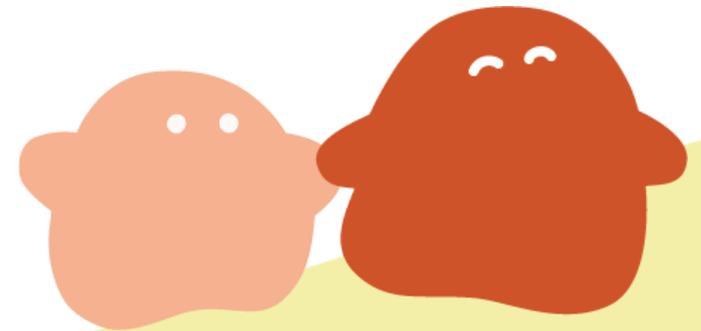
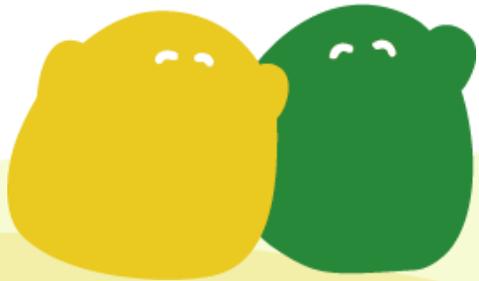




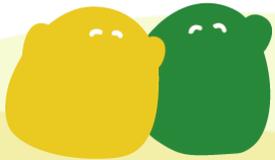
# Investors' Guide 2025

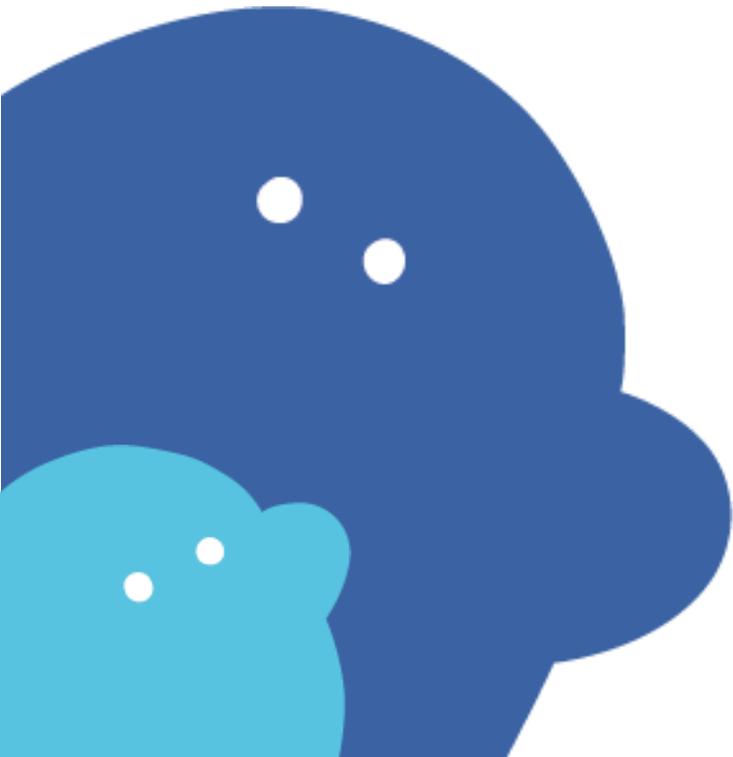


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# 1 About AIFUL Group

# AIFUL Group Overview

- Centered on AIFUL—the only independent consumer finance company in Japan listed on the Prime Market—the Group offers a wide range of financial services and is pursuing further diversification while evolving into an IT-driven company.

## **Establishment**

1967

## **Common Stock**

¥94.0 billion

## **President**

Mitsuhide Fukuda (Appointed in 2020)

## **Financial Results**

Total receivables                      ¥1.3 trillion

Operating revenue                      ¥189.0 billion

Operating profit                      ¥25.3 billion

## **Key Characteristics**

The only independent consumer finance company in Japan listed on the Prime Market of the Tokyo Stock Exchange.

## **Number of Employees**

AIFUL    1,265

Consolidated                                      2,738

Including non-consolidated subsidiaries                      5,003

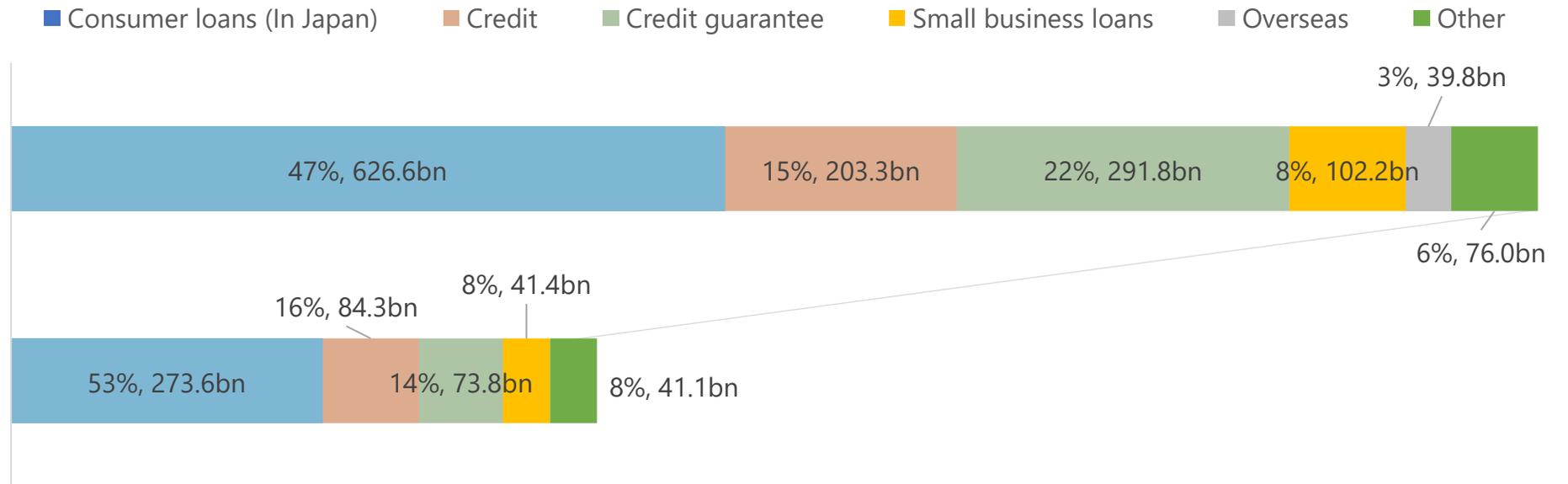
(As of March 2025)

# AIFUL Group Portfolio

- Over the past decade, AIFUL Group has actively diversified its business portfolio and expanded its operating assets.

FY2025/3  
Consolidated total  
Receivables  
¥1,339.7bn

FY2015/3  
514.2bn



## Strength and Features

- Double-digit growth in total receivable
- Business portfolio improvement through business diversification
- Cost reduction by promoting in-house production
- Diversified group products and sales organization

### Loan • Guarantee



### Credit • Electronic payment



### Individual credit purchase intermediaries/ BNPL



### Venture Capital



### Small Business Loan



### Loan Collection



### Small-amount, short-term insurance



### Overseas



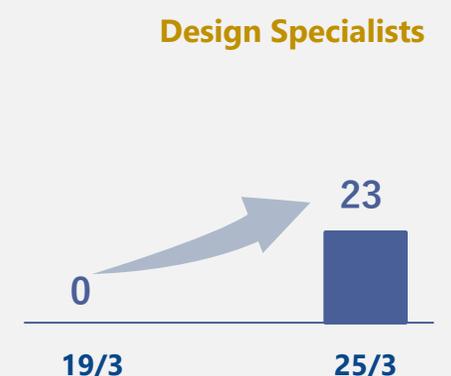
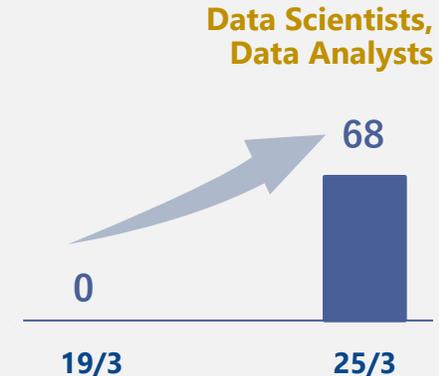
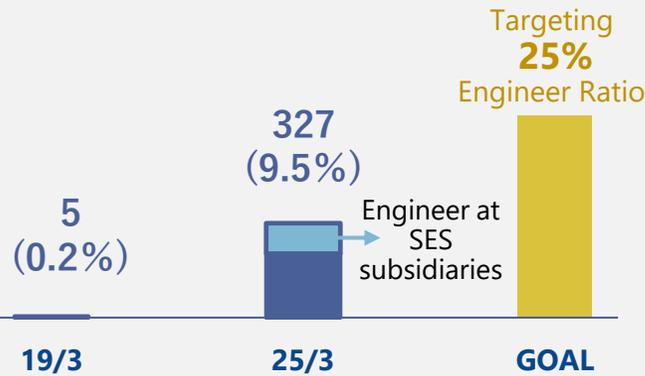
# AIFUL Group Transformation: A Financial Group Leveraging Digital Technology

- Pursuing growth as a financial group that adapts to environmental changes through organizational and institutional transformation and the use of digital technology.

## Talent Acquisition:

- Digital technology
- Data analysis
- Design

(via new graduate and mid-career recruitment, M&A, and internal talent development both in Japan and overseas)



## Improved application form

Aiming for Stress-Free Form to enhance UI/UX. Completion rate of applying loan **increased to 57%** (approximately 10% increase)



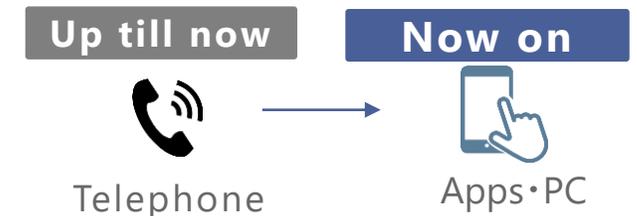
## App modification

In-house renovation of more than 30 sites, including group companies and intranet. App's for AIFUL, LIFECARD and AG Business Support were modified in-house and its reputation has improved.



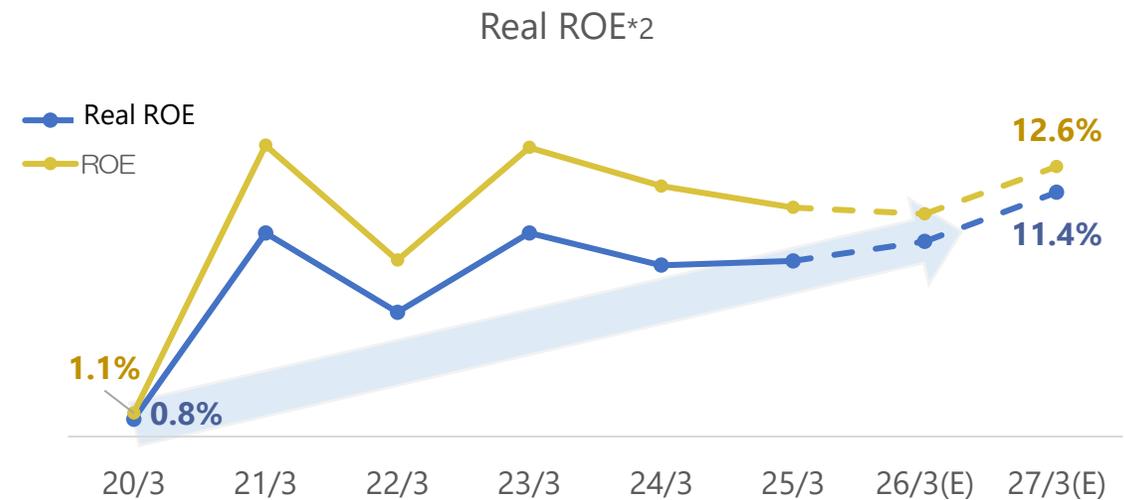
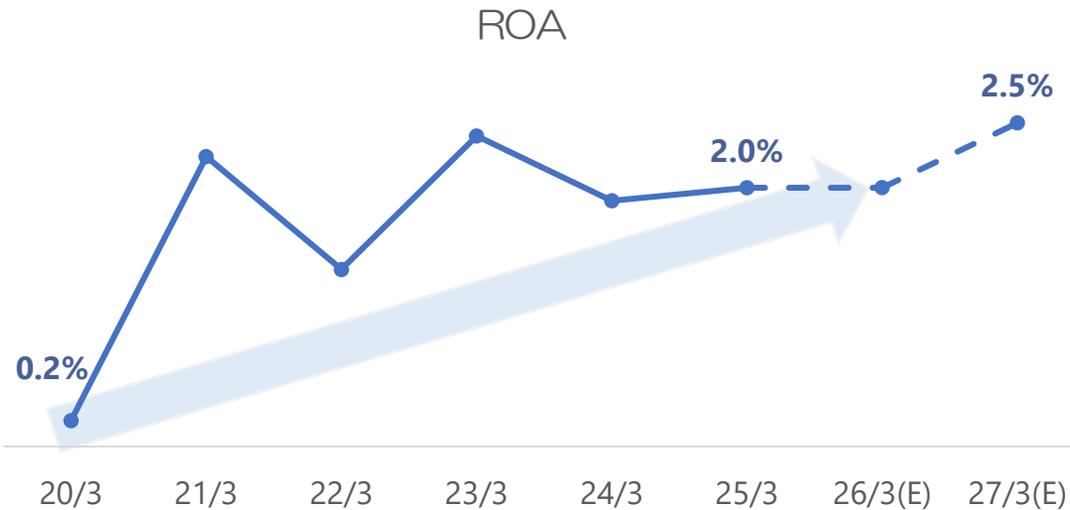
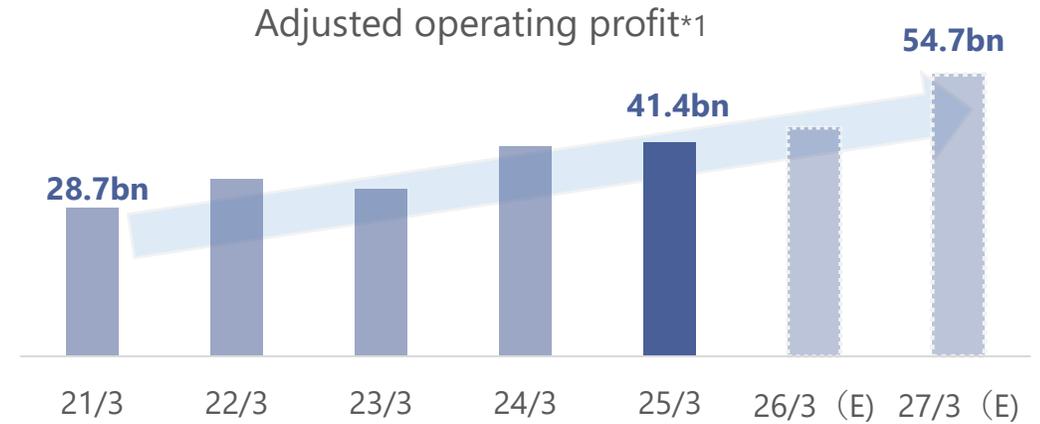
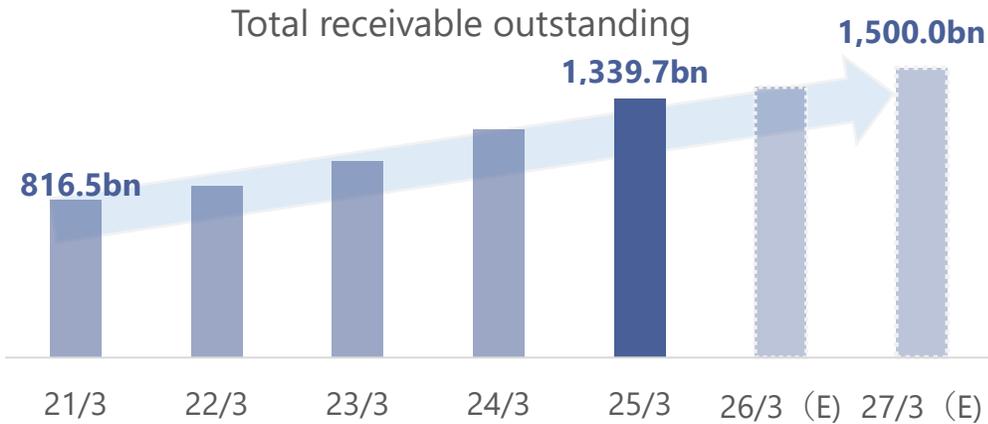
## Improved smartphone-related services

- Modify IVR (Interactive Voice Response) System in-house
- Implement collection scoring



# AIFUL Group Transformation: Driving Revenue and Profit Growth

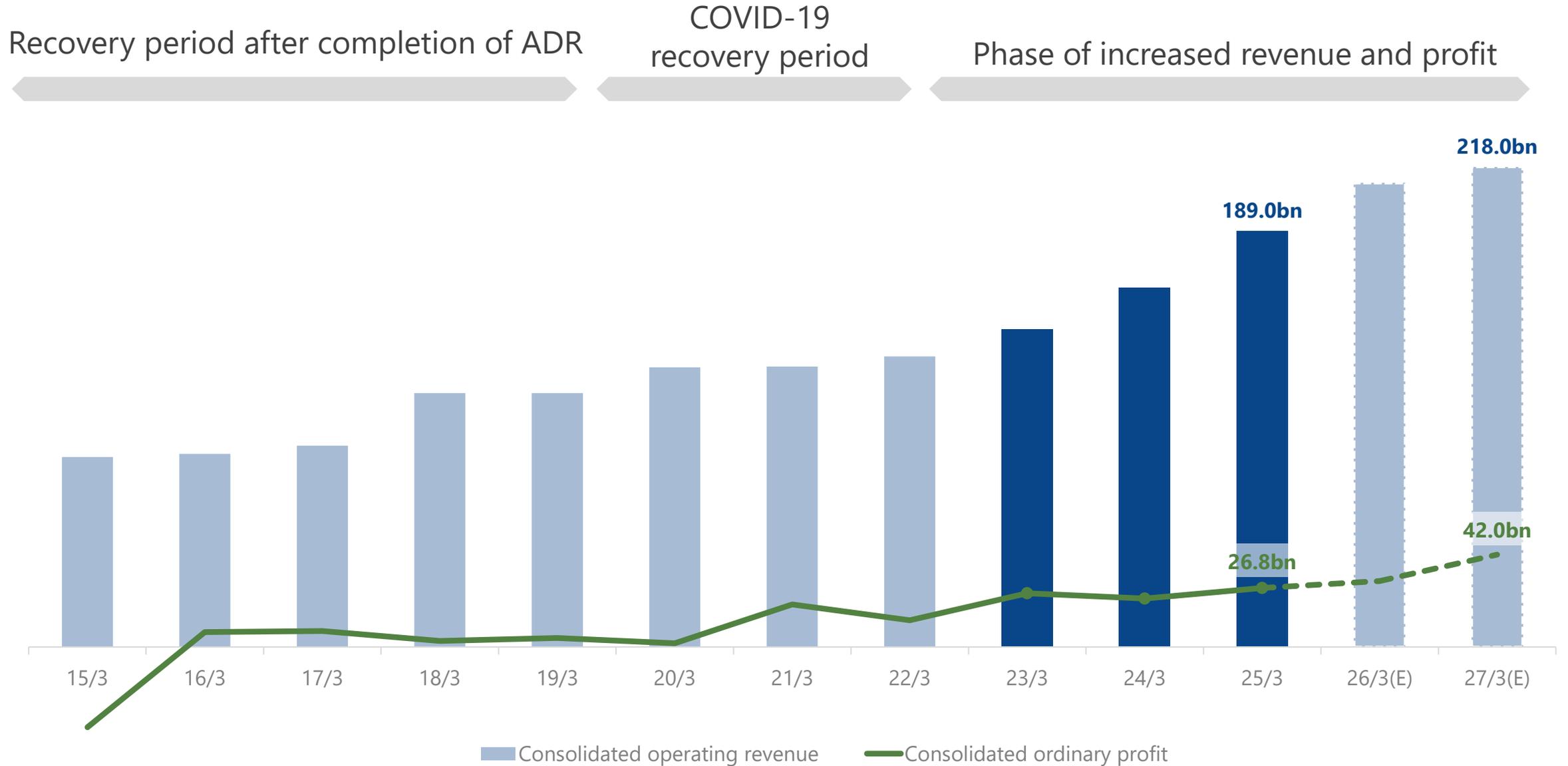
- Total receivables and future profit potential are expanding, and profit levels are improving.

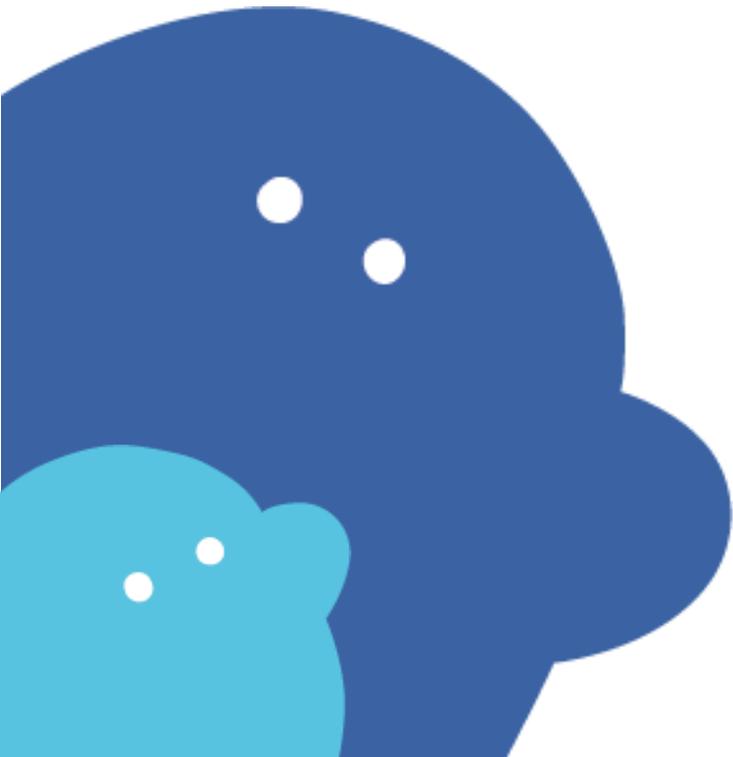


\* 1 Definition of Adjusted operating profit: 1. Operating profit + 2. Profit adjustment (credit cost + provision for loss on interest repayment + depreciation - write offs) + 3. Profit generated from M&A (profit from each company, excluding Goodwill amortization)

\* 2 Real ROE is calculated using profit attributable to owners of the parent, with an assumed effective tax rate of 30%.

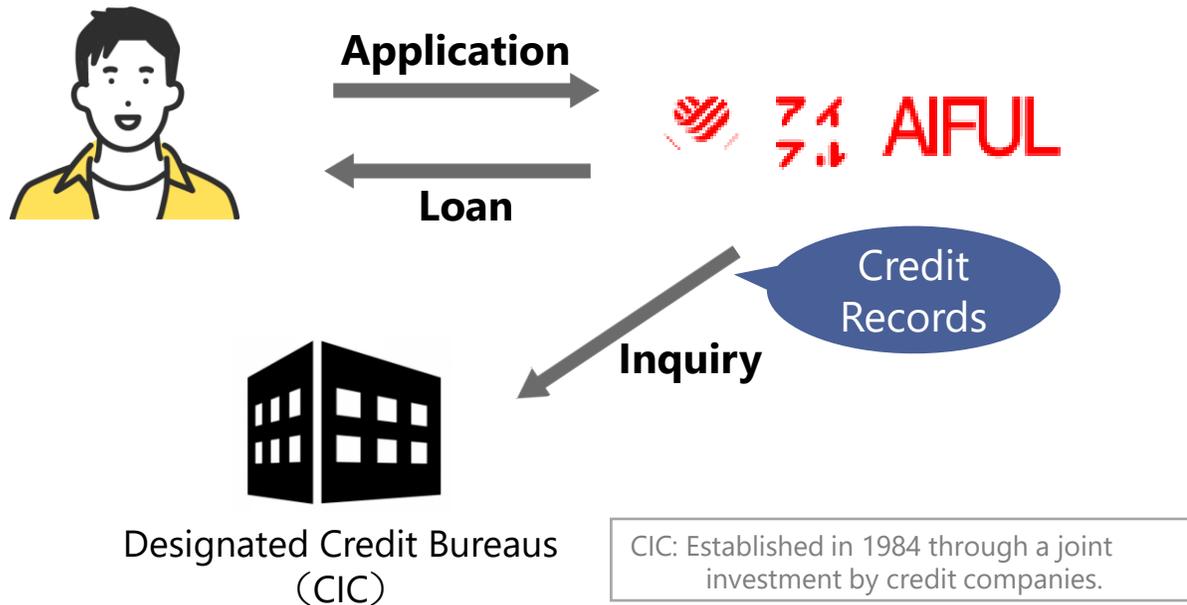
# AIFUL Group's Business Performance





## **2** Loan Business

# Loan Business: Outline



## Profit Structure

1. Revenue interest on loan
2. Cost selling and administration cost such as funding interest, advertising cost and credit cost
3. Profit [1] - [2]

## Outline

### 【Regulations】

- Restriction on total loan amount ... 1/3 of annual income
- Maximum interest rate (APR) ...
 

under 100,000 yen	: 20%
100,000 to 1,000,000 yen	: 18%
1,000,000 yen or more	: 15%

### 【Features】

- Web applications account for over 95% of the total
- The entire process (application to financing) is completed online
- Speedy financing (minimum 18 min.)

## AIFUL Group Strength

### Unsecured Loan

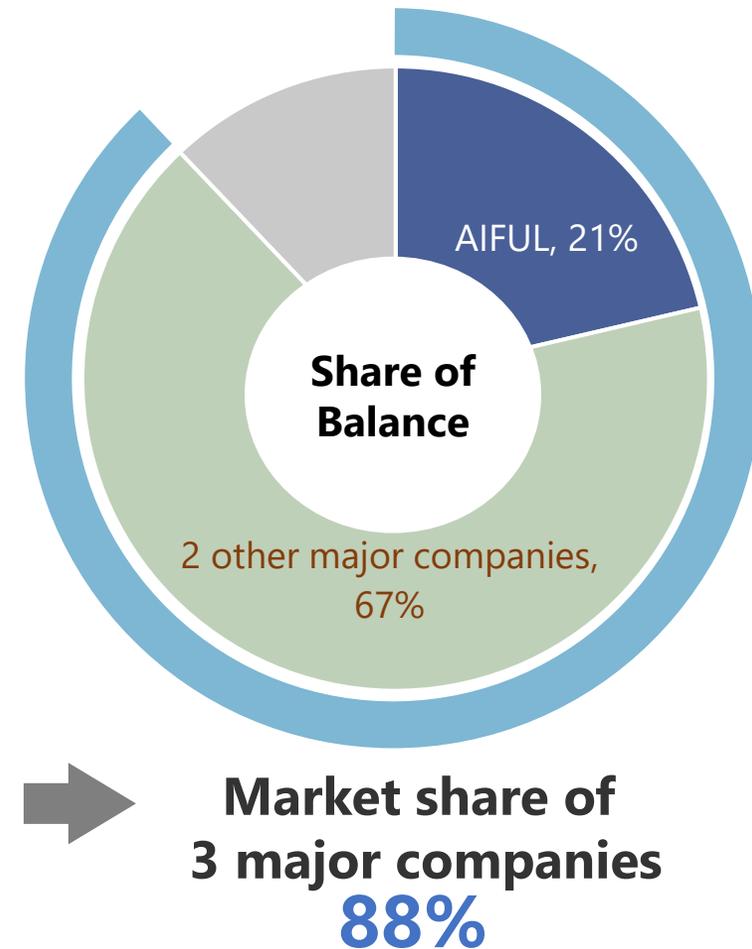
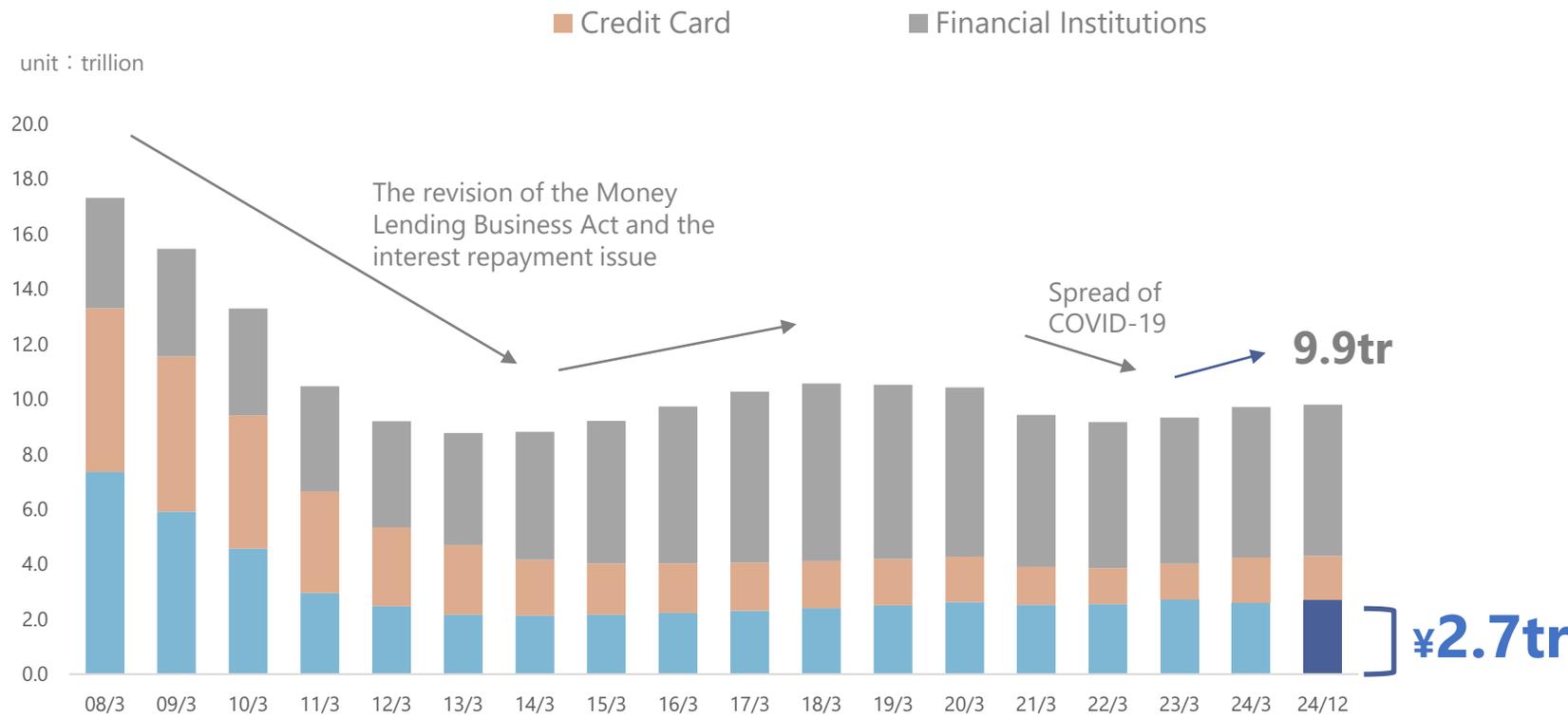


1. Credit screening and collection know-how cultivated over 50 years since the establishment
2. Cost reduction/streamlining (consolidation of nationwide customer support operations at AIFUL's call center)
3. Improvement of UI/UX through in-house production

# Loan Business: Market Share

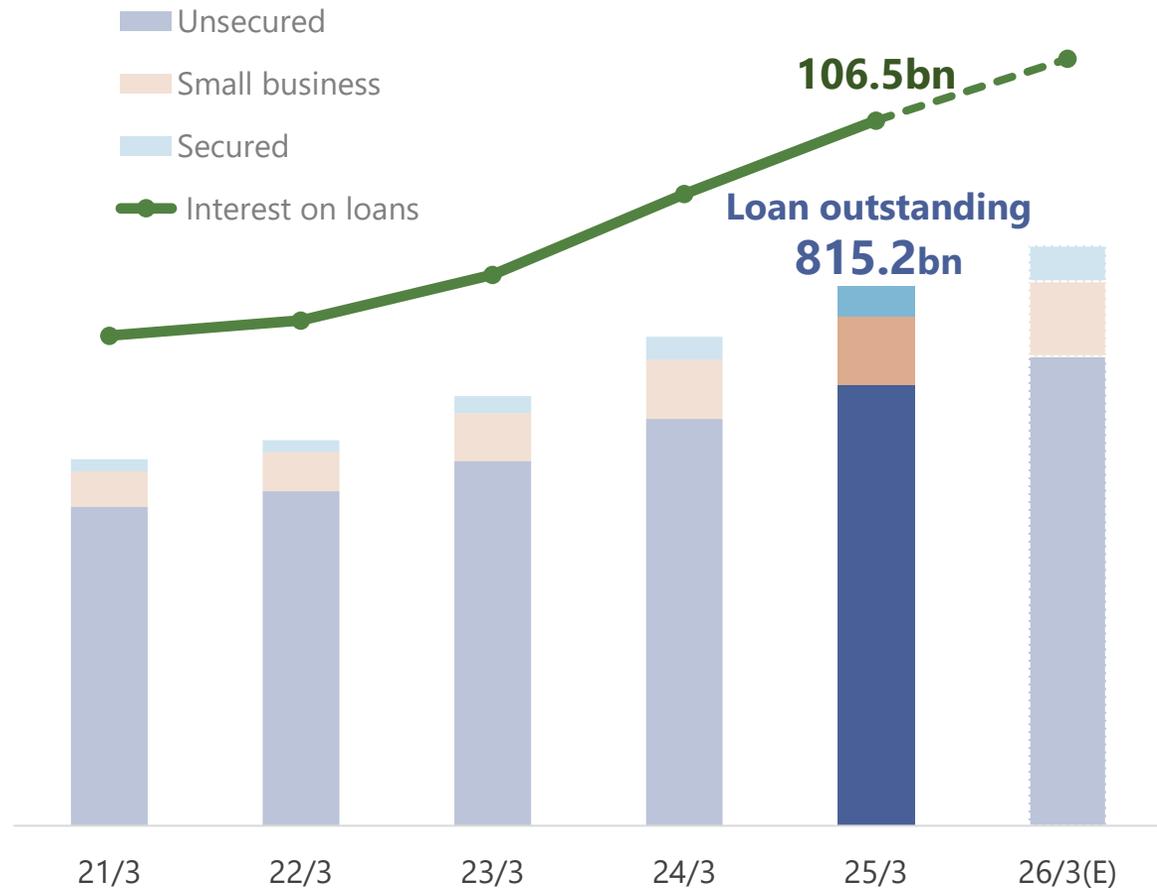
- The Japanese consumer credit market is currently on a recovery trend.
- The consumer finance market is in an oligopoly state dominated by three major companies, including us.

## ■ Consumer Credit Market [Japan]



# Loan Business: Performances (Consolidated)

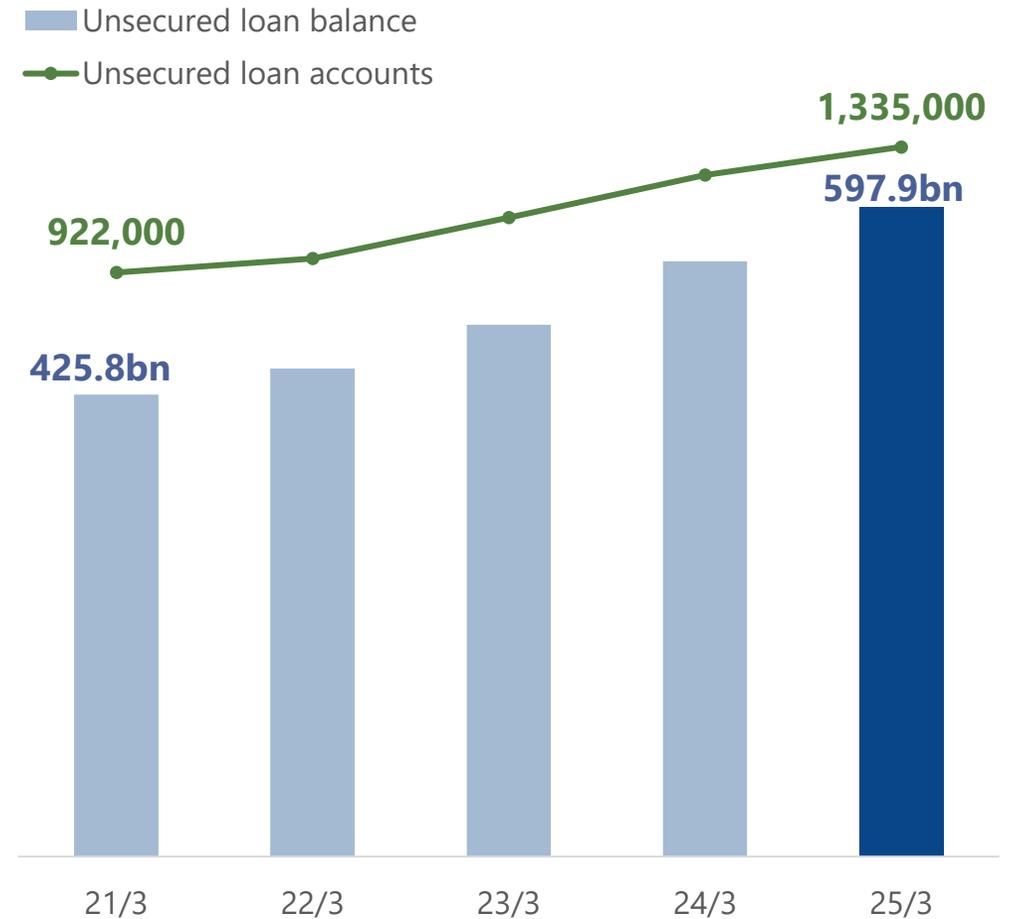
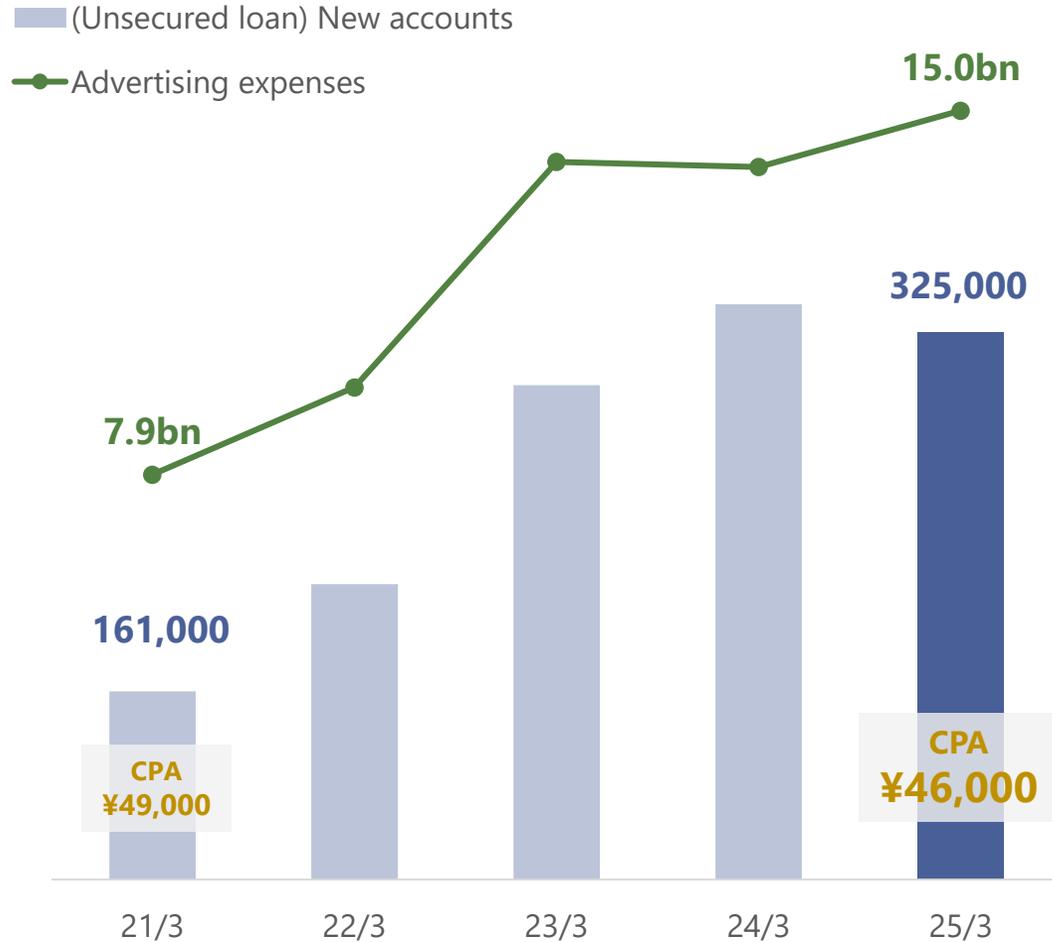
- The number of new contracts and the loan balance have increased steadily since the termination of ADR in 2014 (our initiatives for digitalization and in-house production have accelerated the growth).



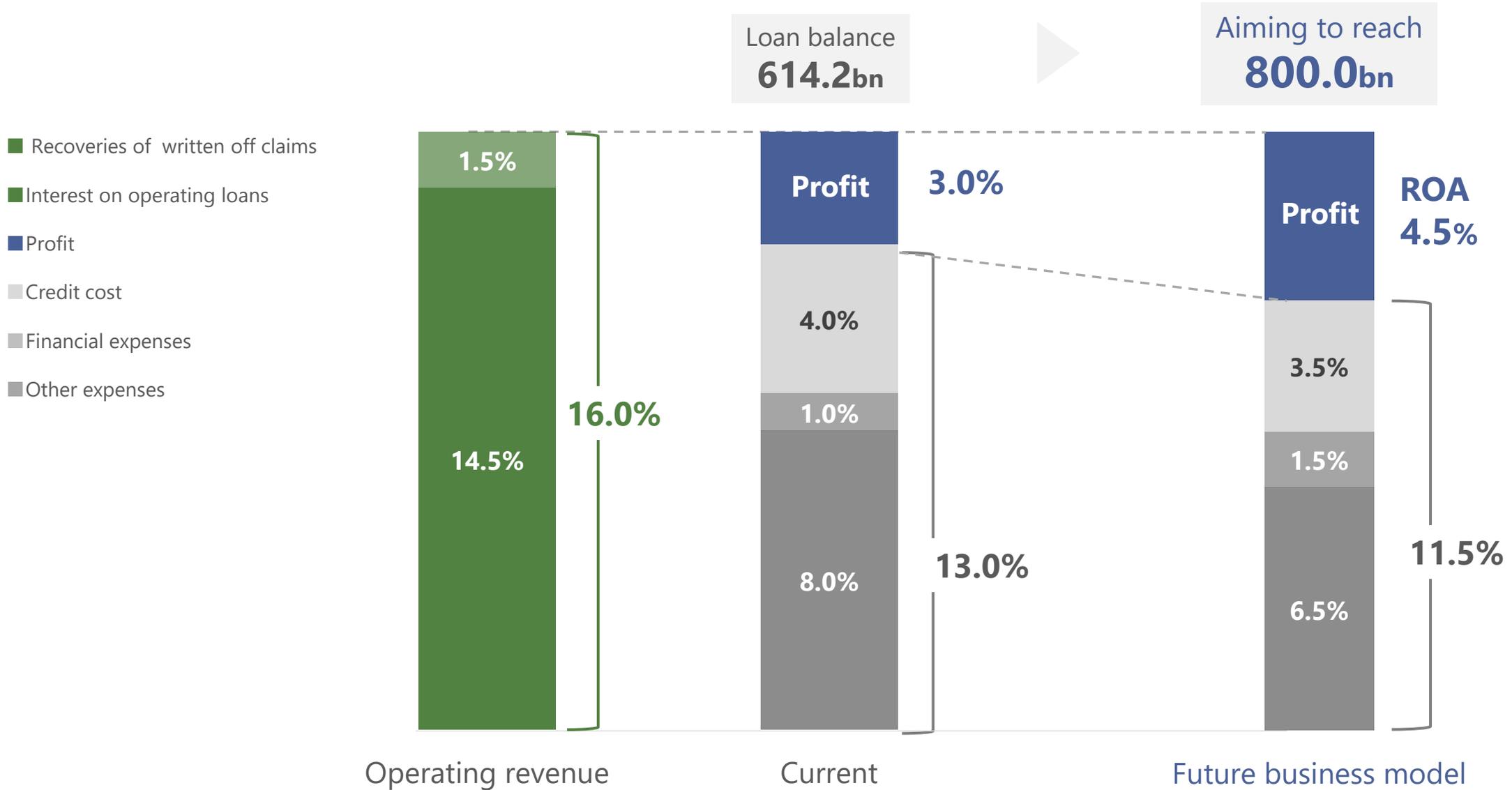
	25/3	YOY%
<b>Interest on operating loans</b>	<b>106.5bn</b>	<b>11.7%</b>
<b>Loan outstanding</b>	<b>815.2bn</b>	<b>10.4%</b>
Unsecured	666.5bn	8.5%
Small business	102.2bn	14.7%
Secured	45.7bn	29.4%

# Loan Business: Trend in Unsecured Loan (AIFUL)

- Number of new loan acquisitions increased through efficient allocation of advertising and promotional expenses
- Growth in new acquisitions led to an increase in additional lending, resulting in a larger loan balance

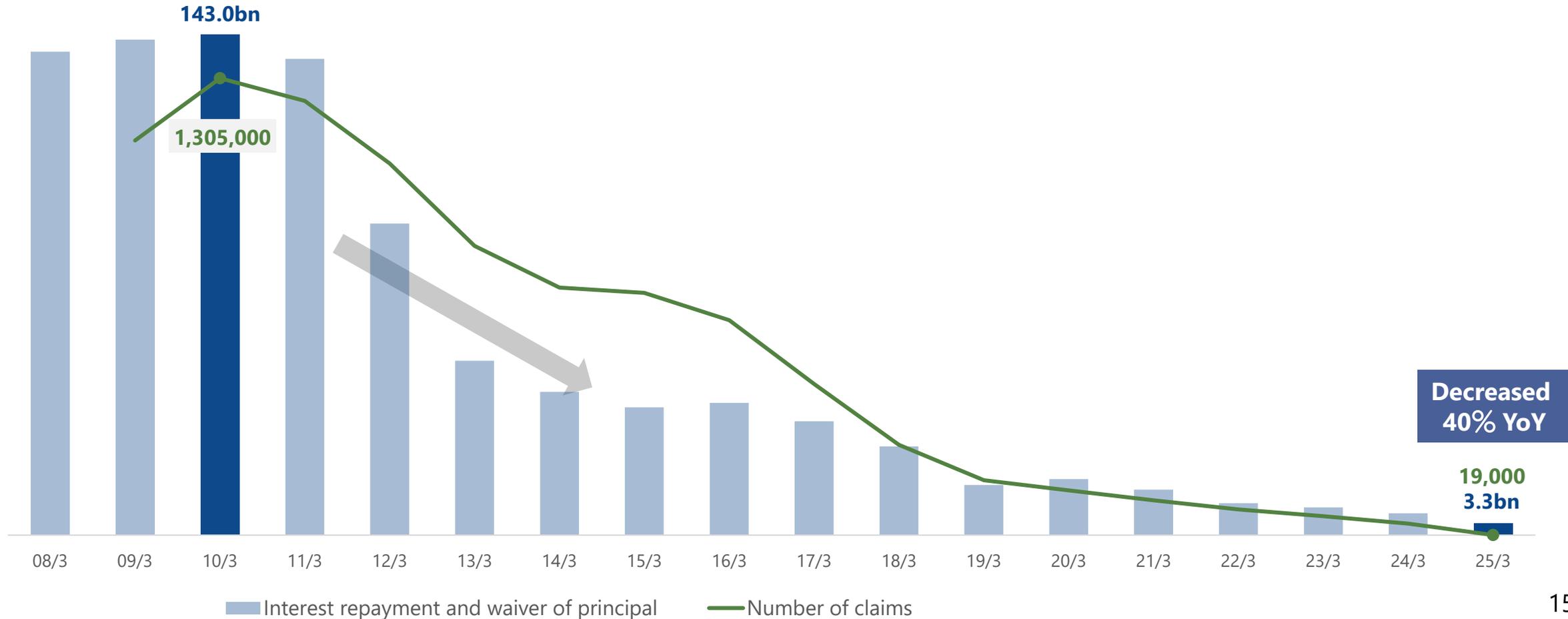


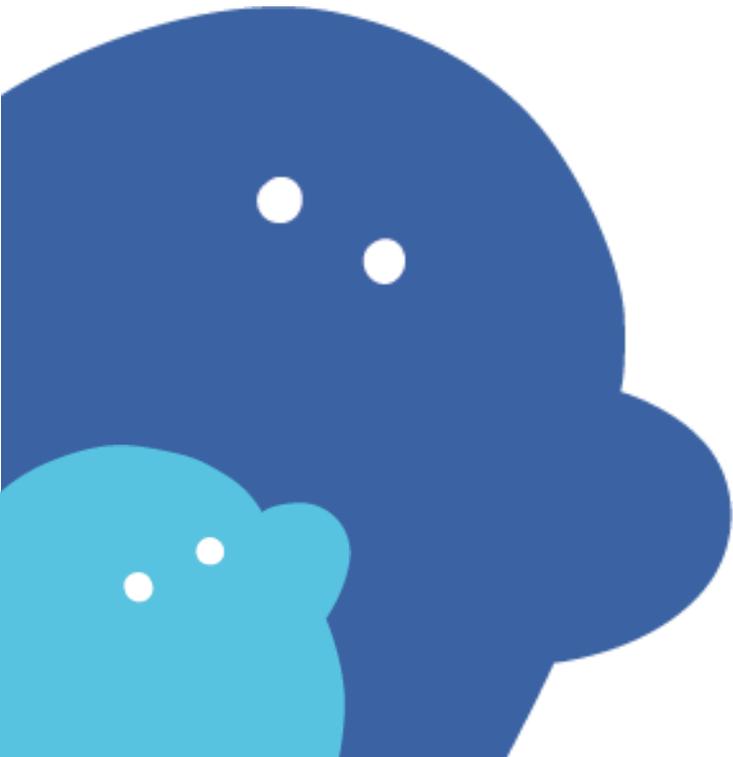
# Loan Business: ROA Outlook (AIFUL)



# Loan Business: Interest Repayment (Consolidated)

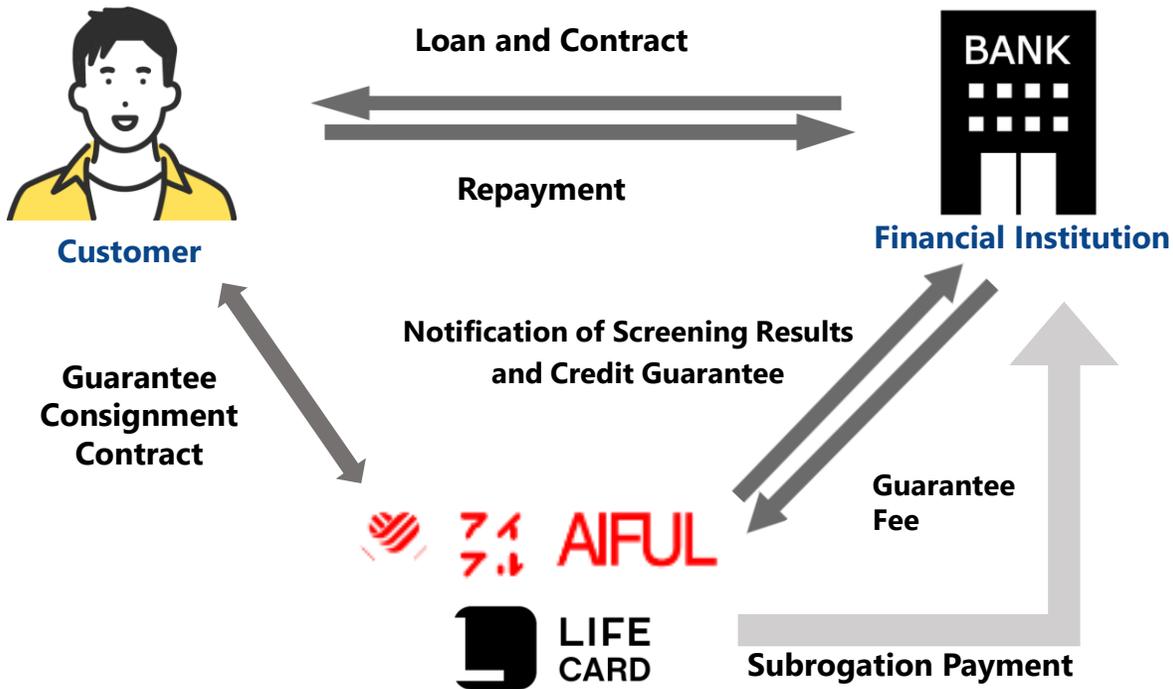
- The interest repayment is decreasing at a rate of over 20% per year, approaching its end.





## **3 Credit Guarantee Business**

# Credit Guarantee: Outline



## Profit Structure

1. Revenue : guarantee fee  
(split interests \* received from customers with financial institutions)
2. Cost : selling and administration cost such as credit cost
3. Profit : 1-2 \*interest rates vary depending on risk

## Outline

### 【Regulations】

- Not subject to Restriction on total loan amount (self-regulated)
- Maximum interest rate (APR)...
 

under 100,000 yen	: 20%
100,000 to 1,000,000 yen	: 18%
1,000,000 yen or more	: 15%

### 【Features】

- Become a customer's co-signer under guarantee consignment contract
- No financing interest rates or advertising costs
- Maintain double-digit growth in balance

## Strength of AIFUL Group

### Credit Guarantee

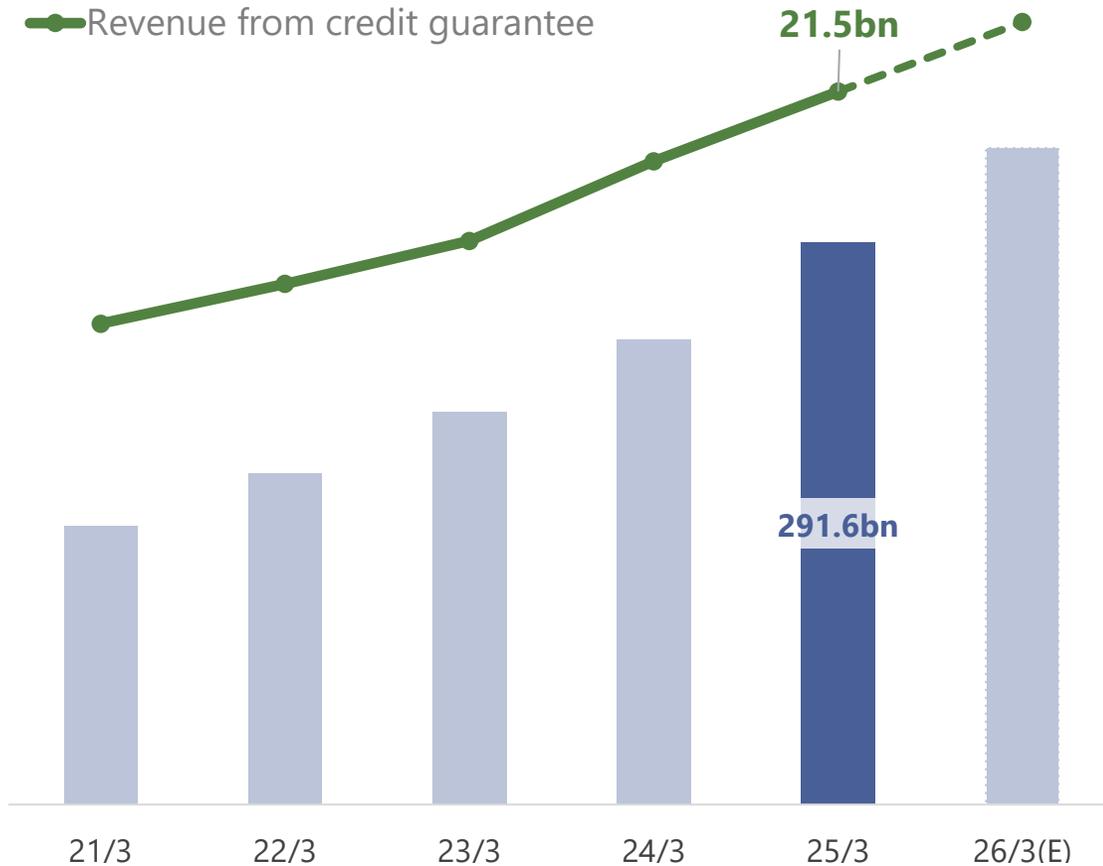
1. Credit screening and collection know-how cultivated over 50 years since the establishment
2. Guarantee of various financial products such as loans for SMEs and loan consolidation
3. Sales support for partners (AIFUL employees are dispatched to financial institutions)

# Credit Guarantee: Performances (Consolidated)

- Offers credit guarantee for a broad lineup loan products, including personal, small business loan, loan consolidation and mortgage-backed loans.
- Over 70 AIFUL Group employees are seconded to partner financial institutions to support sales and drive balance growth.

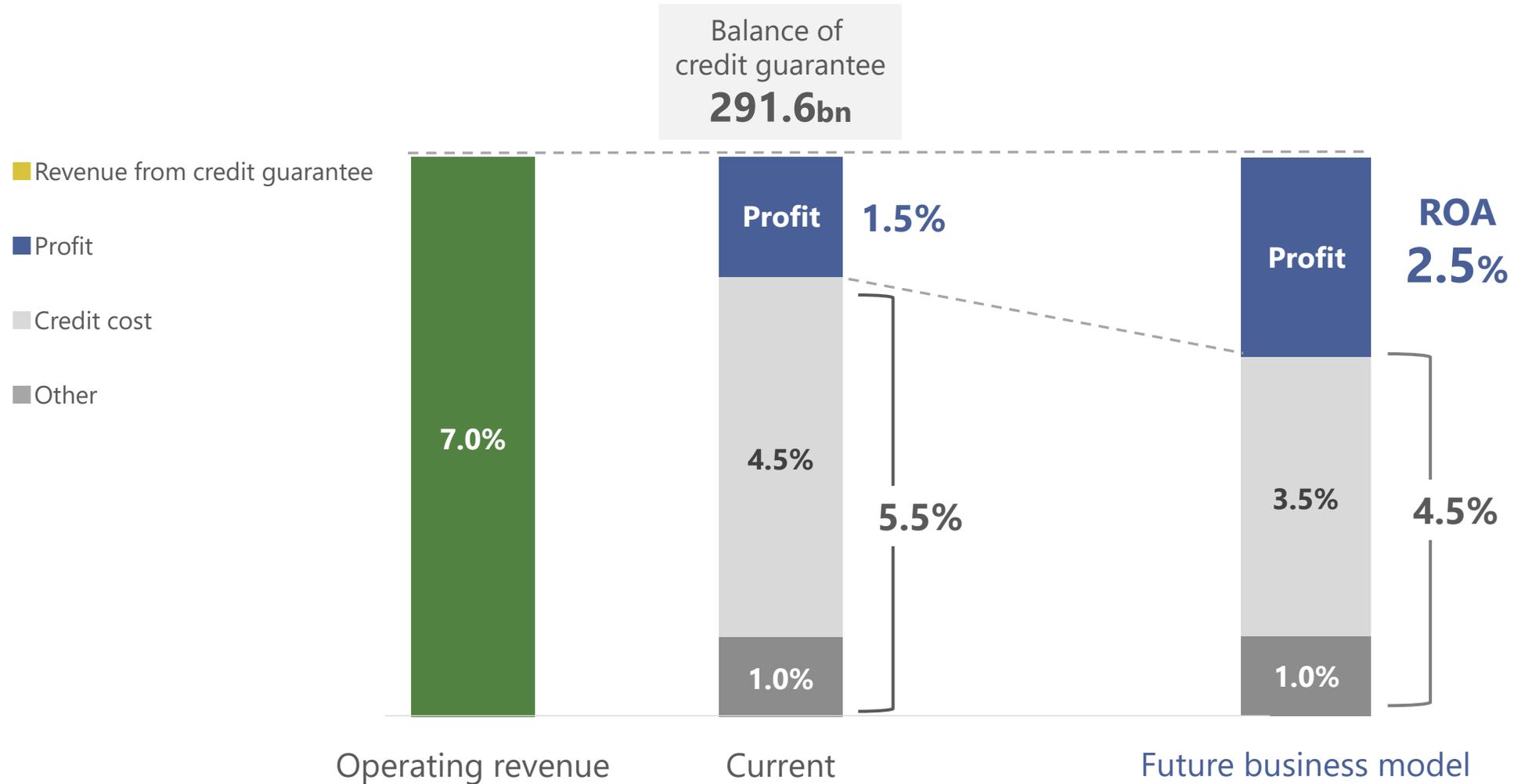
■ Balance of credit guarantee

● Revenue from credit guarantee



	25/3	YOY%
Revenue from credit guarantee	21.5bn	10.9%
Balance of credit guarantee	291.6bn	20.9%
Number of Partner Financial Institutions (AIFUL)	164	+8

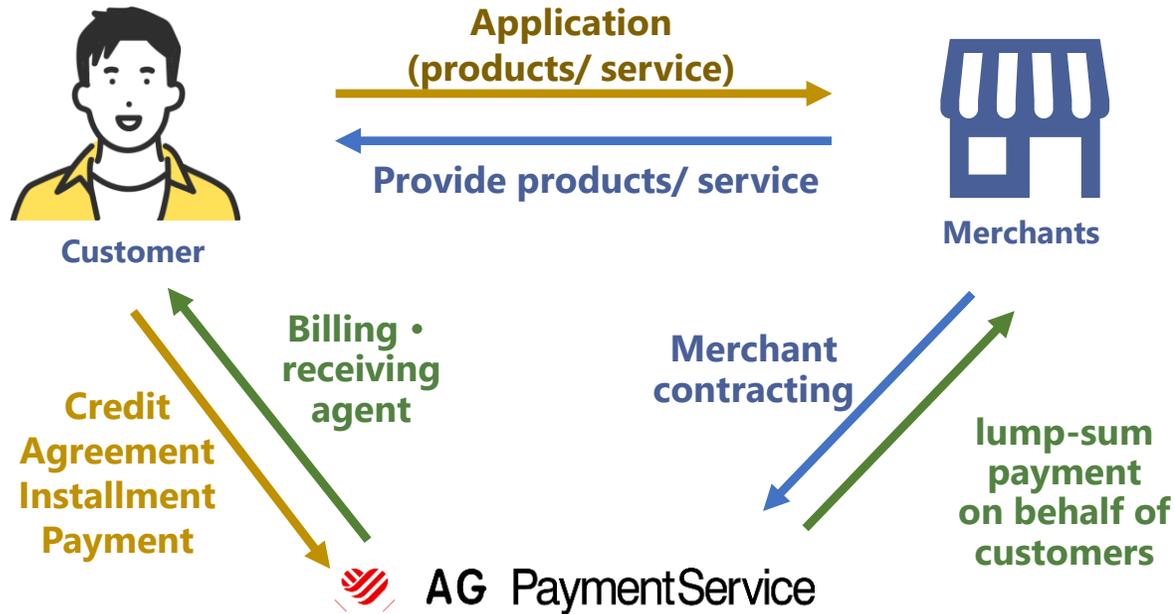
# Credit Guarantee: ROA Outlook (Consolidated)





## **4 Credit/Payment Services**

# Payment Services: Outline



## Profit Structure

1. Revenue : installment fees (Revenue from installment receivable)
2. Cost : selling and administration cost such as credit cost
3. Profit : 1-2 \*profit margin varies depending on risk level

## Strength of AIFUL Group

### Installment credit sales



1. Credit know-how for individuals and merchants cultivated over many years
2. Screening speed that meets merchants' expectations
3. Strong sales force base for expanding the number of merchants and scale of merchants (BtoB sales structure through AIFUL's nationwide branches)

## Outline

### 【Regulations】

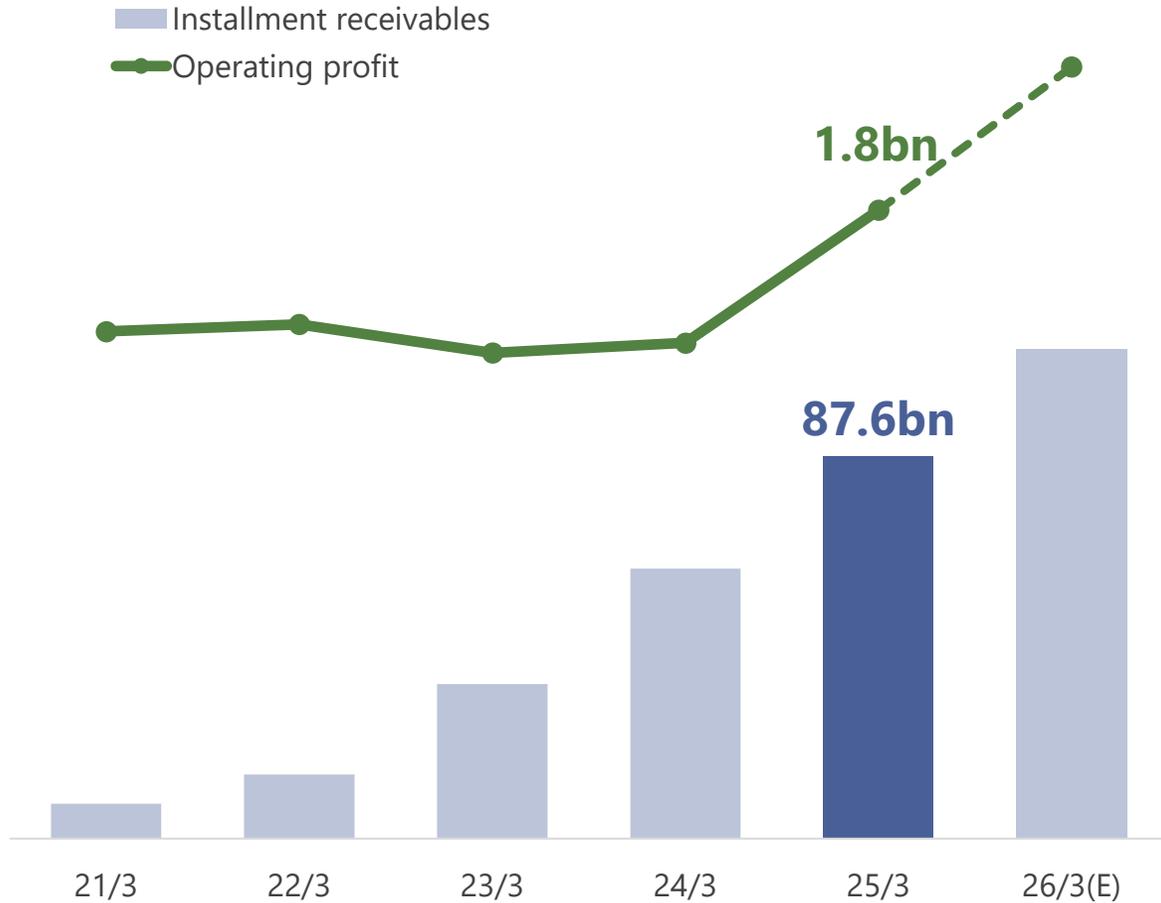
- No legal restrictions on commission rates
- The Installment Sales Law imposes credit screening, merchant management, and document delivery obligations on credit providers.

### 【Features】

- Esthetic/cosmetic medicine are targeted
- Number of merchants, accounts and balances, rapid growth
- No need for advertising expenses as merchants attract customers

# Payment Services: Performances (AG Payment Service)

- Actively expanding into aesthetic and cosmetic medical sectors through AIFUL Group's 26 branches nationwide.
- Installment receivables have surged, contributing to revenue and profit growth.



	25/3	YOY%
<b>Installment receivables</b>	<b>87.6bn</b>	<b>41.7%</b>
<b>Number of affiliated merchants</b>	<b>3,488</b>	<b>-5.9%</b>
<b>Operating revenue</b>	<b>7.8bn</b>	<b>43.6%</b>

# Credit/ Prepaid Card: Outline

## ● Credit Card (LIFECARD)

Focusing on credit card business, we are developing various payment businesses, including prepaid card business.



25/3

**GMV**  
(Gross Merchandise Value)

**¥2,084.0bn**

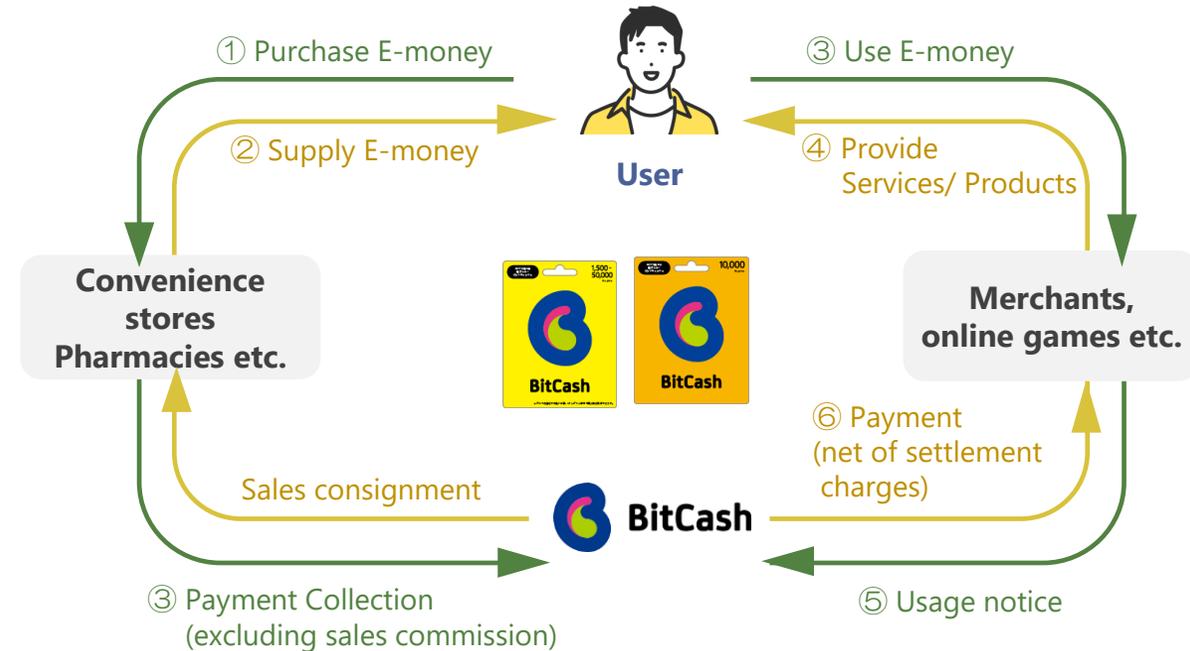
**Number of new card issue**

**516,000**

**Operating revenue**  
(LIFECARD)

**¥38.5bn**

## ● Prepaid card (BitCash)



25/3

**Number of Merchants**

**1,304**

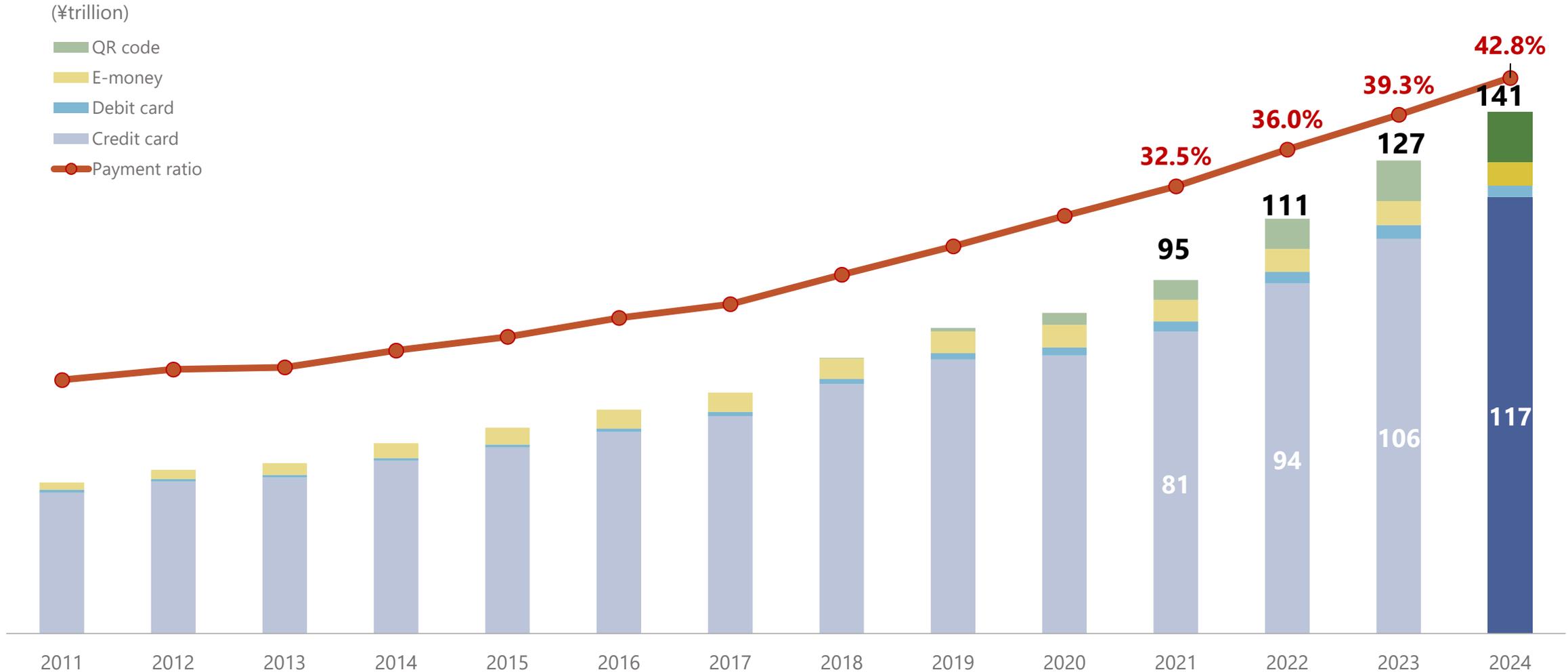
**Transaction amount**

**¥45.3bn**

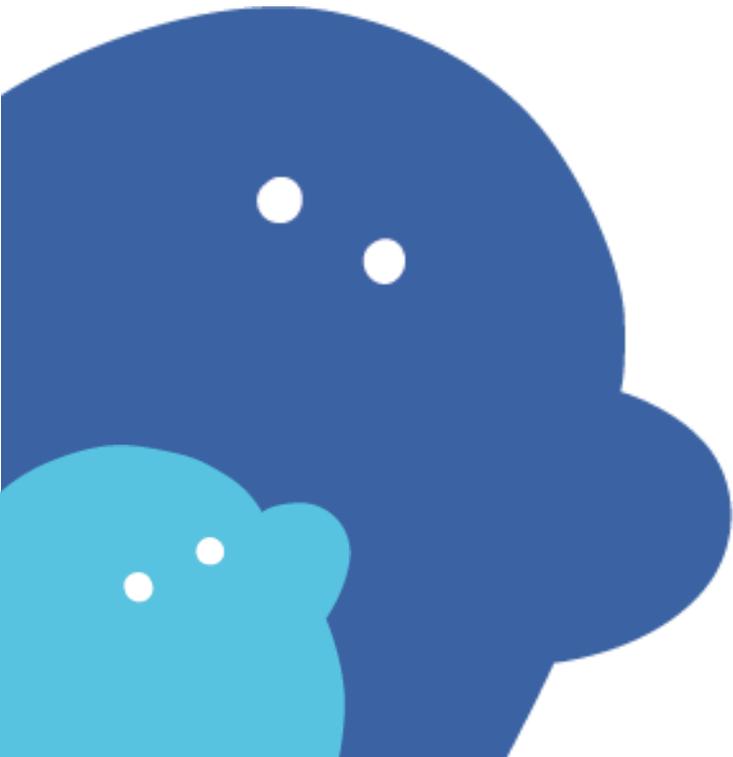
**Operating revenue**  
(BitCash)

**¥4.2bn**

# Credit/Payment Services: Cashless Payment Market



\* Source : Ministry of Economy, Trade and Industry



# 5 Appendix

# Appendix: History of Money Lending Industry

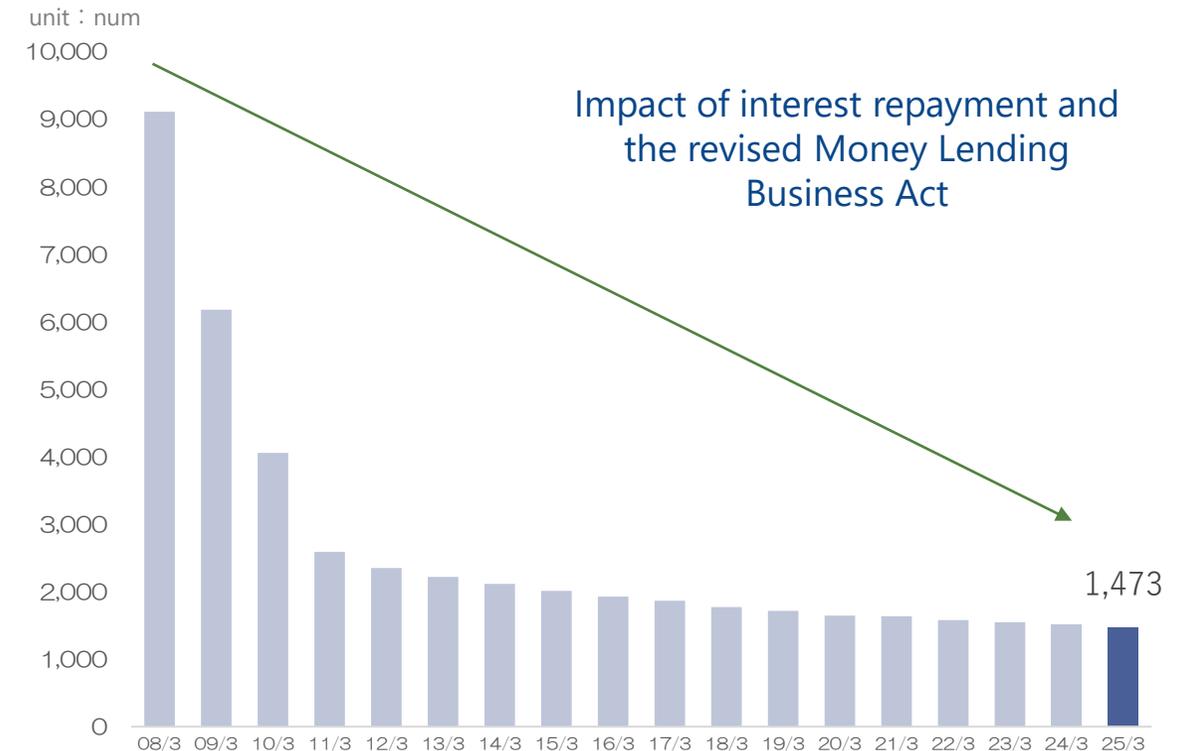
【Past】 An increase in interest repayments and revisions to the Money Lending Business Act led to a sharp decline in the number of money lenders and shrunk the consumer credit market in Japan.

【Present】 The Japanese consumer finance market is currently on a recovery trends and it is in an oligopoly state dominated by three major companies, including us.

## ● History 【Money lending industry in Japan】

- 2006 ● Supreme Court Decision on Interest Repayment Claims
- 2008 ● ACOM became MUFG's subsidiary  
Lake became Shinsei Bank's subsidiary
- 2009 ● AIFUL applied for Turnaround ADR
- 2010 ● Bankruptcy of Takefuji  
Enforcement of the revised Money Lending Business Act (restriction on total loan amount / maximum interest rate reduction / enhanced registration requirement (capital of 50 million yen or more is required) )
- 2011 ● PROMISE became SMFG's subsidiary (Currently SMBC Consumer Finance)
- 2014 ● AIFUL terminated Turnaround ADR

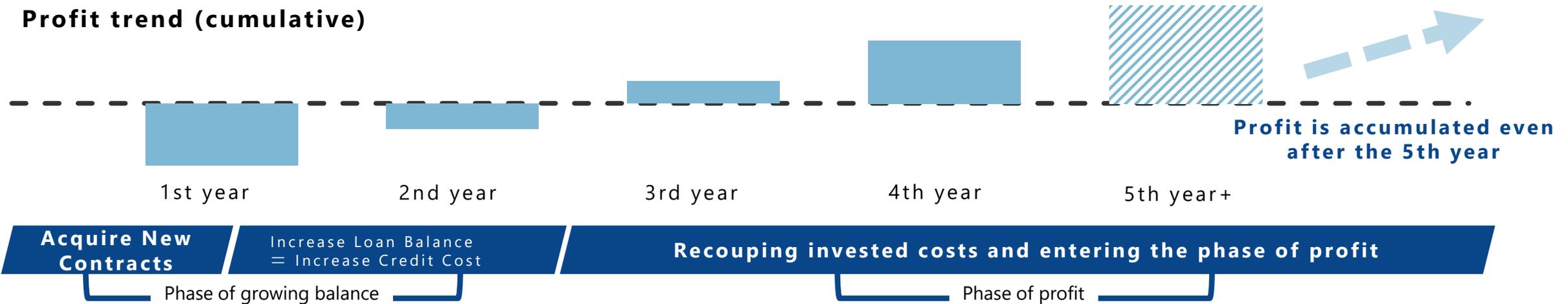
## ● Number of Registered Money Lenders 【Japan】



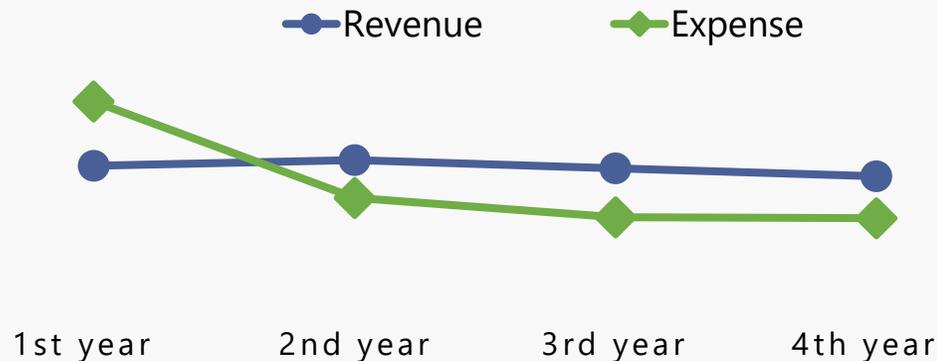
# Appendix: Payback Period for Unsecured Loans

- In the unsecured loan business, expenses are upfront and profit is realized in the 3rd year after the new customer is acquired.

## Profit trend (cumulative)



## Revenue and Expense trend after new customer acquisition (single-year)



### [Revenue]

In conjunction with the increase (credit expansion) in the loan balance, revenue peaks in the 2nd year and then gradually declines from the 3rd year onward.

### [Expense]

Peaks in the 1st year and declines from the 2nd year onward (due to posting advertising expenses in the 1st year and declining credit cost after its peak in the 1st year).

# Appendix: Other

## ● Analyst Coverage

<b>Company Name</b>	<b>Analyst Name</b>
SBI SECURITIES Co.,Ltd.	Wataru Otsuka
JPMorgan Securities Japan Co., Ltd	Koki Sato
Daiwa Securities Co. Ltd.	Kohei Sakamoto
Nomura Securities Co.,Ltd.	Cholchi Kwak
Mizuho Securities Co., Ltd.	Naruhiko Sakamaki

## ● Stock Information

Total number of shares authorized	1,136,280,000
Total number of shares issued	484,620,136
Number of shareholders	19,810

## ● Credit Rating

<b>Rating Agencies</b>	<b>Rating</b>
R&I	BBB+
JCR	A-

(As of FY2025/5)

## – Disclaimer –

- The figures contained in this presentation material with respect to AIFUL and AIFUL Group's plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of AIFUL and AIFUL Group which are based on management's assumptions and belief in light of the information currently available to it and involve risks and uncertainties. Therefore, actual results may differ from those in the forward-looking statements due to various factors.
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