

**Notice of Recording of Extraordinary Loss (Loss on Valuation of Shares of Subsidiaries and Affiliates),
Revisions to Non-Consolidated Earnings Forecasts, and Dividends of Surplus (Resumption of Dividends)**

AIFUL Corporation (the "Company") hereby announces recording of extraordinary losses for the year ended March 31, 2021 and revisions to the non-consolidated earnings forecast announced on November 11, 2020. In addition, at a meeting of the Board of Directors held today, the Company resolved to pay dividends from retained earnings with a record date of March 31, 2021.

1. Recording of Extraordinary Losses

(1) Valuation loss on shares of subsidiaries and affiliates

The Company has recognized an impairment loss on a non-consolidated basis for the fiscal year ended March 31, 2021, and recorded 4.4 billion yen as an appraisal loss on valuation of shares of subsidiaries and affiliates due to the decline in real value of AIRA & AIFUL Public Company Limited, which is a consolidated subsidiary of the Company.

(2) Impact on our Consolidated Results

The aforementioned loss on valuation of shares of subsidiaries and affiliates is eliminated in the consolidated financial statements, and therefore there is no impact on the consolidated financial results.

2. Revisions to Non-Consolidated Earnings Forecasts

(1) Non-consolidated results for the year ended March 31, 2021

(April 1, 2020 to March 31, 2021)

(Millions of yen)

	Operating Revenue	Operating Profit	Ordinary Profit	Profit	Profit per Share (Yen)
Previous Forecast (A)	78,200	10,500	12,000	12,700	26.26
Revised Forecast (B)	78,800	10,400	11,900	9,500	19.64
Amount of Change (B-A)	600	▲ 100	▲ 100	▲ 3,200	—
Percentage Change (%)	0.8	▲ 1.0	▲ 0.8	▲ 25.2	—
Reference: Earnings for previous FY ended March 31, 2020	77,504	413	1,728	1,639	3.39

(2) Reason for the Revision

As stated in 1. Extraordinary Losses above, while a loss on valuation of shares of subsidiaries and affiliates was recorded, a deferred tax asset was recorded for the portion that is expected to be recovered based on careful consideration of the recoverability of deferred tax assets based on future performance forecasts. As a result, approximately 2.7 billion yen (△ income) was recorded in deferred income taxes.

The consolidated earnings forecast for the fiscal year ended March 31, 2021 remains unchanged from the consolidated earnings forecast in the "Consolidated Financial Results for the Second Quarter of Fiscal Year 2020" announced on November 11, 2020.

The above forecasts are based on information available as of the date of publication of this document, and the actual results may differ from the forecasts due to various factors going forward.

3. Dividends from Retained Earnings (Resumption of Dividends)

(1) Description of Dividend

	Determined amount of Dividend	Latest Forecast of Dividend (November 11, 2020)	Dividend for Previous Fiscal Year (FY March 2020)
Record Date	March 31, 2021	March 31, 2021	March 31, 2020
Dividend per Share	1 yen	0 yen	0 yen
Total Amount of dividend	483 million yen	—	—
Effective Date	June 1, 2021	—	—
Dividend Resource	Retained Earnings	—	—

(2) Reason for the Resumption of Dividends

The Company recognizes that returning profits to our shareholders is one of the most important management issues. The basic policy of the Company is to secure stable internal reserves and return profits to shareholders in accordance with our operating results, while aiming to maximize shareholder value through medium-to long-term profit growth.

With regard to the year-end dividend for the fiscal year, after comprehensively taking into account the business performance and financial condition, the Board of Directors decided at a meeting held today to revise the year-end dividend forecast, which had been initially non-dividend payments, to 1 yen per share and resume dividend payments.

[Reference] Breakdown of Annual Dividends

Record Date	Dividend per share		
	End of second quarter	Year-end	Annual
Actual and planned results for the current fiscal year	0 yen	1 yen	1 yen
Results for the previous fiscal year (ended March 31, 2020)	0 yen	0 yen	0 yen