

May 7, 2019

**AIFUL Announces Revision to Financial Results Forecast**

AIFUL Corporation announced a revision of its forecast for financial results for the fiscal year ended March 31, 2019 announced on November 12, 2018 as detailed below.

1. Revision to Consolidated Earnings Forecast for the fiscal year ended March 31, 2019  
(April 1, 2018 to March 31, 2019)

i. Consolidated

(Millions of yen)

	Operating Revenue	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Basic Earnings Per Share (Yen)
Previous Forecast (A)	115,300	15,500	16,100	15,000	31.01
Revised Forecast (B)	115,300	3,000	4,100	9,300	19.23
Amount of Change (B-A)	0	(12,500)	(12,000)	(5,700)	—
Percentage Change (%)	0	(80.6)	(74.5)	(38.0)	—
Reference: Earnings for previous FY ended in March 31, 2018	115,389	2,492	2,823	3,958	8.18

ii. Non-Consolidated

(Millions of yen)

	Operating Revenue	Operating Profit	Ordinary Profit	Profit	Basic Earnings Per Share (Yen)
Previous Forecast (A)	71,400	11,500	12,400	12,300	25.43
Revised Forecast (B)	70,900	400	1,500	5,200	10.75
Amount of Change (B-A)	(500)	(11,100)	(10,900)	(7,100)	—
Percentage Change (%)	(0.7)	(96.5)	(87.9)	(57.7)	—
Reference: Earnings for previous FY ended in March 31, 2018	64,663	366	979	2,437	5.04

## 2. Reason for the Revision

(Consolidated)

Operating revenue in the full-year earnings forecast for the FY ended March 31, 2019 is expected to be 115.3 billion yen as planned, mainly due to steady growth of each business including the loan business, which is the core business of the AIFUL Group.

With respect to operating expenses, however, the Company plans to accumulate 13.2 billion yen provision related to losses on interest repayment (11.5 billion yen for provision for losses on interest repayment and 1.7 billion yen provision for waiver of principal related to interest repayment) in light of recent slowdown of interest repayment claims decline than the initial forecasts.

As a result, the Company is expected to record an operating profit of 3.0 billion yen (down 12.5 billion yen from the previous forecast), and ordinary profit of 4.1 billion yen (down 12.0 billion yen).

Also, net profit attributable to owners of parent is expected to be 9.3 billion yen (down 5.7 billion yen).

The main factor for above result is, while posting 0.6 billion yen impairment loss due to the decline in the stock price of investment securities held by the Company, the Company carefully examined the recoverability of deferred tax assets in light of operating results forecast, it has decided to record additional deferred tax assets and will record -5.6 billion yen in corporate tax adjustments.

(Non-Consolidated)

While operating revenue is expected 70.9 billion yen as planned, the Company will post 70.5 billion yen operating expenses, mainly due to addition of 12.0 billion yen provision related to losses on interest repayment (10.3 billion yen for provision for losses on interest repayment and 1.7 billion yen provision for waiver of principal related to interest repayment).

As a result, operating profit is expected to be 0.4 billion yen (down 11.1 billion yen from the previous forecast), and ordinary profit of 1.5 billion yen (down 10.9 billion yen).

Also, net profit is expected to be 5.2 billion yen (down 7.1 billion yen) mainly due to recording deferred tax assets and -3.7 billion yen corporate tax adjustment as in the consolidated accounting, while posting 0.6 billion yen extraordinary losses.

The forecasts provided above are based on information that was available as of the date of this announcement. Actual earnings may differ from this forecast due to various factors.