

(Translation for reference only)

February 9, 2010

Consolidated Business Results (Under Japanese GAAP) For the First Three Quarters of the Fiscal year ending March 2011,

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 Stock Listing: Tokyo Stock Exchange
 Stock Code: 8515
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 Supplementary materials for the Quarterly Financial results: Yes
 Quarterly Earnings release conference: —

I. Consolidated Business Results for the Third Quarter of Fiscal 2010 (April 1, 2010 – December 31, 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	
First three quarters, FY2010	116,440	(32.8)%	11,951	—%	10,651	—%	9,689	—%
First three quarters, FY2009	173,230	(28.7)%	(255,554)	—	(254,708)	—	(283,816)	—

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
First three quarters, FY2010	40.67	—
First three quarters, FY2009	(1,191.36)	—

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 third quarter, FY2010	917,934	106,300	11.2	430.74
End of FY2009	1,152,945	97,305	8.1	392.30

Reference: Shareholders' equity for: End of 3rd quarter, FY2010: 102,613 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	—	0.00	—		
FY2010 (Forecast)				0.00	0.00

Note: Revisions to quarterly dividend forecasts: None

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

Note: Revisions to quarterly consolidated earnings forecasts: None

The operating environment of the Japanese consumer finance industry has been increasingly shrouded in a cloud of uncertainty due to such factors as the enforcement of the Money lending business act and anxiety concerning of substantial increase in demand for interest repayment. At this time, AIFUL is unable to establish its earnings forecast, due largely to difficulties in estimating reasonable earnings projections. In the event, during the period under review, that AIFUL is in position to disclose earnings forecast, it undertakes to do so in a timely matter.

IV. Other

(1) Significant changes in scope of consolidation: None

Note: The scope change related to specified subsidiaries during the first three quarters.

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

Note: Adoption of simplified accounting procedures and specific accounting polices for the first three quarters.

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

(a) Changes accompanying amendments to accounting standards: Yes

(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 third 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 third quarter, FY2010: 457,133 shares

End of FY2009: 457,058 shares

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

First three quarter, FY2010: 238,228,471 shares

First three quarter, FY2009: 238,228,747 shares

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

While this Summary of First Half 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.

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1. Quarterly Qualitative Information Regarding Consolidated Business and Other Results

(1) Qualitative Information Regarding Consolidated Operating Results

Throughout the first three quarters of fiscal 2010, the fiscal year ending March 31, 2011, the future of the Japanese economy remained shrouded in uncertainty. Despite signs of a modest economic recovery on the back of a positive turnaround in external demand and the underlying strength provided by measures aimed at stimulating business activity, this uncertainty was fueled by the harsh employment environment and a slump in disposable income levels.

Turning to Japan's consumer finance industry, market scale continues to contract despite the demand for funds. As a result, the operating environment is becoming increasingly harsh. This is largely attributable to the failure of a major consumer finance company on the back of claims for interest repayment, which continue to hover at a high level, the introduction of controls on total lending limits and reductions in maximum interest rates pursuant to the Capital Subscription Law.

Under these circumstances, the AIFUL Group is working diligently to adopt prudent credit screening measures that help build a quality loan portfolio, establish a cost structure commensurate with the scale of its operating assets and business and curtail operating overheads by implementing such wide-ranging initiatives as the consolidation of branches. Through these means, the Group is endeavoring to steadily execute its Business Revitalization Plan, approved on December 24, 2009 utilizing consensual business revitalization alternative dispute resolution procedures ("the ADR process"), and to improve its financial standing and profitability.

Concerned about such factors as the substantial increase in claims for interest repayment which led to the collapse of a major consumer finance company and the potential for further deterioration in the industry's operating environment, the AIFUL Group decided to terminate the LIFE Play card consumer finance service of LIFE Co., Ltd. ("Life") in late March 2011, close the East Japan Contact Center (Tama City, Tokyo) at the end of June 2011 and to progressively integrate the Center's various functions into the West Japan Contact Center (Kusatsu City, Shiga Prefecture). For its part, AIFUL Corporation ("AIFUL" or "the Company") suspended its television commercial campaign from November 2010 and is implementing measures aimed at strengthening its operating structure including further cutbacks in unstaffed branches, cost reductions and efforts to enhance business efficiency.

Looking ahead, the consumer finance industry is expected to remain entrenched in a difficult operating environment. From a management perspective, the most pressing concerns are the increased expense burden attributable to persistent claims for interest repayment and the drop in profit due largely to the decline in the balance of loans outstanding. Despite this bleak assessment, the AIFUL Group will continue to steadily address its obligations in accordance with its Business Revitalization Plan. At the same time, every effort will be made to improve the quality of its loan portfolio, consolidate as much as possible its organizational structure and business by adopting a selective and focused approach and channel management resources toward core business activities based on the Group's business reorganization policy.

In specific terms, Life's credit sales (credit card and installment sales finance) business as well as the previously acquired credit guarantee and insurance businesses will be transferred to Life Card Co., Ltd. ("New Life"), a wholly owned Life subsidiary established in July 2010 by way of corporate spinoff and merger. In addition, the policy is in place to merge Life, following the aforementioned corporate spinoff and merger, City's Corporation ("City's"), which engages in small business loan operations, City Green Corporation, the holding company for City's and Marutoh KK, a real estate business, (all four companies recognized as the absorbed companies) with AIFUL as the surviving company.

Following the implementation of this Group reorganization, the Group will consolidate its consumer finance business under the AIFUL brand and the credit sales and credit card business under the Life brand. In this manner, steps will be taken to develop each of these businesses by leveraging their brand recognition value to full advantage. In addition, AIFUL will work tirelessly to improve business efficiencies across the entire Group through such measures as the consolidation of head office operations and back office divisions as well as integration of the credit management and debt collection divisions.

(Overview of the Results)

The AIFUL Group's consolidated operating revenue for the first three quarters of fiscal year 2010 fell 32.8% compared with the corresponding period of the previous fiscal year to 116,440 million yen. The principal components and their movements were interest on loans, which contracted 38.0% year on year to 84,589 million yen, revenue from the credit card business, which declined 30.0% to 9,535 million yen and revenue in the credit guarantee business, which decreased 17.7% to 4,445 million yen. In contrast, the collection of purchased claims climbed 6.9% to 2,899 million yen while the bad debt write-off recovery edged up 13.7% to 9,845 million yen.

Operating expenses fell 75.6% compared with the corresponding period of the previous fiscal year to 104,489 million yen. After accounting for a provision to the loss on interest repayment of 16,294 million yen, down 91.8% and allowance for doubtful accounts of 29,875 million yen, down 79.5% 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 30.9% fall year on year in general administrative expenses including personnel expenses to 47,085 million yen.

As a result, the AIFUL Group's consolidated operating income for the first three quarters of fiscal year 2010 was 11,951 million yen and ordinary income amounted to 10,651 million yen, while net income totaled 9,689 million yen.

Results by business segment are presented as follows.

(AIFUL Corporation)

Loan business

In its unsecured loan business, AIFUL is actively marketing low interest rate products to its trusted customers and systematically tightening up its screening procedures in preparation for full enforcement of the money lending business act. Complementing these endeavors, the Company is developing products that address the finance needs of its customers in a timely fashion.

In the first three quarters of fiscal 2010, the number of new contracts signed in the unsecured loan category surged 22.4% compared with the corresponding period of the previous fiscal year to 43 thousand. This represented a contract rate of 28.3%, up 8.9 percentage point year on year.

As a result, the balance of unsecured loans outstanding as of December 31, 2010 stood at 313,000 million yen, down 26.1% compared with the end of the previous fiscal year.

In its secured and business loan activities, AIFUL has revamped its personal home equity loans for owner proprietors and companies, which it temporarily suspended in September 2010. In addition to recommencing sales, the Company is introducing new business loan products.

As a result, the balance of secured loans fell 22.6% to 93,568 million yen compared to March 31, 2010 and balance of business loans fell 10.1% to 8,016 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 December 31, 2010 stood at 414,585 million yen, down 25.1% compared with the end of the previous fiscal year.

Credit guarantee business

Turning to the Group's credit guarantee business, AIFUL renewed its credit guarantee affiliation product for business operators in Miyazaki Prefecture. Under this scheme prospective customers can lodge applications at any office of the Miyazaki Commerce and Industry Association or the Miyazaki Chamber of Commerce and Industry. Furthermore, AIFUL 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 47 unsecured personal loan companies, and held guarantees for outstanding loans amounting to 23,535 million yen, down 13.3% over the end of fiscal year 2009. The Group commenced affiliations with 87 unsecured business loan companies, and held guarantees for outstanding loans totaling 14,981 million yen, down 17.2% over the end of fiscal year 2009.

As a result, AIFUL Corporation posted operating revenue of 67,674 million yen, an operating income of 17,696 million yen, an ordinary income of 19,711 million yen, and a net income amounting to 18,027million yen.

(LIFE Co., Ltd)

Credit card business

In the credit card business, the Group bolstered its Website marketing channel, strengthened efforts to acquire new customers focusing primarily on the promotion of proper and Aoyama cards. While steps were taken to actively expand the number of proper card business partners, results were negatively impacted by the review of certain partner contracts, a slump in consumption and other factors. On this basis, the number of cardholder members decreased by 5.88million compared with March 31, 2010 to 6.83million. The volume of credit card transactions accordingly contracted 42.3% compared with the corresponding period of the previous fiscal year to 360,183 million yen.

Accounting for the aforementioned factors, the balance of installment receivables stood at 84,347 million yen, down 30.9% compared with the previous fiscal year-end (this included 5,233 million yen of off-balance sheet installment receivables that were securitized).

Loan business

In addition to pursuing measures in preparation for full enforcement of the money lending business act, the AIFUL Group has decided to terminate the LIFE Play card consumer finance designated service of its loan business taking into consideration its current operating environment.

Accounting for all of the aforementioned factors, the total amount of loans outstanding in the Life's loan business stood at 157,775 million yen as of December 31, 2010. This represented a drop of 25.4% compared with the end of the previous fiscal year. The total amount included 4,154 million yen in off-balance sheet receivables that were securitized.

Credit guarantee business

LIFE Co., Ltd secured affiliations with 131 unsecured personal loan companies, and held guarantees for outstanding loans amounting to 47,579 million yen, down 12.3% over the end of fiscal year 2009. Also commenced affiliations with 15 unsecured business loan companies, and held guarantees for outstanding loans totaling 452 million yen, down 30.9% over the end of fiscal year 2009.

As a result, operating revenue at the end first three quarters amounted to 37,435 million yen, an operating loss was 8,070 million yen and, ordinary loss and net loss were 9,777 million yen and 9,420 million 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 December 31, 2010 stood at 60,669 million yen, down 6.0% 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 three quarters of fiscal 2010 came to 4,604 million yen, a decline of 17.5% compared with the previous fiscal year-end.

Turning to the aggregate of business activities undertaken by seven consolidated subsidiaries (BUSINEXT Corporation, AsTry Loan Services Corporation, Marutoh KK, City's Corporation, City Green Corporation and New Frontier Partners Co., Ltd., Life Card Co., Ltd) not included in reported reporting segments, operating revenue amounted to 11,506 million yen. From a profit perspective, operating income was 703 million yen, while ordinary income and net income were 556 million yen and 564 million yen, respectively.

(2) Qualitative Information Regarding Consolidated Financial Position

Total assets on a consolidated basis declined 235,010 million yen, or 20.4%, compared to the end of the previous fiscal year to 917,934 million yen at the end of third quarter. This was primarily due to 187,607 million yen decline in loans outstanding due to stricter lending criteria.

Total liabilities as of December 31, 2010 stood at 811,633 million yen, a decrease of 244,006 million yen, or 23.1%, 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 149,722 million yen and the application of allowance for losses on interest repayments for a decrease of 53,855 million yen.

Net assets edged up 8,995 million yen, or 9.2%, compared with the end of the previous fiscal year to 106,300 million yen. This was largely attributable to the posting of quarterly net income.

(Cash Flows)

Cash and cash equivalents ("funds") fell 22,112 million yen, or 17.2%, compared to the end of the previous fiscal year to 106,636 million yen.

(Cash flows from operating activities)

Net cash provided by operating activities amounted to 125,412 million yen, a decrease of 37.9% 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 allowance for losses on interest payments.

(Cash flows from investing activities)

Net cash provided by investing activities totaled 1,192 million yen. 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 148,680 million yen, up 21.8% year-on-year, due to the repayment of borrowings and the redemption of bonds.

(3) Qualitative Information on Consolidated Earnings Forecasts

The AIFUL Group continues diligently to engage in activities aimed at rebuilding its business including thoroughgoing efforts to reform the Group's cost structure. Based on its Business Revitalization Plan, the Group is working to bolster its business base. Recently, however, the operating environment of the Japanese consumer finance industry has been increasingly shrouded in a cloud of uncertainty due to such factors as the enforcement of the money lending business act. At the same time, the impact of a major consumer finance company to petition for protection under the Corporate Reorganization Act has exacerbated conditions. This has led to anxiety concerning a substantial increase the demand for interest repayment.

Under this backdrop of an operating environment characterized by significant uncertainty, AIFUL is unable to establish its earnings forecasts for the full fiscal year ending March 2011 (April 1, 2010 – March 30, 2011) due largely to difficulties in estimating reasonable earnings projections. In the event, during the period under review, that AIFUL is in a position to disclose earnings forecasts, it undertakes to do so in a timely manner.

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 year 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 9 million yen, respectively, and net income before taxes declined by 1,299 million yen in first three quarters.

In addition, the amount of asset retirement obligation change totaled 1,628 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.

For the third quarter cumulative of the fiscal year under review, AIFUL completed its first scheduled reimbursement on September 30, 2010 to customers totaling 10,000 million yen in accordance with its Business Revitalization Plan.

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

(In millions of yen)

	Third Quarter of the current FY (As of December 31, 2010)	Prior fiscal year (condensed) (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	106,641	128,755
Operating Loans	648,320	835,928
Installment receivables	87,502	125,990
Operational investment securities	764	787
Customers' liabilities for acceptances and guarantees	86,549	100,152
Other operating receivables	11,703	12,288
Purchased receivables	4,604	5,579
Other	42,645	51,715
Allowance for investment loss	(127)	(74)
Allowance for doubtful accounts	(153,193)	(203,478)
Total current assets	835,409	1,057,644
Fixed assets		
Tangible fixed assets	27,984	30,107
Intangible fixed assets	13,083	16,304
Investments and other fixed assets	41,379	48,750
Total fixed assets	82,448	95,161
Deferred assets	76	138
Total assets	917,934	1,152,945
Liabilities		
Current liabilities		
Notes & accounts payable trade	10,201	20,273
Acceptances and guarantees	86,549	100,152
Short-term borrowings	48,150	61,205
Current portion of bonds	76,500	105,610
Current portion of long-term debt	39,044	45,231
Income taxes payable	292	644
Reserves	2,859	4,039
Other	23,938	40,028
Total current liabilities	287,536	377,185
Long-term liabilities		
Bonds	72,200	152,600
Long-term debt	262,951	283,922
Allowance for losses on interest repayments	184,053	237,909
Negative goodwill	707	870
Other	4,184	3,152
Total long-term liabilities	524,096	678,454
Total liabilities	811,633	1,055,639
Net Assets		
Shareholders' equity		
Common stock	143,324	143,324
Capital surplus	164,133	164,133
Retained earnings	(200,586)	(210,275)
Treasury stock	(3,110)	(3,110)
Total shareholders' equity	103,761	94,071
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(1,147)	(615)
Total valuation and translation adjustments	(1,147)	(615)
Subscription rights to shares	16	—
Minority interests	3,671	3,849
Total net assets	106,300	97,305
Total net assets and liabilities	917,934	1,152,945

(2) Quarterly Consolidated Statements of Income
[First Three Quarters of Fiscal year 2010]

(In millions of yen)

	First Three Quarters of the prior FY (Apr. 1 to Dec. 31, 2009)	First Three Quarters of the current FY (Apr. 1 to Dec. 31, 2010)
Operating revenue		
Interest on loans to customers	136,405	84,589
Revenue from Credit card business	13,631	9,535
Revenue from Installment sales finance business	1,520	624
Revenue from Credit guarantee	5,399	4,445
Other financial revenue	104	57
Other operating revenue	16,169	17,187
Total operating revenue	173,230	116,440
Operating expenses		
Financial expenses	14,777	9,098
Cost of sales	2,128	2,134
Other operating expenses	411,878	93,255
Total operating expenses	428,784	104,489
Operating income (loss)	(255,554)	11,951
Non-operating income		
Dividends income	—	184
Amortization of negative goodwill	—	163
Foreign exchange gain	376	—
Other	684	274
Total non-operating income	1,060	622
Non-operating expenses		
Foreign exchange losses	—	1,856
Provision for investment loss	116	—
Other	98	66
Total non-operating expenses	214	1,922
Ordinary income (loss)	(254,708)	10,651
Extraordinary income		
Gain on sales of investment securities	1,114	538
Reversal of provision for bonuses	579	—
Gain on retirement of bond	—	1,108
Other	311	297
Total extraordinary income	2,005	1,944
Extraordinary losses		
Impairment loss	—	1,147
Business structure improvement expenses	7,071	—
Loss on transfer of business	6,141	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,277
Other	11,637	616
Total extraordinary losses	24,850	3,041
Income (loss) before taxes	(277,553)	9,554
Income taxes-current	782	111
Income taxes-deferred	7,310	(73)
Total taxes	8,092	38
Income before minority interests	—	9,516
Minority interests in income (loss)	(1,828)	(173)
Net income (loss)	(283,816)	9,689

[Third Quarter of Fiscal year 2010]

(In millions of yen)

	Third quarter of the prior FY (Oct. 1 to Dec. 31, 2009)	Third quarter of the current FY (Oct. 1 to Dec. 31, 2010)
Operating revenue		
Interest on loans to customers	39,458	25,251
Revenue from Credit card business	4,619	2,869
Revenue from Installment sales finance business	404	162
Revenue from Credit guarantee	1,734	1,400
Other financial revenue	28	10
Other operating revenue	5,179	5,704
Total operating revenue	51,423	35,397
Operating expenses		
Financial expenses	4,077	2,773
Cost of sales	673	797
Other operating expenses	43,116	25,079
Total operating expenses	47,867	28,649
Operating income	3,556	6,747
Non-operating income		
Dividends income	—	90
Foreign exchange gain	369	—
Amortization of negative goodwill	—	54
Others	235	72
Total non-operating income	605	216
Non-operating expenses		
Foreign exchange losses	—	432
Others	12	12
Total non-operating expenses	12	445
Ordinary income	4,149	6,519
Extraordinary income		
Gain on liquidation of derivatives	100	—
Liquidation dividends	32	—
Gain on retirement of bond	—	1,019
Others	20	0
Total extraordinary income	153	1,019
Extraordinary losses		
Impairment loss	—	1,120
Provision for business structure improvement	2,615	—
Loss on cancellation of hedge accounting	1,596	—
Others	172	171
Total extraordinary losses	4,384	1,292
Income (loss) before taxes	(81)	6,246
Income taxes-current	416	35
Income taxes-deferred	2,210	(5)
Total taxes	2,627	29
Income before minority interest	—	6,217
Minority interests in income (loss)	(1,210)	(71)
Net income (loss)	(1,498)	6,288

(3) Quarterly Consolidated Statements of Cash Flows

(In millions of yen)

	First Three Quarters of the prior FY (Apr. 1 to Dec. 31, 2009)	First Three Quarters of the current FY (Apr. 1 to Dec. 31, 2010)
Cash flow from operating activities		
Income (loss) before taxes	(277,553)	9,554
Depreciation and amortization	6,888	5,883
Impairment loss	4,662	1,147
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,277
Amortization of goodwill	(163)	(163)
Increase (decrease) in allowance for doubtful accounts	38,099	(53,724)
Increase (decrease) in allowance for losses on interest repayments	136,798	(53,855)
Increase (decrease) in allowance for investment loss	1,552	235
Increase (decrease) in allowance for credit card point redemption	—	659
Increase (decrease) in allowance for business structure improvement	3,528	(1,201)
Loss on disposal of fixed assets	564	—
Interest and dividends income	(234)	(192)
Gain on retirement of bond	—	(1,108)
Loss (gain) on sales of investment securities	(1,114)	(538)
Loss (gain) on transfer of business	6,141	—
Decrease (increase) in loans to customers	315,334	187,607
Decrease (increase) in installment receivables	(11,328)	38,487
Decrease (increase) in other operating receivables	2,057	1,560
Decrease (increase) in claims in bankruptcy	1,541	6,190
Decrease (increase) in business security deposits	—	1,316
Decrease (increase) in other current assets	(19,361)	8,869
Increase (decrease) in other current liabilities	(5,387)	(26,254)
Other	(180)	(322)
Subtotal	201,846	125,427
Interest and dividends income	234	192
Income taxes refund	568	154
Income taxes paid	(592)	(361)
Cash flow from operating activities	202,056	125,412
Cash flow from investing activities		
Proceeds from withdrawal of time deposits	705	—
Purchase of tangible fixed assets	(550)	(1,452)
Proceeds from sales of tangible fixed assets	—	1,130
Purchase of intangible fixed assets	(2,164)	(1,103)
Proceeds from sales of investment securities	1,251	1,205
Payment for sales of investments in subsidiaries resulting in change in scope of consolidation	(432)	—
Proceeds from transfer of loan to affiliated companies	5,000	—
Decrease (increase) in lease and guarantee deposits	(15,242)	—
Other	316	1,413
Cash flow from investing activities	(11,117)	1,192

(In millions of yen)

	First Three Quarters of the prior FY (Apr. 1 to Dec. 31, 2009)	First Three Quarters of the current FY (Apr. 1 to Dec. 31, 2010)
Cash flow from financing activities		
Proceeds from short-term borrowings	202,110	107,670
Repayment of short-term borrowings	(227,489)	(120,725)
Increase (decrease) in commercial paper	(10,000)	—
Proceeds from long-term debts	12,700	12,100
Repayments of long-term debts	(124,803)	(39,257)
Redemption of bonds	(41,400)	(108,405)
Purchase of treasury stock	(0)	(0)
Cash dividends paid	(1,191)	—
Repayment of finance lease	(46)	(48)
Other	—	(14)
Cash flow from financing activities	(190,120)	(148,680)
Effect of exchange rate changes on cash and cash equivalents	27	(37)
Increase (decrease) in cash and cash equivalents	847	(22,112)
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	132,444	106,636

(4) Notes on premise of going concern

First three quarters of the fiscal year under review (April 1, 2010 to December 31, 2010): None

(5) Segment information

Segment information by type of business

First three quarters of the previous fiscal year (April 1, 2009 to December 31, 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

First three quarters of the previous fiscal year (April 1, 2009 to December 31, 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

First three quarters of the previous fiscal year (April 1, 2009 to December 31, 2009)

This item is not applicable as the Company does 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 loan business, credit card and credit guarantee activities.

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

First three quarters of the fiscal year under review (April 1, 2010 to December 31, 2010)

(In millions of yen)

	Reportable segments			Other	Total
	AIFUL	LIFE	Total		
Operating Revenue					
Operating income from third parties	67,658	37,373	105,032	11,408	116,440
Inter-segment sales	15	62	77	97	175
Total	67,674	37,435	105,109	11,506	116,616
Segment profits (loss)	18,027	(9,420)	8,607	(564)	8,043

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)

First three quarters of the fiscal year under review (April 1, 2010 to December 31, 2010)

(In millions of yen)

Income	Amount
Reporting segment total	8,607
Profit categorized in "Other"	(564)
Inter-segment eliminations	1,482
Amortization of goodwill	163
Quarterly net income posted to quarterly consolidated statement of income	9,689

(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

First three quarters of the fiscal year under review (April 1, 2010 to December 31, 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

	(In millions of yen)	
	Third Quarter of the current FY (As of December 31, 2010)	Prior fiscal year (condensed) (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	86,950	105,836
Operating loans	414,585	553,476
Customers' liabilities for acceptances and guarantees	38,517	45,248
Other	27,842	35,289
Allowance for doubtful accounts	(106,979)	(154,143)
Total current assets	460,916	585,708
Fixed assets		
Tangible fixed assets	16,696	17,458
Intangible fixed assets	6,764	8,401
Investment and other fixed assets	194,326	246,825
Total fixed assets	217,788	272,685
Deferred assets	75	138
Total assets	678,779	858,532
Liabilities		
Current liabilities		
Acceptances and guarantees	38,517	45,248
Short-term borrowings	—	11,125
Current portion of bonds	76,500	105,610
Current portion of long-term debt	—	7,723
Income taxes payable	154	269
Reserves	410	1,072
Other	8,233	12,281
Total current liabilities	123,816	183,330
Long-term liabilities		
Bonds	72,200	152,600
Long-term debt	180,309	188,696
Allowance for losses on interest repayments	146,422	197,160
Other	2,825	1,208
Total long-term liabilities	401,757	539,665
Total liabilities	525,573	722,995
Net Assets		
Shareholders' equity		
Common stock	143,324	143,324
Capital surplus	150,232	150,232
Retained earnings	(136,215)	(154,243)
Treasury stock	(3,110)	(3,110)
Total shareholders' equity	154,230	136,203
Valuation and translation adjustments		
Valuation differences on available-for-sale securities	(1,040)	(666)
Total valuation and translation adjustments	(1,040)	(666)
Subscription rights to shares	16	—
Total net assets	153,206	135,536
Total net assets and liabilities	678,779	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
[First Three Quarters of the Fiscal year 2010]

(In millions of yen)

	First Three Quarters of the prior FY (Apr. 1 to Dec. 31, 2009)	First Three Quarters of the current FY (Apr. 1 to Dec. 31, 2010)
Operating revenue		
Interest on loans to customers	89,727	58,346
Other financial revenue	48	21
Other operating revenue	8,873	9,305
Total operating revenue	98,649	67,674
Operating expenses		
Financial expenses	11,198	6,304
Cost of sales	—	43
Other operating expenses	326,176	43,629
Total operating expenses	337,374	49,977
Operating income (loss)	(238,725)	17,696
Non-operating income		
Interest on loans	3,057	1,367
Other	831	705
Total non-operating income	3,888	2,072
Non-operating expenses		
Foreign exchange losses	—	11
Loss on investment in anonymous association	—	13
Provision for investment loss	116	12
Other	72	19
Total non-operating expenses	189	57
Ordinary income (loss)	(235,026)	19,711
Extraordinary income		
Gain on sales of investment securities	—	371
Reversal of provision for bonuses	407	—
Gain on retirement of bond	—	1,108
Other	274	5
Total extraordinary income	681	1,485
Extraordinary losses		
Loss on valuation of investment securities	5,693	—
Provision for doubtful account	—	1,337
Provision for business structure improvement	7,034	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	—	1,277
Other	14,240	398
Total extraordinary losses	26,967	3,012
Income (loss) before taxes	(261,312)	18,184
Income taxes-current	65	32
Income taxes-deferred	3,310	124
Total taxes	3,375	157
Net income (loss)	(264,687)	18,027

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.

[Third Quarter of the Fiscal year 2010]

(In millions of yen)

	Third quarter of the prior FY (Oct. 1 to Dec. 31, 2009)	Third quarter of the current FY (Oct. 1 to Dec. 31, 2010)
Operating revenue		
Interest on loans to customers	26,818	17,675
Other financial revenue	12	0
Other operating revenue	2,842	3,061
Total operating revenue	29,672	20,737
Operating expenses		
Financial expenses	2,972	1,874
Cost of sales	—	43
Other operating expenses	18,677	9,151
Total operating expenses	21,649	11,068
Operating income	8,023	9,668
Non-operating income		
Interest on loans	851	376
Other	276	249
Total non-operating income	1,128	625
Non-operating expenses		
Other	9	13
Total non-operating expenses	9	13
Ordinary income	9,141	10,280
Extraordinary income		
Gain on liquidation of derivative	100	—
Liquidation dividends	32	—
Gain on retirement of bond	—	1,019
Other	0	—
Total extraordinary income	132	1,019
Extraordinary losses		
Provision for doubtful accounts	—	1,035
Loss on cancellation of hedge accounting	1,596	—
Other	424	160
Total extraordinary losses	2,021	1,196
Income before taxes	7,253	10,103
Income taxes-current	19	10
Income taxes-deferred	—	(5)
Total taxes	19	5
Net income	7,234	10,098

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

(1) Results of Operations (Consolidated) Operating Revenue

(In millions of yen, %)

Item	Period	Previous quarter (Apr. 1 to Dec. 31, 2009)		Reference: FY2009 (Apr. 1, 2009 to Mar. 31, 2010)	
		Amount	%	Amount	%
Interest on loans to customers		136,405	78.7	170,662	78.2
Unsecured loans		110,216	63.6	137,394	63.0
Secured loans		15,876	9.2	20,026	9.2
Small business loans		10,312	5.9	13,240	6.0
Revenue from Credit card		13,631	7.9	17,824	8.2
Revenue from Installment sales finance business		1,520	0.9	1,726	0.8
Revenue from Credit guarantee		5,399	3.1	7,034	3.2
Other financial revenue		104	0.1	143	0.1
Other operating revenue		16,169	9.3	20,711	9.5
Revenue from operational investment securities		16	0.0	24	0.0
Collection of purchased receivable		2,712	1.5	3,205	1.5
Recovery of loans previously charged off		8,656	5.0	11,252	5.2
Other		4,783	2.8	6,228	2.8
Total		173,230	100.0	218,102	100.0

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

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

(Unit: million yen; %)

Item	Period	Current First three quarters (Apr. 1 to Dec. 31, 2010)	
		Amount	%
AIFUL CCORPORATION	Interest on loans to customers	58,346	50.1
	Unsecured loans	47,613	40.9
	Secured loans	9,760	8.4
	Small business loans	972	0.8
	Revenue from Installment sales finance business	122	0.1
	Revenue from Credit guarantee	2,577	2.2
	Other financial revenue	21	0.0
	Other operating revenue	6,590	5.7
	Recovery of loans previously charged off	6,465	5.6
	Other	125	0.1
	Subtotal	67,658	58.1
LIFE Co., LTD	Interest on loans to customers	18,276	15.7
	Unsecured loans	18,180	15.6
	Secured loans	95	0.1
	Revenue from Credit card	9,535	8.2
	Revenue from Installment sales finance business	502	0.4
	Revenue from Credit guarantee	1,868	1.6
	Other financial revenue	34	0.0
	Other operating revenue	7,155	6.2
	Recovery of loans previously charged off	3,329	2.9
	Other	3,825	3.3
	Subtotal	37,373	32.1
OTHER	Interest on loans to customers	7,966	6.8
	Unsecured loans	18	0.0
	Secured loans	1,025	0.9
	Small business loans	6,922	5.9
	Other financial revenue	0	0.0
	Other operating revenue	3,441	3.0
	Revenue from operational investment securities	35	0.0
	Collection of purchased receivable	2,899	2.5
	Recovery of loans previously charged off	49	0.1
	Other	456	0.4
	Subtotal	11,408	9.8
Total		116,440	100.0

Note 1 Segment classifications are consistent with segment information classifications

Note 2 Included in the "Other" category of "Other operating revenue" 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	Third quarter of the previous fiscal year (As of Dec 31, 2009)	End of current third quarter (As of Dec 31, 2010)	Reference: End of FY2009 (As of Mar. 31, 2010)
Total amount of loans outstanding (millions of yen)		969,354	652,475	856,762
Unsecured loans		714,019	469,777	634,249
Secured loans		164,710	110,619	138,649
Small business loans		90,624	72,078	83,864
Number of customer accounts		2,087,681	1,613,185	1,966,402
Unsecured loans		1,977,647	1,526,105	1,866,809
Secured loans		52,542	39,103	46,075
Small business loans		57,492	47,977	53,518
Number of branches		680	651	670
Staffed branches		33	30	33
Unstaffed branches		647	621	637
Number of automatic loan-contracting machines		679	652	669
Number of ATMs		159,092	169,813	154,781
Company-owned		721	653	670
Partner-owned		158,371	169,160	154,111
Number of employees		4,246	2,121	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 (25,612 million yen at the end of the third quarter of the previous fiscal year, 4,154 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.