



(Translation for reference only)

August 9, 2024

Consolidated Financial Results for the First Quarter of Fiscal Year 2024

For the Three Months Ended June 30, 2024

(Under Japanese GAAP)

Company name: AIFUL Corporation
 Stock Listing: Tokyo Stock Exchange
 Stock Code: 8515
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 Scheduled date of commencement of dividend payments: –
 Supplementary materials for financial results: Yes
 Earnings release conference: None

I. Consolidated Financial Results for the First Quarter of Fiscal Year 2024

(April 1, 2024 – June 30, 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	
Three months ended								
June 30, 2024	44,629	15.4%	3,771	21.3%	3,901	14.5%	3,722	25.4%
June 30, 2023	38,665	11.5%	3,108	(53.0)%	3,408	(49.2)%	2,968	(50.1)%

Note: Comprehensive income: For the three months ended
 June 30, 2024: 3,384 million yen 5.1%
 June 30, 2023: 3,220 million yen (49.3)%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Three months ended		
June 30, 2024	7.70	–
June 30, 2023	6.14	–

2. Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)
As of			
June 30, 2024	1,329,930	202,997	15.0
March 31, 2024	1,266,374	201,412	15.6

Reference: Shareholders' equity: As of June 30, 2024: 199,712 million yen
 As of March 31, 2024: 197,909 million yen

II. Dividend Information

	Dividend per share (Yen)				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
FY ended March 31, 2024	–	0.00	–	1.00	1.00
FY ended March 31, 2025	–				
FY ending March 31, 2025 (Forecast)		0.00	–	1.00	1.00

Note: Revisions to dividend forecasts: None

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	% Change	Amount	% Change	Amount	% Change	Amount	% Change	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

Note: Revisions to consolidated earnings forecasts: None

*Notes

(1) Significant changes in the scope of consolidation during the three months ended June 30, 2024: Yes

Included: 2 companies (FPC Co., Ltd. and BitCash Inc.)

Excluded: –

Note: The above two companies are included in the scope of consolidation due to an increase in the number of subsidiaries as a result of M&A. For more details, please refer to “3. Consolidated Financial Statements, (4) Notes to Consolidated Financial Statements (Significant Changes in Scope of Consolidation)” on page 12.

(2) Adoption of special accounting methods for quarterly consolidated financial statements: None

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

(a) Changes accompanying amendments to accounting standards: Yes

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

(c) Change in accounting estimates: None

(d) Restatement: None

Note: The change in accounting principles is due to application of “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022), etc. For more details, please refer to “3. Consolidated Financial Statements, (4) Notes to Consolidated Financial Statements (Changes in Accounting Standards)” on page 12.

(4) Number of shares issued (Common stock)

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

FY2024 1Q	484,620,136 shares	FY2023	484,620,136 shares
FY2024 1Q	4,158,228 shares	FY2023	783,316 shares
FY2024 1Q	483,147,588 shares	FY2023 1Q	483,702,522 shares

(b) Number of treasury stock at the end of the period

(c) Average number of shares during the period

* A review for quarterly consolidated financial statements that is conducted by a certified public accountant or an audit corporation: None

* 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. Quarterly Qualitative Information on Business Results, (3) Qualitative Information on the Forecasts for the Consolidated Business Results” on page 5.

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1. Quarterly Qualitative Information on Business Results

(1) Qualitative Information on Business Results

In the non-bank industry surrounding the Group, the number of new contracts and the balance of operating loans outstanding in the consumer finance business have continued to increase against a backdrop of brisk capital needs. 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 formulated a 3-year Medium-term Management Plan with the fiscal year ending March 2027 as the final year, based on our 10-year long-term vision "Transformation Towards an IT COMPANY: Aiming to Become a Company that Lasts 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 group's profit level by pursuing growth of the balances in core businesses such as the loan business, the credit guarantee business and the credit business, and reforming its cost structure. In addition, we will invest in high-growth businesses and M&A to achieve increased corporate value as we move toward a new stage of growth.

FPC Co., Ltd., a non-consolidated subsidiary to which the equity method was applied until the previous fiscal year, became a consolidated subsidiary from the first quarter of the current fiscal year due to an increase in its materiality. In addition, in the first quarter of the current fiscal year, the Company acquired shares of BitCash Inc. on June 28, 2024, making it a consolidated subsidiary. For BitCash Inc., only the balance sheet is consolidated in the first quarter of the current fiscal year because the deemed acquisition date was June 30, 2024.

(Overview of the Results)

During the three months ended June 30, 2024, AIFUL Group's operating revenue amounted to 44,629 million yen (up 15.4 % year on year). The principal components were 25,699 million yen in interest on loans receivable (up 13.8 % year on year), 5,416 million yen in revenue from the credit card business (up 2.5 % year on year) and 5,095 million yen in revenue from the credit guarantee business (up 8.7 % year on year). Operating expenses increased 5,300 million yen, or 14.9 % year on year, to 40,857 million yen. This was mainly due to an increase of 2,513 million yen year on year in provision for doubtful accounts.

In addition, as a result of the consolidation of FPC Co., Ltd., which operates an insurance business, insurance premiums increased 1,114 million yen and insurance claims and others increased 896 million yen.

As a result, AIFUL Group's operating profit for the first quarter of fiscal year 2024 was 3,771 million yen (up 21.3% year on year), and ordinary profit was 3,901 million yen (up 14.5% year on year). Profit attributable to owners of the parent was 3,722 million yen (up 25.4% year on year) as a result of posting loss attributable to non-controlling interests of 243 million yen.

The results by business segment are as follows.

(AIFUL Corporation)

Loan business

In the loan business, the Company has worked to increase the number of new contracts and the operating loan balance by implementing initiatives to improve UI/UX and customer satisfaction through in-house production in the digital field, such as

upgrading official sites and smartphone apps, in addition to an advertising strategy that emphasizes efficiency.

As a result, the number of new contracts for unsecured loans was 89,000 (up 0.7 % year on year) and the contract rate was 36.2 % (up 5.1pt year on year) in the first quarter of the current fiscal year.

At the end of the first quarter of the current fiscal year, unsecured loans outstanding were 561,051 million yen (up 2.3% from the end of the previous fiscal year), secured loans outstanding were 1,720 million yen (down 6.3% from the end of the previous fiscal year), small business loans outstanding were 13,111 million yen (up 4.7% from the end of the previous fiscal year), and the total balance of operating loans in the loan segment was 575,882 million yen (up 2.3% from the end of the previous fiscal year) (1,021 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 first quarter of the current fiscal year was 165,953 million yen (up 2.3% from the end of the previous fiscal year), and loans outstanding for business loan guarantee was 58,835 million yen (up 4.7 % from the end of the previous fiscal year).

Of the credit guarantee for the business loans, 1,276 million yen comes from guarantees provided to AG BUSINESS SUPPORT CORPORATION.

As a result of the above, in the first quarter of the current fiscal year, AIFUL posted operating revenue of 26,474 million yen (up 5.8% year on year), operating profit of 3,156 million yen (down 7.5% year on year), ordinary profit of 4,335 million yen (up 2.1% year on year), and profit of 4,036 million yen (up 1.1% year on year).

(LIFECARD Co., Ltd.)

Credit card business

In the credit card business, LIFECARD has worked to acquire new members and increase active cardholders by expanding the design of Gold Cards, adding app functions to meet customer needs and developing new acquisition sales channels.

As a result, the transaction volume for the first quarter of the current fiscal year was 188,954 million yen (up 4.0% year on year), and the balance of installment receivables for credit card business at the end of the first quarter of the current fiscal year was 109,940 million yen (down 1.6 % from the end of the previous fiscal year) (5,978 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 first quarter of the current fiscal year in LIFECARD's loan business was 22,431 million yen (down 1.2% from the end of the previous fiscal year) (1,734 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 first quarter of the current fiscal year was 27,964 million yen (down 0.2 % from the end of the previous fiscal year), and loans outstanding for business loan guarantee was 1,590 million yen (up 3.7 % from the end of the previous fiscal year).

As a result of the above, LIFECARD Co., Ltd. recorded operating revenue of 9,510 million yen (up 2.0% year on year), operating profit of 179 million yen (down 50.2% year on year), ordinary profit of 199 million yen (down 48.1% year on year), and profit of 429 million yen (up 60.7% year on year).

(Other)

Eight consolidated subsidiaries (AIRA & AIFUL Public Company Limited, AG BUSINESS SUPPORT CORPORATION, AG Loan Services Corporation, AG Capital Co., Ltd., AG Payment Service CO.,LTD, AG Medical Corporation, FPC Co., Ltd. and BitCash Inc.) which are not included in reportable segments for the first quarter of the current fiscal year, posted operating revenue of 8,761 million yen (up 50.5% year on year), operating loss of 322 million yen (compared with operating profit of 201 million yen in the previous fiscal year), ordinary loss of 312 million yen (compared with ordinary profit of 206 million yen in the previous fiscal year), and net loss of 334 million yen (compared with net loss of 152 million yen in the previous fiscal year).

In addition, as a result of the consolidation of FPC Co., Ltd., which operates an insurance business, insurance premiums increased 1,114 million yen and insurance claims and others increased 896 million yen.

(Financial Position)

Assets at the end of the first quarter of the current fiscal year increased by 63,556 million yen from the end of the previous fiscal year to 1,329,930 million yen (up 5.0% from the end of the previous fiscal year). This was primarily due to an increase of 22,572 million yen in operating loans and an increase of 5,931 million yen in installment receivables.

Liabilities increased by 61,971 million yen to 1,126,933 million yen (up 5.8% from the end of the previous fiscal year). This was primarily due to an increase in funding through borrowings from financial institutions, etc.

Net assets increased by 1,585 million yen to 202,997 million yen (up 0.8% from the end of the previous fiscal year). The increase was mainly attributable to an increase in financing-related transactions due to borrowings from financial institutions.

(2) Overview of Cash Flows for the first quarter of fiscal year 2024

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the first quarter of the current fiscal year increased by 3,992 million yen from the end of the previous fiscal year to 55,927 million yen (up 7.7 % from the end of the previous fiscal year). The situation of each category of cash flow for the first quarter of the current fiscal year and the contributing factors are as follows.

(Cash flows from operating activities)

Net cash used for operating activities amounted to 37,965 million yen, an increase of 51.8 % year on 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 10,620 million yen, an increase of 367.2% year on year. This was mainly due to purchase of shares of subsidiaries resulting in a change in scope of consolidation.

(Cash flow from financing activities)

Net cash provided by financing activities amounted to 50,467 million yen, an increase of 29.6% year on year. This was mainly due to proceeds from borrowings exceeding repayments.

(3) Qualitative Information on the Forecasts for the Consolidated Business Results

The Group's earnings forecast for the fiscal year ending March 31, 2025 remains unchanged from the earnings forecast announced on May 10, 2024. However, these forecasts are based on information available as of the date of publication of these materials. There are various risks in the current business environment surrounding us, and the final results may differ from the forecasts.

2. Critical Contracts for Operation

Critical contracts for operation during the first quarter of the current fiscal year under review are as follows.

The Company entered into an agreement to acquire 100% of shares of BitCash Inc. on June 11, 2024 and acquired the shares on June 28, 2024. The details are described in "3. Quarterly Consolidated Financial Statements and Notes (4) Notes to Quarterly Consolidated Financial Statements (Notes to Business Combinations)."

3. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	56,917	60,613
Operating loans	709,137	731,709
Accounts receivables - installment	167,753	173,685
Operational investment securities	2,989	3,105
Customers' liabilities for acceptances and guarantees	256,096	262,407
Other operating receivables	16,573	17,316
Purchased receivables	8,380	8,567
Accrued receivables	23,570	36,203
Other	28,181	27,933
Allowance for doubtful accounts	(79,021)	(80,656)
Total current assets	1,190,579	1,240,885
Non-current assets		
Property, plant and equipment	17,092	16,982
Intangible assets		
Goodwill	—	12,141
Other	14,349	16,315
Total intangible assets	14,349	28,457
Investment and other assets	44,353	43,605
Total non-current assets	75,794	89,044
Total assets	1,266,374	1,329,930

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes & accounts payable-trade	68,069	69,908
Acceptances and guarantees	256,096	262,407
Short-term borrowings	101,627	103,118
Short-term loans payable to subsidiaries and associates	959	974
Commercial papers	—	31,200
Current portion of bonds	30,000	—
Current portion of long-term borrowings	233,660	237,975
Income taxes payable	3,871	810
Reserves	1,730	949
Other	51,581	55,687
Total current liabilities	747,598	763,031
Non-current liabilities		
Bonds payable	50,000	80,000
Long-term borrowings	248,657	264,156
Provision for loss on interest repayment	11,760	10,784
Policy reserves and others	—	2,100
Other	6,946	6,861
Total non-current liabilities	317,364	363,902
Total liabilities	1,064,962	1,126,933
Net Assets		
Shareholders' equity		
Capital stock	94,028	94,028
Capital surplus	14,017	14,017
Retained earnings	90,345	93,583
Treasury shares	(2,655)	(3,971)
Total shareholders' equity	195,735	197,658
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,283	1,137
Foreign currency translation adjustment	890	916
Total accumulated other comprehensive income	2,174	2,054
Non-controlling interests	3,502	3,284
Total net assets	201,412	202,997
Total liabilities and net assets	1,266,374	1,329,930

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

i. Quarterly Consolidated Statements of Income Three months ended June 30

	(Millions of yen)	
	Three months ended Jun 30, 2023 (Apr 1, 2023 to Jun 30, 2023)	Three months ended Jun 30, 2024 (Apr 1, 2024 to Jun 30, 2024)
Operating revenue		
Interest on loans receivable	22,584	25,699
Revenue from credit card business	5,284	5,416
Revenue from installment sales	920	1,636
Revenue from credit guarantee	4,687	5,095
Other financial revenue	1	6
Insurance premiums	—	1,114
Other operating revenue	5,187	5,661
Total operating revenue	38,665	44,629
Operating expenses		
Financial expenses	1,761	2,259
Cost of sales	20	128
Insurance claims and others	—	896
Other operating expenses	33,775	37,573
Total operating expenses	35,557	40,857
Operating profit	3,108	3,771
Non-operating income		
Dividend income	20	5
Share of profit of entities accounted for using equity method	—	0
Foreign exchange gains	326	72
Other	47	56
Total non-operating income	394	135
Non-operating expenses		
Provision for doubtful accounts	10	1
Share of loss of entities accounted for using equity method	75	—
Other	7	4
Total non-operating expenses	93	5
Ordinary profit	3,408	3,901
Profit before income taxes	3,408	3,901
Income taxes – current	57	410
Income taxes – deferred	292	12
Total income taxes	350	422
Profit	3,058	3,478
Profit (loss) attributable to non-controlling interests	89	(243)
Profit attributable to owners of parent	2,968	3,722

ii. Quarterly Consolidated Statements of Comprehensive Income
Three months ended June 30

	(Millions of yen)	
	Three months ended Jun 30, 2023 (Apr 1, 2023 to Jun 30, 2023)	Three months ended Jun 30, 2024 (Apr 1, 2024 to Jun 30, 2024)
Profit	3,058	3,478
Other Comprehensive income		
Valuation difference on available-for-sale securities	(40)	(145)
Foreign currency translation adjustment	202	51
Share of other comprehensive income of entities accounted for using equity method	0	0
Total other comprehensive income	161	(93)
Comprehensive income	3,220	3,384
Comprehensive income attributable to		
Owners of parent	3,028	3,602
Non-controlling interests	191	(217)

(3) Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	Three months ended Jun 30, 2023 (Apr 1, 2023 to Jun 30, 2023)	Three months ended Jun 30, 2024 (Apr 1, 2024 to Jun 30, 2024)
Cash flows from operating activities		
Profit before income taxes	3,408	3,901
Depreciation	888	995
Amortization of goodwill	—	55
Increase (decrease) in policy reserves and others	—	46
Increase (decrease) in allowance for doubtful accounts	(263)	1,122
Increase (decrease) in provision for bonuses	(727)	(823)
Increase (decrease) in provision for share-based remuneration	8	17
Increase (decrease) in allowance for loss on interest repayment	(1,785)	(976)
Interest and dividend income	(26)	(17)
Decrease (increase) in foreign exchange gains	(323)	59
Share of loss (profit) of entities accounted for using equity method	75	(0)
Decrease (increase) in operating loans receivable	(19,940)	(22,314)
Decrease (increase) in accounts receivable – installment	(5,289)	(5,931)
Decrease (increase) in other operating receivable	(624)	(743)
Decrease (increase) in accrued receivables	(528)	(8,546)
Decrease (increase) in purchased receivable	145	(187)
Decrease (increase) in claims provable in bankruptcy	1,372	461
Decrease (increase) in business guarantee deposits, etc.	(41)	—
Decrease (increase) in other current assets	705	344
Increase (decrease) in other current liabilities	(859)	(2,042)
Other	305	(317)
Subtotal	(23,502)	(34,896)
Interest and dividend income	46	37
Income taxes paid	(1,560)	(3,106)
Cash flow from operating activities	(25,015)	(37,965)
Cash flows from investing activities		
Payments into time deposits	(4,920)	(4,652)
Proceeds from withdrawal of time deposits	4,910	4,949
Purchase of property, plant and equipment	(266)	(139)
Purchase of intangible assets	(1,385)	(2,854)
Purchase of investment securities	—	(469)
Purchase of shares of subsidiaries resulting in a change in scope of consolidation	—	(6,759)
Other	(610)	(695)
Cash flows from investing activities	(2,273)	(10,620)

(Millions of yen)

	Three months ended Jun 30, 2023 (Apr 1, 2023 to Jun 30, 2023)	Three months ended Jun 30, 2024 (Apr 1, 2024 to Jun 30, 2024)
Cash flows from financing activities		
Proceeds from short-term borrowings	341,692	604,249
Repayments of short-term borrowings	(335,706)	(602,830)
Proceeds from issuance of commercial papers	57,600	61,600
Redemption of commercial papers	(45,400)	(30,400)
Proceeds from long-term loans payable	59,429	88,700
Repayments of long-term loans payable	(52,893)	(68,918)
Proceeds from issuance of bonds	15,000	30,000
Redemption of bonds	—	(30,000)
Cash dividends paid	(483)	(483)
Purchase of treasury stock	—	(1,315)
Other	(287)	(133)
Cash flows from financing activities	38,951	50,467
Effect of exchange rate changes on cash and cash equivalents	22	26
Net increase (decrease) in cash and cash equivalents	11,684	1,906
Cash and cash equivalents at beginning of period	37,885	51,934
Increase in cash and cash equivalents from newly consolidated subsidiaries	—	2,086
Cash and cash equivalents at end of period	49,570	55,927

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable.

(Significant Changes in Scope of Consolidation)

FPC Co., Ltd., a non-consolidated subsidiary to which the equity method was applied until the previous fiscal year, became a consolidated subsidiary from the first quarter of the current fiscal year due to an increase in its materiality. In addition, in the first quarter of the current fiscal year, the Company acquired shares of BitCash Inc. on June 28, 2024, made it a consolidated subsidiary. For BitCash Inc., only the balance sheet is consolidated in the first quarter of the current fiscal year because the deemed acquisition date was June 30, 2024.

(Changes in Accounting Standards)

(Application of Accounting Standard for Current Income Taxes)

Effective from the beginning of the first quarter of the current fiscal year, the Company has applied "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter referred to as the "Revised Accounting Standard 2022").

As a result, the Company has changed the classification of income taxes to be charged on other comprehensive income and the treatment of tax effects related to the sale of shares of subsidiaries when the corporate group tax system is applied.

In addition, with regard to revisions related to the classification of income taxes (taxation on other comprehensive income), the Company follows the transitional treatment in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment in Paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022).

There are no impacts on the consolidated financial statements for the first quarter of the fiscal year under review.

(Additional Information)

(Significant Accounting Policies for Preparation of Consolidated Financial Statements)

Accounting Policies

i) Goodwill amortization method and amortization period

The straight-line method is applied over a certain number of years within 20 years. However, if the amount of goodwill is immaterial, it is treated as an expense in the consolidated fiscal year in which the goodwill arises.

ii) Policy reserve accumulation method

Policy reserves, which account for the majority of policy reserves and others, are reserves based on Article 116 of the Insurance Business Act and are calculated in accordance with Article 211-46, paragraph 1 of the Regulation for Enforcement of the Insurance Business Act.

(Notes in Case of any Significant Changes in the Amount Shareholders' Equity)

Three months ended June 30, 2023 (Apr 1, 2023 to Jun 30, 2023)

1. Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share	Record date	Effective date	Source of dividends
Board of Directors meeting held on April 24, 2023	Common stock	483	1.00	March 31, 2023	June 8, 2023	Retained earnings

2. Dividends whose record date is in the three months ended June 30, 2023 but whose effective date is after June 30, 2023

Not applicable

Three months ended June 30, 2024 (Apr 1, 2024 to Jun 30, 2024)

1. Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share	Record date	Effective date	Source of dividends
Board of Directors meeting held on May 10, 2024	Common stock	483	1.00	March 31, 2024	June 6, 2024	Retained earnings

2. Dividends whose record date is in the three months ended June 30, 2024 but whose effective date is after June 30, 2024

Not applicable

3. Significant Changes in the Amount of Shareholders' Equity

(Repurchase of own shares)

The Company repurchased 3,373,900 shares during the three months ended June 30, 2024, in accordance with a resolution of the Board of Directors meeting held on May 27, 2024. As a result, treasury stock increased by 1,315 million yen.

(Notes to Business Combinations)

Business combination through acquisition of shares

1. Outline of business combination

i) Name and business of the acquired company

Name of acquired company: BitCash Inc.

Business: Issuance of prepaid electronic money, electronic payment service using electronic money

ii) Main reasons for business combination

BitCash Inc. is a fee-based business that does not require funds and the Company aims to increase revenue by expanding its share in the payments market, which has high profit margin.

iii) Date of business combination

June 28, 2024 (Share acquisition date)

June 30, 2024 (Deemed acquisition date)

iv) Legal form of business combination

Acquisition of shares

v) Corporate name following combination

No change.

vi) Percentage of voting rights acquired

100.0%

vii) Main rationale for determining the company to acquire

This is due to the Company acquiring shares in exchange for cash.

2. Period of the acquired company's results included in the quarterly consolidated statements of income for the consolidated cumulative quarter

As the deemed acquisition date is June 30, 2024, only the balance sheet is consolidated, and the results of the acquired company are not included in the quarterly consolidated statements of income for the first quarter of the current fiscal year.

3. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	¥9,200 million
Acquisition cost		¥9,200 million

4. Amount of goodwill incurred, reason for incurrence, amortization method and amortization period

i) Amount of goodwill incurred: ¥9,101 million

As the allocation of the acquisition cost has not been completed, the amount of goodwill is provisional.

ii) Reason for incurrence

This is mainly the excess earnings power expected from future business development.

iii) Goodwill amortization method and amortization period

Goodwill is amortized on a straight-line basis over the period in which it is effective. The amortization period is under calculation.

(Notes to Segment Information)

Segment Information

Three months ended June 30, 2023 (Apr 1, 2023 to Jun 30, 2023)

1. Information related to operating revenue and profit or loss of each reporting segment

(Millions of yen)

	Reporting segment			Other*1	Total
	AIFUL	LIFECARD	Subtotal		
Operating revenue					
Operating revenue from third parties	23,606	9,253	32,859	5,806	38,665
Inter-segment sales and transfers	1,418	69	1,487	16	1,504
Total	25,025	9,322	34,347	5,822	40,170
Segment profit (loss)	3,991	267	4,259	(152)	4,106

*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. Difference between the total amount of profit 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)

Profit	Amount
Reporting segment total	4,259
Profit categorized as “other”	(152)
Inter-segment eliminations	15
Other adjustments	(1,154)
Profit attributable to owners of parent posted in consolidated financial statements	2,968

Three months ended June 30, 2024 (Apr 1, 2024 to Jun 30, 2024)

1. Information related to operating revenue and profit or loss of each reporting segment

(Millions of yen)

	Reporting segment			Other*1	Total
	AIFUL	LIFECARD	Subtotal		
Operating revenue					
Operating revenue from third parties	26,461	9,421	35,882	8,746	44,629
Inter-segment sales and transfers	13	88	101	15	117
Total	26,474	9,510	35,984	8,761	44,746
Segment profit (loss)	4,036	429	4,466	(334)	4,131

*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. Difference between the total amount of profit 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)

Profit	Amount
Reporting segment total	4,466
Profit categorized as “other”	(334)
Inter-segment eliminations	(368)
Other adjustments	(40)
Profit attributable to owners of parent posted in consolidated financial statements	3,722

3. Information related to impairment loss on non-current assets or goodwill of each reporting segment

(Significant changes in the amount of goodwill)

Goodwill increased by 12,141 million yen due to inclusion of FPC Co., Ltd. and BitCash Inc. in the scope of consolidation in the first quarter under review.

The amount of goodwill for which the allocation of acquisition cost has not been completed is calculated on a provisional basis.