



(Translation for reference only)

February 9, 2024

## Consolidated Financial Results for the Third Quarter of Fiscal Year 2023

For the Nine Months Ended December 31, 2023

(Under Japanese GAAP)

Company name: AIFUL Corporation  
 Stock Listing: Tokyo Stock Exchange  
 Stock Code: 8515  
 URL: <https://www.aiful.co.jp>  
 Representative: Mitsuhide Fukuda, President and Chief Executive Officer  
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 Scheduled date of submission of Quarterly Securities Report: February 13, 2024  
 Scheduled date of commencement of dividend payments : —  
 Supplementary materials for Quarterly Financial results: Yes  
 Quarterly earnings release conference: None

### I. Consolidated Financial Results for the Third Quarter of Fiscal Year 2023

(April 1, 2023 – December 31, 2023)

(Amounts less than one million yen have been rounded down)

#### 1. Consolidated Operating Results

(Millions of yen, Percentages indicate year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
Nine months ended								
December 31, 2023	121,518	13.0 %	15,386	(13.3)%	16,188	(11.6)%	14,424	(14.5)%
December 31, 2022	107,583	9.2%	17,755	(4.6)%	18,320	(3.4)%	16,869	(7.1)%

Note: Comprehensive income: For the nine months ended  
 December 31, 2023 15,210 million yen (14.9)%  
 December 31, 2022 17,878 million yen 1.6%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Nine months ended		
December 31, 2023	29.82	—
December 31, 2022	34.88	—

#### 2. Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)
As of			
December 31, 2023	1,212,880	194,365	15.7
March 31, 2023	1,070,485	179,593	16.4

Reference: Shareholders' equity: As of December 31, 2023 190,394 million yen  
 As of March 31, 2023 176,072 million yen

### II. Dividend Information

	Dividend per share (Yen)				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
FY ended March 31, 2023	—	0.00	—	1.00	1.00
FY ending March 31, 2024	—	0.00	—		
FY ending March 31, 2024 (Forecast)				1.00	1.00

Note: Revisions to dividend forecasts: None

### III. Earnings Forecast on a Consolidated Basis for the Fiscal Year ending March 31, 2024

(April 1, 2023 – March 31, 2024)

(Millions of yen, Percentages indicate year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Profit per Share (Yen)
Fiscal year ending March 31, 2024	163,900	13.7%	21,500	(9.4)%	21,700	(11.2)%	20,400	(8.7)%	42.17

Note: Revisions to consolidated earnings forecasts: Yes

For more details, please refer to “Notice of Revisions to Financial Results Forecast” released on February 9, 2024.

### IV. Other

(1) Changes in significant subsidiaries during the nine months ended December 31, 2023

(Changes in specified subsidiaries resulting changes in scope of consolidation): None

(2) Adoption of special accounting methods for quarterly consolidated financial statements: None

(3) Changes in accounting policies, accounting estimates and restatements

(a) Changes in accompanying amendments to accounting standards: None

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

(c) Change in accounting estimates: None

(d) Restatements: None

(4) Number of shares issued (Common stock)

(a) Number of shares issued at the end of the period (including treasury stock)

FY2023 3Q	484,620,136 shares	FY2022	484,620,136 shares
FY2023 3Q	783,316 shares	FY2022	917,614 shares
FY2023 3Q	483,784,079 shares	FY2022 3Q	483,702,611 shares

(b) Number of treasury stock at the end of the period

(c) Average number of shares during the period

\* Note: Brief Statement of quarterly financial results is not subject to audit procedures that are conducted by a certified public accountant or an audit corporation.

\* Note: Disclaimer concerning the proper use of business results forecasts, etc.

The 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, actual results may differ from the forecasts due to various factors. For matters related to earnings forecast above, please refer to “Qualitative Information on the Forecasts for the Consolidated Business Results” on page 2.

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## 1. Quarterly Qualitative Information on Business Results

### (1) Qualitative Information on Business Results

During the nine months ended December 31, 2023, restrictions on activities due to COVID-19 have been lifted and socioeconomic activities have normalized. However, Japanese economy outlook remains uncertain due to the prolonged situation in Ukraine, exchange rate fluctuations associated with monetary tightening, price increase and other factors.

In the consumer finance industry, the number of new contracts at major companies has continued to increase year on year and the balance of operating loans has expanded accordingly. Although interest repayment claims have been steadily decreasing, it still requires close monitoring as it is easily affected by changes in the external environment.

Under these circumstances, AIFUL Group is promoting in-house production in the digital field through the proactive recruitment of IT personnel and working to enhance UI/UX and customer satisfaction as well as streamlining and simplifying operations by revamping the official website, smartphone apps, and application forms. In addition, the Group will continue to improve the profitability of its core businesses through aggressive investment in advertising, while trying to diversify its future earnings base by acquiring new business models.

(Overview of the results)

AIFUL Group's consolidated operating revenue for the third quarter of the fiscal year ending March 31, 2024 rose 13.0% compared with the corresponding period of the previous fiscal year to 121,518 million yen. The principal components were 70,716 million yen in interest on loans (up 13.4% year on year), 16,441 million yen in revenue from the credit card business (up 7.5% year on year) and 14,403 million yen in revenue from the credit guarantee business (up 14.9% year on year). Operating expenses increased by 16,304 million yen, or 18.2% year on year to 106,132 million yen. This was mainly due to an increase in advertising expenses by 2,589 million yen or 22.8% year on year to 13,957 million yen and an increase in provision for allowance for doubtful accounts of 10,166 million yen or 35.3% year on year to 38,982 million yen.

As a result, AIFUL Group posted operating profit of 15,386 million yen (down 13.3 % year on year) and ordinary profit of 16,188 million yen (down 11.6 % year on year). Profit attributable to owners of parent stood at 14,424 million yen (down 14.5 % year on year), reflecting a profit attributable to non-controlling interests of 178 million yen.

### (2) Qualitative Information on the Forecasts for the Consolidated Business Results

Regarding its earnings forecasts for the fiscal year ending March 2024, AIFUL Group expects to record operating revenue of 163,900 million yen (up 13.7% year on year), operating profit of 21,500 million yen (down 9.4% year on year), ordinary profit of 21,700 million yen (down 11.2% year on year) and profit attributable to owners of parent of 20,400 million yen (down 8.7% year on year). For more details, please refer to the news release "Notice of Revisions to Financial Results Forecast" released on February 9, 2024.

The above forecasts are based on information available as of the date of publication of this document. There are various risks in the current business environment surrounding us, and the final results may differ from the forecasts.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	43,251	55,132
Operating loans	614,229	682,383
Accounts receivables - installment	136,559	160,156
Operational investment securities	2,540	2,920
Customers' liabilities for acceptances and guarantees	221,659	247,021
Other operating receivables	13,185	15,583
Purchased receivables	6,985	8,278
Other	34,576	42,597
Allowance for doubtful accounts	(63,040)	(71,213)
Total current assets	1,009,948	1,142,860
Non-current assets		
Property, plant and equipment	16,238	17,118
Intangible assets	8,392	12,751
Investments and other assets	35,906	40,150
Total non-current assets	60,537	70,020
Total assets	1,070,485	1,212,880
<b>Liabilities</b>		
Current liabilities		
Notes & accounts payable-trade	43,066	66,571
Acceptances and guarantees	221,659	247,021
Short-term borrowings	69,582	106,822
Short-term loans payable to subsidiaries and associates	1,734	785
Commercial papers	12,000	21,200
Current portion of bonds	—	30,000
Current portion of long-term borrowings	183,832	215,225
Income taxes payable	2,006	1,279
Reserves	1,651	883
Other	37,379	42,127
Total current liabilities	572,912	731,917
Non-current liabilities		
Bonds payable	45,000	30,000
Long-term borrowings	249,087	237,073
Provision for loss on interest repayment	17,383	12,929
Other	6,509	6,593
Total non-current liabilities	317,979	286,596
Total liabilities	890,892	1,018,514
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	94,028	94,028
Capital surplus	14,017	14,017
Retained earnings	69,419	82,950
Treasury shares	(3,110)	(2,655)
Total shareholders' equity	174,354	188,341
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,123	1,191
Deferred gain (loss) on hedges	—	(2)
Foreign currency translation adjustment	595	864
Total accumulated other comprehensive income	1,718	2,053
Non-controlling interests	3,520	3,970
Total net assets	179,593	194,365
Total liabilities and net assets	1,070,485	1,212,880

## (2) Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### i. Quarterly Consolidated Statements of Income Nine months ended December 31

	(Millions of yen)	
	Nine months ended Dec 31, 2022 (Apr 1, 2022 to Dec 31, 2022)	Nine months ended Dec 31, 2023 (Apr 1, 2023 to Dec 31, 2023)
Operating revenue		
Interest on operating loans	62,351	70,716
Revenue from credit card business	15,294	16,441
Revenue from installment sales finance business	1,740	3,280
Revenue from credit guarantee	12,532	14,403
Other financial revenue	3	5
Other operating revenue	15,661	16,670
Total operating revenue	107,583	121,518
Operating expenses		
Financial expenses	5,363	5,386
Cost of sales	148	272
Other operating expenses	84,316	100,473
Total operating expenses	89,828	106,132
Operating profit	17,755	15,386
Non-operating income		
Dividend income	32	59
Share of profit of entities accounted for using equity method	141	62
Foreign exchange gains	220	537
Other	206	213
Total non-operating income	602	873
Non-operating expenses		
Provision of allowance for doubtful accounts	3	37
Loss on investments in silent partnerships	16	—
Other	16	33
Total non-operating expenses	36	71
Ordinary profit	18,320	16,188
Extraordinary income		
Gain on the sale of fixed assets	—	56
Total extraordinary income	—	56
Extraordinary loss		
Loss on valuation of investment securities	—	47
Total extraordinary loss	—	47
Profit before income taxes	18,320	16,197
Income taxes - current	2,521	2,721
Income taxes - deferred	(1,505)	(1,127)
Total income taxes	1,016	1,594
Profit	17,304	14,602
Profit attributable to non-controlling interests	435	178
Profit attributable to owners of parent	16,869	14,424

ii. Quarterly Consolidated Statements of Comprehensive Income  
 Nine months ended December 31

	(Millions of yen)	
	Nine months ended Dec 31, 2022 (Apr 1, 2022 to Dec 31, 2022)	Nine months ended Dec 31, 2023 (Apr 1, 2023 to Dec 31, 2023)
Profit	17,304	14,602
Other Comprehensive income		
Valuation difference on available-for-sale securities	(31)	68
Deferred gain (loss) on hedges	—	(2)
Foreign currency translation adjustment	604	541
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	573	607
Comprehensive income	17,878	15,210
Comprehensive income attributable to		
Owners of parent	17,139	14,760
Non-controlling interests	739	450

### (3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Nine months ended Dec 31, 2022 (Apr 1, 2022 to Dec 31, 2022)	Nine months ended Dec 31, 2023 (Apr 1, 2023 to Dec 31, 2023)
Cash flows from operating activities		
Profit before income taxes	18,320	16,197
Depreciation	2,679	2,784
Increase (decrease) in allowance for doubtful accounts	3,591	5,336
Increase (decrease) in provision for bonuses	(647)	(723)
Increase (decrease) in provision for share-based remuneration	38	(2)
Increase (decrease) in allowance for loss on interest repayment	(5,705)	(4,453)
Interest and dividend income	(46)	(132)
Share of loss (profit) of entities accounted for using equity method	(141)	(62)
Loss on valuation of investment securities	—	47
Loss (gain) on sale of fixed assets	—	(56)
Decrease (increase) in interest on loans receivable	(39,991)	(65,859)
Decrease (increase) in accounts receivable – installment	(20,825)	(23,597)
Decrease (increase) in other operating receivable	(2,105)	(2,398)
Decrease (increase) in purchased receivable	(988)	(1,292)
Decrease (increase) in claims provable in bankruptcy	611	2,502
Decrease (increase) in business security deposits	1,200	(41)
Decrease (increase) in other current assets	(12,398)	(8,430)
Increase (decrease) in other current liabilities	12,280	28,154
Other	(531)	(246)
Subtotal	(44,661)	(52,273)
Interest and dividend income	67	152
Income taxes refund	482	54
Income taxes paid	(2,123)	(3,162)
Cash flow from operating activities	(46,234)	(55,229)
Cash flow from investing activities		
Payments into time deposits	(4,940)	(4,949)
Proceeds from withdrawal of time deposits	4,845	4,910
Purchase of property, plant and equipment	(759)	(1,976)
Proceeds from sales of property, plant and equipment	—	148
Purchase of intangible assets	(2,148)	(5,962)
Purchase of investment securities	(209)	(1,296)
Other	(94)	(1,394)
Cash flows from investing activities	(3,307)	(10,521)
Cash flow from financing activities		
Increase in short-term borrowings	992,904	1,109,157
Decrease in short-term borrowings	(989,037)	(1,073,552)
Proceeds from issuance of commercial papers	40,500	137,600
Redemption of commercial papers	(31,000)	(128,400)
Proceeds from long-term borrowings	177,970	173,258
Repayments of long-term borrowings	(135,920)	(154,190)
Proceeds from issuance of bonds	45,000	15,000
Redemption of bonds	(35,000)	—
Cash dividends paid	(483)	(483)
Other	(851)	(848)
Cash flows from financing activities	64,081	77,540
Effect of exchange rate changes on cash and cash equivalents	96	51
Net increase (decrease) in cash and cash equivalents	14,635	11,841
Cash and cash equivalents at beginning of period	39,147	37,885
Cash and cash equivalents at end of period	53,782	49,727



(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable

(Notes in Case of any Significant Changes in the Amount of Shareholders' Equity)

Nine months ended December 31, 2022 (Apr 1, 2022 to Dec 31, 2022)

1. Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share	Record date	Effective date	Source of dividends
Board of Directors meeting held on April 25, 2022	Common stock	483	1.00	March 31, 2022	May 31, 2022	Retained earnings

2. Dividends whose record date is in the nine months ended December 31, 2022 but whose effective date is after December 31, 2022

Not applicable

3. Significant Changes in the Amount of Shareholders' Equity

Not applicable

Nine months ended December 31, 2023 (Apr 1, 2023 to Dec 31, 2023)

1. Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share	Record date	Effective date	Source of dividends
Board of Directors meeting held on April 24, 2023	Common stock	483	1.00	March 31, 2023	June 8, 2023	Retained earnings

2. Dividends whose record date is in the nine months ended December 31, 2023 but whose effective date is after December 31, 2023

Not applicable

3. Significant Changes in the Amount of Shareholders' Equity

The Company disposed of 134,314 shares of treasury stock as restricted stock compensation on July 18, 2023, in accordance with a resolution of the Board of Directors meeting held on June 26, 2023. Due to the disposal of treasury stock, Other capital surplus decreased by 409 million yen and treasury stock decreased by 455 million yen. Since the balance of other capital surplus became negative, it was set to zero and the negative value was reduced from other retained earnings. As a result, the balance of retained earnings at the end of the third quarter of the fiscal year ending March 31, 2024 is 82,950 million yen and the balance of treasury stock is 2,655 million yen.