

May 7, 2020

AIFUL Announces Revisions to its Financial Results Forecast and Additional Reserve

AIFUL Corporation announced a revision of its forecast for financial results for the fiscal year ended March 31, 2020 announced on November 11, 2019 as detailed below.

1. Revision to Consolidated Earnings Forecast for the fiscal year ended March 31, 2020
(April 1, 2019 to March 31, 2020)

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)	125,100	14,400	15,400	14,400	29.77
Revised Forecast (B)	127,000	1,600	1,700	1,300	2.68
Amount of Change (B-A)	1,900	(12,800)	(13,700)	(13,100)	—
Percentage Change (%)	1.5	(88.9)	(89.0)	(91.0)	—
Reference: Earnings for previous FY ended in March 31, 2019	115,328	3,031	4,110	9,346	19.32

ii. Non-Consolidated

(Millions of yen)

	Operating Revenue	Operating Profit	Ordinary Profit	Profit	Basic Earnings Per Share (Yen)
Previous Forecast (A)	76,500	11,500	12,500	12,800	26.46
Revised Forecast (B)	77,500	400	1,700	1,600	3.30
Amount of Change (B-A)	1,000	(11,100)	(10,800)	(11,200)	—
Percentage Change (%)	1.3	(96.5)	(86.4)	(87.5)	—
Reference: Earnings for previous FY ended in March 31, 2019	70,991	468	1,519	5,208	10.77

2. Reason for the Forecast Revision and Additional Provision

(Consolidated)

During the consolidated fiscal year ended March 31, 2020, no major impact due to the novel coronavirus pandemic which began after February 2020 was observed. This allowed the AIFUL Group to steadily grow its businesses, including its core loan business.

As a result, the Company expects that operating revenue will be 127.0 billion yen (up 1.9 billion yen from the previous forecast). Meanwhile, reflecting a slower pace of interest repayment claims than we had assumed, operating expenses are expected to be 125.4 billion yen, mainly due to the addition of 17.0 billion yen in provision related to losses on interest repayment (16.9 billion yen for provision for losses on interest repayment and 90 million yen for provision for waiver of principal related to interest repayment). Consequently, operating profit is expected to be 1.6 billion yen (down 12.8 billion yen from the previous forecast).

Ordinary profit is projected at 1.7 billion yen (down 13.7 billion yen from the previous forecast), principally reflecting 0.4 billion yen in foreign exchange losses under non-operating expenses arising from loans provided to overseas Group companies, while non-operating income will be posted at 0.5 billion yen. Net profit attributable to owners of parent is expected to be 1.3 billion yen (down 13.1 billion yen from the previous forecast) due to a loss attributable to non-controlling interests posted at 1.0 billion yen.

(Non-consolidated)

While operating revenue is expected to be 77.5 billion yen (up 1.0 billion yen from the previous forecast) reflecting stable loan business, the Company will post 77.1 billion yen in operating expenses mainly due to the addition of 15.5 billion yen in provision related to losses on interest repayment (15.4 billion yen for provision for losses on interest repayment and 90 million yen for 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), ordinary profit will be 1.7 billion yen (down 10.8 billion yen), and net profit is expected to be 1.6 billion yen (down 11.2 billion yen).

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, including additional examinations.