

Muninova Holdings Inc.

Press Release



May 15, 2026

Notice Regarding Financial Results Disclosure for AIFUL CORPORATION, a Delisted Subsidiary

Muninova Holdings Inc. (hereinafter the “Company”) hereby announces the financial results of AIFUL CORPORATION for the fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026), which became a wholly owned subsidiary of the Company as of April 1, 2026, as set forth in the attached document.

For the consolidated earnings forecast and dividend forecast of the Company for the fiscal year ending March 31, 2027, please refer to the “Notice Regarding Consolidated Earnings Forecast and Dividend Forecast for the Fiscal Year Ending March 2027” published on May 15, 2026.



(Translation for reference only)

May 15, 2026

Consolidated Financial Results
For the Fiscal Year ended in March 31, 2026
(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 annual general meeting of shareholders: June 23, 2026
Scheduled date of submission of Securities report: June 18, 2026
Scheduled date of commencement of dividend payments: June 5, 2026
Supplementary materials for financial results: Yes
Earnings release conference: Yes (For financial analysts and institutional investors)

I. Consolidated Financial Results for the Fiscal Year ended in March 31, 2026
(April 1, 2025 – March 31, 2026)

(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	
Fiscal year ended								
March 31, 2026	214,693	13.6%	34,105	34.8%	35,543	32.5%	27,123	20.5%
March 31, 2025	189,054	15.9%	25,302	20.1%	26,817	21.5%	22,516	3.2%

Note: Comprehensive income: For the Fiscal year ended
March 31, 2026: 27,391 million yen 22.2%
March 31, 2025: 22,412 million yen 0.7%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	Profit to Shareholders' Equity Ratio (%)	Ordinary Profit to Total Assets Ratio (%)	Operating Profit to Operating Revenue Ratio (%)
Fiscal year ended					
March 31, 2026	56.63	–	11.8	2.3	15.9
March 31, 2025	46.91	–	10.8	2.0	13.4

Reference: Equity in earnings of affiliated companies: For the Fiscal year ended
March 31, 2026: 117 million yen
March 31, 2025: 31 million yen

2. Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
As of				
March 31, 2026	1,640,117	245,278	14.7	503.97
March 31, 2025	1,448,451	221,396	15.0	455.12

Reference: Shareholders' equity: As of March 31, 2026: 241,398 million yen
As of March 31, 2025: 217,923 million yen

3. Consolidated Cash Flows

(Millions of yen)

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents at the End of Period
Fiscal year ended March 31, 2026	(57,209)	(10,945)	53,428	42,184
March 31, 2025	(82,874)	(35,099)	119,822	55,928

II. Dividend Information

	Dividend per share (Yen)					Total dividend payment (full year)	Payout Ratio % (Consolidated)	Dividend to equity ratio % (Consolidated)
	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	478	2.1	0.2
FY ended March 31, 2026	—	6.00	—	6.00	12.00	5,747	21.2	2.5
FY ending March 31, 2027 (Forecast)	—	—	—	—	0.00		—	

Note: The Company was delisted as of March 30, 2026, as a result of becoming a wholly owned subsidiary of Muninova Holdings Inc. through a sole share transfer effective April 1, 2026. For the dividend forecast of Muninova Holdings Inc., please refer to the “Notice Regarding Consolidated Earnings Forecast and Dividend Forecast for the Fiscal Year Ending March 2027” published on May 15, 2026.

III. Consolidated Earnings Forecast for the Fiscal Year ending March 31, 2027

(April 1, 2026 – March 31, 2027)

(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)
Six months ending September 30, 2026	—	—	—	—	—	—	—	—	—
Fiscal year ending March 31, 2027	—	—	—	—	—	—	—	—	—

Note: The Company was delisted as of March 30, 2026, as a result of becoming a wholly owned subsidiary of Muninova Holdings Inc. through a sole share transfer effective April 1, 2026. For the dividend forecast of Muninova Holdings Inc., please refer to the “Notice Regarding Consolidated Earnings Forecast and Dividend Forecast for the Fiscal Year Ending March 2027” published on May 15, 2026.

*Notes

(1) Significant changes in the scope of consolidation during the period: 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: None

The above six companies are included in the scope of consolidation. For more details, please refer to “3. Consolidated Financial Statements and Notes, (5) Notes to Consolidated Financial Statements (Significant Changes in Scope of Consolidation and Application of the Equity Method)” on page 16.

(2) Changes in accounting principles, procedures and methods of presentation

(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

(3) Number of shares issued (Common stock)

(a) Number of shares issued at the end of the period (including treasury stock)	FY2025	484,620,136 shares	FY2024	484,620,136 shares
(b) Number of treasury stock at the end of the period	FY2025	5,626,789 shares	FY2024	5,789,904 shares
(c) Average number of shares during the period	FY2025	478,943,890 shares	FY2024	479,951,366 shares

(Reference) Highlights of Non-Consolidated Business Results

I. Non-Consolidated Business Results for the Fiscal Year ended in March 31, 2026
(April 1, 2025 – March 31, 2026)

1. Non-Consolidated Operating Results

(In millions of yen, except where noted; percentage figures show year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit	
Fiscal year ended								
March 31, 2026	121,762	10.5%	25,417	24.6%	30,937	28.9%	23,101	18.1%
March 31, 2025	110,158	6.1%	20,391	(16.2)%	23,996	(11.6)%	19,562	(21.7)%

	Profit per Share (Yen)	Diluted Profit per Share (Yen)
Fiscal year ended		
March 31, 2026	48.23	—
March 31, 2025	40.76	—

2. Non-Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
As of				
March 31, 2026	1,323,923	201,684	15.2	421.06
March 31, 2025	1,163,481	182,002	15.6	380.10

Reference: Shareholders' equity: As of March 31, 2026 201,684 million yen
As of March 31, 2025 182,002 million yen

* Note: Brief Statement of financial results is not subject to audit procedures that are conducted by a certified public accountant or an audit corporation.

* Note: The Company was delisted as of March 30, 2026, as a result of becoming a wholly owned subsidiary of Muninova Holdings Inc. through a sole share transfer effective April 1, 2026. For the dividend forecast of Muninova Holdings Inc., please refer to the "Notice Regarding Consolidated Earnings Forecast and Dividend Forecast for the Fiscal Year Ending March 2027" published on May 15, 2026.

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1. Business Results and Others

(1) Overview of Business Results for the Current Fiscal Year

In the non-bank industry surrounding the 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.

As of April 1, 2026, the Company became a wholly owned subsidiary of Muninova Holdings Inc. which was newly established through a sole share transfer. This share transfer was conducted with the aim of enhancing the flexibility of the Group's management strategy and maximizing corporate value over the medium to long term. Under the holding company structure, the Group will further strengthen group management and optimize its business portfolio, while the Company, as the core operating company of the Muninova Group, will continue to focus on enhancing financial services and expanding its customer base.

Furthermore, in order to achieve the Medium-term Management Plan ending in the fiscal year ending March 31, 2027, the Group will strive to improve overall profitability through balance growth in its core businesses, including the loan business, credit guarantee business, and credit card business, as well as through cost structure reforms. At the same time, the Group will invest in high-growth businesses and M&A initiatives to further enhance corporate value.

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 all 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 Financial Results)

In the consolidated fiscal year under review, the Group's operating revenue amounted to 214,693 million yen (up 13.6 % year on year). The principal components were 118,577 million yen in interest on loans receivable (up 11.2 % year on year), 23,917 million yen in revenue from the credit card business (up 4.5 % year on year) and 23,885 million yen in revenue from the credit guarantee business (up 11.0 % year on year).

Operating expenses increased 10.3 % year on year to 180,588 million yen. The main factors were an increase in financial expenses to 12,467 million yen (up 31.1 % year on year), an increase in insurance claims to 6,653 million yen (up 85.7% year on year), and an increase in cost of sales to 3,090 million yen (up 769.4 % year on year), mainly due to an increase in the number of consolidated subsidiaries engaged in the of System Engineering Service business (hereinafter referred to as "SES").

As a result, the Group's operating profit for the fiscal year under review was 34,105 million yen (up 34.8% year on year), and ordinary profit was 35,543 million yen (up 32.5% year on year). Profit attributable to owners of the parent was 27,123 million yen (up 20.5% year on year) mainly reflecting the recording of income taxes of 7,340 million yen.

The results by business segment are as follows.

In the consolidated fiscal year under review, “AG BUSINESS SUPPORT CORPORATION”, which was previously included in “Other” has been reclassified as a reportable segment due to its increased materiality. Figures for the previous fiscal year have been reclassified to conform to the new segment classification for year-on-year comparison purposes.

For more details, please refer to 3. Consolidated Financial Statements and Notes (5) Notes to Consolidated Financial Statements (Notes to Segment Information).

(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 advertising. 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.

As a result, at the end of the fiscal year under review, unsecured loans outstanding were 648,117 million yen (up 8.4 % year on year), secured loans outstanding were 1,041 million yen (down 24.8 % year on year), small business loans outstanding were 17,236 million yen (up 16.0 % year on year), and the total balance of operating loans in the loan segment was 666,396 million yen (up 8.5 % year on year) (574 million yen off-balance sheet operating loans from the securitization have been included).

In addition, the number of new contracts for unsecured loans was 299,000 (down 8.0% year on year) and the contract rate was 30.4% (down 2.8pt year on year) in 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 fiscal year under review was 270,582 million yen (up 38.7% year on year), and loans outstanding for business loan guarantee was 83,261 million yen (up 19.7 % year on year).

Of the credit guarantee for the business loans, 2 million yen comes from lease guarantees.

As a result of the above, in the consolidated fiscal year under review, AIFUL posted operating revenue of 121,436 million yen (up 10.5 % year on year), operating profit of 25,417 million yen (up 24.6 % year on year), ordinary profit of 30,937 million yen (up 28.9 % year on year), and profit of 23,101 million yen (up 18.1 % year on year).

(LIFECARD Co., Ltd.)

(Credit business (Credit card business))

LIFECARD has worked to increase the number of new and active cardholders through the issuance of tie-up cards, the expansion and improvement of app function matched customer’s needs, and the expansion and improvement of service.

As a result, the transaction volume for the consolidated fiscal year under review was 812,391 million yen (up 5.2 % year on year), and the balance of installment receivables for credit card business at the end of the fiscal year under review was 124,839 million yen (up 8.1% year on year) (5,955 million yen off-balance sheet operating loans from the securitization have been included).

Cash advance business

The total amount of loans outstanding at the end of the fiscal year under review in LIFECARD's loan business was 21,615 million yen (down 0.7% year on year) (1,417 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 fiscal year under review was 25,369 million yen (down 6.3% year on year), and loans outstanding for business loan guarantee was 2,026 million yen (up 9.2% year on year).

As a result of the above, LIFECARD Co., Ltd. recorded operating revenue of 40,235 million yen (up 4.6% year on year), operating profit of 538 million yen (down 4.4% year on year), ordinary profit of 779 million yen (up 14.3% year on year), and profit of 123 million yen (down 84.0% year on year).

(AG BUSINESS SUPPORT CORPORATION)

Loan business

Against a backdrop of demand for working capital associated with business activities and financing needs, the number of accounts at the end of the fiscal year under the review was 40,000 (up 10.1% year on year), and the total amount of loans outstanding for the overall loan business have progressed steadily at 127,314 million yen (up 17.9% year on year) (23,142 million yen off-balance sheet operating loans from the securitization have been included).

As a result of the above, AG BUSINESS SUPPORT CORPORATION recorded operating revenue of 16,032 million yen (up 20.7% year on year), operating profit of 1,349 million yen (up 83.8% year on year), ordinary profit of 1,350 million yen (up 80.8% year on year), and profit of 809 million yen (up 51.4% year on year).

(Other)

13 consolidated subsidiaries (AIRA & AIFUL Public Company Limited, 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 fiscal year under review, posted operating revenue of 37,919 million yen (up 36.2% year on year), operating profit of 1,250 million yen (up 17.8% year on year), ordinary profit of 1,327 million yen (up 25.4% year on year), and net profit of 5,675 million yen (up 337.1% year on year).

In addition, due to the increase in consolidated subsidiaries engaged in the SES business, operating revenue increased by 2,987 million yen in software development sales included in other operating revenue, while operating expenses increased by 2,408 million yen in cost of sales of software development included in cost of sales.

(2) Overview of Financial Position for the Current Fiscal Year

(Assets, liabilities, net assets)

Assets at the end of the consolidated fiscal year under review increased by 191,666 million yen from the end of the previous fiscal year to 1,640,117 million yen (up 13.2% from the end of the previous fiscal year). This was primarily due to an increase of 79,750 million yen in operating loans and an increase of 33,935 million yen in installment receivables.

Liabilities increased by 167,784 million yen to 1,394,839 million yen (up 13.7% from the end of the previous fiscal year). This was primarily due to an increase related to fund procurement through borrowings from financial institutions.

Net assets increased by 23,881 million yen to 245,278 million yen (up 10.8% from the end of the previous fiscal year). The increase was mainly attributable to an increase in retained earnings.

(3) Overview of Cash Flows for the Current Fiscal Year

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the consolidated fiscal year under review decreased by 13,743 million yen from the end of the previous fiscal year to 42,184 million yen (down 24.6% from the end of the previous fiscal year). The situation of each category of cash flow for the current consolidated fiscal year and the contributing factors are as follows.

(Cash flows from operating activities)

Net cash used for operating activities amounted to 57,209 million yen, a decrease of 31.3% compared with the previous fiscal 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 10,945 million yen, a decrease of 68.8% compared with the previous fiscal year. This was mainly due to purchases of property, plant and equipment and purchases of shares of subsidiaries resulting in a change in scope of consolidation.

(Cash flow from financing activities)

Net cash provided by financing activities amounted to 53,428 million yen, a decrease of 55.4% compared with the previous fiscal year. This was mainly due to proceeds from issuance of bonds and borrowings exceeding repayments.

(4) Outlook for the fiscal year ending March 2027

AIFUL was delisted on March 30, 2026, as a result of becoming a wholly owned subsidiary of Muninova Holdings Inc. through a sole share transfer effective April 1, 2026. For the earnings forecast of Muninova Holdings Inc., please refer to the "Notice Regarding Consolidated Earnings Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2027," announced on May 15, 2026.

(5) Basic Policies on Profit Distribution and Dividend for the Fiscal Year under Review and Next Fiscal Year

AIFUL Group recognizes that returning profits to our shareholders is one of the most important management issues. The Company's basic policy is to secure stable internal reserves and return profits to shareholders in accordance with our operating

results, while aiming to maximize shareholder value through medium-to long-term profit growth.

As initially planned, we plan to pay a dividend of 6.00 yen per share at the end of the current fiscal year.

In addition, as AIFUL was delisted on March 30, 2026, no dividend forecast for the next fiscal year has been presented. For the dividend forecast of Muninova Holdings Inc., the Company's parent company, please refer to the "Notice Regarding Consolidated Earnings Forecast and Dividend Forecast for the Fiscal Year Ending March 31, 2027," announced on May 15, 2026.

2. Basic stance on selection of accounting standards

In preparation for the pending application to the IFRS, the Company is developing internal manuals, guidelines and other documents and examining the timing of the application.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	60,608	42,214
Operating loans	785,674	865,424
Accounts receivables - installment	197,300	231,236
Operational investment securities	3,361	2,424
Customers' liabilities for acceptances and guarantees	303,943	391,983
Other operating receivables	19,376	22,161
Purchased receivables	9,877	8,663
Accrued receivables	18,090	22,953
Other	28,723	31,889
Allowance for doubtful accounts	(90,017)	(99,574)
Total current assets	1,336,938	1,519,377
Non-current assets		
Property, plant and equipment		
Buildings and structures	26,667	23,579
Accumulated depreciation	(17,881)	(16,039)
Buildings and structures, net	8,786	7,540
Machinery, equipment and vehicles	546	465
Accumulated depreciation	(332)	(260)
Machinery, equipment and vehicles, net	214	205
Furniture and fixtures	4,773	4,454
Accumulated depreciation	(3,908)	(3,637)
Furniture and fixtures, net	865	816
Land	23,962	23,997
Leased assets	4,657	3,384
Accumulated depreciation	(4,434)	(3,200)
Leased assets, net	223	183
Construction in progress	102	118
Total property, plant and equipment	34,154	32,863
Intangible assets		
Software	7,890	7,810
Software in progress	9,456	14,225
Goodwill	9,707	10,487
Customer-related assets	2,283	2,036
Other	164	214
Total intangible assets	29,502	34,774
Investment and other assets		
Investment securities	8,247	10,527
Claims provable in bankruptcy	13,924	12,425
Deferred tax assets	24,535	27,082
Lease and guarantee deposits	1,830	537
Other	11,975	13,914
Allowance for doubtful accounts	(12,657)	(11,384)
Total investments and other assets	47,855	53,102
Total non-current assets	111,512	120,740
Total assets	1,448,451	1,640,117

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Notes & accounts payable-trade	60,961	64,710
Acceptances and guarantees	303,943	391,983
Short-term borrowings	84,894	107,549
Short-term loans payable to subsidiaries and associates	488	283
Commercial papers	17,400	14,000
Current portion of bonds	15,000	35,000
Current portion of long-term borrowings	252,042	262,513
Income taxes payable	4,171	6,781
Allowance for bonuses	1,858	1,730
Provision for share-based remuneration	70	73
Deferred installment income	18,332	24,158
Other	30,306	43,163
Total current liabilities	789,470	951,948
Non-current liabilities		
Bonds payable	95,000	85,000
Long-term borrowings	324,792	343,406
Deferred tax liabilities	343	532
Provision for loss on interest repayment	8,772	6,544
Provision for retirement benefits for directors	—	41
Retirement benefit liability	75	125
Policy reserves and others	1,868	2,208
Other	6,732	5,031
Total non-current liabilities	437,584	442,890
Total liabilities	1,227,054	1,394,839
Net Assets		
Shareholders' equity		
Capital stock	94,028	94,028
Capital surplus	14,017	14,017
Retained earnings	112,319	135,802
Treasury shares	(4,541)	(4,410)
Total shareholders' equity	215,824	239,437
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	813	417
Foreign currency translation adjustment	1,285	1,543
Total accumulated other comprehensive income	2,098	1,960
Non-controlling interests	3,473	3,879
Total net assets	221,396	245,278
Total liabilities and net assets	1,448,451	1,640,117

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

i. Consolidated Statements of Income

(Millions of yen)

	FY ended March 31, 2025 (Apr. 1 2024 to Mar. 31 2025)	FY ended March 31, 2026 (Apr. 1 2025 to Mar. 31 2026)
Operating revenue		
Interest on loans receivable	106,590	118,577
Revenue from credit card business	22,891	23,917
Revenue from installment sales	7,253	9,413
Revenue from credit guarantee	21,526	23,885
Other financial revenue	29	153
Insurance premiums	4,728	6,969
Commission income	6,966	9,279
Other operating revenue		
Collection from purchased receivable	1,865	2,154
Recoveries of written off claims	6,707	6,260
Sales of software development	—	2,320
Other	10,495	11,762
Total other operating revenue	19,068	22,497
Total operating revenue	189,054	214,693
Operating expenses		
Financial expenses		
Interest expenses	7,534	10,272
Interest on bonds	853	1,359
Other	1,124	835
Total financial expenses	9,512	12,467
Cost of sales		
Cost of sales of software development	—	1,965
Other	355	1,125
Total cost of sales	355	3,090
Insurance claims and others	3,582	6,653
Other operating expenses		
Advertising expenses	18,557	19,226
Commissions	24,371	26,552
Provision of allowance for doubtful accounts	56,904	59,143
Employees' salaries, allowances and bonuses	15,609	16,850
Provision for bonuses	1,741	1,600
Retirement benefit expenses	519	531
Welfare expenses	3,329	3,468
Other	29,268	31,003
Total other operating expenses	150,300	158,377
Total operating expenses	163,751	180,588
Operating profit	25,302	34,105

(Millions of yen)

	FY ended March 31, 2025 (Apr. 1 2024 to Mar. 31 2025)	FY ended March 31, 2026 (Apr. 1 2025 to Mar. 31 2026)
Non-operating income		
Interest on loans receivable	64	115
Share of profit of entities accounted for using equity method	31	117
Foreign exchange gains	1,208	882
Gain on sale of investment securities	—	2
Other	259	367
Total non-operating income	1,563	1,485
Non-operating expenses		
Loss on sale of investment securities	—	9
Loss on liquidation of subsidiaries	20	—
Amortization expense of leasehold deposits	4	6
Other	24	32
Total non-operating expenses	49	47
Ordinary profit	26,817	35,543
Extraordinary losses		
Loss on retirement of non-current assets	10	209
Impairment loss	1,582	—
Loss on valuation of stocks of subsidiaries and affiliates	119	—
Provision for doubtful accounts	366	379
Bad debt write offs	498	184
Business restructuring expenses	—	157
Other	—	2
Total extraordinary losses	2,576	933
Profit before income taxes	24,240	34,610
Income taxes – current	5,989	9,098
Income taxes – deferred	(3,838)	(1,758)
Total income taxes	2,151	7,340
Profit	22,089	27,269
Profit (loss) attributable to non-controlling interests	(427)	145
Profit attributable to owners of parent	22,516	27,123

ii. Consolidated Statements of Comprehensive Income

	(Millions of yen)	
	FY ended March 31, 2025 (Apr. 1 2024 to Mar. 31 2025)	FY ended March 31, 2026 (Apr. 1 2026 to Mar. 31 2026)
Profit	22,089	27,269
Other Comprehensive income		
Valuation difference on available-for-sale securities	(470)	(395)
Foreign currency translation adjustment	793	517
Share of other comprehensive income of entities accounted for using equity method	(0)	0
Total other comprehensive income	323	122
Comprehensive income	22,412	27,391
Comprehensive income attributable to		
Owners of parent	22,441	26,985
Non-controlling interests	(28)	406

(3) Consolidated Statements of Change in Shareholders' Equity

For the fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2024	94,028	14,017	90,345	(2,655)	195,735
Changes during the period					
Dividends of surplus			(483)		(483)
Profit attributable to owners of parent			22,516		22,516
Purchase of treasury shares				(2,000)	(2,000)
Transfer from retained earnings to capital surplus		58	(58)		—
Restricted stock compensation		(58)		114	56
Change in scope of consolidation					—
Net changes in accounts other than shareholders' equity	—	—	—	—	—
Total change during fiscal year	—	—	21,974	(1,885)	20,088
Balance at March 31, 2025	94,028	14,017	112,319	(4,541)	215,824

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total		
Balance at April 1, 2024	1,283	890	2,174	3,502	201,412
Changes during the period					
Dividends of surplus					(483)
Profit attributable to owners of parent					22,516
Purchase of treasury stock					(2,000)
Transfer from retained earnings to capital surplus					—
Restricted stock compensation					56
Change in scope of consolidation					—
Net changes in accounts other than shareholders' equity	(470)	394	(75)	(28)	(104)
Total change during fiscal year	(470)	394	(75)	(28)	19,984
Balance at March 31, 2025	813	1,285	2,098	3,473	221,396

For the fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2025	94,028	14,017	112,319	(4,541)	215,824
Changes during the period					
Dividends of surplus			(3,352)		(3,352)
Profit attributable to owners of parent			27,123		27,123
Purchase of treasury stock				(0)	(0)
Transfer from retained earnings to capital surplus		60	(60)		—
Restricted stock compensation		(60)		130	70
Change in scope of consolidation			(227)		(227)
Net changes in accounts other than shareholders' equity	—	—	—	—	—
Total change during fiscal year	—	—	23,482	130	23,613
Balance at March 31, 2026	94,028	14,017	135,802	(4,410)	239,437

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total		
Balance at April 1, 2025	813	1,285	2,098	3,473	221,396
Changes during the period					
Dividends of surplus					(3,352)
Profit attributable to owners of parent					27,123
Purchase of treasury stock					(0)
Transfer from retained earnings to capital surplus					—
Restricted stock compensation					70
Change in scope of consolidation					(227)
Net changes in accounts other than shareholders' equity	(395)	257	(137)	406	268
Total change during fiscal year	(395)	257	(137)	406	23,881
Balance at March 31, 2026	417	1,543	1,960	3,879	245,278

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY ended March 31, 2025 (Apr. 1 2024 to Mar. 31 2025)	FY ended March 31, 2026 (Apr. 1 2025 to Mar. 31 2026)
Cash flows from operating activities		
Profit before income taxes	24,240	34,610
Depreciation	4,347	5,326
Impairment loss	1,582	—
Amortization of goodwill	775	1,195
Increase (decrease) in policy reserves and others	(184)	340
Increase (decrease) in allowance for doubtful accounts	9,042	7,678
Increase (decrease) in provision for bonuses	161	(147)
Increase (decrease) in provision for share-based remuneration	12	3
Increase (decrease) in allowance for loss on interest repayment	(2,988)	(2,227)
Interest and dividend income	(98)	(159)
Decrease (increase) in foreign exchange gains	(1,142)	(883)
Loss on valuation of shares of subsidiaries and associates	119	—
Share of loss (profit) of entities accounted for using equity method	(31)	(117)
Loss on liquidation of subsidiaries	20	—
Decrease (increase) in operating loans receivable	(72,152)	(77,099)
Decrease (increase) in accounts receivable – installment	(29,546)	(33,935)
Decrease (increase) in other operating receivables	(2,803)	(2,784)
Decrease (increase) in purchased receivable	(1,497)	1,213
Decrease (increase) in accrued receivables	9,217	(5,037)
Increase (decrease) in deposits	(10,056)	3,015
Decrease (increase) in claims provable in bankruptcy	1,207	1,498
Decrease (increase) in business guarantee deposits, etc.	2,610	—
Decrease (increase) in other current assets	(560)	(1,767)
Increase (decrease) in other current liabilities	(8,024)	17,697
Other	(1,840)	674
Subtotal	(77,588)	(50,907)
Interest and dividend income	118	179
Income taxes refund	84	39
Income taxes paid	(5,489)	(6,521)
Cash flow from operating activities	(82,874)	(5,7209)

Cash flows from investing activities		
Payments into time deposits	(4,646)	—
Proceeds from withdrawal of time deposits	4,949	4,649
Purchase of property, plant and equipment	(18,189)	(1,204)
Purchase of intangible assets	(7,048)	(7,041)
Purchase of investment securities	(1,504)	(4,905)
Proceeds from sale of investment securities	—	333
Proceeds from liquidation of subsidiaries	1,242	—
Payments of long-term loans receivable	(2,627)	(1,861)
Proceeds from collection of long-term loans receivable	210	142
Payments for acquisition of businesses	—	(446)
Purchase of shares of subsidiaries resulting in a change in scope of Consolidation	(6,759)	(220)
Other	(726)	(391)
Cash flows from investing activities	(35,099)	(10,945)
Cash flows from financing activities		
Proceeds from short-term borrowings	2,284,179	3,115,096
Repayments of short-term borrowings	(2,303,074)	(3,093,729)
Proceeds from issuance of commercial papers	273,200	225,900
Redemption of commercial papers	(255,800)	(229,300)
Proceeds from long-term loans payable	365,698	336,043
Repayments of long-term loans payable	(271,428)	(307,057)
Proceeds from issuance of bonds	60,000	25,000
Redemption of bonds	(30,000)	(15,000)
Cash dividends paid	(483)	(3,352)
Purchase of treasury stock	(2,000)	(0)
Other	(468)	(171)
Cash flows from financing activities	119,822	53,428
Effect of exchange rate changes on cash and cash equivalents	60	196
Net increase (decrease) in cash and cash equivalents	1,907	(14,529)
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	55,928	42,184

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

Not applicable.

(Significant Changes in Scope of Consolidation and Application of the Equity Method)

AG Solution Technology Inc., Seven Seas Co., Ltd., Liblock Inc., and Salop Inc., which had been unconsolidated subsidiaries through the previous consolidated fiscal year, have been included in the scope of consolidation from the beginning of the first quarter of the current consolidated fiscal year, as their significance increased.

In addition, during the interim consolidated accounting period, 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 Presentation Method)

(Consolidated Balance Sheets)

The "Retirement benefit liability" which was included in "Other" under "Non-current liabilities" in the previous consolidated fiscal year, has been presented separately in the current consolidated fiscal year due to its increased significance. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, the 6,808 million yen of "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 liability" and 6,732 million yen for "Other".

(Consolidated Statements of Income)

"Amortization expense of leasehold deposits," which were included in "Other" under "Non-operating expenses" in the previous consolidated fiscal year, has been presented separately in the current consolidated fiscal year, as it exceeded 10% of total non-operating expenses.

In addition, "Provision for doubtful accounts," which were presented separately under "Non-operating expenses" in the previous consolidated fiscal year, has been reclassified and aggregated into "Other" under "Non-operating expense" in the current fiscal year, as it accounted for 10% or less of total non-operating income. To reflect these changes in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, 2 million yen presented as "Provision for doubtful accounts" under "Non-operating expenses" and 26 million yen presented as "Other" in the consolidated financial statements for the previous consolidated fiscal year, has been reclassified as 4 million yen for "Amortization expense of leasehold deposits" and 24 million yen for "Other."

"Loss on retirement of non-current assets," which were included in "Extraordinary losses," under "Other" in the previous consolidated fiscal year, has been presented separately in the current consolidated fiscal year, as it exceeded 10% of total extraordinary losses. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, 10 million yen presented as "Other" under "Extraordinary losses" in the consolidated financial statements for the previous consolidated accounting period has been reclassified as 10 million yen for "Loss on retirement of non-current assets", and - million yen for "Other."

(Notes to Consolidated Balance Sheets)

*1. Assets pledged as collateral and corresponding liabilities

Assets pledged as collateral

As of March 31, 2025		As of March 31, 2026	
(1) Assets pledged as collateral	(Millions of yen)	(1) Assets pledged as collateral	(Millions of yen)
Cash and deposits	4,646	Cash and deposits	-
Operating loans	406,827	Operating loans	423,372
Accounts receivable – installment	56,814	Accounts receivable – installment	59,589
Total	468,288	Total	482,962
(2) Corresponding liabilities	(Millions of yen)	(2) Corresponding liabilities	(Millions of yen)
Short-term borrowings	52,590	Short-term borrowings	54,740
Current portion of long-term borrowings	129,667	Current portion of long-term borrowings	134,244
Long-term borrowings	194,286	Long-term borrowings	201,330
Total	376,543	Total	390,315

i) The amounts above at the end of the fiscal year under review include amounts related to the securitization of receivables (operating loans of 201,116 million yen, current portion of long-term borrowings of 22,528 million yen and long-term borrowings of 83,108 million yen).

ii) The amounts for some of the operating loans and installment receivables are amounts at the time of registration of the transfer of receivables.

i) The amounts above at the end of the fiscal year under review include amounts related to the securitization of receivables (operating loans of 199,400 million yen, current portion of long-term borrowings of 24,245 million yen and long-term borrowings of 73,782 million yen).

ii) The amounts for some of the operating loans and installment receivables are amounts at the time of registration of the transfer of receivables.

*2. Unsecured consumer loans included in operating loans

As of March 31, 2025	As of March 31, 2026
664,782 million yen	716,258 million yen

*3. Shares and other securities issued by non-consolidated subsidiaries and affiliated companies

	As of March 31, 2025	As of March 31, 2026
Investment securities (shares)	5,347 million yen	3,629 million yen

*4. Accounts receivable - installment

	As of March 31, 2025	As of March 31, 2026
Credit card business	109,545 million yen	118,965 million yen
Installment sales finance business	87,754 million yen	112,270 million yen
Total	197,300 million yen	231,236 million yen

*5. Deferred installment income

As of March 31, 2025					As of March 31, 2026				
(Millions of yen)					(Millions of yen)				
	Balance at beginning of FY	Receipts during FY	Realized balance during FY	Balance at end of FY		Balance at beginning of FY	Receipts during FY	Realized balance during FY	Balance at end of FY
Credit card shopping	759	1,608	1,444	924	Credit card shopping	924	1,969	1,658	1,235
Installment sales finance	12,094	17,629	12,315	17,408	Installment sales finance	17,408	22,614	17,099	22,923
Total	12,854	19,237	13,759	18,332	Total	18,332	24,583	18,758	24,158

*6. Securitization of claims removed from the Balance sheets

	As of March 31, 2025	As of March 31, 2026
Operating loans	29,585 million yen	25,134 million yen
Accounts receivable - installment	6,032 million yen	5,955 million yen

*7. Contingent liability

Guarantee obligation

(1) The Company provides debt guarantees for borrowings of its non-consolidated subsidiary, PT REKSA FINANCE, from financial institutions.

	As of March 31, 2025	As of March 31, 2026
PT REKSA FINANCE	5,426 million yen	6,682 million yen

(2) The Company provides debt guarantees for subordinated beneficial interests backed by mortgage loan receivables.

	As of March 31, 2025	As of March 31, 2026
SBI Sumishin Net Bank, Ltd.	42,497 million yen	56,700 million yen

(3) Pursuant to the indemnity agreement with the indemnified party, the Company may be required to fulfill its obligation to indemnify the indemnified party with respect to its loan receivables from multiple domestic business entities, up to the following amounts.

	As of March 31, 2025	As of March 31, 2026
Sumitomo Mitsui Trust Bank, Limited	- million yen	2,000 million yen

*8. Non-performing loans

The status of non-performing loans (NPL) is as follows:

As of March 31, 2025					As of March 31, 2026			
(Millions of yen)					(Millions of yen)			
	Loans outstanding and Claims provable in bankruptcy		Other	Total	Loans outstanding and Claims provable in bankruptcy		Other	Total
	Unsecured loans	Other than unsecured loans			Unsecured loans	Other than unsecured loans		
Bankrupt or De facto Bankrupt	841	11,142	733	12,716	908	8,964	1,096	10,969
Doubtful Receivables	33,378	10,523	11,970	55,871	33,809	12,792	14,145	60,748
Receivables 3 months+ in arrears	10,843	324	-	11,167	10,383	450	-	10,833
Restructured receivables	56,127	3,410	7,435	66,972	57,883	3,020	8,050	68,954
Normal receivables	565,628	106,618	310,431	982,678	615,618	132,886	398,867	1,147,373
Total	666,818	132,017	330,570	1,129,406	718,603	158,115	422,160	1,298,879

The loan categories in the table above are as follows.

(Bankrupt or De facto Bankruptcy)

Bankrupt or De facto Bankruptcy are loans in which the conditions stipulated under (a) through (e) of sub-paragraph 3, paragraph 1, Article 96 or sub-paragraph 4 of the same paragraph of the Corporation Tax Act Enforcement Ordinance (Enforcement Ordinance No. 97 of 1965) apply. Any amounts deemed necessary to cover possible losses on an individual account basis of the claims in bankruptcy and rehabilitation are posted in the allowances for doubtful accounts.

(Doubtful receivables)

Doubtful receivables are receivables that do not fall under the category of Bankrupt or De facto Bankrupt, and with a high possibility that the repayment situation will deteriorate, and it will not be possible to collect the principal nor interest of the receivables in accordance with the contract.

(Receivables three months or more in arrears)

Receivables three months or more in arrears are receivables for which payments of principal or interest have not been received for a period of three months or more beginning with the next business day following the last due date for such payments. Receivables classified as Bankrupt or De facto Bankruptcy and Doubtful receivables are excluded from loans three months or more in arrears.

(Restructured receivables)

Restructured receivables are receivables for which creditors have granted concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, waiver of the face amount, or other concessive measures) to debtors in financial difficulties to assist them in their recovery and eventually enable them to pay creditors, and which receive regular payments. Receivables classified as Bankrupt or De facto Bankruptcy, Doubtful receivables and Receivables three months or more in arrears are excluded.

(Normal receivables)

Normal receivables are receivables that do not fall under any of the above categories and have no repayment delays.

*9. Loan commitments related to operating loans

(Previous fiscal year)

Of operating loans including off-balance sheet loans resulting from securitization, 695,384 million yen is loans under revolving credit agreements. Under these agreements, customers may get additional loans up to a specified maximum amount that does not exceed the amount requested by them.

Outstanding loan commitments under revolving credit agreements were 841,706 million yen.

The Group reviews the agreements and takes steps to preserve credit even after concluding the agreements if it considers that taking steps is necessary due to changes in customers' credit standing and other reasons.

Outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments or who have not requested any loans after concluding a credit agreement. Many revolving credit agreements expire with no loans being provided. Therefore, outstanding loan commitments themselves do not necessarily affect the Group's future cash flows.

(Fiscal year under review)

Of operating loans including off-balance sheet loans resulting from securitization, 752,049 million yen is loans under revolving credit agreements. Under these agreements, customers may get additional loans up to a specified maximum amount that does not exceed the amount requested by them.

Outstanding loan commitments under revolving credit agreements were 884,480 million yen.

The Group reviews the agreements and takes steps to preserve credit even after concluding the agreements if it considers that taking steps is necessary due to changes in customers' credit standing and other reasons.

Outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments or who have not requested any loans after concluding a credit agreement. Many revolving credit agreements expire with no loans being provided. Therefore, outstanding loan commitments themselves do not necessarily affect the Group's future cash flows.

*10. Of the allowances for doubtful accounts, the estimated interest repayment amounts expected to have priority in being appropriated to operating loans are as follows:

As of March 31, 2025	As of March 31, 2026
1,196 million yen	999 million yen

*11. Of other, contract liabilities are as follows:

As of March 31, 2025	As of March 31, 2026
3,553 million yen	3,889 million yen

(Notes to Consolidated Statements of Income)

(Loss on retirement of non-current assets)

(Millions of yen)

	FY ended March 31, 2025 (Apr. 1 2024 to Mar. 31 2025)	FY ended March 31, 2026 (Apr. 1 2025 to Mar. 31 2026)
Property, plant and equipment		
Buildings and structures	-	29
Machinery, equipment and vehicles	-	27
Furniture and fixtures	-	5
Intangible assets		
Software	10	8
Software in progress	-	38
Other	-	2
Investments and other assets		
Other	-	97
Total	10	209

(Bad debt write offs)

Previous fiscal year (Apr 1, 2024 to Mar 31, 2025)

The amount of loss incurred as a result of phishing scams that occurred in the current fiscal year is recorded as an extraordinary loss.

Fiscal year under review (Apr 1, 2025 to Mar 31, 2026)

The amount of loss incurred as a result of impersonation scam that occurred in the current fiscal year is recorded as an extraordinary loss.

(Impairment loss)

Previous fiscal year (Apr 1, 2024 to Mar 31, 2025)

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.

With regard to 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.

The recoverable amount of the asset was calculated by setting the value in use at zero.

Fiscal year under review (Apr 1, 2025 to Mar 31, 2026)

Not applicable.

(Business restructuring expenses)

Previous fiscal year (Apr 1, 2024 to Mar 31, 2025)

Not applicable.

Fiscal year under review (Apr 1, 2025 to Mar 31, 2026)

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

(Loss on valuation of stocks of subsidiaries and affiliates and Provision for doubtful accounts)

Previous fiscal year (Apr 1, 2024 to Mar 31, 2025)

As a result of reviewing the valuation of the stocks held by the Company and the future collectability of the receivables considering the financial position and operating results of AG Crowdfunding Co., Ltd., AG Funding Co., LTD., AG Partners Corporation and AG Smile Leaseback Corporation, non-consolidated subsidiaries of the Company, loss on valuation of stocks of subsidiaries and affiliates and provision for doubtful accounts were recorded as extraordinary losses.

Fiscal year under review (Apr 1, 2025 to Mar 31, 2026)

As a result of reviewing the valuation of the stocks held by the Company and the future collectability of the receivables considering the financial position and operating results of AG Partners Corporation and AG Smile Leaseback Corporation, non-consolidated subsidiaries of the Company, provision for doubtful accounts were recorded as extraordinary losses.

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

Previous fiscal year (Apr 1, 2024 to Mar 31, 2025)

1. Dividends paid

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

2. Dividends whose record date is in the fiscal year ended March 31, 2025 but whose effective date is after March 31, 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 May 9, 2025	Common stock	478	1.00	March 31, 2025	June 5, 2025	Retained earnings

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 29, 2024, based on a resolution of the Board of Directors meeting held on July 8, 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 fiscal year under review resulting in an increase of 1,999 million yen in treasury stock.

As a result, the balance of retained earnings was 112,319 million yen and the balance of treasury stock was 4,541 million yen at the end of the fiscal year under review.

Fiscal year under review (Apr 1, 2025 to Mar 31, 2026)

1. Dividends paid

Resolution	Class of shares	Total dividends (Millions of yen)	Dividend per share	Record date	Effective date
Board of Directors meeting held on May 9, 2025	Common stock	478	1.00	March 31, 2025	June 5, 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	2,873	6.00	September 30, 2025	December 5, 2025	Retained earnings

2. Dividends whose record date is in the fiscal year ended March 31, 2026 but whose effective date is after March 31, 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 May 15, 2026	Common stock	2,873	6.00	March 31, 2026	June 4, 2026	Retained earnings

3. Significant Changes in the Amount of Shareholders' Equity

The Company disposed of 166,261 shares of treasury stock through restricted stock compensation on July 22, 2025, based on a resolution of the Board of Directors meeting held on June 30, 2025. As a result of this disposal of treasury stock, other capital surplus decreased by 60 million yen and treasury stock decreased by 130 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.

As a result, the balance of retained earnings was 135,802 million yen and the balance of treasury stock was 4,410 million yen as of the end of the current fiscal year.

(Notes to the Consolidated Statement of Cash Flows)

*1 The following table shows the main breakdown of assets and liabilities increased as a result of business acquisitions settled with cash and cash equivalents during the current fiscal year, as well as the purchase price of the acquired businesses and the cash outflows associated with those acquisitions.

Current assets	812 million yen
Non-current assets	340 million yen
Goodwill	738 million yen
Current liabilities	(660) million yen
Purchase price of business acquisition	1,230 million yen
Cash and cash equivalents	(784) million yen
Net: Payments for acquisition of businesses	446 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 quarterly consolidated statements of income for the current fiscal year

July 1, 2025 to March 31, 2026

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. Details and amounts of major acquisition-related expenses

i) Amounts of acquisition-related expenses

Fees and commissions paid to advisors, etc. 29 million yen

ii) Details of accounting

This is recorded as fees paid by the acquiring company and as investments in affiliates, and are eliminated in the consolidated financial statements.

5. 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

6. The amounts and details of assets and liabilities assumed as of the business combination date

Current assets	137 million yen
Non-current assets	70 million yen
<hr/> Total assets	<hr/> 208 million yen
Current liabilities:	44 million yen
Non-current liabilities	115 million yen
<hr/> Total liabilities	<hr/> 160 million yen

7. Provisional amount of the impact on the consolidated statement of income for the fiscal year under review assuming the business combination had been completed at the beginning of the fiscal year, and the method of calculation thereof
The information has omitted due to lack of significance.

(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 quarterly consolidated statements of income for the current fiscal year

July 1, 2025 to March 31, 2026

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. Details and amounts of major acquisition-related expenses

i) Amounts of acquisition-related expenses

Fees and commissions paid to advisors, etc. 29 million yen

ii) Details of accounting

This is recorded as fees paid by the acquiring company and as investments in affiliates, and are eliminated in the consolidated financial statements.

5. 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

6. The amounts and details of assets and liabilities assumed as of the business combination date

Current assets	59 million yen
Non-current assets	2 million yen
<hr/> Total assets	<hr/> 62 million yen
Current liabilities:	54 million yen
Non-current liabilities	10 million yen
<hr/> Total liabilities	<hr/> 65 million yen

7. Provisional amount of the impact on the consolidated statement of income for the fiscal year under review assuming the business combination had been completed at the beginning of the fiscal year, and the method of calculation thereof
The information has omitted due to lack of significance.

(Business combination through absorption-type company split)

1. Outline of business combination

i) Name and business of the acquired company

Name of acquiring company: BitCash Inc.

Name of acquired company: au Payment Corporation

Business: Prepaid payment instrument issuance and management

ii) Main reasons for business combination

The purpose of the business combination is to generate earnings through expansion in the payment market, which is a fee-based business requiring no funding and offering high profit margins.

iii) Date of business combination

March 31, 2026 (The effective date of absorption-type split)

iv) Legal form of business combination

Absorption-type split with cash consideration

v) Corporate name following combination

No change.

vi) Percentage of voting rights acquired

Since the effective date of absorption-type split on March 31, 2026, no voting rights are being acquired.

vii) Main rationale for determining the company to acquire

The Company has acquired the business of issuing and operating prepaid payment instruments from au Payment Co., Ltd. in exchange for cash.

2. Period of the acquired company's results included in the quarterly consolidated statements of income for the current fiscal year

Since the absorption-type split effective as of March 31, 2026, it is not included in the financial results for the current fiscal year.

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

	Consideration for acquisition	Cash	1,230 million yen
n	Acquisition cost		1,230 million yen

4. Details and amounts of major acquisition-related expenses

i) Amounts of acquisition-related expenses

Fees and commissions paid to advisors, etc. 34 million yen

ii) Details of accounting

This is recorded under "Other operating expenses" (commissions) of the acquired company.

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

i) Amount of goodwill incurred

738 million yen

As of the end of the current fiscal year, the identification of assets and liabilities as of the business combination date and the calculation of their fair values have not yet been completed, and the amount of the acquisition cost has not been finalized. Therefore, the company have applied provisional accounting treatment based on the reasonable information available.

ii) Reason for incurrence

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

iii) Goodwill amortization method and amortization period

The cost will amortize evenly over the period during which the benefits are realized. The amortization period is

currently being calculated.

6. The amounts and details of assets and liabilities assumed as of the business combination date

Current assets	812 million yen
Non-current assets	340 million yen
<hr/>	
Current liabilities	660 million yen

7. Provisional amount of the impact on the consolidated statement of income for the fiscal year under review assuming the business combination had been completed at the beginning of the fiscal year, and the method of calculation thereof
The information has omitted due to lack of significance.

(Notes to Segment Information)

Segment Information

1. Overview of reporting segments

i) Determination of reporting segments

The Company's reporting segments are the Group's constituent units for which separate financial information is available and which the Board of Directors reviews periodically in order to decide the allocation of managerial resources and evaluate business performance.

The Group carries out business with the Company and each of its consolidated subsidiaries as the smallest component of its strategies.

Therefore, the Group's reporting segments are its three core companies: AIFUL CORPORATION, LIFECARD CO., LTD., and AG BUSINESS SUPPORT CORPORATION.

ii) Types of products and services belonging to each reporting segment

AIFUL CORPORATION is mainly engaged in loans and credit guarantees business. LIFECARD CO., LTD., is mainly involved in credit sales and credit guarantees business. AG BUSINESS SUPPORT CORPORATION is mainly engaged in loan business.

iii) Information about the changes in the reporting segment

In the consolidated fiscal year under review, "AG BUSINESS SUPPORT CORPORATION", which was previously included in "Other" has been reclassified as a reportable segment due to its increased materiality.

Segment information for the previous fiscal year has been prepared using the revised classification and is included in the section titled "3. Information related to operating revenue, profit or loss, assets, liabilities, etc., of each reporting segment" for the previous fiscal year.

2. Calculation of operating revenue, profit or loss, assets, liabilities, etc., of each reporting segment

The accounting methods applied to the reporting segments are the same as those described in "Significant Items Forming the Basis for the Preparation of the Consolidated Financial Statements." Income of the reporting segments is the net profit.

Inter-segment sales and transfers are based on the amount equivalent to the cost of sales at the submitting company.

3. Information related to operating revenue, profit or loss, assets, liabilities, etc., of each reporting segment

Previous fiscal year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segment				Other*1	Total
	AIFUL	LIFECARD	AG BUSINESS SUPPORT	Subtotal		
Operating revenue						
Operating revenue from third parties	109,884	38,115	13,234	161,233	27,820	189,054
Inter-segment sales and transfers	43	355	51	450	27	477
Total	109,927	38,471	13,285	161,684	27,847	189,532
Segment profit	19,562	772	534	20,869	1,298	22,168
Segment assets	1,163,481	228,409	88,809	1,480,699	181,635	1,662,335

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

Fiscal year under review (From April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reporting segment				Other*1	Total
	AIFUL	LIFECARD	AG BUSINESS SUPPORT	Subtotal		
Operating revenue						
Operating revenue from third parties	121,360	39,924	16,032	177,317	37,376	214,693
Inter-segment sales and transfers	75	310	-	386	543	929
Total	121,436	40,235	16,032	177,703	37,919	215,623
Segment profit	23,101	123	809	24,034	5,675	29,710
Segment assets	1,323,923	247,088	111,651	1,682,664	216,780	1,899,445

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

4. Difference between the total amount of reportable segments and the amount recorded in the consolidated financial statements and the main details of such difference (matters concerning difference adjustment)

(Millions of yen)

Operating revenue	FY2025/3	FY2026/3
Reporting segment total	161,684	177,703
Operating revenue categorized as “other”	27,847	37,919
Inter-segment eliminations	(478)	(929)
Operating revenue posted in consolidated financial statements	189,053	214,693

(Millions of yen)

Profit (Loss)	FY2025/3	FY2026/3
Reporting segment total	20,869	24,034
Profit (Loss) categorized as “other”	1,298	5,675
Inter-segment eliminations	465	(453)
Other adjustments	(117)	(2,133)
Profit attributable to owners of parent posted in consolidated financial statements	22,515	27,123

(Millions of yen)

Assets	FY2025/3	FY2026/3
Reporting segment total	1,480,699	1,682,664
Assets categorized as “other”	181,635	216,780
Other adjustments	(213,890)	(259,327)
Total assets posted in consolidated financial statements	1,448,444	1,640,117

(Per Share Information)

Previous FY (Apr. 1 2024 to Mar. 31 2025)		FY under review (Apr. 1 2025 to Mar. 31 2026)	
Net assets per share	455.12 yen	Net assets per share	503.97 yen
Net income per share	46.91 yen	Net income per share	56.63 yen

Note 1. Diluted net income per share is omitted because there are no potentially dilutive shares.

2. The basis for calculation of net income per share is as follows:

(Millions of yen)

	Previous FY (Apr. 1 2024 to Mar. 31 2025)	FY under review (Apr. 1 2025 to Mar. 31 2026)
Profit attributable to owners of parent	22,516	27,123
Amount not attributable to common stock shareholders	—	—
Profit attributable to owners of parent related to common stock	22,516	27,123
Average number of shares of common stock during the period	479,951,366 shares	478,943,890 shares

3. The basis for calculation of net assets per share is as follows.

(Millions of yen)

	Previous FY (Apr. 1 2024 to Mar. 31 2025)	FY under review (Apr. 1 2025 to Mar. 31 2026)
Total net assets	221,396	245,278
Amount deducted from total net assets	3,473	3,879
(Of which non-controlling interest)	(3,473)	(3,879)
Net assets related to common stock at end of FY	217,923	241,398
Number of shares of common stock at end of FY used in the calculation of net assets per share	478,830,232 shares	478,993,347 shares

(Important Subsequent Events)

(Transition to a Holding Company Structure Through Sole Share Transfer)

At the meeting of the Board of Directors held on May 19, 2025, the Company resolved, subject to the approval at the ordinary general meeting of shareholders scheduled to be held on June 24, 2025 and other required procedures, to establish a holding company (wholly owning parent company), Muninova Holdings Inc. (hereinafter, the “Holding Company”), through a sole share transfer by the Company (hereinafter, the “Share Transfer”), effective April 1, 2026.

The share transfer plan was approved at the general meeting of shareholders held on June 24, 2025, and the Holding Company was established on April 1, 2026.

1. Background and Purpose of Transition to Holding Company Structure through Sole Share Transfer

The Group is committed to improving its services across the Group in order to support customers’ sound consumer and business activities and enable customers themselves to realize “For Colorful Life.”

In the non-bank industry surrounding the Group, the balance of operating loans has continued to increase against a backdrop of strong funding demand. On the other hand, rising financial costs and personnel expenses due to inflation have created a need to review the conventional business model and profit structure centered on the loan business.

Under these circumstances, the Group has been working to improve profitability mainly in its four core businesses: consumer loans, business loans, credit guarantees, and comprehensive credit purchase intermediation, with the aim of strengthening its competitiveness. Going forward, based on profits generated from these businesses, the Group intends to promote expansion of group profit levels and business diversification driven by M&A activities, targeting an ROE exceeding 15% and ordinary profit of ¥100.0 billion.

Against this backdrop, the Group determined that a transition to a pure holding company structure would be desirable in order to further strengthen group governance functions. Through management and supervision from a group-wide perspective by the Holding Company, the Group aims to establish a new business model with an appropriate balance without being overly dependent on its current core businesses, while maximizing synergies across the Group. In addition, each group company will clarify its authority and responsibilities and promote autonomous management in order to further strengthen the Group’s overall competitiveness.

Under the new structure described above, the Holding Company will lead the Group’s M&A strategy and promote business diversification, thereby accelerating the transformation into a corporate group that extends beyond the traditional non-bank business domain.

2. Procedure for Transitioning to Holding Company Structure

Following the establishment of the Holding Company, the Company’s subsidiaries and other affiliates reorganized as subsidiaries of the Holding Company.

3. Summary of the Share Transfer

(1) Schedule of the Share Transfer

March 31, 2025 (Mon):	Record date for Annual General Meeting of Shareholders
May 19, 2025 (Mon):	Board of Directors meeting for the approval of the share transfer plan
June 24, 2025 (Tue):	Annual General Meeting of Shareholders approving the share transfer plan
March 30, 2026 (Mon):	Delisting of the Company’s shares
April 1, 2026 (Wed):	Incorporation registration of the Holding Company

April 1, 2026 (Wed): (effective date)
 Stock listing date of the Holding Company

(2) Method of the Share Transfer

This is a sole share transfer with the Company as the wholly owned subsidiary resulting from the share transfer and the Holding Company as the wholly owning parent company established through the share transfer.

(3) Details of the Share Allocation (Share Transfer Ratio)

Company Name	Muninova Holdings Inc. (wholly owning parent)	AIFUL CORPORATION (wholly owned subsidiary)
Share Transfer Ratio	1	1

(a) Share Transfer Ratio

Immediately prior to the effective date of the Share Transfer, shareholders of the Company receive one share of the Holding Company's common stock for each share of the Company's common stock they hold.

(b) Number of Shares per Unit

The Holding Company adopt the unit share system, with 100 shares per unit.

(c) Basis for Calculating Share Transfer Ratio

Since the Share Transfer establish one wholly owning parent company solely through the Company's share transfer, all shares of the Holding Company will be allocated exclusively to the shareholders of the Company immediately prior to the effective date. Giving first priority to avoiding any disadvantage to shareholders and considering that there will be no change in shareholder composition before and after the Share Transfer, the allocation will be one share of the Holding Company's common stock for each share of the Company's common stock held.

(d) Results, Methods, and the Basis of Calculation of the Valuation Report by Third-Party Institutions

For the reasons above in (c), no third-party valuation of the share transfer ratio has been conducted.

(e) Number of New Shares to be Issued

484,620,134 shares of common stock

(4) Matters Regarding Stock Acquisition Rights and Bonds with Stock Acquisition Rights in Connection with the Share Transfer

The Company has not issued any stock acquisition rights or bonds with stock acquisition rights.

4. Overview of the New Company to be Established Through the Share Transfer

(1) Company name	Muninova Holdings Inc.
(2) Location	381-1 Takasago-cho, Gojo-agaru, Karasuma-dori, Shimogyo-ku, Kyoto City, Kyoto
(3) Representative name and title	Mitsuhide Fukuda, President and Chief executive officer
(4) Business description	Management of group companies and other related businesses
(5) Capital	2,000 million yen
(6) Date of established	April 1, 2026
businessesNumber of shares issued	484,620,134 shares
(8) Fiscal year-end	March 31

5. Outline of Accounting Treatment

The Share Transfer will be accounted for as a “transaction under common control” under corporate accounting, and therefore it will have no impact on profit or loss. No goodwill is expected to result from this Share Transfer.

(Change in Status of Subsidiaries, etc. Due to Dividend in Kind)

As part of the organizational restructuring associated with the transition to a holding company structure, the Company resolved at the Extraordinary General Meeting of Shareholders held on April 1, 2026, to distribute, by way of a dividend in kind, all shares of seven consolidated subsidiaries — LIFECARD CO., LTD., AG Servicer Corporation, AG Capital Co., Ltd., AG Payment Service Co., Ltd., FPC Co., Ltd., BitCash Inc., and AG Solution Technology Inc., as well as six non-consolidated subsidiaries — AG Partners Corporation, AG Crowdfunding Co., Ltd., AG Funding Co., Ltd., AG Lending Co., Ltd., AG Finance Technology Co., Ltd., and Kyoto Capital Group Co., Ltd. — to Muninova Holdings Inc., the Company's parent company. The distribution was carried out on the same date.

(Disposal of Shares in the Parent Company Due to Dividend in Kind)

Through a single-share transfer as April 1, 2026, 5,626,789 shares of the parent company's stock were allocated in exchange for 5,626,789 shares of treasury stock held by the company. Article 135, Paragraph 3 of the Companies Act stipulates that shares of the parent company held by a subsidiary must be disposed of at an appropriate time. Accordingly, the company resolved at an extraordinary general meeting of shareholders held on April 1, 2026, to distribute a dividend in kind, which was implemented on the same date. This does not constitute the acquisition of treasury stock pursuant to Article 156, Paragraph 1 of the Companies Act, as applied by substitution under Article 163 of the same Act.

Furthermore, pursuant to Article 806, Paragraph 1 of the Companies Act, a request was made to purchase two shares of common stock in connection with the aforementioned share transfer plan. These shares were not subject to allocation under the share transfer and were retired as treasury stock of the company on April 1, 2026.

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	29,515	16,677
Operating loans	613,433	665,821
Accounts receivable – installment	140	126
Customers' liabilities for acceptances and guarantees	264,576	353,844
Other operating receivables	16,693	19,262
Prepaid expenses	875	861
Accrued income	4,834	5,184
Other	11,009	13,722
Allowance for doubtful accounts	(51,866)	(57,387)
Total current assets	889,212	1,018,114
Non-current assets		
Property, plant and equipment		
Buildings	16,006	13,171
Accumulated depreciation	(8,609)	(6,977)
Buildings, net	7,397	6,193
Structures	664	483
Accumulated depreciation	(576)	(332)
Structures, net	88	151
Machinery and equipment	235	277
Accumulated depreciation	(142)	(164)
Machinery and equipment, net	92	112
Vehicles	1	1
Accumulated depreciation	(1)	(1)
Vehicles, net	0	0
Furniture and fixtures	2,936	2,828
Accumulated depreciation	(2,519)	(2,357)
Furniture and fixtures, net	416	471
Land	21,857	21,892
Leased assets	1,194	126
Accumulated depreciation	(1,073)	(94)
Leased assets, net	121	31
Construction in progress	100	118
Total property, plant and equipment	30,076	28,971
Intangible assets		
Software	2,034	2,094
Software in progress	8,698	12,517
Other	66	118
Total intangible assets	10,799	14,730

Investments and other assets		
Investment securities	1,378	1,204
Shares of subsidiaries and associates	35,329	32,960
Long-term loans receivable from subsidiaries and associates	178,050	209,560
Claims provable in bankruptcy	7,384	7,013
Long-term prepaid expenses	1,781	1,591
Deferred tax assets	14,136	14,948
Lease and guarantee deposits	1,048	443
Other	750	730
Allowance for doubtful accounts	(6,467)	(6,344)
Total investments and other assets	233,392	262,106
Total non-current assets	274,268	305,809
Total Assets	1,163,481	1,323,923
Liabilities		
Current liabilities		
Acceptances and guarantees	264,576	353,844
Short-term borrowings	15,800	37,225
Short-term loans payable to subsidiaries and associates	488	283
Commercial papers	17,400	14,000
Current portion of bonds	15,000	35,000
Current portion of long-term borrowings	240,475	249,782
Lease obligations	117	15
Trade accounts payable	4,943	6,009
Accrued expenses	952	854
Income taxes payable	2,900	5,204
Allowance for bonuses	1,776	1,588
Provision for share-based remuneration	63	70
Asset retirement obligations	96	683
Other	789	814
Total current liabilities	565,380	705,376
Non-current liabilities		
Bonds payable	95,000	85,000
Long-term borrowings	308,381	324,728
Long-term loans payable to subsidiaries and affiliates	2,300	850
Lease obligations	19	22
Provision for loss on interest repayment	7,285	5,361
Asset retirement obligations	2,322	96
Other	789	803
Total non-current liabilities	416,098	416,862
Total liabilities	981,479	1,122,238
Net Assets		
Shareholders' equity		
Capital stock	94,028	94,028
Capital surplus		
Capital reserves	52	52
Total capital surplus	52	52
Retained earnings		
Legal retained earnings	193	528
Other retained earnings		
Retained earnings carried forward	92,127	111,481
Total retained earnings	92,321	112,009
Treasury shares	(4,541)	(4,410)
Total shareholders' equity	181,861	201,680

Valuation and translation adjustments		
Valuation difference on available-for-sale securities	140	4
Total valuation and translation adjustments	140	4
Total net assets	182,002	201,684
Total liabilities and net assets	1,163,481	1,323,923

(2) Non-Consolidated Statements of Income

(Millions of yen)

	FY ended March 31, 2025 (Apr. 1 2024 to Mar. 31 2025)	FY ended March 31, 2026 (Apr. 1 2025 to Mar. 31 2026)
Operating revenue		
Interest on operating loans	85,603	94,793
Other financial revenue	8	104
Other operating revenue		
Revenue from credit guarantee	16,198	18,743
Recoveries of written off claims	5,523	4,952
Other	2,823	3,168
Total other operating revenue	24,546	26,863
Total operating revenue	110,158	121,762
Operating expenses		
Financial expenses		
Interest expenses	5,460	7,920
Interest on bonds	853	1,359
Other	1,078	814
Total financial expenses	7,392	10,094
Cost of sales		
Cost of sales of software development	43	86
Other operating expenses		
Advertising expenses	15,007	15,012
Commissions	7,865	8,396
Provision of allowance for doubtful accounts	35,174	36,868
Employees' salaries, allowances and bonuses	8,201	8,922
Provision for bonuses	1,089	1,004
Retirement benefit expenses	307	310
Welfare expenses	2,035	2,111
Depreciation	2,081	2,991
Other	10,567	10,548
Total other operating expenses	82,331	86,164
Total operating expenses	89,766	96,345
Operating profit	20,391	25,417
Non-operating income		
Interest on loans receivables	2,594	3,763
Foreign exchange gains	541	1,201
Dividends	23	26
Other	464	553
Total non-operating income	3,624	5,544
Non-operating expenses		
Provision of allowance for doubtful accounts	2	2
Loss on retirement of non-current assets	4	—
Amortization expense of leasehold deposits	4	6
Settlement payments	—	4
Cancellation fees	0	3
Other	7	7
Total non-operating expenses	19	23
Ordinary profit	23,996	30,937
Extraordinary losses		
Impairment loss	1,582	—
Loss on valuation of stocks of subsidiaries and affiliates	697	—
Provision of allowance for doubtful accounts	366	379
Bad debt expenses on loans to subsidiaries and affiliates	—	2,500
Other	498	216
Total extraordinary losses	3,144	3,095

Profit before income taxes	20,851	27,842
Income taxes – current	3,288	5,514
Income taxes – deferred	(1,999)	(774)
Total income taxes	1,289	4,740
Profit	19,562	23,101

(3) Non-Consolidated Statements of Change in Shareholders' Equity

Fiscal year ended March 31, 2025

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at April 1, 2024	94,028	52	—	52	145	73,155	73,300
Changes during the period							
Dividends of surplus					48	(532)	(483)
Profit						19,562	19,562
Purchase of treasury shares							
Transfer from retained earnings to capital surplus			58	58		(58)	(58)
Restricted stock compensation			(58)	(58)			
Net changes in accounts other than shareholders' equity							
Total change during fiscal year	—	—	—	—	48	18,971	19,020
Balance at March 31, 2025	94,028	52	—	52	193	92,127	92,321

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at April 1, 2024	(2,655)	164,726	496	496	165,222
Changes during the period					
Dividends of surplus		(483)			(483)
Profit		19,562			19,562
Purchase of treasury shares	(2,000)	(2,000)			(2,000)
Transfer from retained earnings to capital surplus		—			—
Restricted stock compensation	114	56			56
Net changes in accounts other than shareholders' equity			(355)	(355)	(355)
Total change during fiscal year	(1,885)	17,134	(355)	(355)	16,779
Balance at March 31, 2025	(4,541)	181,861	140	140	182,002

Fiscal year ended March 31, 2026

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at April 1, 2025	94,028	52	—	52	193	92,127	92,321
Changes during the period							
Dividends of surplus					335	(3,688)	(3,352)
Profit						23,101	23,101
Purchase of treasury shares							
Transfer from retained earnings to capital surplus			60	60		(60)	(60)
Restricted stock compensation			(60)	(60)			
Net changes in accounts other than shareholders' equity							
Total change during fiscal year	—	—	—	—	335	19,353	19,688
Balance at March 31, 2026	94,028	52	—	52	528	111,481	112,009

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total Shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at April 1, 2025	(4,541)	181,861	140	140	182,002
Changes during the period					
Dividends of surplus		(3,352)			(3,352)
Profit		23,101			23,101
Purchase of treasury shares	(0)	(0)			(0)
Transfer from retained earnings to capital surplus		—			—
Restricted stock compensation	130	70			70
Net changes in accounts other than shareholders' equity			(136)	(136)	(136)
Total change during fiscal year	130	19,819	(136)	(136)	19,682
Balance at March 31, 2026	(4,410)	201,680	4	4	201,684