



(Translation for reference only)

May 10, 2024

## Consolidated Financial Results

For the Fiscal Year ended in March 31, 2024

(Under Japanese GAAP)

Company name: AIFUL Corporation  
 Stock Listing: Tokyo Stock Exchange  
 Stock Code: 8515  
 URL: <https://www.aiful.co.jp>  
 Representative: Mitsuhide Fukuda, President and Chief Executive Officer  
 For inquiry: Kimihiko Yanagi, General Manager of Operation Management Department TEL (03) 4503 – 6050  
 Scheduled date of annual general meeting of shareholders: June 25, 2024  
 Scheduled date of submission of Securities report: June 26, 2024  
 Scheduled date of commencement of dividend payments: June 6, 2024  
 Supplementary materials for financial results: Yes  
 Earnings release conference: Yes (For financial analysts and institutional investors)

### I. Consolidated Financial Results for the Fiscal Year ended in March 31, 2024

(April 1, 2023 – March 31, 2024)

(Amounts less than one million yen have been rounded down)

#### 1. Consolidated Operating Results

(Millions of yen, Percentages indicate year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
Fiscal year ended								
March 31, 2024	163,109	13.2%	21,064	(11.2)%	22,067	(9.7)%	21,818	(2.3)%
March 31, 2023	144,152	9.1%	23,724	111.0%	24,428	99.2%	22,343	81.1%

Note: Comprehensive income: For the Fiscal year ended

March 31, 2024: 22,256 million yen (5.5)%  
 March 31, 2023: 23,550 million yen 90.5%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	Profit to Shareholders' Equity Ratio (%)	Ordinary Profit to Total Assets Ratio (%)	Operating Profit to Operating Revenue Ratio (%)
Fiscal year ended					
March 31, 2024	45.10	–	11.7	1.9	12.9
March 31, 2023	46.19	–	13.5	2.4	16.5

Reference: Equity in earnings of affiliated companies: For the Fiscal year ended

March 31, 2024: 63 million yen  
 March 31, 2023: 184 million yen

#### 2. Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
As of				
March 31, 2024	1,266,374	201,412	15.6	409.04
March 31, 2023	1,070,485	179,593	16.4	364.01

Reference: Shareholders' equity: As of March 31, 2024: 197,909 million yen  
 As of March 31, 2023: 176,072 million yen

### 3. Consolidated Cash Flows

(Millions of yen)

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents at the End of Period
Fiscal year ended				
March 31, 2024	(74,208)	(12,762)	100,929	51,934
March 31, 2023	(70,589)	(8,947)	78,195	37,885

## II. Dividend Information

	Dividend per share (Yen)					Total dividend payment (full year)	Payout Ratio % (Consolidated)	Dividend to equity ratio % (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
FY ended March 31, 2023	—	0.00	—	1.00	1.00	483	2.2	0.3
FY ended March 31, 2024	—	0.00	—	1.00	1.00	483	2.1	0.2
FY ending March 31, 2025 (Forecast)	—	0.00	—	1.00	1.00		2.2	

## III. Consolidated Earnings Forecast for the Fiscal Year ending March 31, 2025

(April 1, 2024 – March 31, 2025)

(Millions of yen, Percentages indicate year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Profit per Share (Yen)
	Amount	%	Amount	%	Amount	%	Amount	%	Amount
Six months ending September 30, 2024	87,900	11.1%	8,900	35.0%	8,800	22.1%	7,900	19.5%	16.33
Fiscal year ending March 31, 2025	180,200	10.5%	23,800	13.0%	24,000	8.8%	21,600	(1.0)%	44.64

### \*Notes

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries resulting changes in scope of consolidation): None

(2) Changes in accounting principles, procedures and methods of presentation

(a) Changes accompanying amendments to accounting standards: None

(b) Changes other than those in (a): None

(c) Change in accounting estimates: None

(d) Restatement: None

(3) Number of shares issued (Common stock)

(a) Number of shares issued at the end of the period (including treasury stock)

FY2023	484,620,136 shares	FY2022	484,620,136 shares
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(b) Number of treasury stock at the end of the period

FY2023	783,316 shares	FY2022	917,614 shares
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(c) Average number of shares during the period

FY2023	483,797,192 shares	FY2022	483,702,593 shares
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(Reference) Highlights of Non-Consolidated Business Results

I. Non-Consolidated Business Results for the Fiscal Year ended in March 31, 2024  
(April 1, 2023 – March 31, 2024)

1. Non-Consolidated Operating Results

(In millions of yen, except where noted; percentage figures show year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit	
Fiscal year ended								
March 31, 2024	103,867	17.4%	24,339	27.2%	27,147	(15.7)%	24,998	(19.4) %
March 31, 2023	88,449	6.4%	19,127	302.1%	32,213	377.4%	31,028	292.2 %

	Profit per Share (Yen)	Diluted Profit per Share (Yen)
Fiscal year ended		
March 31, 2024	51.67	—
March 31, 2023	64.15	—

2. Non-Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
As of				
March 31, 2024	985,303	165,222	16.8	341.48
March 31, 2023	834,868	140,660	16.8	290.80

Reference: Shareholders' equity: As of March 31, 2024 165,222 million yen  
As of March 31, 2023 140,660 million yen

II. Non-Consolidated Earnings Forecast for the Fiscal Year ending March 31, 2025  
(April 1, 2024 – March 31, 2025):

(In millions of yen, except where noted; percentage figures show year-on-year change.)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit		Profit per Share (Yen)
Six months ending September 30, 2024	55,500	12.1%	8,100	60.0%	9,600	49.5%	9,100	47.5%	18.81
Fiscal year ending March 31, 2025	112,200	8.0%	20,300	(16.6)%	23,500	(13.4)%	22,300	(10.8)%	46.09

\* Note: Brief Statement of financial results is not subject to audit procedures that are conducted by a certified public accountant or an audit corporation.

\* Note: Disclaimer concerning the proper use of business results forecasts

The forecasts and other forward-looking statements contained in this Report are based on information currently available to the Company as well as certain assumptions that the AIFUL Group has judged to be reasonable. Accordingly, actual results may differ from the forecasts due to various factors. For matters related to earnings forecast above, please refer to "1. Business Results and Other, (4) Outlook for the fiscal year ending March 2025" on page 5.

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## 1. Business Results and Others

### (1) Overview of Business Results for the Current Fiscal Year

During the consolidated fiscal year under review, Japanese economy showed a gradual recovery as restrictions on activities due to COVID-19 have been lifted and socioeconomic activities have normalized. However, the outlook remains uncertain due to factors such as rising interest rates resulting from changes in the Bank of Japan's monetary easing policy, fluctuations in foreign exchange rates, and rising prices against the backdrop of soaring energy and raw material prices.

In the consumer finance industry, the number of new contracts at major companies has continued to increase year on year and the balance of operating loans has expanded accordingly. Although the status of interest repayment claims is susceptible to changes in the external environment and certain considerations are necessary, the number of claims is steadily decreasing.

Under these circumstances, AIFUL Group has aimed to grow the balance of operating loans and the top line by enhancing UI/UX from a customer's perspective as well as by investing in advertising with an emphasis on efficiency. In addition, we will continue to invest in IT human resources to promote DX and in-house production in order to optimize costs and raise the profit level.

#### (Overview of the Results)

In the consolidated fiscal year under review, AIFUL Group's operating revenue amounted to 163,109 million yen (up 13.2% year on year). The principal components were 95,400 million yen in interest on loans receivable (up 14.6% year on year), 21,625 million yen in revenue from the credit card business (up 5.4% year on year) and 19,408 million yen in revenue from the credit guarantee business (up 14.0 % year on year).

Operating expenses increased 21,618 million yen, or 18.0% year on year, to 142,045 million yen. This was mainly due to an increase of 16,542 million yen or 45.9% year on year in provision for doubtful accounts to 52,546 million yen.

As a result, AIFUL Group's operating profit for the fiscal year under review was 21,064 million yen (down 11.2% year on year), and ordinary profit was 22,067 million yen (down 9.7% year on year). Profit attributable to owners of the parent was 21,818 million yen (down 2.3% year on year) as a result of posting loss attributable to non-controlling interests of 316 million yen.

The results by business segment are as follows.

#### (AIFUL Corporation)

##### Loan business

In the loan business, in addition to effective and efficient advertising strategies mainly on TV commercials and web, the Company is working to increase the number of new contracts and the operating loan balance by implementing initiatives to improve UI/UX and customer satisfaction, such as speedily upgrading official sites, smartphone apps, and application forms through in-house production in the digital field.

As a result, the number of new contracts for unsecured loans was 338,000 (up 12.4% year on year) and the contract rate was 35.9% (up 4.0pt year on year) in the fiscal year under review.

At the end of the fiscal year under review, unsecured loans outstanding were 548,554 million yen (up 11.9% year on year), secured loans outstanding were 1,836 million yen (down 26.6% year on year), small business loans outstanding were 12,522 million yen (up 21.9% year on year), and the total balance of operating loans in the loan segment was 562,913 million yen (up 11.9% year on year) (5,126 million yen off-balance sheet operating loans from the securitization have been included).

#### Credit guarantee business

In the credit guarantee business, AIFUL has leveraged its credit screening know-how for individuals and small- and medium-sized enterprises as well as its unique strengths as an independent entity to increase the credit guarantee balance by promoting the diversification of credit guarantee products and increasing the number of guarantee partners.

As a result, loans outstanding for personal loan guarantee at the end of the fiscal year under review was 162,266 million yen (up 14.1% year on year), and loans outstanding for business loan guarantee was 56,193 million yen (up 32.6% year on year).

Of the credit guarantee for the business loans, 1,415 million yen comes from guarantees provided to AG BUSINESS SUPPORT CORPORATION.

As a result of the above, in the consolidated fiscal year under review, AIFUL posted operating revenue of 103,867 million yen (up 17.4% year on year), operating profit of 24,339 million yen (up 27.2% year on year), ordinary profit of 27,147 million yen (down 15.7% year on year), and profit of 24,998 million yen (down 19.4% year on year).

(LIFECARD Co., Ltd.)

#### Credit card business

In the credit card business, LIFECARD is working to attract new members and increase active cardholders by issuing new alliance and tie-up cards, redesigning proper cards, adding app functions and renewing benefits that meet the needs of customers as well as aggressive advertising.

As a result, the transaction volume for the consolidated fiscal year under review was 741,515 million yen (up 4.0% year on year), and the balance of installment receivables for credit card business at the end of the fiscal year under review was 111,725 million yen (up 4.2% year on year) (6,036 million yen off-balance sheet operating loans from the securitization have been included).

#### Card Cashing

The total amount of loans outstanding at the end of the fiscal year under review in LIFECARD's loan business was 22,708 million yen (down 2.5% year on year) (1,751 million yen off-balance sheet operating loans from the securitization have been included).

#### Credit guarantee business

In the credit guarantee business, LIFECARD leveraged its credit screening know-how for individuals and small- and medium-sized enterprises as well as its unique strengths as an independent entity to increase the credit guarantee balance by promoting the diversification of credit guarantee products and increasing the number of guarantee partners.

As a result, loans outstanding for personal loan guarantee at the end of the fiscal year under review was 28,034 million yen (up 1.0% year on year), and loans outstanding for business loan guarantee was 1,534 million yen (up 21.6% year on year).

As a result of the above, LIFECARD Co., Ltd. recorded operating revenue of 37,669 million yen (up 5.5% year on year), operating profit of 816 million yen (down 35.9% year on year), ordinary profit of 947 million yen (down 33.3% year on year), and profit of 363 million yen (down 60.1% year on year).

(Other)

Six consolidated subsidiaries (AIRA & AIFUL Public Company Limited, AG BUSINESS SUPPORT CORPORATION, AG Loan Services Corporation, AG Capital Co., Ltd., AG Payment Service CO.,LTD and AG Medical Corporation) which are not included in reportable segments for the fiscal year under review, posted operating revenue of 27,004 million yen (up 31.3% year on year), operating loss of 1,659 million yen (compared with operating profit of 1,976 million yen in the previous fiscal year), ordinary loss of 1,629 million yen (compared with ordinary profit of 2,044 million yen in the previous fiscal year), and net loss of 2,319 million yen (compared with profit of 1,958 million yen in the previous fiscal year).

AG MIRAIBARAI CO., LTD was extinguished in an absorption-type merger with AG GUARANTEE CO., LTD. as a surviving company as of January 1, 2024 and AG GUARANTEE CO., LTD. changed its name to AG Payment Service CO., LTD on the same date.

## (2) Overview of Financial Position for the Current Fiscal Year

(Assets, liabilities, net assets)

Assets at the end of the consolidated fiscal year under review increased by 195,888 million yen from the end of the previous fiscal year to 1,266,374 million yen (up 18.3% from the end of the previous fiscal year). This was primarily due to an increase of 94,907 million yen in operating loans and an increase of 31,194 million yen in installment receivables.

Liabilities increased by 174,070 million yen to 1,064,962 million yen (up 19.5% from the end of the previous fiscal year). This was primarily due to an increase of 103,669 million yen in bonds payable and borrowings.

Net assets increased by 21,818 million yen to 201,412 million yen (up 12.1% from the end of the previous fiscal year). The increase was mainly attributable to an increase in retained earnings.

## (3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the consolidated fiscal year under review increased by 14,048 million yen from the end of the previous fiscal year to 51,934 million yen (up 37.1% from the end of the previous fiscal year). The situation of each category of cash flow for the current consolidated fiscal year and the contributing factors are as follows.

(Cash flows from operating activities)

Net cash used for operating activities amounted to 74,208 million yen, an increase of 5.1 % compared with the previous fiscal year. This was mainly due to a decline in funds reflecting an increase in operating loans and installment receivables.

(Cash flows from investing activities)

Net cash used for investing activities amounted to 12,762 million yen, an increase of 42.6 % compared with the previous fiscal year. This was mainly due to purchases of property, plant and equipment and intangible assets.

(Cash flow from financing activities)

Net cash provided by financing activities amounted to 100,929 million yen, an increase of 29.1% compared with the previous fiscal year. This was mainly due to proceeds from issuance of bonds and borrowings exceeding repayments.

#### (4) Outlook for the fiscal year ending March 2025

Regarding the outlook, the number of new contracts and the balance of operating loans are expected to increase as the economy is on a path of gradual recovery. On the other hand, the impact of rising interest rates, fluctuations in foreign exchange rates, and price increases will continue to require close monitoring.

In addition, the environment surrounding the Group is changing rapidly due to new entry from outside industries and acceleration of digital transformation, etc., and it is necessary to respond promptly to the changes.

Under these circumstances, AIFUL Group has formulated a 3-year medium-term management plan starting in the fiscal year ending March 31, 2025. The plan is based on a 10-year long-term vision, "Transformation Towards an IT Company ~ Aiming to be a Company that Lasts for 100 Years ~." Under the theme of the medium-term management plan, "Try Harder: Toward a New Stage of Growth," the Group will strive to raise the profit levels for the entire Group by growing the balance of its mainstay businesses, such as the loan business, the credit guarantee business, and the credit business, and reforming its cost structure. In addition, in order to expand our customer base and acquire new business models toward a new stage of growth, we will invest profits of our mainstay businesses in high-growth businesses and M&A, thereby enhancing our corporate value.

With regard to its earnings forecasts for the fiscal year ending March 2025, the first year of the medium-term management plan, AIFUL Group expects to record operating revenue of 180,200 million yen (up 10.5% year on year), operating profit of 23,800 million yen (up 13.0% year on year), ordinary profit of 24,000 million yen (up 8.8% year on year), and profit attributable to owners of parent of 21,600 million yen (down 1.0% year on year).

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

#### (5) Basic Policies on Profit Distribution and Dividend for the Fiscal Year under Review and Next Fiscal Year

AIFUL Group recognizes that returning profits to our shareholders is one of the most important management issues. The Company's basic policy 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.

As initially planned, we plan to pay a dividend of 1 yen per share at the end of the current fiscal year. For the next fiscal year, we plan to pay an annual dividend of 1 yen per share (1 yen per share at the end of the fiscal year).

## 2. Basic stance on selection of accounting standards

In preparation for the pending application to the IFRS, AIFUL Group is developing internal manuals, guidelines and other documents and examining the timing of the application.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	43,251	56,917
Operating loans	614,229	709,137
Accounts receivables - installment	136,559	167,753
Operational investment securities	2,540	2,989
Customers' liabilities for acceptances and guarantees	221,659	256,096
Other operating receivables	13,185	16,573
Purchased receivables	6,985	8,380
Other	34,576	51,752
Allowance for doubtful accounts	(63,040)	(79,021)
Total current assets	1,009,948	1,190,579
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,837	23,730
Accumulated depreciation	(18,811)	(18,156)
Buildings and structures, net	5,026	5,574
Machinery, equipment and vehicles	450	451
Accumulated depreciation	(292)	(315)
Machinery, equipment and vehicles, net	158	136
Furniture and fixtures	5,440	5,729
Accumulated depreciation	(4,555)	(4,786)
Furniture and fixtures, net	884	942
Land	8,900	8,816
Leased assets	5,316	4,564
Accumulated depreciation	(4,121)	(3,946)
Leased assets, net	1,194	618
Construction in progress	73	1,003
Total property, plant and equipment	16,238	17,092
Intangible assets		
Software	5,888	6,728
Software in progress	2,347	7,448
Other	157	173
Total intangible assets	8,392	14,349
Investment and other assets		
Investment securities	10,978	12,086
Claims provable in bankruptcy	18,167	15,131
Deferred tax assets	15,012	20,212
Lease and guarantee deposits	3,913	3,979
Other	4,417	6,522
Allowance for doubtful accounts	(16,582)	(13,579)
Total investments and other assets	35,906	44,353
Total non-current assets	60,537	75,794
Total assets	1,070,485	1,266,374

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes & accounts payable-trade	43,066	68,069
Acceptances and guarantees	221,659	256,096
Short-term borrowings	69,582	101,627
Short-term loans payable to subsidiaries and associates	1,734	959
Commercial papers	12,000	—
Current portion of bonds	—	30,000
Current portion of long-term borrowings	183,832	233,660
Income taxes payable	2,006	3,871
Allowance for bonuses	1,555	1,671
Provision for directors' bonuses	45	1
Provision for share-based remuneration	50	58
Deferred installment income	7,094	12,854
Other	30,284	38,727
Total current liabilities	572,912	747,598
Non-current liabilities		
Bonds payable	45,000	50,000
Long-term borrowings	249,087	248,657
Deferred tax liabilities	—	107
Provision for loss on interest repayment	17,383	11,760
Other	6,509	6,838
Total non-current liabilities	317,979	317,364
Total liabilities	890,892	1,064,962
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	94,028	94,028
Capital surplus	14,017	14,017
Retained earnings	69,419	90,345
Treasury shares	(3,110)	(2,655)
Total shareholders' equity	174,354	195,735
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,123	1,283
Foreign currency translation adjustment	595	890
Total accumulated other comprehensive income	1,718	2,174
Non-controlling interests	3,520	3,502
Total net assets	179,593	201,412
Total liabilities and net assets	1,070,485	1,266,374

## (2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

### i. Consolidated Statements of Income

(Millions of yen)

	FY ended March 31, 2023 (Apr. 1 2022 to Mar. 31 2023)	FY ended March 31, 2024 (Apr. 1 2023 to Mar. 31 2024)
Operating revenue		
Interest on loans receivable	83,230	95,400
Revenue from credit card business	20,508	21,625
Revenue from installment sales	2,649	4,665
Revenue from credit guarantee	17,030	19,408
Other financial revenue	5	8
Other operating revenue		
Collection from purchased receivable	1,094	1,341
Recoveries of written off claims	7,488	7,428
Other	12,144	13,232
Total other operating revenue	20,727	22,002
Total operating revenue	144,152	163,109
Operating expenses		
Financial expenses		
Interest expenses	5,889	5,984
Interest on bonds	429	568
Other	749	692
Total financial expenses	7,068	7,246
Cost of sales		
Other	229	332
Total cost of sales	229	332
Other operating expenses		
Advertising expenses	16,876	17,788
Commissions	17,958	19,499
Provision of allowance for doubtful accounts	36,004	52,546
Employees' salaries, allowances and bonuses	12,333	13,673
Provision for bonuses	1,462	1,567
Retirement benefit expenses	509	520
Welfare expenses	2,697	2,945
Other	25,288	25,925
Total other operating expenses	113,129	134,466
Total operating expenses	120,427	142,045
Operating profit	23,724	21,064

(Millions of yen)

	FY ended March 31, 2023 (Apr. 1 2022 to Mar. 31 2023)	FY ended March 31, 2024 (Apr. 1 2023 to Mar. 31 2024)
Non-operating income		
Interest on loans receivable	19	83
Share of profit of entities accounted for using equity method	184	63
Foreign exchange gains	204	551
Other	339	342
Total non-operating income	747	1,041
Non-operating expenses		
Provision for doubtful accounts	3	—
Loss on investments in silent partnership	16	—
Infectious disease related costs	4	—
Burden charge payment	0	4
Settlement payments	—	17
Other	18	15
Total non-operating expenses	44	37
Ordinary profit	24,428	22,067
Extraordinary income		
Gain on the sale of fixed assets	—	79
Total extraordinary income	—	79
Extraordinary losses		
Loss on valuation of stocks of subsidiaries and affiliates	14	467
Provision for doubtful accounts	453	186
Total extraordinary losses	468	653
Profit before income taxes	23,959	21,493
Income taxes – current	3,349	5,007
Income taxes – deferred	(2,336)	(5,016)
Total income taxes	1,013	(8)
Profit	22,946	21,502
Profit (loss) attributable to non-controlling interests	603	(316)
Profit attributable to owners of parent	22,343	21,818

ii. Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	FY ended March 31, 2023 (Apr. 1 2022 to Mar. 31 2023)	FY ended March 31, 2024 (Apr. 1 2023 to Mar. 31 2024)
Profit	22,946	21,502
Other Comprehensive income		
Valuation difference on available-for-sale securities	24	160
Foreign currency translation adjustment	579	594
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	604	754
Comprehensive income	23,550	22,256
Comprehensive income attributable to		
Owners of parent	22,656	22,274
Non-controlling interests	894	(18)

### (3) Consolidated Statements of Change in Shareholders' Equity

For the fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2022	94,028	14,017	47,560	(3,110)	152,495
Changes during the period					
Dividends of surplus			(483)		(483)
Profit attributable to owners of parent			22,343		22,343
Purchase of treasury shares				(0)	(0)
Restricted stock compensation					—
Net changes in accounts other than shareholders' equity	—	—	—	—	—
Total change during fiscal year	—	—	21,859	(0)	21,859
Balance at March 31, 2023	94,028	14,017	69,419	(3,110)	174,354

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total		
Balance at April 1, 2022	1,098	306	1,404	2,626	156,526
Changes during the period					
Dividends of surplus					(483)
Profit attributable to owners of parent					22,343
Purchase of treasury stock					(0)
Restricted stock compensation					—
Net changes in accounts other than shareholders' equity	24	288	313	894	1,207
Total change during fiscal year	24	288	313	894	23,067
Balance at March 31, 2023	1,123	595	1,718	3,520	179,593

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2023	94,028	14,017	69,419	(3,110)	174,354
Changes during the period					
Dividends of surplus			(483)		(483)
Profit attributable to owners of parent			21,818		21,818
Purchase of treasury stock				(0)	(0)
Transfer from retained earnings to capital surplus		409	(409)		—
Restricted stock compensation		(409)		455	45
Net changes in accounts other than shareholders' equity	—	—	—	—	—
Total change during fiscal year	—	—	20,925	455	21,380
Balance at March 31, 2024	94,028	14,017	90,345	(2,655)	195,735

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total		
Balance at April 1, 2023	1,123	595	1,718	3,520	179,593
Changes during the period					
Dividends of surplus					(483)
Profit attributable to owners of parent					21,818
Purchase of treasury stock					(0)
Transfer from retained earnings to capital surplus					—
Restricted stock compensation					45
Net changes in accounts other than shareholders' equity	160	295	456	(18)	437
Total change during fiscal year	160	295	456	(18)	21,818
Balance at March 31, 2024	1,283	890	2,174	3,502	201,412

#### (4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY ended March 31, 2023 (Apr. 1 2022 to Mar. 31 2023)	FY ended March 31, 2024 (Apr. 1 2023 to Mar. 31 2024)
Cash flows from operating activities		
Profit before income taxes	23,959	21,493
Depreciation	3,599	3,913
Increase (decrease) in allowance for doubtful accounts	897	12,424
Increase (decrease) in provision for bonuses	139	112
Increase (decrease) in provision for directors' bonuses	4	—
Increase (decrease) in provision for share-based remuneration	50	7
Increase (decrease) in allowance for loss on interest repayment	(7,210)	(5,623)
Interest and dividend income	(54)	(146)
Decrease (increase) in foreign exchange gains	(206)	(551)
Loss on valuation of shares of subsidiaries and associates	14	420
Loss (gain) on valuation of investment securities	—	47
Share of loss (profit) of entities accounted for using equity method	(184)	(63)
Loss (gain) on sale of fixed assets	—	(79)
Decrease (increase) in operating loans receivable	(64,201)	(92,280)
Decrease (increase) in accounts receivable – installment	(26,314)	(31,194)
Decrease (increase) in other operating receivable	(2,943)	(3,387)
Decrease (increase) in purchased receivable	(1,647)	(1,394)
Decrease (increase) in claims provable in bankruptcy	4,400	3,035
Decrease (increase) in business guarantee deposits, etc.	1,218	(41)
Decrease (increase) in other current assets	(9,685)	(17,328)
Increase (decrease) in other current liabilities	9,724	39,274
Other	(471)	147
Subtotal	(68,909)	(71,260)
Interest and dividend income	74	167
Income taxes refund	482	54
Income taxes paid	(2,238)	(3,169)
Cash flow from operating activities	(70,589)	(74,208)
Cash flows from investing activities		
Payments into time deposits	(5,351)	(4,949)
Proceeds from withdrawal of time deposits	5,286	5,332
Purchase of property, plant and equipment	(996)	(2,792)
Proceeds from sales of property, plant and equipment	—	175
Purchase of intangible assets	(3,487)	(7,806)
Purchase of investment securities	(4,246)	(1,302)
Payments of long-term loans receivable	(770)	(2,354)
Proceeds from collection of long-term loans receivable	305	137
Other	314	301
Cash flows from investing activities	(8,947)	(12,762)

(Millions of yen)

	FY ended March 31, 2023 (Apr. 1 2022 to Mar. 31 2023)	FY ended March 31, 2024 (Apr. 1 2023 to Mar. 31 2024)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,304,135	1,635,716
Repayments of short-term borrowings	(1,312,462)	(1,605,238)
Proceeds from issuance of commercial papers	40,500	184,400
Redemption of commercial papers	(31,000)	(196,400)
Proceeds from long-term loans payable	259,557	259,187
Repayments of long-term loans payable	(190,908)	(210,131)
Proceeds from issuance of bonds	45,000	35,000
Redemption of bonds	(35,000)	—
Cash dividends paid	(483)	(483)
Other	(1,142)	(1,119)
Cash flows from financing activities	78,195	100,929
Effect of exchange rate changes on cash and cash equivalents	79	89
Net increase (decrease) in cash and cash equivalents	(1,261)	14,048
Cash and cash equivalents at beginning of period	39,147	37,885
Cash and cash equivalents at end of period	37,885	51,934

(5) Notes to Consolidated Financial Statements

(Notes on premise of going concern)

Not applicable.

(Changes in Presentation Method)

(Consolidated Balance Sheets)

"Software in progress," included in "Software" in the previous consolidated fiscal year, is presented separately from the current consolidated fiscal year due to an increase in its monetary materiality. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 8,235 million yen presented as "Software" in the consolidated financial statements for the previous fiscal year has been reclassified as "Software" of 5,888 million yen and "Software in progress" of 2,347 million yen.

(Consolidated Statements of Income)

We have strengthened recruitment and development of specialists to grow as an IT finance group. Accordingly, "Welfare expenses," included in "Other" under "Other operating expenses" in "Operating expenses" in the previous fiscal year, is presented separately from the current fiscal year to indicate the personnel expenses item more clearly. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 27,985 million yen presented as "Other" under "Other operating expenses" in the "Operating expenses" in the consolidated statement of income for the previous fiscal year has been reclassified as "Welfare expenses" of 2,697 million yen and "Other" of 25,288 million yen.

"Real estate rent," presented as a separate item in the previous fiscal year, is included in "Other" from the current fiscal year because it became 10/100 or less of the total amount of non-operating income. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, "Real estate rent" of 93 million yen and "Other" of 246 million yen, which were presented under "Non-operating income" in the consolidated statements of income for the previous fiscal year have been reclassified as "Other" of 339 million yen.

"Burden charge payment," included in "Other" under "Non-operating expenses" in the previous fiscal year, is presented separately from the current fiscal year because it exceeded 10/100 of the total amount of non-operating expenses. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 18 million yen presented as "Other" under "Non-operating expenses" in the Consolidated Statement of Income for the previous fiscal year has been reclassified as "Burden charge payment" of 0 yen and "Other" of 18 million yen.

(Consolidated Statements of Cash Flows)

"Decrease (increase) in foreign exchange gains," included in "Other" under "Cash flows from operating activities" in the previous fiscal year, is presented separately from the fiscal year under review due to an increase in its materiality. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, negative 677 million yen presented in "Other" under "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year has been reclassified into a negative 206 million yen in "Decrease (increase) in foreign exchange gains" and negative 471 million yen in "Other."

"Payments of long-term loans receivable" and "Proceeds from collection of long-term loans receivable," included in "Other" under "Cash flows from investing activities" in the previous fiscal year, is presented separately from the fiscal year under review due to an increase in its materiality. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, negative 151 million yen presented in "Other" under "Cash flows from investing activities" in the consolidated statements of cash flows for the previous fiscal year has been reclassified into a negative 770 million yen in "Payments of long-term loans receivable," 305 million yen in "Proceeds from collection of long-term loans receivable" and 314 million yen in "Other."

(Notes to consolidated balance sheets)

\*1. Assets pledged as collateral and corresponding liabilities

Assets pledged as collateral

As of March 31, 2023		As of March 31, 2024	
(1) Assets pledged as collateral	(Millions of yen)	(1) Assets pledged as collateral	(Millions of yen)
Cash and deposits	5,332	Cash and deposits	4,949
Operating loans	350,717	Operating loans	370,060
Accounts receivable – installment	45,780	Accounts receivable – installment	48,496
Buildings and structures	3,727	Total	423,506
Machinery and equipment	7		
Furniture and fixtures	64		
Land	8,816		
Total	414,444		
(2) Corresponding liabilities	(Millions of yen)	(2) Corresponding liabilities	(Millions of yen)
Short-term borrowings	56,500	Short-term borrowings	83,140
Current portion of long-term borrowings	102,246	Current portion of long-term borrowings	120,933
Long-term borrowings	156,052	Long-term borrowings	140,840
Total	314,798	Total	344,914

i) The amounts above at the end of the fiscal year under review include amounts related to the securitization of receivables (operating loans of ¥184,506 million, current portion of long-term borrowings of ¥24,937 million and long-term borrowings of ¥74,539 million).

ii) The amounts for some of the operating loans and installment receivables are amounts at the time of registration of the transfer of receivables.

iii) Of the above assets, cash and deposits of ¥422 million are pledged as collateral for PT REKSA FINANCE borrowings.

i) The amounts above at the end of the fiscal year under review include amounts related to the securitization of receivables (operating loans of ¥180,301 million, short-term borrowings of ¥10,000 million, current portion of long-term borrowings of ¥ 33,235 million and long-term borrowings of ¥ 55,933 million).

ii) The amounts for some of the operating loans and installment receivables are amounts at the time of registration of the transfer of receivables.

\*2. Unsecured personal loans included in operating loans

As of March 31, 2023	As of March 31, 2024
¥542,992 million	¥608,233 million

\*3. Shares and other securities issued by non-consolidated subsidiaries and affiliated companies

	As of March 31, 2023	As of March 31, 2024
Investment securities (shares)	¥7,150 million	¥8,076 million
Investment securities (other securities)	¥1,421 million	¥1,519 million

\*4. Accounts receivable - installment

	As of March 31, 2023	As of March 31, 2024
Credit card business	¥100,988 million	¥105,785 million
Installment sales finance business	¥35,570 million	¥61,968 million
Total	¥136,559 million	¥167,753 million

\*5. Deferred installment income

As of March 31, 2023					As of March 31, 2024				
(Millions of yen)					(Millions of yen)				
	Balance at beginning of FY	Receipts during FY	Realized balance during FY	Balance at end of FY		Balance at beginning of FY	Receipts during FY	Realized balance during FY	Balance at end of FY
Credit card shopping	454	1,574	1,466	562	Credit card shopping	562	1,519	1,321	759
Installment sales finance	2,566	7,334	3,368	6,532	Installment sales finance	6,532	12,958	7,396	12,094
Total	3,021	8,908	4,835	7,094	Total	7,094	14,477	8,718	12,854

\*6. Securitization of claims removed from the balance sheet

	As of March 31, 2023	As of March 31, 2024
Operating loans	¥34,531 million	¥29,539 million
Accounts receivable - installment	¥6,340 million	¥6,036 million

\*7. Contingent liability

Guarantee obligation

The Company guarantees loans payable from financial institutions for the Company's non-consolidated subsidiary, PT REKSA FINANCE.

	As of March 31, 2023	As of March 31, 2024
PT REKSA FINANCE	¥3,408 million	¥3,569 million

\*8. Non-performing loans

The status of non-performing loans (NPL) is as follows:

As of March 31, 2023					As of March 31, 2024				
(Millions of yen)					(Millions of yen)				
	Loans outstanding and Claims provable in bankruptcy		Other	Total	Loans outstanding and Claims provable in bankruptcy		Other	Total	
	Unsecured loans	Other than unsecured loans			Unsecured loans	Other than unsecured loans			
Bankrupt or De facto Bankrupt	597	16,052	468	17,118	660	12,854	582	14,098	
Doubtful Receivables	24,940	6,307	8,232	39,480	28,519	8,807	9,865	47,192	
Receivables 3 months+ in arrears	9,556	404	-	9,960	10,913	464	-	11,377	
Restructured receivables	44,743	2,301	4,997	52,042	55,820	2,587	6,725	65,133	
Normal receivables	464,351	62,627	226,414	753,393	513,496	89,544	261,966	865,007	
Total	544,189	87,694	240,112	871,996	609,410	114,258	279,140	1,002,809	

The loan categories in the table above are as follows.

(Bankrupt or De facto Bankruptcy)

Bankrupt or De facto Bankruptcy are loans in which the conditions stipulated under (a) through (e) of sub-paragraph 3, paragraph 1, Article 96 or sub-paragraph 4 of the same paragraph of the Corporation Tax Act Enforcement Ordinance (Enforcement Ordinance No. 97 of 1965) apply. Any amounts deemed necessary to cover possible losses on an individual account basis of the claims in bankruptcy and rehabilitation are posted in the allowances for doubtful accounts.

(Doubtful receivables)

Doubtful receivables are receivables that do not fall under the category of Bankrupt or De facto Bankrupt, and with a high possibility that the repayment situation will deteriorate, and it will not be possible to collect the principal nor interest of the receivables in accordance with the contract.

(Receivables three months or more in arrears)

Receivables three months or more in arrears are receivables for which payments of principal or interest have not been received for a period of three months or more beginning with the next business day following the last due date for such payments. Receivables classified as Bankrupt or De facto Bankruptcy and Doubtful receivables are excluded from loans three months or more in arrears.

(Restructured receivables)

Restructured receivables are receivables for which creditors have granted concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, waiver of the face amount, or other concessive measures) to debtors in financial difficulties to assist them in their recovery and eventually enable them to pay creditors, and which receive regular payments. Receivables classified as Bankrupt or De facto Bankruptcy, Doubtful receivables and Receivables three months or more in arrears are excluded.

(Normal receivables)

Normal receivables are receivables that do not fall under any of the above categories and have no repayment delays.

\*9. Loan commitments related to operating loans

(Previous fiscal year)

Of operating loans including off-balance sheet loans resulting from securitization, ¥553,769 million is loans under revolving credit agreements. Under these agreements, customers may get additional loans up to a specified maximum amount that does not exceed the amount requested by them.

Outstanding loan commitments under revolving credit agreements were ¥811,755 million.

The Group reviews the agreements and takes steps to preserve credit even after concluding the agreements if it considers that taking steps is necessary due to changes in customers' credit standing and other reasons.

Outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments or who have not requested any loans after concluding a credit agreement. Many revolving credit agreements expire with no loans being provided. Therefore, outstanding loan commitments themselves do not necessarily affect the Group's future cash flows.

(Fiscal year under review)

Of operating loans including off-balance sheet loans resulting from securitization, ¥632,554 million is loans under revolving credit agreements. Under these agreements, customers may get additional loans up to a specified maximum amount that does not exceed the amount requested by them.

Outstanding loan commitments under revolving credit agreements were ¥812,491 million.

The Group reviews the agreements and takes steps to preserve credit even after concluding the agreements if it considers that taking steps is necessary due to changes in customers' credit standing and other reasons.

Outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments or who have not requested any loans after concluding a credit agreement. Many revolving credit agreements expire with no loans being provided. Therefore, outstanding loan commitments themselves do not necessarily affect the Group's future cash flows.

\*10. Of the allowances for doubtful accounts, the estimated interest repayment amounts expected to have priority in being appropriated to operating loans are as follows:

As of March 31, 2023	As of March 31, 2024
¥2,160 million	¥1,564 million

\*11. Of other, contract liabilities are as follows:

As of March 31, 2023	As of March 31, 2024
¥3,721 million	¥3,558 million

(Notes to Segment Information)

Segment Information

1. Overview of reporting segments

i) Determination of reporting segments

The Company's reporting segments are the Group's constituent units for which separate financial information is available and which the Board of Directors reviews periodically in order to decide the allocation of managerial resources and evaluate business performance.

The Group carries out business with the Company and each of its consolidated subsidiaries as the smallest component of its strategies.

Therefore, the AIFUL Group's reporting segments are its two core companies: AIFUL Corporation and LIFECARD Co., Ltd.,

ii) Types of products and services belonging to each reporting segment

AIFUL Corporation is mainly engaged in loans and credit guarantees. LIFECARD Co., Ltd., is mainly involved in credit sales and credit guarantees.

2. Calculation of operating revenue, profit or loss, assets, liabilities, etc., of each reporting segment

The accounting methods applied to the reporting segments are the same as those described in "Significant Items Forming the Basis for the Preparation of the Consolidated Financial Statements." Income of the reporting segments is the net profit.

Inter-segment sales and transfers are based on the amount equivalent to the cost of sales at the submitting company.

3. Information related to operating revenue, profit or loss, assets, liabilities, etc., of each reporting segment

Previous fiscal year (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reporting segment			Other*1	Total
	AIFUL	LIFECARD	Subtotal		
Operating revenue					
Operating revenue from third parties	88,294	35,349	123,643	20,508	144,152
Inter-segment sales and transfers	155	339	495	65	560
Total	88,449	35,689	124,138	20,574	144,713
Segment profit	31,028	911	31,939	1,958	33,897
Segment assets	834,868	216,305	1,051,173	143,976	1,195,150

\*1. The “other” classification comprises business segments not included in reporting segments and encompasses the activities of AG BUSINESS SUPPORT CORPORATION and AG Loan Services Corporation, etc.

\*2. Provision of allowance for doubtful accounts is the amount of operating and non-operating expenses.

Fiscal year under review (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reporting segment			Other*1	Total
	AIFUL	LIFECARD	Subtotal		
Operating revenue					
Operating revenue from third parties	99,231	37,071	136,303	26,806	163,109
Inter-segment sales and transfers	4,635	597	5,232	63	5,296
Total	103,867	37,669	141,536	26,869	168,405
Segment profit	24,998	363	25,362	(2,377)	22,985
Segment assets	985,303	245,296	1,230,600	211,439	1,442,039

\*1. The “other” classification comprises business segments not included in reporting segments and encompasses the activities of AG BUSINESS SUPPORT CORPORATION and AG Loan Services Corporation, etc.

\*2. Provision of allowance for doubtful accounts is the amount of operating and non-operating expenses.

4. Difference between the total amount of reportable segments and the amount recorded in the consolidated financial statements and the main details of such difference (matters concerning difference adjustment)

(Millions of yen)

Operating revenue	FY2023/3	FY2024/3
Reporting segment total	124,138	141,536
Operating revenue categorized as “other”	20,574	26,869
Inter-segment eliminations	(560)	(5,296)
Operating revenue posted in consolidated financial statements	144,152	163,109

(Millions of yen)

Profit	FY2023/3	FY2024/3
Reporting segment total	31,939	25,362
Profit categorized as “other”	1,958	(2,377)
Inter-segment eliminations	(11,080)	(2,851)
Other adjustments	(473)	1,684
Profit attributable to owners of parent posted in consolidated financial statements	22,343	21,818

(Millions of yen)

Assets	FY2023/3	FY2024/3
Reporting segment total	1,051,173	1,230,600
Assets categorized as “other”	143,976	211,439
Other adjustments	(124,664)	(175,665)
Total assets posted in consolidated financial statements	1,070,485	1,266,374

(Per Share Information)

Previous FY (Apr. 1 2022 to Mar. 31 2023)		FY under review (Apr. 1 2023 to Mar. 31 2024)	
Net assets per share	¥364.01	Net assets per share	¥409.04
Net income per share	¥46.19	Net income per share	¥45.10

Note 1. Diluted net income per share is omitted because there are no potentially dilutive shares.

2. The basis for calculation of net income per share is as follows:

(Millions of yen)

	Previous FY (Apr. 1 2022 to Mar. 31 2023)	FY under review (Apr. 1 2023 to Mar. 31 2024)
Profit attributable to owners of parent	22,343	21,818
Amount not attributable to common stock shareholders	—	—
Profit attributable to owners of parent related to common stock	22,343	21,818
Average number of shares of common stock during the period	483,702,593 shares	483,797,192 shares

3. The basis for calculation of net assets per share is as follows.

(Millions of yen)

	Previous FY (Apr. 1 2022 to Mar. 31 2023)	FY under review (Apr. 1 2023 to Mar. 31 2024)
Total net assets	179,593	201,412
Amount deducted from total net assets	3,520	3,502
(Of which non-controlling interest)	(3,520)	(3,502)
Net assets related to common stock at end of FY	176,072	197,909
Number of shares of common stock at end of FY used in the calculation of net assets per share	483,702,522 shares	483,836,820 shares

(Important Subsequent Events)

Not applicable

## 4. Non-Consolidated Financial Statements

### (1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	20,826	21,141
Operating loans	495,446	557,786
Accounts receivable - installment	185	162
Customers' liabilities for acceptances and guarantees	184,541	218,459
Other operating receivables	11,326	14,198
Prepaid expenses	407	364
Accrued income	3,562	3,840
Other	9,298	9,793
Allowance for doubtful accounts	(39,854)	(45,930)
<b>Total current assets</b>	<b>685,740</b>	<b>779,817</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	13,008	13,018
Accumulated depreciation	(9,322)	(8,959)
Buildings, net	3,686	4,059
Structures	819	739
Accumulated depreciation	(679)	(622)
Structures, net	139	117
Machinery and equipment	146	146
Accumulated depreciation	(139)	(141)
Machinery and equipment, net	7	5
Vehicles	0	1
Accumulated depreciation	(0)	(0)
Vehicles, net	0	0
Furniture and fixtures	3,479	3,537
Accumulated depreciation	(2,993)	(3,067)
Furniture and fixtures, net	486	470
Land	6,810	6,726
Leased assets	1,194	1,194
Accumulated depreciation	(708)	(899)
Leased assets, net	486	295
Construction in progress	42	1,003
<b>Total property, plant and equipment</b>	<b>11,659</b>	<b>12,678</b>
<b>Intangible assets</b>		
Software	2,289	2,241
Software in progress	1,832	6,970
Other	79	73
<b>Total intangible assets</b>	<b>4,201</b>	<b>9,285</b>
<b>Investments and other assets</b>		
Investment securities	1,279	1,281
Shares of subsidiaries and associates	34,766	25,660
Long-term loans receivable from subsidiaries and associates	83,645	141,423
Claims provable in bankruptcy	11,676	7,645
Long-term prepaid expenses	307	231
Deferred tax assets	10,471	12,088
Lease and guarantee deposits	1,183	1,279
Other	374	347
Allowance for doubtful accounts	(10,437)	(6,436)

Total investments and other assets	133,267	183,521
Total non-current assets	149,127	205,486
Total Assets	834,868	985,303

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Acceptances and guarantees	184,541	218,459
Short-term borrowings	3,550	36,800
Short-term loans payable to subsidiaries and associates	1,734	959
Commercial papers	12,000	—
Current portion of bonds	—	30,000
Current portion of long-term borrowings	177,585	222,002
Lease obligations	209	191
Trade accounts payable	5,412	5,034
Accrued expenses	647	770
Income taxes payable	1,418	3,045
Allowance for bonuses	1,482	1,598
Provision for directors' bonuses	39	—
Provision for share-based remuneration	44	51
Other	539	661
Total current liabilities	389,206	519,575
Non-current liabilities		
Bonds payable	45,000	50,000
Long-term borrowings	241,916	237,222
Lease obligations	328	136
Provision for loss on interest repayment	14,943	9,948
Asset retirement obligations	2,013	2,397
Other	799	800
Total non-current liabilities	305,001	300,505
Total liabilities	694,207	820,080
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	94,028	94,028
Capital surplus		
Capital reserves	52	52
Total capital surplus	52	52
Retained earnings		
Legal retained earnings	96	145
Other retained earnings		
Retained earnings carried forward	49,098	73,155
Total retained earnings	49,195	73,300
Treasury shares	(3,110)	(2,655)
Total shareholders' equity	140,165	164,726
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	494	496
Total valuation and translation adjustments	494	496
Total net assets	140,660	165,222
Total liabilities and net assets	834,868	985,303

## (2) Non-Consolidated Statements of Income

(Millions of yen)

	FY ended March 31, 2023 (Apr. 1 2022 to Mar. 31 2023)	FY ended March 31, 2024 (Apr. 1 2023 to Mar. 31 2024)
Operating revenue		
Interest on operating loans	67,596	76,323
Other financial revenue	0	0
Other operating revenue		
Revenue from credit guarantee	12,447	14,397
Recoveries of written off claims	6,357	6,128
Other	2,048	7,017
Total other operating revenue	20,852	27,543
Total operating revenue	88,449	103,867
Operating expenses		
Financial expenses		
Interest expenses	4,078	4,053
Interest on bonds	429	568
Other	736	684
Total financial expenses	5,245	5,306
Other operating expenses		
Advertising expenses	14,097	13,937
Commissions	6,449	6,842
Provision of allowance for doubtful accounts	22,406	31,172
Employees' salaries, allowances and bonuses	6,657	7,327
Provision for bonuses	876	978
Retirement benefit expenses	306	315
Welfare expenses	1,665	1,851
Depreciation	1,745	1,884
Other	9,871	9,911
Total other operating expenses	64,076	74,221
Total operating expenses	69,322	79,527
Operating profit	19,127	24,339
Non-operating income		
Interest on loans receivables	1,387	1,805
Foreign exchange gains	392	417
Dividends	10,831	37
Other	489	554
Total non-operating income	13,100	2,814
Non-operating expenses		
Provision of allowance for doubtful accounts	3	—
Other	11	6
Total non-operating expenses	15	6
Ordinary profit	32,213	27,147
Extraordinary income		
Gain on the sale of fixed assets	—	79
Total extraordinary income	—	79
Extraordinary losses		
Loss on valuation of stocks of subsidiaries and affiliates	14	420
Provision of allowance for doubtful accounts	453	186
Total extraordinary losses	468	606
Income before taxes	31,744	26,620
Income taxes - current	1,526	3,238
Income taxes - deferred	(809)	(1,617)
Total income taxes	716	1,621
Profit	31,028	24,998

### (3) Non-Consolidated Statements of Change in Shareholders' Equity

Fiscal year ended March 31, 2023

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at April 1, 2022	94,028	52	—	52	48	18,602	18,650
Changes during the period							
Dividends of surplus					48	(532)	(483)
Profit						31,028	31,028
Purchase of treasury shares							
Transfer from retained earnings to capital surplus							
Restricted stock compensation							
Net changes in accounts other than shareholders' equity							
Total change during fiscal year	—	—	—	—	48	30,496	30,544
Balance at March 31, 2023	94,028	52	—	52	96	49,098	49,195

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at April 1, 2022	(3,110)	109,621	475	475	110,096
Changes during the period					
Dividends of surplus		(483)			(483)
Profit		31,028			31,028
Purchase of treasury shares	(0)	(0)			(0)
Transfer from retained earnings to capital surplus		—			—
Restricted stock compensation					—
Net changes in accounts other than shareholders' equity			19	19	19
Total change during fiscal year	(0)	30,544	19	19	30,564
Balance at March 31, 2023	(3,110)	140,165	494	494	140,660

Fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at April 1, 2023	94,028	52	—	52	96	49,098	49,195
Changes during the period							
Dividends of surplus					48	(532)	(483)
Profit						24,998	24,998
Purchase of treasury shares							
Transfer from retained earnings to capital surplus			409	409		(409)	(409)
Restricted stock compensation			(409)	(409)			
Net changes in accounts other than shareholders' equity							
Total change during fiscal year	—	—	—	—	48	24,057	24,105
Balance at March 31, 2024	94,028	52	—	52	145	73,155	73,300

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at April 1, 2023	(3,110)	140,165	494	494	140,660
Changes during the period					
Dividends of surplus		(483)			(483)
Profit		24,998			24,998
Purchase of treasury shares	(0)	(0)			(0)
Transfer from retained earnings to capital surplus		—			—
Restricted stock compensation	455	45			45
Net changes in accounts other than shareholders' equity			1	1	1
Total change during fiscal year	455	24,560	1	1	24,562
Balance at March 31, 2024	(2,655)	164,726	496	496	165,222