



Financial Results for Fiscal Year 2015 (Apr, 2015 - Mar, 2016)

AIFUL CORPORATION
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May, 2016

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1. Financial Results Summary





◆ Highlights of Consolidated Financial Results

(¥ million)	15/3	YOY%	16/3	YOY	YOY%
Operating revenue	86,352	-6.0%	87,708	1,355	1.6%
Operating expenses	125,914	81.5%	81,032	-44,882	-35.6%
Operating income	-39,562	-	6,676	46,238	-
Ordinary income	-36,498	-	6,860	43,359	-
Net income attributable to owners of parent	-36,499	-	7,044	43,544	-

(¥ million)	15/3	YOY%	16/3	YOY	YOY%
Loans outstanding (Managed Asset Basis)	350,017	0.6%	376,224	26,206	7.5%
Unsecured loans outstanding	273,628	4.7%	306,601	32,973	12.1%
Installment receivable	84,332	-1.1%	90,166	5,833	6.9%
Credit guarantee	73,874	-2.2%	73,411	-462	-0.6%

AIFUL has adopted provisions etc. stated in the "Revised Accounting Standard for Consolidated Financial Statements"(ASBJ Statement No. 22, September 13, 2013) and changed the presentation of net income, etc.

Financial Results (1): Consolidated Summary



(¥ million)	15/3	16/3		
			YOY	YOY%
Operating revenue	86,352	87,708	1,355	1.6%
Interest income	43,761	44,255	493	1.1%
Revenue from installment receivable	13,677	14,706	1,029	7.5%
Revenue from credit guarantee	11,381	12,491	1,109	9.7%
Operating expenses	125,914	81,032	-44,882	-35.6%
Financial expenses	8,606	7,780	-826	-9.6%
Cost of sales	1,732	1,609	-122	-7.1%
Credit cost	2,234	16,126	13,891	621.6%
(Bad debt write-offs)	22,883	21,561	-1,321	-5.8%
Expenses for Interest repayment	63,733	2,897	-60,836	-95.5%
(Interest repayment)	29,902	32,610	2,708	9.1%
Other operating expenses	49,607	52,617	3,010	6.1%
Advertising expenses	3,463	3,637	173	5.0%
Personnel expenses	13,417	13,761	343	2.6%
Sales promotion expenses	5,565	7,453	1,888	33.9%
Operating income	-39,562	6,676	46,238	-
Non-operating income	3,133	220	-2,913	-93.0%
Ordinary income	-36,498	6,860	43,359	-
Extraordinary income	645	-	-645	-
Net income attributable to owners of parent	-36,499	7,044	43,544	-

Financial Results (3): Summary of AIFUL



 (¥ million)	15/3	16/3	YOY	YOY%
	Operating revenue	54,921	55,120	198
Interest income	36,150	36,856	706	2.0%
Revenue from credit guarantee	10,136	11,221	1,084	10.7%
Recovery of loans previously charged off	7,542	5,789	-1,753	-23.2%
Operating expenses	99,166	51,420	-47,746	-48.1%
Financial expenses	7,275	6,290	-984	-13.5%
Credit cost	-881	14,171	15,052	-
(Bad debt write-offs)	19,467	18,224	-1,243	-6.4%
Expenses for interest repayment	63,733	-	-63,733	-
(Interest repayment)	28,525	31,087	2,561	9.0%
Other operating expenses	29,039	30,958	1,919	6.6%
Operating income	-44,244	3,700	47,944	-
Ordinary income	-42,500	5,012	47,512	-
Extraordinary income	320	-	-320	-
Net income	-41,434	5,281	46,715	-
Loans outstanding*	264,557	289,565	25,008	9.5%
Unsecured loans outstanding	229,391	262,655	33,263	14.5%
Credit guarantee	78,133	78,466	332	0.4%
Average yield	14.8%	15.2%	0.4pt	-
Below 18% unsecured loan balance's occupancy rate	92.8%	95.5%	2.7pt	-

*Managed Asset Basis

Financial Results (3): Summary of LIFECARD and BUSINEXT



 (¥ million)	15/3	16/3		
			YOY	YOY%
Operating revenue	27,314	28,358	1,044	3.8%
Operating expenses	25,661	27,245	1,583	6.2%
Operating income	1,652	1,113	-539	-32.6%
Ordinary income	4,621	1,140	-3,480	-75.3%
Net income	3,530	1,858	-1,671	-47.3%
Installment receivables *	82,512	88,971	6,459	7.8%
Loans outstanding *	44,517	44,169	-348	-0.8%

 (¥ million)	15/3	16/3		
			YOY	YOY%
Operating revenue	1,751	1,922	170	9.7%
Operating expenses	1,251	1,697	446	35.7%
Operating income	500	224	-276	-55.2%
Ordinary income	604	367	-237	-39.3%
Net income	602	365	-237	-39.4%
Loans outstanding *	40,943	42,489	1,546	3.8%
Customer accounts (thousands)	22	23	1	5.8%

*Managed Asset Basis

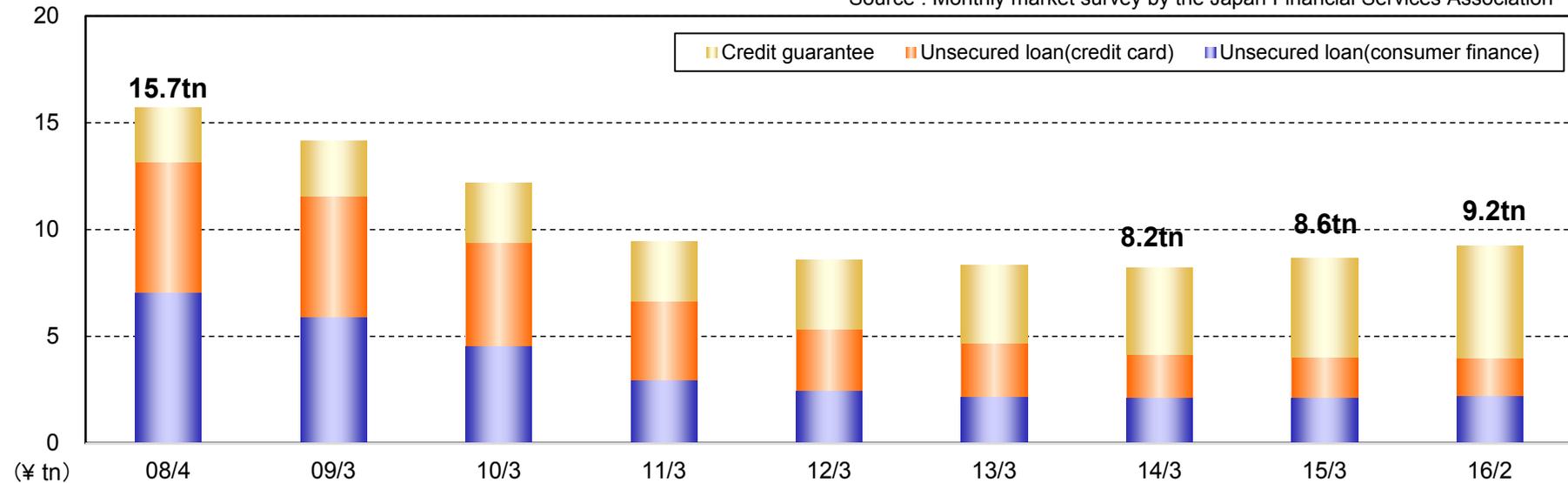
2. Business Environment



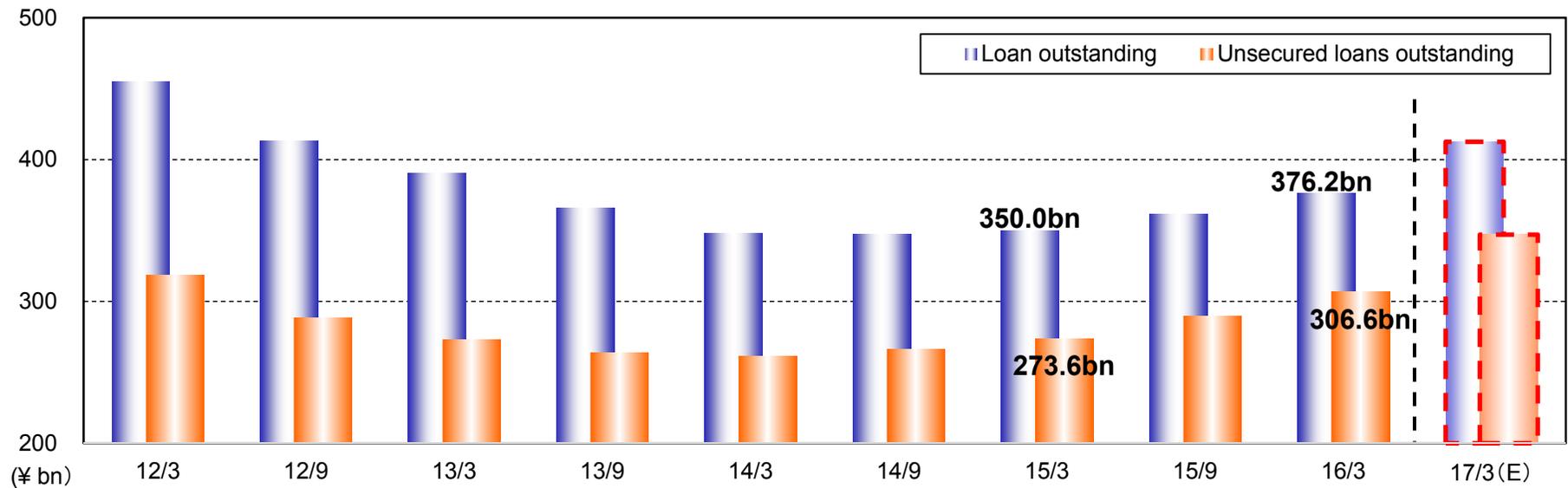


◆ Trend of loans outstanding in the unsecured loan market for consumers

Source : Monthly market survey by the Japan Financial Services Association



◆ Trends of loans outstanding (AIFUL consolidated basis)



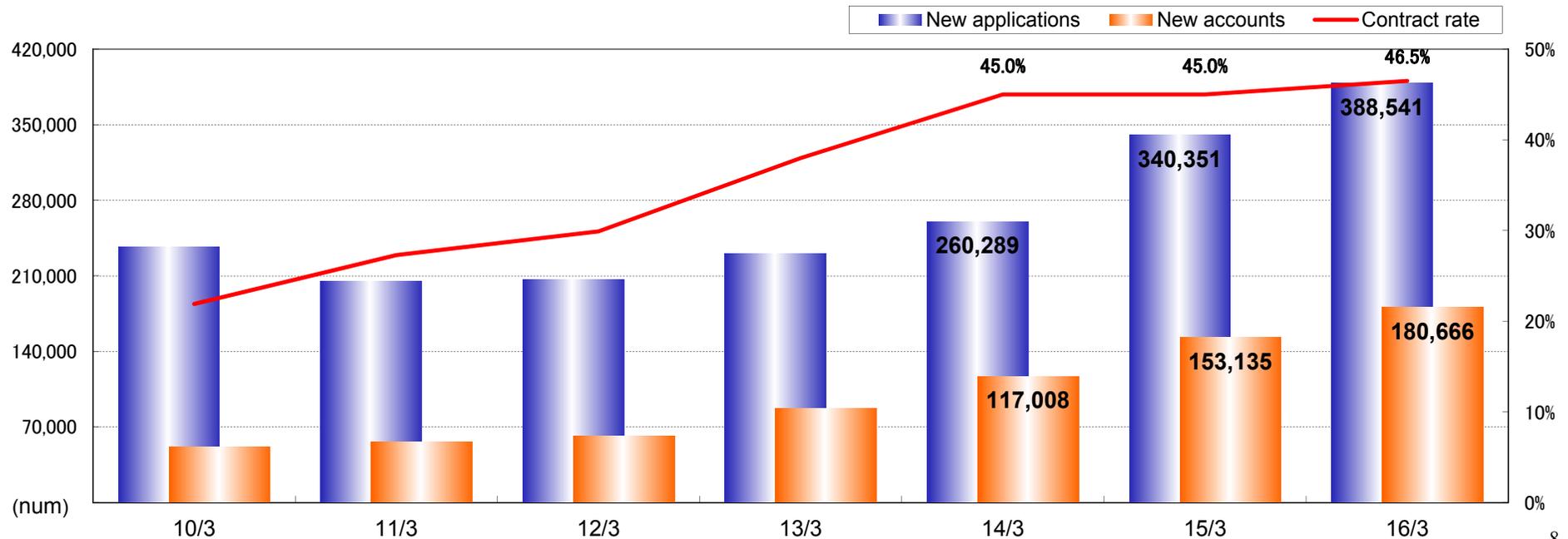


◆ Situation of Unsecured Loans' New Application

	FY2014					FY2015					YOY
	1Q (3M)	2Q (3M)	3Q (3M)	4Q (3M)	TOTAL	1Q (3M)	2Q (3M)	3Q (3M)	4Q (3M)	TOTAL	
New applications (num)	79,987	82,771	82,439	95,154	340,351	99,969	98,862	88,699	101,011	388,541	14.2%
New accounts (num)	35,957	38,174	36,549	42,455	153,135	44,292	46,665	41,986	47,723	180,666	18.0%
Contract rate (%)	45.0%	46.1%	44.3%	44.6%	45.0%	44.3%	47.2%	47.3%	47.2%	46.5%	+1.5pt
Ratio of LE0+LE1	-	-	-	-	71.7%	-	-	-	-	73.1%	+1.4pt

Italic Font = Increase or Decrease

◆ Trends of New applications, New accounts and Contract rate of Unsecured loans

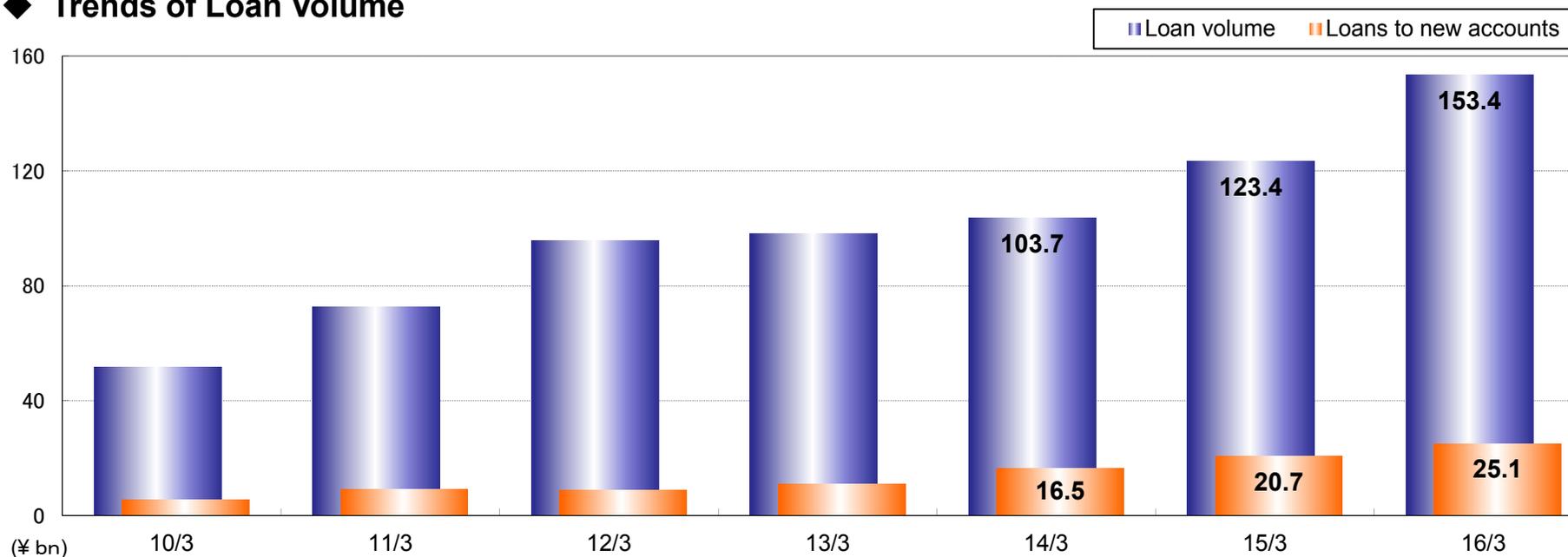




◆ Situation of Loan Volume

(¥ million)	FY2014					FY2015					YOY
	1Q (3M)	2Q (3M)	3Q (3M)	4Q (3M)	TOTAL	1Q (3M)	2Q (3M)	3Q (3M)	4Q (3M)	TOTAL	
Loan volume	29,685	30,159	29,982	33,623	123,451	36,476	38,565	37,640	40,809	153,492	24.3%
Loans to a new accounts	4,996	5,219	4,824	5,687	20,728	5,695	6,396	5,979	7,047	25,120	21.2%
Loans to a existing accounts	24,689	24,939	25,157	27,936	102,723	30,780	32,168	31,661	33,761	128,371	25.0%

◆ Trends of Loan Volume

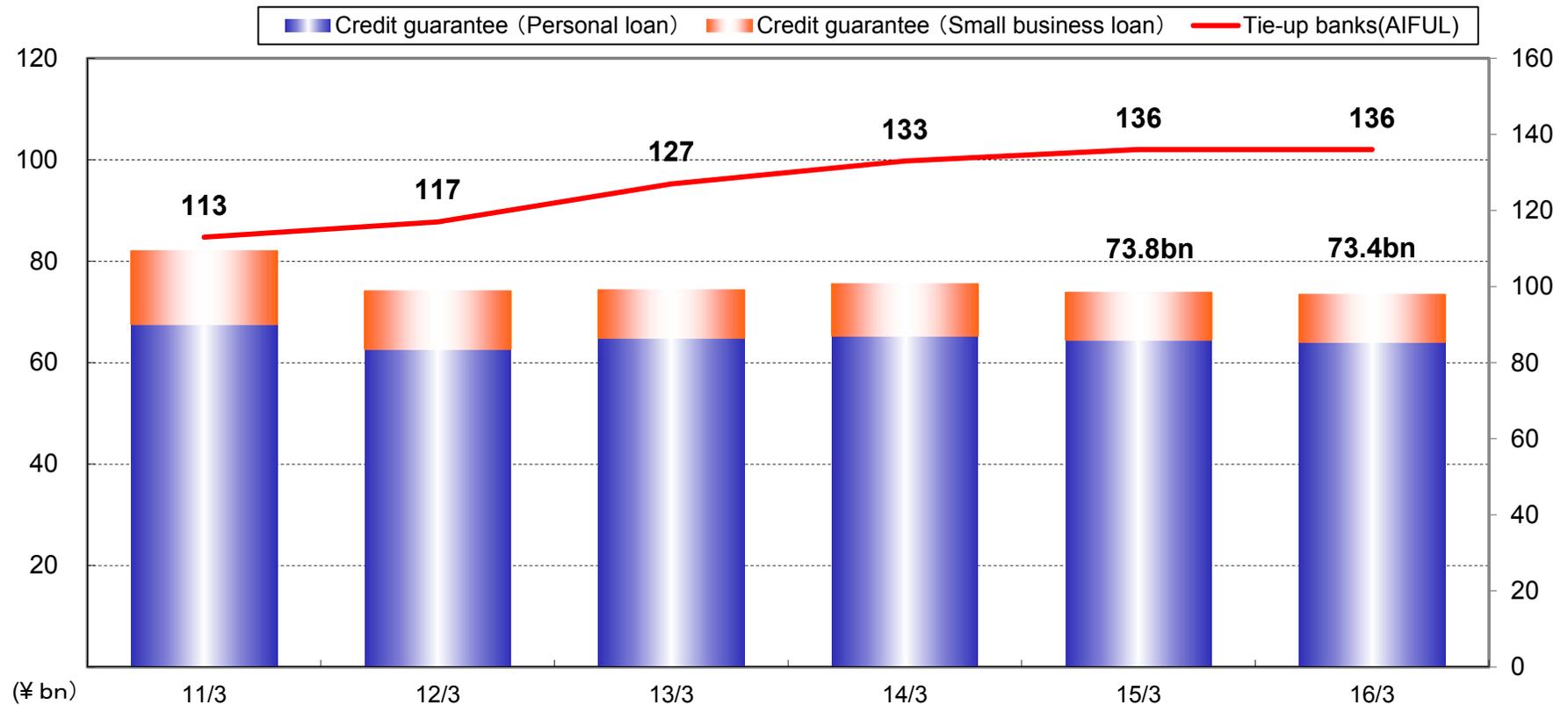




◆ Trends of Credit Guarantee outstanding

(¥ million)	11/3	12/3	13/3	14/3	15/3	16/3	YOY
Credit guarantee *	82,133	74,147	74,440	75,558	73,874	73,411	-0.6%

*Managed Asset Basis



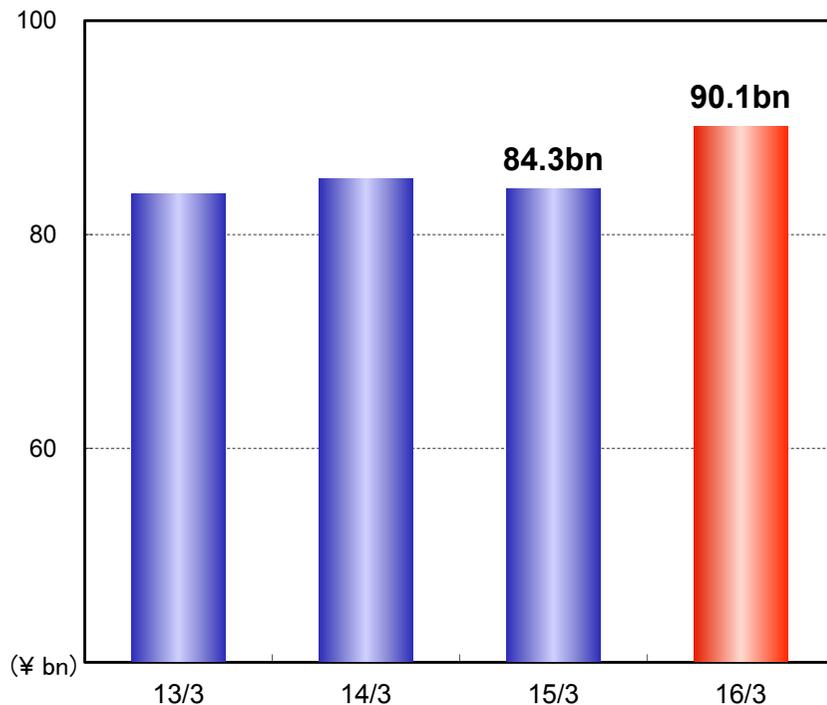


◆ Trends of Installment receivable and Purchase results

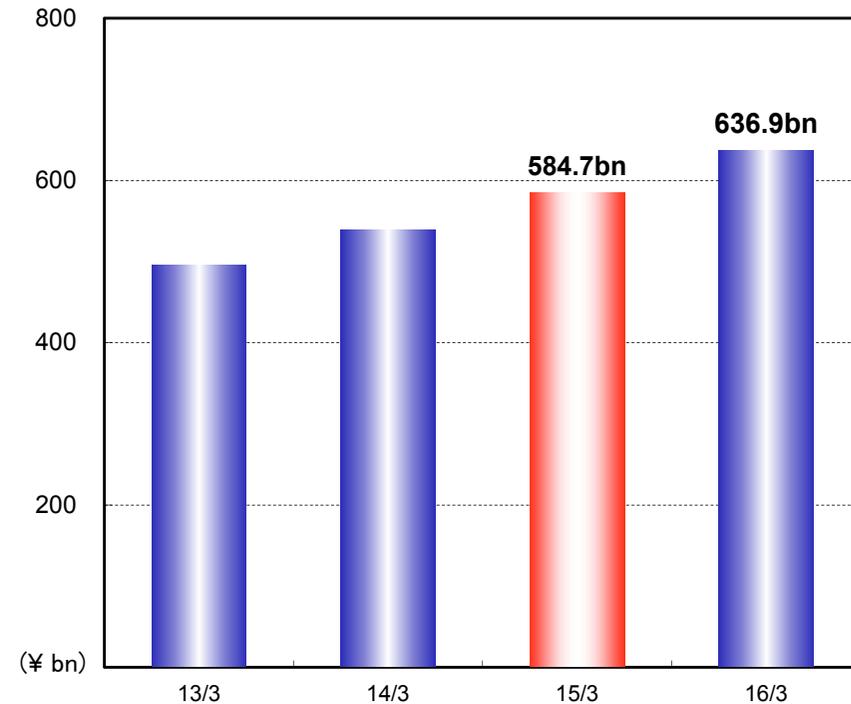
(¥ million)	13/3	14/3	15/3	16/3	YOY
Installment receivable* (consolidated)	83,885	85,264	84,332	90,166	6.9%
Purchase results (LIFECARD)	496,087	539,050	584,733	636,901	8.9%

*Managed Asset Basis

◆ Trends of Installment receivable (consolidated)



◆ Trends of Purchase results (LIFECARD)



Trends of Non-performing loans (1): Status of Bad Debt Write-offs



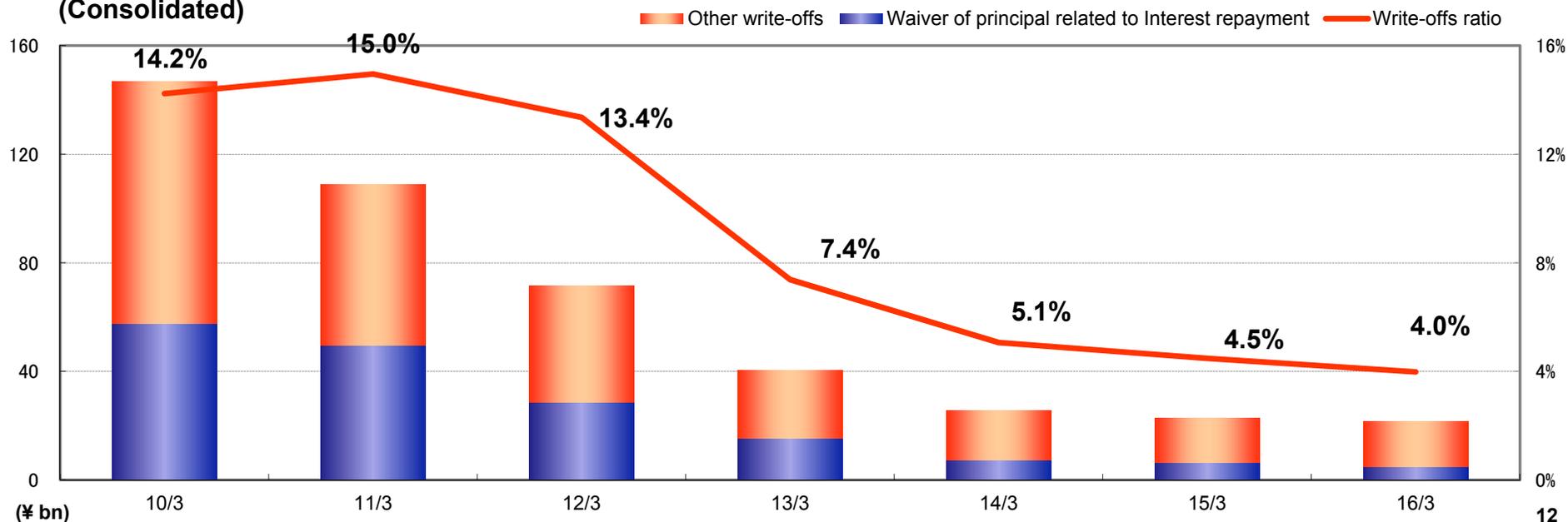
◆ Amount of Write-offs and Write-offs Ratio for Total Receivable Outstanding

(Consolidated)

(Non-consolidated)

(¥ million)	15/3	16/3	YOY	15/3	16/3	YOY
	(12M)	(12M)		(12M)	(12M)	
(1) Write-offs	22,883	21,561	-5.8%	19,467	18,224	-6.4%
Waiver of principal related to Interest repayment	6,305	4,953	-21.4%	6,305	4,953	-21.4%
Other	16,577	16,608	0.2%	13,162	13,271	0.8%
(2) Specific allowance for doubtful accounts	136	169	24.2%	121	165	36.2%
Total Write-offs (1)+(2)	23,019	21,730	-5.6%	19,589	18,389	-6.1%
Write-offs ratio	4.48%	3.98%	-0.50pt	5.60%	4.91%	-0.69pt

(Consolidated)



Trends of Non-performing loans (2) : Trends of NPL defined by FSA

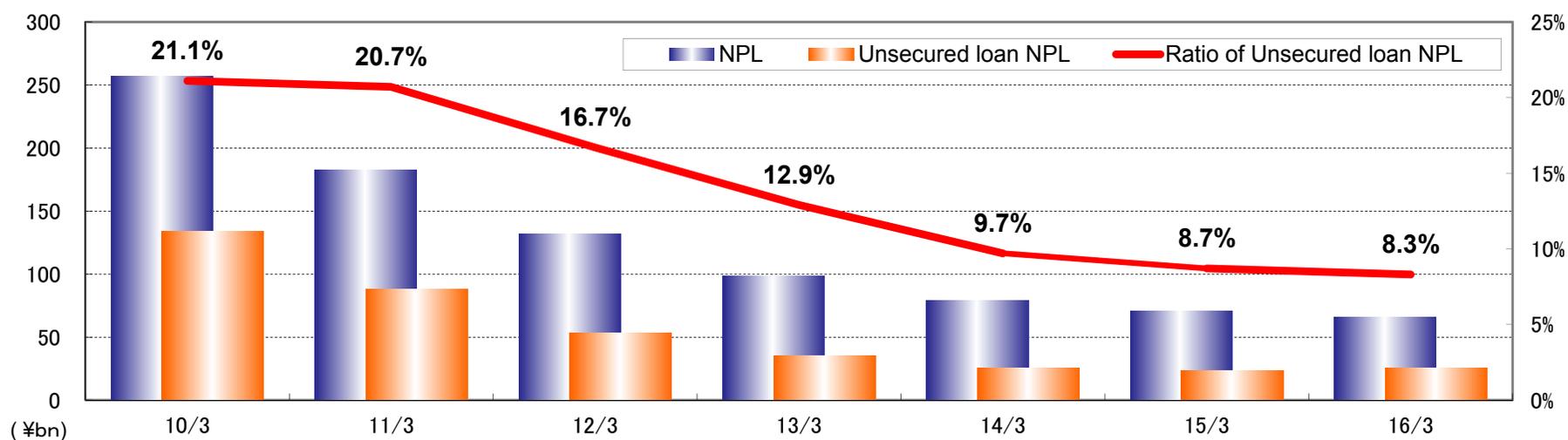


◆ Trends of NPL defined by FSA (Consolidated)

(¥ million)	(Consolidated)			(Non-consolidated)		
	15/3	16/3	YOY	15/3	16/3	YOY
Total non-performing loans	70,418	66,158	-6.1%	65,687	61,629	-6.2%
Loans in legal bankruptcy	32,908	31,105	-5.5%	32,870	31,075	-5.5%
Non-accrual loans	23,819	22,263	-6.5%	21,829	20,648	-5.4%
Loans past due for three months or more	2,829	3,349	18.4%	2,586	3,093	19.6%
Restructured loans	10,861	9,439	-13.1%	8,402	6,812	-18.9%
Ratio of loan outstanding and claims in bankruptcy NPL	18.3%	16.2%	-2.1pt	22.1%	19.2%	-2.9pt
Ratio of Unsecured loan NPL	8.7%	8.3%	-0.4pt	9.3%	8.5%	-0.8pt

*Because NPL include claims in bankruptcy, NPL ratios are calculated based on the combined figures of loans outstanding at the end of each quarter and claims in bankruptcy, which are applicable from the second quarter of the fiscal year ending March 31, 2016.

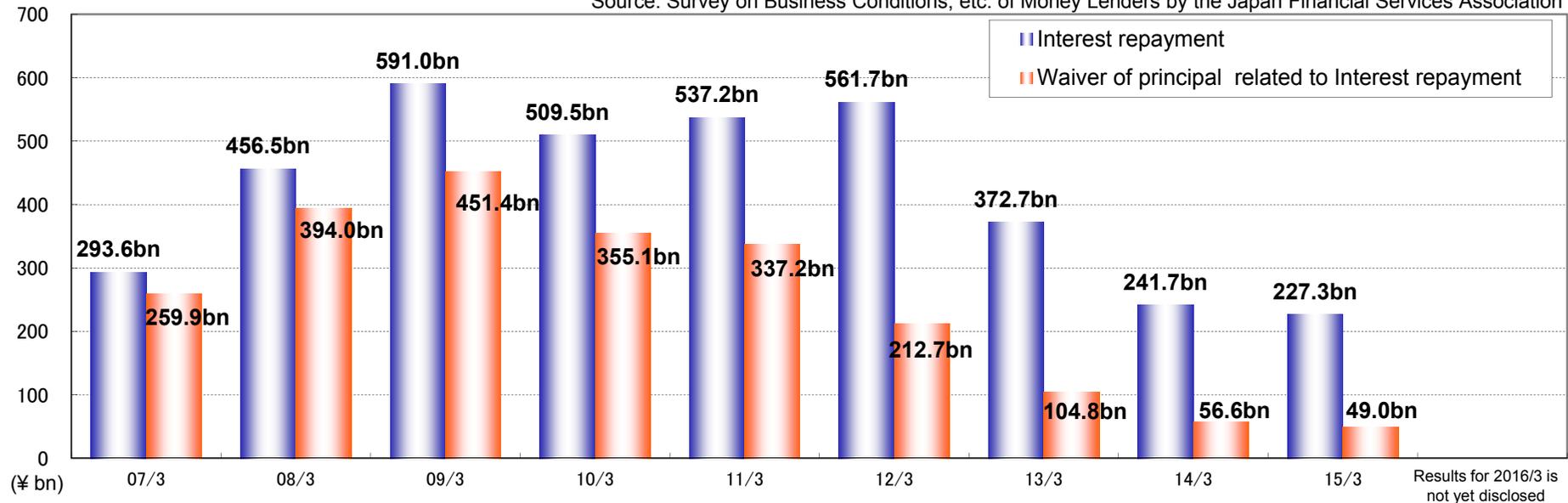
(Consolidated)



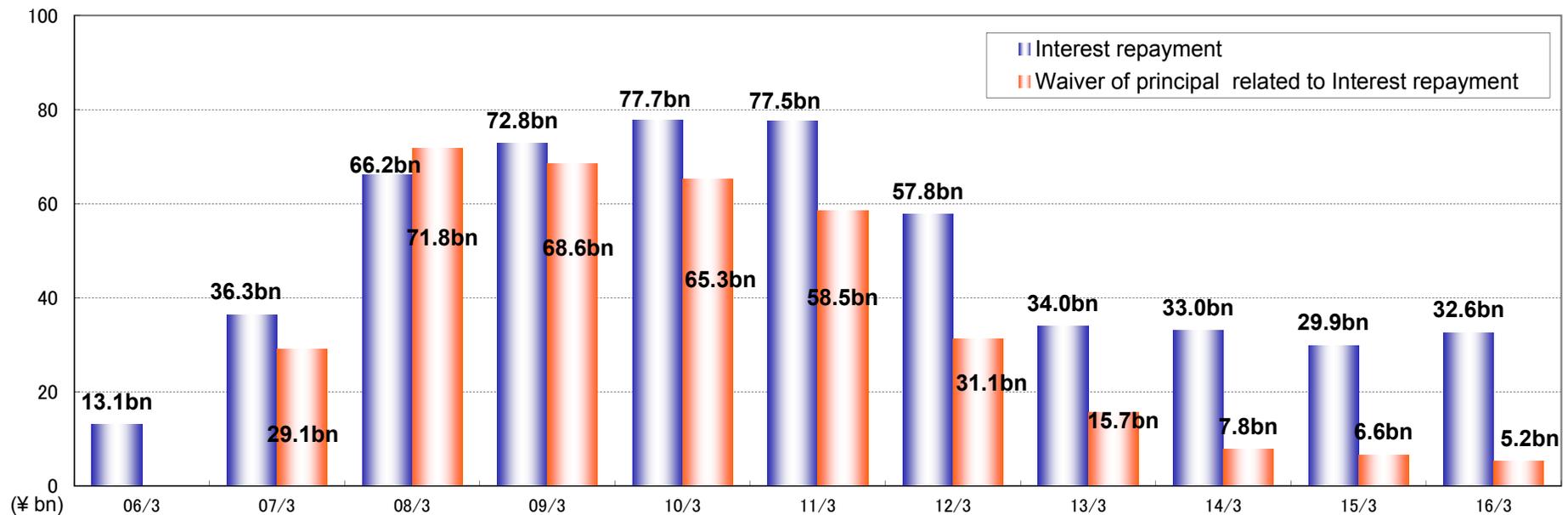


◆ Industry interest repayment obligations

Source: Survey on Business Conditions, etc. of Money Lenders by the Japan Financial Services Association

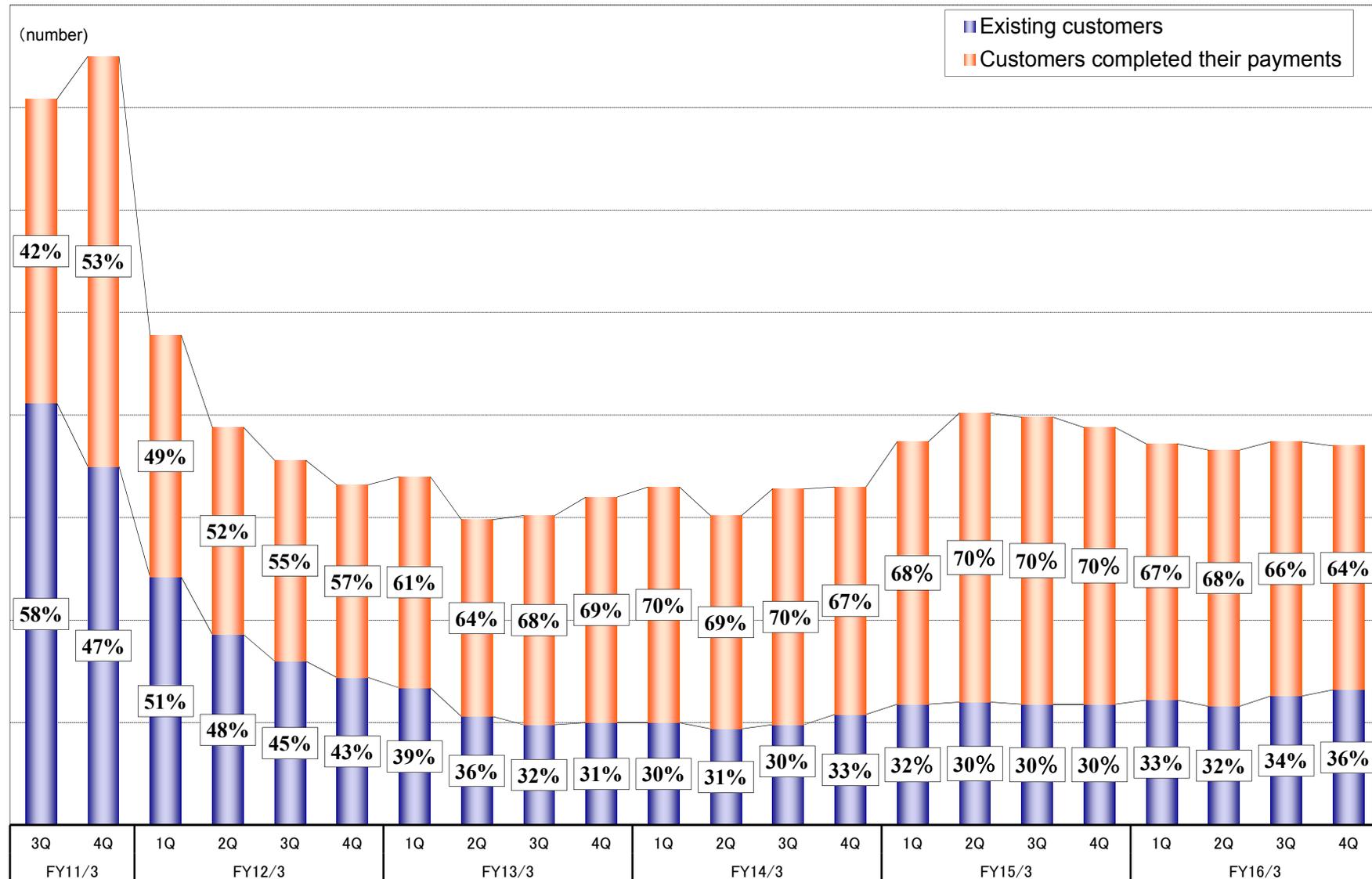


◆ AIFUL interest repayment obligations





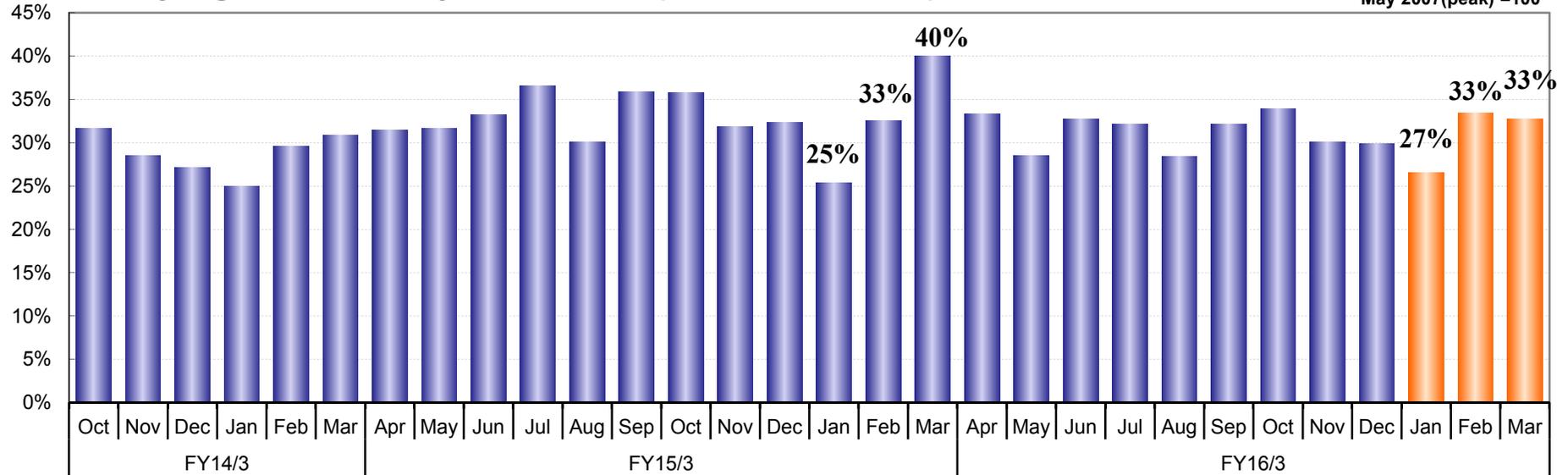
◆ Quarterly trend of Attorney Involvement (Former AIFUL)



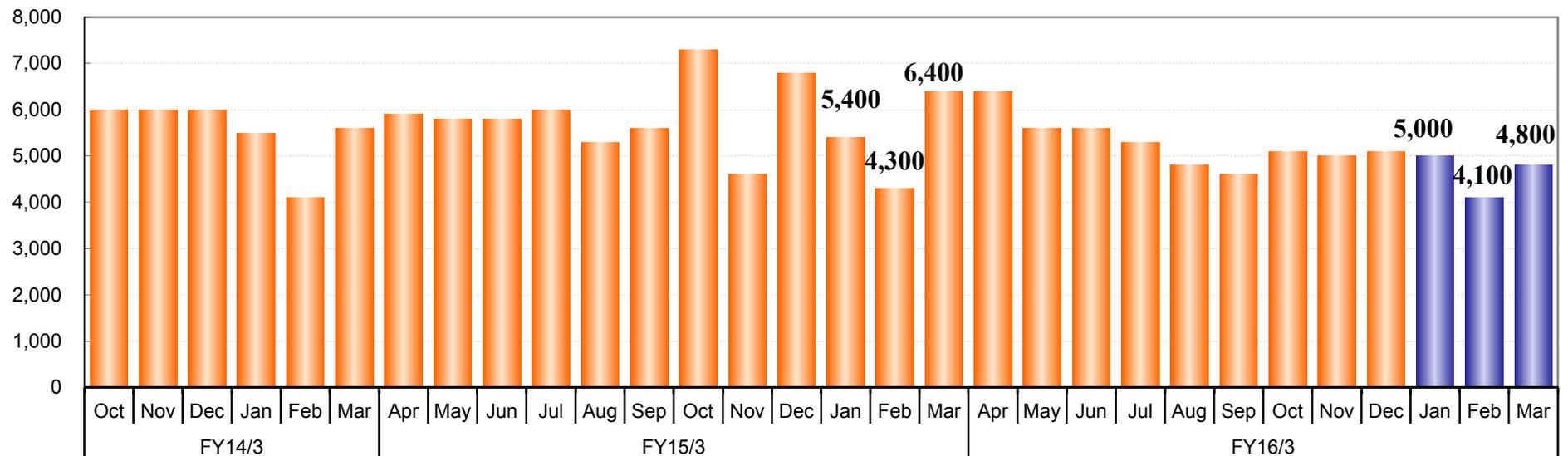


◆ Monthly Figure of Attorney Involvement (non-consolidated)

* May 2007(peak) =100



◆ Monthly Interest Repayment Claims (non-consolidated)



Trends of Interest Repayment (4): Changes in Allowance and Monthly Interest Repayment



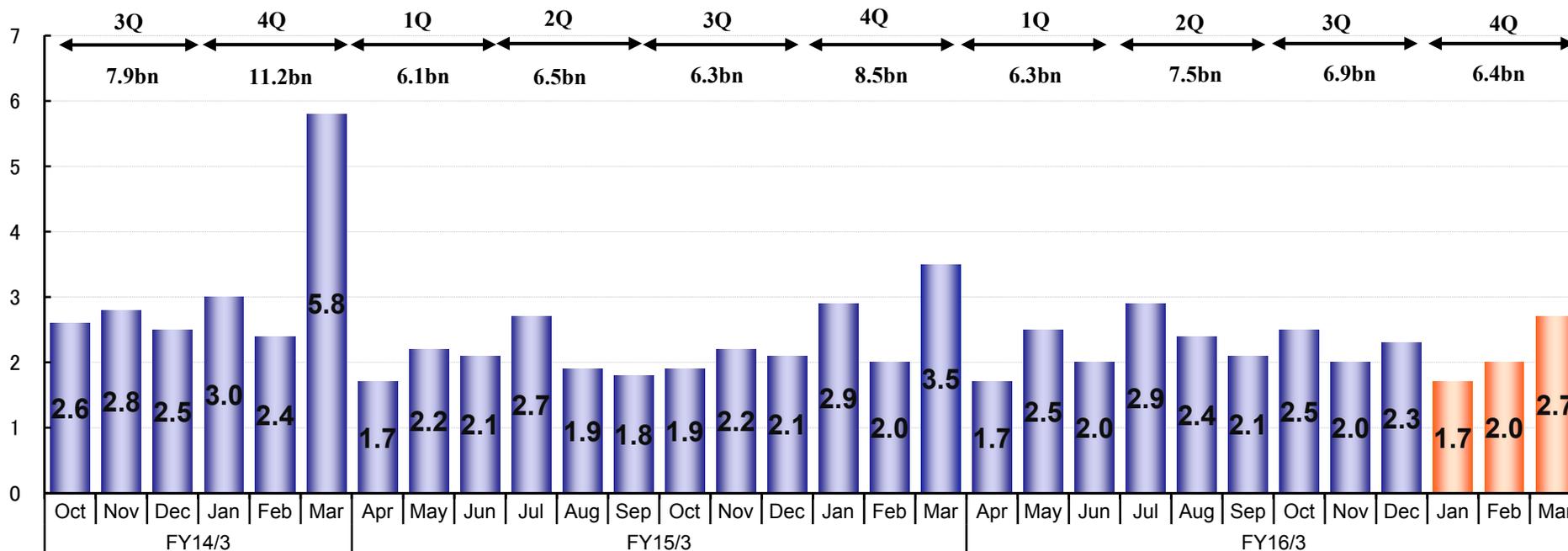
◆ Allowance for losses on Interest repayment

(Consolidated)

(Non-consolidated)

(¥ million)	Interest repayment	Waiver of principal	Total	Interest repayment	Waiver of principal	Total
Allowance at the beginning of FY2015	93,405	17,388	110,793	89,088	17,388	106,476
Reversal (Interest repayment)	32,611	-	32,611	31,087	-	31,087
Reversal (Waiver of principal)	252	4,953	5,205	-	4,953	4,953
Provisions	2,897	-	2,897	-	-	-
Allowance at the end of FY2015	63,438	12,434	75,873	58,000	12,434	70,435

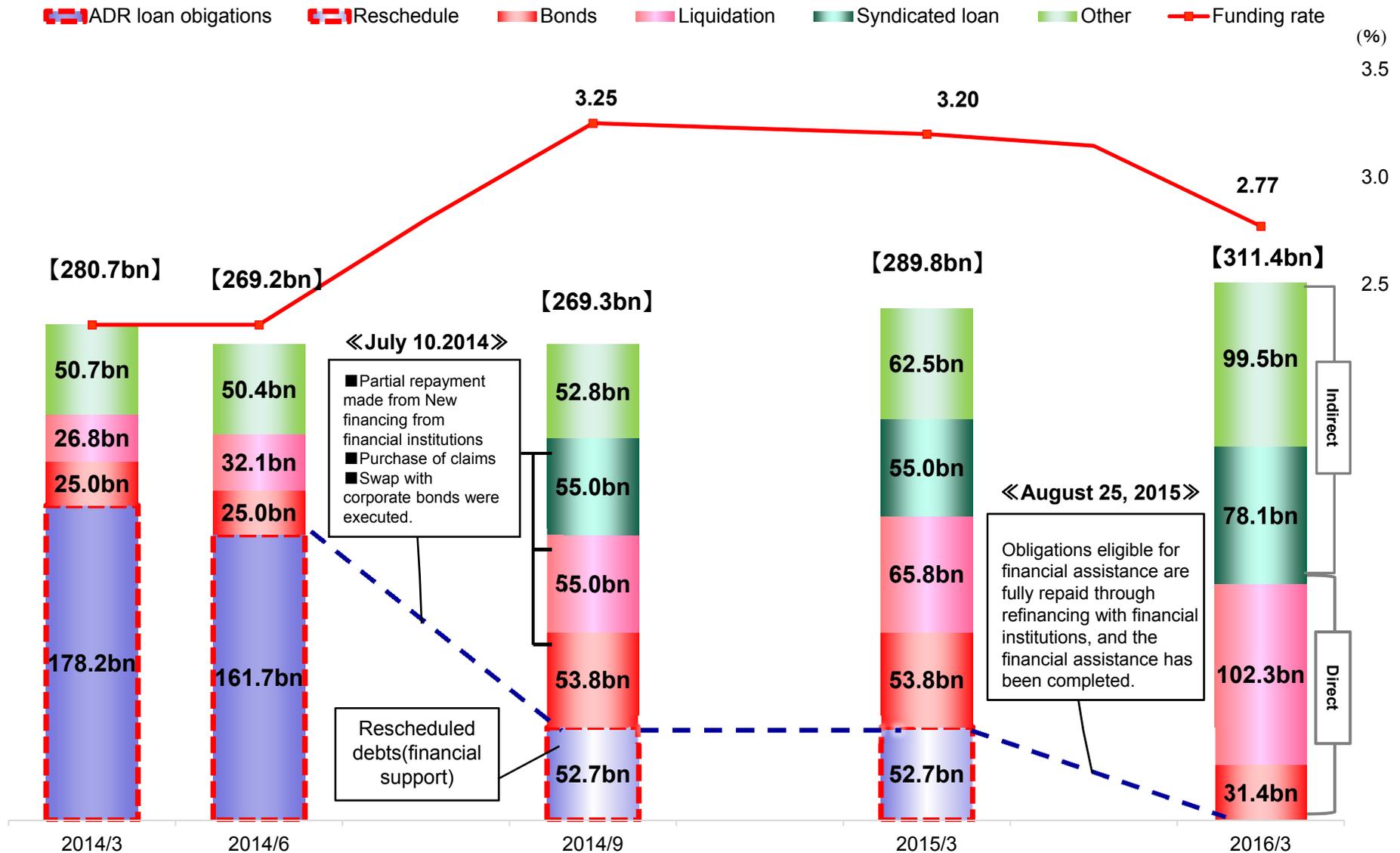
◆ Monthly Interest Repayment (Cash out basis) : Non-consolidated



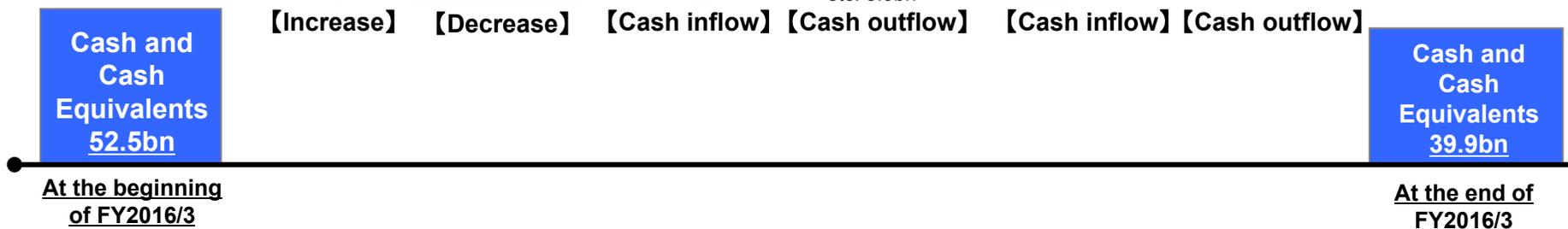
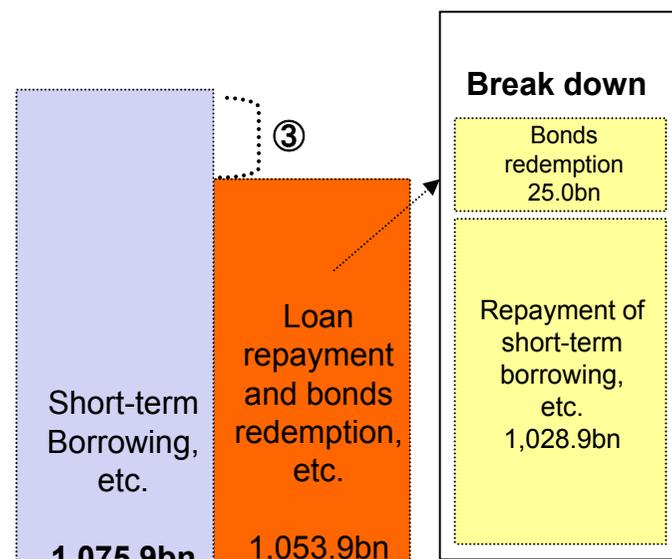
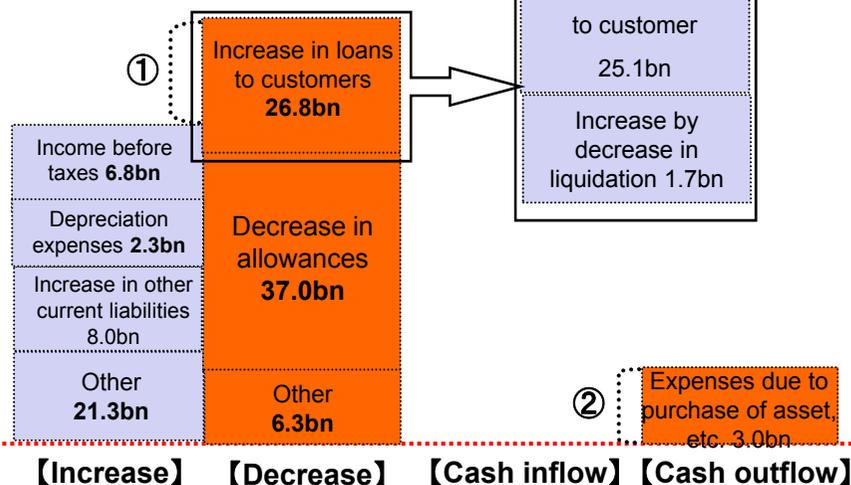
(¥ bn)



◆ Increase/Decrease in Consolidated Interest – Bearing Liabilities



Cash Flows and Funding: Consolidated



3. Forecast for the Fiscal Year 2016





(Consolidated)

(¥ million)	16/3	17/3(E)			
		YOY%	YOY	YOY%	
Operating revenue	87,708	1.6%	92,400	4,692	5.3%
Operating expenses	81,032	-35.6%	85,400	4,368	5.4%
Operating income	6,676	-	7,000	324	4.9%
Ordinary income	6,860	-	7,000	140	2.0%
Net income attributable to owners of parent	7,044	-	6,800	-244	-3.5%
Loans outstanding*	376,224	7.5%	412,600	36,376	9.7%
Unsecured loans outstanding	306,601	12.1%	347,100	40,499	13.2%
Installment receivable	90,166	6.9%	96,500	6,334	7.0%
Credit guarantee	73,411	-0.6%	83,500	10,089	13.7%

*Managed Asset Basis

(Non-consolidated)

(¥ million)	16/3	17/3(E)			
		YOY%	YOY	YOY%	
Operating revenue	55,120	0.4%	59,400	4,280	7.8%
Operating expenses	51,420	-48.1%	55,700	4,280	8.3%
Operating income	3,700	-	3,600	-100	-2.7%
Ordinary income	5,012	-	4,200	-812	-16.2%
Net income	5,281	-	4,800	-481	-9.1%

4. Financial results of LIFECARD



LIFECARD (1): Financial results Summary



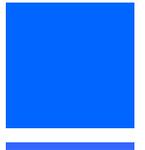
 (¥ million)	15/3	16/3		
			YOY	YOY%
Operating revenue	27,314	28,358	1,044	3.8%
Installment receivable	13,534	14,559	1,024	7.6%
Credit card	13,532	14,556	1,024	7.6%
Loans	5,944	5,645	-298	-5.0%
with Credit card	4,415	4,272	-143	-3.2%
Credit guarantee	1,245	1,270	24	2.0%
Other	6,589	6,884	294	4.5%
Operating expenses	25,661	27,245	1,583	6.2%
Financial expenses	3,014	2,181	-832	-27.6%
Credit cost	3,150	1,939	-1,211	-38.5%
Interest repayment	-	2,897	2,897	-
Other	19,496	20,227	730	3.7%
Operating income	1,652	1,113	-539	-32.6%
Non-operating income	2,971	33	-2,938	-98.9%
Ordinary income	4,621	1,140	-3,480	-75.3%
Extraordinary income	322	-	-322	-
Net income	3,530	1,858	-1,671	-47.3%

LIFECARD (2): Overview of Company's Operating base



 (¥ million)	15/3	16/3	YOY	
			YOY	YOY%
Number of new issue (thousands)	468	501	33	7.1%
Proper	113	126	13	11.6%
Affinity	355	375	20	5.7%
Number of card holders (thousands)	6,023	6,291	268	4.5%
Credit card purchase results	584,733	636,901	52,167	8.9%
Shopping	543,710	595,922	52,211	9.6%
Cashing	41,023	40,979	-43	-0.1%
Total receivable outstanding	148,932	154,950	6,017	4.0%
Installment receivable	82,512	88,971	6,459	7.8%
Loans	44,517	44,169	-348	-0.8%
Credit guarantee	21,348	21,178	-170	-0.8%
Other	554	631	77	13.9%
Bad debt write-offs	3,041	3,120	79	2.6%
Ratio of bad debt write-offs (%)	2.04%	2.01%	-0.03pt	-

5. Explanation of figures



Explanation Figures (1): Breakdown of Consolidated operating revenue



(¥ million)	15/3	16/3	YOY%	Reasons for increase/ decrease
Consolidated Operating revenue	86,352	87,708	1.6%	
Interest income	43,761	44,255	1.1%	Off-balance sheet loans outstanding were ¥315.5 bn (up ¥27.8bn yoy).
AIFUL	36,150	36,856	2.0%	Off-balance sheet loans outstanding were ¥256.9 billion (¥29.1bn yoy). Breakdown of loans outstanding were: >unsecured loan ¥230.0bn (up ¥37.3bn yoy) >secured loan ¥21.8bn (down ¥7.4bn yoy) >small business loan: ¥5.0bn (down ¥0.8bn yoy).
LIFECARD	5,944	5,645	-5.0%	
BUSINEXT	1,667	1,799	7.9%	Off-balance sheet loans stood at ¥16.2bn (up ¥0.9bn yoy).
Revenue from installment receivable	13,677	14,706	7.5%	Credit card shopping purchases increased by ¥52.1bn to ¥636.9bn.
Revenue from credit guarantee	11,381	12,491	9.7%	Credit guarantees outstanding on a off-balance sheet basis amounted to ¥111.6bn (up ¥0.2bn), reflecting the guarantee for financial institutions as well as the guarantee for off-balance loans.
Other operating income	17,531	16,254	-7.3%	
Recovery of loans previously charged off	7,741	6,021	-22.2%	Reduction in recovery of loans previously charged off together with a reduction in written-off bad debt.
Collection from purchased receivables	2,136	2,142	0.3%	Collection from purchased receivables at Astry Loan Service

Explanation Figures (2) : Breakdown of Consolidated operating expenses and income



(¥ million)	15/3	16/3	YOY%	Reasons for increase/ decrease
Operating expenses	125,914	81,032	-35.6%	
Financial expenses	8,606	7,780	-9.6%	Financial expenses incurred following the exit from the ADR in the FY15/3.
Cost of purchased receivables	1,534	1,351	-12.0%	Tied to collection from purchased receivables at AsTry Loan Service
Credit cost	2,234	16,126	621.6%	The allowance for the waiver of principal related to interest repayments of ¥11.5 billion was reversed in the FY15/3
Expenses related to interest repayment	63,733	2,897	-95.5%	¥2.9bn was provisioned at LIFECARD
Advertising expenses	3,463	3,637	5.0%	Advertising expenses for TV ads, etc. (¥3.0bn yen at AIFUL)
Personnel expenses	13,417	13,761	2.6%	Due to actively hiring employees
Other	32,725	35,218	7.6%	
Sales promotion expenses	5,565	7,453	33.9%	Expenses mainly for web (affiliate) advertising (¥6.0bn at AIFUL)
Provision for credit card point redemption	2,863	3,221	12.5%	Allowance for credit card point redemption at LIFECARD
Commission	10,306	11,182	8.5%	Due to increase in total receivable outstanding
Rental expenses & land rent	2,212	2,314	4.6%	
Supplies, repair and maintenance	2,257	2,220	-1.6%	
Communications	2,369	2,364	-0.2%	
Depreciation expenses	2,753	2,362	-14.2%	Down ¥0.4bn due to decrease in assets
Consumption taxes	2,334	2,477	6.1%	
Operating income	-39,562	6,676	-	

Explanation Figures (3): Breakdown of Consolidated extraordinary income/ loss, and Others



(¥ million)	15/3	16/3	YOY%	Reasons for increase/ decrease
Non- operating income	3,133	220	-93.0%	LIFECARD Foreign exchange gain was ¥2.8bn
Non-operating expenses	70	35	-49.1%	
Ordinary income	-36,498	6,860	-	
Extraordinary income	645	-	-	
Extraordinary losses	-	-	-	
Net income before taxes	-35,853	6,860	-	
Income taxes-current	584	179	-69.2%	
Income taxes-deferred	61	-363	-	
Net income attributable to owners of parent	-36,499	7,044	-	