

Notice of Introduction of Restricted Stock Compensation Plan

At the meeting of the Board of Directors held today, AIFUL Corporation (the "Company") reviewed the directors' compensation plan and resolved to introduce a restricted stock compensation plan (the "Plan").

Accordingly, the Company has decided to submit a proposal on this system to the 45th Annual General Meeting of Shareholders to be held in June 2022 (the "General Meeting of Shareholders") for directors of the Company (excluding directors serving on the Audit and Supervisory Committee and outside directors and non-residents of Japan). The proposal is as follows.

1. Purpose of Introduction of the Plan, etc.

The Plan is a system designed to provide the Company directors (excluding directors serving on the Audit and Supervisory Committee and outside directors and non-residents of Japan; hereinafter referred to as "Eligible Directors") with an incentive to continuously improve the corporate value of the Company and to promote further value sharing with shareholders.

Upon introduction of the Plan, the Eligible Directors will be paid monetary claims as remuneration for grant of restricted stock, provided that the shareholders approve payment of the remuneration at the General Meeting of Shareholders.

At the 38th Annual General Meeting of Shareholders held on June 23, 2015, the amount of compensation paid to the Company directors (excluding directors serving as Audit and Supervisory Committee members) was approved at an annual amount not to exceed 500 million (salaries paid to employees of directors serving concurrently as employees are not included). At the 45th General Meeting of Shareholders, the Company plans to request that shareholders approve introduction of the Plan and the establishment of compensation limits for the Plan for the Eligible Directors within the scope of the above compensation limits.

2. Overview of the Plan

The total amount of monetary claims to be paid to the Eligible Directors under the Plan shall be not more than 50 million yen per annum (excluding salaries for employees of the Board of Directors concurrently serving as employees) and the total number of shares of common stock newly issued or disposed of by the Company shall be not more than 333 thousand shares per annum (provided, however, that in the event of a share split (including gratis share allotment of the Company common stock) or a share consolidation on or after the date of resolution of the general meeting of shareholders, such total number shall be adjusted to a reasonable extent as required in accordance with the split ratio, merger ratio, etc. on or after such effective date).

The Eligible Directors shall pay all monetary claims paid by the Company under the Plan as Properties Contributed in Kind and the Company's common shares shall be issued or disposed. The amount to be paid per share will be determined by the Board of Directors based on the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day prior to the resolution of each Board of Directors meeting (if no transactions are consummated on the same day, the closing price on the most recent trading day prior to that date is applied) to the extent that such amount is not particularly favorable for the Eligible Directors who subscribe the common stock. The specific payment period and allocation to each Eligible Director will be decided by the Board of Directors after consultation with and reporting to the Personnel Committee.

In addition, the issuance or disposition of the Company's common shares by the Plan (hereinafter referred to as the "Shares") is contingent upon the conclusion of a Restricted Stock Allotment Agreement between the Company and the Eligible Directors, which includes

- 1) prohibition of transfer of the Shares to a third party, creation of a security interest, or any other disposition of the Shares for a certain period (hereinafter referred to as the "transfer restriction period"), and
- 2) acquisition of the Shares by the Company without consideration in the event of certain circumstances, etc.

The Shares will be administered in dedicated accounts opened by the Eligible Directors in Nomura Securities Co., Ltd. during the transfer restriction period so that the Shares may not be transferred, secured or otherwise disposed of during the transfer restriction period.

If the proposal regarding the Plan is approved at the General Meeting of Shareholders, the Company plans to introduce the same type of restricted stock compensation as the Plan for executive officers who do not concurrently serve as directors of the Company (excluding non-residents of Japan), directors of the Company subsidiaries (excluding outside directors and non-residents of Japan),

and executive officers of the subsidiaries who do not concurrently serve as directors of the Company subsidiaries (excluding non-residents of Japan).