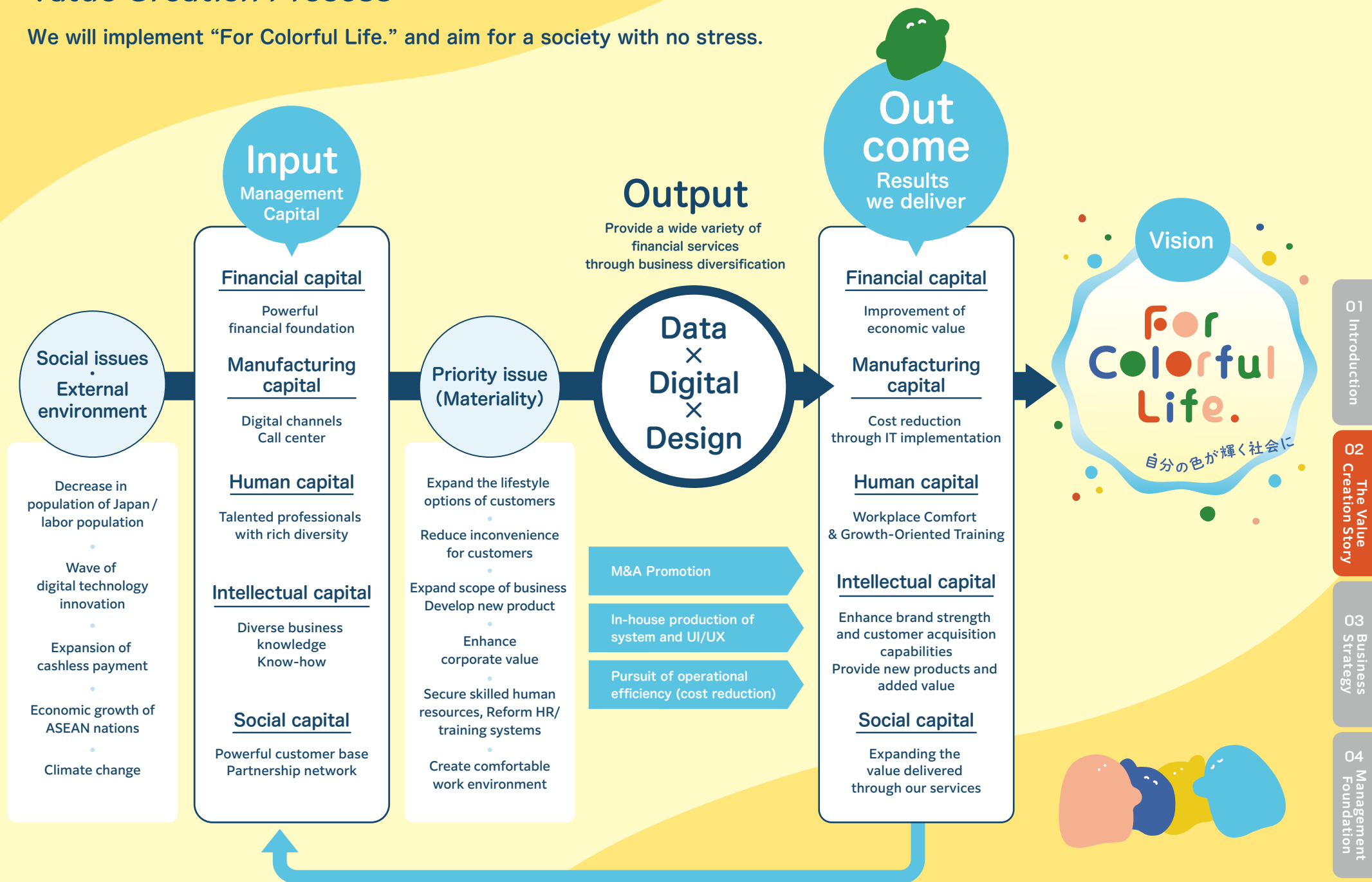


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Value Creation Process

We will implement “For Colorful Life.” and aim for a society with no stress.



Priority Issues to be Solved (Materiality)

Business

We aim to realize “For Colorful Life.” for our customers through our products and services.

Important area 1



Important area 2



| Materiality

- **Expand the lifestyle options of customers**
To expand the lifestyle options of customers who feel that their life is unfulfilled due to not being able to acquire what they want, we will provide highly convenient services in a stable manner.
- **Reduce inconvenience for customers**
We will make efforts to eliminate the hassle of the customers while using our services and provide seamless service utilizing IT and data analysis.
- **Expand scope of business and develop new product**
We will support the healthy consumption of the customers and business activities in various areas by providing various products and services.



Management Base

Empowering every employee to realize their “For Colorful Life.” through the sustainable enhancement of corporate value.

Important area 3



Important area 4



| Materiality

- **Enhance corporate value**
We will aim for sustainable growth by diversifying our business portfolio, leveraging digital technology, and making proactive growth investments.
- **Secure skilled human resources and reform HR/training systems**
We will secure skilled manpower both in Japan and overseas, and aim for the system and environment where each employee can maximize their abilities.
- **Create comfortable work environment**
To support various working styles, we will improve our internal systems and infrastructure to promote work-life balance for our employees.



Analysis of Inputs and Outcomes

(As of 2025/3)

Capital classification	Input - Management Capital -		Outcome - Results we deliver -	
Financial capital	Powerful financial foundation - Total receivable outstanding — ¥1,339.7bn - Stockholders' equity — ¥215.8bn - Equity ratio — 15.0% - External rating — A- (JCR)	- Double-digit growth in total receivable driven by a solid financial foundation and strong core business performance - Improved creditworthiness (external ratings) through stable business operations	Increased economic value - Operating revenue — ¥189.0bn - Adjusted operating profit*1 — ¥41.6bn - Ordinary profit — ¥26.8bn - ROA — 2.0% - Real ROE*2 — 8.2%	- Revenue and profit are progressing in line with the plan - M&A activities and cost structure reforms aimed at future profit generation are also progressing smoothly
Manufacturing capital	Digital channel / Call center of each business - Digital Channels for Delivering a Wide Range of Services - Employees at Call center — approximately 1,100	- Release of a highly convenient app enabled by in-house development and rapid updates - Operational efficiency achieved by consolidating tasks into the call center	Cost reduction by IT promotion (Plan 2025/3-2027/3) - Cost reduction due to in-house development — ¥1.5bn - Center operating cost reduction by productivity improvement — ¥1.0bn	- Reduced development costs through in-house system development by internal engineers - Improved operational efficiency driven by systemization and changes in center operations
Human capital	Talented professionals with rich diversity - Employees — 5,003 (consolidated basis 4,043) - Establishment of IT specialized department / M&A of SES business - Established Design specialized department - Role model of female executive	- Strengthening organizational capabilities and securing talent for sustainable corporate management - Recruitment and promotion of women, non-Japanese employees, and individuals with diverse backgrounds	Creating a Supportive Work Environment / Developing a Training System That Enables Employees to Experience Growth - In-house engineers — 327 - In-house designers — 23 - Employees with foreign nationality — 1,034 (includes locally hired) - Female employee rate (AIFUL) — 31.2%	- Improvements in the workplace environment, including the development of a training system that enables employees to experience growth, enhanced support for childbirth and childcare, and the introduction of office casual attire - Increase in internal specialists, non-Japanese employees, and women in managerial positions
Intellectual capital	Diverse business expertise / Know-how - Release of various products developed by business diversification - Credit and screening capabilities developed over the years - Brand-driven initiatives to enhance recognition	- Credit expertise based on proprietary information collection and analysis, developed through our dedicated focus on the business, along with a diverse range of financial products - Robust brand strength, led by core group companies such as AIFUL and LIFECARD	Improve Brand - Customer attraction / Provide New products - New added value - TVCN — Likeability NO.1 (Financial part)*3 - Newly acquired personal loans number — 320,000	- The TV commercial continues to maintain high favorability, contributing to a further strengthening of the Group's overall brand power - New customers are being acquired effectively at a stable cost per acquisition (CPA)
Social capital	Strong customer base/ Partnership network - Group companies — 20 companies (8 consolidated companies) - B-to-B Nationwide sales base — 26 stores - Overseas expansion — 3 countries	26 nationwide sales branches conducting B2B sales - Collaboration with business partners, such as affiliated card programs	Expansion of provided value through service - Loan business accounts — 1.79million - Credit card holders — 5.03million - Individual Installment Credit Accounts — 170,000 - Guarantee business partners — 254	- Providing customer-centric products in collaboration with business partners - Total number of customers across the Group has grown to approximately 7 million

*1 Definition of Adjusted operating profit: 1. Operating profit + 2. Profit adjustment (credit cost + provision for loss on interest repayment + depreciation - write offs) + 3. Profit generated from M&A (profit from each company, excluding Goodwill amortization)

*2 Calculated based on "Profit attributable to owners of parent" using an effective tax rate of 30%

*3 Survey results of CM integrated lab.

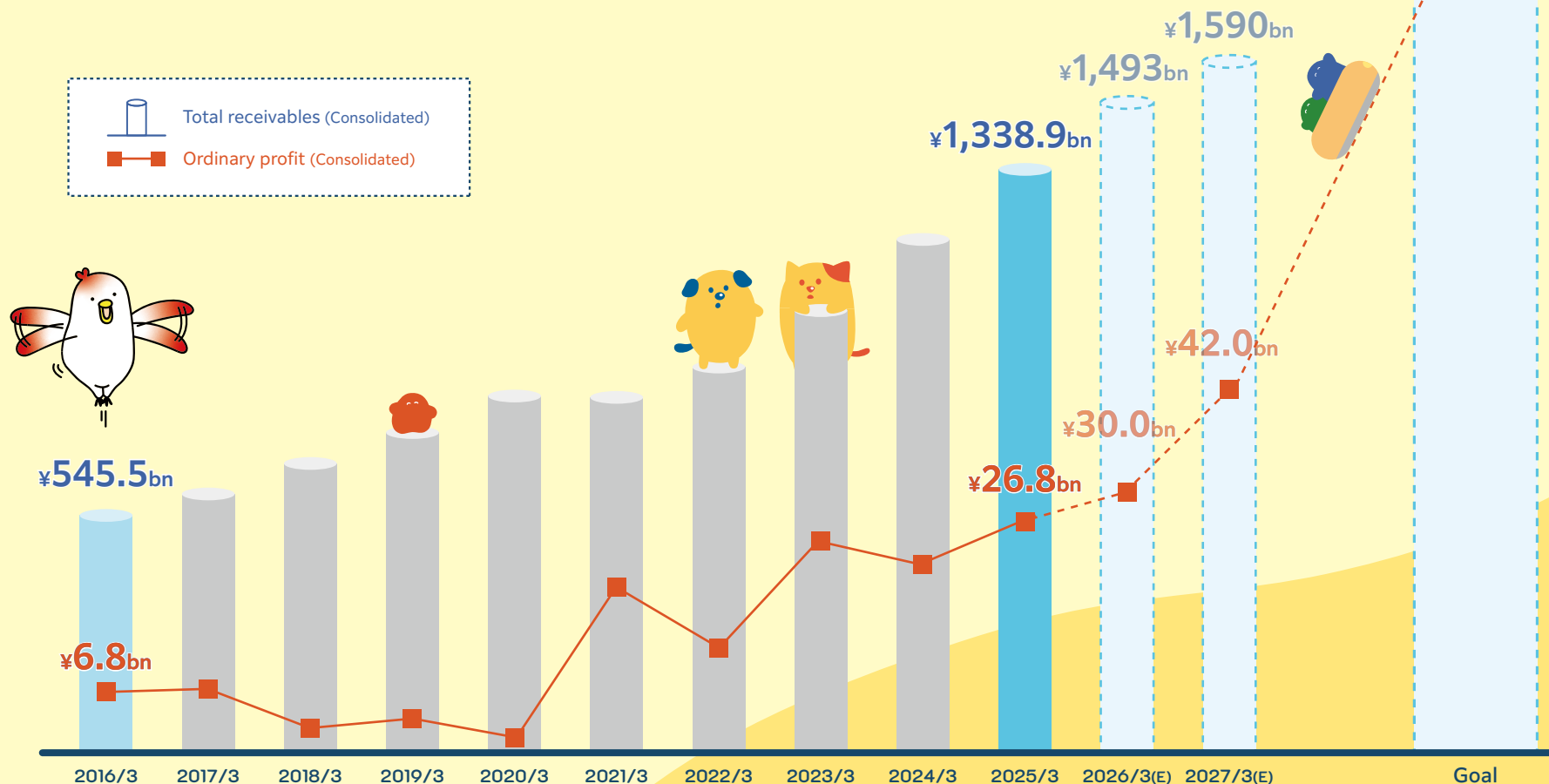
Long-Term Vision

**Transformation
Towards an IT COMPANY**
- Aiming to Become a Company
that Lasts 100 Years -

Growth Strategy

- Raise the Group's profit level by pursuing the growth of balances and efficiency in core businesses.
- Allocate profits and funds from core businesses to M&A aimed at expanding customer base and acquiring new business models.
- Promote in-house construction of systems and UI/UX to flexibly meet customer needs.

More than ¥2tr



Medium-Term Management Plan (2025/3 ~ 2027/3) Overview and Progress

3-year cumulative total

Fundamental Policy

M&A Activity Promotion Total investment of **¥60.0** bn max

Cost Structure Reform Total cost reduction effect of **¥5.0** bn or more

Management Indices

ROA More than **2%**

Real ROE* More than **10%**

Equity Ratio **15%** or more

Shareholder Return

Total Payout Ratio **2027/3(E)**
Around **20%**

Consolidated Results Forecast

	2024/3	2027/3(E)
Total Receivables	¥1,178.9 bn	¥1,590.0 bn
Operating Revenue	¥163.1 bn	¥218.0 bn
Ordinary Profit	¥22.0 bn	¥42.0 bn

Progress (2025/3)

M&A Activity Promotion **¥10.0** bn

Cost Structure Reform **¥0.8** bn

ROA **2.0%**

Real ROE* **8.2%**

Equity Ratio **15.0%**

Total Payout Ratio **11.0%**
(26/3(E) 24.1%)



Total Receivables **¥1,339.7** bn

Operating Revenue **¥189.0** bn

Ordinary Profit **¥26.8** bn

※ Real ROE is calculated based on the 'Profit attributable to owners of parent' assuming an effective tax rate of 30%

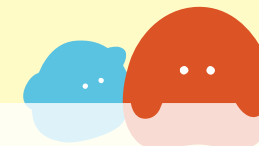
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Medium-Term Management Plan 2024



Progress in the First Year of the Medium-Term Management Plan

The AIFUL Group has formulated its Medium-Term Management Plan 2024 (for the FY2025/3 to FY2027/3), and is working to enhance corporate value under the management theme: “Try Harder – Toward a New Stage of Growth.” In addition to the growth of our core businesses, M&A promotion and cost structure reform are positioned as basic policies. As we conclude the first year of the plan, we would like to report on the AIFUL Group’s initiatives and outlook going forward.

In the fiscal year ending March 2025, our core businesses—unsecured consumer loans, business loans, credit guarantees, and installment sales finance—have all performed in line with plan, giving us a strong sense of steady progress in our business strategy. M&A initiatives and cost structure reforms are also progressing smoothly, and we feel confident about achieving the goals set forth in our current plan.

In addition to our financial performance, we are also making steady progress in non-financial initiatives such as promoting digitalization,

recruiting, and talent development. In today’s rapidly changing business environment—driven by technological innovation and evolving consumer behavior—digital transformation has become a key enabler of improved operational efficiency and enhanced customer service quality.

To achieve sustainable growth, flexibility and speed are essential. The AIFUL will continue to strengthen its competitiveness by deepening its core businesses and generating future profit opportunities, while also embracing change and maintaining a spirit of continuous challenge.



Aiming to Become a Company that Lasts 100 Years

We have a long-term vision of “Aiming to Become a Company that Lasts 100 Years”, and to keep up the continuous growth, we are working on the following three growth strategies.

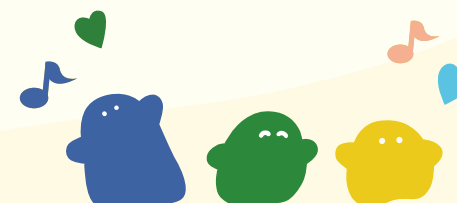
First, we aim to raise the overall profit level of the AIFUL Group by securing a stable earnings base through loan balance growth in our core businesses, and by pursuing greater operational efficiency through economies of scale and IT-driven transformation.

Second, we will reinvest profits earned from our core businesses into M&A initiatives that drive future profit creation, including expansion of our customer base and the development of new business domains. Through this, we intend to enhance our competitiveness and capture emerging market opportunities.

Third, by internalizing system development, we are building a framework that enables rapid responses to customer needs. This approach allows us to improve UI/UX, increase customer satisfaction, and enhance operational efficiency, all of which contribute to delivering better services.

Through these strategies, we are laying the foundation for realizing our long-term vision and pursuing sustainable growth. All of us at AIFUL will continue to embrace challenges together as one team, striving toward the future we envision.

Lastly, I would like to express my sincere appreciation to our shareholders and investors, as well as to our dedicated employees and all stakeholders who are working hard to advance this plan. We look forward to your continued support.



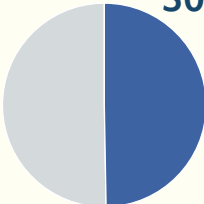
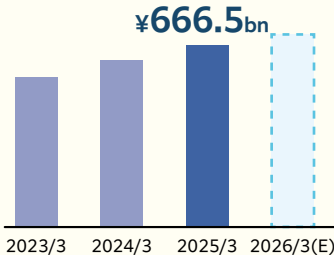
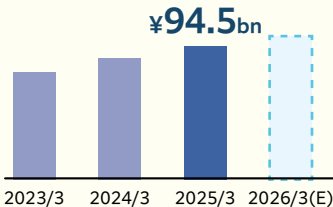
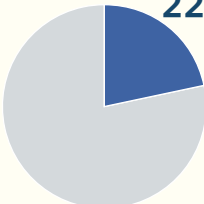
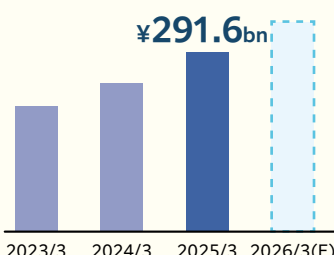
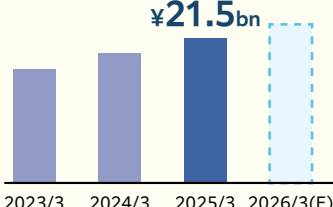
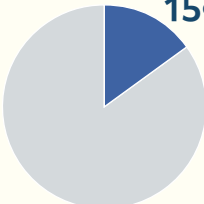
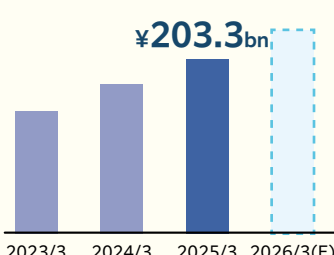
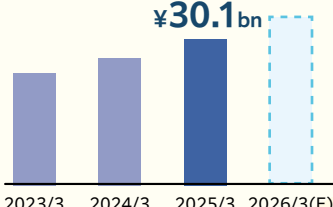
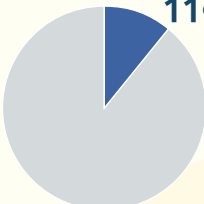
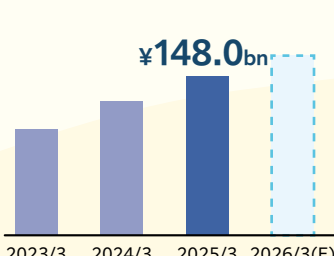
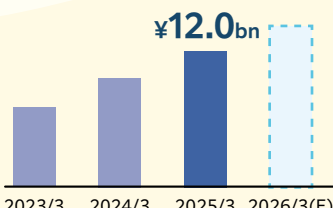
General Manager
Operation Management
Department
AIFUL
Ikumi Abe



Business Overview by Segment

Segment Portfolio



Business classification	Company name	Portfolio (2025/3)	Total receivables	Operating revenue
Unsecured loan 	- AIFUL - AIRA&AIFUL (Kingdom of Thailand)	 50%	 ¥666.5bn	 ¥94.5bn
Credit guarantee 	- AIFUL - LIFECARD	 22%	 ¥291.6bn	 ¥21.5bn
Credit / Paymnet 	- LIFECARD - AG Payment service - BitCash	 15%	 ¥203.3bn	 ¥30.1bn
Small business loan/ Secured loan 	- AG BUSINESS SUPPORT - AG MEDICAL	 11%	 ¥148.0bn	 ¥12.0bn

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Key Features:

Business Overview:

● Unsecured consumer loan

- Speedy loan approval in as little as 18 minutes
- Fully smartphone-based application process (card-less)
- User-friendly mobile app with enhanced UI/UX design

Voices from the Frontlines:

How the Personal Loan Business Is Evolving

What are the current trends in unsecured consumer loan market?



lida: Funding demand temporarily declined due to the impact of COVID-19, and the market was shrinking, but as the COVID-19 ends, demand for funds is on the rebound.

AIFUL, too, has acquired more than 300,000 new customers in the fiscal years ended March 2024 and March 2025, and I think it will keep expanding.

Hamada: It seems to me that the customers' needs are on the increase, due to increased activity following the end of the COVID-19.

lida: As salaries continue to rise, and with the legal borrowing limit set at one-third of annual income, I believe this income growth will significantly drive market expansion.



General Manager of
Loan Business
Promotion Department
AIFUL

Junpei lida

Joined LIFE CARD in 2005. After working in HR and President's office, I was assigned to my current position in 2024.

My motto is "A sound mind in a sound body," and I've recently started strength training.

Contact Center 1
AIFUL

Aoi Watanabe

Joined AIFUL in 2023 and is currently in charge of assessing online applications in the 1st department of Contact center.

My MBTI is INTJ, and I'm the type who plans well before going on a trip.

Contact Center 2
AIFUL

Uta Yano

Joined AIFUL in 2023 and am currently responsible for sales of debt consolidation loans. I aim to earn a quick promotion—and as promised, I'm working hard to earn Manager lida's recognition, maybe even his famous glasses.

Loan Business
Promotion Department
AIFUL

Soichirou Hamada

Joined AIFUL in 2019, currently in charge of sales support in the Sales promotion department around the Contact center.

Lately, I'm feeling a bit anxious as many of my peers are getting married.

Loan Business
Promotion Department
AIFUL

Taishi Matsumura

Joined AIFUL in 2019, currently in charge of Accounting system and in charge of DX planning within the Sales Promotion Department.

Recently, it's fun to go out to lunch, as the shops around Kusatsu Center, Shiga, are booming.

How was the performance of AIFUL in FY2025/3?

Hamada: With the steady progress of new acquisitions, loan balances are also increasing steadily. New usage unit value is approximately 150,000 yen, and this increases with further additions. The expansion of loan balance is a result of positive increase in additional usage, along with new acquisitions.

lida: One key factor behind the strong performance in additional usage is the availability of sufficient credit limits. I'd say that, because we can keep on providing the most appropriate limit to the customers with our (patented) appropriate credit screening, the customers can use it whenever necessary.

Matsumura: To offer customers the most appropriate credit limits, obtaining the proof of income plays an important role. Each year from January to March, we run an income verification submission campaign, which saw strong results in both

FY2024/3 and FY2025/3. We believe one key factor behind this success is the app update that made it easier for customers to submit their documents digitally.

Yano: From a loan balance growth perspective, debt consolidation loans have also contributed to the increase. These loans offer customers key benefits such as the ability to combine multiple borrowings into a single loan and access preferential interest rates.





Have customer needs changed?

Watanabe: Customer needs continue to center around convenience and speed. At AIFUL, we offer loan approvals in as little as 18 minutes, which directly addresses those expectations.

Matsumura: One major shift has been the move from store-based to web-based applications—currently, 97% of applications are submitted online. The ability to complete the entire process without visiting a store is now a fundamental expectation. Even more important, however, is the ease of use of the application form and our mobile app.

Iida: One of AIFUL's key strengths is that we develop our app in-house, thanks to our Digital Promotion Department and Design Office. Because we handle improvements internally, there's a strong culture of open dialogue—people regularly share ideas like, "This would make it easier to use," or "Let's try this out." In fact, two proposals from new graduates who joined us in 2025 have already been implemented. It's rare to see so many suggestions for app improvements coming

from within the organization.

...Though I'll admit, the team that has to process all those requests does have their hands full! (laughs)

Watanabe: Customer inquiries have shifted from phone calls to chat. We've also enhanced our FAQs to support more self-service, allowing customers to resolve issues on their own. Since frontline staff are empowered to update the FAQ content, we can make timely changes to better meet customer needs.

Iida: We've also seen an increase in female customers. This may be due to the growing number of working women, as well as improved perceptions of card loans and the convenience of being able to complete the entire application process online.

What is the contact center like today?

Matsumura: It's a bit different from the traditional image of a call center, where many people answer ringing phones, with non-regular staff (communicators) handling customer calls and paperwork. That image no longer fits today's center.



Yano: In my department, I used to handle everything from sales to contract completion on my own, but we've now moved to a more segmented structure, which allows people to get up to speed and contribute faster.

That said, different teams experience peaks and lulls in demand at different times, which made staffing allocation quite difficult. But after we implemented Salesforce, we were able to visualize various data points, which made efficient workforce planning much easier.

Watanabe: We have over 300 university student part-timers working at the contact center, creating a very vibrant atmosphere. One reason is the nearby university, but I also believe it reflects how AIFUL's image has changed. Every March, we hold a graduation ceremony to thank the student workers who are leaving—and some of them even join us as full-time employees in April! (laughs)

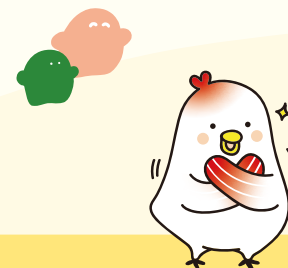


Iida: Things get busy after December when year-end tax documents are issued. That's when we're especially grateful to have the student part-timers.

Hamada: With increasing automation at the center, operations have shifted from being led by full-time staff to being primarily supported by communicators.

It's a business that sees sharp fluctuations between peak and off-peak periods, so having a flexible workforce is one of AIFUL's key strengths. I believe the way we operate the center will continue to evolve.

Iida: Thanks to all these efforts, we were proud to achieve the No.1 ranking* in the Oricon Customer Satisfaction survey for the first time. We topped the rankings in all categories—application process, screening responsiveness, interest rates, loan support, ease of repayment, and customer service. It was deeply rewarding to see our efforts recognized like that.



Small Business Loan / Factoring



Business Overview:

- Small business loan
- Factoring

Key Features:

- Same-day loan approval available
- No branch visit required

With web-based applications and usage becoming the mainstream in business loans, we remain committed to sincerely understanding customer needs and providing optimal financial solutions.

What are the trends in business loan markets?

Following the implementation of the zero-interest, zero-collateral loan program ("Zero-Zero Loans") during the COVID-19, demand for business loans temporarily declined. However, the market has since rebounded, and we expect the need for business financing to continue growing going forward.

In particular, the market for unsecured business loans presents a significant opportunity for us, as it remains relatively untapped by major non-bank competitors. We believe this gives us a unique opportunity to establish a strong, differentiated position in the market.

Have there been any changes in small business loans?

In the small business loan segment, online applications and usage are increasingly becoming the mainstream. In particular, for unsecured small business loans, we have been promoting internal development of our web application platform, and currently, over 90% of applications are submitted online. Additionally, these loans can now be fully completed online, significantly enhancing convenience. We believe this trend will continue going forward.



※A government-backed financing program introduced during the COVID-19 to support small and medium-sized enterprises (SMEs) whose revenues had declined significantly. The program offered interest-free and collateral-free loans to help ease cash flow pressures.

Could you share the background behind the growth of real estate-backed loans and your outlook for the future?

In addition to our traditional real estate-backed business loans, we have recently been strengthening the sales of two other products: loans for for-sale properties and loans for real estate investment. For for-sale property loans, demand is increasing in urban areas, and our flexible nationwide lending structure has contributed to a growing loan balance.

These loans also meet the funding needs of real estate brokers for property acquisition. For real estate investment loans, strong demand for capital continues, especially for used properties in regional areas, which is a key driver of growth.

Please tell us about your recent focus on factoring

Factoring is a financing method where customers sell their accounts receivable to us in exchange for funds. We are currently strengthening our offering of two-party factoring that does not require notification to or consent from the account debtor. This financing solution is gaining attention as it responds to the needs of businesses who "don't want to be seen as struggling with cash flow" or "want to preserve trust with clients." It is also a good fit for small and medium-sized businesses or sole proprietors with low credit scores or negative earnings, who

have difficulty obtaining loans. The product features flexible screening and fast processing, making same-day funding possible.

What was the purpose of developing a factoring purchasing and customer management system?



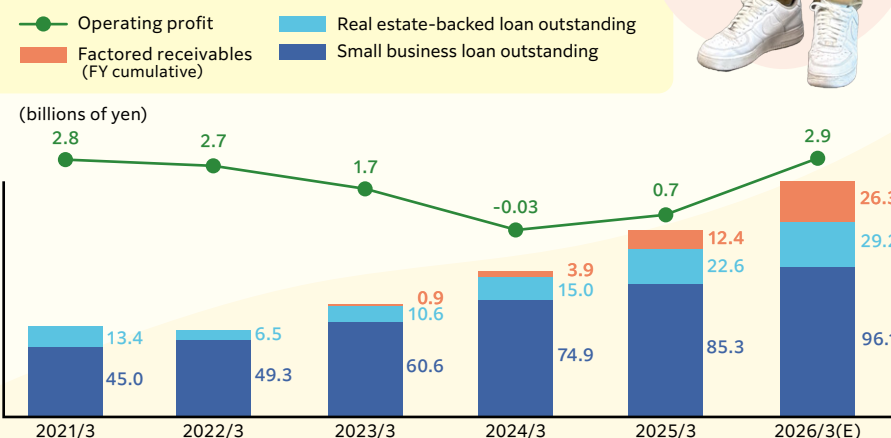
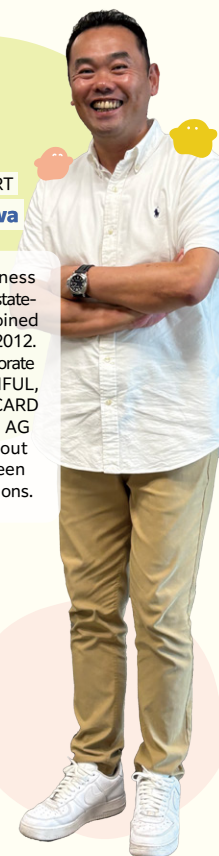
To meet the growing demand for factoring, we jointly developed the system with in-house engineers. Since the system is internally developed, it was easier to implement.

Internal development not only enhances customer convenience but also enables us to improve productivity and expand features smoothly—ultimately allowing us to deliver faster and more efficient services.

Finally, we remain committed to sincerely addressing customer needs and will continue to provide optimal solutions by leveraging AI-based scoring and risk analysis, while also pursuing low-cost operations.

Managing Director
AG BUSINESS SUPPORT
Yoshihiro Nakazawa

After gaining experience in business loans (both unsecured and real estate-backed) at a previous company, joined the AIFUL Group mid-career in 2012. Since then, has worked in the Corporate Sales Promotion Department at AIFUL, the Sales Department 3 at LIFE CARD and in 2023 was appointed to AG BUSINESS SUPPORT. Throughout their career, has consistently been engaged in BtoB-related operations.



Exceeding expectations
with specialized credit screening expertise
and diverse product offerings

General Manager
of Guarantee Business
Sales Department 2
AIFUL
Sumie Hosaka

Joined Cities in 2005 and have worked in administrative roles, corporate sales, and retail sales. Currently in charge of financial institutions in western Japan. Each prefecture presents its own unique characteristics, and direct dialogue during client meetings continues to provide valuable insights and perspectives.

What is the business model of Credit guarantee business?

The credit guarantee business involves providing debt guarantees to customers who use loan products offered by financial institutions, and generating revenue by charging guarantee fees for those guarantees.

This is a collaborative initiative that leverages the regional brand strength of each financial institution together with AIFUL's credit expertise to support the expansion of loan products.

For financial institutions, the advantages include reduced credit risk and supplemental credit assessment support. For the AIFUL Group, leveraging credit screening expertise enables fee-based revenue growth.

Who are the partner financial institutions?

The partners include nationwide banks, savings companies, and credit unions. Since last year, we have also begun forming partnerships with major Japanese megabanks.

Why do financial institutions choose you as their partner?

One of the key reasons is our diverse lineup of guarantee products, which allows partners to select offerings tailored to their customers' needs and business stages. As an independent, non-affiliated company, we are able to respond flexibly and efficiently to customization requests—this level of adaptability is highly valued by our partners.

By leveraging the AIFUL Group's well-es-

tablished operational expertise, we also provide comprehensive support for loan center operations at partner financial institutions. This integrated approach has been highly valued by our partners.

What is the background of the credit guarantee balance expansion?

Our employees have been making efforts for supporting financial institution's loan center operations, and currently we are promoting loans at 30+ financial institutions every day. This is the result of that achievement-driven motivation of our members.

We have also launched real estate-secured loans in recent years, and the loan balance has been steadily increasing. We interpret this as the parts that fully utilize the characteristics of AIFUL are highly esteemed.



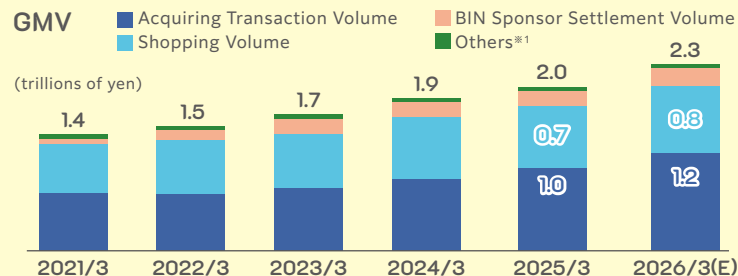
What are your future goals?

Our credit guarantee balance has reached ¥300 billion. Looking ahead, we aim to further expand the credit guarantee balance and increase profitability. To achieve this, we recognize the importance of deepening communication with our partner financial institutions and continuously developing products that align with their evolving needs.

Also, we aim to enhance our value as a credit guarantee company that provides services to a wide range of financial institutions and customers, by fully leveraging AIFUL's originality.



Driving GMV (Gross Merchandise Value) growth through strategic expansion and innovation.



*1 "Others" includes cash advance purchase amounts, V-Preca purchase amounts, and net disbursements of support loans.

Please share your thoughts on cash-less market and LIFECARD's efforts toward it.

Okano: The government has been promoting cashless transactions, and the rate of cashless payments in Japan is now over 40%. The future target is to achieve 80% cashless, and the credit card transaction volume is also showing a steady increase.

At LIFECARD, we are making efforts to

increase awareness and enhance sales by investing in advertisement-related costs and setting the expansion of GMV as the highest priority. At LIFECARD, there are many employees working on enhancing sales, here we'll introduce some of the efforts of each department.

Executive Officer of Sales Division
LIFECARD
Yuki Okano

Joined AIFUL in 1991, have worked as a general manager in Guarantee business department and LIFECARD's Sales department and rose to the current position of executive director of LIFECARD in 2025. I always try to smile, stay patient, and never give up. I keep that in mind every day, believing that would make every challenge "a good memory".

Deputy Manager at Sales Department 1
LIFECARD
Taiichi Sato

Joined LIFECARD in 2020, currently working to acquire partner card members in the 1st sales department. Now balancing work and parenting after the birth of his daughter!

Sales Department 2
LIFECARD
Yusuke Fukuma

Joined LIFECARD in 2021, currently working with branch sales for the expansion of ACQ. Spends weekends playing sports to stay active and energized!

Sales Department 3
LIFECARD
Genta Hisada

Joined LIFECARD in 2023, currently in charge of corporate card sales acquisitions and working on sales to expand transaction volume. My personal goal for 2025 is to find a girlfriend!

Deputy Manager at Sales Department 4
LIFECARD
Ren Fujimori

Joined LIFECARD in 2021, currently working on V-Preca sales. From the real jungle in my hometown of Nagano to the concrete jungle... I want to become someone who's stylish enough for Ginza soon.

Business Overview:

- Credit card
- Acquiring

Key Features:

- Annual fee-free, value-added cards
- Industry-leading point program
- Diverse lineup of co-branded cards

Sato: I am responsible for expanding our tie-up card business, with a focus on launching new co-branded cards and executing promotional campaigns to acquire new cardholders. We currently issue various tie-up cards such as the AOYAMA Card for Aoyama Tailor, and Club Amway Card for Amway. In addition, we have developed a series of entertainment-themed cards, including the HYDE CARD, which is a collaboration with the artist Hyde, and Sword Art Online Card, a collaboration with the animation based on the light novel.

Okano: When encouraging customers to use LIFECARD products, two key factors are whether the card offers tangible benefits and whether the customer feels an emotional connection to the brand. For tie-up cards, we highlight the practical advantages, while for entertainment cards, we emphasize emotional appeal. In doing so, we aim to steadily expand our co-branded card portfolio.

Sato: We engage in active outreach and negotiations with potential partners to launch tie-up credit cards. Once launched, we carry out targeted promotional initiatives

to drive card acquisition and usage. When selecting partners, we consider companies with strong existing customer bases—such as major retail chains—and, in the case of entertainment-related businesses, metrics like social media follower counts. A recent highlight was the launch of AOYAMA Pay*, a cashless payment service available at Aoyama retail stores. The service features a seamless credit screening process that can be completed in as little as five minutes, enabling immediate use upon approval.



LIFECARD's annual ACQ (acquiring) transaction amount has reached 1 trillion yen

Please tell me more about your efforts to expand the GMV.

Fukuma: I am responsible for acquiring merchants to enable credit card payments for their customers. Today, cashless payments—including credit cards—have become part of the social infrastructure. These solutions provide greater convenience for consumers and help merchants expand their sales opportunities.

Okano: Last year, for the first time, our acquiring business surpassed ¥1 trillion in annual transaction volume. It has now become one of the key focus areas for LIFECARD.

Fukuma: Our sales activities are divided between the e-commerce and brick-and-mortar channels. For e-commerce, we work primarily with payment service providers, while for physical stores, we focus on the aesthetic medical sector by leveraging our collaboration with AG Payment Service. Across the AIFUL Group, we operate 26 branches in major cities nationwide, and these branches play a central role in merchant sales for face-to-face transactions.

We also provide solutions tailored to merchant needs—such as introducing email link payment functionality for businesses that previously accepted only in-person payments, enabling

them to offer online payment options as well.

Hlsada: I am responsible for sales of corporate cards. As card-based transactions are becoming essential even in B2B business, demand for business cards is on the rise. In addition to normal corporate cards, LIFE CARD is issuing a corporate card with usage limited to specific partners, allowing higher transaction amounts.

Okano: Our business cards also offer point rewards and limited-time cashback promotions, providing a more cost-effective alternative to traditional invoice-based payments. They help improve cash flow, facilitate expense management, and support cost optimization—delivering multiple advantages to corporate users.

Hlsada: To further expand the scale of our corporate card operations, we aim to develop more convenient and user-friendly products by deeply understanding customer needs. Most recently, we launched the Prostock Professional Card in partnership with KOIZUMI Co., Ltd., a leading wholesale distributor of housing equipment.

This card is designed to support professional tradespeople in their day-to-day work, and we continue to actively pursue new card issuance opportunities.

As a welcome gift, this year's new employees received a V-Precia Gift card with our charming "Chiisakimono" design.

What products are unique to LIFECARD?

Fujimori: I work in the department in charge of V-Precia, our Visa-branded prepaid card that is easy to purchase at convenience stores and simple to use. In May 2024, we upgraded the product so that it can now be used not only online but also in physical stores. This renewal has enabled us to better meet the needs of users who prefer to use V-Precia for in-person transactions.

Okano: There has been an increase in debit card usage among younger generations, but I believe prepaid cards still meet a clear need—especially for those concerned about overspending or seeking stronger security.

Fujimori: We also offer a single-use version called V-Precia Gift, which is suitable for gift-

giving. There is growing demand for it as a corporate novelty item. In fact, this year we gave new hires a V-Precia Gift Card featuring a "Chiisakimono" design, and it was very well received.

Okano: In addition, in response to the diversification of payment methods and growing demand for cashless options, we are actively investing in our BIN sponsorship business.* LIFECARD is committed to expanding GMV by offering a broader range of payment solutions.

*BIN sponsorship refers to a business model in which we provide companies with access to international payment network licenses, enabling them to issue credit cards under their own brand.

Installment Sales Finance

AG PaymentService
x AIFUL (BtoB sales)

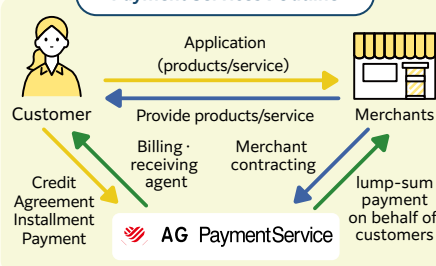
Achieved more than a tenfold increase in outstanding balance over the past four years.

What services are provided by AG Payment Service?

Shibata: At AG Payment Service, we provide AG shopping credit (installment sales finance) which enables installment payments for the customers who use our affiliated merchants.

This has the advantages of sales opportunities, planned fund management, and avoiding the risk of non-payment for affiliate merchants, and allows installment payment service for the customers.

Payment Services : Outline



What is the background of achieving such rapid growth in balance?

Shibata: The installment receivable balance of AG Payment Service has expanded more than 10 times in 4 years, from 8 billion yen in fiscal year of March 2021, to 87.6 billion in March 2025. The reason for such leap in the balance lies in the credit power and speed of examination of the AIFUL Group. Approval rate for examinations is over 90%, and we provide strong support for sales opportunities for affiliate merchants with normal examinations taking only two minutes at best.

Managing Director
AG Payment Service
Ryoji Shibata

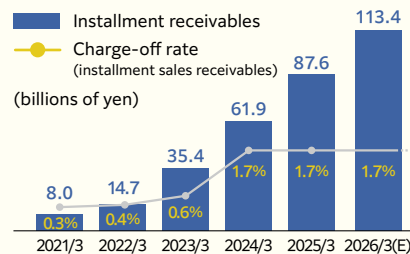
Joined LIFE CARD in 2002 and gained experience in the Partnership development and Finance departments. In 2025, I was appointed to my current position at AG Payment Service. My hobby is cooking, and I enjoy preparing meals for my family on weekends.



General Manager of
Corporate Sales
Promotion Department
AIFUL
Masaki Shiina

Joined LIFE CARD in 2005 and held roles in the Management planning department and Secretary office before assuming the current position in the Corporate Sales Promotion Department in 2024. On weekends, I enjoy tending to my garden—even in the heat, always in long sleeves!

Shiina: Another point is the cultivation of affiliate merchants that use AG Payment Service. The number of affiliate merchants has increased by 180%, from 1,900 affiliates at the end of March 2021, to 3,500 merchants by the end of March 2025. This affiliate merchant cultivation, and the products and services selected by the affiliates are both important for balance growth.



How do you cultivate affiliate stores?

Shiina: The AIFUL Group operates corporate sales branches in major cities across Japan. These branches handle a wide range of

products and services offered by the Group, including merchant acquisition activities for AG Payment Service.

Interestingly, these branches were originally AIFUL's consumer-facing retail branches. As smartphone use spread and more customers began applying online, the company repurposed these retail locations in 2019 to serve as corporate sales offices.

At the time of this transition, many employees lacked experience in B2B sales, and it took time and effort to learn about the products and how to promote them effectively. Through trial and error, the team gradually built expertise. Today, the branches handle not only merchant acquisition for AG Payment Service, but also promote LIFE CARD's business cards, acquiring (ACQ) transactions, and other corporate solutions across the Group.

Shibata: Sales branches are essential organizations for expanding the affiliate stores of AG Payment Service. AG Payment Service is

Key Features:

- Credit screening in as little as two minutes
- High approval rate backed by robust credit assessment capabilities

Business Overview:

- Installment sales finance

expanding the affiliate merchants focusing on aesthetic salons and cosmetic medical clinics, and I think that narrowing down the business led to additional growth.

What was the reason for focusing your business development efforts on the aesthetic salons and cosmetic medical clinics?

Shiina: With the expansion of affiliate merchants in various businesses going on, we noticed aesthetic and cosmetic going on, we noticed aesthetic and cosmetic going on. With our competitors that provide similar services not being very proactive with their sales, we saw an opportunity and turned to the active offensive. By focusing on the same line of business, the agencies organization had the benefit of easier sales, and everyone at the agencies organization became very knowledgeable about aesthetic and cosmetic medical.

How do you manage credit risk, given the recent rise in bankruptcies among aesthetic salons and cosmetic medical clinics?

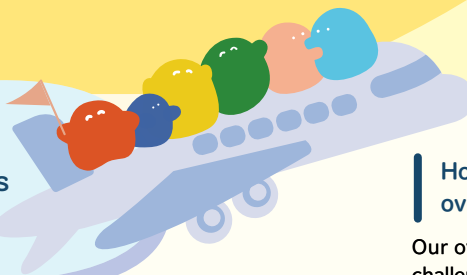
Shibata: From what I understand, the reason our competitors are not proactively cultivating aesthetic and cosmetic medicine is due to the related risks.

Shiina: Even if one of our affiliate merchant goes bankrupt, we can maintain service continuity by introducing alternative stores and ensuring uninterrupted support until the end.

Shibata: In addition, we leverage our accumulated know-how in merchant screening—such as evaluating new merchants and conducting ongoing credit monitoring—to appropriately manage transaction volumes within acceptable risk parameters. Looking ahead, our goal is to grow our outstanding balance to ¥140 billion, as outlined in our medium-term management plan. We also plan to expand into the education sector to further accelerate balance growth.

Overseas

Aiming for 50:50 ratio
for domestic business and overseas business
in the long term



General Manager
of Group Companies
Management Department
AIFUL

Shin Nakauchi

Joined AIFUL in 2006.
After working in Credit management division and AIRA and AIFUL,
I was assigned to my current position in 2023.



Can you tell us about AIFUL's overseas expansion?

Currently, we have expanded our operations into three countries.

1



**AIRA & AIFUL
Public Company Limited**
Consumer finance
(Established 2014)

2



PT REKSA FINANCE
Used car loans
(Joined group in 2017)

3



AIFUL FINANCE PHILIPPINES INC.
Consumer finance
& Auto and motorcycle loans
(Established in 2024 / Operation scheduled to commence in 2025)

How is the current state of overseas business?

Our overseas business is facing difficult challenges due to the impact of COVID-19 and deteriorating economic environment, especially in Thailand.

Due to these reasons, we are planning to improve our profit levels by enhancing the collections and thorough control of lending, in addition to reducing fixed costs by reviewing our manpower system and streamlining the store network.

By building an effective and solid management system with these cost-structure innovations, we aim to establish a stable earnings base and sustainable growth that is adaptable to the changes in the external environment.



What is the purpose behind your overseas expansion?

The main goal of our overseas expansion is to drive business growth. Given Japan's declining population and birthrate, we believe the domestic market has limited growth potential.

At the same time, advances in digital technology are helping to shrink the physical distance between Japan and overseas markets. We see this as an opportunity to expand our business globally with greater ease moving forward.



What countries and industries will you be expanding to in the future?

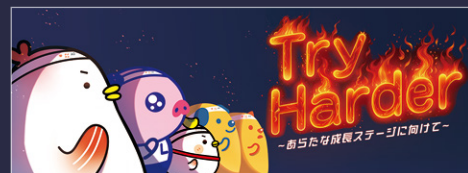
For the target countries where we will expand to in the future, we are considering Southeastern Asia's emerging countries that are experiencing increase in population and economic growth, especially the countries with developing financial markets. We believe that in these markets, demand for financial services is on the rise due to personal consumption led by the economic development, and we could anticipate future growth in scale.

Regarding the business and products, we are considering expansion in financial business where we can utilize the know-how that we have cultivated both locally and globally. We will figure out the level of income and stage of market growth for these countries, and continue to contribute to the development of the local economy by providing financial services that align with local needs, such as personal loans and auto loans.

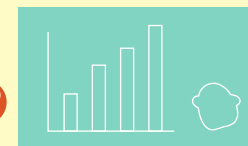
In the long run, we are aiming for 50:50 ratio for domestic business and overseas business. We will enhance and diversify our overseas business portfolio, and contribute to the sustainable growth of the whole group.

Initiatives to Enhance Corporate Value (Logic Tree Toward Enhanced Corporate Value)

8515



By implementing the various initiatives set forth in the medium-term management plan, we aim to improve both **ROE** and **PER**



01 Introduction

02 The Value Creation Story

03 Business Strategy

04 Management Foundation

1 Enhancing Profitability

- Growth investments and balance expansion in the loan/guarantee businesses
- Expansion of fee-based businesses

2 Cost Control

- Reducing fixed costs (streamlining branch network and optimizing workforce structure)
- Reducing external IT outsourcing costs through in-house system development

3 Optimizing Capital Structure

- Maintaining an appropriate equity ratio
- Enhancing shareholder returns

4 M&A

- Creating new profit sources
- Transforming the business portfolio

5 Strengthening Engagement with Capital Markets

- Proactive dialogue with shareholders and investors
- Enhancing IR activities

Improving
ROE

Improving
PER

Enhancing
Corporate
Value
(Improving
PBR)

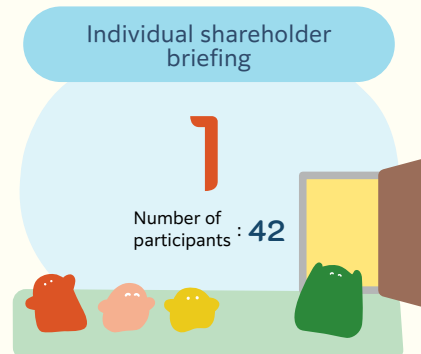
Initiatives to Enhance Corporate Value (Dialogue With The Market)

Dialogue with Shareholders and Investors

Dialogue Activities (2025/3)



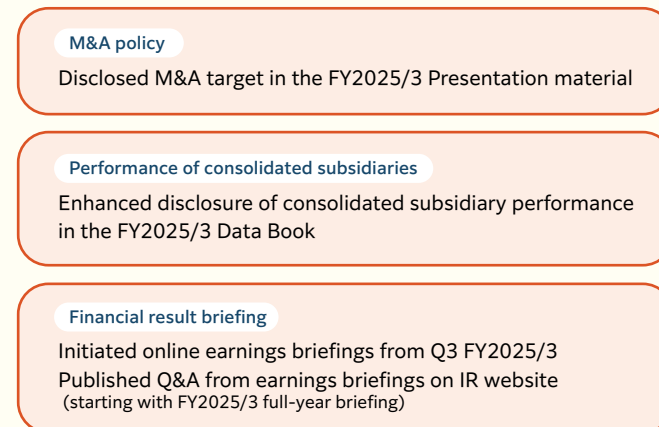
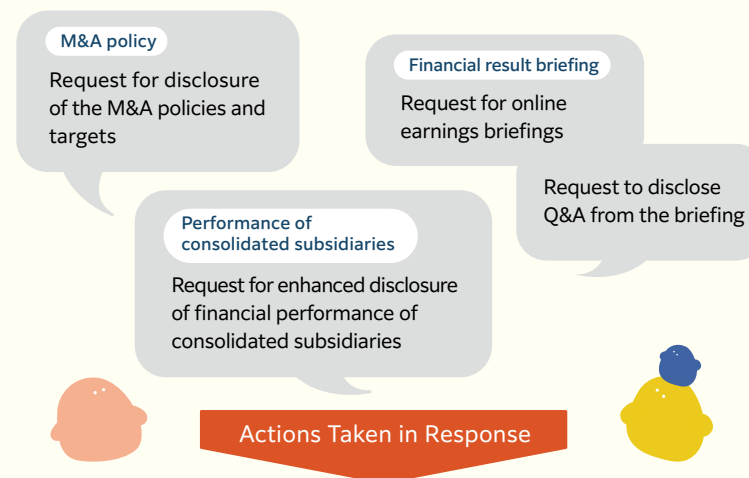
Result of IR briefing (2025/3)



Internal Feedback from Investor Dialogue

Opportunities	Frequency
Feedback and insights from shareholders, investors, and securities analysts are regularly reported to the Management Committee.	Before, after and during each quarterly settlement

Key Feedback from Shareholders and Investors



Financial Highlights/ Non-Financial Highlights

Financial Highlights

Financial base

2021/3

2025/3

Assets

Total operating receivables	816.5	1,339.7
Loans business	553.3	815.2
Credit business	108.7	203.3
Credit guarantee business	144.4	291.6

Profit and Loss

Operating revenue	127.4	189.0
Loans business	74.0	106.5
Credit business	19.3	30.1
Credit guarantee business	14.5	21.5
Ordinary profit	19.3	26.8
Profit attributable to owners of parent	18.4	22.5

Interest repayment

Number of interest repayment claims (num)	12,500	2,600
Withdrawal amount	13.0	3.3

Funding

Interest bearing liabilities (AIFUL)	510.7	834.4
Funding rate	1.38%	1.42%

Credit Rating

JCR	BB+	A-
R&I	BB	BBB+

(billions of yen)



Non-Financial Highlights

Human capital

2021/3

2025/3

Number of employees (including non-consolidated subsidiaries, etc.)	4,005	5,003
Number of non-Japanese employees (of which, based in Japan)	989(10)	1,013(78)
Ratio of full-time female employees	23.1%	31.2%
Ratio of young managers	5.0%	7.5%
Ratio of female managers	3.0%	6.3%
Number of "3D" talent (Data analysts / Digital (Engineers) / Designers)	48	418
Number of employees reskilled (Programing Training)	Total participants: 107 (over 5 years)	

Customer base & Brand Improvement

App rating- iOS	2.1	4.6
App rating- Android	3.7	4.7
Number of group companies	23	26
Number of group customers (thousands)	6,833	7,003
Incoming call rate per account (as indicator of improved UI/UX on website/app)	13%	11%
Number of data analyses reports	80	294
Number of in-house designed products	756(in 2023/3)	990

ESG

Ratio of outside directors	22.0%	33.3%
Number of financial results briefings held	2	3
CO2 emissions (t-CO2)	7,729	5,672
Number of part-time student employees	78	381

Town hall meetings (Cumulative)	Total participants: 522 Total questions submitted: 1,122 (Period: June 2024 – June 2025)
Hackathons (Cumulative)	Total participants: 633 Total events held: 10 (Period: Over 4 years)
Financial Literacy Seminars (Cumulative)	Total participants: 1,652 Total seminars held: 19 (Period: Over 3 years)

※Real ROE is calculated using profit attributable to owners of the parent, with an assumed effective tax rate of 30%