

Third Quarter of FY2022/3 Presentation Material

February 2022

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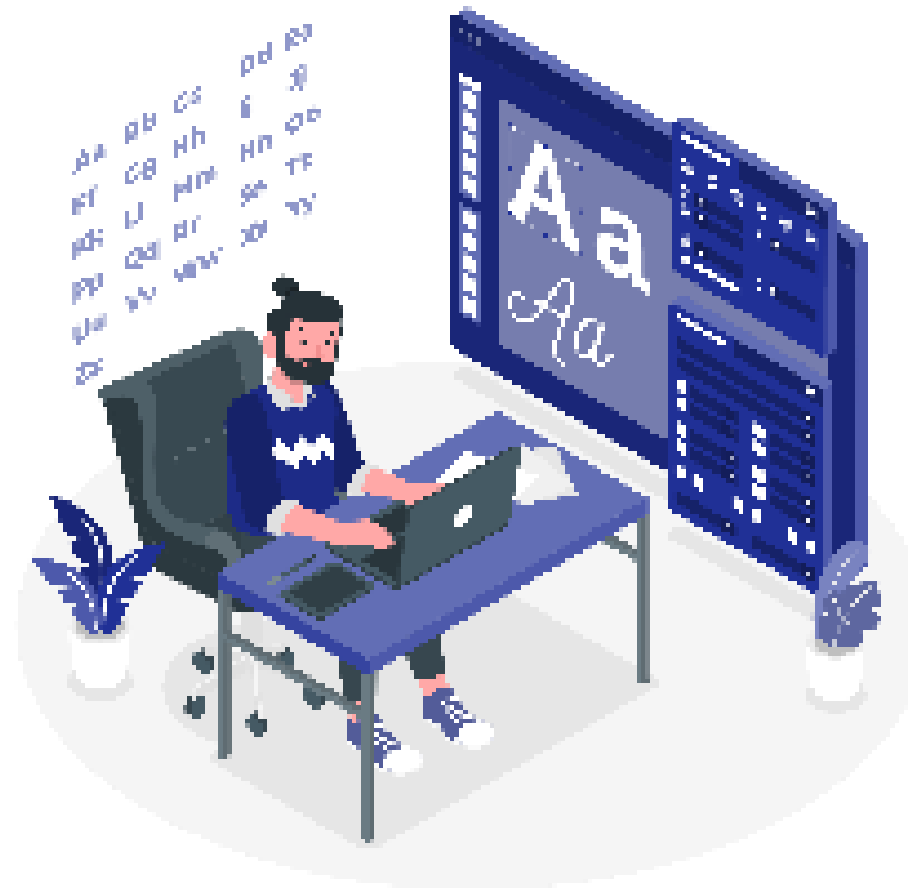
01

Initiatives and Policies for IT Finance Group

Management Theme, Strategy

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

Essential skill for IT Finance Group



Design

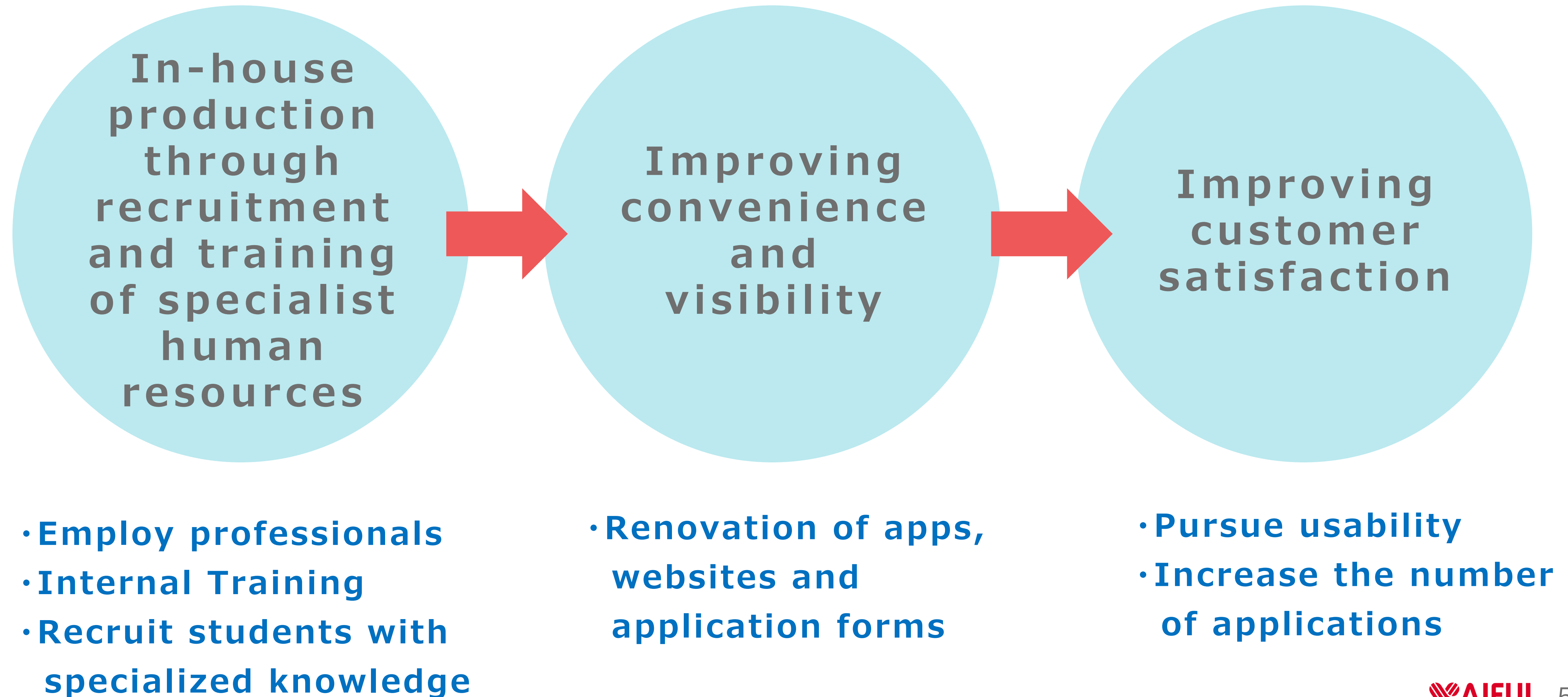


Promoting Digitalization



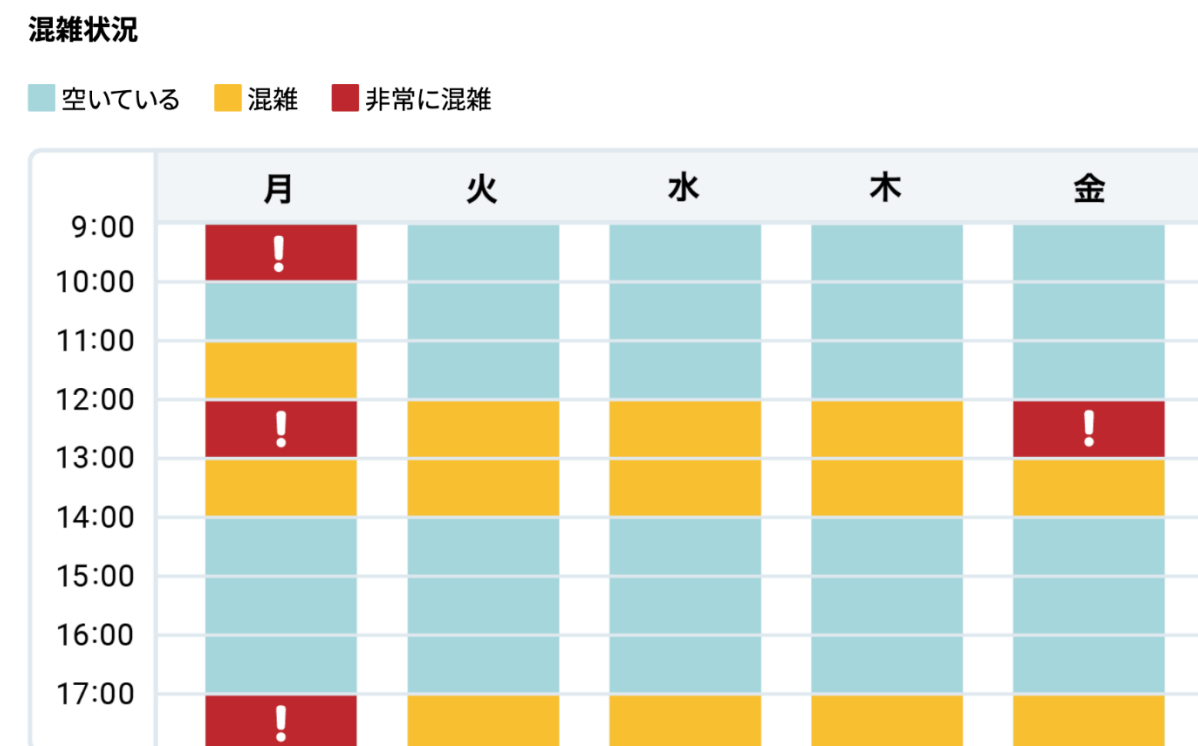
Data Analysis

Strategy for Digitalization

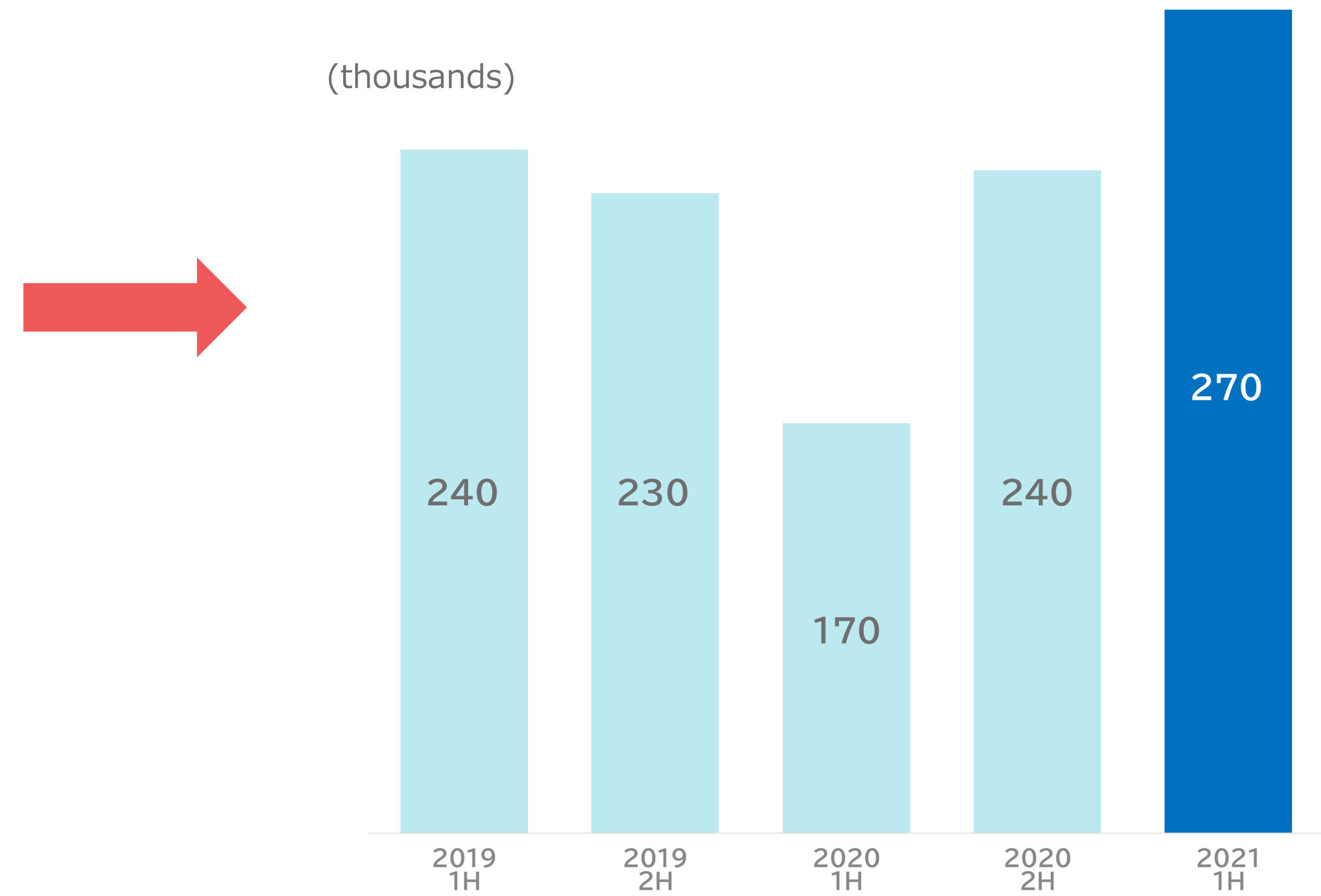


Effect of In-house Production (AIFUL)

Renovating our official websites and Apps



Increase in the number of applications



Effect of In-house Production (LIFE CARD)

Design and production,
mainly by young employees

Strengthen design team by
recruitment and training

Life CARD 株式会社
新規入会プログラムで最大10,000円相当プレゼント [詳しくはこちら](#)

学生専用ライフカード
海外でのショッピング利用額の
3% キャッシュバック!!
※年間最大キャッシュバック100,000円

年会費無料

お申込みは
コチラ

学生専用ライフカードのココがスゴい!

- 海外でのショッピング利用額 3%をキャッシュバック! (年間最大100,000円!)
- 海外旅行傷害保険が自動付帯で 最高2,000万円まで補償!
- ポイントがたまりやすいプログラム!

[詳しくはこちら](#) [詳しくはこちら](#) [詳しくはこちら](#)

Life CARD
ビジネスパートナーローン
個人事業主さま限定

Life CARDはお客さまの事業を応援します! /
事業資金のご融資案内

- ・年収の1/3を超える融資も可能
- ・まとまった事業資金のニーズに

ポイントか
年会費か
社会貢献か
いや、全部だ。



Expected to increase the number of younger members and the utilization rate

Indicators of Reliability · Profitability · Growth Potential

		Indicator	As of Dec. 2021
Reliability	Shareholders' Equity Ratio	20%	17.2%
Profitability	ROE	more than 10%	15.8%
	ROA	more than 2%	2.8%
Growth Potential	Operating Assets	Per annum	YOY
		10% Growth	+7.8% (867.7bn)

Topics

Transition to “Prime Market”



On January 11, 2022, Tokyo Stock Exchange approved our application for transition to “Prime Market”, in accordance with the restructuring of market segments scheduled to take effect on April 4, 2022.

Credit rating by JCR Upgraded by two notches (Dec. 2021)

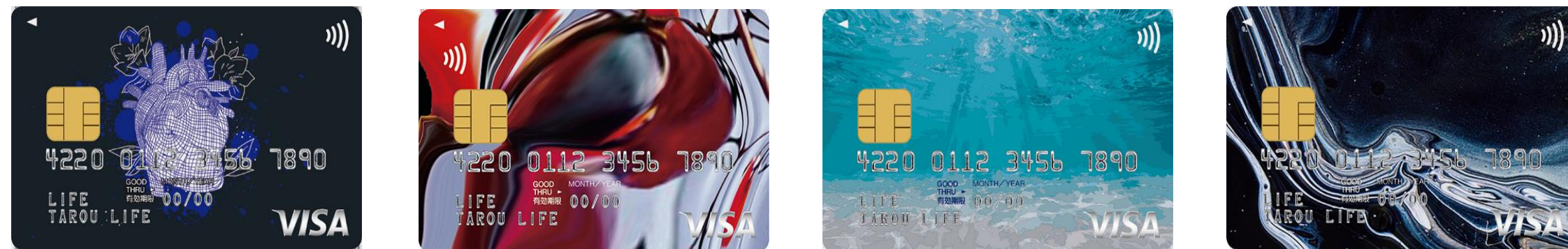
	Before	After
Long-term rating	BB+	BBB
Outlook	Positive	Stable
Bonds	BB+	BBB

Credit rating by R&I Upgraded by two notches (Oct. 2021)

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

Topics

< Limited Design > Issued New credit cards by LIFE CARD



Released V-preca in collaboration with "CR Apex festival"



HYDE x LifeCARD Released NEW V-preca



Issued "Limited Use Deposit Card" for Startups



Initiatives for Sustainability



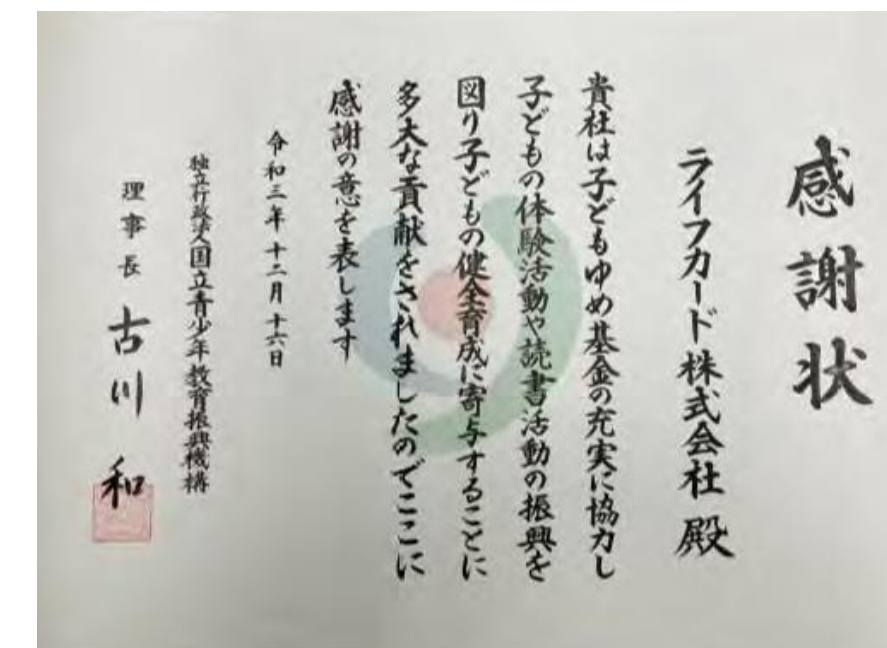
Cooperation between KEIO MED EXPRESS CARD and “Doco Care”

- Life Card, in cooperation with CarePro, Inc., launched a hospital visit escort service in December for patients who use KEIO MED EXPRESS CARD, a card affiliated with Keio University Hospital



Received a letter of appreciation from National Institution For Youth Education

- LIFE Thanks Points contributed to healthy development of children through hands-on activities and reading activities, etc.



Donated IT equipment to students

- AIRA & AIFUL donated IT equipment to the local school.



Initiatives for Sustainability



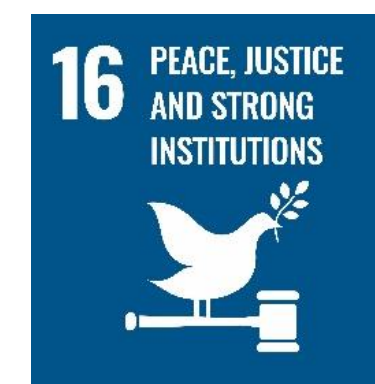
Hackathon in Thailand

- AIRA & AIFUL sponsored a hackathon program for Chulalongkorn University students in December 2021. (We started to sponsor a hackathon program for university students in March 2019 and conducted twice for Kyoto University students.)



Employee Satisfaction Survey

- We conduct the survey every year.
- The response rate of FY2021 was 97.4%.



Self-inspection

- Self-inspections are conducted by all employees twice a year.
- We completed the first inspection as of December 31.

Business Environment

Macro environment in Japan (as of the end of December 2021)

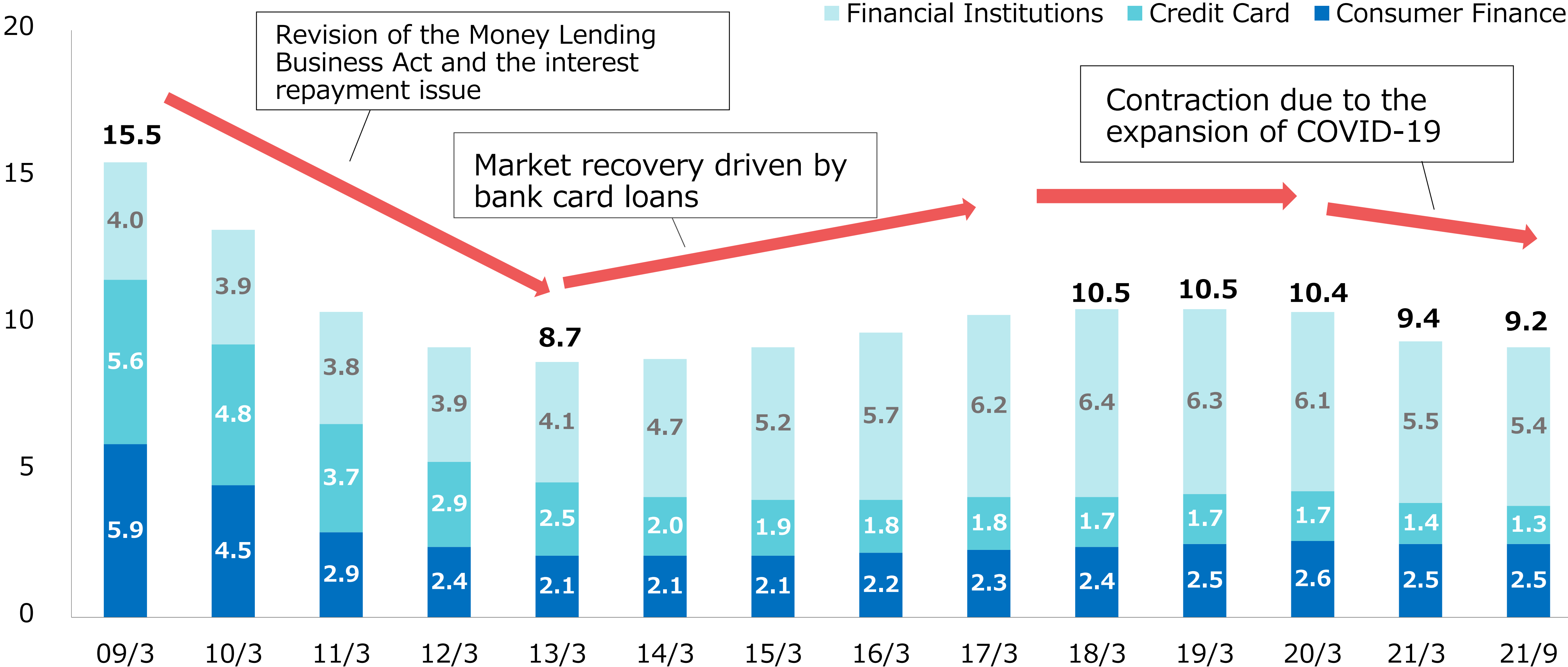
- Real GDP growth rate in July-September was -0.9% (+0.5% in April-June) and the annual rate was +1.2% (-5.4% in July-September 2020). <Cabinet Office statistical data>
- The outbreak of the Omicron variant of COVID-19 in November caused the spread of infection again, and there are concerns about the impact on future economic activities.

Macro environment in Thailand

- GDP growth rate in July-September was -0.3% year on year (-6.4% in July-September 2020). <data from National Economic and Social Development Council>
- In November, with the aim of restoring tourism, quarantine measures were exempted upon entry into the country on the condition that the vaccination was completed, but this was temporarily suspended due to the spread of infection and resumed on February 1. The future recovery of the tourism industry will determine the economic recovery.

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)

02 Financial Results Summary

Financial Highlights (Consolidated)

FY2022/3 3Q

YOY

Total operating
assets

867.7 bn

+ 7.8%

Loan business

568.8 bn

+ 3.9%

Credit business

117.3 bn

+ 6.4%

Credit guarantee
business

165.4 bn

+ 21.0%

Financial Highlights (Consolidated)

FY2022/3 3Q

YOY

Operating
revenue

98.4bn

+ 2.7%

Operating profit

18.6bn

+ 19.2%

Ordinary profit

18.9bn

+ 11.8%

ROA

2.8%

+ 0.2pt

Financial Highlights (Unsecured loan/ Credit Guarantee)

	FY2022/3 3Q	YOY	Progress rate of full-year plan
New accounts (Unsecured loan in AIFUL)	153,004num	+32.3%	80.5%
Balance of Credit guarantee	165.4bn	+21.0%	

Unsecured loan

- Recovery of consumption activities due to progress in vaccination and the lifting of the state of emergency
- Improve convenience of services through speedy screening in non-face to-face, smartphone ATMs, etc.
- Appropriately investing in advertising in response to the 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 loan consolidation by 19.2 billion yen year on year

Key Figures & Full-year Plan (Consolidated)

- Operating assets : Up 7.8% YOY due to a growth in the balance of unsecured loan and credit guarantee business and a recovery in the credit card business, which are our core businesses.
- Credit guarantee business : 165.4 billion yen, up 21.0% YOY driven by loan on deeds such as loan consolidation (up 19.2 billion yen YOY).

(¥ million)	20/12	21/12	YOY	YOY%	22/3(E)	YOY	YOY%
Total operating assets	804,612	867,718	63,106	7.8%	897,100	80,520	9.9%
Loan business	547,437	568,878	21,441	3.9%	583,100	29,710	5.4%
Unsecured	475,246	493,801	18,555	3.9%	508,400	26,712	5.5%
Secured	19,396	17,973	-1,422	-7.3%	17,900	-381	-2.1%
Small business	52,794	57,103	4,308	8.2%	56,700	3,278	6.1%
Credit business	110,321	117,369	7,047	6.4%	127,700	18,985	17.5%
Guarantee	138,191	166,469	28,277	20.5%	176,300	30,574	21.0%
Credit guarantee	136,793	165,486	28,692	21.0%	175,300	30,871	21.4%
Other	1,398	983	-415	-29.7%	900	-397	-30.6%
Operating revenue	95,863	98,492	2,628	2.7%	131,800	4,318	3.4%
Operating expenses	80,261	79,889	-371	-0.5%	107,700	-2,250	-2.0%
Operating profit	15,602	18,602	3,000	19.2%	24,100	6,539	37.5%
Ordinary profit	16,958	18,963	2,004	11.8%	24,300	4,994	25.9%
Profit attributable to owners of parent	16,164	18,161	1,997	12.4%	23,100	4,662	25.3%

Consolidated Results Outline

- Operating revenue : 98.4 billion yen, up 2.7% YOY, mainly due to an increase in revenue from interest on operating loans and credit guarantee.
- Operating profit : 18.6 billion yen, up 19.2% YOY, due to an increase in Operating revenue and a decrease in Credit cost.

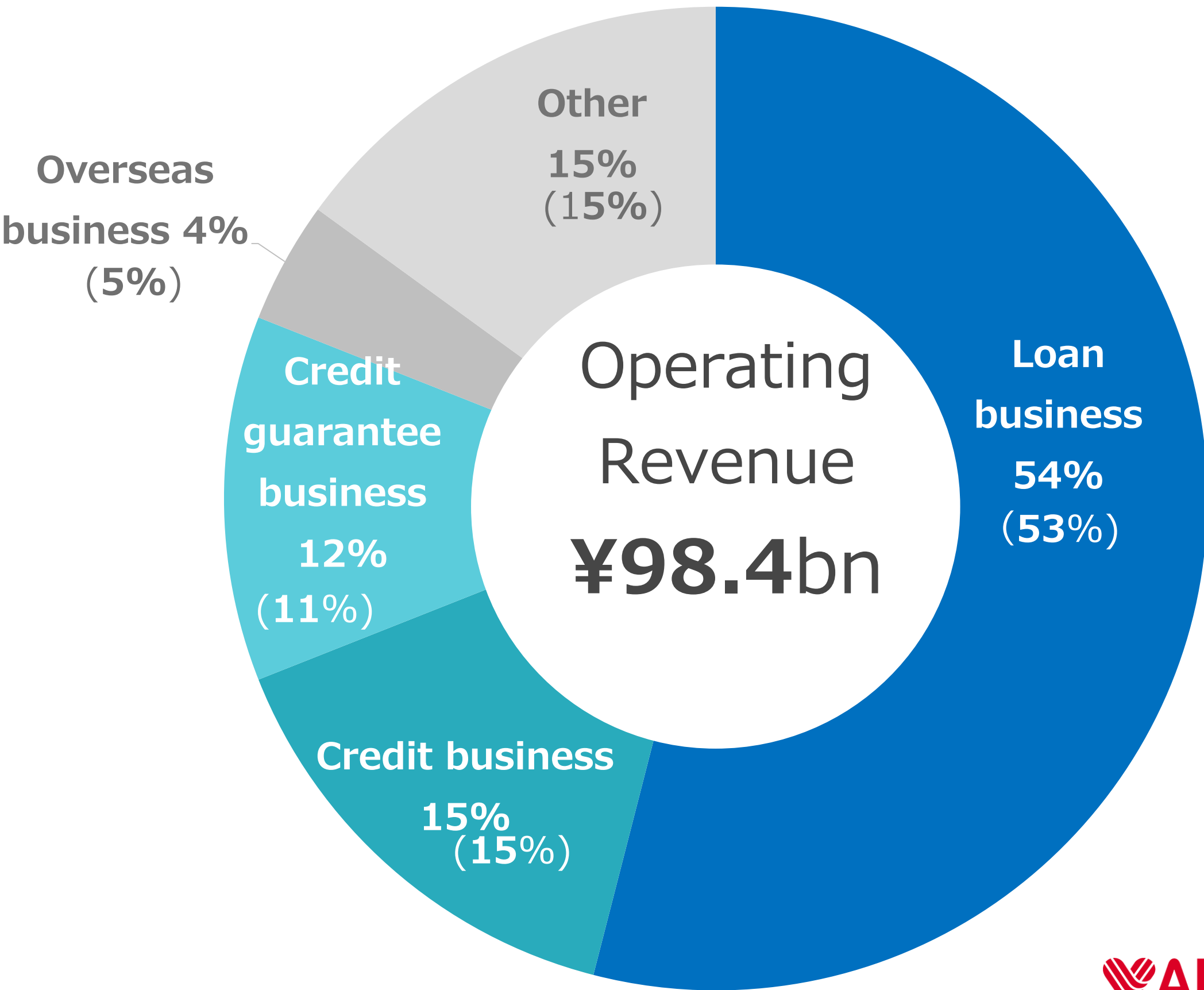
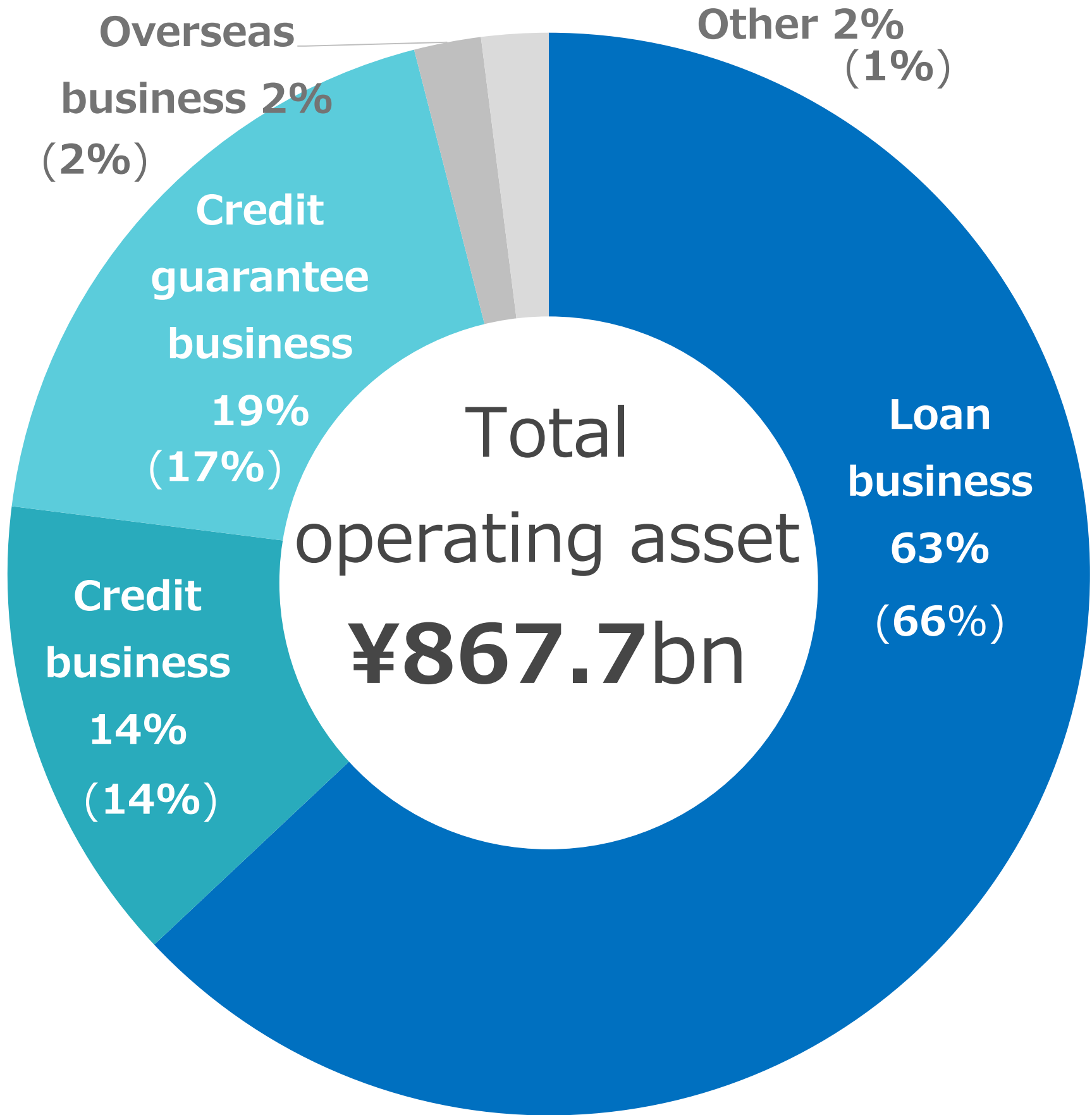
(¥ million)	20/12	21/12	YOY	YOY%	(¥ million)	20/12	21/12	YOY	YOY%
Operating revenue	95,863	98,492	2,628	2.7%	Operating profit	15,602	18,602	3,000	19.2%
Interest on operating loans	55,679	57,040	1,361	2.4%	Non-operating income	1,461	458	-1,003	-68.6%
Revenue from installment receivable	14,663	14,759	95	0.7%	Non-operating expenses	105	97	-7	-7.1%
Revenue from credit guarantee	10,959	11,743	784	7.2%	Ordinary profit	16,958	18,963	2,004	11.8%
Other operating revenue	14,561	14,948	387	2.7%	Extraordinary income	-	-	-	-
Operating expenses	80,261	79,889	-371	-0.5%	Extraordinary losses	91	-	-	-
Financial expenses	5,444	5,300	-144	-2.6%	Profit before income taxes	16,867	18,963	2,096	12.4%
Expenses for interest repayment	-	-	-	-	Income taxes-current	1,876	1,328	-547	-29.2%
Credit cost	27,276	25,991	-1,285	-4.7%	Income taxes-deferred	-986	-596	389	-
Advertising cost	7,281	10,522	3,240	44.5%	Profit attributable to non-controlling interest	-187	69	256	-
Personnel expenses	12,657	12,547	-110	-0.9%	Profit attributable to owners of parent	16,164	18,161	1,997	12.4%
Other operating expenses	27,600	25,527	-2,072	-7.5%					

Business Portfolio

[Approach to Business Portfolio]

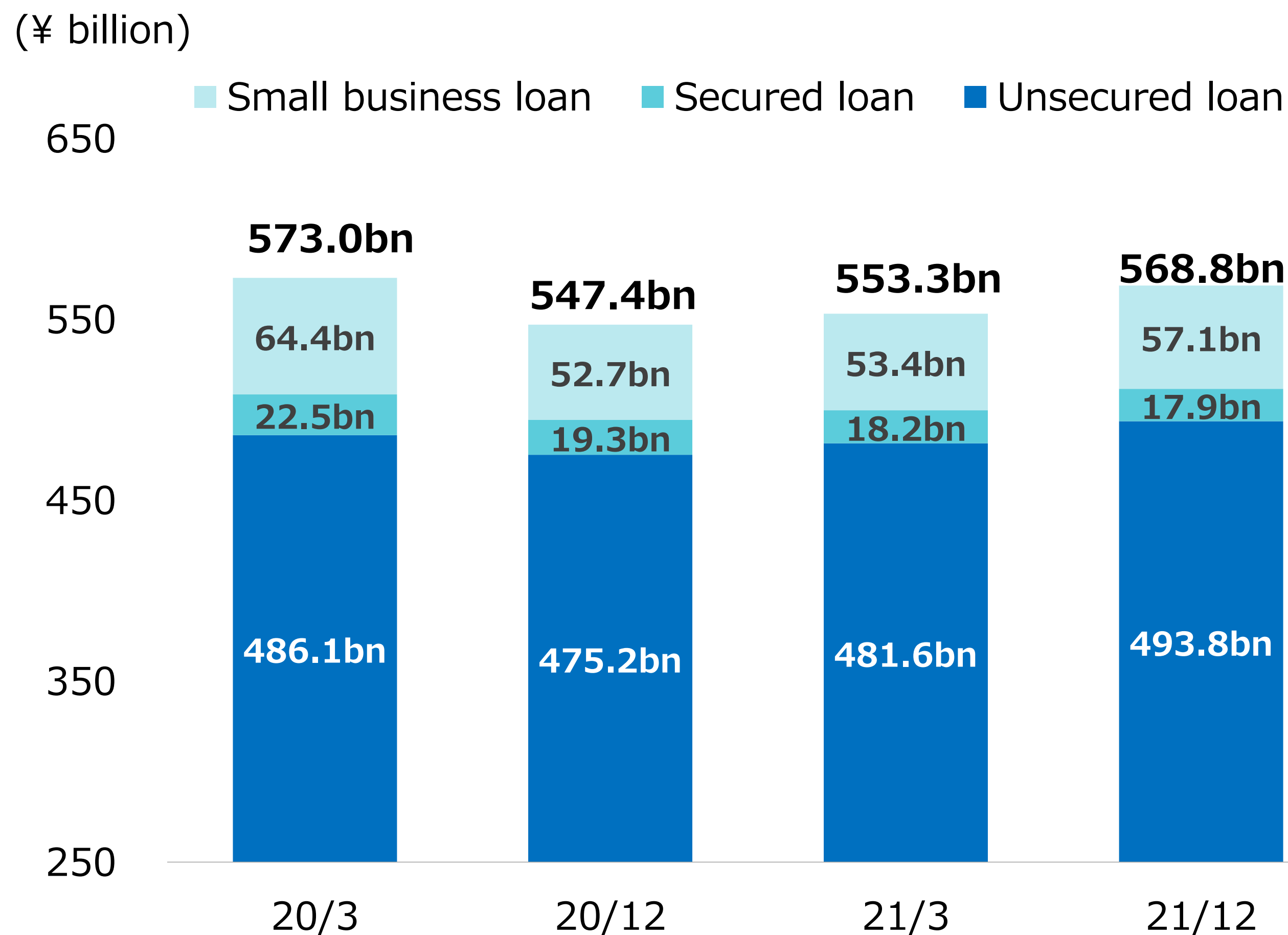
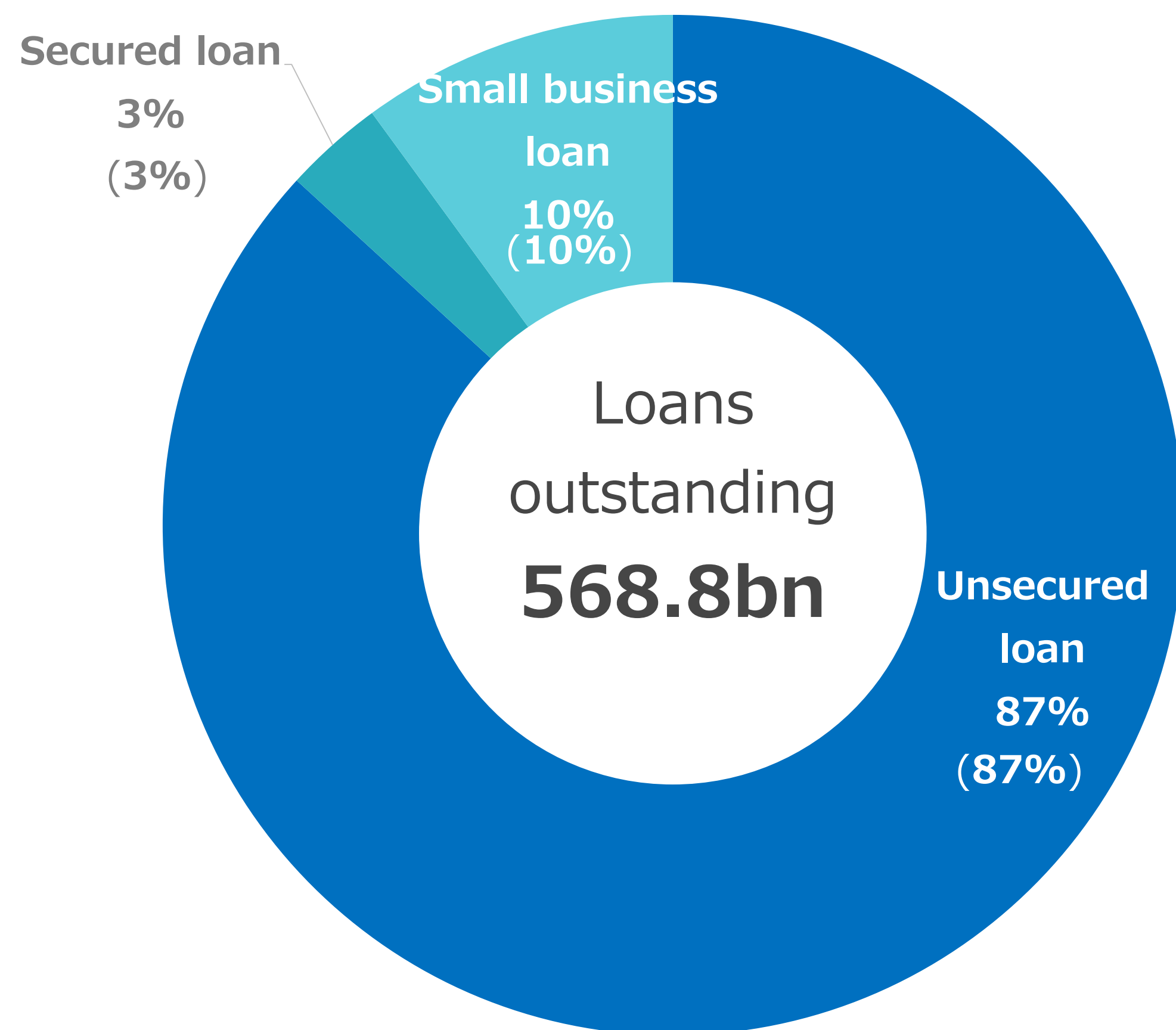
Aiming to diversify its financial business by strengthening its guarantee and other fee businesses and credit businesses, with the purpose of securing stable earnings that are not dependent on the loan business.

- **Total Operating Assets** : the occupancy rate of credit guarantee business was up 2pt YOY to 19% reflecting double-digit growth in the balance, a sign of improvement in our business portfolio.
- **Operating Revenue** : as a result of an increase in revenue of credit guarantee business, up 7% YOY, the occupancy rate was up 1pt YOY to 12%.



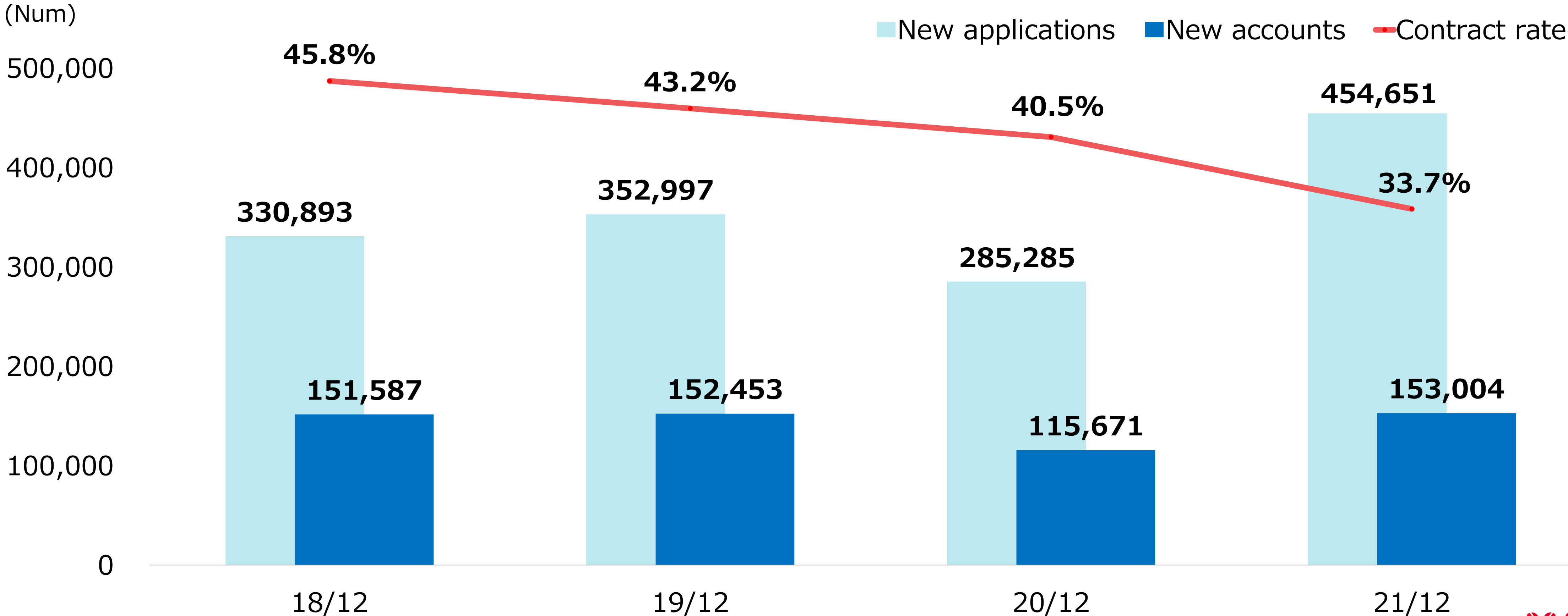
Loan Business/ Loan outstanding (Consolidated)

- Loans outstanding: 568.8 billion yen, an increase of 3.9% YOY, 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 6.9% compared to the end of the previous fiscal year.



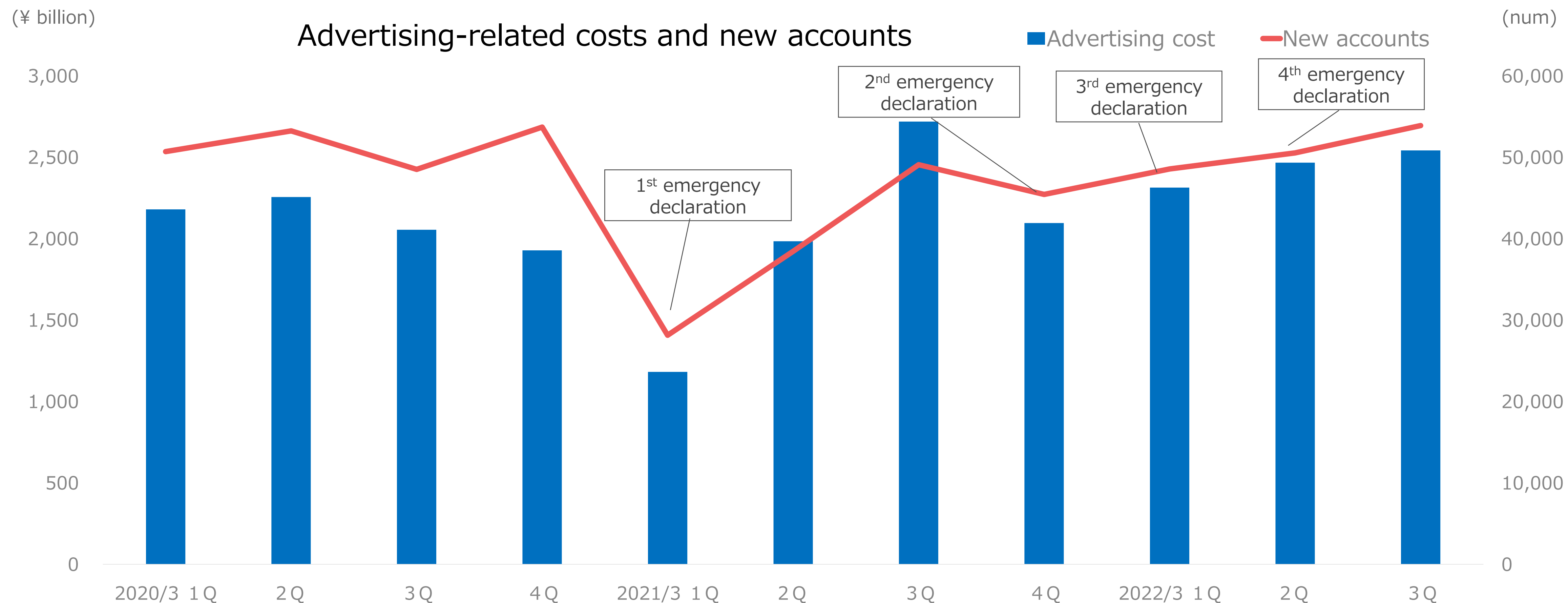
Loan Business/ New accounts (AIFUL)

- 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 since the second half.
- The number of new applications was 454,000, up 59.4% YOY, and the number of new accounts was 153,000, up 32.3% YOY.
- The number of applications increased significantly and the number of new accounts recovered to the same level, compared to the third quarter of FY2019, before pandemic.



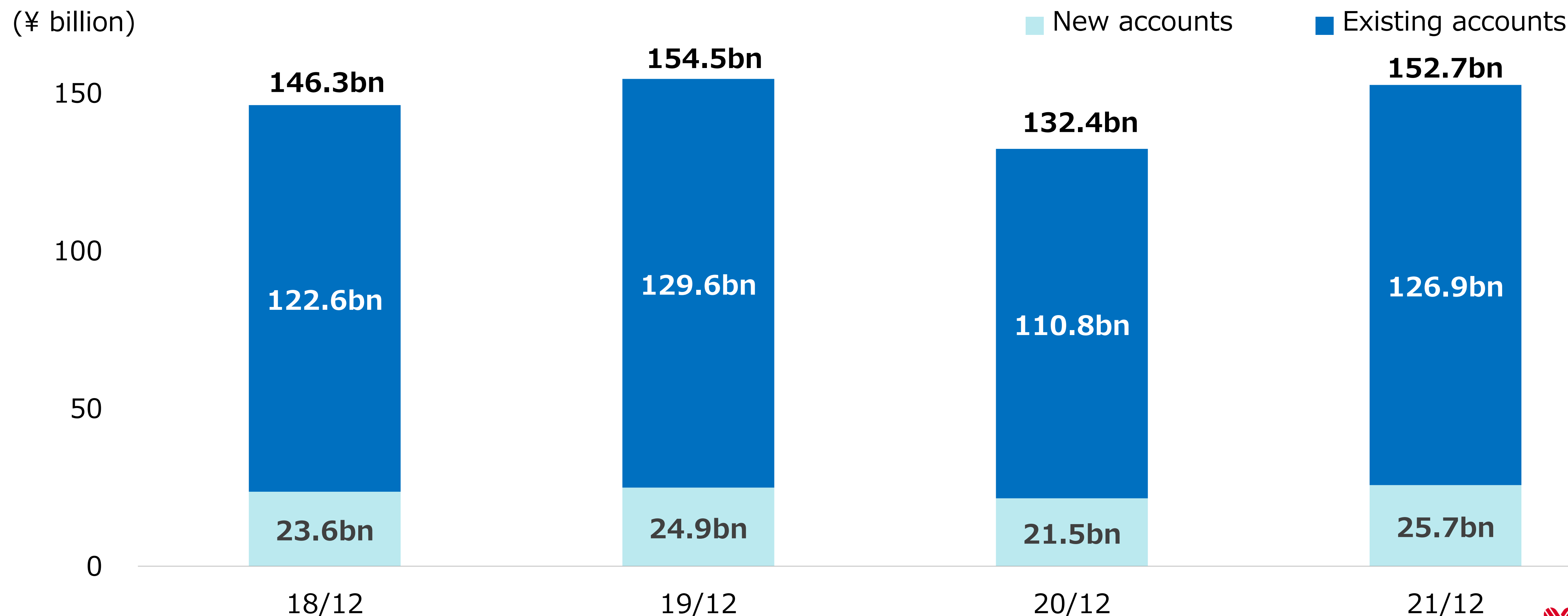
Loan Business/ Correlation between advertising costs and new accounts under the impact of COVID-19 (AIFUL)

- Advertising cost 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 the cost to the same level as those in a normal year before pandemic.



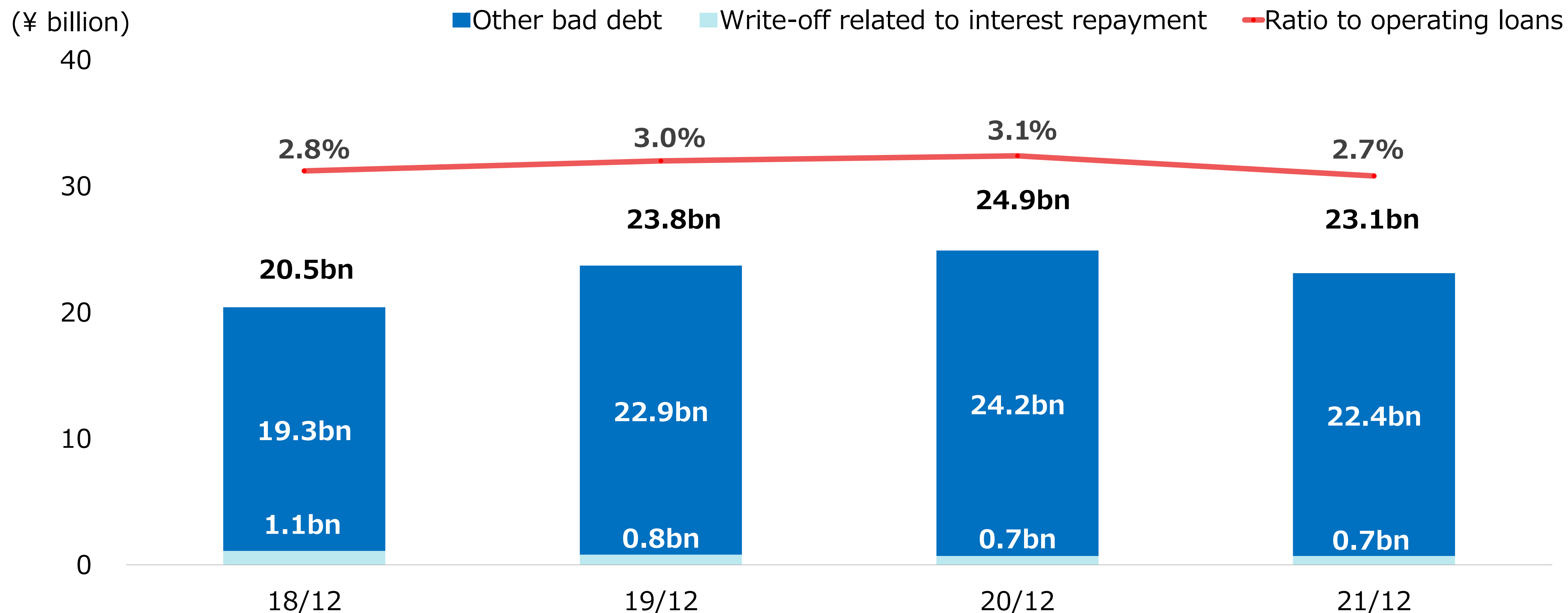
Loan Business/ Loan Volume (AIFUL)

- 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 25.7 billion yen, up 19.5% YOY, and that of existing accounts was 126.9 billion yen, up 14.5% YOY.
- The total volume recovered to the same level as that of FY2019 3Q before pandemic.



Non-performing Loans/ Bad Debts (Consolidated)

- The bad debts decreased 7.1% YOY to 23.1 billion yen and the ratio to operating loans was 2.7%, which was stable at low level.
- The write-off related to interest repayment was 700 million yen, which remained at low level.

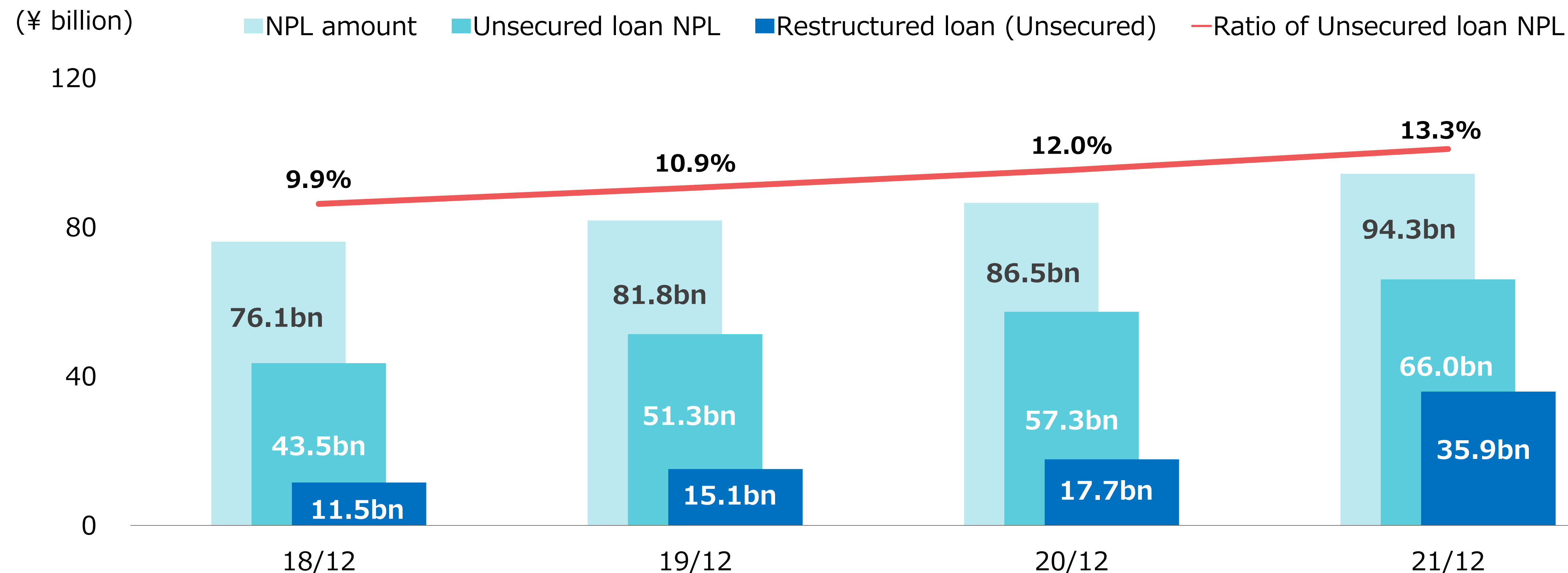


*1 Consolidation of AIFUL, LIFE CARD, AIFUL BUSINESS FINANCE, AIFUL GUARANTEE, AG Loan Services, AIRA & AIFUL

*2 Only ratio of Bad debt including write-off related to interest repayment is disclosed from the second quarter of FY2021.

Non-performing Loans/ Unsecured Loan NPL (Consolidated)

- Unsecured loan NPL outstanding rose 15.1% YOY to 66 billion and the NPL ratio rose 1.3pt to 13.3%, mainly due to an increase in restructured loans (loans with eased lending conditions) that are expected to receive payments regularly.



*1 From the fourth quarter of the FY2020, settlement receivables with regular deposits included in Non-accrual loans have been included in Restructured loans in a more realistic manner.

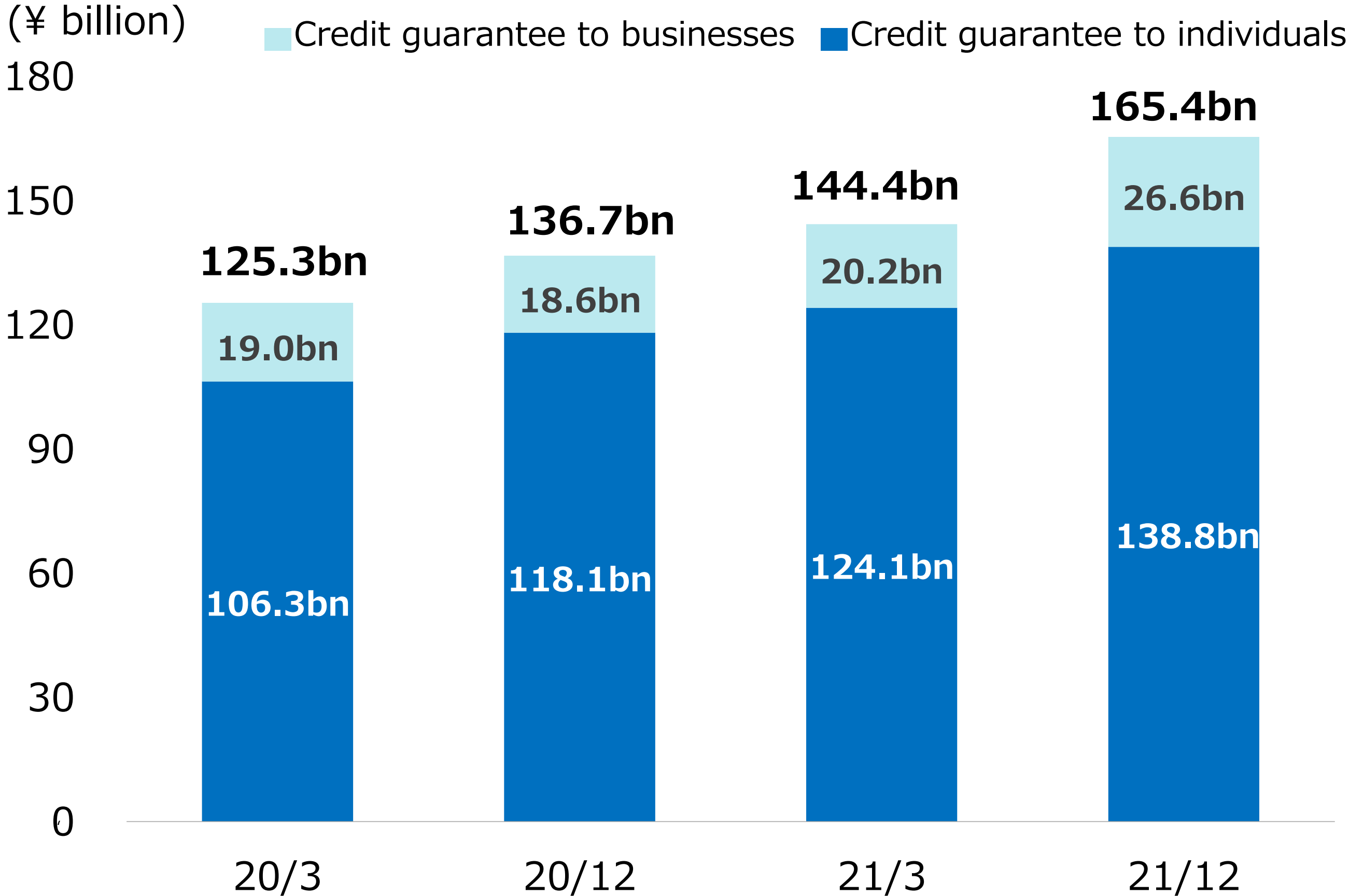
*2 NPL amount: AIFUL, LIFE CARD, AIFUL BUSINESS FINANCE, AG MEDICAL, AIRA & AIFUL

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

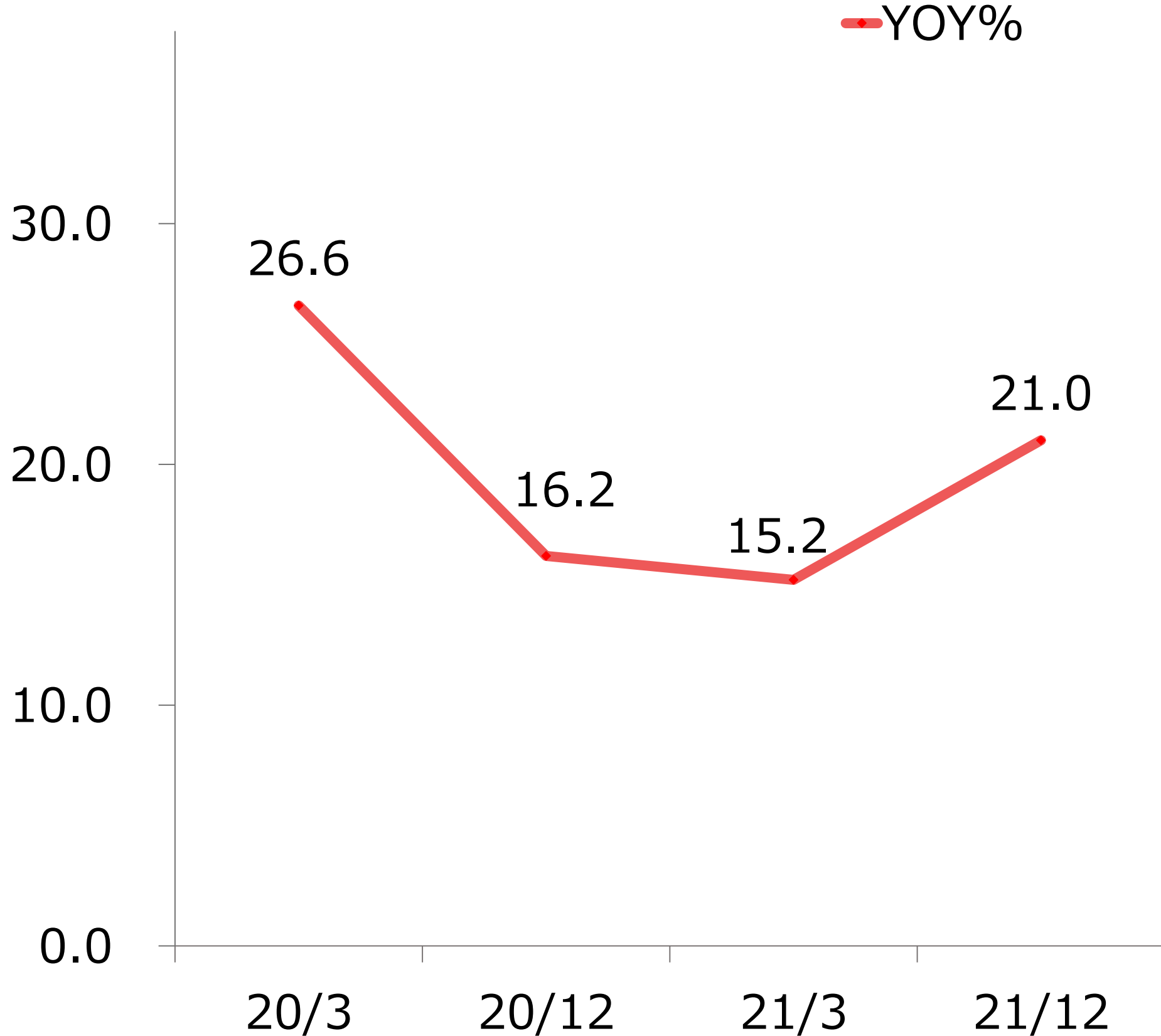
Credit Guarantee Business/ Guarantee for Individuals & Business Operator (Consolidated)

- The growth of the credit guarantee balance recovered to the same level as that in a normal year before pandemic, up 21.0% YOY to 165.4 billion yen, reflecting our efforts to diversify products and strengthen relationships with partners.

Credit Guarantee Balance



Growth of balance

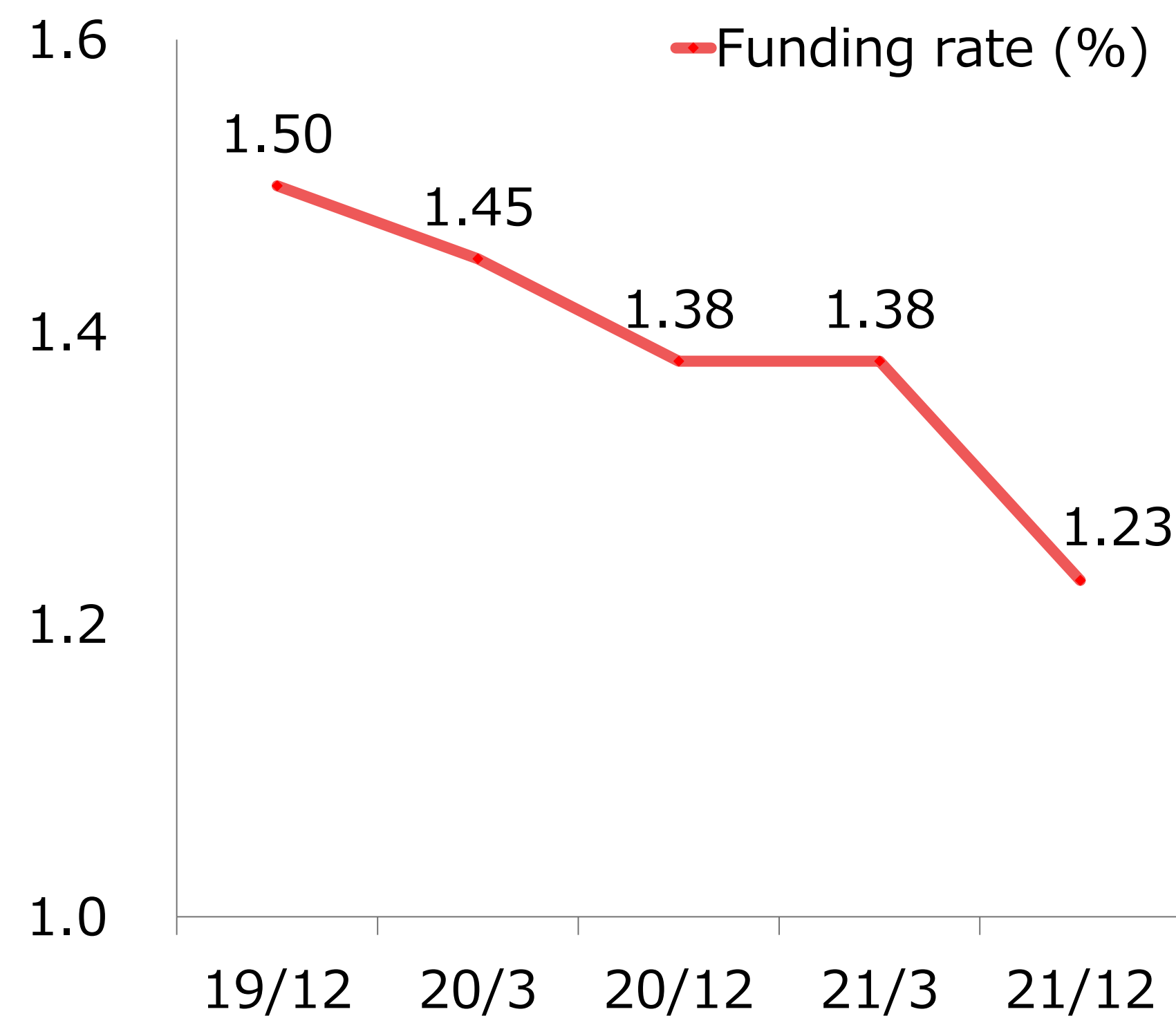


*Consolidation of AIFUL, LIFECARD

Funding (Consolidated)

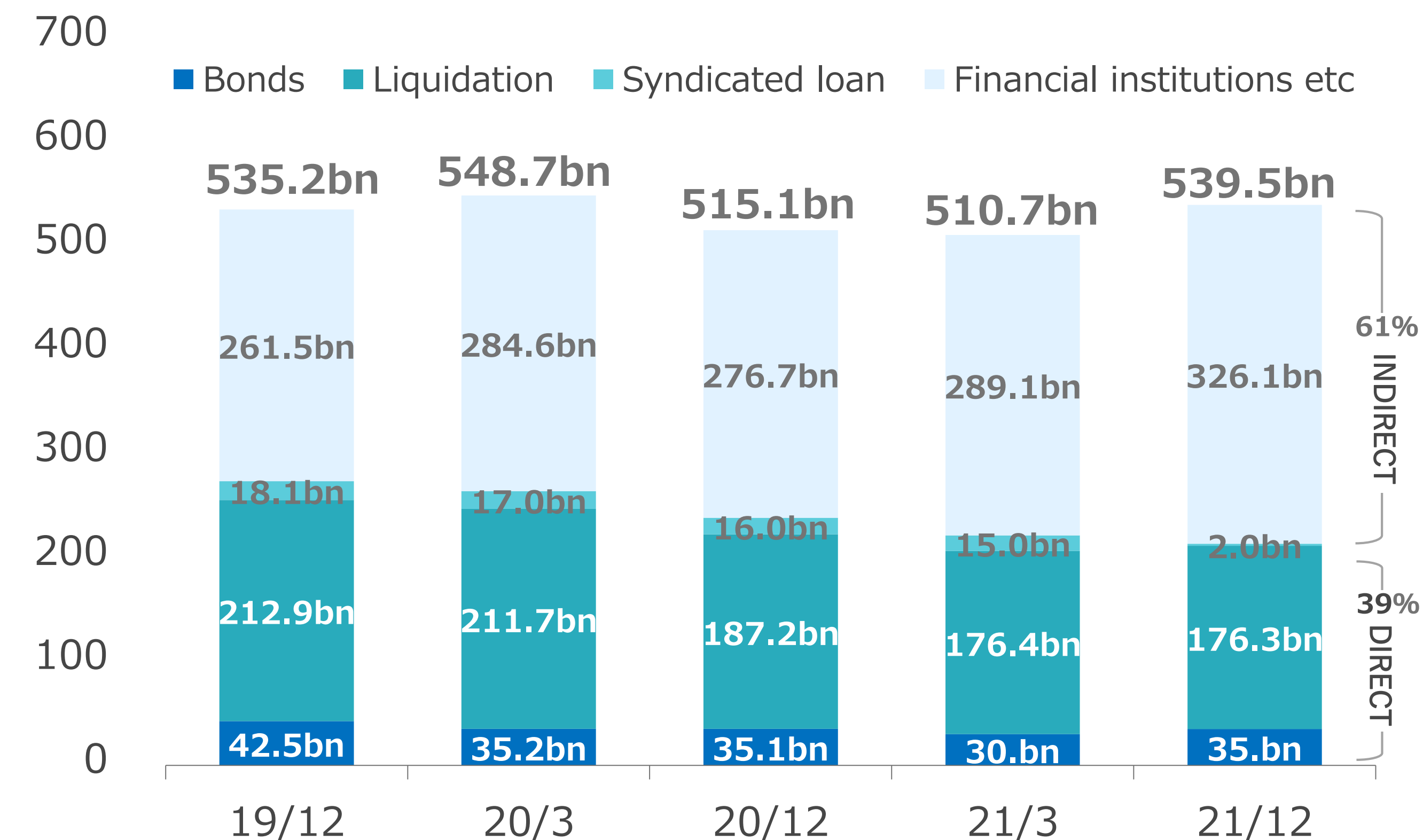
- Funding rates: both direct and indirect are trending downward in tandem with an improvement of performance and upgraded credit ratings.
- Funding amount: up 4.7% YOY to 539.5 billion due to a recovery in funding demand.

Trends of Funding rate



(¥ billion)

Interest – bearing liabilities

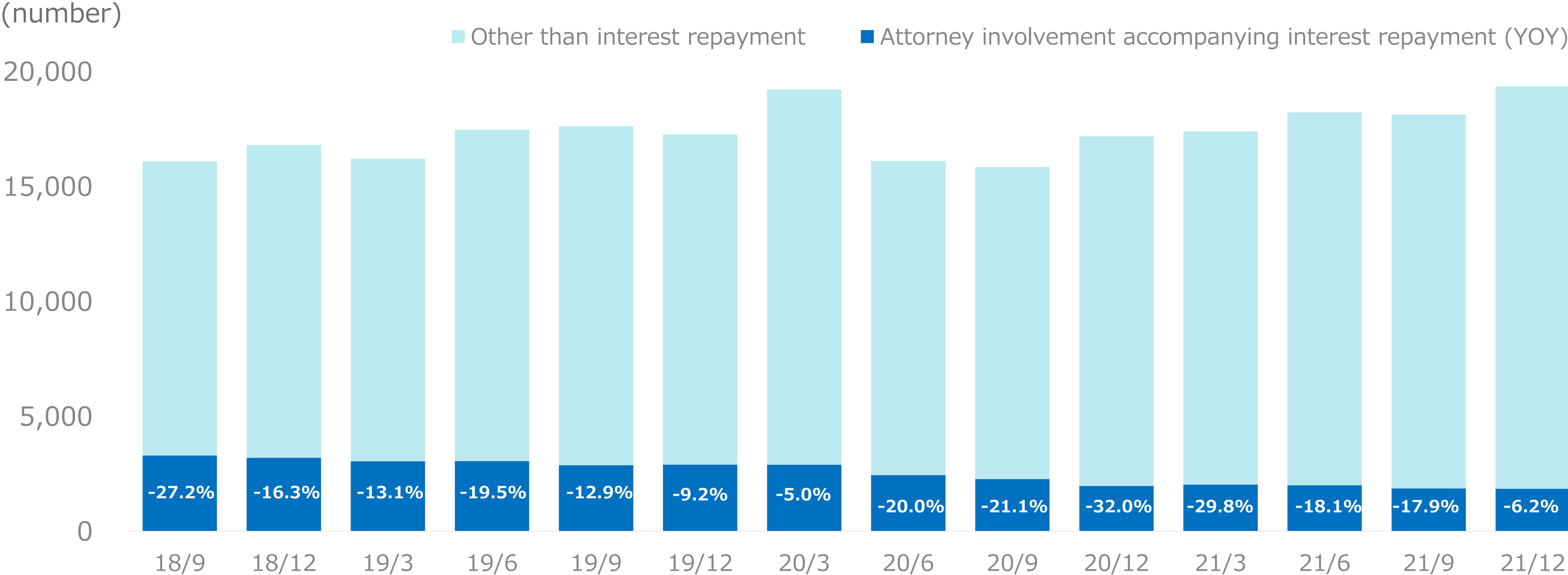


*Consolidation of AIFUL, LIFE CARD, AIFUL BUSINESS FINANCE, AG MEDICAL, AIFUL GUARANTEE, AG LOAN SERVICES, AIRA & AIFUL

Interest Repayment/ Attorney Involvement Claims

- The number of cases of attorney involvement accompanying interest repayment fell 6.2% YOY.

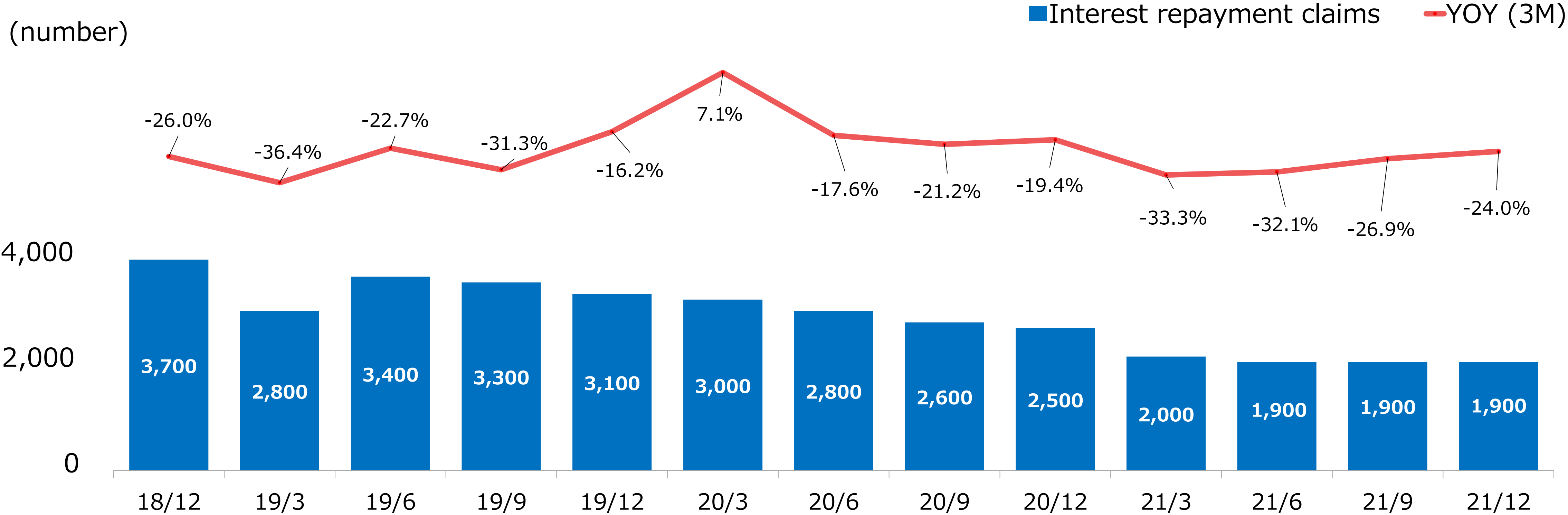
Attorney involvement number (AIFUL)



Interest Repayment/ Number of Claims

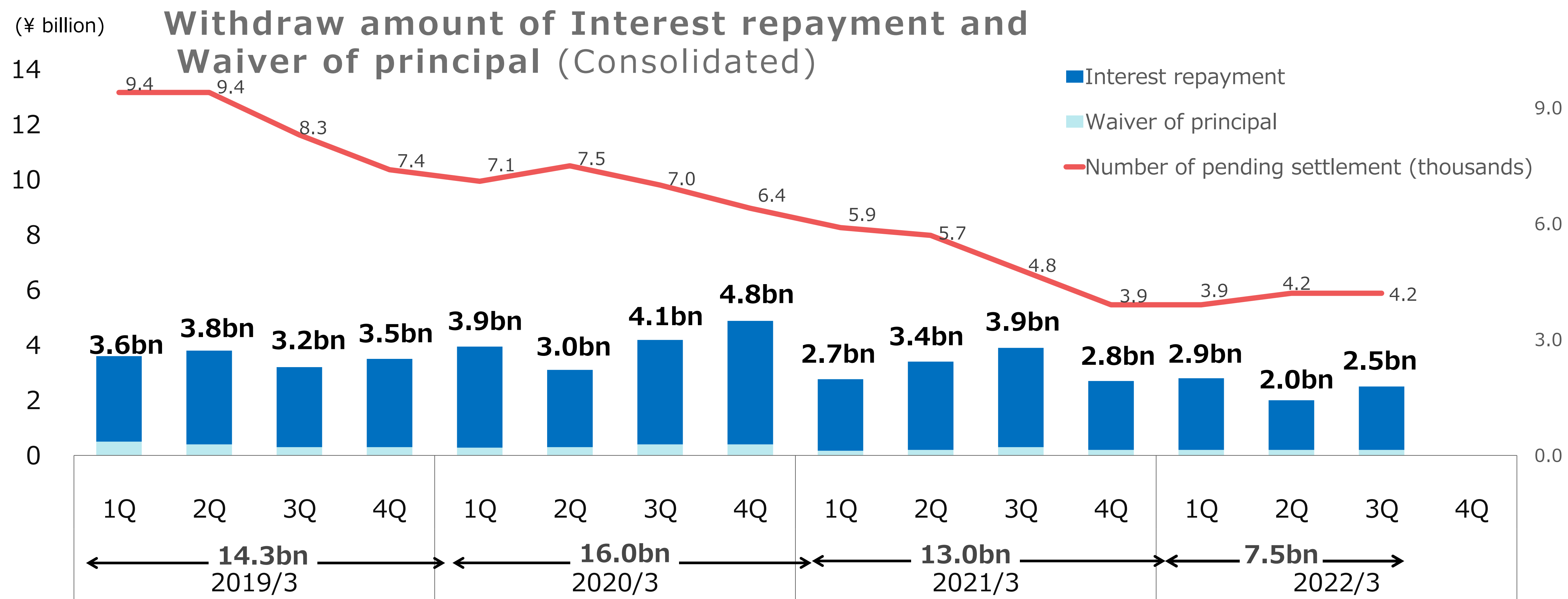
- The number of interest repayment claims (3-month total) stood at 1,900, down 24.0% YOY.

Interest repayment claims (AIFUL)



Interest Repayment/ Withdraw Amount

- The withdraw amount of allowance for interest repayments during the first three quarters of FY2021 decreased 25.5% YOY to 7.5 billion yen (of which 6.8 billion yen was applied to interest repayment and 0.7 billion yen to debt waiver).
- Thanks to aggressive reconciliation, the number of pending reconciliations has been steadily decreasing, recognizing 4,200 in the third quarter of FY2021.



Interest Repayment/ Provision

- 7.5 billion yen (of which 6.8 billion yen was applied to interest repayment and 0.7 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 8 billion yen at the end of FY2021 3Q.

Provision loss on Interest Repayment

(Consolidated)

(¥ million)	Interest repayment	Waiver of principal	Total
Allowance at the beginning of period	12,913	2,737	15,651
Withdraw (Interest repayment)	6,884	-	6,884
Withdraw (Waiver of principal)	-	702	702
Provisions (Reversal)	-	-	-
Allowance at the end of period	6,028	2,035	8,063

(AIFUL)

(¥ million)	Interest repayment	Waiver of principal	Total
Allowance at the beginning of period	11,460	2,397	13,857
Withdraw (Interest repayment)	6,249	-	6,249
Withdraw (Waiver of principal)	-	584	584
Provisions (Reversal)	-	-	-
Allowance at the end of period	5,211	1,813	7,024

*1 The amount of waiver of principal in LIFE CARD has been changed to a withdrawal of the allowance for waiver of principal since the beginning of the fiscal year ending March 31, 2022.

03 LIFECARD Results Summary

LIFE CARD/ Strategy



Be Unique!

Under **Be Unique!**,
Aiming for Unique Brand Position

LIFE CARD/ Strategy

Increase LTV by reaching out to young people at an early stage

Appeal to emotional value through social contribution cards and point donation system

Student Card



Student Card

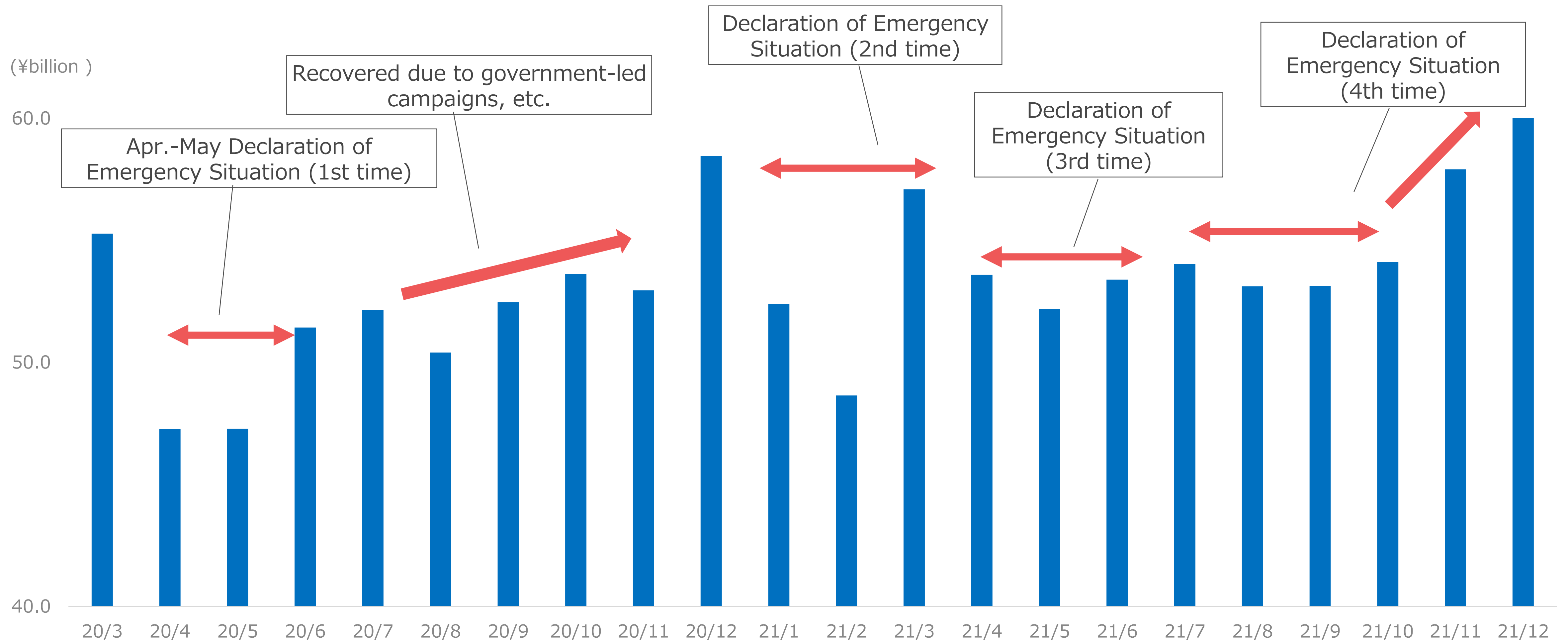


LIFE CARD/ Financial Results Summary

(¥ million)	20/12	21/12	YOY	YOY %
Operating revenue	24,328	23,886	-442	-1.8%
Revenue from installment receivable	12,504	12,267	-237	-1.9%
Interest on operating loans	3,472	3,104	-367	-10.6%
Revenue from credit guarantee	1,178	1,304	125	10.7%
Other	7,173	7,210	37	0.5%
Operating expenses	21,230	20,646	-583	-2.7%
Financial expenses	974	824	-149	-15.4%
Provision of allowance for doubtful accounts	2,654	2,395	-258	-9.7%
Provision for loss on interest repayment	-	-	-	-
Advertising expenses	77	726	648	835.4%
Sales promotion expenses	946	1,918	971	102.7%
Personnel expenses	3,484	3,445	-39	-1.1%
Other operating expenses	13,093	11,337	-1,756	-13.4%
Operating profit	3,098	3,239	141	4.6%
Ordinary profit	3,682	3,347	-335	-9.1%
Profit	2,899	3,488	589	20.3%

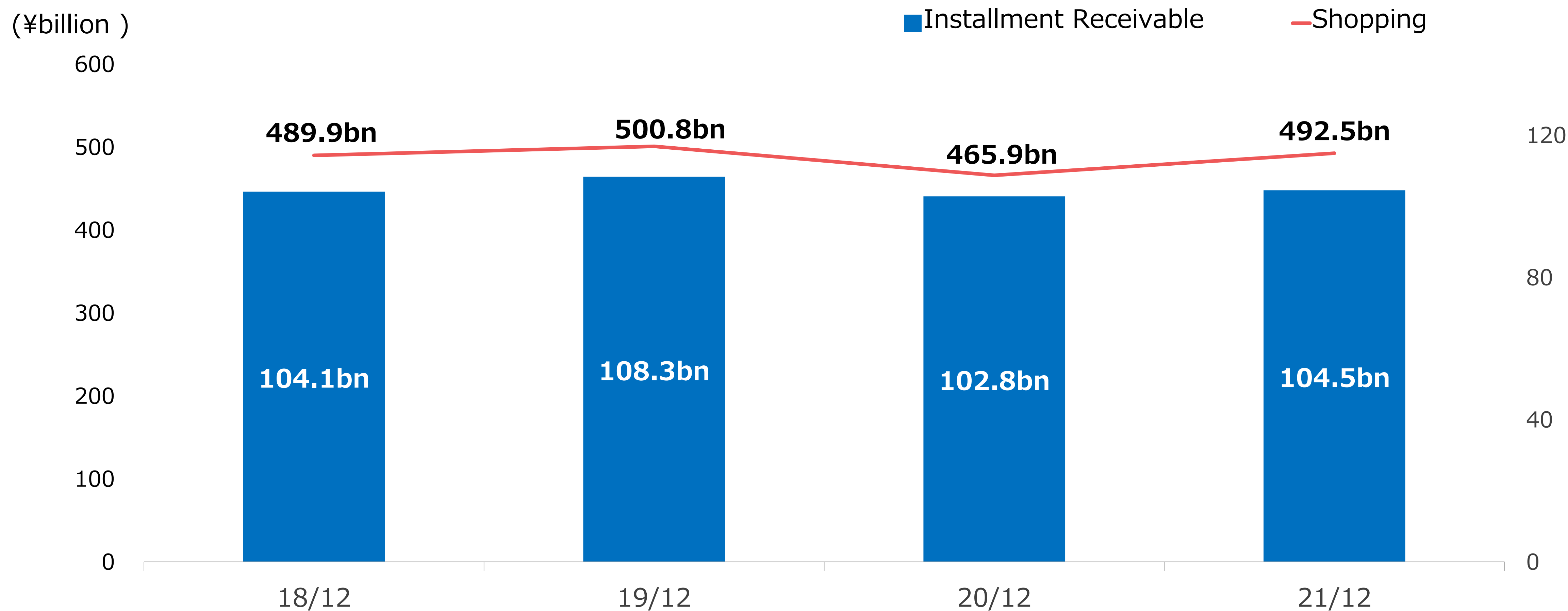
LIFE CARD/ Monthly Trend of Shopping Purchases (Shopping)

- The use of cards has been recovering due to the lifting of the emergency declaration and the penetration of new lifestyles centered on the Internet.



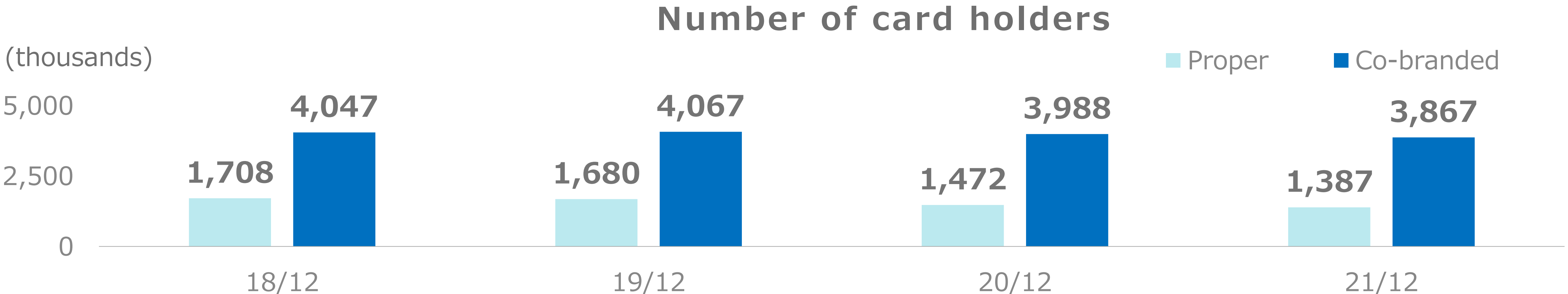
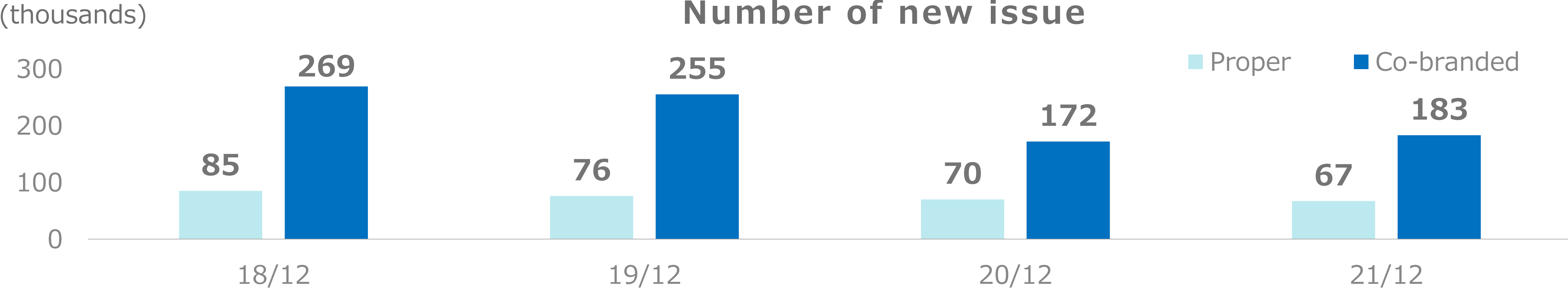
LIFE CARD/ Installment Receivable

- The installment receivable recovered to the same level as that of FY2019 due to the recovery in shopping purchases and the promotion of revolving and installment payments.



LIFE CARD/ Credit Card Issuance

- The number of new issue increased by 6.3% YOY to 183,000 as a result of efforts to increase the number of applications for membership, including issuance of new co-branded cards and digitalization of in-store card enrollment at large co-branded partners.

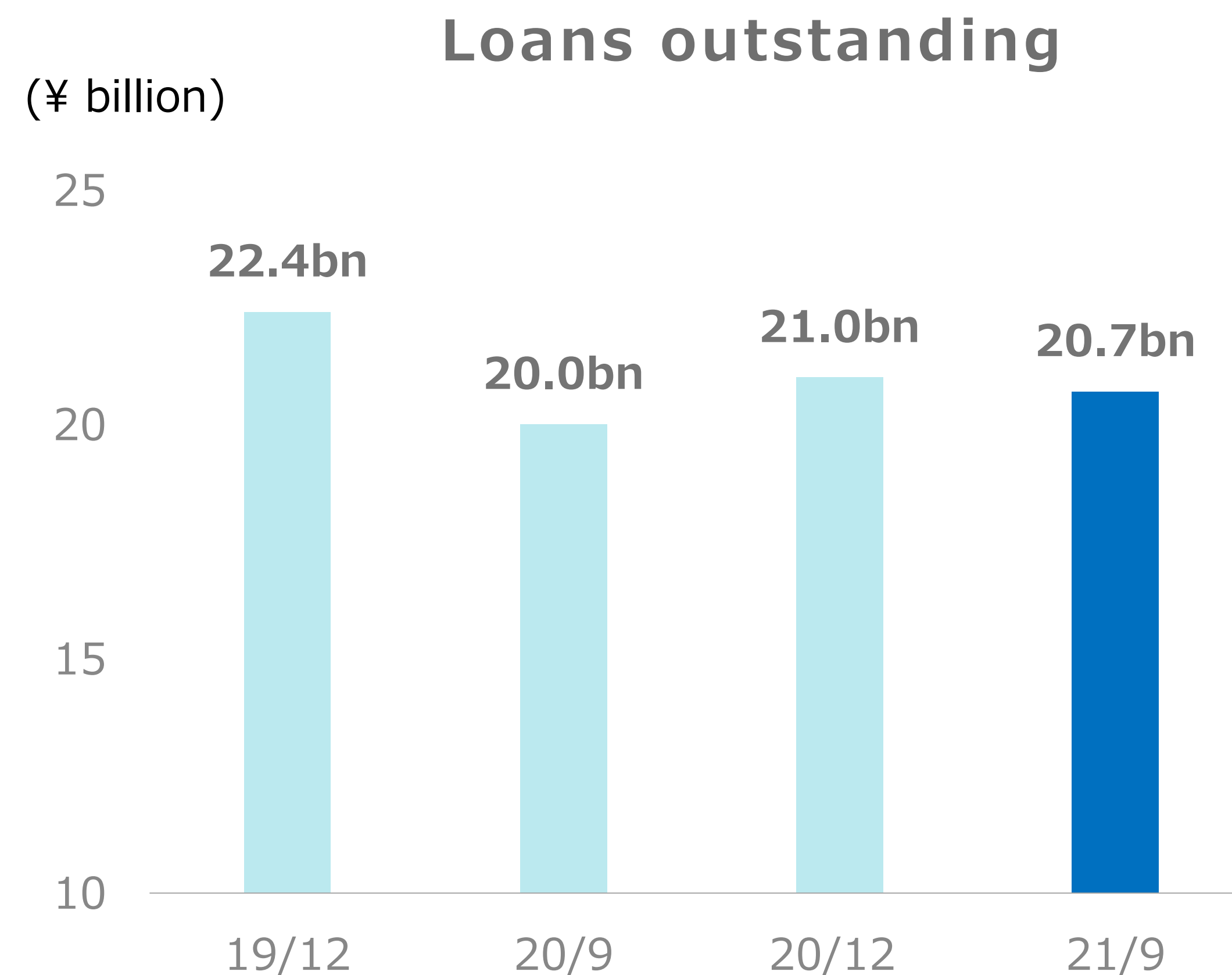


04 Group Companies Financial Results Summary

AIRA&AIFUL (Thailand)

- Ordinary profit for the first nine months (Jan to Sep) was 150 million yen as a result of a decrease in bad debt-related expenses due to the improvement in the loan portfolio.

(¥ billion)	20/9	21/9	YOY%
Loans outstanding	20,047	20,731	3.4%
N. of customer accounts (thousand)	322	319	-1.1%
Operating revenue	4,519	4,225	-6.5%
Operating profit (loss)	-363	156	-
Ordinary profit (loss)	-376	157	-
Profit (loss)	-376	157	-



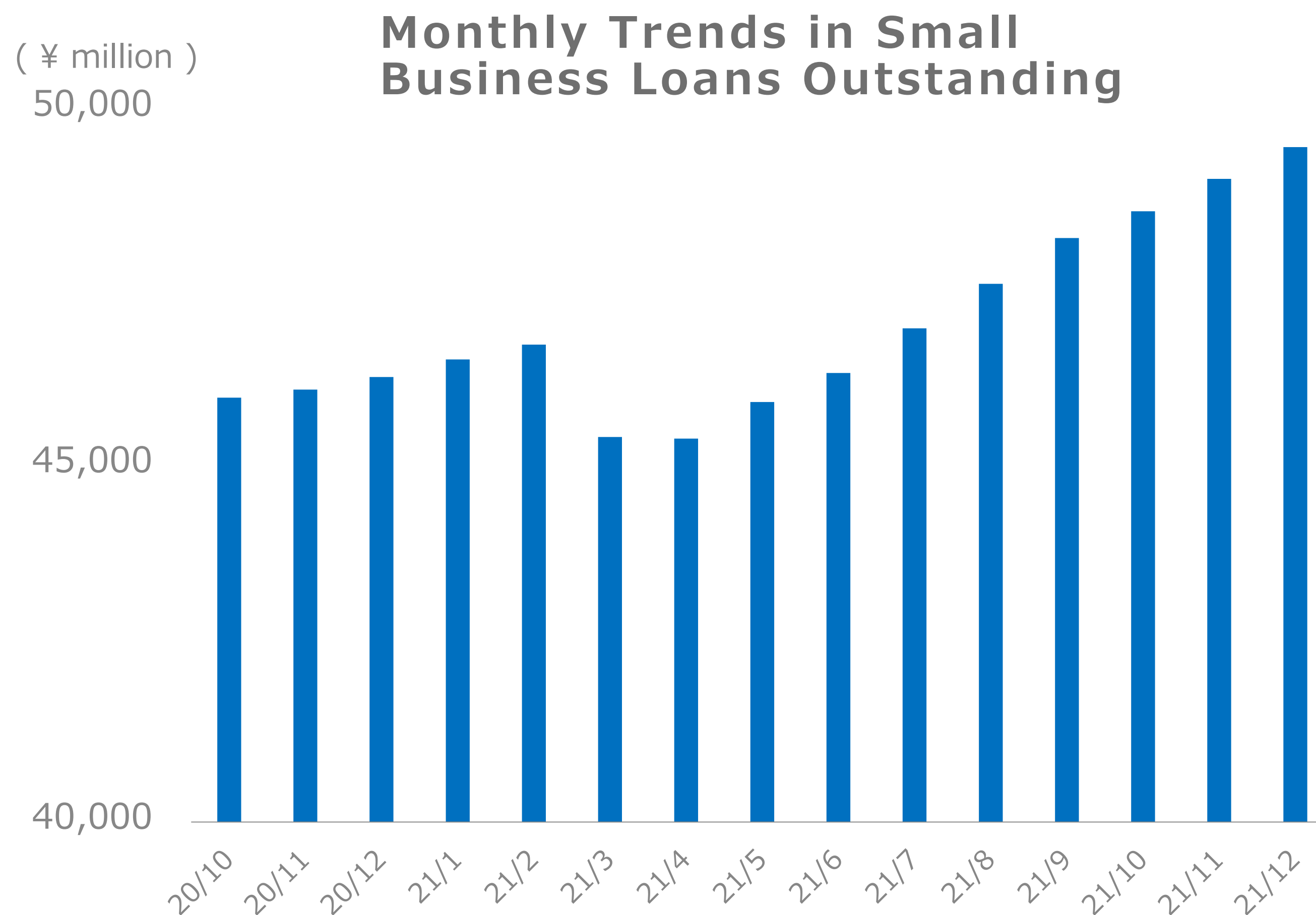
*1 Fiscal period of A&A is from January 1, to December 31.

*2 Exchange rate (Thai Baht): B/S: ¥3.34(FY2020 3Q), ¥3.30(FY2021 3Q)
P/L: ¥3.41(FY2020 3Q), ¥3.45(FY2021 3Q)

AIFUL BUSINESS FINANCE CORPORATION

- Business loan balance increased 7.7% YOY, on a recovery trend.
- Operating profit decreased 26.8% YOY mainly due to an increase in bad-debt related expenses and advertising expenses.

(¥ million)	20/12	21/12	YOY
Loans outstanding	58,665	54,408	-7.3%
Secured loans	14,147	6,458	-54.4%
Business loans	44,517	47,949	7.7%
Customer accounts (thousands)	25	25	-1.0%
Operating revenue	4,949	4,785	-3.3%
Operating profit	2,355	1,723	-26.8%
Ordinary profit	2,371	1,732	-26.9%
Profit	1,468	1,059	-27.8%

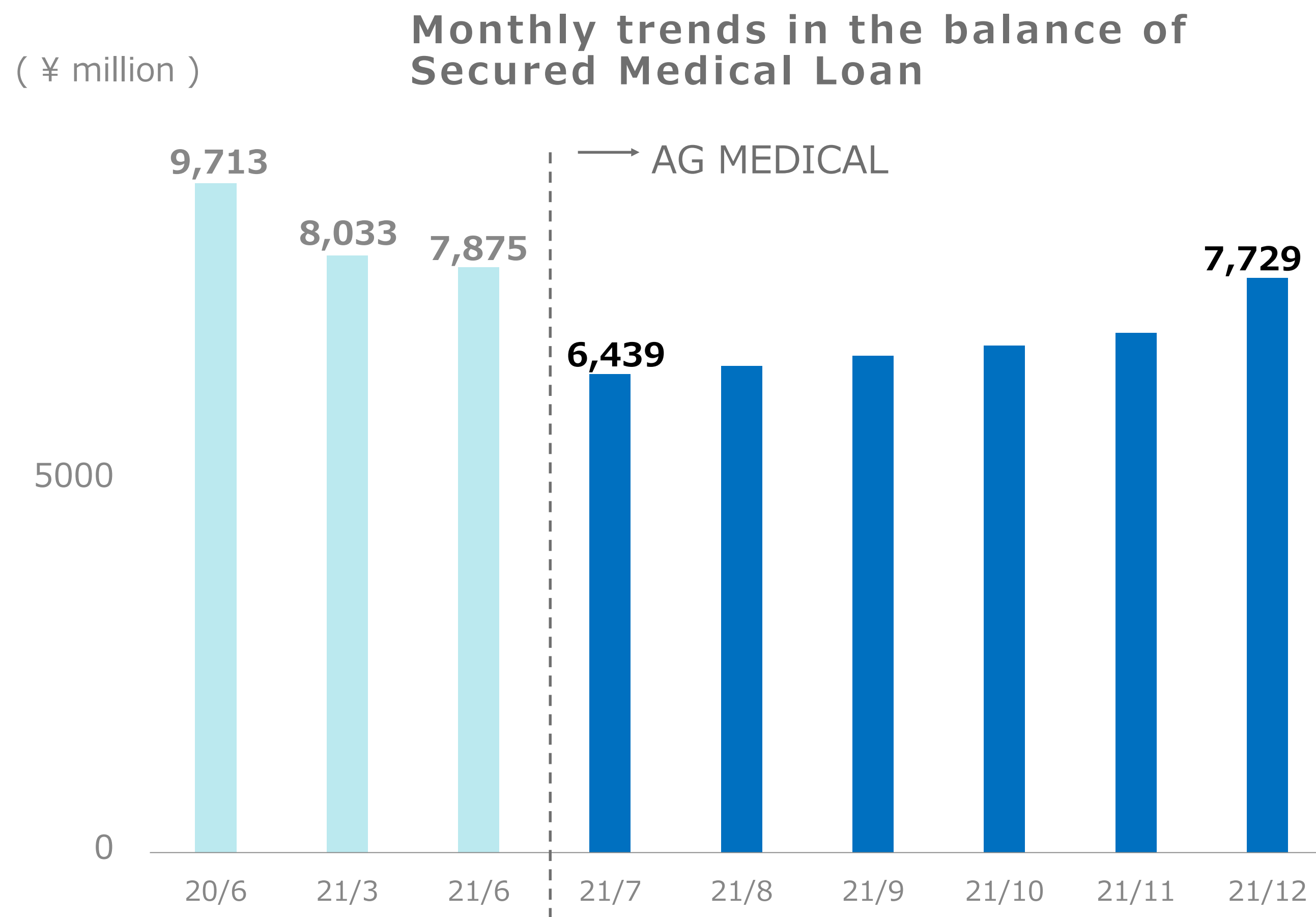


※1 In July 2021, AG MEDICAL CORPORATION took over the medical fee-secured loan business.

AG MEDICAL CORPORATION

- Succeeded the secured medical loan business from AIFUL BUSINESS FINANCE and began business in July 2021.
- Although loan outstanding was affected by COVID-19, it has been on a recovery trend since July 2021.

(¥ million)	21/12
Loans Outstanding	7,729
Number of accounts	427
Operating revenues	310
Operating profit	124
Ordinary profit	124
Profit	81



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

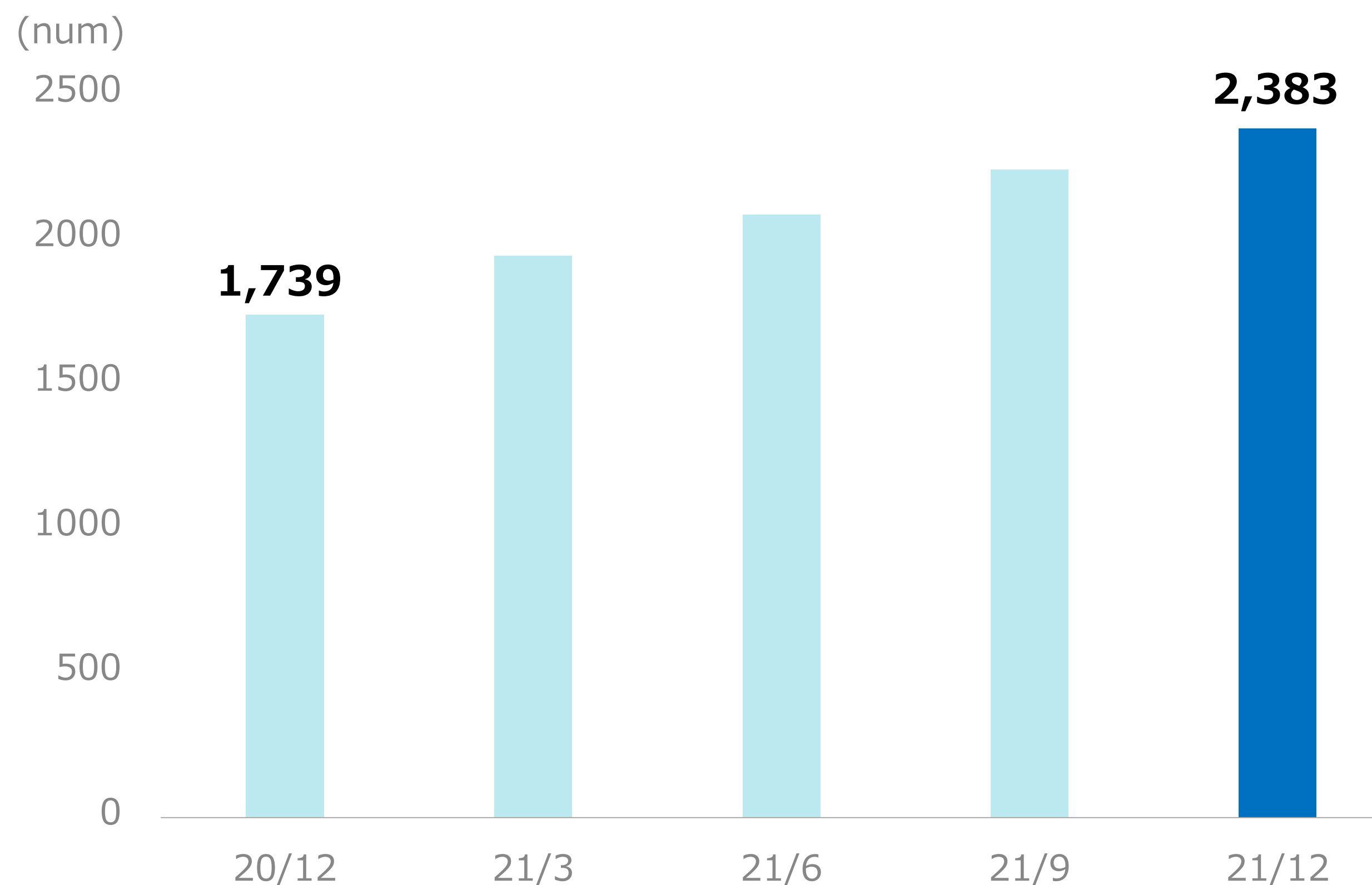
※2 Since July 2021, AG Medical has succeeded the secured medical loan except for cancellation receivables and some products.

AIFUL GUARANTEE CO., LTD.

- Balance of installment receivables and number of affiliate stores remained steady, partly due to the effect of strengthening sales activities associated with the reorganization of AIFUL's manned stores.
- Posted sharp growth in revenues and profit due to expansion of transaction volume and balance.

(¥ million)	20/12	21/12	YOY %
Installment Receivables	7,188	12,605	75.4%
Guarantee	188	140	-25.3%
Operating revenue	564	932	65.2%
Operating profit	198	410	107.1%
Ordinary profit	199	410	106.1%
Profit	129	261	101.1%

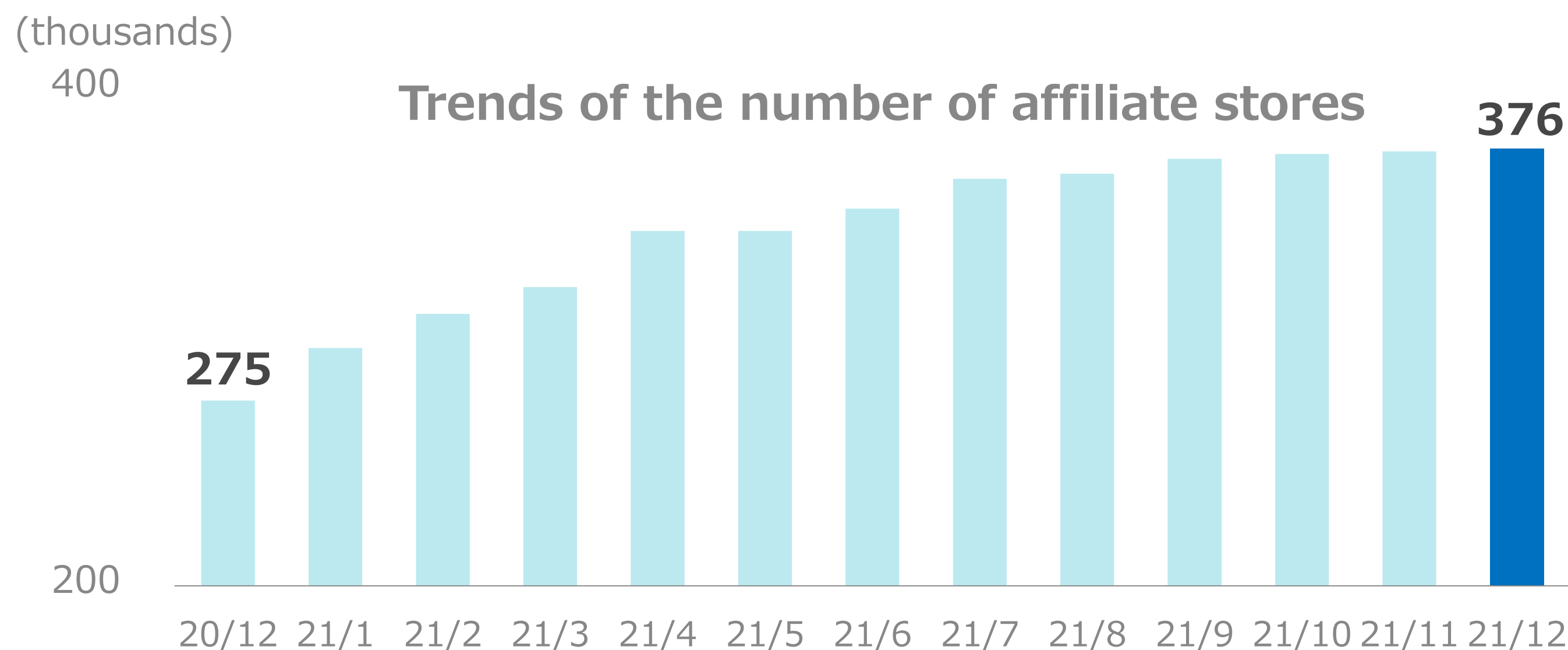
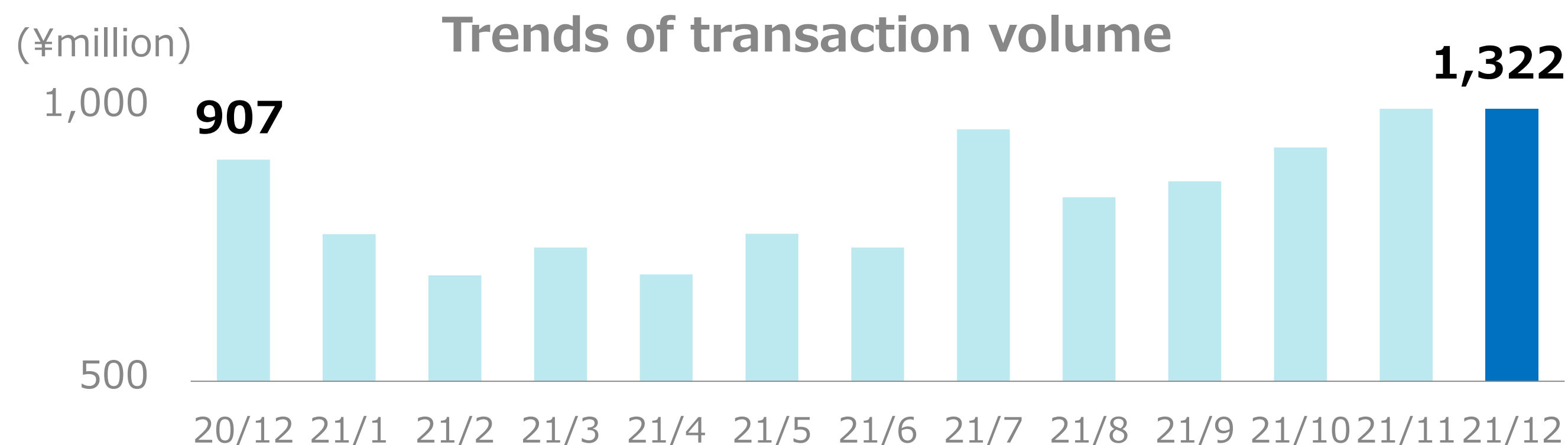
Trends of the number of affiliate stores



AG MIRAI BARAI Co., Ltd.

- Operating revenue increased 43.2% YOY to 454 million due to expansion in the number of affiliate stores and transaction volume.

(¥ million)	20/12	21/12	YOY %
Transaction Volume	5,851	8,189	39.9%
Operating Revenue	317	454	43.2%
Operating profit	-120	-301	-
Ordinary profit	-120	-301	-
Profit	-106	-290	-



*1 AG MIRAI BARAI was established on June 1, 2020 and commenced operation.

*1 Purchase results prior to May 2020 have been recorded by LIFE CARD.

05 Appendix

Operating Revenue and Expenses (Consolidated)

(¥ million)	20/12	21/12	YOY	YOY %
Operating revenue	95,863	98,492	2,628	2.7%
Interest on operating loans	55,679	57,040	1,361	2.4%
Revenue from installment receivable	14,663	14,759	95	0.7%
Revenue from credit guarantee	10,959	11,743	784	7.2%
Collection from purchased receivable	1,160	663	-496	-42.8%
Recoveries of written off claims	5,159	5,656	496	9.6%
Other revenue	8,242	8,629	387	4.7%
Operating expenses	80,261	79,889	-371	-0.5%
Financial expenses	5,444	5,300	-144	-2.6%
Cost of purchased receivable	800	-	-	-
Provision of allowance for doubtful accounts	27,276	25,991	-1,285	-4.7%
Expenses for interest repayment	-	-	-	-
Advertising cost	7,281	10,522	3,240	44.5%
Advertising expenses	2,215	8,229	6,014	271.5%
Sales promotion expenses	5,066	2,292	-2,773	-54.8%
Personnel expenses	12,657	12,547	-110	-0.9%

Operating Expenses and Profit (Consolidated)

(¥ million)	20/12	21/12	YOY	YOY %
Other	26,698	25,381	-1,317	-4.9%
Commission	11,071	11,422	350	3.2%
Communications	2,164	2,254	90	4.2%
Provision for point card certificates	1,848	-	-	-
Consumption taxes	3,551	3,842	291	8.2%
Depreciation expenses	2,472	2,494	22	0.9%
Supplies, repair and maintenance	2,009	1,859	-149	-7.5%
Rents	1,347	1,339	-8	-0.6%
Rent expenses	279	276	-3	-1.3%
Operating profit	15,602	18,602	3,000	19.2%
Non-operating income	1,461	458	-1,003	-68.6%
Non-operating expenses	105	97	-7	-7.1%
Ordinary profit	16,958	18,963	2,004	11.8%
Extraordinary profit	-	-	-	-
Extraordinary losses	91	-	-	-
Profit before income taxes	16,867	18,963	2,096	12.4%
Profit(loss) attributable to non controlling interest	-187	69	256	-
Profit attributable to owners of parent	16,164	18,161	1,997	12.4%

Financial Results Outline (AIFUL)

(¥ million)	20/12	21/12	YOY	YOY %
Operating revenue	59,303	62,252	2,948	5.0%
Interest on operating loans	44,795	47,216	2,421	5.4%
Revenue from credit guarantee	8,398	8,530	132	1.6%
Operating expenses	49,483	49,943	460	0.9%
Financial expenses	4,108	4,130	21	0.5%
Provision of allowance for doubtful accounts	20,915	19,567	-1,348	-6.4%
Expenses for Interest repayment	-	-	-	-
Advertising cost	5,885	7,323	1,438	24.4%
Advertising expenses	2,024	7,116	5,092	251.5%
Sales promotion expenses	3,860	206	-3,654	-94.6%
Personal expenses	7,701	7,542	-158	-2.1%
Other operating expenses	10,872	11,379	506	4.7%
Operating profit	9,820	12,308	2,488	25.3%
Non-operating income	1,228	1,161	-66	-5.4%
Non-operating expenses	46	21	-25	-54.6%
Ordinary profit	11,001	13,448	2,446	22.2%
Extraordinary income	-	-	-	-
Extraordinary losses	91	-	-	-
Profit	11,807	13,177	1,370	11.6%

Operating Results (AIFUL)






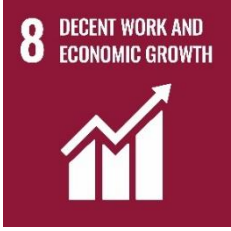




(¥ million)	20/12	21/12	YOY	YOY %
Total receivable outstanding	560,553	604,484	43,930	7.8%
Loans outstanding	432,664	452,723	20,059	4.6%
Unsecured	419,900	440,609	20,709	4.9%
Secured	5,247	3,783	-1,463	-27.9%
Small business	7,516	8,329	813	10.8%
Credit guarantee	118,951	142,425	23,474	19.7%
New accounts (num)	115,729	153,074	37,345	32.3%
Unsecured	115,671	153,004	37,333	32.3%
Customer accounts (thousands)	926	959	33	3.6%
Unsecured	914	948	33	3.7%
Average yield	14.3%	14.5%	0.2pt	-
Below 18% unsecured loan balance's occupancy rate	99.1%	99.3	0.2pt	-
Bad debt	17,493	16,950	-542	-3.1%
Excluding write-off accompanying interest repayment	16,787	16,366	-420	-2.5%
Bad debt ratio to operating loans	3.1%	2.8%	-0.3pt	-
Ratio excluding write-off related to interest repayment	3.0%	2.7%	-0.3pt	-

Basic Sustainability Policy



AIFUL Group aims to strike a balance between
“Sustainable society” and “Growth” so that all
kinds of people can be themselves.

Major Efforts

Theme	Challenges	Major Efforts	Relevant SDGs	
Environment	Realization of a carbon-free society	<ul style="list-style-type: none"> • Management of energy consumption • "Cool Biz" and "Warm Biz" Activities • Endorsement of "COOL CHOICE" • Efforts to improve operational efficiency • Reducing the number of multifunction devices 	  	
	Promoting Resource Recycling	<ul style="list-style-type: none"> • Waste separation and recycling • "Green Fund-raising" activities • Purchase of Green products and Eco Mark products • Introduction of paperless, online statements 	 	
Social	Creating Products that Meet Society's Expectations	<ul style="list-style-type: none"> • Product development to meet customers' diverse needs • Service quality improvement by collecting customer feedback • AIFUL-CSIRT(a team for cyber-attacks) 		
	Workplace and Work Environment	<ul style="list-style-type: none"> • Human Resources Outline • Harassment hotline • Satisfaction survey • health and stress checkups 	<ul style="list-style-type: none"> • Human resource development system • Flextime system • Introduction of Telework • Hold emergency drills 	
	Promoting Diversity	<ul style="list-style-type: none"> • Platinum Kurumin certification • Expand hiring female • Promotion of female employees 	<ul style="list-style-type: none"> • Retiree re-employment system • Employ persons with disabilities 	
	Social Contribution and Coexisting with the Local Community	<ul style="list-style-type: none"> • Blood donation activities • Hold life-saving seminars • Donations • Support measures against Covid-19 	<ul style="list-style-type: none"> • Point donation system • Social Contribution through credit cards • Sponsorship of Hackathon 	  

AIFUL Group's Business

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

Loan/Credit Guarantee



Small Business Loan



Credit/Credit Guarantee



Credit



BNPL



Social Lending



Venture Capital



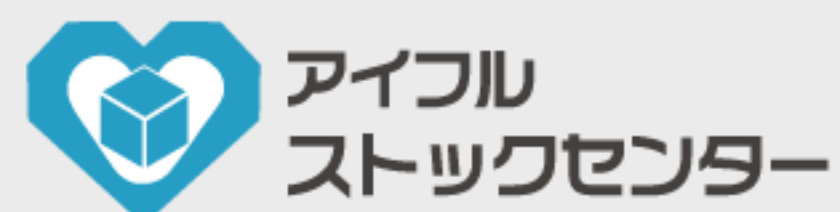
Debt Collection



Restructuring



Warehousing



Rent Guarantee



Overseas



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