

**First Quarter Financial Results for
Fiscal Year 2017 (Apr, 2017 - Jun, 2017)**



AIFUL CORPORATION

<https://www.ir-aiful.com>

spokesperson@aiful.co.jp

August 10, 2017



(Consolidated)

(¥ million)	16/6	17/6	18/3(E)		
			YOY%		YOY%
Operating revenue	22,210	24,224	9.1%	100,600	10.0%
Operating expenses	20,617	23,132	12.2%	90,000	6.6%
Operating income	1,593	1,091	-31.5%	10,600	51.2%
Ordinary income	1,487	1,229	-17.3%	10,000	35.2%
Net income attributable to owners of parent	1,589	1,976	24.3%	9,300	27.8%
Loans outstanding (Managed Asset Basis)	384,737	426,867	11.0%	448,100	8.6%
Unsecured loans outstanding	316,828	361,932	14.2%	382,800	10.5%
Installment receivable	90,337	96,503	6.8%	111,900	15.2%
Credit guarantee	72,764	78,135	7.4%	87,600	15.6%

(AIFUL)

(¥ million)	16/6	17/6	18/3(E)		
			YOY%		YOY%
Operating revenue	14,205	15,387	8.3%	63,700	9.2%
Operating expenses	13,587	14,965	10.1%	56,800	3.7%
Operating income	617	421	-31.8%	6,800	89.6%
Ordinary income	647	615	-4.9%	7,400	80.9%
Net income	721	1,351	87.3%	8,300	72.1%


Note: AIRA & AIFUL Public Company Limited, unconsolidated subsidiary, has been included in the scope of the consolidation from the first quarter of the fiscal year ending March 31, 2018.




(¥ million)	16/6	17/6		
			YOY	YOY%
Operating revenue	22,210	24,224	2,013	9.1%
Interest income	11,536	13,099	1,562	13.5%
Revenue from installment receivable	3,759	3,954	194	5.2%
Revenue from credit guarantee	3,121	3,212	91	2.9%
Operating expenses	20,617	23,132	2,515	12.2%
Financial expenses	1,891	2,139	247	13.1%
Credit cost	5,168	6,289	1,120	21.7%
(Bad debt write-offs)	5,906	6,668	761	12.9%
Expenses for Interest repayment	-	-	-	-
(Interest repayment)	7,594	6,858	-736	-9.7%
Other operating expenses	13,343	14,407	1,063	8.0%
Advertising expenses	947	968	20	2.2%
Personnel expenses	3,524	3,884	360	10.2%
Sales promotion expenses	1,835	1,987	151	8.3%
Operating income	1,593	1,091	-501	-31.5%
Non-operating income	50	143	93	184.8%
Ordinary income	1,487	1,229	-258	-17.3%
Extraordinary income	-	700	-	-
Net income	1,589	1,789	199	12.6%
Net income attributable to owners of parent	1,589	1,976	386	24.3%

Note: AIRA & AIFUL Public Company Limited, unconsolidated subsidiary, has been included in the scope of the consolidation from the first quarter of the fiscal year ending March 31, 2018.



 (¥ million)	16/6	17/6	YOY	YOY%
Operating revenue	14,205	15,387	1,181	8.3%
Interest income	9,668	10,881	1,213	12.6%
Revenue from credit guarantee	2,803	2,744	-59	-2.1%
Recovery of loans previously charged off	1,346	1,352	5	0.4%
Operating expenses	13,587	14,965	1,378	10.1%
Financial expenses	1,553	1,797	244	15.7%
Credit cost	4,158	4,904	746	17.9%
(Bad debt write-offs)	4,937	5,490	553	11.2%
Expenses for interest repayment	-	-	-	-
(Interest repayment)	7,196	6,532	-664	-9.2%
Other operating expenses	7,875	8,263	387	4.9%
Operating income	617	421	-196	-31.8%
Ordinary income	647	615	-31	-4.9%
Extraordinary income	-	700	700	-
Net income	721	1,351	630	87.3%
Loans outstanding (Managed Asset Basis)	297,777	329,860	32,083	10.8%
Unsecured loans outstanding	272,447	309,774	37,326	13.7%
Credit guarantee	78,356	81,869	3,513	4.5%
Customer accounts (thousands)	678	733	55	8.2%
Average yield	14.9%	14.8%	-0.1pt	-
Below 18% unsecured loan balance's occupancy rate	96.0%	97.3%	1.3pt	-



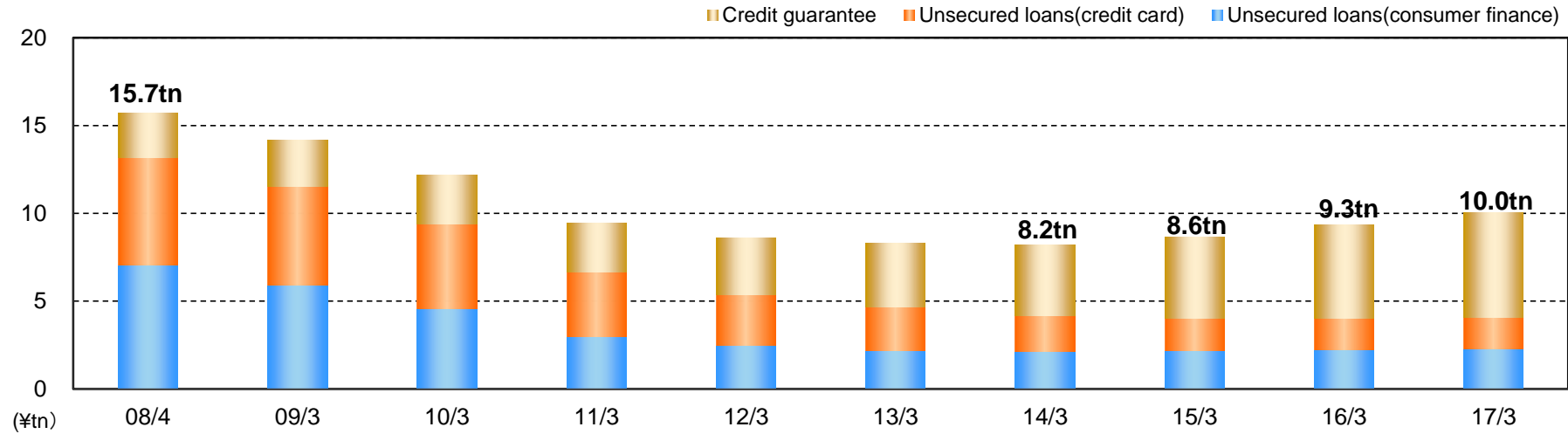
 (¥ million)	16/6	17/6	YOY	YOY%
Operating revenue	7,258	7,481	222	3.1%
Revenue from installment receivable	3,721	3,914	193	5.2%
Interest income	1,390	1,386	-4	-0.3%
Operating expenses	6,339	6,481	142	2.2%
Operating income	919	999	80	8.7%
Ordinary income	895	1,050	154	17.3%
Net income	1,354	586	-768	-56.7%
Total Receivable Outstanding (Managed Asset Basis)	155,309	163,236	7,926	5.1%
Installment receivables	89,251	95,702	6,451	7.2%
Loans outstanding	44,599	45,747	1,147	2.6%
Credit guarantee	20,819	21,039	220	1.1%
Number of card holders (thousands)	6,332	5,874	-457	-7.2%
Number of new issue (thousands)	135	137	2	1.6%
Transaction Volume	165,963	174,278	8,314	5.0%
Shopping	155,550	164,070	8,520	5.5%
Cashing	10,413	10,207	-205	-2.0%



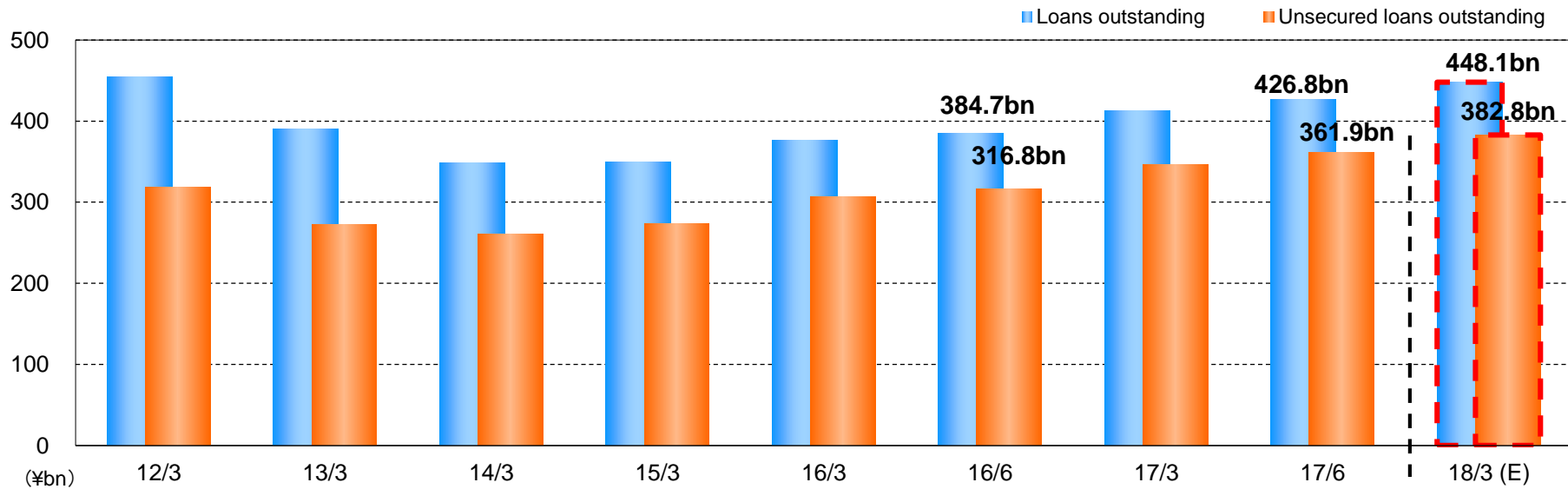
Operating Results (1): Situation of Loans Outstanding

◆ Trends of Unsecured Consumer Loans Market

※Source : Monthly market survey by the Japan Financial Services Association



◆ Trends of Operating Loans Outstanding (AIFUL consolidated basis)



Note: AIRA & AIFUL Public Company Limited, unconsolidated subsidiary, has been included in the scope of the consolidation from the first quarter of the fiscal year ending March 31, 2018.

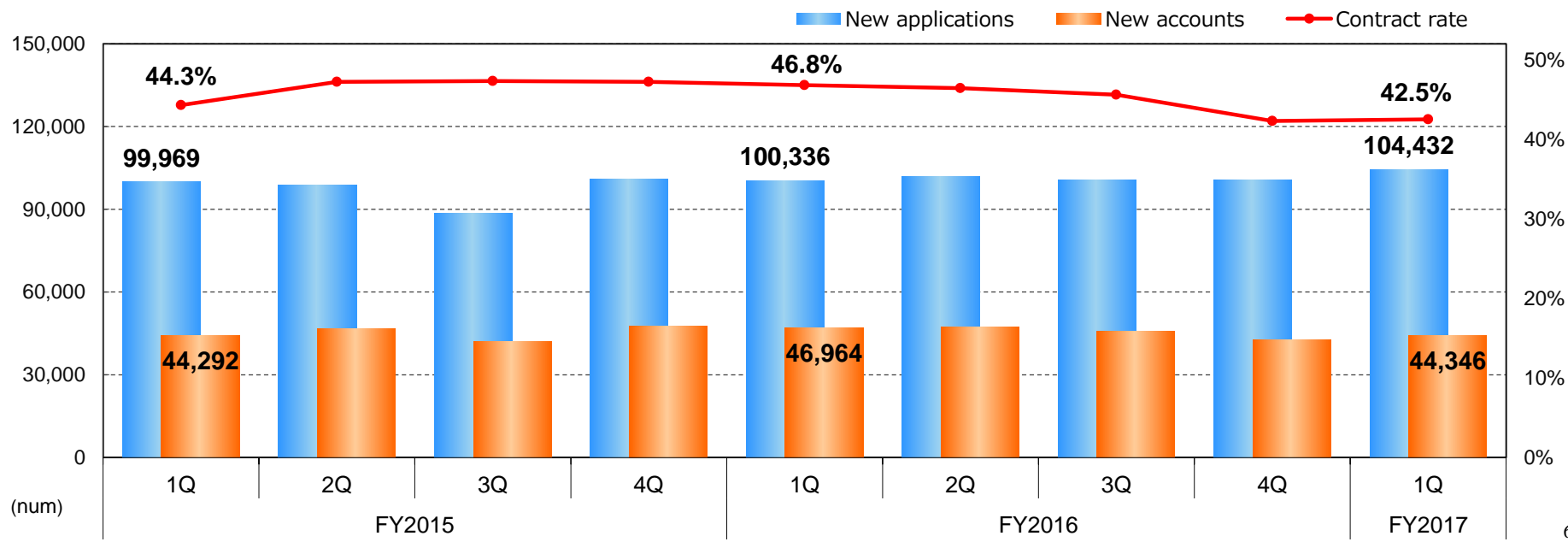


◆ Situation of Unsecured Loans' New Application

	FY2016					FY2017	
	1Q (3M)	2Q (3M)	3Q (3M)	4Q (3M)	TOTAL	1Q (3M)	YOY
New applications (num)	100,336	101,824	100,596	100,605	403,361	104,432	4.1%
New accounts (num)	46,964	47,204	45,863	42,573	182,604	44,346	-5.6%
Contract rate	46.8%	46.4%	45.6%	42.3%	45.3%	42.5%	-4.3pt

Italic Font = Increase or Decrease

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

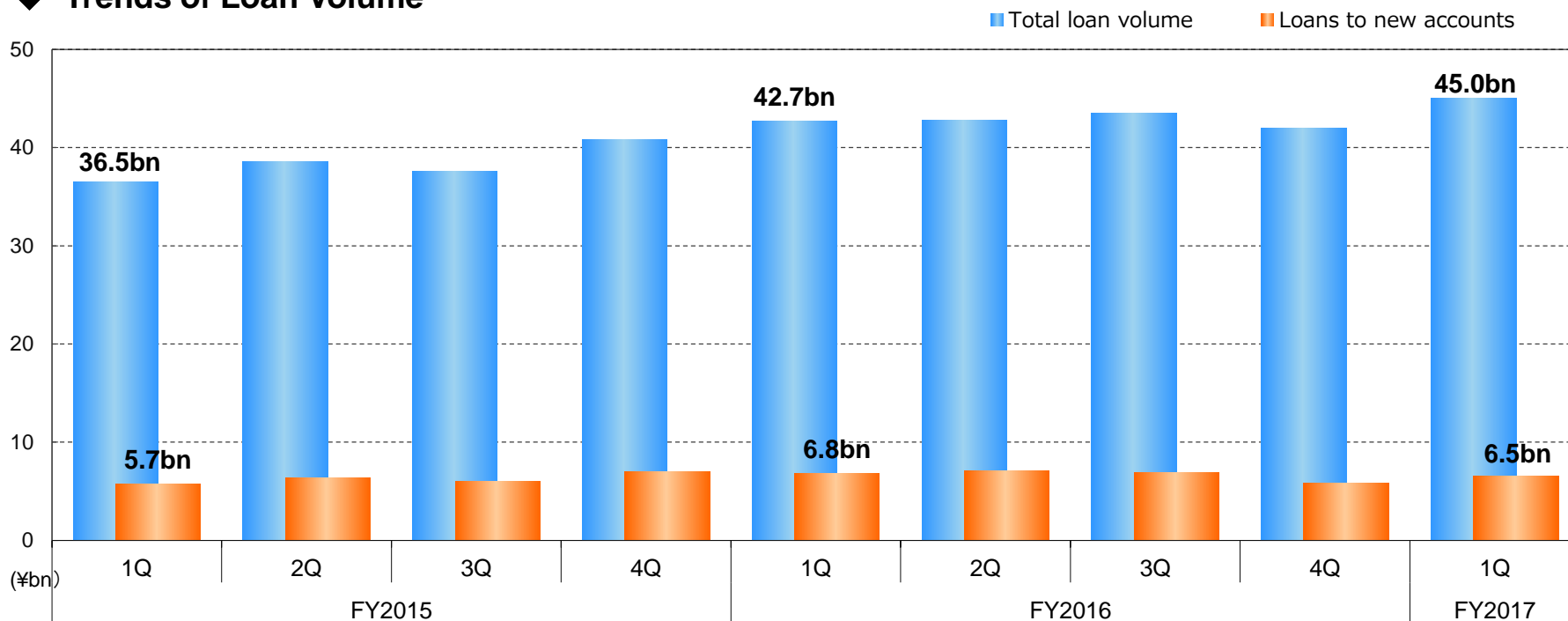




◆ Situation of Loan Volume

(¥ million)	FY2016					FY2017	
	1Q (3M)	2Q (3M)	3Q (3M)	4Q (3M)	TOTAL	1Q (3M)	YOY
Loan volume	42,711	42,831	43,486	42,013	171,042	44,951	5.2%
Loans to a new accounts	6,852	7,133	6,885	5,786	26,657	6,530	-4.7%
Loans to a existing accounts	35,858	35,698	36,601	36,227	144,385	38,421	7.1%

◆ Trends of Loan Volume



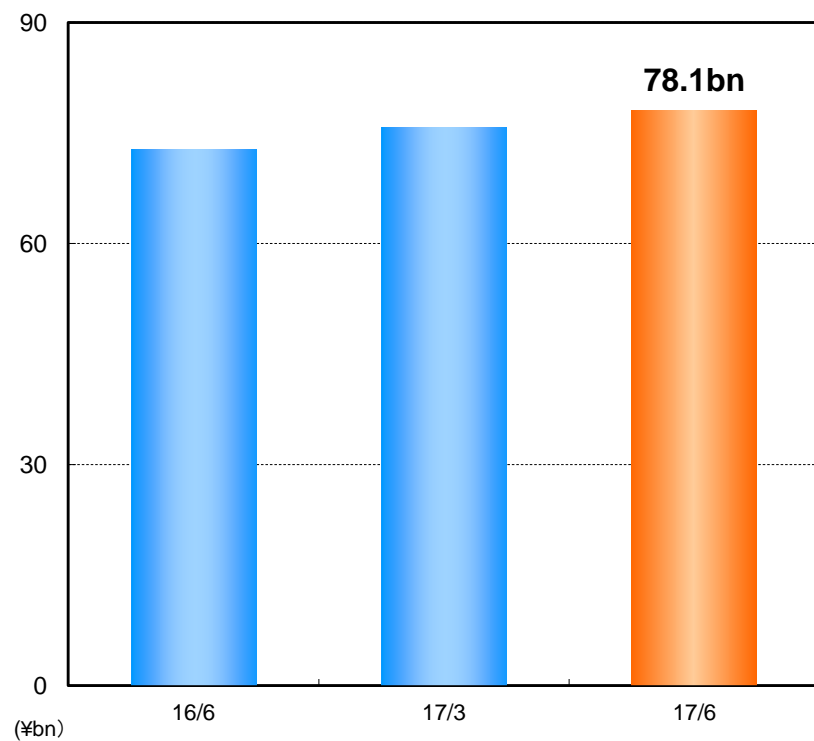


◆ Credit guarantee Business

¥ million	16/6	17/3	17/6	YOY
	Credit guarantee* (consolidated)	72,764	75,747	78,135

*Managed Asset Basis

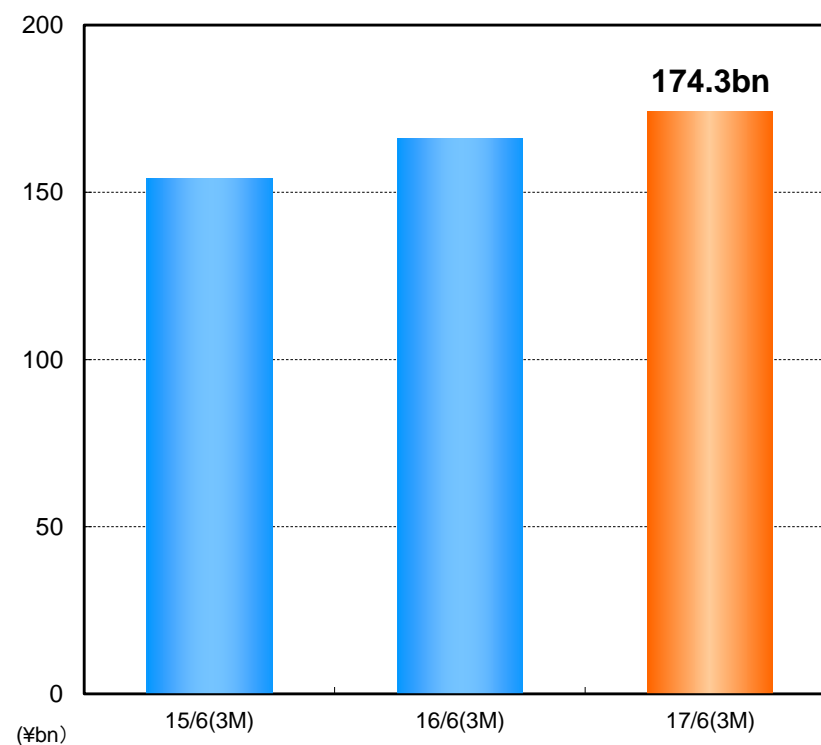
◆ Trends of Credit guarantee (consolidated)



◆ Situation of Credit card Business

¥ million	15/6	16/6	17/6	YOY
	Transaction volume (LIFECARD)	154,230	165,963	174,278

◆ Trends of Transaction volume (LIFECARD)





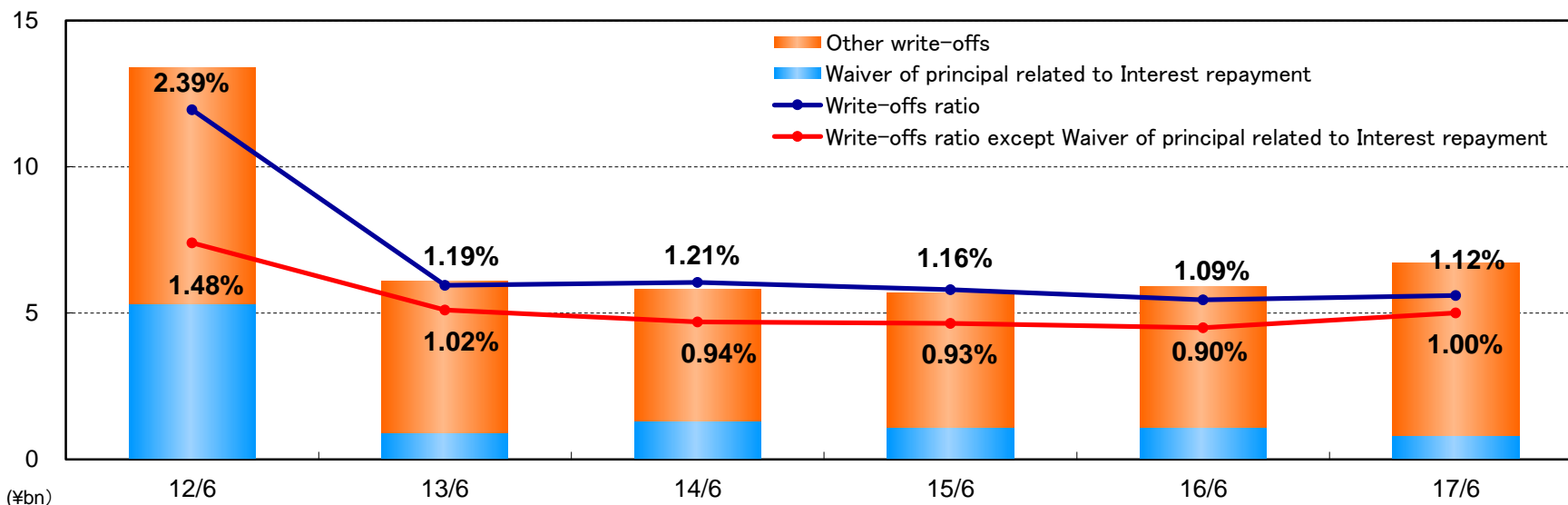
◆ Amount of Write-offs and Write-offs Ratio for Total Receivable Outstanding

(Consolidated)

(Non-consolidated)

(¥ million)	16/6	17/6	YOY	16/6	17/6	YOY
	(3M)	(3M)		(3M)	(3M)	
(1) Write-offs	5,906	6,668	12.0%	4,937	5,490	11.2%
Waiver of principal related to Interest repayment	1,074	759	-29.3%	1,074	759	-29.3%
Other	4,832	5,908	22.3%	3,863	4,730	22.4%
(2) Specific allowance for doubtful accounts	141	145	3.0%	141	150	5.8%
Total Write-offs (1)+(2)	6,048	6,814	12.7%	5,079	5,640	11.0%
Write-offs ratio	1.09%	1.12%	0.03pt	1.33%	1.35%	0.02pt

(Consolidated)



Note: AIRA & AIFUL Public Company Limited, unconsolidated subsidiary, has been included in the scope of the consolidation from the first quarter of the fiscal year ending March 31, 2018.



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

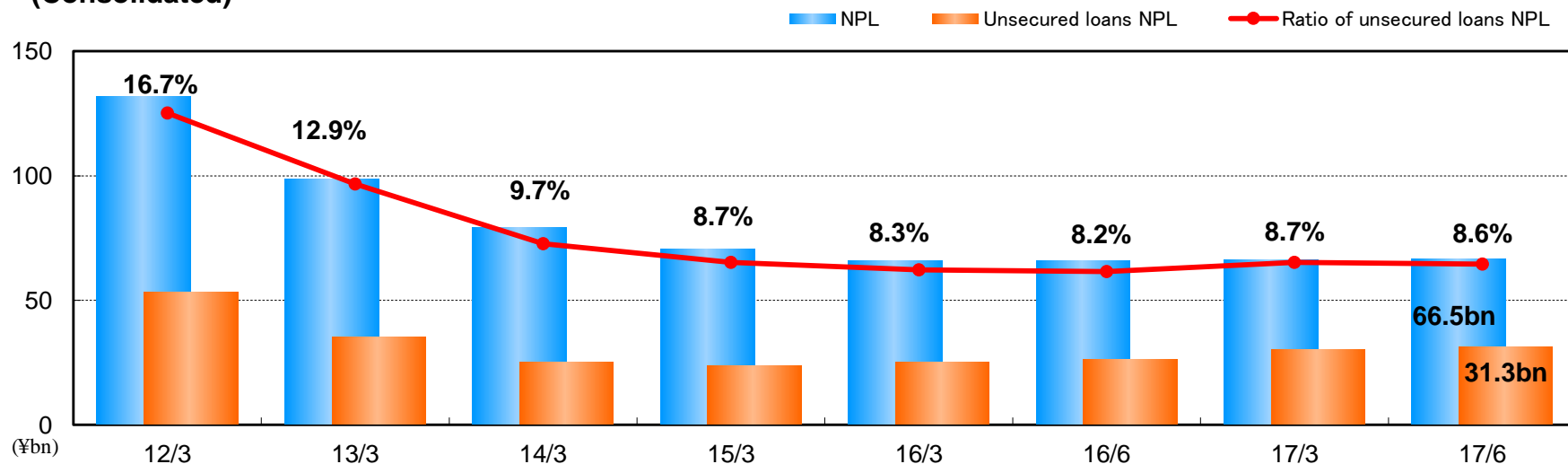
◆ Trends of NPL defined by FSA

(Consolidated)

(Non-consolidated)

(¥ million) (Managed Asset Basis)	16/6	17/6	YOY	16/6	17/6	YOY
Total non-performing loans	65,889	66,493	0.9%	61,263	61,112	-0.2%
Loans in legal bankruptcy	30,648	28,243	-7.8%	30,616	28,208	-7.9%
Non-accrual loans	22,084	24,888	12.7%	20,409	22,914	12.3%
Loans past due for three months or more	4,242	4,959	16.9%	3,979	4,414	10.9%
Restructured loans	8,914	8,402	-5.7%	6,258	5,575	-10.9%
Ratio of loan outstanding and claims in bankruptcy NPL	15.83%	14.60%	-1.23pt	18.63%	17.06%	-1.57pt
Ratio of Unsecured loan NPL	8.22%	8.62%	0.40pt	8.48%	8.89%	0.41pt

(Consolidated)



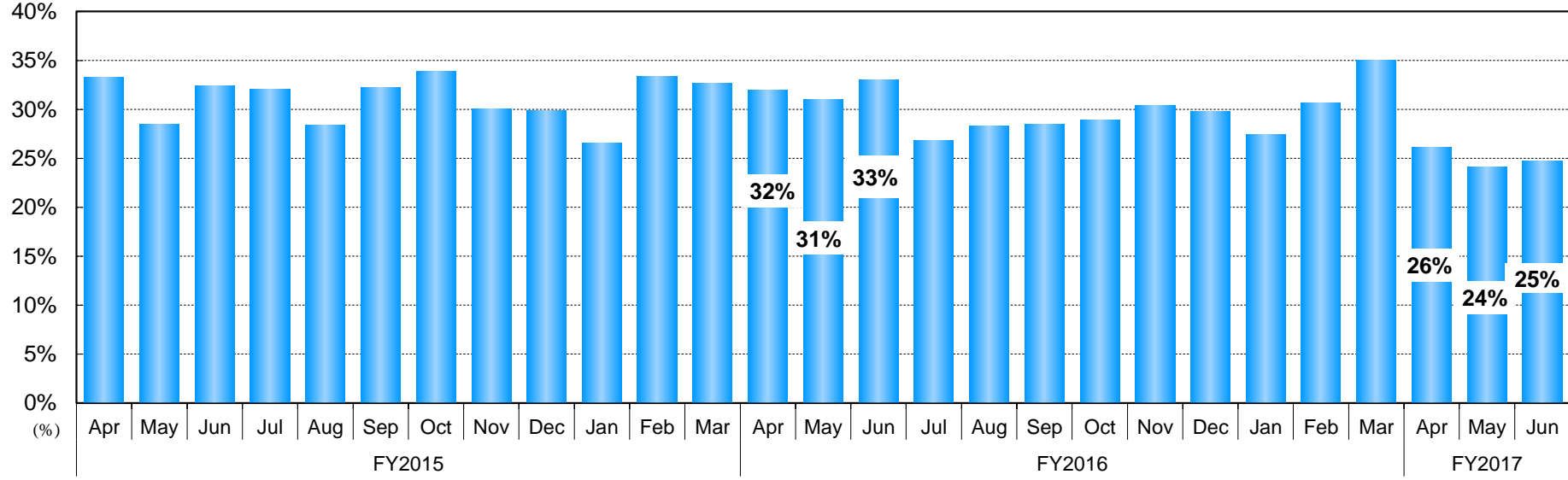
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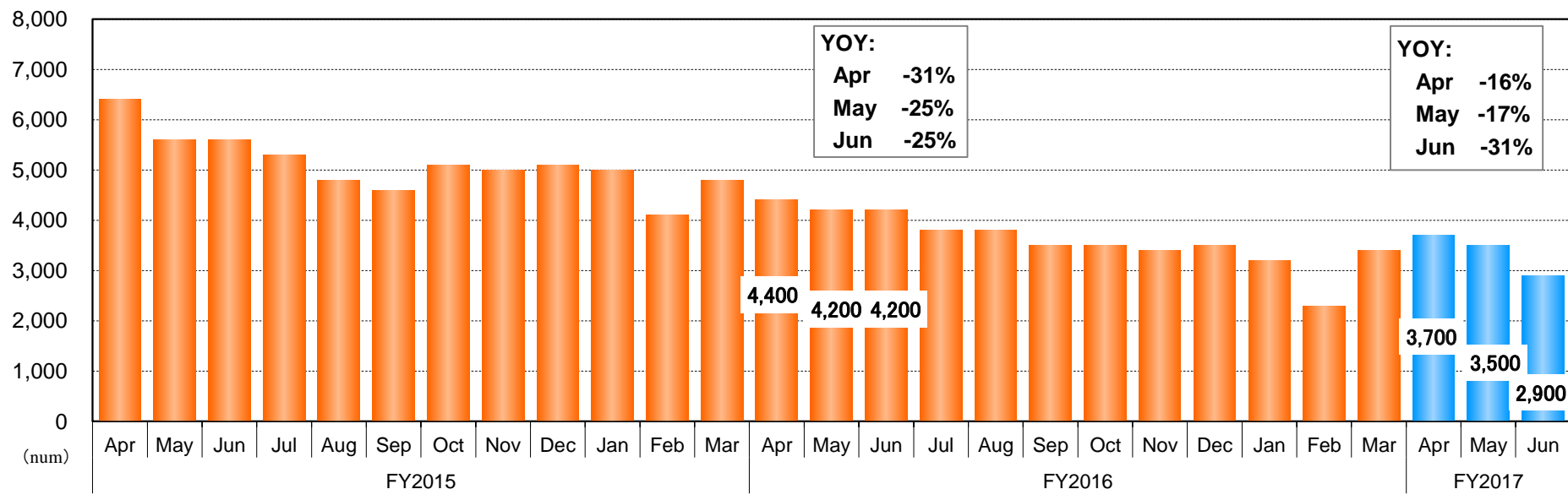
Trends of Interest Repayment (1) : Interest Repayment related Indices

◆ Monthly Figure of Attorney Involvement (non-consolidated)

* May 2007(peak) =100



◆ Monthly Interest Repayment Claims (non-consolidated)





◆ Changes in allowances related to Interest repayment (off-balance)

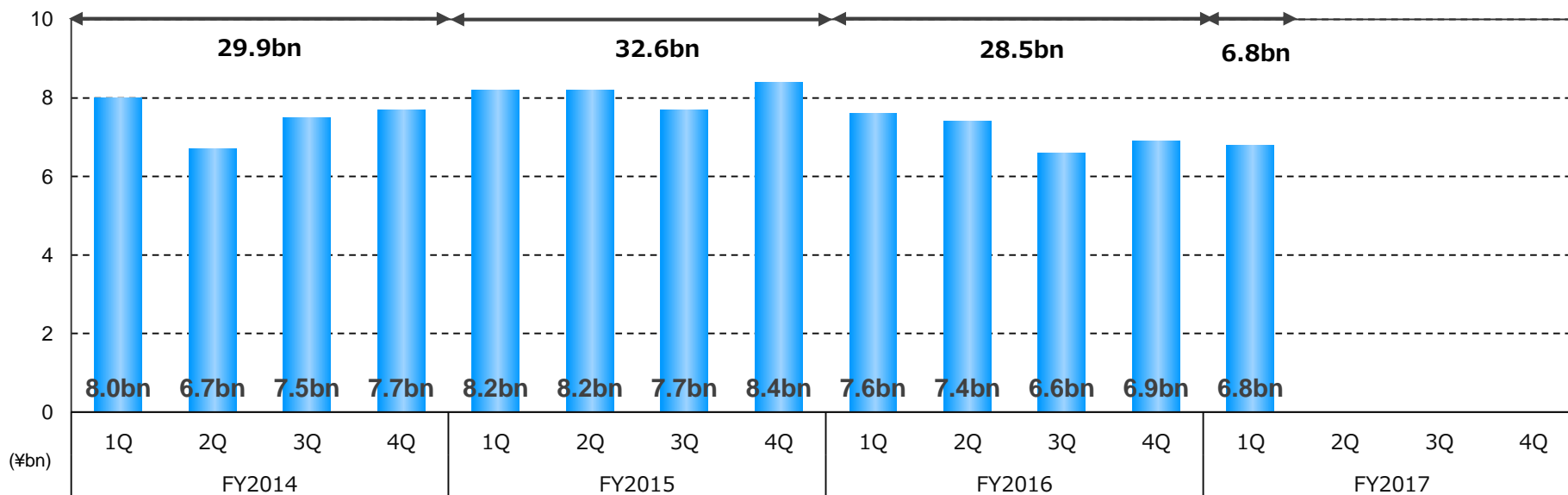
(Consolidated)

(¥ million)	Interest repayment	Waiver of principal	Total
Allowance at the beginning of FY2017	34,640	8,663	43,303
Reversal (Interest repayment)	6,858	-	6,858
Reversal (Waiver of principal)	55	759	814
Provisions	-	-	-
Allowance at the beginning of FY2017 1Q	27,726	7,903	35,629

(Non-consolidated)

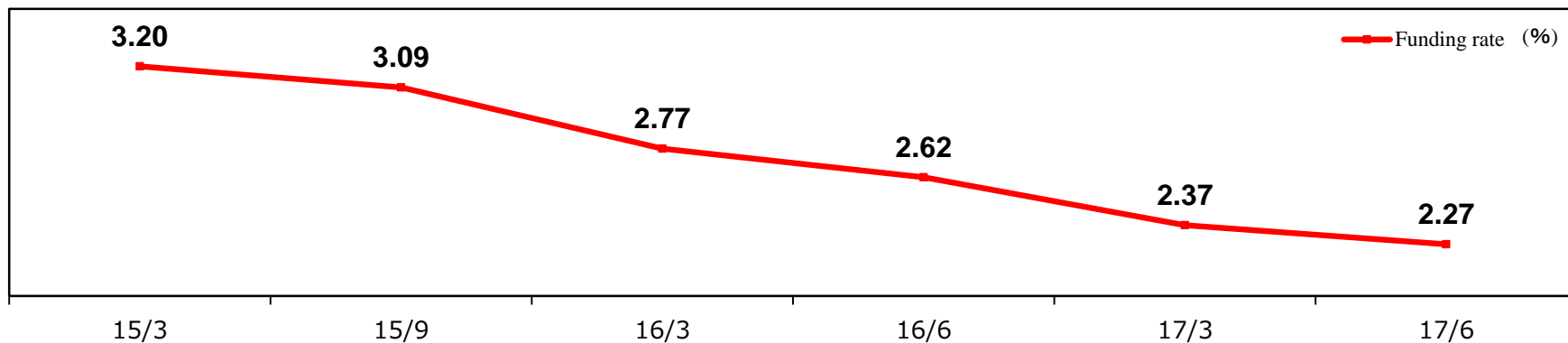
Interest repayment	Waiver of principal	Total
30,994	8,663	39,657
6,532	-	6,532
-	759	759
-	-	-
24,462	7,903	32,366

◆ Trends of reversal of allowances for losses on Interest repayment (Consolidated)

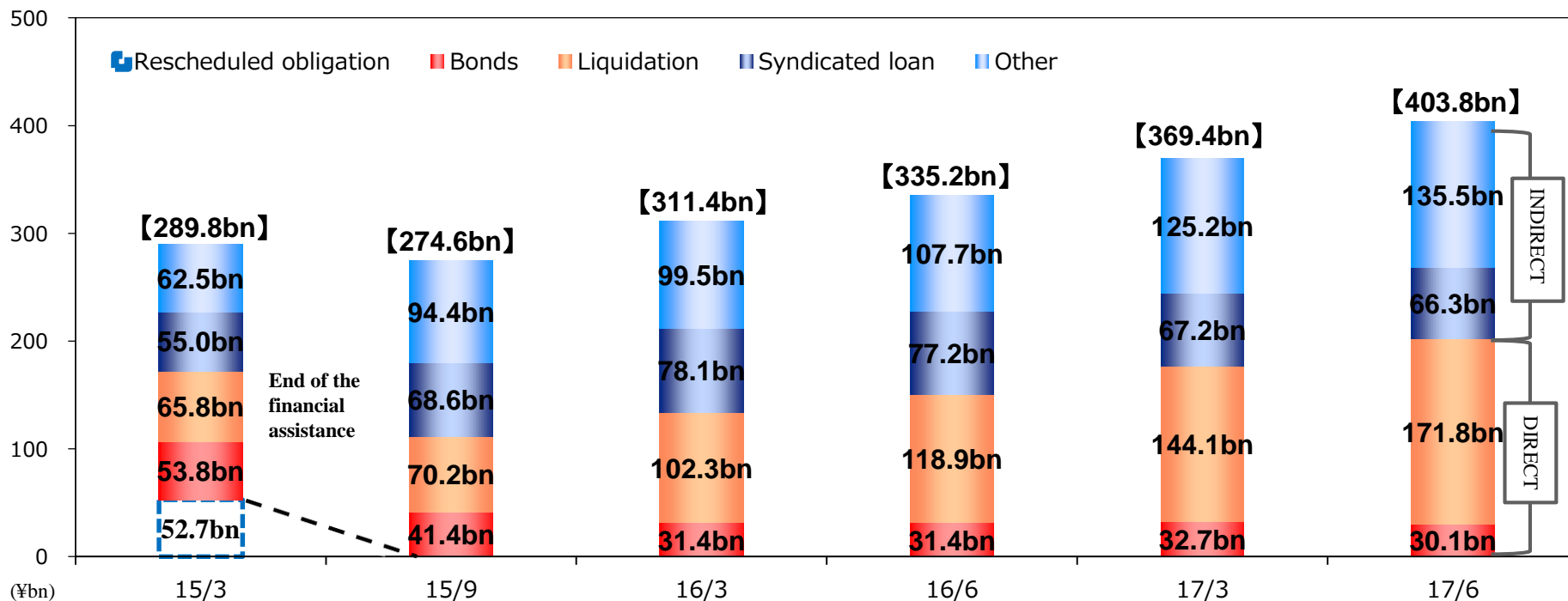




◆ Trends of Consolidated Funding rate



◆ Trends of Consolidated Interest - Bearing Liabilities



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