



January 30, 2008

## Summary of Business Results for the First Three Quarters

For the fiscal year ending March 2008

AIFUL Corporation Stock Listings: 1st Section of Tokyo and Osaka Stock Exchanges  
 Stock Code: 8515 URL <http://www.aiful.co.jp>  
 Representative: Yoshitaka Fukuda, President and Chief Executive Officer  
 Inquiries: Kenichi Kayama, General Manager, Public Relations Department  
 TEL (03) 4503 - 6050

### I. Consolidated Business Results for the First Three Quarters of Fiscal 2007 (April 1, 2007 – December 31, 2007)

#### 1. Consolidated Operating Results

Note: Amounts in financial statements and the supplementary data are rounded down.

(In millions of yen, except where noted; percentage figures show year-on-year change.)

	Operating Revenue		Operating Income		Ordinary Income		Net Income	
First three quarters, FY2007	314,672	(18.2)%	31,609	34.9%	32,196	34.6%	30,591	–
First three quarters, FY2006	384,853	(6.5)%	23,432	(78.5)%	23,925	(78.3)%	(186,414)	–
FY2006	499,031	(9.2)%	(163,801)	–	(163,092)	–	(411,250)	–

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
First three quarters, FY2007	216.07	–
First three quarters, FY2006	(1,316.28)	–
FY2006	(2,903.85)	–

#### 2. Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
End of third quarter, FY2007	2,036,435	278,649	13.4	1,929.11
End of third quarter, FY2006	2,506,808	483,871	19.0	3,364.84
FY2006	2,214,559	257,144	11.4	1,777.44

#### 3. Consolidated Cash Flows

(In millions of yen)

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents at the End of the Period
First three quarters, FY2007	205,486	20,949	(171,305)	182,262
First three quarters, FY2006	170,156	21,931	(134,761)	191,735
FY2006	250,558	13,498	(271,390)	127,089

### II. (Reference) Consolidated Results Forecasts for Fiscal 2007 (April 1, 2007 – March 31, 2008)

(In millions of yen, except where noted; Percentage figures show year-on-year growth)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)	
Full year	403,644	(19.1)%	31,684	–	32,000	–	32,133	–	226.96	

There are no changes to the previously published (November 13, 2007) results forecasts.

### III. Other

1. Transfers of leading subsidiaries during the fiscal period (transfers of specified subsidiaries accompanied by changes in the scope of consolidation): None
2. Use of simplified accounting procedures: None
3. Changes in accounting principles in the most recent fiscal year: None

### (Reference) Highlights of Non-Consolidated Business Results

#### A. Non-Consolidated Business Results for the First Three Quarters of Fiscal 2007 (April 1, 2007 – December 31, 2007)

##### 1. Non-Consolidated Operating Results

(In millions of yen, except where noted; percentage figures show year-on-year growth.)

	Operating Revenue		Operating Income (Loss)		Ordinary Income (Loss)		Net Income (Loss)	
First three quarters, FY2007	181,465	(22.1)%	15,294	13.7%	19,517	10.3%	28,304	–
First three quarters, FY2006	232,985	(10.1)%	13,450	(82.8)%	17,699	(78.7)%	(165,138)	–
FY2006	300,755	(12.4)%	(106,937)	–	(101,225)	–	(359,399)	–

	Net Income per Share (Yen)
First three quarters, FY2007	199.91
First three quarters, FY2006	(1,166.04)
FY2006	(2,537.73)

##### 2. Non-Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
End of third quarter, FY2007	1,510,656	274,210	18.2	1,936.79
End of third quarter, FY2006	1,894,901	449,084	23.7	3,171.00
FY2006	1,660,826	255,005	15.4	1,800.60

#### B. Non-Consolidated Results Forecasts for Fiscal 2007 (April 1, 2007 – March 31, 2008)

(In millions of yen, except where noted; Percentage figures show year-on-year growth)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)	
Full year	235,055	(21.8)%	14,426	–	20,000	–	32,454	–	229.23	

There are no changes to the previously published (November 13, 2007) results forecasts.

##### \* Disclaimer concerning the proper use of business results forecasts

The consolidated and non-consolidated forecasts above are based on information available as of the day of the announcement of this material. Actual results may vary materially due to various unknown future factors.

## Qualitative Information, Financial Statements and Other Information

### I. Qualitative Information Regarding Consolidated Operating Results

The business environment for the AIFUL Group in the third quarter of the current fiscal year remained difficult due to extensive reforms to the makeup of the business, including restructuring, aimed at a proper response to the enforcement of Japan's Money Lending Business Control Law on December 19, 2007 and the standards for self-regulation issued by the Japan Financial Services Association on the same date, as well as such factors as requests for interest repayments, which remain at a high level.

In this environment, the AIFUL Group has been pushing ahead with cost structure reform based on such measures as a large-scale amalgamation and closure of branches. At the same time, the Group has been making consistent efforts aimed at further strengthening its internal control and compliance structures. These efforts include the establishment of the Risk Management Committee in April 2007 with the aims of preventing risk before it arises and maintaining and improving sound corporate management, as well as the enhancement of the Compliance Monitoring Department with the intention of strengthening compliance functions, and the introduction of an executive officer system in June 2007 with the objectives of speeding up business execution functions and clarifying authority and responsibility. Moreover, AIFUL set up a new Auditor's Office in October 2007 as a full-time body to assist with the duties of auditors in order to reinforce auditing functions at AIFUL Corporation and throughout the AIFUL Group.

Furthermore, in its loan business, the AIFUL Group has made efforts to strengthen the business base through such means as the revision of screening criteria and a prompt lowering of the ceiling lending rate, as well as the introduction of special purpose loans, a low interest product that limits the application of funds, as a new product.

As a result of the foregoing, consolidated loans outstanding stood at ¥1,730,135 million, down 12.9% compared the end of the previous fiscal year.

In the credit card business, the number of credit card holders stood at 14.69 million, up 620,000 compared to the end of the previous fiscal year, while transaction volume rose 18.0% year-on-year to ¥491,173. This was the result of efforts to upgrade customer service, which included the issue of a diverse range of co-branded cards, including cards with major medical institutions, distribution companies, and temporary staff agencies, the extension of terms of validity for points, the lowering of interest rates for cash advances, and the bolstering of security. In the per-item credit business, transaction volume declined by 70.6% year-on-year to ¥9,465 million due to such factors as the further tightening up on member store screening criteria in view of social problems caused by pernicious sales practices by some vendors. As a result of the foregoing, the balance of installment receivables fell 10.1% compared to the end of the previous fiscal year to ¥206,638 million, while customers' liabilities for acceptances and guarantees fell 6.6% to ¥132,580 million (includes ¥73,392 million in loans outstanding and ¥40,612 million in installment receivables totaling ¥114,005 million removed from the balance sheet through securitization.).

As a result of the foregoing, the AIFUL Group's consolidated operating revenue for the first three quarters of the current fiscal year stood at ¥314,672 million, down 18.2% year-on-year, with operating income up 34.9% to ¥31,609 million, ordinary income up 34.6% to ¥32,196 million, and net income of ¥30,591 million.

AIFUL's non-consolidated operating revenue amounted to ¥181,465 million, down 22.1% year-on-year, with operating income up 13.7% to ¥15,294 million, ordinary income up 10.3% to ¥19,517 million, and net income of ¥28,304 million.

Looking to the future, the AIFUL Group will strive even harder than ever to become a corporate group that can earn the trust of all its stakeholders based on its management philosophy, which is, "Earn the support of the public with sincerity and hard work."

### II. Qualitative Information Regarding Consolidated Financial Position

#### 1. Changes in Financial Position

Total assets on a consolidated basis declined by ¥178,123 million, or 8.0%, compared to the end of the previous fiscal year to ¥2,036,435 million at the end of the third quarter of the current fiscal year. The reason for the decline was the ¥255,946 million decline in loans outstanding.

Total liabilities fell by ¥199,628 million, or 10.2%, compared to the end of the previous fiscal year to ¥1,757,785 million. This was due to such factors as a ¥43,000 million reduction from the redemption of corporate bonds and a ¥202,982 million reduction from a decline in long-term debts.

Net assets rose by ¥21,505 million, or 8.4%, compared to the end of the previous fiscal year to ¥278,649 million due to such factors as the ¥30,591 million recorded in net income for the first three quarters and the distribution of a ¥7,080 million surplus.

## 2. Cash Flows

Cash flow from operating activities increased ¥205,486 million compared to an increase of ¥170,156 million for the same period last year due to such factors as the decline in receivables outstanding, including loans to customers. Cash flow from investing activities increased ¥20,949 million, compared to an increase of ¥21,931 million for the same period last year, due to such factors as an increase in funds with a reduction in short-term receivables. Cash flow from financing activities declined by ¥171,305 million, compared to a decline of ¥134,761 million for the same period last year, due to such factors as the redemption of corporate bonds and repayment of debts.

As a result of the foregoing, cash and cash equivalents on a consolidated basis rose ¥55,172 million compared to the end of the previous fiscal year to ¥182,262 million at the end of the third quarter of the current fiscal year (¥191,735 million for the same period last year).

## III. Qualitative Information Regarding Consolidated Results Forecasts

The results forecasts for the full year are unchanged as the consolidated operating results for the first three quarters of the current fiscal year show steady progress generally in line with the forecasts published previously on November 13, 2007.

## IV. Other

- |   |      |
|---|------|
| 1. Transfers of leading subsidiaries during the fiscal period (transfers of specified subsidiaries accompanied by changes in the scope of consolidation): | None |
| 2. Use of simplified accounting procedures:   | None |
| 3. Changes in accounting principles in the most recent fiscal year:   | None |

## V. Summary of Consolidated Financial Statements for the First Three Quarters of Fiscal 2007

### 1. Summary of Consolidated Balance Sheets as of the End of the Third Quarter of Fiscal 2007

(In millions of yen, %)

Category	End of third quarter, FY2006 (As of Dec. 31, 2006)	End of current quarter (As of Dec. 31, 2007)	Change		Reference: End of FY2006 (As of Mar. 31, 2007)
	Amount	Amount	Amount	%	Amount
<b>(Assets)</b>					
<b>I. Current assets</b>					
Cash and cash equivalents	191,813	185,349	(6,463)	(3.4)	127,166
Loans	1,991,612	1,656,742	(334,869)	(16.8)	1,912,689
Installment receivables	195,793	166,025	(29,767)	(15.2)	174,923
Customers' liabilities for acceptances and guarantees	145,682	132,580	(13,101)	(9.0)	141,929
Deferred tax assets	18,111	18,592	481	2.7	13,770
Other	98,019	69,813	(28,206)	(28.8)	104,802
Allowance for bad debts	(270,766)	(306,062)	(35,295)	13.0	(379,848)
Total current assets	2,370,266	1,923,042	(447,223)	(18.9)	2,095,434
<b>II. Fixed assets</b>					
Tangible fixed assets	50,126	42,633	(7,493)	(14.9)	42,405
Intangible fixed assets	27,840	23,898	(3,941)	(14.2)	24,868
Good will	7,971	2,502	(5,469)	(68.6)	3,144
Other	19,868	21,395	1,527	7.7	21,723
Investment and other fixed assets	57,927	46,477	(11,449)	(19.8)	51,219
Claims in bankruptcy	34,028	41,867	7,839	23.0	38,988
Other	48,490	32,564	(15,926)	(32.8)	39,956
Allowance for bad debts	(24,591)	(27,953)	(3,361)	13.7	(27,725)
Total fixed assets	135,893	113,009	(22,884)	(16.8)	118,493
<b>III. Deferred assets</b>	647	383	(264)	(40.8)	631
Total assets	2,506,808	2,036,435	(470,372)	(18.8)	2,214,559
<b>(Liabilities)</b>					
<b>I. Current liabilities</b>					
Acceptances and guarantees	145,682	132,580	(13,101)	(9.0)	141,929
Short-term debts	99,680	171,270	71,590	71.8	91,370
Current portion of bonds	44,000	64,000	20,000	45.5	72,000
Current portion of long-term debts	364,324	297,253	(67,071)	(18.4)	332,241
Other	129,705	97,237	(32,467)	(25.0)	105,848
Total current liabilities	783,393	762,341	(21,051)	(2.7)	743,389
<b>II. Long-term liabilities</b>					
Bonds	443,100	389,100	(54,000)	(12.2)	424,100
Long term debts	680,658	442,556	(238,102)	(35.0)	610,551
Reserve for losses on interest repayments	103,189	153,982	50,792	49.2	167,153
Other	12,595	9,805	(2,790)	(22.2)	12,220
Total long-term liabilities	1,239,543	995,443	(244,099)	(19.7)	1,214,025
Total liabilities	2,022,936	1,757,785	(265,151)	(13.1)	1,957,414
<b>(Net Assets)</b>					
<b>Shareholders' equity</b>					
Common stock	83,317	83,317	–	–	83,317
Capital surplus	104,125	104,125	–	–	104,125
Retained earnings	291,301	89,977	(201,324)	(69.1)	66,465
Treasury stock	(2,967)	(3,110)	(142)	4.8	(2,968)
Total shareholders' equity	475,777	274,309	(201,467)	(42.3)	250,940
<b>II. Valuation and translation adjustments</b>					
Differences in valuation of other marketable securities	6,796	3,427	(3,368)	(49.6)	6,536
Loss on deferred hedge	(6,036)	(4,614)	1,422	(23.6)	(5,752)
Total valuation and translation adjustments	759	(1,187)	(1,946)	–	784
<b>III. Minority interests</b>	7,334	5,526	(1,807)	(24.6)	5,419
Total net assets	483,871	278,649	(205,221)	(42.4)	257,144
Total net assets and liabilities	2,506,808	2,036,435	(470,372)	(18.8)	2,214,559

2. Summary of Consolidated Statements of Income for the First Three Quarters of Fiscal 2007

(In millions of yen, %)

Category	First three quarters, FY2006 (Apr. 1 to Dec. 31, 2006)	First three quarters, current fiscal year (Apr. 1 to Dec. 31, 2007)	Change		Reference: FY2006 (Apr. 1, 2006 to Mar. 31, 2007)
	Amount	Amount	Amount	%	Amount
<b>I. Operating revenue</b>					
Interest on loans to customers	346,268	277,309	(68,959)	(19.9)	448,662
Credit card revenue	9,501	11,090	1,588	16.7	12,754
Per-item credit revenue	10,456	5,559	(4,896)	(46.8)	12,998
Credit guarantee revenue	6,958	6,473	(484)	(7.0)	9,186
Other	11,667	14,239	2,571	22.0	15,429
Total operating revenue	384,853	314,672	(70,180)	(18.2)	499,031
<b>II. Operating expenses</b>					
Financial expenses	27,479	25,233	(2,245)	(8.2)	36,615
Cost of sales	2,032	4,092	2,059	101.3	2,829
Operating expenses - other	331,908	253,737	(78,170)	(23.6)	623,387
Total operating expenses	361,420	283,063	(78,357)	(21.7)	662,832
Operating income (loss)	23,432	31,609	8,176	34.9	(163,801)
<b>III. Non-operating income</b>	747	708	(39)	(5.2)	1,064
<b>IV. Non-operating expenses</b>	254	120	(134)	(52.7)	354
Ordinary income (loss)	23,925	32,196	8,271	34.6	(163,092)
<b>V. Extraordinary income</b>	3,213	972	(2,240)	(69.7)	3,744
<b>VI. Extraordinary losses</b>					
Transfer to allowance for bad debts	107,012	0	(107,012)	(100.0)	107,012
Transfer to reserve for losses on interest repayments	69,312	–	(69,312)	(100.0)	69,312
Other	2,057	923	(1,134)	(55.1)	36,589
Total extraordinary losses	178,382	923	(177,459)	(99.5)	212,914
Net income (loss) before taxes	(151,243)	32,246	183,490	–	(372,262)
Tax expenses	34,797	1,542	(33,254)	(95.6)	40,529
Gain (loss) on minority interests	374	111	(262)	(70.1)	(1,540)
Net income (loss)	(186,414)	30,591	217,006	–	(411,250)

3. Summary of Consolidated Statements of Change in Shareholders' Equity for the First Three Quarters of Fiscal 2007 (April 1 – December 31, 2007)

(In millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at March 31, 2007	83,317	104,125	66,465	(2,968)	250,940
Change during the first three quarters					
Distribution of surplus			(4,248)		(4,248)
Distribution of surplus			(2,831)		(2,831)
Net income for the quarter			30,591		30,591
Acquisition of treasury stock				(142)	(142)
			(0)	0	0
Total change during the first three quarters	–	–	23,511	(142)	23,369
Balance at December 31, 2007	83,317	104,125	89,977	(3,110)	274,309

	Valuation and translation adjustments			Minority interests	Total net assets
	Differences in valuation of other marketable securities	Deferred hedge gains (losses)	Total valuation and translation adjustments		
Balance at March 31, 2007	6,536	(5,752)	784	5,419	257,144
Change during the first three quarters					
Distribution of surplus			–		(4,248)
Distribution of surplus			–		(2,831)
Net income for the quarter			–		30,591
Acquisition of treasury stock			–		(142)
Disposal of treasury stock			–		0
Net change for the quarter in items other than shareholders' equity	(3,109)	1,138	(1,971)	107	(1,864)
Total change during the first three quarters	(3,109)	1,138	(1,971)	107	21,505
Balance at December 31, 2007	3,427	(4,614)	(1,187)	5,526	278,649

4. Summary of Consolidated Statements of Cash Flows for the First Three Quarters of Fiscal 2007

(In millions of yen)

	First three quarters, FY2006 (Apr. 1 to Dec. 31, 2006)	First three quarters, current fiscal year (Apr. 1 to Dec. 31, 2007)	Reference: FY2006 (Apr. 1, 2006 to Mar. 31, 2007)
Category	Amount	Amount	Amount
<b>I. Cash flow from operating activities</b>			
Net income (loss) before taxes	(151,243)	32,246	(372,262)
Depreciation expenses	9,724	8,414	13,122
Increase (decrease) in allowance for bad debts	123,643	(73,557)	235,857
Increase (decrease) in reserve for losses on interest repayments	82,115	(13,170)	146,078
Decrease (increase) in loans to customers	132,404	255,946	211,327
Decrease (increase) in installment receivables	13,790	8,896	34,661
Other	(3,821)	(1,241)	14,374
Subtotal	206,613	217,533	283,160
Payments for corporate and other taxes	(36,680)	(12,416)	(32,843)
Other	224	369	242
Cash flow from operating activities	170,156	205,486	250,558
<b>II. Cash flow from investing activities</b>			
Funds used for purchase of tangible fixed assets	(6,327)	(9,781)	(11,268)
Decrease (increase) in short-term receivables	25,004	29,990	20,028
Other	3,255	739	4,739
Cash flow from investing activities	21,931	20,949	13,498
<b>III. Cash flow from financing activities</b>			
Increase in short-term debts	642,690	493,580	746,500
Repayment of short-term debts	(656,210)	(413,680)	(768,330)
Increase in long-term debts	276,336	64,800	374,710
Repayments of long-term debts	(375,399)	(267,783)	(575,964)
Increase (decrease) in corporate bonds	57,321		67,194
Redemption of corporate bonds	(81,000)	(43,000)	(82,000)
Other	1,499	(5,222)	(33,500)
Cash flow from financing activities	(134,761)	(171,305)	(271,390)
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	31	42	45
<b>V. Increase (decrease) in cash and cash equivalents</b>	57,358	55,172	(7,287)
<b>VI. Balance of cash and cash equivalents at the beginning of period</b>	134,376	127,089	134,376
<b>VII. Balance of cash and cash equivalents at the end of period</b>	191,735	182,262	127,089

## VI. Consolidated Results of Operations for the First Three Quarters of Fiscal 2007

### 1. Operating Revenue

(In millions of yen, %)

Item	Period	First three quarters, FY2006 (Apr. 1 to Dec. 31, 2006)		First three quarters, current fiscal year (Apr. 1 to Dec. 31, 2007)		Reference: FY2006 (Apr. 1, 2006 to Mar. 31, 2007)	
		Amount	%	Amount	%	Amount	%
Interest on loans to customers		346,268	90.0	277,309	88.1	448,662	89.9
Unsecured loans		288,701	75.0	234,367	74.5	374,839	75.1
Secured loans		34,040	8.9	24,805	7.9	43,575	8.7
Small business loans		23,526	6.1	18,135	5.8	30,247	6.1
Credit card revenue		9,501	2.5	11,090	3.5	12,754	2.6
Per-item credit revenue		10,456	2.7	5,559	1.8	12,998	2.6
Credit guarantee revenue		6,958	1.8	6,473	2.1	9,186	1.8
Other financial revenue		56	0.0	305	0.1	229	0.0
Other operating revenue		11,611	3.0	13,933	4.4	15,200	3.1
Collection of purchased claims		2,675	0.7	4,934	1.6	3,725	0.8
Revenue from operational investment securities		497	0.1	440	0.1	527	0.1
Other		8,438	2.2	8,557	2.7	10,947	2.2
<b>Total</b>		<b>384,853</b>	<b>100.0</b>	<b>314,672</b>	<b>100.0</b>	<b>499,031</b>	<b>100.0</b>

Note: "Other" included in other operating revenue includes bad debt write-off recovery and card membership fees.

### 2. Other Operating Indicators

Item	Period	End of third quarter, FY2006 (As of Dec. 31, 2006)	End of current quarter (As of Dec. 31, 2007)	Reference: End of FY2006 (As of Mar. 31, 2007)
		Total amount of loans outstanding (millions of yen)	2,067,134	1,730,135
Unsecured loans	1,595,554	1,329,441	1,537,904	
Secured loans	309,761	255,755	291,716	
Small business loans	161,818	144,939	155,642	
Number of customer accounts	3,660,172	3,165,518	3,547,633	
Unsecured loans	3,471,298	3,002,372	3,366,873	
Secured loans	92,352	77,378	87,384	
Small business loans	96,522	85,768	93,376	
Number of branches	2,629	1,217	2,307	
Staffed branches	687	229	364	
Unstaffed branches	1,942	988	1,943	
Number of automatic loan-contracting machines	2,165	1,101	1,872	
Number of loan application processing machines	310	39	304	
Number of ATMs	166,474	164,727	167,238	
Company-owned	2,285	1,204	1,998	
Partner-owned	164,189	163,523	165,240	
Number of employees	6,702	5,233	6,477	

Notes: Total amount of loans outstanding and the number of customer accounts do not include loans and customer accounts related to claims in bankruptcy. Furthermore, off-balance sheet loans outstanding from the securitization of receivables (75,521 million yen at the end of the third quarter of the previous fiscal year, 73,392 million yen at the end of the current quarter, and 72,573 million yen at the end of the previous fiscal year) have been included.