



**Presentation Material
for the Second Quarter of FY2022/3**

AIFUL CORPORATION

November 2021



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I Strategy and Environment

Management Theme

Achieve growth as an IT Finance Group through organizational and institutional reforms and the use of digital technologies in response to environmental changes

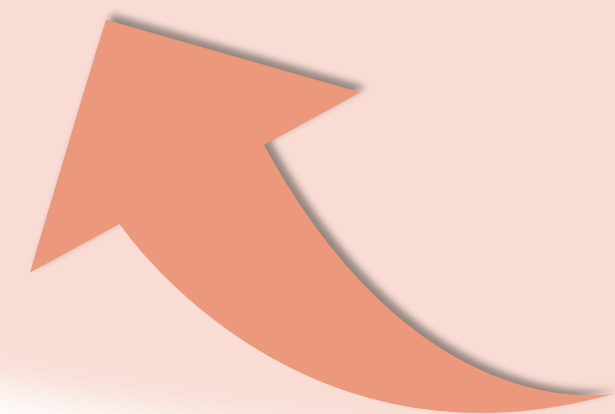


A management strategy that focuses on Security, Profitability, and Growth potential

**Improve speed
Reduce costs**

In-house production through recruitment and training of specialist human resources

- **Promoting Digitalization**
- **Data Analysis**
- **Design**



Initiatives aiming to be IT Finance Group

Human Resources Strategy for introducing IT



Promoting Digitalization

Cost reduction by improving work efficiency and convenience

3 required skills for IT Finance Group



Design

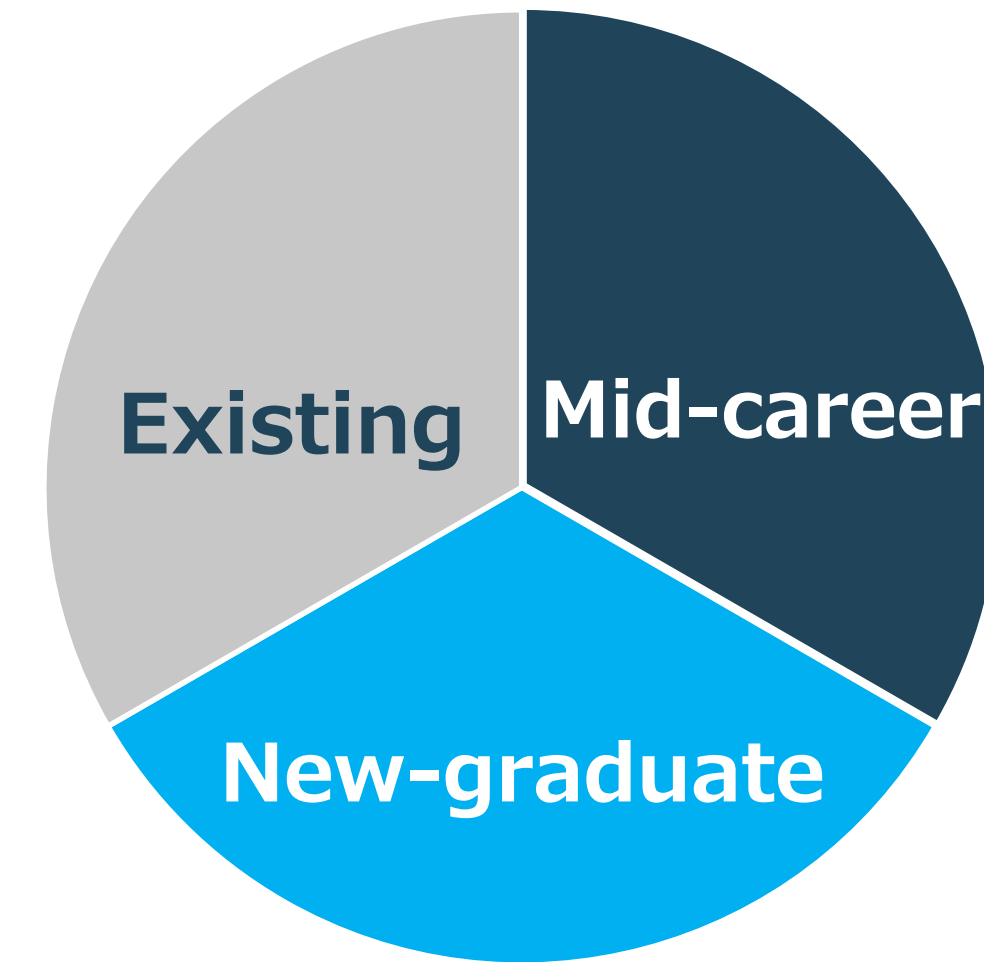
Promoting in-house production of design to reduce costs



Data Analysis

Improving profitability by enhancing data analytical ability and grasping customers' needs and trends

3 employee groups of the Specialists



How to increase

Mid-career

- Actively employ professionals with specialized knowledge

Existing

- Gather qualified employees and train them

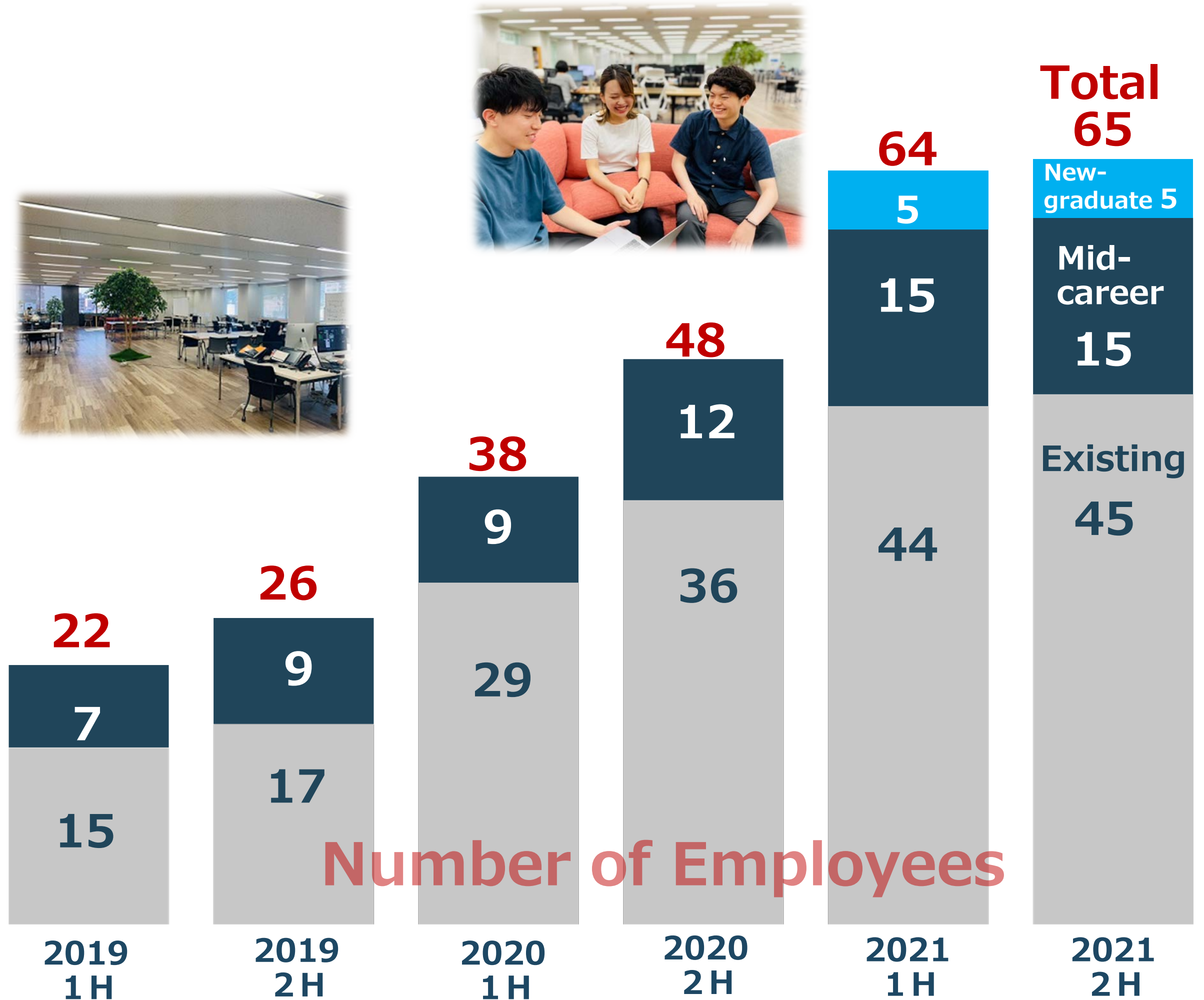
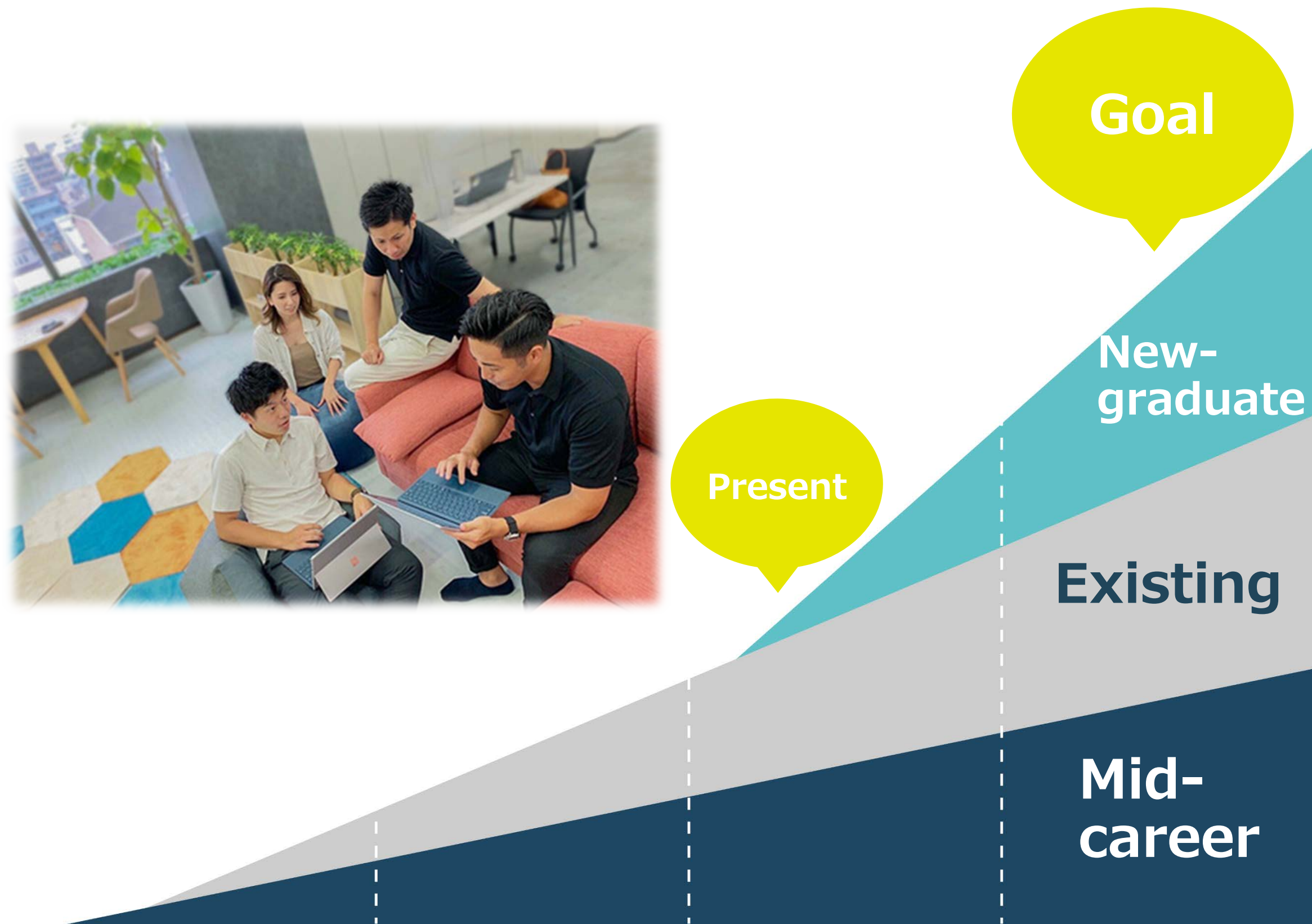
New-graduate

- Recruit students with IT and design backgrounds

Initiatives aiming to be IT Finance Group

While strengthening mid-career recruitment, invest in and train existing employees, and actively recruit new graduates in the future.

Steady increase in the number of employees with expertise in IT, data analysis, and design

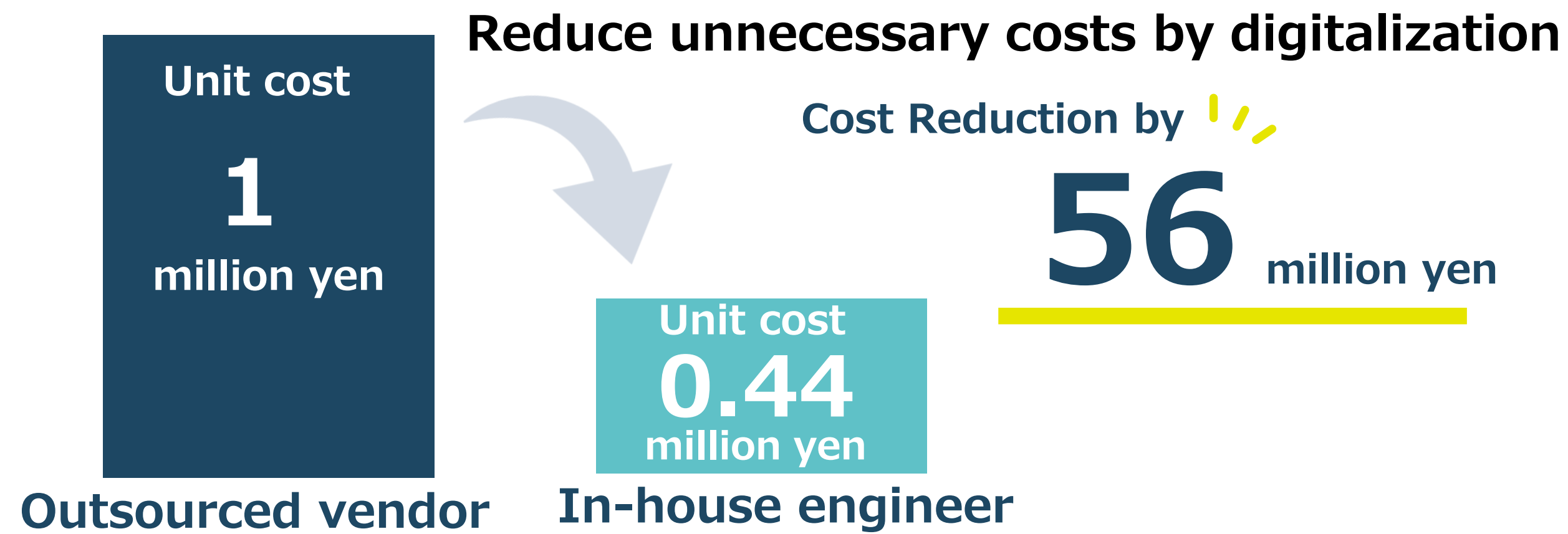


Initiatives aiming to be IT Finance Group

Effects and results of strengthening recruitment and training of specialist human resources

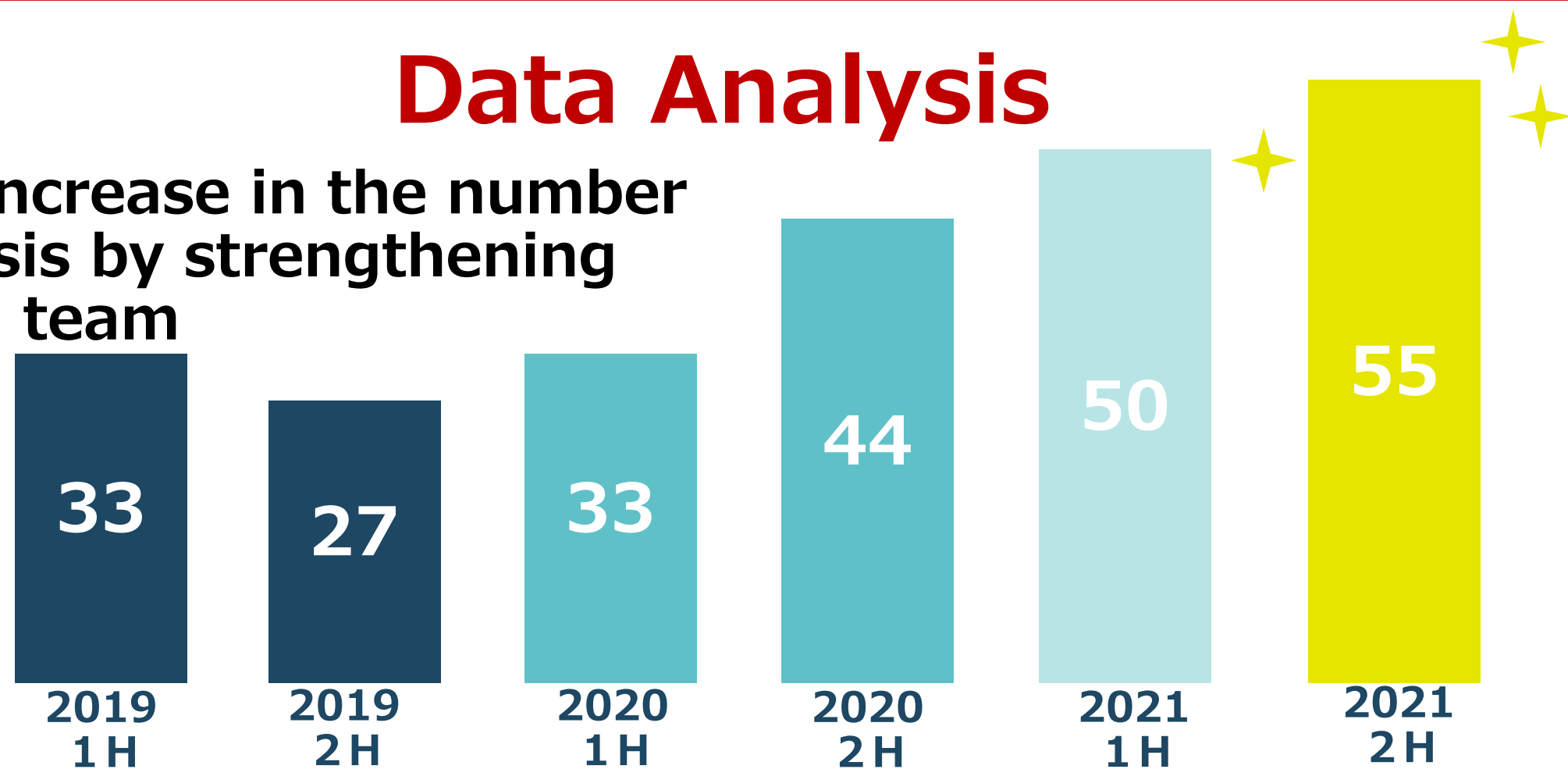
Promoting Digitalization

Monthly cost per person



Data Analysis

Steady increase in the number of analysis by strengthening our data team



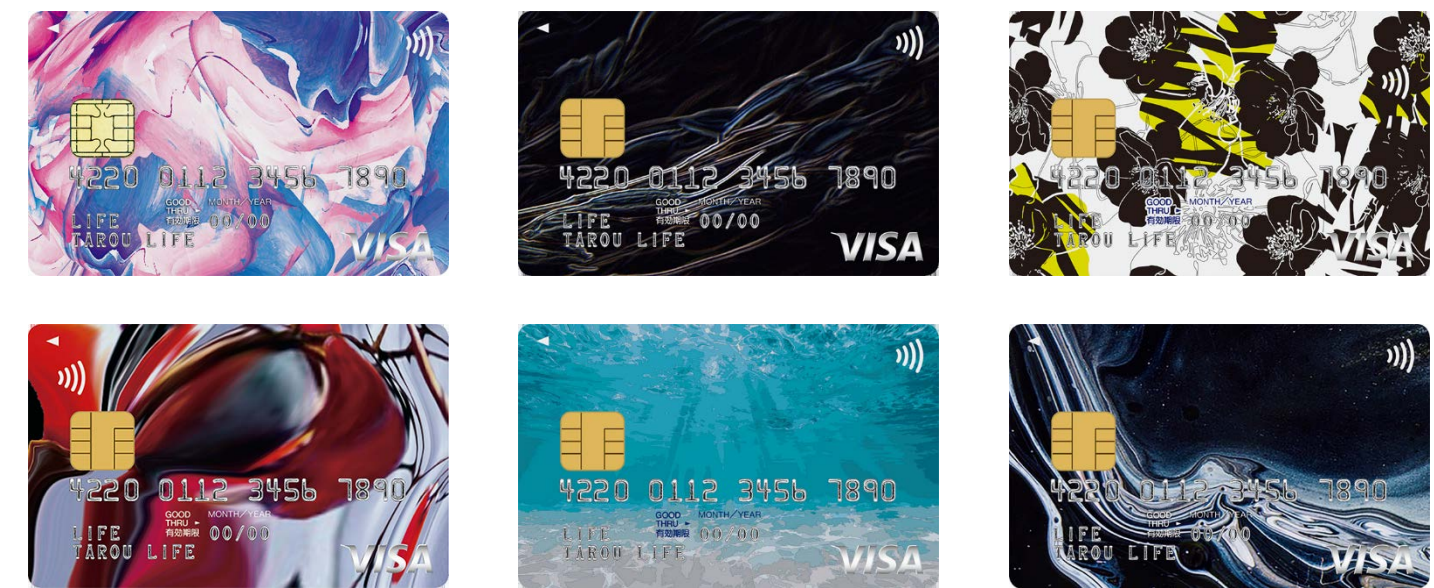
Design

Achievements : Renewal of designs in line with the formulation of a new philosophy system, renovation of apps (implemented as needed), credit card surface images, etc.

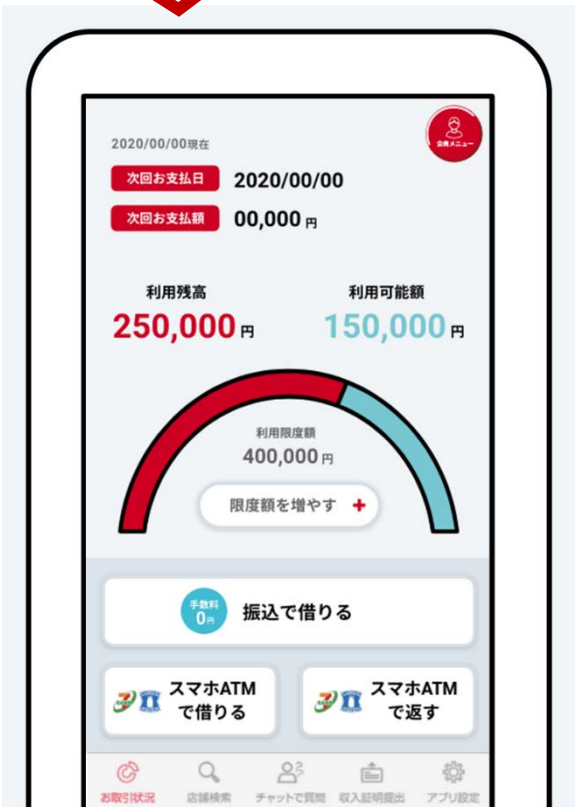


New designs of VMV (Vision, Mission, Value) are posted at the Kusatsu Contact Center

Apps that have won high marks from users



Various designs of credit card surface images





Indicators of Reliability · Profitability · Growth Potential in AIFUL Group

Safety	20%	17.3%
Shareholders' Equity Ratio		2021/9

ROE	Profitability	ROA
more than 10%	more than 2%	
13.5%	2.3%	2021/9
2021/9	2021/9	





Compliance with New Market Segment "Prime Market"

On July 9 2021, AIFUL received the results of the initial assessment of its compliance with the listing standards of the new market segments from Tokyo Stock Exchange, Inc. and confirmed that it is in compliance with the listing standards for the "Prime Market" under the new market segments.



Credit Rating

The credit rating (R&I) was upgraded by two notches on October 13, 2021.

	Before	After
Long-term rating	BB	BBB-
Outlook	Positive	Stable
Short-term rating	b	a-2

Advertising Strategy

We aim to be the first brand to be recalled through efficient and unique advertising by using data. The familiar AIFUL commercial with the phrase "Sokoni ai wa arunka? (Is there love?)" was selected as the No. 1 favorite financial industry commercial. (Source: CM Soken Consulting)





Starting crowdfunding business

We established a new company, AG Crowdfunding Co.,Ltd. and commenced its operations on September 3, 2021. We leverage our credit expertise cultivated in the AIFUL Group to engage in a loan-type crowdfunding business (social lending).

AG Crowd Fund!ng

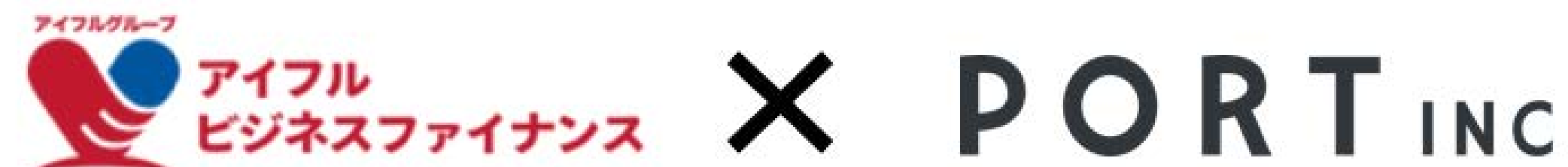
Starting secured medical loan business

AG MEDICAL CORPORATION has launched a financial service business specializing in the healthcare industry, centering on the secured medical loan business.

AG MEDICAL

Business alliance

AIFUL BUSINESS FINANCE entered into a comprehensive business alliance with PORT INC. Through this agreement, we have begun developing alliance media and reciprocal customer referrals.



BNPL

AG MIRAIBARAI CO.,LTD has launched a new service, "Postpay Charge Service." We entered into an alliance with Kyash Inc in July 2021 and with SmartBank, Inc. in August.





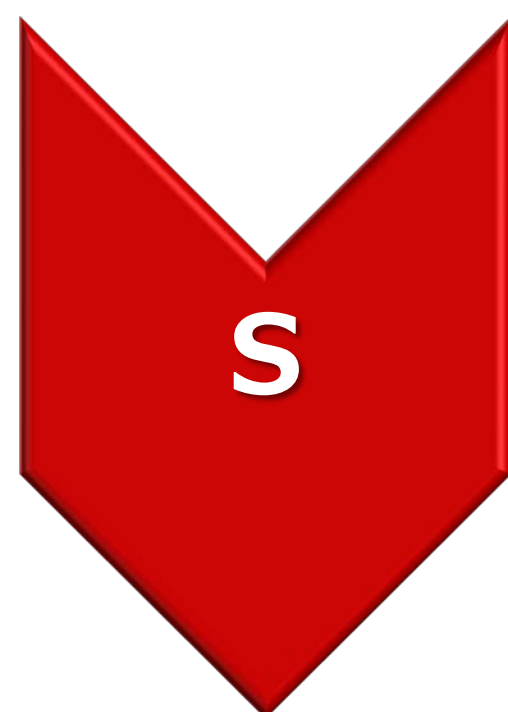
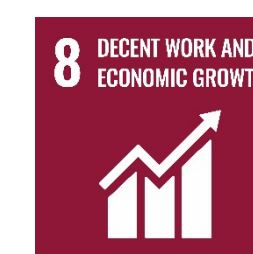
ESG · SDG s Topics



Improve Work Efficiency

We have been developing RPA throughout AIFUL Group since April 2019, striving to reduce energy consumption and cut overtime hours by improving work efficiency.

Period	Expected reduction of working hours
2019/4~2020/3	11,617 hours
2020/4~2021/3	11,209 hours
2021/4~2021/9	7,062 hours
Cumulative expected reduction of working hours	29,888 hours



Employee Engagement

We have an awards system and an improvement proposal system to enhance employee engagement. In addition, we regularly publish AG Style (in-house magazine) and actively share information and activities.



WEB in-house magazine



In-house magazine (printed edition)

Donation in Thailand

AIRA&AIFUL (A&A) donated to the Thai Medical Device Development Foundation to help develop medical devices.

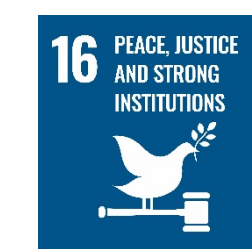


Compliance Study Sessions

We conduct compliance study sessions for all employees (including temporary and contract employees) every year to deepen knowledge of various internal regulations and laws. We conducted 3 sessions in the first half of FY2021.

Major Internal Regulations

- Regulations for Prevention of Damage by Anti-Social Forces
- Personal Information Protection Regulations
- Regulations on Handling Advertisement
- Regulations for Prevention of Insider Trading



For Colorful Life.

自分の色が輝く社会に。



Macro environment in Japan(as of end of September 2021)

- Real GDP growth rate in April-June (compared to previous quarter) was 1.9% and the annual rate was 0.5% (Cabinet Office statistical data).
- The unemployment rate in July was 2.8% (down 0.1pp from the previous month) and that in August was 2.8% (down 0 pp from the previous month), showing that the unemployment rate remains high due to the impact of the new Corona Virus. Vaccination has been moving forward and the economy has been on a recovery trend, but the situation remains severe in the service industries such as restaurants and accommodations.

Macro environment in Thailand

- GDP growth rate in April-June was 7.5% year on year, the first time in six quarters to grow positive from -2.6% in January-March 2020 (data from National Economic and Social Development Council).
- Thailand's Ministry of Foreign Affairs announced that it would allow quarantine-free entry to vaccinated travelers from 46 countries and territories including Japan, aiming to recover the tourism industry damaged by COVID-19.

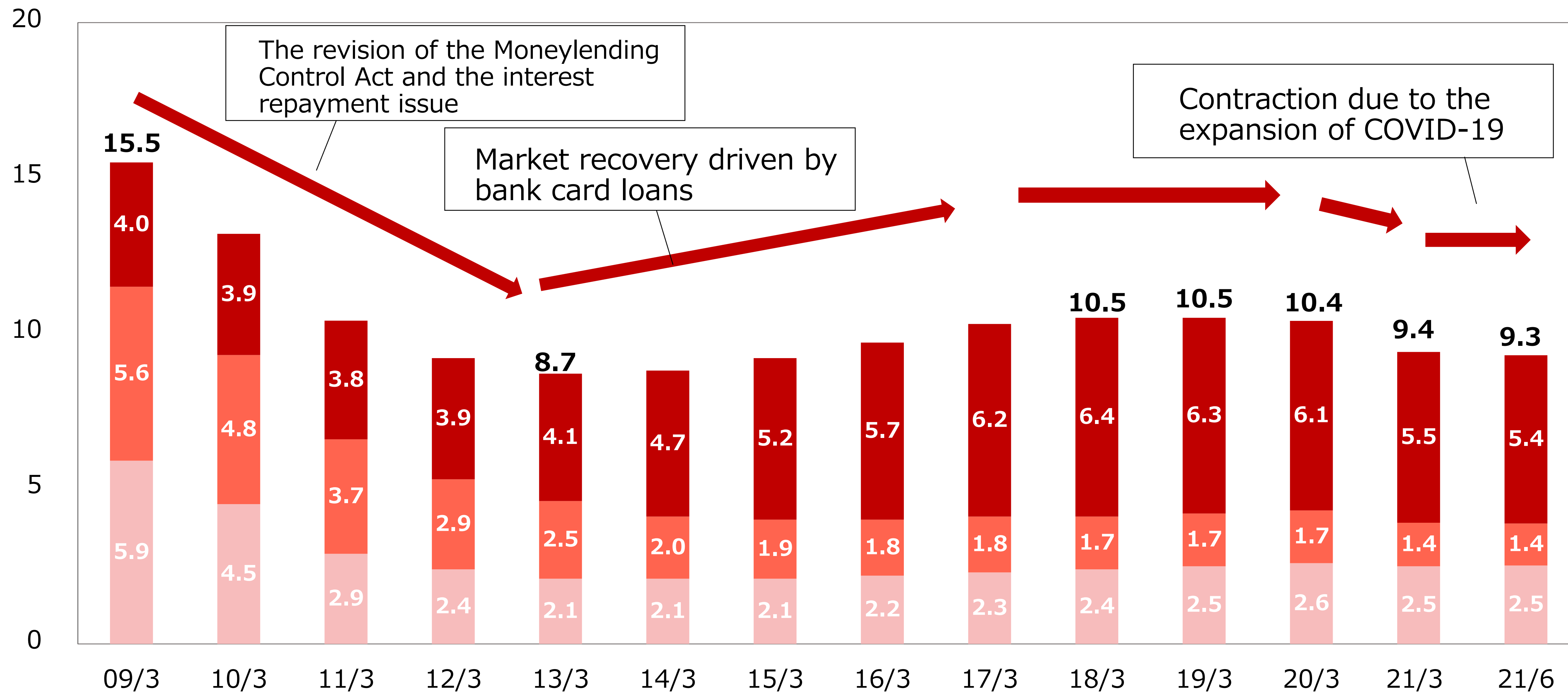
Unsecured loan market (as of end of June 2021)

- The market size temporarily shrank due to the impact of the spread of COVID-19.
- The balance of financial institutions decreased by approximately ¥100 billion compared to the end of March, while that of consumer financial services bottomed out and rebounded.
- Consumption activities and fund demand are recovering due in part to progress in vaccination.



Unsecured Loan Market

(¥trillion)



*Source

Consumer finance and Credit card companies :Statistic by the Japan Financial Services Association.

Financial institutions :Statistic by The Bank of Japan. (Consumer loan outstanding at domestic banks and credit unions)



II Financial Results Summary



Financial Highlights

Total operating assets

up 7.1%
Year on year

844.2 bn

Loan business

up 3.1%
year on year

561.0 bn

Credit business

up 4.2%
year on year

108.5 bn

Credit guarantee business

up 23.0%
year on year

159.4 bn

Operating revenue

up 2.2%
year on year

64.8 bn

Operating profit

up 5.9%
year on year

9.9 bn

Ordinary profit

down 5.0%
year on year

9.8 bn

ROA

down 0.1pt
year on year

2.3%



New Accounts (Unsecured loan in AIFUL)

99,106 (num)



Compared to FY2019 2Q
-4.7%

YoY
+48.9%

Progress rate of
full-year plan
52.2%

Balance of Credit Guarantee

159.4 bn



Compared to
FY2019 2Q
+44.4%

YoY
+23.0%

Background

Unsecured loan

- Recovering consumption activities due in part to progress in vaccination
- Improve convenience of services through speedy screening in non-face-to-face, smartphone ATMs, etc.
- Appropriately investing in advertising in response to the recovery in demand for funds

Credit guarantee

- Providing products tailored to the needs of financial institutions
- Proactive approach to partners and our support structure
- An increase in the balance of loan on deeds such as Omatome loan by 22 billion yen year on year



Key Figures & Full-year Plan (Consolidated)

- Operating assets : Up 7.1% year on year due to growth in the balance of unsecured loan and credit guarantee business, which are our core businesses.
- Credit guarantee business : 159.4 billion yen, up 23.0% year-on-year driven by loan on deeds such as Omatome loan (up 22.0 billion yen year on year)

(¥ million)	20/9	21/9	20/9		22/3 (E)	22/3	
			YOY	YOY %		YOY	YOY %
Total operating assets	788,224	844,289	56,065	7.1%	897,100	80,520	9.9%
Loan business	544,064	561,013	16,949	3.1%	583,100	29,710	5.4%
Unsecured	470,657	488,239	17,582	3.7%	508,400	26,712	5.5%
Secured	20,075	16,971	-3,104	-15.5%	17,900	-381	-2.1%
Small business	53,331	55,802	2,470	4.6%	56,700	3,278	6.1%
Credit Business	104,226	108,595	4,368	4.2%	127,700	18,985	17.5%
Guarantee	131,098	160,499	29,401	22.4%	176,300	30,574	21.0%
Credit guarantee business	129,625	159,418	29,793	23.0%	175,300	30,871	21.4%
Other	1,472	1,080	-391	-26.6%	900	-397	-30.6%
Operating revenue	63,462	64,837	1,374	2.2%	131,800	4,318	3.4%
Operating expenses	54,084	54,907	822	1.5%	107,700	-2,250	-2.0%
Operating profit (loss)	9,378	9,930	552	5.9%	24,100	6,569	37.5%
Ordinary profit (loss)	10,373	9,856	-516	-5.0%	24,300	4,994	25.9%
Profit (loss) attributable to owners of parent	9,812	10,042	230	2.3%	23,100	4,662	25.3%



Consolidated Results Summary

- Operating Revenue : 64.8 billion yen, up 2.2% year on year, mainly due to an increase in revenue from credit guarantee and recoveries of written off claims included in other operating revenue.
- Operating expenses : 54.9 billion yen, up 1.5% year on year, mainly due to an increase of advertising cost in conjunction with recovery in demand for funds.

(¥ million)	20/9 (6M)	21/9 (6M)	YOY	
			YOY	YOY %
Operating revenue	63,462	64,837	1,374	2.2%
Interest on operating loans	37,066	37,527	457	1.2%
Revenue from installment receivable	9,454	9,530	76	0.8%
Revenue from credit guarantee	7,400	7,774	373	5.0%
Other operating revenue	9,541	10,009	467	4.9%
Operating expenses	54,084	54,907	822	1.5%
Financial expenses	3,632	3,572	-60	-1.7%
Expenses for interest repayment	-	-	-	-
Credit cost	19,684	19,208	-476	-2.4%
Advertising cost	4,163	6,804	2,640	63.4%
Personnel expense	8,439	8,399	-39	-0.5%
Other	18,166	16,922	-1,241	-6.8%

(¥ million)	20/9 (6M)	21/9 (6M)	YOY	
			YOY	YOY %
Operating profit (loss)	9,378	9,930	552	5.9%
Non-operating income	1,093	292	-800	-73.3%
Non-operating expenses	98	366	268	272.2%
Ordinary profit (loss)	10,373	9,856	-516	-5.0%
Extraordinary income	-	-	-	-
Extraordinary losses	91	-	-	-
Profit (loss) before income taxes	10,281	9,856	-425	-4.1%
Income taxes-current	1,360	362	-997	-73.3%
Income taxes-deferred	-712	-654	57	-
Profit (loss) attributable to non-controlling interests	-178	106	285	-
Profit (loss) attributable to owners of parent	9,812	10,042	230	2.3%

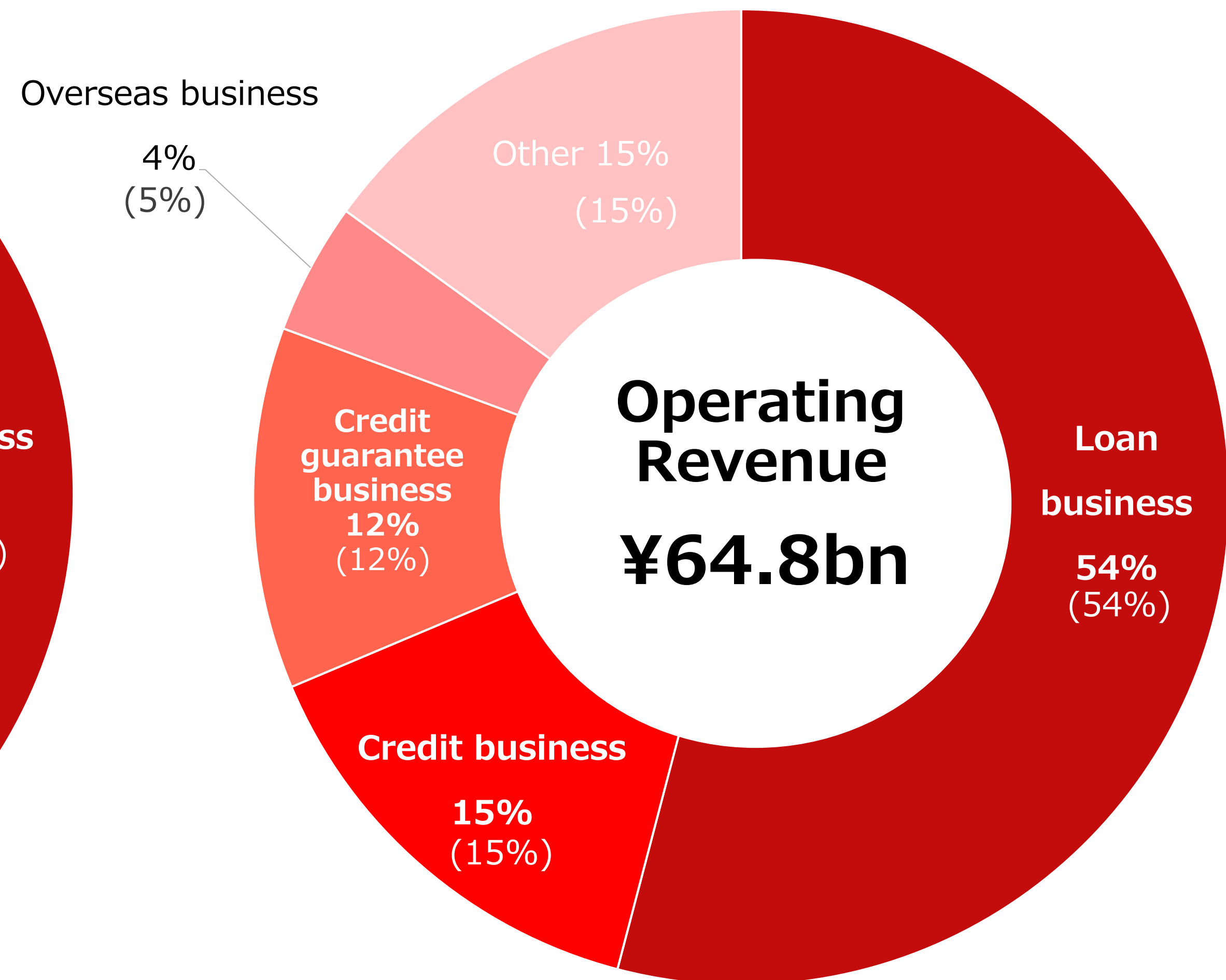
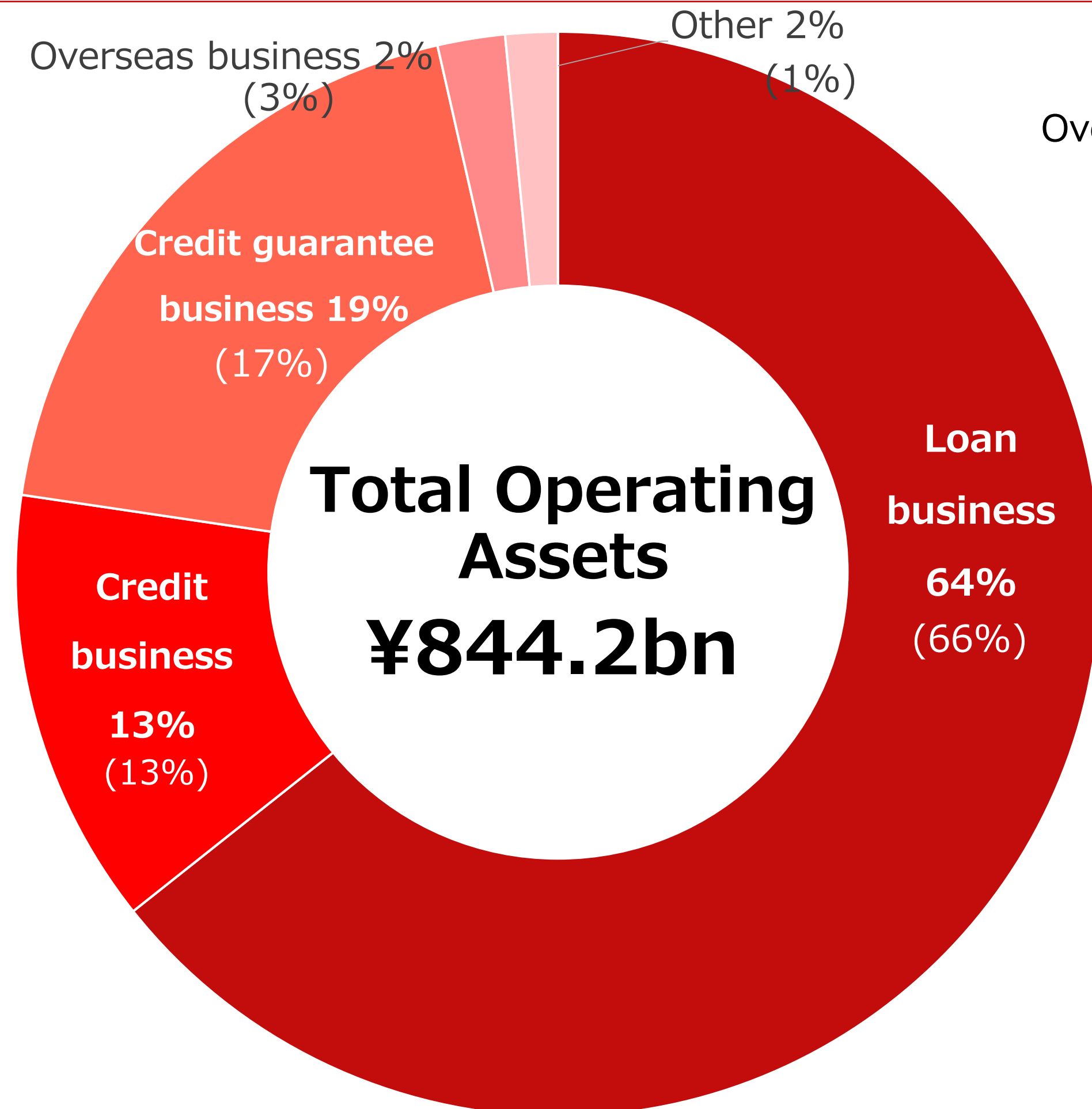


Business Portfolio

【Approach to Business Portfolio】

Aiming to diversify its financial business by strengthening its guarantee and other fee businesses and credit businesses, with the purpose of securing stable earnings that are not dependent on the loan business

- **Total Operating Assets** : the occupancy rate of credit guarantee business was up 2pt year on year to 19% reflecting double-digit growth in the balance, a sign of improvement in our business portfolio.
- **Operating Revenue** : as a result of a decrease in operating revenue of A&A, down 9.0% year on year, the occupancy rate of overseas business was down 1pt year on year to 4%.

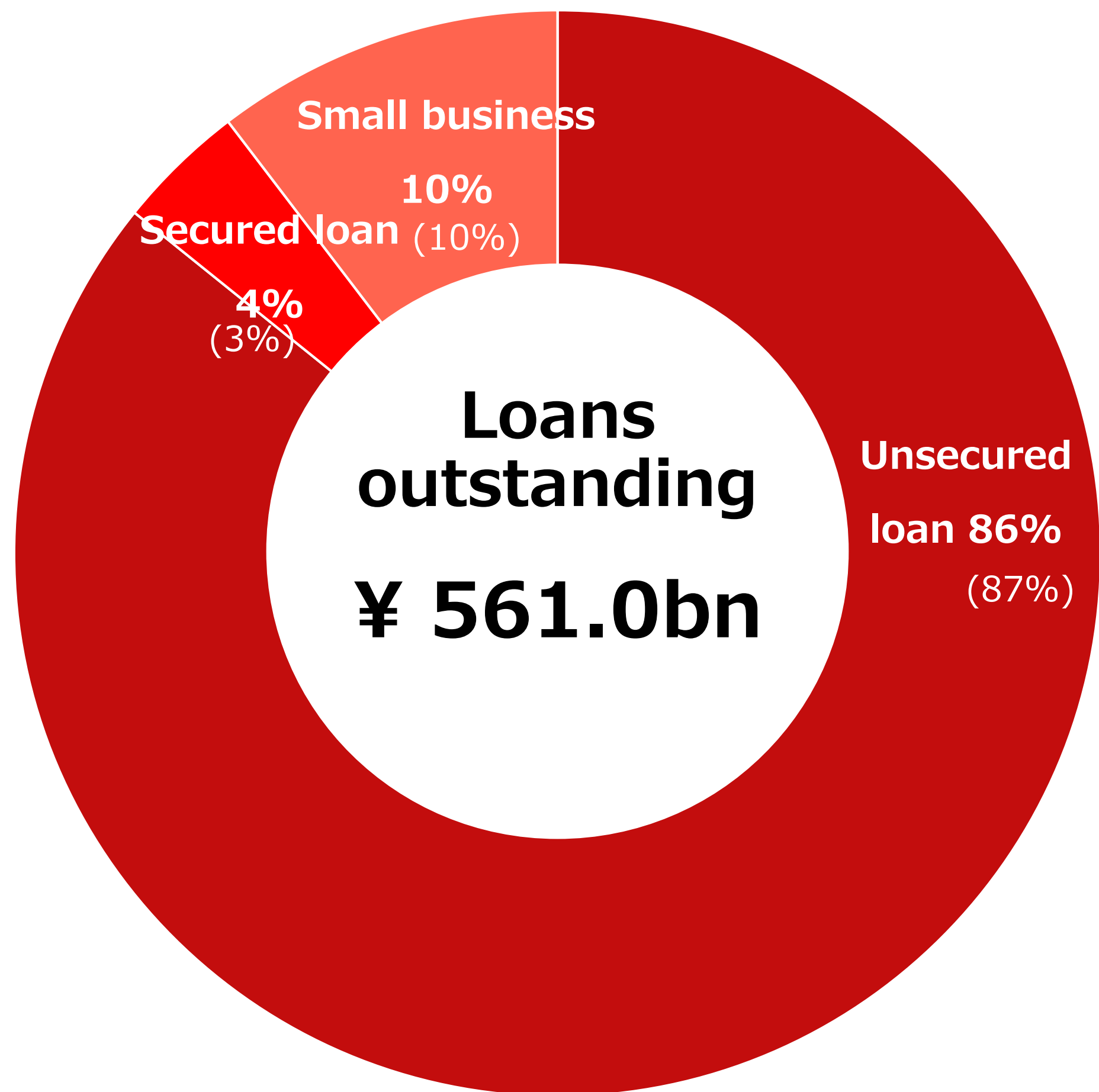


Notes: figures in parentheses are ratios in the same period of the previous fiscal year

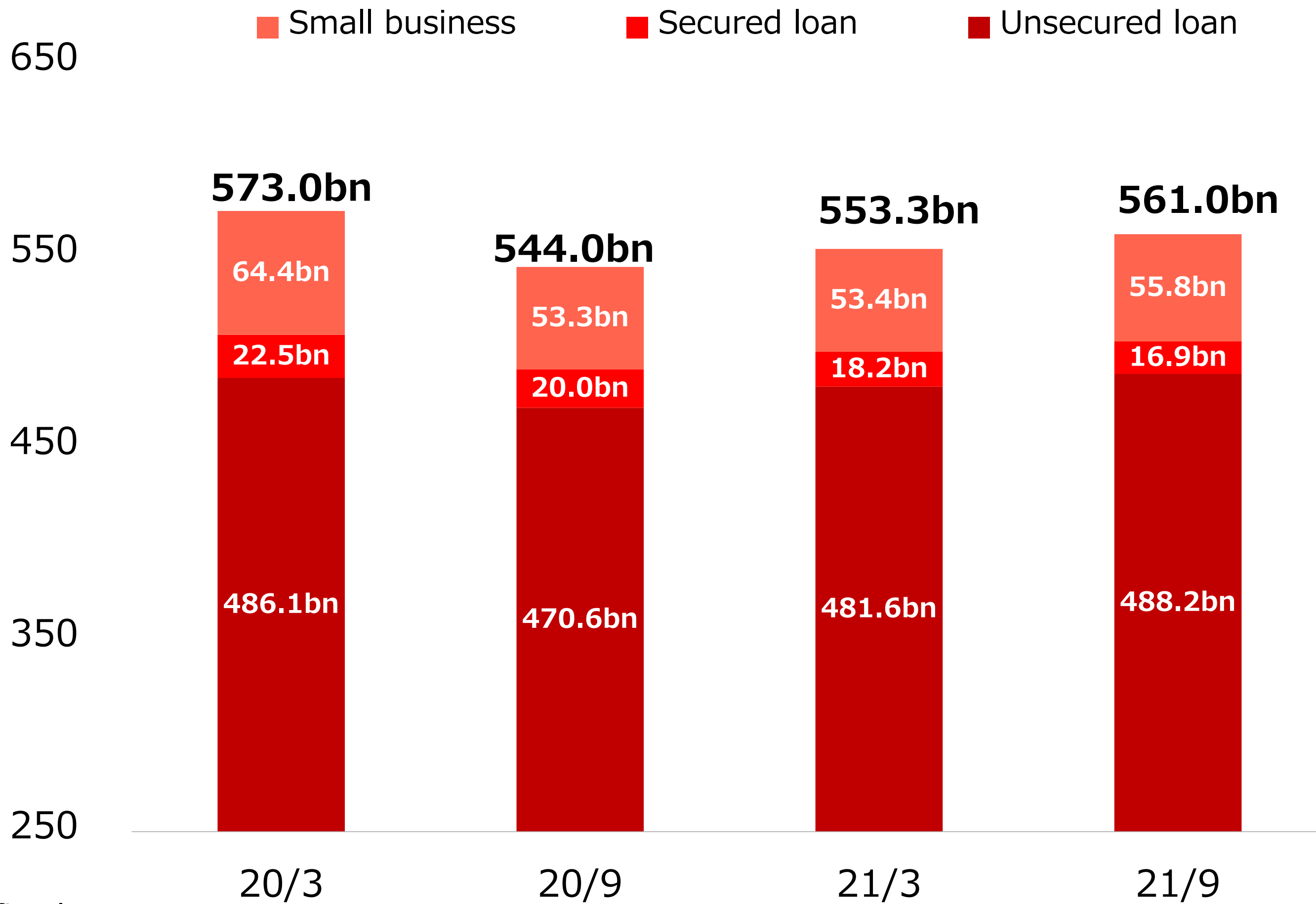


Loan Business (1) Total operating assets [Consolidated]

- Loans outstanding: 561.0 billion yen, an increase of 3.1% year on year, reflecting a recovery in the demand for funds.
- Small business loan: the balance dropped on the back of various types of public assistance for COVID-19 relief such as interest free loan. However, it bottomed out to increase 4.5% compared to the end of the previous fiscal year.



(¥ billion)

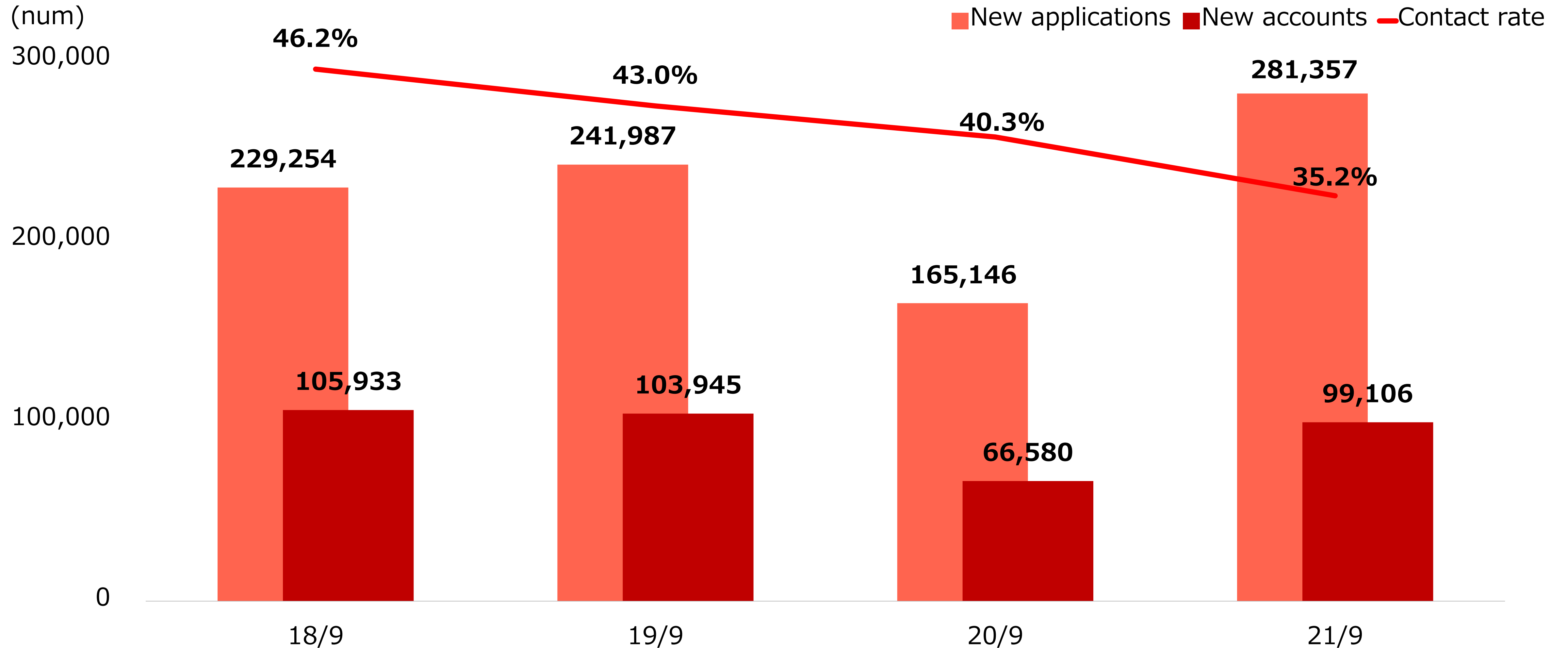


Notes: figures in parentheses are ratios in the same period of the previous fiscal year
 Notes: consolidation of AIFUL, LIFE CARD, AIFUL BUSINESS FINANCE, AG MEDICAL, AIRA & AIFUL



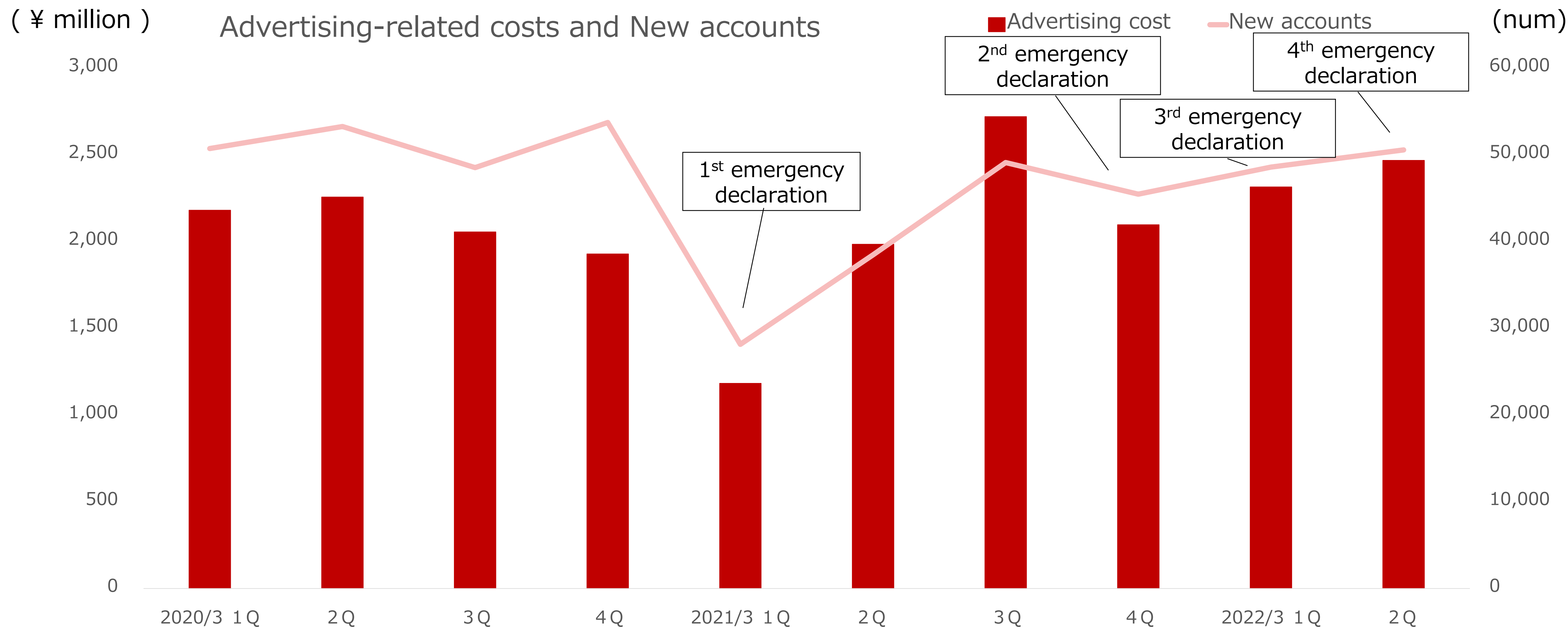
Loan Business (2) New Accounts [AIFUL]

- Although the demand for funds dropped in the beginning of the first quarter of the previous fiscal year due to COVID-19, it continued to recover from the second half.
- The number of new applications was 281,000, up 70.4% year on year, and the number of new accounts was 99,000, up 48.9% year on year.
- The number of applications increased and the number of accounts recovered to the same level, compared to the second quarter of FY2019, before pandemic.



Loan Business (3) Correlation between advertising costs and new accounts under the impact of COVID-19 [AIFUL]

- Spending on advertising and the number of new accounts are correlated.
- Spent appropriately on advertising in line with market conditions, taking into account the impact of COVID-19 such as the emergency declaration.
- The number of new accounts has been recovering since the third quarter of FY2020 as a result of increasing costs to the same level as those in a normal year before pandemic.



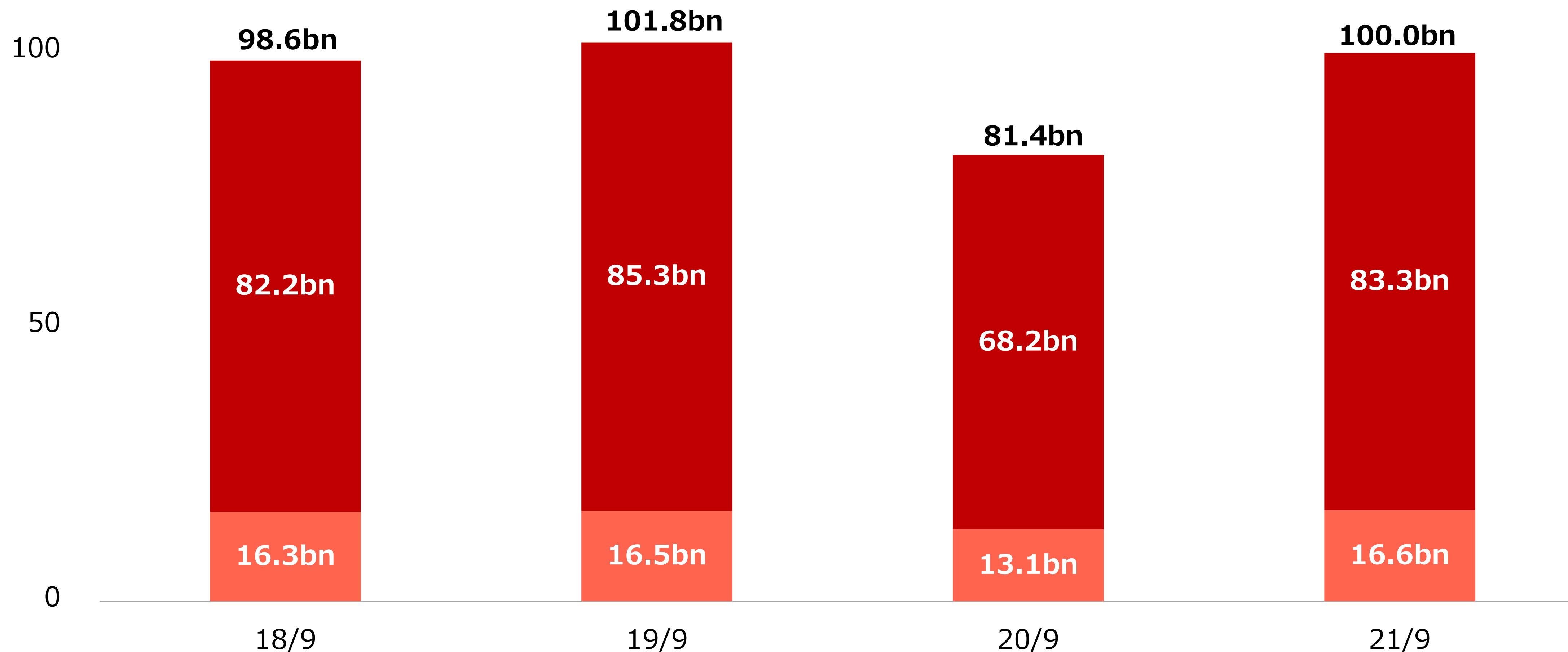


Loan Business (4) Loan Volume [AIFUL]

- Both the volumes of new and existing accounts recovered compared to the same period of the previous fiscal year, when it was affected by a decline in demand for funds due to COVID-19
- The loan volume of new accounts was 16.6 billion yen, up 26.7% year on year, and that of existing accounts was 83.3 billion yen, up 22.1% year on year.
- The total volume recovered to the same level as that of FY2019 2Q before pandemic.

(¥ billion)

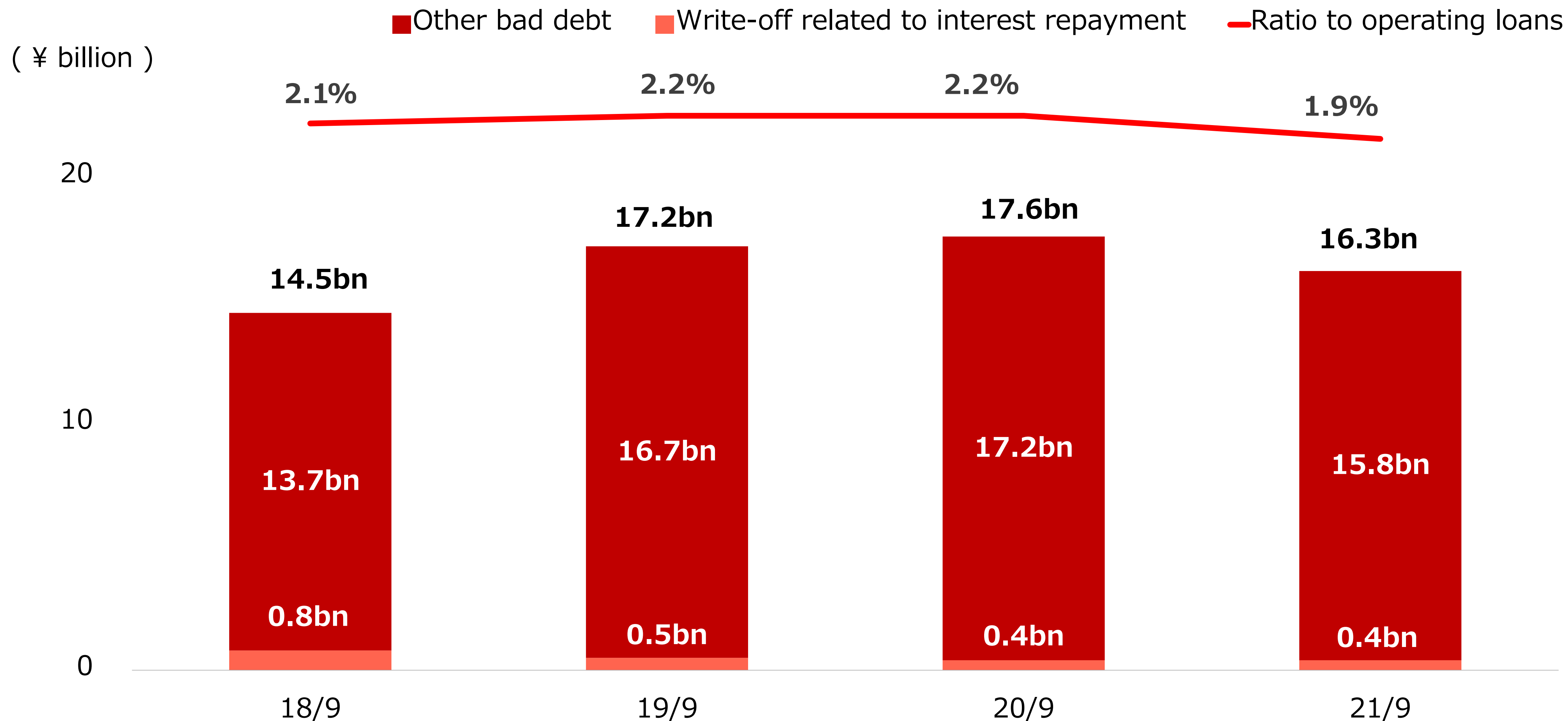
■ New accounts ■ Existing accounts





Non-performing Loans (1) Bad Debts [Consolidated]

- The bad debts decreased 8.0% year on year to 16.3 billion yen and the ratio to operating loans was 1.9%, which was stable at low level.
- The write-off related to interest repayment was 0.4 billion yen, which remained at low level.



Notes: consolidation of AIFUL, LIFE CARD, AIFUL BUSINESS FINANCE, AIFUL GUARANTEE, AG Loan Services, AIRA & AIFUL

Notes: since the second quarter of FY2021, only the bad debt ratio including the write-off related to interest repayment has been disclosed.



Non-performing Loans (2)

Non-performing Unsecured Loans [Consolidated]

• Unsecured loan NPL outstanding rose 12.3% year on year to 63.2 billion and the NPL ratio rose 1.0pt to 12.9%, mainly due to an increase in restructured loans (loans with eased lending conditions) that are expected to receive payments regularly.

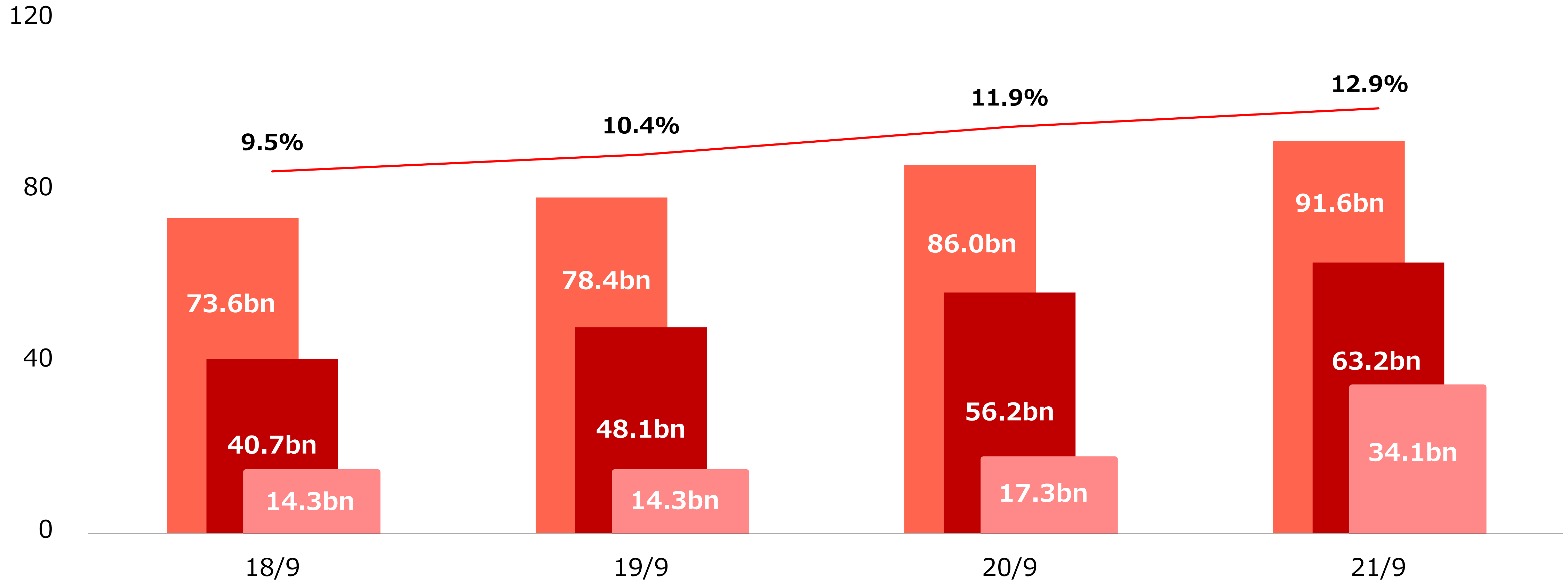
(¥ billion)

■ NPL amount

■ Unsecured loan NPL

■ Restructured loan(unsecured)

— Ratio of Unsecured loan NPL



NPL amount: AIFUL, LIFE CARD, AIFUL BUSINESS FINANCE, AG MEDICAL, AIRA & AIFUL

Notes: Restructured loans receiving payments on a regular basis, which were included in "Non-accrual loans", has been included in "Restructured loans" in a more realistic manner since the 4th quarter of the fiscal year ended March 31, 2021.

Unsecured loan NPL: AIFUL, LIFE CARD, AIRA & AIFUL



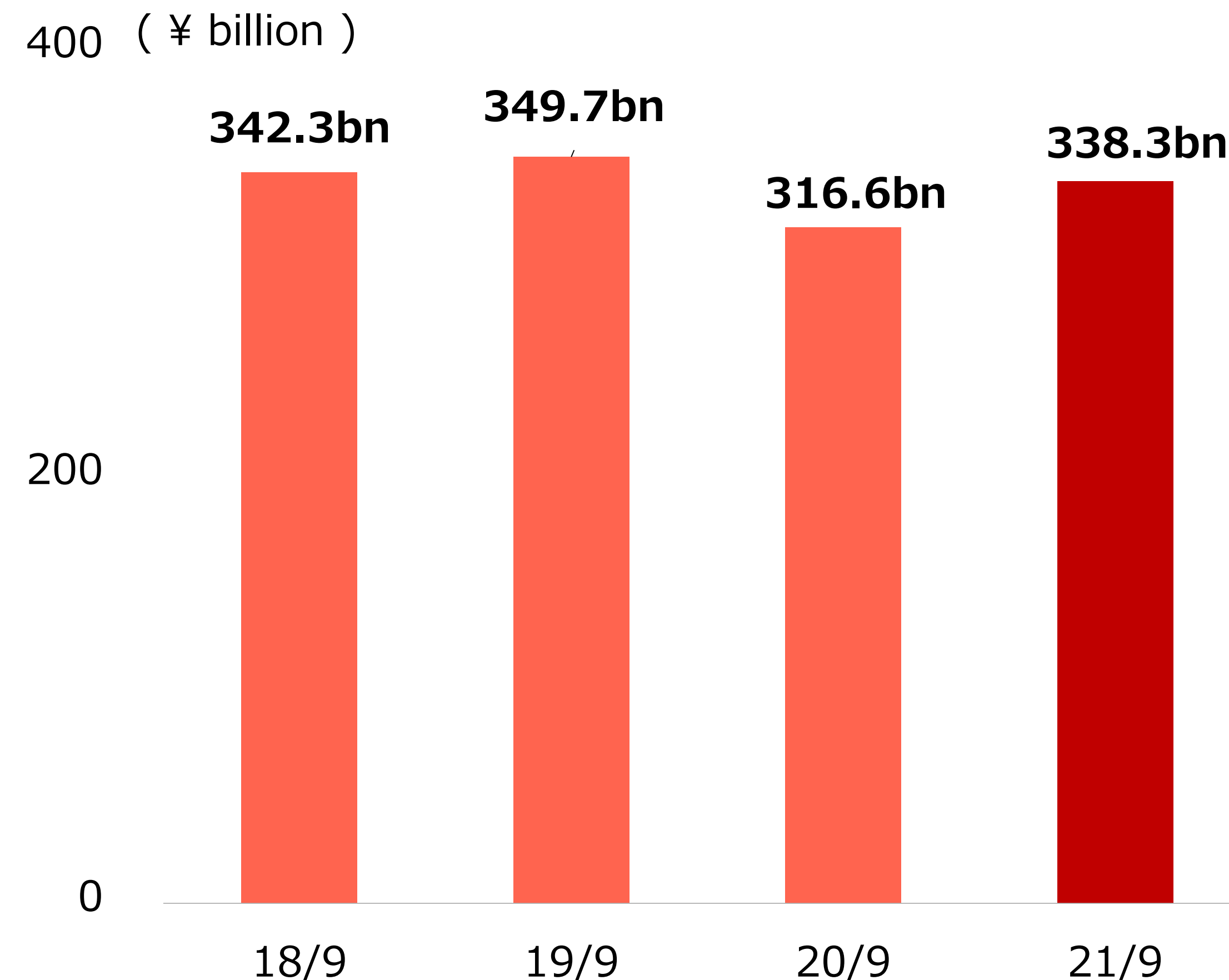
Credit Business (Credit Card, Individual Installment)(1)

Transaction Volume [Consolidated]

• The transaction volume of credit cards was sluggish mainly in travel and leisure facilities in the previous fiscal year due to the impact of COVID-19. However, it gradually recovered and that of individual installment has been steadily growing, resulting in an increase of 6.8% year on year to 338.3 billion yen.

【Trends of transaction volume】

(¥ million)	19/9	20/9	21/9	YOY
Transaction Volume	349,783	316,633	338,319	6.8%
Credit card	349,783	314,013	333,423	6.2%
Individual installment	-	2,620	4,896	86.9%



*AIFUL GUARANTEE CO., LTD., which operates an installment credit sales business, has been included in the scope of consolidation since the fiscal year ended March 31, 2020.



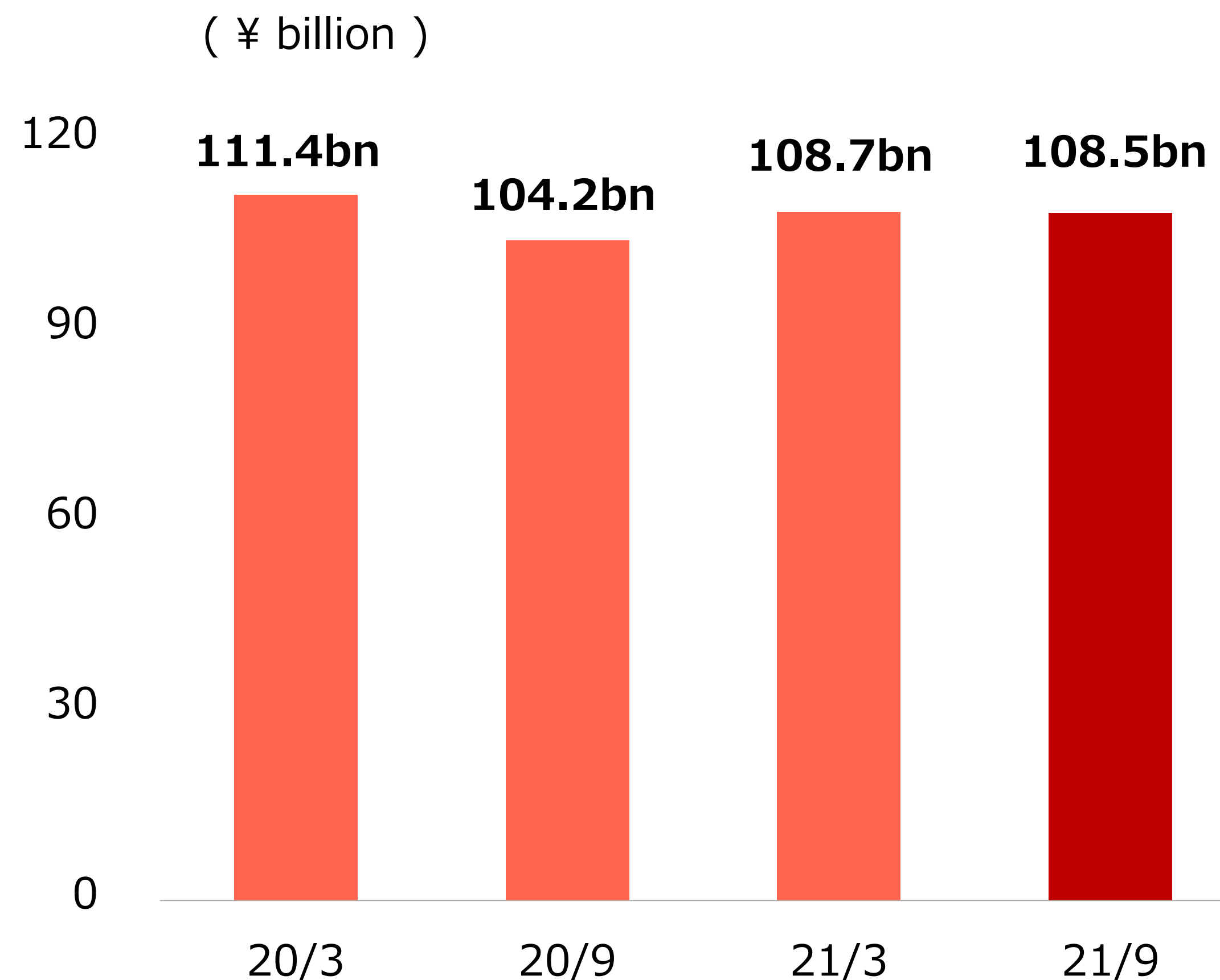
Credit Business (Credit Card, Individual Installment) (2)

Installment Receivable [Consolidated]

- The installment receivable increased 4.2% year on year to 108.5 billion yen due to an increase of individual installment receivable, up 68.1% year on year, reflecting the steady increase of transaction volume and new affiliate stores at AIFUL GUARANTEE.

[Trends of Installment receivable]

(¥ million)	20/9	21/3	21/9	YOY
Installment receivable	104,226	108,714	108,595	4.2%
Credit card	97,607	100,504	97,469	-0.1%
Individual installment	6,618	8,210	11,125	68.1%



*AIFUL GUARANTEE CO., LTD., which operates an installment credit sales business, has been included in the scope of consolidation since the fiscal year ended March 31, 2020.



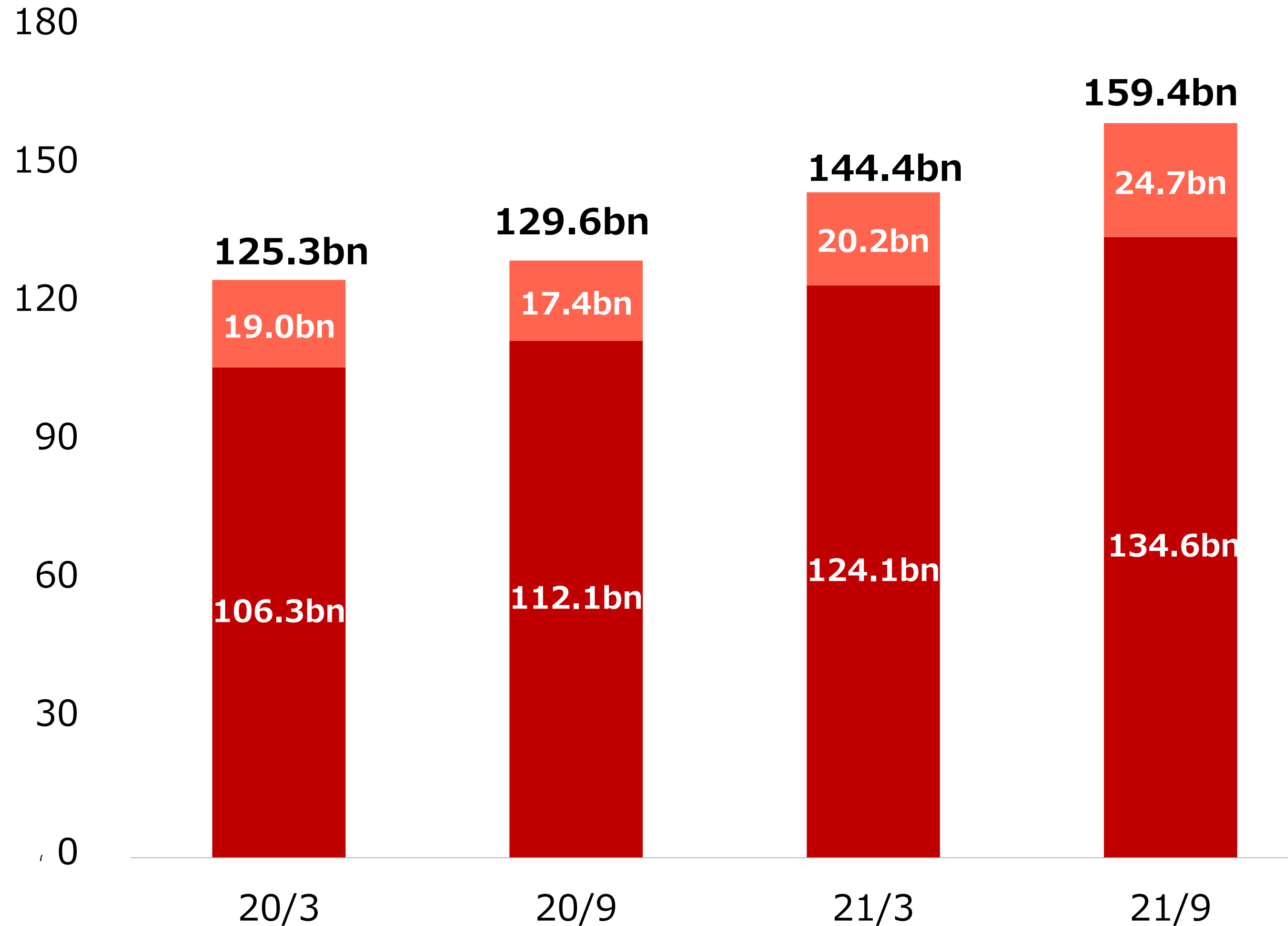
Credit Guarantee Business

Guarantee For Individuals · Business operators 【Consolidated】

• The credit guarantee balance maintained a double-digit growth, up 23.0% year on year to 159.4 billion yen, reflecting our efforts to diversify products and strengthen relationships with partners.

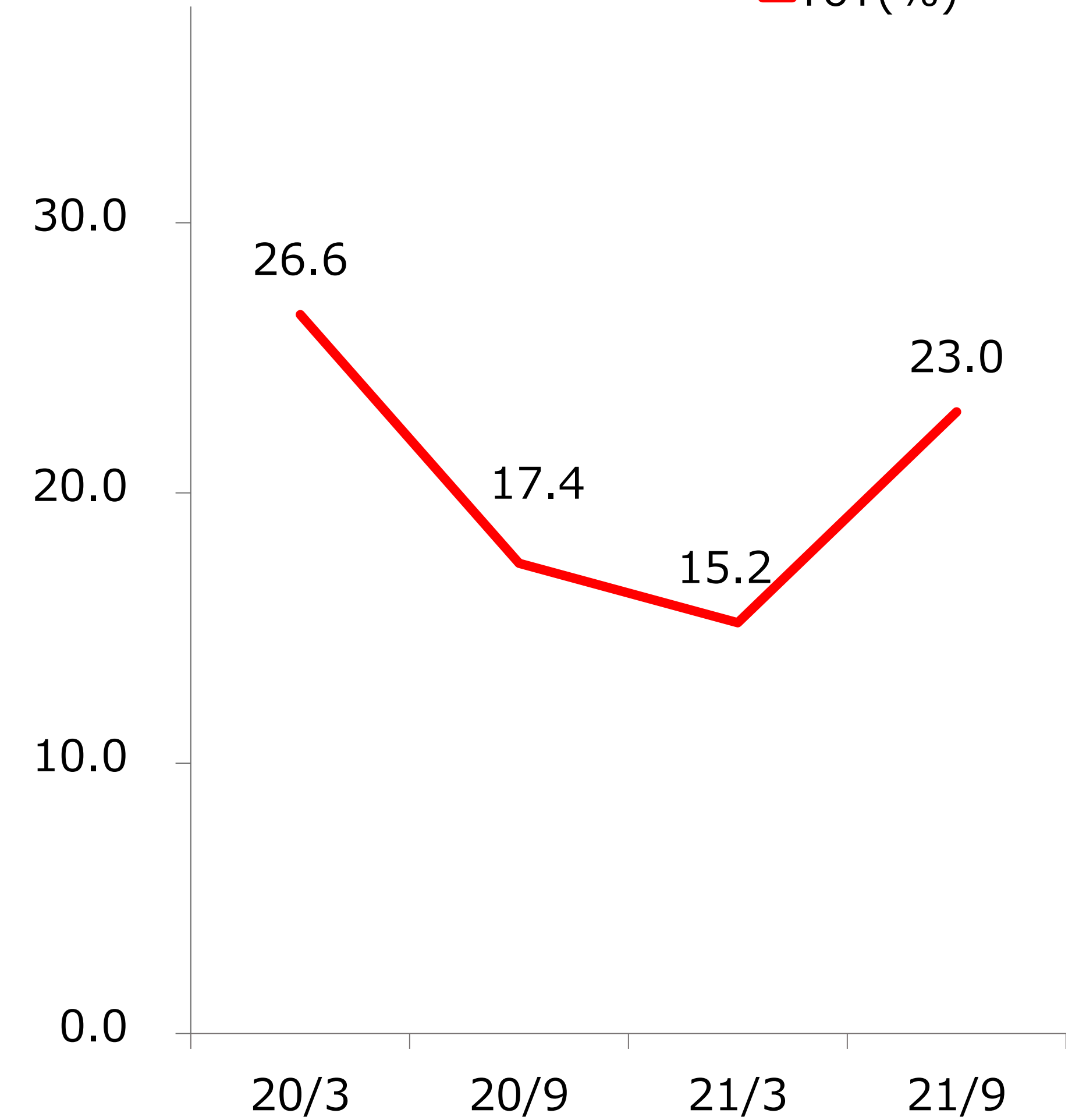
【Credit guarantee balance】

(¥ billion)



【Growth of balance】

— YoY(%)



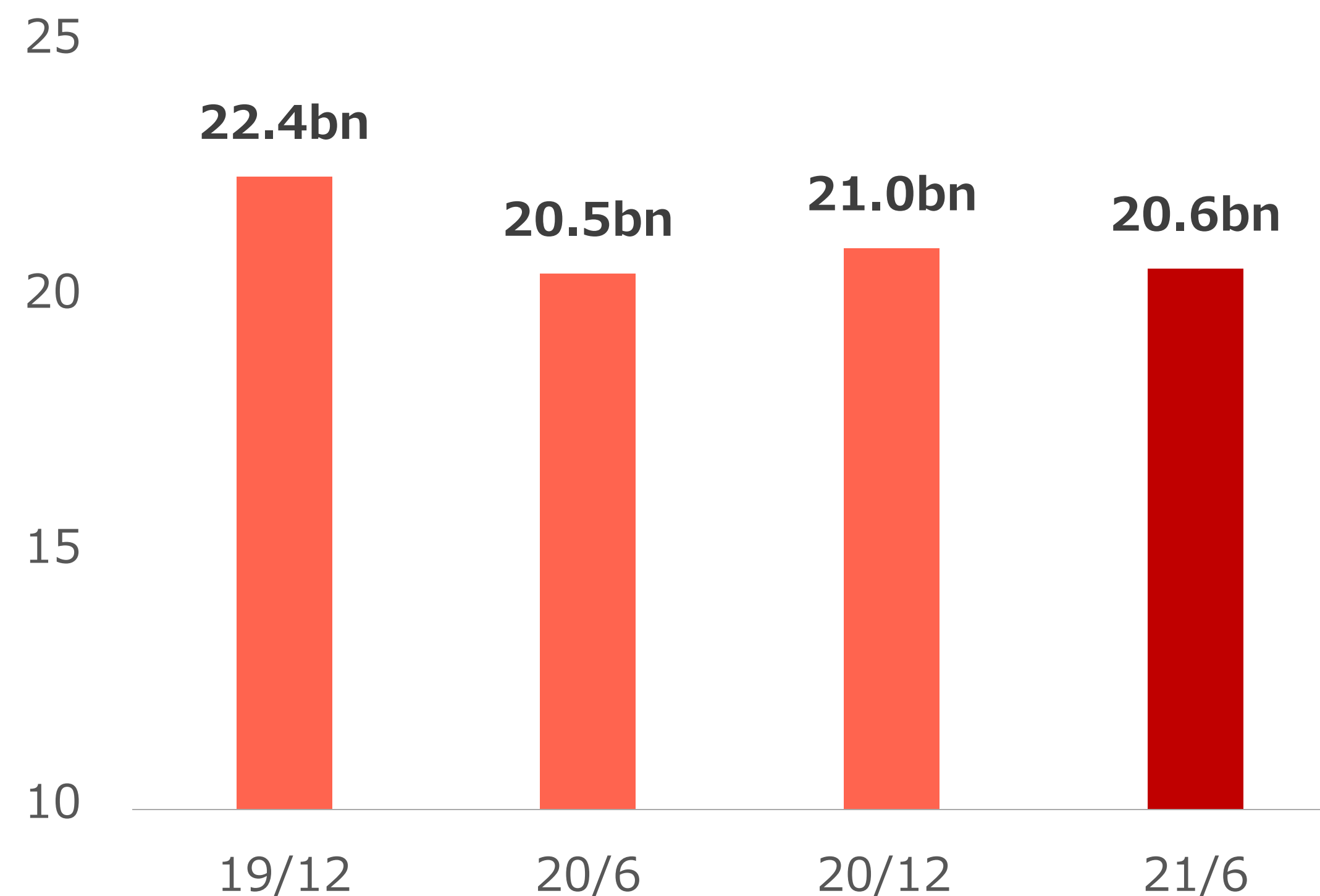
Notes: consolidation of AIFUL, LIFE CARD

- Ordinary profit for the second quarter (January to June) was 200 million yen as a result of a decrease in bad debt-related expenses due to the improvement of the debt portfolio.

(¥ million)	20/6	21/6	YOY
Loans outstanding	20,509	20,661	0.7%
N. of customer accounts (Thousand)	322	321	-0.2%
Operating revenue	3,085	2,806	-9.0%
Operating profit (loss)	-91	207	-
Ordinary profit (loss)	-104	209	-
Profit (loss)	-104	209	-

【Loans outstanding】

(¥ billion)



* Fiscal period of A&A is from January 1, to December 31.

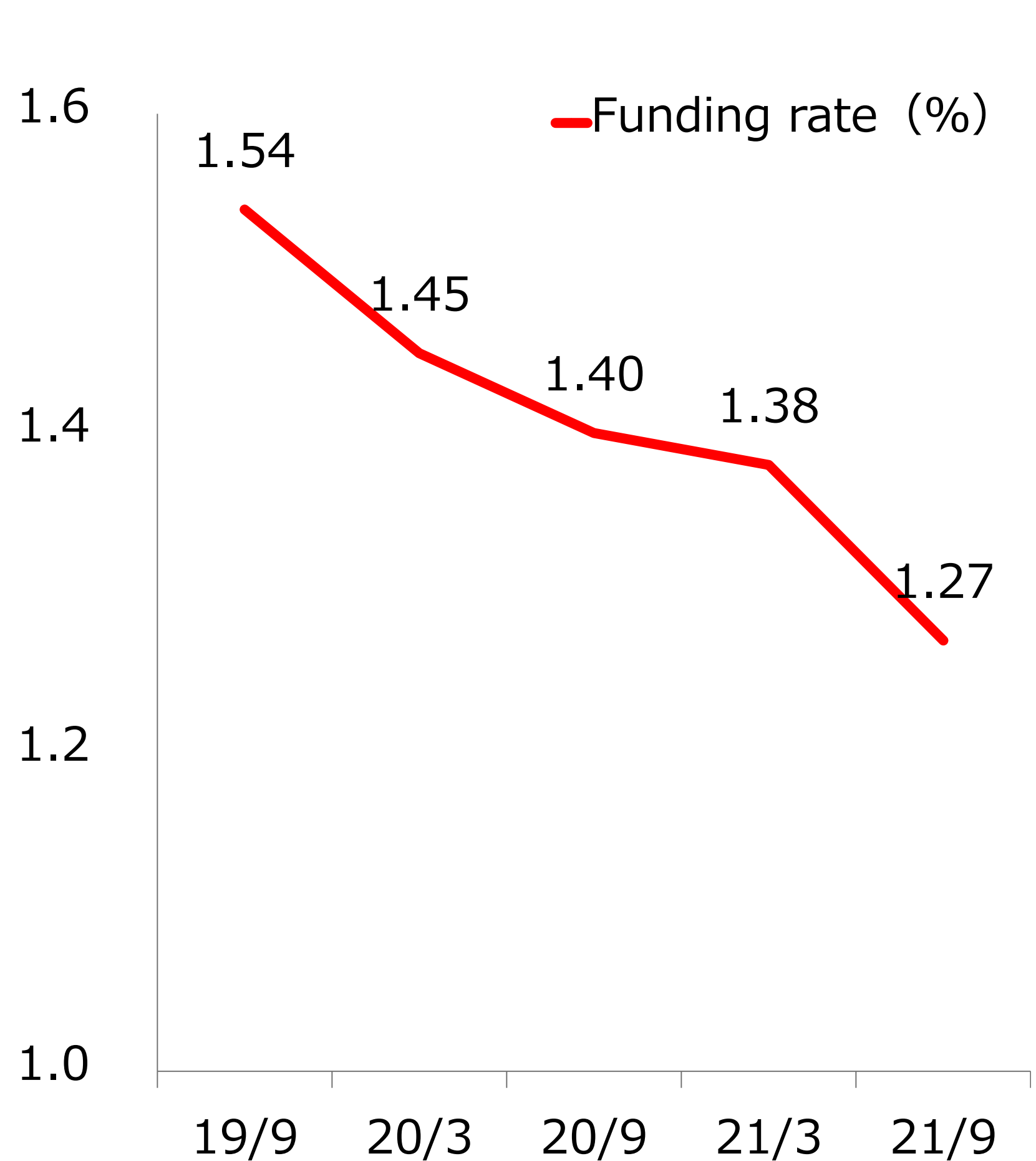
* Exchange rate (Thai Baht): B/S: ¥3.49(FY2020 2Q), ¥3.44(FY2021 2Q)
P/L: ¥3.43(FY2020 2Q), ¥3.50(FY2021 2Q)



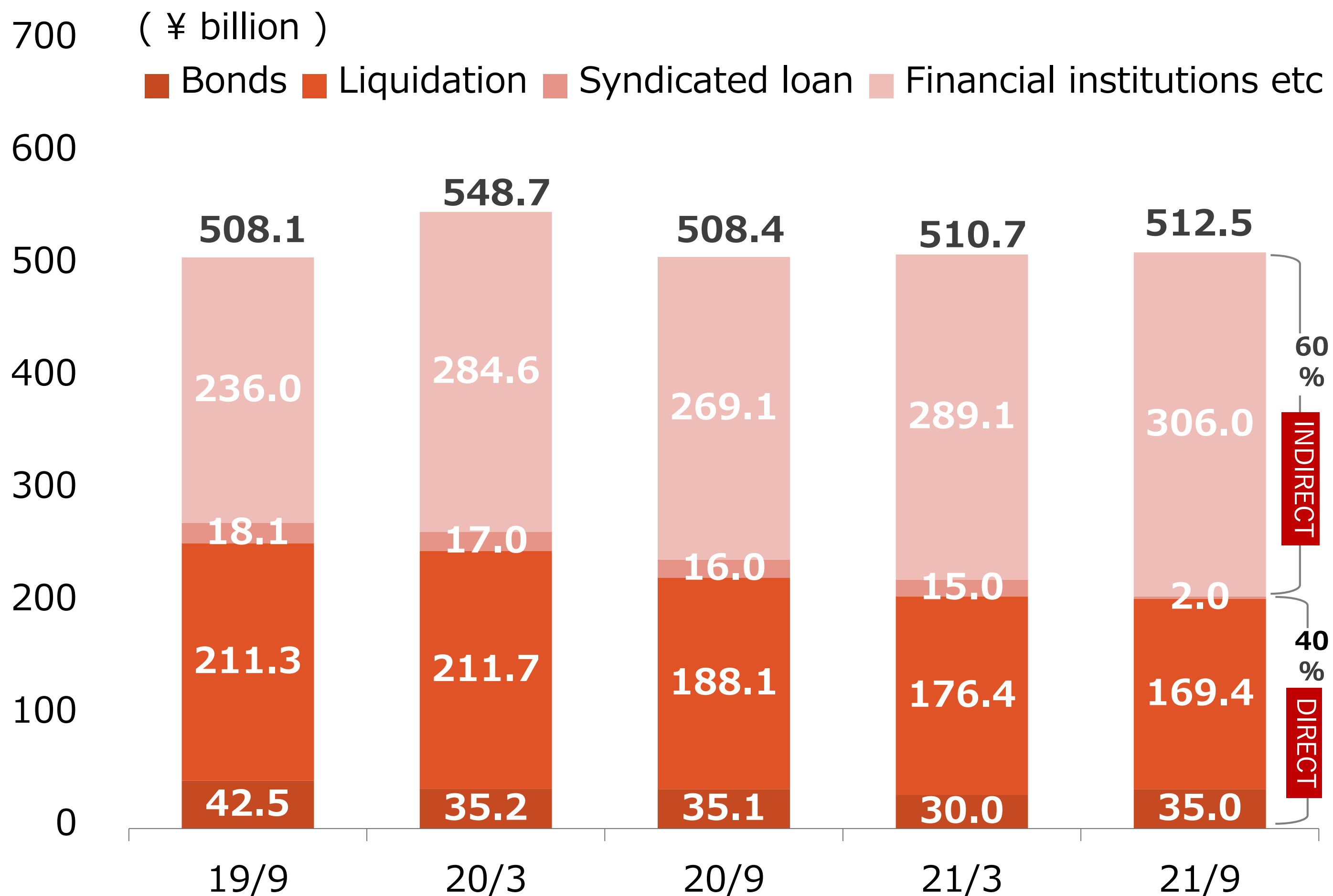
Funding (Consolidated)

- Funding rates: both direct and indirect are trending downward in tandem with an improvement in earnings.
- Funding amount: up 0.8% year on year to 512.5 billion due to recovery in funding demand.

[Trends of Consolidated Funding Rate]



[Trends of Consolidated Interest - Bearing Liabilities]



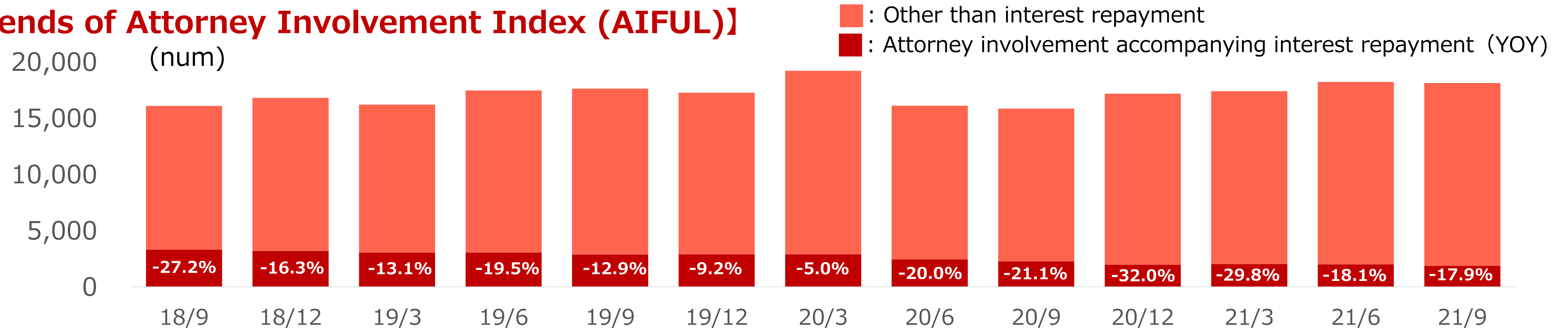
Notes: consolidation of AIFUL, LIFE CARD, AIFUL BUSINESS FINANCE, AG MEDICAL, AIFUL GUARANTEE, AG LOAN SERVICES, AIRA & AIFUL



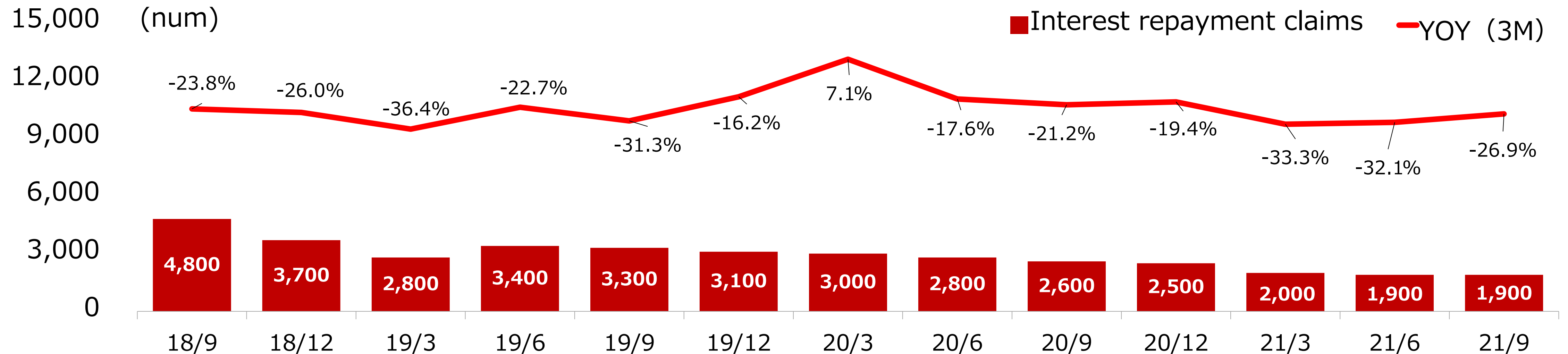
Interest Repayment (1) Attorney Involvement Index and Number of Claims

- The annual number of cases of attorney involvement accompanying interest repayment fell 17.9% year on year.
- The annual number of interest repayment claims stood at 1,900, a decrease of 26.9% year on year.

【Trends of Attorney Involvement Index (AIFUL)】



【Trends of Interest Repayment Claims (AIFUL)】

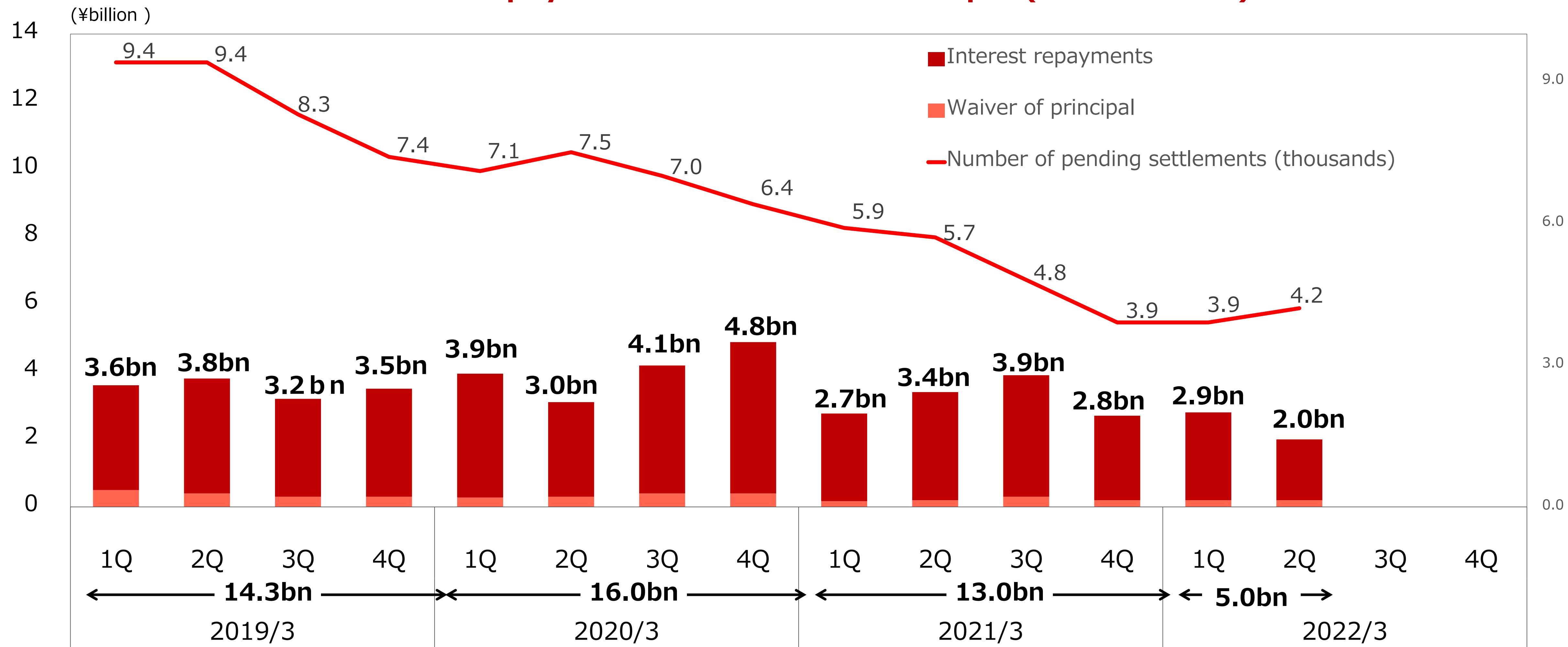




Interest Repayment (2) Withdraw Amount

- The withdraw amount of allowance for interest repayments during the first half of FY2021 decreased 18.7% year on year to 5.0 billion yen (of which 4.5 billion yen was applied to interest repayment and 0.4 billion yen to debt waiver).
- Thanks to aggressive reconciliation, the number of pending reconciliations has been steadily decreasing, reaching 4,200 in the second quarter of FY2021.

【Withdraw Amount of Interest repayment and Waiver of Principal (Consolidated)】



※Consolidated: AIFUL, LIFECARD



Interest Repayment (3) Provision

- 5.0 billion yen (of which 4.5 billion yen was applied to interest repayment and 0.4 billion yen to waiver of principal) was withdrawn from the allowance of 15.6 billion yen at the beginning of FY2021, resulting in an allowance of 10.6 billion yen at the end of FY2021 2Q.

【Provision for loss on Interest Repayment】

(Consolidated)

(¥ million)	Interest repayment	Waiver of principal	Total
Allowance at the beginning of FY2021	12,913	2,737	15,651
Withdraw (Interest repayment)	4,577	-	4,577
Withdraw (Waiver of principal)	-	461	461
Provisions (reversal)	-	-	-
Allowance at the end of FY2021 2Q	8,335	2,275	10,611

(AIFUL)

(¥ million)	Interest repayment	Waiver of principal	Total
Allowance at the beginning of FY2021	11,460	2,397	13,857
Withdraw (Interest repayment)	4,156	-	4,156
Withdraw (Waiver of principal)	-	384	384
Provisions (reversal)	-	-	-
Allowance at the end of FY2021 2Q	7,304	2,013	9,317

※The amount of waiver of principal in LIFECARD has been changed to a withdrawal of the allowance for waiver of principal since the beginning of the fiscal year ended March 31, 2022.

III LIFECARD Results Summary



LIFE CARD Strategy



Be Unique!

Aiming for Unique Brand Position under Be Unique!

Enhance LTV by providing appropriate features and services to targeted customers

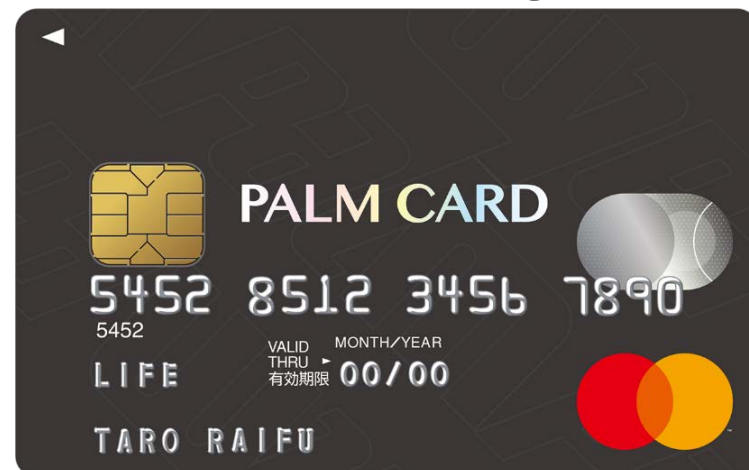
For women : Barbie Card



Youth-oriented : Student Card



Region-based : Musashi Koyama Shopping Street PALM CARD



Entertainment : HYDE CARD



Initiatives to reduce costs

- **Promoting DX**
(e.g. Putting card statements and applications online and electronic contracts)
- **In-house design**
(e.g. designing credit card surface images, company websites)
- **Web renewal**
(e.g. Introduction of AI chat bots and improvement of website visibility)
- **Improve operational efficiency by SFA (sales support tool) and RPA**

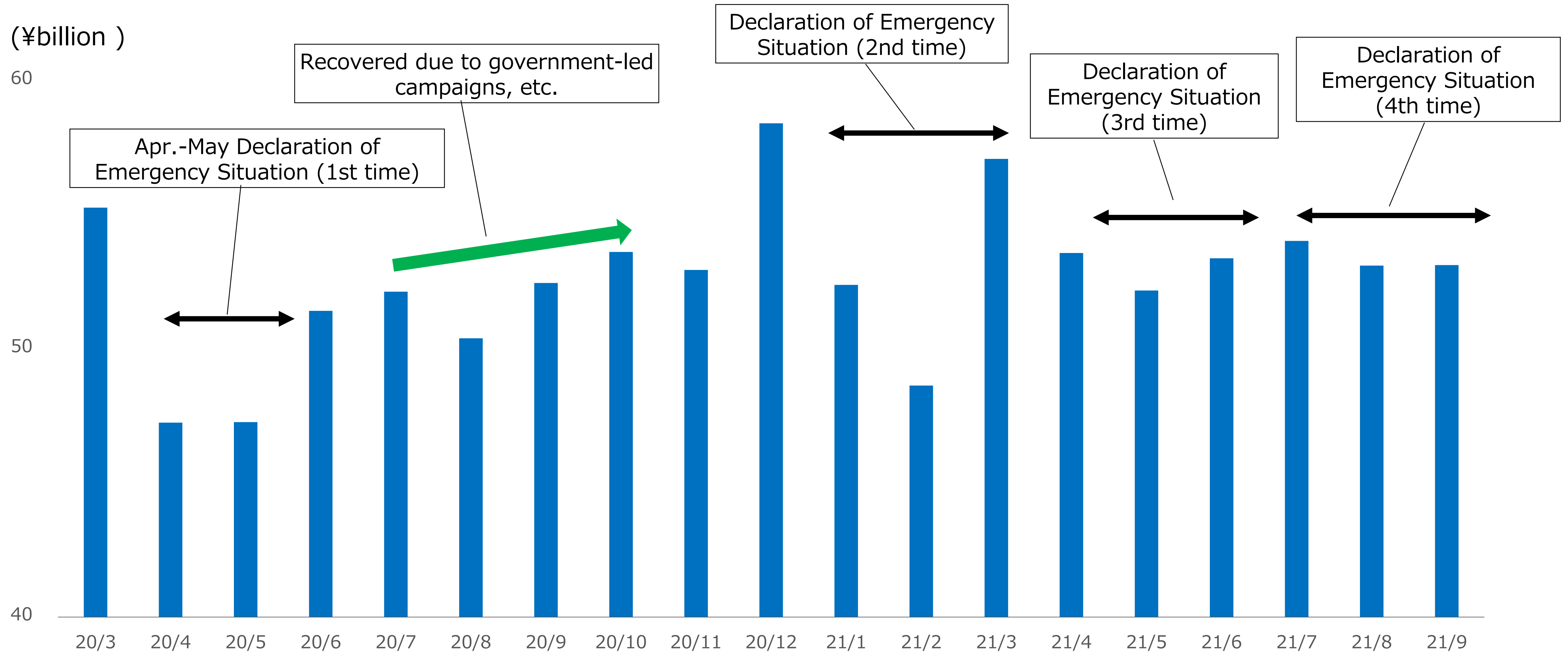
Building a highly profitable and low-cost structure

Financial Results Summary

(¥ million)	20/9	21/9	YOY	YOY %
Operating revenue	15,962	15,669	-293	-1.8%
Revenue from installment receivable	8,180	7,955	-225	-2.8%
Interest on operating loans	2,359	2,069	-290	-12.3%
Revenue from credit guarantee	778	861	82	10.6%
Other	4,643	4,783	139	3.0%
Operating expenses	14,406	13,772	-634	-4.4%
Financial expenses	709	604	-105	-14.8%
Provision of allowance for doubtful accounts	1,839	1,703	-135	-7.4%
Provision for loss on interest repayment	-	-	-	-
Advertising expenses	60	445	385	640.5%
Sales promotion expenses	698	1,219	521	74.7%
Personnel expenses	2,333	2,304	-28	-1.2%
Other operating expenses	8,765	7,493	-1,271	-14.5%
Operating profit	1,555	1,896	340	21.9%
Ordinary profit	2,090	1,985	-105	-5.1%
Profit	1,700	2,465	765	45.0%

Monthly Trend of Shopping Purchases

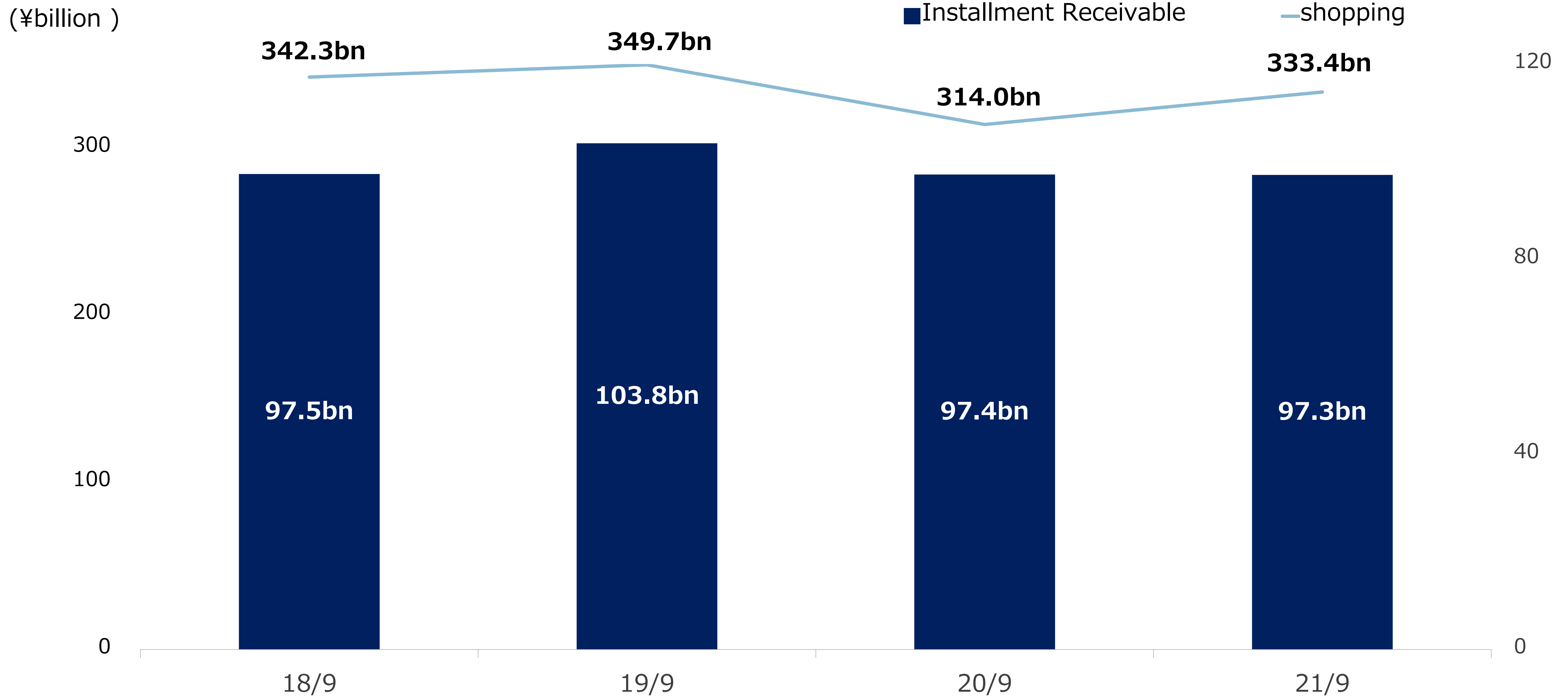
- Although the entire first half of the current fiscal year was under the emergency declaration, the use of cards has been recovering mainly on the web, due to the penetration of new lifestyles.
- From the second half onward, further use is expected to expand after the lift of the declaration.





Installment Receivable

• The installment receivable recovered to the same level as that of the previous fiscal year due to the recovery in shopping purchases and the promotion of revolving and installment payments.



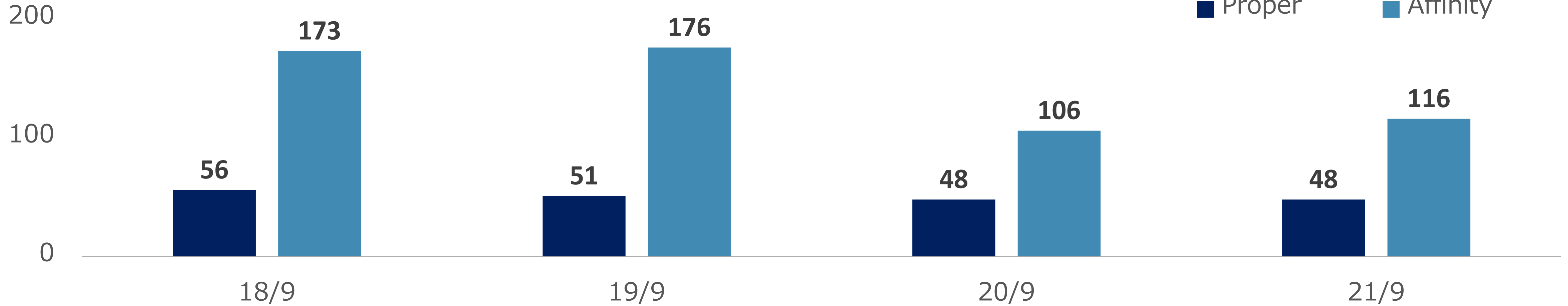


Credit Card Issuance

• The number of alliance partners has expanded including corporate alliances and the number of new issue rose 9.0% year on year to 116,000.

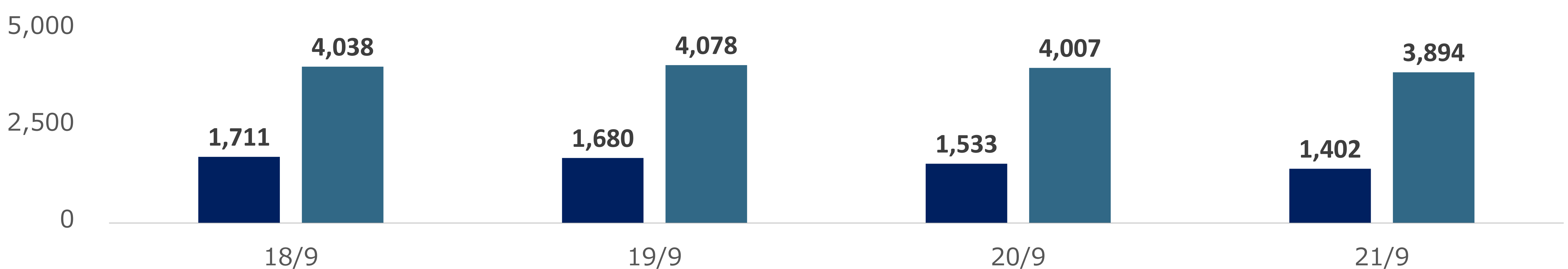
【Number of new issue】

(thousands)



【Number of card holders】

(thousands)





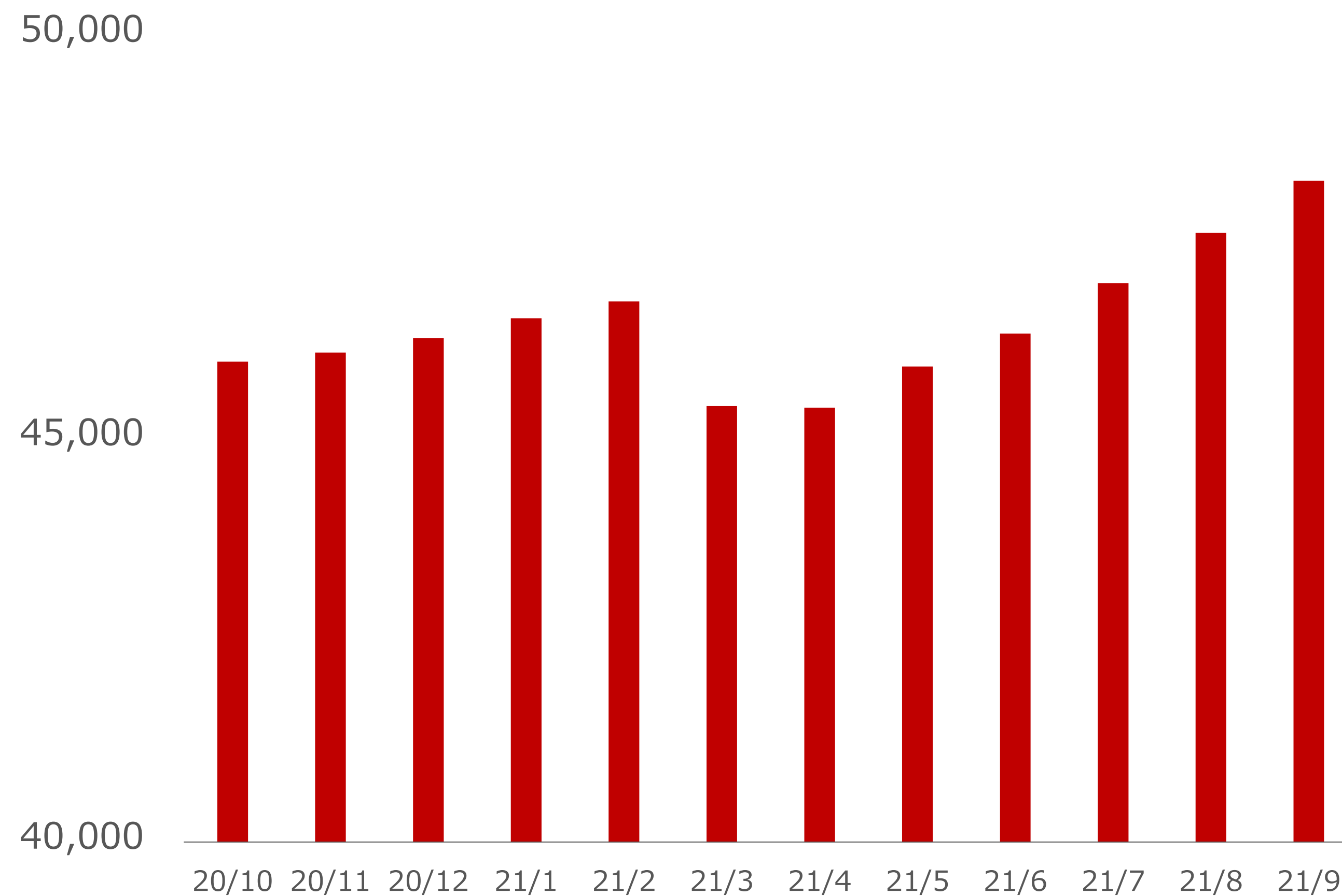
IV Financial Results Summary of Group Companies

- While secured loan outstanding declined due to separation of division of the secured medical loan business (AG MEDICAL CORPORATION), the small business loans outstanding bottomed out to recover.
- Operating profit decreased 35.0% year on year, mainly due to an increase in bad debt expenses and advertising expenses.



(¥ million)	20/9	21/9	YOY
Loans outstanding	59,403	53,154	-10.5%
Secured loans	14,311	6,210	-56.6%
Business loans	45,091	46,943	4.1%
Customer accounts (thousands))	26	25	-4.4%
Operating revenue	3,368	3,178	-5.6%
Operating profit	1,673	1,087	-35.0%
Ordinary profit	1,686	1,094	-35.1%
Profit	1,051	673	-36.0%

(¥ million) Monthly Trends in Small Business Loans Outstanding



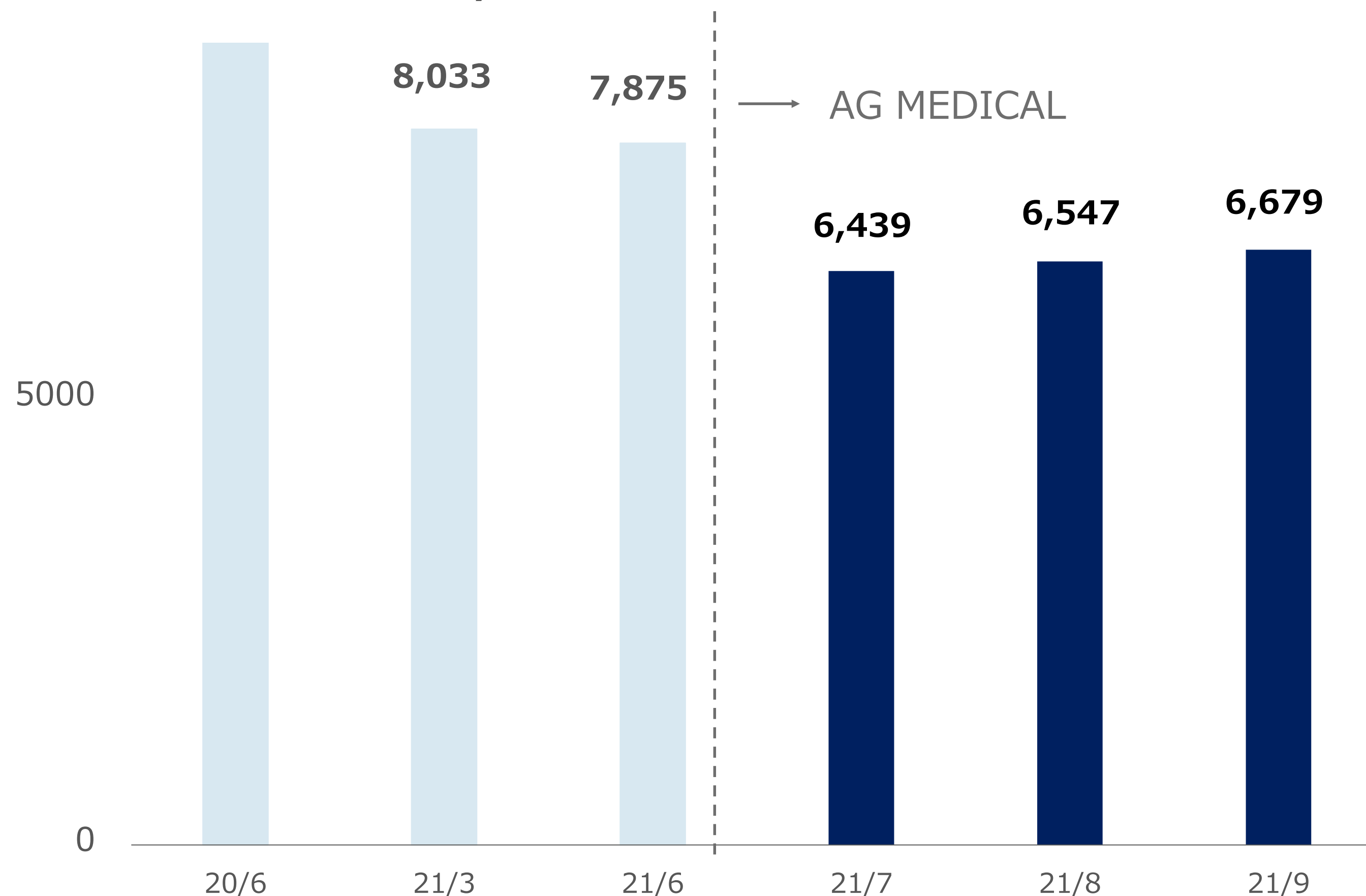
※In July 2021, AG MEDICAL CORPORATION took over the medical fee-secured loan business.

- Succeeded the secured medical Loan business from AIFUL BUSINESS FINANCE and began business in July 2021.
- The balance of loans was affected by COVID-19, but it has been recovering since July.

AG MEDICAL

(¥ million)	21/9
Loans Outstanding	6,679
Number of accounts (thousands)	377
Operating revenues	146
Operating profit	60
Ordinary profit	60
Profit	39

(¥ million) 9,713 Monthly trends in the balance of Secured Medical Loan



※The balance prior to June 2021 had been recorded by AIFUL BUSINESS FINANCE.

※Since July 2021, AG Medical has succeeded the secured medical loan except for cancellation receivables and some products.



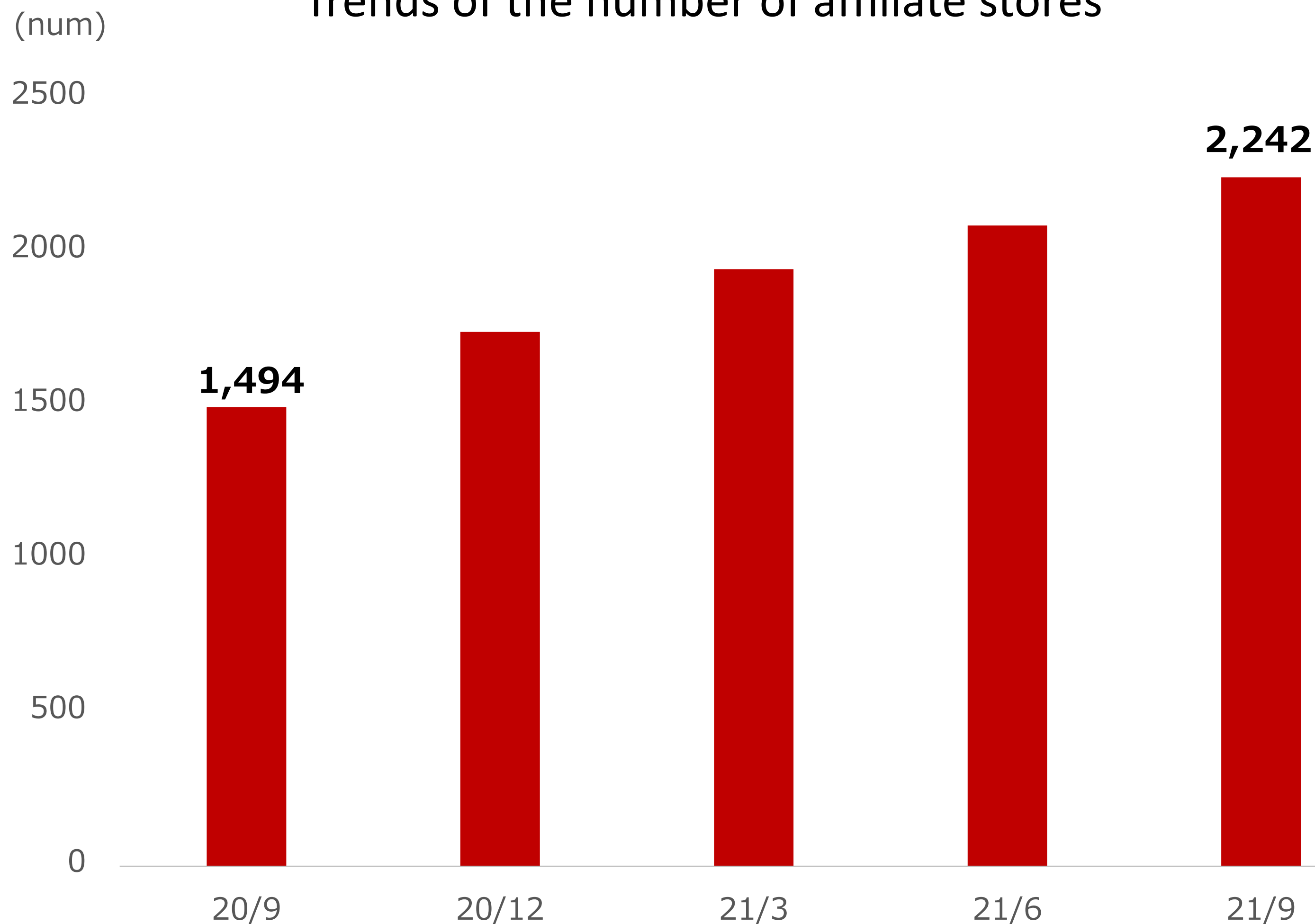
AIFUL GUARANTEE CO., LTD.

- Balance of installment receivables and number of affiliate stores trending steadily, partly due to the effect of strengthening sales activities associated with the reorganization of AIFUL's manned stores.
- Significant increases in revenue and profit due to expansion of transaction volume and balance.



(¥ million)	20/9	21/9	YOY %
Installment Receivables	6,493	11,023	69.8%
Guarantee	184	157	-14.5%
Operating revenue	354	587	65.6%
Operating profit	116	251	116.0%
Ordinary profit	117	251	114.2%
Profit	76	160	109.4%

Trends of the number of affiliate stores



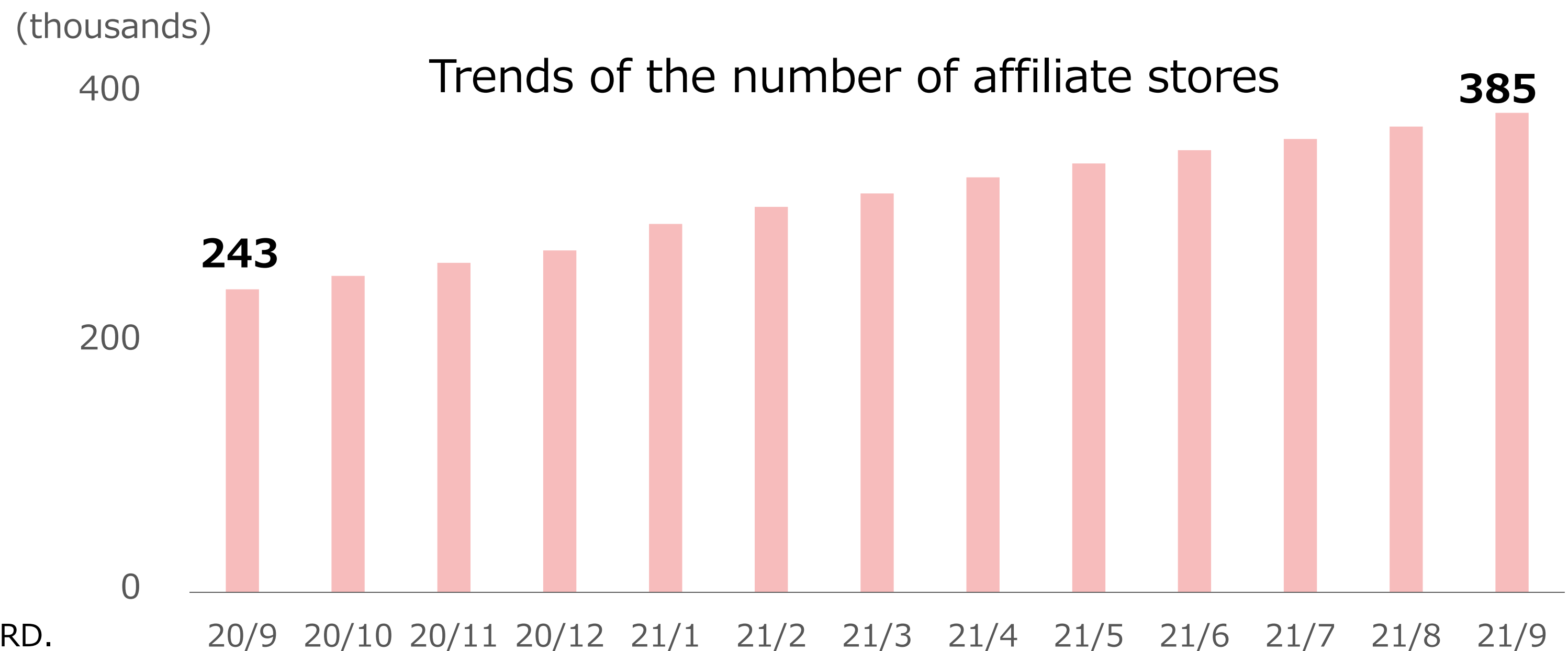
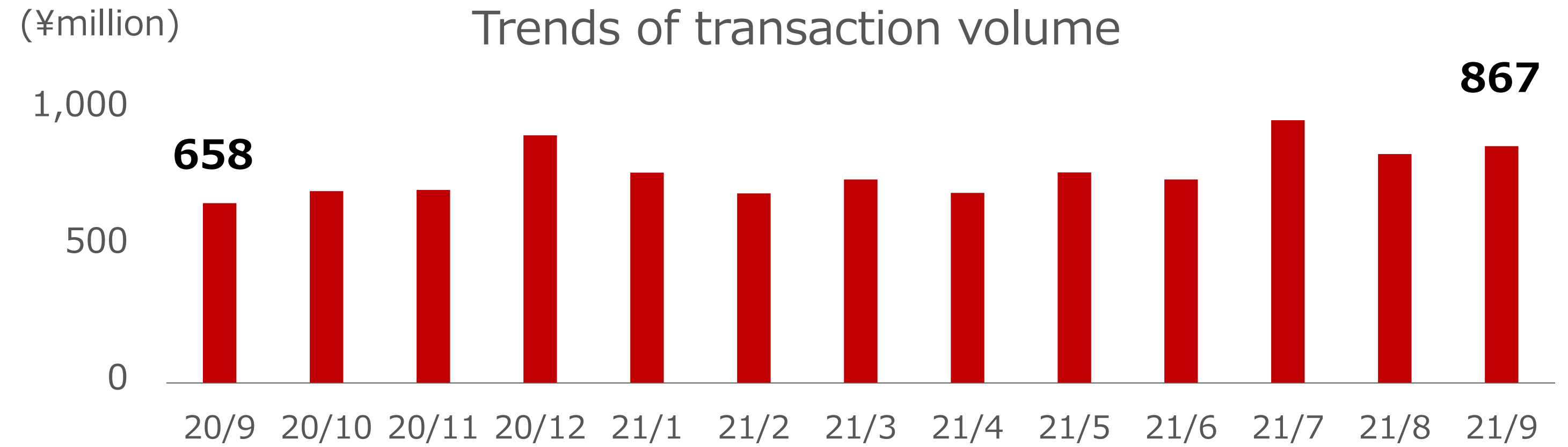


AG MIRAIARAI Co., Ltd.

• Operating revenue increased 56.4% year on year to 278 million due to an increase in the number of affiliate stores and transaction volume.



(¥ million)	20/9	21/9	YOY %
Transaction Volume	4,067	4,879	20.0%
Operating Revenue	178	278	56.4%
Operating profit	-94	-93	-
Ordinary profit	-94	-93	-
Profit	-81	-86	-



※Purchase results prior to May 2020 have been recorded by LIFECARD.

※AG MIRAIARAI was established on June 1, 2020 and commenced operation.



V Appendix



Operating Revenue and Expenses (Consolidated)

(¥ million)	20/9	21/9	YOY	YOY %
Operating revenue	63,462	64,837	1,374	2.2%
Interest on operating loans	37,066	37,523	457	1.2%
Revenue from installment receivable	9,454	9,530	76	0.8%
Revenue from credit guarantee	7,400	7,774	373	5.0%
Collection from purchased receivable	729	462	-267	-36.7%
Recoveries of written off claims	3,366	3,747	380	11.3%
Other revenue	5,445	5,799	354	6.5%
Operating expenses	54,084	54,907	822	1.5%
Financial expenses	3,632	3,572	-60	-1.7%
Cost of purchased receivable	517	-	-	-
Provision of allowance for doubtful accounts	19,684	19,208	-476	-2.4%
Expenses for interest repayment	-	-	-	-
Advertising cost	4,163	6,804	2,640	63.4%
Advertising expenses	1,304	5,321	4,017	308.0%
Sales promotion expenses	2,859	1,483	-1,376	-48.1%
Personnel expenses	8,439	8,399	-39	-0.5%



Operating Expenses and Profit (Consolidated)

(¥ million)	20/9	21/9	YOY	
			YOY	YOY %
Other	17,561	16,805	-756	-4.3%
Commission	7,297	7,622	325	4.5%
Communications	1,419	1,492	73	5.2%
Provision for point card certificates	1,186	-	-	-
Consumption taxes	2,254	2,532	277	12.3%
Depreciation expenses	1,628	1,603	-24	-1.5%
Supplies, repair and maintenance	1,388	1,206	-181	-13.1%
Rents	894	880	-13	-1.6%
Rent expenses	187	204	17	9.2%
Operating profit	9,378	9,930	552	5.9%
Non-operating income	1,093	292	-800	-73.3%
Non-operating expenses	98	366	268	272.2%
Ordinary profit	10,373	9,856	-516	-5.0%
Extraordinary profit	-	-	-	-
Extraordinary losses	91	-	-	-
Profit before income taxes	10,281	9,856	-425	-4.1%
Profit(loss) attributable to non controlling interest	-178	106	285	-
Profit attributable to owners of parent	9,812	10,042	230	2.3%



Financial Results Summary (AIFUL)

(¥ million)	20/9	21/9	YOY	
			YOY	YOY %
Operating revenue	39,206	40,861	1,654	4.2%
Interest on operating loans	29,678	31,083	1,405	4.7%
Revenue from credit guarantee	5,665	5,635	-29	-0.5%
Operating expenses	33,241	35,135	1,894	5.7%
Financial expenses	2,675	2,718	43	1.6%
Provision of allowance for doubtful accounts	15,285	15,060	-225	-1.5%
Expenses for Interest repayment	-	-	-	-
Advertising cost	3,167	4,781	1,614	51.0%
Advertising expenses	1,168	4,631	3,462	296.3%
Sales promotion expenses	1,998	150	-1,848	-92.5%
Personal expenses	5,139	5,058	-81	-1.6%
Other operating expenses	6,973	7,517	543	7.8%
Operating profit	5,965	5,725	-239	-4.0%
Non-operating income	882	675	-207	-23.5%
Non-operating expenses	43	202	158	362.7%
Ordinary profit	6,804	6,198	-605	-8.9%
Extraordinary income	-	-	-	-
Extraordinary losses	91	-	-	-
Profit	7,194	6,359	-835	-11.6%


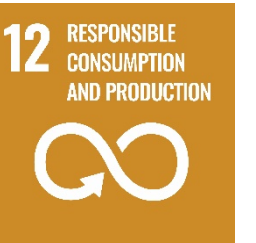





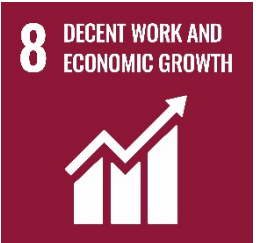




Operating Results (AIFUL)

(¥ million)	20/6	21/6	YOY	
			YOY	YOY %
Total receivable outstanding	550,338	581,841	31,502	5.7%
Loans outstanding	429,315	442,105	12,790	3.0%
Unsecured	415,081	429,874	14,792	3.6%
Secured	6,408	4,401	-2,006	-31.3%
Small business	7,825	7,829	4	0.1%
Credit guarantee	111,465	131,044	19,578	17.6%
New accounts (num)	28,155	48,590	20,435	72.6%
Unsecured	28,134	48,562	20,428	72.6%
Customer accounts (thousands)	925	939	13	1.5%
Unsecured	912	927	14	1.6%
Average yield	14.6%	14.5%	-0.1pt	-
Below 18% unsecured loan balance's occupancy rate	98.9%	99.2%	0.3pt	-
Bad debt	6,570	6,161	-408	-6.2%
Excluding write-off accompanying interest repayment	6,393	5,936	-457	-7.2%
Bad debt ratio to operating loans	1.2%	1.1%	-0.1pt	-
Ratio excluding write-off related to interest repayment	1.2%	1.0%	-0.2pt	-



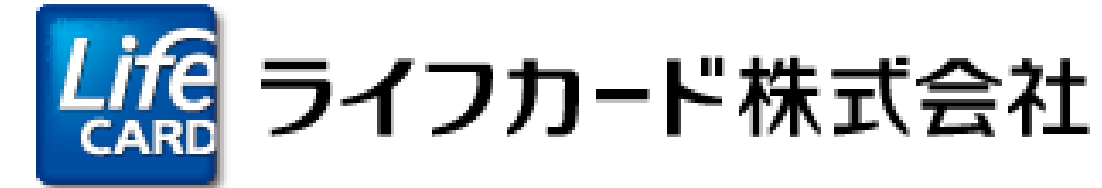
ESG · SDG s Major Efforts

ESG	Subject	Major Efforts	Relevant SDGs
Environment	Initiatives for Environmental Issues	Cool Biz · Warm Biz	   
		Introduction of RECOLO	
		Efforts to improve work efficiency	
		Eco Cap Program	
		COOL CHOICE	
		Monitoring and reduction of energy consumption and GHG emissions	
Social	Social Contribution/ Coexistence with the Community	Blood Donation	  
		Sponsoring Hackathons	
		Contribution Cards	
		Installment plan for lecture fees	
		Investment in SDGs-related businesses	
		Donations following large-scale disasters	
		Support money for the spread of COVID-19	
	For Our Customers	Database of customer comments	—
		Comprehensive support system	
	Workplace and Work Environment	Employee awareness and satisfaction surveys	
		Harassment Hotline	
		Flextime Program	
		Telework and Remote work	
		Trainings and Self-development measures	
	Promoting Diversity	Empowerment of women action plan	
Employment of people with disabilities			
Retiree re-employment program			
Governance	Management System	Company with an Audit and Supervisory Committee	
		Report Windows	
		Compliance Education	



AIFUL Group's Business

We aim to create businesses that meet all customer needs through business diversification





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