

May 9, 2022

AIFUL Announces Revisions to Financial Results Forecast

AIFUL Corporation (the “Company”) hereby announces a revision of its consolidated financial results forecast for the fiscal year ended March 31, 2022 announced on November 10, 2021, and non-consolidated financial results forecast for the fiscal year ended March 31, 2022 announced on May 12, 2021 as detailed below.

1. Revisions to Consolidated Earnings Forecast for the fiscal year ended March 31, 2022

(April 1, 2021- March 31, 2022)

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)	131,800	24,100	24,300	23,100	47.76
Revised Forecast (B)	132,000	11,200	12,200	12,300	25.43
Amount of change (B-A)	200	(12,900)	(12,100)	(10,800)	-
Percentage change (%)	0.2	(53.5)	(49.8)	(46.8)	-
Reference: Earnings for previous FY ended in March 31, 2021	127,481	17,530	19,305	18,437	38.12

ii. Non-Consolidated

(Millions of yen)

	Operating revenue	Operating profit	Ordinary profit	Profit	Basic earnings per share (yen)
Previous Forecast (A)	81,900	16,100	17,700	17,000	35.15
Revised Forecast (B)	83,100	4,700	6,700	7,900	16.33
Amount of change (B-A)	1,200	(11,400)	(11,000)	(9,100)	-
Percentage change (%)	1.5	(70.8)	(62.1)	(53.5)	-
Reference: Earnings for previous FY ended in March 31, 2021	78,826	10,473	11,973	9,583	19.81

2. Reason for the Revision

(Consolidated)

Operating revenue against the previously announced forecast is expected to be 132.0 billion yen, generally in line with the plan. Operating expenses are expected to be 120.8 billion yen due to an additional provision of 20.9 billion yen for expenses related to interest repayment (of which 19.9 billion yen for provision for loss on interest repayments and 1.0 billion yen for allowance for waiver of principal related to interest repayment), taking into account the current trend of interest repayment claims, although financial expenses and credit cost were below the plan.

As a result of the above, operating profit is expected to be 11.2 billion yen (down 12.9 billion yen from the previous forecast), and ordinary profit is expected to be 12.2 billion yen (down 12.1 billion yen).

In addition, based on the outlook for future business performance, the Company has carefully examined the recoverability of deferred tax assets and recorded deferred tax assets for the portion expected to be recovered. As a result, profit attributable to owners of parent is expected to be 12.3 billion yen (down 10.8 billion yen), mainly due to the recording of \triangle 3.3 billion yen in income taxes-deferred (\triangle profit).

(Non-Consolidated)

Operating revenue against the previously announced forecast is expected to be 83.1 billion yen (up 1.2 billion yen from the previous forecast), mainly due to the continued steady performance of each business, including the loan business, which is the Company's core business. Operating expenses are expected to be 78.3 billion yen due to an additional provision of 18.0 billion yen for expenses related to interest repayment (of which 17.2 billion yen for provision for loss on interest repayments and 0.7 billion yen for allowance for waiver of principal related to interest repayment), taking into account the current trend of interest repayment claims, although financial expenses, credit cost and personnel expense were below the plan.

As a result, operating profit is expected to be 4.7 billion yen (down 11.4 billion yen from the previous forecast), and ordinary profit is expected to be 6.7 billion yen (down 11.0 billion yen).

In addition, based on the outlook for future business performance, the Company has carefully examined the recoverability of deferred tax assets and recorded deferred tax assets for the portion expected to be recovered. As a result, profit is expected to be 7.9 billion yen (down 9.1 billion yen), mainly due to the recording of \triangle 3.1 billion yen in income taxes-deferred (\triangle profit).

The earnings forecasts above are an outlook based on information available as of the date of announcement of this document, and final results may differ from the forecast values due to various factors such as the results of detailed examination in the future.