



Second Quarter Financial Results for Fiscal Year 2015 (Apr 1- Sep 30, 2015)

AIFUL CORPORATION
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November, 2015

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Some corrections have been made to figures related to Interest repayment. For details please refer to newsrelease published on December 15, 2015 "(Corrections to Contents and Numerical Data)Partial Correction to Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2016".

1 • Financial Results Summary





(Consolidated)

(¥ million)	14/9	15/9	16/3(E)		
			YOY%	YOY%	
Operating revenue	42,884	43,093	0.5%	87,799	1.7%
Operating income	5,991	4,667	-22.1%	6,895	-
Ordinary income	7,523	4,795	-36.3%	7,019	-
Net income attributable to owners of parent	7,796	4,849	-37.8%	7,181	-
Loans outstanding*	347,253	361,318	4.1%	377,000	7.7%
Unsecured loans outstanding	266,169	289,552	8.8%	305,000	11.5%
Installment receivable	79,723	83,882	5.2%	90,000	6.7%
Credit guarantee	74,803	73,511	-1.7%	79,000	6.9%

* Managed Asset Basis

(Non-Consolidated)

(¥ million)	14/9	15/9	16/3(E)		
			YOY%	YOY%	
Operating revenue	27,912	27,283	-2.3%	55,456	1.0%
Operating income	3,792	2,413	-36.4%	3,350	-
Ordinary income	4,723	3,398	-28.1%	4,643	-
Net income	5,489	3,469	-36.8%	5,129	-

AIFUL has adopted provisions etc. stated in the "Revised Accounting Standard for Consolidated Financial Statements"(ASBJ Statement No. 22, September 13, 2013) and changed the presentation of net income, etc.


Financial Results (2): Consolidated Summary



(¥ million)	14/9	15/9		
			YOY	YOY%
Operating revenue	42,884	43,093	208	0.5%
Interest income	22,644	21,745	-899	-4.0%
Revenue from credit card	6,647	7,104	456	6.9%
Revenue from credit guarantee	5,141	6,301	1,160	22.6%
Operating expenses	36,893	38,426	1,533	4.2%
Financial expenses	4,505	3,686	-819	-18.2%
Cost of sales	664	658	-6	-0.9%
Credit cost	7,242	7,940	698	9.6%
(Bad debt write-offs)	11,662	11,477	-185	-1.6%
Expenses for Interest repayment	-	-	-	-
(Interest repayment)	14,743	16,419	1,676	11.4%
Other operating expenses	24,480	26,140	1,660	6.8%
Advertising expenses	1,762	1,825	62	3.6%
Personnel expenses	6,662	6,616	-46	-0.7%
Sales promotion expenses	2,586	3,852	1,265	48.9%
Operating income	5,991	4,667	-1,324	-22.1%
Non-operating income	1,589	143	-1,445	-91.0%
Ordinary income	7,523	4,795	-2,728	-36.3%
Extraordinary income	645	-	-645	-
Net income attributable to owners of parent	7,796	4,849	-2,947	-37.8%

Financial Results (3): Summary of AIFUL




 (¥ million)	14/9	15/9		
			YOY	YOY%
Operating revenue	27,912	27,283	-629	-2.3%
Interest income	18,841	17,983	-859	-4.6%
Revenue from credit guarantee	4,524	5,670	1,146	25.3%
Operating expenses	24,119	24,869	751	3.1%
Financial expenses	4,058	2,987	-1,072	-26.4%
Credit cost	5,585	6,356	771	13.8%
(Bad debt write-offs)	9,686	9,597	-89	-0.9%
Expenses for Interest repayment	-	-	-	-
(Interest repayment)	14,054	15,729	1,675	11.9%
Other operating expenses	14,474	15,526	1,051	7.3%
Operating income	3,792	2,413	-1,379	-36.4%
Ordinary income	4,723	3,398	-1,325	-28.1%
Extraordinary income	320	0	-320	-100.0%
Net income	5,489	3,469	-2,020	-36.8%
Loans outstanding*	261,057	275,892	14,835	5.7%
Unsecured loans outstanding	221,448	245,403	23,954	10.8%
Credit guarantee	79,810	78,119	-1,691	-2.1%
Customer accounts (thousands)	598	638	39	6.7%
Average yield	15.2%	15.3%	+0.1pt	-
Below 18% unsecured loan balance's occupancy rate	91.1%	94.3%	+3.2pt	-


*Managed Asset Basis

Financial Results (4): Summary of LIFECARD and BUSINEXT



 (¥ million)	14/9	15/9	YOY	YOY%
Operating revenue	13,339	13,810	470	3.5%
Operating expenses	12,206	12,763	557	4.6%
Operating income	1,133	1,047	-86	-7.7%
Ordinary income	2,603	1,071	-1,532	-58.9%
Net income	2,110	1,269	-840	-39.8%
Loans outstanding*	45,006	44,382	-623	-1.4%
Installment receivables	77,455	82,406	4,950	6.4%

*Managed Asset Basis

 (¥ million)	14/9	15/9	YOY	YOY%
Operating revenue	860	916	56	6.5%
Operating expenses	677	903	226	33.4%
Operating income	183	12	-170	-92.9%
Ordinary income	215	84	-131	-61.0%
Net income	224	66	-157	-70.4%
Loans outstanding*	41,190	41,042	-147	-0.4%
Customer accounts (thousands)	22	22	-0	-1.2%

*Managed Asset Basis

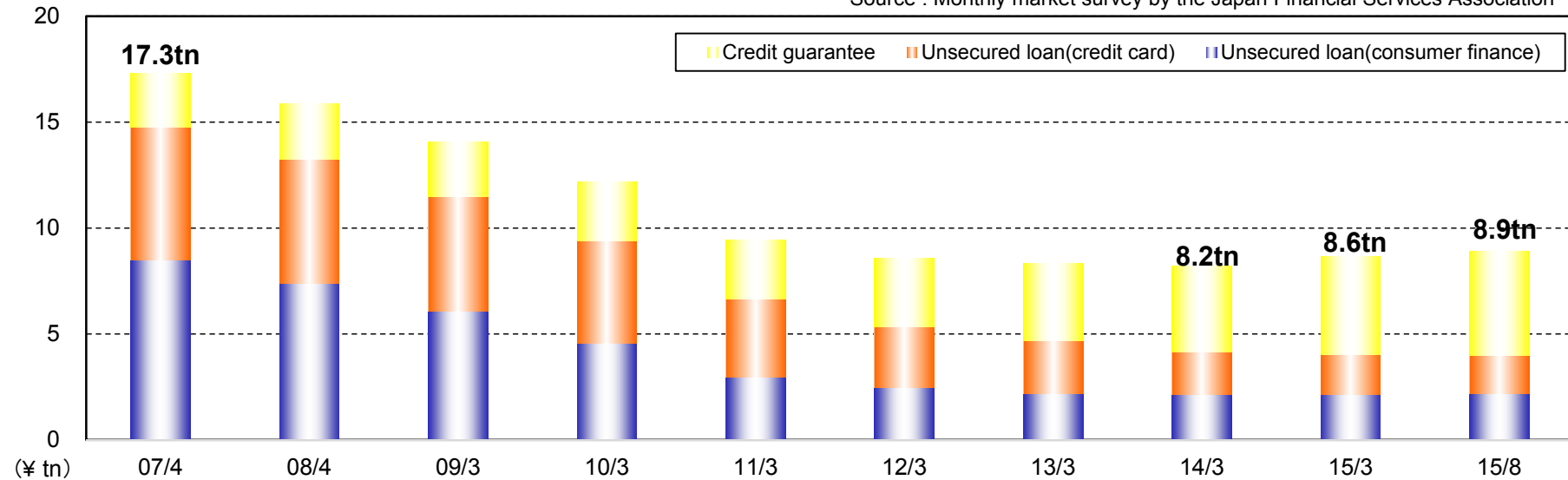
2. Business Environment



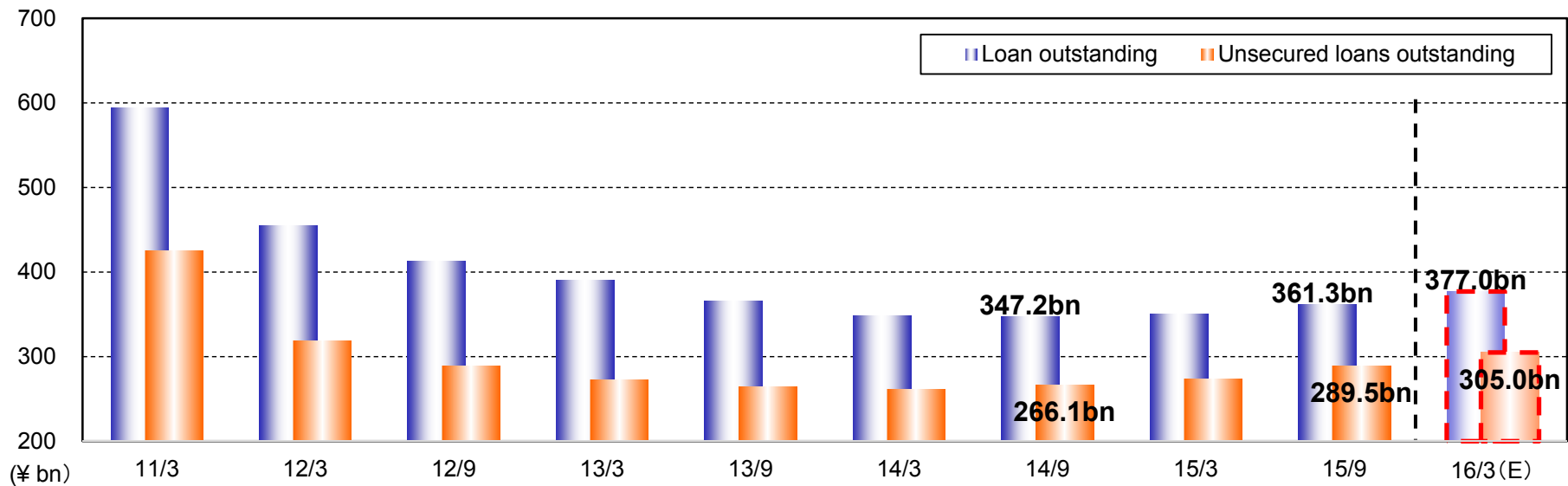


◆ Trend of loans outstanding in the unsecured loan market for consumers

Source : Monthly market survey by the Japan Financial Services Association



◆ Trends of loans outstanding (consolidated)

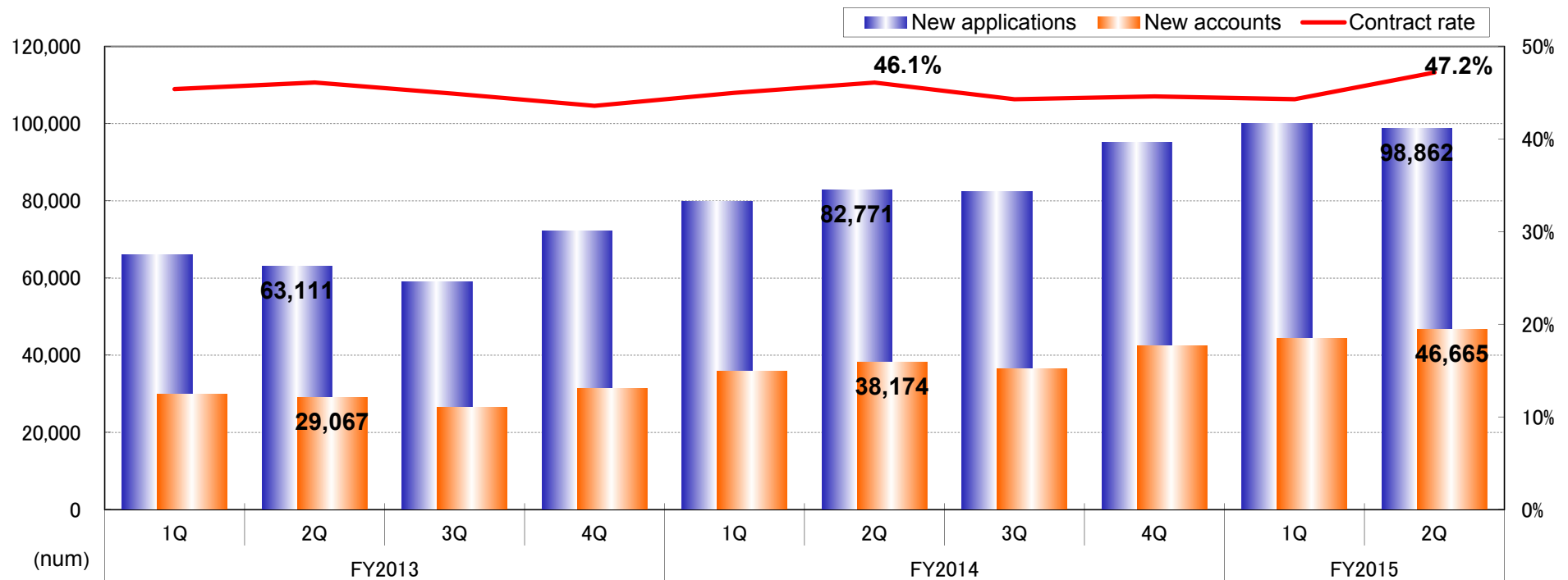




◆ Trends of New applications, New accounts and Contract rate of Unsecured loans

	FY2014			FY2015			YOY
	1Q(3M)	2Q(3M)	TOTAL	1Q(3M)	2Q(3M)	TOTAL	
New applications (num)	79,987	82,771	162,758	99,969	98,862	198,831	22.2%
New accounts (num)	35,957	38,174	74,131	44,292	46,665	90,957	22.7%
Contract rate (%)	45.0%	46.1%	45.5%	44.3%	47.2%	45.7%	+0.2pt

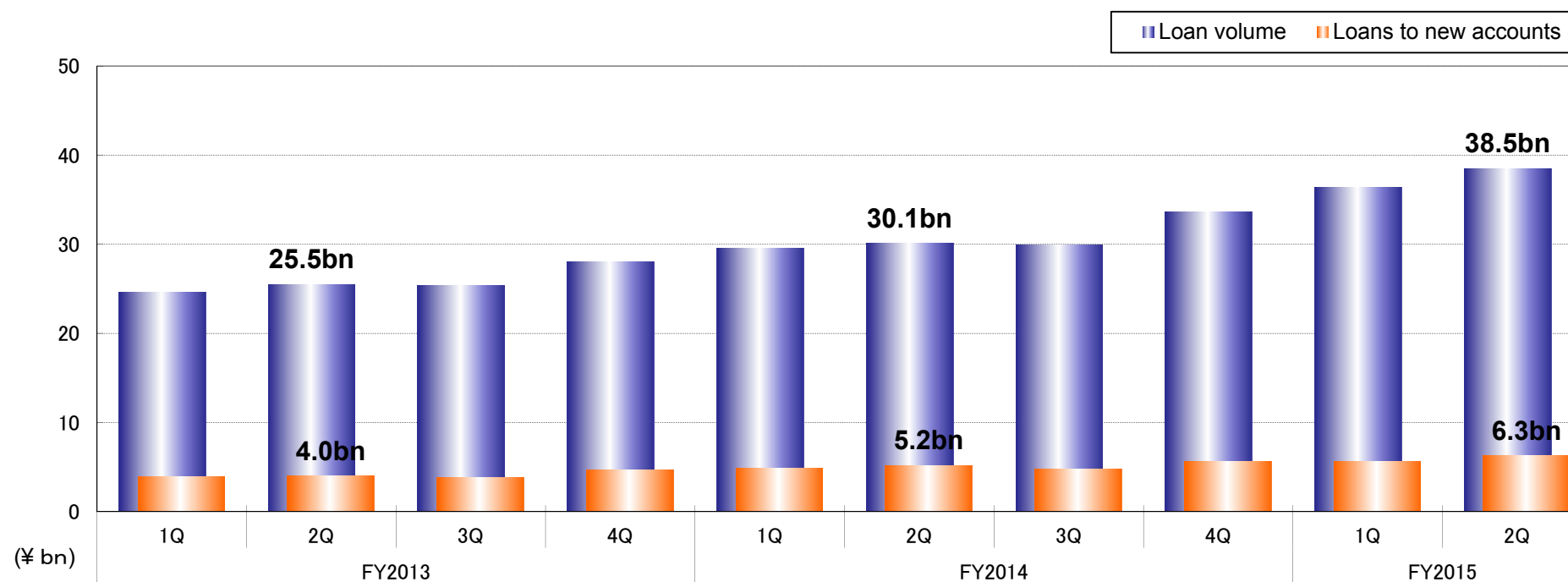
Italic Font = Increase or Decrease





◆ Trends of Loan Volume

(¥ million)	FY2014			FY2015			YOY
	1Q(3M)	2Q(3M)	TOTAL	1Q(3M)	2Q(3M)	TOTAL	
Loan volume	29,685	30,159	59,845	36,476	38,565	75,041	25.4%
Loans to a new accounts	4,996	5,219	10,215	5,695	6,396	12,092	18.4%
Loans to a existing accounts	24,689	24,939	49,629	30,780	32,168	62,948	26.8%

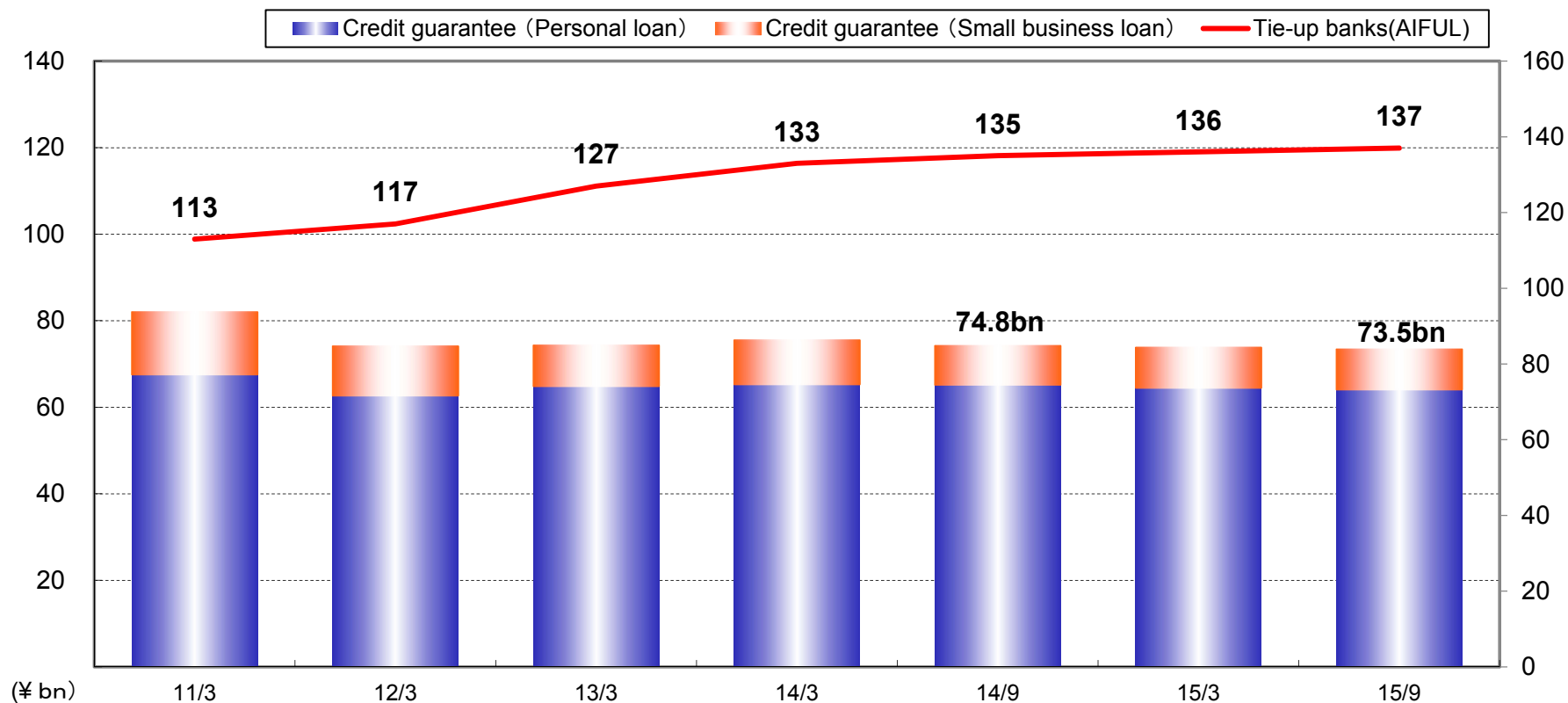




◆ Trends of Credit Guarantee outstanding

(¥ million)	11/3	12/3	13/3	14/3	14/9	15/3	15/9	YOY
Credit guarantee *	82,133	74,147	74,440	75,558	74,803	73,874	73,511	-1.7%

*Managed Asset Basis



Operating Results (5): Credit Card Business



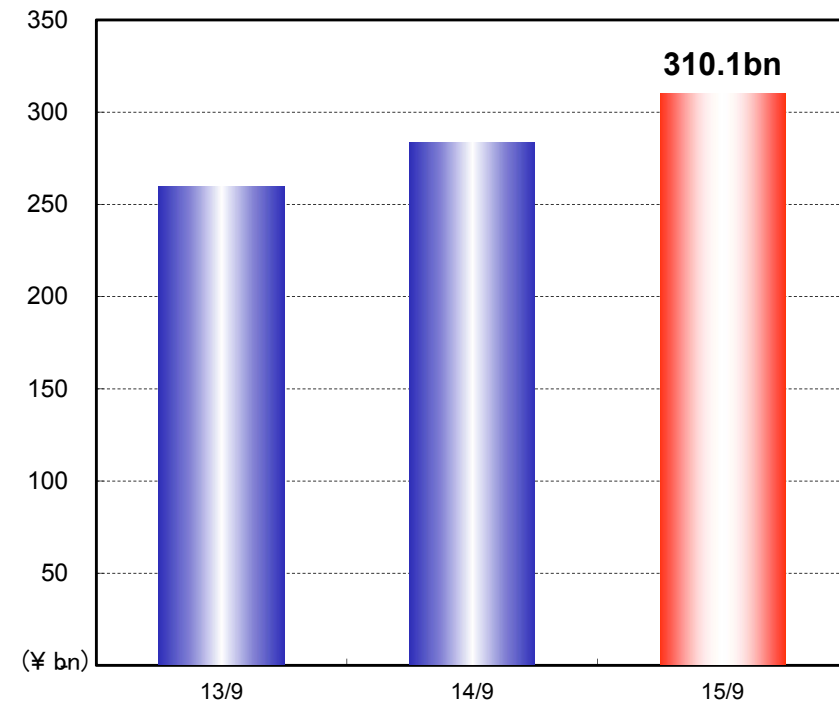
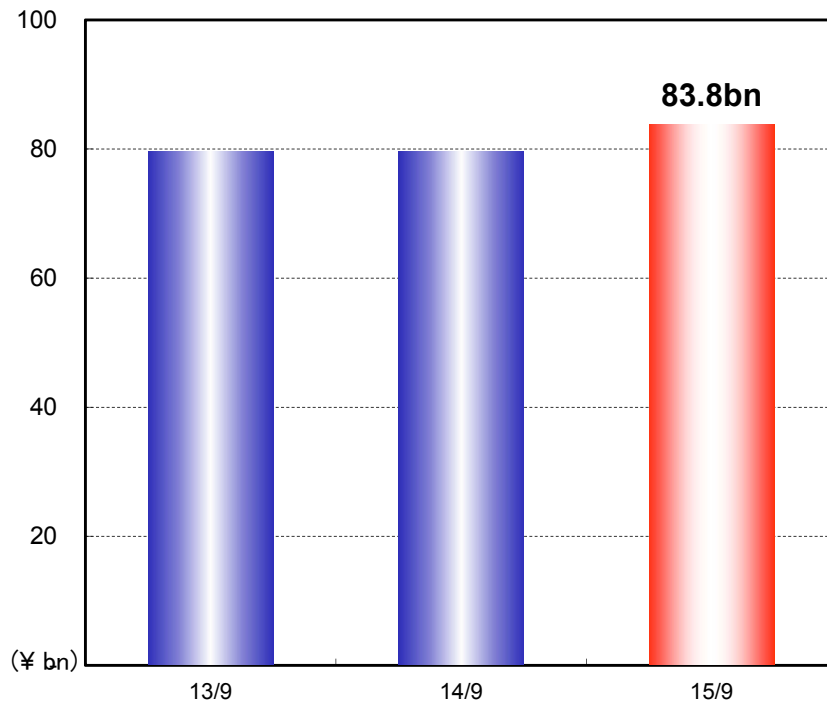
◆ Trends of Installment receivable (consolidated)

(¥ million)	14/9	15/3	15/9	YOY
Installment receivable*	79,723	84,332	83,882	5.2%

◆ Trends of Purchase results (LIFECARD)

(¥ million)	13/9	14/3	15/9	YOY
Purchase results	259,789	283,655	310,127	9.3%

*Managed Asset Basis



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



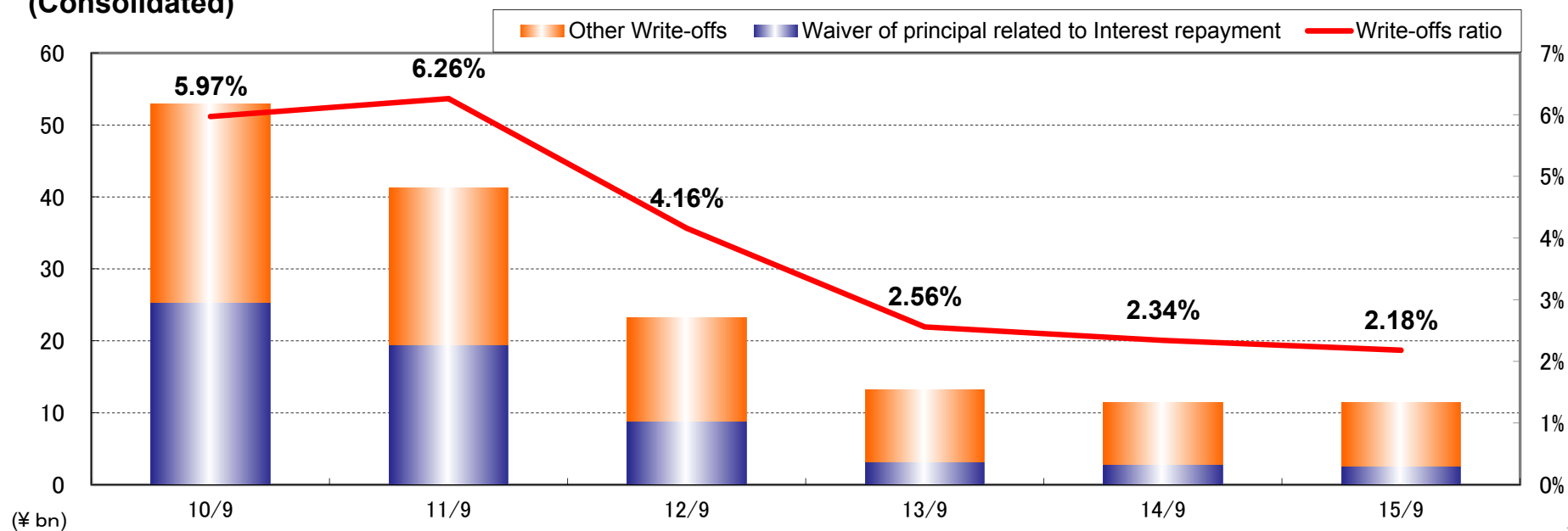
◆ Amount of Write-offs and Write-offs Ratio for Total Receivable Outstanding

(Consolidated)

(Non-consolidated)

(¥ million)	14/9	15/9	YOY	14/9	15/9	YOY
	(6M)	(6M)		(6M)	(6M)	
(1) Write-offs	11,662	11,477	-1.6%	9,686	9,597	-0.9%
Waiver of principal related to Interest repayment	2,870	2,598	-9.5%	2,870	2,598	-9.5%
Other	8,791	8,878	1.0%	6,815	6,998	2.7%
(2) Specific allowance for doubtful accounts	212	228	7.5%	208	220	5.8%
Total Write-offs (1)+(2)	11,875	11,705	-1.4%	9,894	9,818	-0.8%
Write-offs ratio	2.34%	2.18%	-0.16pt	2.83%	2.72%	-0.11pt

(Consolidated)



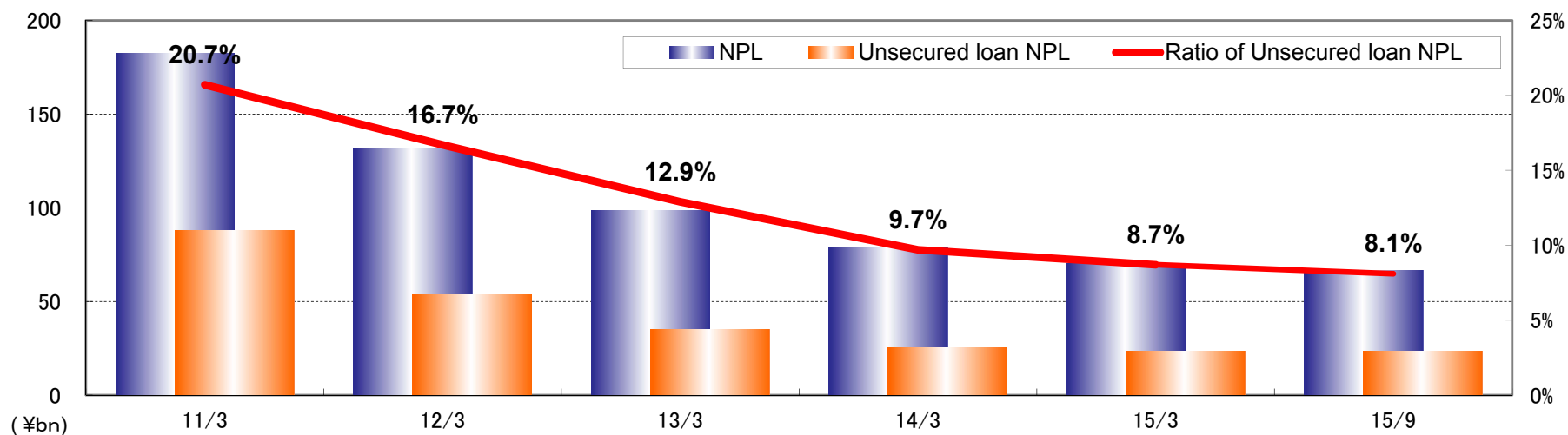


◆ Trends of NPL defined by FSA (Consolidated)

(¥ million)	14/9	15/9	YOY	(Non-consolidated)		
	14/9	15/9	YOY	14/9	15/9	YOY
Total non-performing loans	73,928	66,625	-9.9%	69,307	62,082	-10.4%
Loans in legal bankruptcy	34,148	32,050	-6.1%	34,117	32,015	-6.2%
Non-accrual loans	24,872	21,455	-13.7%	22,836	19,677	-13.8%
Loans past due for three months or more	3,057	3,328	8.9%	2,745	3,098	12.9%
Restructured loans	11,848	9,790	-17.4%	9,607	7,290	-24.1%
Ratio of loan outstanding and claims in bankruptcy NPL	19.3%	16.9%	-2.4pt	23.4%	20.1%	-3.3pt
Ratio of Unsecured loan NPL	8.9%	8.1%	-0.8pt	9.8%	8.5%	-1.3pt

*Because NPL include claims in bankruptcy, NPL ratios are calculated based on the combined figures of loans outstanding at the end of each quarter and claims in bankruptcy, which are applicable from the second quarter of the fiscal year ending March 31, 2016.

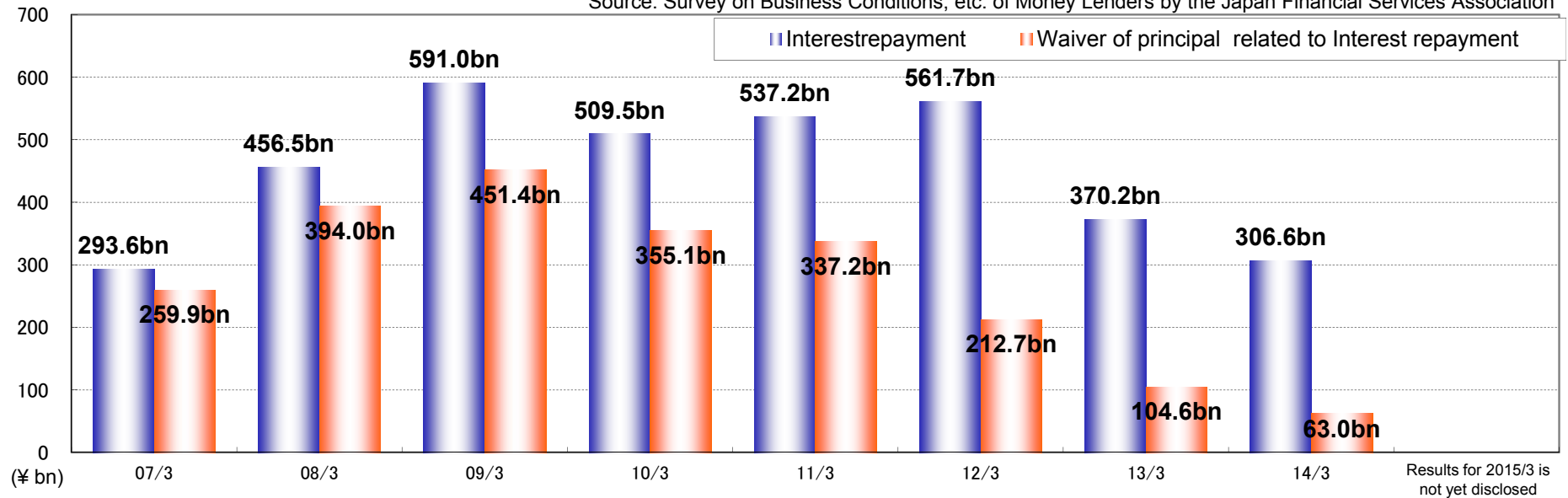
(Consolidated)



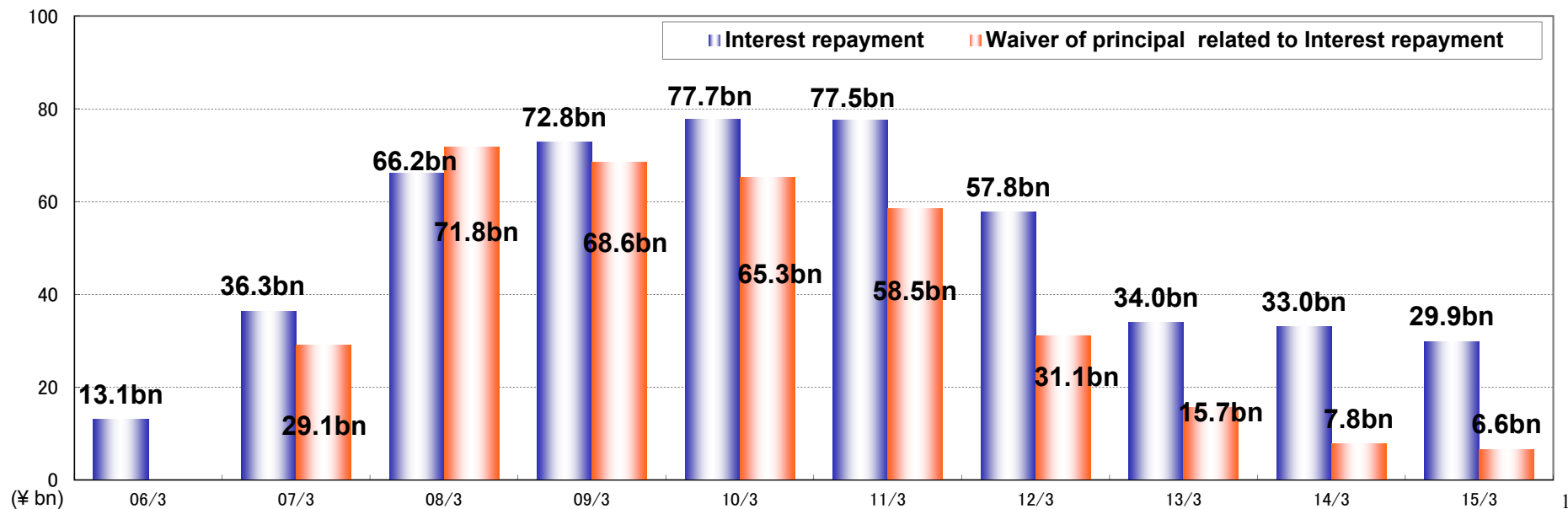


◆ Industry interest repayment obligations

Source: Survey on Business Conditions, etc. of Money Lenders by the Japan Financial Services Association



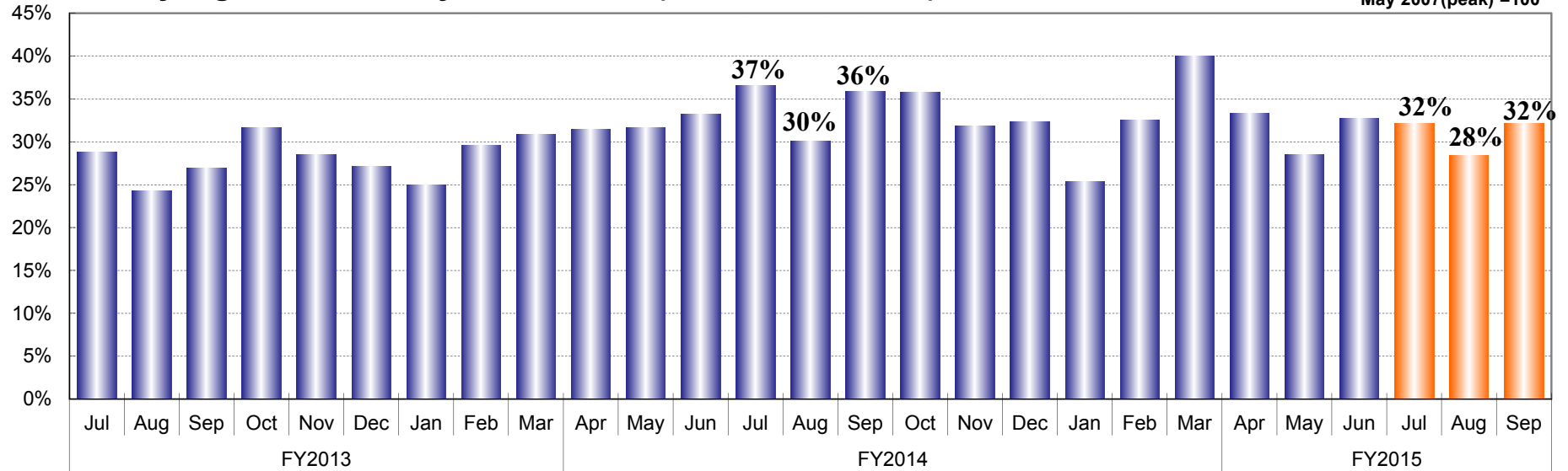
◆ AIFUL interest repayment obligations



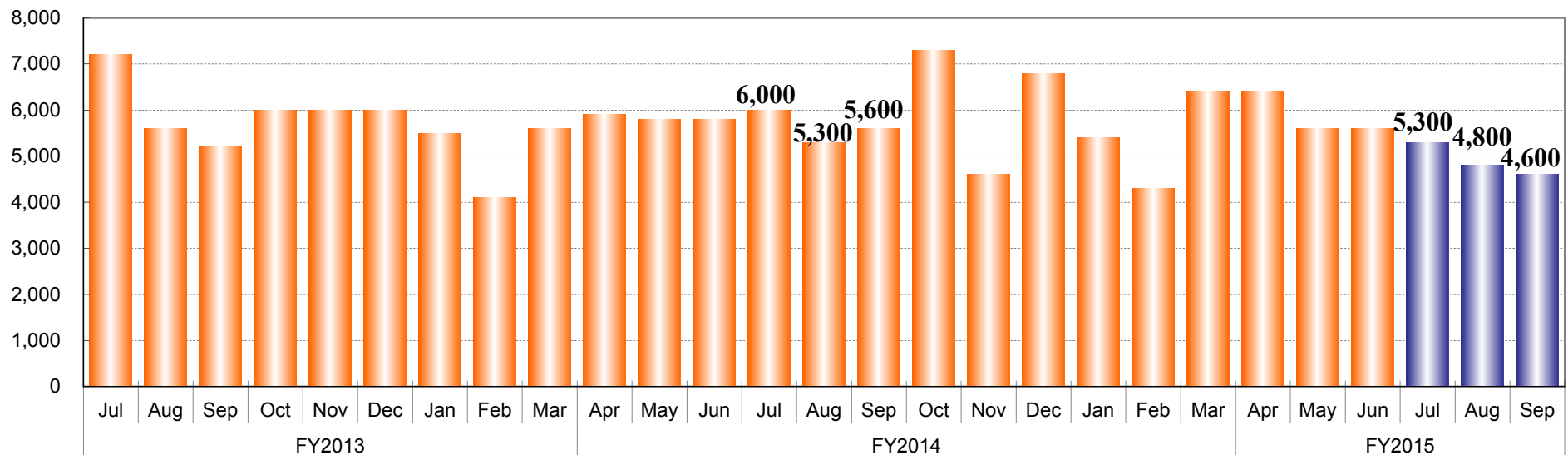


◆ Monthly Figure of Attorney Involvement (non-consolidated)

* May 2007(peak) =100



◆ Monthly Interest Repayment Claims (non-consolidated)





◆ Allowance for losses on Interest repayment

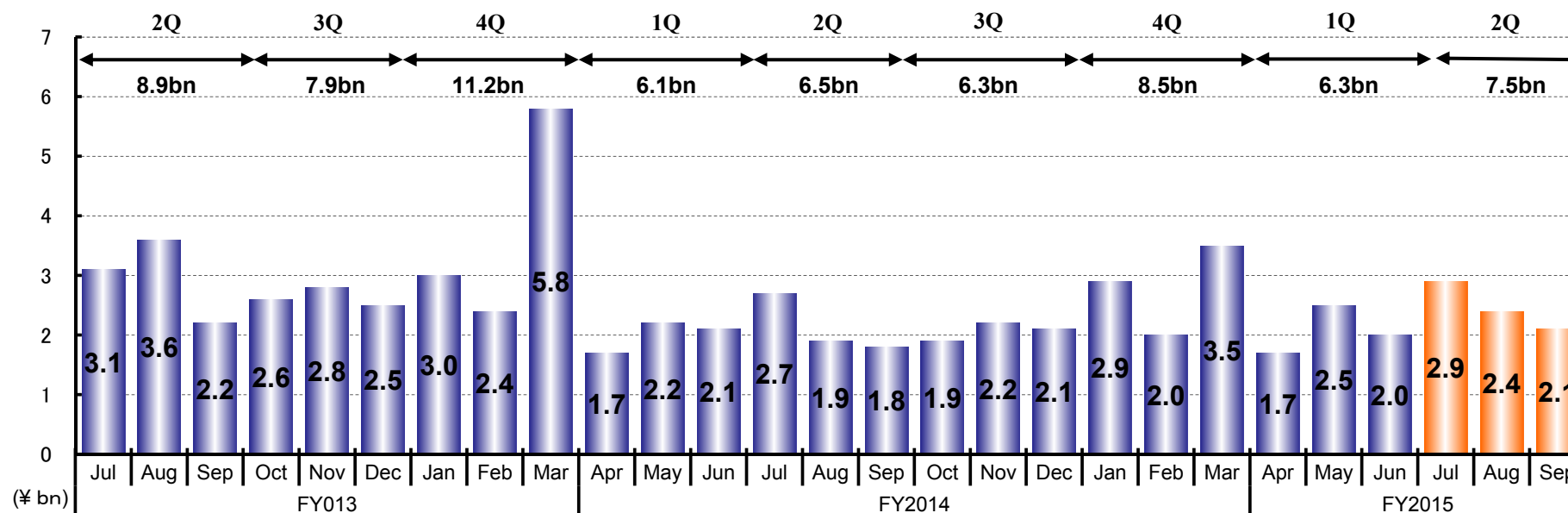
(Consolidated)

(¥ million)	Interest repayment	Waiver of principal	Total
Allowance at the beginning of FY2015	93,405	17,388	110,793
Reversal (Interest repayment)	16,419	-	16,419
Reversal (Waiver of principal)	132	2,598	2,731
Provisions	-	-	-
Allowance at the end of FY2015/2Q	76,852	14,789	91,641

(Non-consolidated)

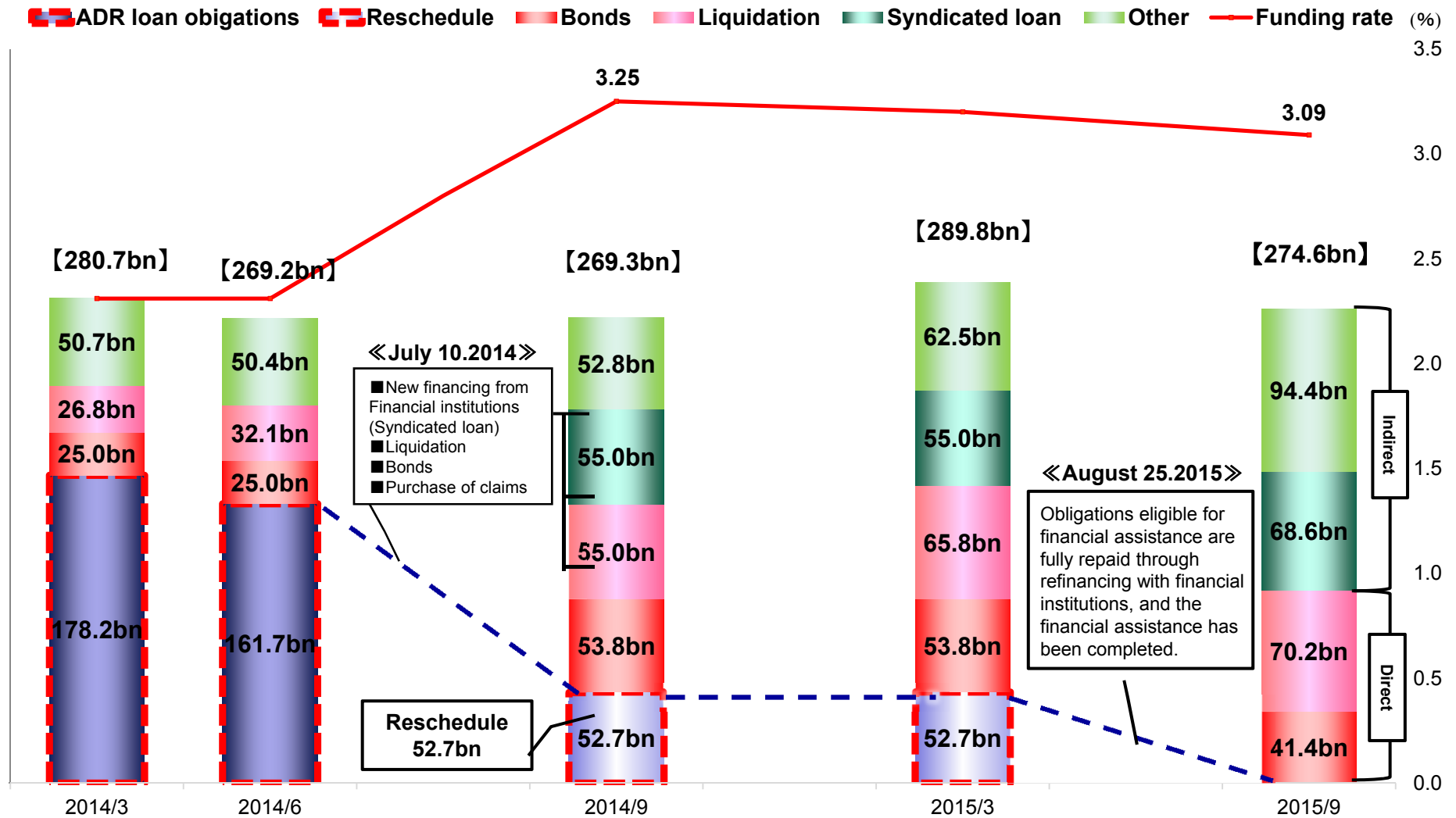
Interest repayment	Waiver of principal	Total
89,088	17,388	106,476
15,729	-	15,729
-	2,598	2,598
-	-	-
73,358	14,789	88,147

◆ Monthly Interest Repayment (Cash out basis) : Non-consolidated

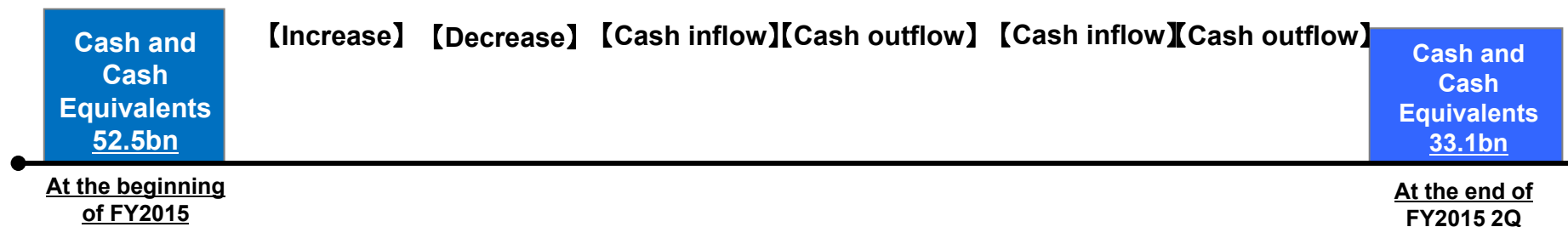
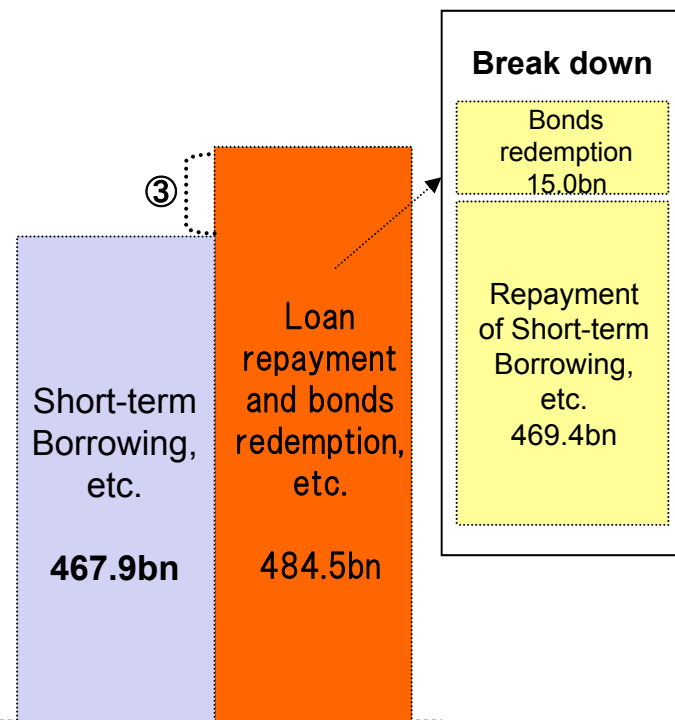
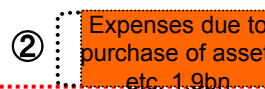
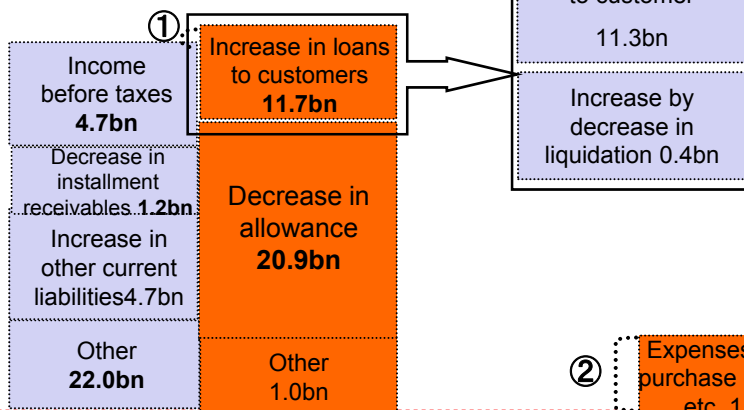
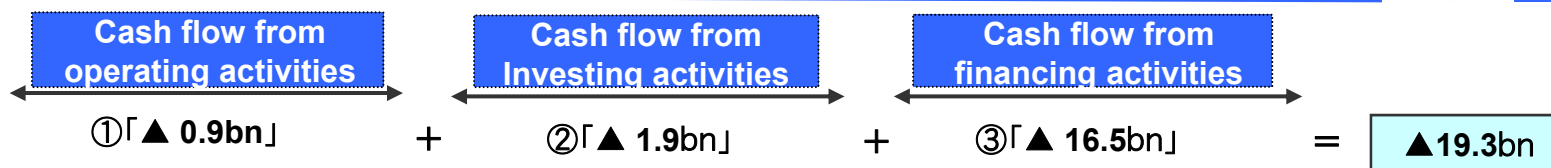




◆ Increase/Decrease in Consolidated Interest – Bearing Liabilities




Cash Flows and Funding: Consolidated



3. Financial results of LIFECARD



 (¥ million)	14/9	15/9		
			YOY	YOY%
Operating revenue	13,339	13,810	470	3.5%
Installment receivable	6,571	7,043	472	7.2%
Credit card	6,570	7,042	472	7.2%
Loans	2,987	2,887	-100	-3.3%
with Credit card	2,222	2,142	-79	-3.6%
Credit guarantee and others	3,781	3,879	98	2.6%
Operating expenses	12,206	12,763	557	4.6%
Financial expenses	1,104	1,377	272	24.7%
Credit cost	1,562	1,435	-126	-8.1%
Interest repayment	-	-	-	-
Other	9,539	9,950	411	4.3%
Operating income	1,133	1,047	-86	-7.7%
Non-operating income	1,470	27	-1,443	-98.2%
Ordinary income	2,603	1,071	-1,532	-58.9%
Extraordinary income	322	-	-322	-
Net income before tax	2,926	1,071	-1,854	-63.4%
Net income	2,110	1,269	-840	-39.8%

 (¥ million)	14/9	15/9	YOY	
			YOY	YOY%
Number of new issue (thousands)	208	227	18	9.1%
Proper	54	61	7	13.5%
Affinity	153	165	11	7.5%
Number of card holders (thousands)	5,898	6,140	241	4.1%
Credit card purchase results	283,655	310,127	26,472	9.3%
Shopping	263,066	289,415	26,348	10.0%
Cashing	20,588	20,711	123	0.6%
Total receivable outstanding	144,236	148,505	4,268	3.0%
Installment receivable	77,455	82,406	4,950	6.4%
Loans	45,006	44,382	-623	-1.4%
Credit guarantee	21,230	21,145	-85	-0.4%
Other	543	570	27	5.0%
Bad debt write-offs	1,667	1,717	50	3.0%
Ratio of bad debt write-offs (%)	1.16%	1.16%	0.00pt	-

4. Explanation of figures



Explanation Figures (1): Breakdown of Consolidated operating revenue



(¥ million)	15/9	YOY	YOY%	Reasons for increase/ decrease
Operating revenue	43,093	208	0.5%	
Interest income	21,745	-899	-4.0%	The average on-balance operating loan balance during the term decreased year on year as a result of off-balancing part of the loans through financing based on securitization. The on-balance operating loan balance was ¥299.4 billion (up ¥6.7 billion YOY).
AIFUL	17,983	-859	-4.6%	The average on-balance operating loan balance during the term decreased year on year as a result of off-balancing part of the loans through securitization in the same manner as the consolidated results. The on-balance unsecured operating loan balance was ¥210.3 billion (up ¥17.2 billion YOY). Secured loan outstanding: ¥25.0 billion (down ¥8.1 billion), Small business loan outstanding: ¥5.4 billion (down ¥1.0 billion).
LIFECARD	2,887	-100	-3.3%	
BUSINEXT	875	59	7.3%	The on-balance operating loan balance was ¥15.2 billion (up ¥0.3 billion YOY).
Revenue from credit card	7,104	456	6.9%	Increase in credit card shopping purchases for LIFECARD (up ¥26.3 billion).
Revenue from credit guarantee	6,301	1,160	22.6%	Credit guarantees outstanding on a managed asset basis amounted to ¥111.2 billion, reflecting the guarantee for financial institutions as well as the guarantee for off-balance loans (up ¥1.3 billion).
Other operating income	7,941	-508	-6.0%	
Recovery of loans previously charged off	3,125	-966	-23.6%	Reduction in recovery of loans previously charged off together with a reduction in written-off bad debt.
Collection from purchased receivables	988	62	6.8%	Collection from purchased receivables at Astry Loan Service

Explanation Figures (2) : Breakdown of Consolidated operating expenses and income



(¥ million)	15/9	YOY	YOY%	Reasons for increase/ decrease
Operating expenses	38,426	1,533	4.2%	
Financial expenses	3,686	-819	-18.2%	Financial expenses incurred following the exit from the ADR the previous year
Cost of purchased receivables	614	-17	-2.7%	Tied to collection from purchased receivables at AsTry Loan Service
Credit cost	7,940	698	9.6%	Up ¥0.7 billion year on year due to an increase in the operating loan balance
Expenses related to interest repayment	-	-	-	
Advertising expenses	1,825	62	3.6%	Advertising expenses for TV ads, etc.
Personnel expenses	6,616	-46	-0.7%	
Other	17,742	1,654	10.3%	
Sales promotion expenses	3,852	1,265	48.9%	Aggressive web (affiliate) advertising was carried out.
Provision for credit card point redemption	1,631	105	6.9%	Allowance for credit card point redemption at LIFE CARE
Commission	5,449	421	8.4%	Up ¥0.4 billion year on year due to an increase in the operating loan balance
Rental expenses & land rent	1,153	73	6.8%	
Supplies, repair and maintenance	1,062	29	2.9%	
Communications	1,199	34	2.9%	
Depreciation expenses	1,121	-325	-22.5%	Down ¥0.3 billion year on year due to decrease in assets
Consumption taxes	1,265	76	6.5%	
Operating income	4,667	-1,324	-22.1%	

Explanation Figures (3): Breakdown of Consolidated extraordinary income/ loss, and Others



(¥ million)	15/9	YOY	YOY%	Reasons for increase/ decrease
Non- operating income	143	-1,445	-91.0%	LIFECARD posted a foreign exchange gain of ¥1.4 billion in the previous year.
Non-operating expenses	15	-40	-72.0%	
Ordinary income	4,795	-2,728	-36.3%	
Net income before taxes	4,795	-3,373	-41.3%	
Income taxes-current	27	-326	-92.1%	
Income taxes-deferred	-82	-	-	
Net income attributable to owners of parent	4,849	-2,947	-37.8%	