

March 22, 2023

Notice Regarding Formulation of Social Finance Framework

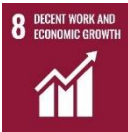

AIFUL Corporation (President and CEO: Mitsuhide Fukuda) hereby announces that it has formulated the first Social Finance Framework ("the Framework") in the Japanese consumer finance industry.



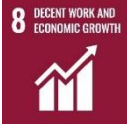


1. Background of the Formulation of Social Finance Framework

With the corporate philosophy of "Earn the trust of society through corporate activity based in integrity," AIFUL Group's mission is to contribute to the economy and society by supporting our customers' sound consumption and business activities. Based on this corporate philosophy, the Group is working to develop products based on the concept of financial inclusion and to contribute to the development of domestic industries by supporting companies that take on new challenges with dreams for the future. At the same time, we are working to contribute to society by providing business support to the domestic healthcare and welfare sectors, which have been a major social issue due to the aging of population, and by providing access to financial services in emerging countries with immature financial infrastructures. We have formulated the Framework to further accelerate these initiatives through social bonds and social loans.

2. Eligible Social Projects

Proceeds raised through social bonds and social loans will be used, through group companies, for new expenditures or refinancing with respect to eligible social projects as described below.

Project Category	SBP Category*	Eligible Social Projects	SDGs
Support for Small and Medium Enterprise	Financing for SMEs and employment generation	Support for business funding for SMEs in need of funds for business growth and continuity <Project> ・Business loans of AG BUSINESS SUPPORT, which provides business financing support to SMEs ・AG capital's growth-oriented funding support for medium-sized companies and startups 【Target Populations】 SMEs in need of funds for business growth and continuity	 

Support for medical and nursing care facilities	Access to essential services	<p>Support for business funds for hospitals and nursing care facilities</p> <p><Project></p> <ul style="list-style-type: none"> •AG MEDICAL’s business funding support for healthcare and nursing care providers such as hospitals and nursing care facilities <p>【Target Populations】</p> <p>People in need of medical and nursing care services or businesses in need of business financing to continue medical and nursing care services</p>	 
Provision of financial services to individuals in emerging countries	Access to essential services	<p>Improvement of financial literacy by providing individuals with access to financial services in emerging economies with immature financial services</p> <p><Project></p> <ul style="list-style-type: none"> •Provision of access to financial services for people in the Kingdom of Thailand by A&A (AIRA&AIFUL) <p>【Target Populations】</p> <p>Individuals with difficulty in raising funds in countries with immature financial services</p>	  

*SBP Category: Categories of social projects exemplified in Social Bond Principles (SBP) of International Capital Markets Association (ICMA).

3. External Review

The Framework is based on the Social Bond Principles 2021 established by International Capital Markets Association (ICMA), Social Loan Principles 2021 established by Loan and Market Association (LMA) in the UK, and Social Bond Guidelines 2021 issued by Japan’s Financial Services Agency. AIFUL Group has received the highest rating "Social 1(F)" from Japan Credit Rating Agency, Ltd. (JCR), an external reviewer, in JCR Social Finance Framework Evaluation. In addition, we have received advice and other support from Nomura Securities Co., Ltd. as a structuring agent in developing the Framework and obtaining the external review.

Social Bond Framework Evaluation by Japan Credit Rating Agency, Ltd. (JCR)

⇒ <https://www.ir-aiful.com/data/current/spo20230322.pdf>

4. Reference

AIFUL Group Social Finance Framework

⇒ <https://www.ir-aiful.com/data/current/fwe20230322.pdf>

AIFUL Group Basic Sustainability Policy

⇒ <https://www.ir-aiful.com/en/csr/>