



(Translation for reference only)

May 11, 2020

**Consolidated Financial Results**  
**For the Fiscal Year ended in March 31, 2020**  
(Under Japanese GAAP)

Company name: AIFUL Corporation  
Stock Listing: Tokyo Stock Exchange  
Stock Code: 8515  
URL: <http://aiful.jp>  
Representative: Yoshitaka Fukuda, President and Chief Executive Officer  
For inquiry: Toshiaki Ando, Assistant Senior General Manager of Finance Division TEL (03) 4503 – 6050  
Scheduled date of convention of annual general meeting of shareholders: June 23, 2020  
Scheduled date of submission of Securities report: June 24, 2020  
Scheduled date of commencement of dividend payments : —  
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, 2020**

(April 1, 2019 – March 31, 2020)

(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, 2020	127,038	10.2%	1,679	(44.6)%	1,716	(58.2)%	1,390	(85.1)%
March 31, 2019	115,328	(0.1)%	3,031	21.6%	4,110	45.6%	9,346	136.1%

Note: Comprehensive income: For the Fiscal year ended  
March 31, 2020: 1,220 million yen (85.2)%  
March 31, 2019: 8,237 million yen 130.7%

	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, 2020	2.88	—	1.1	0.2	1.3
March 31, 2019	19.32	—	7.8	0.6	2.6

Reference: Equity in earnings of affiliated companies: For the Fiscal year ended  
March 31, 2020: 110 million yen  
March 31, 2019: 81 million yen

2. Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
As of				
March 31, 2020	860,507	128,931	14.6	260.53
March 31, 2019	760,587	128,016	16.3	256.45

Reference: Shareholders' equity: As of March 31, 2020: 126,017 million yen  
As of March 31, 2019: 124,045 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, 2020	(51,113)	(2,718)	55,356	43,520
March 31, 2019	(41,765)	(4,219)	52,657	36,108

## 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, 2019	—	0.00	—	0.00	0.00	—	—	—
FY ended March 31, 2020	—	0.00	—	0.00	0.00	—	—	—
FY ending March 31, 2021 (Forecast)	—	0.00	—	0.00	0.00		—	

## III. Earnings Forecast on a Consolidated Basis for the Fiscal Year ending March 31, 2021

(April 1, 2020 – March 31, 2021)

(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)
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	Amount
Six months ending September 30, 2020	67,600	10.3%	8,100	75.3%	8,300	67.7%	7,700	(46.8)%	15.92
Fiscal year ending March 31, 2021	139,100	9.5%	19,900	-	20,300	-	17,900	-	37.01

Note: The impacts of the novel coronavirus pandemic are not included in the above-mentioned business plan due to uncertainties in the future development.

## IV. Other

### (1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries resulting changes in scope of consolidation): None

### (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

### (3) Number of shares issued (Common stock)

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

FY2019	484,620,136 shares	FY2018	484,620,136 shares
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(b) Number of treasury stock at the end of the period

FY2019	917,346 shares	FY2018	917,182 shares
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(c) Average number of shares during the period

FY2019	483,702,875 shares	FY2018	483,702,983 shares
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## (Reference) Highlights of Non-Consolidated Business Results

### I. Non-Consolidated Business Results for the Fiscal Year ended in March 31, 2020 (April 1, 2019 – March 31, 2020)

#### 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, 2020	77,504	9.2%	413	(11.8)%	1,728	13.8%	1,639	(68.5) %
March 31, 2019	70,991	9.8%	468	27.9%	1,519	55.1%	5,208	113.7%

	Profit per Share (Yen)	Diluted Profit per Share (Yen)
Fiscal year ended		
March 31, 2020	3.39	—
March 31, 2019	10.77	—

#### 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, 2020	635,683	92,609	14.6	191.46
March 31, 2019	556,450	91,200	16.3	188.07

Reference: Shareholders' equity: As of March 31, 2020 92,609 million yen  
As of March 31, 2019 90,970 million yen

### II. Earnings Forecast on a Non-Consolidated Basis for the Fiscal Year ending March 31, 2021 (April 1, 2020 – March 31, 2021):

(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, 2020	41,300	9.5%	6,300	61.7%	7,100	58.3%	6,900	46.4%	14.26
Fiscal year ending March 31, 2021	84,100	8.5%	14,000	—	15,700	808.1%	15,300	833.5%	31.63

Note: The impacts of the novel coronavirus pandemic are not included in the above-mentioned business plan due to uncertainties in the future development.

\* 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 Other, (4) Outlook for the fiscal year ending March 2021" on page 5.

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## 1. Business Results and Others

### (1) Overview of Business Results

During the consolidated fiscal year ended March 31, 2020, the Japanese economy expanded gradually, driven by improvements in the employment and income environment. However, sluggish consumption activities and the resulting deceleration of the economy arising from the novel coronavirus pandemic have been of great concern, and the situation remains unpredictable.

In the consumer finance industry, the number of new contracts at major players remained stable, and the operating loan balance increased moderately. On the other hand, the issue of interest repayment claims, which are the industry's biggest risk, still requires close monitoring, even though they have declined significantly from their peak in the current fiscal year.

Under these circumstances, while dealing with interest repayment claims as the principal management issue, the AIFUL Group has worked to increase operating assets and diversify the financial services business on a group-wide basis, and to manage its business with an emphasis on balancing safety, profitability and growth. As far as the impact of the novel coronavirus pandemic is concerned, while we did not observe major impacts such as a significant decline in the number of new contracts during the consolidated fiscal year under review, the AIFUL Group is aware that the situation remains unpredictable.

For further details of the future impact of the novel coronavirus pandemic on the AIFUL Group, please refer to (4) Future Outlook on page 5.

The results by business segment are as follows.

#### (AIFUL Corporation)

##### Loan business

In the loan segment, AIFUL endeavored to increase the number of new contracts and the operating loan balance by developing effective advertising, mainly through TV commercials and websites, and improving its customer service through enhanced functionality of the chat service.

In the consolidated fiscal year under review, the number of new contracts signed for unsecured loans were 206,000 (up 3.4% year on year) whereas the contract rate was 43.7% (down 1.6 points year on year).

As a result, unsecured loans outstanding at the end of the consolidated fiscal year under review were 422,382 million yen (up 11.4 % compared with a year earlier), secured loans outstanding were 6,958 million yen (down 25.2 % compared with a year earlier), small business loans outstanding were 8,338 million (up 5.3 % compared with a year earlier) and the total balance of operating loans for the loan segment was 437,679 million yen (up 10.4% compared with a year earlier) (23,965 million yen off-balance sheet operating loans from the securitization have been included).

##### Credit guarantee business

In the credit guarantee business, AIFUL made the most of its know-how related to credit operations 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 unsecured personal loan guarantee as of the end of the consolidated fiscal year under review amounted to 97,994 million yen (up 23.5% compared with a year earlier) whereas loans outstanding for unsecured business loan guarantee totaled 30,005 million yen (down 11.0 % compared with a year earlier).

Of the credit guarantee for the unsecured business loans, 12,640 million yen comes from guarantees provided to BUSINEXT CORPORATION.

In total, AIFUL posted operating revenue of 77,504 million yen (up 9.2% year on year), operating profit of 413 million yen (down 11.8% year on year), ordinary profit of 1,728 million yen (up 13.8% year on year), and profit of 1,639 million yen (down 68.5% year on year) in the consolidated fiscal year under review.

(LIFECARD Co., Ltd)

#### Credit card business

In the credit card business, LIFECARD endeavored to increase the number of new applications through such measures as aggressive affiliate advertising and issuing new tie-up cards with hospitals and universities. It also worked to increase corporate customers through the issuance of tie-up business cards with financial institutions and placed an emphasis on increasing convenience for card holders by raising upper credit limits and enhancing settlement services.

As a result of the above, the transaction volume for the consolidated fiscal year under review was 817,906 million yen (up 8.1% year on year), and the balance of accounts receivable–installment for credit card business as of the end of the consolidated fiscal year under review stood at 105,772 million yen (up 1.5% compared with a year earlier). (8,530 million yen off-balance sheet accounts receivable–installment outstanding from the securitization have been included.)

#### Card Cashing

The total amount of loans outstanding as of the end of the consolidated fiscal year under review in LIFECARD's loan business stood at 30,836 million yen (down 3.1% compared with a year earlier) (3,045 million yen off-balance sheet operating loans from the securitization have been included.)

#### Credit guarantee business

In the credit guarantee business, LIFECARD made the most of its know-how related to credit operations for individuals and small- and medium-sized enterprises as well as its unique strengths as an independent entity to increase the credit guarantee outstanding promoting the diversification of products and increasing the number of guarantee partners.

As a result, at the end of the consolidated fiscal year under review, the loans outstanding for unsecured personal loan guarantee amounted to 23,185 million yen (up 8.1% compared with a year earlier), while loans outstanding for unsecured business loan guarantee was 1,657 million yen (up 2.3% compared with a year earlier).

In total for the consolidated fiscal year under review, LIFECARD Co., Ltd., recorded operating revenue of 34,167 million yen (up 4.0% year on year), operating profit of 2,213 million yen (down 26.2% year on year), ordinary profit of 2,334 million yen (down 25.5% year on year), and profit of 1,136 million yen (down 59.8% year on year).

(AIRA & AIFUL Public Company Limited)

The unsecured consumer finance market in the Kingdom of Thailand continued to expand in line with the increase in consumption triggered by economic growth. Under these circumstances, AIRA & AIFUL Public Company Limited has been engaging in attracting blue-chip customers with the aim of improving its loan portfolio quality.

As a result, for the current consolidated fiscal year, AIRA & AIFUL Public Company Limited recorded operating revenue of 6,519 million yen (up 10.5 % year on year), operating loss of 1,097 million yen (compared with operating loss of 1,213 million yen in the previous period), ordinary loss of 1,064 million yen (compared with ordinary loss of 1,210 million yen in the previous period) and net loss of 1,176 million yen, decreasing 33 million yen (compared with net loss of 1,210 million yen in the previous period).

(Other)

There were five consolidated subsidiaries that are not included in reported segments for the consolidated fiscal year under review (BUSINEXT CORPORATION, AsTry Loan Services Corporation, AG Capital Co., Ltd., LIFE GUARANTEE CO., LTD., and Sumishin Life Card Company, Limited) for which operating revenue was 10,431 million yen (up 79.3% year on year), operating loss was 300 million yen (compared with operating profit of 1,060 million yen in the previous period), ordinary loss was 366 million yen (compared with ordinary profit of 1,748 million yen in the previous period) and net loss was 505 million yen (compared with net profit of 2,073 million yen in the previous period).

(Overview of the Results)

In the consolidated fiscal year under review, the AIFUL Group's consolidated operating revenue was 127,038 million yen (up 10.2% year on year). The principal components and their movements were 72,444 million yen in interest on operating loans (up 10.7% year on year), 18,862 million yen revenue from the credit card business (up 14.6% year on year) and 15,203 million yen revenue in the credit guarantee business (up 9.0% year on year). Also, collection from purchased receivable was 1,662 million yen (up 2.8% year on year) and recoveries of charged off claims was 6,896 million yen (up 9.1% year on year).

Operating expenses increased 13,061 million yen to 125,358 million yen (up 11.6% year on year). Main factors included a 5,425 million yen increase in provision of loss for interest repayments to 16,927 million yen (up 47.2% year on year), and an increase of 4,455 million yen (up 15.2% year on year) to 33,796 million yen in provision of allowance for doubtful accounts due to operating assets growth.

As a result of the above factors, for the consolidated fiscal year under review, the AIFUL Group recorded an operating profit of 1,679 million yen (down 44.6% year on year) and ordinary profit of 1,716 million yen (down 58.2% year on year). Also, profit attributable to owners of parent was 1,390 million yen (down 85.1% year on year), reflecting a loss attributable to non-controlling interests of 1,089 million yen.

Since the consolidated fiscal year under review, LIFE GUARANTEE CO., LTD., which engages mainly in the installment sales finance business, and Sumishin Life Card Company, Limited, comprehensive profit mediation business, have been included in the scope of consolidation due to increased materiality.

## (2) Overview of Financial Position

### (Assets, liabilities, net assets)

Total assets as of the end of the consolidated fiscal year under review increased 99,919 million yen to 860,507 million yen (up 13.1% compared with a year earlier). This was primarily due to a 59,175 million yen increase in operating loans.

Total liabilities at the end of the consolidated fiscal year under review were 99,005 million yen, an increase of 731,576 million yen, or 15.7 %, compared with the previous fiscal year-end. The principal factors contributing to this increase were a 49,555 million yen increase in loans payable and a 16,079 million yen increase in notes and accounts payable–trade.

Net assets increased 914 million yen, or 0.7% compared with the previous fiscal year-end, to 128,931 million yen. This was largely attributable to an increase in retained earnings.

## (3) Overview of Cash Flows

### (Cash Flows)

Cash and cash equivalents (“funds”) increased 7,412 million yen, or 20.5% compared to the end of the previous fiscal year, to 43,520 million yen.

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 51,133 million yen, an increase of 22.4% compared with previous fiscal year. This was mainly attributable to a decline in funds reflecting an increase in operating loans.

#### (Cash flows from investing activities)

Net cash used for investing activities stood at 2,718 million yen, a decrease of 35.6% compared with the previous fiscal year. This was mainly attributable to a purchase of intangible assets.

#### (Cash flow from financing activities)

Net cash provided by financing activities amounted to 55,356 million yen, an increase of 5.1% compared with the previous fiscal year. This was mainly attributable to an increase in funds reflecting an increase in the borrowings and bond issuance.

## (4) Outlook for the fiscal year ending March 2021

In the business environment surrounding the AIFUL Group, the loan business for consumers and small- and medium-sized enterprises as well as retail finance business such as credit card services have been on an upward trend in Japanese and overseas markets. Therefore, we expect stable growth in operating assets in the medium- to long-term perspectives. Meanwhile, while interest repayment claims, which are the industry’s biggest risk, have declined significantly from their peak, we should continue to pay close attention to this issue for the time being.

Under these circumstances, while dealing with the principal management issue of interest repayment claims, the AIFUL Group will unite its overall efforts to increase operating assets and diversify the financial business mainly in the loan, credit card, credit guarantee and overseas businesses, with an emphasis on balancing safety, profitability and growth.



On the other hand, the impacts of the novel coronavirus pandemic on our business include a decline in customers' funding needs in Japan and abroad, the deceleration of the growth rate of operating assets due to shrinking use of credit cards, and possible increase in bad debt-related expenses arising from the increase in customers who face difficulties in repayment of loans.

Since a state of emergency was declared in April in Japan, AIFUL has fully or partially suspended operation at some of its staffed branches. In addition, further impacts including temporary closure of offices are assumed in the event that an employee of the AIFUL Group is found to be infected.

Although the above-mentioned impacts are assumed, future developments remain uncertain to date, and it is currently difficult to provide forecasts for future financial results due to the novel coronavirus pandemic.

Therefore, we hereby provide the business forecasts for the AIFUL Group's consolidated fiscal year ending March 31, 2021, but it should be noted that the impacts of the novel coronavirus pandemic are excluded from these figures. We expect operating revenue of 139,100 million yen (up 9.5% year on year), operating profit of 19,900 million yen (compared with operating profit of 1,680 million yen in the previous period), ordinary profit of 20,300 million yen (compared with ordinary profit of 1,716 million yen in the previous period), and profit attributable to owners of parent of 17,900 million yen (compared with Profit attributable to owners of parent of 1,391 million yen in the previous period).

We will announce the impact of the novel coronavirus pandemic on our business performance as soon as it becomes possible to provide a reasonable forecast. Furthermore, it should be noted that the management environment surrounding the Company contains various risks including developments with the issue of interest repayment claims, and that the actual financial results may differ from the forecast.

#### (5) Basic Policies on Profit Distribution and Dividend for the Fiscal Year under Review and Next Fiscal Year

The return of profits to shareholders is a management priority at the AIFUL Group. The Group's basic policy calls for a consistent return of profits in line with business results. The Group aims to maximize shareholder returns and shareholder value while simultaneously securing stable internal reserves through medium to long-term profit growth.

However, the financial burden associated with claims for interest repayments is still heavy, creating difficult conditions for the distribution of profits. In addition, losses in the distributable amount continue. The Group therefore regret to announce that we will be unable to pay any dividends for the current fiscal year and forecast no dividends for the next fiscal year.

The AIFUL Group has been dealing with the principal management issue of interest repayment claims. At the same time, it is taking measures to diversify the financial business and increase operating assets to bolster its revenue base, and also work to diversify funding channels. The Group is also determined to return to the basic policy outlined above by improving its financial position and profitability.

The AIFUL Group asks all of its shareholders for their understanding and cooperation in these endeavors.

## **2. Basic stance on selection of accounting standards**

In preparation for the pending application to the IFRS, the 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, 2019	As of March 31, 2020
<b>Assets</b>		
Current assets		
Cash and deposits	36,112	43,524
Operating loans	457,785	516,960
Accounts receivables - installment	101,584	102,942
Operational investment securities	1,209	1,451
Customers' liabilities for acceptances and guarantees	140,343	157,858
Other operating receivables	7,744	8,858
Purchased receivables	2,472	3,121
Other	16,889	30,612
Allowance for doubtful accounts	(46,135)	(51,608)
Total current assets	718,006	813,722
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,147	24,252
Accumulated depreciation	(18,260)	(18,359)
Buildings and structures, net	5,887	5,893
Machinery and equipment	416	407
Accumulated depreciation	(322)	(330)
Machinery and equipment, net	94	76
Furniture and fixtures	6,724	6,425
Accumulated depreciation	(5,560)	(5,438)
Furniture and fixtures, net	1,163	987
Land	8,899	8,899
Leased assets	1,399	5,920
Accumulated depreciation	(787)	(2,342)
Leased assets, net	611	3,578
Construction in progress	102	262
Total property, plant and equipment	16,758	19,698
Intangible assets		
Software	3,192	4,182
Other	105	102
Total intangible assets	3,297	4,285
Investment and other assets		
Investment securities	5,643	5,960
Claims provable in bankruptcy	26,981	23,609
Deferred tax assets	6,054	6,712
Lease and guarantee deposits	1,744	1,805
Other	6,433	5,398
Allowance for doubtful accounts	(24,332)	(20,686)
Total investments and other assets	22,524	22,800
Total non-current assets	42,581	46,784
Total assets	760,587	860,507

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
Current liabilities		
Notes & accounts payable-trade	21,076	37,156
Acceptances and guarantees	140,343	157,858
Short-term borrowings	86,562	103,119
Current portion of bonds	7,370	20,170
Current portion of long-term borrowings	98,728	121,928
Income taxes payable	1,116	2,026
Allowance for bonuses	1,320	1,356
Provision for point card certificates	2,950	2,840
Deferred installment income	508	1,344
Other	20,300	21,581
Total current liabilities	380,277	469,381
Non-current liabilities		
Bonds payable	20,245	15,075
Long-term borrowings	205,803	215,601
Deferred tax liabilities	7	49
Provision for loss on interest repayment	22,963	25,033
Other	3,273	6,435
Total non-current liabilities	252,292	262,194
Total liabilities	632,570	731,576
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	143,454	94,028
Capital surplus	13,948	13,948
Retained earnings	(30,485)	20,232
Treasury shares	(3,110)	(3,110)
Total shareholders' equity	123,807	125,098
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(23)	459
Foreign currency translation adjustment	261	459
Total accumulated other comprehensive income	238	918
Shares acquisition rights	230	—
Non-controlling interests	3,741	2,914
Total net assets	128,016	128,931
Total liabilities and net assets	760,587	860,507

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

### i. Consolidated Statements of Income

(Millions of yen)

	FY ended March 31, 2019 (Apr. 1 2018 to Mar. 31 2019)	FY ended March 31, 2020 (Apr. 1 2019 to Mar. 31 2020)
Operating revenue		
Interest on loans receivable	65,456	72,444
Revenue from credit card business	16,466	18,862
Revenue from credit guarantee	13,953	15,203
Other financial revenue	9	7
Other operating revenue		
Collection from purchased receivable	1,709	1,662
Recoveries of written off claims	6,320	6,896
Other	11,412	11,961
Total other operating revenue	19,443	20,520
Total operating revenue	115,328	127,038
Operating expenses		
Financial expenses		
Interest expenses	6,630	6,100
Interest on bonds	377	623
Other	940	797
Total financial expenses	7,949	7,522
Cost of sales		
Cost of purchased receivable	1,166	1,120
Other	131	169
Total cost of sales	1,298	1,289
Other operating expenses		
Provision for point card certificates	2,950	2,707
Commissions	14,644	15,722
Provision of allowance for doubtful accounts	29,340	33,796
Provision for loss on interest repayment	11,501	16,927
Employees' salaries and bonuses	11,711	11,964
Provision for bonuses	1,279	1,311
Retirement benefit expenses	484	497
Sales promotion expenses	7,719	8,102
Other	23,418	25,517
Total other operating expenses	103,049	116,547
Total operating expenses	112,297	125,358
Operating profit	3,031	1,679

(Millions of yen)

	FY ended March 31, 2019 (Apr. 1 2018 to Mar. 31 2019)	FY ended March 31, 2020 (Apr. 1 2019 to Mar. 31 2020)
Non-operating income		
Interest on loans receivable	155	193
Share of profit of entities accounted for using equity method	81	110
Foreign exchange gains	214	—
Rent on real estate	82	84
Gain on sales of investment securities	458	—
Other	153	141
Total non-operating income	1,145	529
Non-operating expenses		
Interest expenses	6	5
Foreign exchange loss	—	479
Provision for doubtful accounts	14	—
Loss on withdrawal of guarantee deposits received	31	—
Other	13	8
Total non-operating expenses	66	493
Ordinary profit	4,110	1,716
Extraordinary income		
Gain on reversal of shares acquisition rights	—	230
Total extraordinary income	—	230
Extraordinary losses		
Loss on disposal of fixed assets	—	112
Loss on valuation of investment securities	690	264
Total extraordinary losses	690	376
Profit before income taxes	3,420	1,569
Income taxes – current	858	2,155
Income taxes – deferred	(5,621)	(886)
Total income taxes	(4,763)	1,269
Profit	8,183	300
Profit (loss) attributable to non-controlling interests	(1,162)	(1,089)
Profit attributable to owners of parent	9,346	1,390

ii. Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY ended March 31, 2019 (Apr. 1 2018 to Mar. 31 2019)	FY ended March 31, 2020 (Apr. 1 2019 to Mar. 31 2020)
Profit	8,183	300
Other Comprehensive income		
Valuation difference on available-for-sale securities	160	522
Foreign currency translation adjustment	(107)	396
Share of other comprehensive income of entities accounted for using equity method	(0)	(0)
Total other comprehensive income	53	919
Comprehensive income	8,237	1,220
Comprehensive income attributable to		
Owners of parent	9,453	2,070
Non-controlling interests	(1,216)	(850)

## (3) Consolidated Statements of Change in Shareholders' Equity

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2018	143,454	13,948	(40,208)	(3,110)	114,083
Cumulative effects of changes in accounting policies					—
Restated balance	143,454	13,948	(40,208)	(3,110)	114,083
Changes during the period					
Profit attributable to owners of parent			9,346		9,346
Transfer from share capital to other capital surplus					—
Deficit disposition					—
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation					—
Change in scope of equity method			377		377
Net changes in accounts other than shareholders' equity					
Total change during fiscal year	—	—	9,723	(0)	9,723
Balance at March 31, 2019	143,454	13,948	(30,485)	(3,110)	123,807

	Accumulated other comprehensive income			Shares acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total			
Balance at April 1, 2018	(184)	315	130	234	4,957	119,407
Cumulative effects of changes in accounting policies						—
Restated balance	(184)	315	130	234	4,957	119,407
Changes during the period						
Profit attributable to owners of parent						9,346
Transfer from share capital to other capital surplus						—
Deficit disposition						—
Purchase of treasury shares						(0)
Change in scope of consolidation						—
Change in scope of equity method						377
Net changes in accounts other than shareholders' equity	160	(53)	107	(4)	(1,216)	(1,113)
Total change during fiscal year	160	(53)	107	(4)	(1,216)	8,609
Balance at March 31, 2019	(23)	261	238	230	3,741	128,016

For the fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2019	143,454	13,948	(30,485)	(3,110)	123,807
Cumulative effects of changes in accounting policies			(121)		(121)
Restated balance	143,454	13,948	(30,607)	(3,110)	123,685
Changes during the period					
Profit attributable to owners of parent			1,390		1,390
Transfer from share capital to other capital surplus	(49,426)	49,426			—
Deficit disposition		(49,426)	49,426		—
Purchase of treasury shares				(0)	(0)
Change in scope of consolidation			22		22
Change in scope of equity method					—
Net changes in accounts other than shareholders' equity					
Total change during fiscal year	(49,426)	—	50,839	(0)	1,413
Balance at March 31, 2020	94,028	13,948	20,232	(3,110)	125,098

	Accumulated other comprehensive income			Shares acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total			
Balance at April 1, 2019	(23)	261	238	230	3,741	128,016
Cumulative effects of changes in accounting policies					(123)	(245)
Restated balance	(23)	261	238	230	3,617	127,771
Changes during the period						
Profit attributable to owners of parent						1,390
Transfer from share capital to other capital surplus						—
Deficit disposition						—
Purchase of treasury stock						(0)
Change in scope of consolidation						22
Change in scope of equity method						—
Net changes in accounts other than shareholders' equity	482	197	680	(230)	(703)	(253)
Total change during fiscal year	482	197	680	(230)	(703)	1,159
Balance at March 31, 2020	459	459	918	—	2,914	128,931



## (4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY ended March 31, 2019 (Apr. 1 2018 to Mar. 31 2019)	FY ended March 31, 2020 (Apr. 1 2019 to Mar. 31 2020)
Cash flows from operating activities		
Profit before income taxes	3,420	1,569
Depreciation	2,653	3,017
Increase (decrease) in allowance for doubtful accounts	3,531	1,497
Increase (decrease) in provision for bonuses	328	35
Increase (decrease) in provision for point card certificates	143	(110)
Increase (decrease) in allowance for loss on interest repayment	(1,367)	2,069
Interest and dividend income	(179)	(224)
Interest expenses	6	5
Loss (gain) on sales of investment securities	(458)	—
Loss (gain) on valuation of investment securities	690	264
Share of loss (profit) of entities accounted for using equity method	(81)	(110)
Gain on reversal of shares acquisition rights	—	(230)
Loss on disposal of fixed assets	—	112
Decrease (increase) in operating loans receivable	(45,284)	(57,770)
Decrease (increase) in accounts receivable – installment	(4,332)	2,400
Decrease (increase) in other operating receivable	(1,018)	(1,110)
Decrease (increase) in purchased receivable	401	(648)
Decrease (increase) in claims provable in bankruptcy	806	3,371
Decrease (increase) in other current assets	(2,487)	(3,626)
Increase (decrease) in other current liabilities	1,865	(411)
Other	(139)	(339)
Subtotal	(41,500)	(50,238)
Interest and dividend income	192	246
Interest expenses paid	(6)	(6)
Income taxes refund	10	0
Income taxes paid	(462)	(1,135)
Cash flow from operating activities	(41,765)	(51,133)
Cash flows from investing activities		
Purchase of property, plant and equipment	(201)	(502)
Purchase of intangible assets	(959)	(1,756)
Purchase of investment securities	(1,085)	—
Proceeds from sales of investment securities	506	—
Other	(2,478)	(459)
Cash flows from investing activities	(4,219)	(2,718)

(Millions of yen)

	FY ended March 31, 2019 (Apr. 1 2018 to Mar. 31 2019)	FY ended March 31, 2020 (Apr. 1 2019 to Mar. 31 2020)
Cash flows from financing activities		
Proceeds from short-term borrowings	874,947	1,353,270
Repayments of short-term borrowings	(871,631)	(1,337,105)
Proceeds from long-term loans payable	132,470	187,087
Repayments of long-term loans payable	(101,940)	(154,703)
Proceeds from issuance of bonds	20,500	15,000
Redemption of bonds	(1,385)	(7,370)
Purchase of treasury shares	(0)	(0)
Other	(303)	(823)
Cash flows from financing activities	52,657	55,356
Effect of exchange rate changes on cash and cash equivalents	111	(718)
Net increase (decrease) in cash and cash equivalents	6,784	784
Cash and cash equivalents at beginning of period	29,323	36,108
Increase in cash and cash equivalents resulting from merger	—	6,627
Cash and cash equivalents at end of period	36,108	43,520

(5) Notes to Consolidated Financial Statements

(Notes on premise of going concern)

Not applicable.

(Changes in accounting policies)

A subsidiary that adopts the International Financial Reporting Standard has adopted the International Financial Reporting Standard 16 “Lease” (“IFRS 16”) from the fiscal year under review. Due to this adoption, the lessees have decided to book all leases on their balance sheets as assets and liabilities. The application of IFRS 16 conforms to transitional treatment, with the cumulative impact of the changes in accounting policies booked under retained earnings at the beginning of the fiscal year under review.

As a result, in the consolidated balance sheets for the fiscal year under review, leased assets increased ¥2,053 million, other in current liabilities increased ¥527 million and other in non-current liabilities increased ¥1,787 million.

The impact on the consolidated statements of income and per share information of the fiscal year under review is minor.

Due to the reflection of the cumulative impact on net assets at the beginning of the fiscal year under review, the balance of retained earnings and non-controlling interests at the beginning of the period of the consolidated statements of change in shareholders' equity decreased ¥121 million and ¥123 million, respectively.

(Notes to consolidated balance sheets)

\*1. Capital surplus includes an increase of ¥18,693 million (including ¥13,900 million in recognized evaluation differences for shares of subsidiaries during the process of capital consolidation) in legal capital surplus resulting from a simplified exchange of shares.

\*2. Assets pledged as collateral and corresponding liabilities

As of March 31, 2019		As of March 31, 2020	
(1) Assets pledged as collateral	(Millions of yen)	(1) Assets pledged as collateral	(Millions of yen)
Operating loans	298,670	Operating loans	339,779
Accounts receivable – installment	62,574	Accounts receivable – installment	58,820
Buildings and structures	3,999	Buildings and structures	4,262
Machinery and equipment	12	Machinery and equipment	10
Furniture and fixtures	25	Furniture and fixtures	24
Land	8,523	Land	8,523
Total	373,805	Total	411,421
(2) Corresponding liabilities	(Millions of yen)	(2) Corresponding liabilities	(Millions of yen)
Short-term borrowings	73,570	Short-term borrowings	77,950
Current portion of long-term borrowings	67,010	Current portion of long-term borrowings	88,120
Long-term borrowings	156,415	Long-term borrowings	164,802
Total	296,996	Total	330,872
i) The amounts above at the end of the fiscal year under review include amounts related to the securitization of receivables (operating loans of ¥179,719 million, current portion of long-term borrowings of ¥27,616 million and long-term borrowings of ¥118,653 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 ¥181,047 million, current portion of long-term borrowings of ¥35,530 million and long-term borrowings of ¥103,429 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.	

\*3. Unsecured personal loans included in operating loans

As of March 31, 2019	As of March 31, 2020
¥421,078 million	¥461,941 million

\*4. Shares and other securities issued by non-consolidated subsidiaries and affiliated companies

	As of March 31, 2019	As of March 31, 2020
Investment securities (shares)	¥2,918 million	¥2,675 million
Investment securities (other securities)	¥1,190 million	¥1,174 million

\*5. Accounts receivable - installment

	As of March 31, 2019	As of March 31, 2020
Credit card business	¥101,413 million	¥97,430 million
Installment sales finance business	¥170 million	¥5,511 million
Total	¥101,584 million	¥102,942 million

\*6. Deferred installment income

As of March 31, 2019					As of March 31, 2020				
(Millions of yen)					(Millions of yen)				
	Balance at beginning of FY	Receipts during FY	Actual balance during FY	Balance at end of FY		Balance at beginning of FY	Receipts during FY	Actual balance during FY	Balance at end of FY
Credit card shopping	427	16,168	16,097	498 (30)	Credit card shopping	498	17,171	17,174	495 (25)
Installment sales finance	—	—	—	— (—)	Installment sales finance	496	1,036	691	841 (—)
Credit guarantee	12	1,410	1,414	9 (—)	Credit guarantee	9	1,530	1,532	6 (—)
Loans	—	5,693	5,693	— (—)	Loans	—	5,322	5,322	— (—)
Total	440	23,272	23,205	508 (30)	Total	1,005	25,060	24,721	1,344 (25)

Notes: 1. Figures in brackets indicate member store commissions.

2. The balance at the beginning of FY for the fiscal year under review includes the balance of LIFE GUARANTEE CO., LTD., which is included in the scope of consolidation from the fiscal year under review.

\*7. Securitization of claims removed from the balance sheet

	As of March 31, 2019	As of March 31, 2020
Operating loans	¥64,037 million	¥56,119 million
Accounts receivable - installment	¥3,060 million	¥8,530 million

\*8. Contingent liability

Guarantee obligation

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

The amounts for LIFE GUARANTEE CO., LTD., and Sumishin Life Card Company, Limited, are not stated since they were included in the scope of consolidation from the fiscal year under review.

	As of March 31, 2019	As of March 31, 2020
LIFE GUARANTEE CO., LTD.	¥900 million	— million
Sumishin Life Card Company, Limited	¥2,365 million	— million
PT REKSA FINANCE	— million	¥390 million
Total	¥3,265 million	¥390 million

\*9. Non-performing loans

The status of non-performing loans (NPL) of operating loans and claims in bankruptcy is as follows:

As of March 31, 2019				As of March 31, 2020			
(Millions of yen)				(Millions of yen)			
	Unsecured loans	Other than unsecured loans	Total		Unsecured loans	Other than unsecured loans	Total
Loans in legal bankruptcy	711	25,456	26,167	Loans in legal bankruptcy	768	21,359	22,127
Nonaccrual loans	27,194	5,923	33,118	Nonaccrual loans	31,794	7,361	39,156
Loans 3 months+ in arrears	6,798	244	7,043	Loans 3 months+ in arrears	7,754	281	8,035
Restructured loans	11,870	1,095	12,965	Restructured loans	15,338	1,764	17,102
Total	46,575	32,719	79,294	Total	55,656	30,766	86,422

The loan categories in the table above are as follows.

(Loans in legal bankruptcy)

Loans in legal bankruptcy are loans in which payment of principal or interest remain past due for a considerable period and accruals of interest are discontinued, to 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.

(Nonaccrual loans)

Nonaccrual loans are loans in which accruals of interest are discontinued, other than loans in legal bankruptcy and loans receiving regular payments in the case of granting deferral of interest payment to debtors in financial difficulties to assist them in their recovery.

(Loans three months or more in arrears)

Loans three months or more in arrears are operating loans 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. Loans classified as loans in legal bankruptcy and nonaccrual loans are excluded from loans three months or more in arrears.

(Restructured loans)

Restructured loans are operating loans 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. Loans classified as loans in legal bankruptcy, nonaccrual loans and loans three months or more in arrears are excluded.

\*10. Loan commitments related to operating loans

(Previous fiscal year)

Of operating loans including off-balance sheet loans resulting from securitization, ¥422,993 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 ¥777,976 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, ¥470,703 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 ¥788,995 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.

\*11. 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, 2019	As of March 31, 2020
¥2,534 million	¥1,415 million

(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 three core companies: AIFUL Corporation, LIFECARD Co., Ltd., and AIRA & AIFUL Public Company Limited.

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, while AIRA & AIFUL Public Company Limited is mainly engaged in the loan business.

(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 or loss of the reporting segments is the net income or loss.

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, 2018 to March 31, 2019)

(Millions of yen)

	Reporting segment				Other*1	Total
	AIFUL	LIFECARD	AIRA & AIFUL Public Company Limited*4	Subtotal		
Operating revenue						
Operating revenue from third parties	70,979	32,698	5,901	109,579	5,749	115,328
Inter-segment sales and transfers	12	139	—	151	66	218
Total	70,991	32,838	5,901	109,731	5,816	115,547
Segment profit (loss)	5,208	2,822	-2,313	5,717	2,073	7,790
Segment assets	556,450	196,005	21,345	773,801	44,397	818,198
Segment liabilities	465,249	149,611	13,900	628,761	24,541	653,302
Other items						
Provision for point card certificates	—	2,950	—	2,950	—	2,950
Provision of allowance for doubtful accounts*2	22,074	3,287	3,427	28,789	565	29,354
Provision for loss on interest repayment	10,354	1,147	—	11,501	—	11,501
Provision for bonuses	828	15	—	844	27	871
Depreciation	1,249	1,294	96	2,640	13	2,653
Interest on loans	620	5	—	625	164	790
Dividends received	23	12	—	36	1	37
Rental income from real estate	154	—	—	154	5	160
Gain on sales of investment securities	1	—	—	1	457	458
Interest expenses*3	—	—	—	—	35	35
Extraordinary income	—	—	—	—	—	—
(Gain on reversal of share acquisition rights)	(—)	(—)	(—)	(—)	(—)	(—)
Extraordinary losses	690	—	—	690	—	690
(Loss on valuation of investment securities)	(690)	(—)	(—)	(690)	(—)	(690)
(Loss on retirement of non-current assets)	(—)	(—)	(—)	(—)	(—)	(—)
Income taxes – current	-655	994	—	339	518	858
Income taxes – deferred	-3,723	-685	—	-4,408	-844	-5,252
Increase in property, plant and equipment, and intangible assets	724	881	2	1,607	—	1,607

\*1. The “other” classification comprises business segments not included in reporting segments and encompasses the activities of BUSINEXT CORPORATION, AsTry Loan Services Corporation, etc.

\*2. Provision of allowance for doubtful accounts is the sum total of operating expenses and non-operating expenses.

\*3. Interest expenses are the amount that is not included in operating expenses but is noted as non-operating expenses.

\*4. The figures for the reporting segment of AIRA & AIFUL Public Company Limited are after consolidated adjustments in accordance with the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements” (ASBJ PITF No. 18).

Fiscal year under review (From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Reporting segment				Other*1	Total
	AIFUL	LIFECARD	AIRA & AIFUL Public Company Limited*4	Subtotal		
Operating revenue						
Operating revenue from third parties	77,491	33,492	6,519	117,503	9,354	127,083
Inter-segment sales and transfers	13	674	—	688	896	1,584
Total	77,504	34,167	6,519	118,191	10,431	128,623
Segment profit or loss (-)	1,639	1,136	-2,174	600	-505	95
Segment assets	635,683	197,237	22,383	855,304	92,154	947,458
Segment liabilities	543,074	149,243	16,960	709,278	72,279	781,557
Other items						
Provision for point card certificates	—	2,707	—	2,707	—	2,707
Provision of allowance for doubtful accounts*2	22,788	4,376	3,423	30,588	3,208	33,796
Provision for loss on interest repayment	15,433	1,493	—	16,927	—	16,927
Provision for bonuses	857	16	—	873	25	899
Depreciation	1,162	1,278	552	2,994	23	3,017
Interest on loans	790	80	—	871	431	1,303
Dividends received	25	13	—	38	4	43
Rental income from real estate	159	—	—	159	6	165
Gain on sales of investment securities	—	—	—	—	—	—
Interest expenses*3	—	—	—	—	42	42
Extraordinary income	230	—	—	230	—	230
(Gain on reversal of share acquisition rights)	(230)	(—)	(—)	(230)	(—)	(230)
Extraordinary losses	264	—	112	376	—	376
(Loss on valuation of investment securities)	(264)	(—)	(—)	(264)	(—)	(264)
(Loss on retirement of non-current assets)	(—)	(—)	(112)	(112)	(—)	(112)
Income taxes – current	351	1,086	—	1,437	718	2,155
Income taxes – deferred	-295	112	—	-183	-579	-762
Increase in property, plant and equipment, and intangible assets	1,835	2,364	131	4,330	146	4,477

\*1. The “other” classification comprises business segments not included in reporting segments and encompasses the activities of BUSINEXT CORPORATION, AsTry Loan Services Corporation, etc.

\*2. Provision for allowance for doubtful accounts is the sum total of operating expenses and non-operating expenses.

\*3. Interest expenses are the amount that is not included in operating expenses but is noted as non-operating expenses.

\*4. The figures for reporting segment AIRA & AIFUL Public Company Limited are after consolidated adjustments in accordance with the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements” (ASBJ PITF No. 18).

(4) The amount and main constituents of the difference between the sum total of the reporting segments and the amount posted in consolidated financial statements

(Millions of yen)

Operating revenue	FY2019/3	FY2020/3
Reporting segment total	109,731	118,191
Operating revenue categorized as “other”	5,816	10,431
Inter-segment eliminations	(218)	(1,584)
Operating revenue posted in consolidated financial statements	115,328	127,038

(Millions of yen)

Income	FY2019/3	FY2020/3
Reporting segment total	5,717	600
Income (loss) categorized as “other”	2,073	(505)
Inter-segment eliminations	325	(15)
Other adjustments	1,230	1,310
Profit attributable to owners of parent posted in consolidated financial statements	9,346	1,390

(Millions of yen)

Assets	FY2019/3	FY2020/3
Reporting segment total	773,801	855,304
Assets categorized as “other”	44,397	92,154
Other adjustments	(57,611)	(86,951)
Total assets posted in consolidated financial statements	760,587	860,507

(Millions of yen)

Liabilities	FY2019/3	FY2020/3
Reporting segment total	628,761	709,278
Liabilities categorized as “other”	24,541	72,279
Other adjustments	(20,732)	(49,981)
Total liabilities posted in consolidated financial statements	632,570	731,576

(Millions of yen)

Other items	Reporting segment total*3		Other		Adjustments		Amount posted in consolidated financial statements	
	FY2019/3	FY2020/3	FY2019/3	FY2020/3	FY2019/3	FY2020/3	FY2019/3	FY2020/3
Other items								
Provision for point card certificates	2,950	2,707	—	—	—	—	2,950	2,707
Provision of allowance for doubtful accounts*1	28,789	30,588	565	3,208	—	—	29,354	33,796
Provision for loss on interest repayment	11,501	16,927	—	—	—	—	11,501	16,927
Provision for bonuses	844	873	27	25	407	411	1,279	1,311
Depreciation	2,640	2,994	13	23	—	—	2,653	3,017
Interest on loans	625	871	164	431	-634	-1,109	155	193
Dividends received	36	38	1	4	-13	-13	23	30
Share of profit of entities accounted for using equity method	—	—	—	—	81	110	81	110
Rent income on real estate	154	159	5	6	-78	-81	82	84
Gain on sales of investment securities	1	—	457	—	—	—	458	—
Interest expenses*2	—	—	35	42	-28	-37	6	5
Extraordinary income	—	230	—	—	—	—	—	230
(Gain on reversal of share acquisition rights)	(—)	(230)	(—)	(—)	(—)	(—)	(—)	(230)
Extraordinary losses	690	376	—	—	—	—	690	376
(Loss on valuation of investment securities)	(690)	(264)	(—)	(—)	(—)	(—)	(690)	(264)
(Loss on retirement of non-current assets)	(—)	(112)	(—)	(—)	(—)	(—)	(—)	(112)
Income taxes – current	339	1,437	518	718	—	—	858	2,155
Income taxes – deferred	-4,408	-183	-844	-579	-369	-124	-5,621	-886
Investment amount of entities accounted for using equity method	—	—	—	—	821	918	821	918
Increase in property, plant and equipment, and intangible assets	1,607	4,330	—	146	—	—	1,607	4,477

\*1. Provision for allowance for doubtful accounts is the sum total of operating expenses and non-operating expenses.

\*2. Interest expenses are the amount that is not included in operating expenses but is noted as non-operating expenses.

\*3. The figures for “reporting segment total” are after consolidated adjustments in accordance with the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries, etc. for Consolidated Financial Statements” (ASBJ PITF No. 18).

## (Per Share Information)

Previous FY (From April 1, 2018 to March 31, 2019)		FY under review (From April 1, 2019 to March 31, 2020)	
Net assets per share	¥256.45	Net assets per share	¥260.53
Net income per share	¥19.32	Net income per share	¥2.88
Diluted net income per share	—	Diluted net income per share	—

Note 1. Diluted net income per share for the previous FY is omitted because there were no latent shares with a dilutive effect. The diluted net income per share for the FY under review is omitted because there were no latent shares.

2. The basis for calculation of net assets per share is as follows: (Millions of yen)

	Previous FY (March 31, 2019)	FY under review (March 31, 2020)
Total net assets	128,016	128,931
Amount deducted from total net assets	3,971	2,914
(Of which share acquisition rights)	(230)	(—)
(Of which non-controlling interest)	(3,741)	(2,914)
Net assets related to common stock at end of FY	124,045	126,017
Number of shares of common stock at end of FY used in the calculation of net assets per share	483,702,954 shares	483,702,790 shares

3. The basis for calculation of net income per share and diluted net income per share is as follows: (Millions of yen)

	Previous FY (From April 1, 2018 to March 31, 2019)	FY under review (From April 1, 2019 to March 31, 2020)
Net income per share		
Profit attributable to owners of parent	9,346	1,390
Amount not attributable to common stock shareholders		
Profit attributable to owners of parent related to common stock	9,346	1,390
Average number of shares of common stock during the period	483,702,983 shares	483,702,875 shares
Diluted net income per share		
Adjusted profit attributable to owners of parent	—	—
Increase in number of common stock	—	—
(Of which share acquisition rights)	(—)	(—)
Outline of latent shares not included in calculation of diluted net income per share due to lack of dilutive effect	Stock options based on share acquisition rights issued by resolution of the Board of Directors on June 15, 2015 (1,465,850 common shares)	—

## (Important Subsequent Events)

Not applicable

## 4. Non-Consolidated Financial Statements

### (1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	18,186	15,443
Operating loans	370,034	413,714
Accounts receivable - installment	402	325
Customers' liabilities for acceptances and guarantees	113,064	127,999
Other operating receivables	6,745	7,633
Prepaid expenses	281	303
Accrued income	2,898	3,379
Short-term loans receivable from subsidiaries and associates	50	—
Other	6,321	7,091
Allowance for doubtful accounts	(32,178)	(33,829)
<b>Total current assets</b>	<b>485,807</b>	<b>542,061</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	12,920	12,799
Accumulated depreciation	(8,605)	(8,749)
Buildings, net	4,314	4,049
Structures	1,210	977
Accumulated depreciation	(988)	(800)
Structures, net	222	177
Machinery and equipment	146	146
Accumulated depreciation	(134)	(135)
Machinery and equipment, net	12	10
Furniture and fixtures	3,813	3,421
Accumulated depreciation	(3,279)	(3,000)
Furniture and fixtures, net	534	421
Land	6,809	6,809
Leased assets	847	538
Accumulated depreciation	(580)	(194)
Leased assets, net	267	344
Construction in process	93	256
<b>Total property, plant and equipment</b>	<b>12,254</b>	<b>12,070</b>
<b>Intangible assets</b>		
Software	1,220	2,169
Other	27	24
<b>Total intangible assets</b>	<b>1,248</b>	<b>2,194</b>
<b>Investments and other assets</b>		
Investment securities	947	683
Shares of subsidiaries and associates	34,496	34,496
Long-term loans receivable from subsidiaries and associates	14,142	36,322
Claims provable in bankruptcy	16,041	15,033
Long-term prepaid expenses	213	238
Deferred tax assets	3,542	3,838
Lease and guarantee deposits	1,448	1,376
Other	235	316
Allowance for doubtful accounts	(13,927)	(12,947)
<b>Total investments and other assets</b>	<b>57,140</b>	<b>79,356</b>
<b>Total non-current assets</b>	<b>70,643</b>	<b>93,622</b>
<b>Total Assets</b>	<b>556,450</b>	<b>635,683</b>

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
<b>Liabilities</b>		
Current liabilities		
Acceptances and guarantees	113,064	127,999
Short-term borrowings	6,900	22,700
Current portion of bonds	7,370	20,170
Current portion of long-term borrowings	91,957	114,588
Lease obligations	165	108
Trade accounts payable	4,102	4,607
Accrued expenses	942	580
Income taxes payable	769	1,569
Allowance for bonuses	1,273	1,310
Deferred installment income	9	6
Asset retirement obligations	13	—
Other	578	594
Total current liabilities	227,148	294,237
Non-current liabilities		
Bonds payable	20,245	15,075
Long-term borrowings	194,220	208,260
Lease obligations	122	268
Provision for loss on interest repayment	20,722	22,458
Asset retirement obligations	1,966	1,946
Other	823	828
Total non-current liabilities	238,101	248,836
Total liabilities	465,249	543,074
<b>Net Assets</b>		
Shareholders' equity		
Capital stock	143,454	94,028
Capital surplus		
Capital reserves	52	52
Total capital surplus	52	52
Retained earnings		
Other retained earnings		
Retained earnings carried forward	(49,426)	1,639
Total retained earnings	(49,426)	1,639
Treasury shares	(3,110)	(3,110)
Total shareholders' equity	90,970	92,609
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	(0)
Total valuation and translation adjustments	0	(0)
Shares acquisition rights	230	—
Total net assets	91,200	92,609
Total liabilities and net assets	556,450	635,683

## (2) Non-Consolidated Statements of Income

(Millions of yen)

	FY ended March 31, 2019 (Apr. 1 2018 to Mar. 31 2019)	FY ended March 31, 2020 (Apr. 1 2019 to Mar. 31 2020)
Operating revenue		
Interest on operating loans	51,960	57,682
Other financial revenue	0	0
Other operating revenue		
Revenue from credit guarantee	11,246	11,610
Recoveries of written off claims	5,925	6,215
Other	1,859	1,995
Total other operating revenue	19,031	19,821
Total operating revenue	70,991	77,504
Operating expenses		
Financial expenses		
Interest expenses	4,688	4,180
Interest on bonds	377	623
Other	777	638
Total financial expenses	5,843	5,442
Other operating expenses		
Commissions	5,713	6,027
Provision of allowance for doubtful accounts	22,060	22,788
Provision for loss on interest repayment	10,354	15,433
Salaries and allowances for employees	5,899	6,003
Provision for bonuses	828	857
Sales promotion expenses	5,674	6,081
Depreciation	1,249	1,162
Other	12,899	13,294
Total other operating expenses	64,679	71,648
Total operating expenses	70,523	77,091
Operating profit	468	413
Non-operating income		
Foreign exchange gains	14	—
Interest on loans receivables	620	790
Rent expenses on real estates	154	159
Fiduciary obligation fee	175	251
Other	106	125
Total non-operating income	1,071	1,327
Non-operating expenses		
Foreign exchange losses	—	6
Provision of allowance for doubtful accounts	14	—
Other	6	5
Total non-operating expenses	20	11
Ordinary profit	1,519	1,728
Extraordinary income		
Gain on reversal of shares acquisition rights	—	230
Total extraordinary income	—	230
Extraordinary losses		
Loss on valuation of investment securities	690	264
Total extraordinary losses	690	264
Income before taxes	829	1,694
Income taxes - current	(655)	351
Income taxes - deferred	(3,723)	(295)
Total income taxes	(4,378)	55
Profit	5,208	1,639



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

Fiscal year ended March 31, 2019

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings		Treasury shares	Total shareholder s' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at April 1, 2018	143,454	52		52	(54,634)	(54,634)	(3,110)	85,762
Changes during the period								
Profit					5,208	5,208		5,208
Transfer from share capital to other capital surplus								—
Deficit disposition								—
Purchase of treasury shares							(0)	(0)
Net changes in accounts other than shareholders' equity								
Total change during fiscal year	—	—		—	5,208	5,208	(0)	5,208
Balance at March 31, 2019	143,454	52		52	(49,426)	(49,426)	(3,110)	90,970

	Valuation and translation adjustments		Shares acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at April 1, 2018	(448)	(448)	234	85,548
Changes during the period				
Profit				5,208
Transfer from share capital to other capital surplus				—
Deficit disposition				—
Purchase of treasury shares				(0)
Net changes in accounts other than shareholders' equity	449	449	(4)	444
Total change during fiscal year	449	449	(4)	5,652
Balance at March 31, 2019	0	0	230	91,200

Fiscal year ended March 31, 2020

(Millions of yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Retained earnings		Treasury shares	Total shareholder's equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at April 1, 2019	143,454	52	—	52	(49,426)	(49,426)	(3,110)	90,970
Changes during the period								
Profit					1,639	1,639		1,639
Transfer from share capital to other capital surplus	(49,426)		49,426	49,426				—
Deficit disposition			(49,426)	(49,426)	49,426	49,426		—
Purchase of treasury shares							(0)	(0)
Net changes in accounts other than shareholders' equity								
Total change during fiscal year	(49,426)	—	—	—	51,065	51,065	(0)	1,639
Balance at March 31, 2020	94,028	52	—	52	1,639	1,639	(3,110)	92,609

	Valuation and translation adjustments		Shares acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at April 1, 2019	0	0	230	91,200
Changes during the period				
Profit				1,639
Transfer from share capital to other capital surplus				—
Deficit disposition				—
Purchase of treasury shares				(0)
Net changes in accounts other than shareholders' equity	(0)	(0)	(230)	(230)
Total change during fiscal year	(0)	(0)	(230)	1,408
Balance at March 31, 2020	(0)	(0)	—	92,609