



AG

Social Finance Impact Reporting

June 2024

I. Background

- The AIFUL Group conducts various businesses that support social consumption and economic activities under the theme of financial inclusion as a financial system. To further accelerate these initiatives, we have established a Social Finance Framework and secured funding through social bonds and social loans.
- This report provides information on Proceeds status, Funds allocation status, and Impact reporting in accordance with the AIFUL Group Social Finance Framework.



II. Use of Proceeds Raised through Social Finance

- Proceeds from social bonds and social loans are allocated through group companies for new investments or loans, as well as refinancing to the following eligible social projects.

Eligible Social Projects

| Project category | SBP* Category | Eligible Social Projects | SDGs |
|---|--|---|---|
| Support for small and medium enterprise | Access to finance for SMEs and employment generation | <p>Support for business funding for SMEs in need of funds for business growth and continuity</p> <p><Project></p> <ul style="list-style-type: none"> • Business loans of AG BUSINESS SUPPORT, which provides business financing support to SMEs • AG Capital's growth-oriented funding support for medium-sized companies and startups <p>【Target Populations】</p> <p>SMEs in need of funds for business growth and continuity</p> |   |
| Support for medical and nursing care facilities | Access to essential services | <p>Support for business funding for hospitals and nursing care facilities</p> <p><Project></p> <ul style="list-style-type: none"> • AG MEDICAL's business funding support for healthcare and nursing care providers such as hospitals and nursing care facilities <p>【Target Populations】</p> <p>People in need of medical and nursing care services or businesses in need of business financing to continue medical and nursing care services</p> |   |
| Provision of financial services to individuals in emerging countries | Access to essential services | <p>Improvement of financial literacy by providing individuals with access to financial services in emerging economies with immature financial services</p> <p><Project></p> <ul style="list-style-type: none"> • Provision of access to financial services for people in the Kingdom of Thailand by A&A (AIRA&AIFUL) <p>【Target Populations】</p> <p>Individuals with difficulty in raising funds in countries with immature financial services</p> |    |

* SBP: Social Bond Principles

III. Total Proceeds through Social Finance

- Total proceeds amount raised through social finance, including social bonds and social loans, was **24.5 billion yen** as of the end of March 2024

1. Social Bond

| | Amount issued (¥) | Paid-in date Maturity date | Maturity Period | Interest rate (%) | Managing underwriter |
|------|----------------------|-------------------------------|--------------------|----------------------|---|
| 66th | 15 billion | 2023/6/13 2026/6/12 | 3 year | 0.87 | Nomura Securities Co., Ltd. SMBC Nikko Securities Co. Ltd. Mizuho Securities Co., Ltd |

2. Social Loan

| Lenders | Borrowing amount (¥) | Loan origination date | Period |
|-------------------------------------|------------------------|-----------------------|---------|
| Sumitomo Mitsui Trust Bank, Limited | 4 billion | 2023/9/25 | 3 years |
| The San-in Godo Bank, Ltd. | 3 billion | 2023/9/29 | 3 years |
| The Tochigi Bank, Ltd. | 1 billion | 2024/3/25 | 3 years |
| The Kiyo Bank, Ltd. | 1 billion | 2024/3/29 | 4 years |
| The Nanto Bank, Ltd. | 500 million | 2024/3/29 | 3 years |

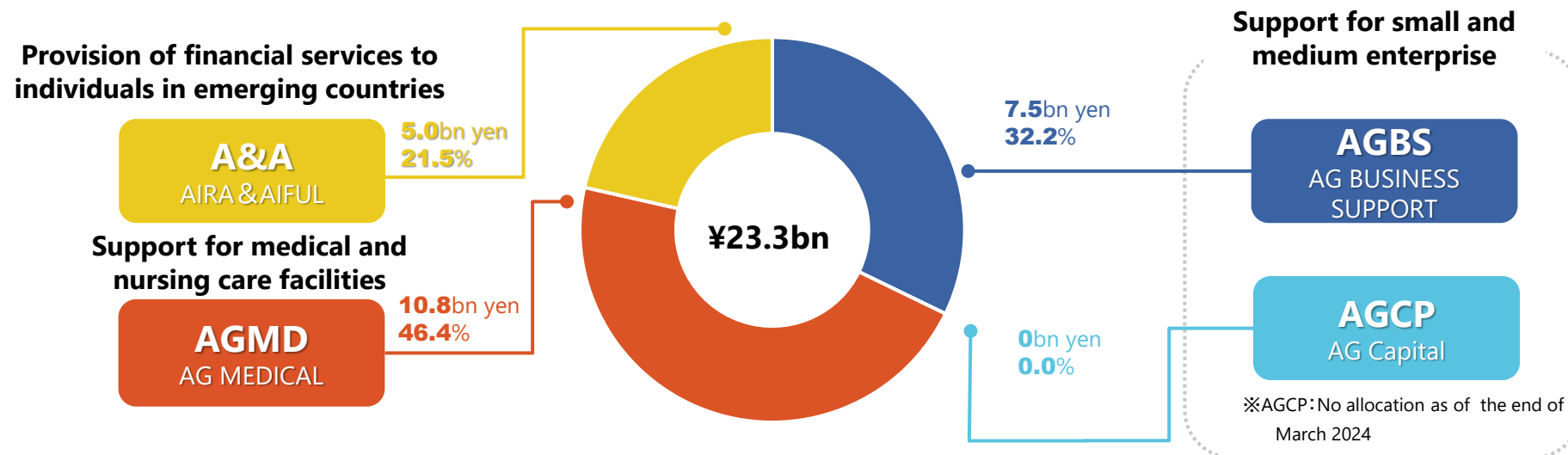
IV. Funds Allocation Status

- As of the end of March 2024, funds allocated through social finance was 23.3 billion.
- Details of the allocation status is as follows.

| Project Category | Group Companies | Balance at Eligible Projects (¥) | Allocation of Social Finance Proceeds Amount* |
|--|---------------------|-------------------------------------|--|
| Support for small and medium enterprise | AG BUSINESS SUPPORT | 29.9 billion | 7.5 billion |
| | AG Capital | 3.3 billion | 0 billion |
| Support for medical and nursing care facilities | AG MEDICAL | 17.0 billion | 10.8 billion |
| Provision of financial services to individuals in emerging countries | AIRA & AIFUL | 8.9 billion | 5.0 billion |
| Unallocated amount | | - | 0 billion |
| Total (Proceeds balance) | | 59.3 billion | 23.3 billion |

* Funds raised have been fully allocated for refinancing

Social Finance Allocation Amount



V. Reporting

1. Support for Small and Medium-sized Enterprises

- Business loans by AG BUSINESS SUPPORT to support funding for small and micro enterprises
- Growth funding support for medium-sized and venture companies through AG Capital

OUTPUT

Number and amount of funding provided for each service category



Number
237,907

Amount
¥**51.4**bn

*Number and amount of new loans, refinancing, additional loans, and revolving loans to SMEs.
*Results from April 2023 to the end of March 2024.



Number
81

Amount
¥**3.3**bn

*Cumulative results until March 2024.

IMPACT

Support for the growth of SMEs and startups from the perspective of financial inclusion, and enhancement of business stability leading to job retention

OUTCOME

Number of business operators and employees benefiting from funding provided for each service category



Num. of Business Operators
16,749

* Results from April 2023 to the end of March 2024.

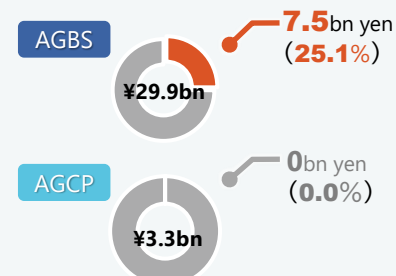
Num. of Employees
128,784



Num. of Business Operators
81

* Cumulative results until March 2024.

Allocation Amount on Eligible Projects

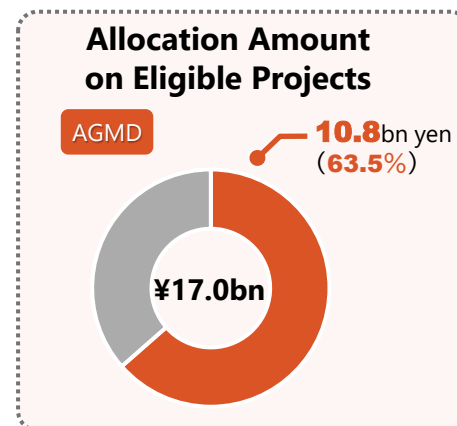


※AGCP: No allocation as of the end of March 2024

V. Reporting

2. Support for Medical and Nursing Care Facilities

- Business funding support for medical and nursing care providers such as hospitals and nursing care facilities by AG MEDICAL



OUTPUT

Number and amount of funding provided for each category of targeted facilities



Number

928

Amount

¥8.49bn

*Results from April 2023 to the end of March 2024.

OUTCOME

Number of hospital beds benefiting from funding support for each category of targeted facilities



Number of Beds

764

*Bed count applies to hospitals only.

*Results from April 2023 to the end of March 2024.

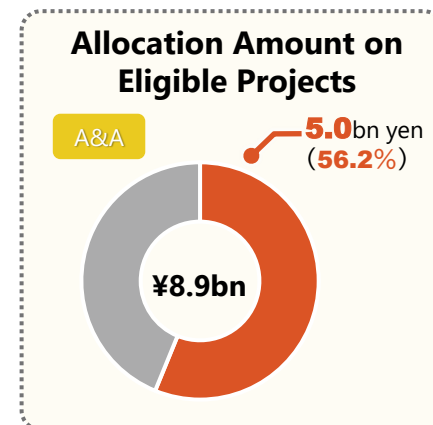
IMPACT

Providing access to medical and nursing care services for those in need, and maintaining and improving the quality of medical and nursing care services

V. Reporting

3. Provision of Financial Services to Individuals in Emerging Countries

- Provision of access to financial services for the people of Thailand through AIRA & AIFUL



OUTPUT

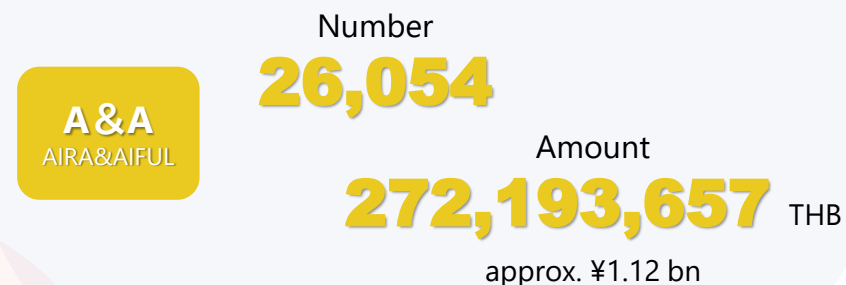
Number and amount of funding provided for the services



*Results from April 2023 to the end of March 2024.
*THB = 4.13 yen (TTM as of December 19, 2023).

OUTCOME

Number and amount of financial services provided to young people in their 20s and 30s



*Results from April 2023 to the end of March 2024.
*THB = 4.13 yen (TTM as of December 19, 2023)

IMPACT

Improvement of financial literacy through the provision of access to financial services for individuals