

FY2022/3

# Presentation Material

May 2022

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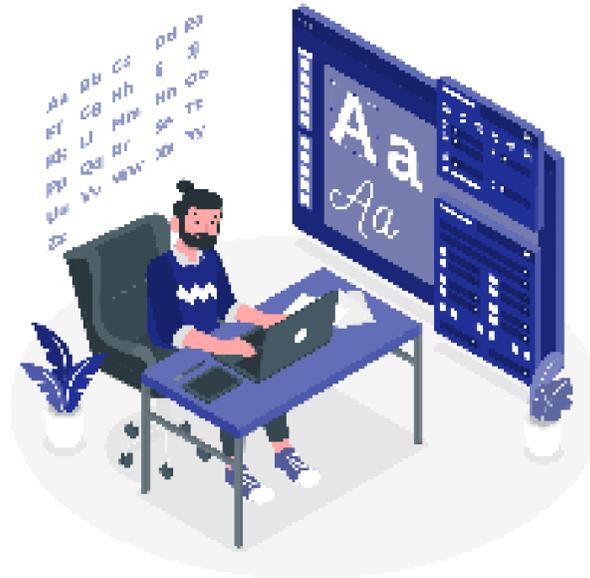
# Initiatives and Policies for IT Finance Group

# Management Theme, Strategy

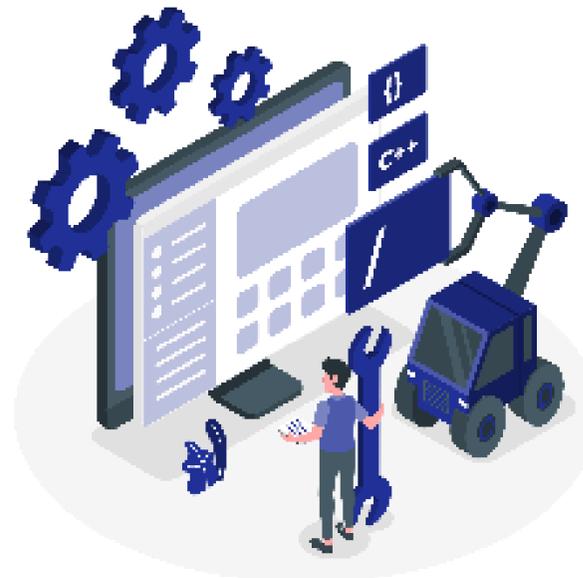
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Achieve growth as an **IT Finance Group** through organizational and institutional reforms and the use of digital technologies in response to environmental changes

Essential skill for IT Finance Group



**Design**



**Promoting Digitalization**



**Data Analysis**

# Effect of in-house production (AIFUL)

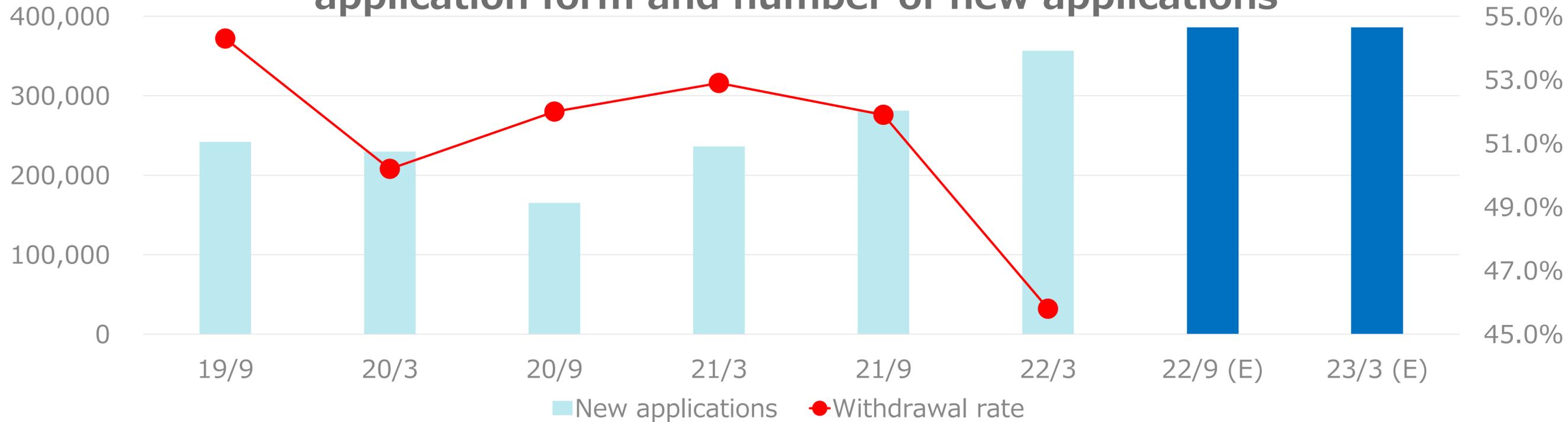
**Speedy and meticulous modification of the app**

(Number of modifications)  
 April 2020 - March 2021 Total 20 times  
 April 2021 - March 2022 Total 49 times

**Improvement of the app's rating in App Store**

( App Rating )	April 2020	March 2022
iOS	★ 2.7	★ 4.6 ↑
Android	★ 3.7	★ 4.5 ↑

**Decrease in withdrawal rate due to improved application form and number of new applications**



# Indicators of Reliability · Profitability · Growth Potential

		Indicator	FY2022/3
Reliability	Shareholders' Equity Ratio	20%	16.4%
Profitability	ROE	more than 10%	8.2%
	ROA	more than 2%	1.4%
Growth Potential	Operating Assets	Per annum	YOY
		10% Growth	+8.7% (887.4bn)

# Topics in FY2022/3

## 1Q

### Life CARD Live Active® Visa Card



### Life CARD Sun Chlorella Card



### AIRA & AIFUL Non-face-to-face completion

With the approval of e-KYC, in addition to the launch of automated bank withdrawals and card-less deposits / withdrawals, it has become possible to complete the whole process on a non-face-to-face basis.



## 2Q

### AG MEDICAL started operations

AG MEDICAL started operations in July, taking over the medical fee secured loan business from AIFUL BUSINESS FINANCE.



### Postpay Charge Service

AG MIRAIBARAI launched a new service, "Postpay Charge Service."



### Started crowdfunding business

AG Crowdfunding was established and started operations on September 3, 2021.



### R&I Credit Rating Upgrade

R&I credit rating was upgraded by two notches to BBB- on October 13, 2021.

## 3Q

### Transition to "Prime Market"

On January 11, 2022, Tokyo Stock Exchange approved our application for transition to "Prime Market", in accordance with the restructuring of market segments scheduled to take effect on April 4, 2022.



### Life CARD Limited Use Deposit Card



### JCR Credit Rating Upgrade

JCR credit rating was upgraded by two notches to BBB on December 24, 2021.

## 4Q

### No.1 in CM favorability ranking for 4 months

AIFUL released a new series of commercials and ranked first in the financial industry in terms of CM favorability for four consecutive months from December. In March, it ranked 13th overall in all industries, recorded 1.3 times the commercial favorability compared to the previous fiscal year.



### Real estate secured loan fund

AG Crowdfunding released its first case of real estate secured loan fund on March 8, 2022.

### Life CARD "Life CARD business" started web application and screening



For Colorful Life. For realizing a society where each person can play an active role

# Initiatives for Sustainability



## Programming class in Thailand

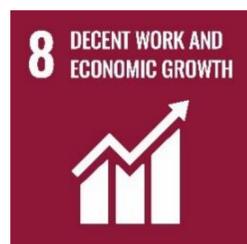
- A programming class was held for junior high school students on March 15, 2022.



## Improve Work Efficiency

- RPA has been developed throughout AIFUL Group since April 2019, striving to reduce energy consumption and cut overtime hours by improving work efficiency.

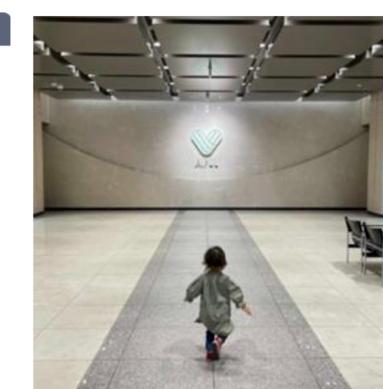
Period	Expected reduction of working hours
2019/4~2020/3	11,617 hours
2020/4~2021/3	11,209 hours
2021/4~2022/3	6,793 hours
Cumulative expected reduction of working hours	29,619 hours



## Employee Engagement

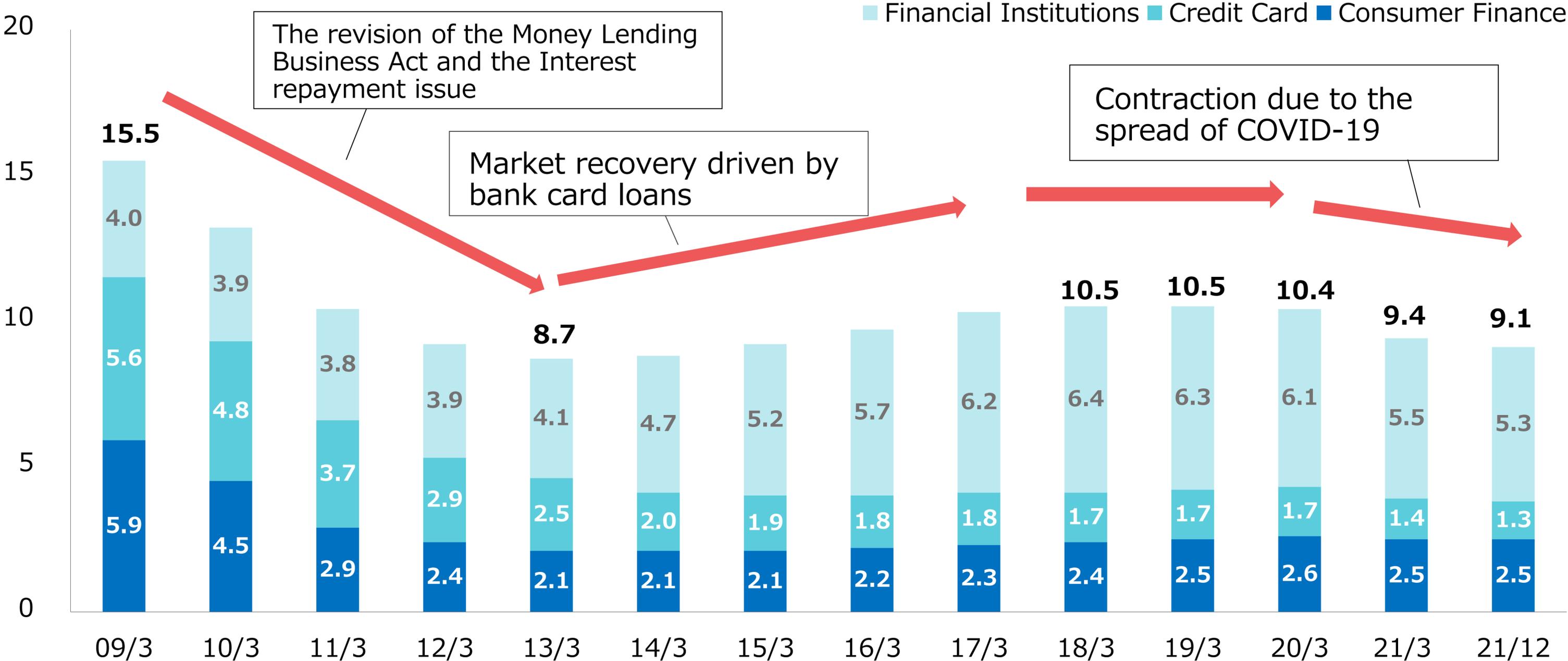
- In-house multi-portal that can also be viewed from smart phones has been introduced to quickly share internal newsletters and information
- A workplace tour was organized for employees' families to learn more about AIFUL Group.

### Multi Portal



# Unsecured Loan Market

( ¥trillion )



\*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)

# 02 Financial Results Summary

# Financial Highlights (Consolidated)

FY2022/3

YOY

Total operating  
assets

887.4bn

+8.7%

Loan business

582.3bn

+5.2%

Credit business

116.7bn

+7.4%

Credit guarantee  
business

171.7bn

+18.9%

# Financial Highlights (Consolidated)

	FY2022/3	YOY
Operating revenue	132.0bn	+3.6%
Operating profit	11.2bn	-35.9%
Ordinary profit	12.2bn	-36.5%
ROA	1.4%	-0.8pt

# Financial Highlights (Unsecured loan/ Credit Guarantee)

	FY2022/3	YOY	Ratio to the plan
<b>New accounts</b> (Unsecured loan in AIFUL)	<b>210,014num</b>	<b>+30.4%</b>	<b>+10.5%</b>
<b>Balance of Credit guarantee</b>	<b>171.7bn</b>	<b>+18.9%</b>	

## Unsecured loan

- Strong growth in both the number of applications and new acquisitions despite an increase in the number of infected people due to the Omicron variant
- Maintaining high conversion rate through speedy non-face-to-face screening and improved application forms
- Appropriate investment in advertising in response to the demand for funds

## Credit Guarantee

- Providing products tailored to the needs of financial institutions
- Proactive approach to partners and our support structure
- An increase in the balance of loan on deeds such as loan consolidation by 16.4 billion yen year on year

# Key Figures & Full-year Plan (Consolidated)

- **Operating assets:** up 8.7% year on YoY due to a growth in the balance of unsecured loan and credit guarantee business and a recovery in the credit card business, which are our core businesses.
- **Credit guarantee business:** up 18.9% YoY to 171.7 billion yen, driven by loan on deeds such as loan consolidation (up 16.4 billion YoY)

(¥ million)	21/3	22/3	YOY	YOY%	23/3(E)	YOY	YOY%
Total operating assets	816,579	887,407	70,828	8.7%	995,300	107,892	12.2%
Loan business	553,389	582,349	28,959	5.2%	635,900	53,550	9.2%
Unsecured	481,687	505,255	23,568	4.9%	548,300	43,044	8.5%
Secured	18,281	18,282	1	0.0%	22,400	4,117	22.5%
Small business	53,421	58,810	5,389	10.1%	65,200	6,389	10.9%
Credit business	108,714	116,780	8,066	7.4%	143,300	26,519	22.7%
Guarantee	145,725	172,697	26,972	18.5%	203,600	30,902	17.9%
Credit guarantee	144,428	171,797	27,369	18.9%	203,000	31,202	18.2%
Other	1,297	900	-396	-30.6%	600	-300	-33.4%
Operating revenue	127,481	132,097	4,616	3.6%	142,600	10,502	8.0%
Operating expenses	109,950	120,855	10,904	9.9%	118,800	-2,055	-1.7%
Operating profit	17,530	11,242	-6,288	-35.9%	23,800	12,557	111.7%
Ordinary profit	19,305	12,265	-7,039	-36.5%	24,000	11,734	95.6%
Profit attributable to owners of parent	18,437	12,334	-6,103	-33.1%	21,300	8,965	72.7%

# Consolidated Results Outline

- Operating revenue : up 3.6% YoY to 132.0 billion yen, mainly due to an increase in revenue from interest on operating loans and credit guarantee.
- Operating profit: credit cost decreased by 28.1% YoY to 27.9 billion yen due to reversal of allowance for doubtful accounts, which had taken into account an impact of COVID-19. On the other hand, operating profit fell 36.0% YoY to 11.2 billion yen due to recording of expenses for interest repayment.

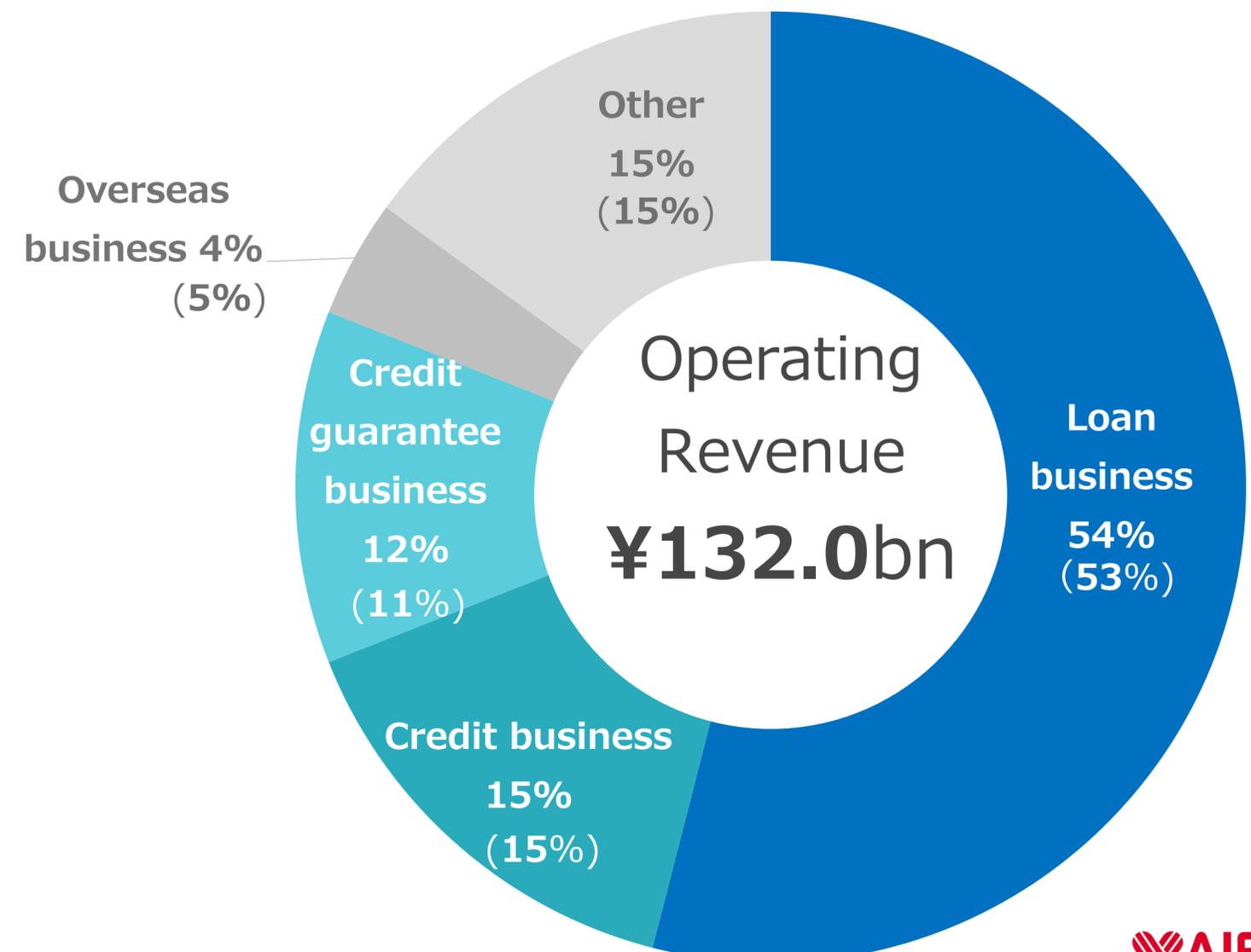
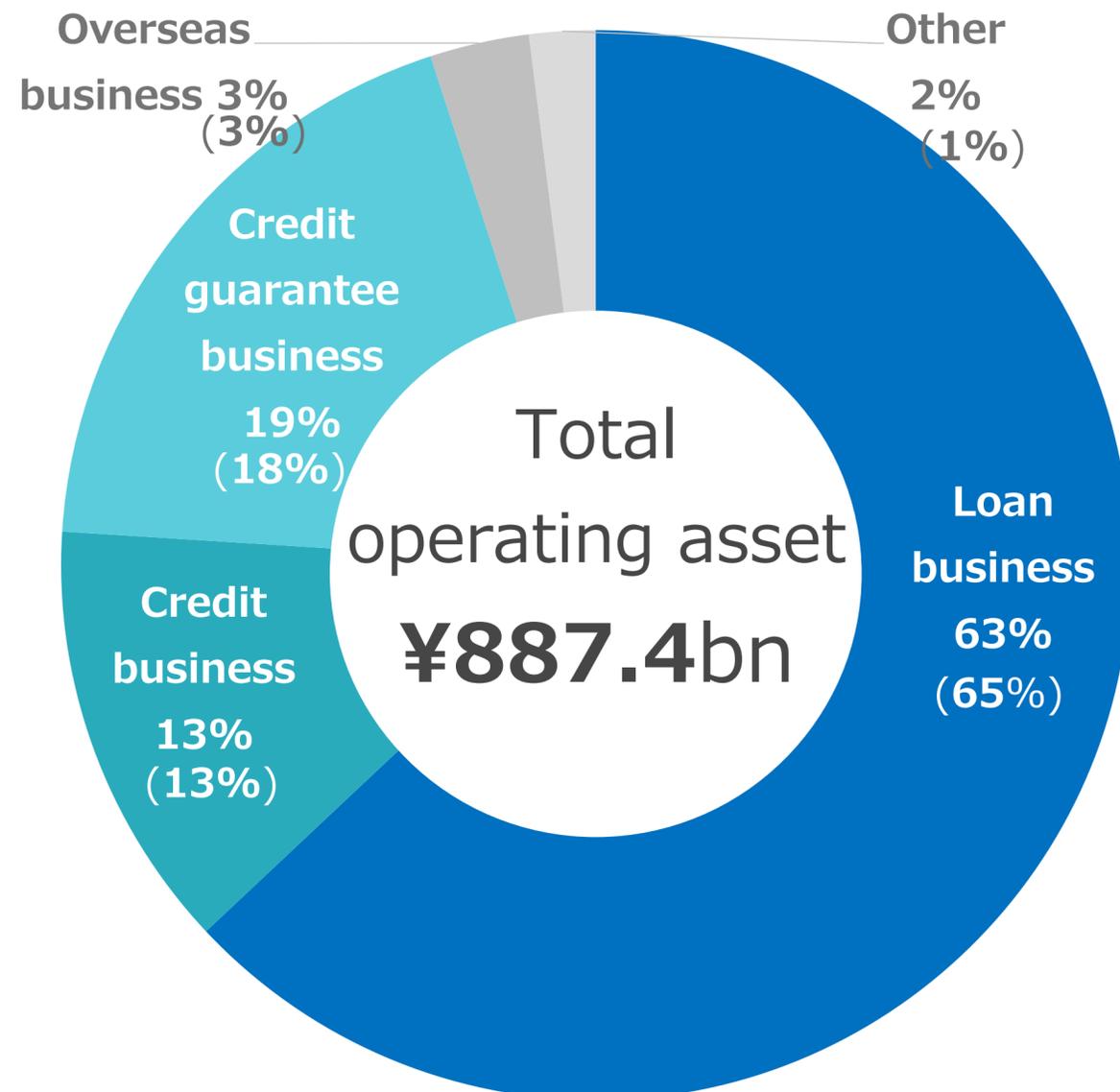
(¥ million)	21/3	22/3	YOY	YOY%	(¥ million)	21/3	22/3	YOY	YOY%
Operating revenue	127,481	<b>132,097</b>	<b>4,616</b>	<b>3.6%</b>	Operating profit	17,530	<b>11,242</b>	<b>-6,288</b>	<b>-35.9%</b>
Interest on operating loans	74,041	<b>76,332</b>	<b>2,290</b>	<b>3.1%</b>	Non-operating income	1,928	<b>1,058</b>	<b>-869</b>	<b>-45.1%</b>
Revenue from installment receivable	19,387	<b>20,099</b>	<b>712</b>	<b>3.7%</b>	Non-operating expenses	153	<b>35</b>	<b>-118</b>	<b>-77.0%</b>
Revenue from credit guarantee	14,524	<b>15,730</b>	<b>1,206</b>	<b>8.3%</b>	Ordinary profit	19,305	<b>12,265</b>	<b>-7,039</b>	<b>-36.5%</b>
Other operating revenue	19,528	<b>19,934</b>	<b>406</b>	<b>2.1%</b>	Extraordinary income	-	-	-	-
Operating expenses	109,950	<b>120,855</b>	<b>10,904</b>	<b>9.9%</b>	Extraordinary losses	1,156	-	-	-
Financial expenses	7,248	<b>7,041</b>	<b>-207</b>	<b>-2.9%</b>	Profit before income taxes	18,149	<b>12,265</b>	<b>-5,883</b>	<b>-32.4%</b>
Expenses for interest repayment	-	<b>19,929</b>	-	-	Income taxes-current	2,965	<b>2,602</b>	<b>-362</b>	<b>-12.2%</b>
Credit cost	38,818	<b>27,918</b>	<b>-10,899</b>	<b>-28.1%</b>	Income taxes-deferred	-2,610	<b>-3,374</b>	<b>-764</b>	-
Advertising cost	9,821	<b>14,590</b>	<b>4,768</b>	<b>48.6%</b>	Profit attributable to non-controlling interest	-642	<b>703</b>	<b>1,346</b>	-
Personnel expenses	16,902	<b>16,704</b>	<b>-198</b>	<b>-1.2%</b>	Profit attributable to owners of parent	18,437	<b>12,334</b>	<b>-6,103</b>	<b>-33.1%</b>
Other operating expenses	37,158	<b>34,670</b>	<b>-2,488</b>	<b>-6.7%</b>					

# Business Portfolio

## [Approach to Business Portfolio]

Aiming to diversify its financial business by strengthening its guarantee and other fee businesses and credit businesses, with the purpose of securing stable earnings that are not dependent on the loan business.

- Total Operating Assets : the occupancy rate of credit guarantee business was up 1pt YoY to 19% reflecting double-digit growth in the balance, a sign of improvement in our business portfolio.
- Operating Revenue : as a result of an increase in revenue of credit guarantee business, up 8% YoY, the occupancy rate was up 1pt YoY to 12%.



\* Figures in parentheses are ratios in the same period of the previous fiscal year

# 03 AIFUL Results Summary

# Operating Results (AIFUL)

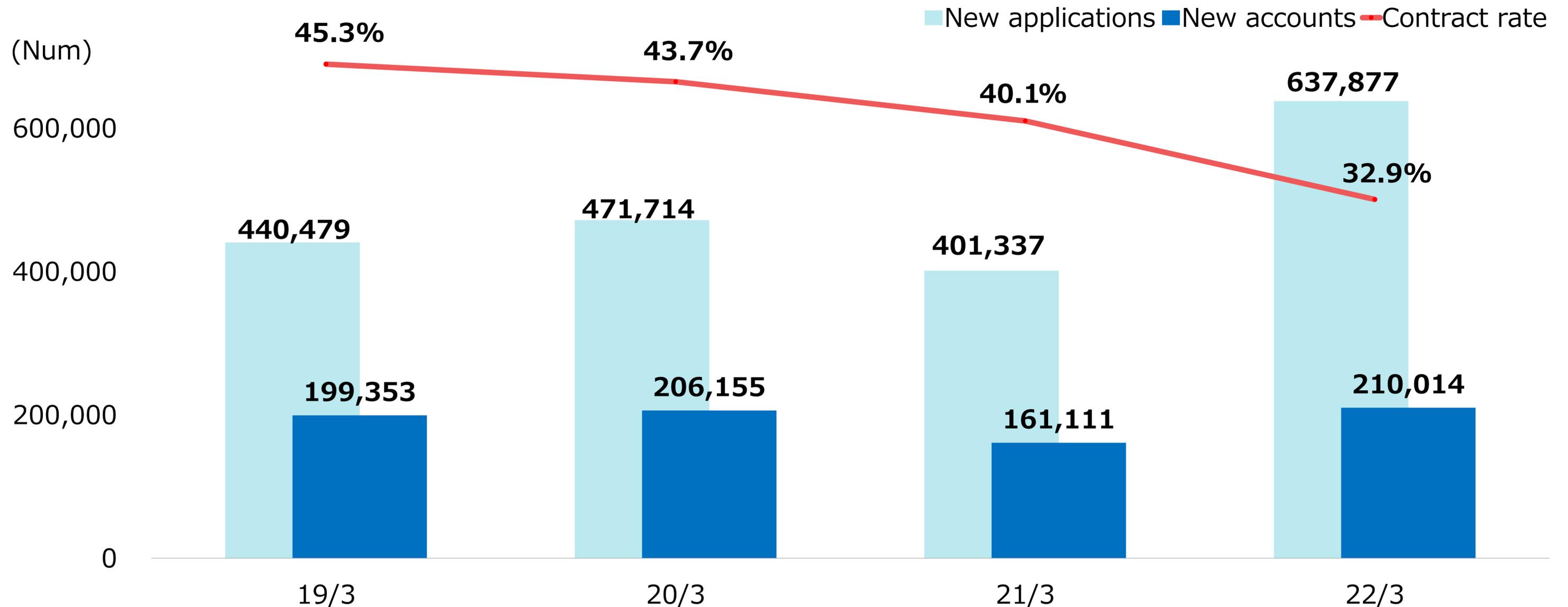
( ¥ million )	21/3	22/3	YOY	YOY %
Total receivable outstanding	572,070	619,388	47,317	8.3%
Loans outstanding	438,300	461,884	23,584	5.4%
Unsecured	425,848	449,747	23,899	5.6%
Secured	4,813	3,501	-1,311	-27.3%
Small business	7,638	8,635	996	13.0%
Credit guarantee	124,865	147,708	22,842	18.3%
New accounts (num)	161,186	210,104	48,918	30.3%
Unsecured	161,111	210,014	48,903	30.4%
Customer accounts (thousands)	933	980	46	5.0%
Unsecured	922	968	46	5.1%
Average yield	14.3%	14.4%	0.1pt	-
Below 18% unsecured loan balance's occupancy rate	99.1%	99.3%	0.2pt	-
Bad debt	22,457	20,521	-1,935	-8.6%
Excluding write-off accompanying interest repayment	21,530	19,797	-1,733	-8.1%
Bad debt ratio to operating loans	3.9%	3.3%	-0.6pt	-
Ratio excluding write-off related to interest repayment	3.8%	3.2%	-0.6pt	-

# Financial Results Outline (AIFUL)

( ¥ million )	21/3	22/3	YOY	YOY %
Operating revenue	78,826	83,117	4,290	5.4%
Interest on operating loans	59,732	63,071	3,338	5.6%
Revenue from credit guarantee	11,136	11,447	311	2.8%
Operating expenses	68,352	78,359	10,006	14.6%
Financial expenses	5,416	5,421	4	0.1%
Provision of allowance for doubtful accounts	29,864	20,701	-9,162	-30.7%
Expenses for Interest repayment	-	17,283	-	-
Advertising cost	7,981	9,979	1,998	25.0%
Advertising expenses	2,766	9,644	6,878	248.6%
Sales promotion expenses	5,214	335	-4,879	-93.6%
Personnel expenses	10,286	9,504	-782	-7.6%
Other operating expenses	14,804	15,469	664	4.5%
Operating profit	10,473	4,757	-5,715	-54.6%
Non-operating income	1,588	2,014	426	26.8%
Non-operating expenses	87	23	-64	-73.2%
Ordinary profit	11,973	6,748	-5,225	-43.6%
Extraordinary income	-	-	-	-
Extraordinary losses	4,556	-	-	-
Profit	9,583	7,912	-1,670	-17.4%

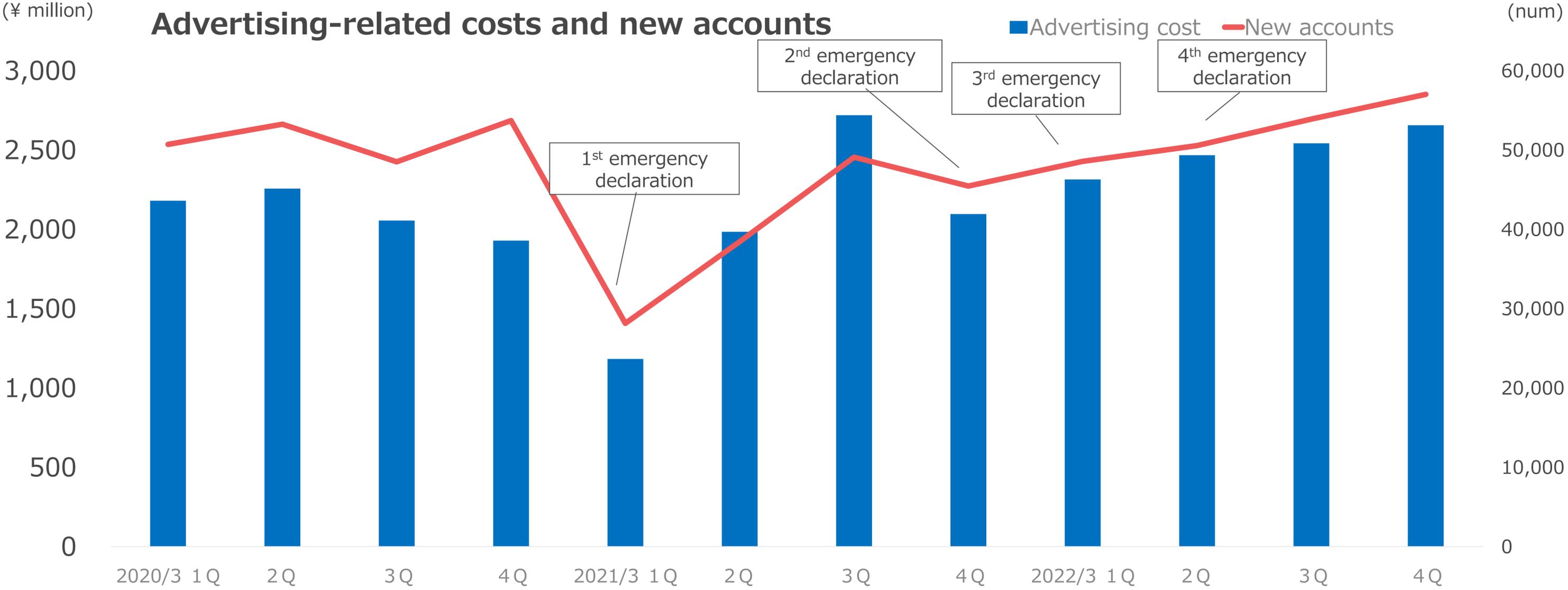
# Loan Business/ New accounts (AIFUL)

- Although the demand for funds dropped in the beginning of the first quarter of the previous fiscal year due to COVID-19, it continued to recover from the second half.
- UI/UX improvements to the application form and more efficient staffing were implemented.
- As a result, the number of new applications increased 58.9% YoY to 637,000, and the number of new accounts increased 30.4% YoY to 210,000.



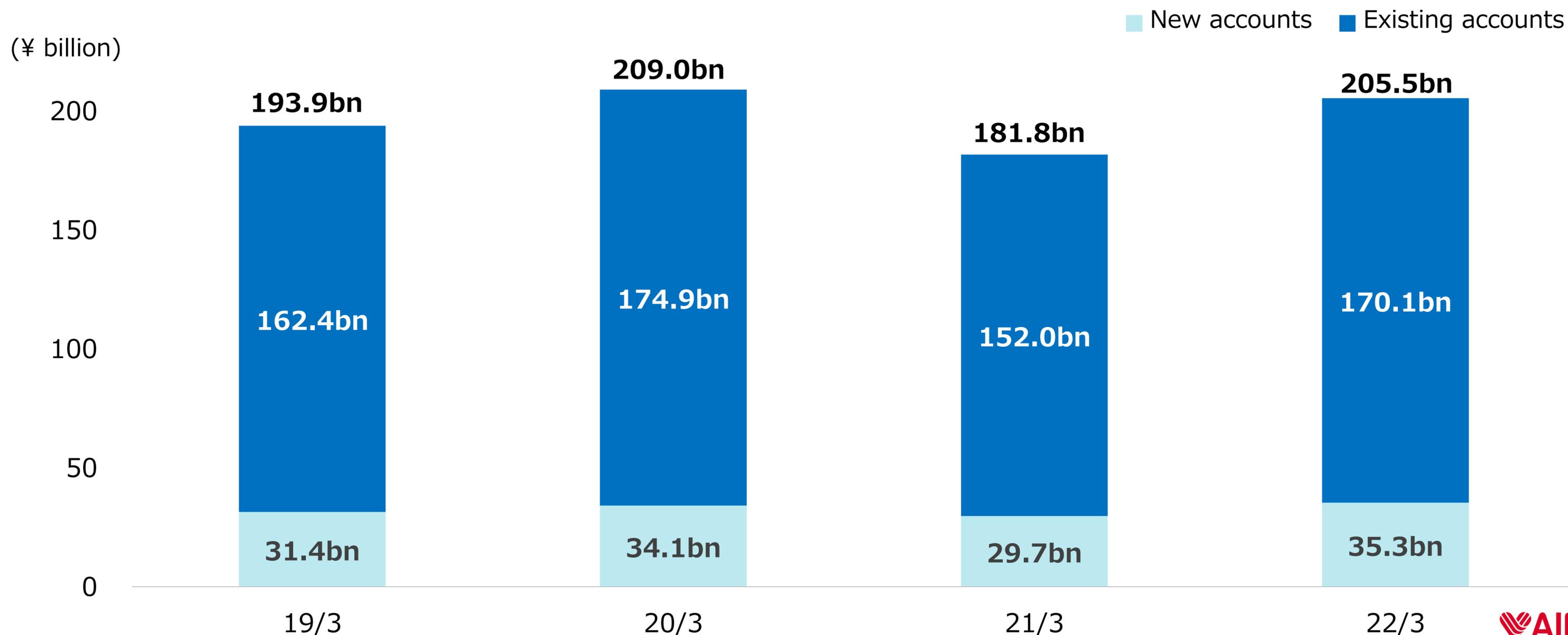
# Loan Business/ Correlation between advertising costs and new accounts under the impact of COVID-19 (AIFUL)

- Spending on advertising and the number of new accounts are correlated.
- Spent appropriately on advertising in line with market conditions, taking into account the impact of COVID-19 such as the emergency declaration.
- New accounts recovered to the level before the pandemic due to aggressive cost investment from the 3Q FY2020 onward.



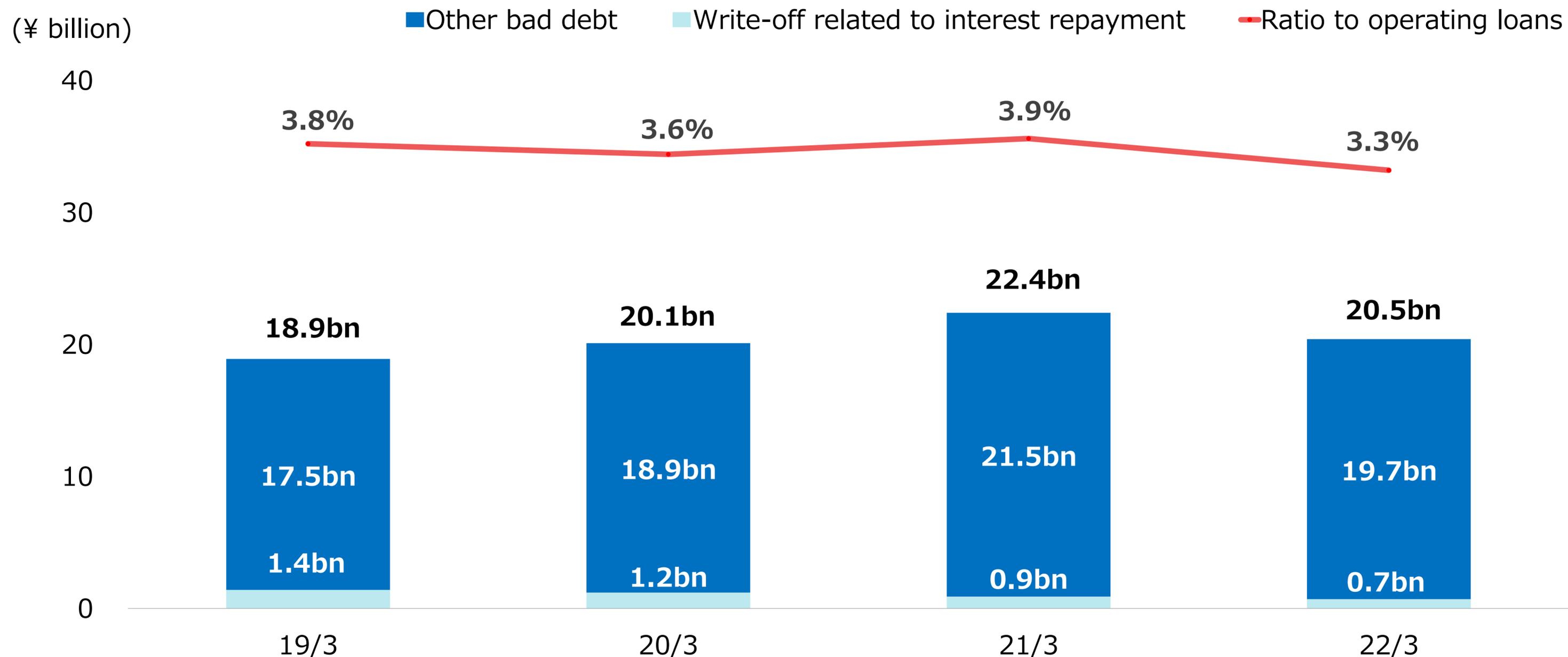
# Loan Business/ Loan Volume (AIFUL)

- Both the volumes of new and existing accounts recovered compared to the previous fiscal year, when it was affected by a decline in demand for funds due to COVID-19.
- The loan volume of new accounts was 35.3 billion yen, up 18.8% YoY, and that of existing accounts was 170.1 billion yen, up 11.9% YoY.
- The total volume recovered to the same level as that of FY2019 before pandemic.



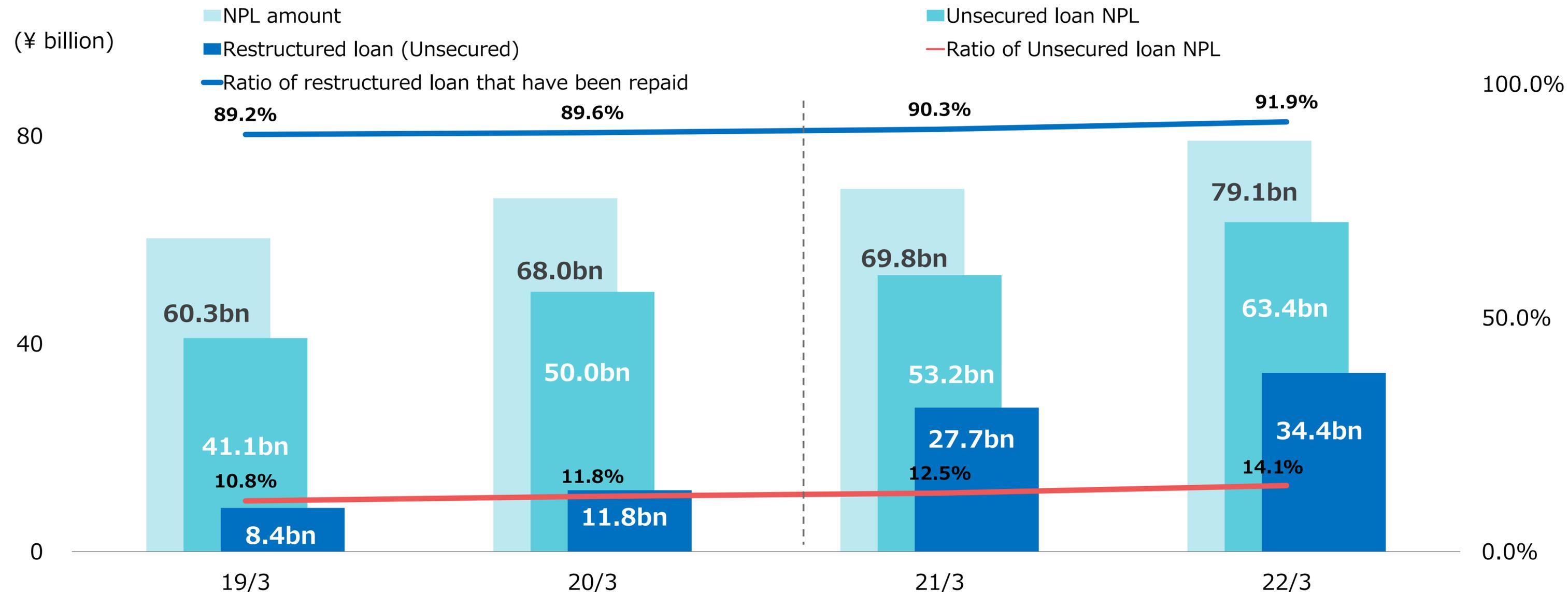
# Non-performing Loans/ Bad Debts (AIFUL)

- The bad debts decreased 8.6% YoY to 20.5 billion yen and the ratio to operating loans was 3.3%, which was stable at low level.
- The write-off related to interest repayment was 700 million yen, which remained at low level.



# Non-performing Loans/ Unsecured Loan NPL (AIFUL)

- Unsecured loan NPL outstanding rose 19.3% YoY to 63.4 billion and the NPL ratio rose 1.6pt to 14.1%, mainly due to an increase in restructured loans (loans with eased lending conditions) that are expected to receive payments regularly.

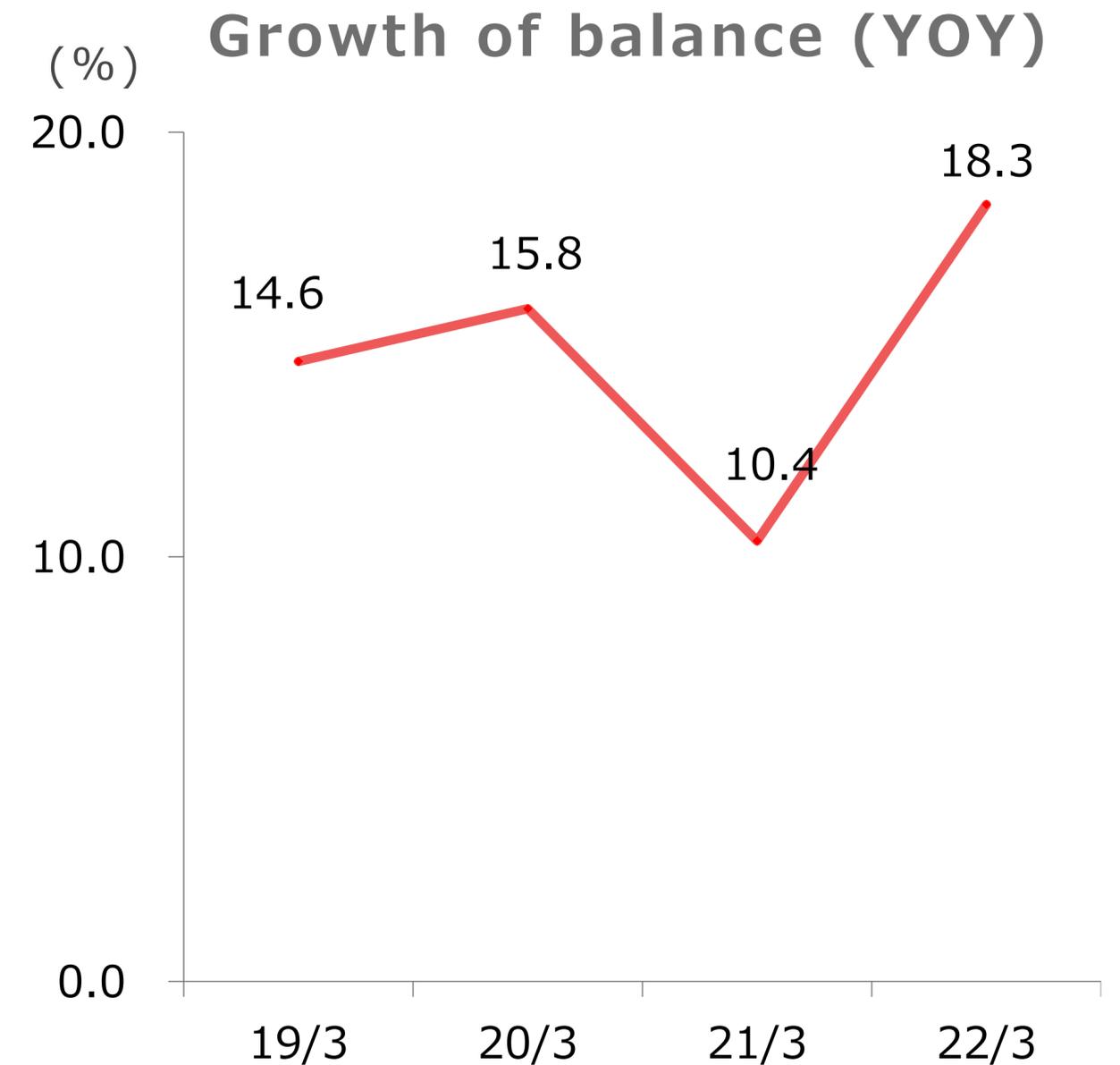
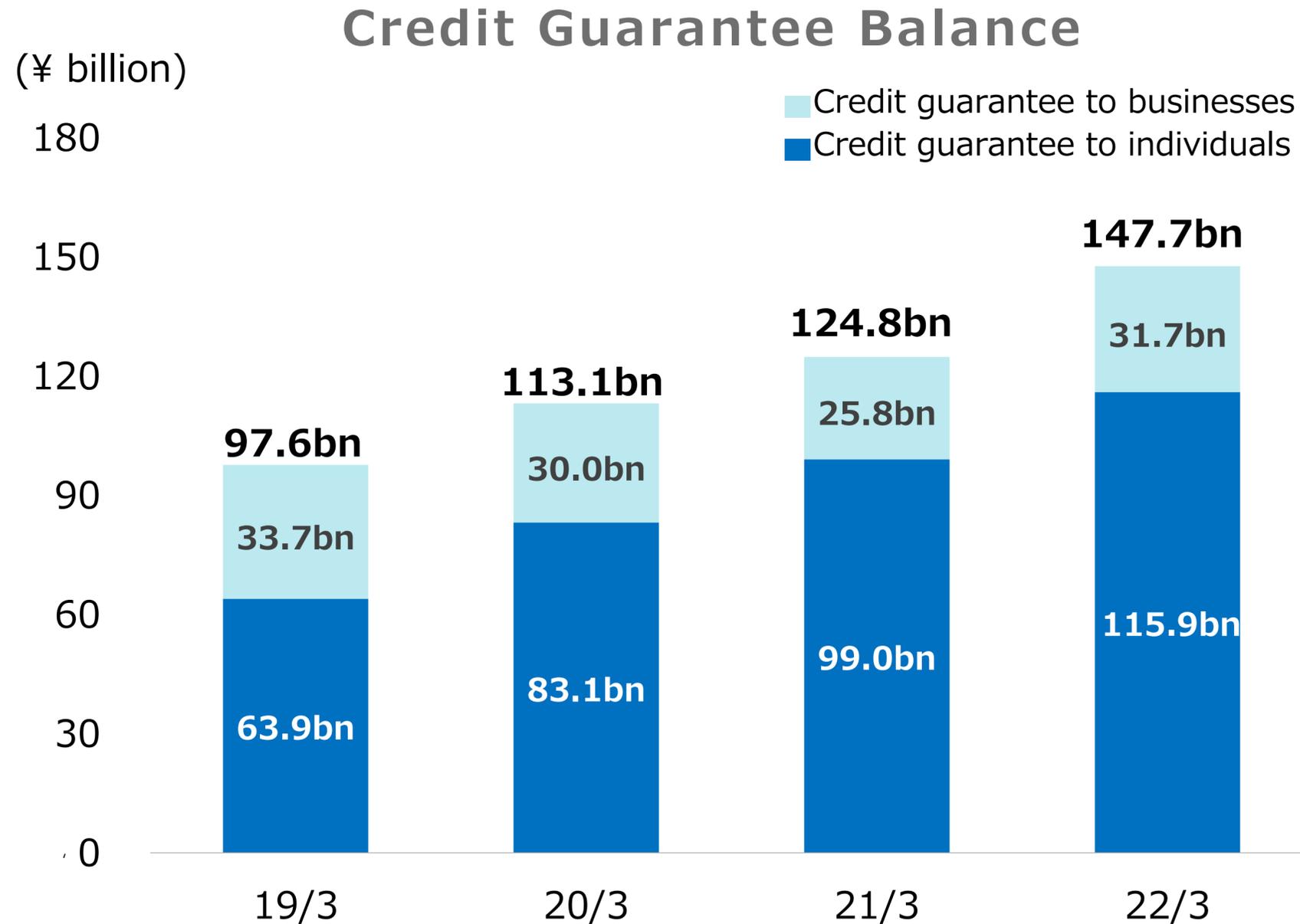


\*1 From the fourth quarter of the FY2020, settlement receivables with regular deposits included in Non-accrual loans have been included in Restructured loans in a more realistic manner.

\*2 As the "Notes on Non-Performing Loans" in the "Cabinet Office Order on Account Management of specified finance companies" was revised on March 31, 2022, the classification is presented based on the revision of the said Cabinet Office Order.

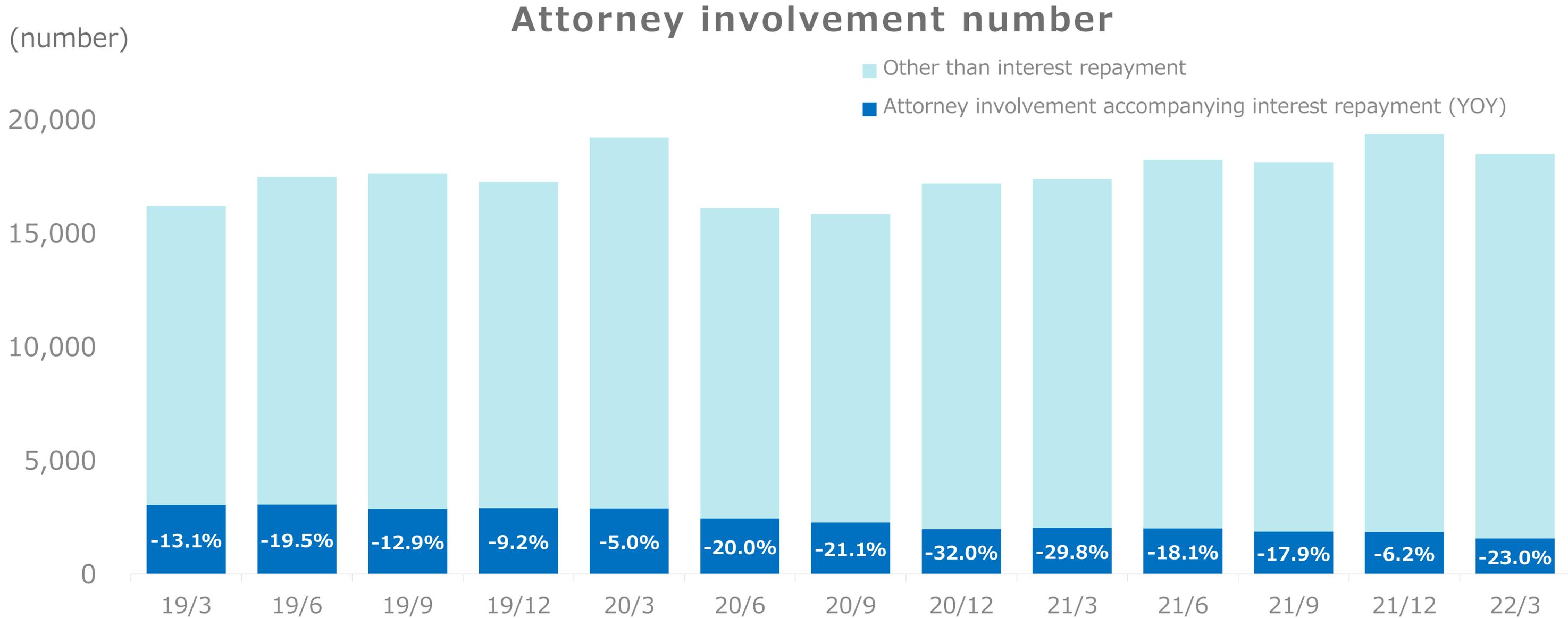
# Credit Guarantee Business/ Guarantee for Individuals & Business Operator (AIFUL)

- The growth of the credit guarantee balance was up 18.3% YoY to 147.7 billion yen, reflecting our efforts to diversify products and strengthen relationships with partners.



# Interest Repayment/Attorney Involvement Claims (AIFUL)

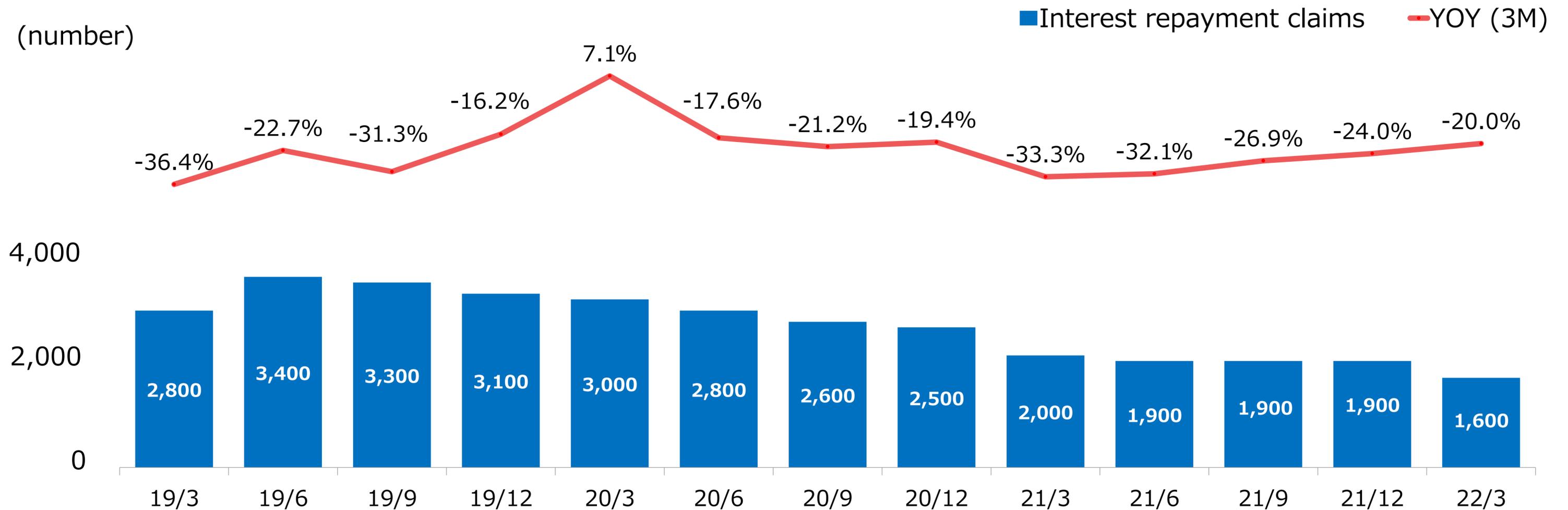
- The number of cases of attorney involvement accompanying interest repayment fell 23.0% YoY.



# Interest Repayment/Number of Claims(AIFUL)

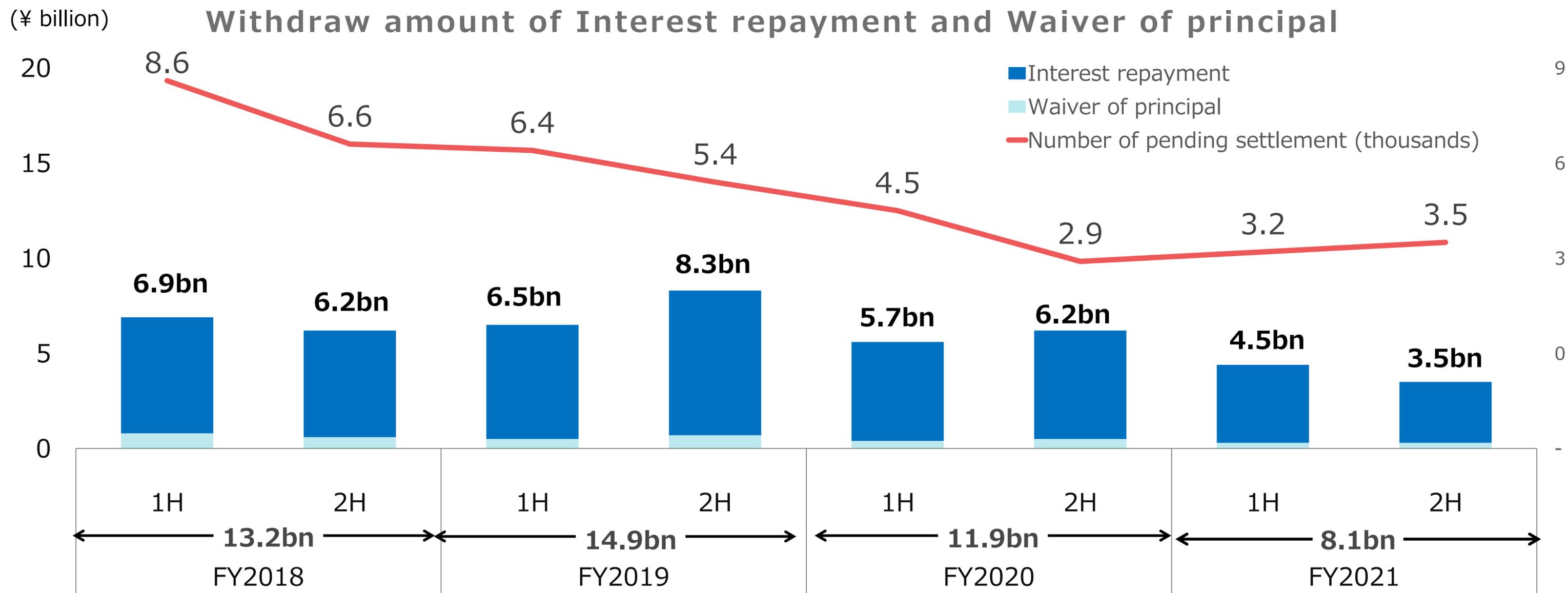
- The number of interest repayment claims (3-month total) stood at 1600, down 20.0% YoY.

## Interest repayment claims



# Interest Repayment/ Withdraw Amount(AIFUL)

- The withdraw amount of allowance for interest repayments during FY2021 decreased 31.8% YoY to 8.1 billion yen (of which 7.4 billion yen was applied to interest repayment and 0.7 billion yen to debt waiver).
- Thanks to aggressive reconciliation, the number of pending settlements has been decreasing, recognizing 3,500 in FY2021.



# Interest Repayment/Provision(AIFUL)

- 8.1 billion yen (of which 7.4 billion yen was applied to interest repayment and 0.7 billion yen to waiver of principal) was withdrawn from the allowance of 13.8 billion yen at the beginning of FY2021. Based on the current situation, an additional provision of 18.0 billion yen (of which 17.2 billion yen for interest repayment and 0.7 billion yen for waiver of principal) was made, resulting in an allowance of 23.7 billion yen at the end of FY2021.

## Provision for loss on interest repayment(AIFUL)

(¥ million)	Interest repayment	Waiver of principal	Total
Allowance at the beginning of period	11,460	2,397	<b>13,857</b>
Withdraw (interest repayment)	7,409	724	<b>8,133</b>
Provisions (reversal)	17,283	741	<b>18,025</b>
Allowance at the end of period	21,334	2,414	<b>23,749</b>

## ref. Consolidated provision for loss on interest repayment

(¥ million)	Interest repayment	Waiver of principal	Total
Allowance at the beginning of period	12,913	2,737	<b>15,651</b>
Withdraw (interest repayment)	8,248	866	<b>9,115</b>
Provisions (reversal)	19,929	1,027	<b>20,957</b>
Allowance at the end of period	24,594	2,898	<b>27,492</b>

# 04 LIFECARD Results Summary

## LIFE CARD/ Strategy

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**Be Unique!**

Under **Be Unique!**,  
Aiming for Unique Brand Position

# LIFE CARD/ Strategy

Increase LTV by reaching out to young people at an early stage

Increase usage rates by issuing unique co-branded cards and corporate credit cards

Student Card



Co-branded



Student Card



Corporate



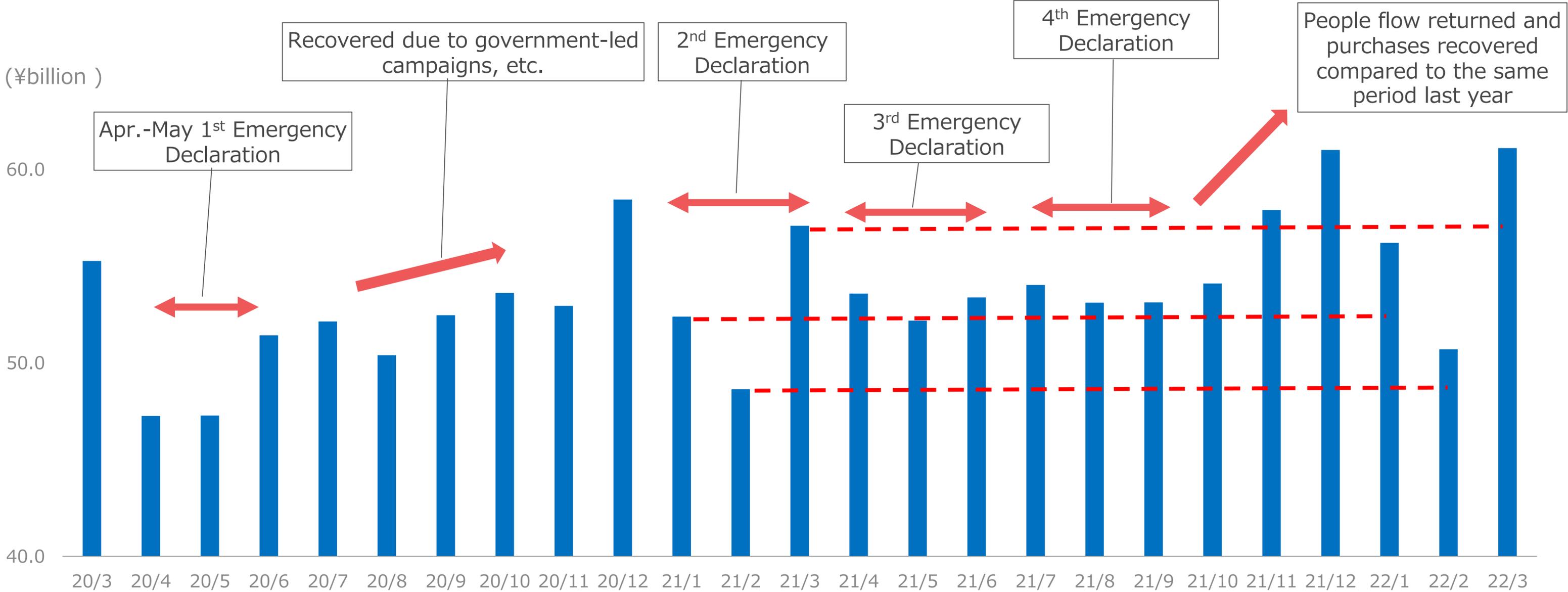
# LIFE CARD/ Financial Results Summary

( ¥ million )	21/3	22/3	YOY	YOY %
Operating revenue	32,320	<b>32,368</b>	<b>48</b>	<b>0.1%</b>
Revenue from installment receivable	16,586	<b>16,773</b>	<b>187</b>	<b>1.1%</b>
Interest on operating loans	4,524	<b>4,066</b>	<b>-457</b>	<b>-10.1%</b>
Revenue from credit guarantee	1,592	<b>1,754</b>	<b>162</b>	<b>10.2%</b>
Other	9,617	<b>9,774</b>	<b>156</b>	<b>1.6%</b>
Operating expenses	28,751	<b>30,762</b>	<b>2,010</b>	<b>7.0%</b>
Financial expenses	1,352	<b>1,161</b>	<b>-191</b>	<b>-14.1%</b>
Provision of allowance for doubtful accounts	4,193	<b>2,745</b>	<b>-1,447</b>	<b>-34.5%</b>
Bad debt ratio to operating loans	2.4%	<b>2.1%</b>	<b>—</b>	<b>-0.3pt</b>
Provision for loss on interest repayment	—	<b>2,645</b>	<b>2,645</b>	<b>-</b>
Advertising expenses	110	<b>1,141</b>	<b>1,031</b>	<b>934.5%</b>
Sales promotion expenses	1,214	<b>2,703</b>	<b>1,489</b>	<b>122.6%</b>
Personnel expenses	4,631	<b>4,808</b>	<b>176</b>	<b>3.8%</b>
Other operating expenses	17,248	<b>15,555</b>	<b>-1,693</b>	<b>-9.8%</b>
Operating profit	3,568	<b>1,606</b>	<b>-1,962</b>	<b>-55.0%</b>
Ordinary profit	4,248	<b>1,800</b>	<b>-2,448</b>	<b>-57.6%</b>
Profit	3,139	<b>1,755</b>	<b>-1,384</b>	<b>-44.1%</b>

# LIFE CARD/ Monthly Trend of Shopping Purchases

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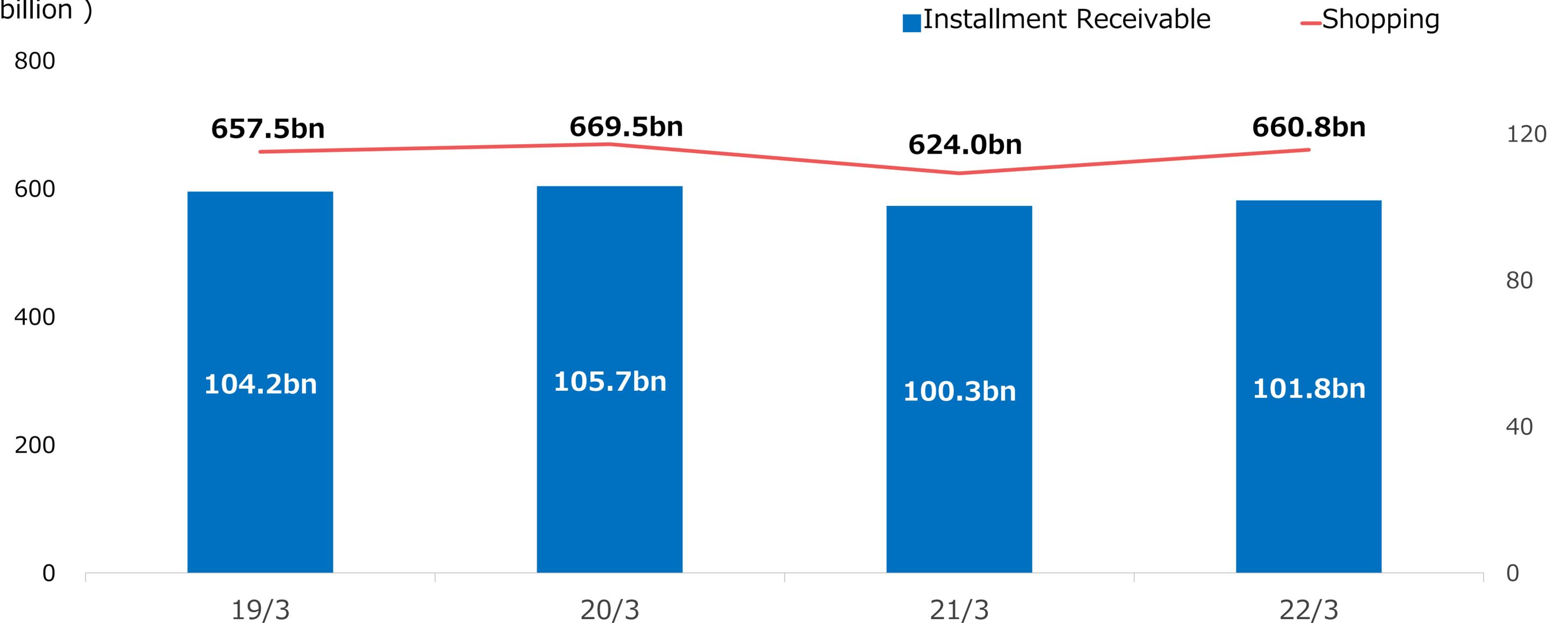
- The use of cards has been recovering due to the lifting of the emergency declaration and the penetration of new lifestyles centered on the Internet.



# LIFE CARD/ Installment Receivable

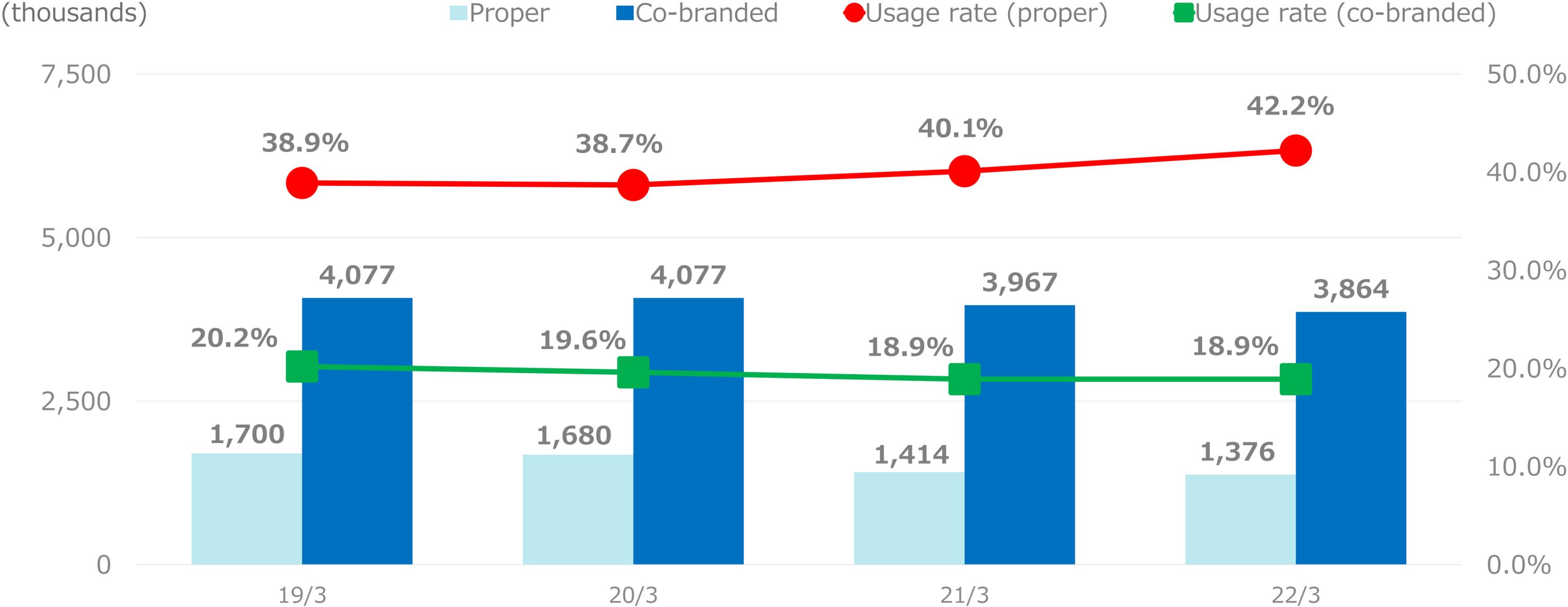
- The installment receivable recovered to the same level as that of FY2019 due to the recovery in shopping purchases.

(¥billion )



# LIFE CARD/ Number of active cardholders & Usage rate

- The usage rate of proper cards increased to 42.2% due to promotion of member acquisition methods emphasizing usage frequency and renewal of the website and smartphone app.

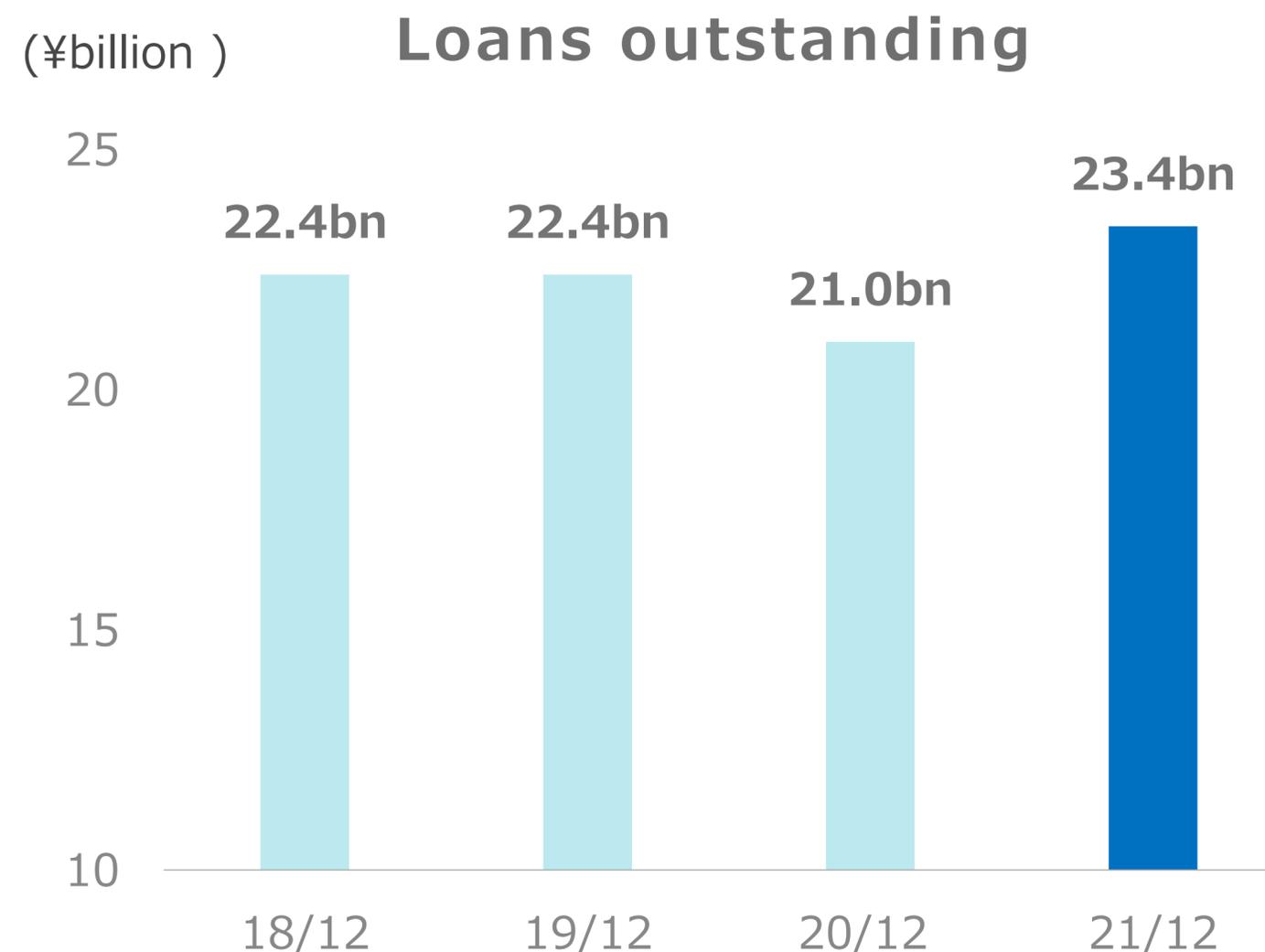


# 05 Group Companies Results Summary

# Overseas Business/AIRA&AIFUL (Thailand)

- Macro environment in Thailand : Strong exports helped real GDP growth turn positive, from -0.2% in the third quarter (July-September 2021) to 1.9% in the fourth quarter (October-December 2021). <data from National Economic and Social Development Council>
- Ordinary profit (Jan to Dec) was 460 million yen as a result of a decrease in bad debt expenses due to improvement in the loan portfolio.

( ¥ million )	20/12	21/12	YOY%
Loans outstanding	21,068	23,418	11.2%
N. of customer accounts (thousand)	329	330	0.3%
Bad Debt Write-off Ratio	13.8%	8.7%	-
Operating revenue	5,957	5,725	-3.9%
Operating profit (loss)	-118	461	-
Ordinary profit (loss)	-131	463	-
Profit (loss)	-190	1,037	-



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

\*Exchange rate (Thai Baht): B/S: ¥3.44(FY2020), ¥3.43(FY2021)  
P/L: ¥3.42(FY2020), ¥3.44(FY2021)

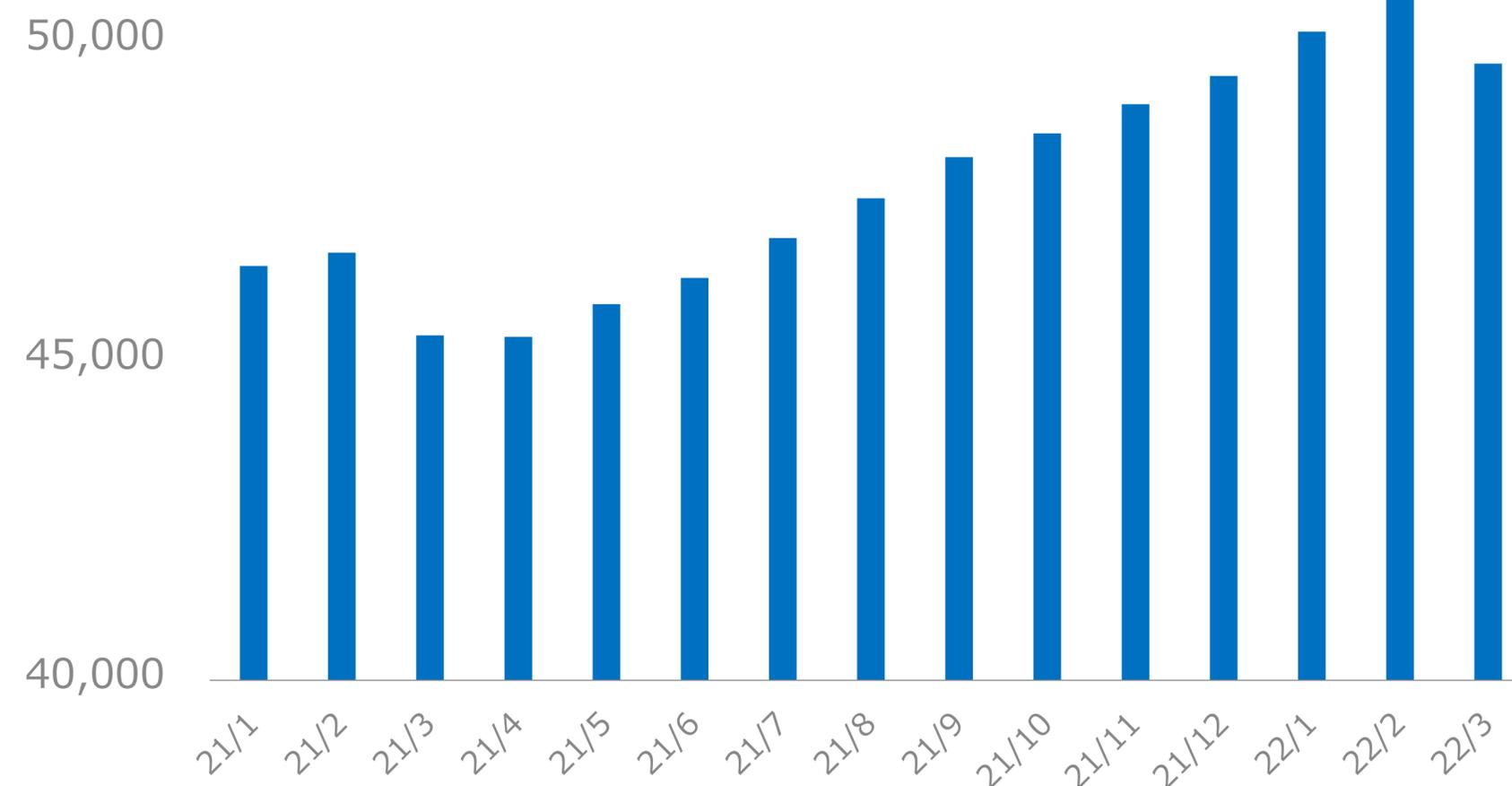
# AIFUL BUSINESS FINANCE CORPORATION

- Business loan balance increased 9.6% YOY, on a recovery trend.
- Operating profit decreased 4.5% YOY mainly due to an increase in bad-debt related expenses and advertising expenses.

( ¥ million )	21/3	22/3	YOY
Loans outstanding	58,475	55,928	-4.4%
Secured loans	13,466	6,578	-51.2%
Business loans	45,008	49,349	9.6%
Customer accounts (thousands)	25	26	2.2%
Bad Debt Write-off Ratio	3.0%	3.0%	—
Operating revenue	6,532	6,430	-1.6%
Operating profit	2,894	2,762	-4.5%
Ordinary profit	2,913	2,773	-4.8%
Profit	1,767	1,691	-4.3%

( ¥ million )

## Monthly Trends in Small Business Loans Outstanding



# Other Group Companies Topics

**AG MEDICAL**

AG MEDICAL CORPORATION

Operating Profit ¥150M

Ordinary Profit ¥140M

Profit ¥90M

Loans outstanding ¥8.2bn

**27.4% increase from  
business launch**



AIFUL GUARANTEE CO., LTD.

Operating Profit ¥530M

Ordinary Profit ¥530M

Profit ¥370M

**Installment Receivable  
¥14.7bn (YOY +82.0%)**

**Number of affiliate stores  
2,575 (YOY +32.5%)**



AG MIRAIARAI Co., Ltd.

Operating Profit ¥-320M

Ordinary Profit ¥-310M

Profit ¥-300M

**Shopping Purchases  
¥12.0M (YOY +50.6%)**

**Number of affiliate stores  
433,000 (YOY +35.2%)**

# 06 Appendix

# Operating Revenue and Expenses (Consolidated)

( ¥ million )	21/3	22/3	YOY	YOY %
Operating revenue	127,481	132,097	4,616	3.6%
Interest on operating loans	74,041	76,332	2,290	3.1%
Revenue from installment receivable	19,387	20,099	712	3.7%
Revenue from credit guarantee	14,524	15,730	1,206	8.3%
Collection from purchased receivable	1,523	889	-684	-43.5%
Recoveries of written off claims	6,761	7,492	730	10.8%
Other revenue	11,193	11,553	359	3.2%
Operating expenses	109,950	120,855	10,904	9.9%
Financial expenses	7,248	7,041	-207	-2.9%
Cost of purchased receivable	1,141	—	—	—
Provision of allowance for doubtful accounts	38,818	27,918	-10,899	-28.1%
Expenses for interest repayment	—	19,929	—	—
Advertising cost	9,821	14,590	4,768	48.6%
Advertising expenses	3,013	11,321	8,308	275.7%
Sales promotion expenses	6,808	3,269	-3,539	-52.0%
Personnel expenses	16,902	16,704	-198	-1.2%

# Operating Expenses and Profit (Consolidated)

( ¥ million )	21/3	22/3	YOY	YOY %
Other	36,016	34,670	-1,346	-3.7%
Commission	14,978	15,283	305	2.0%
Communications	2,925	3,035	109	3.7%
Provision for point card certificates	2,209	—	—	—
Consumption taxes	4,774	5,223	449	9.4%
Depreciation expenses	3,418	3,417	-0	-0.0%
Supplies, repair and maintenance	2,651	2,562	-89	-3.4%
Rents	1,799	1,785	-13	-0.8%
Rent expenses	393	381	-12	-3.1%
Operating profit	17,530	11,242	-6,288	-35.9%
Non-operating income	1,928	1,058	-869	-45.1%
Non-operating expenses	153	35	-118	-77.0%
Ordinary profit	19,305	12,265	-7,039	-36.5%
Extraordinary profit	—	—	—	—
Extraordinary losses	1,156	—	—	—
Profit before income taxes	18,149	12,265	-5,883	-32.4%
Profit(loss) attributable to non controlling interest	-642	703	—	—
Profit attributable to owners of parent	18,437	12,334	-6,103	-33.1%

# Basic Sustainability Policy

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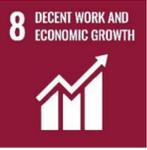


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AIFUL Group aims to strike a balance between  
“Sustainable society” and “Growth” so that all  
kinds of people can be themselves.

# Major Efforts

Theme	Challenges	Major Efforts	Relevant SDGs	
Environment	Realization of a carbon-free society	<ul style="list-style-type: none"> <li>• Management of energy consumption</li> <li>• "Cool Biz" and "Warm Biz" Activities</li> <li>• Endorsement of "COOL CHOICE"</li> <li>• Efforts to improve operational efficiency</li> <li>• Reducing the number of multifunction devices</li> </ul>	  	
	Promoting Resource Recycling	<ul style="list-style-type: none"> <li>• Waste separation and recycling</li> <li>• "Green Fund-raising" activities</li> <li>• Purchase of Green products and Eco Mark products</li> <li>• Introduction of paperless, online statements</li> </ul>	 	
Social	Creating Products that Meet Society's Expectations	<ul style="list-style-type: none"> <li>• Product development to meet customers' diverse needs</li> <li>• Service quality improvement by collecting customer feedback</li> <li>• AIFUL-CSIRT(a team for cyber-attacks)</li> </ul>		
	Workplace and Work Environment	<ul style="list-style-type: none"> <li>• Human Resources Outline</li> <li>• Harassment hotline</li> <li>• Satisfaction survey</li> <li>• health and stress checkups</li> </ul>	<ul style="list-style-type: none"> <li>• Human resource development system</li> <li>• Flextime system</li> <li>• Introduction of Telework</li> <li>• Hold emergency drills</li> </ul>	
	Promoting Diversity	<ul style="list-style-type: none"> <li>• Platinum Kurumin certification</li> <li>• Expand hiring female</li> <li>• Promotion of female employees</li> </ul>	<ul style="list-style-type: none"> <li>• Retiree re-employment system</li> <li>• Employ persons with disabilities</li> </ul>	
	Social Contribution and Coexisting with the Local Community	<ul style="list-style-type: none"> <li>• Blood donation activities</li> <li>• Hold life-saving seminars</li> <li>• Donations</li> <li>• Support measures against Covid-19</li> </ul>	<ul style="list-style-type: none"> <li>• Point donation system</li> <li>• Social Contribution through credit cards</li> <li>• Sponsorship of Hackathon</li> </ul>	  

# AIFUL Group's Business

We aim to create businesses that meet all customer needs through business diversification

Loan / Credit Guarantee



Small Business Loan



Credit / Credit Guarantee



BNPL



Social Lending



Venture Capital



Debt Collection



Restructuring



Leaseback



Warehousing



Rent Guarantee



Overseas



## – Disclaimer –

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