



(Translation for reference only)

May 9, 2025

Consolidated Financial Results

For the Fiscal Year ended in March 31, 2025

(Under Japanese GAAP)

Company name: AIFUL Corporation
 Stock Listing: Tokyo Stock Exchange
 Stock Code: 8515
 URL: <https://www.aiful.co.jp>
 Representative: Mitsuhide Fukuda, President and Chief Executive Officer
 For inquiry: Ikumi Abe, General Manager of Operation Management Department TEL (03) 4503 – 6050
 Scheduled date of annual general meeting of shareholders: June 24, 2025
 Scheduled date of submission of Securities report: June 19, 2025
 Scheduled date of commencement of dividend payments: June 5, 2025
 Supplementary materials for financial results: Yes
 Earnings release conference: Yes (For financial analysts and institutional investors)

I. Consolidated Financial Results for the Fiscal Year ended in March 31, 2025

(April 1, 2024 – March 31, 2025)

(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	
Fiscal year ended								
March 31, 2025	189,054	15.9%	25,302	20.1%	26,817	21.5%	22,516	3.2%
March 31, 2024	163,109	13.2%	21,064	(11.2)%	22,067	(9.7)%	21,818	(2.3)%

Note: Comprehensive income: For the Fiscal year ended

March 31, 2025: 22,412 million yen 0.7%
 March 31, 2024: 22,256 million yen (5.5)%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	Profit to Shareholders' Equity Ratio (%)	Ordinary Profit to Total Assets Ratio (%)	Operating Profit to Operating Revenue Ratio (%)
Fiscal year ended					
March 31, 2025	46.91	—	10.8	2.0	13.4
March 31, 2024	45.10	—	11.7	1.9	12.9

Reference: Equity in earnings of affiliated companies: For the Fiscal year ended

March 31, 2025: 31 million yen
 March 31, 2024: 63 million yen

2. Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
As of				
March 31, 2025	1,448,451	221,396	15.0	455.12
March 31, 2024	1,266,374	201,412	15.6	409.04

Reference: Shareholders' equity: As of March 31, 2025: 217,923 million yen
 As of March 31, 2024: 197,909 million yen

3. Consolidated Cash Flows

(Millions of yen)				
	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents at the End of Period
Fiscal year ended				
March 31, 2025	(82,874)	(35,099)	119,822	55,928
March 31, 2024	(74,208)	(12,762)	100,929	51,934

II. Dividend Information

	Dividend per share (Yen)					Total dividend payment (full year)	Payout Ratio % (Consolidated)	Dividend to equity ratio % (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
FY ended March 31, 2024	—	0.00	—	1.00	1.00	483	2.1	0.2
FY ended March 31, 2025	—	0.00	—	1.00	1.00	478	2.1	0.2
FY ending March 31, 2026 (Forecast)	—	6.00	—	6.00	12.00		24.1	

III. Consolidated Earnings Forecast for the Fiscal Year ending March 31, 2026

(April 1, 2025 – March 31, 2026)

(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)
Six months ending September 30, 2025	102,700	12.5%	11,600	28.4%	11,600	19.3%	9,100	26.6%	19.00
Fiscal year ending March 31, 2026	210,700	11.4%	29,500	16.6%	30,000	11.9%	23,800	5.7%	49.70

*Notes

(1) Changes in significant subsidiaries during the period: Yes

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

Excluded: –

The above two companies are included in the scope of consolidation as a result of M&A. For more details, please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements (Significant Changes in Scope of Consolidation and Application of the Equity Method)” on page 16.

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

(a) Changes accompanying amendments to accounting standards: Yes

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

(c) Change in accounting estimates: None

(d) Restatement: None

Note: The change in accounting principles is due to application of “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022), etc. For more details, please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements (Changes in Accounting Standards)” on page 16.

(3) Number of shares issued (Common stock)

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

FY2024	484,620,136 shares	FY2023	484,620,136 shares
FY2024	5,789,904 shares	FY2023	783,316 shares
FY2024	479,951,366 shares	FY2023	483,797,192 shares

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

(c) Average number of shares during the period

(Reference) Highlights of Non-Consolidated Business Results

I. Non-Consolidated Business Results for the Fiscal Year ended in March 31, 2025 (April 1, 2024 – March 31, 2025)

1. Non-Consolidated Operating Results

(In millions of yen, except where noted; percentage figures show year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit	
Fiscal year ended								
March 31, 2025	110,158	6.1%	20,391	(16.2)%	23,996	(11.6)%	19,562	(21.7) %
March 31, 2024	103,867	17.4%	24,339	27.2%	27,147	(15.7)%	24,998	(19.4) %

	Profit per Share (Yen)	Diluted Profit per Share (Yen)
Fiscal year ended		
March 31, 2025	40.76	—
March 31, 2024	51.67	—

2. Non-Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
As of				
March 31, 2025	1,163,481	182,002	15.6	380.10
March 31, 2024	985,303	165,222	16.8	341.48

Reference: Shareholders' equity: As of March 31, 2025 182,002 million yen
As of March 31, 2024 165,222 million yen

II. Non-Consolidated Earnings Forecast for the Fiscal Year ending March 31, 2026 (April 1, 2025 – March 31, 2026):

(In millions of yen, except where noted; percentage figures show year-on-year change.)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit		Profit per Share (Yen)
Six months ending September 30, 2025	58,700	10.0%	7,400	14.0%	9,400	10.5%	8,000	29.0%	16.71
Fiscal year ending March 31, 2026	119,000	8.0%	19,900	(2.4)%	24,200	0.8%	20,300	3.8%	42.39

* Note: Brief Statement of financial results is not subject to audit procedures that are conducted by a certified public accountant or an audit corporation.

* 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. Business Results and Others, (4) Outlook for the fiscal year ending March 2026” on page 5.

Contents

1. Business Results and Others.....	02
(1) Overview of Business Results for the Current Fiscal Year	02
(2) Overview of Financial Position for the Current Fiscal Year.....	04
(3) Overview of Cash Flows for the Current Fiscal Year.....	04
(4) Outlook for the fiscal year ending March 2026.....	05
(5) Basic Policies on Profit Distribution and Dividend for the Current Fiscal Year and Next Fiscal Year.....	05
2. Basic Stance on Selection of Accounting Standards.....	06
3. Consolidated Financial Statements and Notes.....	07
(1) Consolidated Balance Sheets.....	07
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income.....	09
(3) Consolidated Statements of Change in Shareholders' Equity.....	12
(4) Consolidated Statements of Cash Flows.....	14
(5) Notes to Consolidated Financial Statements.....	16
(Notes on Premise of Going Concern).....	16
(Significant Changes in Scope of Consolidation and Application of the Equity Method)	16
(Changes in Accounting Standards)	16
(Changes in Presentation Method)	16
(Additional Information)	17
(Notes to Consolidated Balance Sheets)	18
(Notes to Consolidated Statements of Income)	22
(Notes in Case of any Significant Changes in the Amount of Shareholders' Equity)	22
(Notes to Business Combinations)	24
(Notes to Segment Information)	25
(Per Share Information)	27
(Important Subsequent Events)	27
4. Non-Consolidated Financial Statements.....	28
(1) Non-Consolidated Balance Sheets.....	28
(2) Non-Consolidated Statements of Income.....	30
(3) Non-Consolidated Statements of Change in Shareholders' Equity.....	32

1. Business Results and Others

(1) Overview of Business Results for the Current Fiscal Year

In the non-bank industry surrounding the AIFUL Group, the number of new contracts and the balance of operating loans outstanding 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 has strived 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 have promoted aggressive investment in M&A and high-growth businesses 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 beginning of the current fiscal year due to an increase in its materiality. In addition, in 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)

In the consolidated fiscal year under review, AIFUL Group's operating revenue amounted to 189,054 million yen (up 15.9 % year on year). The principal components were 106,590 million yen in interest on loans receivable (up 11.7 % year on year), 22,891 million yen in revenue from the credit card business (up 5.9 % year on year) and 21,526 million yen in revenue from the credit guarantee business (up 10.9 % year on year).

Operating expenses increased 15.3 % year on year to 163,751 million yen. This was mainly due to financial expenses of 9,512 million yen (up 31.3% year on year), advertising expenses of 18,557 million yen (up 4.3% year on year) and provision for doubtful accounts of 56,904 million yen (up 8.3 % year on year).

In addition, due to an increase in the number of consolidated subsidiaries, operating revenue increased by 4,728 million yen in insurance premiums and 3,127 million yen in fee income, and operating expenses increased by 3,582 million yen in insurance claims.

As a result, AIFUL Group's operating profit for the fiscal year under review was 25,302 million yen (up 20.1% year on year), and ordinary profit was 26,817 million yen (up 21.5% year on year). Profit attributable to owners of the parent was 22,516 million yen (up 3.2% year on year) as a result of posting impairment loss of 1,582 million yen due to review of system development policy, bad debt write offs of 498 million yen incurred as a result of phishing scams and provision of allowance for doubtful accounts of 366 million yen for loans to subsidiaries.

The results by business segment are as follows.

(AIFUL Corporation)

Loan business

In the loan business, in addition to effective and efficient advertising strategies on TV commercials and web advertising, the Company has been implementing initiatives to improve UI/UX and customer satisfaction, such as speedily upgrading official sites, smartphone apps, and application forms through in-house production in the digital field.

As a result, the number of new contracts for unsecured loans was 325,000 (down 3.9% year on year) and the contract rate was 33.2 % (down 2.7pt year on year) in the fiscal year under review.

At the end of the fiscal year under review, unsecured loans outstanding were 597,976 million yen (up 9.0 % year on year), secured loans outstanding were 1,385 million yen (down 24.5 % year on year), small business loans outstanding were 14,860 million yen (up 18.7 % year on year), and the total balance of operating loans in the loan segment was 614,222 million yen (up 9.1 % year on year) (788 million yen off-balance sheet operating loans from the securitization have been included).

Credit guarantee business

In the credit guarantee business, AIFUL has leveraged its credit screening know-how for individuals and small- and medium-sized enterprises as well as its unique strengths as an independent entity to increase the credit guarantee balance by promoting the diversification of credit guarantee products and increasing the number of guarantee partners.

As a result, loans outstanding for personal loan guarantee at the end of the fiscal year under review was 195,024 million yen (up 20.2% year on year), and loans outstanding for business loan guarantee was 69,552 million yen (up 23.8 % year on year).

Of the credit guarantee for the business loans, 2 million yen comes from lease guarantees and 904 million yen comes from guarantees provided to AG BUSINESS SUPPORT CORPORATION.

As a result of the above, in the consolidated fiscal year under review, AIFUL posted operating revenue of 109,927 million yen (up 5.8 % year on year), operating profit of 20,391 million yen (down 16.2 % year on year), ordinary profit of 23,996 million yen (down 11.6 % year on year), and profit of 19,562 million yen (down 21.7 % year on year).

(LIFECARD Co., Ltd.)

Credit business (Credit card business)

In the credit 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 for the consolidated fiscal year under review was 771,942 million yen (up 4.1 % year on year), and the balance of installment receivables for credit card business at the end of the fiscal year under review was 115,491 million yen (up 3.4% year on year) (6,032 million yen off-balance sheet operating loans from the securitization have been included).

Card Cashing

The total amount of loans outstanding at the end of the fiscal year under review in LIFECARD's loan business was 21,766 million yen (down 4.1% year on year) (1,626 million yen off-balance sheet operating loans from the securitization have been included).

Credit guarantee business

In the credit guarantee business, LIFE CARD leveraged its credit screening know-how for individuals and small- and medium-sized enterprises as well as its unique strengths as an independent entity to increase the credit guarantee balance by promoting the diversification of credit guarantee products and increasing the number of guarantee partners.

As a result, loans outstanding for personal loan guarantee at the end of the fiscal year under review was 27,070 million yen (down 3.4% year on year), and loans outstanding for business loan guarantee was 1,856 million yen (up 21.0% year on year).

As a result of the above, LIFE CARD Co., Ltd. recorded operating revenue of 38,471 million yen (up 2.1% year on year), operating profit of 563 million yen (down 31.0% year on year), ordinary profit of 682 million yen (down 28.0% year on year), and profit of 772 million yen (up 112.3% year on year).

(Other)

Eight consolidated subsidiaries (AIRA & AIFUL Public Company Limited, AG BUSINESS SUPPORT CORPORATION, AG Loan Services Corporation, AG Capital Co., Ltd., AG Payment Service CO., LTD, AG Medical Corporation, FPC Co., Ltd. and BitCash Inc.) which are not included in reportable segments for the fiscal year under review, posted operating revenue of 41,134 million yen (up 53.1% year on year), operating profit of 1,796 million yen (compared with operating loss of 1,716 million yen in the previous fiscal year), ordinary profit of 1,805 million yen (compared with ordinary loss of 1,686 million yen in the previous fiscal year), and net profit of 1,834 million yen (compared with net loss of 2,377 million yen in the previous fiscal year).

In addition, due to an increase in the number of consolidated subsidiaries, operating revenue increased by 4,728 million yen in insurance premiums and 3,127 million yen in fee income, and operating expenses increased by 3,582 million yen in insurance claims.

(2) Overview of Financial Position for the Current Fiscal Year

(Assets, liabilities, net assets)

Assets at the end of the consolidated fiscal year under review increased by 182,076 million yen from the end of the previous fiscal year to 1,448,451 million yen (up 14.4% from the end of the previous fiscal year). This was primarily due to an increase of 76,536 million yen in operating loans, an increase of 29,546 million yen in installment receivables and an increase of 9,707 million yen of goodwill.

Liabilities increased by 162,092 million yen to 1,227,054 million yen (up 15.2% from the end of the previous fiscal year). This was primarily due to an increase related to fund procurement through borrowings from financial institutions.

Net assets increased by 19,984 million yen to 221,396 million yen (up 9.9% from the end of the previous fiscal year). The increase was mainly attributable to an increase in retained earnings.

(3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the consolidated fiscal year under review increased by 3,993 million yen from the end of the previous fiscal year to 55,928 million yen (up 7.7% from the end of the

previous fiscal year). The situation of each category of cash flow for the current consolidated fiscal year and the contributing factors are as follows.

(Cash flows from operating activities)

Net cash used for operating activities amounted to 82,874 million yen, an increase of 11.7% compared with the previous fiscal 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 35,099 million yen, an increase of 175.0% compared with the previous fiscal year. This was mainly due to purchases of property, plant and equipment and purchases 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 119,822 million yen, an increase of 18.7% compared with the previous fiscal year. This was mainly due to proceeds from issuance of bonds and borrowings exceeding repayments.

(4) Outlook for the fiscal year ending March 2026

Regarding the outlook, the number of new contracts and the balance of operating loans are expected to increase as the economy is on a path of gradual recovery. On the other hand, the impact of changes in global conditions on consumer spending and financial markets in Japan will continue to require close monitoring.

In addition, the environment surrounding the Group is changing rapidly due to new entry from outside industries and acceleration of digital transformation, etc., and it is necessary to respond promptly to the changes.

Under these circumstances, the Group will strive to raise the profit levels for the entire Group by growing the balance of its core businesses, such as the loan business, the credit guarantee business, and the credit business, and by cost optimization. In addition, the Group will actively invest in M&A and high-growth businesses to enhance corporate value.

With regard to its earnings forecasts for the fiscal year ending March 2026, AIFUL Group expects to record operating revenue of 210,700 million yen (up 11.4% year on year), operating profit of 29,500 million yen (up 16.6% year on year), ordinary profit of 30,000 million yen (up 11.9% year on year), and profit attributable to owners of parent of 23,800 million yen (up 5.7% year on year).

The above forecasts are based on information available as of the date of publication of this document, and the actual financial results may differ from the forecasts due to various factors going forward.

(5) Basic Policies on Profit Distribution and Dividend for the Current Fiscal Year and Next Fiscal Year

AIFUL Group recognizes that returning profits to our shareholders is one of the most important management issues. The Company's basic policy is to secure stable internal reserves and return profits to shareholders in accordance with our operating results, while aiming to maximize shareholder value through medium-to long-term profit growth.

As initially planned, we plan to pay a dividend of 1.00 yen per share at the end of the current fiscal year. For the next fiscal year, we plan to pay an annual dividend of 12.00 yen per share (6.00 yen per share at the end of the second quarter, 6.00 yen per share at the end of the fiscal year).

2. Basic stance on selection of accounting standards

In preparation for the pending application to the IFRS, AIFUL Group is developing internal manuals, guidelines and other documents and examining the timing of the application.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	56,917	60,608
Operating loans	709,137	785,674
Accounts receivables - installment	167,753	197,300
Operational investment securities	2,989	3,361
Customers' liabilities for acceptances and guarantees	256,096	303,943
Other operating receivables	16,573	19,376
Purchased receivables	8,380	9,877
Accrued receivables	23,570	18,090
Other	28,181	28,723
Allowance for doubtful accounts	(79,021)	(90,017)
Total current assets	1,190,579	1,336,938
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,730	26,680
Accumulated depreciation	(18,156)	(17,894)
Buildings and structures, net	5,574	8,786
Machinery, equipment and vehicles	451	556
Accumulated depreciation	(315)	(342)
Machinery, equipment and vehicles, net	136	214
Furniture and fixtures	5,729	4,832
Accumulated depreciation	(4,786)	(3,967)
Furniture and fixtures, net	942	865
Land	8,816	23,962
Leased assets	4,564	4,657
Accumulated depreciation	(3,946)	(4,434)
Leased assets, net	618	223
Construction in progress	1,003	102
Total property, plant and equipment	17,092	34,154
Intangible assets		
Software	6,728	7,890
Software in progress	7,448	9,456
Goodwill	—	9,707
Customer-related assets	—	2,283
Other	173	164
Total intangible assets	14,349	29,502
Investment and other assets		
Investment securities	12,086	8,247
Claims provable in bankruptcy	15,131	13,924
Deferred tax assets	20,212	24,535
Lease and guarantee deposits	3,979	1,830
Other	6,522	11,975
Allowance for doubtful accounts	(13,579)	(12,657)
Total investments and other assets	44,353	47,855
Total non-current assets	75,794	111,512
Total assets	1,266,374	1,448,451

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Notes & accounts payable-trade	68,069	60,961
Acceptances and guarantees	256,096	303,943
Short-term borrowings	101,627	84,894
Short-term loans payable to subsidiaries and associates	959	488
Commercial papers	—	17,400
Current portion of bonds	30,000	15,000
Current portion of long-term borrowings	233,660	252,042
Income taxes payable	3,871	4,171
Allowance for bonuses	1,671	1,858
Provision for share-based remuneration	58	70
Deferred installment income	12,854	18,332
Other	38,728	30,306
Total current liabilities	747,598	789,470
Non-current liabilities		
Bonds payable	50,000	95,000
Long-term borrowings	248,657	324,792
Deferred tax liabilities	107	343
Provision for loss on interest repayment	11,760	8,772
Policy reserves and others	—	1,868
Other	6,838	6,808
Total non-current liabilities	317,364	437,584
Total liabilities	1,064,962	1,227,054
Net Assets		
Shareholders' equity		
Capital stock	94,028	94,028
Capital surplus	14,017	14,017
Retained earnings	90,345	112,319
Treasury shares	(2,655)	(4,541)
Total shareholders' equity	195,735	215,824
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,283	813
Foreign currency translation adjustment	890	1,285
Total accumulated other comprehensive income	2,174	2,098
Non-controlling interests	3,502	3,473
Total net assets	201,412	221,396
Total liabilities and net assets	1,266,374	1,448,451

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

i. Consolidated Statements of Income

	(Millions of yen)	
	FY ended March 31, 2024 (Apr. 1 2023 to Mar. 31 2024)	FY ended March 31, 2025 (Apr. 1 2024 to Mar. 31 2025)
Operating revenue		
Interest on loans receivable	95,400	106,590
Revenue from credit card business	21,625	22,891
Revenue from installment sales	4,665	7,253
Revenue from credit guarantee	19,408	21,526
Other financial revenue	8	29
Insurance premiums	—	4,728
Other operating revenue		
Collection from purchased receivable	1,341	1,865
Recoveries of written off claims	7,428	6,707
Commission income	2,942	6,966
Other	10,290	10,495
Total other operating revenue	22,002	26,034
Total operating revenue	163,109	189,054
Operating expenses		
Financial expenses		
Interest expenses	5,984	7,534
Interest on bonds	568	853
Other	692	1,124
Total financial expenses	7,246	9,512
Cost of sales		
Other	332	355
Total cost of sales	332	355
Insurance claims and others	—	3,582
Other operating expenses		
Advertising expenses	17,788	18,557
Commissions	19,499	24,371
Provision of allowance for doubtful accounts	52,546	56,904
Employees' salaries, allowances and bonuses	13,673	15,609
Provision for bonuses	1,567	1,741
Retirement benefit expenses	520	519
Welfare expenses	2,945	3,329
Other	25,925	29,268
Total other operating expenses	134,466	150,300
Total operating expenses	142,045	163,751
Operating profit	21,064	25,302

(Millions of yen)

	FY ended March 31, 2024 (Apr. 1 2023 to Mar. 31 2024)	FY ended March 31, 2025 (Apr. 1 2024 to Mar. 31 2025)
Non-operating income		
Interest on loans receivable	83	64
Share of profit of entities accounted for using equity method	63	31
Foreign exchange gains	551	1,208
Other	342	259
Total non-operating income	1,041	1,563
Non-operating expenses		
Provision for doubtful accounts	—	2
Loss on liquidation of subsidiaries	—	20
Other	37	26
Total non-operating expenses	37	49
Ordinary profit	22,067	26,817
Extraordinary income		
Gain on the sale of fixed assets	79	—
Total extraordinary income	79	—
Extraordinary losses		
Bad debt write offs	—	498
Impairment loss	—	1,582
Loss on valuation of investment securities	47	—
Loss on valuation of stocks of subsidiaries and affiliates	420	119
Provision for doubtful accounts	186	366
Other	—	10
Total extraordinary losses	653	2,576
Profit before income taxes	21,493	24,240
Income taxes – current	5,007	5,989
Income taxes – deferred	(5,016)	(3,838)
Total income taxes	(8)	2,151
Profit	21,502	22,089
Profit (loss) attributable to non-controlling interests	(316)	(427)
Profit attributable to owners of parent	21,818	22,516

ii. Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	FY ended March 31, 2024 (Apr. 1 2023 to Mar. 31 2024)	FY ended March 31, 2025 (Apr. 1 2024 to Mar. 31 2025)
Profit	21,502	22,089
Other Comprehensive income		
Valuation difference on available-for-sale securities	160	(470)
Foreign currency translation adjustment	594	793
Share of other comprehensive income of entities accounted for using equity method	0	(0)
Total other comprehensive income	754	323
Comprehensive income	22,256	22,412
Comprehensive income attributable to		
Owners of parent	22,274	22,441
Non-controlling interests	(18)	(28)

(3) Consolidated Statements of Change in Shareholders' Equity

For the fiscal year ended March 31, 2024

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2023	94,028	14,017	69,419	(3,110)	174,354
Changes during the period					
Dividends of surplus			(483)		(483)
Profit attributable to owners of parent			21,818		21,818
Purchase of treasury shares				(0)	(0)
Transfer from retained earnings to capital surplus		409	(409)		
Restricted stock compensation		(409)		455	45
Net changes in accounts other than shareholders' equity	—	—	—	—	—
Total change during fiscal year	—	—	20,925	455	21,380
Balance at March 31, 2024	94,028	14,017	90,345	(2,655)	195,735

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total		
Balance at April 1, 2023	1,123	595	1,718	3,520	179,593
Changes during the period					
Dividends of surplus					(483)
Profit attributable to owners of parent					21,818
Purchase of treasury stock					(0)
Transfer from retained earnings to capital surplus					—
Restricted stock compensation					45
Net changes in accounts other than shareholders' equity	160	295	456	(18)	437
Total change during fiscal year	160	295	456	(18)	21,818
Balance at March 31, 2024	1,283	890	2,174	3,502	201,412

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2024	94,028	14,017	90,345	(2,655)	195,735
Changes during the period					
Dividends of surplus			(483)		(483)
Profit attributable to owners of parent			22,516		22,516
Purchase of treasury stock				(2,000)	(2,000)
Transfer from retained earnings to capital surplus		58	(58)		—
Restricted stock compensation		(58)		114	56
Net changes in accounts other than shareholders' equity	—	—	—	—	—
Total change during fiscal year	—	—	21,974	(1,885)	20,088
Balance at March 31, 2025	94,028	14,017	112,319	(4,541)	215,824

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total		
Balance at April 1, 2024	1,283	890	2,174	3,502	201,412
Changes during the period					
Dividends of surplus					(483)
Profit attributable to owners of parent					22,516
Purchase of treasury stock					(2,000)
Transfer from retained earnings to capital surplus					—
Restricted stock compensation					56
Net changes in accounts other than shareholders' equity	(470)	394	(75)	(28)	(104)
Total change during fiscal year	(470)	394	(75)	(28)	19,984
Balance at March 31, 2025	813	1,285	2,098	3,473	221,396

(4) Consolidated Statements of Cash Flows

	(Millions of yen)	
	FY ended March 31, 2024 (Apr. 1 2023 to Mar. 31 2024)	FY ended March 31, 2025 (Apr. 1 2024 to Mar. 31 2025)
Cash flows from operating activities		
Profit before income taxes	21,493	24,240
Depreciation	3,913	4,347
Impairment loss	—	1,582
Amortization of goodwill	—	775
Increase (decrease) in policy reserves and others	—	(184)
Increase (decrease) in allowance for doubtful accounts	12,424	9,042
Increase (decrease) in provision for bonuses	112	161
Increase (decrease) in provision for directors' bonuses	(44)	—
Increase (decrease) in provision for share-based remuneration	7	12
Increase (decrease) in allowance for loss on interest repayment	(5,623)	(2,988)
Interest and dividend income	(146)	(98)
Decrease (increase) in foreign exchange gains	(551)	(1,142)
Loss on valuation of shares of subsidiaries and associates	420	119
Loss (gain) on valuation of investment securities	47	—
Share of loss (profit) of entities accounted for using equity method	(63)	(31)
Loss (gain) on sale of fixed assets	(79)	—
Loss on liquidation of subsidiaries	—	20
Decrease (increase) in operating loans receivable	(92,280)	(72,152)
Decrease (increase) in accounts receivable – installment	(31,194)	(29,546)
Decrease (increase) in purchased receivable	(1,394)	(1,497)
Decrease (increase) in other operating receivables	(3,387)	(2,803)
Decrease (increase) in accrued receivables	(9,291)	9,217
Decrease (increase) in deposits	10,157	(10,056)
Decrease (increase) in claims provable in bankruptcy	3,035	1,207
Decrease (increase) in business guarantee deposits, etc.	(41)	2,610
Decrease (increase) in other current assets	(8,036)	(560)
Increase (decrease) in other current liabilities	29,117	(8,024)
Other	147	(1,840)
Subtotal	(71,260)	(77,588)
Interest and dividend income	167	118
Income taxes refund	54	84
Income taxes paid	(3,169)	(5,489)
Cash flow from operating activities	(74,208)	(82,874)
Cash flows from investing activities		
Payments into time deposits	(4,949)	(4,646)
Proceeds from withdrawal of time deposits	5,332	4,949
Purchase of property, plant and equipment	(2,296)	(18,189)
Proceeds from sales of property, plant and equipment	175	—
Purchase of intangible assets	(7,806)	(7,048)
Purchase of investment securities	(1,302)	(1,504)
Proceeds from liquidation of subsidiaries	—	1,242
Payments of long-term loans receivable	(2,354)	—
Proceeds from collection of long-term loans receivable	137	—

Purchase of shares of subsidiaries resulting in a change in scope of consolidation	—	(6,759)
Other	301	(3,143)
Cash flows from investing activities	(12,762)	(35,099)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,635,716	2,284,179
Repayments of short-term borrowings	(1,605,238)	(2,303,074)
Proceeds from issuance of commercial papers	184,400	273,200
Redemption of commercial papers	(196,400)	(255,800)
Proceeds from long-term loans payable	259,187	365,698
Repayments of long-term loans payable	(210,131)	(271,428)
Proceeds from issuance of bonds	35,000	60,000
Redemption of bonds	—	(30,000)
Cash dividends paid	(483)	(483)
Purchase of treasury stock	—	(2,000)
Other	(1,119)	(468)
Cash flows from financing activities	100,929	119,822
Effect of exchange rate changes on cash and cash equivalents	89	60
Net increase (decrease) in cash and cash equivalents	14,048	1,907
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	51,934	55,928

(5) Notes to 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.

(Changes in Presentation Method)

(Consolidated Balance Sheets)

"Accrued receivables," included in "Other" under "Current assets" in the previous consolidated fiscal year, is presented separately from the current consolidated fiscal year due to an increase in its monetary materiality. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 51,752 million yen presented as "Other" under "Current assets" in the consolidated financial statements for the previous fiscal year has been reclassified as "Accrued receivables" of 23,570 million yen and "Other" of 28,181 million yen.

"Provision for directors' bonuses," presented separately in the previous consolidated fiscal year, is included in "Other" under "Current liabilities" from the current consolidated fiscal year due to a decrease in its monetary materiality. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 1 million yen presented as "Provision for directors' bonuses" and 38,727 million yen presented as "Other" under "Current liabilities" in the consolidated financial statements for the previous fiscal year has been reclassified as "Other" of 38,728 million yen.

(Consolidated Statements of Income)

"Commission income," included in "Other" under "Operating revenue" in the previous consolidated fiscal year, is presented separately from the current consolidated fiscal year due to an increase in its monetary materiality. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 13,232 million yen presented as "Other" under "Operating revenue" in the consolidated financial statements for the previous fiscal year has been reclassified as "Commission income" of 2,942 million yen and "Other" of 10,290 million yen.

(Consolidated Statements of Cash Flows)

"Decrease (increase) in accrued receivables," included in "Decrease (increase) in other current assets" under "Cash flows from operating activities" in the previous fiscal year, is presented separately from the fiscal year under review due to an increase in its materiality. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, negative 17,328 million yen presented in "Decrease (increase) in other current assets" under "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year has been reclassified into negative 9,291 million yen in "Decrease (increase) in accrued receivables" and negative 8,036 million yen in "Decrease (increase) in other current assets."

"Decrease (increase) in deposits," included in "Decrease (increase) in other current liabilities" under "Cash flows from operating activities" in the previous fiscal year, is presented separately from the fiscal year under review due to an increase in its materiality. The consolidated financial statements for the previous fiscal year have been reclassified to reflect this change in presentation.

As a result, 39,274 million yen presented in "Decrease (increase) in other current liabilities" under "Cash flows from operating activities" in the consolidated statements of cash flows for the previous fiscal year has been reclassified into 10,157 million yen in "Decrease (increase) in deposits" and 29,117 million yen in "Decrease (increase) in other current liabilities."

(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 consolidated balance sheets)

*1. Assets pledged as collateral and corresponding liabilities

Assets pledged as collateral

As of March 31, 2024		As of March 31, 2025	
(1) Assets pledged as collateral	(Millions of yen)	(1) Assets pledged as collateral	(Millions of yen)
Cash and deposits	4,949	Cash and deposits	4,646
Operating loans	370,060	Operating loans	406,827
Accounts receivable – installment	48,496	Accounts receivable – installment	56,814
Total	423,506	Total	468,288
(2) Corresponding liabilities	(Millions of yen)	(2) Corresponding liabilities	(Millions of yen)
Short-term borrowings	83,140	Short-term borrowings	52,590
Current portion of long-term borrowings	120,933	Current portion of long-term borrowings	129,667
Long-term borrowings	140,840	Long-term borrowings	194,286
Total	344,914	Total	376,543
i) The amounts above at the end of the fiscal year under review include amounts related to the securitization of receivables (operating loans of ¥180,301 million, short-term borrowings of ¥10,000 million, current portion of long-term borrowings of ¥33,235 million and long-term borrowings of ¥55,933 million).		i) The amounts above at the end of the fiscal year under review include amounts related to the securitization of receivables (operating loans of ¥201,116 million, current portion of long-term borrowings of ¥22,528 million and long-term borrowings of ¥83,108 million).	
ii) The amounts for some of the operating loans and installment receivables are amounts at the time of registration of the transfer of receivables.		ii) The amounts for some of the operating loans and installment receivables are amounts at the time of registration of the transfer of receivables.	

*2. Unsecured personal loans included in operating loans

As of March 31, 2024	As of March 31, 2025
¥608,233 million	¥664,782 million

*3. Shares and other securities issued by non-consolidated subsidiaries and affiliated companies

	As of March 31, 2024	As of March 31, 2025
Investment securities (shares)	¥8,076 million	¥5,347 million
Investment securities (other securities)	¥1,519 million	-

*4. Accounts receivable - installment

	As of March 31, 2024	As of March 31, 2025
Credit card business	¥105,785 million	¥109,545 million
Installment sales finance business	¥61,968 million	¥87,754 million
Total	¥167,753 million	¥197,300 million

*5. Deferred installment income

As of March 31, 2024					As of March 31, 2025				
(Millions of yen)					(Millions of yen)				
	Balance at beginning of FY	Receipts during FY	Realized balance during FY	Balance at end of FY		Balance at beginning of FY	Receipts during FY	Realized balance during FY	Balance at end of FY
Credit card shopping	562	1,519	1,321	759	Credit card shopping	759	1,608	1,444	924
Installment sales finance	6,532	12,958	7,396	12,094	Installment sales finance	12,094	17,629	12,315	17,408
Total	7,094	14,477	8,718	12,854	Total	12,854	19,237	13,759	18,332

*6. Securitization of claims removed from the balance sheet

	As of March 31, 2024	As of March 31, 2025
Operating loans	¥29,539 million	¥29,585 million
Accounts receivable - installment	¥6,036 million	¥6,032 million

*7. Contingent liability

Guarantee obligation

(1) The Company guarantees loans payable from financial institutions for the Company's non-consolidated subsidiary, PT REKSA FINANCE.

	As of March 31, 2024	As of March 31, 2025
PT REKSA FINANCE	¥3,569 million	¥5,426 million

(2) The Company guarantees the subordinated beneficiary right.

	As of March 31, 2024	As of March 31, 2025
Subordinated beneficiary right backed by mortgage loans	-	¥42,497 million

*8. Non-performing loans

The status of non-performing loans (NPL) is as follows:

As of March 31, 2023					As of March 31, 2024				
(Millions of yen)					(Millions of yen)				
	Loans outstanding and Claims provable in bankruptcy		Other	Total		Loans outstanding and Claims provable in bankruptcy		Other	Total
	Unsecured loans	Other than unsecured loans				Unsecured loans	Other than unsecured loans		
Bankrupt or De facto Bankrupt	660	12,854	582	14,098		841	11,142	733	12,716
Doubtful Receivables	28,519	8,807	9,865	47,192		32,728	10,492	11,934	55,156
Receivables 3 months+ in arrears	10,913	464	-	11,377		10,843	324	-	11,167
Restructured receivables	55,820	2,587	6,725	65,133		56,127	3,410	7,435	66,972
Normal receivables	513,496	89,544	261,966	865,007		566,277	106,648	310,467	983,393
Total	609,410	114,258	279,140	1,002,809		666,818	132,017	330,570	1,129,406

The loan categories in the table above are as follows.

(Bankrupt or De facto Bankruptcy)

Bankrupt or De facto Bankruptcy are loans in which the conditions stipulated under (a) through (e) of sub-paragraph 3, paragraph 1, Article 96 or sub-paragraph 4 of the same paragraph of the Corporation Tax Act Enforcement Ordinance (Enforcement Ordinance No. 97 of 1965) apply. Any amounts deemed necessary to cover possible losses on an individual account basis of the claims in bankruptcy and rehabilitation are posted in the allowances for doubtful accounts.

(Doubtful receivables)

Doubtful receivables are receivables that do not fall under the category of Bankrupt or De facto Bankrupt, and with a high possibility that the repayment situation will deteriorate, and it will not be possible to collect the principal nor interest of the receivables in accordance with the contract.

(Receivables three months or more in arrears)

Receivables three months or more in arrears are receivables for which payments of principal or interest have not been received for a period of three months or more beginning with the next business day following the last due date for such payments. Receivables classified as Bankrupt or De facto Bankruptcy and Doubtful receivables are excluded from loans three months or more in arrears.

(Restructured receivables)

Restructured receivables are receivables for which creditors have granted concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, waiver of the face amount, or other concessive measures) to debtors in financial difficulties to assist them in their recovery and eventually enable them to pay creditors, and which receive regular payments. Receivables classified as Bankrupt or De facto Bankruptcy, Doubtful receivables and Receivables three months or more in arrears are excluded.

(Normal receivables)

Normal receivables are receivables that do not fall under any of the above categories and have no repayment delays.

*9. Loan commitments related to operating loans

(Previous fiscal year)

Of operating loans including off-balance sheet loans resulting from securitization, ¥632,554 million is loans under revolving credit agreements. Under these agreements, customers may get additional loans up to a specified maximum amount that does not exceed the amount requested by them.

Outstanding loan commitments under revolving credit agreements were ¥812,491 million.

The Group reviews the agreements and takes steps to preserve credit even after concluding the agreements if it considers that taking steps is necessary due to changes in customers' credit standing and other reasons.

Outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments or who have not requested any loans after concluding a credit agreement. Many revolving credit agreements expire with no loans being provided. Therefore, outstanding loan commitments themselves do not necessarily affect the Group's future cash flows.

(Fiscal year under review)

Of operating loans including off-balance sheet loans resulting from securitization, ¥695,384 million is loans under revolving credit agreements. Under these agreements, customers may get additional loans up to a specified maximum amount that does not exceed the amount requested by them.

Outstanding loan commitments under revolving credit agreements were ¥841,706 million.

The Group reviews the agreements and takes steps to preserve credit even after concluding the agreements if it considers that taking steps is necessary due to changes in customers' credit standing and other reasons.

Outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments or who have not requested any loans after concluding a credit agreement. Many revolving credit agreements expire with no loans being provided. Therefore, outstanding loan commitments themselves do not necessarily affect the Group's future cash flows.

*10. Of the allowances for doubtful accounts, the estimated interest repayment amounts expected to have priority in being appropriated to operating loans are as follows:

As of March 31, 2024	As of March 31, 2025
¥1,564 million	¥1,196 million

*11. Of other, contract liabilities are as follows:

As of March 31, 2024	As of March 31, 2025
¥3,558 million	¥3,553 million

(Notes to Consolidated Statements of Income)

(Bad debt write offs)

Previous fiscal year (Apr 1, 2023 to Mar 31, 2024)

Not applicable.

Fiscal year under review (Apr 1, 2024 to Mar 31, 2025)

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)

Previous fiscal year (Apr 1, 2023 to Mar 31, 2024)

Not applicable.

Fiscal year under review (Apr 1, 2024 to Mar 31, 2025)

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.

(Loss on valuation of stocks of subsidiaries and affiliates and Provision for doubtful accounts)

Previous fiscal year (Apr 1, 2023 to Mar 31, 2024)

As a result of reviewing the valuation of the stocks held by the Company and the future collectability of the receivables considering the financial position and operating results of AG Crowdfunding Co., LTD. and AG Partners Corporation, non-consolidated subsidiaries of the Company, loss on valuation of stocks of subsidiaries and affiliates and provision for doubtful accounts were recorded as extraordinary losses.

Fiscal year under review (Apr 1, 2024 to Mar 31, 2025)

As a result of reviewing the valuation of the stocks held by the Company and the future collectability of the receivables considering the financial position and operating results of AG Crowdfunding Co., LTD., AG Funding Co., LTD., AG Partners Corporation and AG Smile Leaseback Corporation, non-consolidated subsidiaries of the Company, loss on valuation of stocks of subsidiaries and affiliates and provision for doubtful accounts were recorded as extraordinary losses.

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

Previous fiscal year (Apr 1, 2023 to Mar 31, 2024)

1. Dividends paid

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

2. Dividends whose record date is in the fiscal year ended March 31, 2024 but whose effective date is after March 31, 2024

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

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 90,345 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.

Fiscal year under review (Apr 1, 2024 to Mar 31, 2025)

1. Dividends paid

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

2. Dividends whose record date is in the fiscal year ended March 31, 2025 but whose effective date is after March 31, 2025

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 9, 2025	Common stock	478	1.00	March 31, 2025	June 5, 2025	Retained earnings

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 fiscal year under review and treasury stock increased by 1,999 million yen.

As a result, the balance of retained earnings is 112,319 million yen and the balance of treasury stock is 4,541 million yen as of the end 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 March 31, 2025

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

1. Overview of reporting segments

i) Determination of reporting segments

The Company's reporting segments are the Group's constituent units for which separate financial information is available and which the Board of Directors reviews periodically in order to decide the allocation of managerial resources and evaluate business performance.

The Group carries out business with the Company and each of its consolidated subsidiaries as the smallest component of its strategies.

Therefore, the AIFUL Group's reporting segments are its two core companies: AIFUL Corporation and LIFECARD Co., Ltd.,

ii) Types of products and services belonging to each reporting segment

AIFUL Corporation is mainly engaged in loans and credit guarantees. LIFECARD Co., Ltd., is mainly involved in credit sales and credit guarantees.

2. Calculation of operating revenue, profit or loss, assets, liabilities, etc., of each reporting segment

The accounting methods applied to the reporting segments are the same as those described in "Significant Items Forming the Basis for the Preparation of the Consolidated Financial Statements." Income of the reporting segments is the net profit.

Inter-segment sales and transfers are based on the amount equivalent to the cost of sales at the submitting company.

3. Information related to operating revenue, profit or loss, assets, liabilities, etc., of each reporting segment

Previous fiscal year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reporting segment			Other*1	Total
	AIFUL	LIFECARD	Subtotal		
Operating revenue					
Operating revenue from third parties	99,231	37,071	136,303	26,806	163,109
Inter-segment sales and transfers	4,635	597	5,232	63	5,296
Total	103,867	37,669	141,536	26,869	168,405
Segment profit	24,998	363	25,362	(2,377)	22,985
Segment assets	985,303	245,296	1,230,600	211,439	1,442,039

*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.

Fiscal year under review (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segment			Other*1	Total
	AIFUL	LIFECARD	Subtotal		
Operating revenue					
Operating revenue from third parties	109,884	38,115	147,999	41,054	189,054
Inter-segment sales and transfers	43	355	398	80	478
Total	109,927	38,471	148,398	41,134	189,533
Segment profit	19,562	772	20,335	1,834	22,169
Segment assets	1,163,481	228,409	1,391,890	270,451	1,662,341

*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. Provision of allowance for doubtful accounts is the amount of operating expenses and extraordinary losses.

4. Difference between the total amount 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)

Operating revenue	FY2024/3	FY2024/3
Reporting segment total	141,536	148,398
Operating revenue categorized as “other”	26,869	41,134
Inter-segment eliminations	(5,296)	(478)
Operating revenue posted in consolidated financial statements	163,109	189,054

(Millions of yen)

Profit (Loss)	FY2024/3	FY2025/3
Reporting segment total	25,362	20,335
Profit (Loss) categorized as “other”	(2,377)	1,834
Inter-segment eliminations	(2,851)	465
Other adjustments	1,684	(117)
Profit attributable to owners of parent posted in consolidated financial statements	21,818	22,516

(Millions of yen)

Assets	FY2024/3	FY2025/3
Reporting segment total	1,230,600	1,391,890
Assets categorized as “other”	211,439	270,451
Other adjustments	(175,665)	(213,890)
Total assets posted in consolidated financial statements	1,266,374	1,448,451

(Per Share Information)

Previous FY (Apr. 1 2023 to Mar. 31 2024)		FY under review (Apr. 1 2024 to Mar. 31 2025)	
Net assets per share	¥409.04	Net assets per share	¥455.12
Net income per share	¥45.10	Net income per share	¥46.91

Note 1. Diluted net income per share is omitted because there are no potentially dilutive shares.

2. The basis for calculation of net income per share is as follows:

(Millions of yen)

	Previous FY (Apr. 1 2023 to Mar. 31 2024)	FY under review (Apr. 1 2024 to Mar. 31 2025)
Profit attributable to owners of parent	21,818	22,516
Amount not attributable to common stock shareholders	—	—
Profit attributable to owners of parent related to common stock	21,818	22,516
Average number of shares of common stock during the period	483,797,192 shares	479,951,366 shares

3. The basis for calculation of net assets per share is as follows.

(Millions of yen)

	Previous FY (Apr. 1 2023 to Mar. 31 2024)	FY under review (Apr. 1 2024 to Mar. 31 2025)
Total net assets	201,412	221,396
Amount deducted from total net assets	3,502	3,473
(Of which non-controlling interest)	(3,502)	(3,473)
Net assets related to common stock at end of FY	197,909	217,923
Number of shares of common stock at end of FY used in the calculation of net assets per share	483,836,820 shares	478,830,232 shares

(Important Subsequent Events)

Not applicable

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	21,141	29,515
Operating loans	557,786	613,433
Accounts receivable - installment	162	140
Customers' liabilities for acceptances and guarantees	218,459	264,576
Other operating receivables	14,198	16,693
Prepaid expenses	364	875
Accrued income	3,840	4,834
Other	9,793	11,009
Allowance for doubtful accounts	(45,930)	(51,866)
Total current assets	779,817	889,212
Non-current assets		
Property, plant and equipment		
Buildings	13,018	16,006
Accumulated depreciation	(8,959)	(8,609)
Buildings, net	4,059	7,397
Structures	739	664
Accumulated depreciation	(622)	(576)
Structures, net	117	88
Machinery and equipment	146	235
Accumulated depreciation	(141)	(142)
Machinery and equipment, net	5	92
Vehicles	1	1
Accumulated depreciation	(0)	(1)
Vehicles, net	0	0
Furniture and fixtures	3,537	2,936
Accumulated depreciation	(3,067)	(2,519)
Furniture and fixtures, net	470	416
Land	6,726	21,857
Leased assets	1,194	1,194
Accumulated depreciation	(899)	(1,073)
Leased assets, net	295	121
Construction in progress	1,003	100
Total property, plant and equipment	12,678	30,076
Intangible assets		
Software	2,241	2,034
Software in progress	6,970	8,698
Other	73	66
Total intangible assets	9,285	10,799
Investments and other assets		
Investment securities	1,281	1,378
Shares of subsidiaries and associates	25,660	35,329
Long-term loans receivable from subsidiaries and associates	141,423	178,050
Claims provable in bankruptcy	7,645	7,384
Long-term prepaid expenses	231	1,781
Deferred tax assets	12,088	14,136
Lease and guarantee deposits	1,279	1,048
Other	347	750
Allowance for doubtful accounts	(6,436)	(6,467)

Total investments and other assets	183,521	233,392
Total non-current assets	205,486	274,268
Total Assets	985,303	1,163,481
Liabilities		
Current liabilities		
Acceptances and guarantees	218,459	264,576
Short-term borrowings	36,800	15,800
Short-term loans payable to subsidiaries and associates	959	488
Commercial papers	—	17,400
Current portion of bonds	30,000	15,000
Current portion of long-term borrowings	222,002	240,475
Lease obligations	191	117
Trade accounts payable	5,034	4,943
Accrued expenses	770	952
Income taxes payable	3,045	2,900
Allowance for bonuses	1,598	1,776
Provision for share-based remuneration	51	63
Asset retirement obligations	—	96
Other	661	789
Total current liabilities	519,575	565,380
Non-current liabilities		
Bonds payable	50,000	95,000
Long-term borrowings	237,222	308,381
long-term loans payable to subsidiaries and affiliates	—	2,300
Lease obligations	136	19
Provision for loss on interest repayment	9,948	7,285
Asset retirement obligations	2,397	2,322
Other	800	789
Total non-current liabilities	300,505	416,098
Total liabilities	820,080	981,479
Net Assets		
Shareholders' equity		
Capital stock	94,028	94,028
Capital surplus		
Capital reserves	52	52
Total capital surplus	52	52
Retained earnings		
Legal retained earnings	145	193
Other retained earnings		
Retained earnings carried forward	73,155	92,127
Total retained earnings	73,300	92,321
Treasury shares	(2,655)	(4,541)
Total shareholders' equity	164,726	181,861
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	496	140
Total valuation and translation adjustments	496	140
Total net assets	165,222	182,002
Total liabilities and net assets	985,303	1,163,481

(2) Non-Consolidated Statements of Income

(Millions of yen)

	FY ended March 31, 2024 (Apr. 1 2023 to Mar. 31 2024)	FY ended March 31, 2025 (Apr. 1 2024 to Mar. 31 2025)
Operating revenue		
Interest on operating loans	76,323	85,603
Other financial revenue	0	8
Other operating revenue		
Revenue from credit guarantee	14,397	16,198
Recoveries of written off claims	6,128	5,523
Other	7,017	2,823
Total other operating revenue	27,543	24,546
Total operating revenue	103,867	110,158
Operating expenses		
Financial expenses		
Interest expenses	4,053	5,460
Interest on bonds	568	853
Other	684	1,078
Total financial expenses	5,306	7,392
Other operating expenses		
Advertising expenses	13,937	15,007
Commissions	6,842	7,865
Provision of allowance for doubtful accounts	31,172	35,174
Employees' salaries, allowances and bonuses	7,327	8,201
Provision for bonuses	978	1,089
Retirement benefit expenses	315	307
Welfare expenses	1,851	2,035
Depreciation	1,884	2,081
Other	9,911	10,611
Total other operating expenses	74,221	82,374
Total operating expenses	79,527	89,766
Operating profit	24,339	20,391
Non-operating income		
Interest on loans receivables	1,805	2,594
Foreign exchange gains	417	541
Dividends	37	23
Other	554	464
Total non-operating income	2,814	3,624
Non-operating expenses		
Provision of allowance for doubtful accounts	—	2
Loss on retirement of non-current assets	—	4
Amortization expense of security deposits	—	4
Other	6	7
Total non-operating expenses	6	19
Ordinary profit	27,147	23,996
Extraordinary income		
Gain on the sale of fixed assets	79	—
Total extraordinary income	79	—
Extraordinary losses		
Bad debt write offs	—	498
Impairment loss	—	1,582
Loss on valuation of stocks of subsidiaries and affiliates	420	697
Provision of allowance for doubtful accounts	186	366
Total extraordinary losses	606	3,144
Income before taxes	26,620	20,851
Income taxes - current	3,238	3,288

Income taxes - deferred	(1,617)	(1,999)
Total income taxes	1,621	1,289
Profit	24,998	19,562

(3) Non-Consolidated Statements of Change in Shareholders' Equity

Fiscal year ended March 31, 2024

(Millions of yen)

	Capital stock	Shareholders' equity					
		Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at April 1, 2023	94,028	52	—	52	96	49,098	49,195
Changes during the period							
Dividends of surplus					48	(532)	(483)
Profit						24,998	24,998
Purchase of treasury shares							
Transfer from retained earnings to capital surplus			409	409		(409)	(409)
Restricted stock compensation			(409)	(409)			
Net changes in accounts other than shareholders' equity							
Total change during fiscal year	—	—	—	—	48	24,057	24,105
Balance at March 31, 2024	94,028	52	—	52	145	73,155	73,300

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at April 1, 2023	(3,110)	140,165	494	494	140,660
Changes during the period					
Dividends of surplus		(483)			(483)
Profit		24,998			24,998
Purchase of treasury shares	(0)	(0)			(0)
Transfer from retained earnings to capital surplus		—			—
Restricted stock compensation	455	45			45
Net changes in accounts other than shareholders' equity			1	1	1
Total change during fiscal year	455	24,560	1	1	24,562
Balance at March 31, 2024	(2,655)	164,726	496	496	165,222

Fiscal year ended March 31, 2025

(Millions of yen)

	Capital stock	Shareholders' equity					
		Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at April 1, 2024	94,028	52	—	52	145	73,155	73,300
Changes during the period							
Dividends of surplus					48	(532)	(483)
Profit						19,562	19,562
Purchase of treasury shares							
Transfer from retained earnings to capital surplus			58	58		(58)	(58)
Restricted stock compensation			(58)	(58)			
Net changes in accounts other than shareholders' equity							
Total change during fiscal year	—	—	—	—	48	18,971	19,020
Balance at March 31, 2025	94,028	52	—	52	193	92,127	92,321

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at April 1, 2024	(2,655)	164,726	496	496	165,222
Changes during the period					
Dividends of surplus		(483)			(483)
Profit		19,562			19,562
Purchase of treasury shares	(2,000)	(2,000)			(2,000)
Transfer from retained earnings to capital surplus		—			—
Restricted stock compensation	114	56			56
Net changes in accounts other than shareholders' equity			(355)	(355)	(355)
Total change during fiscal year	(1,885)	17,134	(355)	(355)	16,779
Balance at March 31, 2025	(4,541)	181,861	140	140	182,002