



# **Financial Results**

**for the FY ended March 2019**



**AIFUL CORPORATION**  
May 2019



I	Financial Results Summary	...	02
	I -01 Highlights For Consolidated Results	...	03
	I -02 Consolidated Financial Results	...	04
	I -03 Group Companies Financial Results	...	05
II	Business Situation	...	06
	II -01 Loan Business(1) : Unsecured Consumer Loan Market	...	07
	Loan Business(2) : Operating Loans Outstanding	...	08
	Loan Business(3) : New Accounts and Loan Volume	...	09
	II -02 Non-performing Loans	...	10
	II -03 Credit Card Business	...	11
	II -04 Credit Guarantee Business	...	12
	II -05 Overseas Business	...	13
	II -06 Funding	...	14
	II -07 Interest Repayment(1) : Attorney Involvement Index and Number of Claims	...	15
	Interest Repayment(2) : Provision and Withdraw Amount	...	16
III	Forecast for the FY2020/3	...	17
IV	Financial Results of AIFUL	...	19
V	Financial Results of LIFECARD	...	22
VI	Reference (Breakdown of Other Revenue/ Expenses)	...	25



# I Financial Results Summary

## I -01 Highlights for Consolidated Results



(¥ million)	18/3	19/3		
			YOY	YOY%
Total operating assets	665,669	735,219	69,550	10.4%
Loan business	472,018	521,823	49,804	10.4%
Unsecured loan	404,056	445,866	41,810	10.3%
Secured	20,923	20,285	-638	-3.1%
Small business	47,037	55,670	8,632	18.4%
Credit card business	100,460	104,645	4,184	4.2%
Guarantee	86,465	101,007	14,542	16.8%
Credit guarantee business	83,734	98,971	15,236	18.2%
Other	2,730	2,036	-694	-25.4%
Operating revenue	115,389	115,328	-60	-0.1%
Operating expenses	112,897	112,297	-599	-0.5%
Operating profit	2,492	3,031	539	21.6%
Ordinary profit	2,823	4,110	1,287	45.6%
Profit attributable to owners of parent	3,958	9,346	5,387	136.1%

\* Anshin Guarantor Service Co.,Ltd., affiliated company, has been included in the scope of equity method affiliated from the fiscal year ended March 31, 2019.

# I -02 Consolidated Financial Results



( ¥ million )	18/3	YOY	19/3	YOY	YOY%
	Operating revenue	115,389	26.2%	115,328	-60
Interests on operating loans	56,305	17.6%	65,456	9,151	16.3%
Revenue from installment receivable	16,038	3.9%	16,472	433	2.7%
Revenue from credit guarantee	12,992	4.0%	13,953	960	7.4%
Software	12,803	-	-	-12,803	-
Operating expenses	112,897	33.7%	112,297	-599	-0.5%
Financial expenses	7,560	-5.9%	7,949	388	5.1%
Provision for loss on interest repayment	8,625	-	13,239	4,614	53.5%
Provision of allowance for doubtful accounts	20,497	-1.2%	30,628	10,131	49.4%
Provision for general doubtful accounts	24,256	16.9%	28,890	4,634	19.1%
Advertising cost	12,434	13.3%	10,395	-2,039	-16.4%
Advertising expenses	3,592	4.1%	2,675	-916	-25.5%
Sales promotion expenses	8,841	15.2%	7,719	-1,122	-12.7%
Cost of sales of software development	11,244	-	-	-11,244	-
Operating profit	2,492	-64.4%	3,031	539	21.6%
Non-operating revenue	359	-35.5%	1,145	785	218.3%
Ordinary profit	2,823	-61.8%	4,110	1,287	45.6%
Extraordinary losses	-	-	690	690	-
Profit before income taxes	3,527	-52.3%	3,420	-107	-3.0%
Income taxes-current	437	-0.8%	858	420	96.2%
Income taxes-deferred	144	-	-5,621	-5,765	-
Profit attributable to owners of parent	3,958	-45.6%	9,346	5,387	136.1%

# I -03 Group Companies Financial Results



 <b>AIFUL</b> ( ¥ million )	19/3	YOY%
Total receivable outstanding	503,382	10.8%
Loans outstanding	396,540	10.1%
Unsecured loan	379,317	11.0%
Credit guarantee	99,694	13.3%
Customer accounts (thousand)	876	9.2%
Operating revenue	70,991	9.8%
Operating profit	468	27.9%
Ordinary profit	1,519	55.1%
Profit	5,208	113.7%

 <b>LIFECARD</b> ( ¥ million )	19/3	YOY%
Total receivable outstanding	173,153	2.1%
Loans outstanding	44,849	-4.0%
Installment receivable	104,242	4.3%
Credit guarantee	23,063	4.7%
Customer accounts (thousand)	5,777	0.1%
Operating revenue	32,850	-23.6%
Operating profit	3,012	-27.1%
Ordinary profit	3,132	-26.5%
Profit	2,822	2.8%

 <b>BUSINEXT</b> ( ¥ million )	19/3	YOY%
Loans outstanding	57,951	17.7%
Customer accounts (thousand)	27	9.0%
Operating revenue	3,908	39.4%
Operating profit	1,329	-
Ordinary profit	1,349	-
Profit	1,660	-

 <b>A&amp;A</b> ( ¥ million )	19/3	YOY%
Loans outstanding	22,482	40.3%
Customer accounts (thousand)	364	21.4%
Operating revenue	5,901	98.2%
Operating profit	-1,213	-
Ordinary profit	-1,210	-
Profit	-1,210	-

\* Fiscal period of A&A is from January 1, to December 31.



## II Business Situation

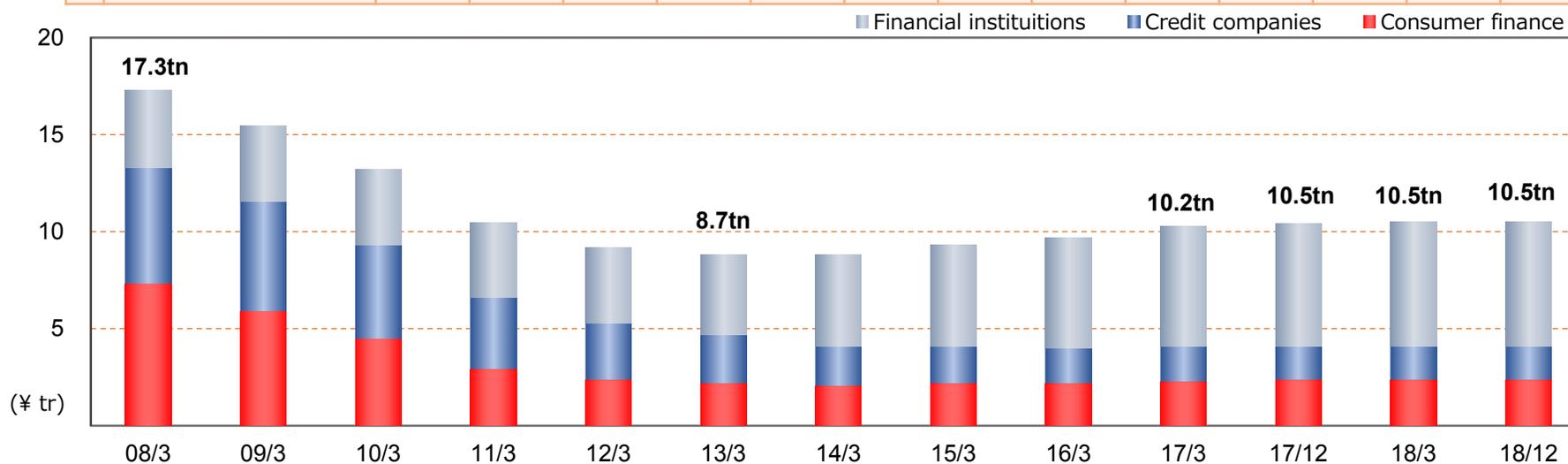
## II-01 Loan Business(1): Unsecured Consumer Loan Market



- ♥ **Unsecured loans market:** Since bottoming out in FY2014/3, the market has performed steadily. As of December 2018, market outstanding remained flat on YoY.
- ♥ **Money lenders:** Loans outstanding by money lenders reached ¥4.1tr. Of these, consumer finance companies recorded ¥2.5tr, a 4% YoY increase.

### 【Trends of Unsecured Consumer Loans Market】

(¥ trillion)	08/3	09/3	10/3	11/3	12/3	13/3	14/3	15/3	16/3	17/3	17/12	18/3	18/12
Unsecured loan market	17.3	15.4	13.2	10.4	9.2	8.7	8.8	9.2	9.7	10.2	10.4	10.5	10.5
Financial institutions	4.0	3.9	3.9	3.8	3.9	4.1	4.7	5.2	5.7	6.2	6.3	6.4	6.3
Consumer finance	7.3	5.9	4.5	2.9	2.4	2.1	2.1	2.1	2.2	2.3	2.4	2.4	2.5
Credit card companies	5.9	5.6	4.8	3.6	2.8	2.5	2.0	1.8	1.7	1.7	1.7	1.7	1.7



Source : Consumer finance and Credit card companies :Statistic by the Japan Financial Services Association.  
 Financial institutions :Statistic by The Bank of Japan. (Consumer loan outstanding at domestic banks and credit unions)

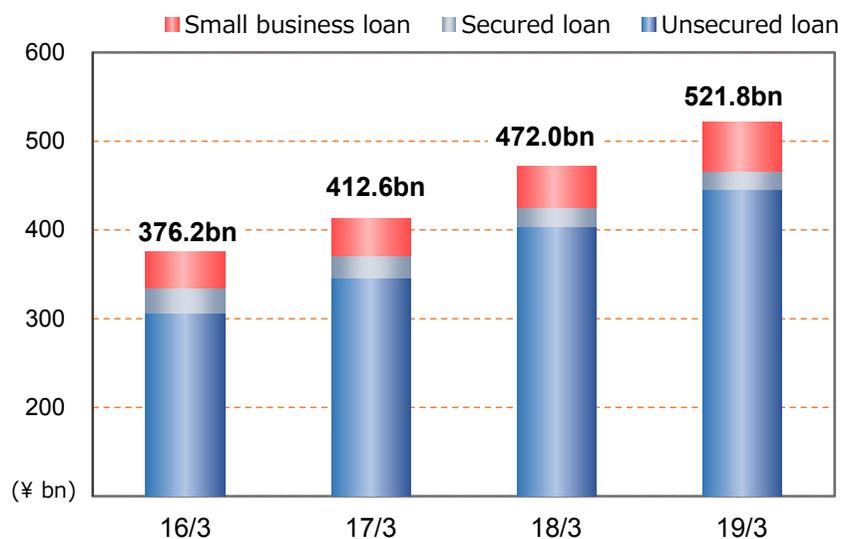
## II-01 Loan Business(2): Operating Loans Outstanding



♥ **Loan Outstanding:** Both consolidated and non-consolidated (AIFUL parent) loans outstanding performed steadily. Consolidated loans outstanding increased 10% YoY to ¥521.8bn, out of which unsecured loans grew 10% YoY to ¥445.8bn, while small business loans recorded a 18% YoY increase to ¥55.6bn.

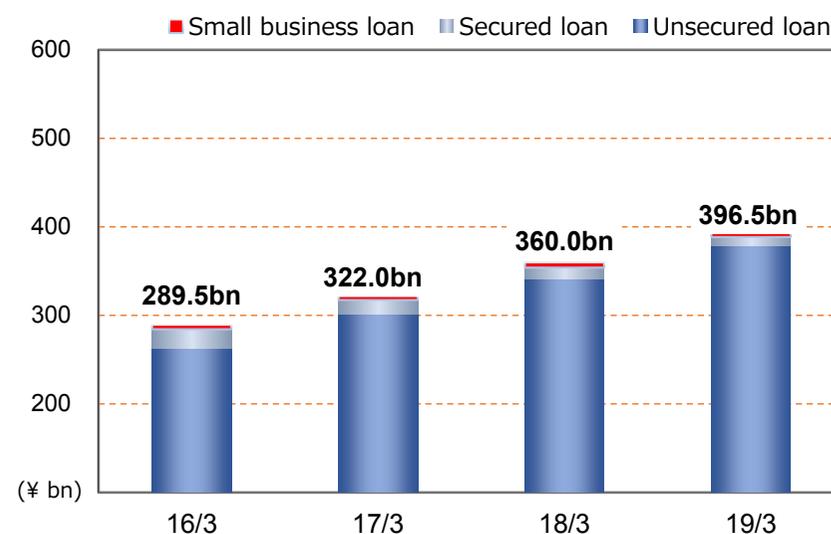
### 【Consolidated Basis】

(¥ million)	17/3	18/3	19/3	YOY
Loans outstanding	412,649	472,018	521,823	10.6%
Unsecured	346,411	404,056	445,866	10.3%
Secured	24,044	20,923	20,285	-3.1%
Small business	42,192	47,037	55,670	18.4%



### 【Non-Consolidated Basis(AIFUL Parent)】

(¥ million)	17/3	18/3	19/3	YOY
Loans outstanding	322,087	360,031	396,540	10.1%
Unsecured	301,063	341,777	379,317	11.0%
Secured	16,447	12,403	9,306	-25.0%
Small business	4,575	5,850	7,915	35.3%



## II-01 Loan Business(3): New Accounts and Loan Volume (AIFUL)



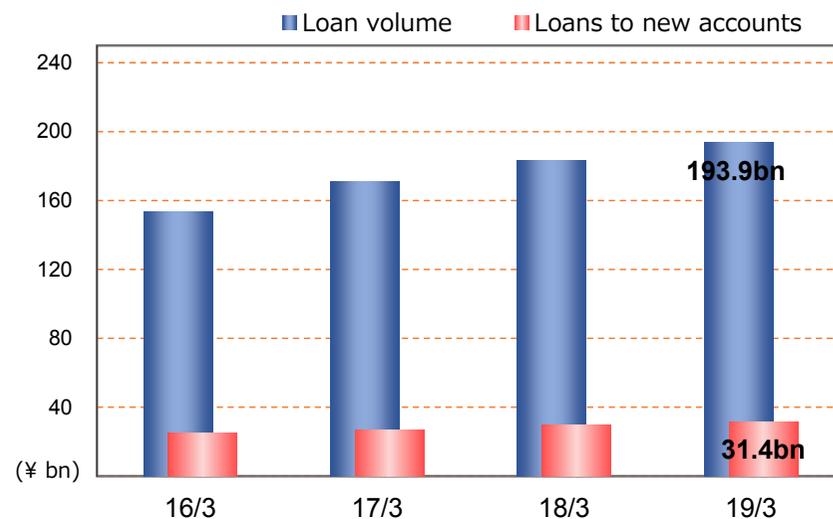
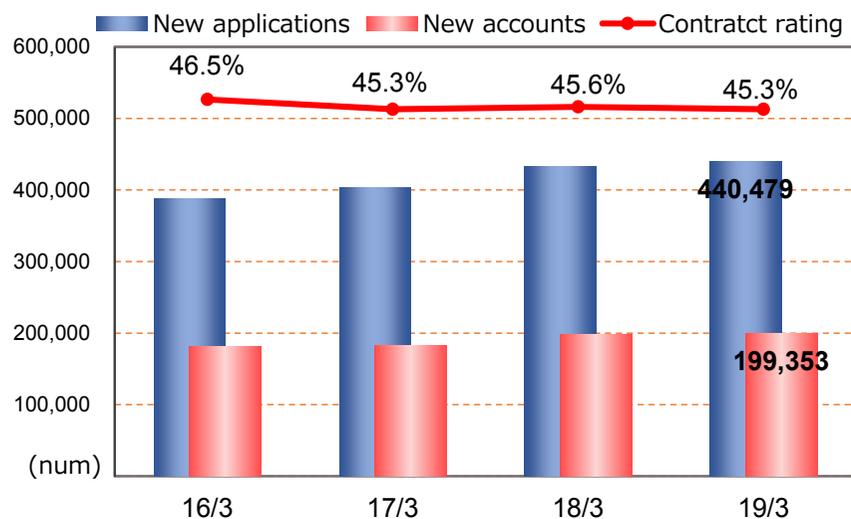
- ♥ **New accounts:** The number of loan applications increased 1% YoY to 440,000, and the number of new accounts increased 0.9% YoY to 199,000, reflecting effective advertising, mostly through TV commercials and websites, as well as the improvement of services, including the launch of card-free transactions.
- ♥ **Loan Volume:** Loan volume of both new and existing accounts grew steadily, recording a 5% YoY increase to ¥193.9bn.

【Trends of Unsecured Loans' New Accounts】

(num)	17/3	18/3	19/3	YOY
New applications	403,361	433,016	440,479	1.7%
New accounts	182,604	197,565	199,353	0.9%
Contract rate	45.3%	45.6%	45.3%	-0.3pt

【Trends of Loan Volume】

(¥ million)	17/3	18/3	19/3	YOY
Loan volume	171,042	183,426	193,907	5.7%
New accounts	26,657	29,698	31,441	5.9%
Existing accounts	144,385	153,728	162,466	5.7%



## II-02 Non-performing Loans (Consolidated)



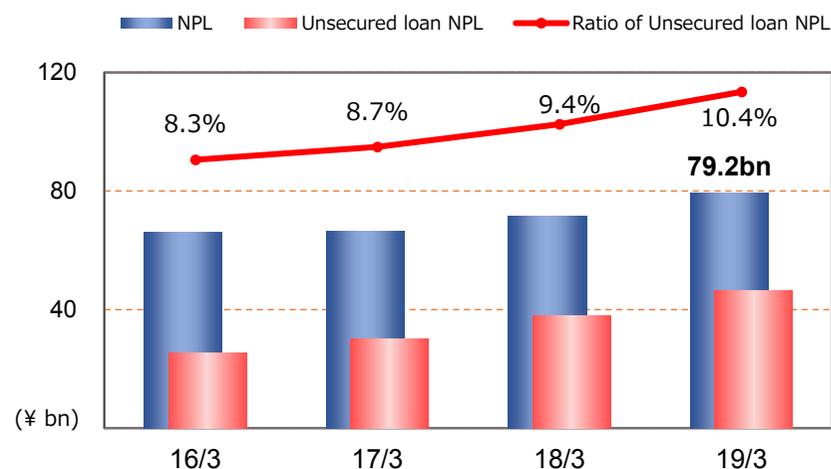
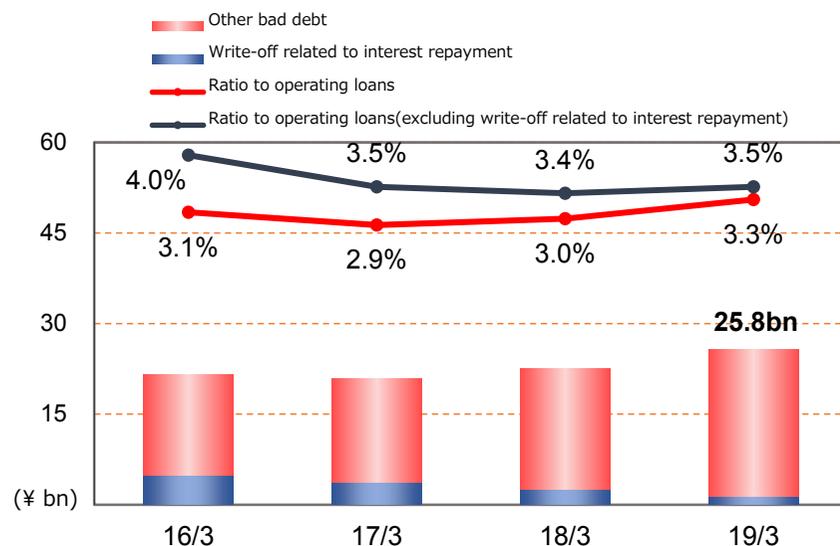
- ♥ **Bad Debt:** Bad debt ratio excluding write-offs accompanying interest repayment increased 0.3pt to 3.3%.
- ♥ **Non performing loan:** Ratio of unsecured loan NPL increased 1.0pt YoY to 10.4%.

【Trends of Bad Debt】

(¥ million)	18/3	19/3	YOY
Bad debt	22,581	25,815	14.3%
Bad debt except write-offs related to interest repayment	19,915	24,373	22.4%
Ratio to operating loans	3.4%	3.5%	+0.1pt
Bad debt ratio except write offs related to interest repayment	3.0%	3.3%	+0.3pt
Total receivable outstanding	665,669	735,219	10.4%

【Trends of NPL defined by FSA】

(¥ million)	18/3	19/3	YOY
NPL amount	71,515	79,294	10.9%
Unsecured loan NPL	37,904	46,575	22.9%
Ratio of NPL	14.3%	14.5%	+0.2pt
Ratio of Unsecured loan NPL	9.4%	10.4%	+1.0pt
Operating loans including claims in bankruptcy	499,618	548,560	9.8%



## II-03 Credit Card Business (Consolidated)



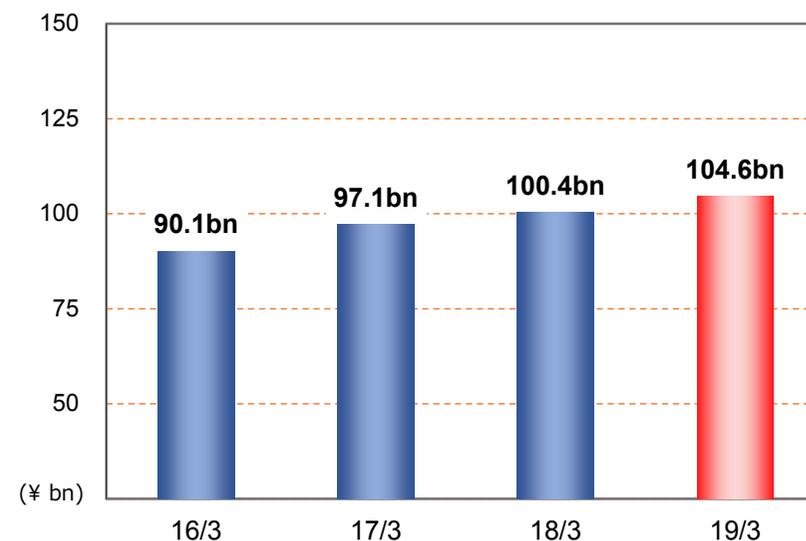
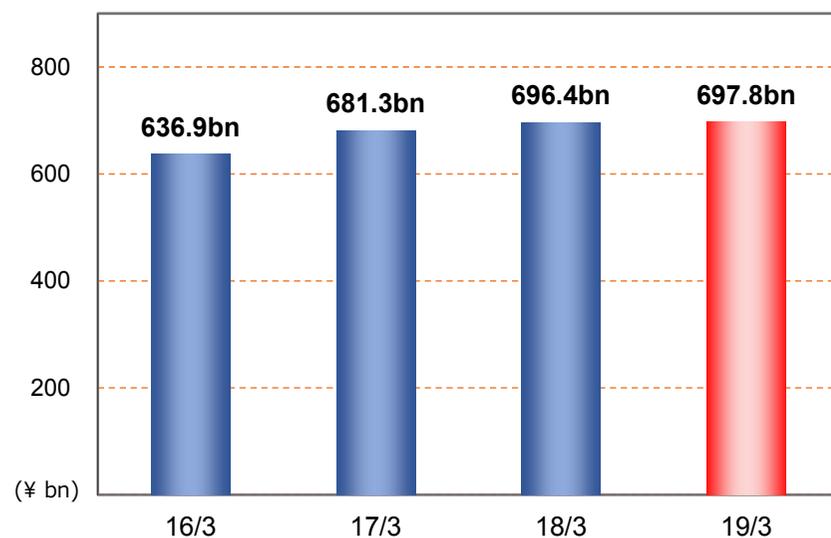
♥ **Credit Card Business:** Transaction volume increased 0.2% YoY to ¥697.8bn.  
 Installment receivable increased 4% YoY to ¥104.6bn.

【Trends of Transaction volume】

(¥ million)	17/3	18/3	19/3	YOY
Transaction volume	681,362	696,435	697,854	0.2%

【Trends of Installment receivable】

(¥ million)	17/3	18/3	19/3	YOY
Installment receivable	97,134	100,460	104,645	4.2%



## II-04 Credit Guarantee Business (Consolidated)



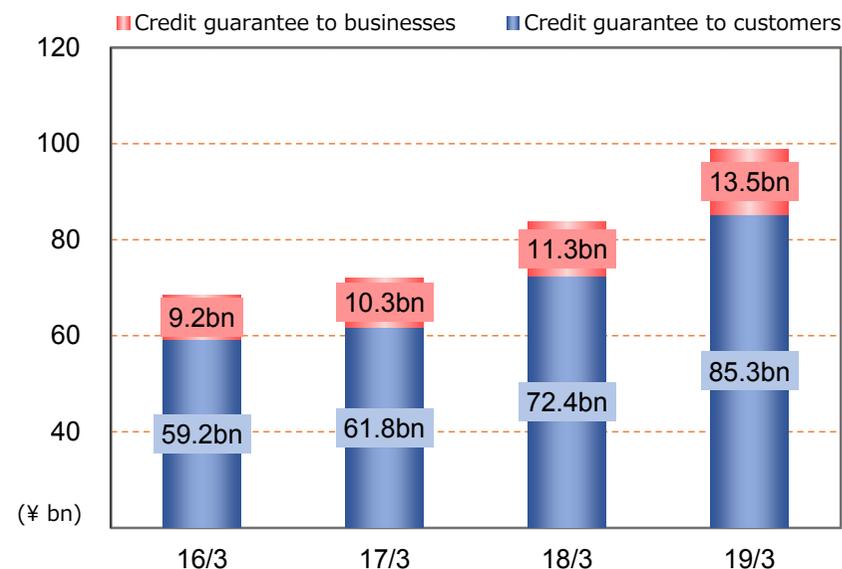
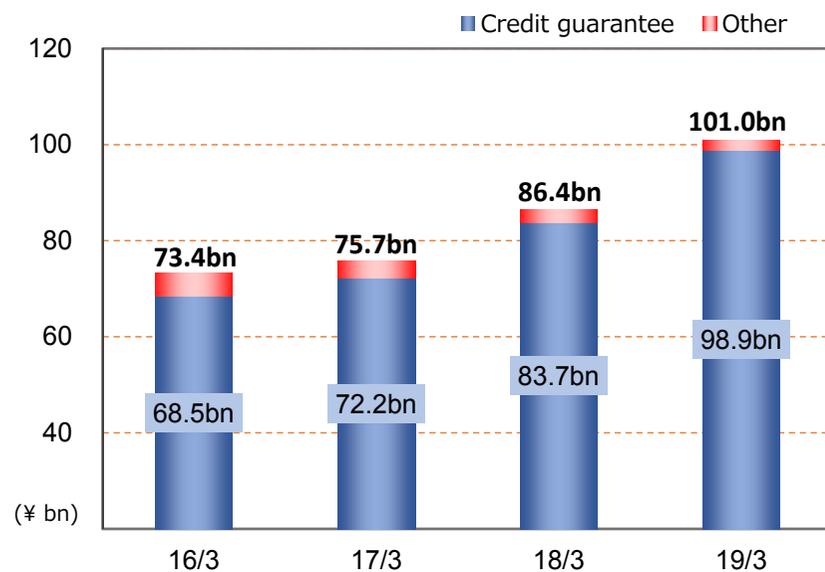
♥ **Credit Guarantee Business:** Performed steadily, showing a 18% increase on YoY to 98.9bn.  
Of which, credit guarantee for individuals rose 17% YoY to ¥85.3bn and for business operators grow 20% YoY to ¥13.5bn.

### 【Trends of Guarantee】

(¥ million)	17/3	18/3	19/3	YOY
Guarantee	75,747	86,465	101,007	16.8%
Credit guarantee business	72,203	83,734	98,971	18.2%
Other	3,543	2,730	2,036	-25.4%

### 【Trends of Credit Guarantee Business】

(¥ million)	17/3	18/3	19/3	YOY
Credit Guarantee business	72,203	83,734	98,971	18.2%
for individuals	61,879	72,428	85,386	17.9%
for business operators	10,323	11,306	13,584	20.1%



## II -05 Overseas Business



♥ **A & A** : A&A continued showing a steady growth on the back of brisk demand for funds against the background of economic growth in Thailand. The loans outstanding increased 40% YoY to ¥22.4bn and the number of accounts grew 21% YoY to 364,000.

	 <b>AIRA &amp; AIFUL Public Company Limited (A&amp;A)</b>	 <b>PT REKSA FINANCE</b>	 <b>SANSHU Finance Corporation</b>
<b>Location</b>	Bangkok, Thailand	Jakarta, Indonesia	Shanghai, China
<b>Business Outline</b>	Consumer finance business	Used car loan business	Leasing business
<b>Other Info</b>	Started its operation in September 2015	Joined AIFUL Group in May 2017	Joined AIFUL Group in April 2015



\* Fiscal period of A&A is from January 1, to December 31.

\* Exchange rate (Thai Baht): B/S: ¥3.45(FY2017), ¥3.45(FY2017 4Q), ¥3.41(FY2018)

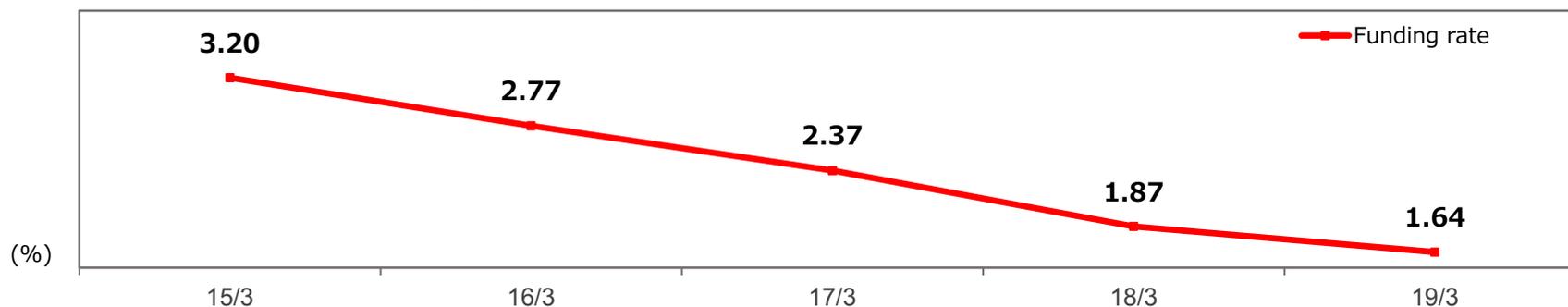
P/L: ¥3.31(FY2017), ¥3.31(FY2017 4Q), ¥3.42(FY2018)

## II-06 Funding (Consolidated)

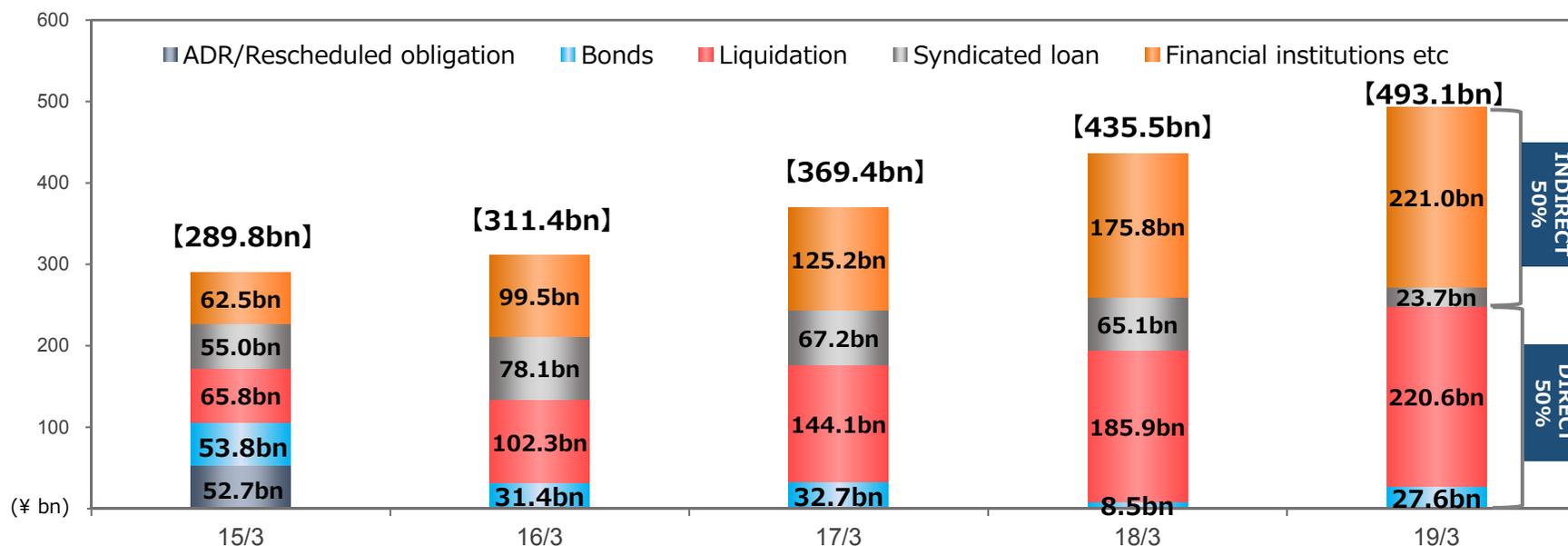


- ♥ **Funding Rate:** Average finding rate declined 23bps to 1.64% as both direct and indirect funding rate decreased.
- ♥ **Interest-Bearing Liabilities:** Fund procurement rose to 13% YoY to ¥493.1bn due to stable financing.

【Trends of Consolidated Funding Rate】



【Trends of Consolidated Interest – Bearing Liabilities】



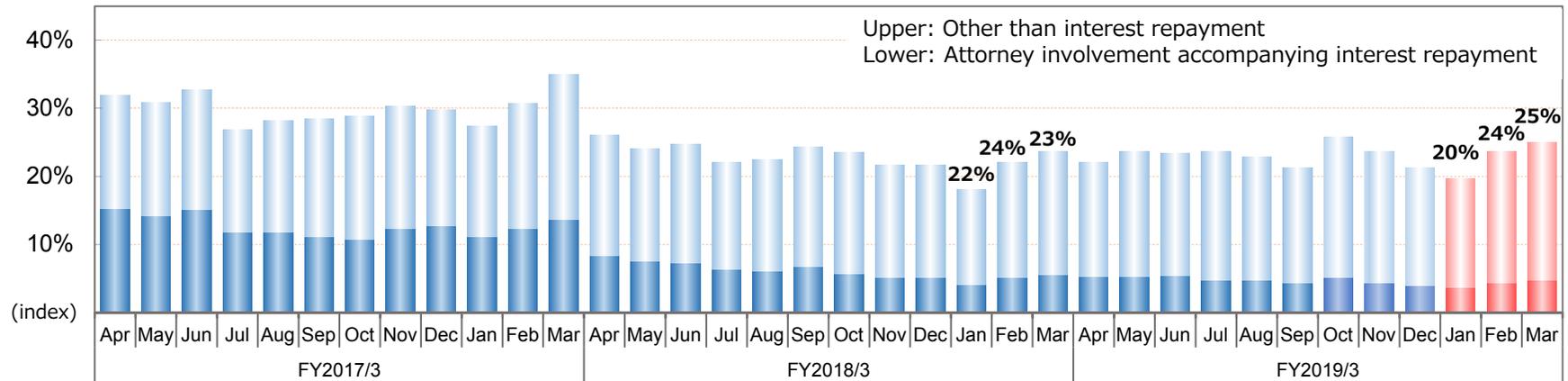
## II-07 Interest Repayment(1): Attorney Involvement Index and Number of Claims (AIFUL)



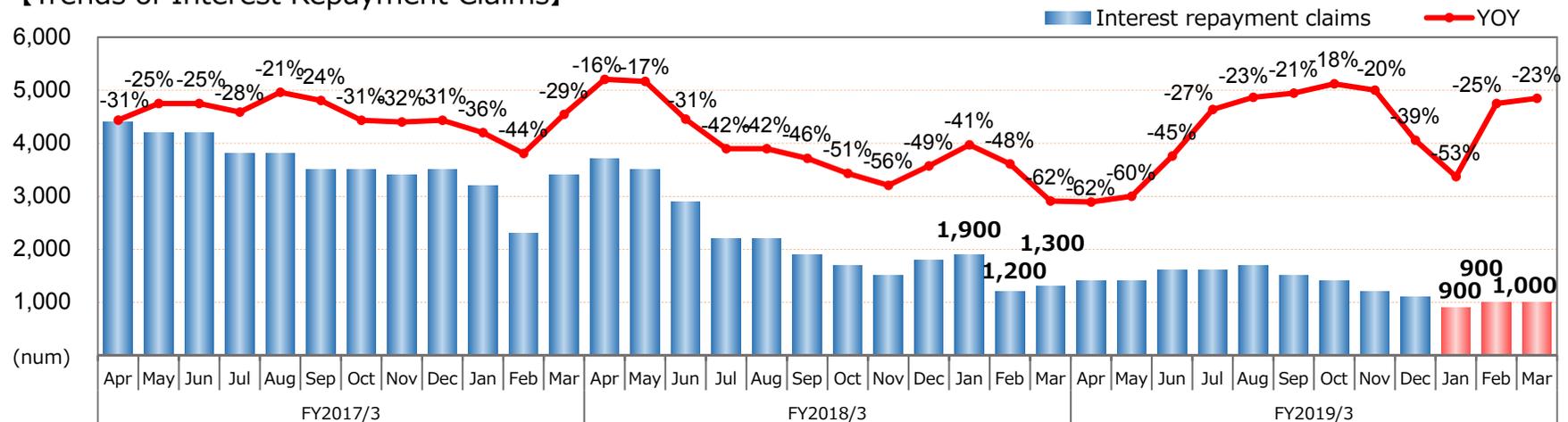
- ♥ **Attorney Involvement Index:** Attorney involvement accompanying interest repayment declined 23% YoY.
- ♥ **Interest Repayment Claims:** Total number of claims for the whole year was 15,700, declined 39% YoY.

【Trends of Attorney Involvement Index】

※May 2007 (peak)=100



【Trends of Interest Repayment Claims】



## II -07 Interest Repayment(2) : Provision and Withdraw Amount



♥ **Provision related to Interest Repayment:** Withdraw amount for the whole year was ¥12.7bn for interest repayment, ¥1.6bn for waiver of principal related to interest repayment and the total amount was ¥14.3bn, declining 43% YoY. Provision at the end of period was ¥25.4bn due to additional provision of ¥11.5bn for provision for loss on interest repayment and ¥1.7bn for provision of allowance for doubtful accounts related to interest repayment.

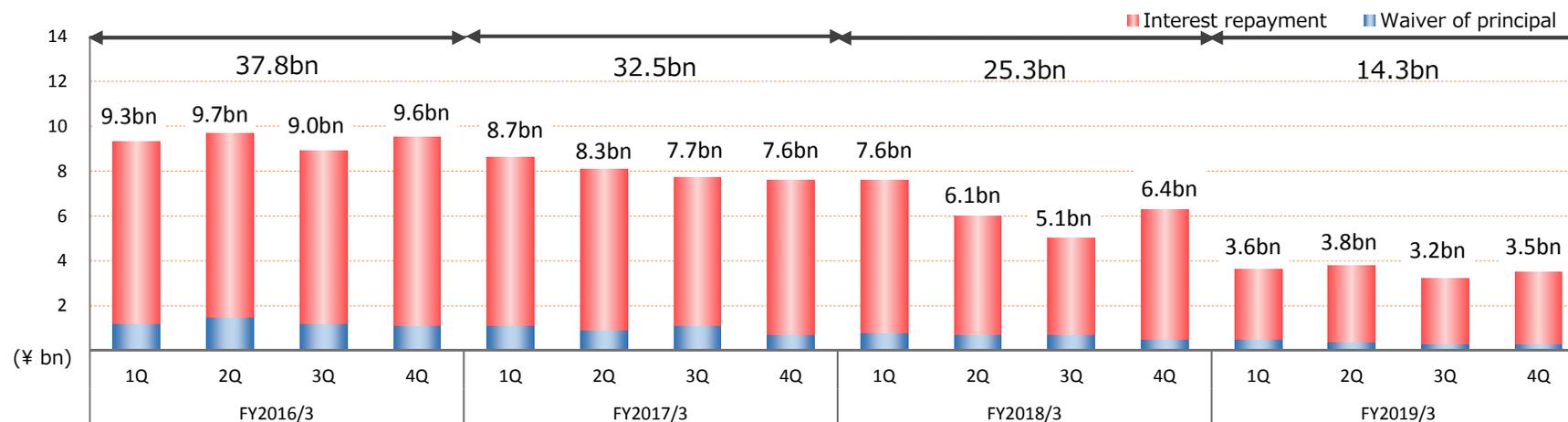
### 【Provision for loss on Interest Repayment】

(Consolidated)

(AIFUL)

( ¥ million )	Interest repayment	Waiver of principal	Total	Interest repayment	Waiver of principal	Total
Allowance at the beginning of FY2018	24,331	2,238	26,569	22,158	2,238	24,396
Withdraw (Interest repayment)	12,704	-	12,704	11,790	-	11,790
Withdraw (Waiver of principal)	164	1,441	1,606	-	1,441	1,441
Provisions (reversal)	11,501	1,737	13,239	10,354	1,737	12,092
Allowance at the end of FY2018	22,963	2,534	25,497	20,722	2,534	23,256

### 【Withdraw Amount of Interest repayment and Waiver of Principal (Consolidated)】





## III Forecast for the FY2020/3

### III Highlights for FY2020/3 Forecast (Consolidated/ AIFUL)



(Consolidated)

(¥ million)	19/3	YOY%	20/3(E)	YOY	YOY%
Total operating assets	735,219	10.4%	810,900	75,681	10.3%
Loan business	521,823	10.6%	564,200	42,377	8.1%
Unsecured loan	445,866	10.3%	480,100	34,234	7.7%
Credit card business	104,645	4.2%	116,000	11,355	10.9%
Guarantee	101,007	16.8%	121,500	20,493	20.2%
Credit guarantee business	98,971	18.2%	120,000	21,029	21.2%
Operating revenue	115,328	-0.1%	124,300	8,972	7.8%
Operating expenses	112,297	-0.5%	109,800	-2,497	-2.2%
Operating profit	3,031	21.6%	14,400	11,369	375.1%
Ordinary profit	4,110	45.6%	15,400	11,290	274.7%
Profit attributable to owners of parent	9,346	136.1%	14,400	5,054	54.1%

(AIFUL)

(¥ million)	19/3	YOY%	20/3(E)	YOY	YOY%
Operating revenue	70,991	9.8%	76,200	5,209	7.3%
Operating expenses	70,523	9.7%	64,700	-5,823	-8.3%
Operating profit	468	27.9%	11,400	10,932	-
Ordinary profit	1,519	55.1%	12,500	10,981	722.9%
Profit	5,208	113.7%	12,800	7,592	145.8%



## IV Financial Results of AIFUL

## IV Financial Results of AIFUL : Financial Results Summary



 (¥ million)	18/3	19/3	YOY	YOY%
Operating revenue	64,663	70,991	6,328	9.8%
Interest on operating loans	45,881	51,960	6,078	13.2%
Revenue from credit guarantee	10,976	11,246	270	2.5%
Operating expenses	64,296	70,523	6,226	9.7%
Financial expenses	5,841	5,843	2	0.0%
Expenses on interest repayment	8,625	12,092	-3,467	40.2%
Provision of allowance for doubtful accounts	13,281	22,060	8,778	66.1%
Provision for general doubtful accounts	17,040	20,323	3,283	19.3%
Advertising cost	9,223	8,005	-1,218	-13.2%
Advertising expenses	2,980	2,330	-649	-21.8%
Sales promotion expenses	6,243	5,674	-569	-9.1%
Personnel expenses	9,651	10,084	433	4.5%
Other operating expenses	13,913	14,174	261	1.9%
Operating profit	366	468	102	27.9%
Non-operating income	657	1,070	413	62.8%
Ordinary profit	979	1,519	539	55.1%
Extraordinary losses	-	691	691	-
Profit before income taxes	1,683	829	-854	-50.7%
Income taxes-current	-736	-655	-	-
Income taxes-deferred	-17	-3,723	-3,706	-
Profit	2,437	5,208	2,770	113.7%

## IV Financial Results of AIFUL : Financial Results Summary



 (¥ million)	18/3	19/3	YOY	YOY%
Total receivable outstanding	454,316	503,382	49,066	10.8%
Loan outstanding	360,031	396,540	36,508	10.1%
Unsecured loan	341,777	379,317	37,540	11.0%
Secured	12,403	9,306	-3,096	-25.0%
Small business	5,850	7,915	2,065	35.3%
Credit guarantee	87,970	99,694	11,723	13.3%
Installment receivable	503	402	-101	-20.1%
New accounts (num)	197,826	199,637	1,811	0.9%
Unsecured	197,565	199,353	1,788	0.9%
Customer accounts (thousands)	802	876	73	9.2%
Unsecured	788	861	73	9.3%
Average yield	14.7%	14.8%	0.1pt	-
Below 18% unsecured loan balance's occupancy rate	97.9%	98.5%	0.6pt	-
Bad debt	17,926	18,795	869	4.9%
Excluding write-off accompanying interest repayment	15,260	17,354	2,093	13.7%
Bad debt ratio to operating loans	3.9%	3.7%	-0.2pt	-
Ratio excluding write-off related to interest repayment	3.4%	3.4%	0.0pt	-



## V Financial Results of LIFECARD

## V Financial Results of LIFECARD : Financial Results Summary



 (¥ million)	18/3	19/3	YOY	
			YOY	YOY%
Operating revenue	42,991	32,850	-10,140	-23.6%
Revenue from installment receivable	15,960	16,391	431	2.7%
Interest on operating loans	5,649	5,556	-92	-1.6%
Revenue from credit guarantee	1,348	1,398	50	3.7%
Other operating revenue	20,033	9,504	-10,529	-52.6%
Operating expenses	38,859	29,837	-9,021	-23.2%
Financial expenses	1,531	1,676	144	9.4%
Provision of allowance for doubtful accounts	4,129	3,287	-841	-20.4%
Provision for loss on interest repayment	-	1,147	1,147	-
Advertising cost	2,468	1,845	-623	-25.2%
Advertising expenses	186	146	-40	-21.6%
Sales promotion expenses	2,281	1,698	-582	-25.5%
Personnel expenses	4,090	4,481	391	9.6%
Other operating expenses	26,640	17,400	-9,240	-34.7%
Operating income	4,131	3,012	-1,118	-27.1%
Ordinary income	4,261	3,132	-1,129	-26.5%
Income taxes-current	992	994	2	0.3%
Income taxes-deferred	523	-685	-1,208	-
Profit	2,746	2,822	75	2.8%

## V Financial Results of LIFECARD : Financial Results Summary



 (¥ million)	18/3	19/3	YOY	
			YOY	YOY%
Number of new issue (thousands)	517	513	-3	-0.7%
Proper	154	113	-40	-26.3%
Affinity	362	399	36	10.2%
Number of card holders (thousands)	5,771	5,777	6	0.1%
Credit card transaction volume	696,435	697,854	1,419	0.2%
Shopping	655,990	657,509	1,518	0.2%
Cashing	40,444	40,345	-98	-0.2%
Total receivable outstanding	169,632	173,153	3,521	2.1%
Installment receivable	99,956	104,242	4,285	4.3%
Loans	46,728	44,849	-1,879	-4.0%
Credit guarantee	22,032	23,063	1,030	4.7%
Other	914	998	83	9.2%
Bad debt	3,345	3,767	421	12.6%
Bad debt ratio operating loans	1.9%	2.1%	0.2pt	-



## VI Reference

(Breakdown of Other revenue/ expenses)

## VI-1 Reference: Breakdown of Other revenue/ expenses



(¥ million)	18/3	19/3	YOY	YOY%
Operating revenue	115,389	115,328	-60	-0.1%
Interest on operating loans	56,305	65,456	9,151	16.3%
Revenue from installment receivable	16,038	16,472	433	2.7%
Revenue from credit guarantee	12,992	13,953	960	7.4%
Sales of software developed	12,803	-	-12,803	-
Collection from purchased receivable	2,074	1,709	-364	-17.6%
Recoveries of written off claims	6,411	6,320	-91	-1.4%
Operating expenses	112,897	112,297	-599	-0.5%
Financial expenses	7,560	7,949	388	5.1%
Cost of purchased receivables	1,497	1,166	-331	-22.1%
Cost of sales of software development	11,244	-	-11,244	-
Provision of allowance for doubtful accounts	20,497	30,628	10,131	49.4%
Provision for general doubtful accounts	24,256	28,890	4,634	19.1%
Expenses on interest repayment	8,625	13,239	4,614	53.5%
Advertising cost	12,434	10,395	-2,039	-16.4%
Advertising expenses	3,592	2,675	-916	-25.5%
Sales promotion expenses	8,841	7,719	-1,122	-12.7%
Personnel expenses	15,680	16,540	860	5.5%

## VI-2 Reference: Breakdown of Other revenue/ expenses



(¥ million)	18/3	19/3	YOY	YOY%
Other	44,339	35,281	-9,057	-20.4%
Commission	12,962	14,644	1,682	13.0%
Communications	3,338	3,373	35	1.1%
Provision for point card certificates	2,807	2,950	143	5.1%
Consumption taxes	2,809	2,827	18	0.6%
Depreciation expenses	2,384	2,653	269	11.3%
Supplies, repair and maintenance	2,297	2,424	127	5.5%
Rents	2,401	2,285	-116	-4.8%
Rent expenses	414	377	-37	-8.9%
Operating profit	2,492	3,031	539	21.6%
Non-operating income	359	1,145	785	218.3%
Ordinary profit	2,823	4,110	1,287	45.6%
Extraordinary losses	-	690	690	-
Profit before income taxes	3,527	3,420	-107	-3.0%
Income taxes-current	437	858	420	96.2%
Income taxes-deferred	144	-5,621	-5,765	-
Profit(loss) attributable to non controlling interest	-1,012	-1,162	-150	-
Profit attributable to owners of parent	3,958	9,346	5,387	136.1%



## – Disclaimer –

- The figures contained in this presentation material with respect to AIFUL and AIFUL Group's plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of AIFUL and AIFUL Group which are based on management's assumptions and belief in light of the information currently available to it and involve risks and uncertainties. Therefore, actual results may differ from those in the forward-looking statements due to various factors.
- This English-translated presentation material was prepared solely for the convenience of English speaking investors. If any discrepancies exist, the original Japanese version always prevails. AIFUL and AIFUL Group shall not be liable for any loss or damages arising from this translation.