



(Translation for reference only)

November 11, 2025

Consolidated Financial Results for the Second Quarter (Interim Period) of Fiscal Year 2025

For the Six Months Ended September 30, 2025

(Under Japanese GAAP)

Company name: AIFUL CORPORATION
 Stock Listing: Tokyo Stock Exchange
 Stock Code: 8515
 URL: <https://www.aiful.co.jp>
 Representative: Mitsuhide Fukuda, President and Chief Executive Officer
 For inquiry: Ikumi Abe, General Manager of Operation Management Department TEL 03- 4503 - 6050
 Scheduled date of submission of semi-annual securities report: November 13, 2025
 Scheduled date of commencement of dividend payments : December 5, 2025
 Supplementary materials for Quarterly Financial results: Yes
 Earnings release conference: Yes

I. Consolidated Financial Results for the Second Quarter (Interim) of Fiscal Year 2025

(April 1, 2025 – September 30, 2025)

(Amounts less than one million yen have been rounded down)

1. Consolidated Operating Results

(Millions of yen, Percentages indicate year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
Interim period ended								
September 30, 2025	104,454	14.4%	16,705	84.9%	16,489	69.6%	12,661	76.1%
September 30, 2024	91,273	15.4%	9,036	37.0%	9,721	34.9%	7,188	8.8%

Note: Comprehensive income: For the six months ended

September 30, 2025 12,283million yen 73.1%
 September 30, 2024 7,095 million yen (2.5)%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)
Interim period ended		
September 30, 2025	26.44	—
September 30, 2024	14.94	—

2. Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)
As of			
September 30, 2025	1,520,877	233,043	15.1
March 31, 2025	1,448,451	221,396	15.0

Reference: Shareholders' equity: As of September 30, 2025 229,774 million yen
 As of March 31, 2025 217,923 million yen

II. Dividend Information

	Dividend per share (Yen)				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual
FY ended March 31, 2025	—	0.00	—	1.00	1.00
FY ending March 31, 2026	—	6.00			
FY ending March 31, 2026 (Forecast)			—	6.00	12.00

Note: Revisions to dividend forecasts: None

III. Consolidated Earnings Forecast for the Fiscal Year ending March 31, 2026

(April 1, 2025 – March 31, 2026)

(Millions of yen, Percentages indicate year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Profit per Share (Yen)
Fiscal year ending March 31, 2026	213,500	12.9%	32,300	27.7%	33,000	23.1%	27,600	22.6%	57.63

Note: Revisions to consolidated earnings forecasts: Yes

*Notes

(1) Significant changes in the scope of consolidation during the interim period ended September 30, 2025: Yes

Newly included: Six companies (AG Solution Technology Inc., Seven Seas Co., Ltd., Liblock Inc., Salop, Inc., TEMPLATE co., ltd. and Smart Link co., ltd.)

Excluded: –

Note: The above six companies are included in the scope of consolidation. For more details, please refer to “2. Consolidated Financial Statements, (4) Notes to Interim Consolidated Financial Statements” on page 13.

(2) Adoption of accounting treatment specific to the preparation of interim consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(a) Changes accompanying amendments to accounting standards: None

(b) Changes other than those in (a): None

(c) Change in accounting estimates: None

(d) Restatement: None

(4) Number of issued shares (Common stock)

(a) Number of issued shares at the end of the period (including treasury stock)

FY2025 2Q	484,620,136 shares	FY2024	484,620,136 shares
FY2025 2Q	5,623,677 shares	FY2024	5,789,904 shares
FY2025 2Q	478,894,705 shares	FY2024 2Q	481,066,341 shares

(b) Number of treasury stock at the end of the period

(c) Average number of shares during the period (cumulative from the beginning of the fiscal year)

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* Proper use of earnings forecasts, and other special matters

The forecasts and other forward-looking statements contained in this Report are based on information currently available to the Company as well as certain assumptions that the AIFUL Group has judged to be reasonable. Accordingly, actual results may differ from the forecasts due to various factors. For matters related to earnings forecast above, please refer to “1. Qualitative Information on Business Results for the Interim Period (3) Information on the Forecasts for the Consolidated Business Results” on page 5.

Contents

1. Qualitative Information on Business Results for the Interim Period.....	2
(1) Qualitative Information on Business Results	2
(2) Overview of Cash Flows for the interim period of fiscal year 2025.....	4
(3) Information on the Forecasts for the Consolidated Business Results.....	5
2. Interim Consolidated Financial Statements and Notes.....	7
(1) Interim Consolidated Balance Sheets.....	7
(2) Interim Consolidated Statements of Income and Consolidated Statements of Comprehensive Income...	9
Interim Consolidated Statements of Income.....	9
Interim Consolidated Statements of Comprehensive Income.....	10
(3) Interim Consolidated Statements of Cash Flows.....	11
(4) Notes to Interim Consolidated Financial Statements.....	13
(Notes on Premise of Going Concern)	13
(Significant Changes in Scope of Consolidation)	13
(Changes in Accounting Standards)	13
(Notes to Interim Consolidated Statements of Income)	14
(Notes in Case of any Significant Changes in the Amount Shareholders' Equity)	15
(Notes to Business Combinations)	17
(Notes to Segment Information)	19

1. Qualitative Information on Business Results for the Interim Period

(1) Qualitative Information on Business Results

In the non-bank industry surrounding the AIFUL Group, the number of new contracts and the balance of operating loans outstanding in the consumer finance business have continued to increase against a backdrop of brisk capital needs. Although interest repayment claims are susceptible to changes in the external environment and certain considerations are necessary, the number of claims is steadily declining.

Under these circumstances, in order to achieve the targets of Medium-term Management Plan ending in the fiscal year March 2027, the Group has strived to raise its profit level by pursuing growth of the balances in core businesses such as the loan business, the credit guarantee business and the credit business, and reforming its cost structure. In addition, we will invest in high-growth businesses and M&A to further increase corporate value toward a new stage of growth.

AG Solution Technology Inc., Seven Seas co., Ltd., Liblock Inc. and Salop, Inc. which were non-consolidated subsidiary until the previous fiscal year, have been included in the scope of consolidation from the first quarter of the current fiscal year due to an increase in its materiality. In addition, in the interim period of the current fiscal year, the Company acquired shares of TEMPLATE co., ltd. on May 1, 2025, Smart Link co., ltd. on June 20, 2025, making it a consolidated subsidiary, and the deemed acquisition date was June 30, 2025.

(Overview of the Results)

During the interim period ended September 30, 2025, AIFUL Group's operating revenue amounted to 104,454 million yen (up 14.4 % year on year). The principal components were 57,811 million yen in interest on loans receivable (up 11.6 % year on year), 11,513 million yen in revenue from the credit card business (up 3.4 % year on year) and 11,693 million yen in revenue from the credit guarantee business (up 12.2 % year on year). Operating expenses increased 6.7% by year on year to 87,748 million yen.

The main factors were an increase in financial expenses to 1,411 million yen (up 31.6% year on year) and an increase in cost of sales to 1,099 million yen (up 634.0% year on year), mainly due to an increase in the number of consolidated subsidiaries engaged in the SES business.

As a result, AIFUL Group's operating profit for the interim period of fiscal year 2025 was 16,705 million yen (up 84.9 % year on year), and ordinary profit was 16,489 million yen (up 69.6 % year on year). Profit attributable to owners of the parent was 12,661 million yen (up 76.1 % year on year) as a result of posting income tax expense of 3,675 million yen.

The results by business segment are as follows.

(AIFUL CORPORATION)

Loan business

In the loan business, AIFUL is enhancing new customer acquisition through strengthened branding including TV commercials and through effective and efficient advertising strategies centered on web advertisements. In addition, through in-house development in the digital field by in-house engineers, the Company has been able to respond quickly to customer needs by continuously upgrading official website, smartphone apps and application forms in order to enhance UI/UX and improve customer satisfaction.

At the end of the interim period of the current fiscal year, unsecured loans outstanding were 622,452 million yen (up 4.1 %

from the end of the previous fiscal year), secured loans outstanding were 1,176 million yen (down 15.1 % from the end of the previous fiscal year), small business loans outstanding were 16,102 million yen (up 8.4 % from the end of the previous fiscal year), and the total balance of operating loans in the loan segment was 639,732 million yen (up 4.2 % from the end of the previous fiscal year) (665 million yen off-balance sheet operating loans from the securitization have been included).

In addition, the number of new contracts for unsecured loans was 153,000 (down 11.1 % year on year) and the contract rate was 30.9 % (down 4.2pt year on year) in the interim period of the current fiscal year.

Credit guarantee business

AIFUL has leveraged its credit screening know-how for individuals and small- and medium-sized enterprises as well as its unique strengths as an independent entity to increase the credit guarantee balance by promoting the diversification of credit guarantee products and increasing the number of guarantee partners.

As a result, loans outstanding for personal loan guarantee at the end of the interim period of the current fiscal year was 224,995 million yen (up 15.4 % from the end of the previous fiscal year), and loans outstanding for business loan guarantee was 77,737 million yen (up 11.8 % from the end of the previous fiscal year).

Of the credit guarantee for the business loans, 2 million yen comes from lease guarantees, and 695 million yen comes from guarantees provided to AG BUSINESS SUPPORT CORPORATION.

As a result of the above, in the interim period of the current fiscal year, AIFUL posted operating revenue of 59,352 million yen (up 11.1 % year on year), operating profit of 12,215 million yen (up 88.2 % year on year), ordinary profit of 14,786 million yen (up 73.8 % year on year), and profit of 12,619 million yen (up 103.5 % year on year).

(LIFECARD Co., Ltd.)

Credit card business

In the credit card business, LIFECARD has worked to increase the number of new and active cardholders through the issuance of new affiliated and tie-up cards, the enhancement of membership benefits, and advertising campaigns via TV commercials and SNS.

As a result, the transaction volume for the interim period of the current fiscal year was 394,115 million yen (up 3.8 % year on year), and the balance of installment receivables for credit card business at the end of the interim period of the current fiscal year was 116,448 million yen (up 0.8 % from the end of the previous fiscal year) (5,988 million yen off-balance sheet operating loans from the securitization have been included).

Cash advance business

The operating loans outstanding in the cash advance business at the end of the interim period of the current fiscal year was 21,641 million yen (down 0.6 % from the end of the previous fiscal year) (1,524 million yen off-balance sheet operating loans from the securitization have been included).

Credit guarantee business

Credit guarantee outstanding for unsecured personal loan at the end of the interim period of the current fiscal year was

26,625 million yen (down 1.6 % from the end of the previous fiscal year), and loans outstanding for business loan guarantee was 1,889 million yen (up 1.8 % from the end of the previous fiscal year).

As a result of the above, LIFECARD Co., Ltd. recorded operating revenue of 19,572 million yen (up 3.0 % year on year), operating profit of 178 million yen (down 52.7 % year on year), ordinary profit of 295 million yen (down 32.6 % year on year), and loss for the interim period of 58 million yen (compared with profit of 665 million yen in the previous fiscal year).

(Other)

14 consolidated subsidiaries (AIRA & AIFUL Public Company Limited, AG BUSINESS SUPPORT CORPORATION, AG Loan Services Corporation, AG Capital Co., Ltd, AG Payment Service CO.,LTD, AG MEDICAL CORPORATION, FPC Co., Ltd., BitCash Inc., AG Solution Technology Inc, Seven Seas Co., Ltd., Liblock Inc., Salop, Inc., TEMPLATE co., ltd., and Smart Link co., ltd.) that are not included in reportable segments for the interim period of the current fiscal year, posted operating revenue of 25,833 million yen (up 35.6 % year on year), operating profit of 3,080 million yen (up 281.9 % year on year), ordinary profit of 3,121 million yen (up 280.2 % year on year), and profit of 2,036 million yen (up 260.7 % year on year).

In addition, due to an increase in the number of consolidated subsidiaries engaged in SES business, software development sales included in other operating revenue increased by 1,082 million yen, while operating expenses, software development costs included in cost of sales increased by 919 million yen.

(Financial Position)

Assets at the end of the interim period of the current fiscal year increased by 72,426 million yen from the end of the previous fiscal year to 1,520,877 million yen (up 5.0 % from the end of the previous fiscal year). This was primarily due to an increase of 33,808 million yen in operating loans, an increase of 14,760 million yen in installment receivables, and an increase of 643 million yen in goodwill.

Liabilities increased by 60,779 million yen to 1,287,834 million yen (up 5.0 % from the end of the previous fiscal year). This was primarily due to an increase in funding through borrowings from financial institutions, etc.

Net assets increased by 11,646 million yen to 233,043 million yen (up 5.3 % from the end of the previous fiscal year). The increase was mainly attributable to an increase in retained earnings.

(2) Overview of Cash Flows for the interim period of fiscal year 2025

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the interim period of the current fiscal year decreased by 11,709 million yen from the end of the previous fiscal year to 44,218 million yen (down 20.9 % from the end of the previous fiscal year). The situation of each category of cash flow for the interim period of the current fiscal year and the contributing factors are as follows.

(Cash flows from operating activities)

Net cash used for operating activities amounted to 35,630 million yen, decrease of 30.8 % year on year. This was mainly due to a decline in funds reflecting an increase in operating loans and installment receivables.

(Cash flows from investing activities)

Net cash used for investing activities amounted to 634 million yen, decrease of 95.2 % year on year. This was mainly due to expenditures for the acquisition of intangible assets and long-term loans, which exceeded proceeds from the withdrawal of time deposits.

(Cash flow from financing activities)

Net cash provided by financing activities amounted to 23,800 million yen, decrease of 56.2 % year on year. This was mainly due to proceeds from borrowings exceeding repayments.

(3) Information on the Forecasts for the Consolidated Business Results

The Group's earnings forecast for the fiscal year ending March 31, 2026 revised as below from the earnings forecast announced on May 9, 2025.

For more details, please refer "Notice of Revisions to Financial Forecast" announced on November 11.

Consolidated Earnings Forecast for fiscal year ending March 31, 2026 (April 1, 2025- March 31, 2026)

(Millions of yen)

	Operating revenue	Operating profit	Ordinary Profit	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous forecasts (A)	210,700	29,500	30,000	23,800	49.70
Revised forecasts (B)	213,500	32,300	33,000	27,600	57.63
Change (B-A)	2,800	2,800	3,000	3,800	-
Change (%)	1.3	9.5	10.0	16.0	-
Reference: Earnings of previous FY ended March 31, 2025	189,054	25,302	26,817	22,516	46.91

Non-consolidated Earnings Forecast for fiscal year ending March 31, 2026 (April 1, 2025- March 31, 2026)

(Millions of yen)

	Operating revenue	Operating profit	Ordinary Profit	Profit	Basic earnings per share (yen)
Previous forecasts (A)	119,000	19,900	24,200	20,300	42.39
Revised forecasts (B)	120,500	24,400	28,700	26,800	55.96
Change (B-A)	1,500	4,500	4,500	6,500	-
Change (%)	1.3	22.6	18.6	32.0	-
Reference: Earnings of previous FY ended March 31, 2025	110,158	20,391	23,996	19,562	40.76

(Reasons for the Revision)

On the revenue side, the loan, credit, and credit guarantee businesses have continued to perform steadily, supported by strong

funding demand, and the Group expects further expansion of total receivable outstanding going forward. On the expense side, credit costs are expected to decrease mainly due to an improved collection environment, and general and administrative expenses, including personnel expenses, are also projected to decline compared with the initial plan.

As a result, consolidated operating revenue is expected to be 213.5 billion yen (up 2.8 billion yen from the previous forecast), operating profit 32.3 billion yen (up 2.8 billion yen), ordinary profit 33.0 billion yen (up 3.0 billion yen), and profit attributable to owners of the parent of 27.6 billion yen (up 3.8 billion yen).

On a non-consolidated basis, operating revenue is expected to be 120.5 billion yen (up 1.5 billion yen from the previous forecast), operating profit of 24.4 billion yen (up 4.5 billion yen), and ordinary profit of 28.7 billion yen (up 4.5 billion yen).

In addition, AIFUL plans to increase its deferred tax assets, and profit for the period is projected to be 26.8 billion yen (up 6.5 billion yen).

The above earnings forecasts are projections based on information available as of the date of this document's release. Actual results may differ from these projections due to various factors that may arise in the future.

2. Interim Consolidated Financial Statements and Notes

(1) Interim Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	60,608	44,252
Operating loans	785,674	819,482
Accounts receivables - installment	197,300	212,060
Operational investment securities	3,361	3,093
Customers' liabilities for acceptances and guarantees	303,943	341,681
Other operating receivables	19,376	20,340
Purchased receivables	9,877	9,970
Accrued receivables	18,090	19,030
Other	28,723	29,222
Allowance for doubtful accounts	(90,017)	(90,288)
Total current assets	1,336,938	1,408,845
Non-current assets		
Property, plant and equipment	34,154	33,666
Intangible assets		
Goodwill	9,707	10,351
Other	19,795	21,300
Total intangible assets	29,502	31,652
Investment and other assets	47,855	46,712
Total non-current assets	111,512	112,032
Total assets	1,448,451	1,520,877

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes & accounts payable-trade	60,961	57,528
Acceptances and guarantees	303,943	341,681
Short-term borrowings	84,894	99,658
Short-term loans payable to subsidiaries and associates	488	467
Commercial papers	17,400	12,000
Current portion of bonds	15,000	30,000
Current portion of long-term borrowings	252,042	249,901
Income taxes payable	4,171	4,921
Reserves	1,929	1,674
Other	48,639	52,849
Total current liabilities	789,470	850,683
Non-current liabilities		
Bonds payable	95,000	105,000
Long-term borrowings	324,792	316,296
Retirement benefit expenses	75	111
Deferred tax liabilities	343	474
Allowance for loss on interest repayment	8,772	7,496
Provision for director retirement benefits	-	41
Policy reserves and others	1,868	1,798
Other	6,732	5,931
Total non-current liabilities	437,584	437,150
Total liabilities	1,227,054	1,287,834
Net Assets		
Shareholders' equity		
Capital stock	94,028	94,028
Capital surplus	14,017	14,017
Retained earnings	112,319	124,214
Treasury shares	(4,541)	(4,410)
Total shareholders' equity	215,824	227,850
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	813	786
Foreign currency translation adjustment	1,285	1,137
Total accumulated other comprehensive income	2,098	1,924
Non-controlling interests	3,473	3,269
Total net assets	221,396	233,043
Total liabilities and net assets	1,448,451	1,520,877

(2) Interim Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

i. Interim Consolidated Statements of Income Six months ended September 30

	(Millions of yen)	
	Six months ended Sep 30, 2024 (Apr 1, 2024 to Sep 30, 2024)	Six months ended Sep 30, 2025 (Apr 1, 2025 to Sep 30, 2025)
Operating revenue		
Interest on loans receivable	51,819	57,811
Revenue from credit card business	11,133	11,513
Revenue from installment sales	3,369	4,362
Revenue from credit guarantee	10,420	11,693
Other financial revenue	9	33
Insurance premiums	2,285	3,305
Commission income	2,831	4,582
Other operating revenue	9,403	11,151
Total operating revenue	91,273	104,454
Operating expenses		
Financial expenses	4,465	5,877
Cost of sales	173	1,272
Insurance claims and others	1,709	2,973
Other operating expenses	75,888	77,624
Total operating expenses	82,236	87,748
Operating profit	9,036	16,705
Non-operating income		
Dividend income	27	30
Share of profit of entities accounted for using equity method	39	49
Foreign exchange gains	510	-
Rental income from real estate	49	69
Other	77	141
Total non-operating income	704	290
Non-operating expenses		
Foreign exchange losses	—	486
Provision for doubtful accounts	4	5
Other	14	15
Total non-operating expenses	19	506
Ordinary profit	9,721	16,489
Extraordinary losses		
Impairment loss	1,582	—
Loss on retirement of non-current assets	—	53
Business restructuring expenses	—	153
Total extraordinary losses	1,582	206
Profit before income taxes	8,139	16,282
Income taxes – current	2,080	4,321
Income taxes – deferred	(818)	(646)
Total income taxes	1,261	3,675
Profit	6,877	12,607
Profit (loss) attributable to non-controlling interests	(310)	(54)
Profit attributable to owners of parent	7,188	12,661

ii. Interim Consolidated Statements of Comprehensive Income
Six months ended September 30

	(Millions of yen)	
	Six months ended Sep 30, 2024 (Apr 1, 2024 to Sep 30, 2024)	Six months ended Sep 30, 2025 (Apr 1, 2025 to Sep 30, 2025)
Profit	6,877	12,607
Other Comprehensive income		
Valuation difference on available-for-sale securities	(148)	(26)
Foreign currency translation adjustment	366	(298)
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	217	(324)
Comprehensive income	7,095	12,283
Comprehensive income attributable to		
Owners of parent	7,221	12,487
Non-controlling interests	(126)	(204)

(3) Interim Consolidated Statements of Cash Flows

	(Millions of yen)	
	Six months ended Sep 30, 2024 (Apr 1, 2024 to Sep 30, 2024)	Six months ended Sep 30, 2025 (Apr 1, 2025 to Sep 30, 2025)
Cash flows from operating activities		
Profit before income taxes	8,139	16,282
Depreciation	2,075	2,642
Amortization of goodwill	295	592
Increase (decrease) in policy reserves and others	(27)	(69)
Impairment loss	1,582	—
Increase (decrease) in allowance for doubtful accounts	3,460	(114)
Increase (decrease) in provision for bonuses	47	(239)
Increase (decrease) in provision for share-based remuneration	(22)	(32)
Increase (decrease) in allowance for loss on interest repayment	(1,676)	(1,275)
Interest and dividend income	(55)	(86)
Decrease (increase) in foreign exchange gains	(574)	494
Share of loss (profit) of entities accounted for using equity method	(39)	(49)
Decrease (increase) in operating loans receivable	(31,390)	(35,528)
Decrease (increase) in accounts receivable – installment	(14,065)	(14,760)
Decrease (increase) in other operating receivable	(1,364)	(963)
Decrease (increase) in accrued receivables	10,642	(1,035)
Decrease (increase) in deposits	(9,922)	1,245
Decrease (increase) in purchased receivable	(998)	(92)
Decrease (increase) in claims provable in bankruptcy	702	770
Decrease (increase) in business guarantee deposits, etc.	90	—
Decrease (increase) in other current assets	3,112	20
Increase (decrease) in other current liabilities	(16,664)	(1,079)
Other	(1,822)	1,066
Subtotal	(48,477)	(32,214)
Interest and dividend income	75	107
Income taxes refund	84	35
Income taxes paid	(3,152)	(3,559)
Cash flow from operating activities	(51,469)	(35,630)
Cash flows from investing activities		
Payments into time deposits	(4,631)	—
Proceeds from withdrawal of time deposits	4,949	4,646
Purchase of property, plant and equipment	(329)	(689)
Purchase of intangible assets	(3,951)	(2,906)
Purchase of investment securities	(909)	(765)
Expenditures for the long-term loans	(2,045)	(1,066)
Income for collection of the long-term loans	150	94
Purchase of shares of subsidiaries resulting in a change in scope of consolidation	(6,759)	(220)
Other	444	274
Cash flows from investing activities	(13,082)	(634)

(Millions of yen)

	Six months ended Sep 30, 2024 (Apr 1, 2024 to Sep 30, 2024)	Six months ended Sep 30, 2025 (Apr 1, 2025 to Sep 30, 2025)
Cash flows from financing activities		
Proceeds from short-term borrowings	1,149,184	1,326,291
Repayments of short-term borrowings	(1,162,488)	(1,310,835)
Proceeds from issuance of commercial papers	115,800	128,400
Redemption of commercial papers	(80,800)	(133,800)
Proceeds from long-term loans payable	174,875	137,531
Repayments of long-term loans payable	(139,427)	(148,189)
Proceeds from issuance of bonds	30,000	25,000
Redemption of bonds	(30,000)	—
Cash dividends paid	(483)	(478)
Purchase of treasury stock	(2,000)	(0)
Other	(267)	(118)
Cash flows from financing activities	54,391	23,800
Effect of exchange rate changes on cash and cash equivalents	88	(30)
Net increase (decrease) in cash and cash equivalents	(10,072)	(12,495)
Cash and cash equivalents at beginning of period	51,934	55,928
Increase in cash and cash equivalents from newly consolidated subsidiaries	2,086	786
Cash and cash equivalents at end of period	43,948	44,218

(4) Notes to Interim Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable.

(Significant Changes in Scope of Consolidation)

AG Solution Technology Inc., Seven Seas Co., Ltd., Liblock Inc., and Salop Inc., a non-consolidated subsidiary to which the equity method was applied until the previous fiscal year, became a consolidated subsidiary in the interim period of the current fiscal year due to an increase in its materiality.

In addition, the Company acquired shares of TEMPLATE co., ltd. on May 1, 2025, Smart Link co., ltd. on June 20, 2025 making it a consolidated subsidiary, and the deemed acquisition date was June 30, 2025.

(Changes in Accounting Standards)

(Interim Consolidated Balance Sheet)

The “Liabilities for retirement benefit” previously included under “Other” within “Non-current liabilities” in the prior consolidated fiscal year has been presented separately starting from current interim consolidated period due to its increased significance. To reflect this change in presentation, the consolidated financial statements for the prior consolidated fiscal year have been reclassified.

As a result, the 6,808 million yen previously presented under “Other” within “Non-current liabilities” in the consolidated financial statements for the previous fiscal year has been reclassified as 75 million yen for “Retirement benefit expenses” and 6,732 million yen for “Other.”

In addition, “Deferred tax liabilities” which were previously included under “Other” within “Non-current liabilities” in the prior interim consolidated period, are now presented separately starting from this interim consolidated period due to their increased significance.

(Interim Consolidated Statements of Income)

“Rental income from real estate,” previously included under “Other” within “Non-operating income” in the prior interim consolidated accounting period, has been presented separately starting from the current interim consolidated accounting period because it exceeded 20% of total non-operating income. To reflect this change in presentation, the consolidated financial statements for the prior interim accounting period have been reclassified.

As a result, 126 million yen previously reported as “Other” under “Non-operating income” in the consolidated financial statements for the previous interim period has been reclassified as 49 million yen for “Rental income from real estate” and 77 million yen for “Other.”

(Notes to Interim Consolidated Statements of Income)

*1. Major items and amounts within other operating expenses

(Millions of yen)

	Six months ended Sep 30, 2024 (Apr 1, 2024 to Sep 30, 2024)	Six months ended Sep 30, 2025 (Apr 1, 2025 to Sep 30, 2025)
Commissions	11,503	13,127
Advertising expenses	9,039	9,264
Provision of allowance for doubtful accounts	30,936	28,756
Employees' salaries, allowances and bonuses	6,889	7,766
Provision for bonuses	1,624	1,507
Retirement benefit expenses	259	266

*2. Impairment Loss

Six months ended September 30, 2024 (Apr 1, 2024 to Sep 30, 2024)

Location	Use	Category	Impairment loss (Millions of yen)
Head office of AIFUL CORPORATION	Financial business assets	Software in progress	1,582

The Group considers each operating company in the financial business as the smallest unit for grouping.

Regarding the above financial business assets, a decision was made to review the development policy for the system development that had been underway for some services. As a result, the book value of the software in progress related to the system development was reduced to the recoverable amount, and the amount of the reduction was recorded as an impairment loss under extraordinary losses.

Six months ended September 30, 2025 (Apr 1, 2025 to Sep 30, 2025)

Not applicable

*3. Business restructuring expenses

Six months ended September 30, 2024 (Apr 1, 2024 to Sep 30, 2024)

Not applicable

Six months ended September 30, 2025 (Apr 1, 2025 to Sep 30, 2025)

Special retirement benefits and other expenses incurred because of workforce optimization at overseas subsidiaries have been recorded as business restructuring expenses.

(Notes in Case of any Significant Changes in the Amount Shareholders' Equity)

Six months ended September 30, 2024 (Apr 1, 2024 to Sep 30, 2024)

1. Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share	Record date	Effective date	Source of dividends
Board of Directors meeting held on May 10, 2024	Common stock	483	1.00	March 31, 2024	June 6, 2024	Retained earnings

2. Dividends whose record date fell within the six months ended September 30, 2024, but whose effective date was after September 30, 2024

Not applicable

3. Significant Changes in the Amount of Shareholders' Equity

The Company disposed of 145,894 shares of treasury stock through restricted stock compensation on July 8, 2024, based on a resolution of the Board of Directors meeting held on June 29, 2024. As a result of this disposal of treasury stock, other capital surplus decreased by 58 million yen and treasury stock decreased by 114 million yen. Since the balance of other capital surplus became negative, other capital surplus was set to zero and such negative value was reduced from other retained earnings.

Based on a resolution of the Board of Directors meeting held on May 27, 2024, the Company acquired 5,151,200 shares of treasury stock during the interim period, resulting in an increase of 1,999 million yen in treasury stock.

As a result, the balance of retained earnings was 96,991 million yen and the balance of treasury stock was 4,541 million yen in the current interim period.

Six months ended September 30, 2025 (Apr 1, 2025 to Sep 30, 2025)

1. Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share	Record date	Effective date	Source of dividends
Board of Directors meeting held on May 9, 2025	Common stock	478	1.00	March 31, 2025	June 5, 2025	Retained earnings

2. Dividends whose record date fell within the six months ended September 30, 2025, but whose effective date was after September 30, 2025

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share	Record date	Effective date	Source of dividends
Board of Directors meeting held on November 11, 2025	Common stock	2,872	6.00	September 30, 2025	December 5, 2025	Retained earnings

3. Significant Changes in the Amount of Shareholders' Equity

Based on a resolution of the Board of Directors held on June 30, 2025, the Company disposed of 166,261 shares of treasury stock through restricted stock compensation on July 22, 2025. This disposal of treasury stock resulted in a decrease of 60 million

yen in other capital surplus and a decrease of 130 million yen in treasury stock. Furthermore, as the balance of other capital surplus became negative, other capital surplus was set to zero, and the negative amount was deducted from other retained earnings.

As a result, the balance of retained earnings for the interim period is 124,214 million yen, and the balance of treasury stock is 4,410 million yen.

(Notes to Business Combinations)

(Business combination through acquisition of shares)

1. Outline of business combination

i) Name and business of the acquired company

Name of acquired company: TEMPLATE co., ltd.

Business: System engineering service business

ii) Main reasons for business combination

TEMPLATE co., ltd. employs a large number of IT engineers who possess expertise in the COBOL programming language—still widely used in core systems for the financial and public sectors—as well as knowledge of insurance operations. The long-cultivated know-how and extensive client base of TEMPLATE co., ltd. are expected to contribute to enhancing the Group’s in-house development capabilities.

iii) Date of business combination

May 1, 2025 (Share acquisition date)

June 30, 2025 (Deemed acquisition date)

iv) Legal form of business combination

Acquisition of shares

v) Corporate name following combination

No change.

vi) Percentage of voting rights acquired

100.0%

vii) Main rationale for determining the company to acquire

This is due to the Company acquiring shares in exchange for cash.

2. Period of the acquired company’s results included in the interim consolidated statements of income for the interim consolidated cumulative period

July 1, 2025 to September 30, 2025

3. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	205 million yen
Acquisition cost		205 million yen

4. Amount of goodwill incurred, reason for incurrence, amortization method and amortization period

i) Amount of goodwill incurred: 127 million yen

ii) Reason for incurrence

This is mainly the excess earnings power expected from future business development.

iii) Goodwill amortization method and amortization period

Equal amortization over 7 years

(Business combination through acquisition of shares)

1. Outline of business combination

i) Name and business of the acquired company

Name of acquired company: Smart Link co., Ltd.

Business: System engineering service business

ii) Main reasons for business combination

Smart Link co., Ltd. employs personnel with extensive experience and expertise in the highly specialized field of credit card systems. The long-cultivated know-how and broad client base of Smart Link co., Ltd. are expected to contribute to the Group's efforts toward greater in-house development capability.

iii) Date of business combination

June 20, 2025 (Share acquisition date)

June 30, 2025 (Deemed acquisition date)

iv) Legal form of business combination

Acquisition of shares

v) Corporate name following combination

No change.

vi) Percentage of voting rights acquired

100.0%

vii) Main rationale for determining the company to acquire

This is due to the Company acquiring shares in exchange for cash.

2. Period of the acquired company's results included in the interim consolidated statements of income for the interim consolidated cumulative period

July 1, 2025 to September 30, 2025

3. Acquisition cost of the acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	179 million yen
Acquisition cost		179 million yen

4. Amount of goodwill incurred, reason for incurrence, amortization method and amortization period

i) Amount of goodwill incurred: 153 million yen

ii) Reason for incurrence

This is mainly the excess earnings power expected from future business development.

iii) Goodwill amortization method and amortization period

Equal amortization over 6 years

(Notes to Segment Information)

Segment Information

Six months ended September 30, 2024 (Apr 1, 2024 to Sep 30, 2024)

1. Information related to operating revenue and profit or loss of each reporting segment

(Millions of yen)

	Reporting segment			Other*1	Total
	AIFUL	LIFECARD	Subtotal		
Operating revenue					
Operating revenue from third parties	53,416	18,836	72,252	19,020	91,273
Inter-segment sales and transfers	14	175	190	29	219
Total	53,431	19,011	72,442	19,050	91,493
Segment profit	6,200	665	6,866	564	7,430

*1. The “other” classification comprises business segments not included in reporting segments and encompasses the activities of AG BUSINESS SUPPORT CORPORATION and AG Loan Services Corporation, etc.

2. Difference between the total amount of profit of reportable segments and the amount recorded in the Interim Consolidated Statements of Income and the main details of such difference (matters concerning difference adjustment)

(Millions of yen)

Profit	Amount
Reporting segment total	6,866
Profit categorized as “other”	564
Inter-segment eliminations	(18)
Other adjustments	(224)
Profit attributable to owners of parent posted in consolidated financial statements	7,188

3. Information related to goodwill of each reporting segment

(Significant impairment losses on fixed assets)

“AIFUL CORPORATION” segment recorded an impairment loss of 1,582 million yen for the interim consolidated accounting period.

For more details on impairment losses, please refer to "(4) Notes to Interim Consolidated Financial Statements - Notes to Interim Consolidated Statements of Income, *2 Details of Impairment Losses" in "2. Interim Consolidated Financial Statements and Notes,."

(Significant changes in the amount of goodwill)

In the “Other” category in the current interim consolidated accounting period, 10,187 million yen of goodwill was recorded due to the conversion of FPC Co., Ltd., a non-consolidated subsidiary to which the equity method was applied until the previous fiscal year, into a consolidated subsidiary and the acquisition of shares of BitCash Inc. on June 28, 2024.

Six months ended September 30, 2025 (Apr 1, 2025 to Sep 30, 2025)

1. Information related to operating revenue and profit or loss of each reporting segment

(Millions of yen)

	Reporting segment			Other*1	Total
	AIFUL	LIFECARD	Subtotal		
Operating revenue					
Operating revenue from third parties	59,326	19,386	78,712	25,741	104,454
Inter-segment sales and transfers	26	186	213	91	305
Total	59,352	19,572	78,925	25,833	104,759
Segment profit	12,619	(58)	12,561	2,036	14,597

*1. The “other” classification comprises business segments not included in reporting segments and encompasses the activities of AG BUSINESS SUPPORT CORPORATION and AG Loan Services Corporation, etc.

2. Difference between the total amount of profit of reportable segments and the amount recorded in the Interim Consolidated Statements of Income and the main details of such difference (matters concerning difference adjustment)

(Millions of yen)

Profit	Amount
Reporting segment total	12,561
Profit categorized as “other”	2,036
Inter-segment eliminations	(1,258)
Other adjustments	(676)
Profit attributable to owners of parent posted in consolidated financial statements	12,661

3. Information related to impairment loss on non-current assets or goodwill of each reporting segment
(Significant changes in the amount of goodwill)

During the current interim consolidated accounting period goodwill increased by 1,123 million yen as a result of including Seven Seas Co., Ltd., Liblock Co., Ltd., and Salop Inc., were included in the scope of consolidation from the beginning of the interim consolidated accounting period, and acquiring all shares of TEMPLATE co., ltd. on May 1, 2025, and Smart Link co., ltd. on June 20, 2025. Both acquisitions were accounted for as deemed acquisitions as of June 30, 2025, and were included in the scope of consolidation from the current interim consolidated period.