



(Translation for reference only)

August 11, 2010

First Quarter Consolidated Business Results (Under Japanese GAAP) For the fiscal year ending March 2011

Company name: AIFUL Corporation
 Stock Listing: Tokyo Stock Exchange
 Stock Code: 8515
 URL: <http://aiful.jp>
 Representative: Yoshitaka Fukuda, President and Chief Executive Officer
 For inquiry: Kohei Takekura, General Manager of Coordination Department TEL (03) 4503 - 6050
 Scheduled date of submission of quarterly financial report: August 13, 2010
 Scheduled date of commencement of dividend payments : —
 Supplementary materials for the Quarterly Financial results: Yes
 Quarterly Earnings release conference: None

I. Consolidated Business Results for the First Quarter of Fiscal 2010 (April 1, 2010 – June 30, 2010)

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	
1st quarter, FY2010	42,846	(33.5)%	3,414	(7.2)%	2,947	(25.4)%	2,127	(56.9)%
1st quarter, FY2009	64,467	(24.2)%	3,680	(72.4)%	3,950	(72.4)%	4,940	(73.0)%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
1st quarter, FY2010	8.93	—
1st quarter, FY2009	20.74	—

2. Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
End of 1st quarter, FY2010	1,063,194	98,786	8.9	398.38
End of FY2009	1,152,945	97,305	8.1	392.30

Reference: Shareholders' equity for: End of 1st quarter, FY2010: 94,906 million yen
 End of FY2009: 93,456 million yen

II. Dividend Information

(Record date)	Dividend per share (Yen)				
	End of 1st quarter	End of 1st half	End of 3rd quarter	Year-end	Annual
FY2009	—	0.00	—	0.00	0.00
FY2010	—				
FY2010 (Forecast)		0.00	—	0.00	0.00

Note: Revisions to quarterly dividend forecasts: None

III. Consolidated Results Forecasts for Fiscal 2010 (April 1, 2010 – March 31, 2011):

(In millions of yen, except where noted; Percentage figures show year-on-year growth for the full year and growth compared to the same period the previous year for the first half.)

	Operating Revenue		Operating Income		Ordinary Income		Net Income		Net Income per Share (Yen)
First half	76,271	(37.4)	508	—	764	—	(3,247)	—	(13.63)
Full year	140,832	(35.4)	11,917	—	12,330	—	2,821	—	11.84

Note: Revisions to quarterly consolidated earnings forecasts: None

IV. Other (For the details, refer to attached page5 [2. Other information])

(1) Significant changes in scope of consolidation: None

Note: The scope change related to specified subsidiaries during the 1st quarter.

(2) Adoption of simplified accounting procedures and specific accounting polices: None

Note: Adoption of simplified accounting procedures and specific accounting polices for the 1st quarter.

(3) Changes in accounting principles, procedures and methods of presentation

(a) Changes accompanying amendments to accounting standards: Applicable

(b) Changes other than those in (a): None

Note: Changes in accounting principles, procedures and methods of presentation relating to the preparation of quarterly consolidated financial statements recorded under “Changes to Significant Matters Forming the Basis for the Preparation of Quarterly Consolidated Financial Statements”

(4) Number of shares issued and outstanding (Ordinary shares)

(a) Number of shares issued and outstanding at end of fiscal period (including treasury stock)

End of 1st quarter, FY2010: 238,685,568 shares

End of FY2009: 238,685,568 shares

(b) Number of shares of treasury stock issued and outstanding at end of fiscal period

End of 1st quarter, FY2010: 457,058 shares

End of FY2009: 457,058 shares

(c) Average number of shares during fiscal period: (year-to-date quarters)

1st quarter, FY2010: 238,228,510 shares

1st quarter, FY2009: 238,228,842 shares

* (Note: Indication regarding the implementation status of quarterly review procedures)

While this Summary of First Quarter Business Results is not subject to quarterly review procedures under the Financial Instruments and Exchange Act, quarterly review procedures of quarterly consolidated financial statements had in fact been completed in accordance with the Financial Instruments and Exchange Act as of the date this Reports release.

* (Note: Disclaimer concerning the proper use of business results forecasts)

The business results forecasts and other forward-looking statements contained in this Report are based on information currently available to the Company as well as certain assumptions that the AIFUL Group has judged to be reasonable. Accordingly, readers are advised that actual results may vary materially from forecasts due to a variety of factors. With regard to the assumptions and other related matters that underpin business results forecasts, please refer to Supporting Data: “Qualitative Information Regarding Consolidated Business Results Forecasts” on page 5.

Supplementary materials

1. Quarterly qualitative information regarding consolidated business and other results.....	1
(1) Qualitative information regarding consolidated operating results	1
(2) Qualitative information regarding consolidated financial position.....	3
(3) Qualitative information on consolidated earnings forecasts.....	3
2. Other information	3
(1) Significant changes in scope of consolidation	3
(2) Application of simplified accounting procedures and specific accounting polices	4
(3) Changes in accounting principles, procedures and presentation methods.....	4
(4) Overview of Important events affecting premise of going concern.....	4
3. Quarterly Consolidated Financial Statements.....	5
(1) Quarterly Consolidated Balance sheets.....	5
(2) Quarterly Consolidated Statements of Income.....	6
(3) Quarterly Consolidated Statements of Cash Flows.....	7
(4) Notes on premise of going concern	8
(5) Segment and other information	8
(6) Notes in event of significant changes in shareholders' equity.....	8
4. (Reference) Non-consolidated Financial Statements.....	9
(1) [Reference] Quarterly Non-consolidated Balance sheets.....	9
(2) [Reference] Quarterly Non-consolidated Statements of Income.....	10
5. Other Information.....	11
(1) Results of operation (consolidated).....	11
Operating Revenue	11
Other Operating Indicator.....	13

Note: With respect to the Company's consolidated business results for the first quarter of fiscal 2010, the fiscal year ending March 31, 2011, AIFUL will not hold an earnings release conference for analysts and investors. The Company does, however, plan to post in a timely manner all supplementary data and materials on its website following disclosure of this Report.

1. Quarterly Qualitative Information Regarding Consolidated Business and Other Results

(1) Qualitative Information Regarding Consolidated Operating Results

In the first quarter of fiscal 2010, the fiscal year ending March 31, 2011, signs of a modest recovery in the Japanese economy began to emerge. This was attributable to such factors as the positive turnaround in external demand and successful measures implemented by the government to boost economic conditions. Taking into consideration, however, the lack of any material improvement in employment and disposable incomes, coupled with generally weak domestic demand focusing largely on stagnant personal consumption and capital investment, Japan remains far removed from a full-fledged recovery.

In the Japanese consumer finance industry, corporate management continues to confront high demand for interest repayment. This has placed considerable pressure on the industry as a whole forcing many companies to withdraw. With revisions to the Money lending business law taking full effect from June 18, 2010 resulting in restrictions on total lending, and reductions in maximum interest rates under the Capital Subscription Law, companies are increasing the rigor of their credit screening. Despite demand for loans from customers, the market continues to contract. As a result, operating conditions are becoming increasingly severe.

Under these circumstances, and following approval of its Business Revitalization Plan on December 24, 2009, the AIFUL Group has taken positive steps toward revitalizing its businesses utilizing consensual business revitalization alternative dispute resolution procedures (“the ADR process”). Accordingly, the Group is adopting increasingly prudent credit screening measures to enhance the quality of its loan portfolio, and is building a cost structure commensurate with the consolidation of business segments and reduction of operating assets and business scale. Every effort is being made to curtail operating overheads and to improve the Group’s financial standing and profitability. As a part of these endeavors, AIFUL’s Tokyo branch and the head offices of several Group companies were consolidated and relocated to more appropriately priced premises.

In this regard, AIFUL took all necessary measures to prepare for the full enforcement of the revised money lending business law. In addition to the weight placed on low interest rate products for trusted customers, the company systematically tightened up its credit screening procedures. In early June 2010, AIFUL put together an effective internal framework that encompassed an extensive review of its in-house rules, regulations and systems. In this manner, and with little or incident, completed all possible preparation leading up to June 18, 2010.

Looking ahead, prospects for the consumer finance industry remain grim. Expenses are anticipated to increase as a result of persistent high demand for interest repayments. The balance of loans outstanding is projected to fall reflecting stricter credit screening processes on the back of full enforcement of the revised money lending business law. Taking the aforementioned into consideration, profits are forecast to contract. Against this backdrop, the AIFUL Group will pay careful attention to future consumer finance market trends. Adopting a selective and focused approach, the Group will place every emphasis on rebuilding its business by completely restructuring its operations. In this manner, AIFUL is committed to realizing its Business Revitalization Plan.

Overview of the Results

The AIFUL Group’s consolidated operating revenue for the first quarter of fiscal 2010 fell 33.5% compared with the corresponding period of the previous fiscal year to 42,846 million yen. The principal components and their movements were interest on loans, which contracted 39.5% year on year to 31,289 million yen, revenue from the credit card business, which declined 20.4% to 3,519 million yen and revenue in the credit guarantee business, which decreased 15.9% to 1,569 million yen. In contrast, the collection of purchased claims climbed 51.7% to 1,171 million yen while the bad debt write-off recovery edged up 8.7% to 3,325 million yen.

Operating expenses fell 35.1% compared with the corresponding period of the previous fiscal year to 39,431 million yen. After accounting for a transfer to the allowance for bad debts of 15,671 million yen, down 42.8% year on year, this was primarily attributable to successful efforts to reform the Group’s cost structure as a part of the Group’s management rationalization strategy which contributed to a 32.9% fall year on year in general administrative expenses including personnel expenses.

As a result, the AIFUL Group’s consolidated operating income for the first quarter of fiscal 2010 was 3,414 million yen, a decrease of 7.2% compared with the corresponding period of the previous fiscal year. Ordinary income amounted to 2,947 million yen, down 25.4% year on year while net income totaled 2,127 million yen, 56.9% lower than the same period of the previous fiscal year.

Results by business segment are presented as follows.

AIFUL Corporation

Loan business

In preparing for the full enforcement of the revised money lending business law, the Group systemically moved toward low interest rate products for trusted customers while tightening up credit screening in its unsecured loan business.

In the first quarter of fiscal 2010, the number of new contracts signed in the unsecured loan category surged 55.0% compared with the corresponding period of the previous fiscal year to 17,000. This represented a contract rate of 31.2%, up 13.0 percentage points year on year.

As a result, the balance of unsecured loans outstanding as of June 30, 2010 stood at 385,780 million yen, down 9.0% compared with the end of the previous fiscal year.

In the secured loan, The AIFUL Group temporarily suspended sales of personal home equity loans from April 2009 to comply with the introduction of restrictions on total lending.

As a result, the balance of secured loans fell 7.6% to 111,613 million yen compared to March 31, 2010.

In addition to these measures, the waiver of claims accompanying demands for interest repayments, which remained at a high level, also had an effect, and the balance of operating loans as of June 30, 2010 stood at 505,419 million yen, down 8.7% compared with the end of the previous fiscal year.

Credit guarantee business

The AIFUL Group continued its marketing efforts to expand its guarantee affiliations, proposed new products to existing clients, and provided support in sales promotions.

Accounting for the aforementioned factors, the Group secured affiliations with 46 unsecured personal loan companies, and held guarantees for outstanding loans amounting to 25,789 million yen, down 5.0% over the end of fiscal 2009. The Group commenced affiliations with 88 unsecured business loan companies, and held guarantees for outstanding loans totaling 16,923 million yen, down 6.5% over the end of fiscal 2009.

As a result, AIFUL Corporation posted operating revenue of 24,630 million yen, an operating income of 2,434 million yen, an ordinary income of 3,286 million yen, and a net income amounting to 1,918million yen.

LIFE Co., Ltd

Credit card business

In the credit card business, the Group bolstered efforts to acquire new customers focusing largely on the promotion of proper and Aoyama cards. While the Group worked diligently to expand the number of proper card business partners, results were negatively impacted by the review of certain partner contracts. As a result, the number of cardholder members decreased by 230,000 compared with March 31, 2010 to 12,480,000. The volume of credit card transactions accordingly contracted 30.1% compared with the corresponding period of the previous fiscal year to 140,754 million yen.

Accounting for the aforementioned factors, the balance of installment receivables stood at 106,968 million yen, down 12.3% compared with the previous fiscal year-end (this included 8,509 million yen of off-balance sheet installment receivables that were securitized).

Credit guarantee business

LIFE Co., Ltd secured affiliations with 133 unsecured personal loan companies, and held guarantees for outstanding loans amounting to 52,305 million yen, down 3.6% over the end of fiscal 2009. Also commenced affiliations with 15 unsecured business loan companies, and held guarantees for outstanding loans totaling 599 million yen, down 8.4% over the end of fiscal 2009.

As a result, operating revenue at the end first quarter amounted to 14,104 million yen, an operating income was 269 million yen and, ordinary income and net income were 387 million yen and 35million yen.

Other

The status of business activities not recorded within reporting segments is presented as follows.

BUSINEXT Corporation

Cautious credit screening criteria continue to apply with respect to business loans in light of the current deterioration in economic sentiment among small and medium-sized companies. On this basis, the balance of business loans as of June 30, 2010 stood at 62,874 million yen, down 2.6% compared with the previous fiscal year-end.

AsTry Loan Services Corporations

The loan servicing business continued to confront harsh business conditions due largely to concerns surrounding lengthy delays in collection on the back of deterioration in the economic environment. As a result, the balance of purchase claims at the end of the first quarter of fiscal 2010 came to 5,056 million yen, a decline of 9.4% compared with the previous fiscal year-end.

Turning to the aggregate of business activities undertaken by six consolidated subsidiaries (BUSINEXT Corporation, AsTry Loan Services Corporation, Marutoh KK, City's Corporation, City Green Corporation and New Frontier Partners Co., Ltd.) not included in reported reporting segments, operating revenue amounted to 4,178 million yen. From a profit perspective, operating income was 56 million yen, while ordinary loss and net loss were 6 million yen and 54 million yen, respectively.

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets on a consolidated basis declined 89,750 million yen, or 7.8%, compared to the end of the previous fiscal year to 1,063,194 million yen at the end of the first quarter. This was primarily due to a 66,896 million yen decline in loans outstanding due to stricter lending criteria.

Total liabilities as of June 30, 2010 stood at 964,408 million yen, a decrease of 91,231 million yen, or 8.6%, compared with the previous fiscal year-end. The principal factors contributing to this decline were the repayment of bonds and debts, which led to a drop of 53,661 million yen and the application of reserve for losses on interest repayments for a decrease of 20,906 million yen.

Net assets edged up 1,480 million yen, or 1.5%, compared with the end of the previous fiscal year to 98,786 million yen. This was largely attributable to the posting of quarterly net income.

(Cash Flows)

Cash and cash equivalents ("funds") fell 6,090 million yen, or 4.7%, compared to the end of the previous fiscal year to 122,658 million yen.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 45,926 million yen, a decrease of 28.6% compared with the corresponding period of the previous fiscal year. During the period under review, the increase in funds caused by the decline in operating receivables including loans to customers exceeded the decline in funds due to the drop in the allowance for doubtful accounts and the decrease in reserve for losses on interest payments.

(Cash flows from investing activities)

Net cash provided by investing activities totaled 1,603 million yen, up 152.6% year on year. This was mainly attributable to proceeds provided by sales of investment securities as well as proceeds provided by sales of tangible fixed assets.

(Cash flow from financing activities)

Net cash used for financing activities amounted to 53,601 million yen, down 42.0% year-on-year, due to the repayment of borrowings and the redemption of bonds.

(3) Qualitative Information on Consolidated Earnings Forecasts

Earnings for the first quarter of fiscal 2010 have been moving steadily in line with the forecasts previously announced on May 12, 2010. As a result, there are no changes to the earnings forecasts for the second quarter (cumulative) and full fiscal year of fiscal 2010.

2. Other Information

(1) Transfers of leading subsidiaries during the fiscal period (transfers of specified subsidiaries accompanied by changes in the scope of consolidation): None

(2)Application of simplified accounting procedures and specific accounting polices in preparing quarterly consolidated financial statements: None

(3)Changes in accounting principles, procedures and presentation methods:

(Asset retirement obligations)

Effective from the first quarter of fiscal 2010, the fiscal year ending March 31, 2011, AIFUL has applied the Accounting Standard for Asset Retirement Obligations (Accounting Standards Board of Japan (ASBJ) Statement No. 18 released on March 31, 2008) and the Guidance on Accounting Standard for Asset Retirement Obligations (ASBJ Guidance No. 21 released on March 31, 2008).

As a result, operating income and ordinary income decreased by 20 million yen, respectively, and net income before taxes declined by 1,298 million yen.

In addition, the amount of asset retirement obligation change totaled 1,637 million yen following the application of the aforementioned accounting standard and guidance.

(4) Overview of important events affecting premise of going concern

The AIFUL Group has traditionally raised short-term and long-term funds through various methods, including borrowing from financial institutions, issuing bonds and securitizing loan receivables. However, the AIFUL Group's fund-raising environment has become difficult due to a variety of factors including increased expenses as the result of demands for excess interest repayments and the recent dramatic deterioration in fund-raising markets.

Taking into consideration the aforementioned circumstances, there are concerns that the AIFUL Group will encounter difficulties in producing sufficient funds to sustain its business requirements. On this basis, conditions arose during the fiscal year ended March 31, 2010 that cast significant doubt on the premises that underpin the AIFUL Group as a going concern.

In order to resolve this situation, the AIFUL Group applied on September 24, 2009 for Business Revitalization Procedures using an ADR process in order to improve its earning capacity and financial strength with the goal of revitalizing and reinforcing its business. At a meeting of participating creditors held on December 24, 2009, the AIFUL Group received approval to its application and Business Revitalization Plan which includes the provision of financial support. As a result, Business Revitalization Procedures using an ADR process were adopted.

As a result of the implementation of specific strategies compiled in the Business Revitalization Plan, the AIFUL Group has determined that material uncertainty surrounding the premises that underpin the Group as a going concern is not justified.

3. Quarterly Consolidated Financial Statements

(1) Quarterly Consolidated Balance Sheets for the First Quarter of Fiscal 2010

(In millions of yen)

	First Quarter of the current FY (As of June 30, 2010)	Prior fiscal year (condensed) (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	122,663	128,755
Operating Loans	769,031	835,928
Installment receivables	108,558	125,990
Operational investment securities	770	787
Customers' liabilities for acceptances and guarantees	95,617	100,152
Other operating receivables	11,988	12,288
Purchased receivables	5,056	5,579
Other	51,481	51,715
Allowance for investment loss	(128)	(74)
Allowance for doubtful accounts	(191,324)	(203,478)
Total current assets	973,713	1,057,644
Fixed assets		
Tangible fixed assets	29,218	30,107
Intangible fixed assets	15,200	16,304
Investments and other fixed assets	44,943	48,750
Total fixed assets	89,362	95,161
Deferred assets	118	138
Total assets	1,063,194	1,152,945
Liabilities		
Current liabilities		
Notes & accounts payable trade	14,880	20,273
Acceptances and guarantees	95,617	100,152
Short-term borrowings	52,245	61,205
Current portion of bonds	84,210	105,610
Current portion of long-term debt	52,737	45,231
Income taxes payable	209	644
Reserves	3,017	4,039
Other	33,413	40,028
Total current liabilities	336,330	377,185
Long-term liabilities		
Bonds	142,600	152,600
Long-term debts	263,114	283,922
Allowance for losses on interest repayments	217,002	237,909
Negative goodwill	816	870
Other	4,544	3,152
Total long-term liabilities	628,077	678,454
Total liabilities	964,408	1,055,639
Net Assets		
Shareholders' equity		
Common stock	143,324	143,324
Capital surplus	164,133	164,133
Retained earnings	(208,148)	(210,275)
Treasury stock	(3,110)	(3,110)
Total shareholders' equity	96,198	94,071
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(1,292)	(615)
Total valuation and translation adjustments	(1,292)	(615)
Minority interests	3,880	3,849
Total net assets	98,786	97,305
Total net assets and liabilities	1,063,194	1,152,945

(2) Quarterly Consolidated Statements of Income for the First Quarter of Fiscal 2010

(In millions of yen)

	First Quarter of the prior FY (Apr. 1 to June 30, 2009)	First Quarter of the Current FY (Apr. 1 to June 30, 2010)
Operating revenue		
Interest on loans to customers	51,744	31,289
Revenue from Credit card business	4,419	3,519
Revenue from Installment sales finance business	631	258
Revenue from Credit guarantee	1,865	1,569
Other financial revenue	37	12
Other operating revenue	5,769	6,196
Total operating revenue	64,467	42,846
Operating expenses		
Financial expenses	5,610	3,325
Cost of sales	620	898
Other operating expenses	54,555	35,206
Total operating expenses	60,786	39,431
Operating income	3,680	3,414
Non-operating income		
Dividends income	99	83
Amortization of negative goodwill	54	54
Other	131	122
Total non-operating income	285	260
Non-operating expenses		
Foreign exchange losses	—	706
Other	15	20
Total non-operating expenses	15	727
Ordinary income	3,950	2,947
Extraordinary income		
Gain on sales of investment securities	1,114	463
Reversal of provision for bonuses	579	—
Other	109	315
Total extraordinary income	1,803	779
Extraordinary losses		
Loss on disposal of fixed assets	118	—
Non-recurring loss	231	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,277
Other	48	311
Total extraordinary losses	398	1,589
Income before taxes	5,355	2,137
Income taxes-current	160	39
Income taxes-deferred	262	(61)
Total taxes	422	(22)
Income before minority interests	—	2,159
Minority interests in income(loss)	(7)	32
Net income	4,940	2,127

(3) Quarterly Consolidated Statements of Cash Flows for the First Quarter of Fiscal 2010

(In millions of yen)

	First Quarter of the prior FY (Apr. 1 to June 30, 2009)	First Quarter of current FY (Apr. 1 to June 30, 2010)
Cash flow from operating activities		
Income before taxes	5,355	2,137
Depreciation and amortization	2,315	2,017
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,277
Amortization of goodwill	(54)	(54)
Increase decrease in allowance for investment loss	—	261
Increase (decrease) in allowance for doubtful accounts	(20,551)	(12,767)
Increase (decrease) in allowance for losses on interest repayments	(9,610)	(20,906)
Losses on disposal of fixed assets	118	—
Interest and dividends income	(115)	(85)
Loss (gain) on sales of investment securities	(1,114)	(463)
Decrease (increase) in loans to customers	109,573	66,896
Decrease (increase) in installment receivables	(3,183)	17,432
Decrease (increase) in other operating receivables	699	823
Decrease (increase) in claims in bankruptcy	539	2,010
Decrease (increase) in operating guarantee deposits	—	667
Decrease (increase) in other current assets	(15,397)	230
Increase (decrease) in other current liabilities	(1,933)	(12,115)
Increase (decrease) due to other operating activities	(1,942)	(1,202)
Subtotal	64,696	46,158
Interest and dividends income	115	85
Income taxes paid	(447)	(317)
Cash flow from operating activities	64,364	45,926
Cash flow from investing activities		
Purchase of tangible fixed assets	(428)	(150)
Proceeds from sales of tangible fixed assets	—	874
Purchase of intangible fixed assets	(438)	(379)
Proceeds from sales of investment securities	1,192	772
Other	308	487
Cash flow from investing activities	634	1,603
Cash flow from financing activities		
Proceeds from short-term borrowings	83,300	25,080
Repayment of short-term borrowings	(84,840)	(34,040)
Increase (decrease) in commercial paper	(10,000)	—
Proceeds from long-term debts	500	—
Repayments of long-term debts	(63,390)	(13,300)
Redemption of bonds	(16,800)	(31,310)
Purchase of treasury stock	(0)	—
Cash dividends paid	(1,191)	—
Repayment of finance lease	(13)	(16)
Other	—	(14)
Cash flow from financing activities	(92,435)	(53,601)
Effect of exchange rate changes on cash and cash equivalents	18	(19)
Increase (decrease) in cash and cash equivalents	(27,417)	(6,090)
Balance of cash and cash equivalents at the beginning of period	131,597	128,748
Balance of cash and cash equivalents at the end of period	104,180	122,658

(4) Notes on premise of going concern

The first quarter of the fiscal year under review (April 1, 2010 to June 30, 2010): None

(5) Segment and other information

Segment information by type of business

The first quarter of the previous fiscal year (April 1, 2009 to June 30, 2009)

The Company has omitted segment information by type of business, as the consumer loan business accounts for more than 90% of total operating revenues and operating income of the aggregate total of all of the Company's business segments.

Segment information by region

The first quarter of the previous fiscal year (April 1, 2009 to June 30, 2009)

This item is not applicable as the Company does not maintain any consolidated subsidiary of important office in countries or regions outside of Japan.

Overseas sales

The first quarter of the previous fiscal year (April 1, 2009 to June 30, 2009)

This item is not applicable as the Company does not have any overseas sales.

Segment Information

(1) Overview of reporting segments

The Company's reporting segments are constituent units of the AIFUL Group for which separate financial information is available. The Company's Board of Directors periodically examines these segments for the purpose of deciding the allocation of management resources and evaluating operating performance.

As a result, the principal operating companies AIFUL Corporation and LIFE Co., Ltd. have been positioned as the reporting segments of the AIFUL Group.

AIFUL Corporation is primarily engaged in the loan and credit guarantee businesses. LIFE Co., Ltd. is mainly conducts credit card and credit guarantee activities.

(2) Information relating to operating revenues as well as profit and loss by reporting segment

The first quarter of the fiscal year under review (April 1, 2010 to June 30, 2010)

(In millions of yen)

	Reportable segments			Other	Total
	AIFUL	LIFE	Total		
Operating Revenue					
Operating income from third parties	24,621	14,078	38,700	4,145	42,846
Inter-segment sales	8	25	33	33	66
Total	24,630	14,104	38,734	4,178	42,912
Segment profits	1,918	35	1,953	(54)	1,898

The "Other" classification comprises businesses not included in reporting segments and encompasses the activities of BUSINEXT Corporation, AsTry Loan Services Corporation and related companies.

(3) The amount and principal details of the difference between the total profit or loss of reporting segments and amounts posted on the Company's quarterly consolidated statement of income

(Matters relating to difference adjustment)

(In millions of yen)

Income	Amount
Reporting segment total	1,953
Profit categorized in "Other"	(54)
Inter-segment eliminations	173
Amortization of goodwill	54
Quarterly net income posted to quarterly consolidated statement of income	2,127

(Additional information)

Effective from the first quarter of the fiscal year ending March 31, 2011, the Company has adopted the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17 released on March 27, 2009) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20 released on March 21, 2008).

(6) Notes in event of significant changes in shareholders' equity

The first quarter of the fiscal year under review (April 1, 2010 to June 30, 2010): None

4. (Reference) Non-Consolidated Financial Statements

Note: Quarterly non-consolidated financial statements have been prepared by the Company on a voluntary basis and are in accordance with the regulations regarding quarterly financial statement.

(1) [Reference] Quarterly Non-Consolidated Balance Sheets for the First Quarter of Fiscal 2010

(In millions of yen)

	First Quarter of the current FY (As of June 30, 2010)	Prior fiscal year (condensed) (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	107,505	105,836
Operating loans	505,419	553,476
Customers' liabilities for acceptances and guarantees	42,712	45,248
Other	34,860	35,289
Allowance for doubtful accounts	(142,446)	(154,143)
Total current assets	548,051	585,708
Fixed assets		
Tangible fixed assets	17,456	17,458
Intangible fixed assets	7,859	8,401
Investment and other fixed assets	221,999	246,825
Total fixed assets	247,315	272,685
Deferred assets	118	138
Total assets	795,485	858,532
Liabilities		
Current liabilities		
Acceptances and guarantees	42,712	45,248
Short-term borrowings	2,825	11,125
Current portion of bonds	84,210	105,610
Current portion of long-term debt	1,620	7,723
Income taxes payable	108	269
Reserve	638	1,072
Other	12,602	12,281
Total current liabilities	144,716	183,330
Long-term liabilities		
Bonds	142,600	152,600
Long-term debt	188,696	188,696
Allowance for losses on interest repayments	179,718	197,160
Other	2,908	1,208
Total long-term liabilities	513,923	539,665
Total liabilities	658,639	722,995
Net Assets		
Shareholders' equity		
Common stock	143,324	143,324
Capital surplus	150,232	150,232
Retained earnings	(152,325)	(154,243)
Treasury stock	(3,110)	(3,110)
Total shareholders' equity	138,121	136,203
Valuation and translation adjustments		
Valuation differences on available-for-sale securities	(1,276)	(666)
Total valuation and translation adjustments	(1,276)	(666)
Total net assets	136,845	135,536
Total net assets and liabilities	795,485	858,532

Note: These quarterly balance sheets were prepared in accordance with the Regulation for Quarterly Financial Statements but are not reviewed as part of legally mandated disclosure.

(2) Quarterly Non-Consolidated Statements of Income for the First Quarter of Fiscal 2010

(In millions of yen)

	First Quarter of the prior FY (Apr. 1 to June 30, 2009)	First quarter of the current FY (Apr. 1 to June 30, 2010)
Operating revenue		
Interest on loans to customers	33,324	21,470
Other financial revenue	17	0
Other operating revenue	3,057	3,159
Total operating revenue	36,398	24,630
Operating expenses		
Financial expenses	4,299	2,359
Other operating expenses	31,201	19,836
Total operating expenses	35,500	22,195
Operating income	897	2,434
Non-operating income		
Interest on loans	1,139	565
Other	321	296
Total non-operating income	1,460	861
Non-operating expenses		
Foreign exchange losses	—	4
Other	7	3
Total non-operating expenses	7	8
Ordinary income	2,351	3,286
Extraordinary income		
Gain on sales of investment securities	—	371
Reversal allowance for doubtful accounts	1,000	—
Reversal of provision for bonuses	407	—
Other	94	90
Total extraordinary income	1,502	461
Extraordinary losses		
Loss on disposal of fixed assets	70	—
Non-recurring loss	231	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,277
Other	26	404
Total extraordinary losses	328	1,682
Income before taxes	3,524	2,066
Income taxes-current	23	10
Refunds on income taxes	—	137
Total taxes	23	148
Net income	3,501	1,918

Note: These quarterly statements of income were prepared in accordance with the Regulation for Quarterly Financial Statements but are not reviewed as part of legally mandated disclosure.

5. Other Information

Results of Operations (Consolidated) Operating Revenue

(In millions of yen, %)

Item	Period	First Quarter of the prior FY (Apr. 1 to June 30, 2009)		Reference: FY2009 (Apr. 1, 2009 to Mar. 31, 2010)	
		Amount	%	Amount	%
Interest on loans to customers		51,744	80.3	170,662	78.2
Unsecured loans		42,389	65.8	137,394	63.0
Secured loans		5,619	8.7	20,026	9.2
Small business loans		3,735	5.8	13,240	6.0
Revenue from Credit card		4,419	6.8	17,824	8.2
Revenue from Installment sales finance business		631	1.0	1,726	0.8
Revenue from Credit guarantee		1,865	2.9	7,034	3.2
Other financial revenue		37	0.1	143	0.1
Other operating revenue		5,769	8.9	20,711	9.5
Revenue from operational investment securities		10	0.0	24	0.0
Collection of purchased receivables		772	1.2	3,205	1.5
Recovery of loans previously charged off		3,059	4.7	11,252	5.2
Other		1,926	3.0	6,228	2.8
Total		64,467	100.0	218,102	100.0

Note 1 Included in the "Other" category of "Operating revenue — other" are card membership revenue and related items

Note 2 The aforementioned amounts are exclusive of consumption and related taxes

(Unit: million yen; %)

Item	Period	First Quarter of the current FY (April 1 to June 30, 2010)	
		Amount	%
AIFUL CCORPORATION	Interest on loans to customers	21,470	50.1
	Unsecured loans	17,531	40.9
	Secured loans	3,595	8.4
	Small business loans	342	0.8
	Revenue from Installment sales finance business	40	0.1
	Revenue from Credit guarantee	906	2.1
	Other financial revenue	0	0.0
	Other operating revenue	2,205	5.2
	Recovery of loans previously charged off	2,184	5.1
	Other	20	0.1
Subtotal	24,621	57.5	
LIFE Co., LTD	Interest on loans to customers	7,050	16.5
	Unsecured loans	7,021	16.4
	Secured loans	28	0.1
	Revenue from Credit card	3,519	8.2
	Revenue from Installment sales finance business	218	0.5
	Revenue from Credit guarantee	663	1.5
	Other financial revenue	12	0.0
	Other operating revenue	2,614	6.1
	Recovery of loans previously charged off	1,123	2.6
	Other	1,490	3.5
Subtotal	14,078	32.8	
OTHER	Interest on loans to customers	2,769	6.5
	Unsecured loans	6	0.0
	Secured loans	355	0.9
	Small business loans	2,406	5.6
	Other financial revenue	0	0.0
	Other operating revenue	1,376	3.2
	Revenue from operational investment securities	34	0.1
	Collection of purchased receivables	1,171	2.7
	Recovery of loans previously charged off	17	0.0
	Other	153	0.4
Subtotal	4,145	9.7	
Total	42,846	100.0	

Note 1 Segment classifications are consistent with segment information classifications

Note 2 Included in the "Other" category of "Operating revenue — other" for LIFE Co., Ltd. are card membership revenue and related items

Note 3 The aforementioned amounts are exclusive of consumption and related taxes

Other Operating indicator

Item	Period	First Quarter of the prior FY (As of June 30, 2009)	First Quarter of the current FY (As of June 30, 2010)	Reference: End of FY2009 (As of Mar. 31, 2010)
Total amount of loans outstanding (millions of yen)		1,217,079	784,680	856,762
Unsecured loans		919,159	576,974	634,249
Secured loans		194,198	128,906	138,649
Small business loans		103,720	78,799	83,864
Number of customer accounts		2,481,665	1,845,431	1,966,402
Unsecured loans		2,358,049	1,751,384	1,866,809
Secured loans		59,152	43,489	46,075
Small business loans		64,464	50,558	53,518
Number of branches		964	669	670
Staffed branches		127	32	33
Unstaffed branches		837	637	637
Number of automatic loan-contracting machines		937	669	669
Number of ATMs		163,486	164,730	154,781
Company-owned		1,017	670	670
Partner-owned		162,469	164,060	154,111
Number of employees		4,590	2,179	2,514

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 operating loans from the securitization of receivables (36,299 million yen at the end of the first quarter of the previous fiscal year, 15,649 million yen at the end of the current quarter, and 20,834 million yen at the end of the previous fiscal year) have been included.