,96	(6.2)%

	Net Income		Net Income per Share (Yen)		Diluted Net Income per Share (Yen)	
Interim Period Ended September 30, 2006	(179,564)	–	(1,267.91)		–	
Interim Period Ended September 30, 2005	44,210	35.1%	312.20		312.13	
Fiscal Year Ended March 31, 2006	65,827	(13.1)%	464.84		464.69	

Notes: (1) Equity method investment gain or loss for: Interim period ended September 30, 2006: - million yen

Interim period ended September 30, 2005: - million yen

Fiscal year ended March 31, 2005: - million yen

(2) Average number of shares during:

Interim period ended September 30, 2006: 141,622,661 shares

Interim period ended September 30, 2005: 141,608,423 shares

Fiscal year ended March 31, 2006: 141,613,814 shares

(3) Changes in accounting policies:

No

(4) Percentage figures shown for operating revenue, operating income, etc., show year-on-year change.

2. Consolidated Financial Position

(In millions of yen - rounded down, except where noted)

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Asset per Share (Yen)
Interim Period Ended September 30, 2006	2,490,928	495,339	19.6	3,447.03
Interim Period Ended September 30, 2005	2,680,042	661,718	24.7	4,672.82
Fiscal Year Ended March 31, 2006	2,790,969	681,694	24.4	4,813.45

Note: Number of shares issued and outstanding:

As of September 30, 2006: 141,622,498 shares

As of September 30, 2005: 141,610,000 shares

As of March 31, 2006: 141,622,876 shares

3. Consolidated Cash Flows

(In millions of yen - rounded down)

	Cash flow from Operating Activities	Cash flow from Investing Activities	Cash flow from Financing Activities	Cash and Cash Equivalents at the End of the Period
Interim Period Ended September 30, 2006	120,518	45,104	(166,183)	133,832
Interim Period Ended September 30, 2005	(30,978)	365	46,004	124,542
Fiscal Year Ended March 31, 2006	(25,944)	(60,019)	111,185	134,376

4. Consolidated Companies and Companies to Which Equity Method Accounting Applies

Number of consolidated subsidiaries:

13 companies

Number of non-consolidated subsidiaries accounted for by the equity method:

0 companies

Number of affiliated companies accounted for by the equity method:

0 companies

5. Changes in application of consolidated accounting and equity method accounting

Consolidated subsidiaries: (Newly included): 3 companies (Excluded): 0 companies

Companies accounted for by the equity method: (Newly included): 0 companies (Excluded): 0 companies

II. Full Year Forecast (April 1, 2006 - March 31, 2007)

(In millions of yen, rounded down)

	Operating Revenue	Ordinary Income	Net Income (Loss)
Fiscal Year Ending March 31, 2007	508,714	20,000	(185,476)

Reference:

Forecast for earnings (loss) per share for fiscal year ending March 31, 2007: 1,309.65 yen

Caution Relating to Results Forecasts:

The above forecasts are based on the information available to management at the time they were made, and are estimates involving uncertain factors thought likely to have an effect on future results. Actual results can differ materially from these forecasts for a variety of reasons.

(Supplementary Data)

I. Consolidated Interim Financial Statements

1. Consolidated Interim Balance Sheets

(In millions of yen - rounded down, %)

Category (Assets)	Note No.	End of previous interim period (As of September 30, 2005)		End of current interim period (As of September 30, 2006)		Condensed balance sheets for previous fiscal year (As of March 31, 2006)	
		Amount	%	Amount	%	Amount	%
I Current assets							
1. Cash and cash equivalents	*3	125,116		133,909		134,454	
2. Loans	*3, 7, 8	2,071,500		2,048,050		2,124,017	
3. Installment receivables	*3, 5, 7	215,438		189,139		209,581	
4. Operational investment securities		1,547		1,654		1,788	
5. Customers' liabilities for acceptances and guarantees		147,469		148,930		153,766	
6. Other operating receivables		10,346		11,614		10,520	
7. Inventory	*3	9,195		11,369		11,285	
8. Deferred tax assets		27,999		17,093		32,262	
9. Other	*3, 4	50,013		50,877		102,300	
10. Allowance for bad debts		(135,359)		(262,215)		(146,961)	
Total current assets		2,523,268	94.2	2,350,424	94.4	2,633,014	94.4
II Fixed assets							
1 Tangible fixed assets							
(1) Land	*3	16,099		15,953		15,899	
(2) Other	*2, 3	32,864	48,963	35,827	51,781	37,777	53,676
2. Intangible fixed assets							
(1) Good will		–		8,405		–	
(2) Consolidation adjustment account		10,139		–		9,272	
(3) Other		21,080	31,220	20,593	28,998	21,692	30,965
3. Investment and other fixed assets							
(1) Claims in bankruptcy	*8	32,266		32,751		33,031	
(2) Deferred tax assets		3,146		5,598		2,904	
(3) Other		63,661		44,795		61,385	
(4) Allowance for bad debts		(23,423)	75,651	(23,919)	59,227	(24,753)	72,567
Total fixed assets			155,836		140,007		157,209
III Deferred assets							
Bond issuing expenses		937		497		744	
Total deferred assets			937		497		744
Total assets			2,680,042	100.0			2,790,969
							100.0

Category (Liabilities)	Note No.	End of previous interim period (As of September 30, 2005)		End of current interim period (As of September 30, 2006)		Condensed balance sheets for previous fiscal year (As of March 31, 2006)	
		Amount	%	Amount	%	Amount	%
I Current liabilities							
1. Notes & accounts payable - trade	*3	29,069		28,418		28,070	
2. Acceptances and guarantees		147,469		148,930		153,766	
3. Short-term debts	*3	64,850		103,050		113,200	
4. Current portion of bonds		92,500		62,500		82,000	
5. Current portion of long-term debts	*3	455,948		390,033		434,325	
6. Commercial paper		23,000		20,000		25,000	
7. Income taxes payable		26,694		14,356		25,040	
8. Reserve for accrued bonuses		4,437		4,521		4,153	
9. Allowance for losses on interest refunds		–		–		21,074	
10. Gains on deferred installments	*6	16,681		10,258		14,021	
11. Other		44,178		45,621		46,565	
Total current liabilities		904,830	33.8	827,689	33.2	947,218	33.9
II Long-term liabilities							
1. Bonds		418,000		385,500		428,500	
2. Long-term debts	*3	668,900		669,730		709,721	
3. Deferred tax liabilities		2,105		691		3,759	
4. Allowance for retirement benefits for employees		8		–		–	
5. Allowance for retirement benefits for directors		1,470		1,291		1,328	
6. Allowance for losses on interest refunds		–		98,755		–	
7. Other		16,674		11,930		11,783	
Total long-term liabilities		1,107,158	41.3	1,167,899	46.9	1,155,092	41.4
Total liabilities		2,011,989	75.1	1,995,589	80.1	2,102,310	75.3
(Minority interests)							
Minority interests		6,333	0.2	–	–	6,964	0.3
(Shareholders' equity)							
I Common stock		83,317	3.1	–	–	83,317	3.0
II Capital surplus	*1	104,125	3.9	–	–	104,125	3.7
III Retained earnings		468,857	17.5	–	–	486,214	17.4
IV Differences in evaluation of other marketable securities		8,474	0.3	–	–	11,001	0.4
V Treasury stock		(3,056)	(0.1)	–	–	(2,964)	(0.1)
Total shareholders' equity		661,718	24.7	–	–	681,694	24.4
Total liabilities, minority interests and shareholders' equity		2,680,042	100.0	–	–	2,790,969	100.0

Category (Net Assets)	Note No.	End of previous interim period (As of September 30, 2005)		End of current interim period (As of September 30, 2006)		Condensed balance sheets for previous fiscal year (As of March 31, 2006)	
		Amount	%	Amount	%	Amount	%
I. Shareholders' equity							
1. Common stock		-	-	83,317	3.3	-	-
2. Capital surplus	*1	-	-	104,125	4.2	-	-
3. Retained earnings		-	-	302,400	12.1	-	-
4. Treasury stock		-	-	(2,967)	(0.1)	-	-
Total shareholders' equity		-	-	486,876	19.5	-	-
II. Evaluation and foreign currency translation adjustments							
1. Differences in evaluation of other marketable securities		-	-	7,669	0.3	-	-
2. Loss on deferred hedge		-	-	(6,369)	(0.2)	-	-
Total evaluation and foreign currency translation adjustments		-	-	1,299	0.1	-	-
III. Minority interests		-	-	7,163	0.3	-	-
Total net assets		-	-	495,339	19.9	-	-
Total net assets and liabilities		-	-	2,490,928	100.0	-	-

2. Consolidated Interim Statement of Income

(In millions of yen - rounded down, %)

Category	Note No.	Previous consolidated interim period (Apr. 1, 2005 to Sep. 30, 2005)		Current consolidated interim period (Apr. 1, 2006 to Sep. 30, 2006)		Condensed consolidated statement of income for previous fiscal year (Apr. 1, 2005 to Mar. 31, 2006)	
		Amount	%	Amount	%	Amount	%
I Operating revenue							
1. Interest on loans to customers		245,054	89.8	236,055	90.0	491,357	89.4
2. Credit card revenue		5,022	1.9	6,195	2.4	11,275	2.1
3. Per-item credit revenue		9,066	3.3	7,468	2.8	17,675	3.2
4. Credit guarantee revenue		4,150	1.5	4,668	1.8	8,667	1.6
5. Financial revenue - other		17	0.0	36	0.0	35	0.0
6. Operating revenue - other							
Sales of real estate		–		–		23	
Revenue from operational investment securities		134		303		436	
Collection of bad debts		4,659		2,328		8,535	
Other		4,696	9,490	5,226	7,858	11,539	20,535
Total operating revenue			272,802		262,283		549,547
			100.0		100.0		100.0
II Operating expenses							
1. Financial expenses		18,940	6.9	18,314	7.0	37,762	6.9
2. Cost of sales							
Cost of sales of real estate		–		–		24	
Cost of sales of operational investment securities		63	63	72	72	149	173
3. Operating expenses - other	*1	178,825	65.6	216,152	82.4	386,495	70.3
Total operating expenses		197,829	72.5	234,539	89.4	424,431	77.2
Operating income		74,972	27.5	27,744	10.6	125,116	22.8
III Non-operating income							
1. Interest on loans		8		12		28	
2. Dividends received		192		152		286	
3. Dividends on insurance		414		88		607	
4. Gain on investment in anonymous association		141		95		652	
5. Other		170	926	243	592	432	2,007
			0.3		0.2		0.3
IV Non-operating expenses							
1. Interest expenses		2		0		4	
2. Loss on investment in anonymous association		78		142		0	
3. Other		59	141	78	221	155	159
Ordinary income			75,757		28,115		126,964
			27.8		10.7		23.1
V Extraordinary income							
1. Gain on sale of fixed assets	*2	175		0		176	
2. Gain on sale of investment securities		16		349		60	
3. Allowance for bad debts from previous year		0		0		0	
4. Gain on liquidation of lease deposits and guarantees		142		18		144	
5. Gain on transfer to defined contribution pension system		421		–		421	
6. Other		–	755	50	418	1	803
			0.2		0.1		0.1

Category	Note No.	Previous consolidated interim period (Apr. 1, 2005 to Sep. 30, 2005)		Current consolidated interim period (Apr. 1, 2006 to Sep. 30, 2006)		Condensed consolidated statement of income for previous fiscal year (Apr. 1, 2005 to Mar. 31, 2006)	
		Amount	%	Amount	%	Amount	%
VI Extraordinary losses							
1. Loss on sale of fixed assets	*3	5		0		102	
2. Loss on disposal of fixed assets		179		216		346	
3. Impairment losses	*4	743		152		743	
4. Loss on sale of investment securities		64		–		80	
5. Loss on valuation of investment securities		11		0		65	
6. Transfer to allowance for bad debts		–		107,012		–	
7. Transfer to allowance for loss on interest refunds		–		69,312		–	
8. Interest refunds		–		–		13,108	
9. Dissolution fees for cancellation of contract		19		599		135	
10. Other		175	1,199	108	177,403	411	14,994
			0.4		67.6		2.7
Net income (loss) before taxes for interim period			75,313		(148,869)		112,773
			27.6		(56.8)		20.5
Corporate tax, local and enterprise taxes		26,190		14,439		45,520	
Adjustment on corporate tax, etc.		3,966	30,157	16,054	30,493	(145)	45,374
			11.1		11.6		8.2
Gain on minority interests			945		201		1,571
			0.3		0.1		0.3
Net income (loss) for interim period			44,210		(179,564)		65,827
			16.2		(68.5)		12.0

3. Consolidated Interim Statement of Retained Earnings

(In millions of yen - rounded down)

Category	Note No.	Previous consolidated interim period (Apr. 1, 2005 to Sep. 30, 2005)		Consolidated statement of retained earnings in previous fiscal year (Apr. 1, 2005 to Mar. 31, 2006)	
		Amount		Amount	
(Capital surplus)					
I Capital surplus at the beginning of the year			104,125		104,125
II Capital surplus at the end of the interim period			104,125		104,125
(Retained earnings)					
I Retained earnings at the beginning of the year			427,609		427,609
II Increase in retained earnings					
Net income for the interim period		44,210	44,210	65,827	65,827
III Decrease in retained earnings					
1. Cash dividends		2,832		7,080	
2. Bonuses to directors		126		126	
3. Loss on price differences in disposal of treasury stock		4	2,963	15	7,222
IV Consolidated retained earnings at the end of the interim period			468,857		486,214

4. Consolidated Interim Statement of Changes in Shareholders' Equity

Current Consolidated Interim Period (April 1, 2006 – September 30, 2006)

(In millions of yen – rounded down)

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

(In millions of yen – rounded down)

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

5. Consolidated Interim Statement of Cash Flows

(In millions of yen - rounded down)

Category	Note No.	Previous consolidated interim period	Current consolidated interim period	Consolidated statement of cash flows in previous
		(Apr. 1, 2005 to Sep. 30, 2005)	(Apr. 1, 2006 to Sep. 30, 2006)	fiscal year (Apr. 1, 2005 to Mar. 31, 2006)
		Amount	Amount	Amount
I. Cash flow from operating activities				
Net income (loss) before taxes		75,313	(148,869)	112,773
Depreciation expenses		5,199	6,496	11,836
Impairment losses		743	152	743
Goodwill		–	867	–
Write-down of consolidation adjustment account		1,187	–	2,055
Loss on valuation of investment securities		11	0	65
Increase (decrease) in allowance for bad debts		(1,372)	114,419	11,561
Increase (decrease) in reserve for accrued bonuses		180	367	(103)
Increase (decrease) in allowance for losses on interest refunds		–	77,680	21,074
Increase (decrease) in allowance for retirement benefits for employees		(258)	–	(266)
Increase (decrease) in allowance for retirement benefits for directors		50	(36)	(91)
Non-operating interest on loans and cash dividends		(200)	(164)	(314)
Amortization of bond issuing expenses		259	247	650
Loss (gain) on sale of fixed assets		(169)	0	(73)
Loss on disposal of fixed assets		179	216	346
Increase on liquidation of lease deposits and guarantees		(142)	(18)	(144)
Loss (gain) on sale of investment securities		48	(349)	20
Gain on transfer to defined contribution pension system		(421)	–	(421)
Bonuses paid to directors		(126)	–	(126)
Decrease (increase) in loans to customers		(68,483)	75,966	(121,000)
Decrease (increase) in installment receivables		(23,037)	20,441	(17,178)
Decrease (increase) in operational investment securities		74	141	(121)
Loss (gain) on other trade receivables		143	(1,094)	(30)
Decrease (increase) in claims in bankruptcy		(3,731)	279	(4,495)
Decrease (increase) in inventory		(806)	(83)	(2,896)
Decrease (increase) in pre-paid expenses		(2)	724	(275)
Decrease (increase) in long-term pre-paid expenses		739	662	1,584
Decrease (increase) in other current assets		3,774	732	1,693
Increase (decrease) in other current liabilities		2,579	(3,578)	972
Other		182	271	(17)
Subtotal		(8,084)	145,476	17,819
Non-operating interest on loans and cash dividends		200	164	314
Payments for corporate and other taxes		(23,094)	(25,122)	(44,078)
Cash flow from operating activities		(30,978)	120,518	(25,944)

		Previous consolidated interim period (Apr. 1, 2005 to Sep. 30, 2005)	Current consolidated interim period (Apr. 1, 2006 to Sep. 30, 2006)	Consolidated statement of cash flows in previous fiscal year (Apr. 1, 2005 to Mar. 31, 2006)
Category	Note No.	Amount	Amount	Amount
II. Cash flow from investing activities				
Revenue from payment of term deposits		48	–	547
Funds used for purchase of tangible fixed assets		(3,685)	(2,096)	(11,800)
Gain on sale of tangible fixed assets		369	0	719
Funds used for purchase of intangible fixed assets		(3,391)	(2,556)	(7,522)
Funds used for purchase of investment securities		(434)	(1,183)	(1,663)
Funds provided by sales of investment securities		526	772	2,867
Decrease (increase) in short-term receivables		5,047	49,987	(44,940)
Funds used for long-term loan receivables		–	(63)	(36)
Funds provided collection of long-term loan receivables		1,103	10	1,130
Funds used for purchases of investments and other assets		(15)	(24)	(74)
Funds provided from sales of investments and other assets		37	55	222
Other		759	201	531
Cash flow from investing activities		365	45,104	(60,019)
III. Cash flow from financing activities				
Increase in short-term debts		475,200	517,740	989,210
Repayment of short-term debts		(482,045)	(527,890)	(947,705)
Increase (decrease) in commercial paper		23,000	(5,000)	25,000
Increase in long-term debts		236,473	155,851	514,473
Repayments of long-term debts		(234,851)	(240,134)	(493,654)
Cash from issue of corporate bonds		95,056	–	124,859
Cash used for redemption of bonds		(64,000)	(62,500)	(94,000)
Payment for acquisition of treasury stock		–	(2)	(46)
Cash from disposal of treasury stock		2	–	129
Cash dividends paid		(2,832)	(4,248)	(7,080)
Cash flow from financing activities		46,004	(166,183)	111,185
IV. Foreign currency translation adjustments on cash and cash equivalents		12	16	16
V. Increase (decrease) in cash and cash equivalents		15,404	(544)	25,238
VI. Balance of cash and cash equivalents at the beginning of period		108,965	134,376	108,965
VII. Increase in cash and cash equivalents from new consolidations		173	–	173
VIII. Balance of cash and cash equivalents at the end of the interim period	*1	124,542	133,832	134,376