



**Third Quarter Financial Results  
for Fiscal Year 2016 (Apr 1 - Dec 31, 2016)**

**AIFUL CORPORATION**  
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# Financial Results (1): Highlights (Consolidated & Non-consolidated)



## (Consolidated)

(¥ million)	15/12	16/12	17/3(E)		
			YOY%		YOY%
Operating revenue	65,649	68,330	4.1%	92,900	5.9%
Operating expenses	58,567	63,403	8.3%	85,900	6.0%
Operating income	7,081	4,927	-30.4%	7,000	4.9%
Ordinary income	7,272	5,292	-27.2%	7,000	2.0%
Net income attributable to owners of parent	7,234	5,124	-29.2%	6,800	-3.5%
Loans outstanding (Managed Asset Basis)	367,145	402,875	9.7%	414,000	10.0%
Unsecured loans outstanding	296,116	336,812	13.7%	349,100	13.9%
Installment receivable	89,506	96,771	8.1%	98,900	9.7%
Credit guarantee	73,346	74,027	0.9%	83,500	13.7%

## (Non-consolidated)

(¥ million)	15/12	16/12	17/3(E)		
			YOY%		YOY%
Operating revenue	41,286	43,563	5.5%	59,100	7.2%
Operating expenses	37,753	41,334	9.5%	55,300	7.5%
Operating income	3,533	2,228	-36.9%	3,700	0.0%
Ordinary income	4,707	2,567	-45.4%	4,200	-16.2%
Net income	4,976	3,219	-35.3%	4,700	-11.0%


## Financial Results (2): Consolidated Summary



(¥ million)	15/12	16/12	YOY	
			YOY	YOY%
Operating revenue	65,649	68,330	2,681	4.1%
Interest income	33,086	35,624	2,537	7.7%
Revenue from installment receivable	10,896	11,547	651	6.0%
Revenue from credit guarantee	9,409	9,359	-49	-0.5%
Operating expenses	58,567	63,403	4,835	8.3%
Financial expenses	5,593	5,876	282	5.1%
Cost of sales	1,162	1,229	67	5.8%
Credit cost	12,735	15,768	3,033	23.8%
(Bad debt write-offs)	16,599	16,589	-10	-0.1%
Expenses for Interest repayment	-	-	-	-
(Interest repayment)	24,159	21,635	-2,523	-10.4%
Other operating expenses	39,076	40,528	1,452	3.7%
Advertising expenses	2,701	2,731	30	1.1%
Personnel expenses	10,003	10,675	672	6.7%
Sales promotion expenses	5,414	5,660	245	4.5%
Operating income	7,081	4,927	-2,154	-30.4%
Non-operating income	206	482	275	133.3%
Ordinary income	7,272	5,292	-1,979	-27.2%
Net income attributable to owners of parent	7,234	5,124	-2,109	-29.2%


## Financial Results (3): Summary of AIFUL



 (¥ million)	15/12	16/12	YOY	YOY%
Operating revenue	41,286	43,563	2,276	5.5%
Interest income	27,407	29,909	2,501	9.1%
Revenue from credit guarantee	8,458	8,386	-71	-0.8%
Recovery of loans previously charged off	4,477	4,129	-348	-7.8%
Operating expenses	37,753	41,334	3,580	9.5%
Financial expenses	4,532	4,679	146	3.2%
Credit cost	10,297	12,749	2,451	23.8%
(Bad debt write-offs)	13,976	13,991	15	0.1%
Expenses for interest repayment	-	-	-	-
(Interest repayment)	23,089	20,525	-2,564	-11.1%
Other operating expenses	22,923	23,905	982	4.3%
Operating income	3,533	2,228	-1,304	-36.9%
Ordinary income	4,707	2,567	-2,139	-45.4%
Net income	4,976	3,219	-1,757	-35.3%
Loans outstanding (Managed Asset Basis)	281,245	314,391	33,145	11.8%
Unsecured loans outstanding	252,534	292,122	39,587	15.7%
Credit guarantee	78,973	78,625	-348	-0.4%
Customer accounts (thousands)	645	706	60	9.4%
Average yield of operating loans	15.3%	14.7%	-0.6pt	-
Below 18% unsecured loan balance's occupancy rate	94.9%	96.7%	+1.8pt	-

## Financial Results (4): Summary of LIFECARD

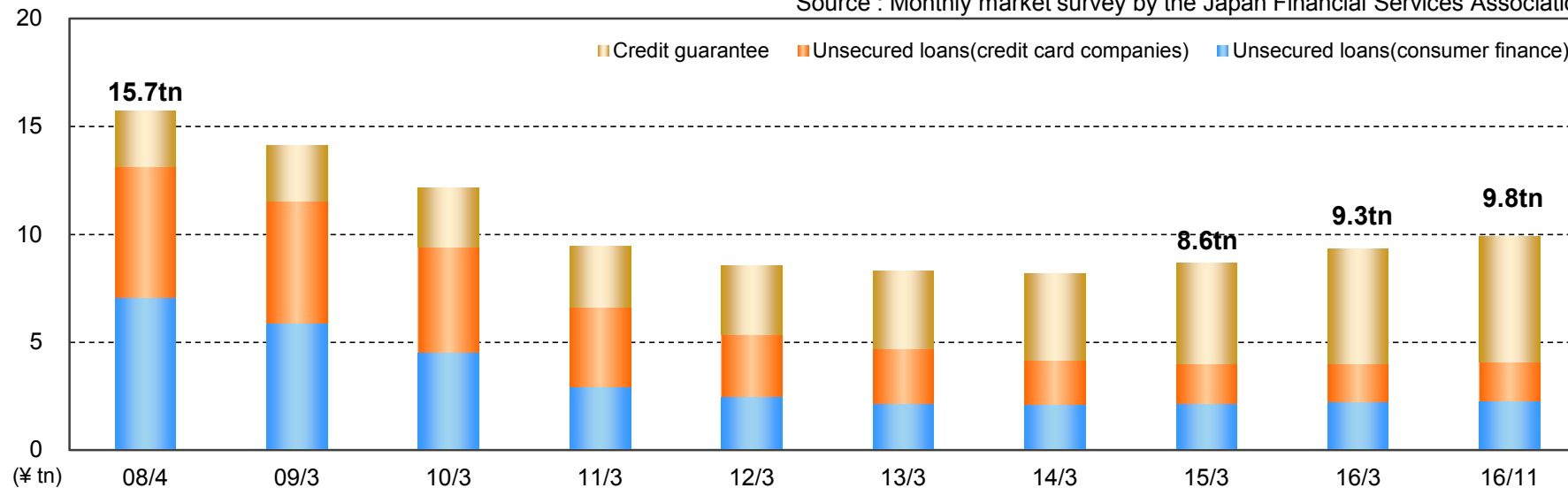


 ( ¥ million )	15/12	16/12	YOY	YOY%
Operating revenue	21,039	21,552	513	2.4%
Installment receivables	10,793	11,421	627	5.8%
Loans	4,344	4,223	-121	-2.8%
Operating expenses	19,096	19,045	-51	-0.3%
Operating income	1,943	2,507	564	29.1%
Ordinary income	1,986	2,862	876	44.1%
Net income	1,959	2,667	707	36.1%
<b>Total receivable outstanding</b> (Managed Asset Basis)	<b>153,755</b>	<b>162,322</b>	<b>8,566</b>	<b>5.6%</b>
Installment receivables	88,199	95,854	7,655	8.7%
Loans	43,821	44,977	1,156	2.6%
Credit guarantee	21,146	20,816	-330	-1.6%
Number of card holders (thousands)	6,197	6,295	97	1.6%
Number of new issue (thousands)	340	354	13	3.9%
<b>Purchase Results</b>	<b>472,625</b>	<b>506,582</b>	<b>33,957</b>	<b>7.2%</b>
Shopping	441,790	475,752	33,962	7.7%
Cashing	30,834	30,830	-4	-0.0%

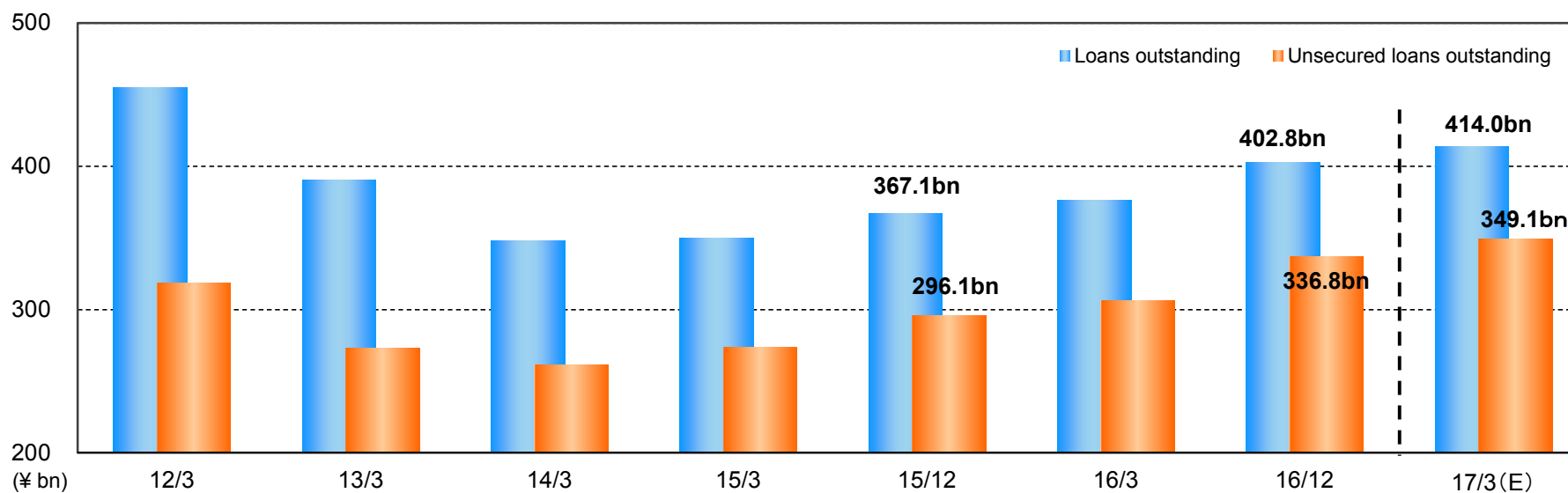


## ◆ Trends of Unsecured Consumer Loans Market

Source : Monthly market survey by the Japan Financial Services Association



## ◆ Trends of Operating Loans Outstanding (AIFUL consolidated basis)



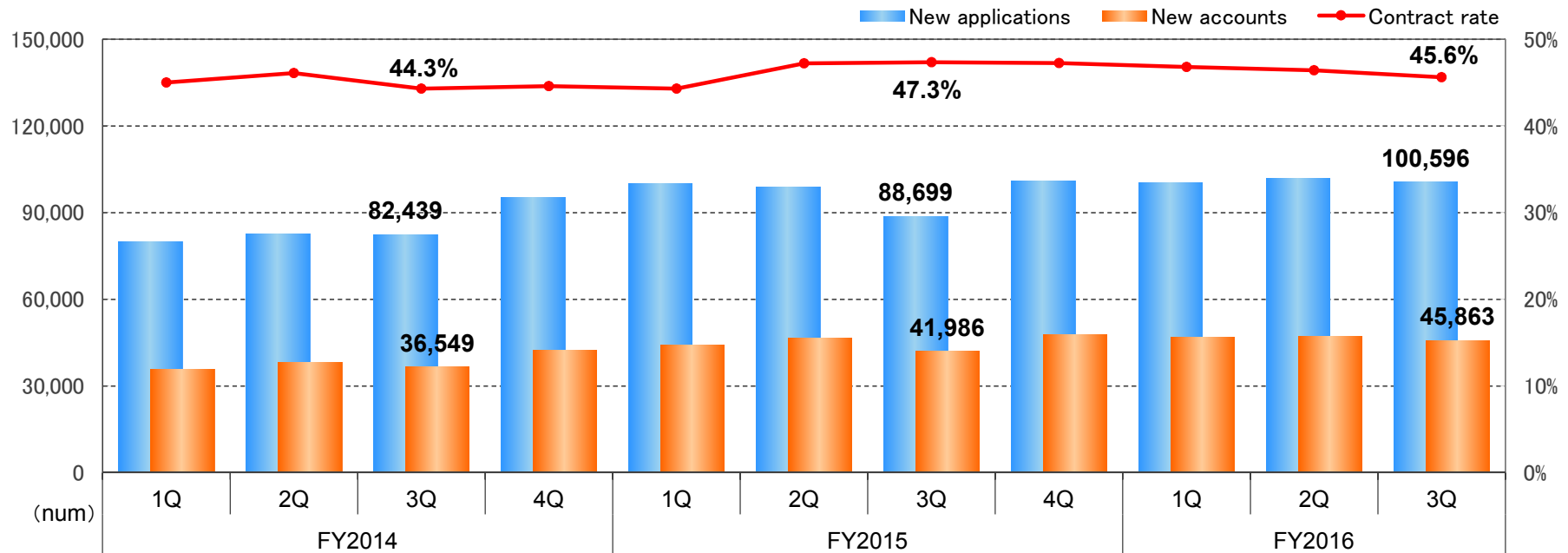


## ◆ Situation of Unsecured Loans' New Accounts

	FY2015				FY2016				YOY
	1Q(3M)	2Q(3M)	3Q(3M)	TOTAL	1Q(3M)	2Q(3M)	3Q(3M)	TOTAL	
New applications (num)	99,969	98,862	88,699	287,530	100,336	101,824	100,596	302,756	5.3%
New accounts (num)	44,292	46,665	41,986	132,943	46,964	47,204	45,863	140,031	5.3%
Contract rate (%)	44.3%	47.2%	47.3%	46.2%	46.8%	46.4%	45.6%	46.3%	+0.1pt

Italic Font = Increase or Decrease

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

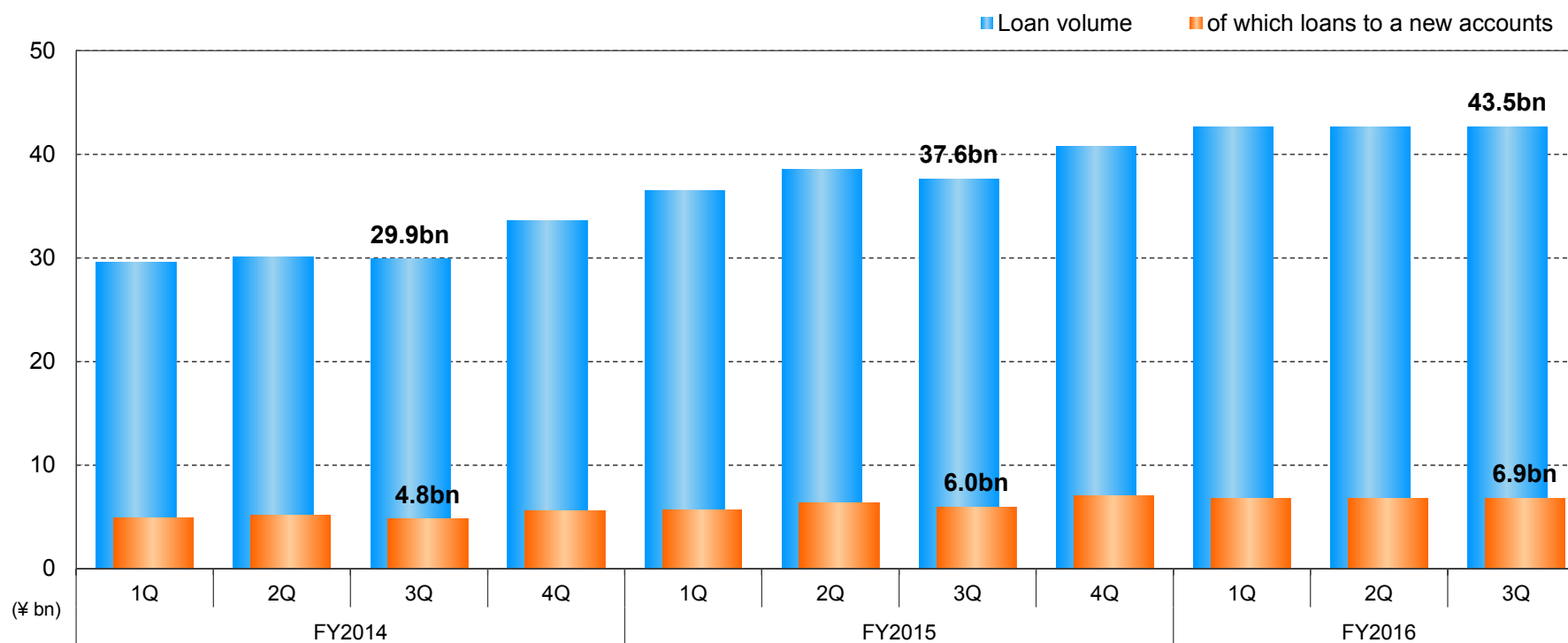




## ◆ Situation of Loan Volume

(¥ million)	FY2015				FY2016				YOY
	1Q(3M)	2Q(3M)	3Q(3M)	TOTAL	1Q(3M)	2Q(3M)	3Q(3M)	TOTAL	
Loan volume	36,476	38,565	37,640	112,682	42,711	42,831	43,486	129,029	14.5%
Loans to a new accounts	5,695	6,396	5,979	18,072	6,852	7,133	6,885	20,871	15.5%
Loans to a existing accounts	30,780	32,168	31,661	94,609	35,858	35,698	36,601	108,158	14.3%

## ◆ Trends of Loan Volume





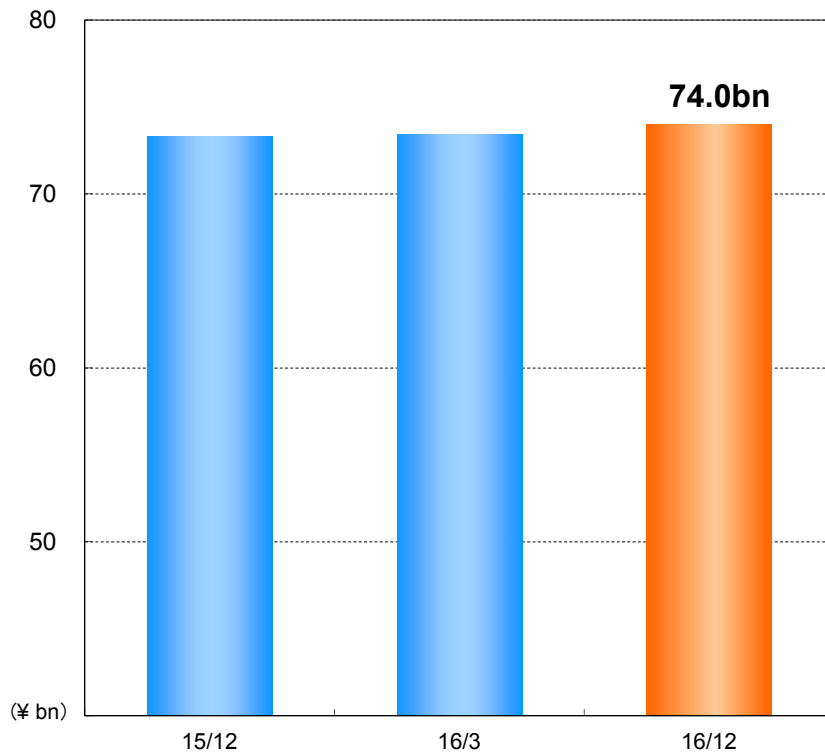


## ◆ Trends of Credit Guarantee Business

(Consolidated)

(¥ million)	15/12	16/3	16/12	YOY
Credit guarantee	73,346	73,411	74,027	0.9%

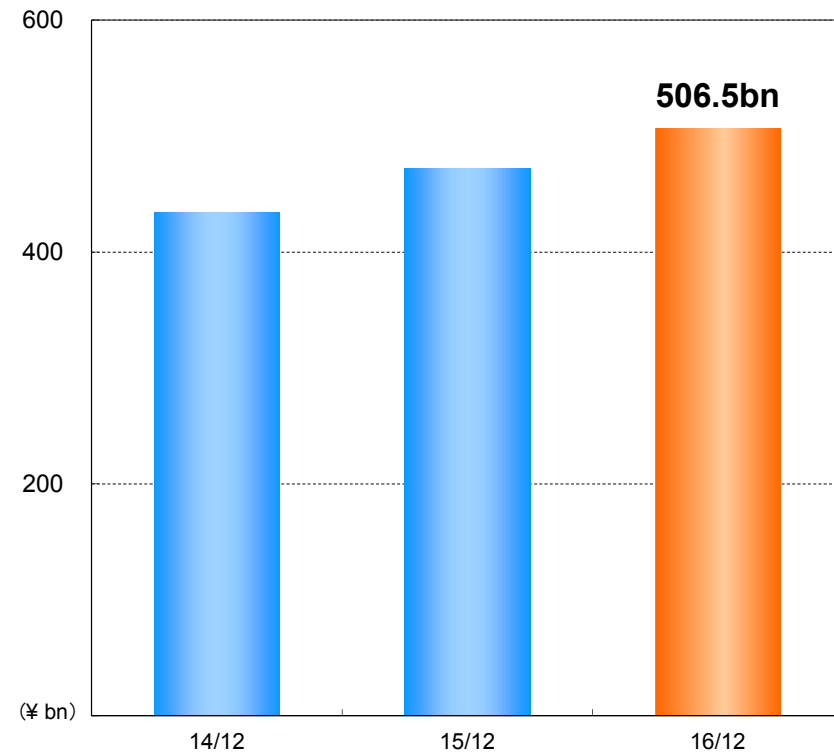
(Managed Asset Basis)



## ◆ Trends of Credit Card Business

(LIFECARD)

(¥ million)	14/12	15/12	16/12	YOY
Purchase result	434,065	472,625	506,582	7.2%



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



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

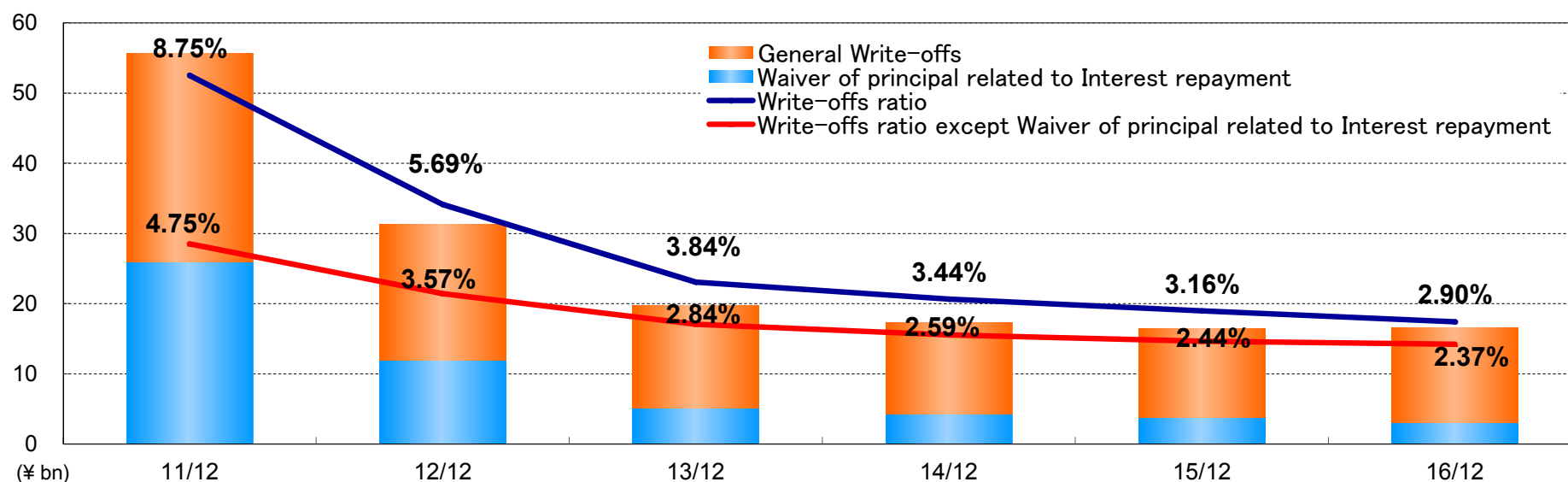
(Consolidated)

(¥ million)	15/12	16/12	YOY
	(9M)	(9M)	
<b>(1) Write-offs</b>	<b>16,599</b>	<b>16,589</b>	<b>-0.1%</b>
Waiver of principal related to Interest repayment	3,844	3,075	-20.0%
General write-offs (other than interest repayment)	12,754	13,514	6.0%
<b>(2) Specific allowance for doubtful accounts</b>	<b>329</b>	<b>212</b>	<b>-35.3%</b>
<b>Total Write-offs (1)+(2)</b>	<b>16,928</b>	<b>16,801</b>	<b>-0.7%</b>
<b>Write-offs ratio</b>	<b>3.16%</b>	<b>2.90%</b>	<b>-0.26pt</b>

(Non-consolidated)

	15/12	16/12	YOY
	(9M)	(9M)	
<b>(1) Write-offs</b>	<b>13,976</b>	<b>13,991</b>	<b>0.1%</b>
Waiver of principal related to Interest repayment	3,844	3,075	-20.0%
General write-offs (other than interest repayment)	10,131	10,916	7.7%
<b>(2) Specific allowance for doubtful accounts</b>	<b>330</b>	<b>214</b>	<b>-35.1%</b>
<b>Total Write-offs (1)+(2)</b>	<b>14,306</b>	<b>14,205</b>	<b>-0.7%</b>
<b>Write-offs ratio</b>	<b>3.90%</b>	<b>3.56%</b>	<b>-0.34pt</b>

(Consolidated)



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



## ◆ Trends of NPL defined by FSA

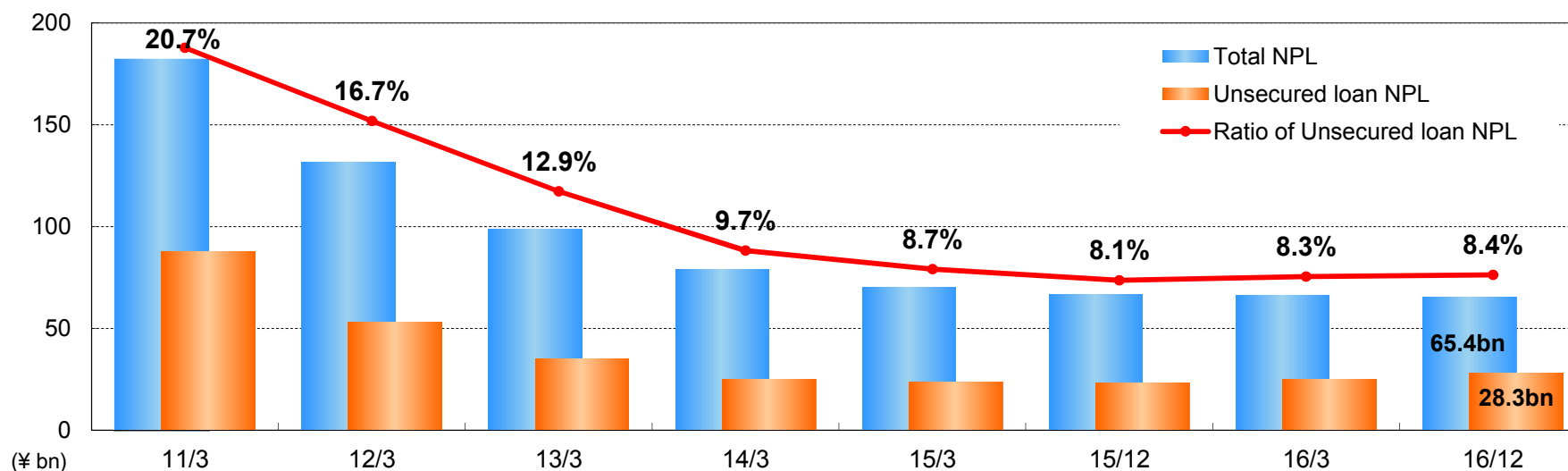
(Consolidated)

(¥ million)	15/12	16/12	YOY
Total non-performing loans	66,234	65,440	-1.2%
Loans in legal bankruptcy	31,646	29,279	-7.5%
Non-accrual loans	21,530	23,243	8.0%
Loans past due for three months or more	3,559	4,609	29.5%
Restructured loans	9,497	8,308	-12.5%
Ratio of loan outstanding and claims in bankruptcy NPL	16.6%	15.1%	-1.5pt
Ratio of Unsecured loan NPL	8.1%	8.4%	+0.3pt

(Non-consolidated)

	15/12	16/12	YOY
Total non-performing loans	61,562	60,561	-1.6%
Loans in legal bankruptcy	31,618	29,250	-7.5%
Non-accrual loans	19,728	21,470	8.8%
Loans past due for three months or more	3,276	4,299	31.2%
Restructured loans	6,938	5,542	-20.1%
Ratio of loan outstanding and claims in bankruptcy NPL	19.7%	17.6%	-2.1pt
Ratio of Unsecured loan NPL	8.4%	8.6%	+0.2pt

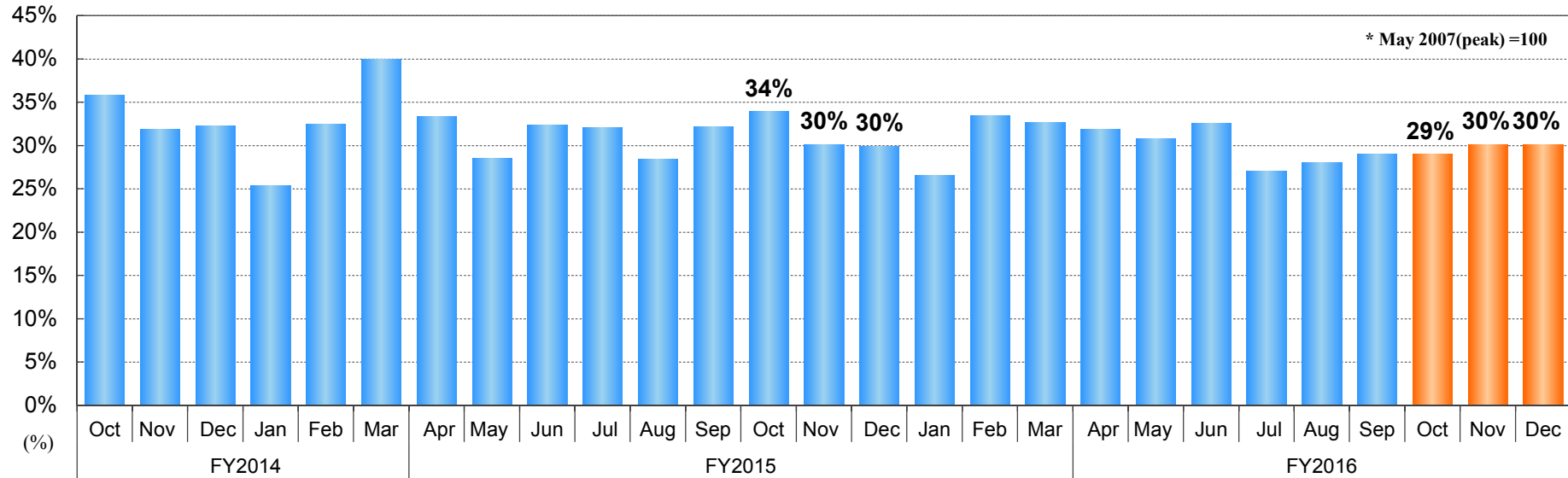
(Consolidated)



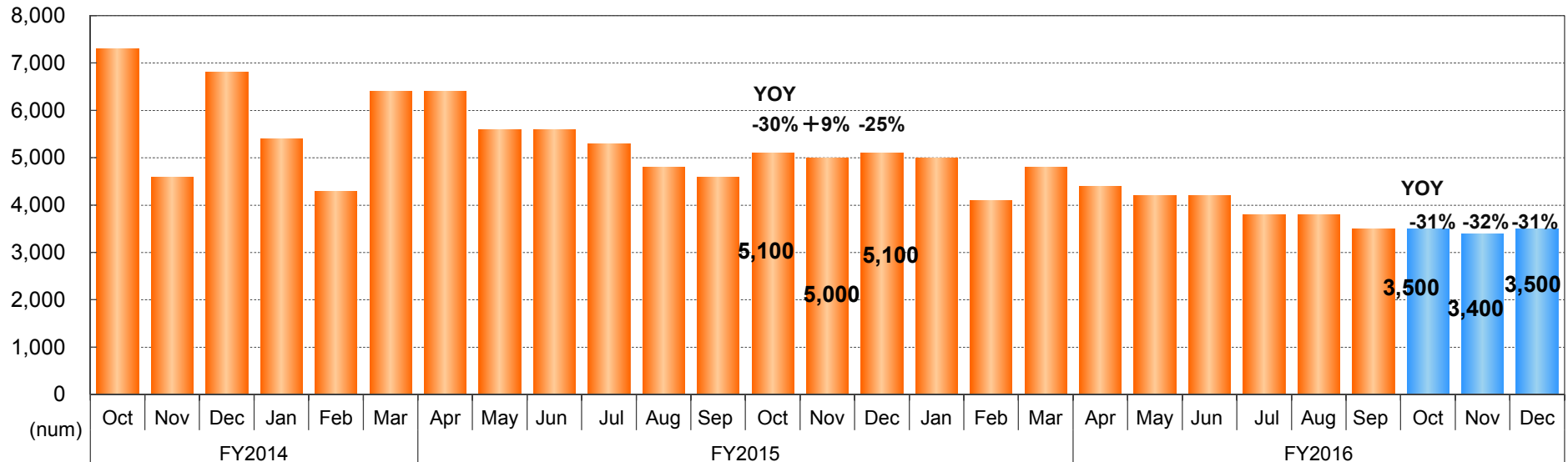
# Trends of Interest Repayment (1) : Interest Repayment related Indices



## ◆ Monthly Figure of Attorney Involvement (non-consolidated)



## ◆ Monthly Interest Repayment Claims (non-consolidated)





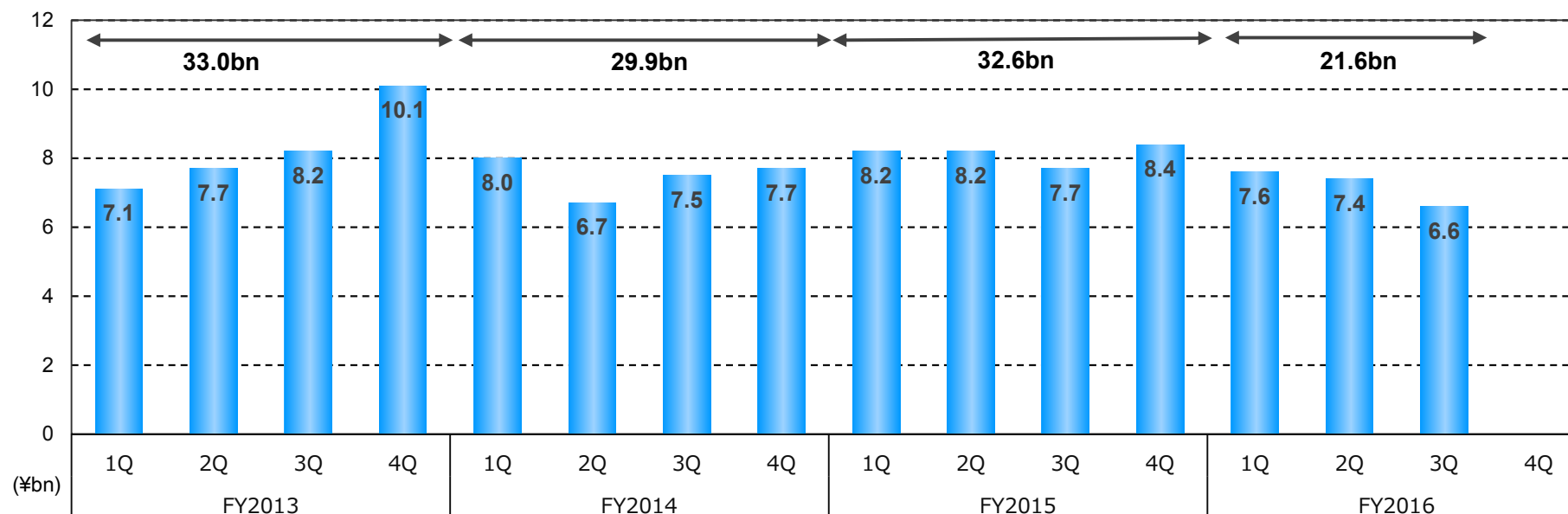
## ◆ Allowance for losses on Interest repayment

(Consolidated)

(Non-consolidated)

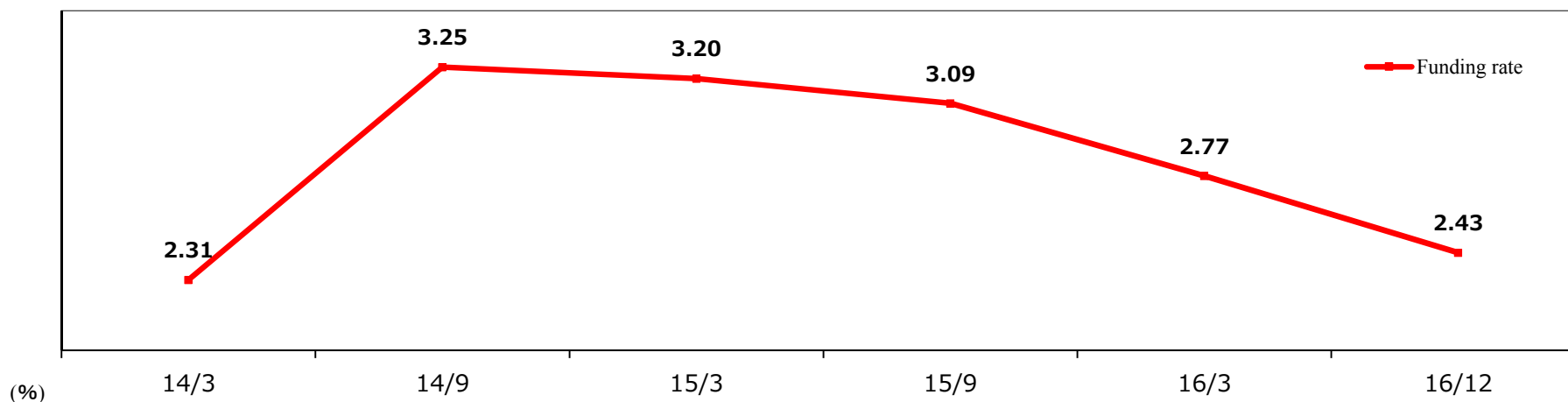
(¥ million)	Interest repayment	Waiver of principal	Total	Interest repayment	Waiver of principal	Total
Allowance at the beginning of FY2016	63,438	12,434	75,873	58,000	12,434	70,435
Reversal (Interest repayment)	21,636	-	21,636	20,525	-	20,525
Reversal (Waiver of principal)	198	3,075	3,273	-	3,075	3,075
Provisions	-	-	-	-	-	-
Allowance at the end of FY2016 3Q	41,604	9,359	50,964	37,475	9,359	46,835

## ◆ Reversal of Allowances for Losses on Interest Repayment(Consolidated)





## ◆ Trends of Consolidated Funding rate



## ◆ Increase/Decrease in Consolidated Interest - Bearing Liabilities

