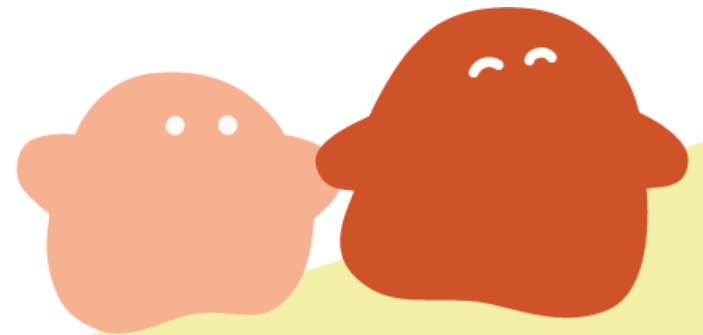
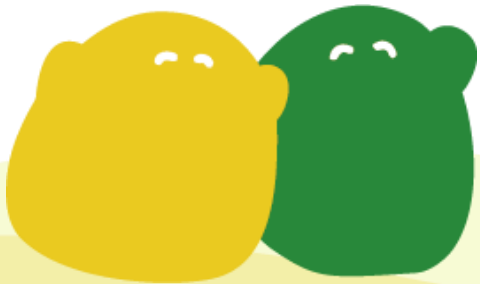


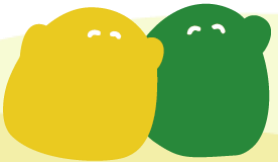


Investors' Guide 2024



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【Industry】 History / Number of Registered Money Lenders

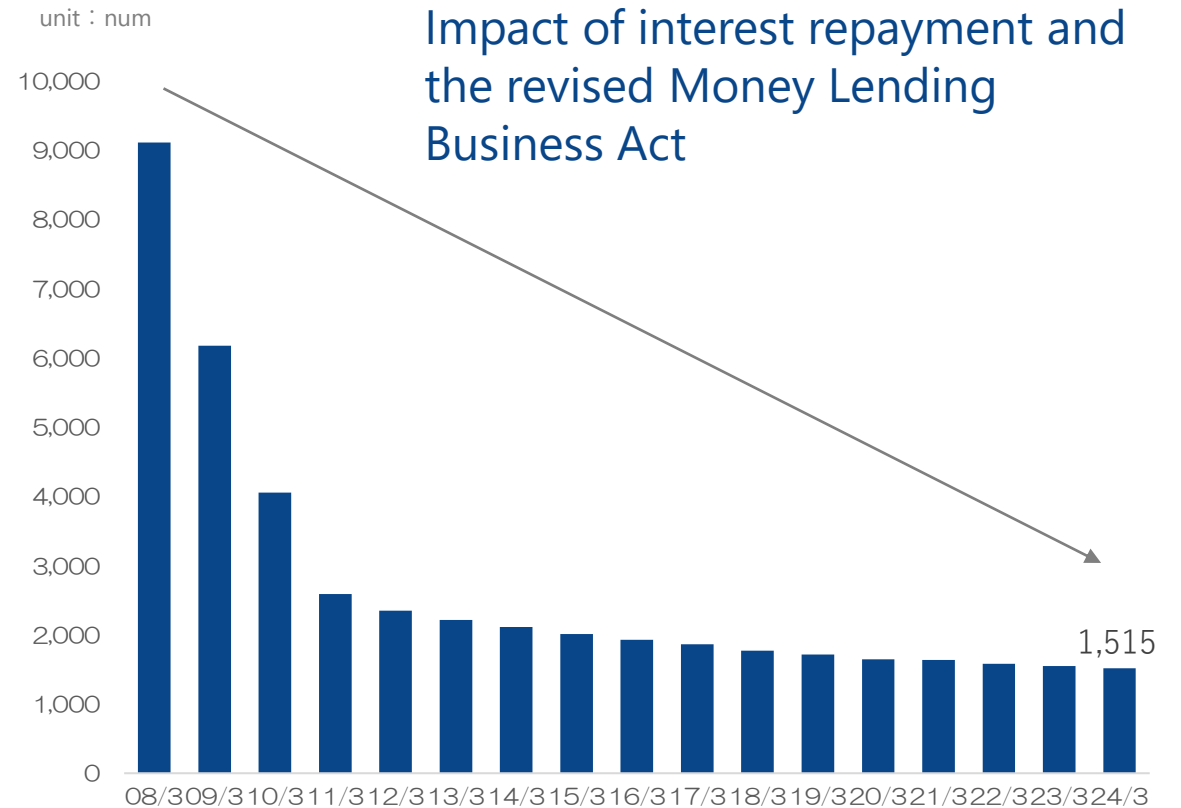
【Past】 An increase in interest repayments and revisions to the Money Lending Business Act led to a sharp decline in the number of money lenders and shrunk the consumer credit market in Japan.

【Present】 The Japanese consumer credit market is currently on a recovery trend. The consumer finance market is in an oligopoly state dominated by three major companies, including us.

■ History 【Money lending industry in Japan】

- 2006 ● Supreme Court Decision on Interest Repayment Claims
- 2008 ● ACOM became MUFG's subsidiary
Lake became Shinsei Bank's subsidiary
- 2010 ● Bankruptcy of Takefuji
Enforcement of the revised Money Lending Business Act (restriction on total loan amount / maximum interest rate reduction / enhanced registration requirement (capital of 50 million yen or more is required))
- 2011 ● PROMISE became SMFG's subsidiary
(Currently SMBC Consumer Finance)

■ Number of Registered Money Lenders 【Japan】

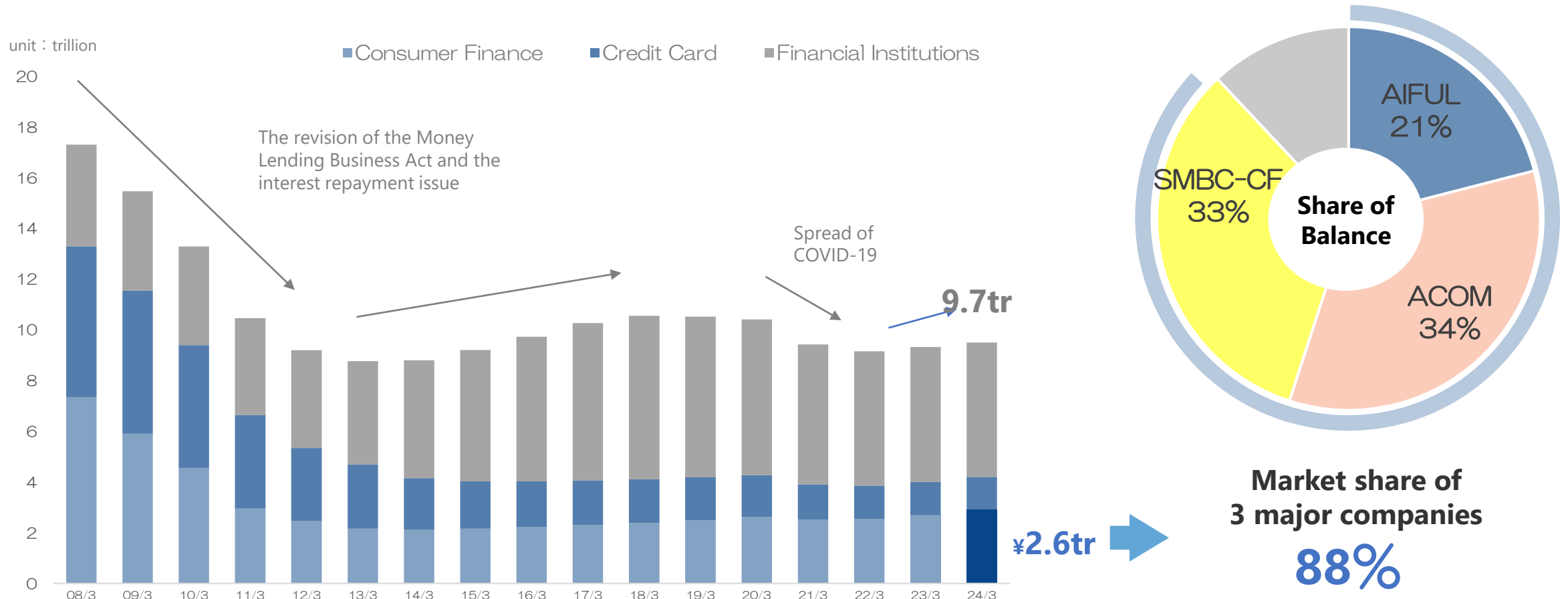


【Industry】 Consumer Credit Market

【Past】 An increase in interest repayments and revisions to the Money Lending Business Act led to a sharp decline in the number of money lenders and shrunk the consumer credit market in Japan.

【Present】 The Japanese consumer credit market is currently on a recovery trend. The consumer finance market is in an oligopoly state dominated by three major companies, including us.

■ Consumer Credit Market 【Japan】



【AIFUL】 History／Outline

- AIFUL is the only independent (non-bank affiliated) consumer finance company in Japan and the only one listed on the Prime Market.
- AIFUL aims to become an IT company and to diversify its business.

■History 【AIFUL】

1967	Established
2000	Listed on the First Section (Tokyo and Osaka Stock Exchange)
2009	Applied for Turnaround ADR
2014	Turnaround ADR terminated
2020	Mitsuhide Fukuda appointed as President and Representative Director (Current)
2022	Shifted to “Prime Market” (TSE)

■Outline 【AIFUL (as of 2024/3/31)】

Features : The only independent consumer finance company in Japan
The only company listed on the Prime Market

Results(consolidated) : Total Receivable	1.1 trillion yen
Revenue	163.1 bn yen
Operating Profit	21.0 bn yen

Common Stock :	AIFUL	94.0 bn yen
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Number of Employees : AIFUL	1,229
Consolidated	2,470

【Business Portfolio (Consolidated)】

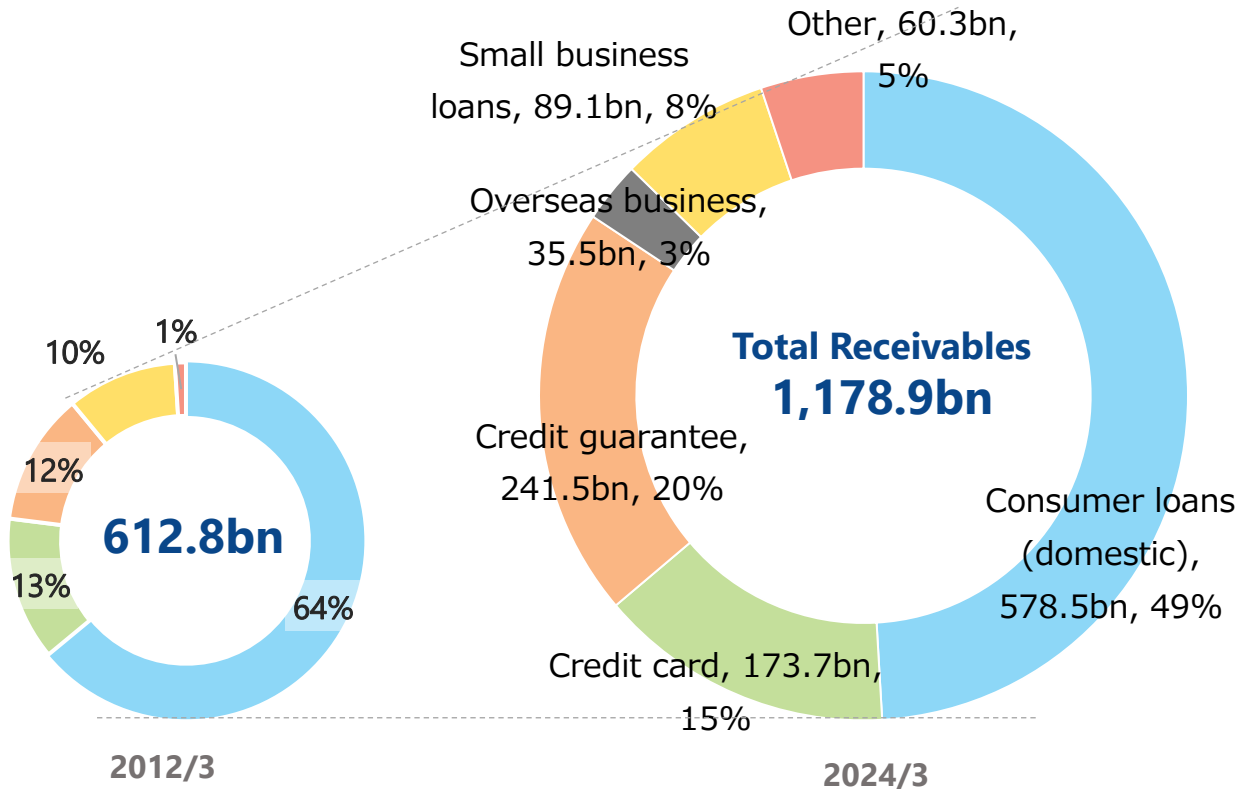
AIFUL Group

Strength and Features



- Double-digit growth in total receivable
- Business portfolio improvement through business diversification
- Cost reduction by promoting in-house production
- Diversified group products and sales organization

Business diversification has reduced the share of consumer loan business to 49% over the past 12 years, while the total receivable has increased by 92% to 1,178.9 bn yen.



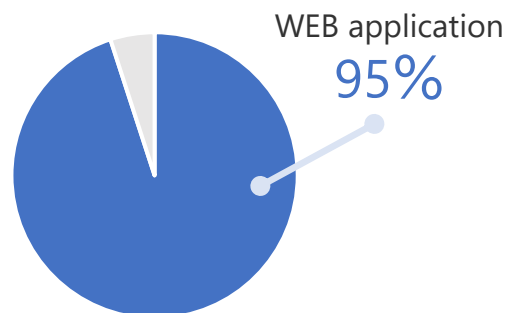
Loan / Credit Guarantee 	Small Business Loan AG Medical AG BusinessSupport	Credit / Electronic Payment LIFE CARD BitCash	Individual Credit Purchase Intermediaries / BNPL AG PaymentService
Social Lending AG CrowdFunding	Venture Capital AG Capital	Debt Collection AG LoanServices	Restructuring AG Partners
Leaseback/Rent Guarantee AG SmileLeaseback ANSHIN	Small-amount, short-term insurance FPC	System Engineering Services Liblock Seven Seas SALOP	Overseas AIRA & AIFUL RUBSA FINANCIAL

【AIFUL】 Changes in AIFUL Group “Digitalization”

AIFUL Group has actively hired engineers and worked on digitization and in-house production to become an IT Company.

WEB application rate

The loan application rate through the web reached 95%



Improved application form

Aiming for Stress-Free Form to enhance UI/UX

Completion rate of applying loan increased **to 57% (approximately 10% increase)**



App modification

App's for AIFUL, LIFECARD and AG Business Support were modified in-house and its reputation has improved.



FY2024/3 **iOS 4.6**
Android 4.3

FY2020/3 **iOS 2.6**
Android 3.7



To become an
IT financial group



Increasing IT specialists to promote in-house production

Improved smartphone-related services

Up till now



Telephone

Now on



Apps・PC

■ Modify IVR (Interactive Voice Response) System in-house

■ Implement collection scoring

Implemented rank classification based on collection difficulty and reduced the number of personnel by combining IVR, SMS, and e-mail for collection

HP renovation

In-house renovation of more than 30 sites, including group companies and intranet



Enriched FAQ

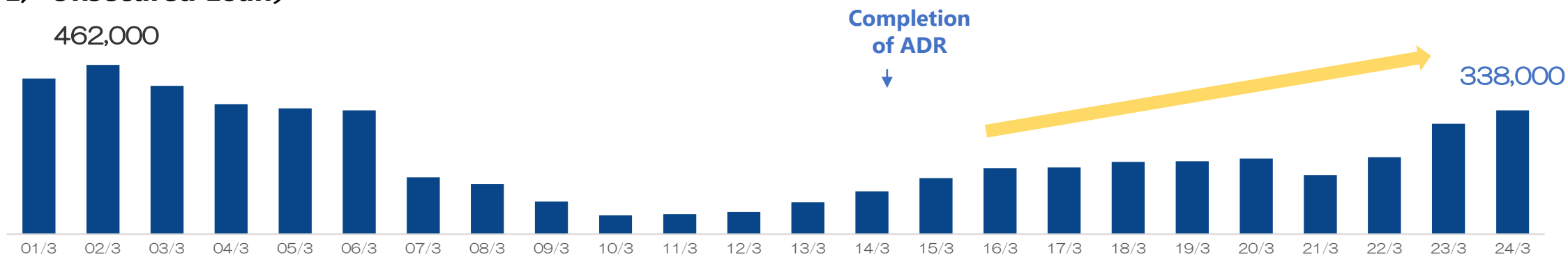
Increased number of FAQs on the AIFUL's website to enhance customer convenience.

Over **200** FAQs

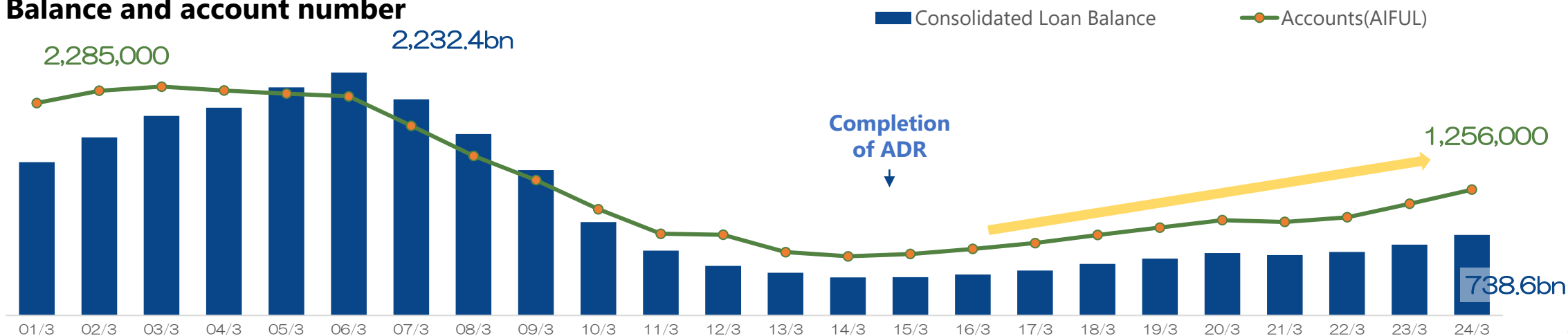
【AIFUL】 Business Performance #1 New Contracts/Loan Balance/Accounts

The number of new contracts and the loan balance have increased steadily since the termination of ADR in 2014 (our initiatives for digitalization and in-house production have accelerated the growth).

■ New Contracts (AIFUL/Unsecured Loan)



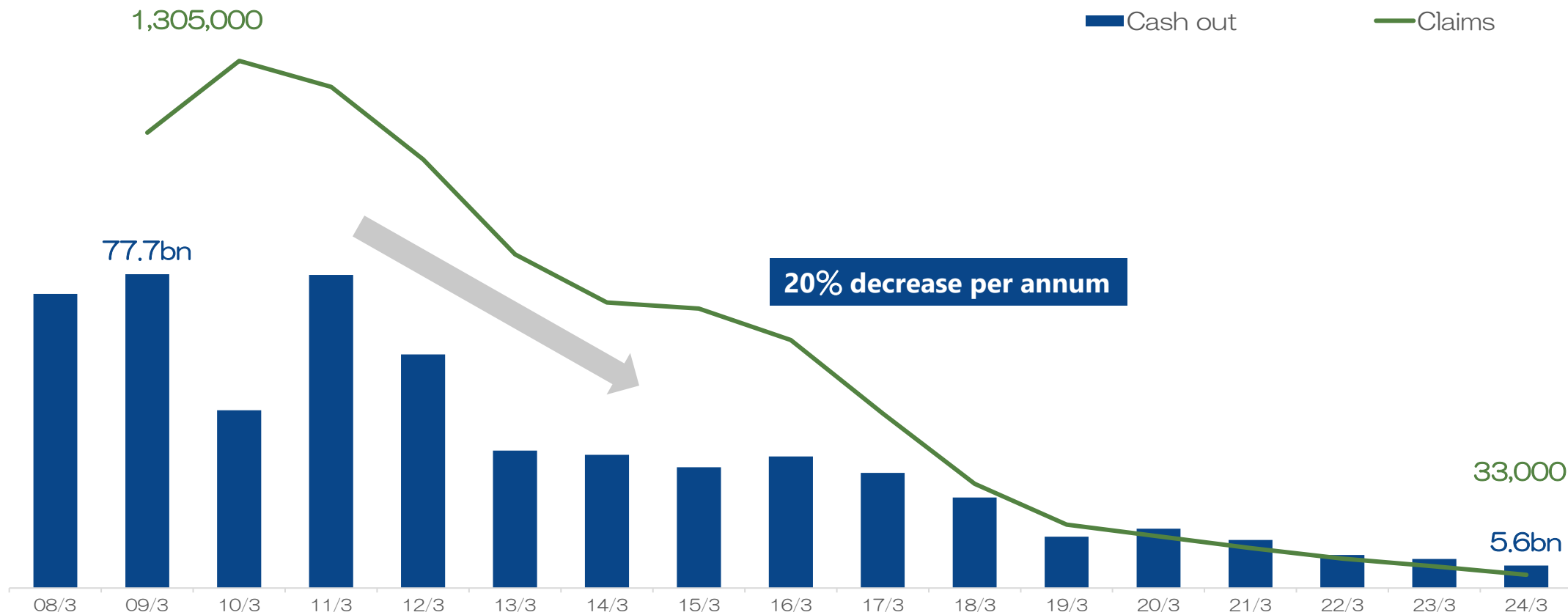
■ Loan Balance and account number



【AIFUL】 Business Performance #2 Interest Repayment(num of claims & cash out)

- The interest repayment is decreasing at a rate of 20% per year, approaching its end.

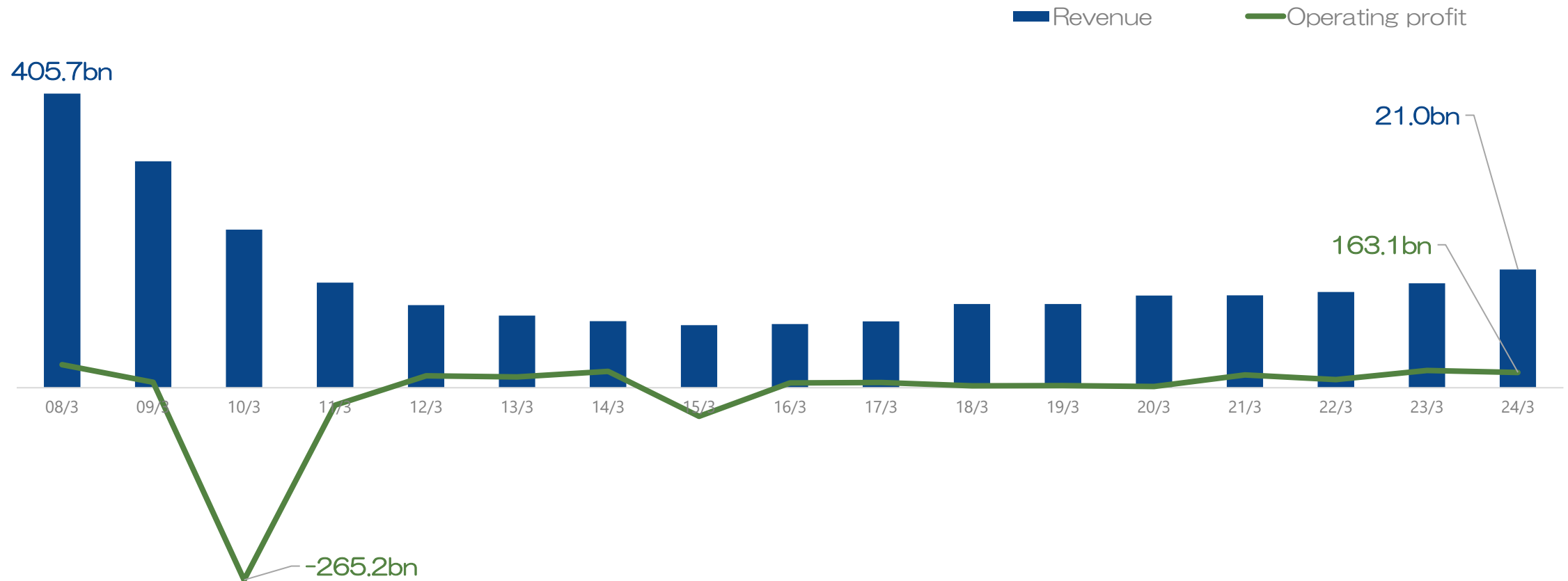
■ Interest Repayment (Consolidated)



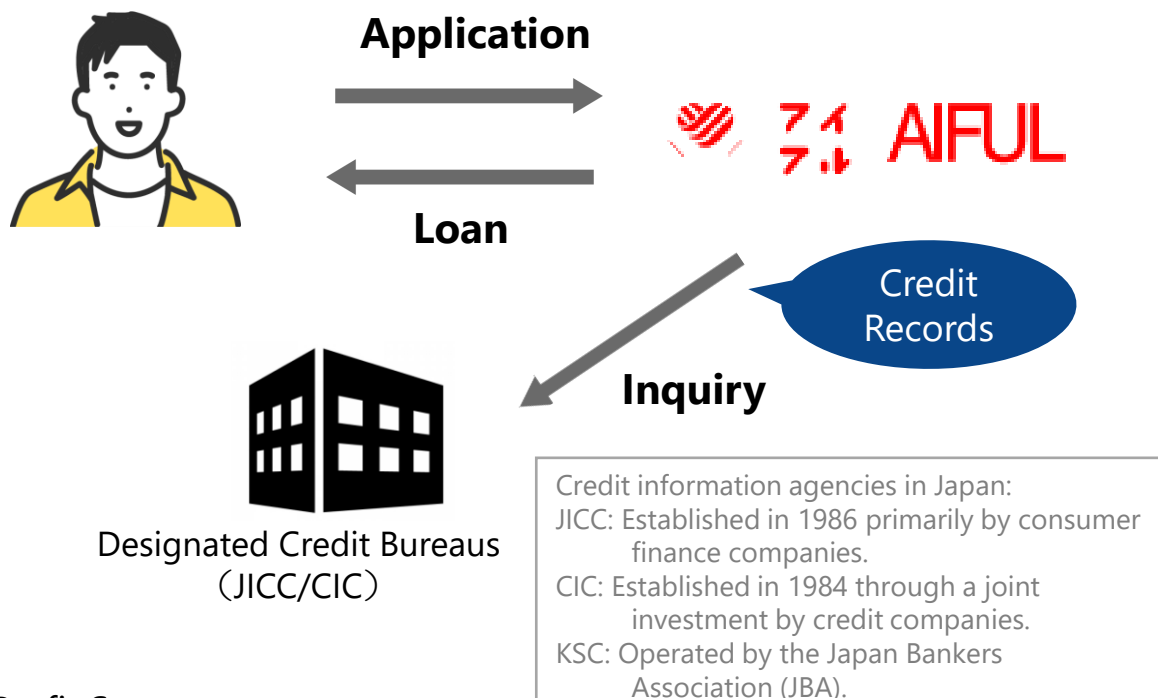
【AIFUL】 Business Performance #3 Revenue/Operating Profit

- After the completion of ADR, with the reversal and expansion of the total receivables, operating revenue is increasing steadily.

■ Revenue • Operating Profit (Consolidated)



【Business Model】 Unsecured Loan #1 “Flow • Outline • Strength”



Profit Structure

1. Revenue interest on loan
2. Cost selling and administration cost such as funding interest, advertising cost and credit cost
3. Profit [1] - [2]

Outline

【Regulations】

- Restriction on total loan amount ... 1/3 of annual income
- Maximum interest rate ...

under 100,000 yen	: 20%
100,000 to 1,000,000 yen	: 18%
1,000,000 yen or more	: 15%

【Features】

- Web applications account for over 90% of the total
- The entire process (application to financing) is completed online
- Speedy financing (minimum 20 min.)

【Results】

- Number of new loans 338,000 (FY2023)
- Unsecured loan balance 548.5bn yen (FY2023)
- Average yield 14.5% (FY2023)
- Unsecured loan bad debt ratio 3.43% (FY2023)
- CPA 42,000 yen (FY2023)
- LTV 97,000 yen (CPA deducted)

AIFUL Group Strength

Unsecured Loan

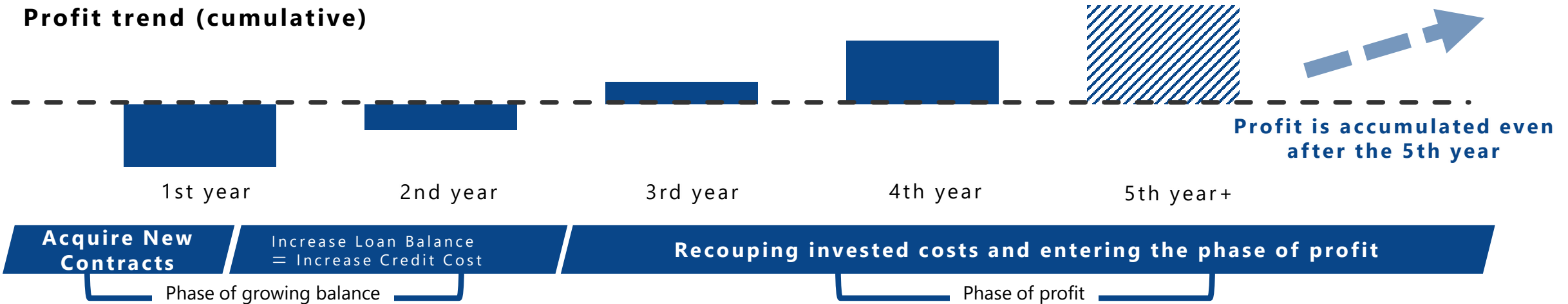


1. Credit screening and collection know-how cultivated over 50 years since the establishment
2. Cost reduction/streamlining
(consolidation of nationwide customer support operations at AIFUL's call center)
3. Improvement of UI/UX through in-house production

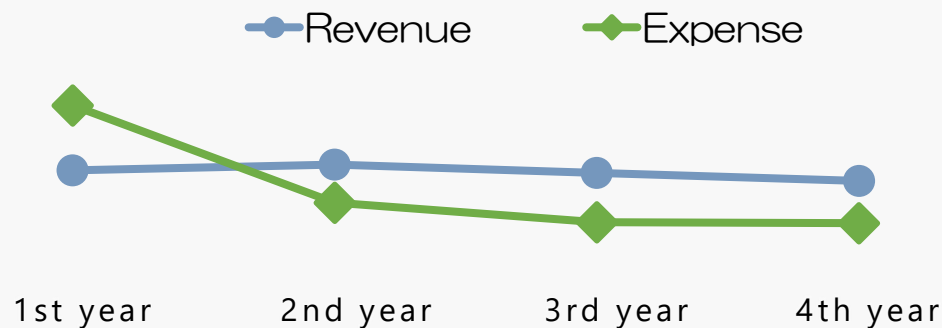
【Business Model】 Unsecured Loan #2 “How long it takes to make a profit”

In the unsecured loan business, expenses are upfront and profit is only realized in the 3rd year after the new customer is acquired.

Profit trend (cumulative)



Revenue and Expense trend after new customer acquisition (single-year)



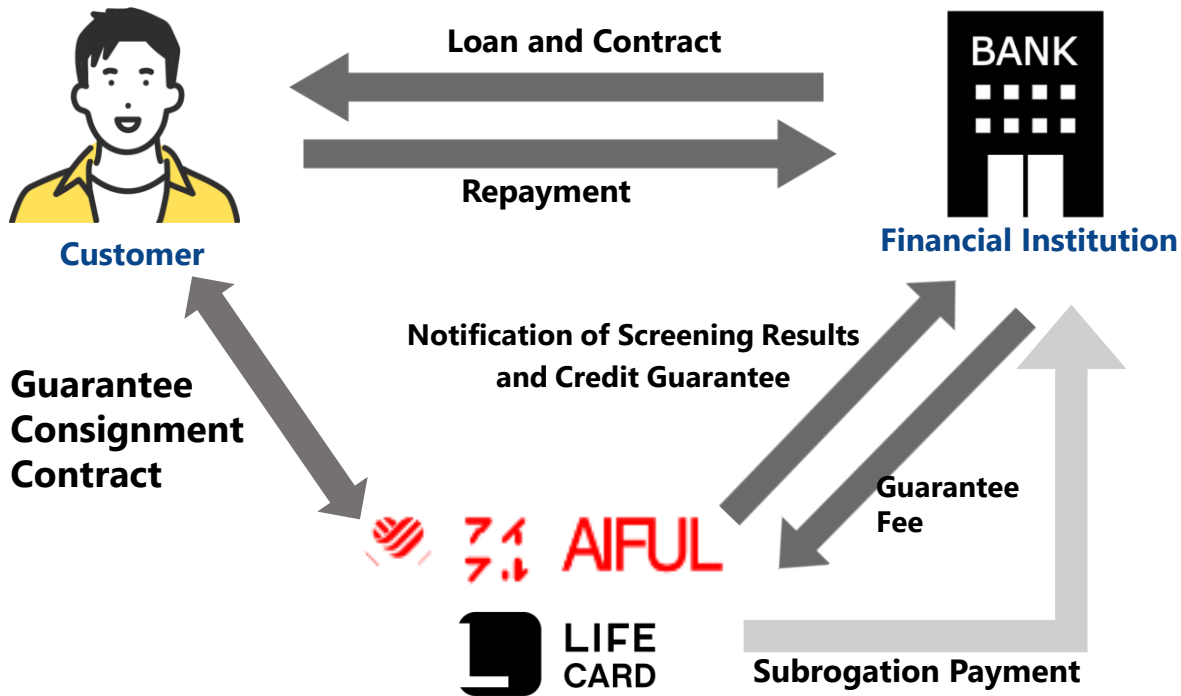
【Revenue】

In conjunction with the increase (credit expansion) in the loan balance, revenue peaks in the 2nd year and then gradually declines from the 3rd year onward.

【Expense】

Peaks in the 1st year and declines from the 2nd year onward (due to posting advertising expenses in the 1st year and declining credit cost after its peak in the 1st year).

【Business Model】 Credit Guarantee “Flow • Outline • Strength”



Profit Structure

1. Revenue guarantee fee
(split interests received from customers with financial institutions)
2. Cost selling and administration cost such as credit cost
3. Profit 1-2 *interest rates vary depending on risk

Outline

【Regulations】

- Not subject to Restriction on total loan amount (self-regulated)
- Maximum interest rate ...

under 100,000 yen	: 20%
100,000 to 1,000,000 yen	: 18%
1,000,000 yen or more	: 15%

【Features】

- Become a customer's co-signer under guarantee consignment contract
- No financing interest rates or advertising costs
- Maintain double-digit growth in balance

【Results】

- Balance at AIFUL

for individuals	162.2 bn yen (as of 2024/3/31)
for small businesses	56.1 bn yen (as of 2024/3/31)
- Partner financial institutions 156 (AIFUL)

Strength of AIFUL Group

Credit Guarantee

1. Credit screening and collection know-how cultivated over 50 years since the establishment
2. Guarantee of various financial products such as loans for SMEs and loan consolidation
3. Sales support for partners (AIFUL employees are dispatched to financial institutions)

【Small Business Loan】

In addition to small business loan utilizing AIFUL'S credit know-how for SMEs, AIFUL Group has developed real estate secured loan, factoring and medical fee secured loan, which are expected to grow in the future.

■ Small Business Loan／Real Estate Secured Loan／Factoring

AG BusinessSupport

- A finance company created by combining AIFUL Group's business know-how to support sole proprietors and SMEs.
- Based on our accumulated sales know-how, AG Business Support offers a wide variety of products, including "Card Loan," "Business Loan," and "Real Estate Secured Loan," with the motto of meeting customer needs through clear credit criteria and prompt credit decisions.

■ Medical Fee Secured Loan

AG Medical

- AG Medical took over medical fee secured loan business from AG Business Support Corporation (former AIFUL BUSINESS FINANCE Corporation), and launched the financial service business specializing in the healthcare industry from July 2021.
- The company offers loans secured by medical fees, dispensing fees, nursing care fees and disability welfare service fees.

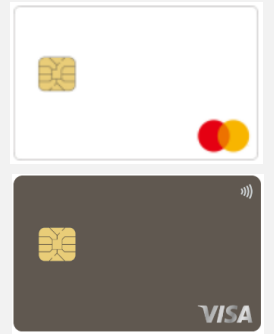
【Credit】

Credit business includes credit card, installment credit sales and BNPL.

■ Credit Card



In recent years, as digital content and cashless services diversify and users' values and needs are changing rapidly, it is becoming increasingly difficult for young people to select the "right first card" for them. Under the theme of "from functional value to emotional value," LIFE CARD is working to increase customer loyalty by developing a variety of financial services that address the needs of each individual customer, aiming to be chosen as the "first card" based on empathy for emotional value.



■ Installment Credit Sales／BNPL



■ Installment Credit Sales

AG Payment Service CO.,LTD carries out consumer installment credit sales business, which is an installment contract entered into by AG Payment Service CO.,LTD for an individual product purchased by a consumer. Against the backdrop of successful expansion of affiliated stores, particularly in esthetics and beauty medical services, installment receivable has increased.

■ BNPL

AG Payment Service CO.,LTD carries out BNPL business, which provides payment after a consumer has purchased a product.

【Overseas】

AIFUL Group manages financial business in Thailand and Indonesia by applying the know-how that it has developed over the years in Japan.



AIRA & AIFUL Public Company Limited



Loan Outstanding 35.5bn yen (as of FY2024/3)

- AIFUL established AIRA & AIFUL Public Company Limited (A&A) jointly with AIRA Capital, a local entity in Thailand, in December 2014.
- Since September 2015, A&A has engaged in the unsecured loan business in Thailand.
 - ⇒ In May 2020, a new scoring system was installed to improve the portfolio of receivables.
 - In 2021, automatic wire transfer was started in January, "eKYC (online identification)" was approved in March, and card-less deposits and withdrawals were started in April, so it is now possible to conduct screening and transfer money to customers' bank accounts in a non-face-to-face manner.
 - ⇒ It is expected that online consumer financing will become common in Thailand like in Japan, We aim to expand business operations and improve stability by utilizing the know-how cultivated in Japan.



PT REKSA FINANCE



- AIFUL Group obtained shares of REKSA FINANCE, which manages the used cars loan business in Indonesia and participated in its management in May 2017 (non-consolidated).
- REKSA FINANCE is working to expand its business assets.

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