



AIFUL

FY2023/3

Presentation Material

May 2023

INDEX

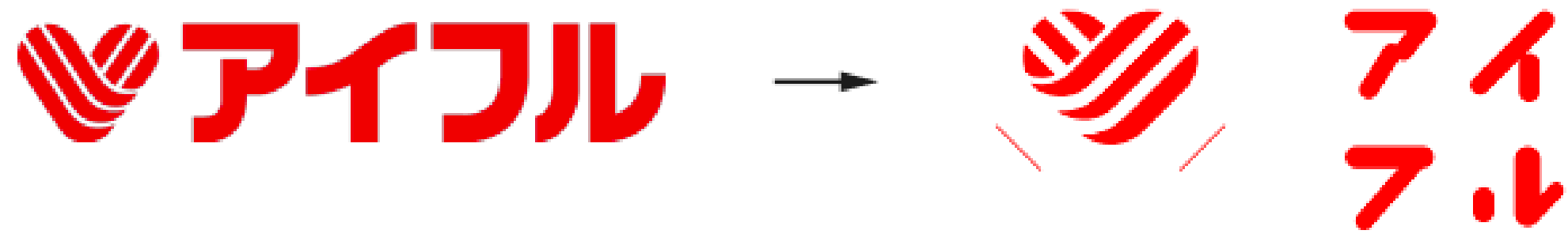
01	Introduction	03 - 09
02	Consolidated Financial Results Summary	10 - 18
03	“Changes” in AIFUL Group	19 - 24
04	AIFUL Results Summary	25 - 35
05	LIFECARD Results Summary	36 - 47
06	Group Companies Results Summary	48 - 52
07	Appendix	53 - 63

01 Introduction

Topics in FY2022

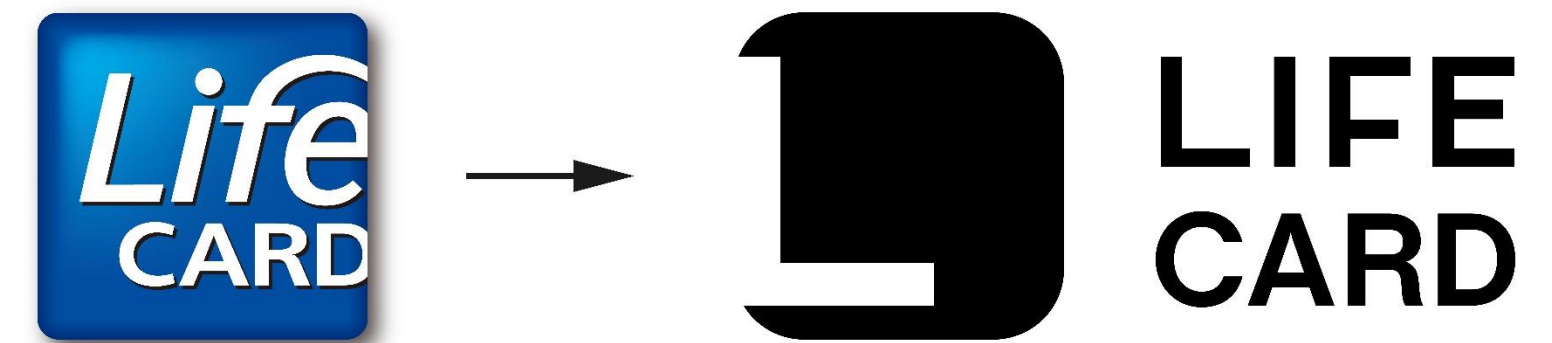
Renewal of Group Visual Identity

July 7, 2022



Created New "Art Symbol" and "Corporate Name Logo" in Anticipation of Global Strategy

February 1, 2023



Emphasize "emotional value" and aim to be chosen by "young people"

Topics in FY2022

Changes in Group Companies trade name and logo



AG MEDICAL

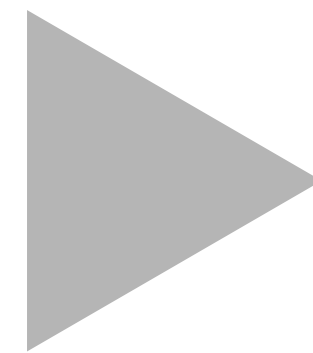


アイフル住まいるリースバック

AG Capital

AG Crowd Fund!ng

アイフルパートナーズ



 AG BusinessSupport

 AG Medical

 AG Miraibarai

 AG Guarantee

 AG Loan Services

 AG Smile Leaseback

 AG Capital

 AG Crowd Funding

 AG Partners

 AG Stock Center

Digest of Financial Results (Consolidated)

- The number of new accounts on a consolidated basis reached 359,000, the highest since FY2005. Accordingly, total receivable outstanding exceeded one trillion yen for the first time in 12 years with a steady lending.
- Operating revenue was 144.1 billion yen (YOY +9%) and profit attributable to owners of parent was 22.3 billion yen (YOY +81%) both of which were higher than previous FY.
- In FY2023, the Group will continue forward-looking investment toward high margin in the future. As a result, operating revenue and profit attributable to owners of parent are expected to be 161.2 billion yen and 22.6 billion yen respectively.

Key Figures & Full-year Plan (Consolidated)

- Total receivable outstanding exceeded one trillion yen for the first time in 12 years as the number of new loan accounts and purchase amount of credit card business increased.

(¥ million)	22/3	23/3	YOY	YOY%	24/3(E)	YOY	YOY%
Total receivable outstanding	887,407	1,015,910	128,502	14.5%	1,156,400	140,489	13.8%
Loan business	582,349	648,760	66,411	11.4%	715,600	66,839	10.3%
Unsecured	505,255	550,647	45,392	9.0%	600,600	49,952	9.1%
Secured	18,282	25,979	7,697	42.1%	31,700	5,720	22.0%
Small business	58,810	72,133	13,322	22.7%	83,200	11,066	15.3%
Credit business	116,780	142,899	26,119	22.4%	182,000	39,100	27.4%
Guarantee	172,697	204,078	31,380	18.2%	236,400	32,321	15.8%
Credit guarantee	171,797	203,492	31,695	18.4%	236,100	32,607	16.0%
Other	900	585	-315	-35.0%	300	-285	-48.8%
Operating revenue	132,097	144,152	12,054	9.1%	161,200	17,047	11.8%
Operating expenses	120,855	120,427	-428	-0.4%	136,000	15,572	12.9%
Operating profit	11,242	23,724	12,482	111.0%	25,200	1,475	6.2%
Ordinary profit	12,265	24,428	12,162	99.2%	25,500	1,071	4.4%
Profit attributable to owners of parent	12,334	22,343	10,008	81.1%	22,600	256	1.1%

Consolidated Results Outline

- Operating expenses remained flat at 120.4 billion yen due to lower funding interest rates and improvement in operational efficiency, despite an increase in advertising and credit cost due to total receivable outstanding growth.
- The extraordinary loss of 400 million yen is attributable to a loss in the hotel rehabilitation business of AG Partners.

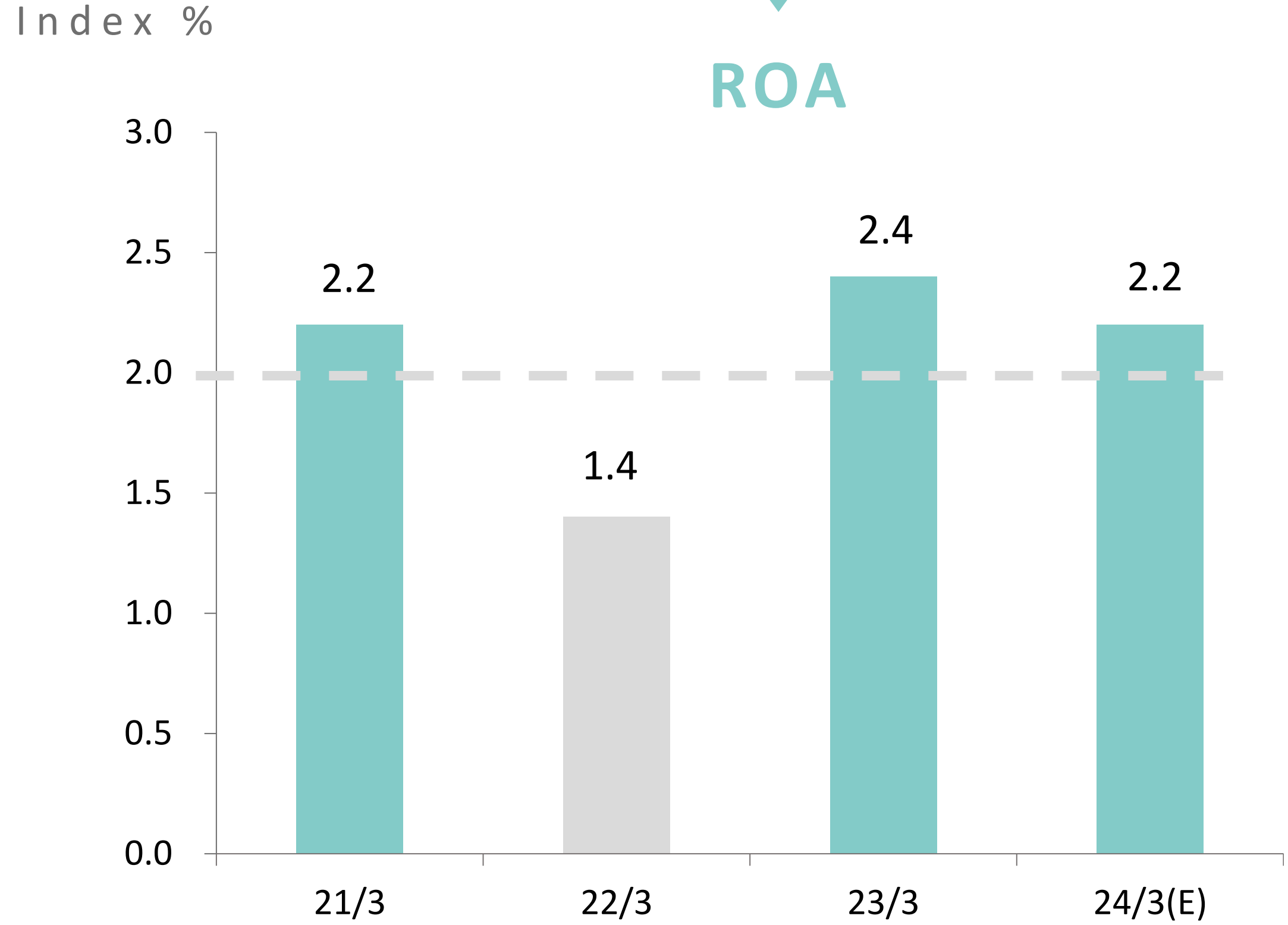
(¥ million)	22/3	23/3	YOY	YOY%
Operating revenue	132,097	144,152	12,054	9.1%
Interest on operating loans	76,332	83,230	6,898	9.0%
Revenue from installment receivable	20,099	23,158	3,058	15.2%
Revenue from credit guarantee	15,730	17,030	1,299	8.3%
Other operating revenue	19,934	20,732	798	4.0%
Operating expenses	120,855	120,427	-428	-0.4%
Financial expenses	7,041	7,068	27	0.4%
Expenses for interest repayment	19,929	-	-19,929	-
Credit cost	27,918	36,004	8,085	29.0%
Advertising cost	14,590	20,737	6,147	42.1%
Personnel expenses	16,704	17,386	682	4.1%
Other operating expenses	34,670	39,229	4,558	13.1%

(¥ million)	22/3	23/3	YOY	YOY%
Operating profit	11,242	23,724	12,482	111.0%
Non-operating income	1,058	747	-311	-29.4%
Non-operating expenses	35	44	8	24.7%
Ordinary profit	12,265	24,428	12,162	99.2%
Extraordinary income	-	-	-	-
Extraordinary losses	-	468	468	-
Profit before income taxes	12,265	23,959	11,694	95.3%
Income taxes-current	2,602	3,349	746	28.7%
Income taxes-deferred	-3,374	-2,336	1,038	-
Profit attributable to non-controlling interest	703	603	-100	-14.2%
Profit attributable to owners of parent	12,334	22,343	10,008	81.1%

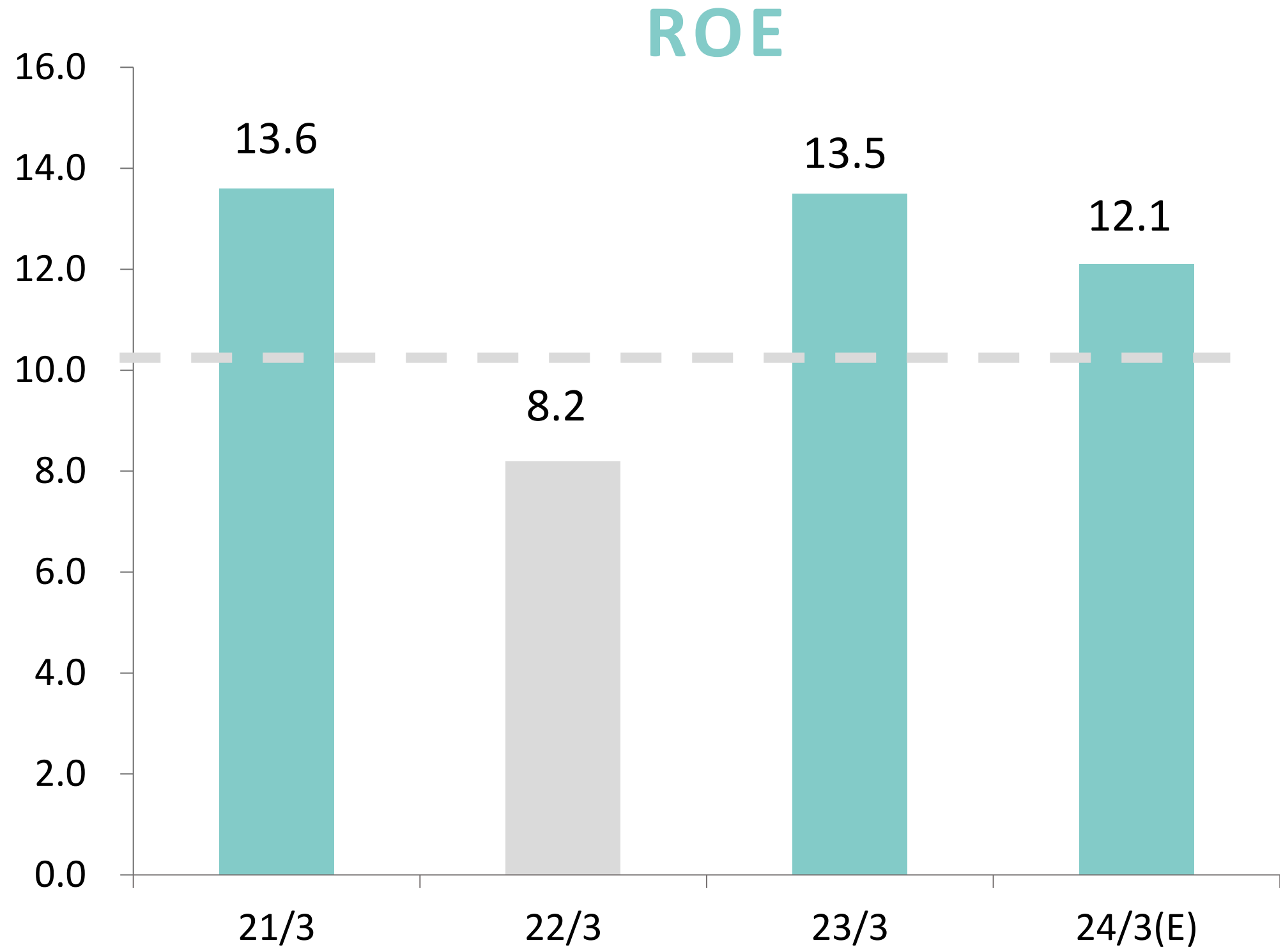
Profitability KPI

Trend of ROA and ROE

More than **2%**



More than **10%**



02 Consolidated Financial Results Summary

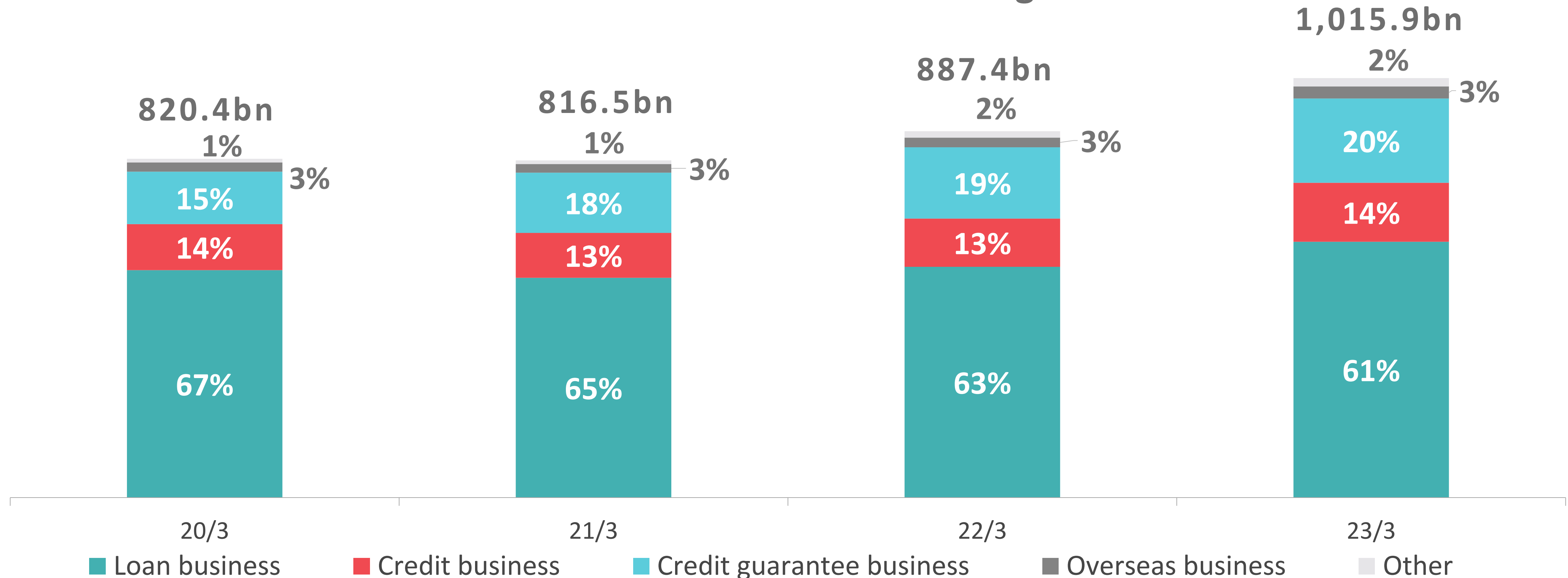
Financial Highlights (Total receivable outstanding)

【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.

- The loan portfolio has improved, mainly due to the expansion of the credit guarantee business.

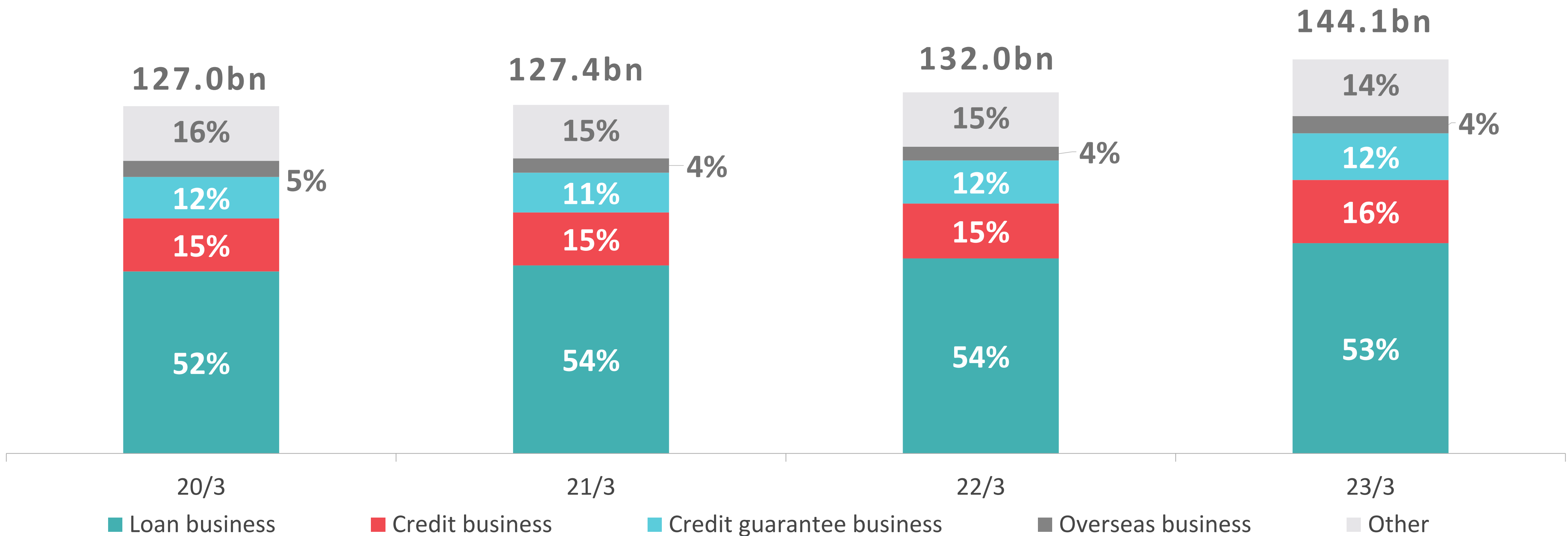
Total receivable outstanding



Financial Highlights (Operating Revenue)

- Operating revenue has increased steadily along with the total receivable outstanding expansion.

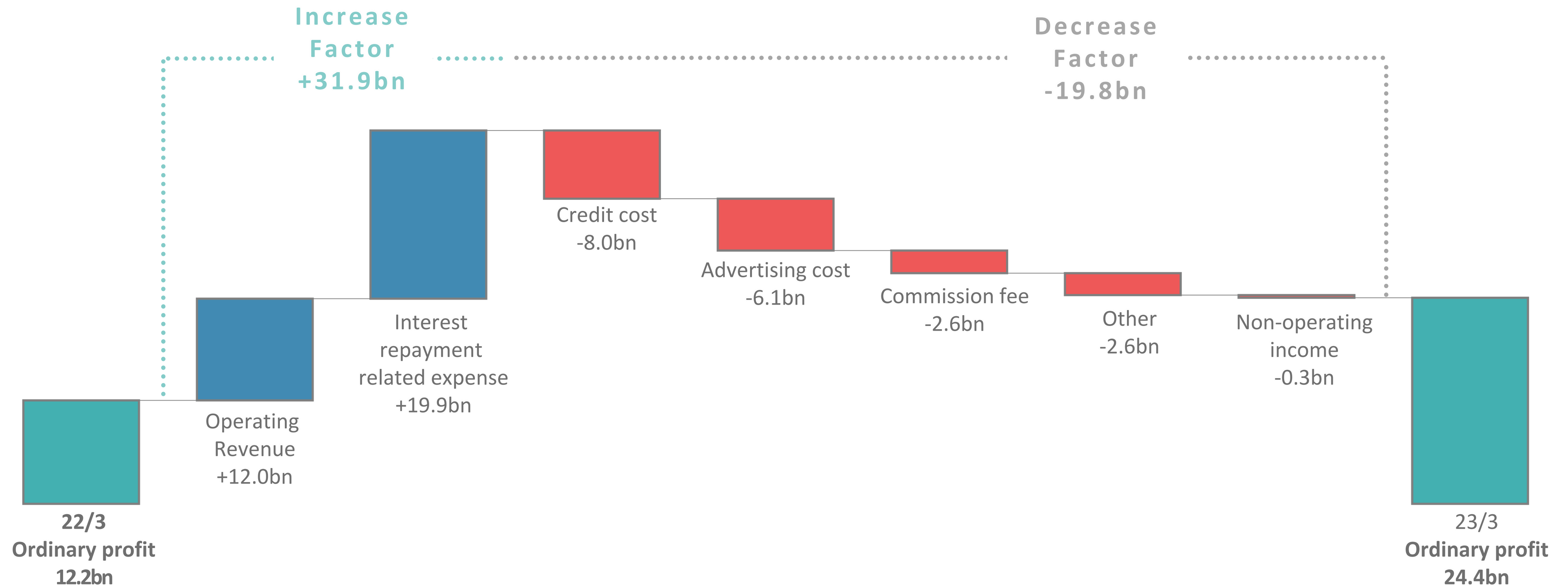
Operating revenue



Financial Highlights (Ordinary Profit)

- Aggressive advertising towards further total receivable outstanding expansion and, increase in credit costs and other expenses associated with total receivable outstanding growth.

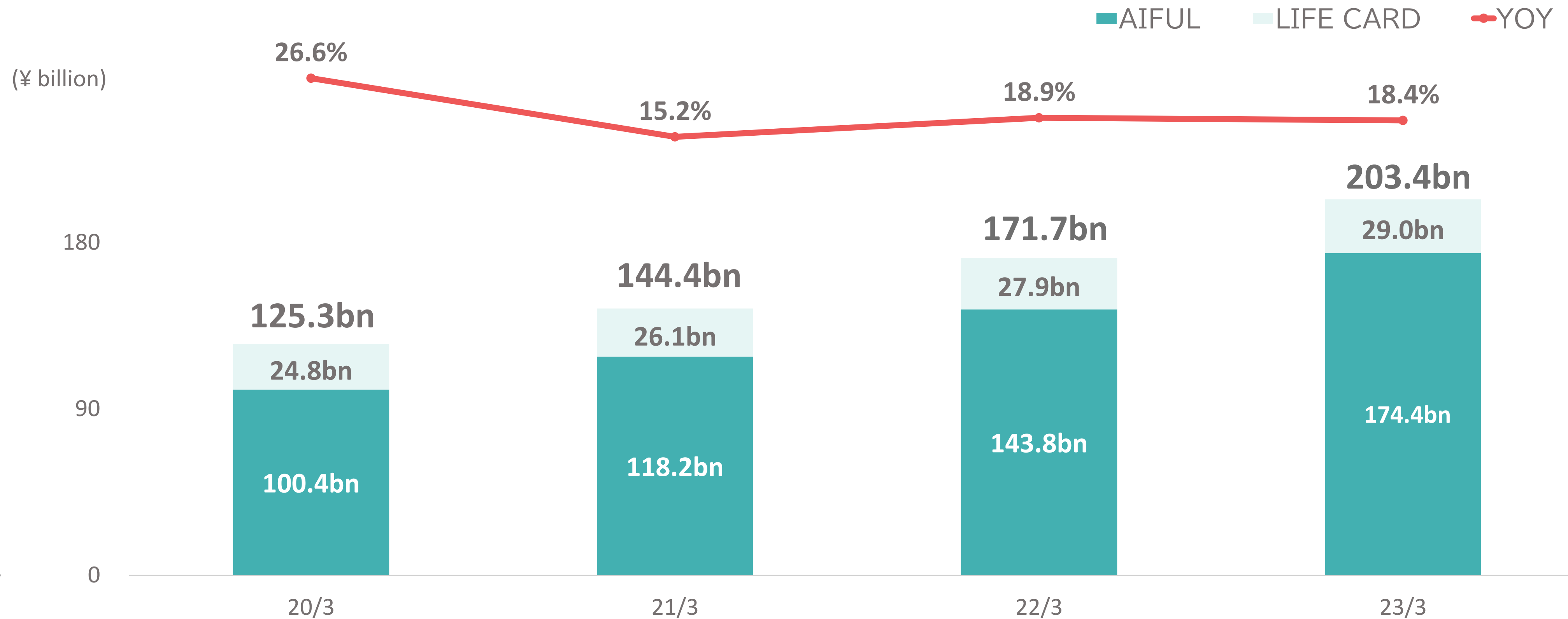
Variance Analysis of Ordinary profit



Credit Guarantee Business/ Guarantee for Individuals and Business Operator (AIFUL/LIFECARD)

- Credit guarantee balance was up 18.4% YoY to 203.4 billion yen reflecting our efforts to diversify products and strengthen relationships with partners.

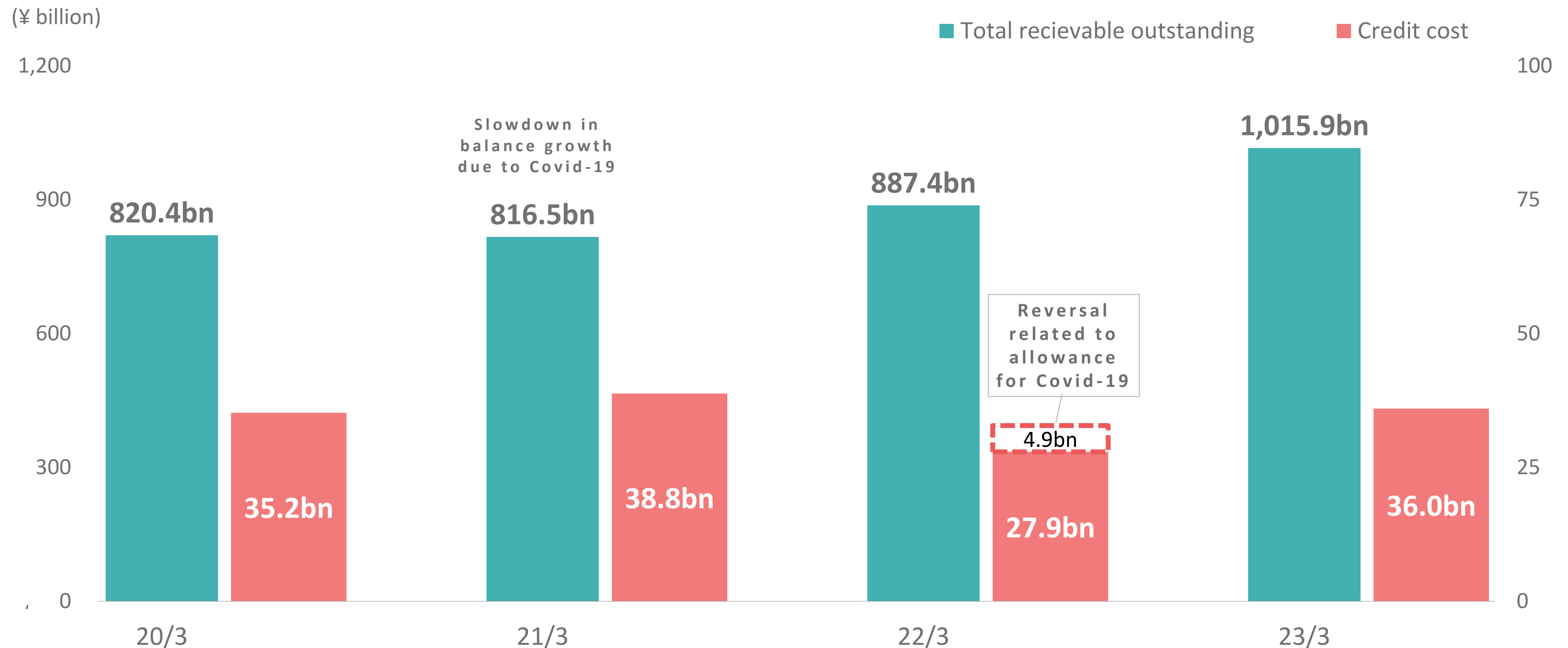
Credit Guarantee Balance



Total Receivable Outstanding/ Credit Cost

- Credit cost increased by 29% YoY to 36.0 billion yen due to total receivable outstanding expansion.

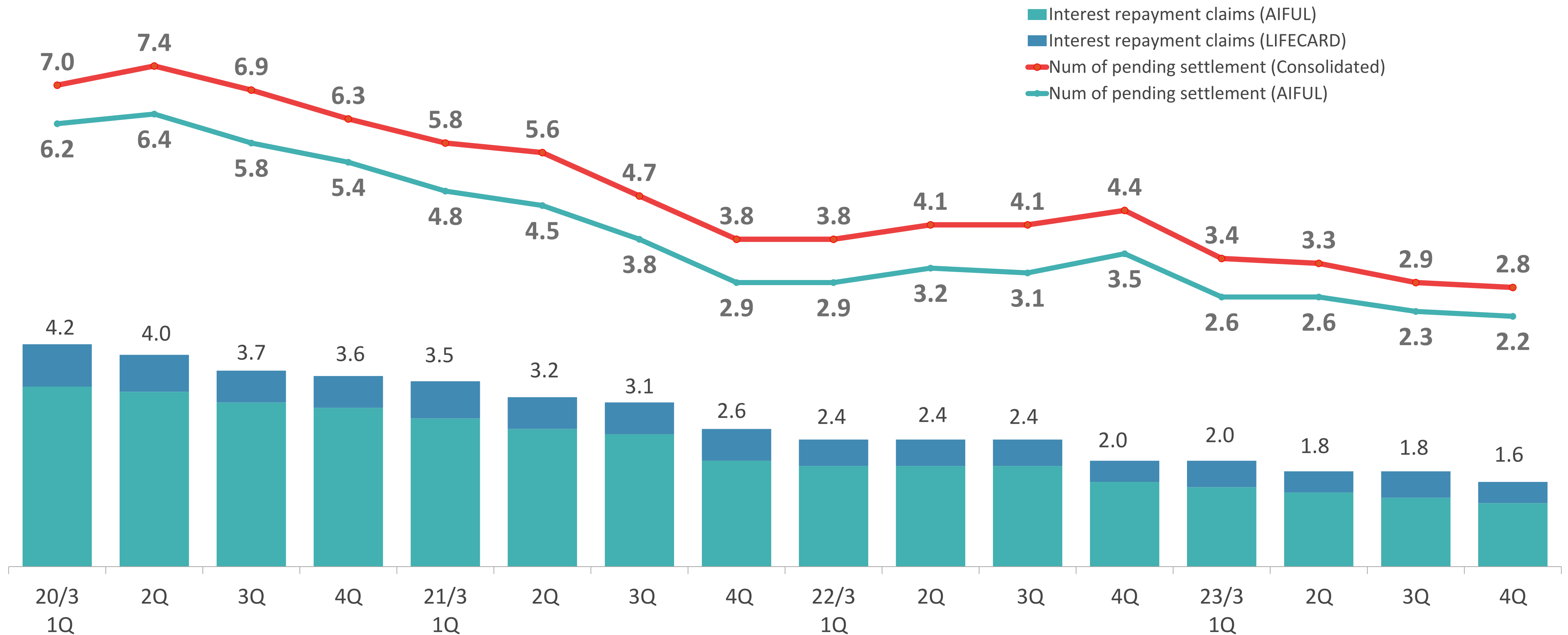
Total receivable outstanding and Credit cost



Interest Repayment/ Interest Repayment Claims and Pending Claims (Consolidated)

- The number of interest repayment claims continued to decline to 1,600 and the number of unsettled claims was 2,800.

Attorney involvement and Pending Settlement



Interest Repayment/Provision (Consolidated)

- Allowance at the end of the period was 19.5 billion yen after withdrawing 7.9 billion yen from 27.4 billion yen allowance at the beginning of period (16.7 billion yen for AIFUL)

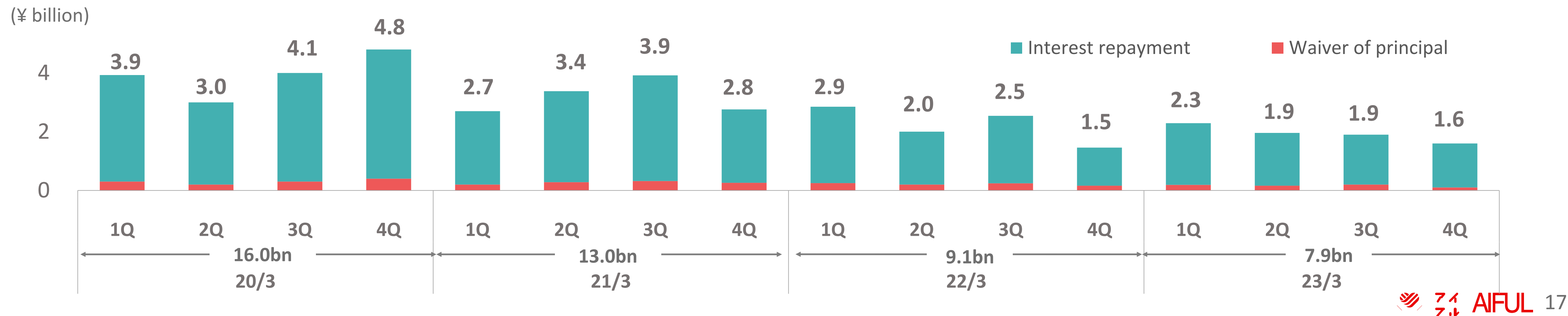
Provision for loss on interest repayment (Consolidated)

(¥ million)	Interest repayment	Waiver of principal	Total
Allowance at the beginning of period	24,594	2,898	27,492
Withdraw (Interest repayment)	7,210	737	7,948
Provisions (reversal)	-	-	-
Allowance at the end of period	17,383	2,160	19,544

(for reference: AIFUL)

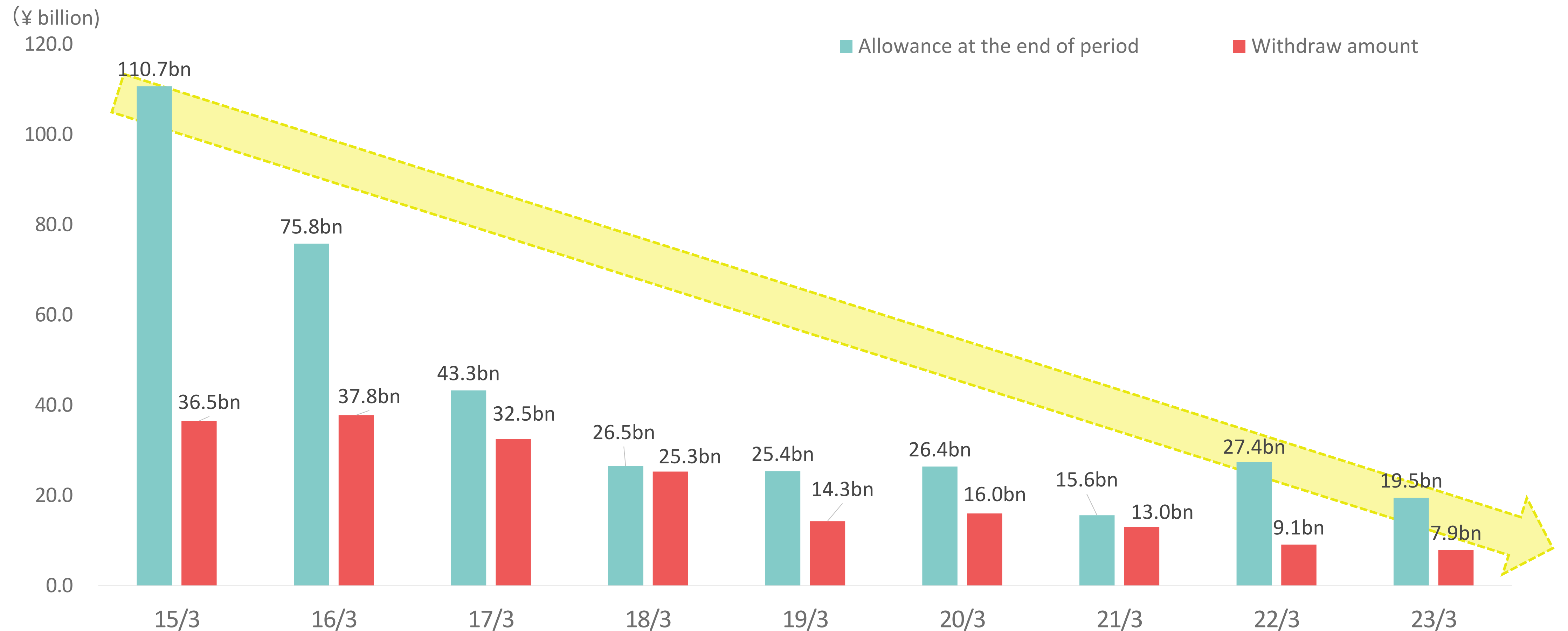
Interest repayment	Waiver of principal	Total
21,334	2,414	23,749
6,391	594	6,986
-	-	-
14,943	1,819	16,762

Withdraw amount of Interest repayment and Waiver of principal



Interest Repayment/Allowance at the end of the period (Consolidated)

- The withdraw amount has decreased to 7.9 billion yen along with the shrunk in interest repayment claims. The allowance for interest repayment at the end of the period was 19.5 billion yen.

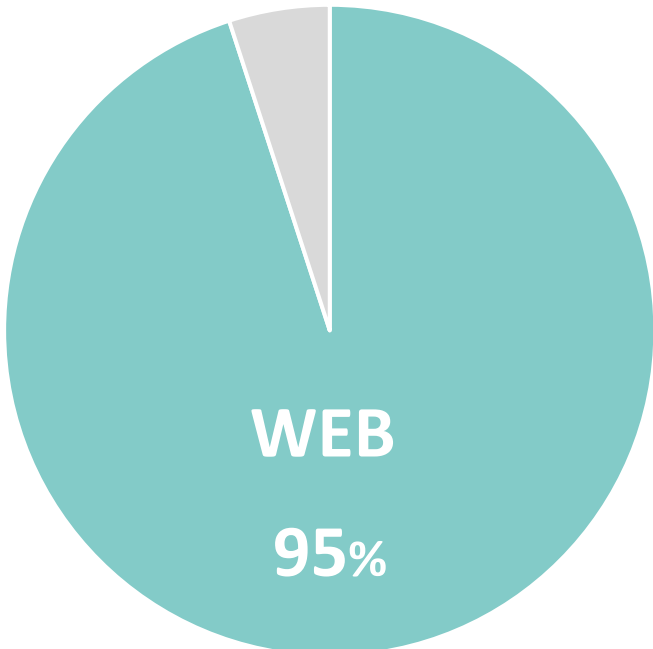


03 “Changes” in AIFUL Group

Change : Digitalization and In-house Production

Sales

■ Web applications account for more than 90% of all applications



■ Improvement of application evaluation through in-house production

Modifications of Apps

April 2021 – March 2022	49 times
April 2022 – March 2023	52 times

Collection

FTE (required employee number)

as of March 2023 compared to March 2019

35% decrease

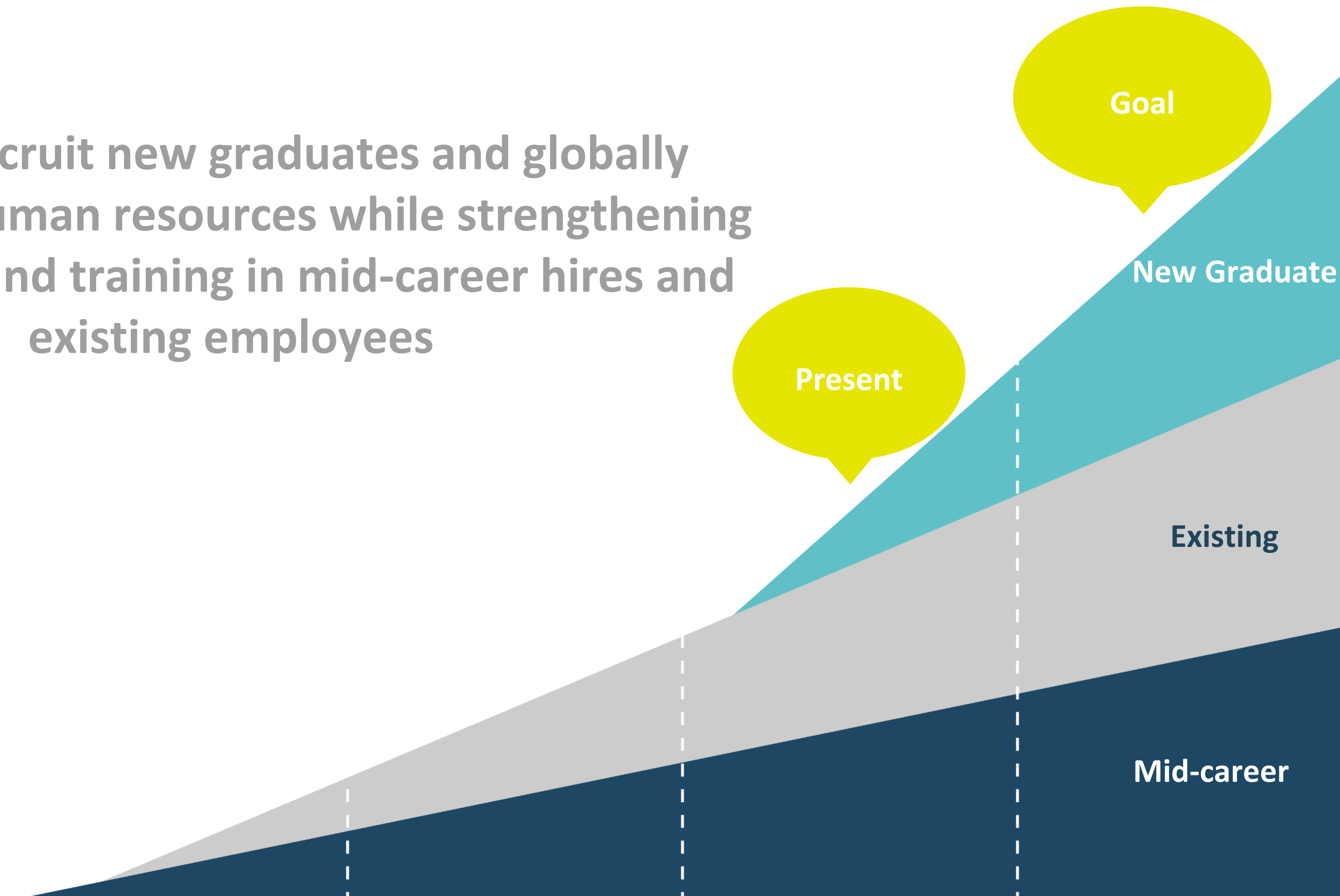
- In-house modification of IVR (automated voice call system) that has been introduced since 2014
- Implement collection scoring to classify customers based on collection difficulty and reduce productive personnel through a combination of IVR, SMS message and email for collection

	April 2020	March 2023
iOS	★ ★ ★ ★ ★ 2.7	★ ★ ★ ★ ★ 4.6
Android	★ ★ ★ ★ ★ 3.7	★ ★ ★ ★ ★ 4.6

Change: IT Personnel Strategy

Aiming to become an **IT Finance Group**

Actively recruit new graduates and globally competent human resources while strengthening investment and training in mid-career hires and existing employees

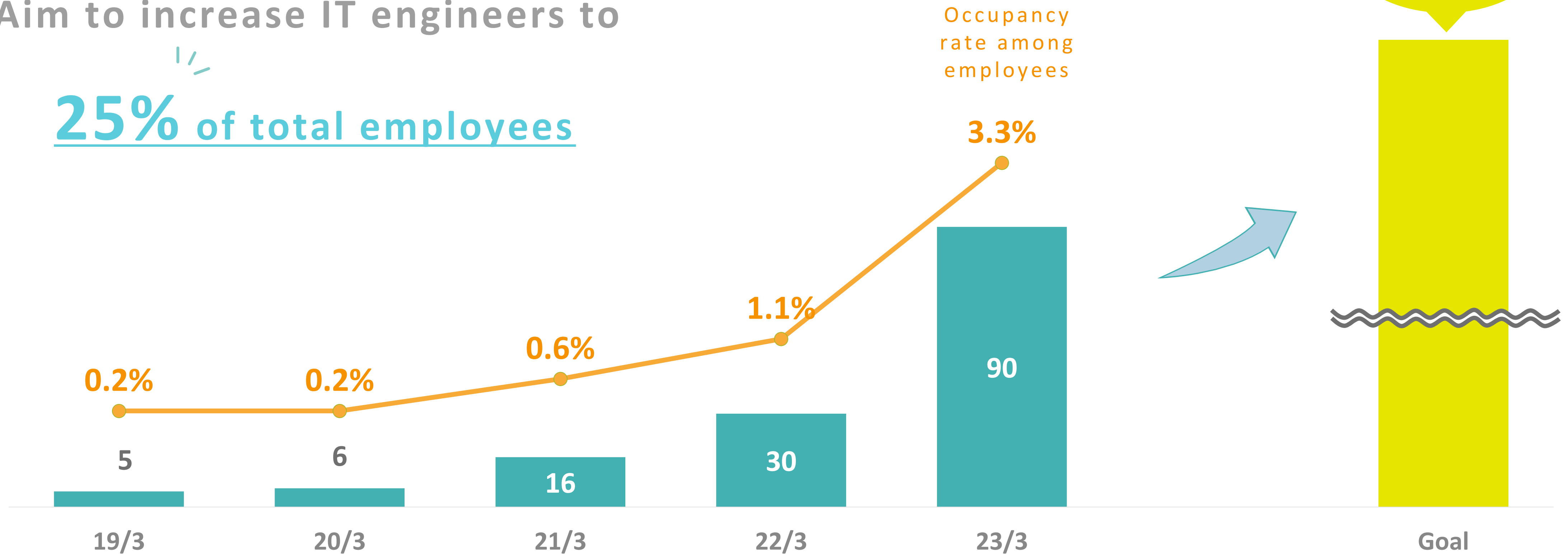


Change: IT Personnel Strategy

Aiming to become an IT Finance Group

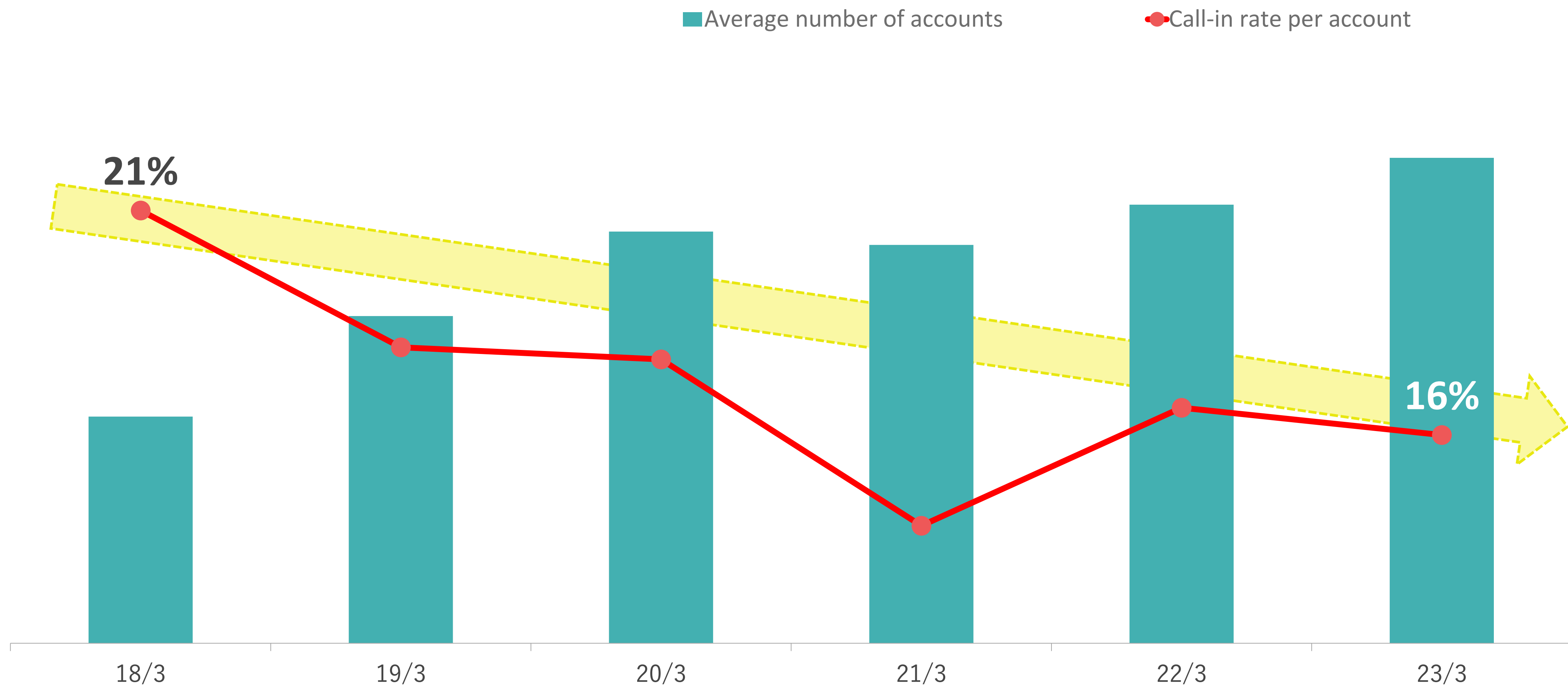
Aim to increase IT engineers to

25% of total employees



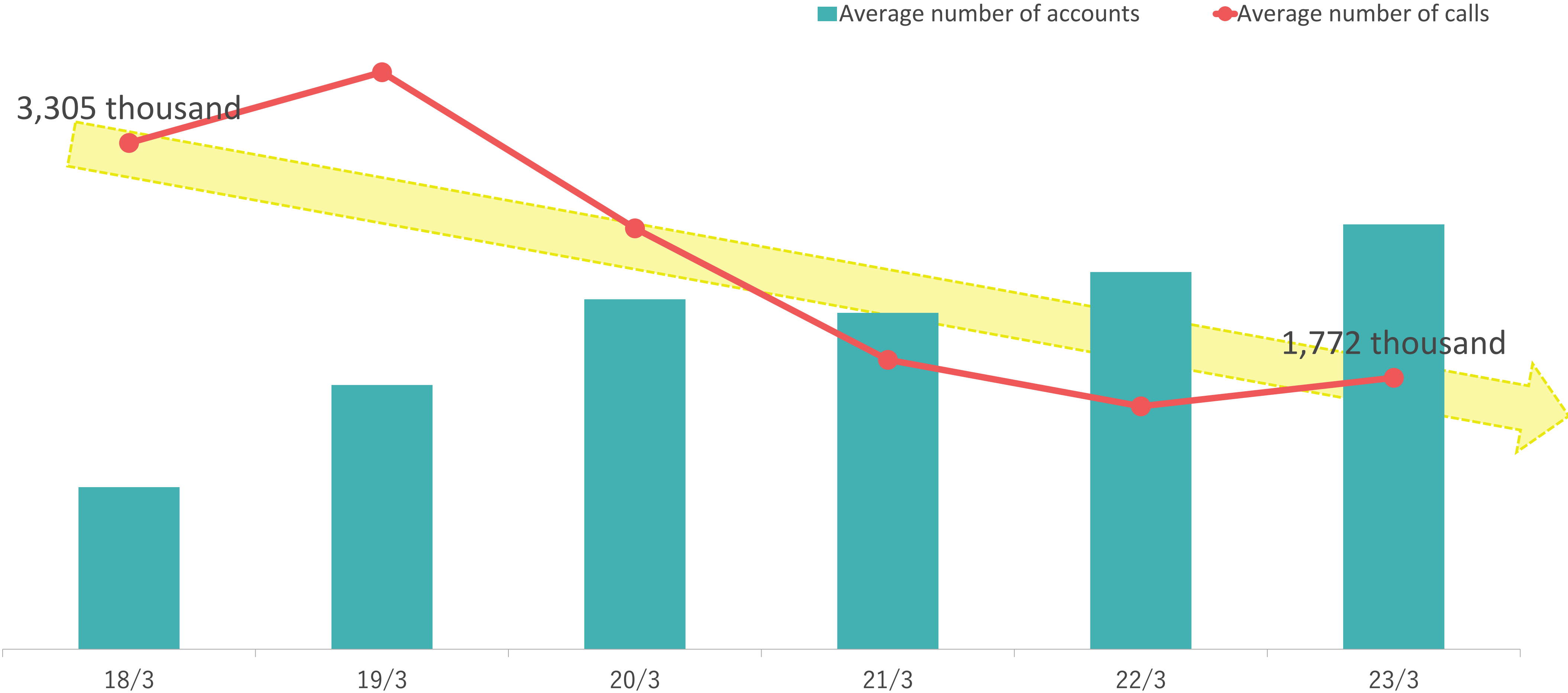
Effect of IT Promotion (at AIFUL's Sales division)

- Call-in rate decreased while the number of loan accounts increased due to IT measures



Effect of IT Promotion (at AIFUL's Loan collection division)

- Due to the IT promotion for improving effectiveness and efficiency, number of our calls decreased compared to increase in number of accounts



04 AIFUL Results Summary

Operating Results

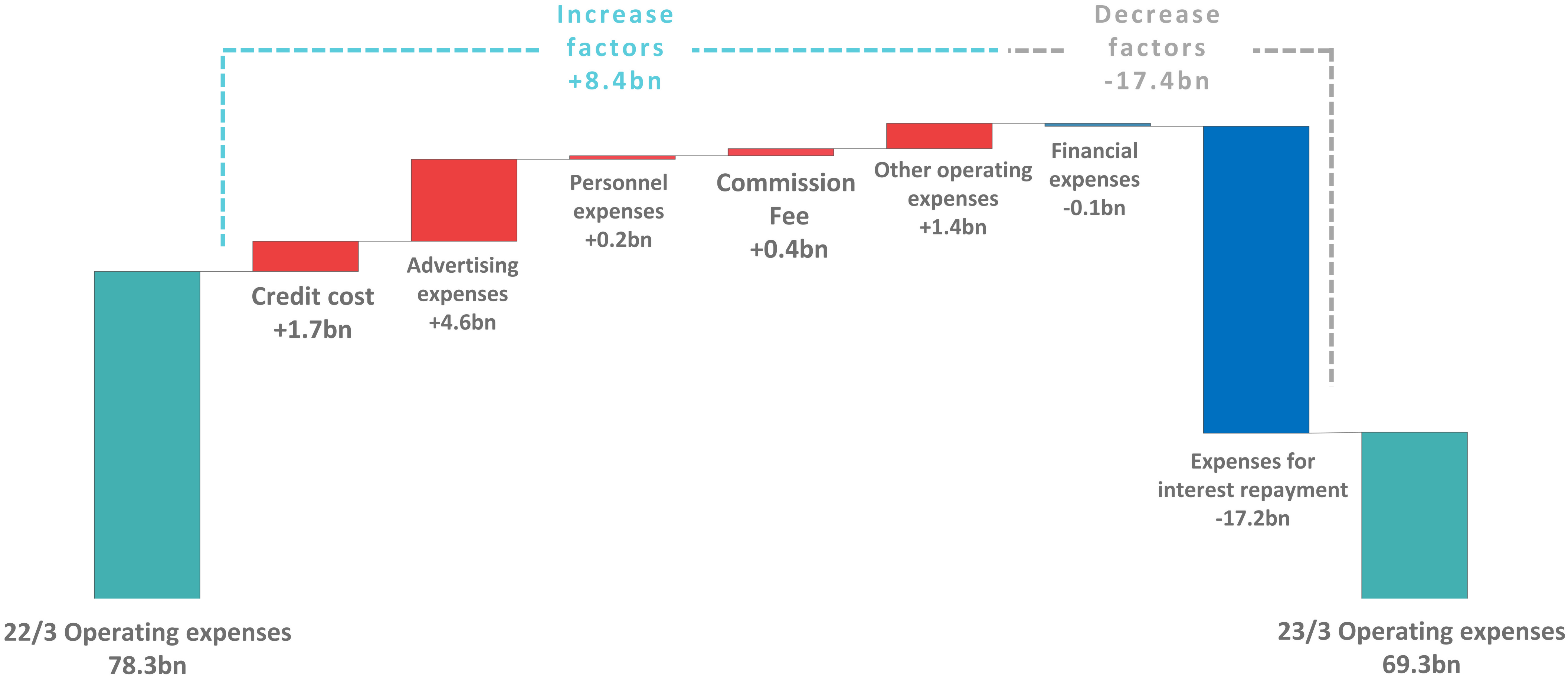
(¥ million)	22/3	23/3	YOY	YOY %
Total receivable outstanding	619,388	691,689	72,300	11.7%
Loans outstanding	461,884	502,874	40,990	8.9%
Unsecured	449,747	490,096	40,348	9.0%
Secured	3,501	2,502	-998	-28.5%
Small business	8,635	10,275	1,640	19.0%
Credit guarantee	147,708	176,821	29,113	19.7%
New accounts (num)	210,104	301,262	91,158	43.4%
Unsecured	210,014	301,183	91,169	43.4%
Customer accounts (thousands)	980	1,115	134	13.8%
Unsecured	968	1,103	134	13.9%
Loan volume	205,540	235,057	29,517	14.4%
New accounts	35,398	44,394	8,996	25.4%
Existing accounts	170,143	190,661	20,518	12.1%
Average yield	14.4%	14.3%	-0.1pt	—
Below 18% unsecured loan balance's occupancy rate	99.3%	99.5%	0.2pt	—
Bad debt	20,521	21,795	1,273	6.2%
Excluding write-off related to interest repayment	19,797	21,200	1,403	7.1%
Bad debt ratio to operating loans	3.3%	3.2%	-0.1pt	—
Ratio excluding write-off related to interest repayment	3.2%	3.1%	-0.1pt	—

Financial Results Outline

(¥ million)	22/3	23/3	YOY	YOY %
Operating revenue	83,117	88,449	5,332	6.4%
Interest on operating loans	63,071	67,596	4,524	7.2%
Revenue from credit guarantee	11,447	12,447	999	8.7%
Operating expenses	78,359	69,322	-9,037	-11.5%
Financial expenses	5,421	5,245	-176	-3.2%
Provision of allowance for doubtful accounts	20,701	22,406	1,704	8.2%
Expenses for Interest repayment	17,283	-	-17,283	-
Advertising cost	9,979	14,596	4,616	46.3%
Advertising expenses	9,644	14,097	4,453	46.2%
Sales promotion expenses	335	498	163	48.6%
Personnel expenses	9,504	9,723	218	2.3%
Other operating expenses	15,469	17,351	1,882	12.2%
Operating profit	4,757	19,127	14,370	302.1%
Non-operating income	2,014	13,100	11,086	550.4%
Non-operating expenses	23	15	-8	-34.9%
Ordinary profit	6,748	32,213	25,465	377.4%
Extraordinary income	-	-	-	-
Extraordinary losses	-	-	-	-
Profit	7,912	31,028	23,116	292.2%

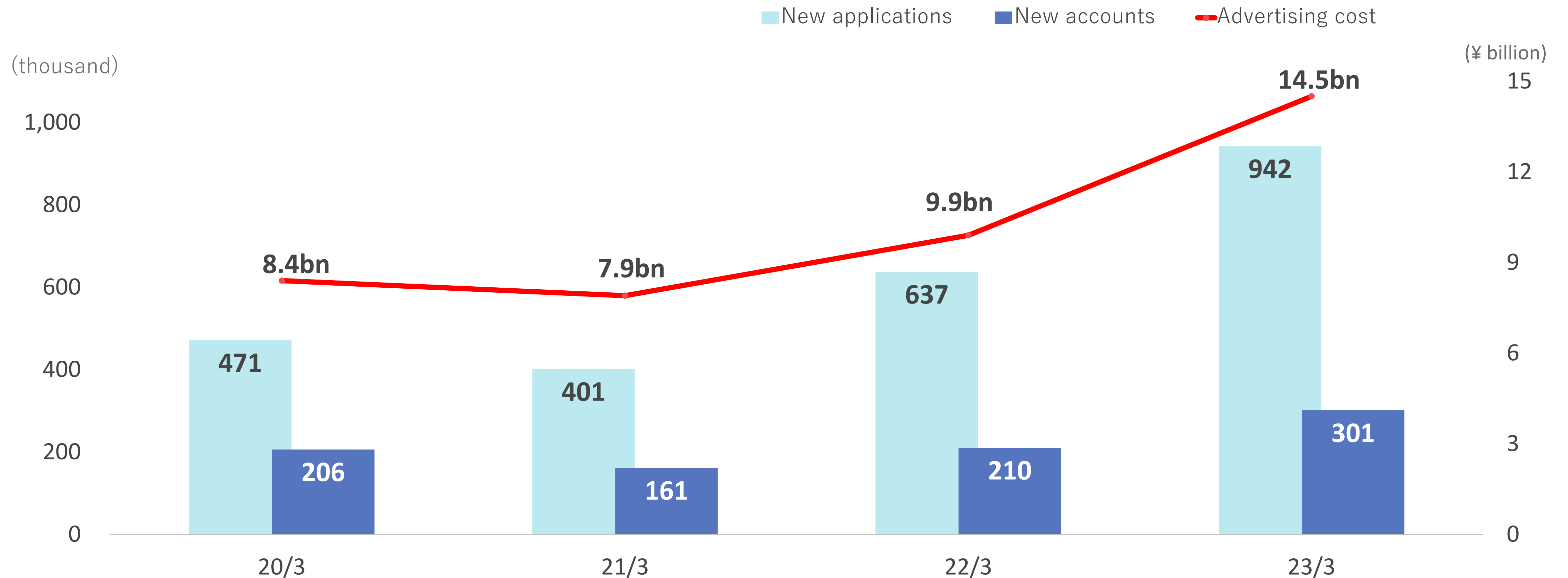
Financial Results Outline / Breakdown of Operating Expenses

- Aggressive spending on advertising to increase the number of new accounts and increase in credit costs associated with total receivable outstanding growth



Loan Business/ Correlation between advertising costs and new accounts

- The number of new accounts increased 43.4% YoY to 301,000 and CPA was 45,000 yen, down 1.1% YoY due to making positive cost investment for the future.



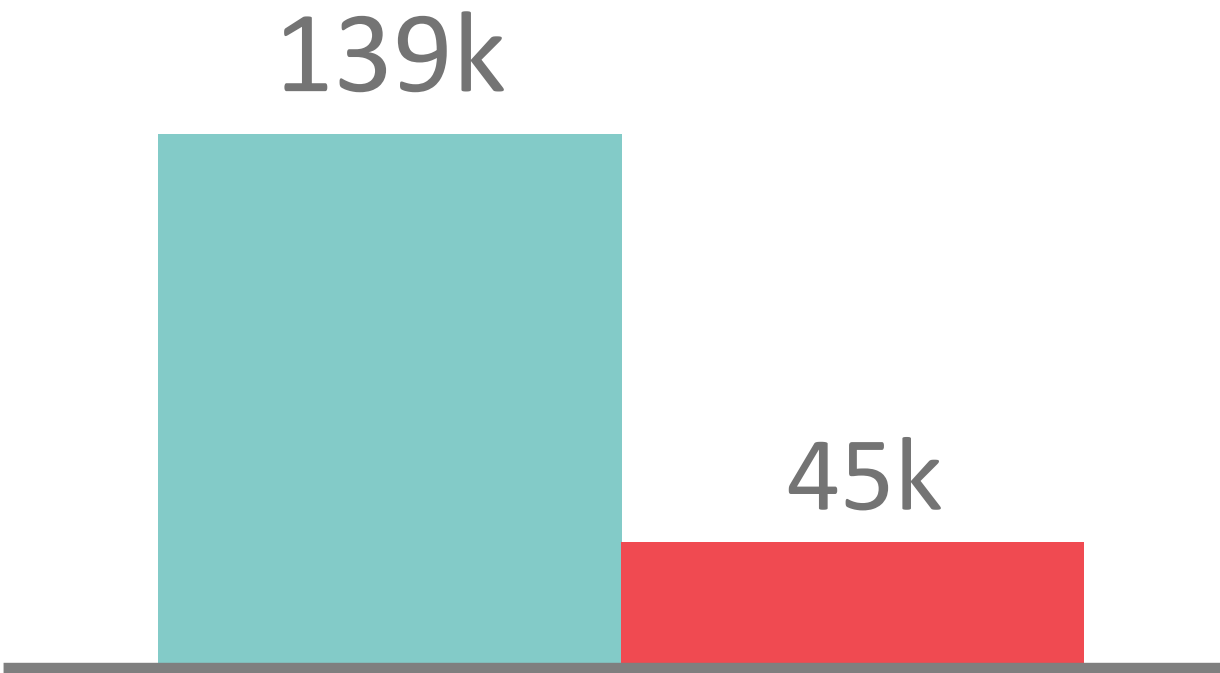
LTV/CPA

- LTV** = Customer lifetime profit (lifetime profit generated over the period of customer use excluding advertising expenses)
- CPA** = CPA, the cost per acquisition

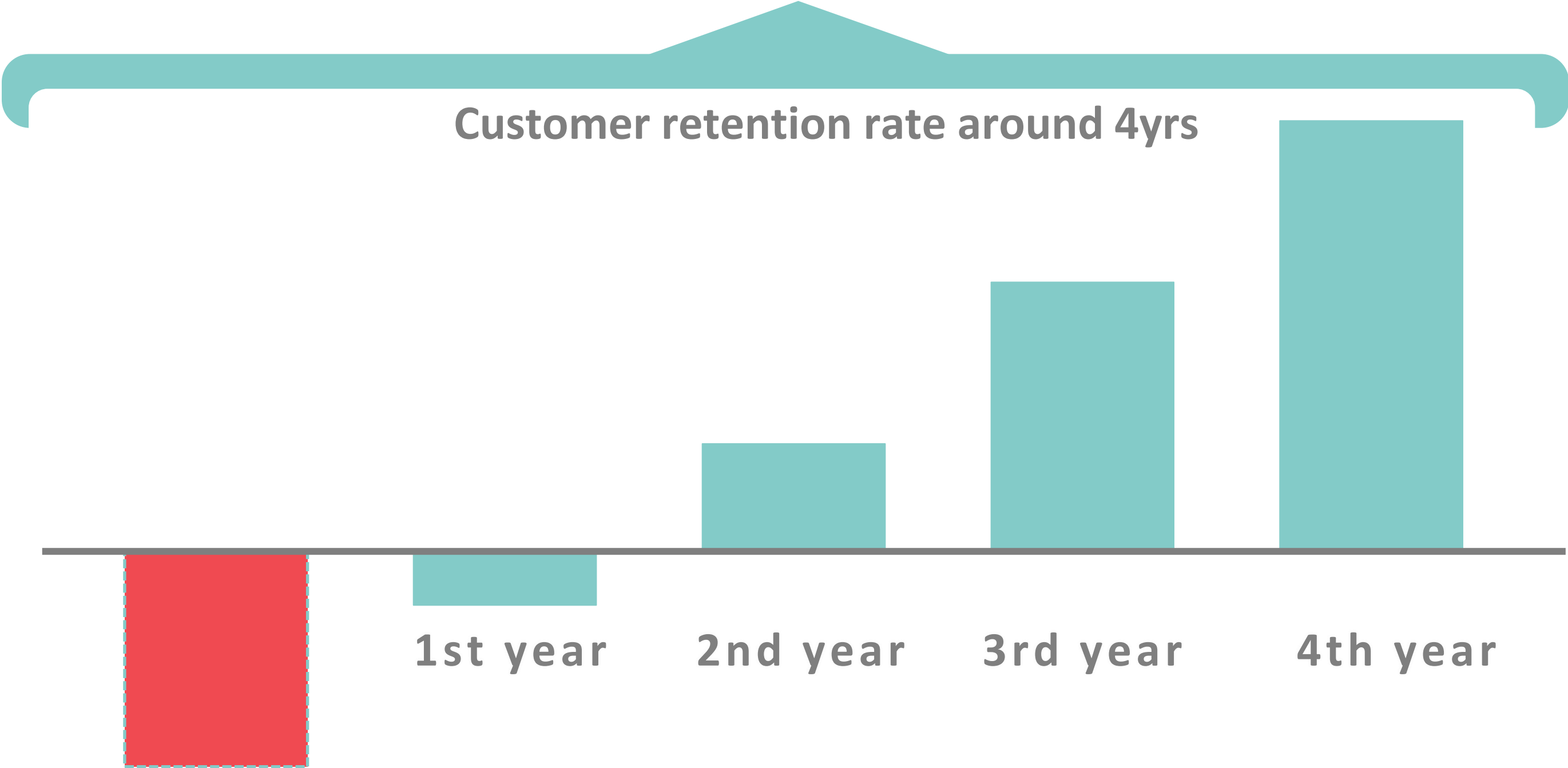
AIFUL (Unsecured loan)

LTV excluding CPA

¥94k



LTV (Customer lifetime value)



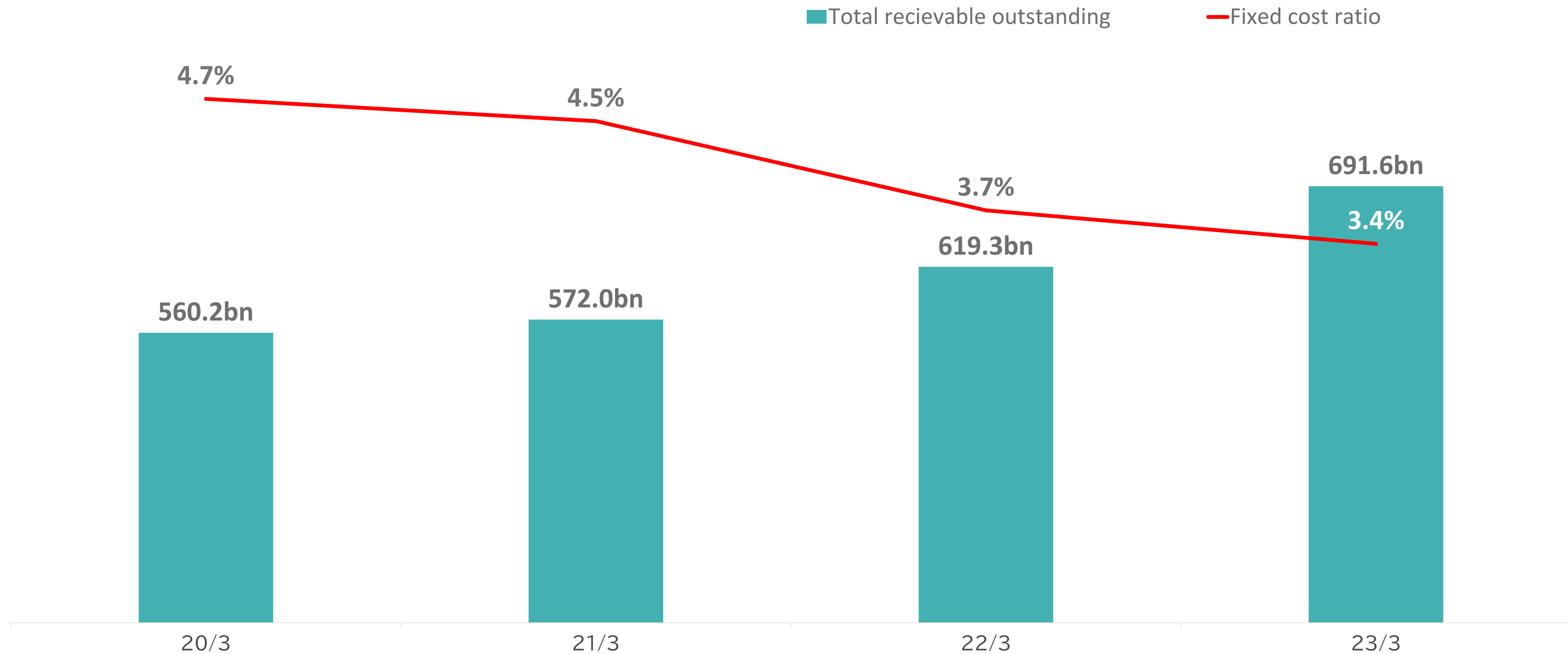
CPA (Cost per acquisition)

※ CPA is calculated based on number of new accounts acquired.

※ LTV calculation includes customers shifted from cash loans to loan consolidation and small business loan (LTV for 2Q of FY2022 included only cash loan)

Trends in Total Receivable Outstanding and Fixed Cost

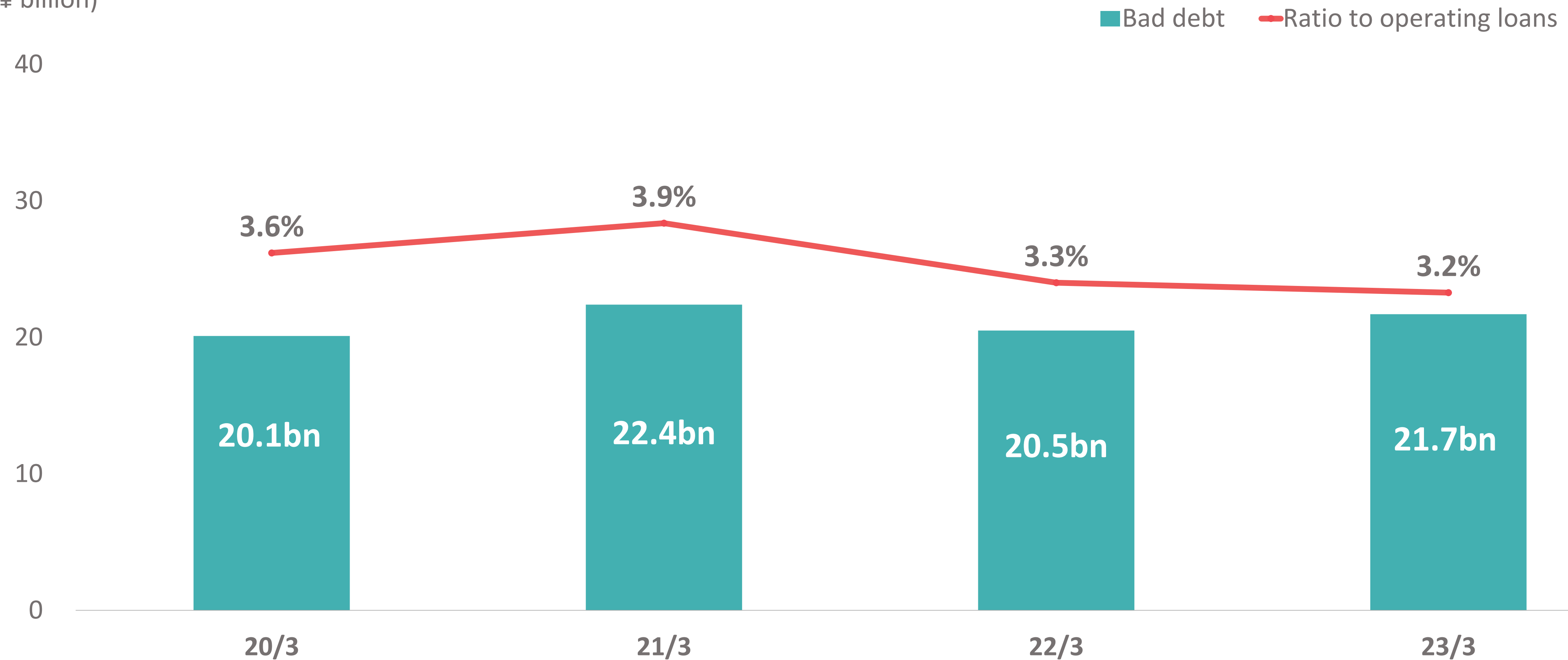
- While total receivable outstanding has been growing steadily due to strong acquisition of new account, promoting DX and in-house production led to a decrease in fixed cost ratio which dropped 0.3pt YoY to 3.4%.



Non-performing Loans/ Bad Debt

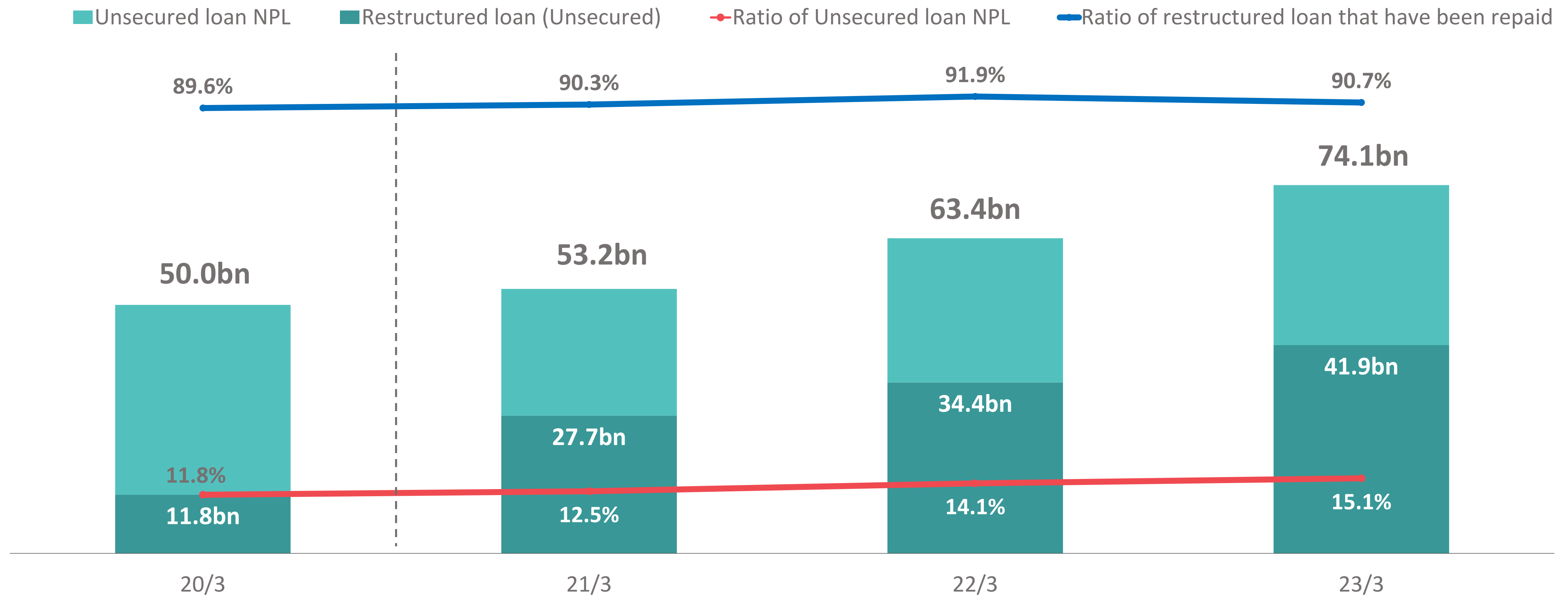
- Bad debt increased 6.2% YoY to 21.7 billion yen, while the ratio to operating loans declined 0.1pt YoY to 3.2%, remained at low level.

(¥ billion)



Non-performing Loans/ Unsecured Loan NPL

- Unsecured loan NPL ratio rose 1.0pt to 15.1% YoY, mainly due to an increase in restructured loans (loans with eased lending conditions).



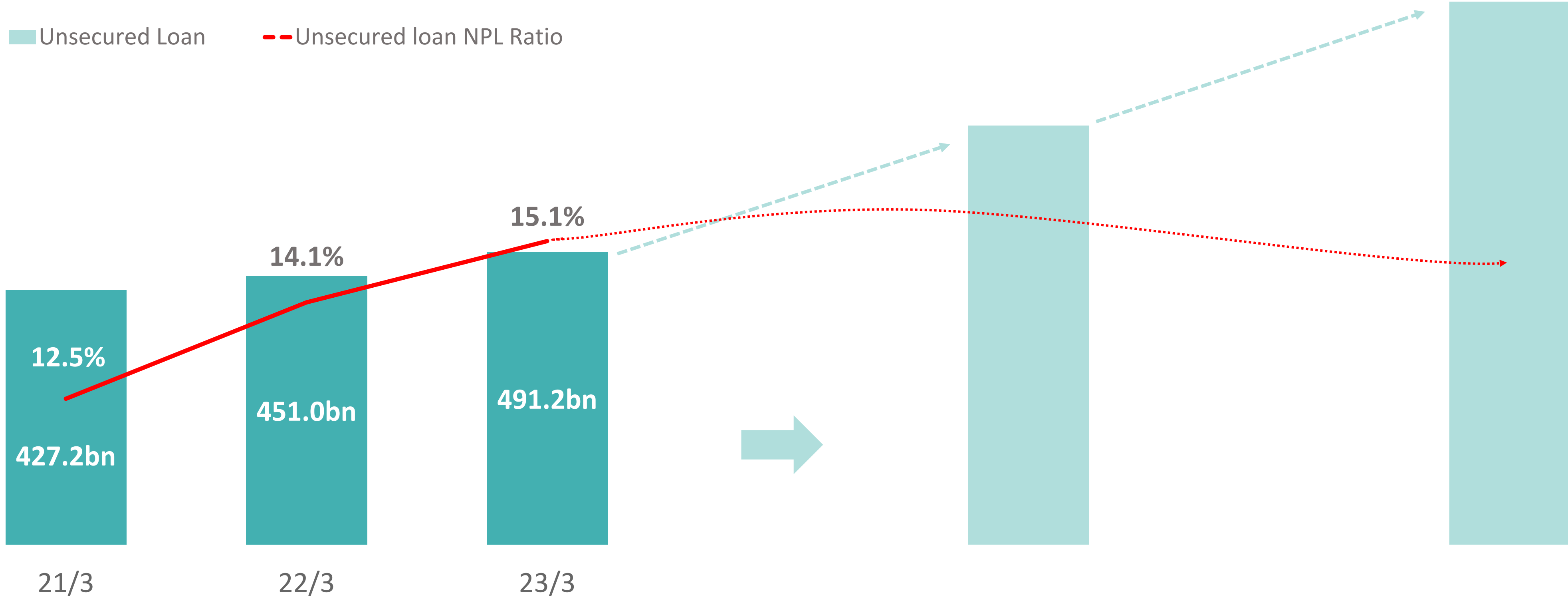
*1 From the fourth quarter of the FY2020, settlement receivables with regular deposits included in Non-accrual loans have been included in Restructured loans in a more realistic manner.

*2 As the "Notes on Non - Performing Loans" in the "Cabinet Office Order on Account Management of specified finance companies" was revised on March 31,2022, the classification is presented based on the revision of the said Cabinet Office Order.

Non-performing Loans/ Unsecured Loan Growth and NPL Ratio

- NPL ratio is expected to peak out in around 3-4 years from now since the pace of unsecured loan growth is outpacing the increase in NPL.

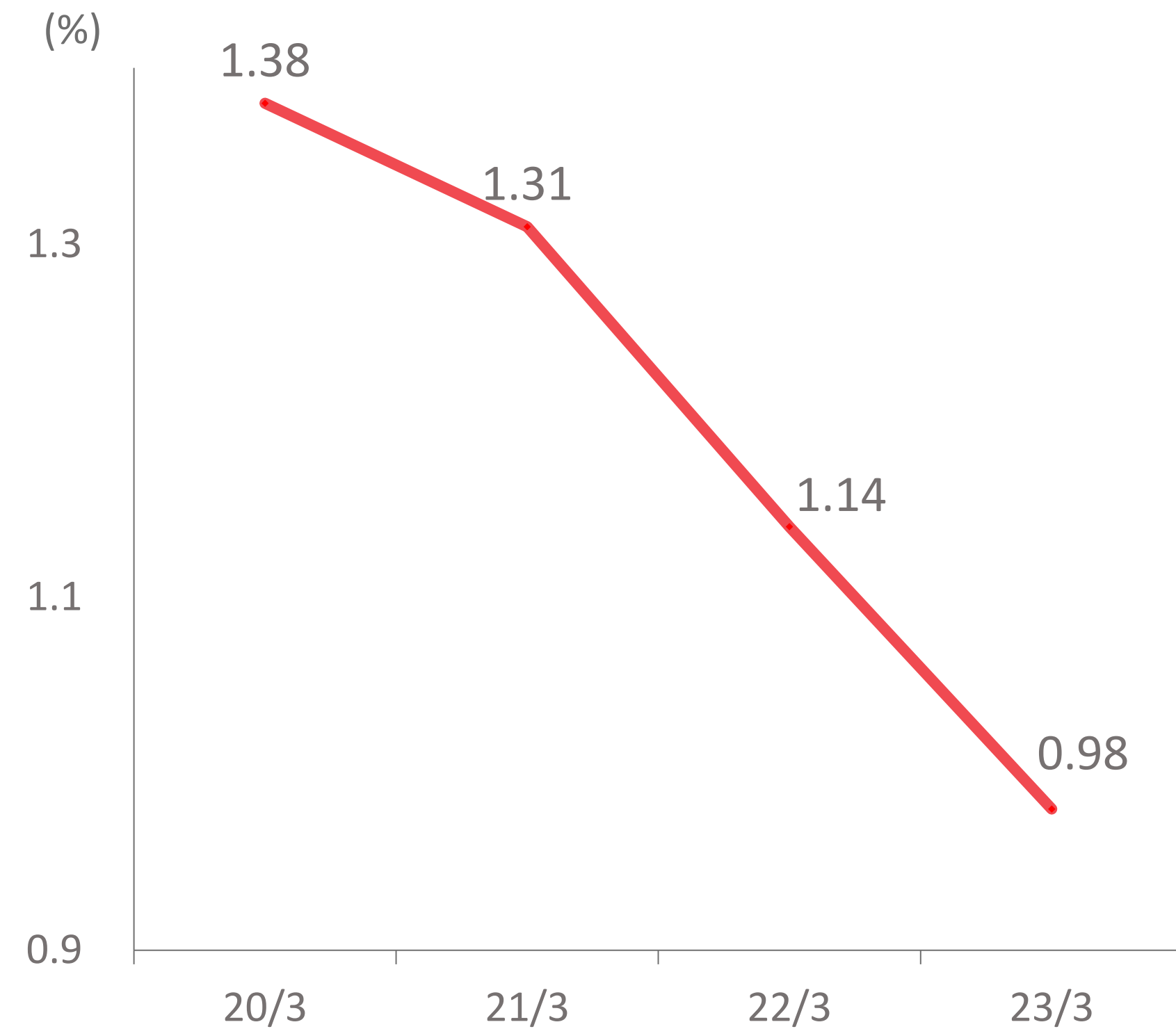
Unsecured Loan Growth and NPL Ratio



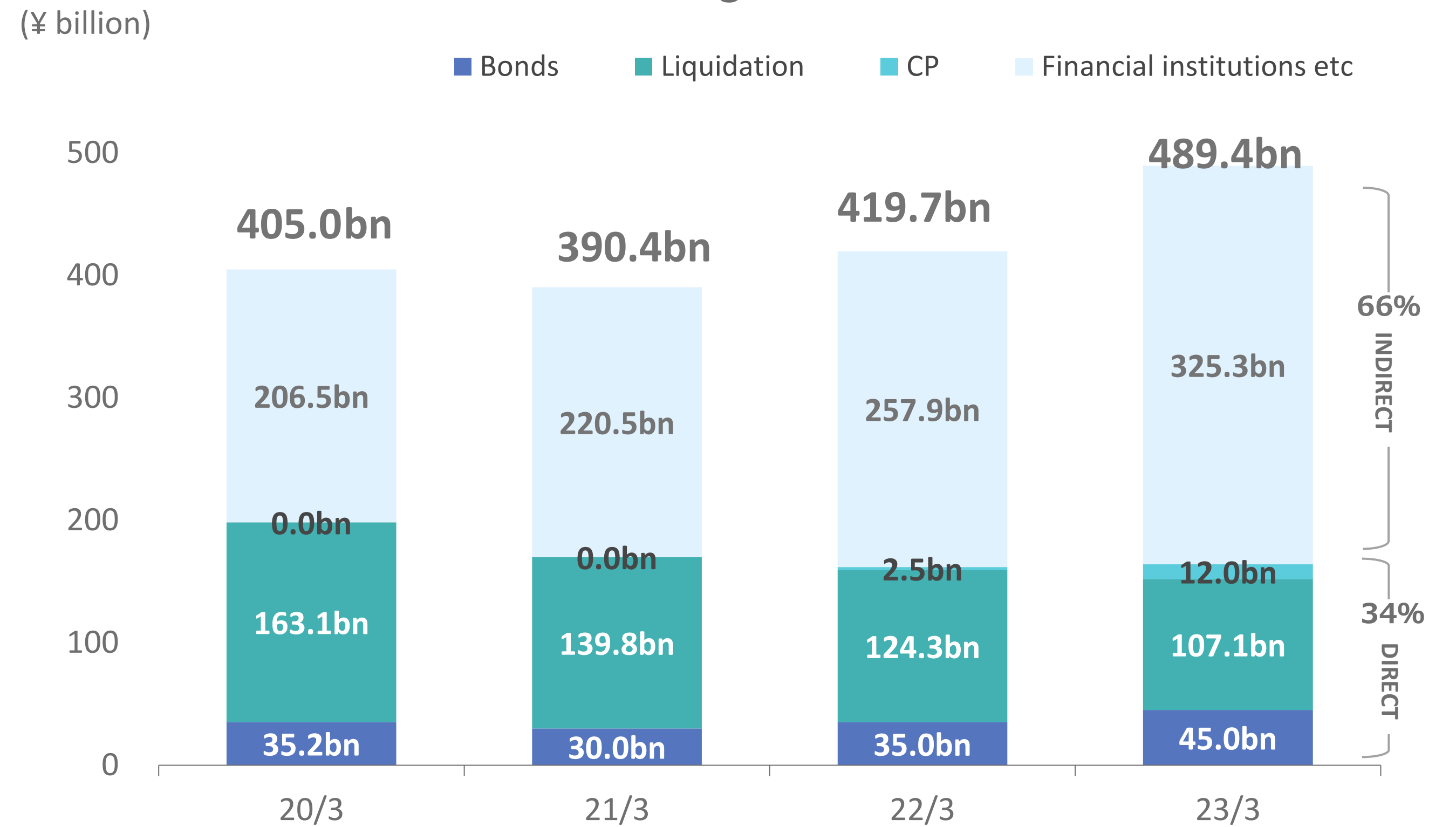
Funding

- JCR rating is upgraded by one notch to "BBB+/ Positive" in November 2022 and the funding rate is trending downward.

Trends of funding rate



Interest-bearing liabilities

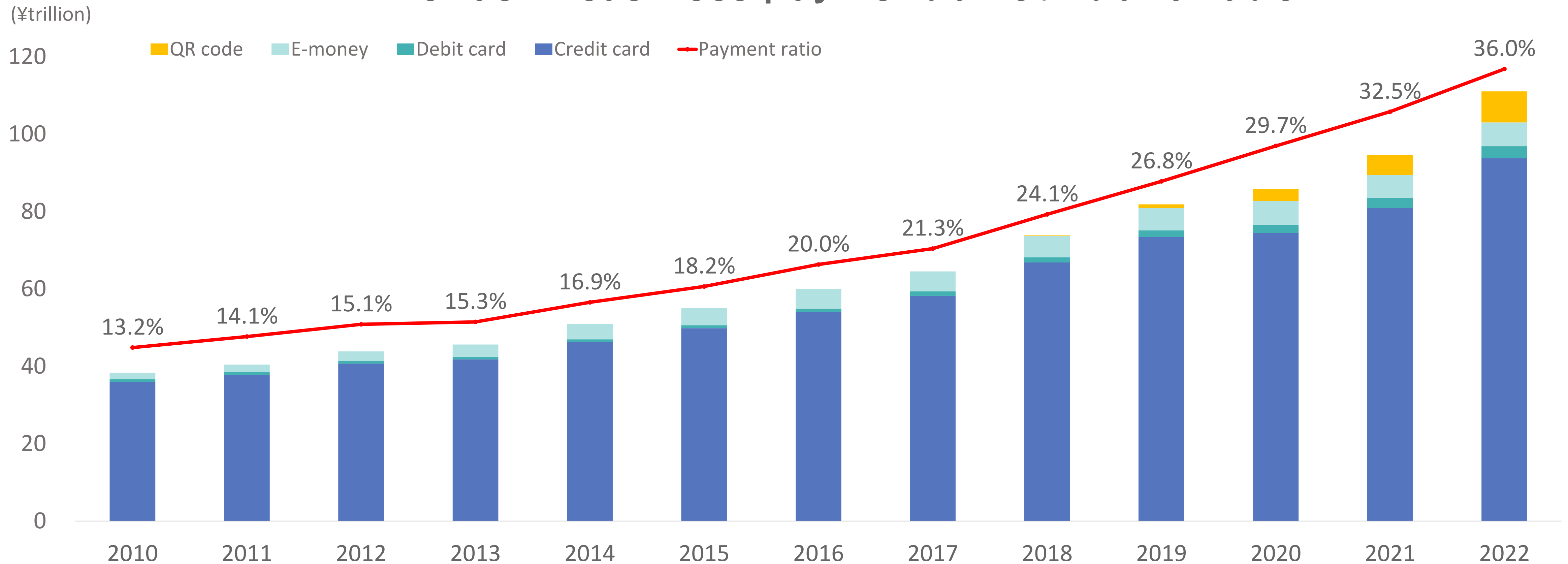


05 LIFECARD Results Summary

Cashless Payment Market

- Cashless payment ratio in 2022 grew steady to 36.0%. The Ministry of Economy, Trade and Industry (METI) aims to raise the cashless payment ratio to 40% by 2025 and 80% in the future, the highest level in the world.

Trends in cashless payment amount and ratio



*Source: Ministry of Economy, Trade and Industry

Operating Results

(¥ million)	22/3	23/3	YOY	YOY %
Total receivable outstanding	164,114	170,476	6,362	3.9%
Loans outstanding	32,916	32,384	-532	-1.6%
Cash advance	23,621	23,289	-332	-1.4%
Installment receivable	101,814	107,220	5,405	5.3%
Revolving/installment	51,525	52,024	498	1.0%
Credit guarantee	27,951	29,022	1,071	3.8%
Number of new issue (thousand)	382	478	96	25.1%
Proper	92	159	67	72.3%
Co-branded	289	318	28	10.0%
Number of card holders (thousand)	5,240	5,141	-98	-1.9%
Proper	1,376	1,376	-0	-0.0%
Co-branded	3,864	3,765	-98	-2.6%
Bad debt	3,448	3,544	95	2.8%
Excluding write-off related to interest repayment	3,306	3,401	94	2.9%
Bad debt ratio to operating loans	2.1%	2.1%	-0.0pt	-
Ratio excluding write-off related to interest repayment	2.0%	2.0%	-0.0pt	-

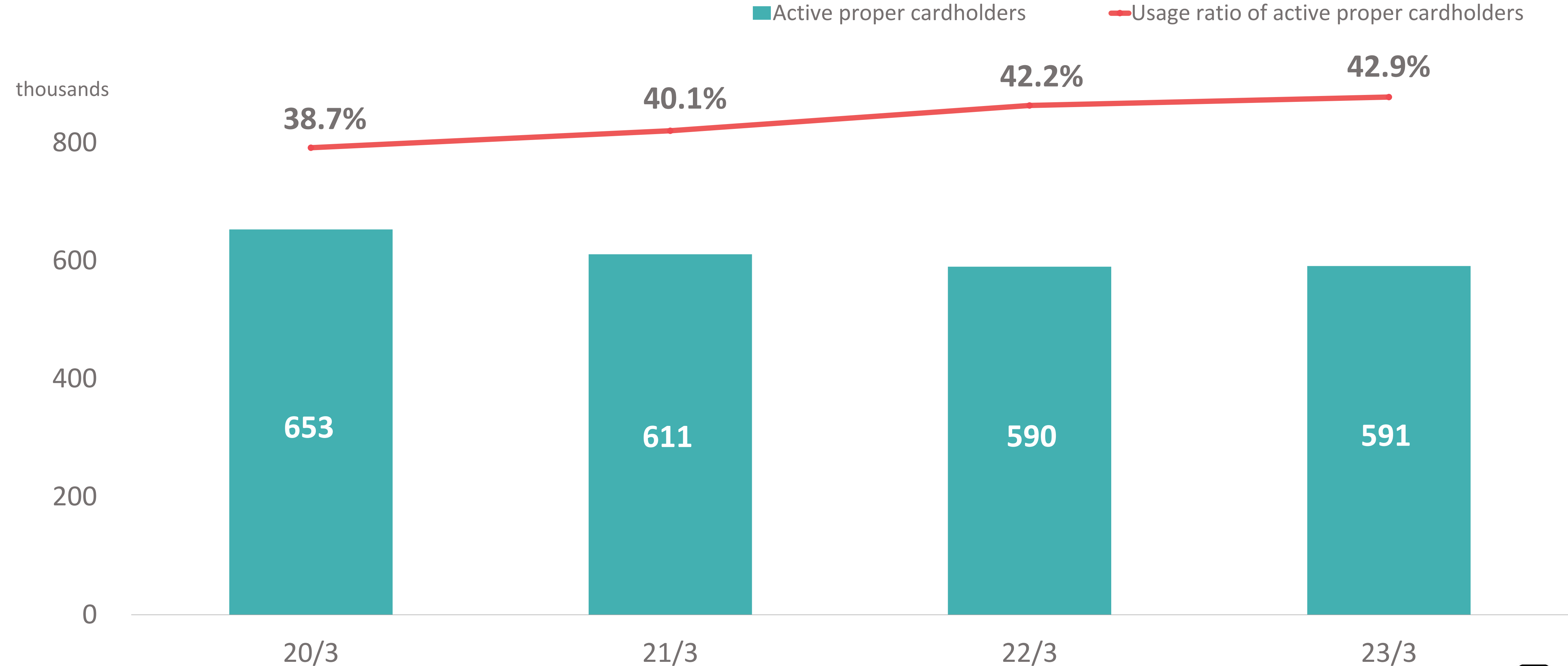
Financial Results Outline

(¥ million)	22/3	23/3	YOY	YOY %
Operating revenue	33,721	35,711	1,989	5.9%
Revenue from installment receivable	18,993	20,440	1,446	7.6%
Interest on operating loans	4,066	3,653	-412	-10.2%
Revenue from credit guarantee	1,754	1,842	87	5.0%
Other	8,906	9,774	867	9.7%
Operating expenses	32,281	34,414	2,133	6.6%
Financial expenses	1,161	1,111	-50	-4.3%
Provision of allowance for doubtful accounts	2,745	4,530	1,784	65.0%
Provision for loss on interest repayment	2,645	-	-2,645	-
Advertising expenses	1,141	2,029	888	77.8%
Sales promotion expenses	2,874	3,232	358	12.5%
Personnel expenses	4,821	5,006	185	3.8%
Other operating expenses	16,890	18,504	1,613	9.6%
Operating profit	1,440	1,296	-144	-10.0%
Ordinary profit	1,634	1,419	-215	-13.2%
Profit	1,585	911	-674	-42.5%

• Figures for the FY ended March 31, 2022 include the results of Sumishin Life Card, Limited., which was merged into LIFECARD CO., LTD. on April 1, 2022.

Number of Active Proper Cardholders & Usage Rate

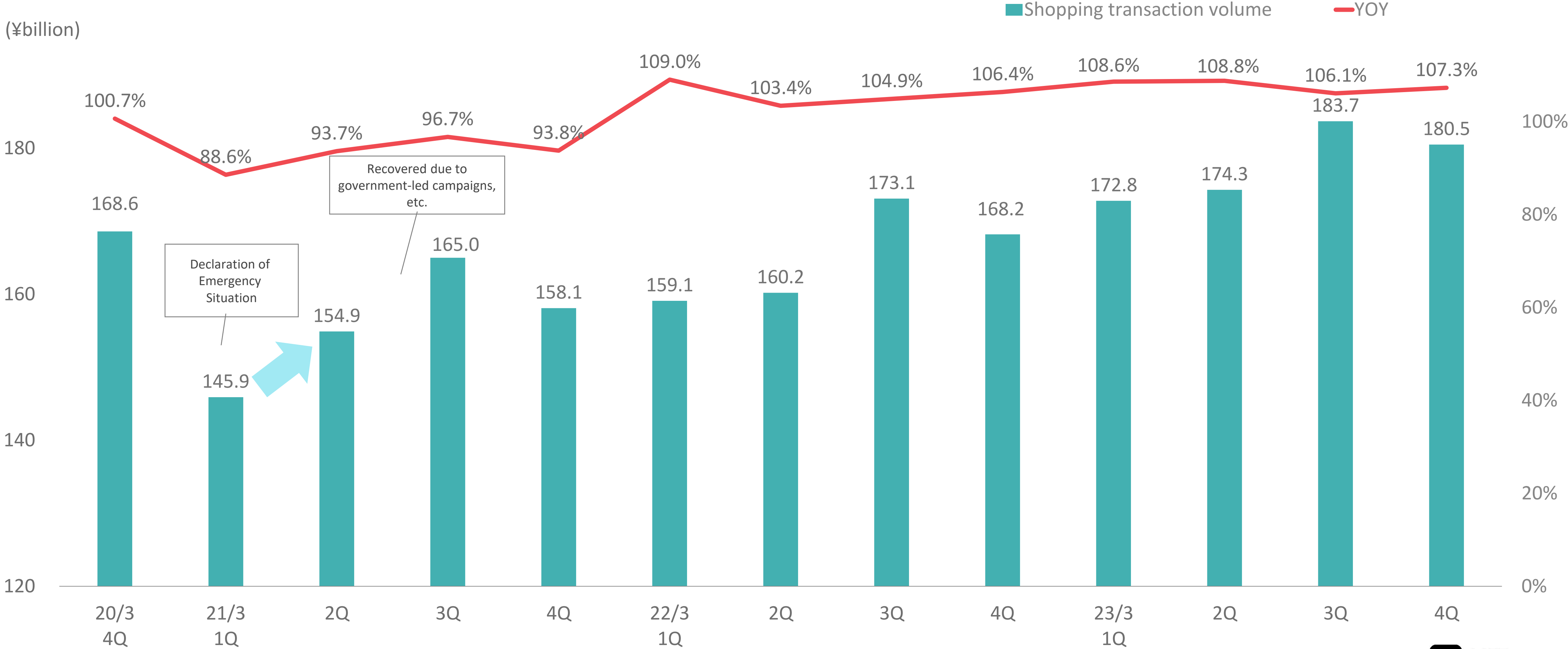
- The usage ratio of active proper cardholders increased to 42.9% due to promotion of an acquisition methods that prioritize the usage ratio and renewal of the website and smartphone apps.



※ Number of active proper cardholder is the average number of active cardholders per month.

Quarterly Trend of Shopping Transaction Volume

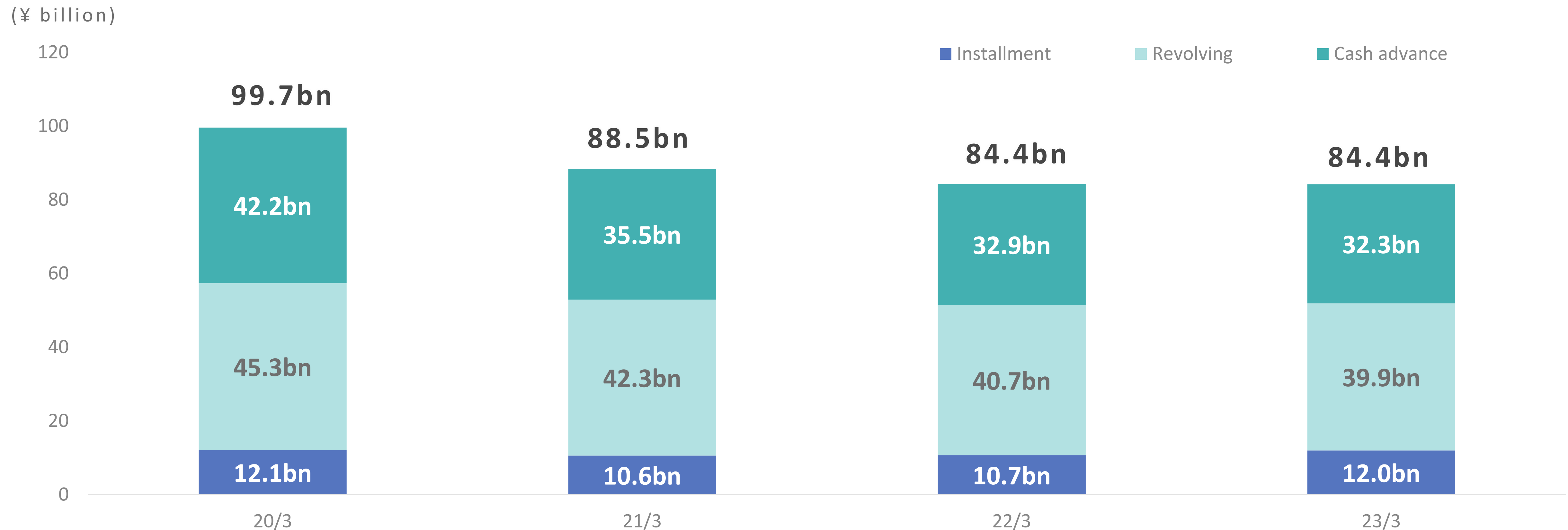
- Shopping transaction volume remained strong due to an increase in card usage for leisure activities such as traveling.



Revolving • Installment • Cash advance Outstanding

- Although revolving receivables slightly decreased, installment receivables rose 12.0% YoY to 12.0 billion yen due to increase in transaction volume.

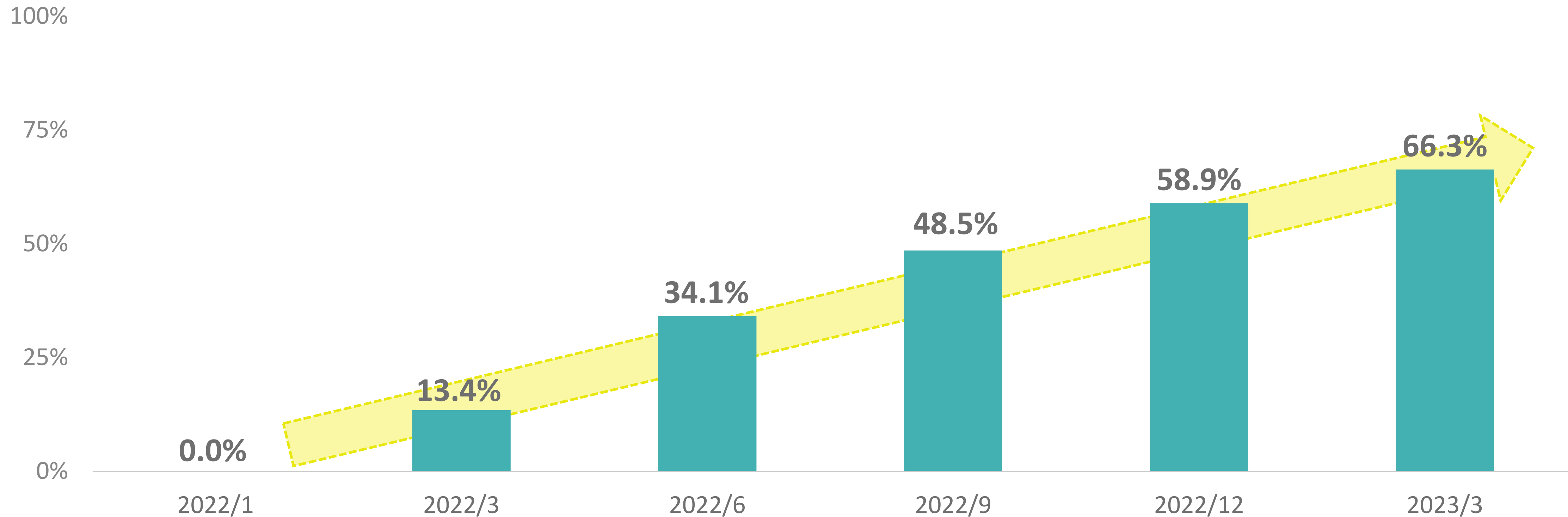
Trend of Outstanding (including off-balance)



Yield of Revolving and Installment Payment

- Yield on shopping balances maintained an upward trend. Yield on revolving and installment payments for FY2022 was 14.6%.

Occupancy Rate of 18%



※ The effective annual rate has been successively raised to 18% for use on or after February 1, 2022.

Advertising and App User

First Advertising Campaign in 16 years at LIFECARD



The branding campaign aimed at establishing connections with younger generations and LIFECARD began in January 2023.

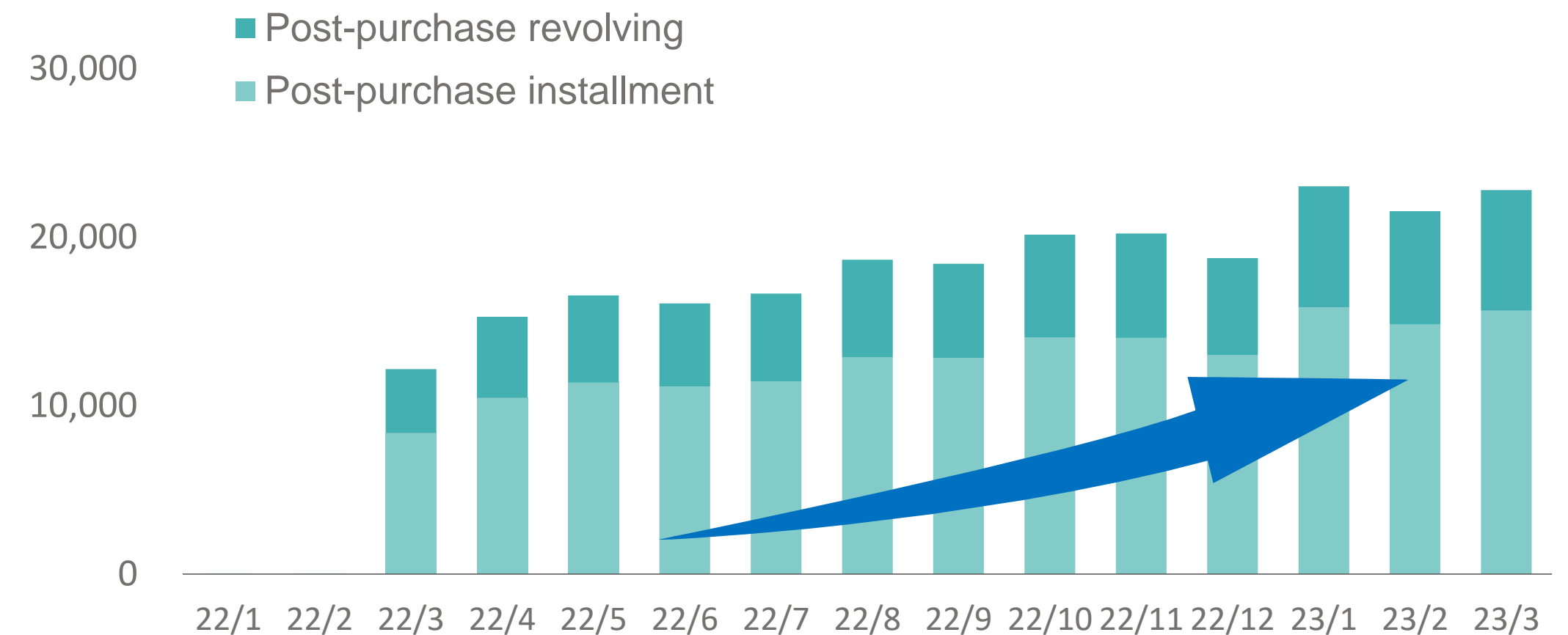
Total App user as of 23/3

over 240k

(about 170k as of 3Q)

Users applied Post-purchase revolving or installment payment through App

(Thousand)



Increasing in Proper Card LTV

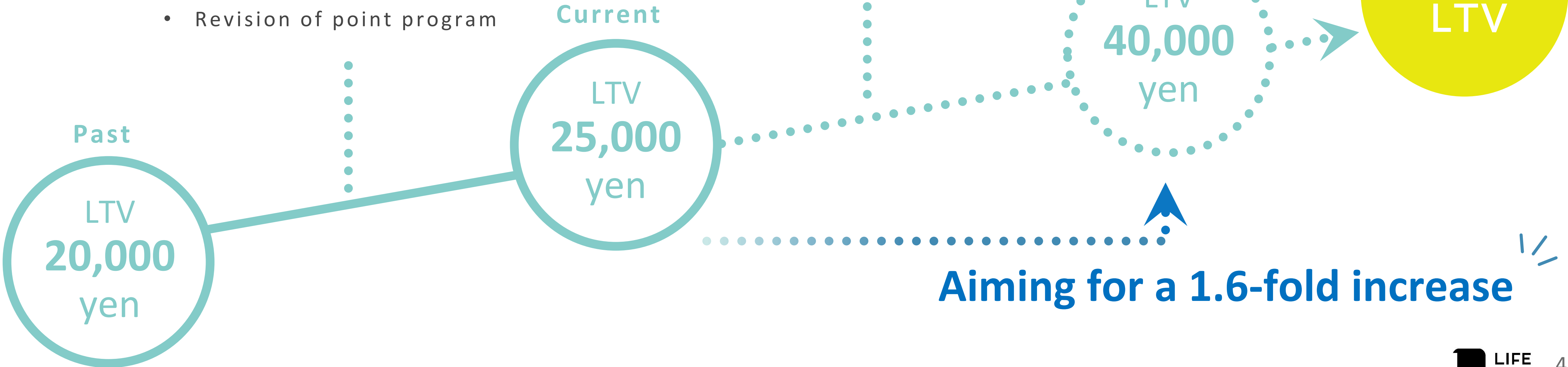
Strengthen acquisition of new account

Improve customer loyalty and extend the transaction period

Implementation of various measures for LTV improvement

- Charge for billing in paper
- Mailing ETC card by regular mail
- Revision of point program

- Raising fees for revolving and installment
- Curbing card issuance cost
- Enriching installment payments variation
- Reviewing markup fees
- Sales of business credit card loans



Emotional Branding Credit Card

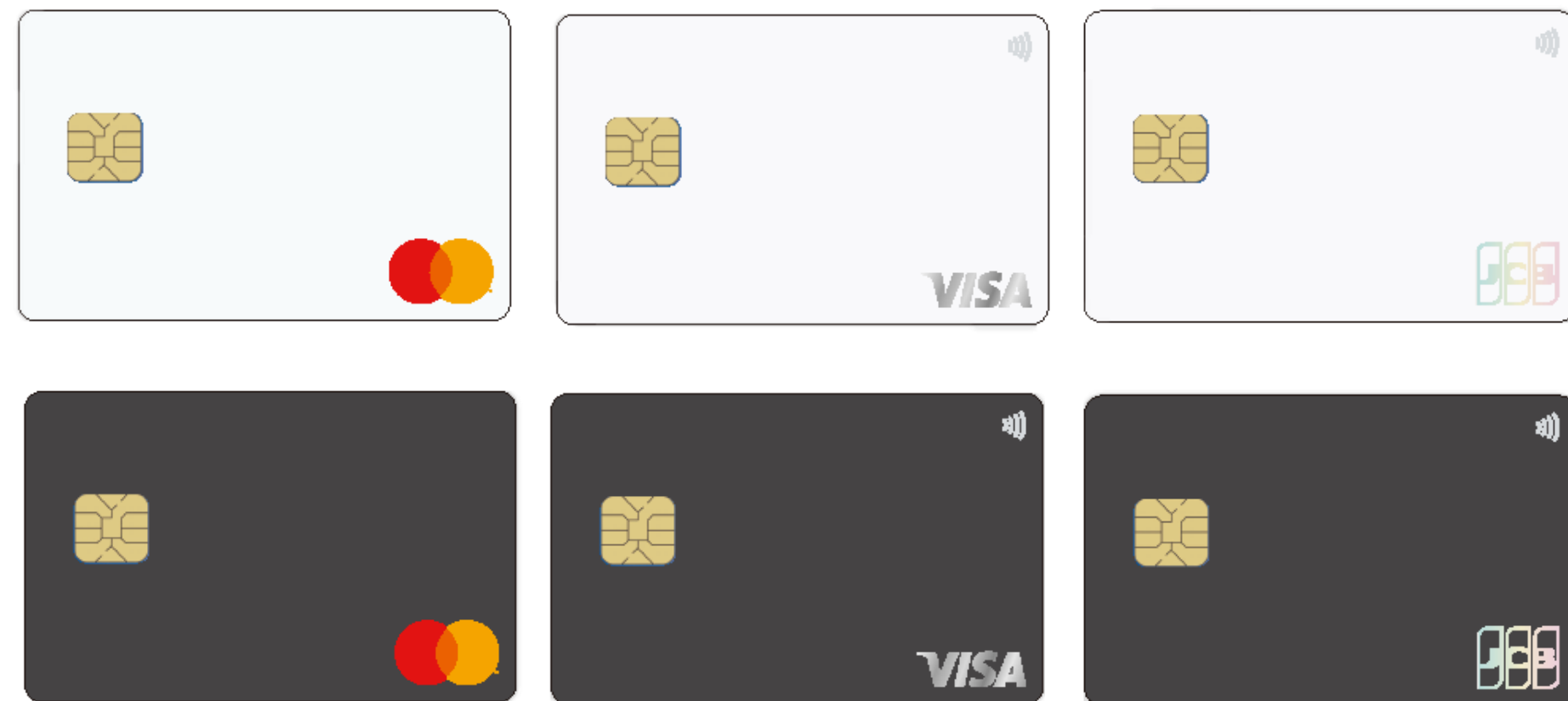
Proper card

< Youthful enthusiasm and radiance >

~ With the power of shining youth, bringing radiance
to every generation.

Never forget the feelings of one's youth. ~

Comparing the card to a plain canvas, LIFECARD designed the colors to be as noise-free as possible, so that the card can be dyed in any way and lead to free ideas and actions.



※Scheduled to begin issuance from June 2023

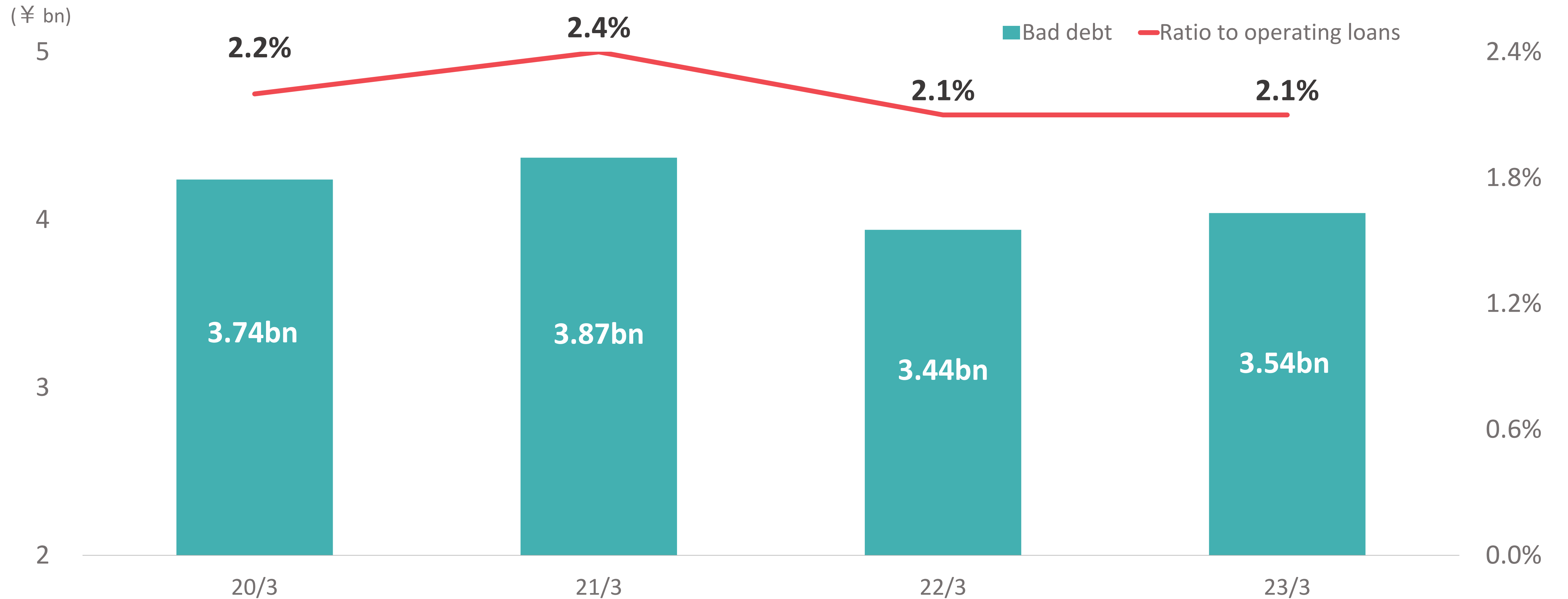
Social Contribution Card

- ✓ A portion of the proceeds is donated to partner organizations and NPOs
- ✓ The card holders can automatically make a donation based on their transaction volumes at no cost



Non-performing Loans/ Bad Debt

- Bad debt increased 2.8% YoY to 3.5 billion yen, while the ratio to operating loans remained low at 2.1%.



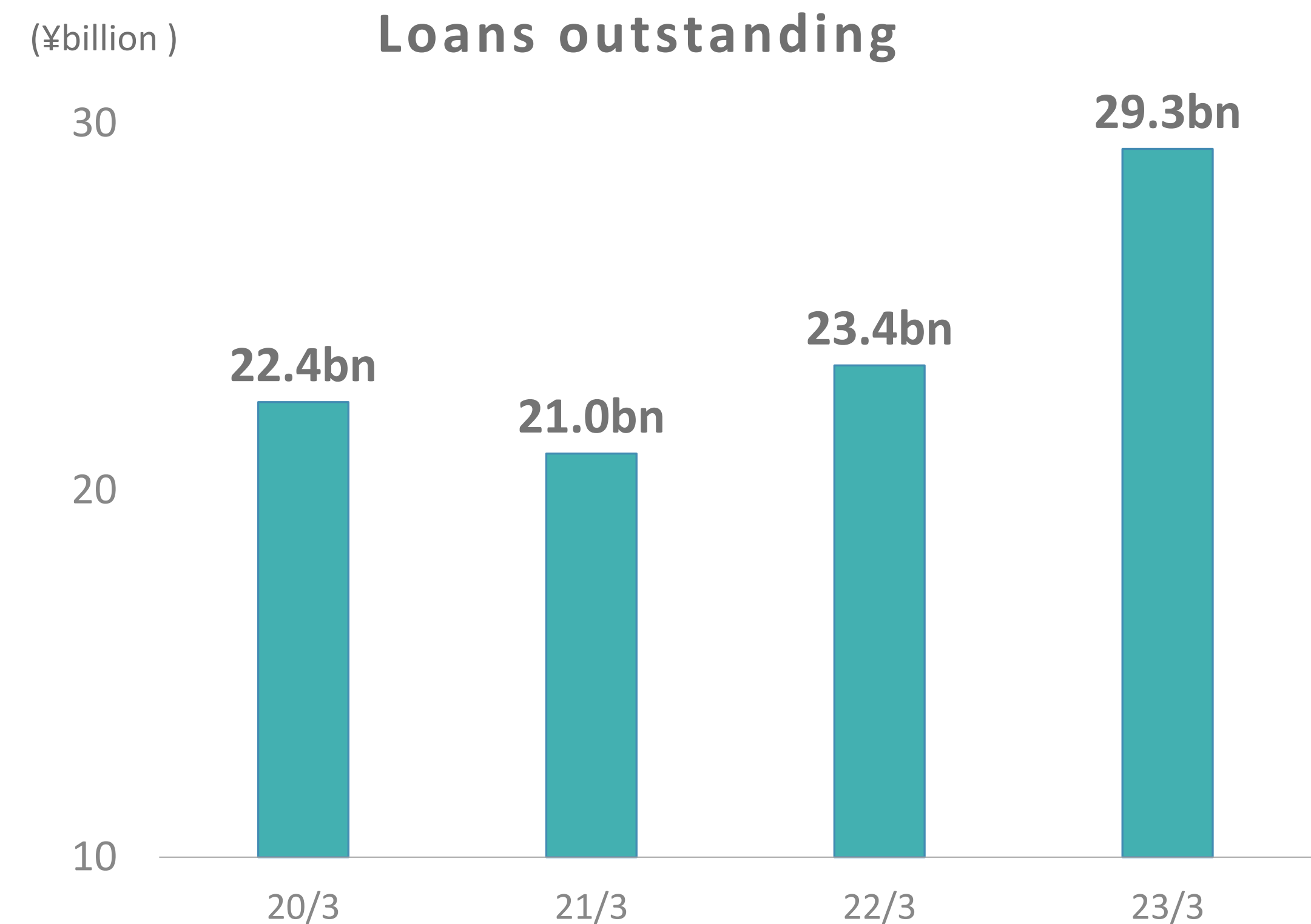
06

Group Companies Results Summary

AIRA & AIFUL Public Company Limited (Thailand)

- Loans outstanding increased 25.3% YoY to 29.3 bn yen on the back of strong new applications. Due to increase in credit cost, ordinary profit dropped by 7.4% YoY to 120 million yen.

(¥ million)	22/3	23/3	YOY
Loans outstanding	23,418	29,343	25.3%
N. of customer accounts (thousand)	330	356	7.9%
Bad Debt Write-off Ratio	8.72%	8.04%	-0.68pt
Operating revenue	5,725	7,080	23.7%
Operating profit	461	134	-70.8%
Ordinary profit	463	127	-72.4%
Profit	1,037	726	-30.0%



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

* Exchange rate (Thai Baht): B/S: ¥3.43(22/3), ¥3.80(23/3)

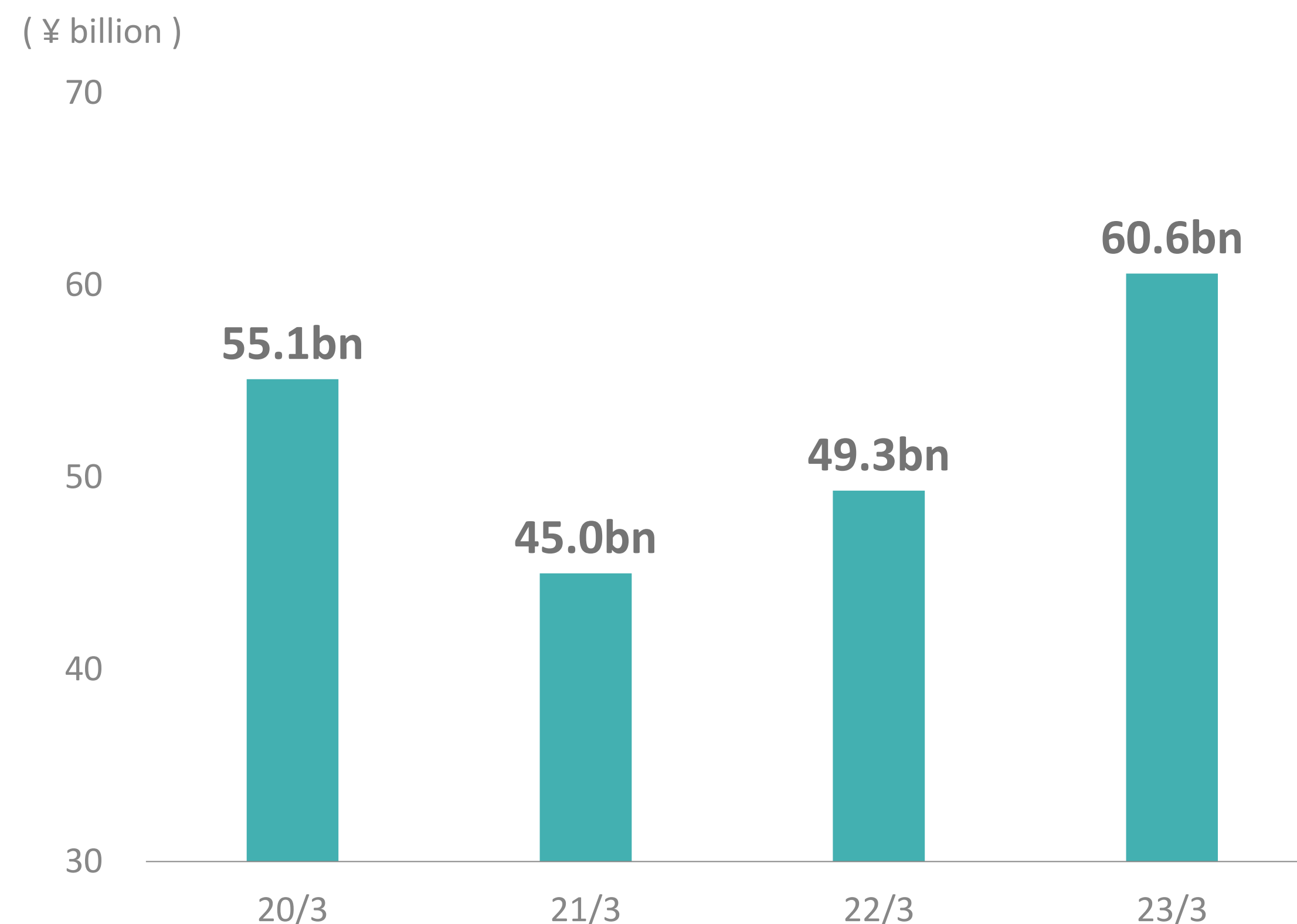
P/L: ¥3.44(22/3), ¥3.75(23/3)

AG BUSINESS SUPPORT CORPORATION

- Business loan balance increased by 23.0% YoY. Operating profit declined 34.9% YoY, mainly due to an increase in credit cost.

(¥ million)	22/3	23/3	YOY
Loans outstanding	55,928	71,364	27.6%
Secured loans	6,578	10,681	62.4%
Business loans	49,349	60,682	23.0%
Customer accounts (thousands)	26	29	14.5%
Bad Debt Write-off Ratio	2.99%	2.69%	-0.30pt
Operating revenue	6,430	7,732	20.2%
Operating profit	2,762	1,798	-34.9%
Ordinary profit	2,773	1,808	-34.8%
Profit	1,691	1,131	-33.2%

Trends in Business Loans Outstanding



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

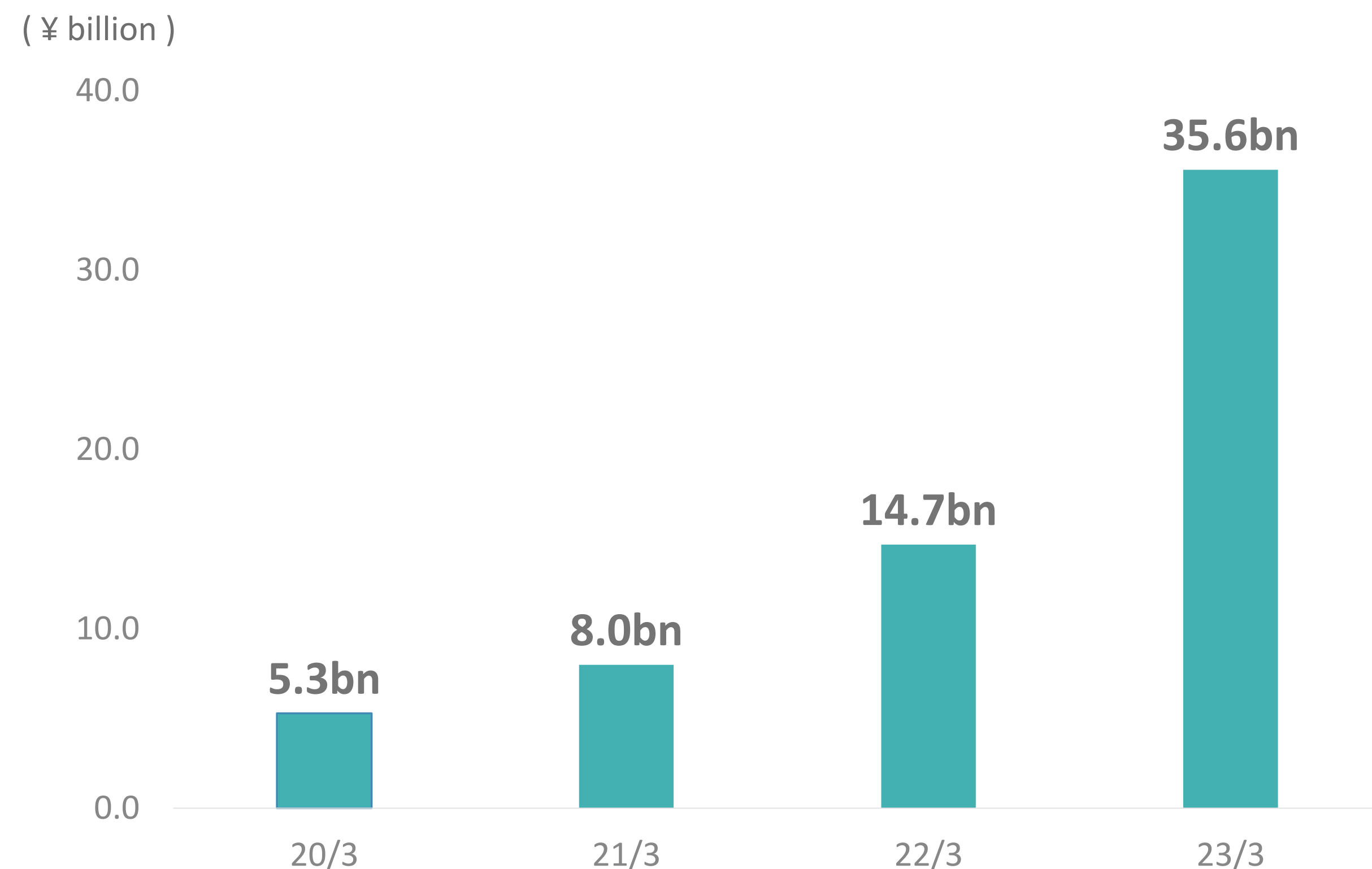
※2 From February 25, 2023, AIFUL BUSINESS FINANCE CORPORATION changed its name to AG BUSINESS SUPPORT CORPORATION.

AG GUARANTEE CO., LTD.

- Against the backdrop of successful expansion of affiliated stores, installment receivables increased by 139.3% YoY, and operating profit has increased by 46.1% YoY.

(¥ million)	22/3	23/3	YOY
Installment receivable	14,739	35,606	139.3%
Credit guarantee	133	103	-22.6%
Operating revenue	1,323	2,711	104.8%
Operating profit	535	781	46.1%
Ordinary profit	535	783	46.5%
Profit	376	379	0.7%
Bad Debt Write-off Ratio	0.42%	0.65%	0.23pt

Trends in Installment Receivable



Other Group Companies Topics



AG MEDICAL CORPORATION

Operating Profit ¥50M

Ordinary Profit ¥50M

Profit ¥10M

**Total Receivable Outstanding
12.7bn**

YOY +56.0%



AG MIRAIBARAI Co., Ltd.

Operating Loss ¥1bn

Ordinary Loss ¥1bn

Net Loss ¥800M

**Shopping Purchases
19.1bn (YOY +58.9%)**

**Number of affiliate stores
506,000 (YOY +16.8%)**

07 Appendix

Basic Sustainability Policy



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

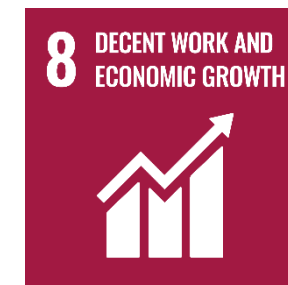
Initiatives for Sustainability



Held Hackathon



- AIFUL group held "aihack" hackathon for university students in Kyoto, Tokyo and Thailand. Through this event, we hope to help talented science and technology students deepen their understanding of our business model, increase awareness of our company, contribute to the development of sound retail finance, and help achieve the 17 Sustainable Development Goals (SDGs).



Formulation of Social Finance Framework

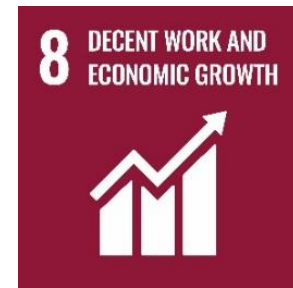
AIFUL Corporation has formulated the first Social Finance Framework in the Japanese consumer finance industry

JCR Rating

Overall Evaluation	Social 1 (F)
Socialness evaluation (Use of Proceeds)	s1 (F)
Management, Operation and Transparency Evaluation	m1 (F)

- As a financial system, AIFUL Group is engaged in various businesses that support consumption and economic activities of sole proprietors under the theme of financial inclusion. We will contribute to the realization of a society that provides access to financial services for everyone.

Initiatives for Sustainability



Publication of COMMUNICATION BOOK



- Published a communication book for a better understanding of our sustainability efforts.

<https://www.ir-aiful.com/data/current/CB2022.pdf>

FUKUDA ART MUSEUM




















- AIFUL founder Yoshitaka Fukuda established Art Museum in Arashiyama, Kyoto.
- The museum is intended to convey the Japanese culture that has come down to us from previous eras to the next generation
- The museum celebrated its third anniversary on October 1, 2022

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) • Provide financial services in emerging countries 	
	Workplace and Work Environment	<ul style="list-style-type: none"> • Human Resources Outline • Harassment hotline • Satisfaction survey • Health and stress checkups 	
	Promoting Diversity	<ul style="list-style-type: none"> • Platinum Kurumin certification • Expand hiring female • Promotion of female employees 	
	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"> • Retiree re-employment system • Employ persons with disabilities
		<ul style="list-style-type: none"> • Human resource development system • Flextime system • Introduction of Telework • Hold emergency drills 	
		<ul style="list-style-type: none"> • Point donation system • Social Contribution through credit cards • Sponsorship of Hackathon 	

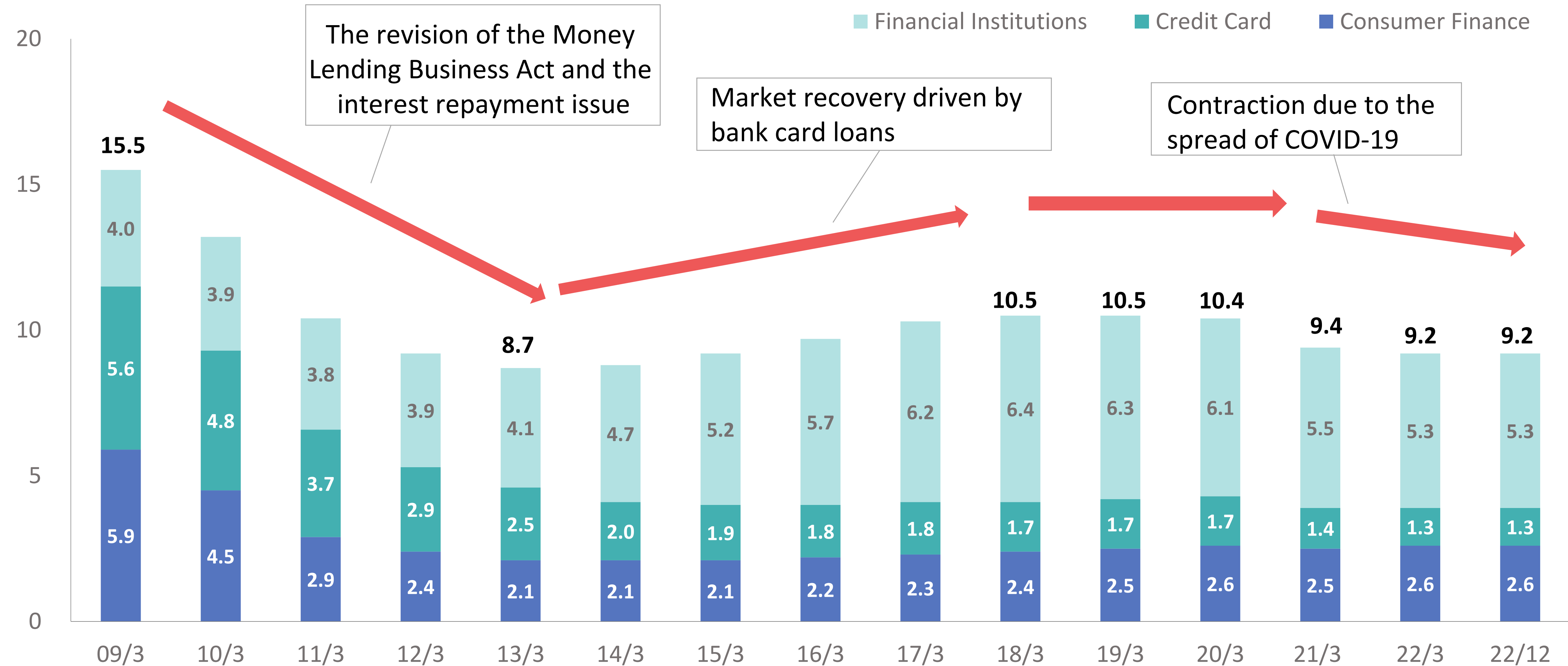
AIFUL Group's Business

All 17 companies in AIFUL Group aim to create businesses that meet all customer needs including FPC Co., Ltd. and Seven Seas Co., Ltd. which joined the Group in FY2022.

<p>Loan / Credit Guarantee</p> 	<p>Small Business Loan</p>  	<p>Credit / Credit Guarantee</p>  	<p>BNPL</p> 
<p>Social Lending</p> 	<p>Venture Capital</p> 	<p>Debt Collection / Restructuring</p>  	<p>Leaseback/Rent Guarantee</p>  
<p>Warehousing</p> 	<p>Small-amount, short-term insurance</p> 	<p>System Engineering Services</p> 	<p>Overseas</p>  

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)

FY2024/3 Forecasts (compare to 2-Year Medium-Term Management Plan)

- Credit cost and advertng cost are expected to increase due to total receivable outstanding growth. As a result, both operating profit and ordinary profit are expected to fall short of 2-Year Medium-Term Management Plan.

(¥ million)	23/3	Revised Plan for FY24/3	YOY	YOY%	Initial Plan for FY24/3	difference from initial plan	difference from initial plan %
Total receivable outstanding	1,015,910	1,156,400	140,489	13.8%	1,120,000	36,400	3.3%
Loan business	648,760	715,600	66,839	10.3%	697,000	18,600	2.7%
Credit card business	142,899	182,000	39,100	27.4%	163,000	19,000	11.7%
Guarantee business	204,078	236,400	32,321	15.8%	244,000	-7,600	-3.1%
Operating revenue	144,152	161,200	17,047	11.8%	157,000	4,200	2.7%
Operating Profit	23,724	25,200	1,475	6.2%	28,000	-2,800	-10.0%
Ordinary Profit	24,428	25,500	1,071	4.4%	28,000	-2,500	-8.9%



Two-Year Cumulative Comparison (FY2023/3 and FY2024/3)

- For the two-year cumulative period, operating expenses are expected to increase 3.9% to 256.4 billion yen and operating profit to decrease 5.6% to 48.9 billion yen, mainly due to an increase in advertising and financial expenses resulting from total receivable outstanding expansion.

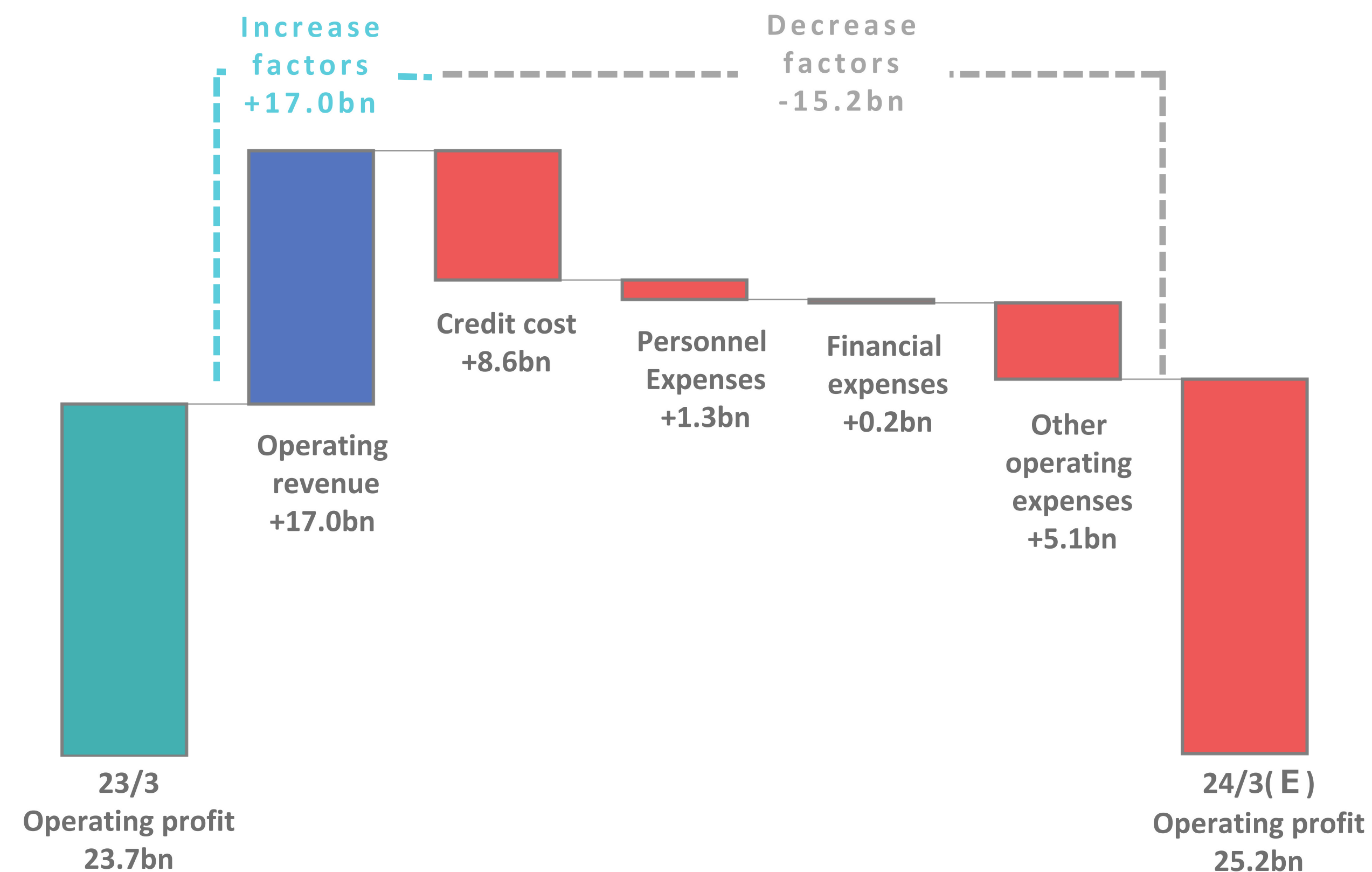
(¥ million)	Initial 2yr Mid-term management plan 23/3 (E) and 24/3(E)	Result for FY23/3 and Revised Plan for FY24/3	difference from initial plan	difference from initial plan %
Operating Revenue	299,600	305,352	5,752	1.9%
Interest on operating loans	173,700	177,530	3,830	2.2%
Revenue from installment receivable	38,400	42,108	3,708	9.7%
Revenue from credit guarantee	34,700	36,030	1,330	3.8%
Operating Expenses	246,800	256,427	9,627	3.9%
Operating Profit	51,800	48,924	-2,875	-5.6%
Ordinary Profit	52,000	49,928	-2,071	-4.0%

Earnings Forecast Outline

23/3 Results and 24/3 Earnings forecast outline

(¥ million)	23/3	24/3(E)	YOY	YOY%
Operating revenue	144,152	161,200	17,047	11.8%
Operating expenses	120,427	136,000	15,572	12.9%
Financial expenses	7,068	7,300	231	3.3%
Expenses for interest repayment	-	-	-	-
Provision for allowance for doubtful account	36,004	44,700	8,695	24.2%
Advertising expenses	16,876	16,800	-76	-0.5%
Personnel expenses	17,386	18,700	1,313	7.6%
Other	43,091	48,300	5,208	12.1%
Operating profit	23,724	25,200	1,475	6.2%
Ordinary profit	24,428	25,500	1,071	4.4%
Profit attributable to owner of parent	22,343	22,600	256	1.1%

Operating profit variance analysis



- Despite an increase in credit cost and other costs associated with total receivable outstanding expansion, operating profit is expected to increase by 1.4 billion yen YoY to 25.2 billion yen.

– Disclaimer –

• The figures contained in this presentation material with respect to AIFUL and AIFUL Group's plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of AIFUL and AIFUL Group which are based on management's assumptions and belief in light of the information currently available to it and involve risks and uncertainties. Therefore, actual results may differ from those in the forward-looking statements due to various factors.

• This English-translated presentation material was prepared solely for the convenience of English speaking investors. If any discrepancies exist, the original Japanese version always prevails. AIFUL and AIFUL Group shall not be liable for any loss or damages arising from this translation.