



Financial Results for Fiscal 2007

AIFUL CORPORATION

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- **Financial Results**
- **Business Environment**
- **Business Strategy**
- **Financial Results of LIFE**
- **Explanation of Figures**
- **Appendix**

- 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.

1 . Financial Results





Consolidated Subsidiaries

- LIFE Co., Ltd.
- Businext Corporation
- City's Corporation
- AsTry Loan Services Corporation
- New Frontier Partners Co., Ltd.
- Marutoh K.K.
- City Green Corporation

** City Green Corporation is the holding company for City's Corporation and does not conduct business operations.*

- TRYTO CORPORATION
- WIDE CORPORATION



Scheduled to be absorbed into AIFUL by March 2009.

- TCM Co., Ltd.
- Passkey Co., Ltd.

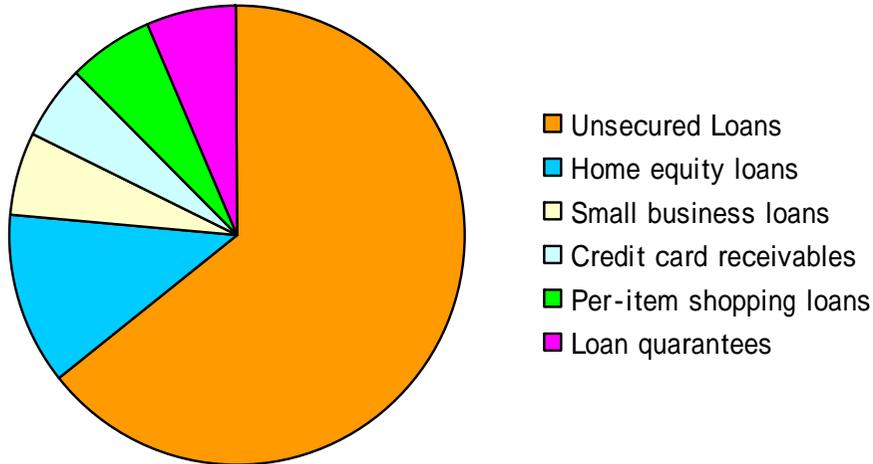


Scheduled to be absorbed into AIFUL by March 2008.

id Credit Corporation and Net One Club Corporation integrated into AIFUL on March 26, 2007.



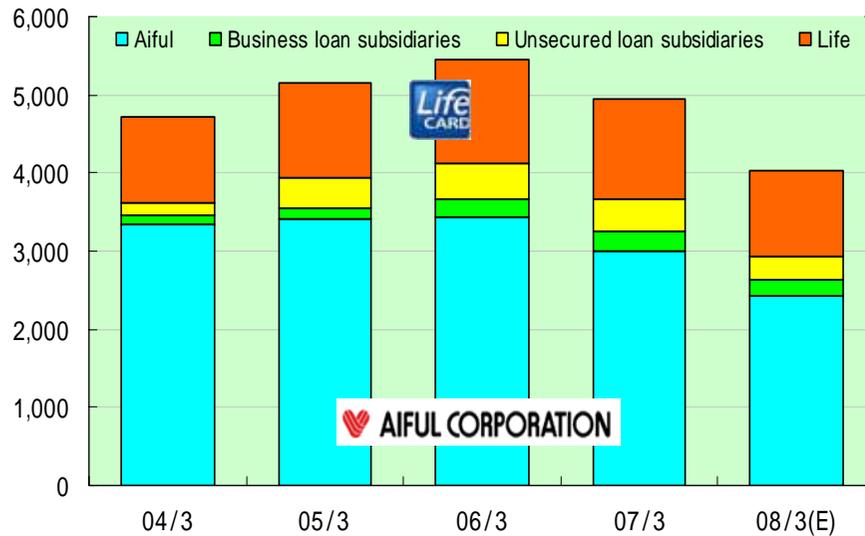
Portfolio of loans receivable (Mar-07)



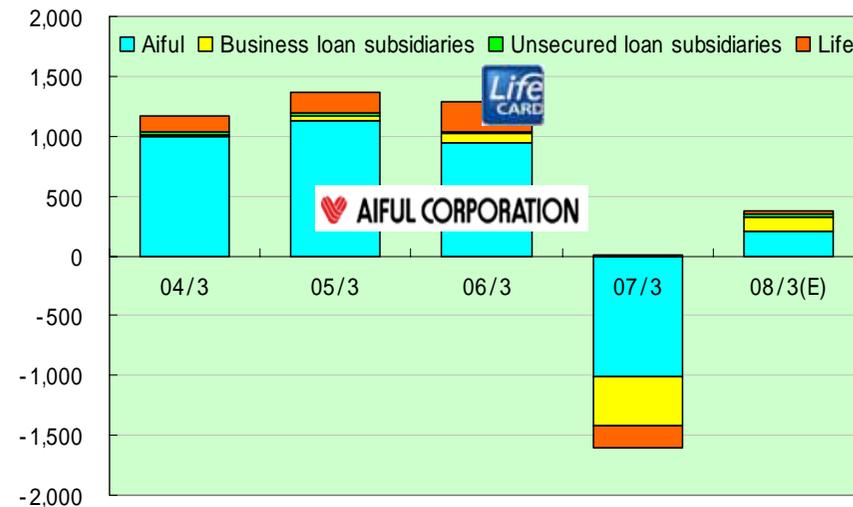
Comprehensive financial services strategy – Future AIFUL Group

M&A Strategy		Pure Investment	Strategic Investment		
		Sectors for Active Expansion			
	Risk	Consumer Finance	Small Businesses Loans	Credit Sales & Credit Cards	Loan Guarantees
Personal	Low		Banks		
	Middle				
	High				
Corporate	Low		Banks		
	Middle				
	High				

Changes in operating revenue



Changes in ordinary income

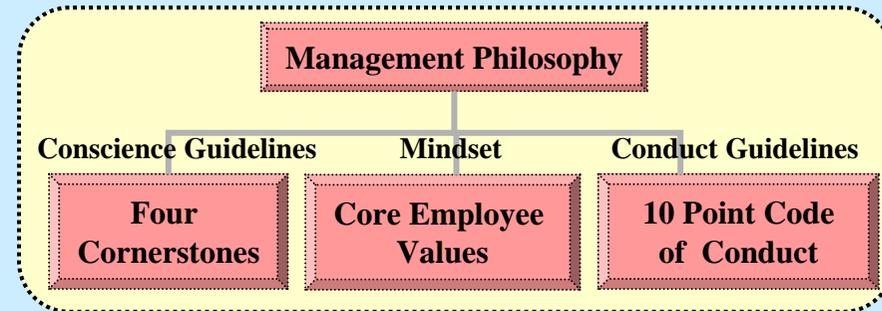




• New Corporate Philosophy

Earn the support of the public with sincerity and hard work.

• AIFUL's new corporate philosophy is comprised of four components: 1) the Management Philosophy, which is at the pinnacle and supported by the others; 2) the Four Cornerstones, which serve as guidelines for conscience; 3) 10 Point Code of Conduct, which are guidelines for conduct; 4) the Core Employee Values, which are concrete points that make up the appropriate employee mindset.



• Project to Restore Public Trust

STEP 1

Investigation into root causes of legal infringements.

STEP 2

Unification of company-wide awareness on fundamental issues

STEP 3

Formulation and implementation of radical reform plan

Pillars of reform: rebuilding of management philosophy, culture reform, "organizational" rebirth, "human" rebirth, honest disclosure)

Main Actions:

- 1) Review of in-house regulations and establishment of systems;
- 2) Thorough employee guidance and training and introduction of relevant certification system,;
- 3) Strengthening of in-house monitoring structure and review of inspection cycles and areas;
- 4) Revision of personnel evaluation system.

• Establishment of additional Risk Management Committee as a body directly under the Board of Directors

Financial Results – Results Highlights (Consolidated base)



(¥ billion)	Mar-06	Mar-07	YOY%	Mar-08 (E)	YOY%
Total outstanding *	2,681.7	2,369.5	-11.6 %	2,016.5	-14.9%
• Loans *	2,232.4	1,985.2	-11.1 %	1,679.0	-15.4%
Loans outstanding of AIFUL	1,512.7	1,298.6	-14.2 %	1,062.5	-18.2%
• Shopping receivables of LIFE	285.0	229.7	-19.4%	179.6	-21.8%
Number of loan accounts <i>(Thousands)</i>	3,898	3,547	-9.0%	-	-
Number of credit card holders <i>(Thousands)</i>	13,096	14,065	7.4%	14,617	3.9%
Number of new loan customers <i>(Thousands)</i>	533	242	-54.5%	152	-37.1%
Operating revenue	549.5	499.0	-9.2%	409.8	-17.9%
Operating income	125.1	-163.8	-	29.9	-
Ordinary income	126.9	-163	-	30	-
Net income	65.8	-411.2	-	32	-

* “Loan” related figures include loan provided to AIFUL, LIFE, and other subsidiaries. “Shopping Receivables” include credit card, installment finance provided by LIFE. Receivables outstanding includes off-balance-sheet receivables

Financial Results – B/S & P/L (Consolidated base)



< P/L > Mar-07

(¥ billion)	Aiful	Life	Businext	City's	Wide	Tryto	Group
<i>Business</i>	<i>Consumer Finance</i>	<i>Credit card</i>	<i>Small Business Loan</i>	<i>Small Business Loan</i>	<i>Consumer Finance</i>	<i>Consumer Finance</i>	-
Operating revenue	300.7	129.4	11.1	13.5	22.7	15	499
Operating expenses	407.6	148.5	10	13.6	41.1	30.5	662.8
Operating income	-106.9	-19	1.1	-0.09	-18.3	-15.5	-163.8
Ordinary income	-101.2	-18.9	1.1	-0.05	-18.3	-15.5	-163
Net income	-359.3	-43.3	0.6	-3.3	-35	-24.4	-411.2

* Managed Asset Basis

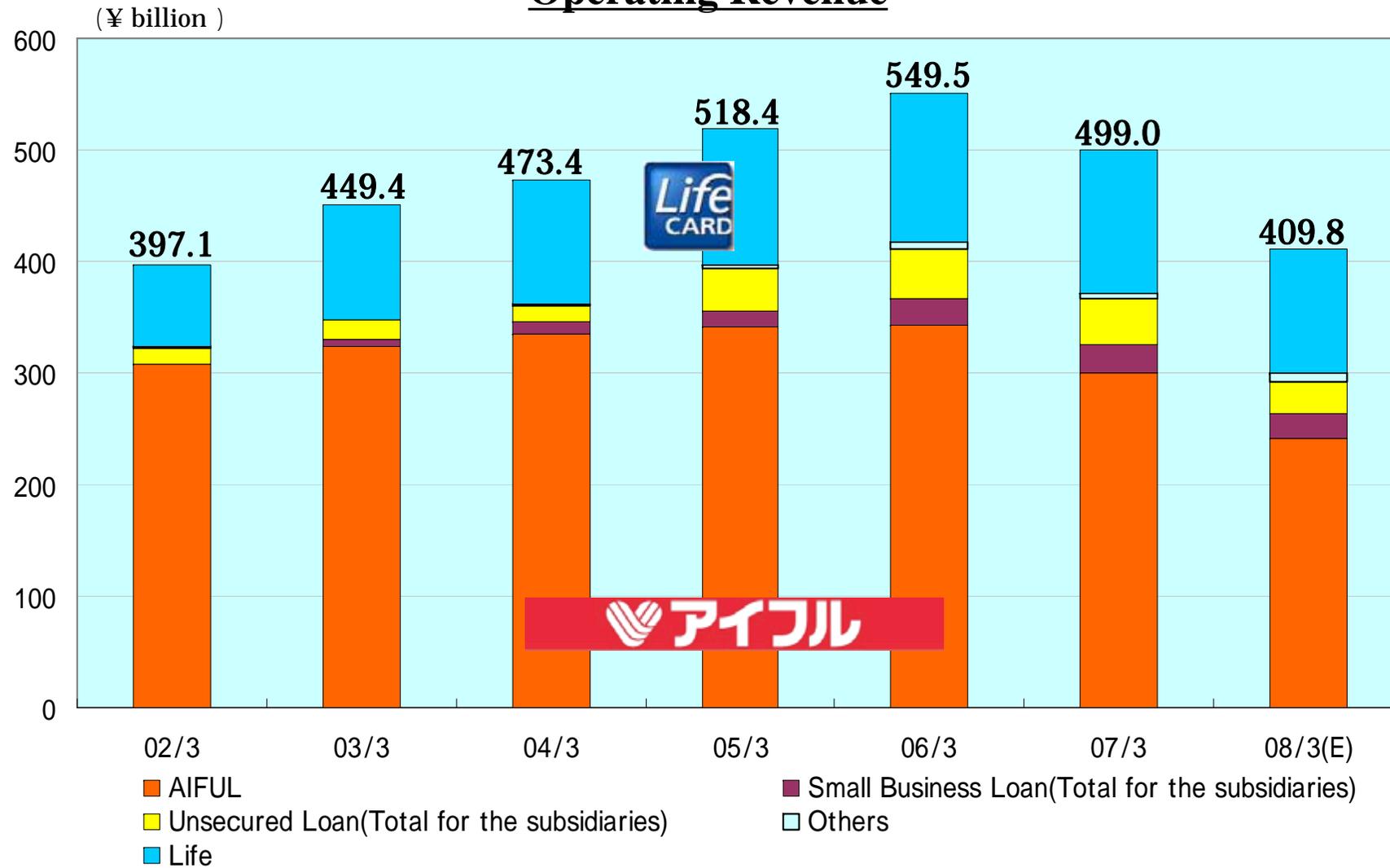
< B / S > Mar-07

(¥ billion)	Aiful	Life	Businext	City's	Wide	Tryto	Group
Receivables outstanding	1,361.3	717.8	82.3	58.3	80.9	54.9	2,369.5
Asset	1,660.8	626.6	81.4	56.8	57	36.4	2,214.5
Liability	1,405.8	538.6	77.1	42.6	77.3	51.5	1,957.4
Shareholder's Equity	255	87.9	4.3	14.2	-20.2	-15.1	257.1

* Receivables outstanding includes off-balance-sheet receivables.



Operating Revenue



Financial Results – PL (Consolidated base) Mar-08 (E)



	Aiful	Life	Businext	City's	Wide	Tryto	Group
<i>Business</i>	<i>Consumer Finance</i>	<i>Credit card</i>	<i>Small Business Loan</i>	<i>Small Business Loan</i>	<i>Consumer Finance</i>	<i>Consumer Finance</i>	-
Receivables Outstanding	1,137.6	633.9	89.4	55.8	50.9	38.6	2,016.5
YOY%	-16.4%	-11.7%	8.6%	-4.2%	-37.1%	-29.6%	-14.9%
Operating revenue	241.8	112.2	11.7	9.6	15.9	10.5	409.8
YOY%	-19.6%	-13.3%	5.2%	-28.6%	-29.7%	-29.6%	-17.9%
Operating income	14.3	4.9	0.6	1.5	7.5	3.8	29.9
YOY%	-	-	-39.3%	-	-	-	-
Ordinary income	20	5	0.6	1.6	7.5	3.9	30
YOY%	-	-	-39.3%	-	-	-	-
Net income	38.1	2.6	0.4	0.8	7.5	3.9	32
YOY%	-	-	-38.4%	-	-	-	-

* Managed Asset Basis



 アイフル (¥ billion)	Mar-06	Mar-07	YOY%	Mar-08 (E)	YOY%
Loans outstanding	1,512.7	1,298.6	-14.2%	1,062.5	-18.2%
Unsecured loan	1,133.0	995	-12.2%	815.8	-18.0%
Home equity loan	341.1	274.7	-19.5%	224.6	-18.2%
Small business loan	38.4	28.7	-25.3%	22.0	-23.2%
Number of accounts <i>(Thousands)</i>	2,187	1,894	-13.4%	1,571	-17.1%
Number of new loan customers <i>(Thousands)</i>	338	155	-54.1%	128	-17.4%
Number of branches	1,912	1,805	-107	1,019	-786
Operating revenue	343.5	300.7	-12.4%	241.8	-19.6%
Operating income	87.5	-106.9	-	14.3	-
Ordinary income	94.6	-101.2	-	20.0	-
Net income	50.3	-359.3	-	38.1	-
Cash dividends per share (¥)	60	60	0.0	40	-33.3%

Financial Results – Credit Card Subsidiary “Life”



 (¥ billion)	Mar-06	Mar-07	YOY%	Mar-08 (E)	YOY%
Transaction volume	814.2	829.1	1.8%	877.3	5.8%
Credit card purchases	470.8	561.2	19.2%	628.9	12.0%
Receivable outstanding (Managed)	779.5	717.8	-7.9%	633.9	-11.7%
Credit card purchases	101.1	117.2	15.9%	123.7	5.6%
Installment finance	183.8	112.5	-38.8%	55.8	-50.3%
Credit card-cash advance	220.8	229.9	4.2%	226.4	-1.5%
LIFE Cash Plaza	173.2	164.8	-4.8%	143	-13.2%
Guarantee	91.4	83	-9.2%	74.5	-10.2%
Number of new issue <i>(Thousands)</i>	2,310	2,180	-5.6%	2,052	-5.9%
Number of card holders <i>(Thousands)</i>	13,096	14,065	7.4%	14,617	3.9%
Operating revenue	132.2	127.4	-3.6%	110.4	-13.3%
Operating income	24.8	-19	-	4.9	-
Ordinary income	25	-18.9	-	5	-
Net income	14	-43.3	-	2.6	-

* Managed Asset Basis

Financial Results – Small Business Loan Subsidiaries “BUSINEXT” and “City’s”



Middle risk (¥ billion)		Mar-06	Mar-07	YOY%	Mar-08 (E)	YOY%
	Loans outstanding	73.1	82.3	12.6%	89.4	8.6%
	Number of accounts (<i>Thousands</i>)	42	44	6.6%	45	2.3%
	Average interest rate (%)	15.0	14.9	-0.1	14.8	-0.1
	Operating revenue	8.6	11.1	29.2%	11.7	5.2%
	Ordinary income	1.5	1.1	-26.8%	0.6	-39.3%
	Net income	2.4	0.6	-73.1%	0.4	-38.4%
	Small business loan guarantees 	20.8	20.7	-0.4%	24.5	18.4%
High risk (¥ billion)		Mar-06	Mar-07	YOY%	Mar-08 (E)	YOY%
	Loans outstanding	67.8	58.3	-14.1%	55.8	-4.2%
	Number of accounts (<i>Thousands</i>)	31	30	-4.9%	28	-6.7%
	Average interest rate (%)	25.4	23.7	-1.7	21.8	-1.8
	Operating revenue	13.9	13.5	-3.2%	9.6	-28.6%
	Ordinary income	0.1	-0.05	-	1.6	-
	Net income	0.03	-3.3	-	0.8	-
	Small business loan 	38.4	28.7	-25.3%	22	-23.2%

Financial Results – Consumer Finance Subsidiaries “TRYTO” and “WIDE”



 (¥ billion)	Mar-06	Mar-07	YOY%	Mar-08 (E)	YOY%
Loans outstanding	66.5	54.9	-17.4%	38.6	-29.6%
Number of accounts <i>(Thousands)</i>	177	146	-17.2%	109	-25.3%
Loan business branches	110	80	-30	0	-80
Number of new loan customers <i>(Thousands)</i>	44	13	-69.4%	0	-97.8%
Operating revenue	16.2	15	-7.6%	10.5	-29.6%
Ordinary income	3.5	-15.5	-	3.9	-
Net income	1.8	-24.4	-	3.9	-

 (¥ billion)	Mar-06	Mar-07	YOY%	Mar-08 (E)	YOY%
Loans outstanding*	99.8	80.9	-19.0%	50.9	-37.1%
Number of accounts <i>(Thousands)</i>	226	190	-16.0%	132	-30.5%
Loan business branches	295	148	-147	0	-148
Number of new loan customers <i>(Thousands)</i>	66	20	-68.6%	0	-98.9%
Operating revenue	25.4	22.7	-10.6%	15.9	-29.7
Ordinary income	4.2	-18.3	-	7.5	-
Net income	1.9	-3.5	-	7.5	-

*Wide's loans reflect on-balance figures only

Financial Results – Consolidated vs. Parent Forecasts

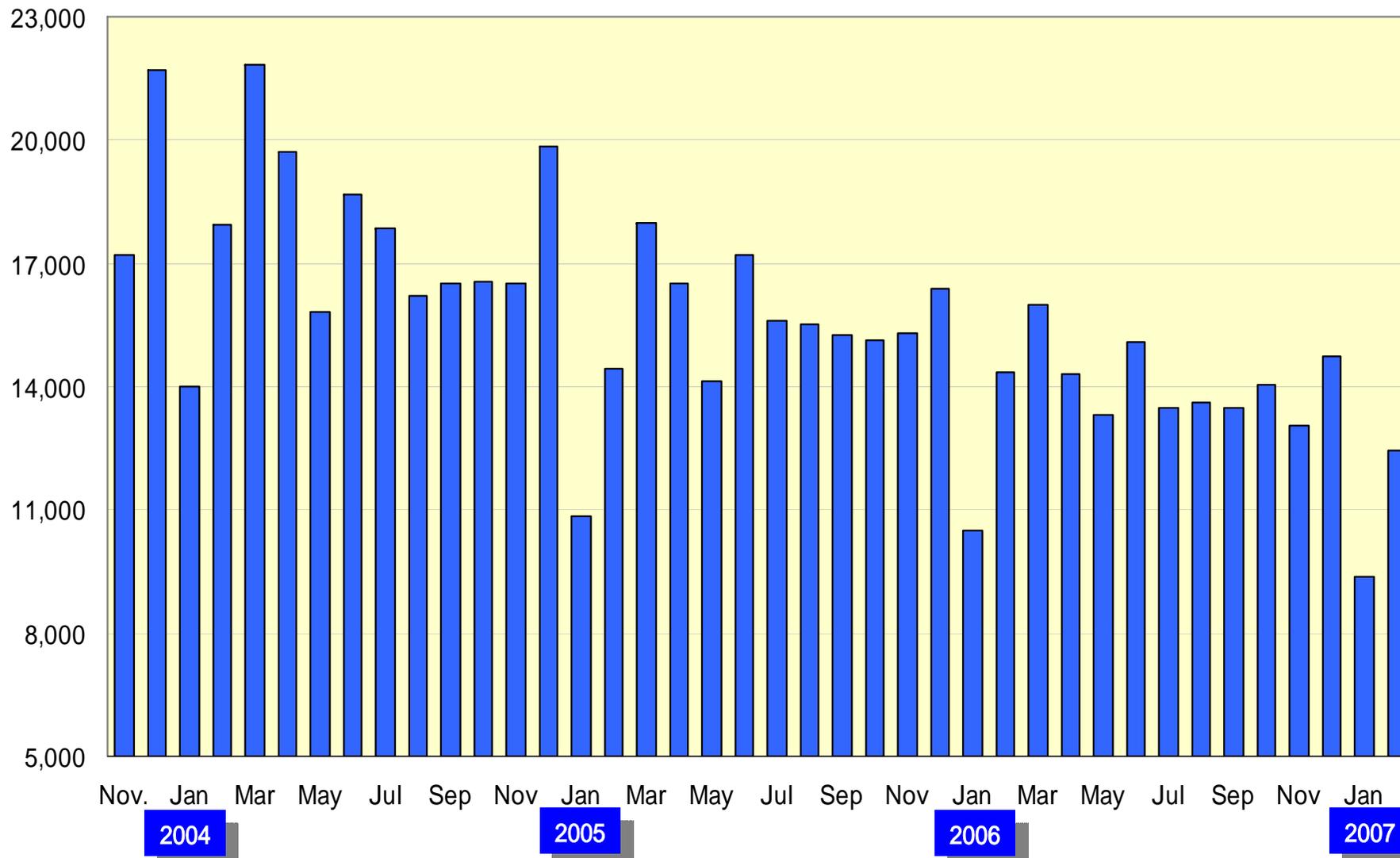


(¥ billion)	Mar-06	Mar-07	Mar-08 (E)
Operating Revenue (Con) (A)	549.5	499.0	409.8
Operating Revenue (Non-Con) (B)	343.5	300.7	241.8
(A) – (B)	206.0	198.2	167.9
(A) / (B)	1.6	1.7	1.7
Ordinary Income (Con) (C)	126.9	-163.0	30.0
Ordinary Income (Non-Con) (D)	94.6	-101.2	20.0
(C) – (D)	32.3	-61.7	10.0
(C) / (D)	1.3	1.6	1.5
Net Income (Con) (E)	65.8	-411.2	32.0
Net Income (Non-Con) (F)	50.3	-359.3	38.1
(E) – (F)	15.4	-51.8	-6.0
(E) / (F)	1.3	1.1	0.8

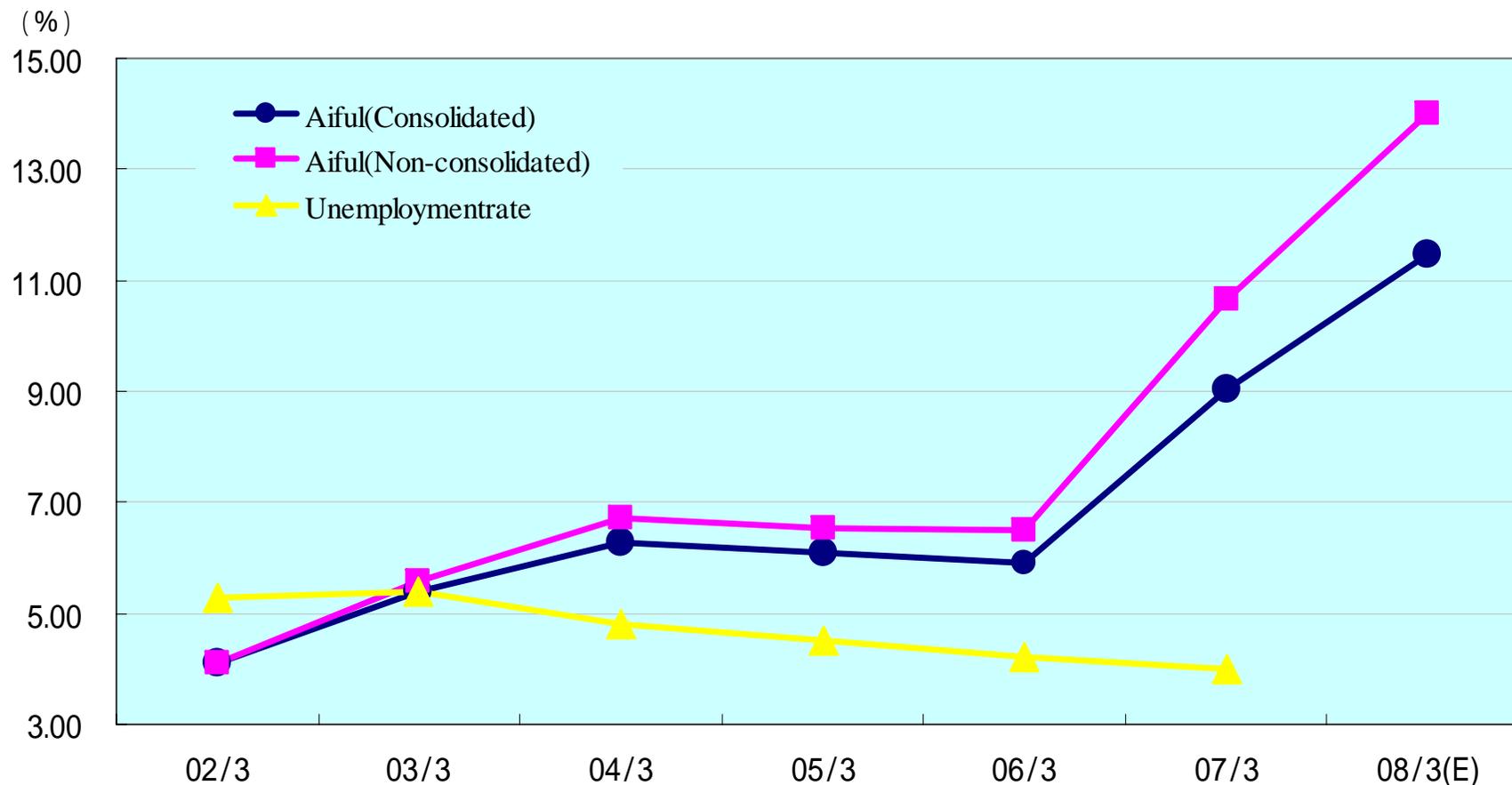
2 · Business Environment



Bad Debts – Trend of Personal Bankruptcy (Japan Supreme Court) “YOY Decline for 41 Consecutive Months”

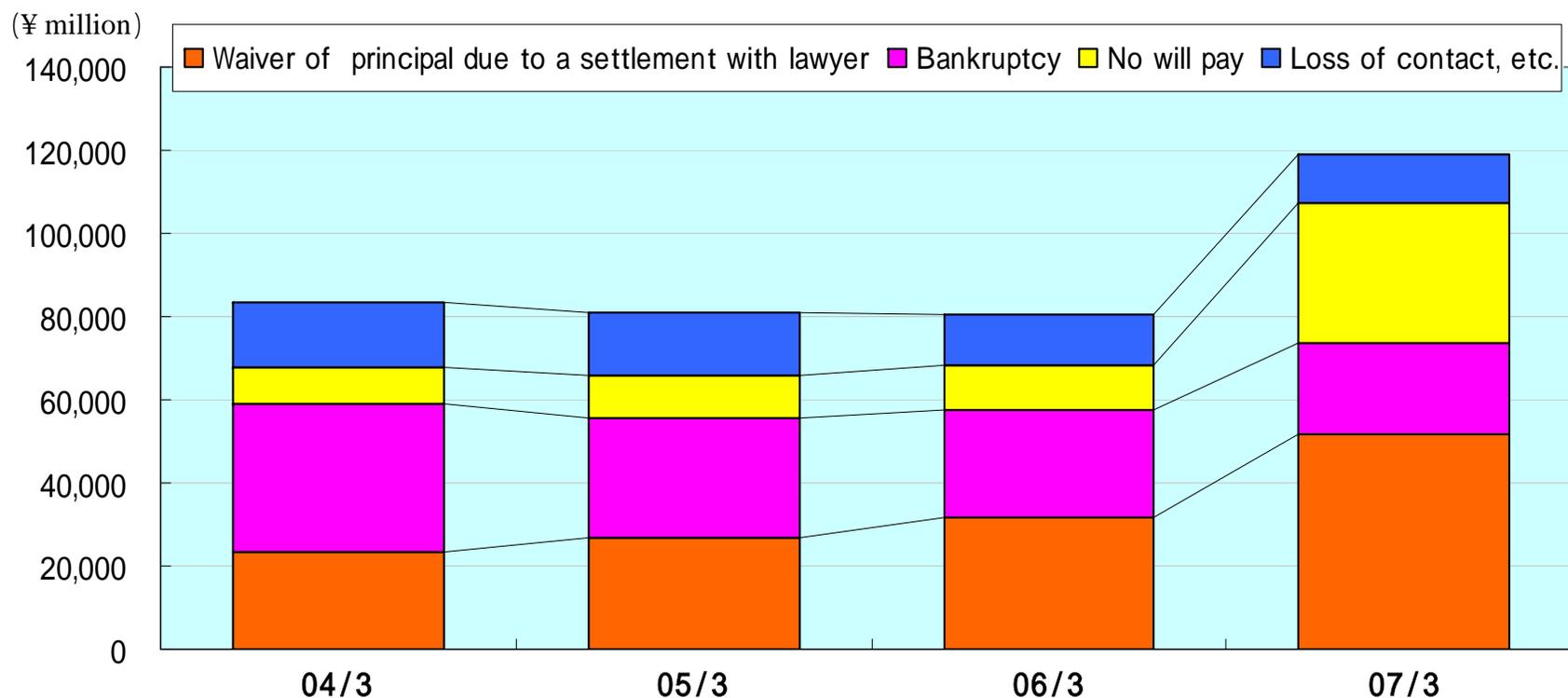


Bad debt – Write-off Ratio “ Changes in Write-off Ratio ”



(%)	Mar-02	Mar-03	Mar-04	Mar-05	Mar-06	Mar-07	Mar-08 (E)
Aiful (Consolidated)	4.12	5.38	6.26	6.09	5.89	9.05	11.47
Aiful (Non-consolidated)	4.10	5.59	6.71	6.54	6.50	10.67	14.01
Unemploymentrate	5.3	5.4	4.8	4.5	4.2	4.0	-

Bad debt – Reason for Write-off

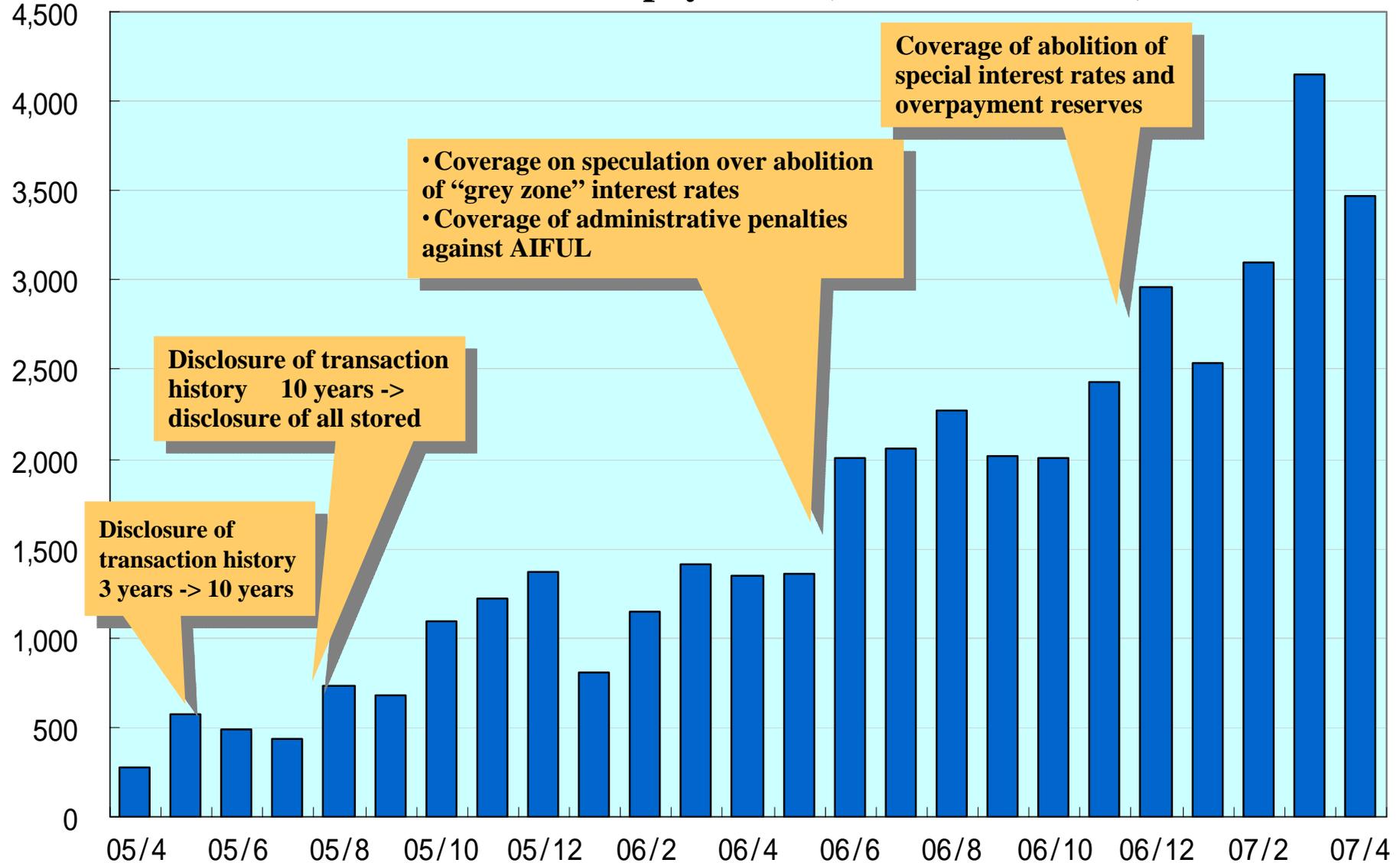


構成比(%)	Mar-04 (12M)	Mar-05 (12M)	Mar-06 (12M)	Mar-07 (12M)
Bankruptcy	42.3	35.6	31.9	18.3
Loss of contact, etc	18.9	18.8	15.0	10.1
Not will to pay	10.6	12.5	13.5	28.1
Waiver of principal due to a settlement with lawyer	28.3	33.1	39.6	43.5



(¥ million)

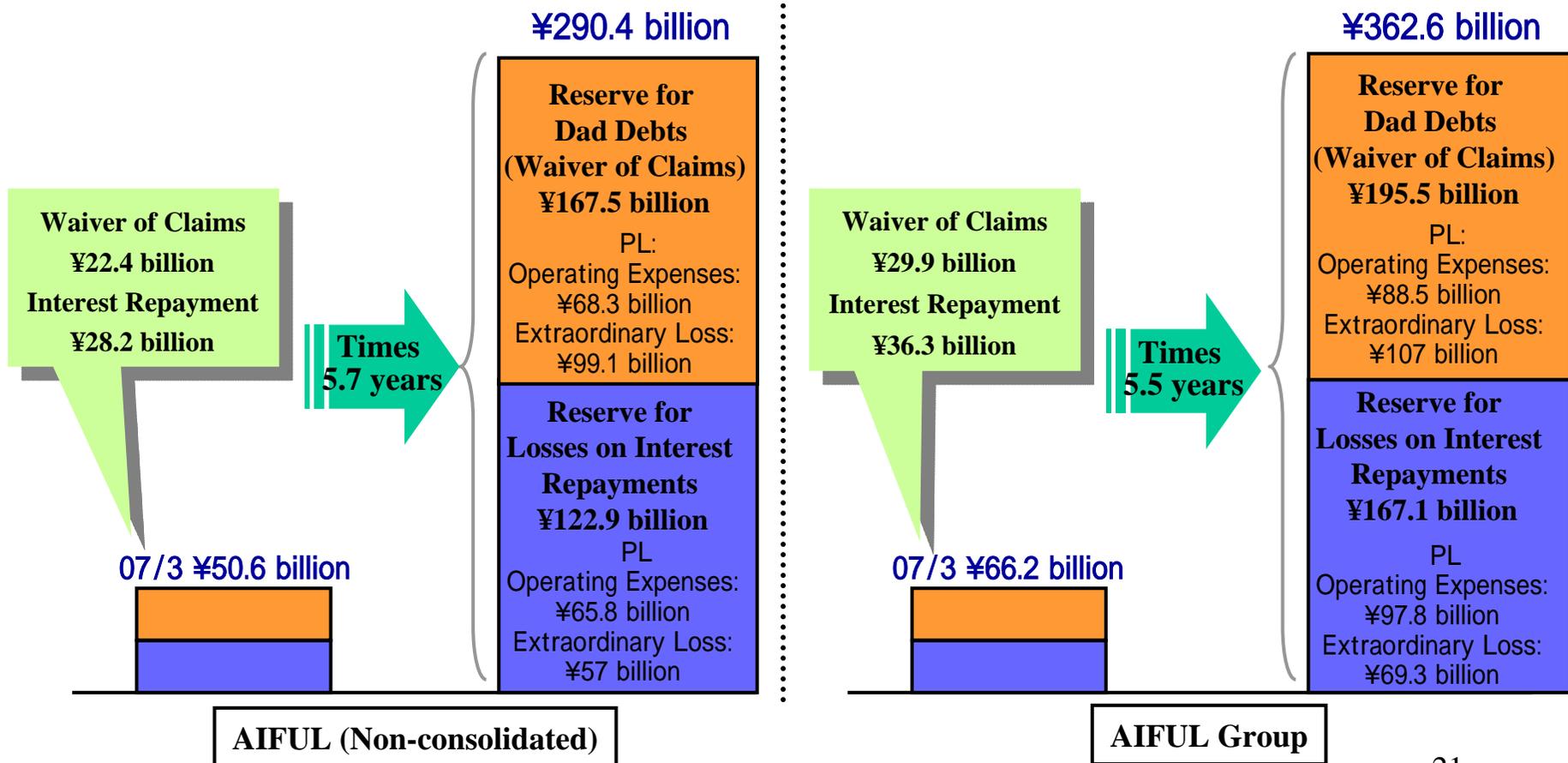
Return of Overpayments (Non-consolidated)



Bad debt – Reserve for Losses on Interest Repayments



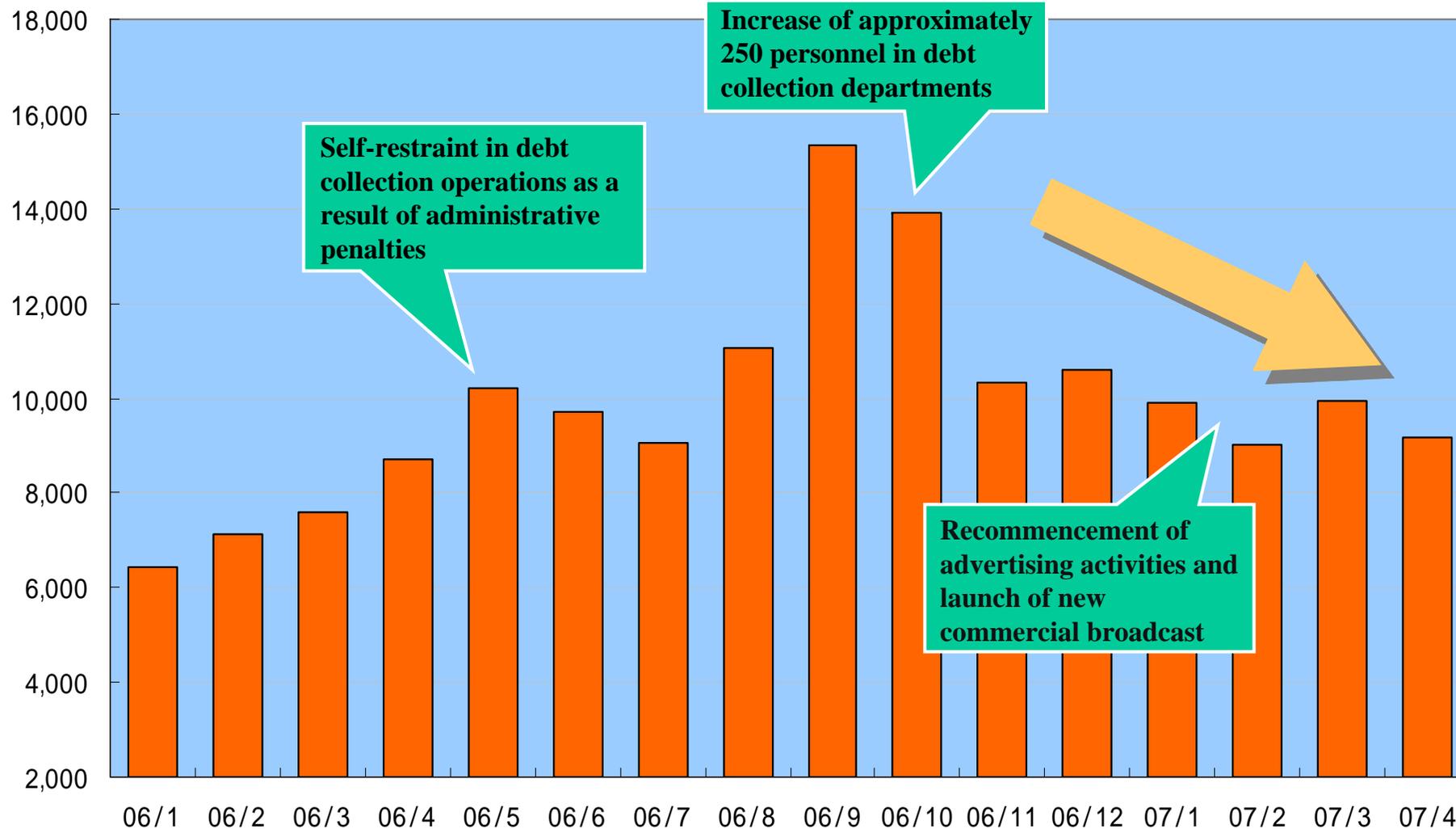
Number of Accounts × **Performance Ratio** × **Average Repayment Value** × **Correction**
 * Number of accounts on schedule, in arrears, written off, and completely repaid as of Mar-31,2007
 * On schedule: 5 years
 In arrears: 1 year
 Written off or repaid: 3years
 * Adjustment for actual conditions





(¥ million)

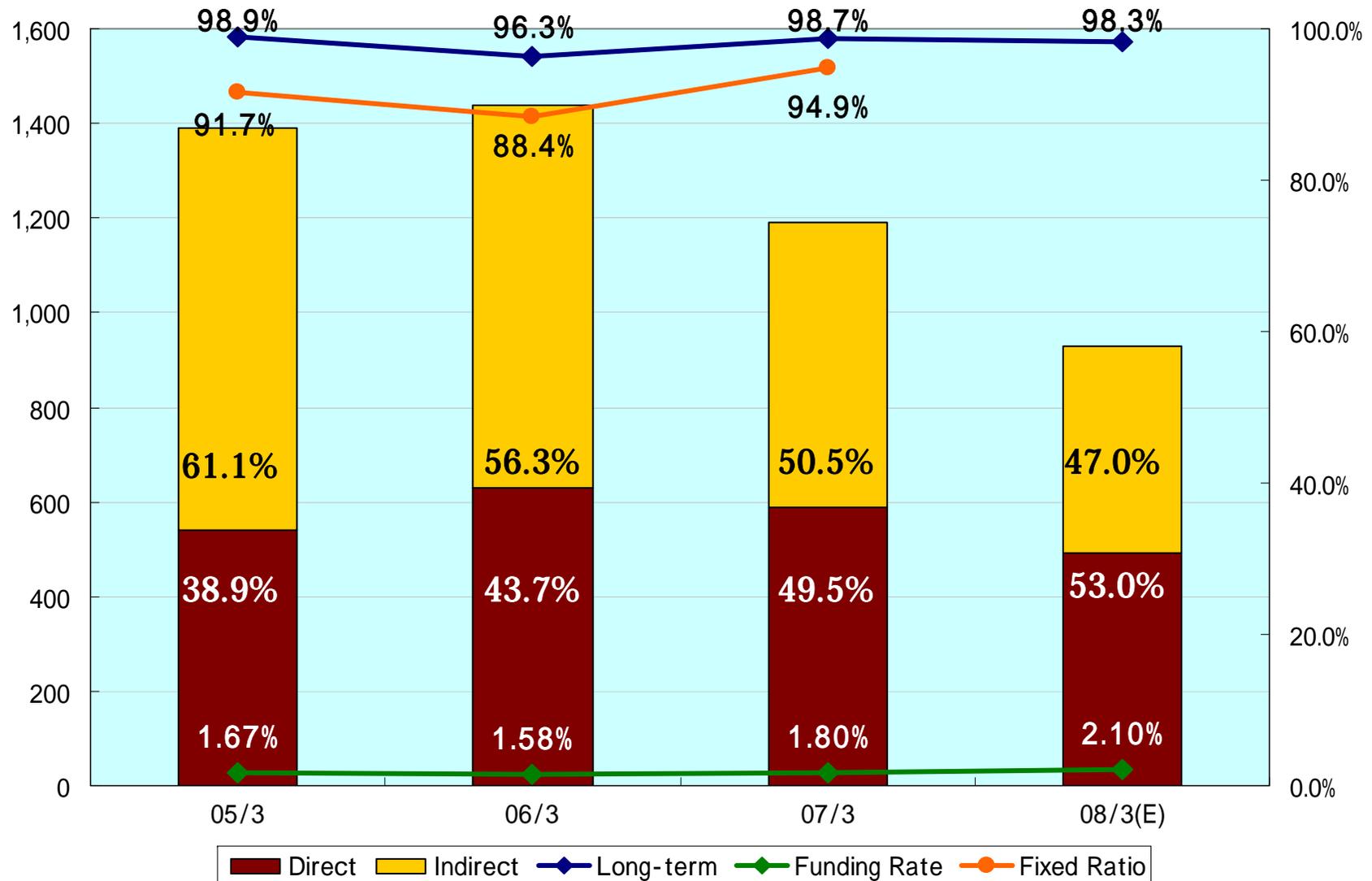
Transfers(amounts six months in arrears)





(¥ billion)

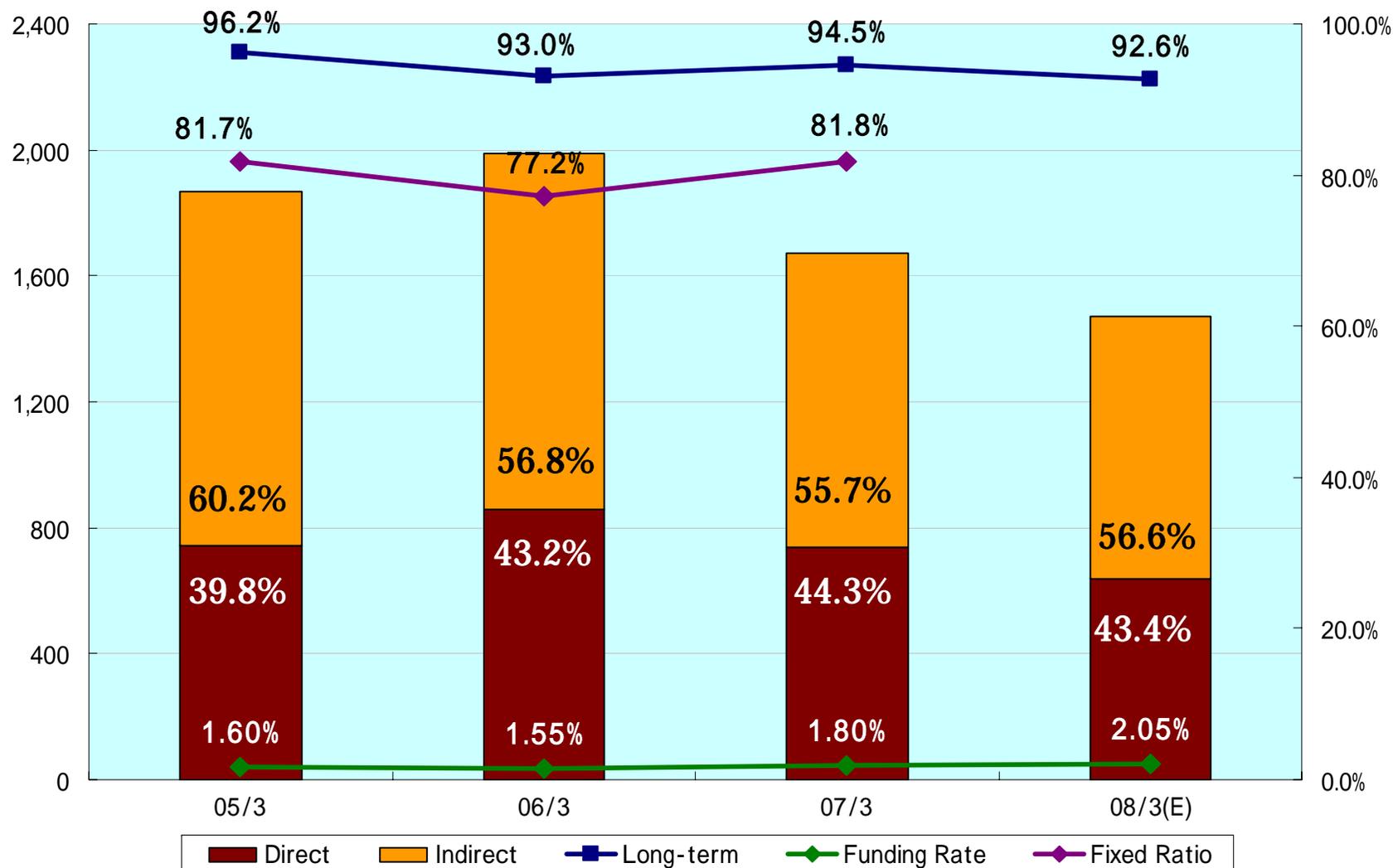
Fund Raising Reduced at AIFUL (Non-Consolidated) Due to Decline in Balance of Loans Outstanding





(¥ billion)

Fund Raising Reduced at AIFUL (Consolidated) Due to Decline in Balance of Loans Outstanding



3 · Business Strategy





1) Business model reform

- 1) Integration of consumer finance subsidiaries TRYTO, Wide, TCM, and Passkey into Aiful.
- 2) Drastic consolidation of the small business loan subsidiary, City s, operations.
- 3) Concentration of LIFE s credit card business in target commercial areas and reduction of number of offices.

2) Cost structure reform

1) Consolidation of outlets

- Group-wide reduction of outlets from 2,713 to 1,193
 - Staffed outlets 820 → 213
 - Unstaffed outlets and ATM machines 1,893 → 980

2) Personnel Restructuring

- Recruit 644 employees for voluntary retirement; Reduction of 900 temporary employees.
- Number of temporary employees (consolidated base): 3,562 (Mar-31,2006) → 3,278 (Mar-31,2007)

3) System development and review of various expenses

3) Reducing credit costs and securing high quality claims through tightening up on credit.

· **Operating Cost Reduction:**
JPY 40 billion or greater
(Non-consolidated base)

· **Optimizing the Business Resources of the Group**

· **Diversified and Efficient Earnings Model**

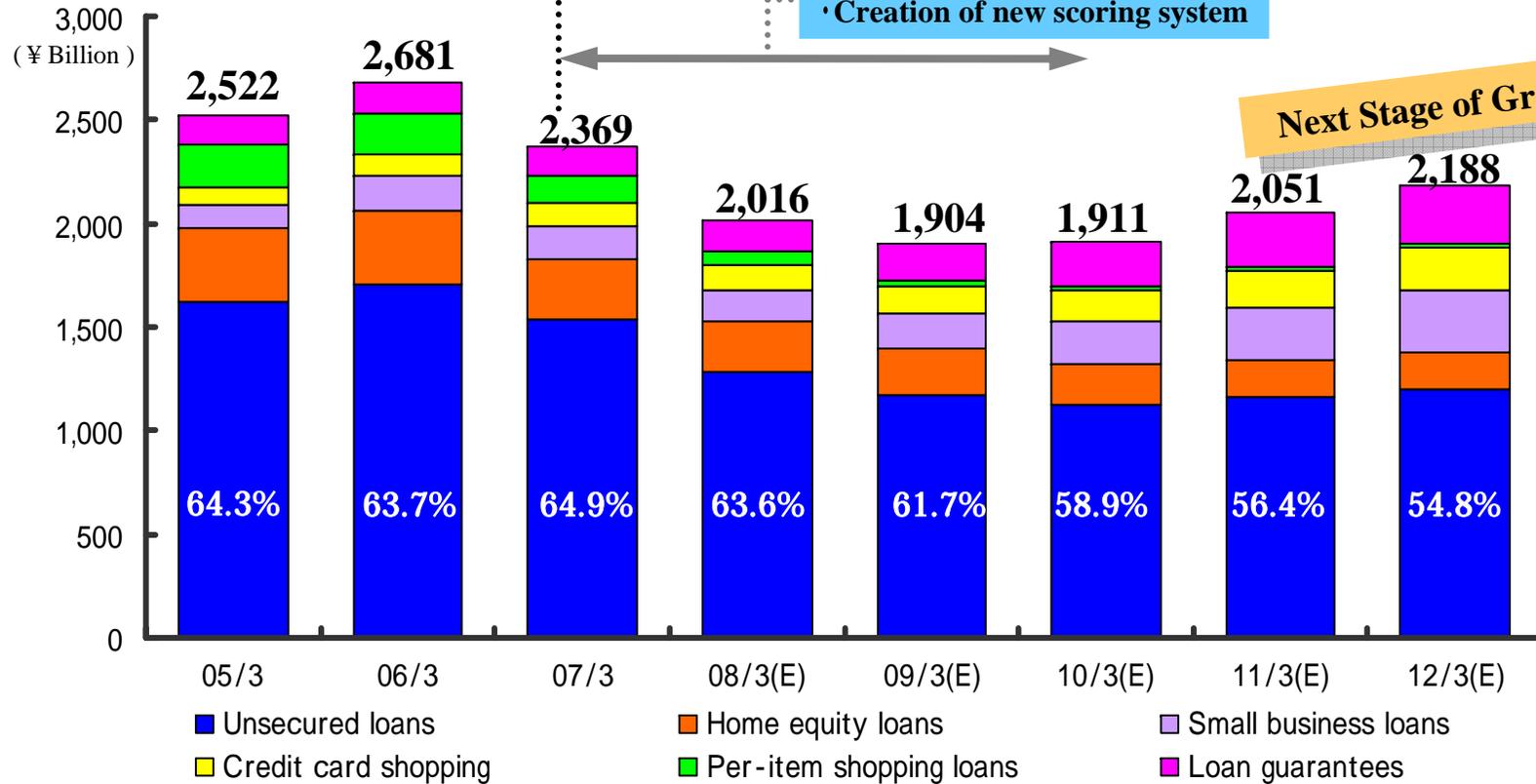
Maintain 1.5% or greater ROA

Future AIFUL Group - Changes in Business Portfolio



Total Receivables Outstanding

* Trends in balance vary depending on regulatory and competitive environment.



· Restructuring of loan portfolio, reducing unsecured loan proportion to 50%

· Implementation of cost structure reform and group reorganization

· Reducing credit costs and securing high quality claims through tightening up on credit.

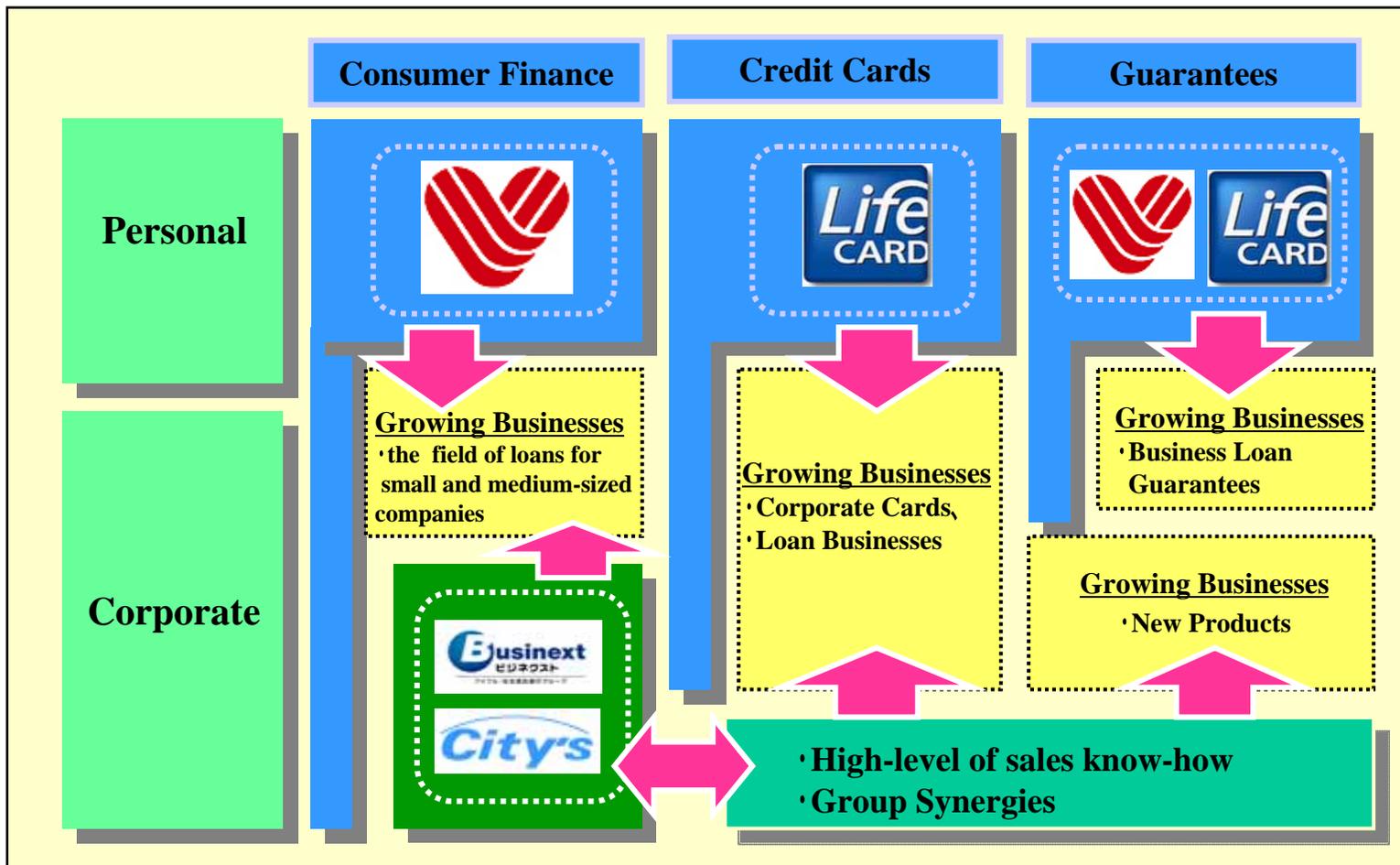
· Creation of new scoring system

Next Stage of Growth



Group's Business Strategy

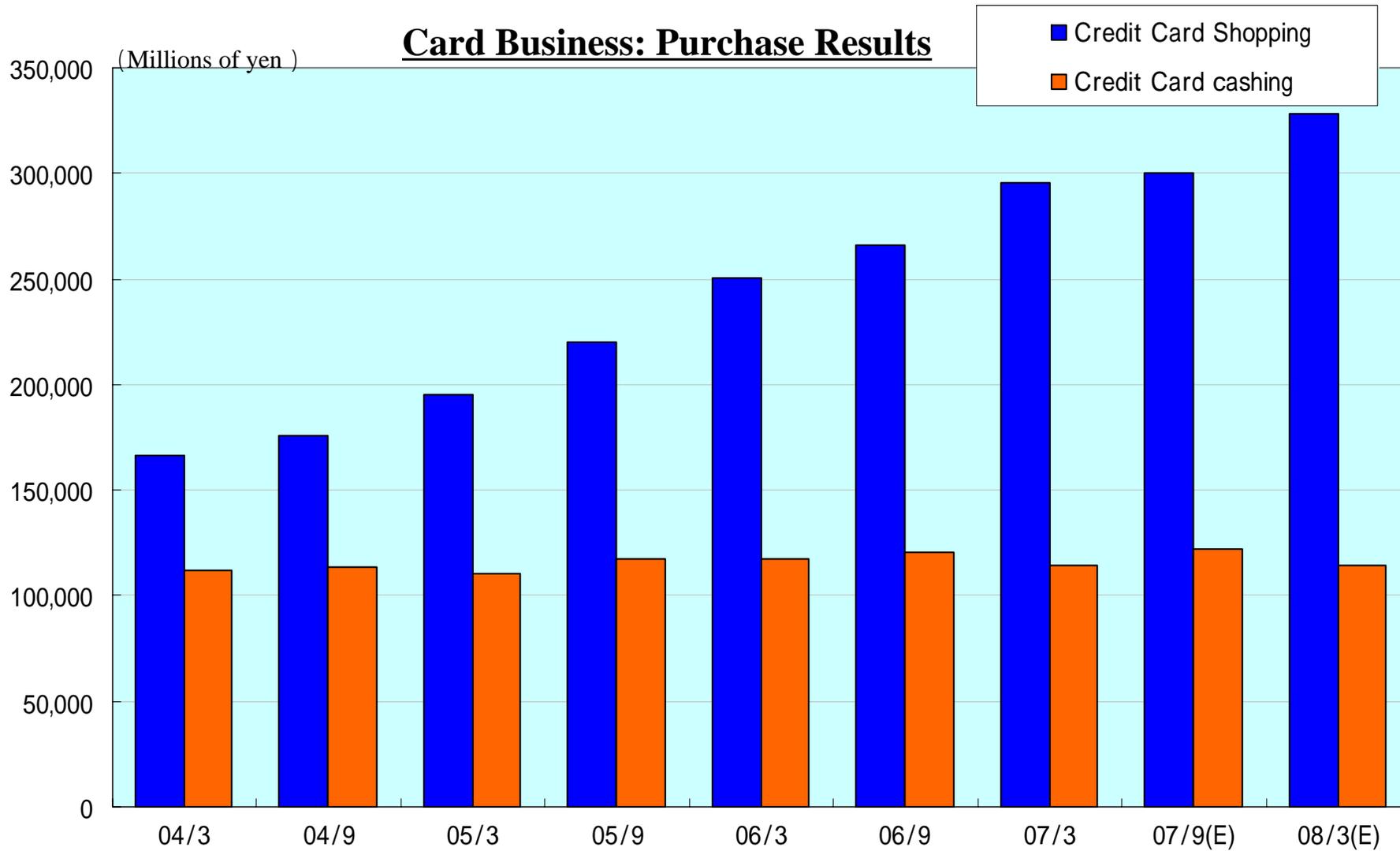
- Consumer finance business: Seek greater efficiency while emphasizing “selection and concentration”.
- Expend the small business loan and credit card business and the guarantee business segment, which are growth areas. The future growth sector among these fields will be the corporate finance segment .



4 • Financial Results of LIFE

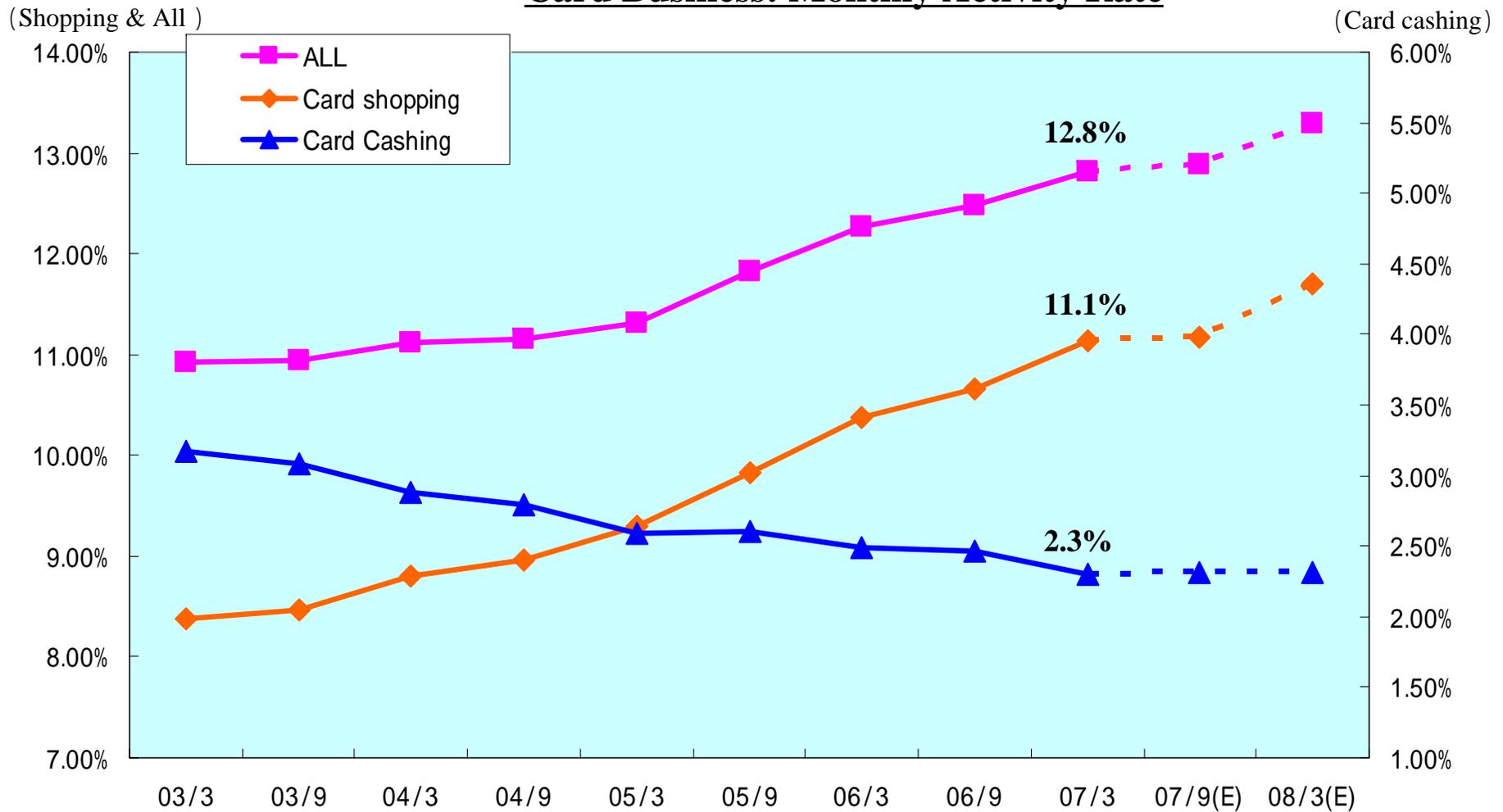


(Millions of yen)	Mar-05	Mar-06	Mar-07		Mar-08	
				YOY%	(E)	YOY%
Number of cardholders <i>(Thousand)</i>	11,916	13,096	14,065	7.4%	14,617	3.9%
Life proper card	1,710	1,820	1,961	7.7%	2,048	4.4%
Affinity cards	10,205	11,276	12,103	7.3%	12,568	3.8%
Number of new issue <i>(Thousand)</i>	2,086	2,310	2,180	-5.6%	2,052	-5.9%
Life proper card	207	233	241	3.4%	225	-6.6%
Affinity cards	1,878	2,077	1,938	-6.7%	1,826	-5.8%
Credit card purchase results	597,314	706,274	796,600	12.8%	865,319	8.6%
Credit card shopping	373,130	470,896	561,299	19.2%	628,934	12.0%
Credit card cashing	224,184	235,378	235,301	-0.0%	236,384	0.5%
Installment finance purchase results	135,646	107,974	32,528	-69.9%	12,000	-63.1%
Member stores	95,281	98,383	101,575	3.2%	104,870	3.2%





Card Business: Monthly Activity Rate

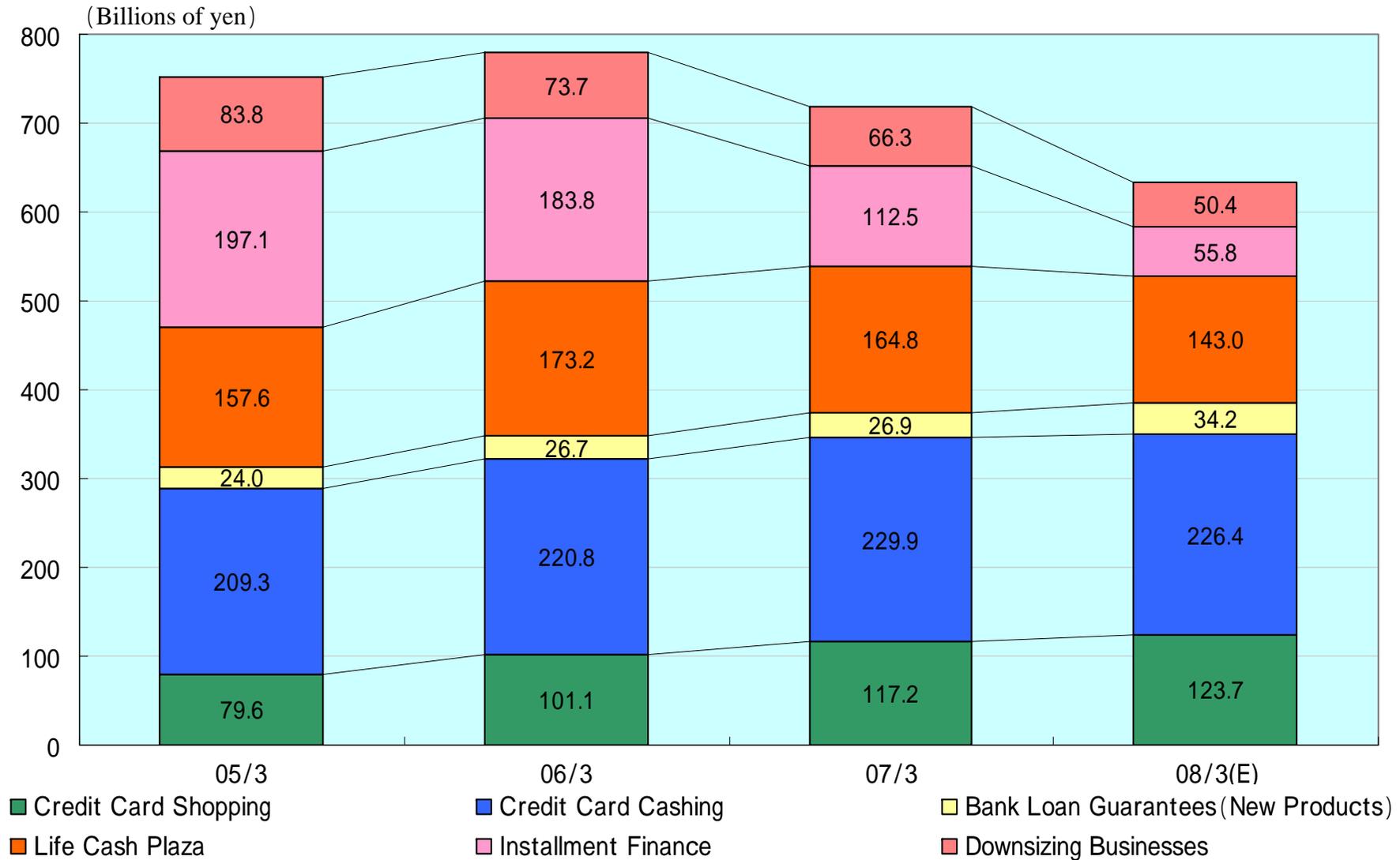


LIFE (3) – Operating Results



(Millions of yen)	Mar-05	Mar-06	Mar-07		Mar-08 (E)	
				YOY%		YOY%
Total receivables outstanding	751,553	779,560	717,884	-7.9%	633,919	-11.7%
Growing business	312,969	348,703	374,121	7.3%	384,482	2.8%
Credit card shopping	79,622	101,134	117,222	15.9%	123,743	5.6%
Credit card cashing	209,300	220,803	229,984	4.2%	226,483	-1.5%
Loan guarantees (New Products)	24,046	26,765	26,914	0.6%	34,255	27.3%
Holding business	354,753	357,140	277,392	-22.3%	198,949	-28.3%
Credit card shopping	197,123	183,883	112,512	-38.8%	55,872	-50.3%
Life cash plaza	157,630	173,257	164,880	-4.8%	143,076	-13.2%
Downsizing business	83,830	73,716	66,370	-10.0%	50,487	-23.9%
Auto loans, etc.	1,194	814	560	-31.2%	294	-47.5%
Housing loans	31,726	28,178	24,373	-13.5%	21,660	-11.1%
Loan guarantees	41,258	35,691	31,164	-12.7%	18,329	-41.2%
Others	9,650	9,031	10,271	13.7%	10,202	-0.7%
Growing business	42%	45%	52%	7%	61%	9%
Holding business	47%	46%	39%	-7%	31%	-7%
Downsizing business	11%	9%	9%	-0%	8%	-1%

Life: Changes In Business Portfolio



(Millions of yen)	Mar-05	Mar-06	Mar-07	Mar-08		
				YOY%	(E) YOY%	
Operating revenue	123,881	133,936	129,479	-3.3%	112,200	-13.3%
Credit card shopping	9,313	11,533	13,316	15.5%	14,102	5.9%
Installment finance	17,501	17,933	13,289	-25.9%	6,808	-48.8%
Credit card cashing	48,558	50,508	51,615	2.2%	48,545	-5.9%
Life Cash Plaza	36,313	40,753	39,606	-2.8%	31,844	-19.6%
Loan guarantees	4,044	4,241	4,134	-2.5%	3,961	-4.2%
Bad debt recovery	3,175	3,531	1,664	-52.9%	1,200	-27.9%
Other	4,972	5,432	5,851	7.7%	5,739	-1.9%
Operating expenses	107,401	109,041	148,559	36.2%	107,253	-27.8%
Financial expenses	8,806	8,621	9,201	6.7%	9,960	8.2%
Credit costs	39,775	39,070	55,443	41.9%	38,790	-30.0%
Return of overpayment cost	-	-	24,936	-	5,950	-76.1%
Advertising expenses	5,464	6,478	5,587	-13.8%	1,917	-65.7%
Salaries	15,257	16,495	16,427	-0.4%	14,668	-10.7%
Other	38,096	38,375	36,963	-3.7%	35,965	-2.7%
Operating income	16,480	24,895	-19,079	-	4,946	-
Ordinary income	16,524	25,032	-18,957	-	5,000	-
Net income	10,679	14,028	-43,313	-	2,681	-

LIFE (5) – Bad Debt Charge-offs



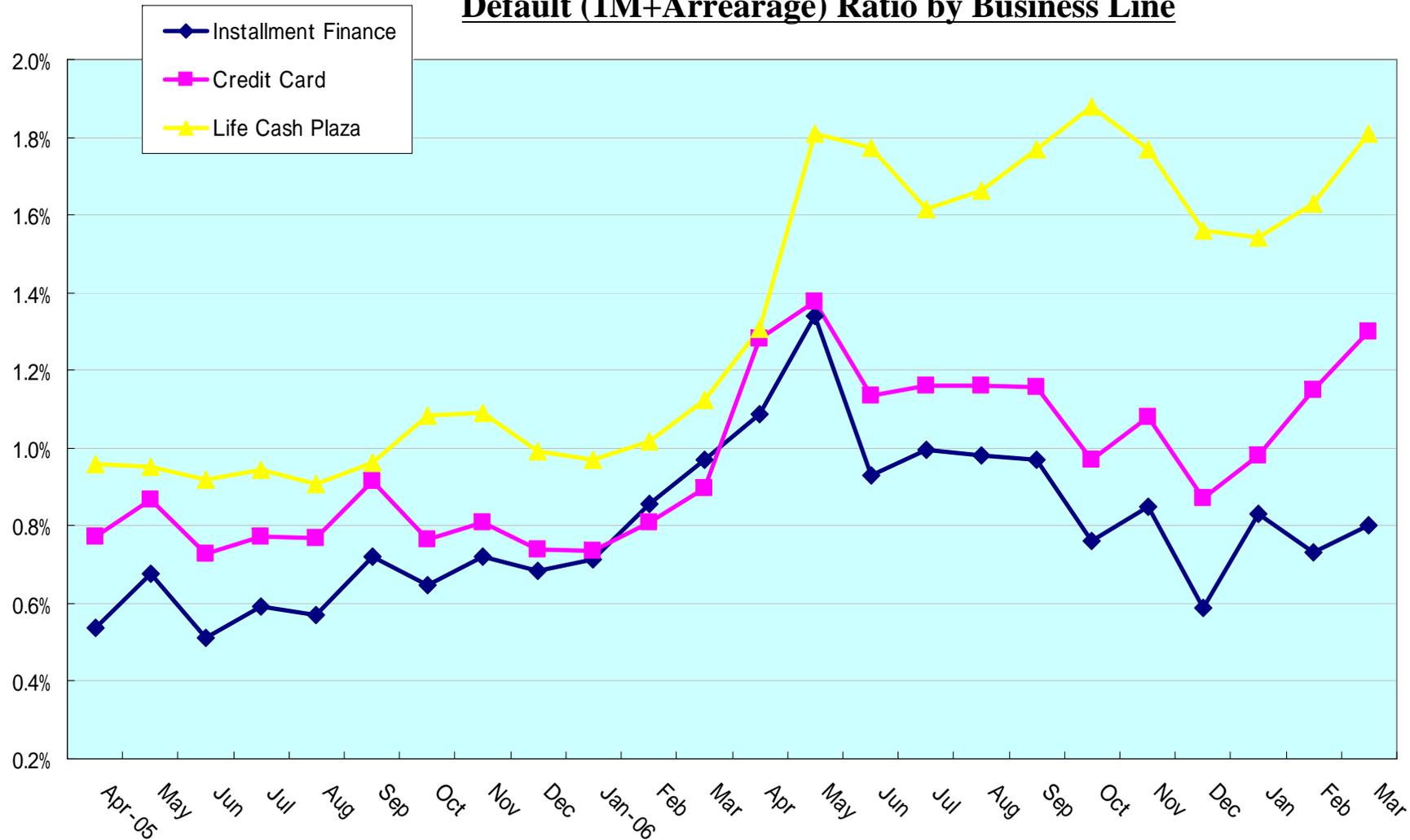
(Millions of yen)	Mar-05	Mar-06	Mar-07	Mar-08		
				YOY%	(E)	
Credit costs	39,775	39,070	55,443	41.9%	38,790	-30.0%
Bad debt charge-offs	36,658	37,266	44,498	19.4%	46,988	5.6%
Main businesses	33,664	34,060	41,803	22.7%	45,626	9.1%
Other	2,994	3,202	2,695	-15.8%	1,362	-49.5%
Home loans	1,266	675	478	-29.2%	533	11.5%
Loss from fraudulent use of credit card	1,159	368	257	-30.2%	400	55.6%
Loss from member stores	526	2,148	1,949	-9.3%	420	-78.5%
Other	42	11	10	-9.1%	8	-20.0%
New provisions for bad debts	38,249	40,162	51,107	27.3%	42,909	-16.0%
Bad debt provisions used	-35,132	-38,358	-40,162	4.7%	-51,107	27.3%
Ratio of bad debt charge-offs	4.88%	4.78%	6.20%	1.42%	7.41%	1.21%
Ratio of allowance for bad debts	5.09%	5.15%	7.12%	1.97%	6.77%	-0.35%

* Main Businesses: Credit card Shopping, Installment Finance, Loan guarantees and Life Cash Plaza(Unsecured Consumer Loans).

LIFE (6) – Trend of Default (1M+Arrearage) Ratio



Default (1M+Arrearage) Ratio by Business Line



5 · Explanation of Figures



Breakdown of Consolidated Operating Revenue



Items (Billions of yen)	Mar-07	YOY	Reasons for Increase / Decrease
Operating Revenue	499	-50.5	Effect of tightening up on credit in view of new Money Lending Business Control and Regulation Law
Interest Income	448.6	-42.6	
• AIFUL	292.6	-40.8	Unsecured: ¥243.6 billion (down ¥26.3 billion), secured: ¥41.4 billion (down ¥13.1 billion), small business loans: ¥7.6 billion (down ¥1.3 billion).
• LIFE	90.1	0	Credit card cash advances: ¥51 billion (up ¥1.3 billion), Cash Plaza: ¥39 billion (down ¥1.3 billion) .
• BUSINEXT	11.1	2.5	12% growth in balance with high demand for funds among small and medium-sized enterprises.
• City s	13.4	-0.3	Reduction due to tightened credit.
• WIDE	22.4	-2.6	Reduction due to tightened credit. scheduled to be absorbed into AIFUL by March 2009.
• TRYTO	14.7	-1	Reduction due to tightened credit. scheduled to be absorbed into AIFUL by March 2009.
• Other	3.9	-0.2	id Credit Corporation and Net One Club Corporation integrated into AIFUL on March, 2007; Passkey Co. Ltd., and TCM Co. Ltd., scheduled to be absorbed into AIFUL by March 2008.
Credit Card Purchases	12.7	1.4	LIFE Card shopping transactions up 19% .
Installment Finance	12.9	-4.6	Due to careful screening of member stores.
Loan Guarantees	9.1	0.5	AIFUL: ¥5 billion (up ¥0.6 billion) ; LIFE:¥4.1 billion (down ¥0.1 billion).
Other Operating Revenue	15.2	-5.3	
Bad Debt Recovery	4	-4.5	AIFUL: ¥1.8 billion (down ¥2.4 billion) ; LIFE:¥1.6 billion (down 1.8 billion).
Revenue from Debt Collection	3.7	-1	AsTry Loan Services Corporation (joint venture with the Aozora Bank, Ltd).

Breakdown of Consolidated Operating Expense (3/08(E))



Items (Billions of yen)	Mar-07	YOY	Reasons for Increase / Decrease
Operating Expenses	662.8	238.4	Reduction in borrowings due to decline in balance of operating loans .
Financial Expenses	36.6	-1.1	
Credit Costs	340.3	174.1	Increase in loss of principal and provisioning accompanying rise in interest repayments.
Return of overpayment expenses	113	92	Increase in provisioning accompanying rise in interest repayments.
Advertising Expenses	15	-12.9	Decrease due a reduction in advertisement publications at AIFUL (down ¥10.8 billion), LIFE (down ¥0.4 billion), WIDE (down ¥0.9 billion) and TRYTO (down ¥0.6 billion).
Personnel Expenses	56.6	-1.6	
Amortization of Goodwill and Consolidation Differences	1.7	-0.3	See page 42.
Other	99.1	-11.7	
Communications	25.5	-2.9	AIFUL: down ¥2.5 billion.Tied to Decline in ATM partnership fees ad system related expenses
Rental Expenses/ Land Rent	19.4	-1.9	AIFUL: down ¥1 billion; LIFE: down ¥0.4 billion; WIDE: down ¥0.3 billion Amount arising from factors such as expiry of lease terms on system equipment and replacement purchasing .
Supplies, Repair and Maintenance	8.9	-0.8	Due to reduction in opening of outlets at each company.
Insurance Premium	3.1	-1	Expenses accompanying cancellation of group credit life insurance.
Communications	8.2	-0.8	
Depreciation	13	1.1	AIFUL: ¥8 billion (up ¥1 billion)
Cost of Claims Purchasing	2.6	-0.5	Tied to AsTry Loan Services collections of claims purchased
Operating Income	-163.8	-288.9	

Explanation of Figures (Consolidated) - Extraordinary Profit and Loss



Items (Billions of yen)	Mar-07	YOY	Reasons for Increase / Decrease
Ordinary Income	-163	-290	
Extraordinary Income	3.7	2.9	Includes ¥2.7 billion in revenue from sale of stock in STB leasing.
Extraordinary Losses	212.9	197.9	
New Provisions for Bad Debts	107	107	
Transfer to the Reserve for Demands for Restitution of Interest	69.3	69.3	Includes reserve to cover revisions of past fiscal years' figures, in accordance with "Accounting Treatment for Calculation of Reserves Relating to Losses at Consumer Finance Companies, etc, Resulting from Interest Repayment Claims"
Goodwill write-offs	4.3	4.3	Lump sum write off of TRYTO and Wide Corporation goodwill ahead of integration with AIFUL. See page 42.
Business reorganization reserve	7.2	7.2	Allowance of various expenses based on AIFUL Group reorganization and cost structure reform: Software development breach of contract penalty, subsidiary liquidation expenses 5.1 billion yen
Transfer to business reorganization reserve	11.3	11.3	
Loss on Sale of Fixed Assets	1.9	1.6	
Impairment losses	6.8	6	
Dissolution fees for cancellation of contract	2.2	2	
Pre-tax Net Income	-372.2	-485	
Corporate Income Tax, Inhabitant Tax, Enterprise Tax	15.7	-29.7	Tax payable due to calculation of taxable reserve for losses on interest repayments and bad debt reserve.
Adjustment for Corporate Income Tax, etc.	24.7	24.8	A portion of deferred tax assets were liquidated.
Effective tax rate	-1.5	-3.1	
Net Income	-411.2	-477	

Breakdown of Consolidated Operating Expense (2) – Schedule for Amortization of Goodwill



(Time of acquisition) Figure = Consolidation difference at time of acquisition)	Change in each year Balance of consolidation difference at end of each year	Mar-07	Mar-08 (E)	Mar-09 (E)	Mar-10 (E)
TRYTO (00/6, Formerly Shinwa) 4,347 (Millions of yen)	<i>Ordinary amortization (P/L)*</i>	434	-	-	-
	<i>One-off amortization (P/L)</i>	1,304	-	-	-
	Balance (B/S)	0	-	-	-
LIFE (01/3) 32,861	<i>Ordinary amortization (P/L)</i>	824	824	824	824
	Balance (B/S)	3,296	2,472	1,648	824
City's (02/10) 2,493	<i>Ordinary amortization (P/L)</i>	249	249	249	249
	Balance (B/S)	1,371	1,122	872	623
NFP (04/3) -2,176	<i>Ordinary amortization (P/L)</i>	-217	-217	-217	-217
	Balance (B/S)	-1,523	-1,306	-1,088	-870
Wide (04/6) 4,378	<i>Ordinary amortization (P/L)</i>	437	-	-	-
	<i>One-off amortization (P/L)</i>	3,065	-	-	-
	Balance (B/S)	0	-	-	-
Total	<i>Ordinary amortization (P/L)</i>	1,734	855	855	855
	<i>One-off amortization (P/L)</i>	4,393	-	-	-
	<i>Total amortization (P/L)</i>	<u>6,128</u>	<u>855</u>	<u>855</u>	<u>855</u>
	Total Balance (B/S)	<u>3,144</u>	<u>2,288</u>	<u>1,432</u>	<u>576</u>

*Lump sum write-off: Lump sum write off of TRYTO and Wide Corporation goodwill ahead of integration with AIFUL recorded as extraordinary loss on profit and loss statement

Breakdown of Consolidated Operating Revenue (3/08(E))



Items (Billions of yen)	Mar-08 (E)	YOY	Reasons for increase/decrease
Operating Revenue	409.8	-89.1	YOY decline due to fall in balance of operating loans.
Interest Income	362.2	-86.4	
AIFUL	232.8	-59.7	Unsecured: ¥197.5 billion (down ¥46 billion), secured: ¥30.3 billion (down ¥11 billion), small business loans: ¥4.9 billion (down ¥2.7 billion). Decline in interest income due to falling loan balances accompanying tightening up of credit.
LIFE	79.3	-10.8	Credit card cash advances: 47.9 billion yen (down 3.1 billion yen), Cash Plaza: 31.1 billion yen (down 7.8 billion yen)
BUSINEXT	11.6	0.5	Growth in receivables.
City s	9.5	-3.8	Due to stricter credit .
WIDE	15.7	-6.7	Due to stricter credit .
TRYTO	10.3	-4.4	Due to stricter credit .
Other	2.6	-1.2	Due to stricter credit .
Credit Card Purchases	13.9	1.1	LIFE Card shopping purchases projection: Up 12% .
Installment Finance	6.5	-6.4	Due to careful screening of member stores.
Loan Guarantee	9.2	0	AIFUL: ¥5.2 billion (up ¥0.2 billion) ; LIFE:¥3.9 billion(down 0.1 billion).
Other Operating Revenue	17.6	2.4	
Bad Debt Recovery	4.6	0.6	AIFUL: ¥2.8 billion (up ¥1 billion, following self-restraint last fiscal year).
Revenue from Debt Collection	5.9	2.2	Toward full-scale expansion of AsTry Loan Services servicing business.

Breakdown of Consolidated Operating Expense (3/08(E))

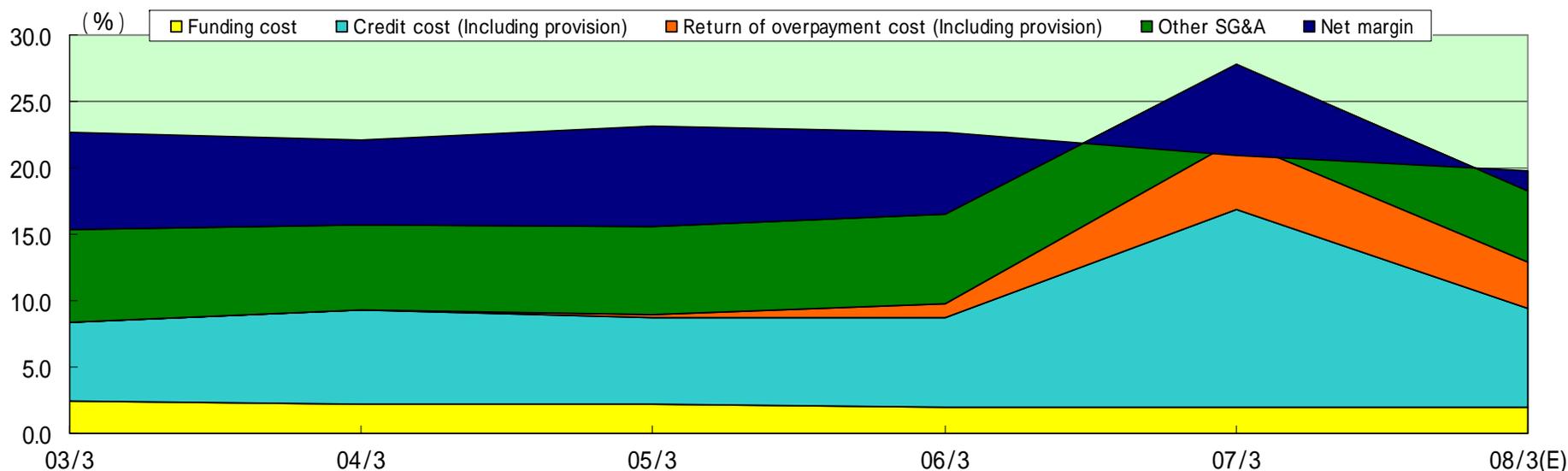


Items (Billions of yen)	Mar-08 (E)	YOY	Reasons for increase/decrease
Operating Expenses	379.8	-282.9	
Financial Expenses	33.7	-2.9	Decline due to fall in borrowings accompanying falling balance of operating loans, despite anticipated rising interest rates.
Cost of purchased loans and receivables	3.9	1.2	Due to increase in claims purchased at AsTry Loan Services.
Credit Costs	147.4	-192.9	AIFUL: ¥125.9 billion due to recording of substantial reserves for waiver of claims related to interest repayments last fiscal year. LIFE: ¥16.6 billion due to recording of reserves for an increase in write-offs last fiscal year. Wide: ¥24.8 billion; TryTo: ¥18.1 billion due to recording of reserves equivalent to 2.5 times normal last fiscal year in preparation for integration with AIFUL
Return of overpayment expenses	49.8	-63.2	In anticipation of ¥55.8 billion in interest repayments, includes ¥43.8 billion at AIFUL.
Advertising Expenses	7.9	-7.1	Decrease due a reduction in advertisement publications at AIFUL and LIFE.
Personnel Expenses	47.8	-8.7	Decrease due to reductions in personnel from implementation of Group reorganization and cost structure reform
Amortization of Goodwill and Consolidation Differences	0.8	-0.8	See page 42.
Other	87.9	-11.2	Due to a range of cost reductions from implementation of Group reorganization and cost structure reforms.
Operating Income	29.9	193.7	
Ordinary Income	30	193	
Extraordinary Income	0	-3.7	
Extraordinary Losses	1.1	-211.7	Eradication of negative legacies with recording of reserve for losses on interest repayments, bad debt reserve, and restructuring costs accompanying Group reorganization and cost structure reform last fiscal year.
Net Income	32	443.2	

Appendix



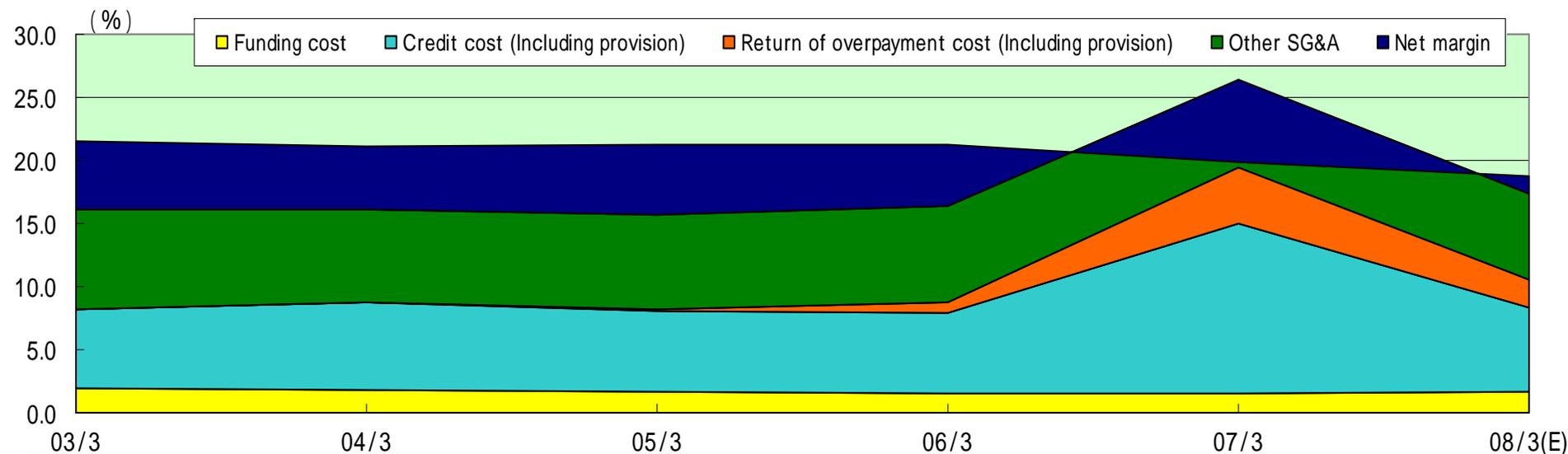
Appendix (2) – Net Margin (Non-consolidated)



(%)	Mar-04	Mar-05	Mar-06	Mar-07	Mar-08 (E)
Average Yield (Loan Business)	21.4	22.3	21.8	20.3	19.1
Average Yield (other)	0.7	0.8	0.8	0.6	0.7
Average Yield (total)	22.1	23.1	22.7	20.9	19.8
Funding cost	2.2	2.2	2.0	2.0	2.0
Credit cost (Including Provision)	7.1	6.5	6.7	14.8	7.4
Return of overpayment Cost (Including Provision)	-	0.2	1.1	5.2	3.5
Other SG&A cost (C)	6.4	6.7	6.7	5.7	5.3
Salary (A)	1.9	2.0	1.9	1.9	2.0
Advertising (B)	0.9	1.0	1.1	0.4	0.4
Other (C)-((A)+(B))	3.6	3.7	3.8	3.4	3.0
Net margin / Balance (Ordinary Income Basis)	6.4	7.5	6.1	-6.9	1.6

* Loan Business Average Yield = (Interest Income + Loan Guarantee Fee) / Average Receivable Outstanding × 100%

Appendix (2) – Net Margin (Consolidated)



(%)	Mar-04	Mar-05	Mar-06	Mar-07	Mar-08 (E)
Average Yield (Loan Business)	20.5	20.4	20.4	19.2	18.0
Average Yield (other)	0.7	0.8	0.9	0.7	0.8
Average Yield (total)	21.1	21.3	21.3	19.9	18.8
Funding cost	1.8	1.7	1.5	1.5	1.6
Credit cost (Including Provision)	7.0	6.3	6.4	13.5	6.7
Return of overpayment Cost (Including Provision)	-	0.2	0.8	4.5	2.3
Other SG&A cost (C)	7.4	7.5	7.7	6.9	6.8
Salary (A)	2.2	2.2	2.2	2.2	2.2
Advertising (B)	0.9	1.0	1.1	0.6	0.4
Other (C)-((A)+(B))	4.3	4.3	4.4	4.0	4.2
Net margin / Balance (Ordinary Income Basis)	5.0	5.5	4.9	-6.5	1.4

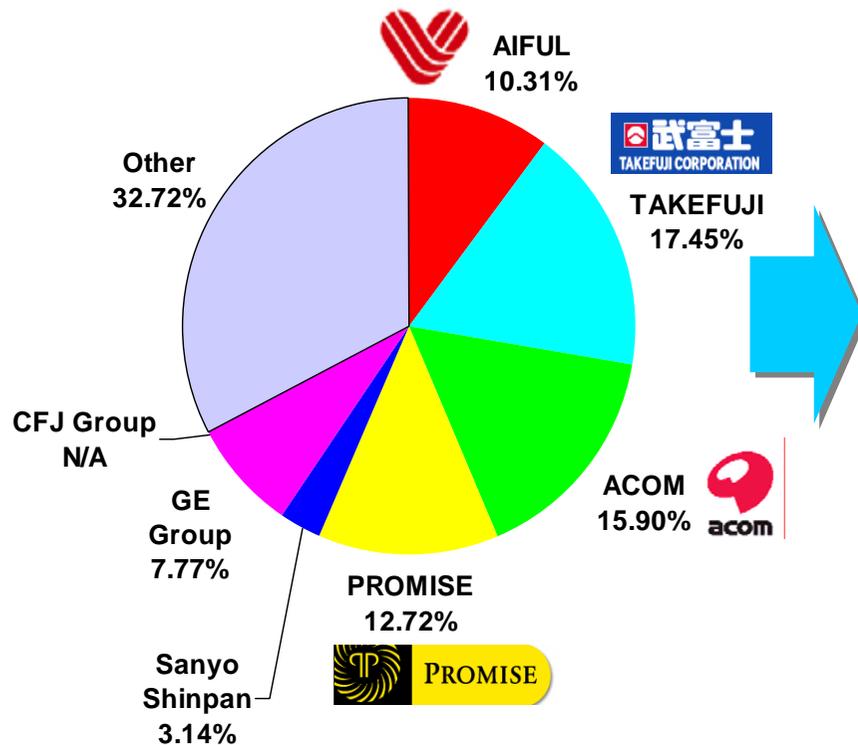
* Loan Business Average Yield = (Interest Income + Loan Guarantee Fee) / Average Receivable Outstanding × 100%

Appendix 3 - Market Share Break Down of the Consumer Finance Industry



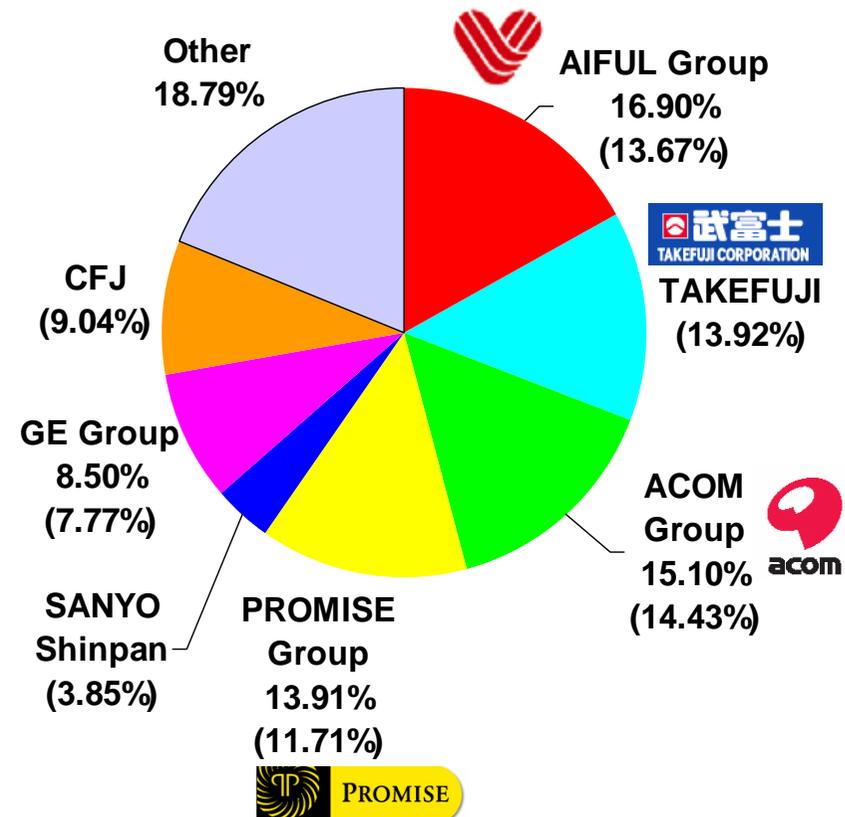
March 1998

¥7.1 trillion



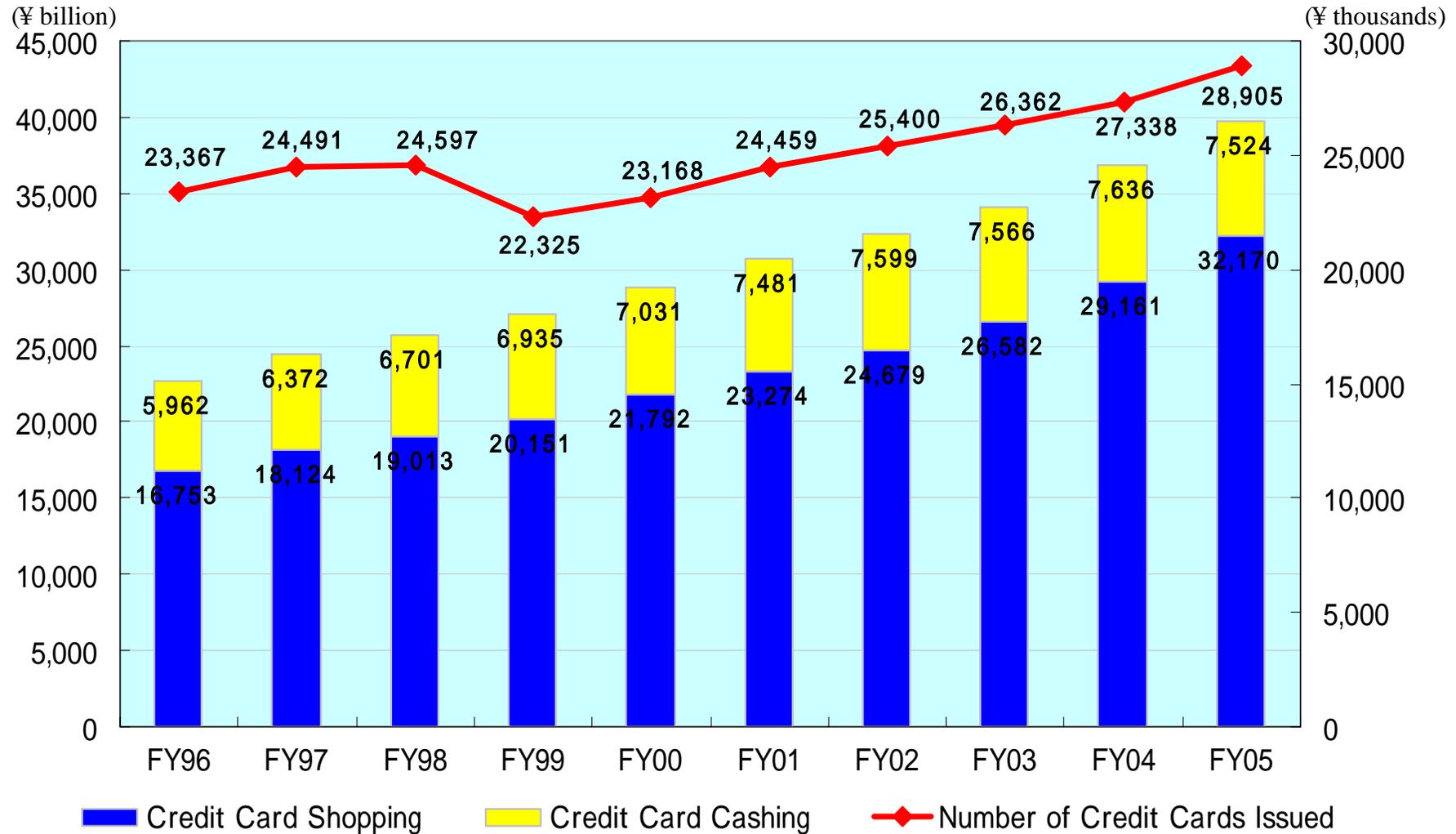
March 2006

¥11.6 trillion



* (Non-Consolidated)

Number of Credit cards issued & Amount of credit provided (Annual)



Appendix (5) – Diversification of Customer Profile



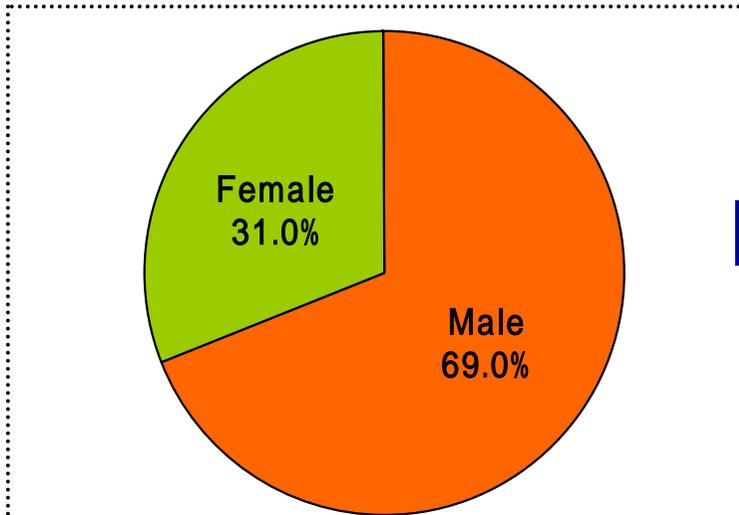
Customer Accounts:

1,894 (Thousand, Mar-07)

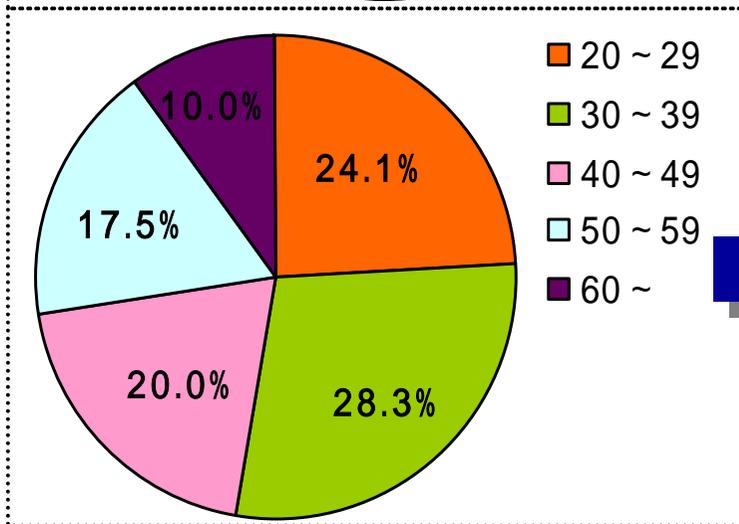
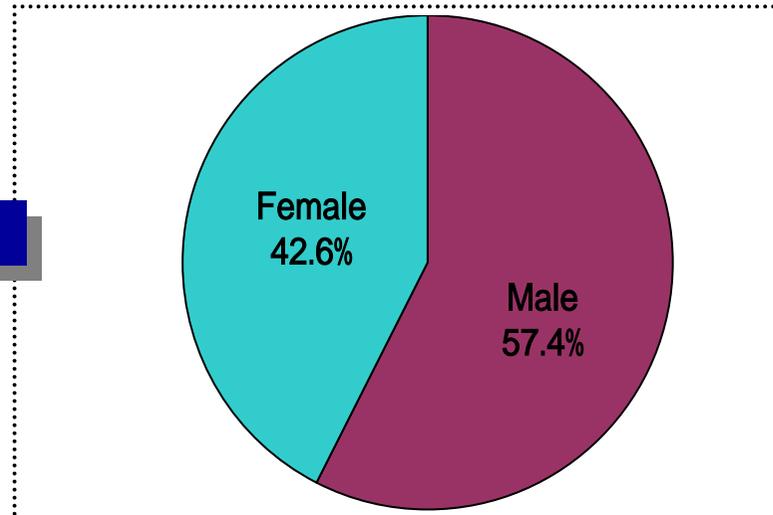


Valid card members:

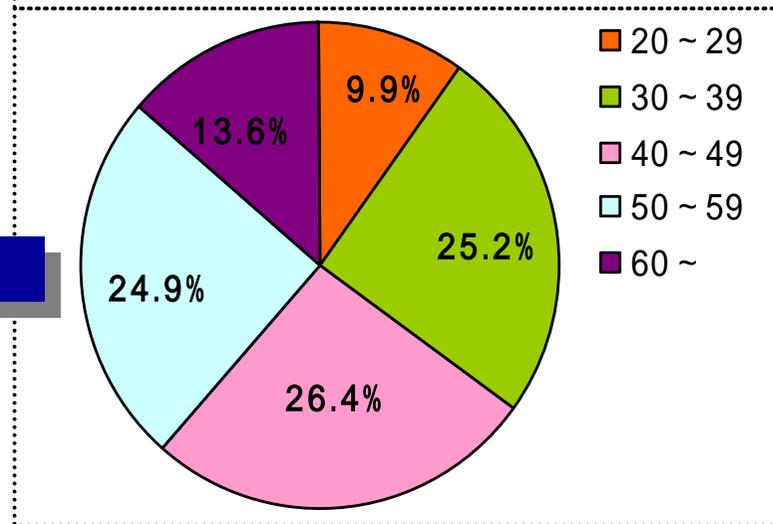
14,065 (Thousand, Mar-07)



SEX



AGE





Outstanding & Purchase
Results (Millions of yen)

Cash Advance Annual Activity Rate, Outstanding & Purchase Results

Activity Rate

