

## **Notice of Reduction in the Amount of Capital Stock**

AIFUL Corporation (President and CEO: Yoshitaka Fukuda; hereinafter, “the Company”) hereby announces that it has resolved at its Board of Directors’ meeting held today (May 20, 2019) to submit a proposal for reducing the amount of capital stock to the Company’s 42nd Annual General Meeting of Shareholders to be held on June 25, 2019, as detailed below.

1. Purpose of reduction in the amount of capital stock

The amount of capital stock will be reduced in accordance with the provision of Article 447 paragraph 1 of the Companies Act with the aim of compensating the loss in retained earnings brought forward currently recorded, and improving the soundness of the financial position to ensure the dynamism and flexibility of future capital policy. Please note that this proposal is intended to reduce only the amount of capital stock, without changing the total number of shares outstanding of the Company. Therefore, there will be no impact on the number of shares held by shareholders.

2. Outline of reduction in the amount of capital stock

(1) Amount of capital stock to be reduced

49,426,208,694 yen will be reduced from 143,454,826,525 yen in capital stock, to 94,028,617,831 yen.

(2) Method of reducing the amount of capital stock

The entire amount reduced from capital stock will be transferred to other capital surplus.

3. Schedule for reduction in the amount of capital stock

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| (1) Date of resolution at the Board of Directors’ meeting            | : May 20, 2019              |
| (2) Creditor objection statement final deadline                      | : June 21, 2019 (tentative) |
| (3) Date of resolution at the Annual General Meeting of Shareholders | : June 25, 2019 (tentative) |
| (4) Effective date of capital reduction                              | : June 25, 2019 (tentative) |

4. Remarks

Subject to the said proposal coming into effect as in the initial proposal following the approval at the Board of Directors’ meeting to be held after the 42nd Annual General Meeting of Shareholders, the Company will make a resolution for compensating the loss in retained earnings brought forward currently recorded, by transferring 49,426,208,694 yen in other capital surplus to retained earnings brought forward in accordance with the provisions of Article 452 and Article 459 paragraph 1 (3) of the Companies Act, and the provision of Article 33 of the Company’s Articles of Incorporation.

5. Outlook

This transaction is a transfer between accounts within the Company’s net assets and will have no impact on its operating performance.