

Interim Results Information Meeting As of September 2003

November 7, 2003

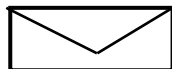


- Forward Looking Statements -

The figures contained in this presentation with respect to the plans, strategies and other statements that are not historical facts of AIFUL and the AIFUL Group are forward-looking statements about the future performance of AIFUL and the AIFUL Group which are based on management's assumptions and beliefs in light of the information currently available to it and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various facts. Potential risks and uncertainties include, without limitation, general economic conditions in the market in which AIFUL and the AIFUL Group operate business, and changes in the size of the overall market for consumer loans, the rate of default by customers, and the level of interest rates charged by AIFUL and the AIFUL Group. This presentation does not constitute any offer of any securities for sale.

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Interim Result for March 2004

1. Business Strategy & Recent Development

2. Progress of LIFE

3. Key Figures

Financial results - Interim Results (Consolidated)

(¥ billion)	9/02	9/03	YoY	3/04(E)	YoY
Total Receivables (Managed)	2,119.8	2,255.8	+6.4%	2,343.9	+6.0%
Loans (Managed)	1,740.0	1,871.5	+7.6%	1,994.5	+6.0%
Loans outstanding of AIFUL	1,372.9	1,435.7	+4.6%	1,479.1	+4.7%
Shopping Receivables	247.8	252.3	+1.8%	262.8	+6.2%
Number of Loan Customer Account (Thousands)	3,453	3,521	+2.0%	-	-
Number of Credit Card Holder (Thousands)	9,420	10,403	+10.4%	10,973	+11.5%
Number of New Loan Customer (Thousands)	288	232	-19.5%	469	-14.4%
Operating Revenue	220.2	235.4	+6.9%	480.2	+6.8%
Operating Income	62.0	45.9	-25.9%	113.0	-2.5%
Ordinary Income	59.3	45.4	-23.4%	112.0	+0.2%
Net Income	30.8	27.5	-10.7%	61.2	+2.2%

* “Loan” related figures include loan provided to AIFUL, LIFE, and other subsidiaries. “Shopping Receivables” include credit card, installment finance and guarantee businesses provided by LIFE.

Financial Results - Interim Results (AIFUL)

(¥ billion)	9/02	9/03	YoY	3/04(E)	YoY
Loans Outstanding	1,372.9	1,435.7	+4.6%	1,479.1	+4.7%
Unsecured	1,055.7	1,074.5	+1.8%	1,087.7	+1.8%
Home Equity Loan	298.1	335.7	+12.6%	362.8	+12.4%
Small Business Loan	19.0	25.4	+33.6%	28.5	+27.6%
Number of Accounts (Thousands)	2,271	2,269	-0.1%	2,275	-0.4%
Number of New Loan Customer (Thousands)	205	182	-11.0%	368	-9.1%
Number of Branches	1,588	1,573	-	1,583	-
Operating Revenue	162.4	166.8	+2.7%	338.8	+4.4%
Operating Income	58.9	41.1	-30.1%	97.1	-9.2%
Recurring Income	58.4	42.6	-27.1%	101.0	-5.7%
Net Income	30.3	21.2	-30.0%	52.1	-5.7%

Financial Results - Interim Results (Subsidiaries) (1)

(¥ billion)	LIFE		BUSINEXT		City's	
Business	Credit Card		Business Loan		Small Business Loan	
FY	9/03	3/04(E)	9/03	3/04(E)	9/03	3/04(E)
Receivables	688.7	721.2	20.2	26.6	28.9	30.4
(YOY)	+4.2%	+6.7%	+73.4%	+73.2%	-	+4.5%
Operating revenue	55.3	114.8	1.2	3.0	3.6	7.3
(YOY)	+14.5%	+12.2%	+70.6%	+74.0%	-	-
Operating income	4.0	11.8	-0.5	-0.6	0.8	1.3
(YOY)	+45.6%	+51.3%	-	-	-	-
Ordinary income	4.1	12.0	-0.5	-0.6	0.8	1.3
(YOY)	+41.1%	+49.1%	-	-	-	-

*Life's receivable reflect on-balance figures only

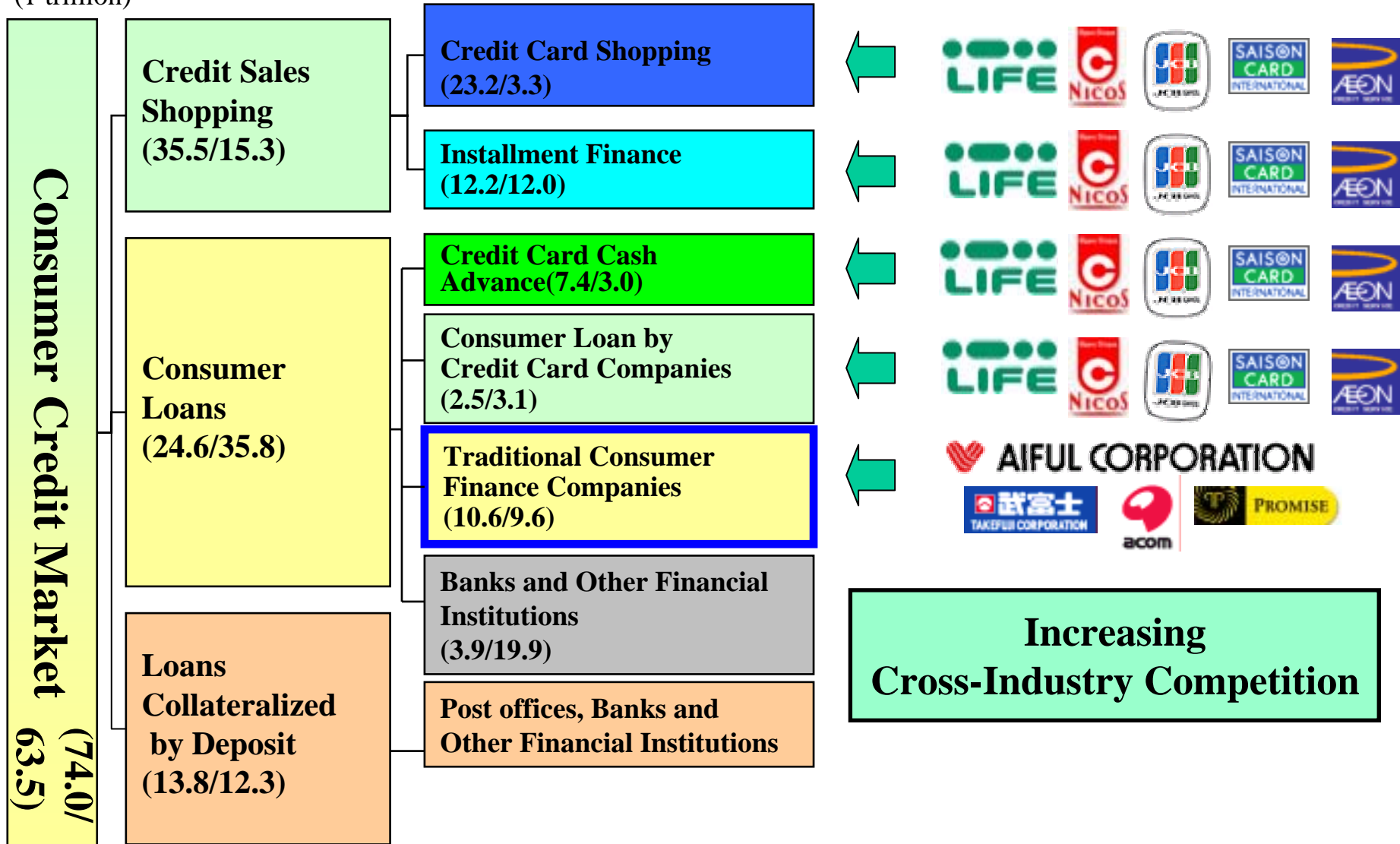
Financial Results - Interim Results (Subsidiaries) (2)

(¥ billion)	Happy Credit		Sinwa		Sanyo Shinpan	
Business	Consumer F.		Consumer F.		Consumer F.	
FY	9/03	3/04(E)	9/03	3/04(E)	9/03	3/04(E)
Receivables	29.1	27.3	21.1	19.7	11.5	11.4
(YOY)	-12.5%	-13.4%	-8.9%	-11.1%	-1.9%	-3.7%
Operating revenue	3.8	7.4	2.8	5.3	1.4	2.8
(YOY)	-11.1	-12.7%	-5.5%	-9.4%	+3.8%	+0.6%
Operating income	-0.08	0.1	0.03	0.2	-0.2	0.03
(YOY)	-78.9%	+440.0%	-121.0%	+119.8%	-318.1%	-88.5%
Ordinary income	-0.08	0.1	0.04	0.2	-0.2	0.01
(YOY)	-80.2%	+403.8%	-129.3%	+98.3%	-315.4%	+93.4%

Business Strategy - Consumer Credit Market in Japan

Market Overview

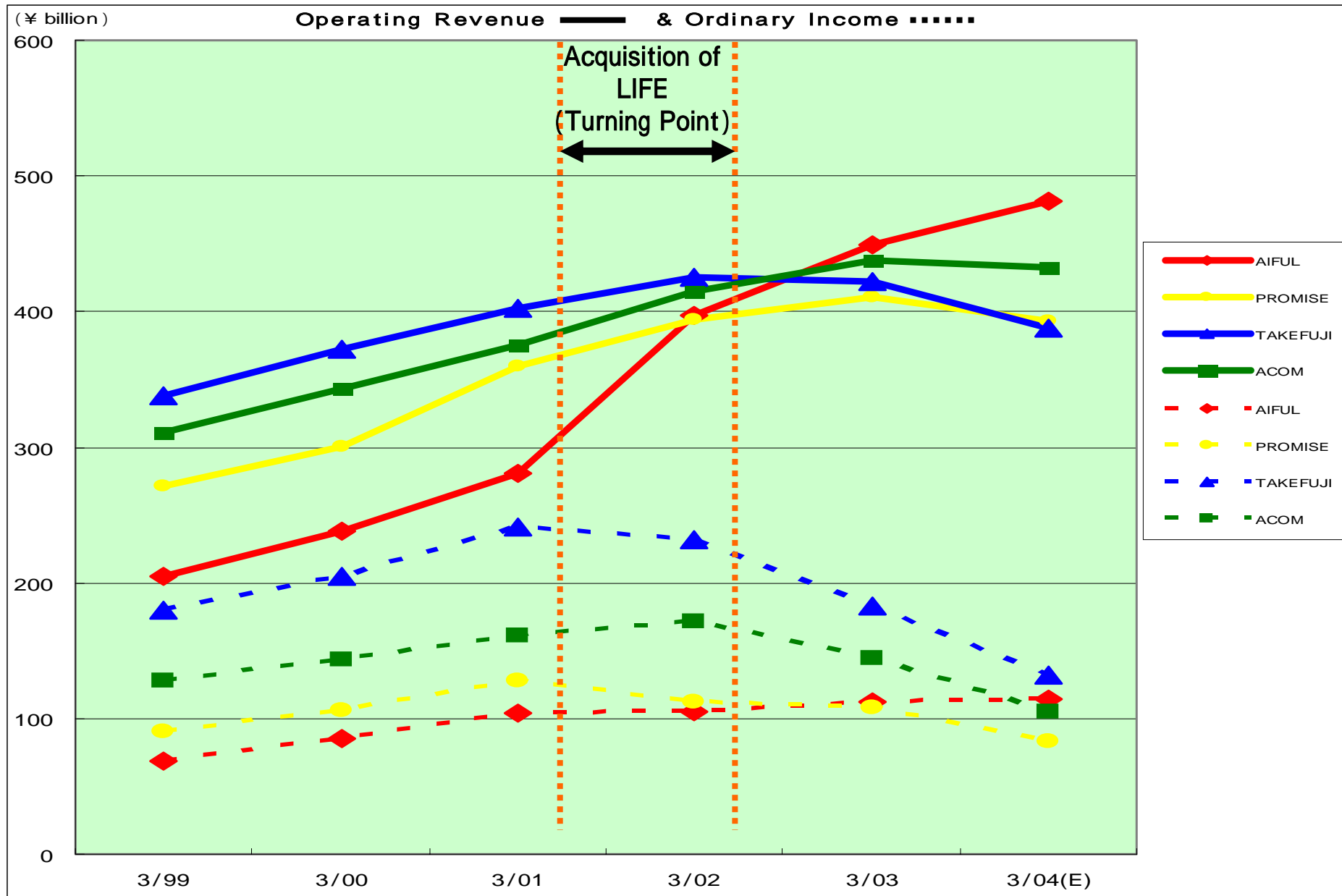
(¥ trillion)



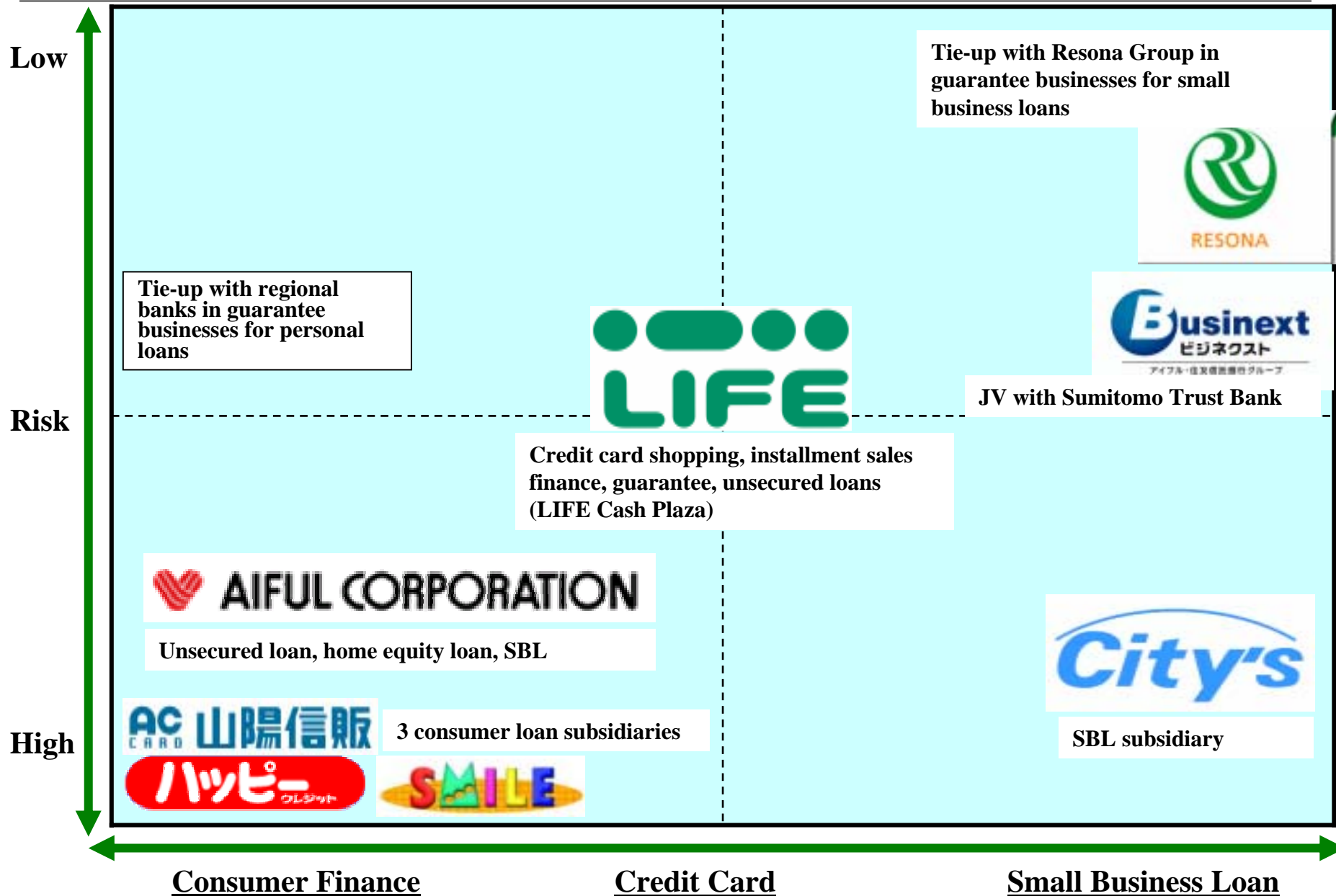
Increasing Cross-Industry Competition

Source: Consumer Credit Market Statistics, Japan Consumer Credit Industry Association
 Note : (Amount of New credits / Credit outstanding)

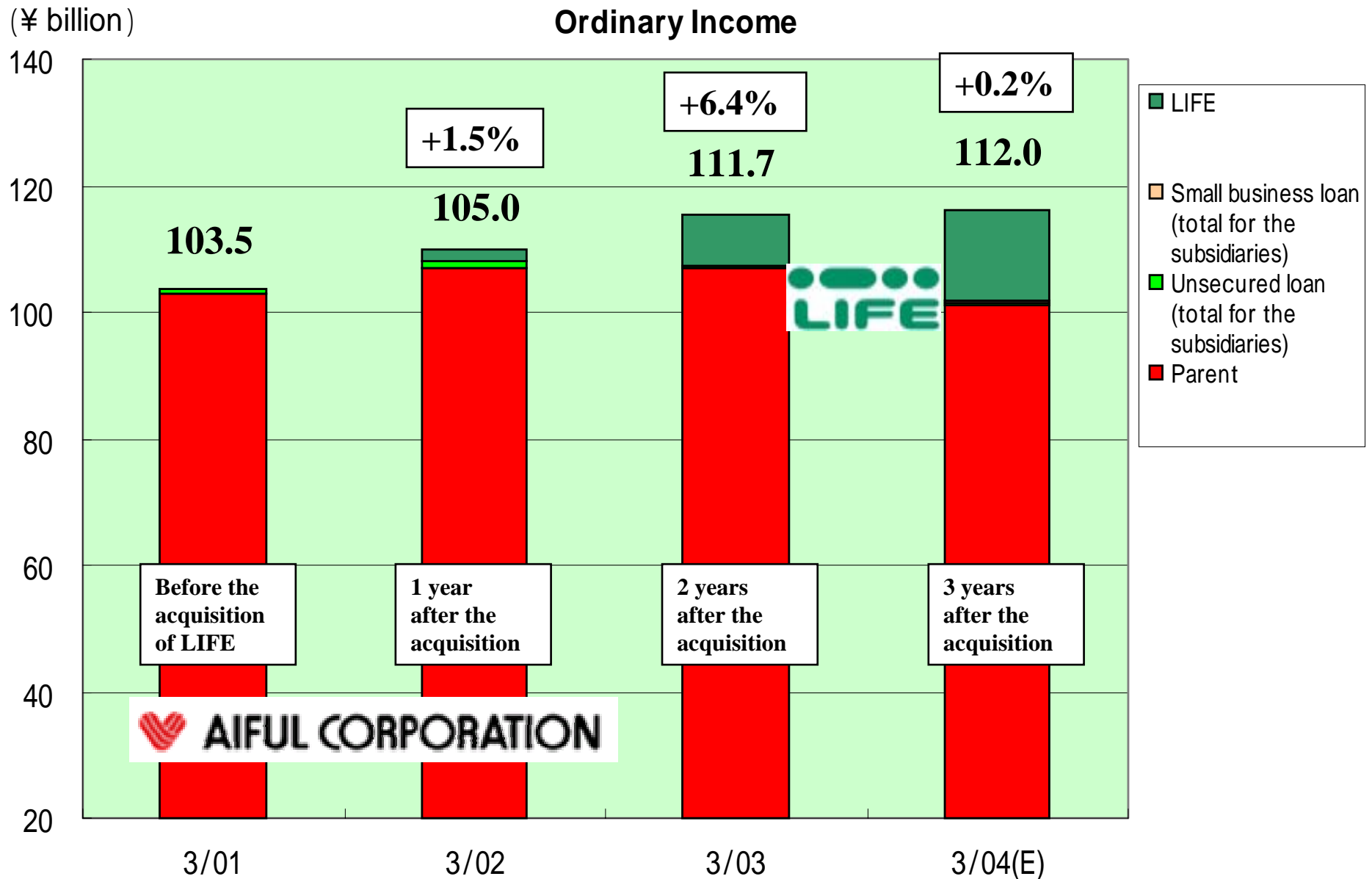
Business Strategy - Transition of Operating Revenue & Ordinary Income (Consolidated)



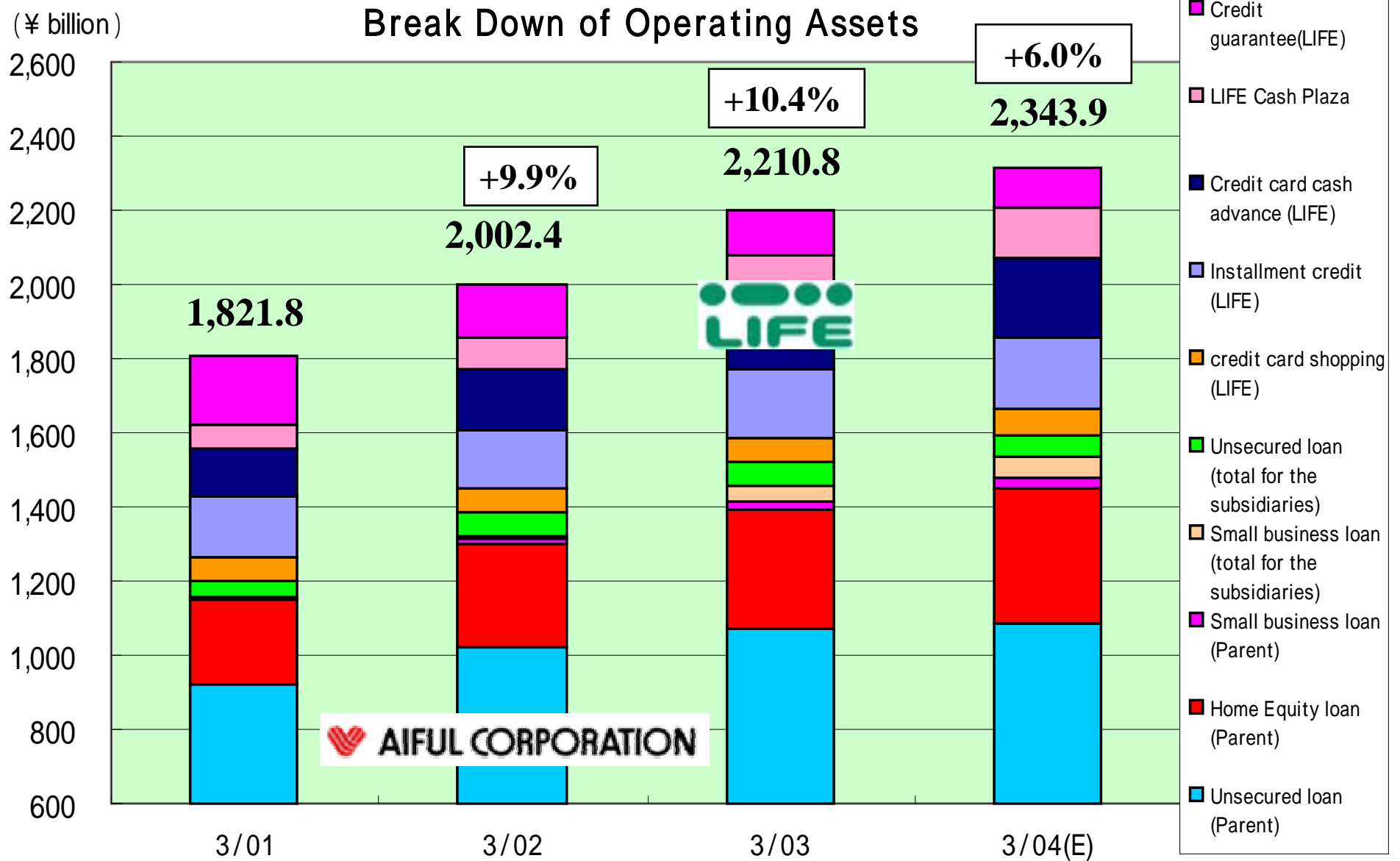
Business Strategy - Diversification of Product & Customer Acquisition



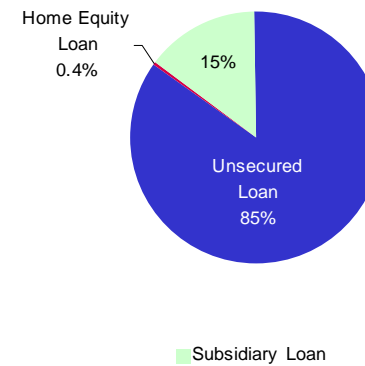
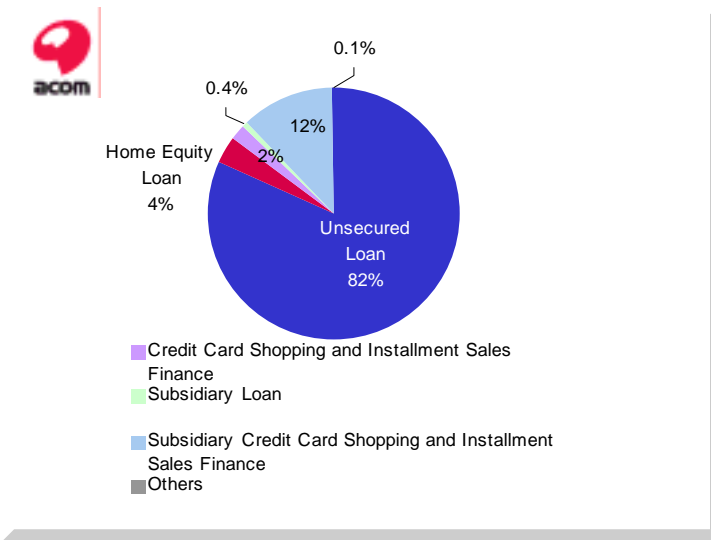
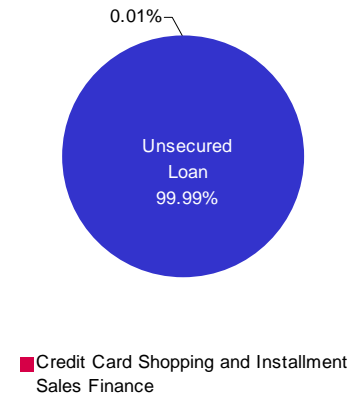
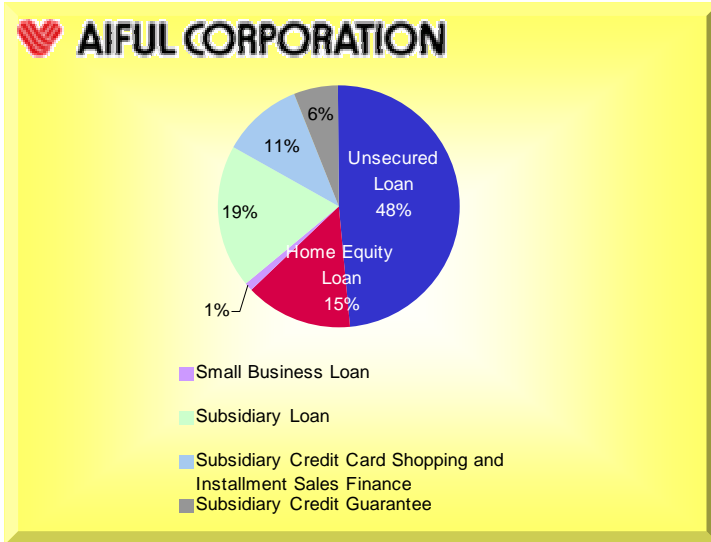
Business Strategy - Change of Ordinary Income



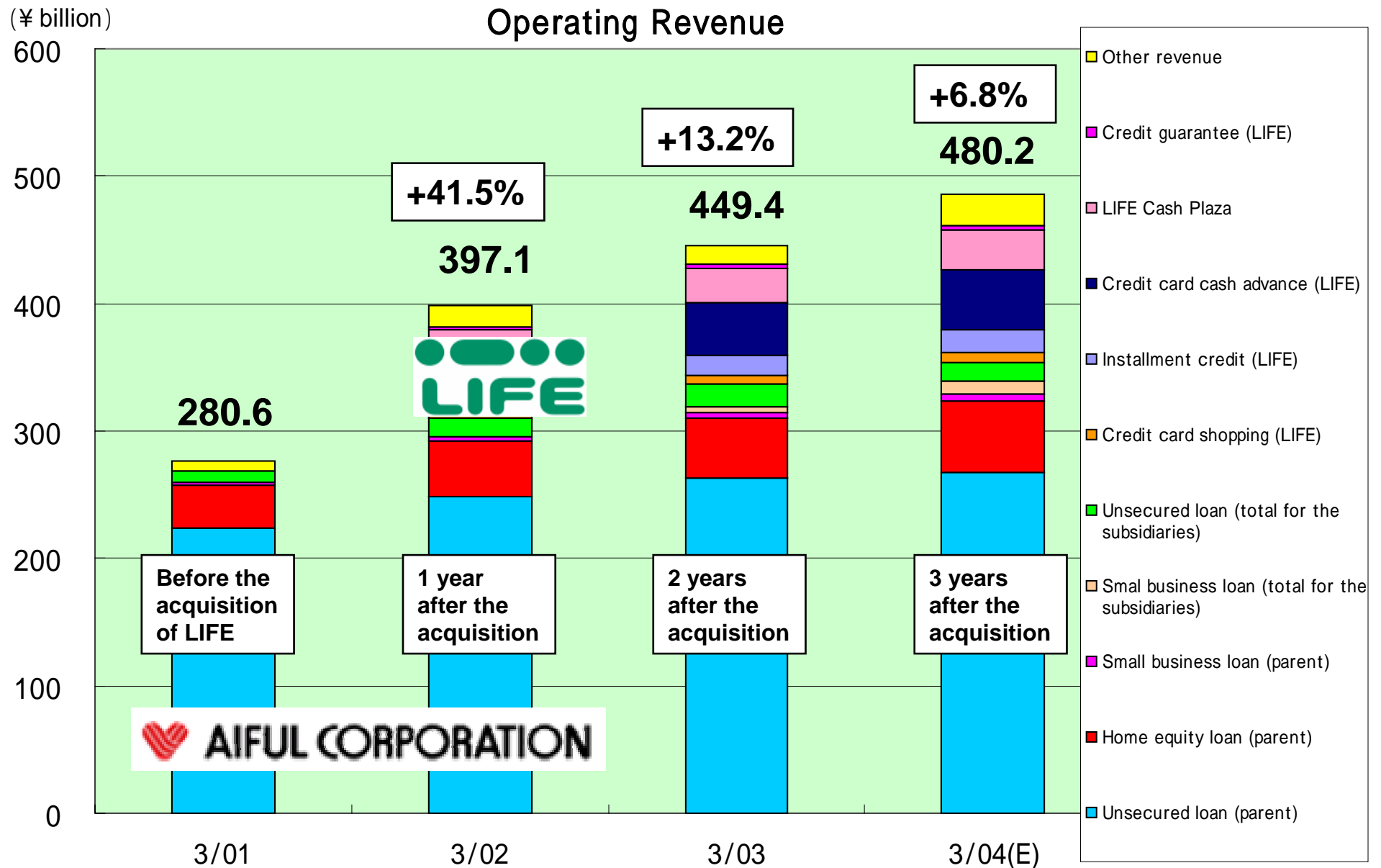
Business Strategy - Diversification of Operating Assets



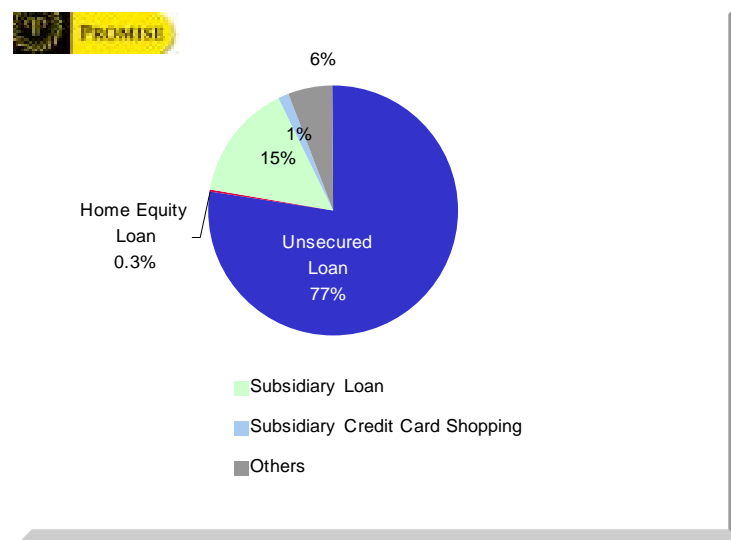
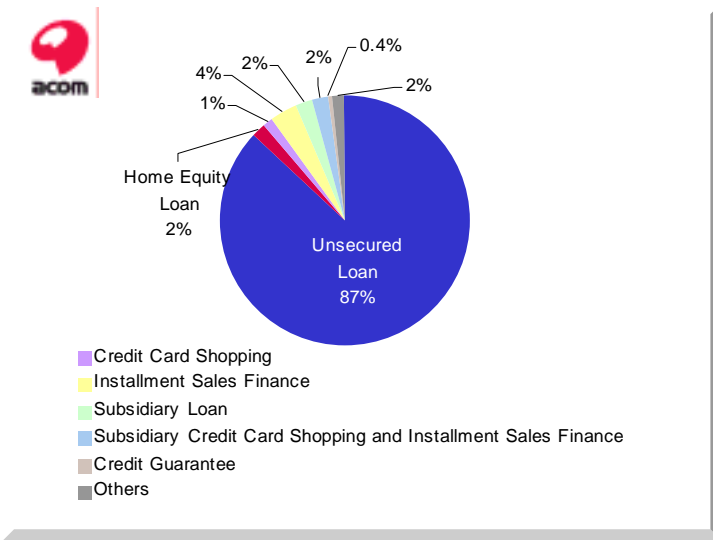
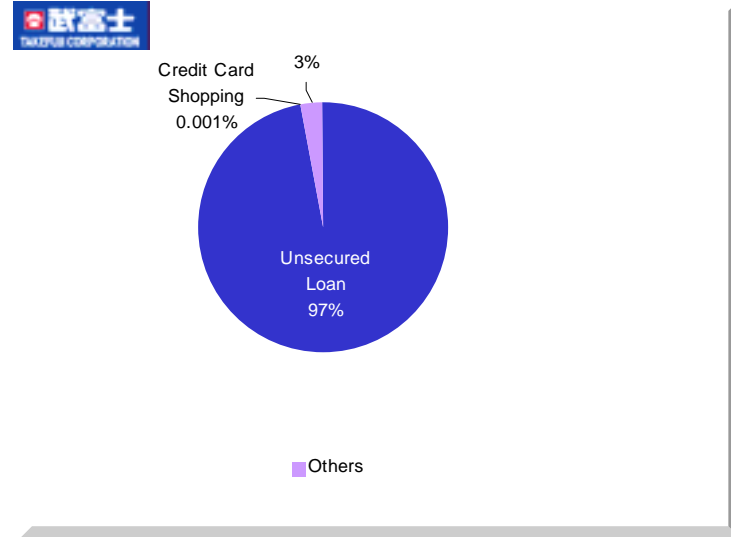
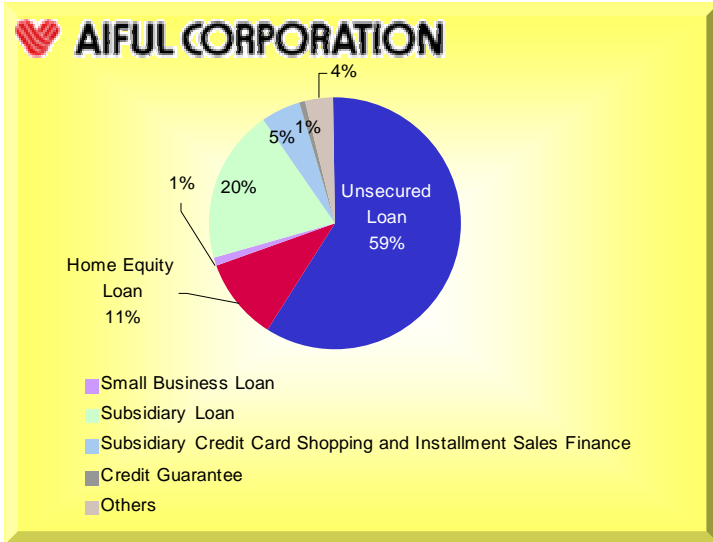
Business Strategy - Comparison of Operating Assets (2003 Actual)



Business Strategy - Diversification of Operating Revenue



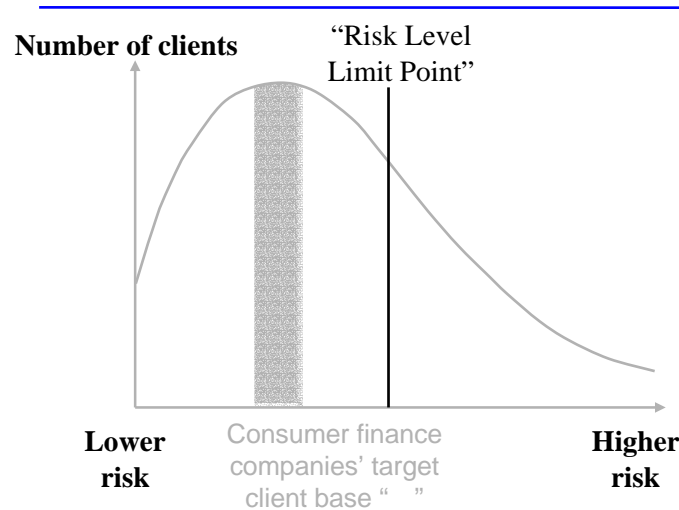
Business Strategy - Comparison of Operating Revenue (2003 Actual)



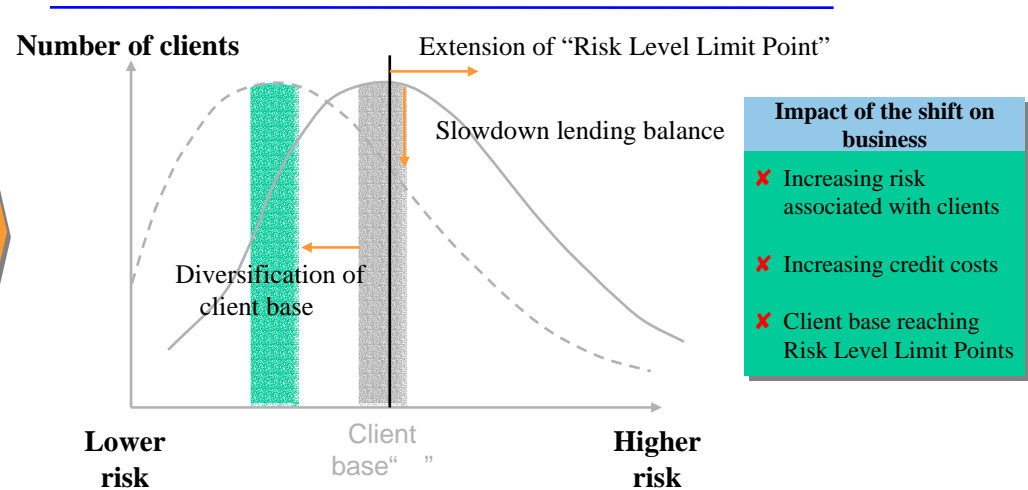
Business Strategy – Importance of Diversification from Risk Management Perspective

(Scale merit & Diversification of Client Base)

Client distribution relative to credit risk under normal business environment



Rightward shift of client credit risk accelerated by slowing down economy



Strategic points of view associated with client credit risk management
(Key drivers for profitability improvement)

- **Extension of Risk Level Limit Point**
 - Rightward shift of Risk Level Limit Point through SG&A cost reduction to absorb increasing credit cost
- **Diversification of client base (acquire new clients whose risk is lower than “ ”)**
 - Provide diversified services tailored to client base

Strategy of Risk & Return

- ✓ Acquisition of peer consumer finance companies to achieve economies of scale
- ✓ Entry into credit card business
- ✓ Business alliance with other financial institutions

Strategy of risk serious consideration

Slowdown lending balance

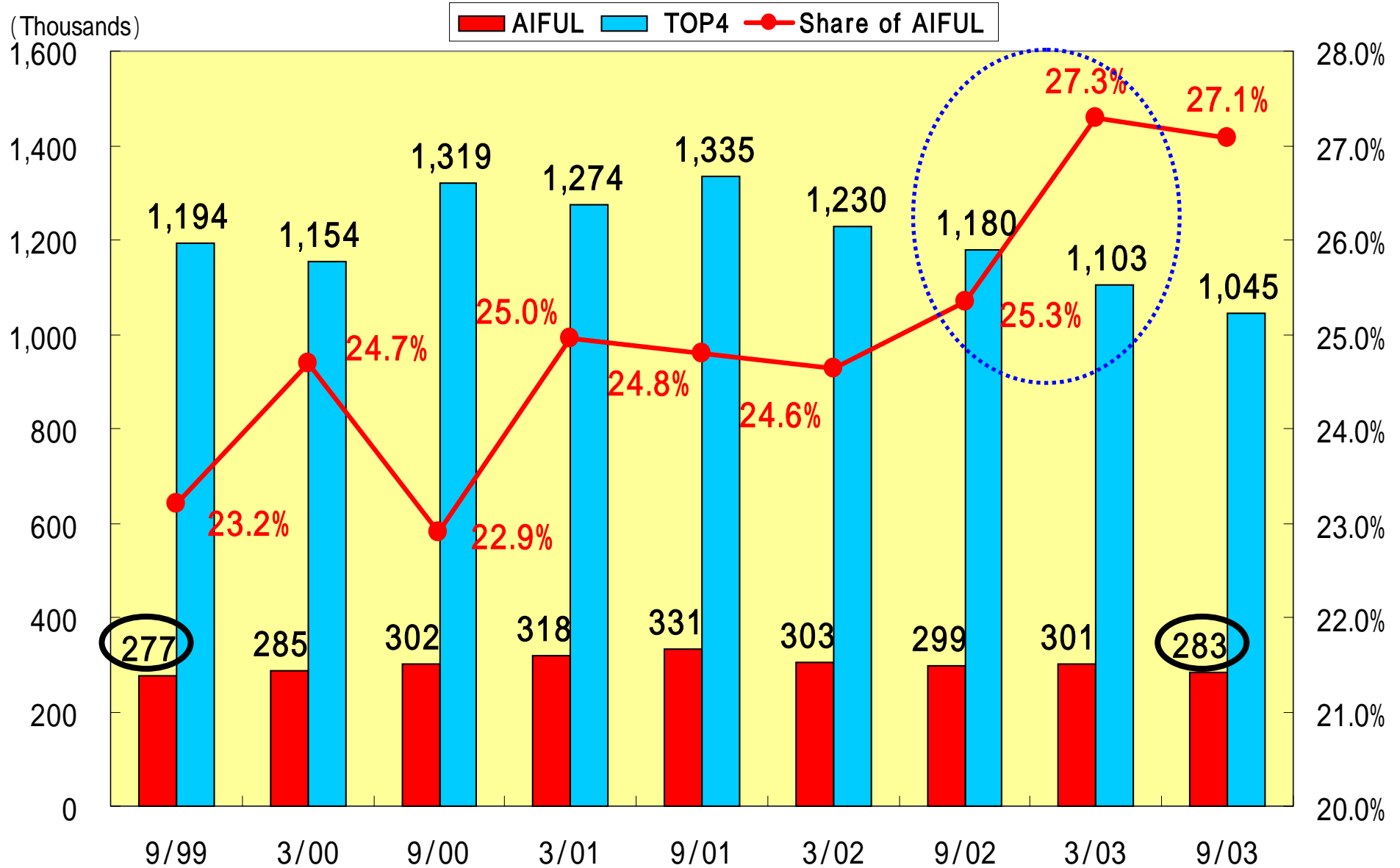
Slowdown of lending balance without extending Risk Level Limit Point has a limited effect in terms of risk reduction since profitability will not improve

Business Strategy – Contribution to Capital Efficiency

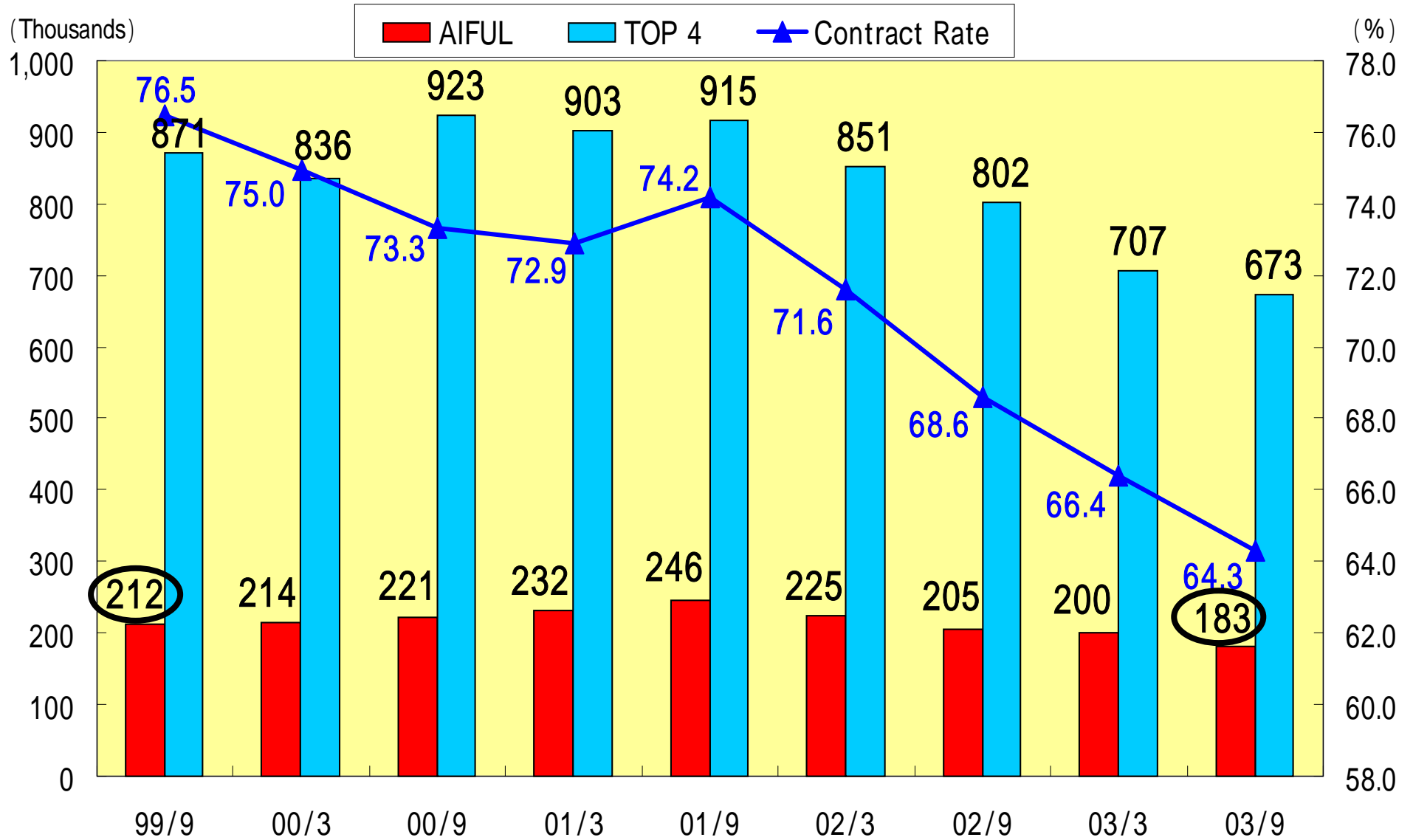
3/03	AIFUL	TAKEFUJI	ACOM	PROMISE
ROA (Non-consolidated)	3.0%	4.7%	3.7%	3.6%
ROE (Non-consolidated)	12.4%	11.7%	12.6%	10.7%
ROA (Consolidated)	2.8%	4.9%	3.4%	3.3%
ROE (Consolidated)	13.2%	11.4%	11.7%	10.2%
Leverage (Consolidated)	× 4.7	× 2.3	× 3.4	× 3.1
Leverage (Non-consolidated)	× 4.1	× 2.5	× 3.4	× 3.0
Equity Ratio (Consolidated)	21.3%	42.9%	29.5%	33.3%
Shareholders' Equity (Consolidated) *¥billion	485.9	831.6	644.4	618.1
Total Assets Consolidated) *¥billion	2,282.1	1,939.5	2,183.4	1,855.3

Higher leveraged operation of LIFE lift up consolidated ROE

New Accounts - New Applications for Unsecured Loans (Sep.1999-Sep.2003)



New Customer - New Accounts Acquisition for Unsecured Loans (Sep.1999-Sep.2003)



New Customer - Maintenance and enhancement of advantageous position in the share of acquisition through new TV commercials

The two new TV commercials, “simultaneous interpretation” and “Room runner”, launched on 31st October, 2003.

**“Female Staff:
Simultaneous interpretation”**



“Female Staff: Room Runner”

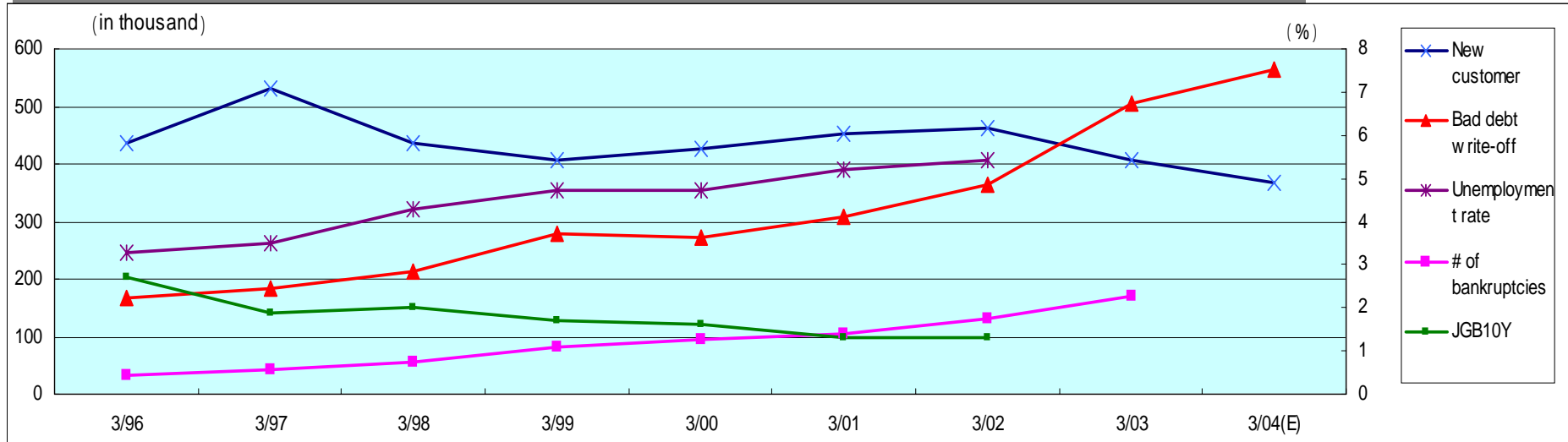


The viewpoint of marketing :

**“Pretty animal & child” + “Talent” + “The melody which is easy to remember”
= ”Strong TVCM” (ex: AFLAC) “New customer market share NO.1” “is aimed at.**

Please access to view these commercials: <http://www.aiful.co.jp/cm/cm.html>

New Customer - Mid to Long Term Trend



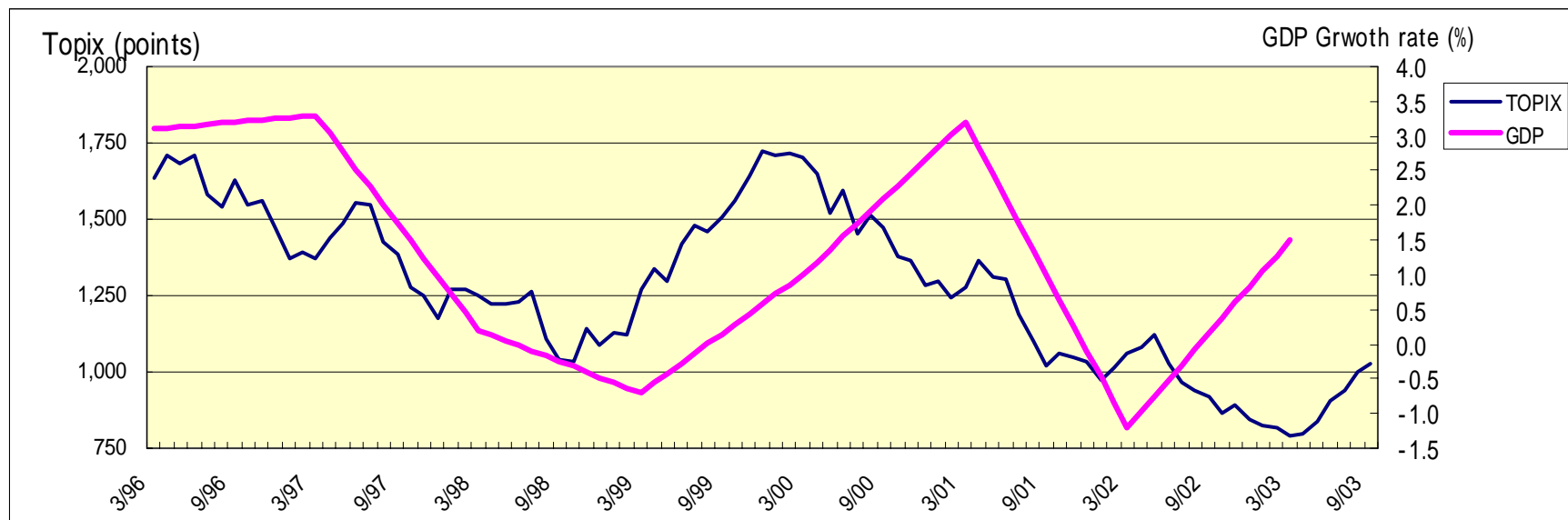
Hashimoto

Obuchi

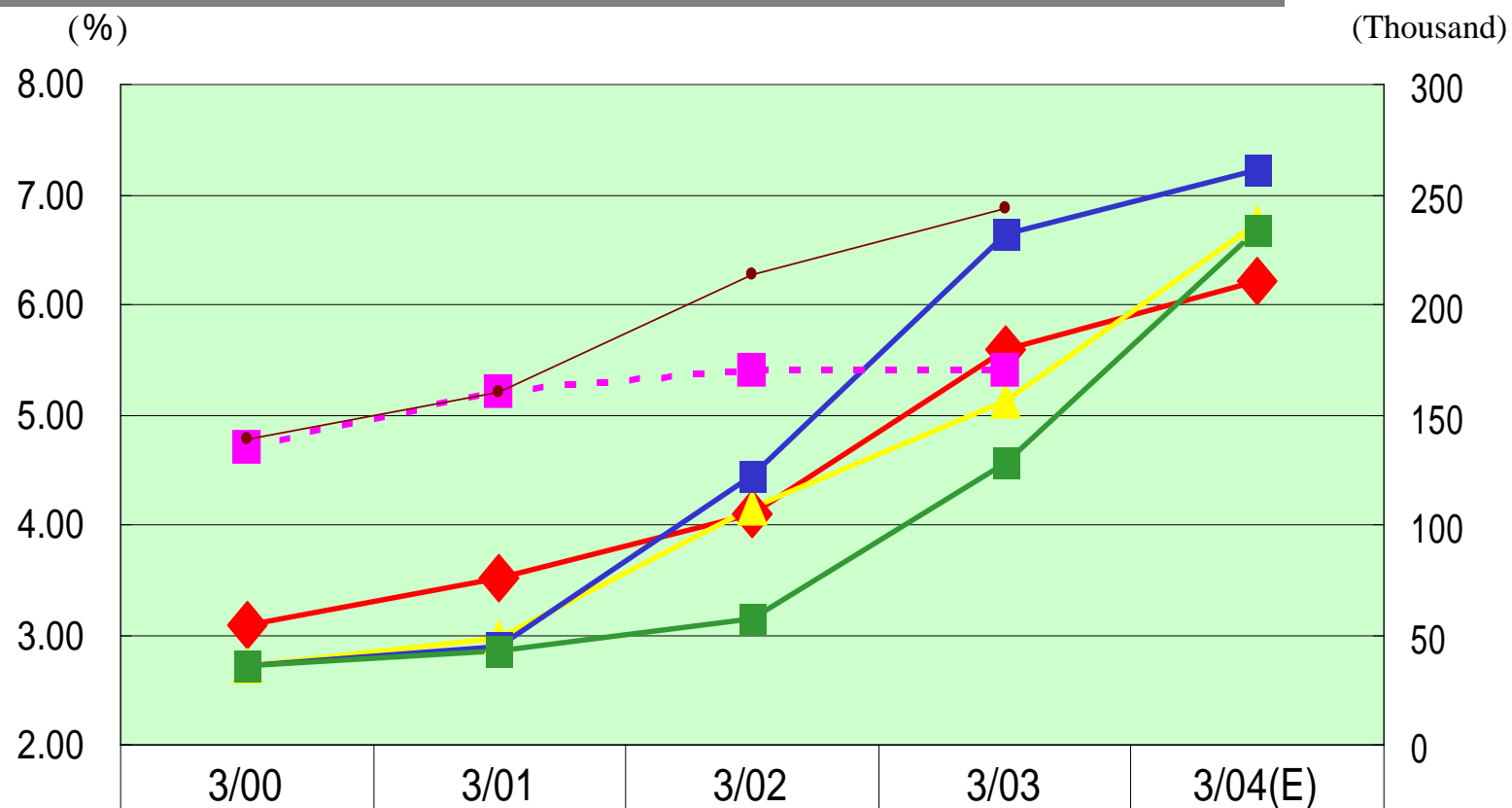
Mori

Koizumi

Prime Minister

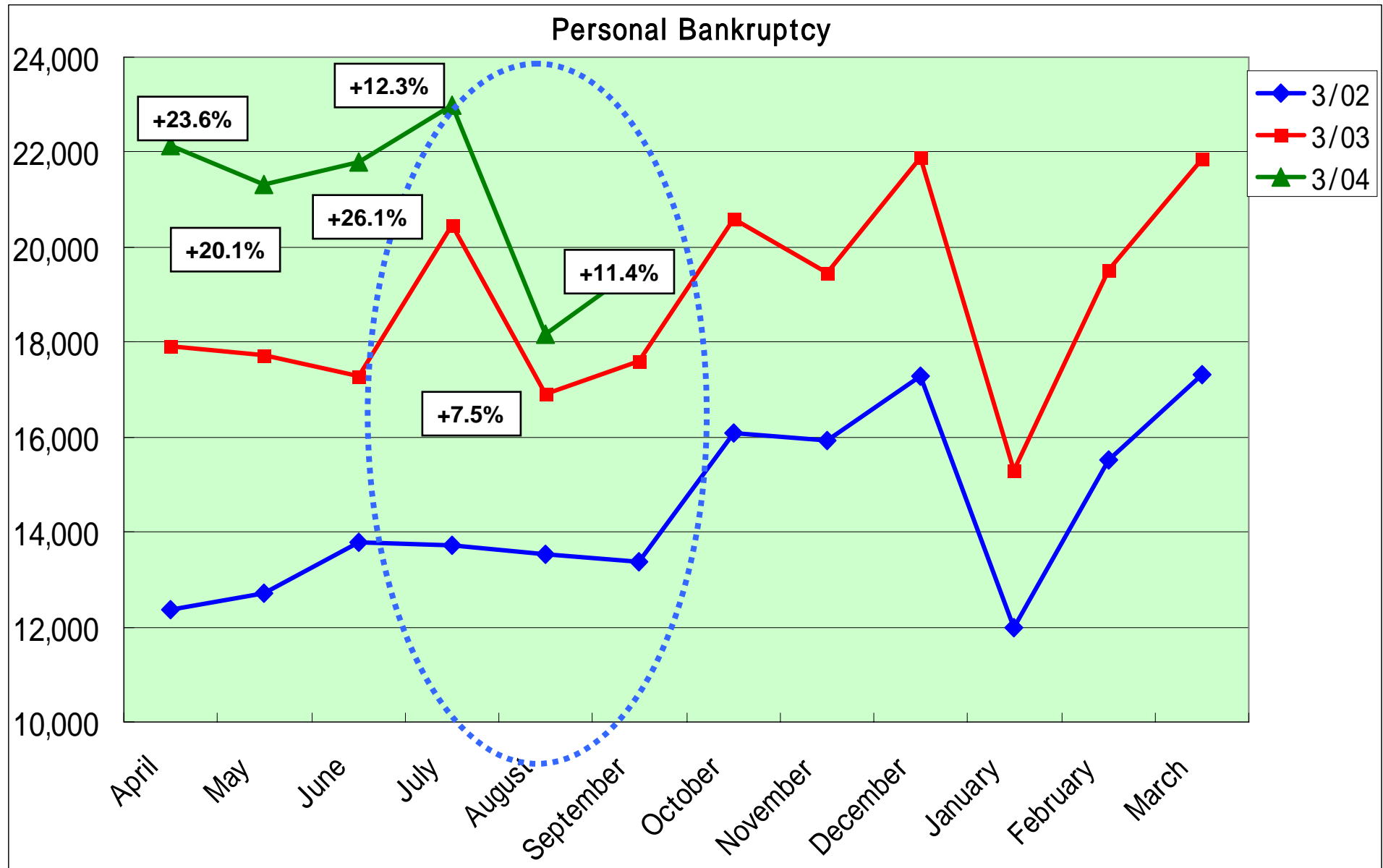


Bad Debts - Bad Debt Write-off Ratio

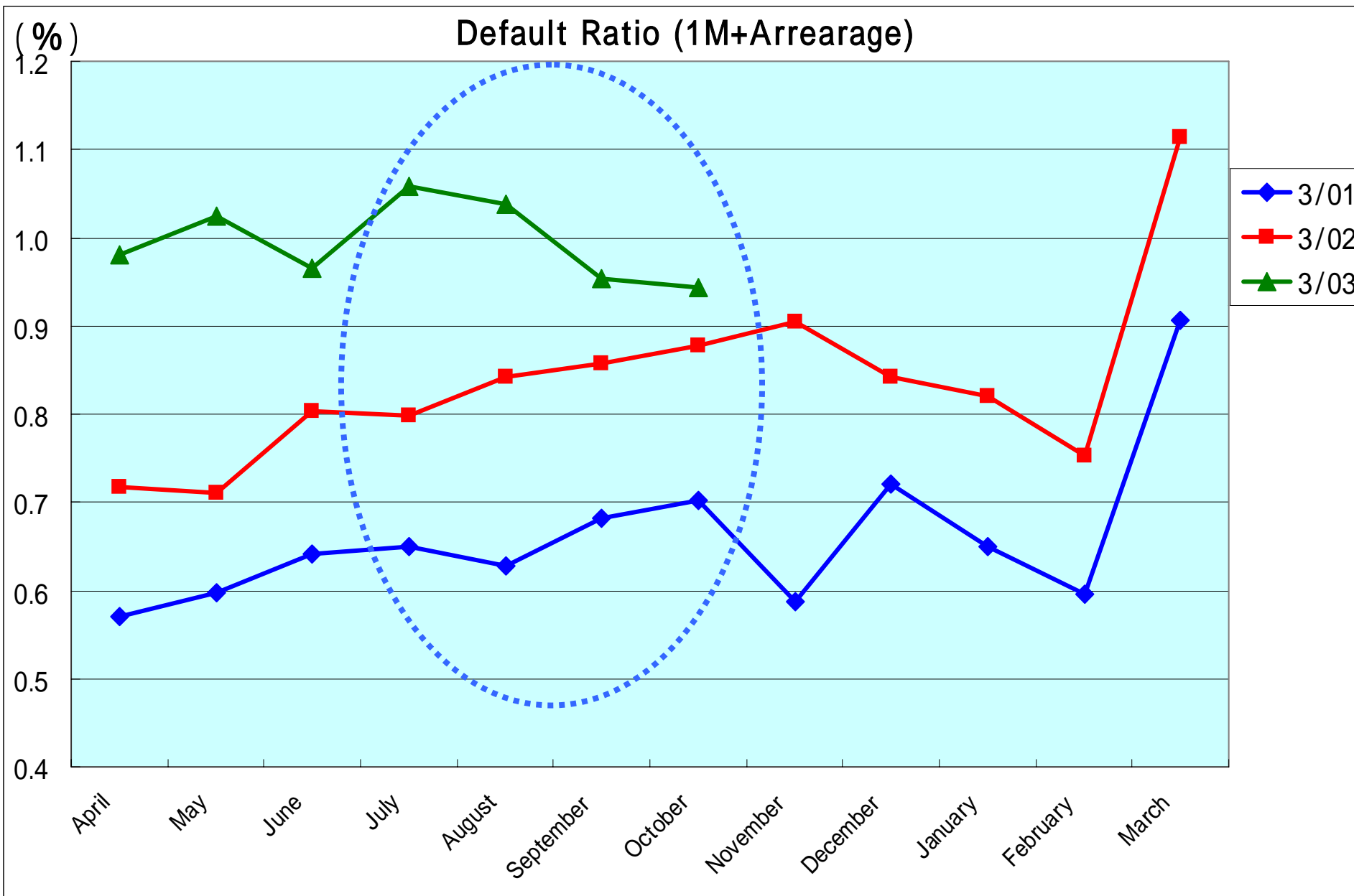


◆ AIFUL	3.09	3.52	4.10	5.59	6.21
▲ PROMISE	2.71	2.97	4.16	5.12	6.74
■ TAKEFUJI	2.72	2.90	4.45	6.64	7.23
■ ACOM	2.72	2.86	3.15	4.56	6.67
-■- Unemployment rate	4.70	5.20	5.40	5.40	-
-●- Bankruptcy	139	160	214	244	-

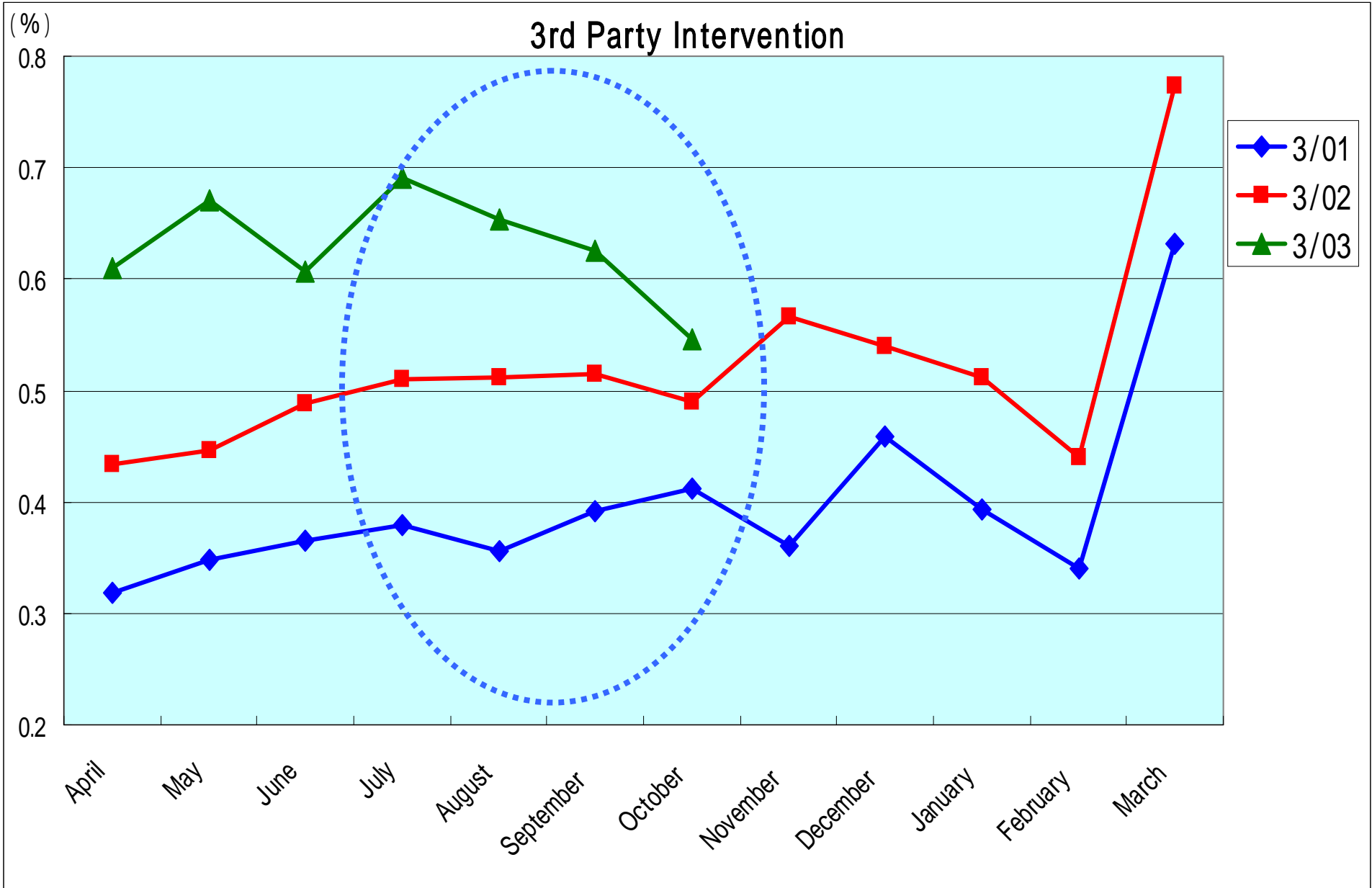
Bad Debts - Trend of Personal Bankruptcy



Bad Debts - Default Ratio

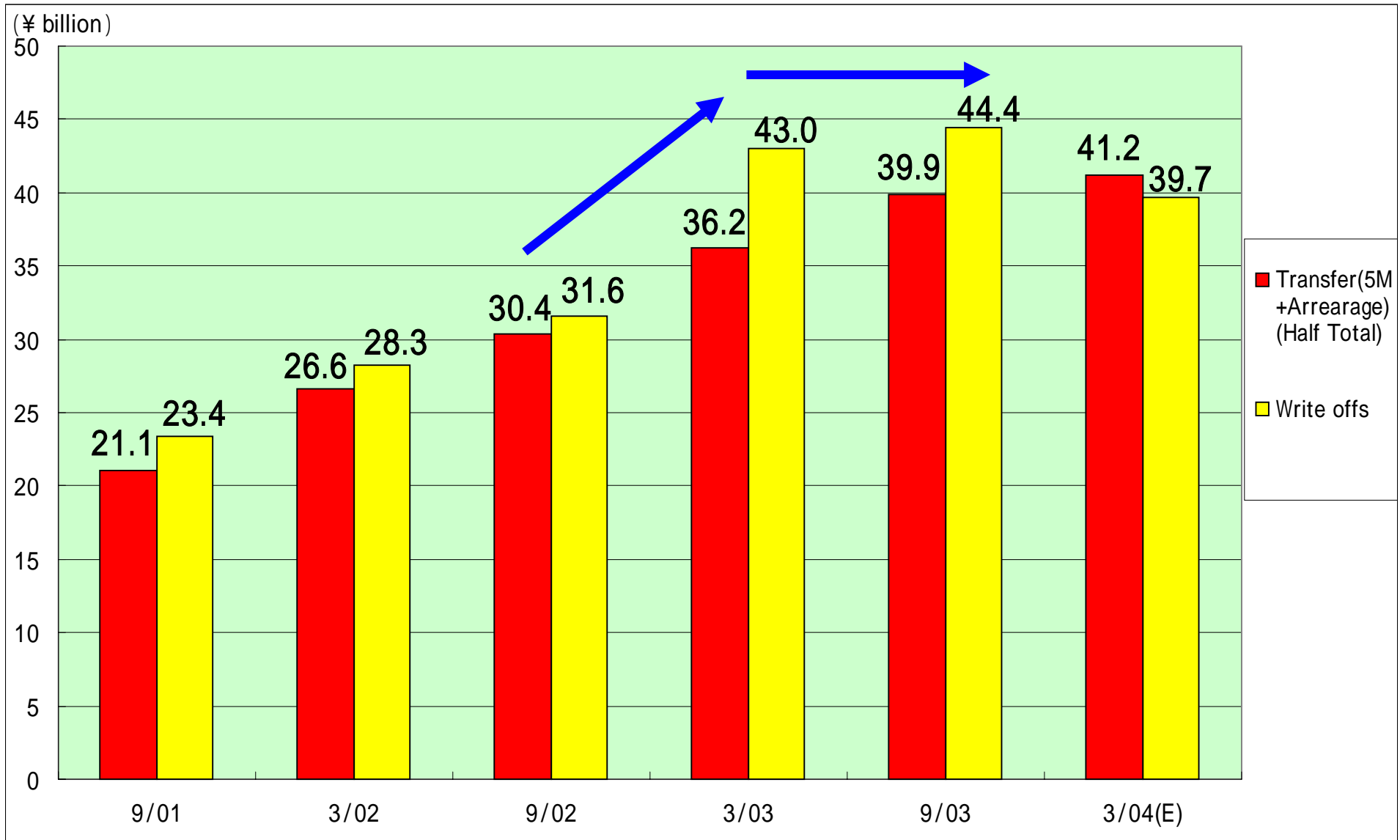


Bad Debts - 3rd Party Intervention

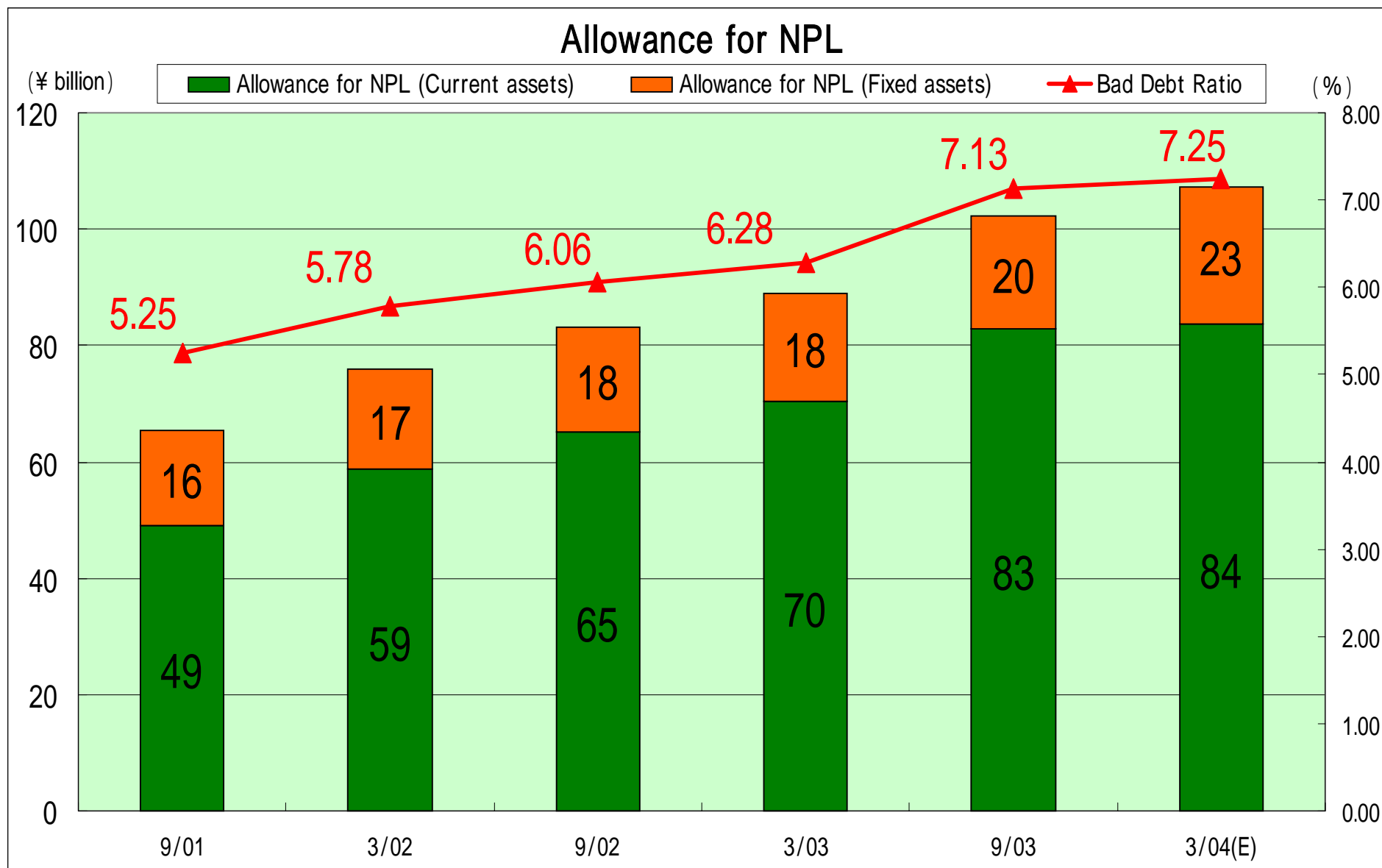


Bad Debts - Write offs & Transfer (5M+Arrearage)

Growth becomes slow would be flattened in the 2nd half



**Bad Debts - Total Allowance for NPL would not grow,
assuming no growth of write offs & transfer in the 2nd half**



Bad Debts - Transition of NPL Defined by FSA

Delinquent loan type	3/02	9/02	3/03	9/03	3/04(E)
<u>Defaulted loans (A)</u>	4.96%	5.44%	5.44%	6.00%	6.35%
Total of the 4 loan categories	4.66%	5.20%	5.45%	6.13%	-
Loans with eased terms (B)	2.87%	3.08%	3.04%	3.28%	-
Loans 3 months+ in arrears	0.64%	0.74%	0.75%	0.87%	-
Loans in arrears	1.00%	1.18%	1.39%	1.60%	-
Loans to bankrupt parties	0.14%	0.20%	0.27%	0.38%	-
Bad debt reserve	5.78%	6.06%	6.28%	7.13%	7.25%
Current assets	4.47%	4.75%	4.99%	5.76%	5.66%

<u>Write-off ratio categorized by Cause</u>	3/02	9/02	3/03	9/03
Bankruptcy	48.8%	50.4%	45.4%	45.4%
<u>Mediation, etc.</u>	16.6%	17.3%	26.9%	26.6%
Loss of contact, etc.	23.2%	23.2%	19.6%	19.1%
Default	11.5%	9.0%	8.2%	8.9%

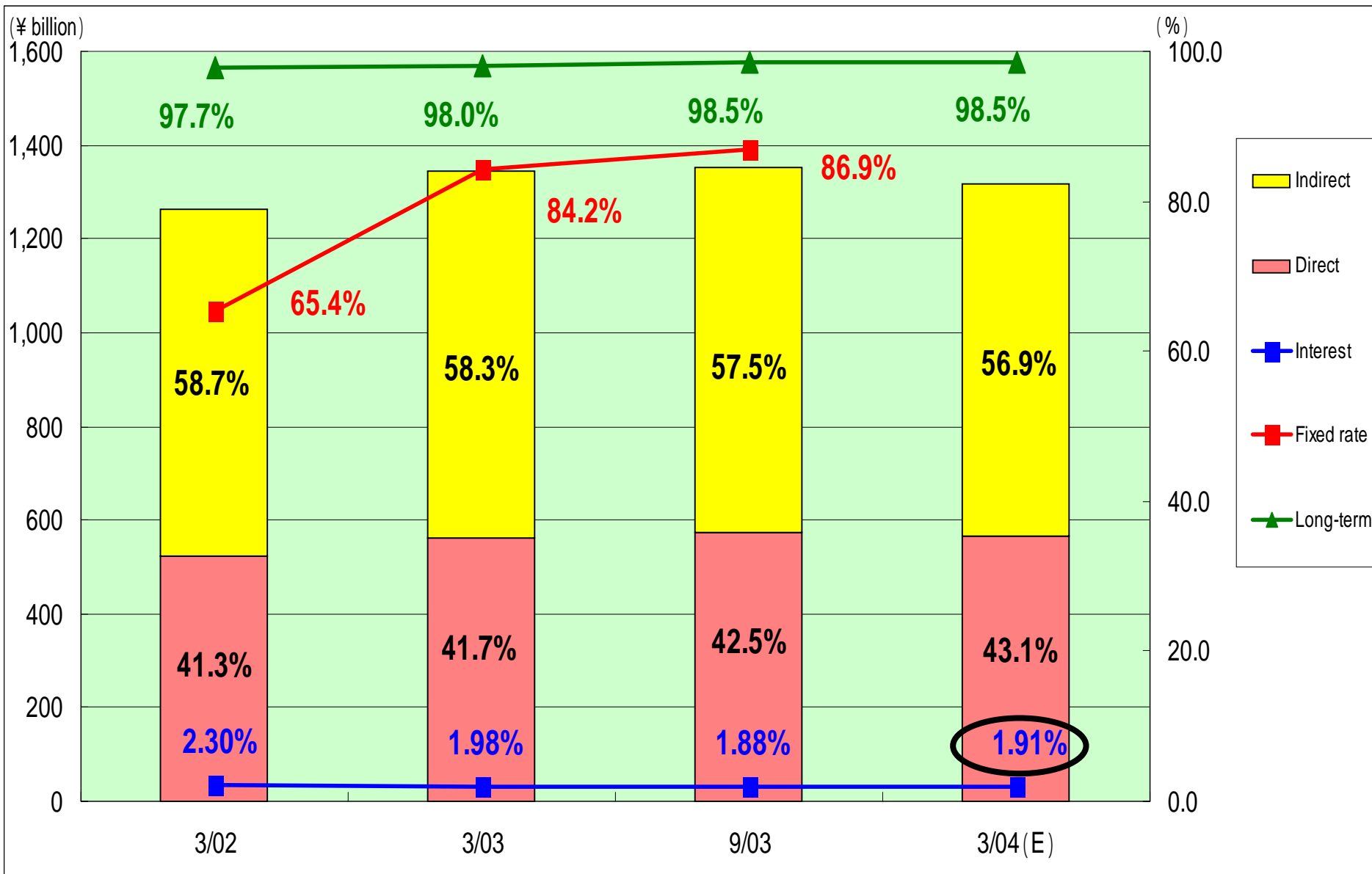
Bad Debts - Management System (Management by Days in Arrear)

Days in arrear	1-32	33+	90-152	153-334	Bankruptcy or 335+
AIFUL's credit management categories	Overdue loan	(A) Defaulted loan (Default = 1 month+ in arrear)		Transferred loan	Write-offs
Jurisdiction	Branch office			Management center (collection center)	
<u>FSA's four categories of non-performing loans</u>	Ordinary loan	<u>Loan 3 months+ in arrear</u> <u>(B) Loans with eased terms are listed separately from defaulted loans</u>		Loan in arrear	Loan to bankrupt party
P/L impact	Reported as accrued revenue			Not reported as accrued revenue	
B/S impact	Balance reported				Balance not reported

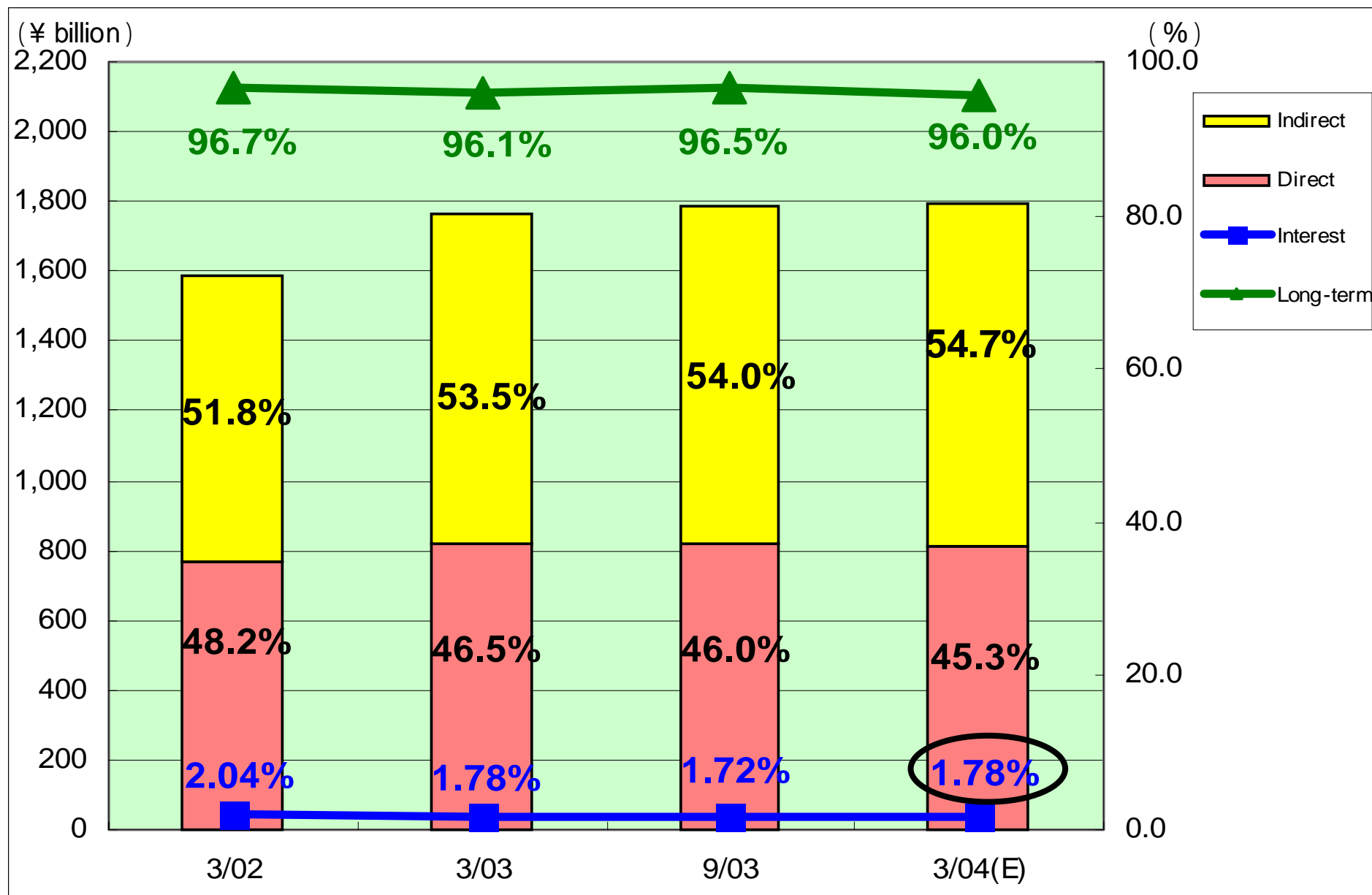
< Write-off timing (date) >

Reason	Collectability	From FY3/03	Through FY3/02
Bankruptcy	Uncollectable	Immediate write-off	
Mediation (Lawyer, etc.)	Difficult Collection	Immediate write-off	
	<u>Installment repayment settlement</u>	<u>Write-off loss during the fiscal year of settlement</u>	<u>Write-off loss during the fiscal year of the last final repayment</u>
Loss of contact, etc.	Difficult Collection	Write-off at 6 months after last payment is received (5 months+ in arrear)	
Default	Difficult Collection	Write-off at 12 months after last payment is received (11 months+ in arrear)	

Funding (1) AIFUL (Non-consolidated)



Funding (2) AIFUL Group (Consolidated)



Contact Center “Business Outline”

Center Name	Business Outline
Jidoki Service Center	Operations relating to the unmanned loan contract application acceptance system
Hartful Center	Free dial operations
Goannai Center	Sales promotion to existing borrowers
Counseling Center	Collection of delinquent loans by letter and telephone
Support Center	Negotiation for intervened loans by telephone

Purpose of Contact Center

Providing high quality services

Customer reception and service under various interpretations by 500 staffed brunches



“Establishment of Educational Environment” ”Systematization” “Concentration of ‘Know How’”
“Same Quality of Service and product knowledge” through centralization



Providing High Quality and Uniform Services

Cost reduction through improvement of staff efficiency

CTI technology

The scale merit
through centralization

Hiring part time and a
temporary employees



Cost Reduction through Improvement of Staff Efficiency

LIFE (1) - Operating Results

(Thousand , ¥ million)

	9/02	3/03	9/03		3/04	
				YoY	(E)	YoY
Number of card holders	9,419	9,834	10,392	+10%	10,973	+12%
Proper	1,424	1,509	1,578	+11%	1,637	+8%
Affinity	7,995	8,324	8,814	+10%	9,335	+12%
Number of new issue	1,187	2,073	1,007	-15%	1,936	-7%
Proper	92	190	92	0%	212	+12%
Affinity	1,094	1,883	914	-16%	1,723	-8%
Purchase results of credit card	248,222	503,448	264,876	+7%	558,072	+11%
Shopping	133,774	274,479	151,159	+13%	318,950	+16%
Cashing	114,447	228,968	113,716	-1%	239,122	+4%
Purchase results of installment finance	69,188	125,246	57,372	-17%	122,372	-2%
Member merchant	79,260	82,987	86,793	+10%	89,751	+8%

LIFE (2) - Operating Results (1)

(¥ million)

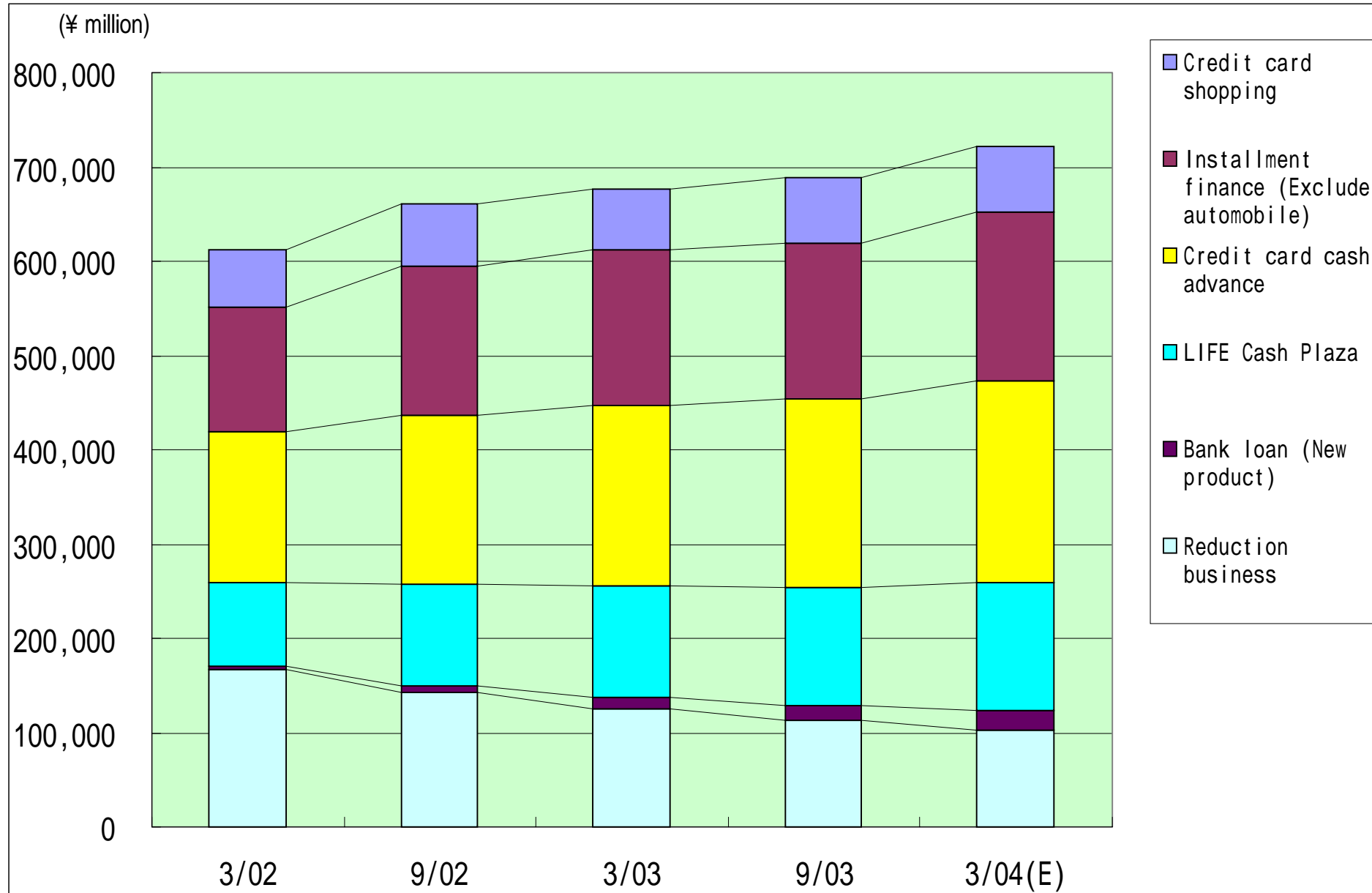
	9/02	3/03	9/03		3/04	
				YoY	(E)	YoY
Total	660,753	676,093	688,738	+2%	721,221	+7%
Expanded Business	518,614	551,395	576,486	+5%	618,234	+12%
Credit card shopping	65,225	64,069	68,932	+8%	69,753	+9%
Installment finance (Exclude automobile)	158,302	164,224	166,466	+1%	178,180	+8%
Credit card cash advance	180,675	192,209	199,276	+4%	214,822	+12%
LIFE Cash Plaza	106,536	117,646	125,049	+6%	134,417	+14%
Bank loan (New product)	7,874	13,244	16,761	+27%	21,060	+59%

LIFE (2) - Operating Results (2)

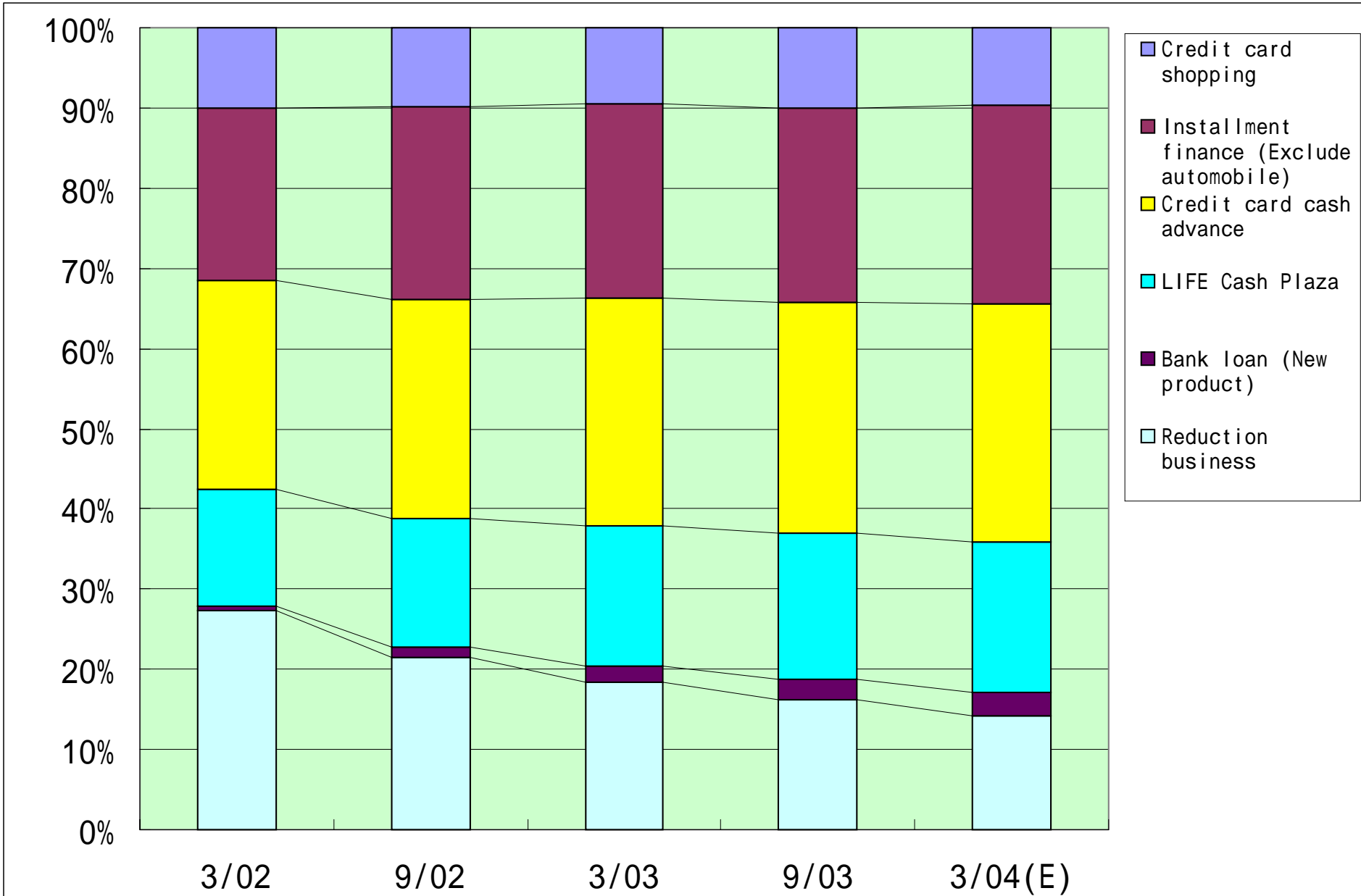
(¥ million)

	9/02	3/03	9/03		3/04		
				YoY	(E)	YoY	
Reduced business	142,138	124,698	112,252	-10%	102,987	-17%	
Automobile	10,205	6,630	4,574	-31%	3,050	-54%	
Partner loan (Automobile)	13,197	7,385	4,163	-44%	2,610	-65%	
Home loan	43,443	41,173	38,319	-7%	36,469	-11%	
Bank loan (Old product)	60,226	56,046	51,980	-7%	48,258	-14%	
Other	15,065	13,462	13,213	-2%	12,598	-6%	
Composition	Expanded business	+78%	+82%	+84%	-	+86%	-
	Reduced business	+22%	+18%	+16%	-	+14%	-

LIFE (3)-1 - Operating Results



LIFE (3)-2 – Outstanding Balance



LIFE (4) – Transition of Operating revenue

	9/02	3/03	9/03		3/04	
				YoY	(E)	YoY
Total	14.40%	15.00%	15.70%	+1.30%	16.10%	+1.10%
Expanded Business	17.90%	18.21%	18.00%	+0.10%	18.30%	+0.09%
Credit card shopping	12.10%	12.70%	11.80%	-0.30%	12.40%	-0.30%
Installment finance (Exclude automobile)	9.60%	9.53%	9.70%	+0.10%	9.90%	+0.37%
Credit card cash advance	23.70%	23.99%	23.90%	+0.20%	24.00%	+0.01%
LIFE Cash Plaza	25.90%	26.31%	25.70%	-0.20%	25.80%	-0.51%
Guarantee	8.69%	8.91%	9.54%	+0.85%	9.57%	+0.66%
Reduced business	2.67%	2.66%	2.53%	-0.14%	2.46%	-0.20%

LIFE (5) - Profit and loss

(¥ million)

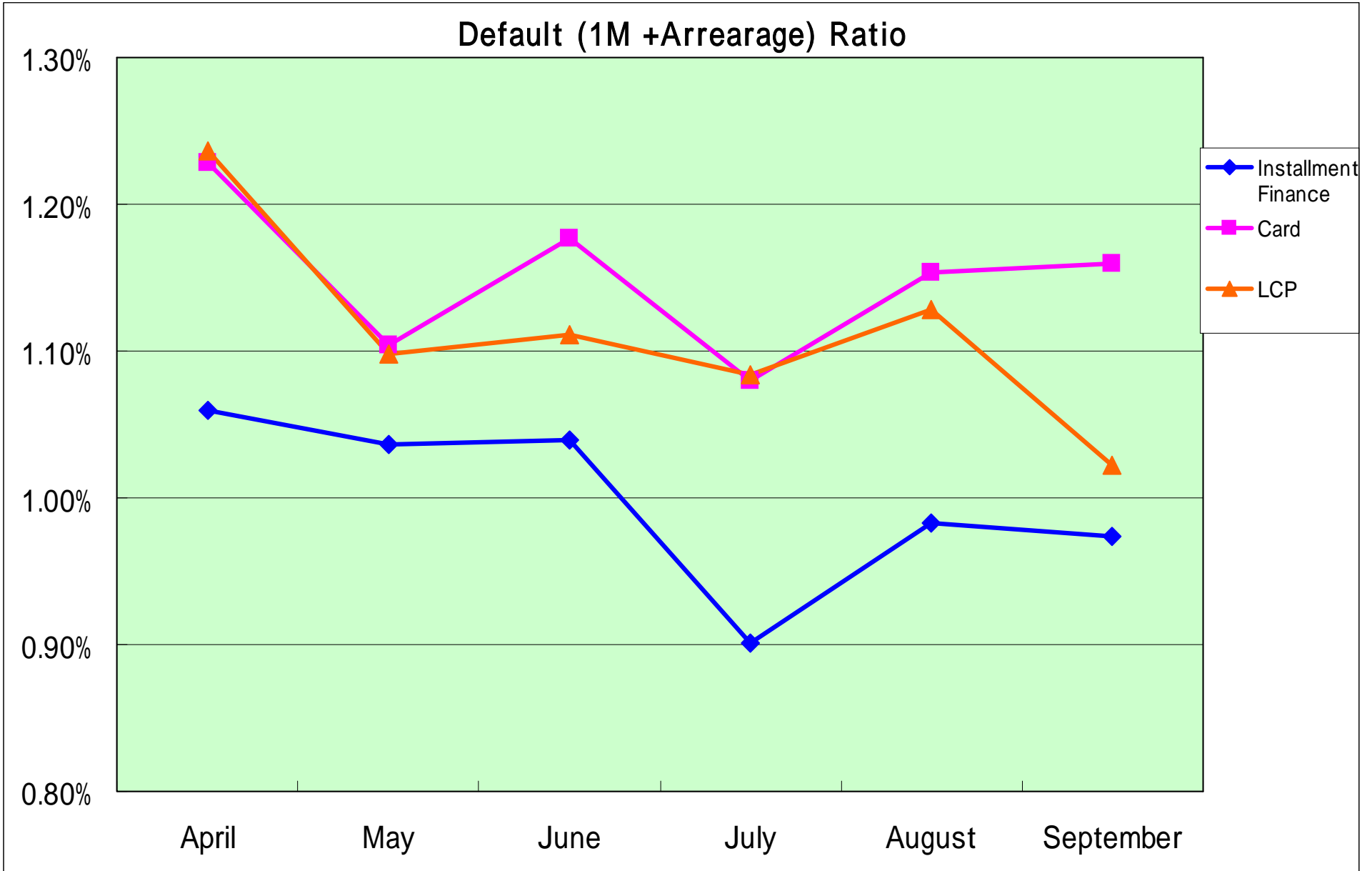
	9/02	3/03	9/03		3/04	
				YoY	(E)	YoY
Operating Revenue	49,455	103,880	56,497	+14%	116,747	+12%
Credit card shopping	3,854	7,945	4,130	+7%	8,919	+12%
Installment finance	7,280	15,400	8,246	+13%	17,067	+11%
Credit card cash advance	20,260	42,327	23,232	+15%	47,941	+13%
LIFE Cash Plaza	12,729	27,199	15,431	+21%	32,050	+18%
Guarantee	1,771	3,622	1,916	+8%	3,903	+8%
Other	3,555	7,383	3,537	-1%	6,861	-7%
Operating Expenses	46,650	96,021	52,413	+12%	104,860	+9%
Financial Expenses	3,781	7,079	4,107	+9%	9,136	+29%
Credit Cost	15,866	35,809	20,525	+29%	38,401	+7%
Advertising Expenses	2,731	4,770	2,891	+6%	5,400	+13%
Salaries	7,638	15,322	7,673	0%	15,805	+3%
Other	16,632	33,040	17,215	+4%	36,116	+9%
Operating Income	2,804	7,858	4,083	+46%	11,887	+51%
Ordinary Income	2,929	8,048	4,134	+41%	12,000	+49%

LIFE (6) - Bad debt

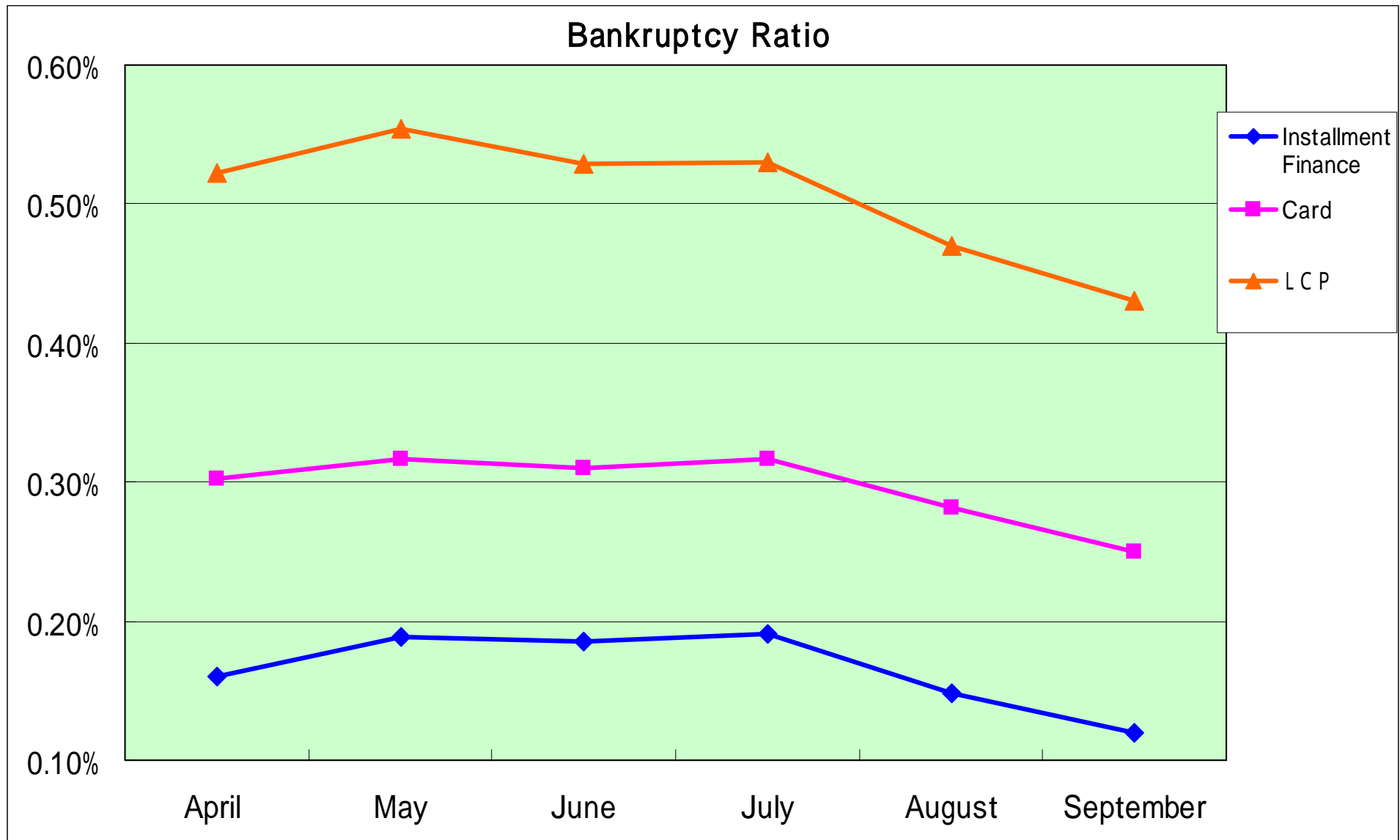
(¥ million)

	9/02	3/03	9/03	YoY	3/04 (E)	YoY
Credit cost	15,866	35,809	20,526	+29%	38,401	+7%
Bad debt Write offs	14,109	30,190	19,559	+39%	35,961	+19%
New Provisions for bad debt	28,934	32,796	33,763	+17%	35,237	+7%
Bad debt provisions used	-27,177	-27,177	-32,796	+21%	-32,796	+21%
Write off ratio	2.14%	4.47%	2.84%	+0.70%	4.99%	+0.52%
Ratio of allowance for bad debt	4.38%	4.85%	4.90%	+0.52%	4.89%	+0.04%

LIFE (7)-1 - Transition of Default (1M +Arrearage) Ratio by Business Line



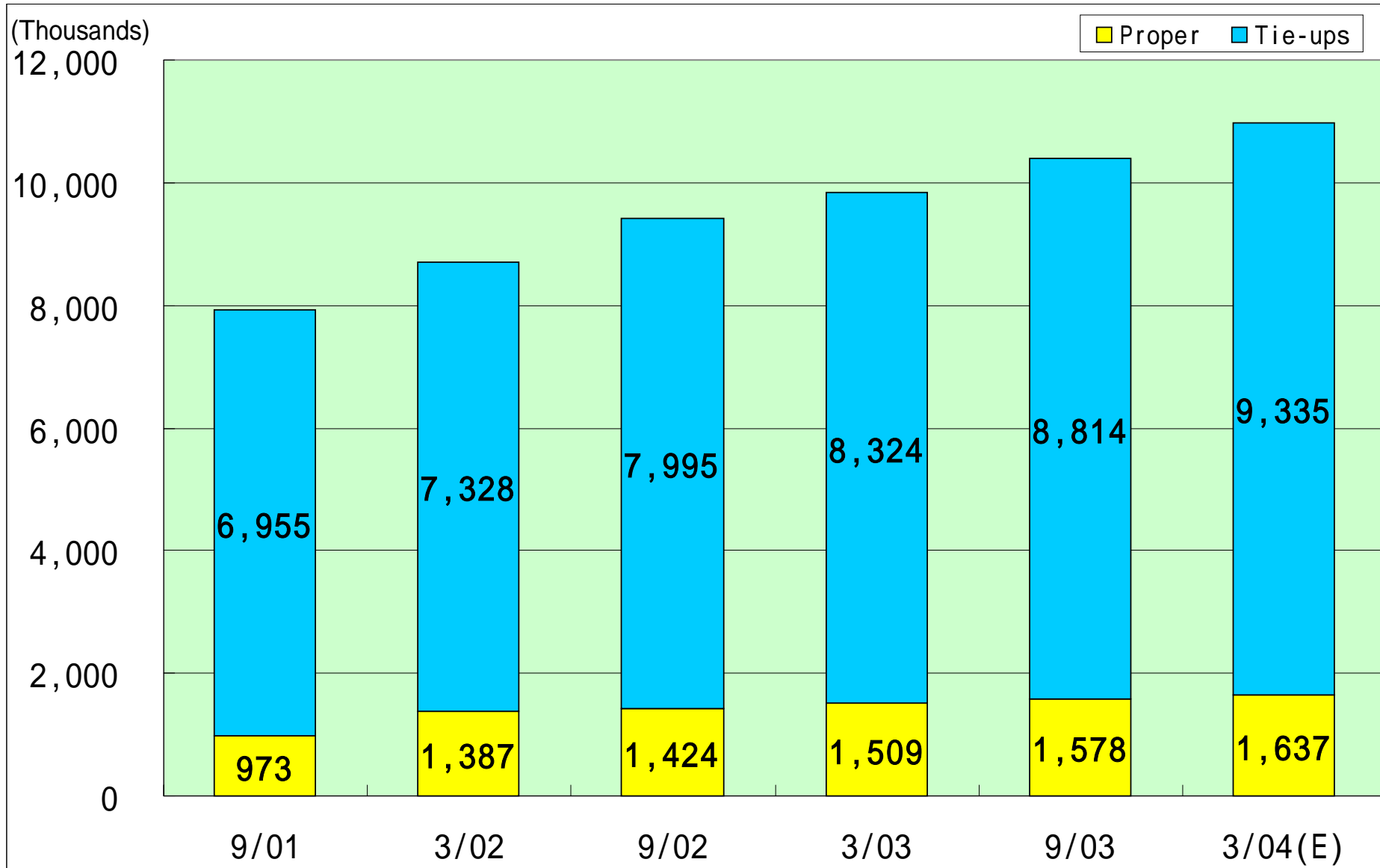
LIFE (7)-2 - Transition of Bankruptcy Ratio by Business Line



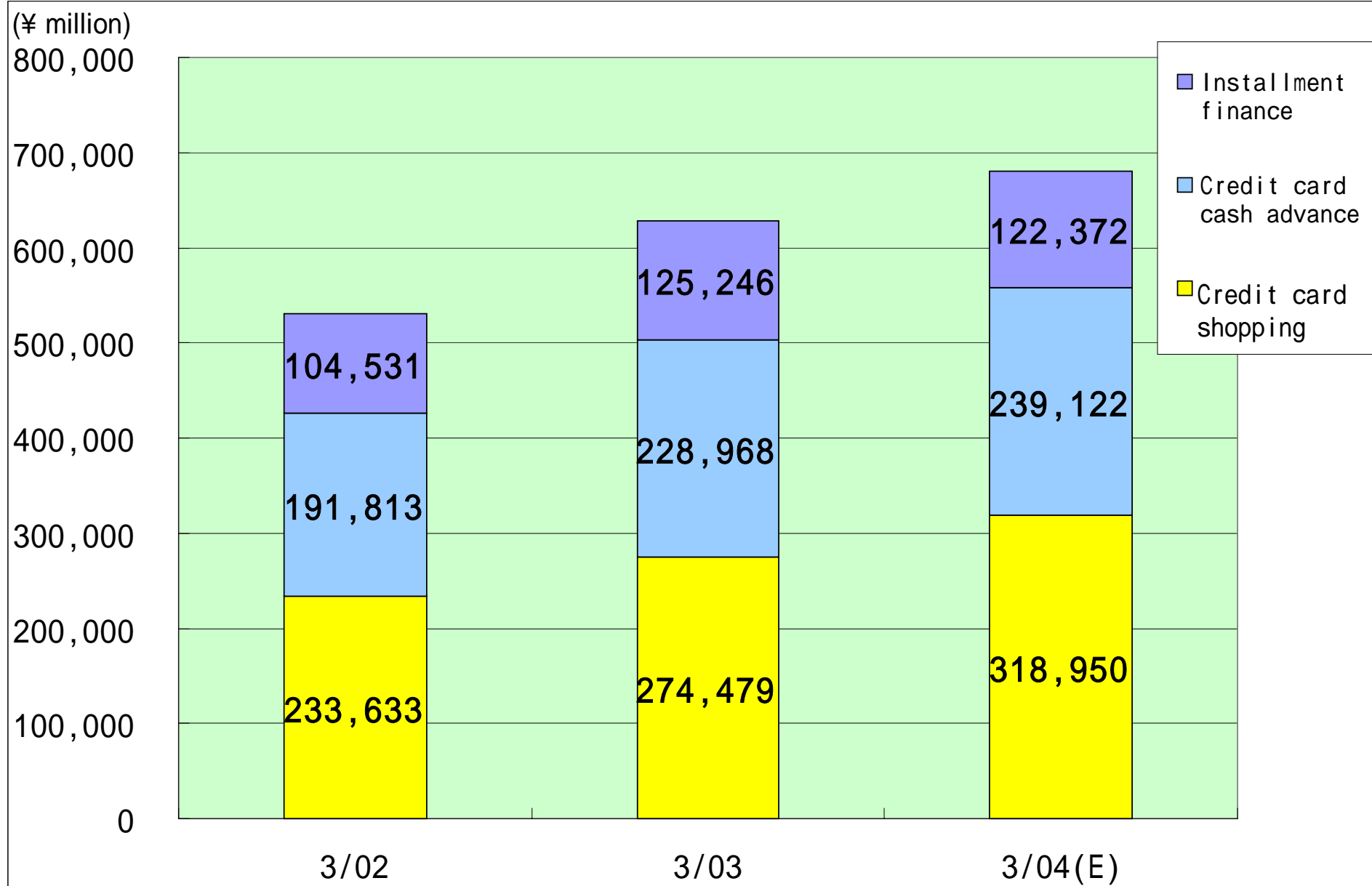
- ✓ **The measure of business expansion**
 1. **Expansion of business credit card member**
 2. **Strengthening of the marketing capabilities to improve card usage ratio**
 3. **Improvement in the quality of the support center**
 4. **Improvement in brand image**

- ✓ **The measure of cost reduction**
 1. **Cost reduction through group synergies**
 2. **Implementation of an administrative-expense control plan (cost reduction project)**
 3. **Implementation of a bad debt control measure**

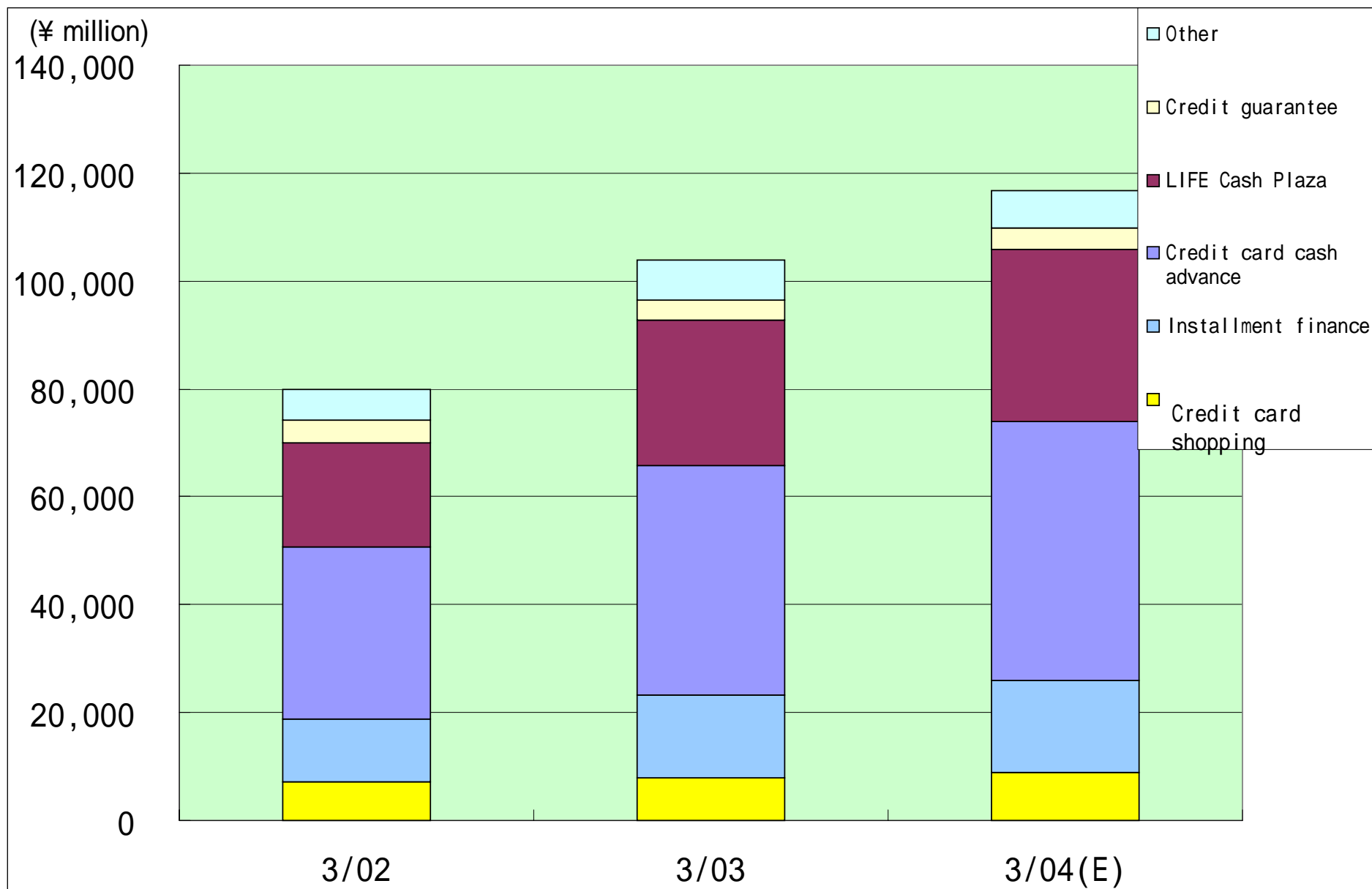
Appendix 1 (LIFE) - Transition of Number of Cardholders



Appendix 2 (LIFE) - Transition of Volume (shopping & cashing)



Appendix 3 (LIFE) - Transition of Operating Revenue



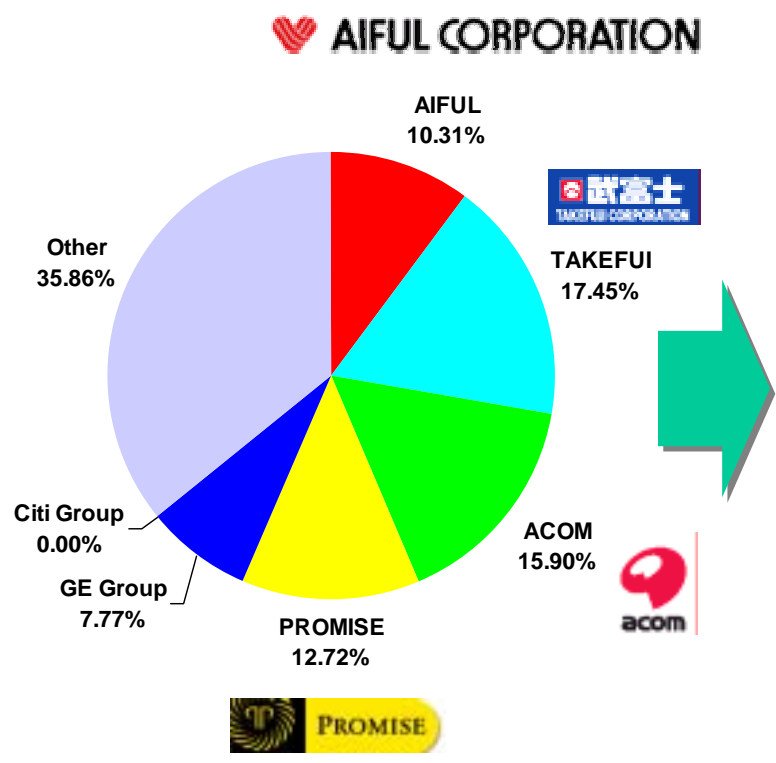
Appendix 4 (LIFE) - Top 15* Credit Card Companies in Japan
 (* Rankings by Transaction Volume: FY ended March 2003)

	Company Name	Number of Cardholders (million)	Number of Member Merchants (thousand)	Operating Revenue (¥ million)	Ordinary Income (¥ million)	
1	JCB Group	48.4	10,928	167,749	17,132	Shinpan Co's
2	VISA·Japan	22.7	3,705	122,150	16,037	Bank Affiliated Co's
3	Credit Saison	14.9	671	171,842	44,250	Retailer Affiliated Co's
4	NICOS Card Group	14.5	1,407	309,426	20,144	
5	UC Card	12.0	2,902	72,977	3,842	
6	Aeon Credit	11.3	359	73,789	23,261	
7	Orico	10.0	380	300,574	28,830	
8	LIFE	9.8	82	102,285	8,048	
9	DC Card	9.5	1,461	78,241	4,896	
10	UFJ Card	8.7	1,498	57,894	710	
11	OMC Card	7.0	332	115,497	21,056	
12	Jaccs	6.5	282	143,556	8,258	

Appendix 1 - Business Strategy - Market Share Break Down of the Consumer Finance Industry

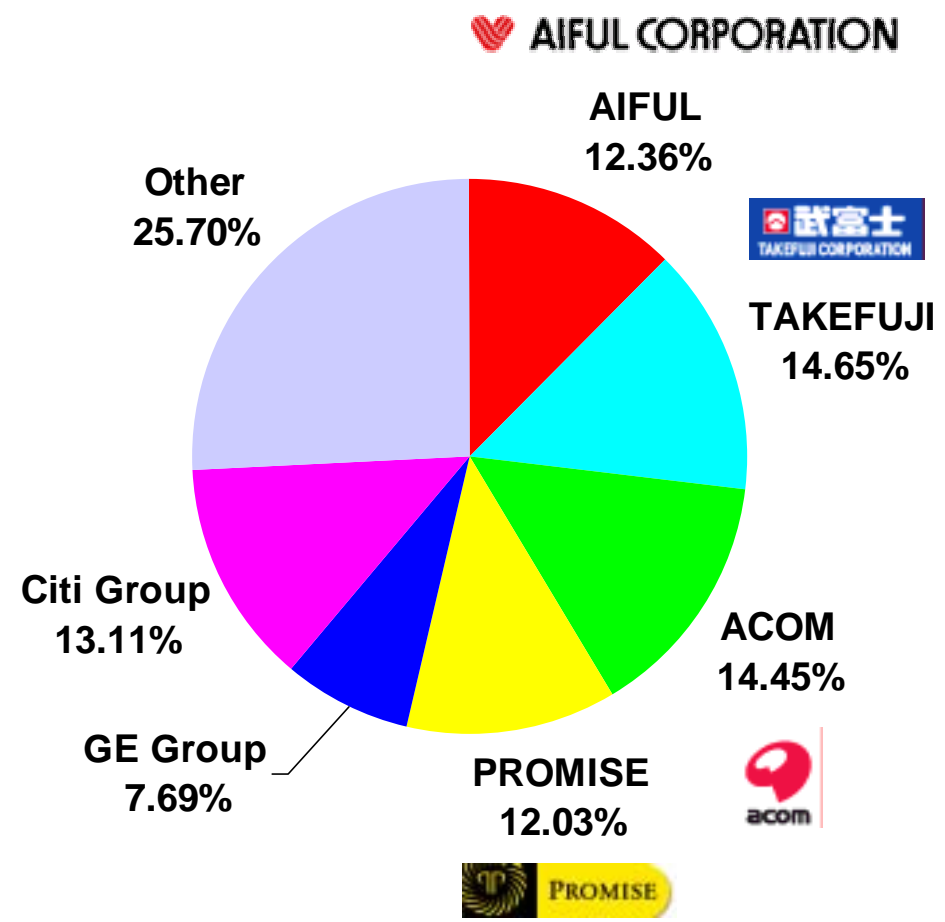
March 1998

¥ 7.1 trillion

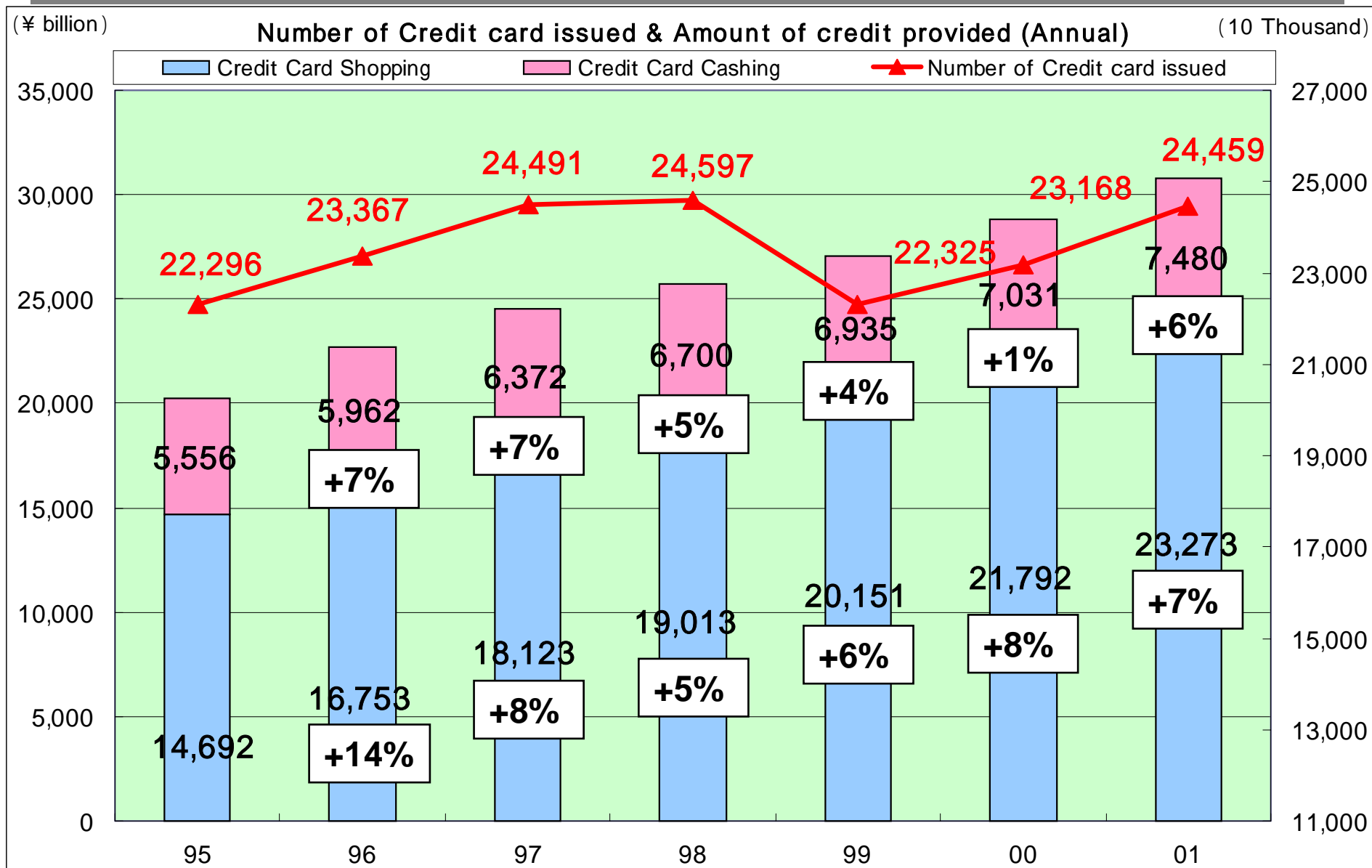


March 2003

¥ 11.4 trillion



Appendix 2 - Growth of Credit Card Market in Japan

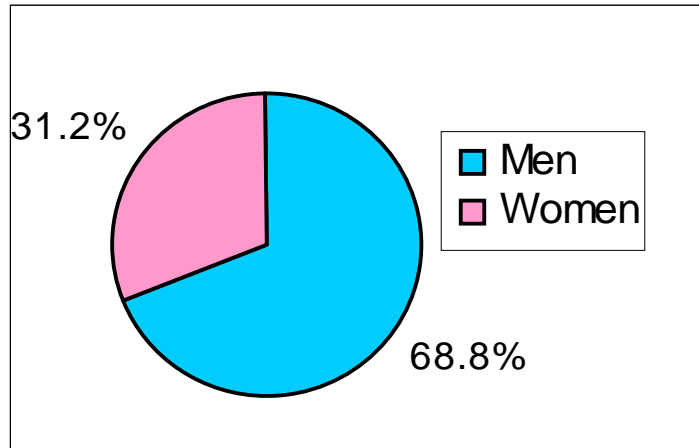


The figures in credit cards issued from 95 to 98 reflect the members of cards issued and those from 99 reflect cards valid

Appendix 3 - Diversification of Customer Profile

AIFUL CORPORATION (9/03)

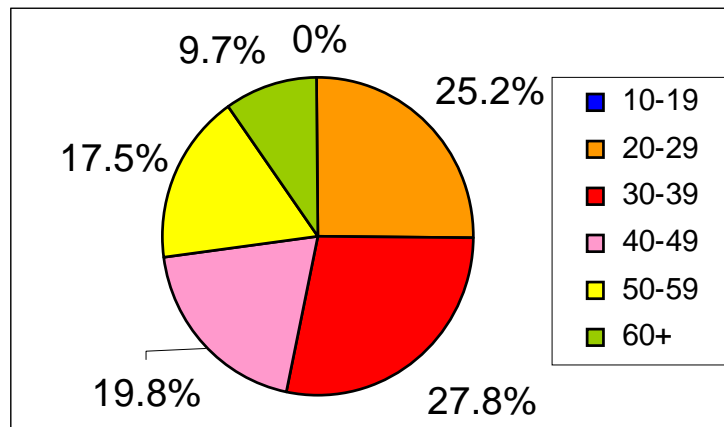
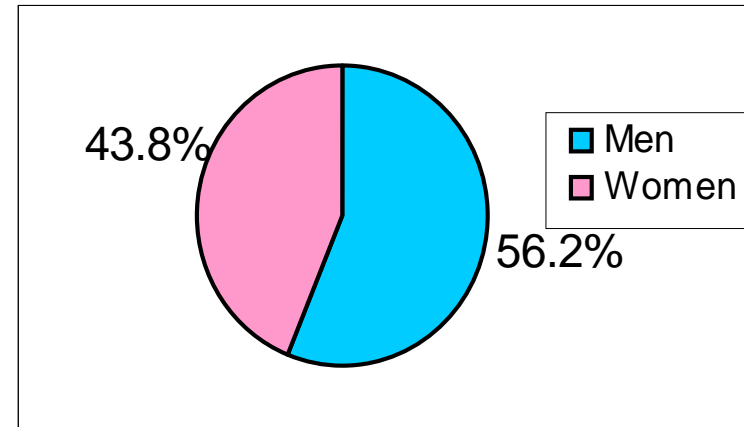
Customer account: 2,269,000



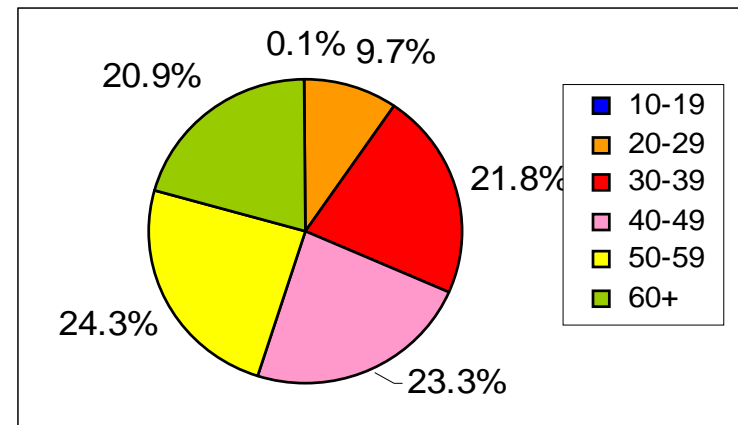
(9/03)

Valid card members: 10,393,000

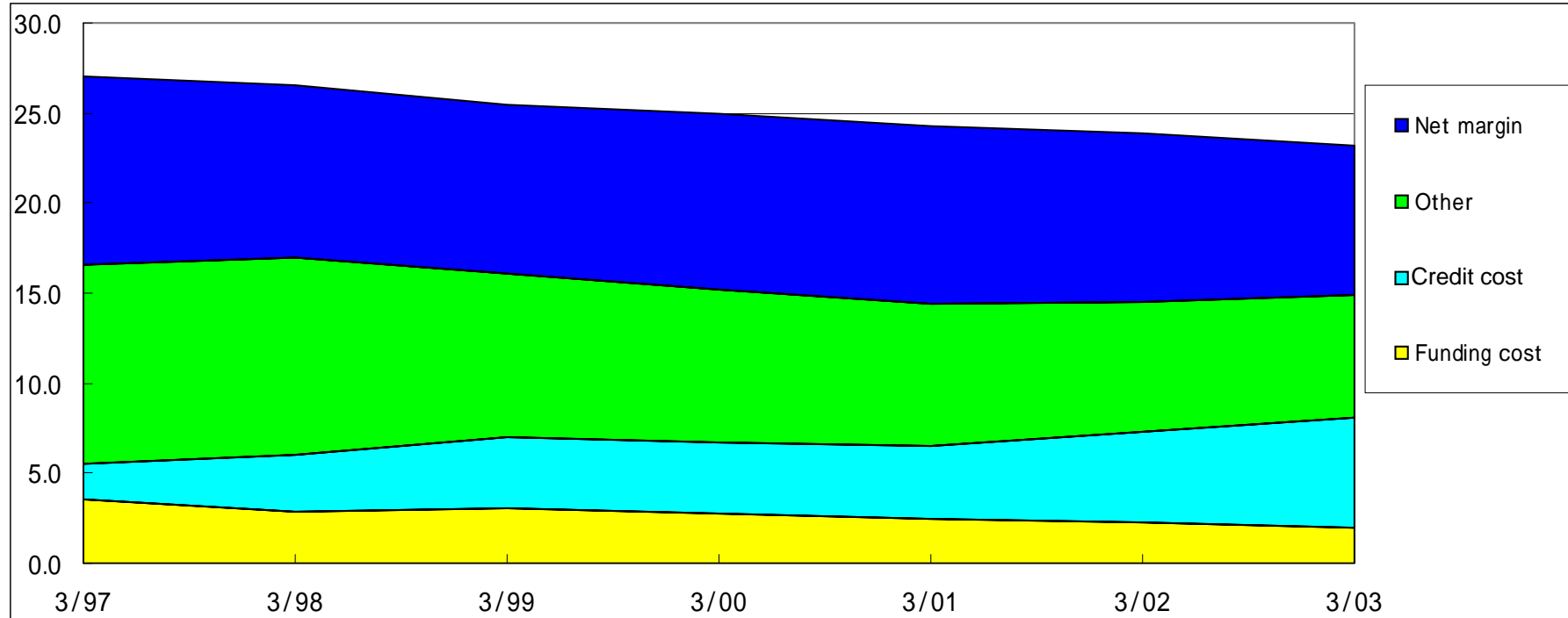
Sex



Age

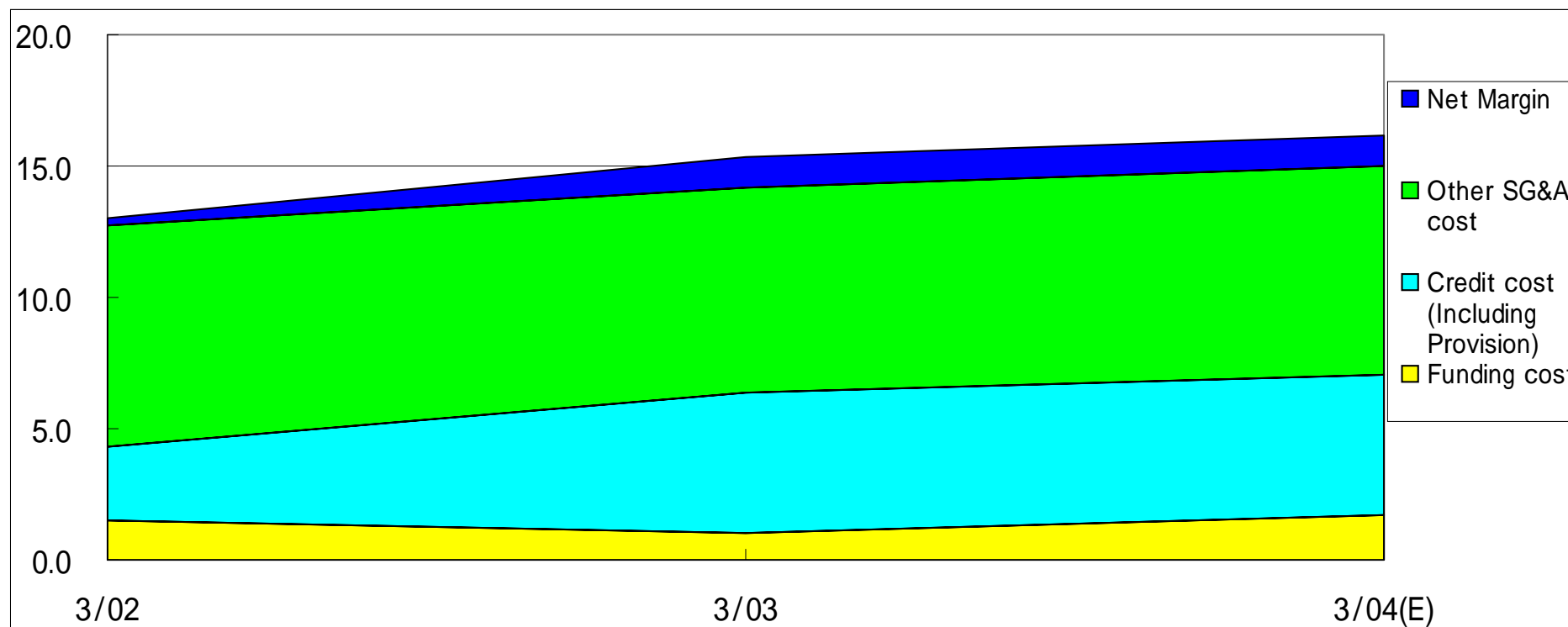


Appendix 4 - Net Margin – AIFUL (Parent)



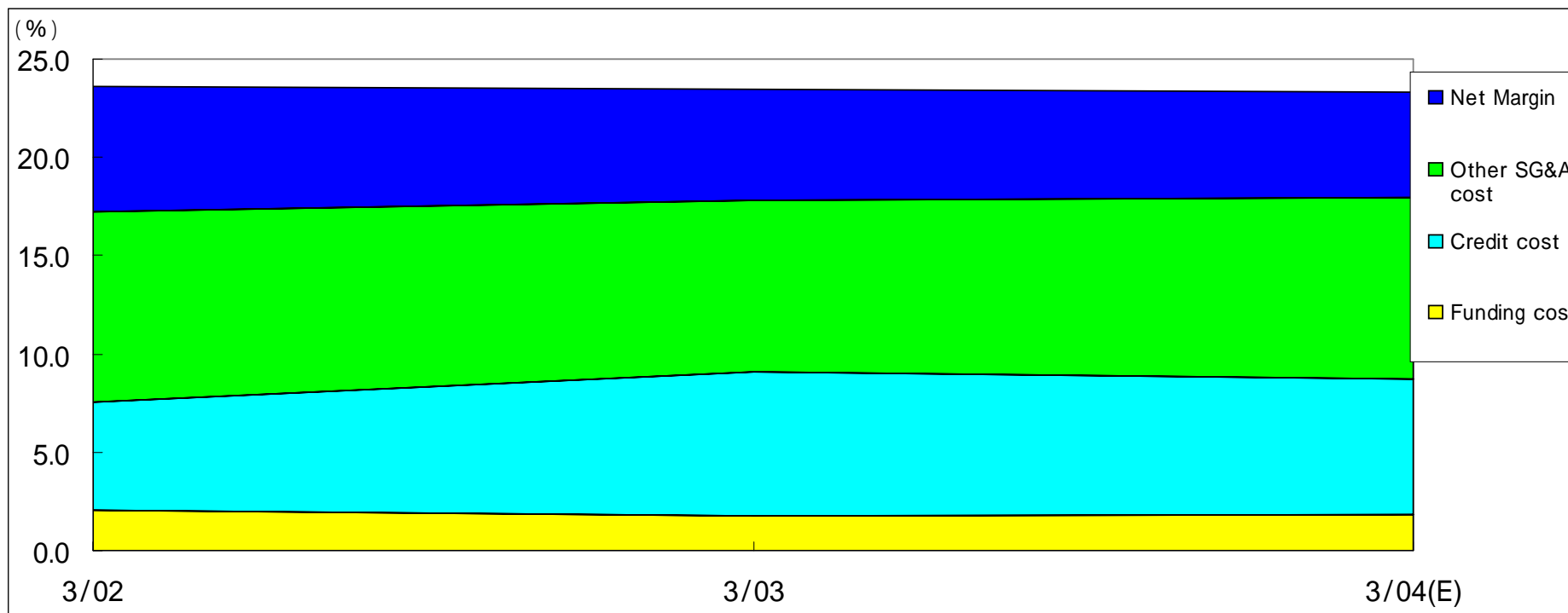
%	3/99	3/00	3/01	3/02	3/03	3/04(E)
Loan Interest Yield / Balance	25.5	25.0	24.3	23.9	23.2	22.9
Funding cost	3.0	2.8	2.5	2.3	2.0	1.9
Credit cost (Including Provision)	3.9	3.9	4.1	5.0	6.1	7.1
Other SG&A cost	9.1	8.5	7.9	7.2	6.8	6.9
Net margin / Balance	9.4	9.8	9.9	9.4	8.3	6.9

Appendix 5 - Net Margin – LIFE



(%)	3/02	3/03	3/04(E)
Loan Interest Yield / Balance	13.03	15.36	16.19
Funding cost	1.51	1.05	1.70
Credit cost (Including Provision)	2.84	5.30	5.32
Other SG&A cost	8.37	7.86	7.95
Net margin / Balance	0.32	1.16	1.21

Appendix 6 - Net Margin – Consolidated



(%)	3/02	3/03	3/04(E)
Loan Interest Yield / Balance	23.6	23.4	23.3
Funding cost	2.0	1.8	1.8
Credit cost (Including Provision	5.5	7.3	8.0
Other SG&A cost	9.7	8.7	8.9
Net margin / Balance	6.4	5.6	4.6