



(Translation for reference only)

February 7, 2025

Consolidated Financial Results for the Third Quarter of Fiscal Year 2024

For the Nine Months Ended December 31, 2024

(Under Japanese GAAP)

Company name: AIFUL Corporation
 Stock Listing: Tokyo Stock Exchange
 Stock Code: 8515
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 Representative: Mitsuhide Fukuda, President and Chief Executive Officer
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 Scheduled date of commencement of dividend payments : —
 Supplementary materials for Quarterly Financial results: Yes
 Earnings release conference: Yes

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

(April 1, 2024 – December 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	
Nine months ended								
December 31, 2024	140,512	15.6%	18,826	22.4%	19,758	22.1%	14,903	3.3%
December 31, 2023	121,518	13.0%	15,386	(13.3)%	16,188	(11.6)%	14,424	(14.5)%

Note: Comprehensive income: For the nine months ended

December 31, 2024 14,824 million yen (2.5)%

December 31, 2023 15,210 million yen (14.9)%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Nine months ended		
December 31, 2024	31.03	—
December 31, 2023	29.82	—

2. Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)
As of			
December 31, 2024	1,391,057	213,808	15.1
March 31, 2024	1,266,374	201,412	15.6

Reference: Shareholders' equity:

As of December 31, 2024 210,633 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 ending March 31, 2024	—	0.00	—	1.00	1.00
FY ending March 31, 2025	—	0.00	—		
FY ending March 31, 2025 (Forecast)				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)
Fiscal year ending March 31, 2025	188,500	15.6%	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 interim period ended December 31, 2024: Yes

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

Excluded: –

Note: The above two companies are included in the scope of consolidation as a result of M&A. For more details, please refer to “2. Quarterly Consolidated Financial Statements, (4) Notes to Quarterly Consolidated Financial Statements (Significant Changes in Scope of Consolidation and Application of the Equity Method)” on page 12.

(2) Adoption of special accounting methods for interim 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 “2. Quarterly Consolidated Financial Statements, (4) Notes to Quarterly 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 3Q	484,620,136 shares	FY2023	484,620,136 shares
FY2024 3Q	5,789,854 shares	FY2023	783,316 shares
FY2024 3Q	480,318,276 shares	FY2023 3Q	483,784,079 shares

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

(c) Average number of shares during the period (interim period)

* A review for interim 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) 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 AIFUL 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, the 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, and the deemed acquisition date was June 30, 2024.

(Overview of the Results)

During the nine months ended December 31, 2024, AIFUL Group's operating revenue amounted to 140,512 million yen (up 15.6 % year on year). The principal components were 79,461 million yen in interest on loans receivable (up 12.4 % year on year), 17,082 million yen in revenue from the credit card business (up 3.9 % year on year) and 15,949 million yen in revenue from the credit guarantee business (up 10.7 % year on year).

Operating expenses increased 15,554 million yen, or 14.7 % year on year, to 121,686 million yen. This was mainly due to an increase of 4,456 million yen year on year to 43,439 million yen in provision for doubtful accounts.

In addition, due to an increase in the number of consolidated subsidiaries, operating revenue increased by 3,501 million yen in insurance premiums and 2,118 million yen in fee income, and operating expenses increased by 2,622 million yen in insurance claims.

As a result, AIFUL Group's operating profit in the nine months ended December 31, 2024, was 18,826 million yen (up 22.4 % year on year), and ordinary profit was 19,758 million yen (up 22.1 % year on year). Profit attributable to owners of the parent was 14,903 million yen (up 3.3 % year on year) as a result of posting loss attributable to non-controlling interests of 542 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 continuously 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 247,000 (down 7.7 % year on year) and the contract rate was 34.2 % (down 1.5pt year on year) in the nine months ended December 31, 2024.

At the end of the third quarter of the current fiscal year, unsecured loans outstanding were 580,444 million yen (up 5.8 % from the end of the previous fiscal year), secured loans outstanding were 1,481 million yen (down 19.3 % from the end of the previous fiscal year), small business loans outstanding were 14,181 million yen (up 13.2 % from the end of the previous fiscal year), and the total balance of operating loans in the loan segment was 596,106 million yen (up 5.9 % from the end of the previous fiscal year) (853 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, personal loan guarantee outstanding at the end of the third quarter of the current fiscal year was 182,563 million yen (up 12.5 % from the end of the previous fiscal year), and business loan guarantee outstanding was 66,185 million yen (up 17.8 % from the end of the previous fiscal year).

Of the credit guarantee for the business loans, 2 million yen comes from lease guarantees and 1,012 million yen comes from guarantees provided to AG BUSINESS SUPPORT CORPORATION.

As a result of the above, in the nine months ended December 31, 2024, AIFUL posted operating revenue of 81,895 million yen (up 8.1 % year on year), operating profit of 13,779 million yen (up 10.1 % year on year), ordinary profit of 17,154 million yen (up 18.2 % year on year), and profit of 13,291 million yen (down 1.5 % 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 issuing new tie-up cards, adding app functions to meet customer needs, expansion of courtesy service and developing new acquisition sales channels.

As a result, the transaction volume in the nine months ended December 31, 2024, was 577,988 million yen (up 4.3 % year on year), and the balance of installment receivables for credit card business at the end of the third quarter of the current fiscal year was 116,204 million yen (up 4.0 % from the end of the previous fiscal year) (5,955 million yen off-balance sheet installment receivables from the securitization have been included).

Cash advance business

The total amount of loans outstanding at the end of the third quarter of the current fiscal year in cash advance business was 21,429 million yen (down 5.6 % from the end of the previous fiscal year) (1,648 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, personal loan guarantee outstanding at the end of the third quarter of the current fiscal year was 27,487 million yen (down 2.0 % from the end of the previous fiscal year), and business loan guarantee outstanding was 1,738 million yen (up 13.3 % from the end of the previous fiscal year).

As a result of the above, LIFECARD Co., Ltd. recorded operating revenue of 28,963 million yen (up 2.1 % year on year), operating profit of 820 million yen (down 20.3 % year on year), ordinary profit of 911 million yen (down 19.8 % year on year), and profit of 1,072 million yen (up 40.5 % 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.) that are not included in reportable segments for the third quarter of the current fiscal year, posted operating revenue of 29,994 million yen (up 52.9 % year on year), operating profit of 2,324 million yen (up 14.3 % year on year), ordinary profit of 2,345 million yen (up 15.2 % year on year), and net profit of 1,408 million yen (down 3.1 % year on year).

In addition, due to an increase in the number of consolidated subsidiaries, operating revenue increased by 3,501 million yen in insurance premiums and 2,118 million yen in fee income, and operating expenses increased by 2,622 million yen in insurance claims.

(Financial Position)

Assets at the end of the third quarter of the current fiscal year increased by 124,683 million yen from the end of the previous fiscal year to 1,391,057 million yen (up 9.8 % from the end of the previous fiscal year). This was primarily due to an increase of 49,528 million yen in operating loans, an increase of 26,574 million yen in installment receivables, and an increase of 9,947 million yen in goodwill.

Liabilities increased by 112,286 million yen to 1,177,248 million yen (up 10.5 % 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 12,396 million yen to 213,808 million yen (up 6.2 % from the end of the previous fiscal year). The increase was mainly attributable to an increase in retained earnings.

(2) Overview of Cash Flows

Cash and cash equivalents (hereinafter referred to as "funds") for the nine months ended December 31, 2024 increased by 5,177 million yen from the end of the previous fiscal year to 57,111 million yen (up 10.0 % from the end of the previous fiscal year). The situation of each category of cash flow for the current fiscal year and the contributing factors are as follows.

(Cash flows from operating activities)

Net cash used for operating activities amounted to 63,534 million yen, an increase of 15.0 % 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 15,695 million yen, an increase of 49.2 % 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 82,257 million yen, an increase of 6.1 % year on year. This was mainly due to proceeds from borrowings exceeding repayments.

(3) 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 November 8, 2024.

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.

3. Quarterly Consolidated Financial Statements and Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	56,917	61,795
Operating loans	709,137	758,665
Accounts receivables - installment	167,753	194,328
Operational investment securities	2,989	3,413
Customers' liabilities for acceptances and guarantees	256,096	288,423
Other operating receivables	16,573	18,520
Purchased receivables	8,380	8,829
Accrued receivables	23,570	17,166
Other	28,181	33,498
Allowance for doubtful accounts	(79,021)	(85,658)
Total current assets	1,190,579	1,298,981
Non-current assets		
Property, plant and equipment	17,092	16,488
Intangible assets		
Goodwill	—	9,947
Other	14,349	18,807
Total intangible assets	14,349	28,755
Investment and other assets	44,353	46,832
Total non-current assets	75,794	92,075
Total assets	1,266,374	1,391,057

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes & accounts payable-trade	68,069	66,909
Acceptances and guarantees	256,096	288,423
Short-term borrowings	101,627	87,751
Short-term loans payable to subsidiaries and associates	959	679
Commercial papers	—	35,000
Current portion of bonds	30,000	15,000
Current portion of long-term borrowings	233,660	242,299
Income taxes payable	3,871	1,730
Reserves	1,730	1,024
Other	51,581	49,696
Total current liabilities	747,598	788,514
Non-current liabilities		
Bonds payable	50,000	65,000
Long-term borrowings	248,657	305,371
Provision for loss on interest repayment	11,760	9,359
Policy reserves and others	—	1,958
Other	6,946	7,044
Total non-current liabilities	317,364	388,733
Total liabilities	1,064,962	1,177,248
Net Assets		
Shareholders' equity		
Capital stock	94,028	94,028
Capital surplus	14,017	14,017
Retained earnings	90,345	104,706
Treasury shares	(2,655)	(4,541)
Total shareholders' equity	195,735	208,210
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,283	1,318
Foreign currency translation adjustment	890	1,104
Total accumulated other comprehensive income	2,174	2,422
Non-controlling interests	3,502	3,175
Total net assets	201,412	213,808
Total liabilities and net assets	1,266,374	1,391,057

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

i. Quarterly Consolidated Statements of Income Nine months ended December 31

	(Millions of yen)	
	Nine months ended Dec 31, 2023 (Apr 1, 2023 to Dec 31, 2023)	Nine months ended Dec 31, 2024 (Apr 1, 2024 to Dec 31, 2024)
Operating revenue		
Interest on loans receivable	70,716	79,461
Revenue from credit card business	16,441	17,082
Revenue from installment sales	3,280	5,215
Revenue from credit guarantee	14,403	15,949
Other financial revenue	5	13
Insurance premiums	—	3,501
Commission income	2,142	4,896
Other operating revenue	14,528	14,392
Total operating revenue	121,518	140,512
Operating expenses		
Financial expenses	5,386	6,824
Cost of sales	272	222
Insurance claims and others	—	2,622
Other operating expenses	100,473	112,017
Total operating expenses	106,132	121,686
Operating profit	15,386	18,826
Non-operating income		
Dividend income	59	29
Share of profit of entities accounted for using equity method	62	79
Foreign exchange gains	537	634
Other	213	209
Total non-operating income	873	954
Non-operating expenses		
Provision for doubtful accounts	37	2
Other	33	20
Total non-operating expenses	71	22
Ordinary profit	16,188	19,758
Extraordinary income		
Gain on the sale of fixed assets	56	—
Total extraordinary income	56	—
Extraordinary losses		
Bad debt write offs	—	423
Impairment loss	—	1,582
Loss on valuation of investment securities	47	—
Total extraordinary losses	47	2,005
Profit before income taxes	16,197	17,752
Income taxes – current	2,721	3,865
Income taxes – deferred	(1,127)	(474)
Total income taxes	1,594	3,391
Profit	14,602	14,360
Profit (loss) attributable to non-controlling interests	178	(542)
Profit attributable to owners of parent	14,424	14,903

ii. Quarterly Consolidated Statements of Comprehensive Income
Nine months ended December 31

	(Millions of yen)	
	Nine months ended Dec 31, 2023 (Apr 1, 2023 to Dec 31, 2023)	Nine months ended Dec 31, 2024 (Apr 1, 2024 to Dec 31, 2024)
Profit	14,602	14,360
Other Comprehensive income		
Valuation difference on available-for-sale securities	68	34
Deferred gain (loss) on hedges	(2)	—
Foreign currency translation adjustment	541	429
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	607	463
Comprehensive income	15,210	14,824
Comprehensive income attributable to		
Owners of parent	14,760	15,151
Non-controlling interests	450	(326)

(3) Quarterly Consolidated Statements of Cash Flows

	(Millions of yen)	
	Nine months ended Dec 31, 2023 (Apr 1, 2023 to Dec 31, 2023)	Nine months ended Dec 31, 2024 (Apr 1, 2024 to Dec 31, 2024)
Cash flows from operating activities		
Profit before income taxes	16,197	17,752
Depreciation	2,784	3,122
Amortization of goodwill	—	535
Increase (decrease) in policy reserves and others	—	(94)
Impairment loss	—	1,582
Increase (decrease) in allowance for doubtful accounts	5,336	4,900
Increase (decrease) in provision for bonuses	(723)	(726)
Increase (decrease) in provision for share-based remuneration	(2)	(5)
Increase (decrease) in allowance for loss on interest repayment	(4,453)	(2,400)
Interest and dividend income	(132)	(86)
Decrease (increase) in foreign exchange gains	(531)	(650)
Share of loss (profit) of entities accounted for using equity method	(62)	(79)
Loss on valuation of investment securities	47	—
Loss (gain) on sale of fixed assets	(56)	—
Decrease (increase) in operating loans receivable	(65,859)	(47,080)
Decrease (increase) in accounts receivable – installment	(23,597)	(26,574)
Decrease (increase) in other operating receivable	(2,398)	(1,946)
Decrease (increase) in accrued receivables	(1,451)	10,164
Decrease (increase) in purchased receivable	(1,292)	(449)
Decrease (increase) in claims provable in bankruptcy	2,502	1,061
Decrease (increase) in business guarantee deposits, etc.	(41)	1,350
Decrease (increase) in other current assets	(6,978)	(5,419)
Increase (decrease) in other current liabilities	28,154	(11,172)
Other	285	(2,029)
Subtotal	(52,273)	(58,246)
Interest and dividend income	152	107
Income taxes refund	54	84
Income taxes paid	(3,162)	(5,479)
Cash flow from operating activities	(55,229)	(63,534)
Cash flows from investing activities		
Payments into time deposits	(4,949)	(4,650)
Proceeds from withdrawal of time deposits	4,910	4,949
Purchase of property, plant and equipment	(1,976)	(428)
Proceeds from sales of property, plant and equipment	148	—
Purchase of intangible assets	(5,962)	(5,632)
Purchase of investment securities	(1,296)	(1,003)
Purchase of shares of subsidiaries resulting in a change in scope of consolidation	—	(6,759)
Other	(1,394)	(2,170)
Cash flows from investing activities	(10,521)	(15,695)

	(Millions of yen)	
	Nine months ended Dec 31, 2023 (Apr 1, 2023 to Dec 31, 2023)	Nine months ended Dec 31, 2024 (Apr 1, 2024 to Dec 31, 2024)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,109,157	1,697,975
Repayments of short-term borrowings	(1,073,552)	(1,713,074)
Proceeds from issuance of commercial papers	137,600	204,800
Redemption of commercial papers	(128,400)	(169,800)
Proceeds from long-term loans payable	173,258	265,710
Repayments of long-term loans payable	(154,190)	(200,470)
Proceeds from issuance of bonds	15,000	30,000
Redemption of bonds	—	(30,000)
Cash dividends paid	(483)	(483)
Purchase of treasury stock	—	(2,000)
Other	(848)	(399)
Cash flows from financing activities	77,540	82,257
Effect of exchange rate changes on cash and cash equivalents	51	62
Net increase (decrease) in cash and cash equivalents	11,841	3,091
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	49,727	57,111

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable.

(Significant Changes in Scope of Consolidation and Application of the Equity Method)

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, the Company acquired shares of BitCash Inc. on June 28, 2024, making it a consolidated subsidiary, and 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 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 third quarter of the fiscal year under review.

(Additional Information)

(Significant Accounting Policies for Preparation of Quarterly 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 15 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 to Quarterly Consolidated Statements of Income)

(Bad debt write offs)

Nine months ended December 31, 2023 (Apr 1, 2023 to Dec 31, 2023)

Not applicable.

Nine months ended December 31, 2024 (Apr 1, 2024 to Dec 31, 2024)

The amount of loss incurred as a result of phishing scams that occurred in the current fiscal year is recorded as an extraordinary loss.

(Impairment Loss)

Nine months ended December 31, 2023 (Apr 1, 2023 to Dec 31, 2023)

Not applicable.

Nine months ended December 31, 2024 (Apr 1, 2024 to Dec 31, 2024)

Location	Use	Category	Impairment loss (Millions of yen)
Head office of AIFUL Corporation	Financial business assets	Software in progress	1,582

The Group considers each operating company in the financial business as the smallest unit for grouping.

With regard to the above financial business assets, a decision was made to review the development policy for the system development that had been underway for some services.

As a result, the book value of the software in progress related to the system development was reduced to the recoverable amount, and the amount of the reduction was recorded as an impairment loss under extraordinary losses.

The recoverable amount of the asset was calculated by setting the value in use at zero.

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

Nine months ended December 31, 2023 (Apr 1, 2023 to Dec 31, 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 nine months ended December 31, 2023 but whose effective date is after December 31, 2023

Not applicable

3. Significant Changes in the Amount of Shareholders' Equity

The Company disposed of 134,314 shares of treasury stock through restricted stock compensation on July 18, 2023, based on a resolution of the Board of Directors meeting held on June 26, 2023. As a result of this disposal of treasury stock, other capital surplus decreased by 409 million yen and treasury stock decreased by 455 million yen. Since the balance of other capital surplus became negative, other capital surplus was set to zero and such negative value was reduced from other retained earnings.

As a result, the balance of retained earnings was 82,950 million yen and the balance of treasury stock was 2,655 million yen at the end of the third quarter of the fiscal year under review.

Nine months ended December 31, 2024 (Apr 1, 2024 to Dec 31, 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 nine months ended December 31, 2024 but whose effective date is after December 31, 2024

Not applicable

3. Significant Changes in the Amount of Shareholders' Equity

The Company disposed of 145,894 shares of treasury stock through restricted stock compensation on July 29, 2024, based on a resolution of the Board of Directors meeting held on July 8, 2024. As a result of this disposal of treasury stock, other capital surplus decreased by 58 million yen and treasury stock decreased by 114 million yen. Since the balance of other capital surplus became negative, other capital surplus was set to zero and such negative value was reduced from other retained earnings.

Based on the resolution of the Board of Directors meeting held on May 27, 2024, the Company repurchased 5,151,200 shares of treasury stock during the nine months ended December 31, 2024 and treasury stock increased by 1,999 million yen.

As a result, the balance of retained earnings was 104,706 million yen and the balance of treasury stock was 4,541 million yen in the third quarter of the current fiscal year.

(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 current fiscal year

July 1, 2024 to December 31, 2024

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: ¥7,387 million

In the first quarter (April 1, 2024 to June 30, 2024), the allocation of acquisition costs was not completed and

provisional accounting was applied. However, the allocation was finalized by the end of the interim consolidated fiscal period.

ii) Reason for incurrence

This is mainly attributable to expected future excess earnings potential driven by business expansion.

iii) Goodwill amortization method and amortization period

Equal amortization over 10 years

(Notes to Segment Information)

Segment Information

Nine months ended December 31, 2023 (Apr 1, 2023 to Dec 31, 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	73,816	28,155	101,972	19,546	121,518
Inter-segment sales and transfers	1,958	212	2,170	70	2,241
Total	75,774	28,368	104,142	19,616	123,759
Segment profit	13,291	763	14,055	1,453	15,509

*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 quarterly consolidated financial statements and the main details of such difference (matters concerning difference adjustment)

(Millions of yen)

Profit	Amount
Reporting segment total	14,055
Profit categorized as “other”	1,453
Inter-segment eliminations	(941)
Other adjustments	(142)
Profit attributable to owners of parent posted in consolidated financial statements	14,424

Nine months ended December 31, 2024 (Apr 1, 2024 to Dec 31, 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	81,875	28,703	110,579	29,933	140,512
Inter-segment sales and transfers	20	259	279	61	341
Total	81,895	28,963	110,859	29,994	140,854
Segment profit	13,087	1,072	14,160	1,408	15,569

*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	14,160
Profit categorized as “other”	1,408
Inter-segment eliminations	(422)
Other adjustments	(243)
Profit attributable to owners of parent posted in consolidated financial statements	14,903

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

(Significant impairment losses on fixed assets)

“AIFUL Corporation” segment recorded an impairment loss of 1,582 million yen for the quarterly consolidated accounting period.

For more details on impairment losses, please refer to "2. Quarterly Consolidated Financial Statements and Notes, (4) Notes to Quarterly Consolidated Financial Statements (Notes to Quarterly Consolidated Statements of Income)".

(Significant changes in the amount of goodwill)

In the “Other” category in the current quarterly consolidated accounting period, 9,947 million yen of goodwill was recorded due to the conversion of FPC Co., Ltd., a non-consolidated subsidiary which the equity method was applied until the previous fiscal year, into a consolidated subsidiary and the acquisition of shares of BitCash Inc. on June 28, 2024.