INTEGRATED REPORT 2026

Muninova Holdings Inc.





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Introduction

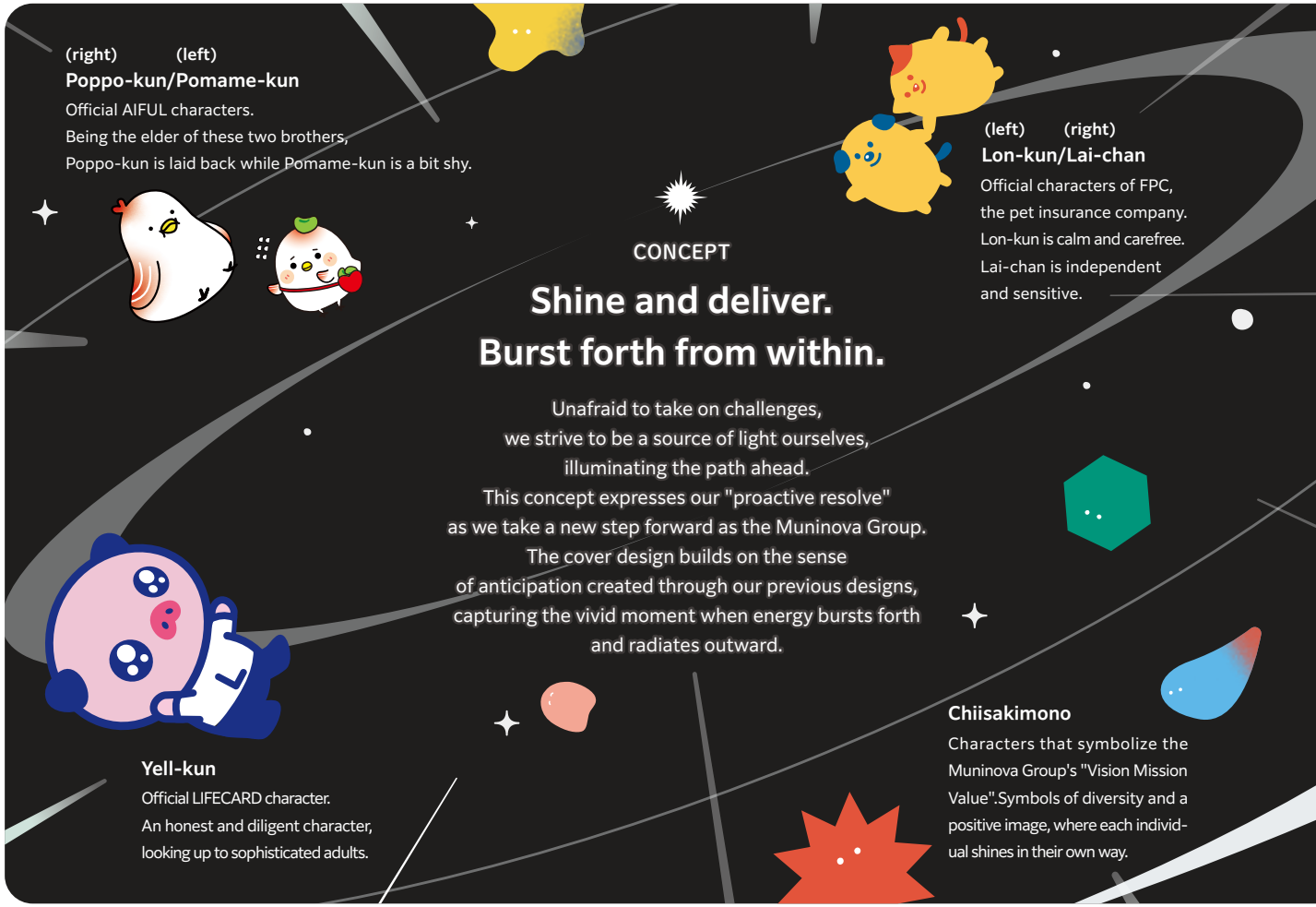
Editing Policy

To ensure that a broad range of stakeholders gain an accurate understanding of the Muninova Group, we actively engage in timely and fair information disclosure.
This Integrated Report aims to clearly communicate how we create sustainable corporate value. It highlights changes in the Muninova Group's business model, management strategies, and sustainability initiatives through a visual and accessible format to enhance understanding.

Scope of report	Muninova Holdings Inc. (including Consolidated and Non-consolidated Group Companies)
Period of report	Fiscal year ended March 2026 (Apr 1, 2025 -Mar 31, 2026) (Some information includes periods before and after the reporting period.)
Referred guideline	"International Integrated Report Framework", IFRS Foundation

Disclaimer

All statements regarding plans, policies, and other forward-looking information in this report are based on information available to the Muninova Group at the time of publication.
Such statements are subject to risks and uncertainties. Actual results may differ materially from the outlook due to changes in the economic environment, market trends, and other factors. Readers are advised to keep this in mind when reviewing the report.



Links

Muninova Group Website
https://www.muninova.co.jp/en/about/

IR Information
https://www.muninova.co.jp/en/ir/

Sustainability
https://www.muninova.co.jp/en/sustainability/

Corporate Philosophy 01

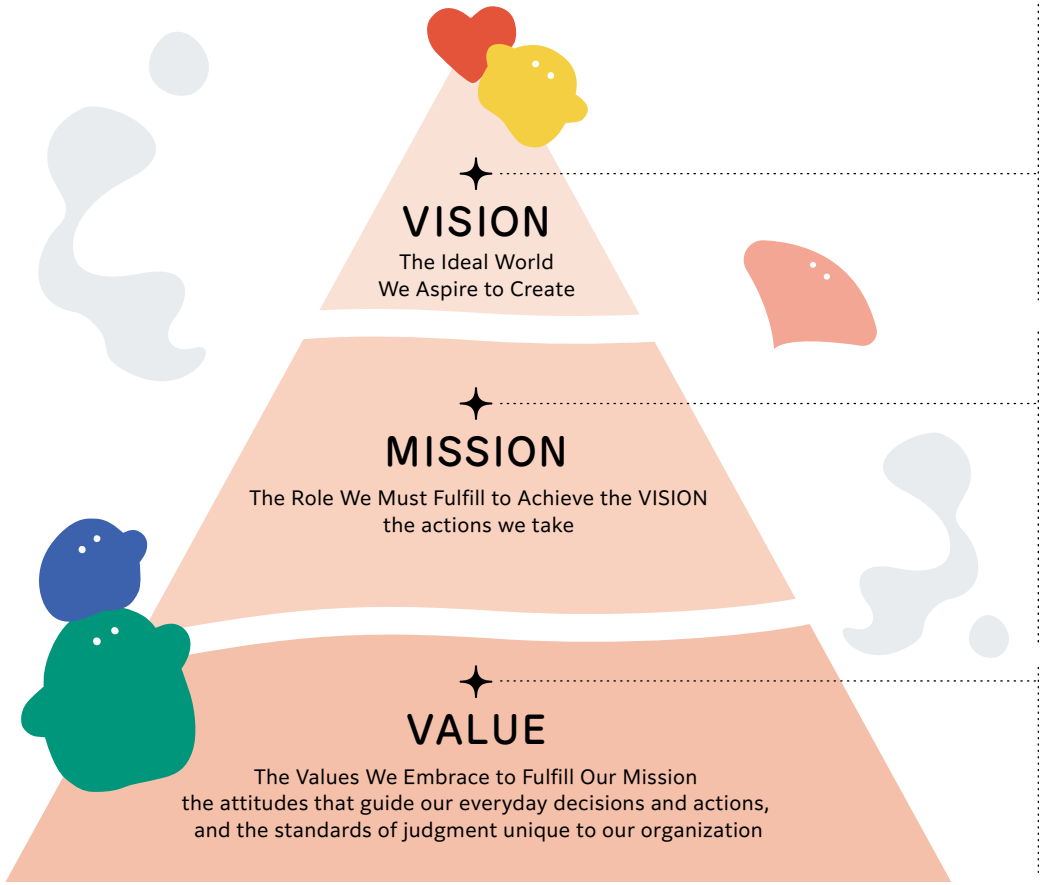
The Unchanging Foundation of the Muninova Group

[Earn the trust of society through corporate activity based in integrity]

Supporting our customers in their sound consumption and business activities and contributing to the economy and society.
This commitment lies at the heart of our Corporate Philosophy, which serves as the foundation for all our business activities.

Our Vision, Mission, and Values (VMV) provide the framework for putting our Corporate Philosophy into practice. To realize our Corporate Philosophy, the value we provide to customers and the way our employees act must remain consistent, even as society and the times change.

We have therefore established our VMV as a shared set of guiding principles that translates our Corporate Philosophy into concrete action.



For Colorful Life.

自分の色が輝く社会に

We believe that when each person brings their own unique colors to the world, society becomes brighter and more vibrant.
To create a future where everyone can live authentically, we honor and celebrate the individuality of every person.

We go beyond customers' expectations.
Go beyond
Always put ourselves in our customers' shoes and act with speed and commitment to continually exceed their expectations.

We work towards a better tomorrow.
Step forward
Continuously improve what we do to contribute to a better tomorrow for more people.

We respect each other's individuality.
Be unique
Respect each other' s individuality and continue to create diverse forms of value.

Sincerity
Be honest

Effort
Try harder

Trust
Build relationship

Gratefulness
Be grateful

Corporate Philosophy 02

Vision

- Being true to myself
- Being accepted for who I am
- Feeling that I am making a difference for others

Mission

- Creating Value Beyond Expectations
- Continuous Improvement and New Challenges
- Creating Results Through Collaboration

Value

- Episodes introducing experiences that embody Be honest, Try harder, Build relationship, and Be grateful

MUNINOVA

Each Individual's Challenge Changes the Future

Stories of Employees who Embody Vision, Mission, and Value

The Group places its Vision, Mission, and Values (VMV) at the heart of its business activities.

In a survey conducted among all Group employees, we received a wide range of stories demonstrating how employees put our VMV into practice, from delivering value to customers and improving operations to taking on new challenges.

The collective actions of each employee contribute to creating value for our customers and driving organizational growth, while shaping a corporate culture that is uniquely Muninova.

Drawing on my experience in sales and collections, I approach credit assessment by asking, "How can we make this work?" I feel that **my own perspective** is creating value for both our organization and our customers.

In an environment where we are encouraged to share ideas, I have worked with colleagues through trial and error to improve our operations. This experience has shown me **how diverse perspectives can lead to better results**.

I had the opportunity to speak directly with senior management about challenges we were facing on the front line, and our feedback led to tangible results. In an environment where every individual's voice is valued, I feel free to take on challenges **while staying true to myself**.

I organized study sessions on the use of AI to encourage employees to explore new technologies. I feel that taking action in **my own way** is contributing to the growth of the organization.

We have an environment where everyone can voice their ideas, **regardless of position**, and take ownership of putting them into action. I find it especially rewarding when my proposals lead to improvements across the organization.

Having my manager recognize **my individuality as a strength** gave me the confidence to engage with customers. I feel that **being myself** helps me build relationships of trust with them.

Using information provided by a customer as a starting point, I conducted my own research and identified **a new sales opportunity** that ultimately led to a loan.

I reviewed our business processes and significantly increased processing capacity. This also helped reduce customer inquiries, enabling us to **improve both quality and efficiency**.

Drawing on the fresh perspective I gained after transferring to the department, I proposed improvements to address issues I identified and introduced a mechanism to prevent errors. This has helped **create a better working environment for everyone**.

We digitalized various procedures for international customers, reducing the burden on both customers and employees. This has improved customer convenience and **operational efficiency**.

I took on the challenge of developing a new AI-powered development process, **improving both development speed and quality** and enabling us to deliver value faster.

I worked with sales offices nationwide to implement initiatives for merchants. **Collaboration across organizational boundaries** helped us deliver results.

Be honest
Even in cases where requests had to be rejected and we failed to meet customers' expectations, they appreciated **my sincere attitude** and I still remember being thanked for my effort.

Be grateful
I will never forget my experience when I **continued to offer support** to my junior colleague with anxiety; as a result, he was able to gain confidence and performed well, and later I received words of gratitude from him.

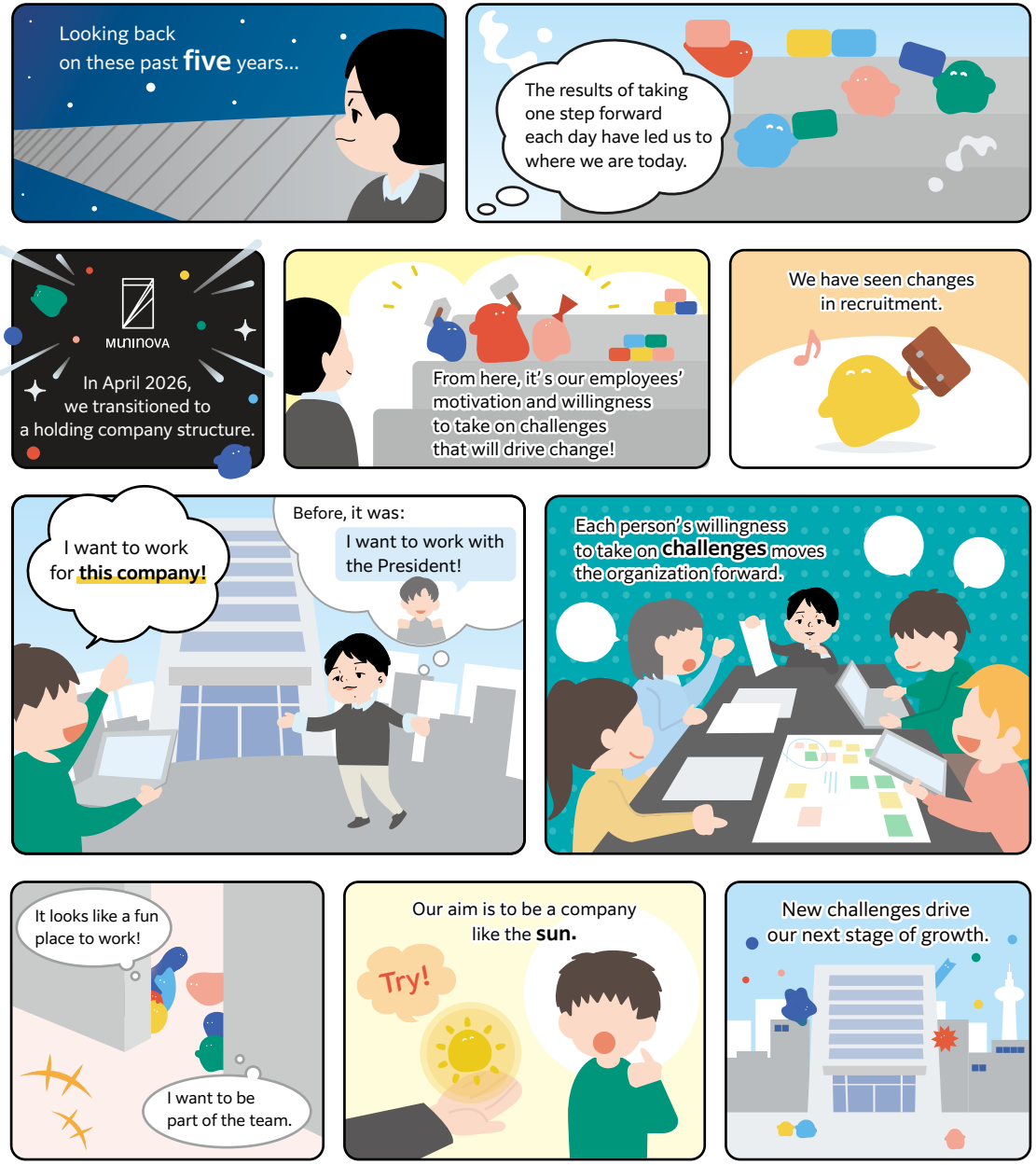
Build relationship
I have come to realize **that honest, day-to-day interactions** have built relationships that make customers feel, "I want this person to handle my case."

Try harder
When I introduced a system to improve operational efficiency, my colleagues told me that it had made their work easier. Their appreciation made me **realize the value of taking on new challenges**.

Build relationship
As a result of **always striving to act honestly**, I continued to earn words of trust from customers even after I was transferred to a new position, and I once again realized how much human connections matter.

Be honest
Even when we cannot meet a customer's request, I want to value **relationships where people can easily consult with me**, by carefully explaining the reasons and offering alternatives.

Rebuilding Our Organization and Human Capital Strategy



Change Built One Step at a Time

Looking back on the five years since I became President, I do not think the Company changed dramatically overnight. Rather, where we are today is the result of everyone steadily doing what needed to be done, day after day. Instead of making one major change in direction, we have simply kept moving forward, one step at a time.

We transitioned to a holding company structure in April 2026, but I believe the changes that will shape our future will come from the accumulated motivation and willingness of each and every employee to take on new challenges.

From "I Want to Work with the President" to "I Want to Work for This Company"

One change that has made me particularly happy recently has been in recruitment. Talented students from leading universities who had worked with us part-time in areas such as data analytics and engineering are now choosing to join us because they genuinely want to work for this company. We did not undertake any special recruiting efforts to persuade them. What pleased me most was that they saw something attractive in the Company themselves and chose to knock on our door.

In the past, some people would say, "I want to work with you." Today, more and more people are saying, "I want to work for this company." I believe that is a significant change.

We have also continued to improve our approach to people and talent, including giving new employees the opportunity to express which areas they would like to challenge themselves in when they join the Company. Rather than the success of any single special initiative, I believe this change is the result of the many small steps we have taken to make the Company better.

It All Comes Down to People' s Motivation

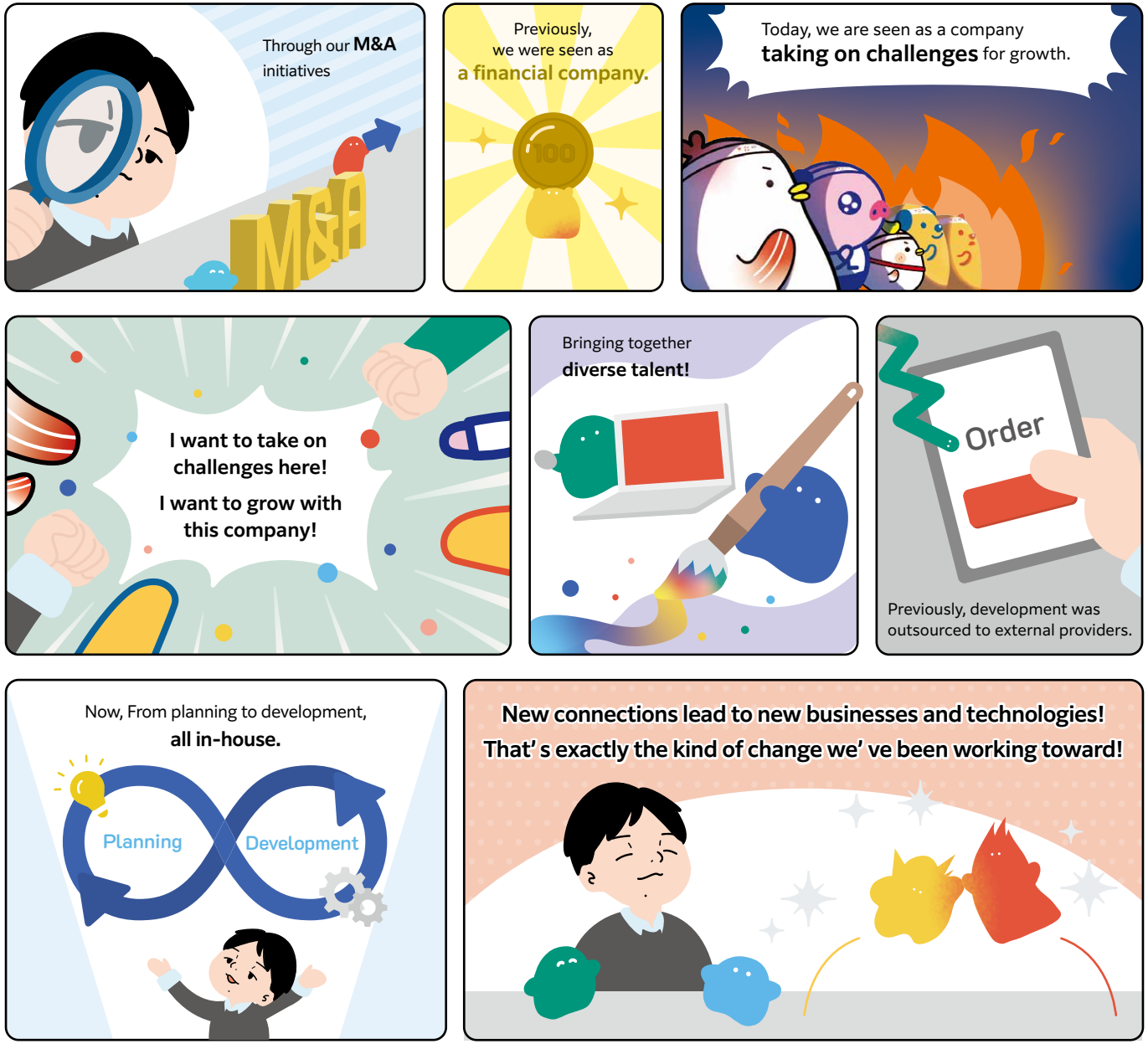
Ultimately, I believe it all comes down to people' s motivation. My ideal organization is a lively group of people who freely exchange ideas with one another—almost like friends having an animated conversation around a table. That kind of energy naturally reaches people outside the Company as well. I want to create an organization that makes people think, "That looks like a fun company to be part of," and "I' d like to join them," drawing more people to us.

At the same time, being enjoyable is not enough. I want each person to flourish in a way that reflects their own role and responsibilities. The kind of company I aspire to create is like the sun, not the north wind—one that does not force people to act, but instead creates an environment where each individual naturally wants to take action.

My role is to provide the environment and the stage, and then enable people to perform to the best of their abilities. I want us to be a company that actively entrusts younger employees with important projects. Talented people naturally want to gain meaningful experience early in their careers. We therefore aim to be an organization where opportunities are determined not by age or length of service, but by each person's motivation and capabilities.

There is a saying in Japan that "responsibility helps people grow," and I have seen many people develop significantly when entrusted with positions of real responsibility. Going forward, I want to continue expanding opportunities for each individual to thrive and build a company where people can grow.

Business Transformation for Growth 01



How M&A Has Changed the Way We Are Seen from Outside the Company

Since we began actively pursuing M&A in recent years, I feel that the way people outside the Group see us has also begun to change.

We are now approached by a growing number of companies asking to meet with us, saying things like, “Could we do something together?” or “We’d like to hear more about what you’re doing.” In the past, I think we were seen primarily as a financial services company. Today, however, I believe we are increasingly seen as a company taking on new challenges for growth. To me, this change also reflects growing interest in and expectations for Muninova.

I want Muninova to be a company where people who join the Group through M&A naturally feel, “I want to accomplish something together with this company,” and “I want to take ownership of its growth.”

Becoming a Company That Plans and Builds In-House

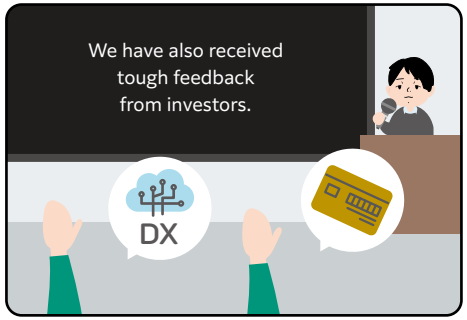
Among the initiatives set out in our Medium-Term Management Plan, one of our major achievements has been the progress we have made in recruiting engineers and designers. In the past, outsourcing system development was simply the norm.

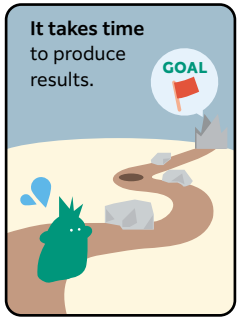
Today, however, we are steadily building the capabilities to plan and develop AI applications ourselves. Looking back, there was a time when it was difficult to gain understanding of why we needed engineers and designers. But we continued to push forward without giving up, and those efforts are now beginning to bear fruit.

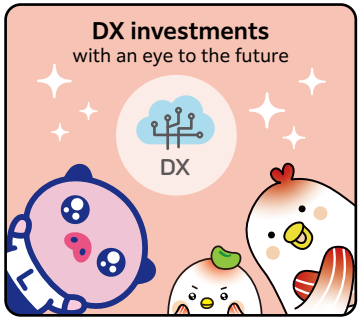
For example, some of the people now involved in developing our AI applications first worked with us part-time, while others came to know us through a hackathon we held several years ago. Those encounters developed into lasting connections with people who came to think, “I want to work for this company.” Today, they have become an important part of the talent supporting our businesses.

Investing in people is not simply about increasing headcount. New connections with people can lead to new businesses and technologies, becoming a driving force behind the Company’s growth.I believe this is exactly the kind of change we have been working toward.

Business Transformation for Growth 02



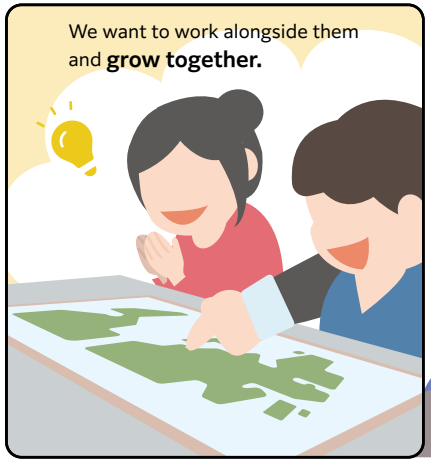


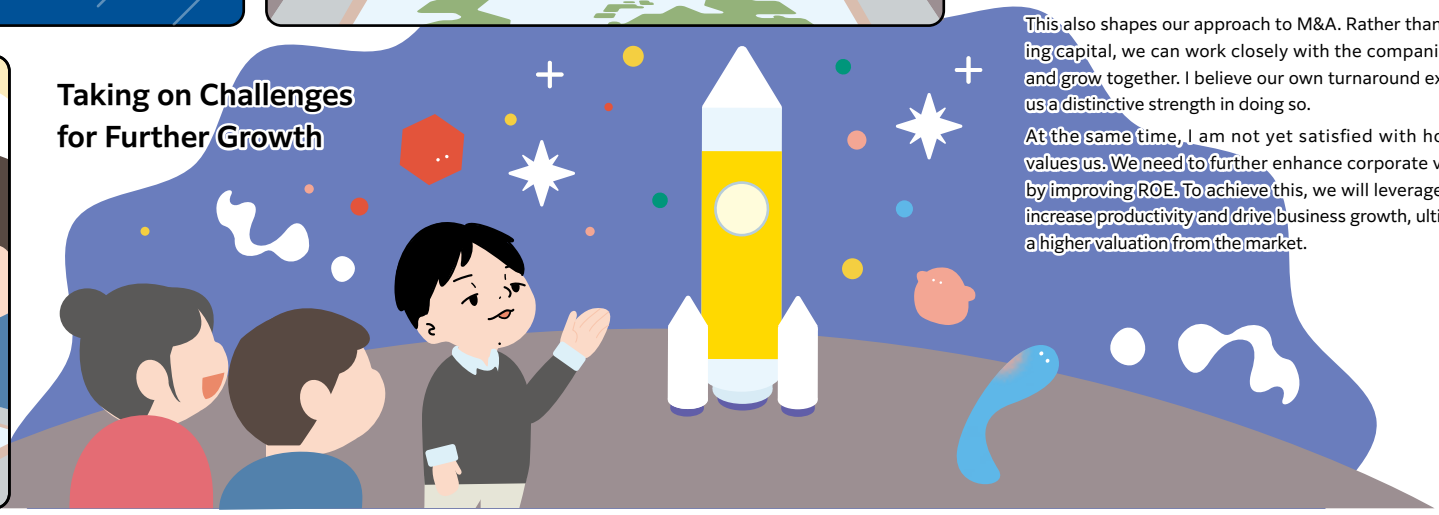












Investing in Future Competitiveness, Not Short-Term Profits

We sometimes receive tough feedback from investors about our card business, as well as questions about the progress of our DX investments.

It certainly takes time for these efforts to produce results, and there are times when progress can feel frustratingly slow. Nevertheless, I believe in the future potential of our card business. Likewise, our DX investments are about more than simply reducing costs.

By building the capabilities to plan and develop products ourselves, we can make our businesses more agile and strengthen our competitiveness for the future. We will continue to make the investments necessary to achieve this.

The Strength That Comes from Our Own Turnaround Experience

One of our greatest strengths is that we overcame the major change in our business environment caused by claims for interest repayment through our own efforts. In other words, we are a company that has been through a turnaround ourselves. That experience gives us a genuine understanding of the challenges faced by companies working to improve their management and revitalize their businesses.

This also shapes our approach to M&A. Rather than simply investing capital, we can work closely with the companies we invest in and grow together. I believe our own turnaround experience gives us a distinctive strength in doing so.

At the same time, I am not yet satisfied with how the market values us. We need to further enhance corporate value, including by improving ROE. To achieve this, we will leverage technology to increase productivity and drive business growth, ultimately earning a higher valuation from the market.

Taking on Challenges to Enhance Corporate Value



To Remain a Company That Continues to Take on New Challenges

I feel that, little by little, we are getting closer to the kind of company we have been striving to become. But there is still much more I want to achieve. Our corporate culture is steadily changing, our people are growing, and our businesses are moving forward. At the same time, we have not yet reached where we truly want to be. I believe it will take at least another five years to realize that vision. That is precisely why I have such high hopes for what lies beyond.

What I want to build is not a company where people simply say, "I want to work with the President," but one with many leaders who inspire people to say, "I want to work with this executive," or "I want to work with this general manager." I want to create an organization where every employee takes pride in the Company, thinks for themselves, speaks up, and continues to take on new challenges. Good companies naturally attract people. When people come together, new challenges emerge, and those challenges drive business growth. I believe that, over time, this virtuous cycle ultimately leads to greater corporate value.

My goal is to create a company where every individual can flourish and realize their potential. Like the sun rather than the north wind, we will continue to create an environment that naturally inspires people to look ahead and take the initiative to grow and embrace new challenges.

Although the market environment continues to change, I believe there remains room for further growth in our unsecured loan business through advances in digital marketing and credit assessment capabilities. Our credit assessment and collection expertise, built over many years, is also a significant competitive advantage and will remain an important strength supporting stable profit growth.

At the same time, to enhance corporate value over the long term, we cannot rely solely on the unsecured loan business. It is essential that we develop businesses such as credit cards, credit guarantees, payments, and overseas operations, and evolve toward a diversified business portfolio with multiple pillars of earnings. We will continue to use the unsecured loan business as a foundation for growth, while leveraging the earnings it generates to invest in new business areas.

We will continue to take on new challenges as we strive to build a corporate group capable of sustainable growth over the next 10, 20 years, and beyond. I hope you will look not only at our current performance, but also at the growth strategy that will shape our future.

Human Resource Strategy: Establishing New KPIs

Long-term Vision

Toward the Realization of Our Long-Term Vision:
"Aiming to Become a Company that Lasts 100 Years"

Key Initiatives for Achieving Our Long-Term Vision

Promoting M&A × Reforming the cost structure × Bringing system development in-house

Conducting an organizational survey to understand current gaps

- Insufficient challenge and growth opportunities for next-generation management
- New employees experiencing a sense of exclusion
- Limited motivation among women to pursue promotion

Requirements for achieving the medium- to long-term plan

- Next-generation management must perform even more actively for future growth
- New employees being welcomed and included in the organization
- Diverse talent reaching their full potential

Priority issues and KPIs

Newly established to strengthen alignment between management strategy and human resource strategy

1. Succession Score
2. Inclusion Score
3. Woman's Career Advancement Score

Contribution to Corporate Value

- Greater certainty in executing growth investments
- Greater likelihood of successful PMI
- Improved productivity and profitability

Muninova Group's Human Resource Strategy



Managing Executive Officer
In charge of Personnel Department
Muninova Holdings
Yorihiro Fujii

To realize our goal of becoming a company that will thrive for 100 years and beyond" , the Group is pursuing management strategies including M&A and in-house system development. Strengthening our people and organization is essential to executing these strategies and achieving sustainable growth in corporate value. This fiscal year, we conducted analyses and surveys to further advance our human capital management.

The results revealed room for improvement in leading indicators that conventional outcome-based metrics, such as the percentage of women in management positions, do not fully capture. These include opportunities to take on challenges, a sense of inclusion within the organization, and motivation for career advancement.

In response, we introduced three new KPIs—the Succession Score, Inclusion Score, and Women's Career Advancement Score—to better understand the state of our people and organization.

Going forward, we will focus on systematically developing next-generation management candidates, and creating an environment where diverse talent can reach their full potential. Through these initiatives, we will strengthen our human capital and drive sustainable growth in corporate value.

Talent Development Framework

The Group drives to create an environment in which diverse human resources can learn proactively by leveraging their experience and expertise and continue taking on new challenges. As a financial services company, we continuously provide practical training in credit screening and risk management, as well as compliance and risk management education, to enhance each employee' s compliance awareness and judgment. We are also implementing the following talent development measures to improve productivity and create value across the organization.

Compliance Training	Training sessions to promote understanding of laws and internal rules and foster an appropriate workplace environment
Business Fundamentals Training	Systematic development of fundamental business skills, including business etiquette, communication, business writing, presentation, finance, and marketing
Management Training	Training programs to strengthen management, problem-solving, leadership, and people development skills
Self-Development Support	On-demand e-learning content tailored to employees' roles and career development needs

Through these initiatives, we will enhance the expertise and judgment of each employee while continuing to evolve into an organization where diverse talent can thrive. By translating these efforts into greater productivity and profitability, we aim to enhance corporate value and realize our long-term vision of becoming a company that will thrive for 100 years and beyond.

NEXT KPIs and Progress Overview

Human Resource Strategy: KPIs and Progress Overview



Based on the human capital KPIs newly established in this fiscal year, this page lists the current status, measures, and targeted organizational changes for each priority issue. We position these KPIs not merely as tools for managing figures, but as indicators for continuously tracking progress on human capital issues and for identifying measures for improvement.

Key Indicators (KPI)	Current ▸ Target	Current Status	Measures · Initiatives	Desired Organizational Outcome
① Development of Next-Generation Management Candidates NEW Succession Score P.58	28.0% ▶ **75.0%**	While there is a readiness to lead the business, there is room for improvement in opportunities for challenge and experience 76% of candidates indicated a lack of opportunities for challenge and growth	Strengthening the identification of candidates, strategic assignments, management-level human resource development training, and dialogue with the president and management team	Human resources capable of leading the business are continuously being nurtured, strengthening decision-making ability and transformation drive
② Enhancing Inclusion NEW Inclusion Score P.60	41.3% ▶ **75.0%**	Creating an inclusive environment where diverse talent, including mid-career hires and employees who joined through M&A, can thrive. Further enhancing the inclusion of employees who joined through M&A remains a key challenge. 71.4% of employees who joined through M&A indicated a lack of opportunities for exchange across the Group	Participation in onboarding, cross-Group projects, and recruitment activities, and increasing opportunities for award programs and dialogue	Diverse human resources demonstrate their capabilities faster and strengthen our ability to execute M&A and business expansion
③ Supporting Women's Career Advancement NEW Women's Career Advancement Score P.62	50.5% ▶ **75.0%**	Only 48% of women wish to be promoted, indicating room for improvement in both the desire for promotion and the support environment after promotion a leading indicator that precedes the percentage of female managers	Supporting diverse work styles, including provision of career development training for female executives, introduction of department manager roles within regionally limited work courses, and support for childcare and caregiving	Female employees design their own careers positively and take on challenging and responsible roles
Existing KPI ④ Percentage of Women in Management Positions P.62	9.6% (The previous year 6.3%) ▶ **20.0%** (FY2031/3)	Up a steady 3.3 percentage point year on year. In combination with the Woman's Career Advancement Score, progress is monitored from both desire for promotion and actual appointments	Expanding the pool of management candidates, supporting promotions, and making role models more visible	Diverse human resources take on management roles, expanding the pool of management candidates

*The Woman's Career Advancement Score (3) (the percentage of women who desire to be promoted) is a leading indicator that precedes the percentage of female managers (4). By monitoring desire for promotion (3) and promotion results (4) together, we manage progress on women's empowerment from multiple perspectives.

Summary of Human Resource Strategy Chapter

The Group aims to achieve sustainable growth in corporate value by promoting M&A and reforming its cost structure through in-house system development. To effectively execute these management strategies, we must strengthen the people and organization that underpin them.

This fiscal year, through our employee survey, we identified three key challenges: opportunities for next-generation management candidates to take on challenges, the inclusion of mid-career hires and employees from acquired companies, and women's motivation for career advancement. We established KPIs for each of these areas. Together with the percentage of women in management positions, which we have continuously disclosed, these KPIs will serve as a guide for measuring progress in our human capital management.

We believe we must move beyond past successes and established practices and evolve our people and organization for the next stage of growth. By addressing these challenges head-on and steadily implementing concrete initiatives, we will build a resilient organization where people are continually empowered to take on new challenges, thereby driving sustainable growth in corporate value over the medium to long term.

Interview with Outside Directors 01



Outside Director Muninova Holdings
Shinichiro Maeda

Profile

1992/4	Joined Nomura Research Institute, Ltd.
2004/1	Head Researcher, Senior Analyst of Financial & Economic Research Center of Nomura Securities Co., Ltd
2015/4	Professor of Department of International Business Management, Faculty of Business Management, Meijo University
2022/6	Outside Director of AIFUL (Audit and Supervisory Committee Member) (Current)
2025/3	Associated Professor of Faculty of Economics, Kyushu University (Current)
2026/4	Outside Director of Muninova Holdings (Audit and Supervisory Committee Member) (Current)



Outside Director Muninova Holdings
Ayako Kitazawa

Profile

1997/4	Joined Lehman Brothers Securities Co., Ltd.
2000/3	Joined Merrill Lynch Japan Securities Co., Ltd. (Current BofA Securities Co., Ltd.)
2012/2	Joined Simplex Advisors Co., Ltd. Managing Director (Current)
2025/6	Outside Director of AIFUL (Current)
2026/4	Outside Director of Muninova Holdings (Current)

Interviewer



Operation Management Department (IR)
Muninova Holdings
Shoki Aburaki



Aburaki

Please tell us about the background to your appointment as an Outside Director.



Maeda

My relationship with the Company dates back to 1993. At the time, I was working as a securities analyst and was involved in the stock listings of nonbank financial companies. I remember working diligently to explain the nonbank sector to investors in Japan and overseas, seeking to bridge the gap between the realities of the industry and investors' perceptions. I later pursued an academic career and subsequently had the opportunity to speak with members of the founding family, which eventually led to my appointment as an Outside Director of the Company.



Kitazawa

My relationship with the Group dates back to around 1997. At the time, I was responsible for the banking and nonbank sectors at a foreign investment bank, where I began my career after graduating from university. It was a time when the Company and other nonbank financial companies were beginning to introduce new financing methods, such as issuing corporate bonds to overseas institutional investors. I am currently engaged in M&A at a boutique firm and was subsequently appointed as an Outside Director of the Company, with which I have had a connection since the early days of my professional career.



Aburaki

Looking back over the past year, were there any discussions or themes at Board of Directors meetings that were particularly memorable?





Maeda

One topic was the **transition to a holding company structure**. In April 2026, the Group transitioned to a holding company structure with Muninova Holdings as the holding company. Today, many companies adopt holding company structures, but this transition has provided a valuable opportunity to consider the significance of holding company management from within the organization. While there are many precedents for holding company management in the banking industry, the Company is pursuing its own approach to management as a financial group outside the banking sector. We aim to **manage the Group across organizational boundaries, viewing it not only in terms of individual companies but also from a functional perspective.**



Aburaki

How are discussions at the Board of Directors conducted from the perspective of shareholders and investors?





Kitazawa

In deliberations on M&A and business diversification, the point I place the greatest emphasis on is **whether the investment can generate returns commensurate with the cost of capital and contribute to medium- to long-term enhancement of corporate value.** At Board of Directors meetings, we do not limit our discussions to whether an investment is in a growth field. We thoroughly discuss **its positioning within the Group's overall business portfolio and whether we can clearly and convincingly explain the rationale for the investment to shareholders and investors.** Drawing on my practical experience, I actively express my views on the validity of the underlying assumptions and valuations for each transaction, as well as the adequacy of disclosure and explanations from an investor's perspective.



Maeda

Discussions at Board of Directors meetings cover a wide range of topics, but they are always conducted **with the perspectives of shareholders and investors in mind.** These discussions are underpinned by the Medium-Term Management Plan. Under the current plan, the Group sets out its capital policy for allocating capital to growth investments and shareholder returns, taking into account the level of shareholders' equity required. The Group is once again in a growth phase. While actively pursuing investments, we are also working to enhance shareholder returns. At the time of the financial results announcement in May 2026, we announced a dividend increase and disclosed our policy of raising the total payout ratio to approximately 30%. I would also like to **further deepen our dialogue with shareholders and investors.**



Aburaki

The Group has transitioned to a holding company structure. From the perspectives of risk management and governance across the Group, what points do you pay particular attention to or focus on?



Kitazawa

The transition to a holding company structure is an effective framework for **balancing swift decision-making by each business with optimization across the Group.** At the same time, as an Outside Director, I believe we must pay particular attention to **whether the holding company has a clear understanding of risk management at the operating companies and the progress of key initiatives.** While authority is being delegated to operating companies, it is essential to ensure that unified risk management standards and monitoring functions are firmly in place across the Group. In particular, for important initiatives such as M&A and investments in new businesses, it is necessary to establish a process that enables the holding company's Board of Directors to review such initiatives from an independent and objective perspective. Rather than simply accepting reports from operating companies at face value, I will maintain rigorous oversight by examining whether risks have been sufficiently identified and whether decisions contribute to capital efficiency and corporate value across the Group.

Interview with Outside Directors 02



Aburaki

What are your thoughts on the Group's approach to risk and the nature of your involvement in risk oversight?

Maeda

Unlike ordinary operating companies, risk-taking is a fundamental source of returns for financial companies.

The Group has accumulated extensive experience in collecting, analyzing, and assessing information on borrowers' repayment capacity. This information-gathering and analytical capability is one of the Group's strengths and a source of competitive advantage. In recent years, M&A investments, including those outside the financial sector, have increased, and I recognize that the nature of the risks the Group takes is changing.

Going forward, I believe the key will be **taking appropriate risks based on a clear understanding of the nature of each business, supported by rigorous risk management.**

Aburaki

As the Group's first female officer, what are your thoughts on women' s advancement and diversity within the organization?

Kitazawa

At present, the Company has not yet appointed a female officer from among internally promoted employees. However, we are seeing a growing number of promising and highly capable women at the section manager and department manager levels, and I have high expectations for their future career development and advancement into leadership positions.

As part of our efforts to strengthen human capital, the Group has also introduced new KPIs, including the Women' s Career Advancement Score and the ratio of women in management positions. I believe these are not merely numerical targets, but important indicators for assessing whether we are creating an environment in which female employees can proactively shape their careers and thrive as managers and future management leaders. At the same time, I believe the essence of promoting diversity is not simply to set numerical targets for specific attributes, but to create an environment in which people with diverse backgrounds are fairly evaluated and can fully leverage their individual strengths. The Group has employees with diverse nationalities and career backgrounds, and this diversity is a source of sustainable growth. We will continue to foster a culture in which motivated and capable people are fairly evaluated and empowered to realize their full potential.

Aburaki

The Board of Directors includes Outside Directors with a wide range of backgrounds. How do you feel your own expertise is being utilized?

Maeda

The presence of Outside Directors with expertise in a wide range of fields, including management, legal affairs, accounting, global business, and M&A, broadens the scope of discussions at Board of Directors meetings. Drawing on my experience as a securities analyst in Japan and overseas, I participate in discussions primarily **from a capital markets perspective and with an understanding of how investors evaluate companies.** I also provide feedback on the Integrated Report and IR materials from an investor' s perspective, considering which information is easiest to understand and which indicators are most persuasive.

At the same time, I would like to contribute to incorporating a global perspective into management through dialogue with the capital markets.

Kitazawa

The Company's Board of Directors is composed of members with diverse expertise in areas such as legal affairs, accounting, financial markets, and corporate management. Within this structure, I believe my primary contribution is bringing a practical, on-the-ground perspective to M&A and business investments. M&A requires comprehensive judgment not only regarding strategic significance, but also across financial, tax, and legal considerations, as well as the operational structure after acquisition. In actual deliberations, in addition to qualitative factors such as growth potential and strategic fit, I raise questions focusing on the feasibility of expected synergies and the specific framework for monitoring post-acquisition performance. Combined with the perspectives of other Outside Directors, I believe this contributes to multifaceted and in-depth discussions.

Aburaki

As an Outside Director, what areas would you like to focus on going forward?

Maeda

First, as an outside Audit & Supervisory Committee Member, **I will fulfill my role of overseeing business execution from a broad perspective, taking into account changes in society as a whole.** At the same time, while maintaining my independence as an Outside Director, I would like to support management's decision-making and contribute to enhancing corporate value. One of the things I find appealing about the Group is its culture of embracing external opinions and different perspectives. Building on this culture, I believe the Group has a distinctive path to growth by expanding its ability to gather and leverage information beyond the traditional boundaries of the financial industry. At a time when social conditions and values are changing significantly, I will bring a broad and objective perspective to Board discussions and support management decisions that contribute to sustainable growth.

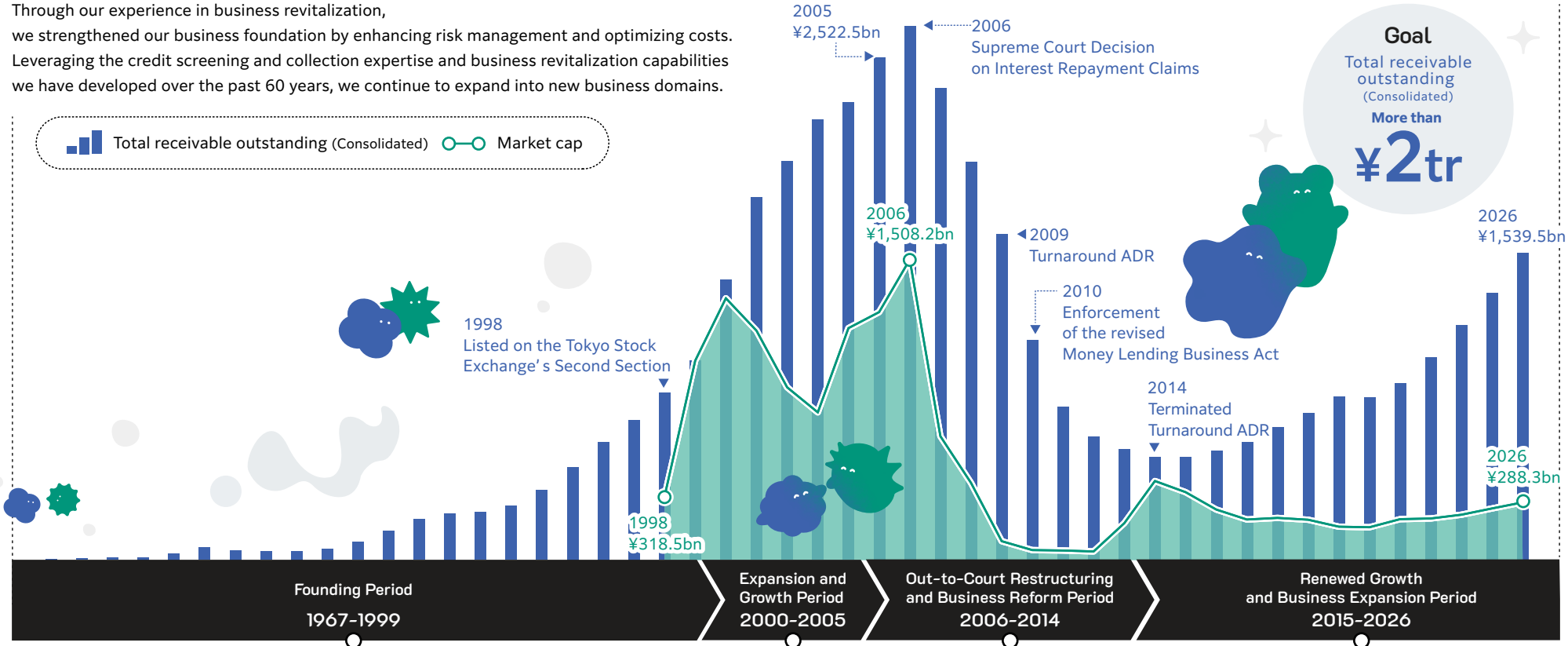
Kitazawa

As the Group continues to diversify its businesses, I would like to focus on **enhancing the transparency of the investment process and strengthening post-acquisition monitoring.**

In particular, **preventing conflicts of interest and ensuring transparency in decision-making are essential** when executing M&A and other transactions. If a company with which I am affiliated may be involved in a transaction under consideration by the Company, I will recuse myself from the relevant deliberations and resolutions and follow appropriate procedures to prevent any conflict of interest, thereby ensuring rigorous governance. By supporting management in taking appropriate risks and pursuing new challenges, while raising questions from an objective and practical perspective, I will contribute to enhancing the Group' s corporate value.

Our Journey of Value Creation

Through our experience in business revitalization,
we strengthened our business foundation by enhancing risk management and optimizing costs.
Leveraging the credit screening and collection expertise and business revitalization capabilities
we have developed over the past 60 years, we continue to expand into new business domains.



Growth driven by the expanding consumer finance market

1967 Founded Matsubara Sangyo, the predecessor of AIFUL, as a consumer finance business
1978 Established Marutaka (now AIFUL)
1984 Launched real estate-secured loans
1995 Installed an automated loan contract
1998 Listed on the Second Section of the Tokyo Stock Exchange

Nationwide expansion and establishment of the brand

2000 Total receivables reached ¥1 trillion Listed on the First Section of the Tokyo Stock Exchange
2001 Made LIFE a subsidiary
2002 Launched the credit guarantee business
2005 Total receivables reached : ¥2,522.5 billion
Ordinary profit reached : ¥135.2 billion

Business revitalization

2006 Industry conditions changed significantly following a Supreme Court ruling on claims for interest repayments
2009 Applied for business revitalization ADR
2010 Full enforcement of the Revised Money Lending Business Act
2011 Implemented a group reorganization
2014 Completed the business revitalization ADR process
Established AIRA & AIFUL Public Company Limited in Thailand

Establish a Stable Earning Base

2019 Repositioned manned branches as sales hubs for Group products and promoted cross-selling
2021 AG MEDICAL CORPORATION commenced operations
2023 Strengthened the M&A strategy (Acquired shares in FPC, Seven Seas and Liblock)
2024 Announced the Medium-Term Management Plan 2024 (Acquired shares in BitCash and Salop)
2025 Acquired shares in TEMPLATE and Smart Link
2026 Transitioned to a holding company structure with the establishment of Muninova Holdings Inc.

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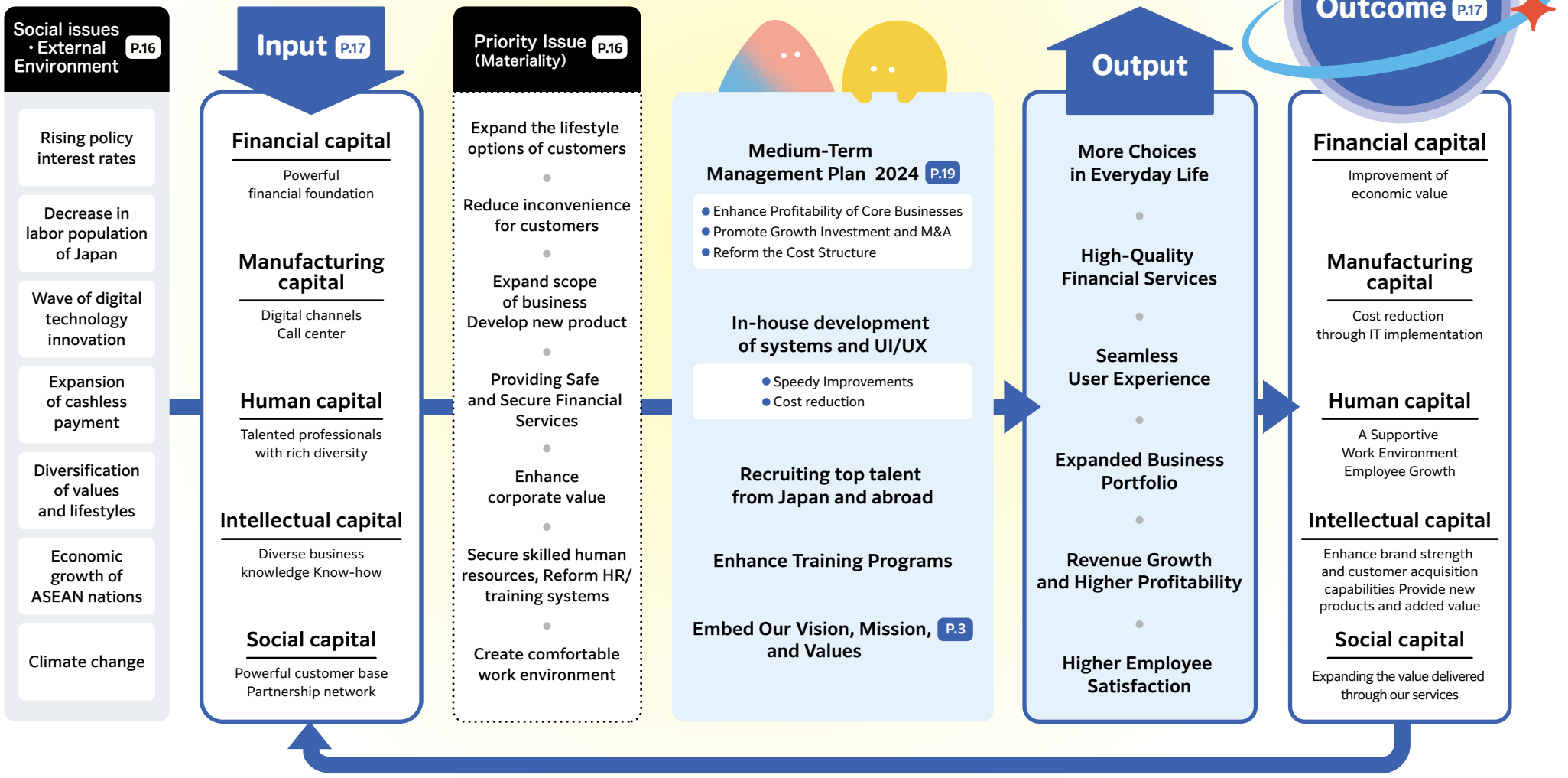
Value Creation Process

We will implement “For Colorful Life.” and aim for a society with no stress.

Our mission is to contribute to society and the economy by supporting responsible consumer and business activities.
We define our role in society as helping to create “a society where each person can play an active role,”
and we aim to create a stress-free society.



Priority Issues to be Solved

Theme	Materiality	Social Issues	Opportunities	Our Initiatives to Date
Creating "a society where each person can play an active role" for customers through our products and services 	**Expanding Customers' Choices in Life** We provide convenient and reliable services that expand the choices available to customers in their daily lives.	● Rising inflation ● Diversification of payment methods driven by the expansion of cashless payments	● Higher customer satisfaction ● Expanded opportunities for use ● Expansion of the customer base	● Expanding our range of financial services through diverse businesses, including loans for individuals and businesses, debt consolidation loans, credit, credit guarantees, and factoring, to meet a wide range of customer needs
	Eliminating Customer Inconvenience We leverage IT and data to eliminate inconvenience for customers and provide a seamless, stress-free service experience.	● Advancement of digital transformation ● Growing adoption of AI ● Rising digital literacy among customers	● Greater convenience ● Higher customer retention ● Enhanced competitiveness	● Simplifying the loan process through an end-to-end digital journey, from application to disbursement ● Shortening the time from application to loan disbursement through in-house IT development and greater efficiency ● Expanding customer touchpoints through live chat and other channels to improve convenience ● Improving usability through UI/UX enhancements by in-house engineers
	Expanding Business Domains and Developing New Products Through a diverse range of products and services, we support responsible consumer and business activities from multiple perspectives.	● Diversifying customer needs driven by changes in values and lifestyles	● Creation of new revenue streams ● Sustainable growth through expansion of the customer base	● Expanding into new business areas, including prepaid cards, pet insurance, installment financing, crowdfunding, leaseback services, and overseas businesses, through proactive M&A and new business development
	Providing Safe and Secure Financial Services By providing financial services that customers can use with confidence, we earn their trust while supporting responsible consumer and business activities.	● Increase in financial fraud and other issues	● Stronger brand and customer acquisition capabilities	● Strengthening authentication and enhancing fraud detection systems to address risks such as unauthorized use and phishing ● Identifying signs of fraud and misconduct at an early stage through ongoing risk reviews, thematic assessments of potential risks, and operational improvement proposals based on the monitoring of calls, documents, and data ● Implementing security measures to prevent unauthorized access and information leakage ● Managing the risk of fraudulent and fictitious transactions through merchant screening and periodic monitoring
Creating "a society where each person can play an active role" for employees through sustainable enhancement of corporate value 	**Enhancing Corporate Value** We pursue sustainable growth through diversification of our business portfolio, the use of digital technologies, and proactive growth investment.	● Growing uncertainty in the external environment, including policy interest rate and economic fluctuations ● Maturation of the domestic market due to population decline	● Strengthening profitability and enhancing corporate value over the medium to long term	● Diversifying revenue streams by expanding into new business areas and building a portfolio that balances stability and growth ● Improving ROA and ROE through revenue growth and greater asset efficiency ● Improving operational efficiency and profitability through AI and in-house development ● Optimizing resource allocation across the Group under the holding company structure and strengthening decision-making with a focus on growth and capital efficiency
	Recruiting Top Talent / Reforming HR and Training Systems We recruit top talent in Japan and overseas and strive to create systems and an environment that enable every employee to reach their full potential.	● Declining working-age population ● Talent shortages as business domains expand ● Development of future management candidates	● Higher productivity and enhanced competitiveness	● Strengthening the recruitment of engineering and data talent and acquiring talent through M&A of SES companies ● Recruiting highly skilled talent through partnerships with universities in Japan and overseas and through hackathons ● Recruiting talent from leading overseas universities and expanding and supporting the retention of international employees ● Enhancing e-learning, external training programs, and support for professional certifications
	Creating a Supportive Work Environment We are enhancing the workplace environment to enable diverse ways of working and promote better work-life balance for employees.	● Promoting diversity ● Diversifying values and lifestyles	● Higher employee engagement ● Lower employee turnover and improved organizational performance	● Enhancing work arrangements to enable diverse ways of working ● Establishing location-limited and specialist career tracks ● Promoting and supporting women's career advancement through management appointments, mentoring programs, and other initiatives ● Promoting dialogue with management through town hall meetings and other opportunities

Analysis of Inputs and Outcomes

(As of 2026/3)

Capital classification	Input - Management Capital -		Outcome - Results we deliver -	
Financial capital	**Powerful financial foundation** ● Total receivable outstanding **¥1,539.5**bn ● Stockholders' equity **¥239.4**bn ● Equity ratio **14.7**% ● External rating (JCR) **A-**	• Double-digit growth in total receivable driven by a solid financial foundation and strong core business performance • Improved external creditworthiness (external credit ratings) through sustained growth	**Increased economic value** ● Operating revenue **¥214.6**bn ● Adjusted operating profit※1 **¥50.7**bn ● Ordinary profit **¥35.5**bn ● ROA **2.3**% ● Real ROE※2 **10.6**%	• Revenue and profit are progressing in line with the plan • M&A activities and cost structure reforms aimed at future profit generation are also progressing smoothly
Manufacturing capital	**Digital channel / Call center of each business** ● Digital Channels for Delivering a Wide Range of Services ● Employees at Call center – approximately **1,100**	• Release of a highly convenient app enabled by in-house development and rapid updates • Operational efficiency achieved by consolidating tasks into the call center	**Cost reduction by IT promotion** **(Plan 2025/3-2027/3)** ● Cost reduction due to in-house development **¥1.5**bn ● Center operating cost reduction by productivity improvement **¥1.0**bn	• Reduced development costs through in-house system development by internal engineers • Improved operational efficiency driven by systemization and changes in center operations
Human capital	**Talented professionals with rich diversity** ● Employees **5,113** (consolidated basis **4,031**) ● Establishment of IT specialized department / M&A of SES business ● Established Design specialized department ● Role model of female executive	• Strengthening organizational capabilities and securing talent for sustainable corporate management • Recruitment and promotion of women, non-Japanese employees, and individuals with diverse backgrounds	**Creating a Supportive Work Environment / Developing a Training System That Enables Employees to Experience Growth** ● In-house engineers **390** ● In-house designers **25** ● Employees with foreign nationality (includes locally hired) **742** ● Female employee rate (AIFUL) **31.7**%	• Improvements in the workplace environment, including the development of a training system that enables employees to experience growth, enhanced support for childbirth and childcare, and the introduction of office casual attire • Increase in internal specialists, non-Japanese employees, and women in managerial positions
Intellectual capital	**Diverse business expertise / Know-how** ● Release of various products developed by business diversification ● Long-standing expertise in credit assessment, debt collection, and cost reduction ● Brand-driven initiatives to enhance recognition	• Credit assessment and debt collection expertise based on information gathering and analysis developed over many years as a specialized financial services provider, together with a diverse range of products • Cost reduction expertise gained through our business revitalization experience	**Improve Brand - Customer attraction / Provide New products - New added value** ● TVCM **Ranked No. 1 in commercial popularity for 17consecutive months** (financial sector)※3 ● Newly acquired personal loans number **320,000** ● Cost reductions from closing unmanned branches **¥1.4**bn	• The TV commercial continues to maintain high favorability, contributing to a further strengthening of the Group's overall brand power • New customers are being acquired effectively at a stable cost per acquisition (CPA) • Expected cost reductions of ¥3.3 bn from closing all unmanned branches by the end of March 2027
Social capital	**Strong customer base / Partnership network** ● Group companies **28** companies (**15** consolidated companies) ● B-to-B Nationwide sales base **26** stores ● Overseas expansion **3** countries	• 26 nationwide sales branches conducting B2B sales • Collaboration with business partners, such as affiliated card programs	**Expansion of provided value through service** ● Loan business accounts **1.83**million ● Credit card holders **49.5**million ● Individual Installment Credit Accounts **210,000** ● Guarantee business partners **259**	• Providing customer-centric products in collaboration with business partners • Total number of customers across the Group is approximately 7 million

※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 Calculated based on "Profit attributable to owners of parent" using an effective tax rate of 30%
※3 Based on a survey by CM Research Institute (No. 1 for 17 consecutive months from October 2024 to February 2026)

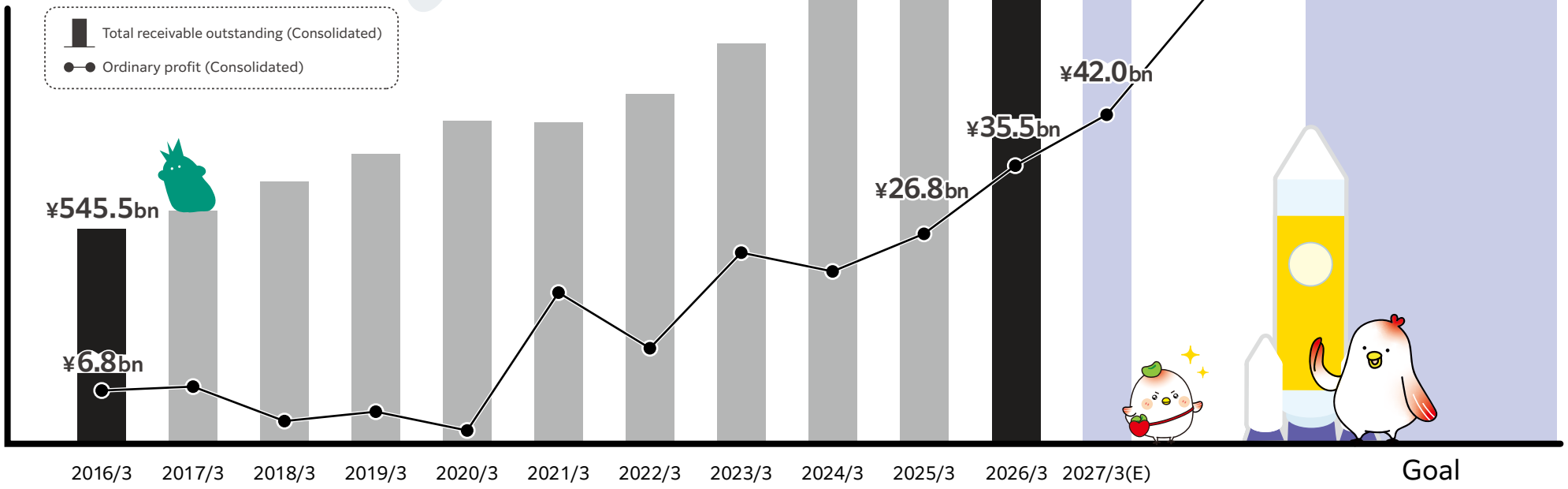
Long-Term Vision

Transformation Towards an IT COMPANY
- Aiming to Become a Company that Lasts 100 Years -

Strategy 01
Raise the Group's profit level **by pursuing the growth of balances and efficiency in core businesses.**

Strategy 02
Allocate profits and **funds** from core businesses **to M&A** aimed at expanding customer base and acquiring new business models.

Strategy 03
Promote in-house construction of systems and UI/UX to flexibly meet customer needs.



Medium-Term Management Plan 2024

(2025/3～2027/3) Overview and Progress

		3-year cumulative total	Progress 2025/3	Progress 2026/3
Fundamental Policy	M&A Activity Promotion	Total investment of ¥60.0 bn max	¥10.0 bn	¥40.4 bn
	Cost Structure Reform	Total cost reduction effect of ¥5.0 bn or more	¥0.8 bn	¥3.2 bn
Management Indices	ROA	More than 2 %	2.0 %	2.3 %
	Real ROE※	More than 10 %	8.2 %	10.6 %
	Equity Ratio	15 % or more	15.0 %	14.7 %
Shareholder Return	Total Payout Ratio	2027/3(E) Around 30 %	11.0 %	21.2 %
Consolidated Results Forecast		2024/3 / 2027/3(E)		
	Total Receivables	¥1,178.9 bn / ¥1,590.0 bn	¥1,339.7 bn	¥1,539.5 bn
	Operating Revenue	¥163.1 bn / ¥218.0 bn	¥189.0 bn	¥214.6 bn
	Ordinary Profit	¥22.0 bn / ¥42.0 bn	¥26.8 bn	¥35.5 bn

※ Real ROE is calculated based on the 'Profit attributable to owners of parent' assuming an effective tax rate of 30%

Summary of Progress in the Second Year of the Medium-Term Management Plan

As we completed the second year of Medium-Term Management Plan 2024, I am relieved to learn that we have posted profits exceeding the plan for two consecutive fiscal years. Also, the dividend per share reached 12 yen, and for the third year projection, dividend payout ratio of 30% is expected, which will significantly exceed the plan. In addition, the achievement of our three-year cumulative cost reduction target of 5 billion yen is in sight and growth investments such as M&A are progressing well. Aside from our share price level, I believe we are on track for a smooth landing.Another major development was our transition from the AIFUL Group into the Muninova Group. Transition to a holding company structure without major problems, and steady progress of our medium-term management plan, have given us real confidence.As you know, the current environment remains difficult to predict due to rising policy interest rates, inflation, and increasing personnel expenses, as well as the prolonged deterioration of the situation in the Middle East.At the Muninova Group, in addition to achieving our medium-term management plan, we will continue to pursue top-line growth that can withstand risk fluctuations and diversification of our business portfolio, as well as business expansion through roll-up strategy that leverages our know-how. As such, we still have much more to do to enhance corporate value.

General Manager of Operation Management Department Muninova Holdings Ikumi Abe



Growth Strategy Going Forward

Turning Change into Strength

In 2024, I was appointed an Executive Officer of Muninova Holdings after serving as Representative Director of a company acquired by AIFUL. Prior to that, I had built my career primarily in finance roles at foreign-affiliated companies.

Before joining the Group, I had assumed that Japanese companies might have a somewhat closed corporate culture. However, that impression quickly changed after I joined Muninova. As I was finding my way in a new environment, employees responded to my questions thoughtfully and sincerely, enabling me to deepen my understanding of the businesses and organization much faster than I had expected. After taking up my position, I visited various locations, including the contact center in Kusatsu, Shiga Prefecture, to learn about operational processes and better understand frontline issues related to finance. As part of the Executive Officer and General Manager Caravan, I also visited sales branches and had opportunities to hear candid views on compliance and integrity. Employees openly shared the issues and concerns they encounter in their day-to-day work, which greatly helped deepen my own understanding of the challenges we face and also strengthened my engagement with the organization.

I see Muninova's decision to appoint someone from outside the Group to the important position of Executive Officer responsible for accounting and operation management as a reflection of its determination to incorporate diverse expertise into management and accelerate change.

To achieve sustainable growth in a constantly changing environment, it is important for the Company to flexibly recruit and embrace people with external expertise. Through my day-to-day work, I can see the Company's strong commitment to transforming itself.

Diversity is an important source of strength for achieving sustainable growth in an ever-changing business environment. Muninova is currently undertaking a major transformation to further strengthen this capability. By continuing this transformation, we aim to build a deeper and more diverse talent pool and become a company that combines stability with flexibility. I hope you will look forward to our continued progress.

Executive Officer, Responsible for Operation
Management Department (IR) Muninova Holdings
Kotaro Matsuura



Leveraging Our Group's Strengths for Future Growth

In formulating the next Medium-Term Management Plan, one of the most important themes has been how to respond to rising interest rates and inflation. Our core loan business operates under statutory interest rate caps, making it difficult to pass higher funding costs, personnel expenses, and other cost increases on to customers through pricing.

Although the current Medium-Term Management Plan has also been affected by inflation, we expect to achieve our profit targets as a result of our continued efforts to reduce costs and improve productivity. Looking ahead, however, inflationary pressures are expected to intensify further. We recognize that sustainable growth will be difficult to achieve by relying solely on a loan-centered earnings structure and simply extending our existing improvement initiatives.

Against this backdrop, the next Medium-Term Management Plan will focus on three core themes: transforming the loan business; diversifying our business portfolio by expanding the credit card and installment financing businesses; and fostering a corporate culture that supports new growth. Through these initiatives, we aim to realize our long-term vision of "Aiming to Become a Company that Lasts 100 Years" and achieve ¥100 billion in ordinary profit.

In the loan business, for example, we will enhance competitiveness and productivity by advancing credit assessment through the use of AI and data, transitioning to a fully digital model, and reforming operations. In the credit card and installment financing businesses, we will seek to expand earnings opportunities by broadening our partner and merchant networks while also utilizing M&A to acquire businesses with customer purchasing touchpoints. We will also create an environment in which people with diverse experience and expertise can thrive and foster a corporate culture that encourages new challenges.

As society and the business environment undergo significant change, the ability to adapt is essential for a company to thrive over the long term.

By steadily executing the initiatives set out in the next Medium-Term Management Plan, turning change into opportunities for growth, and passing on a sustainable foundation for growth to the next generation, we will continue working toward becoming a company that lasts 100 years.

Executive Officer, Responsible for Operation
Management Department (IR) Muninova Holdings
Ichiro Yamaguchi

Young Employees Discuss Muninova's Future 01



Joined the Group 2016
Finance Department
Muninova Holdings

Keisuke Yamada

Joined the Group 2023
Deputy Manager of
Management Strategy
Department
Muninova Holdings

Akira Adachi

Joined the Group 2019
Management Strategy
Department
Muninova Holdings

Hiroharu Kokaji

Joined the Group 2018
Operation Management
Department
AIFUL

Shinya Yabuguchi

Joined the Group 2018
Operation Management
Department (IR section)
Muninova Holdings

Shoki Aburaki

"The Future Is Ours to Create."

Changes We Have Seen Since Becoming the Muninova Group

——— The Group transitioned to a holding company structure in April and is currently in the early stages of this new structure.

Kokaji As reflected in our management theme, I believe it is now up to each of us to take the initiative and shape the value that we will create as a Group.

One change I have noticed is that the name "Muninova Holdings" is gradually becoming more familiar to our external business partners. It may still be a small change, but I am beginning to see it take hold.

——— Since the transition to a holding company structure, there have been more opportunities to think about the Group as a whole from a business perspective rather than a company-by-company perspective.

Aburaki In the past, discussions tended to focus on individual companies such as AIFUL and LIFECARD. Today, our perspective is shifting toward individual businesses, with discussions increasingly focused on optimizing the businesses as a whole by sharing expertise and challenges across the Group.

Our financial results are now also disclosed by business segment. We currently have 15 consolidated subsidiaries, and as we continue to pursue M&A with a view to the next 10 or 20 years, I expect the number of Group companies to increase further. Against this backdrop, managing the Group by business rather than by individual company is, in my view, a highly effective approach that will help optimize the Group as a whole and enable more efficient management.

——— When explaining our strategy to financial institutions and other stakeholders, it has also become easier to communicate our approach to achieving growth across the Group.

Yamada I feel that being able to present ourselves not simply as a holding company that brings together operating companies, but as one that seeks to drive growth across the entire Group, has also changed the way I personally think about the Group.

Young Employees Discuss Muninova's Future 02

Challenges for Further Growth



I feel that the speed of decision-making can still be improved a bit more

Yabuguchi The transition to a holding company structure has enabled us to make decisions that reflect a broader range of perspectives. At the same time, however, the number of meetings and coordination processes has increased, and there are times when decisions and rework take longer. Having diverse opinions is a major strength, but I believe there is still room to speed up our decision-making. Thorough discussion is important, but sometimes we also need to make decisions quickly and take action first.

What We Hope to Achieve in 10 or 20 Years

Aiming to become a company that is admired not only by students but by everyone in society

Kokaji For example, there are companies where people seek employment because they find the company name or brand itself appealing, even without knowing much about the job description. It would be wonderful if Muninova Group could become that kind of presence as well. Through my current involvement in "HaroMen" activities, I have come to feel the importance of conveying the company's appeal and value so that we become a first choice rather than a fallback option. It is essential to be a company where people feel that "the Muninova Holdings name carries value," even without knowing exactly what we do. We aim to become a company that naturally attracts people through such admiration and trust.

*HaroMen (Hello Members): Junior to mid-career employees selected to support recruitment activities, including interviews and mentoring.

We want to build a company where all members at the companies that join the Group through M&A are glad to become part of the Muninova Group

Adachi Immediately after joining the Group, some people may feel uncertain or uneasy about the new environment, or even resistant to change. That is why we want to be a company where, after some time has passed, people can say, "I was uncertain at first, but I' m glad we joined the Muninova Group." We still have some way to go in building an organization that fully embraces diverse values and people, and it may take more time. Even so, 10 or 20 years from now, I hope we can become a corporate group that every company and employee who has joined us can be proud to be part of.



What We Like About Muninova Group

Regardless of tenure, everyone's opinions are acknowledged

Adachi Even though I joined the Company mid-career, I am given the opportunity to be involved in key decision forums such as management meetings. Even as one staff member, I can work on critical issues and themes that affect the entire Group, and it is a great source of fulfillment and motivation for me. I am truly grateful to be able to work in such an environment.

My aspirations are respected

Aburaki When someone says, "I' d like to give this a try," the idea is not dismissed. We have a culture that encourages people to take on challenges. There are also many opportunities to work with a high degree of autonomy, and one of the major attractions of the Group is having an environment where people can pursue what they want to do. At the same time, personally, I sometimes feel that the Company could give us an even stronger push to take bold steps.

We get to take on work that few companies can offer

Yamada I believe that the true nature of a company's growth is revealed not during smooth periods, but during times of change. It is extremely valuable that I was able to experience milestones such as the business restructuring through the ADR process and the transition to a holdings structure. Having the opportunity to consider what to preserve and what to change amid such transformation is my greatest asset.

Keys to Future Growth

I think it is important to clearly present targets that meet the expectations of the market

Yabuguchi First, it is important to steadily achieve the targets set out in the Medium-Term Management Plan 2024 and to "get off to a good start toward the next phase of growth. "Then, we need to present plans that convey a sense of expectation for the future while remaining feasible. How we construct such figures is a major responsibility for the Company, and it is something I personally find rewarding as well.

I believe this lies in the two pillars of "expanding existing businesses" and "creating new growth opportunities through M&A"

Aburaki In existing businesses, it is important to achieve growth across group companies, centered on businesses serving individual customers. To this end, we need to enhance our competitiveness through efforts including cost reduction, organizational restructuring, and the use of AI. At the same time, investment in profit opportunities through M&A is also essential. By strengthening existing businesses as well as acquiring new ones, we will diversify our business portfolio and drive sustainable growth.



I believe the most important factor in the Group' s continued growth is the mindset of each individual to embrace new perspectives.

Kokaji As we take on new business areas and expand our business portfolio, we will welcome mid-career hires with experience in other industries, new colleagues joining through M&A, and many talented new graduates. What matters most is the mindset of those welcoming them into the organization.

We should be an organization that values what is said, rather than who says it. We should not act simply because "the president said so," "my manager said so," or "someone with longer tenure said so." Instead, we should judge ideas on their merits. Regardless of position, length of service, or how someone joined the Group, each person should think with a clear sense of purpose, express their ideas, and be part of a culture that embraces those ideas. I believe this will create new synergies, drive the Group' s sustainable growth, and mark the first step toward making Muninova Holdings a company with a global presence.

Our Challenges

There is still considerable room for us to broaden our knowledge and perspective

Adachi The more opportunities we have to encounter new information and diverse ways of thinking, the more we are able to view things from multiple angles, which in turn should deepen our own thinking. Indeed, the words of those who continue to absorb a wide range of information are compelling and offer many insights. I want to more eagerly absorb information and broaden my knowledge and perspective. And through actively sharing the ideas and insights I develop along the way, I want to have a positive influence on those around me.

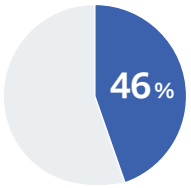
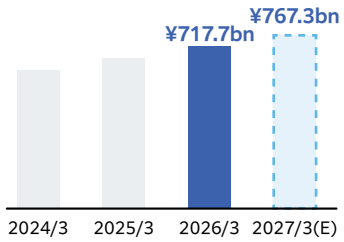
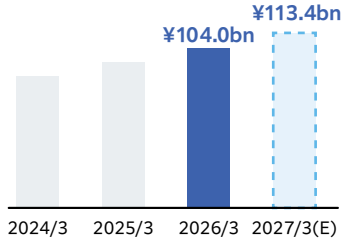
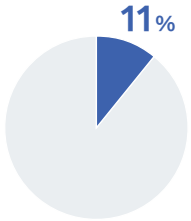
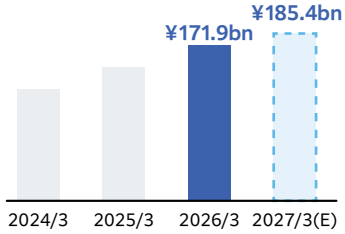
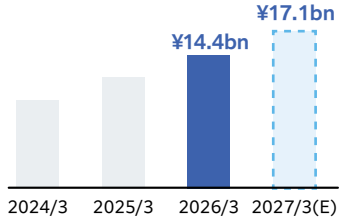
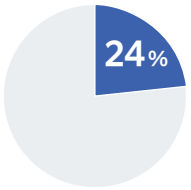
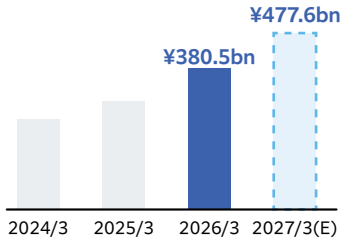
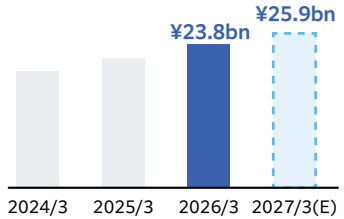
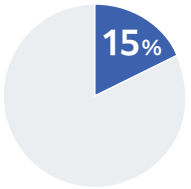
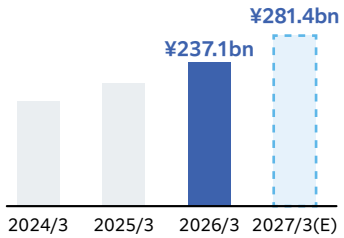
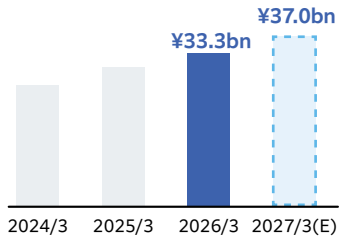


What We Want to Pass On to the Next Generation

First, being able to explain the work they are responsible for in their own words

Yamada Understanding the purpose and meaning of one's work and being able to convey it in one's own words is the first step toward growth. It is also important to maintain a humble attitude and to not hesitate to ask questions. The Company is built on both front-line work that delivers value to customers and behind-the-scenes work that supports the delivery. I hope they will keep in mind that their own work exists because of the work others do.

Segment Portfolio

Business	Company Name	Key Business Strategies	Total Receivables Portfolio (2026/3)	Total Receivables	Operating Revenue
Unsecured loan	● AIFUL ● AIRA & AIFUL (Kingdom of Thailand)	● Strengthen new customer acquisition ● Increase usage among existing customers ● Reduce credit costs by strengthening collection capabilities ● Promote digitization and in-house development			
Financial service for small business	● AG BUSINESS SUPPORT ● AG MEDICAL	● Strengthen sales of each product ● Expand the factoring business			
Credit guarantee	● AIFUL ● LIFECARD	● Expand partnerships with financial institutions ● Diversify guarantee products ● Enhance credit risk management			
Card and Payment	● LIFECARD ● AG Payment service ● BitCash	● Acquire new customers and increase usage rates ● Expand installment sales finance ● Strengthen fee-based businesses			

Unsecured Consumer Loan Business

Business Overview

Centered on AIFUL Corporation, our unsecured consumer loan business is a core business that meets individuals' financing needs through unsecured loans requiring no guarantor. Primarily serving customers with stable incomes, the business combines fast credit decisions—as quickly as nine minutes—with the convenience of a fully smartphone-based process. The loan balance has continued to grow steadily, with interest income providing a key source of earnings for the Group. Currently, more than 90% of applications are submitted online, and the entire process from contract procedures to loan disbursement can be completed remotely. Going forward, we will continue to leverage digital technologies and accumulated data to enhance customer convenience and further improve the accuracy of credit assessment.





Application channel

99.4% of applications are through WEB

*As of the FY2026/3

Strengths

1. Credit assessment and collection expertise built over 59 years
2. Cost reduction and operational efficiency
3. In-house IT development and UI/UX improvements by our engineers

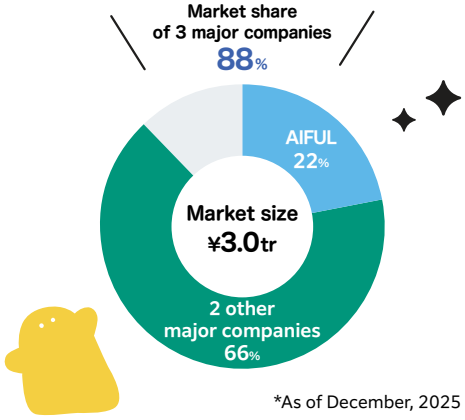
Challenges

1. Rising policy interest rates
2. Market contraction due to population decline

Market Share
— Unsecured Consumer Loan Market

As of the end of March 2026, Japan's unsecured consumer loan market was approximately ¥3 trillion, of which AIFUL accounted for 22%. The market has become increasingly concentrated among the leading players, with the top three companies accounting for approximately 88%.

Meanwhile, the competitive landscape continues to evolve, including the entry of companies from other industries amid ongoing digitalization. Against this backdrop, AIFUL has established a stable business foundation supported by its long-standing credit assessment and collection expertise, brand strength, and system development capabilities.



*As of December, 2025

Market Environment

Market Growth

Demand for financing related to leisure, travel, dining, and other consumer activities remains solid, supported by improvements in employment and income conditions and increased consumer activity. Customer attitudes toward unsecured consumer loans are also changing, while the growing convenience of completing the entire process from application to contract online has contributed to the gradual expansion of the market. We expect the market to continue growing at approximately 3–4% annually.

Rising Policy Interest Rates

Although rising policy interest rates are expected to increase financing costs, we anticipate continued stable profit growth. Our loan balance had previously been growing at more than 10% annually. Going forward, as our loan balance approaches the levels of our competitors, we expect its growth rate to gradually converge with those of our peers.

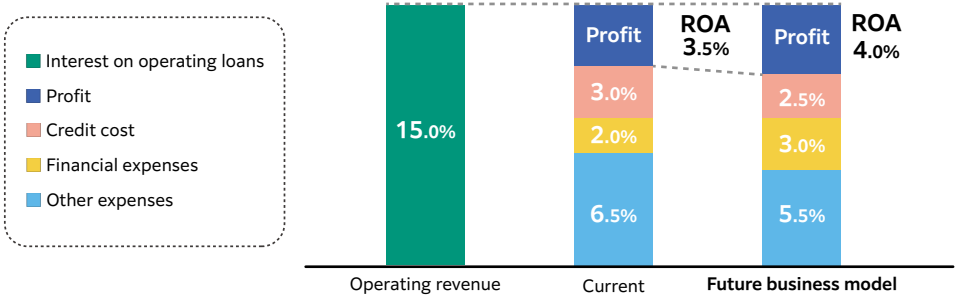
As we transition from a "rapid growth phase" to a "stable growth phase," we expect lower credit costs, which tend to precede revenue growth, as well as lower expense ratios through economies of scale as the loan balance expands. In addition, we expect to absorb higher funding costs through cost structure reforms—including the closure of unmanned branches and greater efficiency in centralized operations—as well as operational efficiencies driven by DX and AI.

Cost Structure Reform: Closure of Unmanned Branches

As part of the cost reduction initiatives set out in the Medium-Term Management Plan 2024, we plan to close all unmanned branches by the end of the FY2027/3.
FY2026/3: **¥1.4 billion in cost reductions**
Cumulative target: ¥3.3 billion in cost reductions (April 2024–March 2027)

	2024/3	2025/3	2026/3	2027/3 (E)
Number of unmanned stores	776	625	143	0

ROA Image (AIFUL)



Group Interview

Enhancing Competitiveness Through Productivity Improvements 01

What value have productivity improvement initiatives delivered?

Fujisawa: Productivity improvement tends to be associated with cost reduction, but we believe there is even greater value in reviewing the division of roles across the organization. By having communicators* take on frontline operations, our full-time employees have been able to focus on higher-value-added work, such as improvement initiatives and management.

*Communicators include part-time employees, temporary employees, contract employees, commissioned employees, and dispatched workers.

Arimaden In practice, communicators also play a central role in supporting frontline operations. They bring extensive knowledge and experience, and the expertise they have built over the years has accumulated on the front lines. I see them as an essential part of maintaining stable operations.

Matsumura From a talent development perspective, we are also seeing more student part-time employees transition to full-time positions. Developing people who deepen their understanding of operations through frontline experience not only strengthens the organization but also ultimately contributes to improved employee retention.

Hidaka As we transferred operations to communicators, it became necessary to organize the work itself. By dividing tasks into phases and reviewing operational processes, we have made progress in reducing dependence on individual employees and simplifying operations.

Uchibayashi There have also been changes in our approach to training. By simplifying operations, communicators are now able to take on training responsibilities that were previously handled mainly by full-time employees. This is helping us build a framework for developing talent across the organization.

Iida We do not view productivity improvement as merely a matter of increasing efficiency. By making operations more visible and simplifying processes, we are laying the groundwork for future AI utilization and DX initiatives. I believe these efforts are helping build the foundation for the future evolution of our contact center operations.

Could you share specific initiatives that were effective in improving productivity?

Fujisawa I would say that setting a clear target of achieving a 90% communicator ratio was particularly effective. By clearly defining our goal, we were able to identify the issues that needed to be addressed, including the introduction of RPA, workflow reviews, restructuring of recruitment plans, and talent development. In particular, the use of RPA and IVR has delivered significant results. Improvements to IVR have enabled customers to resolve more issues on their own, reducing calls requiring human assistance by approximately 40%.

Uchibayashi I have seen significant benefits from the use of RPA, cloud-based contact center systems, and IVR. By automating routine tasks, employees have been able to focus on higher-value-added work. In addition, systems that enable customers to resolve issues on their own have helped improve both service quality and operational efficiency.

Iida Looking at the Loan Business Division as a whole, a major turning point was the complete closure of unmanned branches and the shift to a business model centered on the web and app. We have also reviewed our operations in line with advances in IT and AI. For example, we have improved operational efficiency through initiatives such as more appropriate credit assessment and improvements to the process for obtaining income verification documents. We are currently also focusing on the use of AI-OCR, which has improved recognition accuracy from around 15% to 70–80%. Through AI-enabled operational reform, we are pursuing both productivity improvements and cost reductions, while also considering expanding its use to areas such as paper-based form processing.



Productivity Improvement Highlights

Background to Our Productivity Improvement Initiatives

The unsecured consumer loan business operates under statutory interest rate ceilings and total lending limits pursuant to the Money Lending Business Act, making it difficult to pass rising costs on to customers in the same way as in many other businesses. Continuous improvements in operational efficiency and the cost structure are therefore important management priorities for maintaining competitiveness. Our center operations are also working to achieve low-cost operations by increasing the ratio of communicators and simplifying operations.

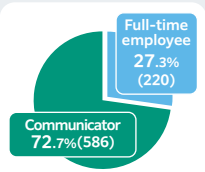
Our Vision for Center Operations

—Transitioning to an Organization Centered on Communicators

We aim to increase the communicator ratio in our center operations to 90% by March 2027.

The objective is not simply to reduce personnel costs, but to build a flexible and efficient operating structure while maintaining service quality through:

- Simplification of operations
- Enhancement of training systems
- Use of digital technologies



*As of April 2026

These initiatives also contribute to productivity improvements in center operations, which handle a wide range of operational processes, as part of the cost reduction initiatives set out in the Medium-Term Management Plan 2024.

—¥0.8billion in cost reductions as of FY2026/3

Target: Cumulative cost reductions of ¥1.0 billion over three years



Junpei Iida

General Manager of Loan Business Promotion Department and Credit Promotion Department AIFUL

Joined LIFECARD in 2005. After working in HR and as secretary to the President, joined the Loan Business Promotion Department in 2024 and concurrently became General Manager of the Credit Promotion Department in June 2026. Currently leading reforms toward a 90% communicator ratio in center operations.



Atsushi Fujisawa

Manager of Contact Center 1 AIFUL

Joined AIFUL in 2002 and gained branch sales experience in Kanazawa, Hakata and Sendai etc. Currently handles customer inquiries, contract-related services, and online applications in Contact Center 1. Enjoys camping and golf.



Mato Arimaden

Contact Center 1 AIFUL

Joined as a student part-time employee in 2022 and became a full-time employee in 2025. After working in collections and sales, currently handles customer inquiries in Contact Center 1. Hopes to make everyone more stylish as AIFUL' s "fashion coordinator (assistant)."



Wakana Matsumura

Contact Center 1 AIFUL

Joined as a student part-time employee in 2022 and became a full-time employee in 2025. After working in collections and sales, currently handles customer inquiries in Contact Center 1. Enjoys driving and hopes to live outside her home prefecture of Shiga someday.



Tomoki Hidaka

Contact Center 2 AIFUL

Joined AIFUL in 2021. Currently responsible for debt consolidation loan sales in Contact Center 2. Loves fashion and hopes to become AIFUL' s go-to fashion coordinator someday.



Asumi Uchibayashi

Contact Center 2 AIFUL

Joined AIFUL in 2024. Currently responsible for debt consolidation loan sales and employee training in Contact Center 2. With her wedding coming up in August (interview conducted in July 2026), she is busy with preparations even after work.

Group Interview

Enhancing Competitiveness Through Productivity Improvements 02

How has organizational management changed as a result of DX and operational reform initiatives? Please also tell us about the challenges you faced along the way.

Fujisawa A major change in recent years has been the way we handle customer service. Improvements to IVR and FAQs have reduced the number of inquiries. As a result, the work handled by operators has shifted toward tasks requiring greater expertise and judgment. On the other hand, one of our biggest challenges has been training and knowledge transfer. Simply replacing full-time employees with communicators is not enough to maintain service levels. We therefore reviewed our operations, automated routine tasks using RPA, and worked to build a structure that enables people to focus on work requiring judgment. To pass on the experience and expertise accumulated by veteran employees, we are also developing an AI-enabled knowledge search system that allows employees to quickly access the information they need. DX tends to be associated primarily with efficiency, but it has also enabled employees to focus more on judgment-based work and improvement initiatives.



Hidaka To create an environment where communicators could thrive, we started by simplifying operations. Credit assessment work, in particular, involved complex judgment criteria, so we worked to organize these criteria as much as possible and redesigned the process to make it easier to learn. For training, we shifted from paper-based materials to digital resources, creating an environment where employees can immediately access the information they need. We have also made a conscious effort to avoid technical jargon in our explanations so that anyone can understand them, regardless of their level of experience. Building an environment where everyone can master operations to the same standard was far more difficult than we expected, but it has become an important foundation supporting our current operating structure centered on communicators.

Uchibayashi As DX has progressed, not only customer service but also the way we manage the organization has changed significantly. We can now monitor inquiry volumes and response times in real time, enabling us to accurately analyze workloads while managing operations. In the past, we relied to some extent on experience and intuition. Today, workforce planning and operations are increasingly data-driven. Being able to allocate the right number of people at the right times has helped us achieve both service quality and productivity.



Iida Automation and efficiency improvements have progressed across many areas, including inquiry handling and administrative processing, and we expect the use of AI to continue expanding. At the same time, in areas such as proposing debt consolidation loans, where advanced communication skills are required to identify customer needs, we believe there is significant value in having people handle these interactions. Going forward, it will be important to actively automate tasks that can be handled by systems while shifting people toward higher-value-added work. At the same time, we must not only improve productivity but also create an environment where employees can experience personal growth and fulfillment. By leveraging the respective strengths of AI and people, we aim to enhance the value we provide to customers.

DX & Operational Reform Highlights

Changes in Customer Inquiry Handling

— FAQ Update Authority Transferred to Frontline Departments

Enabling frontline teams to make updates directly has increased the frequency and speed of improvements

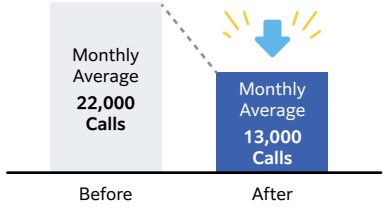
Faster Response → Higher Answer Reach Rate → Greater Answer Coverage

Higher Self-Service Rate = Lower Operating Costs

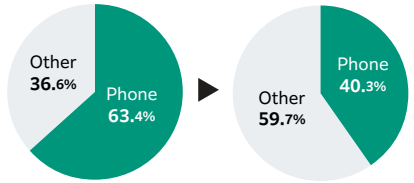
IVR Flow Improvements

Redesigned IVR to make it easier for customers to resolve inquiries themselves

Approx. 40%Reduction in Incoming Calls



Significant Decline in the Share of Phone Inquiries Over 3.5 Years



Cloud-Based Contact Center (Amazon Connect)

Introduced in 2020 to digitalize data and improve efficiency, mainly for outbound operations

Scope of Implementation	Key Functions
· Income Verification Guidance (Credit Limit Increases) · Debt Consolidation Loan Promotion · Online Applications from New Customers · Contracts and Refunds of Deposits, etc.	· Automated Calls Voicemail Detection, Calling Windows, Call Rate Control, etc. · IVR

Impact 1

Introduction of Automated Calls
21.45Person-Months Saved
Improved Efficiency by Shifting from Manual to Automated Calls

Impact 2

Introduction of SMS and Voicemail Detection
Approx.¥6.1Million in Annual Cost Savings
Improved Operational Efficiency and Quality

Impact 3

Automatic SMS Messages to Customers Not Reached by Automated Calls
Higher Message Volumes and Real-Time Delivery
Greater Efficiency and Higher Messaging Frequency

Impact 4

Faster Automated Calls and API Bottleneck Improvements

Calls	15calls/min ▶ 42calls/min	2.8× vs. Before Implementation
Contacts	132% After Application 112% After Contract (vs. Before Implementation)	

Debt Consolidation Loan Disbursements

Disbursements Increased 96.1%

FY2023/3 ¥12.7bn ▶ FY2026 ¥24.9bn

Credit Limit Increase Disbursements

Disbursements Increased 70.9%

FY2023/3 ¥54.6bn ▶ FY2026/3 ¥93.3bn

Group Interview

Enhancing Competitiveness Through Productivity Improvements 03

What kind of systems have you put in place to achieve early proficiency while maintaining the quality of training?

Fujisawa In the inquiry department, we manage proficiency and response quality using metrics such as average handling time (AHT), the number of responses handled, quality monitoring scores, and error rates. We also use AI-based role-playing for employees undergoing training. Because this enables objective evaluation of their customer interactions, it has become easier to identify areas for improvement for each individual. We evaluate not only the number of cases handled but also response quality and customer satisfaction, developing talent with a focus on both speed and quality.



Uchibayashi In Contact Center Department 2, we closely manage indicators for each stage of the operational process. For debt consolidation loans, we set KPIs for each stage, including the number of applications, contact rate, application rate, after-call work time, and number of loans disbursed. By visualizing issues through these KPIs, we can clearly identify areas that require further training. Because employees in training and existing employees are evaluated using the same metrics, there is less of a gap between training and actual operations. This helps create an environment where the entire organization can grow based on shared standards.

Arimaden We are also seeing benefits from real-time coaching based on actual customer interactions. Trainers provide advice via chat while monitoring call details and conduct review sessions after each call. By providing individualized follow-up during actual operations, we can develop employees according to their level of understanding and proficiency, helping them become proficient more quickly.



How have center operations and the roles of full-time employees and communicators changed as a result of progress in DX and operational reform?

Matsumura In the past, much of the online credit assessment and loan data entry work was performed manually, and lending decisions relied heavily on the experience and knowledge of individual employees. As systemization and automation have progressed, many processes are now supported by systems, reducing workloads and creating an environment where we can work more efficiently.

Arimaden Currently, student leaders known as “Caps” provide day-to-day follow-up and practical support. Because they are in a similar position to the people they support, they are approachable and can help resolve questions on the spot. Serving as a Caps also provides an opportunity for the leaders themselves to grow, creating a positive cycle in talent development.

Hidaka Customer information and response status, which were previously often managed individually, can now be shared across the organization through Amazon Connect and Salesforce. As a result, operations that depend on specific individuals have been significantly reduced. We have also fostered an environment where anyone, regardless of position, can propose operational improvements. Ideas from communicators are now contributing to improvements in both productivity and service quality.

Fujisawa In the past, training, operational improvements, and management tasks were primarily handled by full-time employees. Today, however, we are working to minimize distinctions based simply on whether someone is a full-time employee or a communicator. Instead, we are creating an environment where people can take on specialized roles, including training and RPA development, based on their motivation and aptitude.



Having moved from a part-time employee to a full-time employee, how has your perspective on organizational management and talent development changed?

Matsumura When I was a part-time employee, I focused on improving my own productivity. Since becoming a full-time employee, I have become more conscious of the role expected of me and how I can contribute to the organization. I now approach my work by considering not only my own performance, but also how my actions can contribute to the performance of the organization as a whole. I also find it appealing that the Group provides opportunities for part-time employees to take on new challenges as full-time employees and has a culture that embraces diverse talent.

Arimaden A turning point for me was taking on a leadership role in the sales department. Through training employees and managing a team, I became more conscious not only of my own performance, but also of the performance of the team as a whole and the growth of its members. I also feel that the flexibility in how we work and the culture of embracing diverse values allow me to continue taking on challenges while being myself.

Fujisawa We expect part-time employees to comply with regulations and follow procedures reliably. At the same time, student leaders known as “Caps” are given opportunities to gain experience in training and team management. When they later become full-time employees, we expect them to bring insights and improvement ideas gained from their frontline experience. I feel that they are developing into people who focus not only on their own results, but also on team performance and the development of others.

Please tell us about the challenges in achieving a 90% communicator ratio and your initiatives to maintain service quality.

Fujisawa Our biggest challenge at present is recruitment and retention. In particular, for the department that handles new online applications, it is important to secure staff who can work during evenings and weekends. We are therefore working to create an approachable support system and an environment where employees can learn their work with confidence. To maintain quality, in addition to improving systems and reviewing workflows, we are strengthening downstream checking processes and developing an AI-enabled knowledge search environment.

Uchibayashi In addition to handling customer calls, our department is also responsible for sales promotion activities, giving us a broad range of responsibilities. As a result, recruitment and retention can sometimes be challenging. To address this, we are enhancing our training system so that even employees with no prior experience can develop with confidence, while also reducing workloads through operational standardization and the use of digital tools. We are also creating an environment where frontline employees can readily propose improvements, helping enhance both the employee experience and their sense of growth.

Business Finance Business AG BusinessSupport

Business Overview

Unsecured Small Business Loans

We provide unsecured small business financing to SMEs and sole proprietors. As an independent non-bank financial institution serving their financing needs, we offer a fully online lending model.

Leveraging our long-standing corporate credit assessment expertise and optimized screening operations, we have established a fast and efficient credit assessment process that enables loans to be approved and disbursed within a short period. This significantly shortens the lead time to loan disbursement and enables efficient operations.

AG BUSINESS SUPPORT holds one of the leading market shares in this business and contributes to the Group's growth.

Real Estate-Secured Loans

We provide business financing secured by real estate (land and buildings), meeting customers' needs for larger and longer-term financing.

By obtaining real estate as collateral, we can reduce credit risk while financing larger and longer-term transactions that are difficult to accommodate through unsecured loans. This expands earnings opportunities while contributing to a stable earnings base.

Growth in this business also contributes to improving the asset quality of our overall loan portfolio, making it an important business that supports the Group's earnings base and financial soundness.

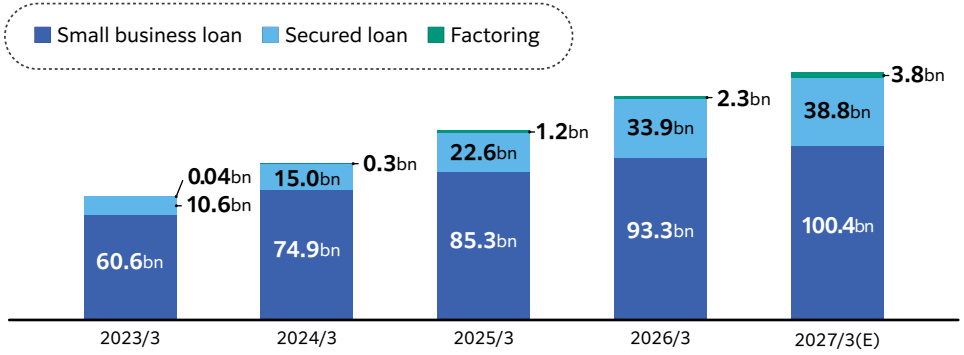
Factoring

Factoring enables customers to raise funds by selling their accounts receivable to us. We are strengthening sales of two-party factoring, which does not require notification to or consent from the customer's debtor.

This financing method is attracting attention from companies that want to raise funds without creating concerns about their cash flow situation or affecting relationships with their business partners.

The service also meets the financing needs of SMEs and sole proprietors that may find it difficult to obtain loans due to their creditworthiness or financial condition, offering flexible screening and rapid access to funds.

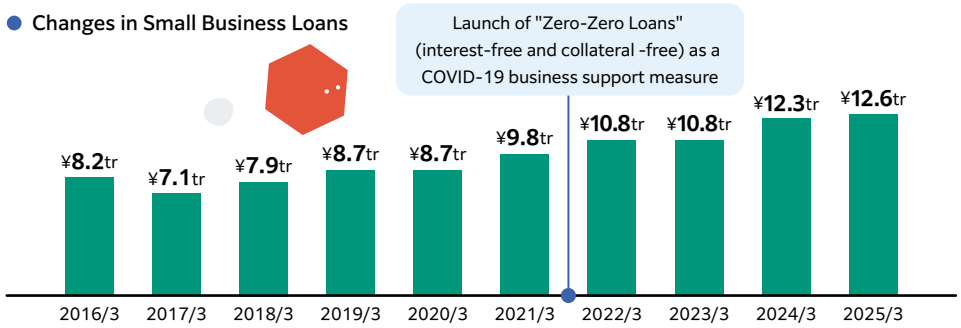




Market Environment

Demand for business financing temporarily declined following the introduction of the government's "zero-zero loans" * during the COVID-19 pandemic, but has since recovered and is expected to continue increasing.
In particular, there are relatively few major non-bank competitors in the unsecured business loan market, providing us with an opportunity to establish a distinctive market position.

* A government financing support program introduced for SMEs experiencing significant declines in sales, providing effectively interest-free, unsecured loans.



Source: Financial Services Agency

Changes in Small Business Loans

As with our unsecured consumer loans, more than 90% of business loan applications are now submitted online. The entire process from application to loan disbursement can be completed online, significantly improving customer convenience. We will continue to enhance convenience through initiatives including the in-house development of our website and applications.

Growth in Real Estate-Secured Loans

In addition to our existing real estate-secured business loans, we are strengthening sales of loans for real estate held for sale and real estate investment loans.

Loans for real estate held for sale meet the financing needs of real estate companies for property acquisitions. Balances are steadily increasing, supported by growing demand, particularly in urban areas, and our nationwide lending capabilities.

Real estate investment loans are also growing, driven by strong investment demand, particularly for pre-owned properties in regional areas, and are contributing to business growth.

Diverse Products to Meet Financing Needs

Need Funds Quickly

- Small Business Loan
- Small Business Card Loan

Need a Larger Amount of Financing Secured by Real Estate

- Real Estate Secured Business Loan
- Real Estate Secured Card Loan
- Real Estate Secured Loan for Supporting Start-up Businesses
- Real Estate Investment Loan
- Loans for Real Estate Held for Sale

Want to Raise Funds Using Accounts Receivable

- Accounts Receivable Factoring
- Accounts Receivable-Secured Loans (ABL)

Group Interview

Evolving Center Operations to Support Growth 01

In the business loan market, online applications are increasing and customer needs are becoming more diverse. AG Business Support is improving operational quality and efficiency through automation using AI-OCR and RPA, digital transformation of business processes, and the standardization of knowledge. These initiatives are increasing processing capacity and enabling faster, higher-quality service.

The majority of applications are now made online. How do you view the background and challenges involved?

Izumi More than 90% of business loan applications are now submitted online, and customer expectations for convenience and speed continue to rise. Customers expect rapid access to funds, and maintaining our strength in fast service requires us to improve efficiency across the entire process—not only application handling, but also subsequent case management and customer service. As the competitive environment evolves, advancing DX to further improve convenience and lending speed is also becoming increasingly important.



Shiina The shift to digital services is a major trend across all industries, not just business loans. We have entered an era in which customers compare and choose products and services themselves, making online service delivery essential for business growth. We therefore view productivity improvements and digitalization not simply as ways to increase efficiency, but as important initiatives for both delivering greater value to customers and improving profitability.

How has your work changed as a result of the shift to digital-based services?

Izumi Promotional activities were mainly conducted by phone, but now non-face-to-face promotion using SMS and apps has become the main approach. We are required to reach many customers efficiently and provide services promptly after they apply. Center operations are now expected to take on not only the processing of tasks, but also operations improvement and customer flow optimization. We believe that creating an environment where customers can proceed through procedures without confusion leads to both productivity improvement and higher customer satisfaction.

Shiina As customer needs diversify, center operations are expected not only to handle inquiries, but also to grasp what customers are looking for and reflect that in our services and operations. To do this, it's important to stay attuned to changes in society and customer behavior, as well as new technologies, and translate that



awareness into operational improvements. We are also working to build an environment where customers can use our services smoothly, including by refining the inquiry routing flow using Amazon Connect.

Masuda In terms of actual operations, we used to accept applications by phone, and each call took about 15 minutes. With the shift to digital-based services, we now send an application URL by SMS and have customers enter the required information themselves on the web, which has reduced the time spent on phone support to about one minute. Information that used to be confirmed by phone can now be obtained through the web, which has simplified operations and increased processing speed.

Kusaki Inquiry handling has also changed significantly. Previously, we handled all inquiries regardless of the type of request. Now, with the introduction of Amazon Connect, customers are connected to the appropriate contact point based on their specific needs. As a result, unnecessary transfers have decreased, improving both operational efficiency and customer convenience.

Among the systems and tools used in the line departments, which have particularly contributed to operational efficiency?

Masuda We've found AI-OCR and RPA to be particularly effective. We automatically extract the information needed for screening from financial statements using AI-OCR, and automate subsequent data import and input work with RPA. This has improved both processing speed and accuracy, allowing staff to focus on work with high added value such as credit decisions and customer interactions.

Kusaki We also use RPA for administrative processing after contracts are signed. Information such as addresses was entered manually, but we have now introduced automatic input using RPA.

This has not only reduced working time but also helped prevent input errors, contributing significantly to improved work quality.





Managing Director
of AG BUSINESS SUPPORT
Masaki Shiina
Joined LIFECARD in 2005 and later AIFUL, gaining experience in sales, corporate planning, secretarial duties, and corporate sales. Appointed Managing Director of AG BUSINESS SUPPORT in June 2026. Grateful for the daily support of colleagues while taking on challenges requiring specialized expertise.



Manager of Sales Department
AG BUSINESS SUPPORT
Yujiro Izumi
Joined AIFUL in 2017 and gained experience in online applications, HR, credit guarantees, and corporate sales. Joined the Sales Department of AG BUSINESS SUPPORT in October 2025. Continues to explore ways to contribute with the support of colleagues.



Sales Department
AG BUSINESS SUPPORT
Nami Kusaki
Joined AIFUL as a temporary employee in 2017 and AG BUSINESS SUPPORT in 2021, becoming a full-time employee in 2023. Currently handles customer service. Stays busy at home with two teenage daughter and son.



Sales Department
AG BUSINESS SUPPORT
Aya Masuda
Joined AG BUSINESS SUPPORT as a temporary employee in 2022 and became a full-time employee in 2023. Formerly worked as a TV production assistant, developing strong perseverance and stamina. Now enjoys visiting Universal Studios Japan after work.

Group Interview

Evolving Center Operations to Support Growth 02

What are the specific results of improved productivity?

Masuda The processing time per application has been significantly reduced. There were cases where it was difficult to respond quickly at the start of the week or when applications were concentrated. But through the use of RPA and AI, the number of applications we can process has increased, and I feel we have shifted to a structure that can better meet customer needs.

Kusaki The way we work has also changed significantly. We were constantly swamped with work and overtime had become the norm. But as operations have been increasingly automated, the number of cases handled per person has increased, which in turn has helped curb overtime.Employees are now able to focus on work with higher added value, and working conditions have improved as well.

Izumi Looking at the actual figures, the results of productivity improvement are clearly showing. Although receivable outstanding and the number of accounts have increased alongside business expansion, we have built a structure that can support this growth without significantly increasing headcount in center operations.

The number of cases and assets handled per person has also increased, and processing capacity has steadily improved through the shift to digital-based services, automation of operations, and the review of business processes. Productivity improvement is not simply about reducing headcount. It is about building a structure that supports business growth by enabling a limited workforce to provide fast, high-quality service to a greater number of customers. We intend to continue advancing operational reform in line with business expansion while pursuing both productivity and service quality.

Specifically, what kind of work have you been able to focus on?

Masuda As the burden of routine tasks has decreased, we have been able to focus on work that requires human judgment, such as screening and improvement activities.

While AI utilization is advancing, it remains difficult for AI to judge aspects that cannot be seen from quantitative information alone, such as the business potential or the background behind funding needs. I believe this is an area that will continue to require human involvement.

Kusaki I also feel that we have been able to focus on work that requires human judgment. For example, in payment processing, humans handle the final confirmation for cases where automated determination is difficult. While continuing to advance automation, we intend to devote more time to the work that humans should truly focus on.



The work requires specialized knowledge and experience. How do you help employees become productive quickly?

Masuda Since operations for business loans require a high degree of specialized expertise, it is important to strengthen the capabilities of the entire organization while reducing dependence on individual employees. To that end, we are developing manuals and automating routine tasks to create an environment where we can devote more time to training and talent development. I also joined as a temporary employee, but the knowledge-sharing and training systems in place helped me quickly acquire the skills needed for my role and grow into the position I hold today. Going forward, we aim to build a more flexible and resilient organization by promoting multi-skilling.

Izumi We have recognized succession of know-how as a challenge. Currently, we are organizing the knowledge of experienced employees, creating manuals, simplifying operations, and building an environment where anyone can access the information they need. By utilizing AI and FAQs, we will promote establishment of a system for accumulating know-how as an asset of the organization.

Has DX also brought benefits in terms of employee training?

Masuda Previously, many of our operations involved routine tasks, and employees required extensive on-the-job training to become proficient in each area. As online applications have become the norm and routine tasks have been automated, operations have become much simpler, enabling new employees to become proficient in a shorter period of time.

Kusaki We are working to reorganize operations in a way that minimizes tasks that are heavily dependent on individual experience or knowledge. Rather than simply preparing manuals, we are pursuing operational improvement based on the philosophy of eliminating the very tasks that need to be taught.

Please tell us about the challenges involved in achieving further efficiency.

Masuda While DX and automation of operations are progressing, some processes still rely on paper-based operations or manual work, and we believe there is still room for improvement. We are currently working on system upgrades with the aim of creating an environment where employees can focus even more on work with higher added value by promoting paperless operations and systemization of workflows.

What roles are the center operations expected to play for future business growth?

Shiina The center operations are considered as a critical foundation supporting business growth. Even as the business expands and the volume of cases handled increases, it is our core mission to continue processing a large number of cases quickly and accurately. To that end, we are pursuing both productivity and quality by actively standardizing tasks that can be automated and utilizing digital technologies such as RPA and AI-OCR.

To support business growth without significantly increasing headcount, it's essential not only to reform operations but also to create an environment where each employee can fully demonstrate their abilities and feel a sense of growth.

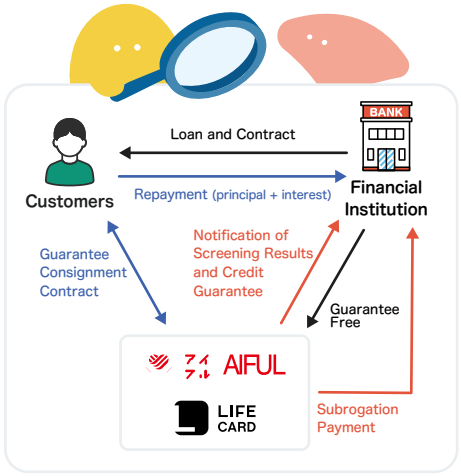
We will continue simplifying operations and leveraging digital technologies to provide customers with faster, higher-quality service, supporting business growth as the center operations.



Credit Guarantee Business

Business Overview

Through both the AIFUL and LIFECARD brands, our credit guarantee business provides guarantees for consumer and business loans offered by financial institutions. By earning guarantee fee income, we have established a fee-based business that provides a stable source of earnings for the Group. Alongside our loan and credit card businesses, the credit guarantee business is one of the Group' s core businesses. Our strength lies in a collaborative model that combines the strong local brands of regional financial institutions with the Group' s extensive credit assessment expertise. This model helps our partner financial institutions reduce credit risk and streamline their credit assessment processes.



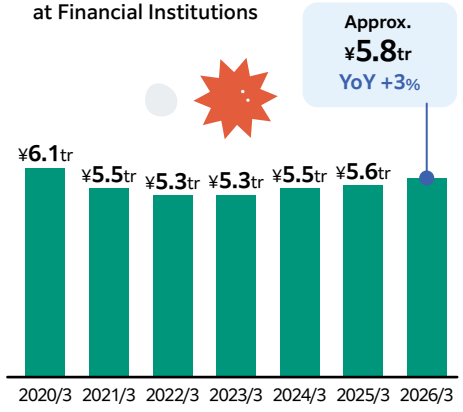
Strengths

1. **Credit Assessment and Collection Expertise Built Over 59 Years**
   - Strong credit assessment capabilities supported by extensive historical data on credit assessment and receivables management.
2. **Diverse Range of Guarantee Products**
   - Guarantees covering a broad range of financial products, including real estate-secured loans, business loans, and consumer loans.
3. **Hands-On Sales Support Through Seconded Employees**
   - Employees are seconded to partner financial institutions, providing on-site support to drive growth in guaranteed loan balances.

Market Trends

The outstanding balance of consumer loans provided by financial institutions reached approximately ¥5.8 trillion as of March 31, 2026, up 3% year on year. After declining during the COVID-19 pandemic, loan balances have returned to a growth trend. The consumer loan market is expected to continue expanding gradually, supported by factors including changes in prices and lifestyles and the ongoing digitalization of financial services. At the same time, responding appropriately to credit risk associated with changes in economic and employment conditions will become increasingly important. By leveraging the credit assessment and receivables management expertise and data accumulated over many years, the Group will continue to meet the diverse needs of partner financial institutions and contribute to the sound development of the market.

● Unsecured Loan Outstanding at Financial Institutions



Credit Guarantee Outstanding (Consolidated)
¥380.5bn
YoY +30.5%

Credit Guarantee Revenue (Consolidated)
¥23.8bn
YoY +11.0%

Number of Tie-up Banks (AIFUL)
170
Regional banks, Credit unions, Mega-banks

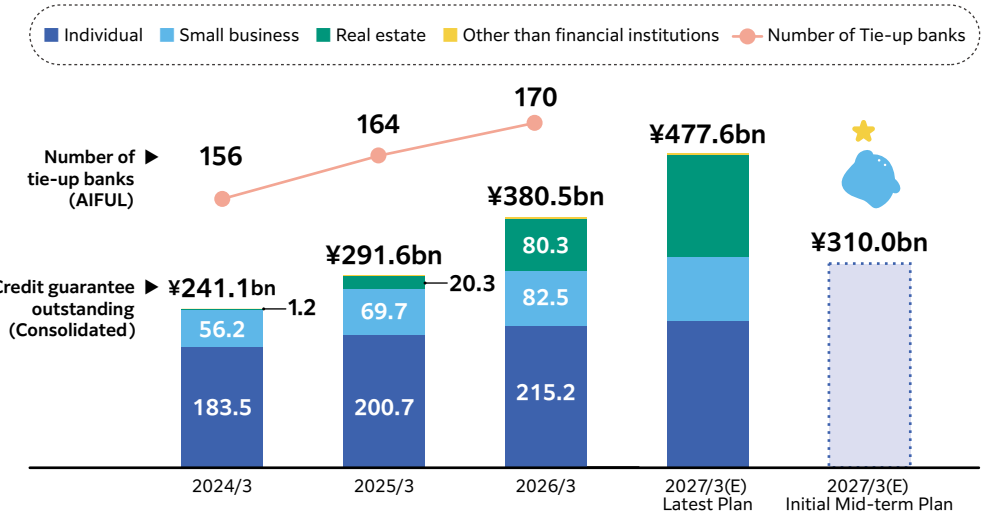
Number of Employees Seconded to Financial Institutions
80employees
Driving sales at partner financial institutions

(As of FY2026/3)

ROA Image (Credit Guarantee for Card Loan)

Guarantee fee rate	△ Credit cost ratio	△ Other expense ratio	= ROA
6.5%	3.5%	1.0%	Approx. 2.0%

● Trends of Credit Guarantee Outstanding



Group Interview

The People Driving Our Guarantee Business 01

Drivers of Rapid Growth and the Business Structure

The guarantee business is growing faster than projected in the Medium-Term Management Plan. What are the key drivers behind this growth?

Honma The outstanding balance of guaranteed loans reached ¥380.5 billion in FY2026/3, a significant increase of 30.5% year on year. This growth has been driven by steady growth in card loans as well as the expansion of our business areas, particularly real estate-secured loan guarantees. Starting with real estate-secured multipurpose loans, we have expanded our product lineup to include mortgage loan guarantees and real estate investment loan guarantees.

Makita In western Japan, we are proposing the introduction of new guarantee products while deepening relationships with existing partner financial institutions. Expanding our business scope on the foundation of long-standing relationships of trust has been one of the key drivers of growth.



Yamada In eastern Japan, we have established a relatively large number of new partnerships and are expanding collaboration with a broad range of financial institutions, including regional banks, internet banks, and credit unions. We currently partner with 170 financial institutions nationwide and make proposals tailored to the needs of each region.

With so many guarantee companies in the market, why do you think AIFUL is chosen by financial institutions?

Murata One of our key strengths is that our support extends well beyond credit screening. Through seconded employees, we provide hands-on support in areas including sales promotion and marketing, product planning, and training for employees of partner financial institutions. Because each financial institution faces different challenges, we build strong relationships by developing proposals tailored to each partner's needs while working to expand the range of products they offer.

Hinayasumi AIFUL alone currently partners with 170 financial institutions. We are actively working both to deepen relationships with existing partners and to develop new partnerships. We are also making progress in securing larger-scale transactions through secondments and partnerships with financial institutions. For example, our proactive approach to internet banks and relatively large second-tier regional banks is beginning to produce results.

Real Estate-Secured Loan Guarantees: Growth and Risk Management

Please tell us about the product portfolio and growth of the real estate-secured loan guarantee business.

Kuribayashi We currently offer three main types of real estate-secured loan guarantees, with real estate investment loan guarantees showing particularly strong growth.



Yamada In the past, some within the Company questioned whether guarantees for affluent customers could generate meaningful guarantee fee income. However, after identifying strong demand for real estate investment and entering the market as a new business, we have achieved significant growth in our outstanding guarantee balance.

Real Estate-Secured Multipurpose Loan	A loan that enables customers who own real estate, such as a home, to obtain financing by using the property as collateral.
Mortgage Loan Guarantees	A product that leverages our credit assessment expertise to enable mortgage loans to be offered to a broad range of customers.
Real Estate Investment Loan Guarantees	Guarantees for loans used to purchase investment properties, such as apartment buildings.



Manager of Guarantee Business Department
AIFUL
Yukio Honma
Joined AIFUL in 1998. After working at branches and in sales promotion, concurrently served as General Manager of the Contact Center and AG BUSINESS SUPPORT. Took on a first B2B business role in 2023. Recently developed a taste for sake recommended by regional bank partners—and these days, both the guarantee balance and waistline are growing nicely.



Deputy Manager of Guarantee Business Sales Department 1
AIFUL
Takahiro Yamada
Joined AIFUL in 2017. After gaining experience in LIFECARD's Sales Department 2 and Overseas Business Department, joined guarantee sales in 2025. Currently supports product development and initiatives to grow guarantee balances, primarily for financial institutions in eastern Japan.



Guarantee Business Sales Department 1
AIFUL
Haruna Kuribayashi
Joined AIFUL as a mid-career hire in 2023. After working at a branch selling Group products, joined guarantee sales in April 2026. Currently supports partner and secondment locations while developing new financial institution partnerships.



Deputy Manager of Guarantee Business Sales Department 2
AIFUL
Chiemi Makita
Joined AIFUL as a mid-career hire in 2013. After working at AIFUL branches, a secondment to The Chugoku Bank, and as a Section Chief at the Contact Center, joined guarantee sales in April 2026. Values thorough preparation and a positive approach. Enjoys spending days off at the park with family.



Guarantee Business Sales Department 2
AIFUL
Kouichi Hinayasumi
Joined AIFUL as a new graduate in 2021. After gaining experience in debt consolidation loans and counseling at the Kusatsu Contact Center, joined guarantee sales in 2024. Proud of having an extremely rare surname shared by only around 30 people in Japan. Lives by the motto, "Take action first." On days off, is fully devoted to saunas and good drinks.



Seconded to Financial Institution
AIFUL
Mai Murata
Joined AIFUL in 2009. After working in sales and collections, was seconded to Kyoto Chuo Shinkin Bank in 2025. Continues to learn from colleagues while adapting to different perspectives and providing guidance to customers.

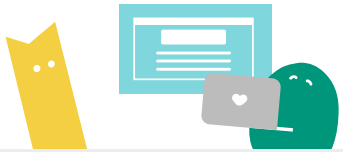
Group Interview

The People Driving Our Guarantee Business 02

How are you managing risk amid this rapid growth?

Kuribayashi We conduct comprehensive credit assessments based not only on the value of the property but also on factors such as the customer’ s profile and financial assets. In addition, we primarily target properties in the Greater Tokyo area, including Tokyo and the three surrounding prefectures.

Honma We also use a risk matrix to visualize the distribution of our portfolio and monitor the balance between lower-risk, higher-quality exposures and higher-risk exposures.



What is your outlook for mortgage loan guarantees and real estate investment loan guarantees?

Honma We expect steady demand for mortgage loan guarantees to continue as long as there is underlying demand for housing. For real estate investment loan guarantees, rising funding costs could put downward pressure on investment yields, potentially causing funds to shift toward securities or deposits or putting downward pressure on property prices.

Nevertheless, we see this as an important growth area, as the market continues to expand amid growing demand for asset building. We will continue to monitor the overall composition and condition of our guarantee portfolio and maintain appropriate risk management.



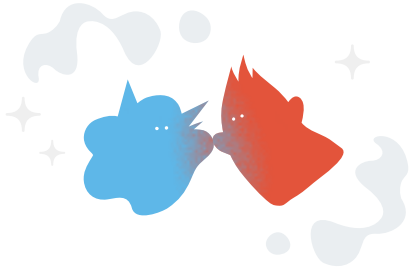
Makita Currently, the screening process takes approximately one to two weeks because property valuations are outsourced to external appraisal companies. We are therefore conducting research and development to bring this process in-house through systems and AI. A beta version is already being tested, and if successfully implemented, we believe this could become an additional competitive strength.



Group Synergies and Value Creation for Partners

Are you seeing referrals to Group companies or other synergies arising from relationships developed through the guarantee business?

Hinayasumi Yes, we are seeing significant synergies. For example, partner companies have referred M&A opportunities and financing transactions worth around ¥10 billion to the Group. We are also actively pursuing cross-selling opportunities through relationships with real estate companies, including referrals to Anshin Guarantor Service, our Group company providing rent guarantee services.



Hands-On Support Through Seconded Employees

Please tell us about the role of seconded employees and what makes this work rewarding.

Murata Each partner financial institution has its own challenges and corporate culture. What I find rewarding is being able to develop and execute initiatives to grow the outstanding balance while sharing our expertise with our partners. Our seconded employees work closely with partner financial institutions as members of their teams, becoming deeply involved in sales promotion and operational management to help deliver results. Partner financial institutions often give us positive feedback on this practical, hands-on support and our ability to solve problems. Our competitive advantage comes not only from the guarantee services themselves, but also from the value we provide through our people and expertise.

Honma Many of our seconded employees have management skills and operational expertise developed through customer-facing work at our contact centers, as well as many years of experience in credit screening. They work as a team with employees of partner financial institutions to drive operations forward. In fact, guaranteed loan balances tend to grow faster at partner financial institutions where our employees are seconded. Their proactive outbound sales activities also increase opportunities to close transactions, contributing to significant growth in our outstanding guarantee balance.

Future Business Strategy

Finally, please tell us about your future business strategy and priorities.

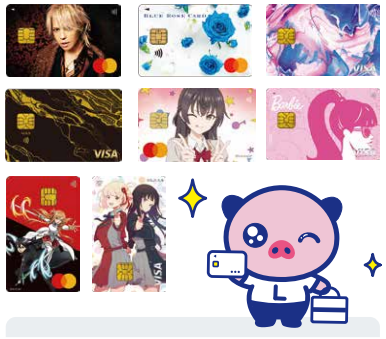
Honma We are working to bring more younger employees into the Guarantee Business Department while strengthening talent development. In a rising interest rate environment, the guarantee business plays an important role in providing the Group with a stable source of fee income. While building the scale of our outstanding guarantee balance through real estate-secured loan guarantees and other products, we will also expand higher-margin consumer and business loan guarantees through one-on-one B2B sales led by younger employees. My personal goal is to achieve an outstanding guarantee balance of ¥1 trillion. Our immediate priority is to work together across the Company and steadily advance toward our near-term targets.



Credit Card Business LIFE CARD

Business Overview

Driving Sustainable Growth Through Card-Based Financial Services Powered by Payment Data and Digital Technologies



We operate a diverse range of credit card-related businesses, including our proprietary LIFECARD brand, co-branded cards, corporate cards, prepaid cards, acquiring (merchant services), and BIN sponsorship. Through these businesses, we provide a wide range of financial services, from meeting the everyday payment needs of individual customers to helping corporate customers manage expenses and improve capital efficiency. Leveraging our cardholder base and merchant network, we generate recurring revenue while playing an important role in supporting the Group's data and DX strategies.

We also leverage the data and expertise accumulated through diverse customer touchpoints to create new services and expand earnings opportunities. By responding to evolving payment needs, we aim to achieve sustainable growth and enhance corporate value.

Strengths, Challenges, and Vision

Strengths

1. Strong sales capabilities for expanding our merchant network
2. Long-standing expertise in credit assessment and operations
3. Diverse customer base and payment network

Challenges

1. Intensifying competition as payment methods become increasingly diverse
2. Improving profitability by increasing card usage

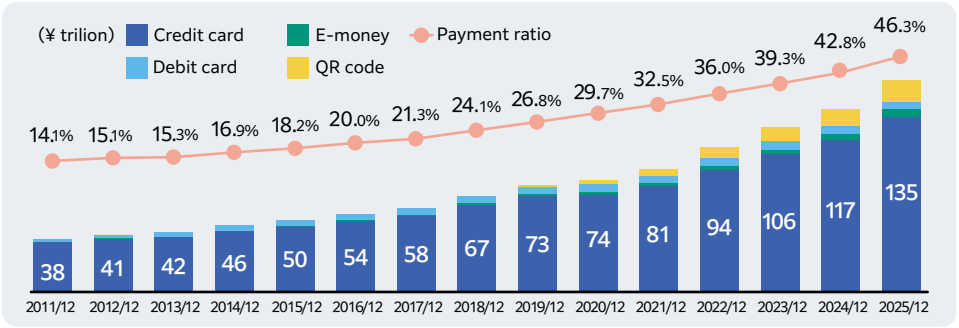
Vision

1. Deepening relationships with loyal customers and increasing use of LIFECARD as their primary card
2. Securing earnings from revolving payments, installment payments, cash advances, and other services
3. Expanding services into adjacent businesses, including BIN sponsorship and branded prepaid cards

Expansion of the Credit Card Market

Japan's credit card market continues to grow, supported by the increasing adoption of cashless payments. The cashless payment ratio reached 46.3% in 2025 and is expected to continue rising. As the range of payment occasions expands with the growing use of contactless payments and e-commerce, credit card companies are increasingly expected not only to provide payment functions but also to enhance the customer experience and deliver added value through effective use of data.

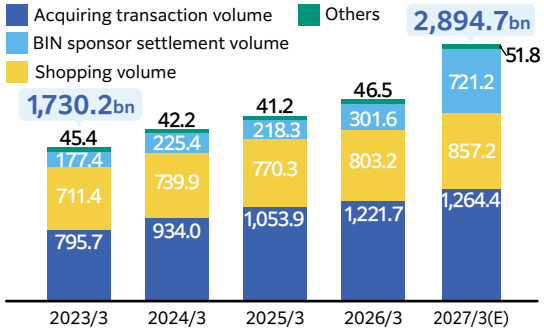
Source: Financial Services Agency WEB site



Steady Growth in GMV

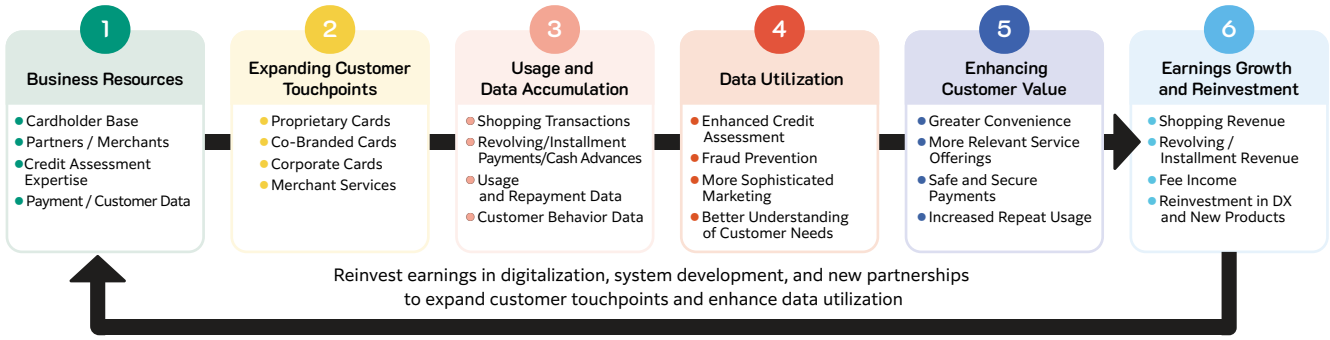
LIFECARD's GMV has grown to over ¥2 trillion, driven by an expanding base of active cardholders, particularly among younger customers and women; a nearly fivefold increase in Gold Card GMV over the past three years; and expansion in the acquiring, corporate payment, and BIN sponsorship businesses. Going forward, we aim to achieve sustainable growth by further expanding our payment businesses.

GMV (Gross Merchandise Value) Trend ▶



Value Creation Process

By issuing a diverse range of credit cards, we expand our customer touchpoints. We accumulate transaction data and use it for credit assessment, marketing, fraud prevention, and other purposes, enabling us to provide safer and more convenient services. These initiatives increase usage across shopping, revolving and installment payments, and cash advances, leading to higher fee and interest income. We then reinvest the earnings generated in digitalization, system development, and the development of new services and partnerships, creating greater customer value and driving further business growth.



General Manager Interview

Business Strategies Driving GMV Growth

Proprietary Card Business



General Manager of Sales Planning and Promotion Department LIFECARD

Ryoji Shibata

Joined LIFECARD in 2002. After gaining experience in corporate sales, finance, IR and public relations, and AG Payment Service, appointed General Manager of the Sales Planning and Promotion Department in 2026. Focuses on the customer perspective and aims to build an even broader base of LIFECARD fans.

LIFECARD offers a wide range of products, from annual fee-free cards to Gold Cards, providing payment services tailored to each customer's life stage and usage needs. Gold Card GMV, in particular, has grown significantly. We are also strengthening customer touchpoints through apps and the web to expand usage opportunities, aiming to deliver a more convenient payment experience that customers will continue to enjoy over the long term.

Expanding card usage increases shopping revenue and various fee income, while collaboration with Group companies' services leveraging our cardholder base contributes to expanding GMV and strengthening the earnings base across the Group.

Going-Forward Strategy

Strategy	Objective
① Strengthen Engagement with Younger Customers	Build long-term relationships with customers through ervices tailored to different life stages
② Strengthen Digital Channels	Increase card usage through enhanced UI/UX
③ Provide Diverse Payment Options	Enhance the customer experience and expand the earnings base

Co-Branded Card Business



General Manager of Sales Department 1 LIFECARD

Hiroshi Yamaoka

Joined AIFUL in 2001. After gaining experience at branches, in head office functions, and in the credit guarantee business, appointed General Manager of Sales Department 1 in 2023. Finds fulfillment in connecting customers with LIFE CARD through co-branded cards.

The co-branded cards business creates new customer touchpoints by combining the brand strength and customer base of our partner companies with our card issuance, credit screening, and operational know-how. By offering product designs and benefits tailored to our partners' customer needs, we achieve high active cardholder rates and continued usage, which leads to stable growth in shopping transaction volume.

In addition, we are expanding our member base through long-term partnerships with our partner companies, and working to improve LTV by leveraging card usage data and collaborating with Group services. We aim for sustainable revenue growth by expanding touchpoints with diverse customer segments and strengthening our member base, as well as developing new partnerships and strengthening relationships with existing partners.

Going-Forward Strategy

Strategy	Objective
① Acquire Strong Partners and Expand Partnerships	Expand the customer base and create new usage occasions
② Increase Active Usage	Increase transaction volume and fee
③ Acquire Loyal Customers	Build a stable earnings base and maximize LTV

Acquiring Business



General Manager of Sales Department 2 LIFECARD

Kenji Imai

Joined LIFECARD in 2005. After gaining experience in debt collection, recruitment, and B2B sales, appointed General Manager of Sales Department 2 in 2025. Works to deliver payment solutions without being constrained by conventional industry practices.

The acquiring business provides a secure and reliable cashless payment environment as the payment infrastructure connecting affiliated merchants and customers. We have increased transaction volume by expanding our merchant network centered on e-commerce merchants, as well as developing the brick-and-mortar sector, contributing to the growth of a cashless society. Currently, we have built collaborative frameworks with providers of customer management systems, such as reservation systems and POS systems, as well as automatic payment devices, and by integrating these services with our payment terminals, we support affiliated merchants in expanding sales opportunities, improving customer service, and enhancing operational efficiency. Through long-term partnerships with affiliated merchants, we are achieving growth in transaction volume and generating stable fee income, which contributes to sustainable corporate value improvement.

Going-Forward Strategy

Strategy	Objective
① Expand the Merchant Network	Increase transaction volume and strengthen the earnings base
② Enhance Payment Solutions	Increase revenue per merchant and strengthen competitiveness
③ Strengthen Merchant Relationships	Build long-term relationships and achieve sustainable growth

BIN Sponsorship Business



General Manager of Brand Promotion Department LIFECARD

Shigeaki Yoshitake

After working for an international card brand and serving in an overseas role at a retail-affiliated non-bank financial institution, appointed General Manager of the Brand Promotion Department in 2023. Leverages extensive experience and expertise to manage international card brand relationships and drive the BIN sponsorship business.

The BIN sponsorship business supports fintech and operating companies in launching their own card services by leveraging LIFECARD's international brand license and card issuance and operational infrastructure. This allows partner companies to offer services without having to build their own card issuance infrastructure, enabling rapid business expansion. As a BIN sponsor, we create an environment in which partner companies can confidently roll out their card services by providing international brand licenses and handling various coordination and settlement processes with the brands.

We also work to generate stable earnings and create new business opportunities by expanding our payment network through collaboration with a diverse range of partners, as well as strengthening our service infrastructure through accumulation of payment data and operational know-how.

Going-Forward Strategy

Strategy	Objective
① Expand Partner Companies	Expand the payment network
② Strengthen Service Infrastructure	Build a highly competitive payment platform
③ Expand the Earnings Base	Achieve stable and sustainable growth in the fee-based business

Installment Sales Finance AG PaymentService × AIFUL

Business Overview

Through its installment sales finance (shopping credit) business, AG Payment Service (AGPS) supports the diverse needs of customers and the business growth of merchants. Under this "buy now, pay later" model, AG Payment Service pays merchants on behalf of customers when products or services are purchased, and customers subsequently repay AGPS either in installments or in a lump sum. One of the key advantages is that customers can use installment payments without having a credit card. For e-commerce merchants, AGPS also offers MIRAI BARAI, a dedicated deferred payment service. As AG Payment Service assumes responsibility for managing and collecting accounts receivable, merchants can expand sales opportunities without assuming the risk of non-payment.

Competitive Advantages

Intellectual Capital

Leveraging credit data and credit assessment expertise, AG Payment Service combines scoring with manual review to achieve both high approval rates and appropriate credit decisions.

Human Capital

By assessing applications with an understanding of the products and sales schemes involved, AG Payment Service makes appropriate credit decisions for both customers and merchants.

Social Capital

With 26 locations nationwide and a network of approximately 3,500 merchants, AG Payment Service provides end-to-end support, from merchant acquisition to post-implementation support.

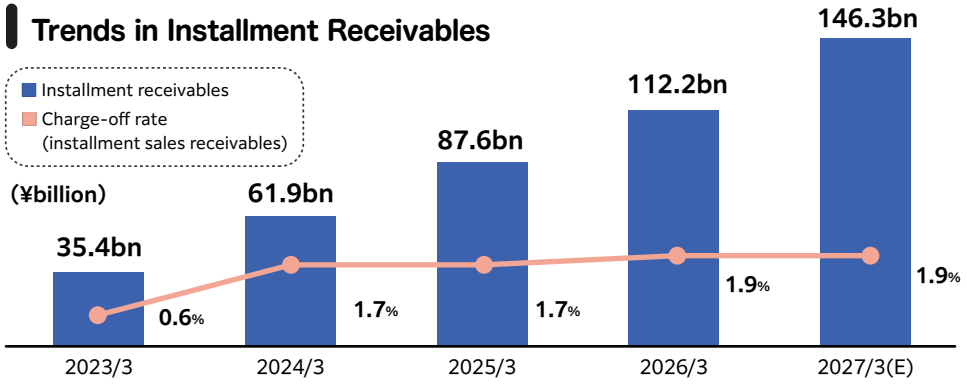
Financial Results

Installment receivables reached ¥112.2 billion in FY2026/3 and are expected to increase to ¥146.3 billion in FY2027/3.

Growth Strategy

- Expand market share in aesthetic and beauty medical services by leveraging our credit assessment capabilities andsales network.
- Target ¥200.0 billion in installment receivables and a 30% share of the aesthetic and beauty medical services.

Trends in Installment Receivables



Installment receivables
¥112.2bn
Approximately 14-fold over 5 years

Customer approval rate
Approx. 92%
Credit screening in as little as two minutes

*FY2026/3

Number of Merchants
Approx. 3,500
Focuses on the aesthetic salons and beauty medical services

Charge-off rate
1.9%
Remains low despite rapid growth in installment receivables

Value Creation Process

1 **Merchant Acquisition**
Assess merchant soundness and build a merchant network capable of sustainable growth.

2 **Customer Screening and Credit Assessment**
Leverage the Group's credit assessment expertise to provide screening decisions in as little as two minutes, achieving high approval rates while maintaining appropriate risk control.

3 **Payment to Merchants**
Promptly pay merchants on behalf of customers, creating sales opportunities and supporting revenue growth.

4 **Collection and Receivables Management**
Generate stable earnings while appropriately managing credit risk.

Outcomes (Value Delivered)

Customers	Greater access to high-value products and services
Merchants	Expanded sales opportunities without assuming the risk of non-payment
AGPS	Profit growth through the accumulation of fee income
Group	Higher LTV through cross-selling

Risks and Responses

Industry Concentration	Diversify the portfolio by expanding into education and home equipment (Industry Mix)
Credit Risk	Combine scoring with manual review (Credit Loss Rate)
Merchant Failure	Conduct regular monitoring (Monitoring Completion Rate)
Changes in Consumer Demand	Reallocate sales resources to growth areas (Trend in Transaction Volume)

Group Interview

Driving Sustainable Growth Through Credit Assessment Capabilities and a Strong Sales Network

Please tell us about the background behind the significant growth in the revolving/ installment outstanding.

Murano It grew from ¥8.0 billion in the FY2021/3 to ¥112.2 billion in the FY2026/3. This growth has been-driven by our focused strategy on the cosmetic medical and aesthetic markets, as well as merchant acquisition leveraging our nationwide sales network. By continuing operating activities based on a deep understanding of market characteristics, we have achieved expansion of our affiliated merchant base and growth in transaction volume.

Watanabe Even after signing contracts with affiliated merchants, we continuously monitor usage conditions and support sales promotion. We are driving continuous growth not only by increasing the number of affiliated merchants but also by working to improve active cardholder rates.

Where does AG Payment Service's competitive advantage lie?

Nakai Our greatest strength is the credit assessment capability we have built over many years and quick screening and response. By combining quantitative judgment based on scoring with qualitative judgment from screening staff, we achieve both a high approval rate and appropriate risk control. We have built a system that can deliver screening results in as little as two minutes for standard screening, which helps retain customers and ensure that affiliated merchants never miss out on sales, and this is a key source of our competitive advantage. Another distinguishing feature is that we can provide continuous support from implementation through ongoing operations by having points of contact with affiliated merchants through our nationwide sales office. Our ability to quickly capture feedback from the frontline and translate it into service improvements is a major strength.



How do you manage risk while growing in the aesthetic and beauty medical markets?

Watanabe While the aesthetic and beauty medical markets offer high growth potential, they require careful management that takes into account factors such as the financial condition of affiliated merchants and the service provision periods. We continuously check the financial condition and business trends of affiliated merchants through ongoing credit monitoring and regular monitoring, in addition to screening of new affiliated merchants. From the perspective of customer protection, we have also established a system to prepare for the possibility that an affiliated merchant may become unable to continue its business. One of our strengths is our focus on balancing expansion into growth markets and sound risk management.

Fujimura In fact, there are cases where we have continued transactions while supporting affiliated merchants in resolving their challenges through ongoing dialogue and monitoring. We go beyond simple credit assessment, supporting the growth of affiliated merchants as a true partner.

How are Muninova Group's strengths leveraged in AG Payment Service?

Nakai One of the Group's strengths is that it combines a nationwide sales network with credit and receivables management know-how accumulated over many years. Our sales offices serve as the point of contact for affiliated merchants, while AG Payment Service handles specialized functions such as screening and operational support, creating a structure that leverages the strengths of each.

Murano One of our other major strengths is that, using our points of contact with affiliated merchants as a starting point, we can propose a variety of financial and payment services offered by our group companies. We believe it also contributes to enhancing corporate value that we support affiliated merchants in resolving their challenges while deepening engagement with customers across the entire Group.

Fujimura In January 2024, AG Payment Service was established through the integration of the shopping credit business and the buy-now-pay-later business. This integration has enabled us to share the insights and know-how developed in each business. Initiatives to improve operational efficiency and utilize RPA have also progressed, and improvement proposals and exchanges of ideas are now taking place more actively than before.

I also transitioned from a temporary employee to a full-time employee, which has given me opportunities to take on improvement initiatives and cross-functional projects in addition to my regular responsibilities. Working with colleagues from diverse backgrounds, I have experienced a culture that embraces different perspectives and creates new value. I feel that greater mutual understanding and inclusion are contributing to organizational growth and better service quality.





How do you envision the future?

Murano In addition to further growth in the aesthetic and beauty medical markets which are currently our core areas, we are considering expansion into high-value service fields such as education, qualification acquisition, healthcare, and housing equipment. As customer needs for payment methods have become increasingly diverse in recent years, opportunities to utilize installment receivables & BNPL have been expanding. We will continuously contribute both to expanding sales opportunities for affiliated merchants and to enhancing convenience for customers by leveraging our credit assessment capability and sales infrastructure.



Manager of Corporate Management Section
AG Payment Service
Tomoaki Murano

Joined AIFUL in 2002 and gained broad experience, primarily in sales and collections. Joined the Corporate Management Section of AG Payment Service in 2026. Currently responsible for financial data, budgeting, and performance management.



Manager of Sales Promotion Section
AG Payment Service
Takefumi Nakai

Joined AIFUL in 2002. After gaining experience in collections, head office functions, and sales at LIFECARD, joined AG Payment Service. Spends days off keeping busy attending children's club activities



Deputy Manager of Sales Promotion Section
AG Payment Service
Yosuke Watanabe

Joined LIFECARD in 2007. After gaining experience in receivables management, cardholder acquisition and usage promotion, and deferred payment services, joined the Sales Promotion Section of AG Payment Service. Currently works to deliver greater value to merchants and develop new services.



Sales Promotion Section
AG Payment Service
Rena Fujimura

Joined AG Payment Service as a temporary employee in 2016, gaining experience in customer screening, merchant screening, and sales administration. Became a full-time employee in 2025 and currently handles sales administration in the Sales Promotion Section, leveraging previous experience to support smooth operations.

Overseas

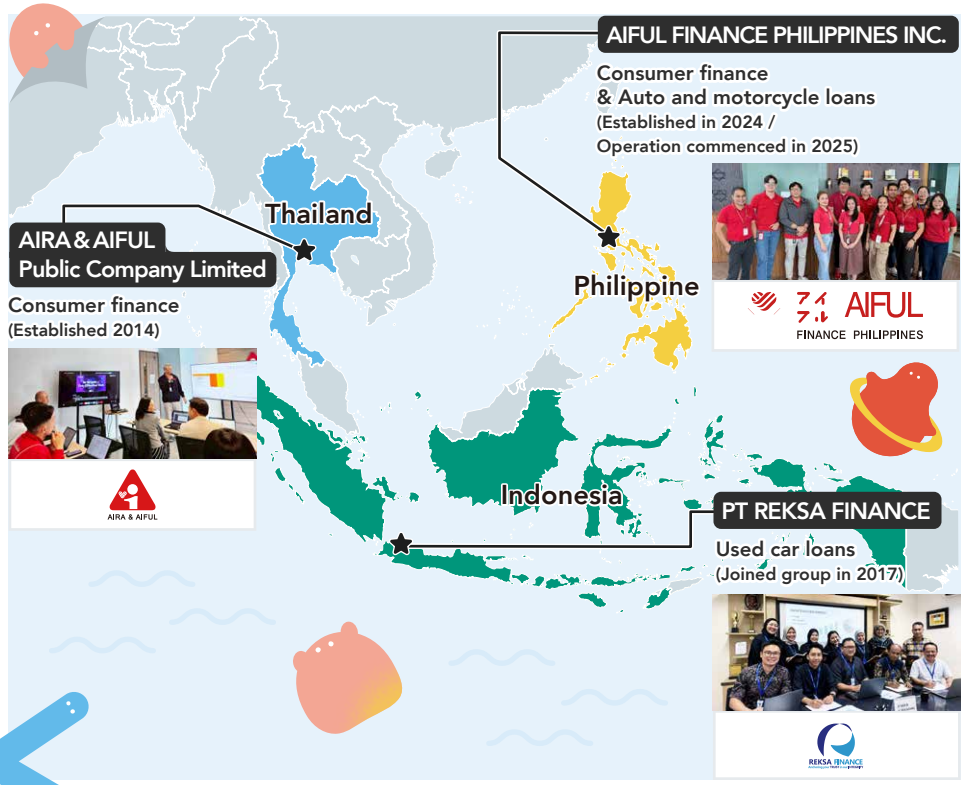
Summary

The Group currently operates in three countries: Thailand, the Philippines, and Indonesia.

The purpose of our overseas expansion is to drive future earnings growth. In Japan, the population is declining and the birthrate remains low, which may limit the growth potential of the domestic market over the medium to long term.

Meanwhile, in emerging markets, particularly in Southeast Asia, demand for financial services is growing, supported by expanding personal consumption alongside economic development. We believe these countries and regions represent promising markets with significant potential for further expansion.

By leveraging the expertise and digital technologies we have developed in Japan, we aim to expand our overseas business portfolio and contribute to the sustainable growth of the Group as a whole.



AIRA & AIFUL Public Company Limited

Path to Profitability

✦Achieved Profitability in the Fiscal Year Ended March 2026

While the Thai market offers significant growth potential, the business environment has not always been favorable, due in part to changes in the macroeconomic environment following changes in government and the impact of the COVID-19 pandemic.In response to these conditions, we reassessed our business model and implemented a turnaround plan. We reformed our cost structure by reducing the number of branches and optimizing workforce allocation, while also shifting our credit policy to place greater emphasis on high-quality customers. Rather than simply pursuing growth in lending volumes, we transformed our approach to business management to focus on the type and quality of loan portfolio we seek to build. Through these structural reforms and disciplined business management focused on balancing profitability with sound asset quality, we achieved profitability in the fiscal year ended March 2025. Going forward, we will build on the results of these structural reforms to further strengthen our earnings base and pursue sustainable growth.



Advisor
AIRA&AIFUL Public Company Limited
Kimihiro Omori

AIFUL FINANCE PHILIPPINES ✦Operations commenced in 2025

Overcoming Challenges in Launching a New Overseas Business

In the Philippines, we provide loans secured by automobiles and motorcycles. In launching the business, we encountered a number of gaps between our initial assumptions and actual market conditions, which we have addressed one by one. Many customers have limited credit histories, making it difficult to directly apply the credit assessment models developed in Japan and our other markets. We therefore developed operational processes and credit assessment models suited to local conditions through measures including verification of vehicle registration documents and on-site assessments. In addition, given the relatively low level of bank account ownership, we cannot rely solely on automatic bank transfers for repayments. We are therefore developing a collection framework suited to local conditions, including follow-ups by telephone and in-person visits. In parallel with recruiting and developing local talent, we are standardizing our operations to establish a foundation that will enable stable and efficient operations as the business grows. We believe this disciplined approach to operations will become a source of competitive strength supporting our future growth.



Director (CEO)
AIFUL FINANCE PHILIPPINES INC.
Takuji Kamiya

PT REKSA FINANCE

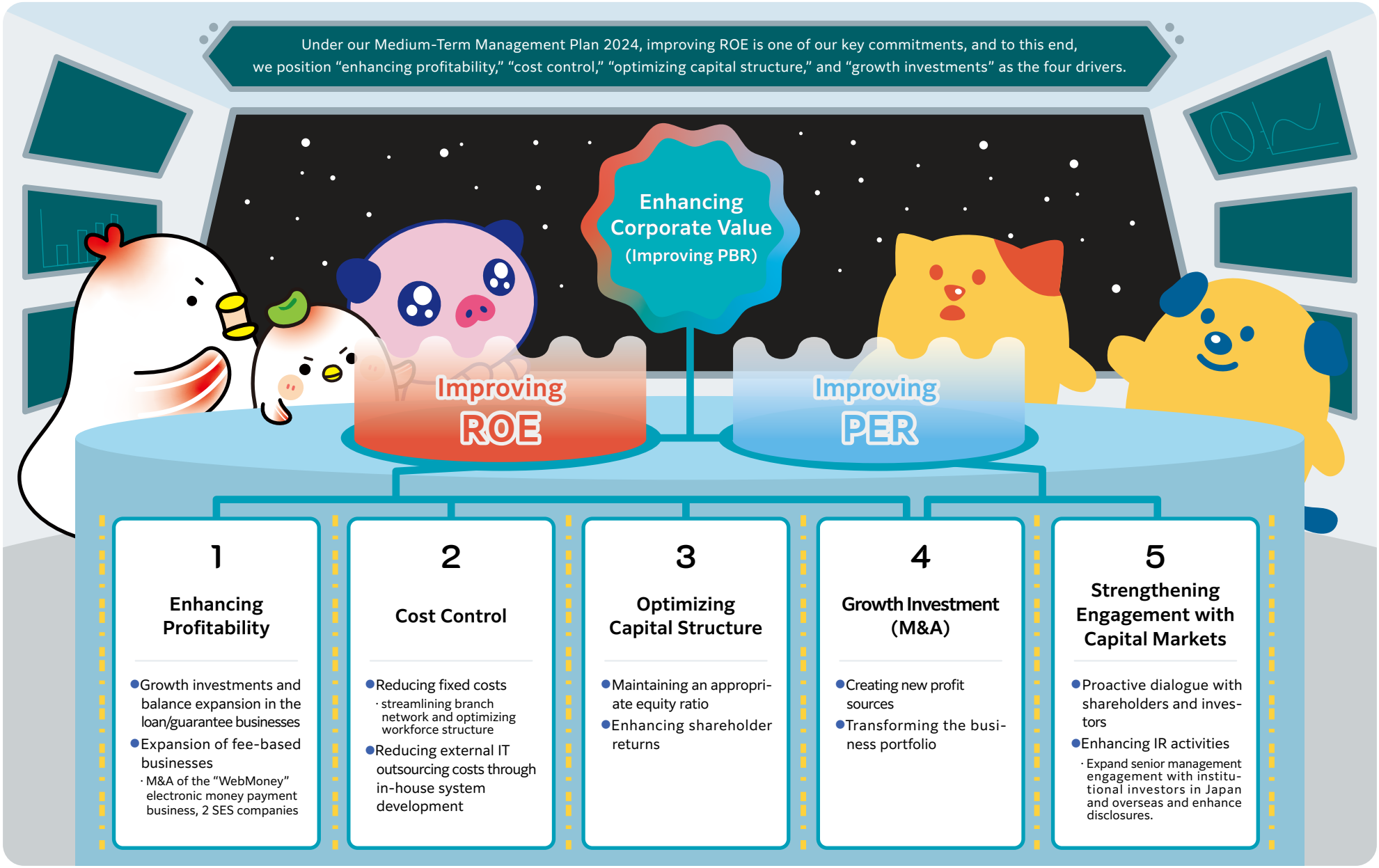
Strengthening the Dealer Network and Diversifying the Loan Portfolio

While the Indonesian market offers significant growth potential, it is also susceptible to changes in economic conditions, interest rates, and foreign exchange rates. We therefore believe that strengthening our dealer network and diversifying our loan portfolio are essential to achieving sustainable growth. To build stronger relationships of trust with our dealers, our sales representatives conduct regular visits and we hold events for dealers. We are also working to shorten the lead time from credit assessment to loan disbursement, thereby improving convenience for our dealer partners. In addition to used commercial vehicle auto loans, we are expanding our product lineup to include motorcycle loans and inventory financing for dealers, thereby further diversifying our loan portfolio. Going forward, we aim to build an earnings base that is resilient to changes in the business environment by further strengthening our dealer network and diversifying our portfolio.



Deputy manager
REKSA FINANCE
Toshiaki Ito

Initiatives to Enhance Corporate Value (Logic Tree Toward Enhanced Corporate Value)



Initiatives to Enhance Corporate Value (Dialogue with the Market)

The Group regards constructive dialogue with shareholders and investors as an important opportunity to achieve sustainable growth and enhance corporate value. Our IR activities are led primarily by the Operation Management Department, with senior management actively participating in dialogue to gain a direct understanding of market expectations and concerns.

Feedback and requests received through these dialogues are shared with the Management Committee and reflected in our business strategies, capital policies, and human resource strategy. We will continue to engage in dialogue with the capital markets to improve capital efficiency and sustainably enhance corporate value.

Dialogue with Shareholders and Investors

- Growth investments and M&A strategy
- Initiatives to improve capital efficiency (ROE and ROA)
- Growth strategy for overseas businesses
- Profitability of consolidated subsidiaries and enhanced disclosure
- Human capital and digital transformation (DX)
- Shareholder return policy and capital policy

*Feedback received through individual meetings and briefing sessions is regularly compiled and shared with senior management

Number of Investor Meeting

	2025/3	2026/3
Meetings with Investors and Securities Analysts	201	227
Of which, management-attended meetings	CEO 8 Executives 24	CEO 29 Executives 22
Participation in Conferences (Domestic and Overseas)	Conferences 4 Investors 18	Conferences 5 Investors 41

Number of IR Briefing

	2025/3	2026/3
Financial Results Briefing (On-site & Online)	3	4
Briefing for Individual Shareholders └ Number of participants	1 28	1 38

We expanded opportunities for dialogue with management and worked to strengthen engagement with domestic and international investors.

Incorporating Capital Market Feedback into Management

- **Dialogue with Shareholders and Investors**
- **Identification of Key Issues by the IR Team**
- **Reporting to the Management Committee**
- **Sharing with the Board of Directors**
- **Reflection in Management Strategy, Capital Policy, and Disclosure Improvements**

Feedback from shareholders and investors is collected through quarterly earnings briefings and individual meetings and shared with the Management Committee and the Board of Directors. In particular, feedback on growth investments, capital efficiency, shareholder returns, human capital, and the business portfolio is continuously discussed as part of our key management agenda.

Investor Feedback and Our Responses

【Investor Feedback and Requests】	【Our Response and Benefits to Investors】
Greater disclosure of M&A policies and target areas	✦ Greater Transparency of Growth Investment Strategy Disclosed M&A policies and target areas in earnings presentation materials
More detailed disclosure of consolidated subsidiaries' performance	✦ Better Analysis of Group Earnings Expanded disclosure in the Data Book
Online access to earnings briefings	✦ Greater Access to Information Introduced online earnings briefings
Publication of Q&A from earnings briefings	✦ Reduced Information Asymmetry Began publishing Q&A
Earnings data in Excel format	✦ Easier Time-Series Analysis and Financial Modeling Began publishing historical data

Our corporate website provides information in both Japanese and English, including financial results, securities reports, integrated reports, earnings presentation materials, the Data Book, monthly data, the Investors' Guide, and materials for individual shareholder briefings.
We also use our official "note" account to share information such as earnings highlights and updates on overseas IR activities. Through these initiatives, we are enhancing our information platform to support constructive dialogue with investors in Japan and overseas.

Various disclosures and published data

https://www.muninova.co.jp/en/ir/



Muninova
IR team

Financial Highlights/ Non-Financial Highlights

Financial Highlights

Assets (billions of yen)

	2022/3	2026/3
Total operating receivables	887.4	1,539.5
Loans business	582.3	890.5
Credit business	116.7	237.1
Credit guarantee business	171.7	380.5

Profit and Loss

	2022/3	2026/3
Operating revenue	132.0	214.6
Loans business	76.3	118.5
Credit business	20.0	33.3
Credit guarantee business	15.7	23.8
Ordinary profit	12.2	35.5
Profit attributable to owners of parent	12.3	27.1

Interest repayment

	2022/3	2026/3
Number of interest repayment claims (num)	9,500	1,700
Withdrawal amount	9.1	2.4

Funding

	2022/3	2026/3
Interest bearing liabilities	531.8	890.2
Funding rate	1.22%	1.69%

Credit Rating

	2022/3	2026/3
JCR	BBB	A−
R&I	BBB−	BBB+

*For further details, see page 79.

Non-Financial Highlights

Human capital

	2022/3	2026/3
Number of employees (Entire Group)	3,969	5,113
Number of non-Japanese employees (of which, based in Japan)	892(11)	742(82)
Ratio of full-time female employees	26.0%	31.7%
Ratio of young managers	3.5%	8.7%
Ratio of female managers	3.5%	9.6%
Number of "3D" talent (Data analysts / Digital (Engineers) / Designers)	72	502
Number of employees reskilled (Programing Training)	Total participants: 130 (over 6 years)	

Customer base & Brand Improvement

	2022/3	2026/3
App rating- iOS	4.7	4.4
App rating- Android	4.3	4.6
Number of group companies	25	28
Number of group customers (thousands)	6,746	6,991
Incoming call rate per account (as indicator of improved UI/UX on website/app)	16%	8%
Number of data analyses reports	98	358
Number of in-house designed products	756 (in 2023/3)	1,154

ESG

	2022/3	2026/3
Ratio of outside directors	22.2%	40.0%
Number of financial results briefings held	2	4
CO2 emissions (t-CO2)	6,767	6,035
Number of part-time student employees	117	385
Town hall meetings (Cumulative)	Total participants: 837 Total questions submitted: 1,854 (Period : June 2024-June 2026)	
Hackathons (Cumulative)	Total participants: 976 Total events held: 13 (Period: Over 5 years)	
Financial Literacy Seminars (Cumulative)	Total participants: 3,604 Total seminars held: 37 (Period: Over 4 years)	

*For further details, see page 83.

03 Business Strategies Of Value Creation

Business Strategy 1 : M&A 43

Business Strategy 2 : Digital Promotion 47

Business Strategy 3 : Branding 51

Business Strategy 4 : Cross-Selling 54

Business Strategy 5 : Human Resource 58

Supporting Sustainable Growth Through Finance 64

Measures Against Climate Change 66

【 Transition to a Holding Company Structure 】

Muninova Holdings was established as a pure holding company to serve as the new core of the Group. Building on the track record and experience we have accumulated over the years, we will further diversify our business portfolio and maximize Group synergies. In pursuit of our Group Vision, "For Colorful Life. (a society where each person can play an active role)", we will accelerate our efforts to take the Muninova brand to its next stage.

Our Aspiration | Maximize Group earnings while achieving both capital efficiency and growth

Objectives

① Group-Wide Optimization
Optimize resource allocation and functions across businesses.

② Strengthening the Foundation for Growth
Develop new businesses and shift toward management with a long-term perspective.

③ Balancing Autonomy and Efficiency
Enhance productivity by clarifying authority and responsibilities and consolidating shared functions.

Basic Policies

① Efficient Operations
Achieve profitable operations while keeping operating costs to the minimum necessary.

② A Lean and Agile Organization
Maintain the same directors and executive officers as the operating companies, with no dedicated employees and operations managed through concurrent roles.

③ Clear Division of Roles Between the Holding Company and Operating Companies
Establish a structure in which the holding company is responsible for key decision-making, while the operating companies are responsible for business execution.



With the transition to a holding company structure,
the Group introduced a new management theme that conveys a clear message to every employee: "自分で動けよ Muninobaaaa→→→→→→→n!!!"
— Take the Initiative and Make Things Happen —
The transition to a holding company structure marks a major turning point for the Group.
However, changing our organizational structure alone will not drive growth.
Real change comes not from systems or frameworks, but from the actions of each individual.

We believe that the organization can evolve, and the Group as a whole can grow, only when each employee thinks independently, embraces challenges, and takes action.
This belief is expressed in the opening phrase, "自分で動けよ"
("Take the Initiative and Make Things Happen").
The expression "Muninobaaaa→→→→→→→n!!!" embodies our hope that the challenges and energy of each employee will come together to create transformative change.
Like the Big Bang that gave birth to the universe, small individual actions can accumulate and eventually become a powerful force that moves the entire organization forward.

The transition to a holding company structure is not the goal, but the starting point for our next stage of growth. By bringing together the initiative and actions of every employee, we aim to maximize positive change across the Group.
This aspiration is embodied in our new management theme.

M&A Strategy

Long-term Vision

Toward the Realization of Our Long-Term Vision:
"Aiming to Become a Company that Lasts 100 Years"

- Growth and optimization of core businesses
- Development of new business model

Growth Investment (M&A) Targets

- Compatible with companies where value can be increased through roll-ups and similar means
- A place where the group's know-how can be utilized with a focus on financial business

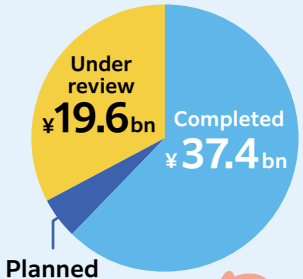
Domestic and International

M&A Target	Non-bank sector in general	Affinity for existing businesses
	•Loan business, Guarantee business	•SES Business
	•Payment business	•Real estate-related business
	•Other financial business areas	•Other businesses with compatibility

Medium-term Management Plan

FY2025/3-FY2027/3

Up to ¥60.0 billion investment aimed at future profit generation



Invested	25/3	Electronic Money: BitCash	SES: SALOP
	26/3	Electronic Money: WebMoney	SES: TEMPLATE, Smart Link
	27/3	Orico	
Planned Investment	27/3	ANSHIN (ANSHIN GUARANTOR SERVICE)	
In Progress	—	Multindo Auto Finance (Republic of Indonesia) etc.	

Promoting M&A to Drive Growth Investment

The Muninova Group has set medium- to long-term management targets of achieving ROE of 15% and ordinary profit of ¥100 billion. Given future demographic trends, growth in the consumer loan market is expected to remain moderate. Currently, unsecured loans account for a significant share of our profits. We therefore believe that growth investments, including M&A, are essential to diversify our business portfolio and strengthen our earnings base. Investment opportunities have recently been expanding, driven by increasingly sophisticated corporate growth strategies and ongoing industry consolidation. Against this backdrop, we are strengthening deal sourcing in our priority business areas and expanding our pipeline of potential opportunities. Going forward, we will continue to pursue investments that balance business strategy with capital efficiency, with a view to enhancing corporate value over the medium to long term and achieving sustainable growth.



General Manager of Corporate Strategy Department
Muninova Holdings
Kenta Tanaka

Growth Investment Track Record (Including M&A) Since FY2026/3

✦ Two new companies joined the Group as part of the roll-up strategy for the SES business
Two companies joined: Template co., ltd., which specializes in insurance system development, and Smart Link co., ltd., which has strengths in financial system development, newly joined the Group

✦ Succession to the WebMoney Business
On March 31, 2026, BitCash Inc. acquired the WebMoney business operated by au FINANCIAL SERVICE CORPORATION (former au Payment Corporation)

✦ Launched a tender offer for Anshin Guarantor Service Co., Ltd
The tender offer commenced on May 13, 2026 and was successfully completed on July 2, 2026.
The company is expected to become a wholly owned subsidiary in October 2026.

✦ Business Alliance with Mizuho Bank, Ltd. and Orient Corporation and Capital Alliance with Orient Corporation
On May 15, 2026, the Group acquired shares equivalent to a 15% stake in Orient Corporation from Mizuho Bank, with the aim of realizing synergies through the business alliance and enhancing corporate value over the medium to long term.

Future Growth Investment Strategy

❶ Maximizing Synergies
Muninova Holdings will oversee and manage the Group as a whole and pursue growth investments that are highly compatible with our existing businesses, with the aim of maximizing Group synergies and enhancing business value.

❷ Pursuing New Business Models
We will explore new business opportunities beyond the non-bank financial sector where we can leverage the Group' s expertise, with the aim of developing new business models and driving the growth and expansion of the Group as a whole.

PMI Initiatives

Promoting Unified Group Management

The Group positions PMI not merely as a process of organizational or operational integration, but as a critical initiative for realizing unified Group management and generating the value expected from M&A. It is our priority to thoroughly understand the business outline, operational realities, and corporate culture of target companies and ensure business continuity and operational stability. The Group advances integration in stages, distinguishing between elements that should be standardized across the Group and strengths of each company that should be preserved, thereby generating synergies and enhancing corporate value.



Manager of Group Companies Management Section
Group Companies Management Department
AIFUL
Gota Yamada

Joined AIFUL in 2005. After gaining experience at branch offices and in support functions, joined the Group Management Department in 2023. Works to promote integrated Group management while taking into account both a Group-wide perspective and the circumstances of each Group company.



Deputy Manager of Group Companies Management Department
AIFUL
Miho Haraoka

Drawing on experience in human resources and corporate strategy, works to build frameworks for smooth business operations while serving as a bridge between Group companies. Primarily supports digitalization and problem-solving at Group companies, working closely with each company to contribute to the growth of the Group as a whole.



Group Companies Management Department
AIFUL
Soichiro Hamada

Drawing on experience in human resources and corporate strategy, works to build frameworks for smooth business operations while serving as a bridge between Group companies.

Please tell us about your PMI initiatives to date.

Yamada In our PMI efforts to date, we have worked to strengthen our management foundation through the development of management systems, business consolidation, and system integration. At the same time, we have also had experiences where measures were implemented without fully understanding the actual conditions and frontline circumstances of the target companies, resulting in outcomes that fell short of expectations. For this reason, we now place greater emphasis on fully understanding the background of issues through ongoing dialogue with the frontline from an early stage, and working alongside them from proposal to execution.

What do you consider most important in PMI?

Haraoka What we value most in PMI is understanding the target company. No matter how excellent a measure may be, implementing without understanding the actual state of the target company's business and organization creates a gap with the frontline, failing to produce sufficient results. That is why we place great importance on carefully determining what should be integrated and what should be preserved after engaging in dialogue with the frontline to grasp strengths, challenges, and their underlying background.

How do you approach differences in corporate culture and values?



Yamada In recent years, the Group has expanded into business areas beyond the financial industry, and the mindset required varies greatly depending on the nature of the business and the working environment. For example, at companies operating SES businesses, the approach to work styles and business operations differs significantly from that of the financial industry, and there are major differences in regulations, management systems, and system usage environments as well. For this reason, while ensuring the governance and management standards required as a Group, we are mindful of understanding why a particular operation is conducted and then carefully determining what should be aligned and what should be leveraged as we proceed, rather than simply applying systems and rules as they are.

What is the basic process of PMI?



Haraoka First, based on the purpose of the M&A and the synergies expected, we organize the integration policy and priorities. From there, while grasping the actual state of the target company's business, organization, and operations, we proceed with "maintenance" which prioritizes business continuity, "integration" of necessary areas, and "development" through creating synergies, in stages.

Please tell us about past initiatives and synergies achieved.

Haraoka In our PMI efforts to date, we have worked to strengthen the management systems of group companies through the consolidation of accounting and financial closing operations, support for business plan formulation, and the development of governance structures. We have also promoted in-house development of systems leveraging the technical capabilities of SES companies, as well as cross-selling through introducing and selling products of affiliated merchants. By advancing operational efficiency and talent utilization, we are driving value creation that combines the strengths of group companies.

1 Policy Proposal	2 Current-State Assessment	3 Policy Alignment	4 Integration Execution	5 Synergy Realization
Define integration direction and guiding principles	Assess business, organization and operations; surface key issues	Agree priorities and the execution plan	Drive initiatives and manage progress	Grow revenue, improve efficiency and increase value
Policy Formulation Phase	Assessment and Decision Phase		Execution and Value Delivery Phase	

What are the challenges of PMI, and What are the Group' s strengths?

Hamada The greatest challenge in PMI is bridging the gap between the ideal state and reality. Even when issues requiring improvement have been identified, constraints such as staffing and budgets can make it difficult to address them. If initiatives are pursued without understanding this background, it is difficult to gain the understanding and cooperation of employees on the ground.For this reason, an important part of our role is to accurately understand the circumstances and challenges facing each company and communicate them appropriately to the parent company. In PMI, I believe that reaching consensus through an understanding of each other' s perspectives and circumstances is even more important than simply integrating systems and processes. One of the strengths of the Muninova Group is our experience in driving multiple PMIs in-house. Through the course of conducting PMI, we have accumulated a certain amount of know-how and knowledge regarding the formulation of integration policies, understanding the current situation, prioritization, and communication approaches. We also consider it a key strength that we have the system to holistically promote PMI in collaboration with related departments such as Business Management, Personnel, and Systems.

How do you plan to contribute to enhancing the Muninova Group's corporate value through PMI going forward?

Haraoka An M&A does not end with the acquisition. Its outcome is largely determined by the PMI that follows. With an eye toward expansion into business areas beyond the financial industry, we aim to achieve PMI with greater reproducibility by accumulating and leveraging the knowledge and know-how gained through our PMI efforts as an organization.



Yamada While it is important to promote collaboration and create synergies among group companies, we believe it is even more essential to respect the strengths and unique characteristics of each company and build a relationship of mutual growth. We will continuously contribute to sustainable growth and enhancement of corporate value for the Group as a whole while balancing the advancement of unified Group management and the growth of each company.

Roll-Up Strategy for the SES Business

Strengthening the Group's IT Competitiveness Through Expansion of SES Business

The Group is strengthening our in-house development structure as well as acquiring specialized talent and technical expertise through M&A of IT and SES companies, aiming to enhance development capabilities across the Group and build new revenue foundations. AG Solution Technology Inc., which oversees SES companies, is at the core of this effort. AG Solution Technology supports the growth of each company and promotes creation of synergies across the Group.



Director of
AG Solution
Technology Inc.
Takuya Yamashita

Joined the Company in 1994. After working at a sales branch, engaged in HR-related operations in the Education Department (now the Human Resource Development Section) and the Labor Section. Subsequently belonged to the Subsidiary Management Department and the Guarantee Business Department. Has been involved in IT operations since 2018, including planning hackathons and renewing AIFUL's application forms. Currently serves as a director of AG Solution Technology and each of the SES companies.



Deputy Manager of
AG Solution
Technology Inc.
Keisuke Mukai

Joined AIFUL in 2017 and gained experience in the Counseling Center, IR and PR, and Group system development. Since 2023, has worked at SES companies. Following the establishment of AG Solution Technology, has been responsible for strengthening governance and consolidating back-office functions across the SES companies.

Please tell us about the background behind the establishment of AG Solution Technology and its role.

Under Medium-Term Management Plan 2024, the Group has pursued acquisitions of SES companies to strengthen its digital talent base and technological capabilities. However, as the number of Group companies increased, managing and supporting each company individually became insufficient to fully generate synergies and support their growth. AG Solution Technology was therefore established as an intermediate holding company overseeing the Group's SES businesses. In addition to management oversight and strengthening governance at each company, AG Solution Technology provides sales support, consolidates shared functions, and supports post-merger integration (PMI). An important role of AG Solution Technology is to provide direction for the SES business as a whole and support the growth of each company while respecting its unique strengths and characteristics. By connecting technology, talent, and projects across the Group, we aim to go beyond simply accumulating acquisitions and enhance the competitiveness of the Group as a whole.

Why is the SES business positioned as a key strategic business?

While financial services remain the Group' s core business, we believe that diversifying our business portfolio is essential to achieving sustainable growth. The IT sector, in particular, will continue to play an indispensable role in society and business.We view the SES business not simply as a new source of earnings, but as an important strategic investment in building the Group's IT talent base. The ability to continuously secure and develop engineers and specialized expertise needed to advance our digital strategy—including system development and the use of AI—and retain these capabilities within the Group represents a significant competitive advantage. As engineers gain experience through a diverse range of projects, they further enhance their technical capabilities. This talent and expertise, in turn, provide a foundation for the Group' s product development and digital transformation (DX). The SES business therefore plays an essential role in driving the growth of the Group as a whole and realizing our transformation into an IT company.

Could you share a concrete example of the synergy between the SES business and the Group?

A major characteristic of the SES business is the ability to flexibly assign engineers with the required experience and skills to client projects for exactly the period needed. The AG Solution Technology Group employs engineers with diverse expertise, including application development, insurance systems, infrastructure, and AI-related technologies, enabling us to build the optimal team structure depending on the nature of each project. Furthermore, it is also our strength that, in addition to personnel within the Group, we also collaborate with engineers from partner companies with whom we have built long-standing relationships of trust, which allows us to efficiently and swiftly secure the necessary capabilities. For large-scale or highly specialized projects that were previously difficult for individual companies to handle on their own, we are able to build optimal teams by leveraging cross-Group collaboration and our partner network. Through this structure, clients can access the technical capabilities they need exactly when they need them, while the AG Solution Technology Group is able to promote human resource development and business growth. It creates significant value for both parties.

What do you prioritize in integration after M&A?

In integration after M&A, we particularly value the fostering of a sense of unity as a Group while respecting the strengths and corporate culture of each company. As each of the IT companies has its own unique history, values, and areas of expertise, requiring uniform operations is not necessarily the optimal approach. For this reason, while establishing the governance and management infrastructure necessary as the Group, AG Solution Technology respects each company's autonomy regarding sales approaches and organizational management. We are also working to create an environment in which each company can focus on its core business activities by consolidating common functions such as contracts and administrative operations, as well as strengthening horizontal collaboration between companies and connections among engineers through efforts such as holding a joint hackathon involving five SES companies. By striking this balance, we aim to enhance the corporate value of the Group as a whole while maintaining each company's growth motivation and individuality.



What is your outlook for the SES business?

We will continue to position the IT and SES sectors as growth areas and expand our business platform. By increasing the number of Group companies, we aim to broaden our technological capabilities and deepen our talent pool, enabling us to undertake more sophisticated and diverse projects. Going forward, in addition to generating synergies through projects within the Group, we will focus on expanding business with external clients to broaden the scale and scope of the SES business. By enhancing our competitiveness in the external market, we will strengthen our earnings base while bringing the technologies and expertise gained through these activities back into the Group to further enhance its competitiveness. Over the longer term, we aim to establish a structure in which our financial and IT businesses mutually support each other' s growth and develop the SES business into a core business of the Group.



New Group Companies

Creating Synergy Through System Development for Life and Non-Life Insurance, Our Area of Expertise

TEMPLATE co., ltd.

TEMPLATE was established in 1987. While it is common in the industry to employ engineers with broad, general-purpose skills and provide technical services across a wide range of fields, TEMPLATE has focused primarily on non-life insurance since its establishment, later expanding into life insurance. Since then, the company has specialized in the life and non-life insurance sectors. Our strength lies in providing reliable, advanced services through highly specialized engineers with extensive knowledge and skills in life and non-life insurance.



CEO
TEMPLATE co., ltd.
Takaaki Izumiyama

Joined TEMPLATE in 1998 and worked as an engineer for approximately eight years before gaining experience in corporate support functions at the head office. Appointed as a Director in 2015 and Representative Director and President in 2017.

— Message from President Izumiyama —

One of the key reasons we decided to join the Group was that COBOL, the programming language we use, is also used within the Group. Although COBOL is an older programming language, it remains widely used in core systems across the financial industry. While the number of COBOL engineers is declining, we expect continued demand for these skills. The Group' s commitment to maintaining its focus on COBOL was therefore a strong match with our own strengths. First and foremost, we aim to leverage our expertise in life and non-life insurance to contribute both within and outside the Group. The Group also includes companies such as FPC, which operates a pet insurance business. By sharing our expertise in system development for the life and non-life insurance sectors, we hope to generate synergies across the Group. Furthermore, the Group's loan and credit card systems represent a good challenge for us as well. It may take some time, but precisely because we have specialized in financial-sector life and non-life insurance, we believe we can absorb the new knowledge relatively smoothly. By mastering these areas, we strive to develop TEMPLATE into a new pillar of the Group.



Small but Elite Tech Consulting Firm with Strength in Upstream Processes

Smart Link co., ltd.

Smart Link co., ltd. was established in 1991. The Company operated various businesses at the time of its founding, including food and beverage and construction, and shifted its focus to the SES business from 1998. Today we concentrate on IT consulting and PMO services. Although our company is composed of a small number of members, those who have gained experience in the upstream processes of development play active roles as project managers and consultants wherever they are assigned.



CEO
Smart Link co., ltd.
Ryo Katsube

Joined a major system integrator in 2006 and gained experience with not only system construction, maintenance, and operation but also planning and proposals as part of the development front line. Subsequently honed skills at several IT consulting firms and joined Smart Link in 2022. Assumed President and Representative Director in 2026.

— Message from President Katsube —

I believe we joined the Group because our respective needs were a strong match. We were looking to strengthen our sales capabilities, while the Muninova Group was seeking to secure IT talent and expand its business. Our company had been operating with a small team and, in pursuing business expansion, recognized limitations in brand recognition and connections. We believed that by joining the Group, we could leverage intra-Group transactions and brand strength to enhance our sales capabilities and expand our business. Our company has many members, myself included, who specialize in the financial systems field, so we believe we can make a solid contribution to strengthening the Group's IT capabilities. By taking on the role of solving problems and leading projects to success, we hope to help IT projects across the Group proceed more smoothly. I feel that not many companies have strengths in upstream processes the way we do. While many SES companies specialize primarily in development, our company is also capable of providing consulting and PMO services. In addition, having competent employees with experience in large-scale projects is a major characteristic of our company, and we take pride in this being our unique strength even within the Group. Our goal going forward is to firmly establish our foundation for the next phase through projects within the Group, and then leverage this foundation to expand our business scale and brand recognition.



Digital Promotion Strategy

Long-term Vision

Toward the Realization of Our Long-Term Vision:
"Aiming to Become a Company that Lasts 100 Years"

External Environment

Changing Customer Needs
- Digital shift
- UX-oriented demand
- Demand for non-face-to-face interactions

Regulatory and Market
- Interest rate cap regulations
- Rising policy interest rates

Profitability Challenges
- Declining working population
- Increasing Competition

Response Measures

Strengthen the development and recruitment of engineering talent and promote in-house product development

Initiatives

Securing Talent
- Strengthen internal talent development and external recruitment
- Secure specialized talent from Japan and overseas
- Expand the talent base through M&A and other initiatives

Strengthening Development Capabilities

In-house Development
- Bring development of Group websites and apps in-house
- Gradually transition from outsourcing to in-house development
- Introduce AI tools for internal use

Greater Speed and Flexibility

SES Business Roll-up
- Expand the SES business
- Increase profit contribution
- Enhance technical capabilities through experience across diverse projects

More Effective Utilization of Technical Talent

Goal

Enhance operational efficiency and profitability through the development and continuous improvement of proprietary products

About Digital Promotion Strategy



General Manager of Digital Promotion Department 1 Muninova Holdings
Masahito Yamazaki

Joined LIFECARD in 1994. After working in sales at the Chiba and Ikebukuro branches, assigned to the staff departments including the Management Planning Department and Marketing Department. Subsequently assumed positions of General Manager of Brand Promotion Department and Sales Department 1. Assumed General Manager of Systems Department 1 in 2023 and the current position of General Manager of Digital Promotion Department 1 in 2025.

Digital Promotion Departments 1 and 2 have set "strengthening competitiveness through in-house development" as their mission, and are working to enhance the digital infrastructure that supports improvements in customer service quality and business growth. By promoting development in close collaboration with the business division, we achieve rapid responses to environmental changes and continuous service improvements, contributing to enhancement of the Group's competitiveness.

Building a Development Foundation Resilient to Change to Support Business Growth

The environment surrounding the financial industry is undergoing significant change, driven by the expansion of non-face-to-face transactions, growing expectations for UX (User Experience), rise in policy interest rate, and a declining labor population. Moreover, as it becomes increasingly difficult to differentiate products and services based on functionality alone, the ability to quickly and continuously provide services that are easy to understand and use for customers has been a key factor determining competitiveness.

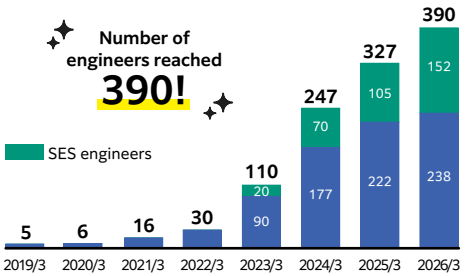
In response to these changes, the Group has been promoting in-house development of products. In-house development is not simply about developing internally, but is an initiative to build a system that enables continuous improvement in response to change while deepening understanding of the business and customers. Through the effort, we enhance development speed and flexibility as well as internally accumulate technical and operational knowledge and know-how, leading to strengthened competitive advantage. Going forward, we will promote the use of AI, standardization of development processes, and advancement of quality management to achieve higher-quality, higher-value-added product development. At the Digital Promotion Department, we will work in cooperation with the business division to achieve both improved customer convenience and operational efficiency, contributing to the sustainable growth of the Group as a whole and the enhancement of corporate value.

Investment in Human Resource is the Source of Competitiveness

The Group positions IT as a source of competitiveness and continuously invests in human resource. To date, we have strengthened our development structure through engineer recruitment, talent acquisition via M&A, and the enhancement of training programs.

Currently, in addition to expanding the scale of the organization, we are placing emphasis on improving the expertise and productivity of each individual. With advances in AI technology, the roles required in development settings are undergoing significant change. The Group is working not only to develop talent who can utilize AI to drive development, but also to strengthen highly specialized personnel who ensure final decision-making and quality.

By enhancing our development capabilities through this kind of investment in human capital, we aim to further promote the strengthening of competitiveness through in-house development and achieve sustainable growth.



Digital Promotion Through In-house Development

Background of Digital department internalization

Industry-specific restrictions

The financial industry faces challenges in differentiating on conditions such as interest rates

The Key to Competitive Advantage:UI/UX

Providing easy-to-understand and user-friendly services is essential for product differentiation

Faster Delivery Through In-House Development

Shift from outsourcing-centered development style to in-house development

The process leading up to our current in-house development structure

2019
- Decided to move forward with an in-house development strategy
- Hired engineers for the first time
- Started preparing for in-house development

2020
- Started in-house development of AIFUL smartphone app
- Introduced scrum development (Started in-house development with sales department)
- Revised dress code, allowing employees to wear casual clothes to work

2021
- CVR rates improved by 10 or more points
- AIFUL smartphone app's store evaluation improved
- **Number of engineers reached to 20**

2022
- Group companies' app and website's in-house development completed
- Number of engineers exceeds 70
- Introduced flexible working hours and telecommunication system

2023
- Promoted in-house development of areas previously handled by external web vendors
- Number of engineers exceeds 150
- Divisions expanded from 1 department and 3 sections to 2 departments and 5 sections

2024
- Promoted security cost and cost optimization for the Group by setting the CCoE (Cloud center of excellence)
- Improved in-house training system

2025
- Established the AI Promotion Office to accelerate the effective and advanced use of AI
- Completed the transition of AIFUL's web systems to fully in-house development

Present
- Expanded the Group's engineering workforce to approx. 400, strengthening development capabilities to drive business growth

Faster Development and an Optimized Development Structure Through In-House Development

In-House Development Accelerates Development Overall



The value of in-house development is not limited to simply improving development speed. While outsourcing requires processes such as requirements definition and contract adjustments each time specifications change, in-house development enables an integrated operating structure covering everything from requirements coordination to implementation, testing, and release. As a result, development cycles have been shortened significantly. For example, modifications that previously took three months to a year can now be completed in as little as about one week. Furthermore, by continuing development in-house, knowledge and improvement know-how related to code and design accumulate internally, leading to ongoing improvement activities. While building this capability requires time in the short term, the accumulation of knowledge and systems within the company will enable a sustained improvement in adaptability in the medium to long term.

Optimizing the Development Structure Through In-House Development and External Collaboration



While promoting in-house development, we do not aim to complete everything internally but utilize external partners depending on the technical area and resource situation. Even now, with support from personnel at partner companies, we have built a structure that allows the in-house team to focus on core areas. This enables us to flexibly respond to fields requiring specialized expertise or temporary resource shortages, while retaining leadership over development internally. In addition, as in-house development progresses, development know-how and operational knowledge continue to accumulate. Going forward, we aim to further enhance customer convenience and operational efficiency by pursuing sophistication in each area, including the use of AI.

Transforming Decision-Making Through Data

- Sophisticating decision-making driven by the line departments, through in-house data analysis
- Leveraging accumulated data for sales, credit screening, marketing, and operational improvement to become a data-driven organization capable of responding swiftly to change

The Group utilizes customer and transaction data accumulated through business activities to advance credit screening, marketing, and operational efficiency. By having data analysis capabilities in-house, we are able to integrate the entire process from hypothesis formulation to analysis, implementation of measures, and effectiveness verification based on a deep understanding of business and frontline challenges. We will continue to treat data not merely as numbers but as an important management resource that supports decision-making, thereby improving customer convenience and profitability.



Joined AIFUL in 2001. After working at a branch office, gained extensive experience in data analytics and credit scoring model development across corporate planning, marketing, and credit governance. Since April 2023, has led the Data Analytics Department (currently Group Data Analytics Department 1), promoting data-driven management and enhancing operational efficiency through AI and data analytics.

General Manager of Data Analytics Department 1
Muninova Holdings
Masashi Kaiden

What role does the data analytics division play in the Group?



The data analytics division is not an organization that just conducts analysis but one that is responsible for supporting business decision-making utilizing data and contributing to the enhancement of corporate value. The Group daily accumulates large volumes of data across various areas, including credit screening, marketing, receivables management, and business operations. We analyze this data to clarify "what is happening" and "why it is happening" and provide insights that lead to the next actions to be taken. In recent years, in addition to analysis, we have also focused on building mechanisms that support data utilization, such as developing AI and machine learning models, establishing data infrastructure, and building visualization environments with BI tools. As a bridge connecting management and the line departments, we are working to build a foundation that supports business growth.

What is the significance of conducting data analysis in-house rather than outsourcing it?

The greatest significance of insourcing data analysis lies in enabling personnel who deeply understand the business to continuously create value. In the finance and credit business, it is important to conduct analysis based on a correct understanding of business rules, product characteristics, and customer behavior patterns. The strength of in-house analysis is the ability to quickly cycle through formulating hypotheses in close collaboration with the front-line, reflecting analysis results in measures, and verifying their effectiveness. In addition, internal accumulation of analytical know-how and AI utilization expertise leads to improvements in the organization's overall analytical capabilities and problem-solving abilities. We believe that one of our major competitive strengths is our ability to build a structure capable of continuous improvement even as the business environment changes.

Please tell us about the areas where data utilization has been particularly effective.

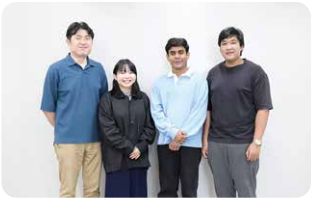
We are advancing data utilization across various areas and it has been particularly effective in the fields of credit screening, marketing, and operational efficiency improvement.

Credit Assessment	Develop and operate machine learning-based credit scoring models to improve assessment accuracy and enhance risk management.
Marketing	Analyze customer usage and behavioral data to optimize targeting and evaluate initiatives, enabling more effective data-driven decision-making.
Operational Efficiency and Management Support	Leverage data visualization and AI to improve productivity and accelerate decision-making, supporting better performance across the business.

What kind of collaboration do you emphasize in order to translate analytical results into measures and improvements of the line departments?

It is most important for analysis to translate the results into actions of the line departments. For this reason, we share issues and objectives with the line departments from the stage of selecting analysis themes, and work together to clarify “what we want to reveal” and “what decisions will be made based on the analytical results. “ Regarding the results themselves, rather than simply presenting figures, we place importance on sharing the background, implications, and recommended actions, so that they can be utilized in ways that lead to the implementation and improvement of measures. We value dialogue with the line departments not merely as an analytics department, but as a partner working together to solve business challenges.

How do you intend to further advance data analysis and utilization going forward?



We plan to further promote AI utilization and the development of data infrastructure, aiming to build an environment in which data can be utilized across the entire Group. We are currently building a data infrastructure using AWS. By streamlining the aggregation, management, and analysis of data, we are promoting faster analysis and cross-departmental data utilization. We also intend to actively utilize new technologies, including generative AI, not only to improve the efficiency of analytical operations but also to sophisticate business processes and create new value. Furthermore, it is an important theme to foster organizational culture in which not only the data analytics division but every division can understand data and utilize it for decision-making. Centered on data, AI, and human resource development, we will further develop our data utilization infrastructure that supports business growth.

Enhancing Competitiveness Through AI

• Turning AI into Competitive Strength: The Challenge of AI-Driven Development

In recent years, with the rapid evolution of generative AI, "how to utilize AI" has become an important factor determining corporate competitiveness. The environment surrounding the Group is also changing rapidly, requiring us to respond swiftly to changes in customer needs and market conditions. Amid this environment, we position AI not merely as a tool for operational efficiency, but as an important management foundation for enhancing our development capabilities, proposal skills, and business competitiveness. We aim to further strengthen value delivery to our customers by building an environment in which engineers can concentrate on higher value-added work.



Joined AIFUL in 2005. After starting his career in branch sales and gaining experience in support functions including marketing, became a founding member of the Digital Promotion Department in 2018. Appointed General Manager of Digital Promotion Department 2 in 2023 following the department's reorganization.

General Manager of Digital Promotion Department 2
Muninova Holdings
Hajime Yoshino

How is AI currently being used?

We initially used AI in limited areas such as coding assistance and document creation. Today, we are expanding its use across the entire development process, from requirements definition and design to implementation and testing.

Beyond existing system development, we are also developing new AI-powered tools. These include a knowledge bot for sales employees, developed through collaboration between frontline teams and engineers. Such initiatives are helping improve operational efficiency and productivity.



What results have you seen from the use of AI?



We quantitatively measure the impact of AI and are seeing meaningful time savings in development work. By redirecting this time to higher-value activities such as improvement initiatives and quality enhancement, we are improving not only productivity but also the quality of our work.

Visualizing these benefits also makes it easier to share successful practices across teams, creating an environment where AI adoption can be accelerated throughout the organization.

What do you consider important when introducing AI?



Our goal is not simply to adopt AI. What matters is using it to deliver greater value to customers and drive business growth and competitiveness. We therefore focus not only on operational efficiency, but also on applications that contribute to business outcomes, such as faster development, improved quality, and more user-friendly services.

We also see AI as a tool that augments human capabilities, while people remain responsible for final decisions and quality assurance. Rather than using AI-generated outputs as they are, employees with relevant business knowledge and customer understanding review them to ensure reliability. At the same time, we are strengthening security, governance, and operational rules so that AI becomes firmly embedded as a sustainable source of value creation.

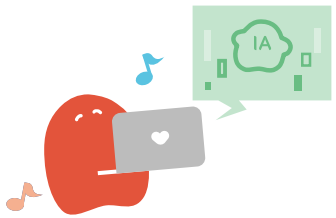
What kind of talent will be needed in the AI era?

We believe that simply being able to use AI will no longer be a distinctive advantage. What will matter is the ability to integrate AI into business operations and development processes and translate its use into better outcomes across the organization. People who can identify where AI can have the greatest impact and design processes that improve productivity will become increasingly valuable.

At the same time, no matter how advanced AI becomes, people will remain responsible for final decisions and outcomes. Human capabilities such as understanding customer needs, defining business challenges, and assessing quality and risk will remain essential. People who can appropriately evaluate AI outputs and solve problems from both customer and business perspectives will play a key role in supporting the organization of the future.

What is your outlook for the future?

We aim to further advance our use of AI and make it an integral part of the development process. While AI is already being applied across requirements definition, design, implementation, and testing, we will further advance AI-driven development, in which people and AI work together, to achieve both higher productivity and quality.



We will also redirect the time created through AI not simply toward reducing workloads, but toward higher-value activities such as enhancing customer value, planning new services and features, and proposing operational improvements. By expanding AI beyond development to business transformation and decision-making support across the Group, we will accelerate its contribution to business growth and evolve into an organization that drives the Group's growth through the power of digital technology and AI.

Branding Strategy

Long-term Vision

Toward the Realization of Our Long-Term Vision:
"Aiming to Become a Company that Lasts 100 Years"

Communicating the Muninova Group' s Value — Inside and Outside the Group

The Group integrates communication with visual expression, creates a brand experience that truly represents the Muninova Group, and fosters understanding, empathy, and trust both inside and outside the Company.

Mission
Strengthening the Group Brand

At Launch

- **Building a Brand Foundation to Accurately Communicate the Group**

As the Group entered a new phase of growth, increasing recognition and strengthening the brand became management priorities in areas such as recruitment and M&A, leading to the establishment of the Group Communications Department. At the time, recognition was largely centered on the Group' s financial services, while its increasingly diverse businesses were not yet widely understood. We therefore began communicating the value of businesses across the Group to build a stronger Group brand.

Today

- **Connecting Management and Brand Through Consistent Communication and Visual Experiences**

The transition to a holding company structure has laid the foundation for continued growth across a diverse range of businesses beyond financial services. The Group Communications Department promotes communication tailored to the characteristics and growth stage of each Group company while ensuring a consistent visual experience across the Group, thereby strengthening the Group brand and supporting business growth.

Looking Ahead

- **Making the Brand a Driver of Growth and Accelerating Corporate Value Creation**

We regard our brand as an important management resource that supports sustainable growth and as an intangible asset that helps advance our business strategies. By continuously communicating the Group's value internally and externally, we aim to attract talent, strengthen relationships with business partners, expand M&A opportunities, and enhance employee engagement. By building greater engagement with and trust in the brand, we will create new growth opportunities and drive sustainable growth in corporate value.

Muninova Group's Branding Strategy

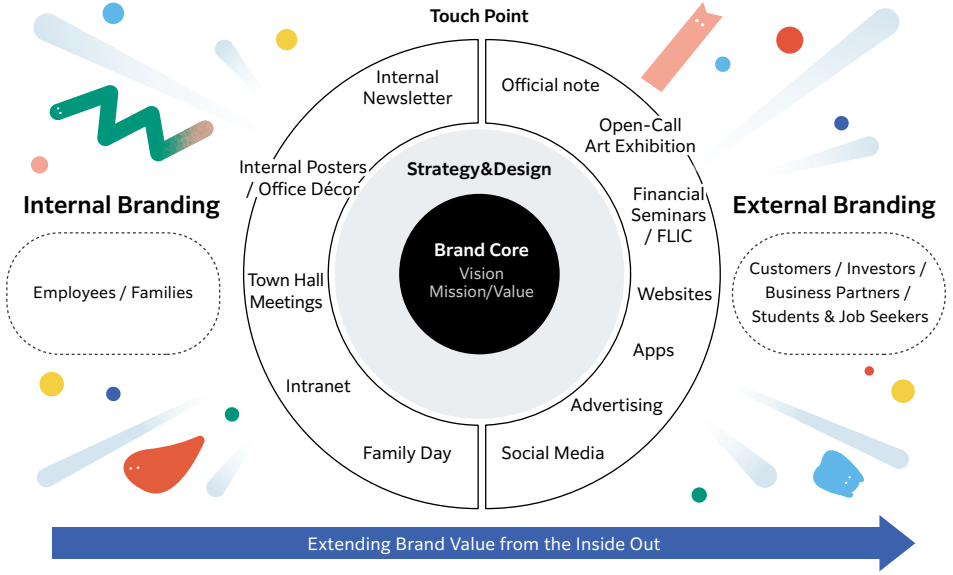


General Manager of Group Communications Department
Muninova Holdings
Keiji Terasaka

Based on the trust cultivated through its financial business, the Muninova Group is promoting the group-wide brand building. With the transition to a holding company structure, the Group has aimed to accurately communicate its diversified business portfolio and growth strategy to society, thereby enhancing corporate value. From both public relations and design perspectives, it creates consistent messaging and brand experiences, and fosters understanding, empathy, and trust among a wide range of stakeholders, including customers, employees, business partners, and investors. Aligned with management issues such as recruitment, IR, and M&A, the Group will continue its effort to enhance Group brand power as a foundation for sustainable growth, as it aims to become a company that lasts 100 years.

Group Communications Section × Design Office

The Group Communications Section, which is "communicating the brand" by creating new dialogue, and the Design Office, which is "creating and visually expressing" the brand based on the conceptual design. Through close collaboration, they are enhancing the consistency between the "essence" and "perception" of the brand.



NEXT Internal and External Branding Initiatives

Internal Branding

We strengthen the foundation of the Group brand by promoting understanding of our Corporate Philosophy and mutual understanding among employees, fostering a cohesive organizational culture.

Internal Newsletter

We handle the entire production of our internal newsletter in-house, from planning, interviews, and photography to editing, in collaboration with the Design Department. The newsletter is an important communication tool for promoting understanding of management policies and the Group's businesses, while fostering mutual understanding and a sense of unity across the Group. Through features on key management themes and content connecting Group companies and departments, we aim to help employees see the Group' s value creation as something they are personally involved in.



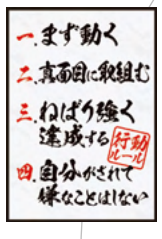


Vision・Mission・Value / Code of Conduct

Led by the Group Communications Department, we continue to implement communication measures to ensure that VMV and code of conduct are widely understood. In addition to sharing information through the internal news blog and our official "note" page, we are deploying a variety of measures, including putting up posters in offices and production and distribution of stickers. As current awareness is around 60%, we are working to raise group-wide awareness, and at the same time, foster our corporate culture and make our philosophy known throughout the group so that each employee is able to break them down into actionable steps for their daily work and decision-making.







Internal Communications

We host town hall meetings where management and employees exchange opinions, as well as award programs that honor employees who have excelled in various departments. We also continuously distribute content on our internal intranet, introducing the work of each department and its employees to foster mutual understanding across the Group. Further, we host Family Day (workplace tours) three times a year as well as various seasonal events to enhance a sense of unity and engagement in the organization.





Management Themes

The Operation Management Department and the Design Office worked together to formulate and promote understanding of new management themes. In the planning stage, a workshop utilizing "brainstorming cards" was held. By expanding ideas from the illustrations on the cards, they were able to think outside the box and develop themes that encourage employee initiative. Visual measures such as displaying posters and entrance decorations were also implemented, using design to support a drastic change in group employees' awareness and foster a sense of unity.

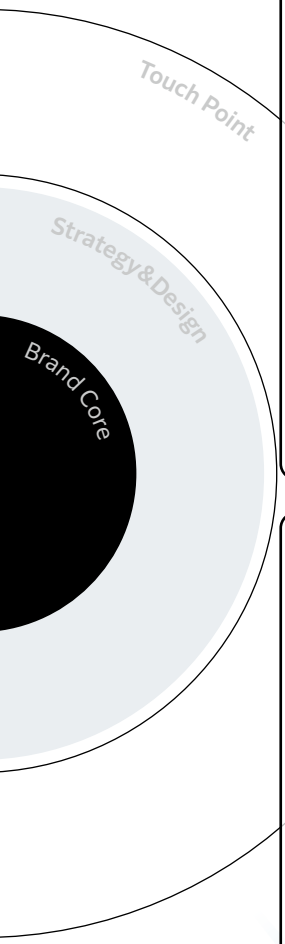




Photos of the workshop can see ▶ on note (In Japanese)

External Branding

By continuously communicating our businesses, people,
and initiatives to address social issues, we build trust with stakeholders while enhancing corporate value and brand awareness.



Muninova Group Official note

To help stakeholders gain a more accurate understanding of our actual business operations and our value creation efforts, we share information through “Muninova Group official note.” By sharing a wide range of topics, including our management strategy, we aim to facilitate understanding of the Group and enhance brand value. Launched in October 2024, it has already reached 770,000 page views! Going forward, we will continue to communicate information to promote understanding of our business and corporate culture, improve our recruitment capabilities, and build trust with stakeholders, thereby fostering our brand as an intangible asset that serves as the foundation for enhancing corporate value.





Muninova Artist Award

AIFUL held its first open-call art competition, the Muninova Artist Award. Led by the Design Department, the initiative seeks to discover and support the next generation of artists while contributing to a society where everyone can express their individuality and thrive. Through communication across official social media, note, and other channels, we raised awareness and engagement internally while strengthening the Group’s brand value among external stakeholders. The competition received 242 entries from across Japan, with 16.1 applicants for each selected work, generating strong interest and contributing to our brand communication efforts.





Financial and Economic Education Seminars / Financial Literacy Improvement Consortium

We provide financial and economic education seminars for university students and other young people to help them develop sound financial decision-making skills. In June 2023, we also established the Financial Literacy Improvement Consortium in collaboration with four major consumer finance companies and the Japan Financial Services Association to promote financial literacy and prevent financial harm across the industry. In the FY2026/3, we held 17 seminars attended by 1,521 participants. We will continue to work across the industry to improve financial literacy and prevent financial harm, contributing to a sustainable society.





Muninova Holdings Corporate Website

In line with the transition to a holding company structure, we renewed the Group website. We explored deeply into the origins of the company name and logo and verbalized “Muninova brand universe.” In addition to formulating a design concept, we built a design system to appropriately convey the brand message. Creating clear standards and a foundation enabled consistent communication, and we have established an external branding foundation to deliver the Group’ s new value and our brand universe to external stakeholders. Inflow increased following the website renewal, with an approximately 23.4% increase in site sessions and approximately 19.0% increase in users compared to the previous month, which resulted in the creation of brand touchpoints and improved recognition.







Cross-Selling Strategy

Long-term Vision

Toward the Realization of Our Long-Term Vision:
"Aiming to Become a Company that Lasts 100 Years"

Current Situation and Challenges

We have sales bases nationwide, and one of our strengths is face-to-face contact with customers. At the same time, operating activities still rely heavily on the individual experience and skills of each sales representative, resulting in varied abilities to make proposals and customer follow-up among sales bases and representatives.

While leveraging the strengths of face-to-face sales activities, we centrally store and share customer information and sales know-how as data. In addition, digital technologies are utilized to standardize and sophisticate operating activities. With these measures, we will build a sales system that enables making proposals and ongoing customer follow-up at or above a certain level, regardless of the sales base or representative involved.

Initiatives

Sales Activities
We leverage data and digital technologies to deliver proposals tailored to customer needs, enhancing sales effectiveness and productivity.

Existing Customer Follow-Up
Through ongoing follow-up based on transaction history and usage, we strengthen relationships with existing merchants, expand business, and identify risks at an early stage.

Human Resource Strategy
We develop talent capable of making proposals across the Group and use customer needs to improve our products, services, and operations.

Goal

By optimally combining the Group's products and services, we will help our customers solve their problems and expand business transactions on an ongoing basis.

New Sales Value Created by the Transition to a Sales Hub System



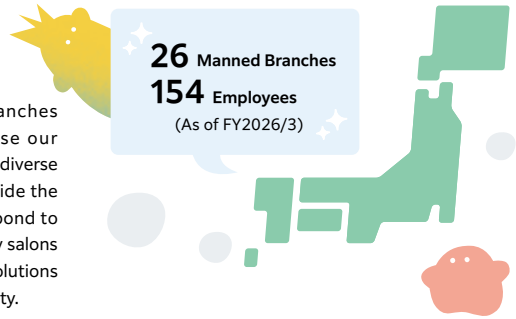
Executive Officer of Corporate Sales Division, Corporate Sales Promotion Department
AIFUL
Atsuki Inagaki

In the Muninova Group, since 2019, its manned stores have shifted from traditional loan counters to sales hubs offering a wide range of group services (hereinafter, the "sales hub system"). At the time, as approximately 97% of card loan applications were made online, there was a need to offer diverse products and services that did not rely on a single product. To cope with this need, we consolidated sales functions into a call center and converted stores into corporate sales bases.

Although the transition was started amidst concerns voiced by region-restricted employees, we have built a system that allows us to propose group products across the Group through accumulated effort for the acquisition of product knowledge, role-playing, and repeated visits to customers. In addition, the online negotiation environment established at the onset of the COVID-19 pandemic has facilitated smooth business discussions with customers even in distant locations, expanding the scope of operating activities.

Product / Services Offering and Sales Approach

Currently, the sales hubs operate through 26 branches nationwide with 154 staff members, and we use our approach rooted in local communities while offering a diverse range of products and services both inside and outside the Group, including payment terminals (ACQ). We respond to the needs of a wide range of customers such as beauty salons and sole proprietors, and promote activities to offer solutions tailored to the issues and needs of each local community.



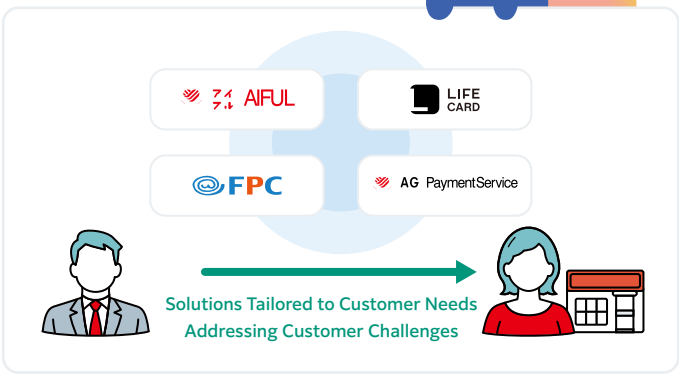
Category	Key Products / Services	Sales Company
Group Products / Services	Installment Sales (Individual credit purchases)	AG Payment Service
	• Acquiring • LIFECARD Quick • Proprietary Card Agent Recruitment • Corporate V-Preca • Limited-Use Cards • Corporate Cards	LIFECARD
	Pet Insurance Agent Recruitment	FPC
Third-Party Products and Services	Third-Party Products and Services	bsearch Co., Ltd. (Web advertising agency)

Community-Based Sales System

By transitioning to a sales hub system, we built a cross-selling system centered on B2B sales

— We are transitioning our sales organization from store system focusing on selling loans to community-based sales base system, expanding the range of products and services offered by our Group

Leveraging our nationwide sales network, we offer solutions tailored to the needs of each affiliated merchant. Under the sales system rooted in local communities, we provide affiliated merchants with entire products and services of the group companies to support problem solving, and at the same time, we are strengthening trust through prompt and thorough service.



Q. How did the sales hub system evolve into a sales foundation that supports the growth of the Group?

Leveraging our community-based sales foundation, we have developed the system through human resource development, expansion of a product line, and collaboration of group companies.

Phase 1 : Building the Foundation		Phase 2 : Expansion			Phase 3 : Advancement	
2019	2020	2021	2022	2023	2024	2025
Established a Dedicated Corporate Sales Team	Expanded Sales Locations	Increased Usage by Existing Merchants	Expanded Product Offerings	Expanded Service Offerings	Deepened Group Collaboration	Shifted Toward Profitable Growth
Developed new relationships with high-quality merchants and began selling Group products through the dedicated corporate sales team.	Expanded sales locations and strengthened contact with merchants.	Promoted greater usage among existing merchants.	Promoted stable operations among partners while expanding offerings to include installment credit and limited-use cards.	Expanded offerings to include acquiring (ACQ), LIFECARD Quick Loan, and FPC agency services, while strengthening the sales platform through a corporate database and digital application processes.	Expanded Group-wide cross-selling through collaboration with the Guarantee Business Department and recruitment of new FPC agents.	Pursued a merchant strategy balancing profitability and risk, while expanding revenue opportunities through cross-selling and gaining share from other credit companies.

Strategy

Expanding Customer Relationships
- Increase Business per Customer
- Increase LTV Through Cross-Selling
- Strengthen the Earnings Base

Enhancing Sales Capabilities
- Shift to Solution-Based Sales
- Industry-Specific Sales
- Generate Group Synergies

Creating Growth Opportunities
- Leverage Data
- Collaborate with Partners
- Expand Revenue Opportunities

Competitive Advantages

Nationwide Sales Network
26 Branches and 154 Sales Staff

Group-Wide Sales Capabilities
Proposals Combining Multiple Products and Services

Ongoing Customer Relationships
Recurring Revenue Base

Accumulated Sales Expertise
Sharing Best Practices Across the Group

How have your cross-selling initiatives evolved?

In 2019, we transformed our manned branches into a dedicated corporate sales organization and began promoting cross-selling of Group products while strengthening relationships with existing merchants. Since then, we have expanded our product offerings and the range of solutions we provide by developing our sales personnel, accumulating sales expertise, and strengthening collaboration with Group companies.

Today, we offer not only Group products but also third-party products and services, enabling us to combine multiple offerings to meet diverse customer needs. By starting with each customer' s business challenges and proposing the most appropriate products and services, we aim to expand existing business and create new revenue opportunities.



Corporate Sales Promotion Department
AIFUL
Jun Yoshida

Evolving Toward Sales That Create Value by Addressing Merchant Challenges

Shifting from Product Sales to Solution-Based Sales That Address Merchant Challenges

Leveraging the strengths of our community-based sales network, we take a solution-based approach that starts with the challenges faced by our merchants. With a deep understanding of each region and industry, we propose optimal solutions combining multiple financial products and services, contributing to the sustainable growth of our merchants.
We are also focused on developing the talent needed to support this approach. In addition to systematic training and on-the-job development, we share knowledge across branches and visualize sales activities to strengthen sales capabilities across the organization and build a more standardized and replicable development framework.



Evolution of the sales model

—— From Single-Product Sales to Multi-Product Solutions and Solution-Based Sales

Our sales model has evolved from branch-based card loan sales to solution-based sales for corporate customers. By combining accumulated sales expertise and product knowledge with stronger collaboration across Group companies, we have developed a sales model that brings together multiple products and services. Today, we start with the challenges faced by each merchant and propose the most appropriate solutions, strengthening long-term customer relationships and expanding business opportunities.

Solution-Based Sales Focused on Merchant Challenges

- A Diverse Range of Group and Third-Party Products
- Solutions Combining Multiple Products and Services
- Optimal Solutions Tailored to Merchants' Needs and Business Challenges
- End-to-End Sales Support from Application to Contract
- Identifying Unmet Needs and Cross-Selling Through Ongoing Dialogue with Merchants
- Expanding Business Through Upselling
- Using Customer Feedback from the Front Line to Improve Group Products and Services

×

Developing Talent to Support Solution-Based Sales

- Practical Training Using Interview Sheets and Role-Playing
- Structured Training to Strengthen Product Knowledge, Needs Assessment, and Sales Proposal Skills
- Continuous Skill Development for All Sales Personnel
- Building Sales Expertise Through Branch Training and Sharing Best Practices
- Sharing Sales Expertise Across Branches Through Employee Exchanges and Cross-Branch Visits
- Driving the PDCA Cycle by Visualizing Sales Activities and Development Progress

Employee Voices

The sales capabilities of the Fukuoka Branch supporting the winning of Sales Hub Excellence Award for four consecutive terms

The Fukuoka Branch has many long serving employees who know local communities well, and each of them carry out operating activities with a high degree of autonomy. In addition, by assigning a leader for each target, sharing progress, and providing mutual support, the branch has improved overall performance of the organization from both subjectivity and objectivity.

As a result, the Fukuoka and Nagasaki Branches jointly won the Sales Hub Excellence Award for four consecutive terms. In sales, we value our trust relationship with local customers more than anything. Through discussions with customers, we have profound mutual understanding, and by engaging with each customer not merely as a sales representative but as an individual person, we make proposals considerate of regional characteristics.

Fukuoka Branch of Corporate Sales Division
AIFUL





Sustainable Growth Supported by Cross-Selling Strategy

Results Brought by Sales Reforms

Significant increase in installment credits

Building a promising sales pipeline that will drive future revenue growth

Progress in development of new accounts

Acquisition of new accounts progressed,
with new transaction volume up **33.4%** year on year

Stable growth of ACQ

Expanded transactions with existing affiliated merchants contributed to a transaction volume increase of **134.9%** year on year

Establishing a growth foundation for Quick

Due to strengthened sales system,
transaction volume increased **258.9%** year on year

Sophistication of the sales model

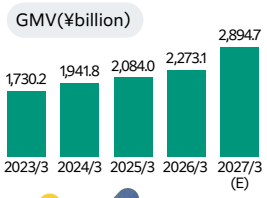
Promoting the development of a foundation for data-driven sales

Establishing a position in priority markets

Expanding market presence primarily in the cosmetic medicine industry

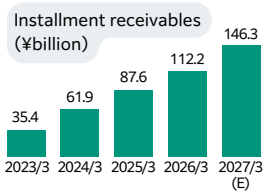
LIFECARD

By expanding the scale of transactions with major affiliated merchants, we aim to accelerate the growth of GMV (gross merchandise value) and further increase revenue in the LIFECARD business.



AG Payment Service

The installment credit business for the beauty salon industry is an area where continued growth is expected, driven by expansion of the market and increasing demand for cashless installment payments. We will work with affiliated merchants more closely and drive business expansion.



Vision to Pursue

Muninova Holdings is strengthening the functions of its sales bases, which serve as the customer touchpoint for group products. Rather than limit ourselves to selling conventional individual products, we are shifting to a comprehensive sales system. Currently, sales base activities are centered on "product-based sales," focusing primarily on offering payment methods and financial services. On the other hand, in the beauty salon and cosmetic medicine industry we target, customer needs are diversifying and changes in the competitive environment are accelerating, which means that improving ability to attract customers, increasing customer spending per transaction, and encouraging continued use are becoming critical management issues for affiliated merchants. Based on this understanding of the situation, we position the shift of the role of sales branches from a traditional "provider of payment methods" to a "partner" that contributes to solving management issues of affiliated merchants as a key strategic theme. Specifically, we are promoting the sophistication of our sales system through the following initiatives.

- Enhancing service provision capabilities by establishing a system for proposing group products cross-functionally
- Strengthening consulting-style sales by leveraging payment data and other information
- Expanding sales opportunities and improving abilities to make proposals through alliances with external companies
- Promoting continued use through the introduction of subscription services and application-based payments
- Building continuous business relationships based on community-rooted, face-to-face sales

Through these initiatives, we aim to shift our relationship with affiliated merchants from one-off transactions to medium- to long-term partnership and maximize LTV. Ultimately, our sales bases will assume frontend functionality for the entire Group to continuously provide optimal services while deeply engaging in the management of affiliated merchants, with the aim to enhance our presence in target markets and expand our revenue base.



Executive Officer,
Corporate Sales Division
East Japan Sales
and West Japan Sales Divisions
AIFUL
Yuki Okano

Customer Voice

Growing Together as a Trusted Partner Interview with Slowtea・ratte (Merchant of the Sapporo Branch)

Please tell us what led you to sign a contract with our Group?

As we expanded our treatment menu to include hair removal and body slimming courses, we needed to support a wider variety of payment methods, which is why we signed the contract. Around that time, your company was introduced to us and we found your attentive support during the implementation and reliable service very appealing, which led us to employ your service. Before the implementation, we had an impression that your company was a "consumer finance company," but as we found out that it actually focuses on payment services and supporting affiliated merchants, we realized that your company not only provides financial services but also supports the business growth of affiliated merchants. Today, we recognize your company as a reliable partner that supports our business operations.

Please tell us what you expect from our Group.

We have a strong sense of security in your support system, and we feel that you treat affiliated merchant not merely as a client but as a partner. Looking ahead, with an eye toward serving overseas customers, we expect further enhancement of your services through multilingual support and information provision, support for multi-currency payments, and strengthened collaboration with international brands. Also, in the increasingly globalized market environment, we hope that you provide services that offer increased convenience for overseas customers.



Human Resource Strategy & Priority Issue 1 Developing the Next-Generation of Management Leaders 01

Long-term Vision

Toward the Realization of Our Long-Term Vision:
"Aiming to Become a Company that Lasts 100 Years" P.9

Building an Organization That Supports Sustainable Growth

We have identified three key themes in our human capital strategy: developing the next generation of management leaders, fostering a culture that embraces diverse talent, and promoting women's career advancement. We have established KPIs for each theme to visualize progress and are working to build an organizational foundation that supports sustainable growth.

Priority issues and KPIs
(Newly established to strengthen alignment between business strategy and human resource strategy)

❶ Succession Score ❷ Inclusion Score ❸ Women's Career Advancement Score

Priority Issue 1 Developing the Next-Generation of Management Leaders

KPI : Succession Score

Basic Policy

We regard talent development as one of our most important management foundations and are focused on developing next-generation management candidates. Our aim is to continuously develop a pipeline of talent capable of taking on management responsibilities.

Key Challenge

Our survey found that while next-generation management candidates generally demonstrate a willingness to take on management responsibilities, there is room to improve their satisfaction with opportunities for growth and new challenges.

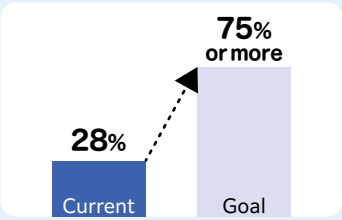
To measure this, we introduced the Succession Score. We will continue to create an environment where next-generation management candidates can grow through challenging opportunities and steadily develop the capabilities needed to become future management leaders.

※Succession Score : Percentage of next-generation management candidates satisfied with opportunities for growth and new challenges

KPI

Succession Score

Percentage of next-generation management candidates who feel they are provided with sufficient opportunities to take on challenges and an environment that supports their growth toward future management roles.



Initiatives

To develop next-generation management candidates, we take an integrated approach—from identifying candidates and developing their capabilities to providing practical opportunities to take on challenges. In addition to building the knowledge and perspectives required for management, we systematically develop future leaders through opportunities to address real management challenges and engage in dialogue with senior management.

Initiative	Description
Identifying Candidates	Maintain a list of next-generation management candidates and promote systematic succession management
Strategic Assignments	Provide planned opportunities to take on challenges, including rotations into new areas and participation in key projects
Management Development	Provide training to develop the knowledge and perspectives required for management in areas such as strategy, human capital, organization, digital, and design
Dialogue with Senior Management	Develop management perspectives and decision-making capabilities through dialogue with senior management

Going Forward



Developing next-generation management candidates requires not only knowledge but also opportunities to address real management challenges and gain practical experience. Going forward, we will expand opportunities for strategic assignments, rotations, and dialogue with senior management, while further enhancing our framework for continuously identifying and developing management candidates. Through these initiatives, we aim to systematically build a pipeline of future management talent and strengthen the management foundation that supports sustainable corporate value growth over the medium to long term.

Priority Issue 1

Developing the Next-Generation of Management Leaders 02 Diverse Employees in Action

(Opportunities to Take on Challenges)

The Group strives to nurture young employees and next-generation management candidates, and to provide opportunities for challenge regardless of seniority or position. On this page, employees share their experiences of taking on challenges.

Taking on Challenges: Opportunities and Experiences

Challenges Can Come Unexpectedly

Sekitani When I first transferred from the New Lending Department to the Legal Department, I was fully focused on learning my new responsibilities. What was expected of me changed, as did my perspective, and to be honest, I often felt uncertain.

Simply adjusting to the new role was challenging, and I was trying hard to figure out what I could contribute.

Kondo I was also transferred from the New Lending Department. When I joined the Risk Management Department, I was similarly focused on dealing with the work in front of me.

I was repeatedly asked, "Kondo, what do you think?" and that made me realize that I needed to think for myself.

At first, I was afraid of making mistakes. But I came to realize that I could not move forward if I was afraid of failure. From then on, I began expressing my own views and taking on new challenges more proactively.

Being Entrusted with Responsibility

Expectations Bring Both Motivation and Pressure

Sekitani When I was entrusted with greater responsibility, I felt just as much pressure as excitement. I knew people had high expectations of me, but there were times when I wondered, "Can I really do this?"

Once I actually took on the role, however, I realized that I did not have to handle everything on my own and that the people around me were always there to support me.

Kondo I know exactly what you mean. Taking on greater responsibility has changed my perspective and broadened the range of things I think about. It can be challenging, but more than anything, I feel it has given me opportunities to grow.

Achievements Through Challenges and What Comes Next

One Challenge Leads to the Next

When we decided to participate in the GENIAC -PRIZE*, my first thought was, "Let's give it a try."

As we moved forward, what impressed me was the speed at which our proposals and ideas could be put into practice. Having an environment where we can turn our ideas into something tangible makes me want to continue taking on new challenges.

Winning the AI Agent Award out of 56 participating companies, just six months after we began development, gave me a great deal of confidence. It certainly was not an easy journey, but whenever one challenge comes to an end, I find myself thinking about what I want to take on next.

I feel that this continuous cycle of challenges is contributing to both our own growth and the growth of the business.

*An initiative conducted as part of GENIAC, a project led by Japan's Ministry of Economy, Trade and Industry (METI) and NEDO to promote the practical application of generative AI.



Joined the Group in 2021
Legal Department
AIFUL
Toru Sekitani

Transferred to the Legal Department after working in new lending, credit limit increase screening, and collections.



Joined the Group in 2022
Group Companies
Management Department
AIFUL
Rei Kondo

Transferred to the Risk Management Department after working in new lending, credit limit increase screening, and collections.



Joined the Group in 2025 (Mid-Career)
General Manager of Group
Data Analytics Department 2
AIFUL
Daiki Machida

Previously engaged in data analytics in the financial and IT industries.

Voice from Personnel Department

Creating Opportunities for Young and Mid-Career Employees to Take on Challenges Through Merit-Based Evaluation and Promotion

We promote talent management that provides employees with opportunities to take on challenges based on their motivation, capabilities, and performance, regardless of age or length of service.

Employees are assigned to roles based on their aspirations and aptitude, and we are also developing systems to support them in viewing changes in their work environment, including transfers and promotions, as opportunities for growth.

Our youngest appointments to date have been at age 29 for a Section Manager position and age 38 for a General Manager position.* This demonstrates that young employees also have opportunities to become involved in organizational management and business growth from an early stage in their careers.

Going forward, we will continue to create an environment where each employee can expand their potential and take on challenges from a management perspective, regardless of age.

*As of March 31, 2026.



Deputy Manager of
Group Personnel Department
AIFUL
Haruna Nakao

Priority Issue 2

Fostering Greater Inclusion of Diverse Talent 01

KPI : Inclusion Score

Basic Policy

The Group proactively accepts human resources with diverse expertise through M&A and mid-career hiring. To incorporate the strengths of such human resources into value creation across the Group, it is important to deepen mutual understanding beyond company and organizational boundaries and to create an environment in which they can contribute faster. An inclusive culture is therefore being fostered to enable them to integrate smoothly into the organization and reach their full potential.

Key Challenge

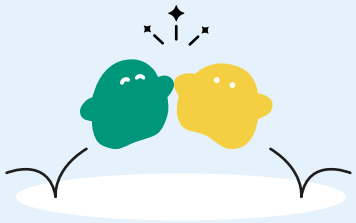
The survey results showed room for improvement among mid-career hires and employees who joined the Group through M&A in areas such as interaction and collaboration across companies and departments, as well as respect for different opinions. In particular, enhancing the inclusion of employees who joined through M&A was identified as a key challenge.

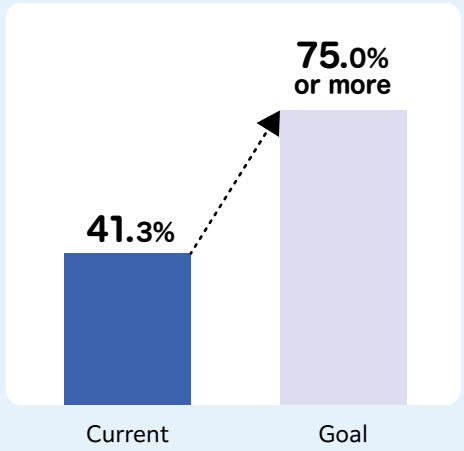
In response, we introduced the “Inclusion Score” to monitor these areas. Going forward, we will foster an environment where new employees are welcomed as members of the organization and can reach their full potential at an early stage.

KPI

Inclusion Score

The percentage of employees who joined the Group through M&A and feel that they are “accepted by the organization and able to demonstrate their abilities”





Initiatives

To improve acceptance, we will develop “tangible initiatives” such as systems, treatment, and locations, while focusing on “intangible initiatives” that promote mutual understanding and collaboration among Group companies. We aim to create an environment in which new employees can settle into the organization smoothly and can perform at their full potential.

Initiatives	Description
Cross-group projects	Organizing mixed teams that include employees joined through M&A and mid-career hires to work together to address business and operational improvement themes, fostering mutual understanding and trust
Participation in recruitment activities	Group company employees and employees joined through M&A participating in recruitment events, interviews, and other activities, spreading the appeal of being “a member of the Muninova Group”
Collaboration between sales and operations	Promoting joint sales visits and operational collaboration across company and department boundaries to understand and leverage mutual strengths and expertise
Award programs	Awarding individuals and teams who excelled across the Group, and sharing examples of collaboration and success with the entire Group



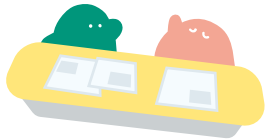
By expanding the Haromen* initiative across Group companies, we will create an environment that helps employees develop a stronger sense of belonging to the Muninova Group.

*A recruitment initiative in which not only recruitment staff but also younger and mid-career employees working on the front lines serve as the “face of the Company” and conduct interviews and meetings with students interested in joining the Group.

Going Forward

Enhancing inclusion requires changes in the mindset and behavior not only of those joining the organization, but also of those welcoming them. Going forward, in addition to strengthening onboarding and opportunities for dialogue, we will continue to create connections across the Group through recruitment, collaboration, recognition programs, and other initiatives. Through these efforts, we will foster a culture where employees understand and respect one another and work together to achieve results. We aim to improve the Inclusion Score and maximize Group synergies.

Priority Issue 2 Fostering Greater Inclusion of Diverse Talent 02 : M&A and Mid-Career Hires



The Group is working to expand its size through M&A and to strengthen mid-career hiring.
For this feature, we interviewed employees of a company that joined the Group and mid-career hires about their experience of joining the Group and changing jobs.

Changes felt after joining the Group

Overcoming mixed feelings of excitement and anxiety and working toward a future we build together

When I first heard about the M&A, I felt not only expectation but also a sense of responsibility and anxiety about becoming part of a listed company group. Because I worked for a company which operated under a fund up to that point, I felt a sense of security about coming under the umbrella of an operating company, but I also had some anxiety about how we could leverage the unique characteristics of BitCash. Actually, I have come to feel the unique reach that only the Group can offer, for example, gaining access through LIFECARD to major companies that would have been difficult to work with as a standalone company. At the same time, I felt a certain sense of sadness in the process of integrating different corporate cultures. I believe that cherishing BitCash' s flexible and friendly culture, while allowing the two cultures to blend naturally over time, is what will lead to building a unified organization.



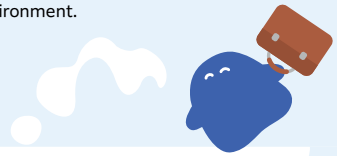
Joined the Group in 2024
General Manager of Payment Promotion Department
BitCash
Ako Nakano

Works on promotional initiatives for BitCash.

The culture of the Muninova Group

A culture of mutual support where people can take on challenges without worry

The first thing I noticed after joining the Company was the high level of compliance awareness. While this gave me a sense of security, at first, I was also somewhat taken aback by their level of strict adherence. Also, when I first joined the Company, I was confused by the variety of forms and approval lines, but my mentor explained everything carefully, which helped me a lot. At the same time, I was impressed by the approachability of management; for instance, the president regularly shares updates on Teams, and management itself actively encourages employees to take paid leave. Looking ahead, I feel that connecting people beyond the boundaries of departments and making it easier to know whom to consult with would lead to improving the work environment.





Joined the Group in 2025
(Mid-Career)
Group Communication Department
AIFUL
Shunsuke Kawai

Previously worked at a web production company in design and direction.

My future career

Supporting a wide range of options

While I was looking for a new job, I placed importance not only on the type of work I want but also on whether the environment would let me work long-term. After I actually joined the Company, I found that the Company provides not only an environment that makes remote work and paid leave easy to use, but also systems that support growth, such as the qualification support system, which lets me focus on my work with peace of mind. I' ve also been able to gain hands-on experience with AWS, which I had no experience before joining the Company, and I'm currently thinking about taking on the challenge of obtaining certifications. I believe that having company systems to support employee growth and an environment where employees can work with a sense of security enhances the quality of the challenges we take on. I want to keep gaining new knowledge and experience, and expand the value I can contribute.



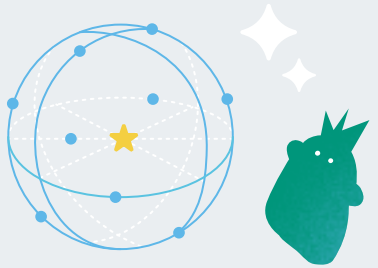
Joined the Group in 2025
(Mid-Career)
Digital Promotion Department1
AIFUL
Yasuko Tanaka

Experienced in the development and maintenance of business systems and Android applications.

Voice from Personnel Department

Embrace differences and foster a sense of unity

For mid-career hires and employees who join the Group through M&A to demonstrate their abilities faster, it is essential not only to create systems, but also to provide opportunities to deepen mutual understanding of each other' s culture and ways of working. The employee interviews revealed that while there are opportunities for business and growth that can only be gained because this is a Group, there are also issues regarding information sharing and whom to consult with, as well as confusion due to differences in corporate cultures. The Personnel Department will continue to create ongoing touchpoints across Group companies and departments through recruitment, collaboration, and award programs to foster a natural sense of unity.





Group Personnel Department
AIFUL
Aki Kuroe

Priority Issue 3

Advancing Women's Careers 01

KPI : Women's Career Advancement Score

Basic Policy

The Group positions creation of an organization in which diverse human resources can maximize their abilities as one of the priority issues in our human capital management, and is committed to promoting women's advancement in the workplace. We aim for the percentage of female managers to reach 20% by March 31, 2031, and we are working to create an environment in which female employees are able to embrace a promotion positively and take on challenges with enthusiasm.

Key Challenge

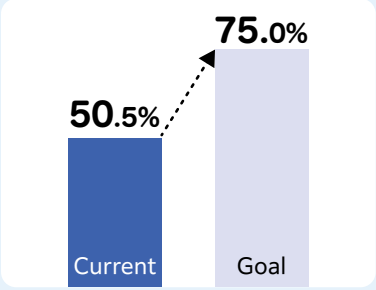
Our employee survey found that women showed lower motivation for career advancement than men (men: 86%; women: 57%). In particular, we found that a workplace culture in which employees feel that available programs are difficult to use, as well as concerns about the increased responsibilities that come with promotion, can affect women's motivation to advance their careers. To monitor this issue, we introduced the Women's Career Advancement Score and are working to create an environment where women feel confident taking on new challenges and can continue to develop their careers.

KPI

In June 2025, we appointed a female outside director, which reflects our effort to ensure diversity at the management level as well.

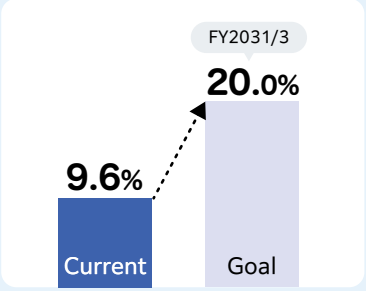
Women's Career Advancement Score

The percentage of female employees who wish to be promoted



Ratio of female managers

Percentage of female managers employees directly employed by AIFUL (including those seconded to Group companies).



Initiatives

We are working to create an environment in which every employee, including women, can choose their own career path and take on challenges of their own will, regardless of life events. In addition to developing systems, we strive to foster an organizational culture that encourages taking on challenges through career development support and promotion to management positions.

Initiatives	Description
Career development support	Providing a career development training program for female executives to help increase their motivation to develop their careers
Promoting flexible work styles	Supporting diverse work styles, including regionally limited work courses, shortened work hours, and support for childcare and caregiving
Creating role models	Promoting the appointment of female executives and visualizing the career path they can take on
Reforming workplace culture	By developing awareness to prepare for general manager role and reviewing how systems are applied, fostering an organizational culture that encourages challenges regardless of gender



The Company promotes the use of childcare leave regardless of gender or position, and in fiscal 2025,

the percentage of employees taking childcare leave was 112.9% for men and 100% for women.

Going Forward

Advancing women's careers is not an initiative for women alone. It is an important part of creating an organization where everyone can reach their full potential and take on challenges at every stage of life. Going forward, in addition to enhancing our programs and support systems, we will further strengthen efforts to foster greater awareness among managers, create visible role models, and support career development. Our aim is not to give preferential treatment to women, but to create an organization where everyone who wants to take on a challenge has the opportunity to do so. By enabling diverse talent to thrive, we will drive sustainable growth in corporate value.

Priority Issue 3 Advancing Women's Careers 02 : Diverse Employees in Action

The Group is working to create an environment where diverse human resources can maximize their abilities. On this page, on the theme of women's empowerment, we interviewed two employees who are thriving as assistant managers about what they have felt through their promotion and their thoughts on careers.

How I really feel about "Women's Empowerment"

—— The foundations for women's empowerment have been taking form

Takabayashi After my promotion, I was assigned to a corporate sales department that involves business trips. My desire to not compromise on my professional challenges simply because I am a woman or a mother has never changed. After my transfer, I was asked "Can you go on business trips?" and I remember my answer, "Would you ask a man the same question?" I do appreciate the consideration, but if I' m entrusted with a job, I strongly want to live up to their expectations.

Nakazawa I feel that the environment is gradually improving and women's opinions are being accepted. On the other hand, I think there is still room for improvement in the mindset and culture of accepting women's opinions among managers and more experienced employees. That' s why I want to keep speaking up without hesitation, and work together to create a comfortable working environment.

The reality of getting promoted

—— There is happiness as well as confusion

Takabayashi My first reaction was simply, "I made it to Section Chief!" I was really happy, and it meant a lot to hear so many people around me say, "Congratulations."

But once I actually had people reporting to me, I began to feel a kind of pressure I hadn' t experienced before. The way I communicate—even the words I choose and how I interact with people—can affect how my message



comes across. It's something I still think about every day as I work with my team.

Nakazawa I was happy too, but honestly, I felt more anxious than excited. I became very conscious that people were watching how I conducted myself and what I said as a Section Chief, and I realized how much weight my words could carry.

My future career

—— Need support for a wide range of options

Takabayashi There are times when I feel certain expectations about how I should be because I' m a woman or because I' m younger. But I don' t think there is only one way to build a career.

I hope that showing others the freedom to create your own path can be the best message I can give to those who come after me. I want us to embrace a wider range of career choices.

Nakazawa I'm still gaining experience and figuring out my own path.

There are things I'm still trying to understand—what is expected of me as a manager, and even what it really means for women to thrive in the workplace.

That's why I hope we can create an environment with a wider range of options, where each person can shape a career that is right for them.



Joined the Group in 2013 (Mid-Career)
Deputy Manager of Contact Center 2
AIFUL

Hatsumi Takabayashi

Joined the Collections Division as a contract employee in 2013. Became a permanent employee in 2019 and was seconded to AG BUSINESS SUPPORT, where she gained experience in administrative and sales functions before being promoted to Deputy Manager. Transferred to the Sales Division in April 2025.



Joined the Group in 2018 (Mid-Career)
Deputy Manager of Contact Center 1
AIFUL

Mizuki Nakazawa

Joined the Sales Division in 2018 and gained experience in both customer service and support functions. Promoted to Deputy Manager in the Customer Inquiries Department in April 2025.

Voice from Personnel Department

Making a workplace where anyone, regardless of gender, can take on challenges

The Group recognizes the lower motivation for career advancement among women compared with men as a challenge in enabling diverse talent to thrive, and is working to create an environment that supports women' s career advancement.

As reflected in our employees' voices, views on management roles and career paths vary from person to person. Regardless of differences in life events or experience, we believe it is important to expand the range of opportunities that enable each employee to shape a career that is right for them and take on new challenges.

The Personnel Department will continue to create an environment where motivated employees have access to opportunities for growth and can reach their full potential.



Group Personnel Department
AIFUL

Emi Kishimoto

Supporting Sustainable Growth Through Finance 01

Industry First: Social Finance Framework

The Muninova Group is working on product development based on the concept of financial inclusion, contributing to society by supporting companies taking on new challenges, and businesses in medical and welfare fields, and providing access to financial services in emerging countries experiencing a shortage of financial infrastructures. Since such initiatives will be further accelerated in the future, we have made a social finance framework for the first time in the consumer finance industry, and obtained loans through social bonds and social loans.

*Results of the social bond framework assessment by Japan Credit Rating Agency, Ltd. (JCR)
https://www.muninova.co.jp/sustainability/pdf/esg_finance/spoe20260403.pdf

"Muninova Artist Award" Open Call for Art Exhibition

The Group organized the "Muninova Artist Award," an open call for art exhibition, as part of its efforts to support value creation through art, with the goal of "a society where each person can play an active role." Art has the power to inspire and enlighten people, and to enrich society. Through our financial services, our group supports the challenges and daily lives of each and every customer, contributing to the realization of a better future.



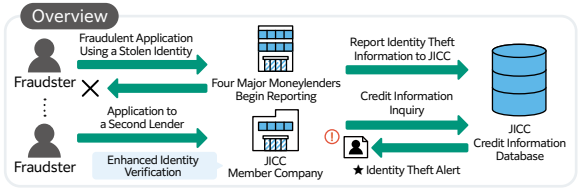
The Muninova Artist Award provides artists of all ages and backgrounds with opportunities for creative expression, while supporting the discovery and development of emerging talent. By creating opportunities for artists to showcase their work, we contribute to the advancement of arts and culture and help foster a society that respects diverse identities and values.

Providing Safe and Secure Financial Services

Industry Collaboration to Combat Identity Theft in Contract Formation

The Group have partnered with the four major consumer finance companies and the Japan Credit Information Reference Center Corp. (JICC) to launch initiatives aimed at preventing damage caused by identity theft in contract formation. By sharing information on fraudulent applications and enhancing identity verification processes, we are working to prevent financial crimes before they occur and protect our customers' personal information. We remain committed to providing safe and secure financial services and enhancing the credibility of the industry as a whole.

- Prevention of fraudulent contracts and financial crimes
- Protection of customers' assets and personal information
- Improvement of security standards across the industry
- Enhancement of trust in financial services



Qualified Social Project

Muninova Holdings positions its business as one that contributes to solving social issues and improving access to finance.

Funds raised through social bonds and social loans are used for initiatives that contribute to the creation of social value, such as supporting small and medium-sized enterprises, providing assistance to medical and long-term care facilities, and offering financial services in emerging markets.

Project category	SBP※ category	Overview of eligible projects Project	SDGs
Small and medium business support	Providing funds and creating jobs for small- to medium-sized companies	Business funding support for small and medium businesses in need of funds for business growth and continuance **Projects** • AG Business Support small business loans that provide business funding support to small and medium businesses • Supports growth funds for medium business and venture companies through AG Capital **Target audience** Small and medium businesses in need of funds for business growth and their corporation	
Medical and health care facilities support	Access to essential services	Support of business funds to medical and health care facilities **Projects** Business funding support for medical and health care facilities by AG Medical **Target audience** People in need of medical and nursing care services and business owners requiring funds to maintain or continue such services	
Provide financial services to individuals in emerging countries	Access to essential services	Improving financial literacy in emerging countries with immature financial systems by providing individuals with access to financial services **Projects** Providing access to financial services for individuals in Thailand through A&A (AIRA & AIFUL) **Target audience** Individuals having difficulties in acquiring funds in countries with immature financial services	

※SBP : Social Bond Principles

Supporting Sustainable Growth Through Finance 02

Social Contribution Through Credit Cards

LIFECARD issues socially responsible credit cards and donates a portion of the revenue to partner organizations. Through our donations, we support the “Dream Realization” initiative, which helps children with serious illnesses, and also assist in protecting endangered wild animals.







Donation for FY2026/3 totaled ¥9.11million.

Organization	Activities Supported
Nihon Great Apes Hogo Kikin	Conservation of great apes, including gorillas in African
Make-A-Wish Japan	Helping grant the wishes of children with critical illnesses
Japan Cancer Society	Cancer awareness, screening promotion, and other cancer-related initiatives
Kodomo Yume Kikin	Supporting experiential and reading activities for children
JOICFP	Initiatives to protect the lives and health of mothers and babies in developing countries
Wan-Nyan Support Kikin	Rescue and protection of dogs and cats at risk of being euthanized by local governments across Japan
Japanese Federation of the Deaf	Supporting people who are deaf or hard of hearing
WILDCATS	Supporting the operations and activities of Shinshu University WILDCATS
Médecins Sans Frontières	Providing medical and humanitarian assistance to people whose lives are threatened by conflict, natural disasters, poverty, and other crises
KYUSHU Pro-WRESTLING	Community contribution activities in the Kyushu region
Japanese Red Cross Society	Humanitarian activities supporting people affected by crises in Japan and overseas
Crypto Village Co., Ltd.	Supporting community development and revitalization in Yamakoshi, Niigata Prefecture
Animal Donation	Supporting animal welfare initiatives
Kamiyama Marugoto College of Design, Engineering and Entrepreneurship	Supporting school operations

Social Contribution Overseas

Volunteer Tree-Planting Activity

To commemorate their 10th anniversary, AIRA & AIFUL are conducting the “A Money Buddy Invites You to Plant Mangroves” initiative in Klong Khon, Samut Songkhram Province. Employee volunteers are learning about mangrove ecosystems while contributing to the conservation of the coastal environment and the restoration of ecosystems through tree-planting activities. Through these efforts, the companies are advancing initiatives aimed at realizing a sustainable society.

Contributing to a Circular Economy Through Recycling

In partnership with Precious Plastic Bangkok, we have been running the “A Money Buddy: Turning Plastic Bottle Caps into Valuable Products” program for two consecutive years. By experiencing upcycling firsthand and transforming plastic bottle caps into practical products, our employees are helping to reduce plastic waste and contribute to the realization of a circular economy.





Financial Literacy and Financial Inclusion Initiatives

The company aim to create an environment where more customers can access appropriate financial services. By conducting informational sessions for the Indonesian Financial Services Authority regarding the company’s (REKSA) financial products and services, we are promoting consumer understanding and protection, while also advancing initiatives to build sound relationships between the company and customers.

Background

- Promoting understanding of financial services
- Expanding access to financial services
- Ensuring consumer protection and fostering healthy relationships
- Contributing to the improvement of financial literacy
- Strengthening collaboration with merchant partners
- Promoting sales initiatives



Measures Against Climate Change 01

Strategy

The manifestation of climate change could affect the Muninova Group' s business activities not only through physical losses caused by more severe natural disasters but also through a decline in service levels and damage suffered by customers, leading to reduced revenue and increased credit-related expenses. On the other hand, stabilizing our business infrastructure through the promotion of energy-saving measures and the strengthening of business continuity planning (BCP) not only contributes to improved business continuity but also creates business opportunities as initiatives that meet stakeholder expectations. Therefore, the Muninova Group will address these challenges.

Indicators and Targets

We recognize the significance of the impact of climate change on our business operations and are exploring ways to enhance our disclosures in line with the TCFD recommendations. Going forward, while taking into account changes in the external environment and the specific characteristics of our Group' s business, we will continue to explore impact assessment methods through scenario analysis and other means. Based on the results of these analyses and after determining the materiality of these issues, we will evaluate whether it is necessary to establish metrics and targets.

Environmental Impact Data	2025/3	2026/3
Bunker A (KL)	1	0
City gas (m^3)	298,021	315,844
Electric power (Thousand kwh)	11,163	9,952
Scope1 Direct CO2 emissions(t-CO2)	610	647
Scope2 Indirect CO2 emissions(t-CO2)	5,061	5,388

(note) 1. The scope of aggregation is Muninova and its domestic consolidated subsidiaries.
2. Figures for Bunker A are rounded down to the nearest whole number.
3. Emission coefficients are based on the applicable coefficients in the "Greenhouse Gas Emissions Calculation, Reporting and Publication System" based on the "Law Concerning the Promotion of the Measures to Cope with Global Warming"

Discontinuation of Stores (Unmanned stores) / Discontinuation of ATMs

	2022/3	2023/3	2024/3	2025/3	2026/3
Unmanned stores	828	817	776	625	143
ATM	436	249	0	0	0

Installation of Solar Panels

With the goal of achieving both cost savings and reduced environmental impact, we installed solar power generation systems at our Contact Center (Shiga) and EDA Center (Kanagawa). We had considered installing these systems in the past, but were unable to do so due to constraints such as the buildings' load-bearing capacity. However, following recent advancements in panel weight reduction and new proposals from contractors, we reevaluated the plan and moved forward with the project.

Voice from the person in charge of Installation



▲ General Affairs Section
Muninova Holdings
Mr. Yasui

I was in charge of installing a solar power generation system at the Contact Center (Shiga).Although I didn't have much experience in the renewable energy sector, I deepened my knowledge by collaborating with stakehold-ers both inside and outside the company, systematically addressed each challenge, and moved the project forward. Thanks to the cooperation of many people, we completed the installation in December 2025. The system has just begun operating, but I expect it will not only reduce electricity costs but also help cut CO_2 emissions, thereby contributing to sustainable business operations.

Promotion of Card-less Contracts

For AIFUL' s unsecured personal loans, more than 98% of applications are submitted online, and the company has established a system that allows the entire process—from application to contract signing—to be completed online. Furthermore, companies within the group are gradually expanding systems that allow customers to complete the entire process—from online application to contract completion—entirely online. In addition to promoting cardless contracts, the company is working to reduce paper consumption and advance environmentally friendly paperless operations by transitioning credit card statements to digital formats and digitizing or eliminating paper forms in call center operations.

Promotion of Business Casual, Cool Biz, and Warm Biz

Starting in FY2024/3, we are introducing a "business casual" dress code and working to create a workplace environment where every employee can dress in a way that reflects their individual style. In addition, by promoting "Cool Biz" and "Warm Biz," we are working to conserve energy through the appropriate use of heating and cooling systems and to reduce greenhouse gas emissions. While respecting diverse values and work styles, we aim to achieve both improved employee engagement and a reduction in our environmental impact by creating a comfortable and employee-friendly workplace environment.

Switching to LED Lighting

As part of our efforts to reduce our environmental impact, we are promoting the conversion to LED lighting at all Group locations. By promoting energy conservation, we are working to reduce greenhouse gas emissions and mitigate the environmental impact of our business activities. Moving forward, we will continue to promote environmentally conscious business practices with the goal of balancing the sustainable enhancement of corporate value with the resolution of social issues.

Measures Against Climate Change 02

Details of the Group's risks related to TCFD

Risk item			Indicator	Description	Assessment	Measure against the risk	Opportunity
Category	Broad category	Subcategory					
Transition risks	Policy Laws and regulations	● Increase in carbon tax ● Energy-saving policies ● GHG emission regulations ● Increase in renewable energy prices	Expenditure	● Increase in infrastructure operating costs	Medium	● Setting the targets of energy use and CO2 reduction	● Reducing business activity costs by promoting energy-saving measures
	Reputation	● Change in reputation in society and among investors	Capital	● Decline in the support from customers ● Increased anxiety of stakeholders and worsened reputation • Increased difficulty in securing human resources and decreased employee retention rate • Increased difficulty in procuring funds • Decline in stock prices	Medium	● Disclosing information on climate change initiatives ● Clearly explaining them to investors	● Receiving proper assessment from customers and stock and bond market
Physical risks	Acute	● Flood damage due to typhoons, torrential rains, etc.	Expenditure Revenue	● Limited employee attendance due to public transportation shutdown • Decline in customer service levels ● Increase in claims eligible for relief due to customers impacted by disaster ● Physical damage to our corporate group' s facilities, etc. • Direct Impact on Business Performance	Medium	● Renewing the contingency plan ● Developing the support system of consultation services for customers impacted by disaster	● Strengthening infrastructure by BCP ● Promoting the stabilization of customer service levels
	Chronic	● Increase in average temperature ● Changes in precipitation and weather patterns	Expenditure Revenue	● Increase in operating costs for air conditioning equipment in summer ● Drop in employee productivity, restriction on commuting, and deterioration of workplace comfort and safety • Decline in customer service levels	Medium	● Rebuilding a comfortable working environment	● Enhancing productivity by improving a working environment

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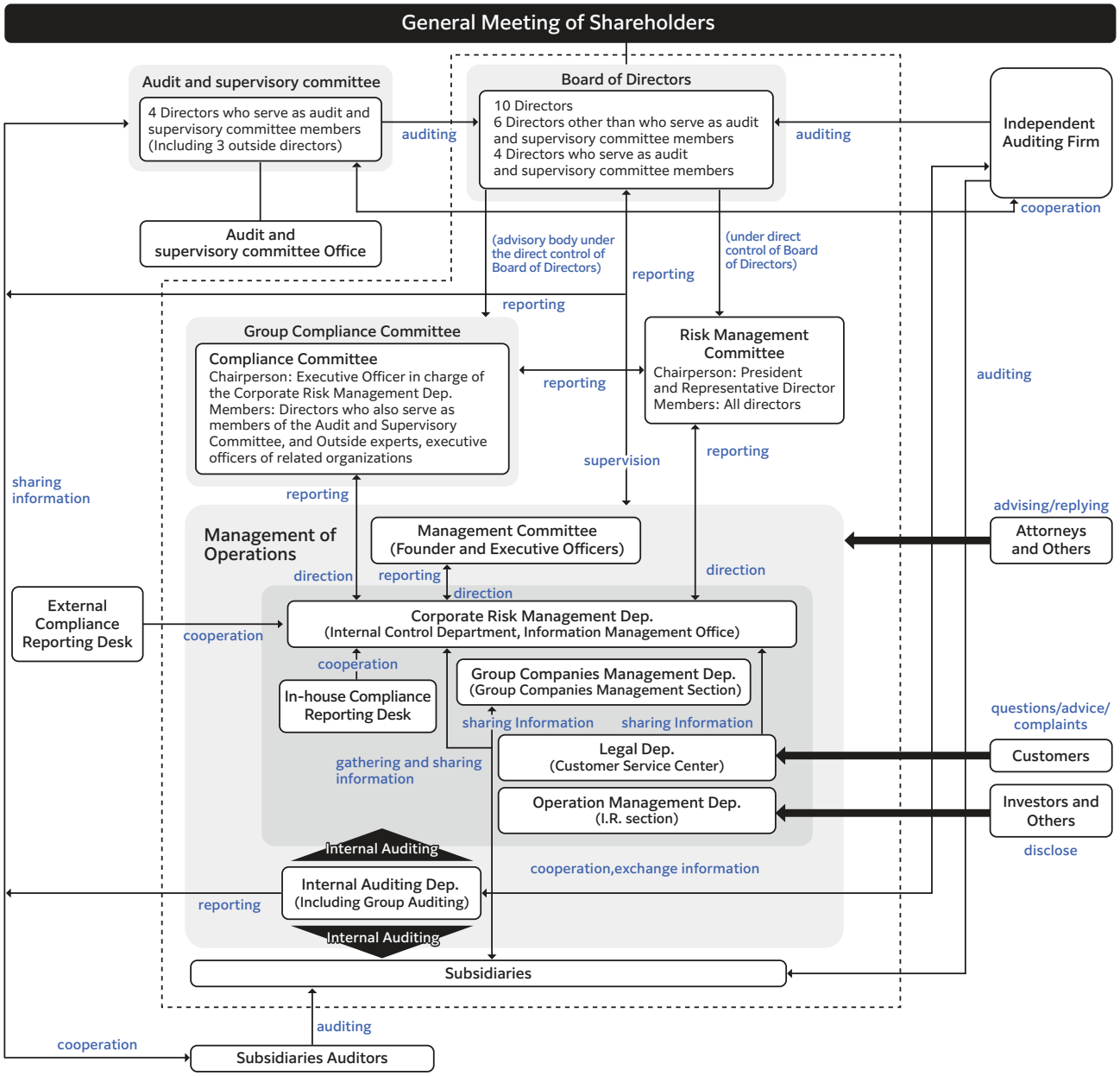
Corporate Governance 01

Basic Views on Corporate Governance

Under its corporate philosophy of "Earn the trust of society through corporate activity based in integrity," the Group recognizes that the primary objective of corporate governance is to become a company trusted by society and all stakeholders by contributing to the development of the economic community through corporate activities based on strict compliance. Through such efforts, the Group aims to realize corporate management that embodies transparency, fairness, and efficiency.

Based on this fundamental approach to corporate governance, the Company is committed to enhancing its corporate governance framework in accordance with the following basic principles, in order to achieve sustainable growth and enhance medium- to long-term corporate value through transparent, fair, prompt, and decisive decision-making.

1. To respect the rights of shareholders and ensure the equitable treatment of all shareholders
2. To engage in appropriate cooperation with all stakeholders, including shareholders
3. To ensure transparency by appropriately disclosing financial and non-financial information and other corporate information
4. To ensure that the Board of Directors appropriately fulfills its roles and responsibilities, including securing the effectiveness of its oversight of business execution, in light of its fiduciary responsibility to shareholders
5. To engage in constructive dialogue with shareholders in order to contribute to sustainable growth and the enhancement of corporate value over the medium- to long-term



Corporate Governance 02

Overview of the Current Corporate Governance System

In order to strengthen the supervisory function of the Board of Directors and enhance corporate governance, the Company has adopted a structure as a Company with an Audit and Supervisory Committee.

● Audit and Supervisory Committee and directors Who Are Members of the Audit and Supervisory committee

The Audit and Supervisory Committee consists of four directors who are members of the Audit and Supervisory Committee, three of whom are outside directors. The Committee determines audit policies and audit plans, receives reports from the executive divisions on matters necessary for audits, deliberates on such matters as appropriate, and conducts audits of legality and appropriateness using the internal control system. The Audit and Supervisory Committee is, in principle, convened on a monthly basis, and extraordinary meetings are held as necessary. In order to enhance its management oversight function, the Audit and Supervisory Committee holds regular meetings and opportunities for reporting and exchange of opinions with the internal audit division, internal control divisions, and the accounting auditor. In addition, by sharing information with statutory auditors of affiliated companies, the Company has established an audit framework for the Group as a whole.

For the purpose of enhancing the effectiveness of the audit function, the Company has established the Audit and Supervisory Committee Office as a dedicated department independent from the executive divisions to assist the Audit and Supervisory Committee in the performance of its duties.

● Board of Directors and Directors

As of the date of submission of this report, the Board of Directors consists of a total of ten directors, comprising six directors (excluding directors who are members of the Audit and Supervisory Committee) and four directors who are members of the Audit and Supervisory Committee.

The Board of Directors deliberates on and determines important matters of business execution stipulated in laws and regulations or the Articles of Incorporation that cannot be delegated to directors or executive officers, as well as matters defined as important business execution under the Board of Directors Regulations, including management plans, human resources policies, and capital policies.

In addition, based on policies resolved by the Board of Directors, authority is appropriately delegated to executive officers and other personnel, in accordance with the Rules on Authority and Responsibility, with respect to business execution and the disposition of assets below a specified monetary threshold.

The Board supervises the status of such delegated authority and its execution.

In principle, meetings of the Board of Directors are held twice a month, and extraordinary meetings are held as necessary. The Articles of Incorporation provide that the number of directors (excluding directors who are members of the Audit and Supervisory Committee) shall not exceed fifteen, and the number of directors who are members of the Audit and Supervisory Committee shall not exceed five.

● Outside Directors

As of the date of submission of this report, the Company has appointed one outside director out of the six directors (excluding directors who are members of the Audit and Supervisory Committee), and three outside directors out of the four directors who are members of the Audit and Supervisory Committee. A framework has been established that enables outside directors to attend and express opinions at important meetings and committees, including the Compliance Committee.

● Executive Officers

For the purpose of accelerating decision-making and business execution, and strengthening the separation between supervisory and executive functions, the Company has introduced an executive officer system. Executive officers are appointed by the Board of Directors, and their respective responsibilities and authorities are defined, with business execution entrusted accordingly.

● Management Committee

The Management Committee consists of all executive officers and founders. It conducts prior deliberations on matters to be resolved by the Board of Directors, as well as deliberations or resolutions on important matters related to business execution. Through information sharing and mutual supervision regarding issues and strategies based on policies resolved by the Board of Directors, the Company endeavors to prevent discrepancies between decision-making and business execution. In principle, the Management Committee is convened on a weekly basis.

● Group Compliance Committee

The Company has established the Group Compliance Committee as an advisory body directly reporting to the Board of Directors. The Committee is chaired by the Executive Officer in charge of the Risk Management Division, as approved by the Board of Directors, and is composed of external experts, directors who are members of the Audit and Supervisory Committee, and executive officers from relevant departments. With the aim of fostering a corporate culture that emphasizes compliance, establishing corporate ethics, and promoting compliance programs, the Committee deliberates on and makes recommendations regarding important matters related to compliance, and reports to the Board of Directors as necessary. In principle, the Committee is held twice a year, and extraordinary meetings are convened as required.

● Group Risk Management Committee

The Company has also established the Group Risk Management Committee as an organization directly reporting to the Board of Directors. The Committee is chaired by the President and CEO, and consists of all directors. With the aim of preventing risks before they materialize through the establishment of an appropriate risk management framework and minimizing losses in the event of a crisis, the Committee receives regular reports on risk conditions, continuously monitors risks, conducts ongoing reviews of the risk management framework, and reports to the directors as necessary. In principle, the Committee is held twice a year, and extraordinary meetings are convened as required.

Corporate Governance 03

Composition of the Board of Directors

Name	Position and title	Gender	Board Meeting Attendance	Year Appointed as Director	Number of shares held (thousand shares)	Skills / Experience							
						Corporate Management	Legal / Risk Management	Finance Accounting	Global	Human Resource Development	Credit/ Marketing	IT Digital/ DX	Diversity
Mitsuhide Fukuda	President and Representative Director	Male	89%	June 2012	62,235	○		○	○	○	○	○	○
Yoshitaka Fukuda	Chairman and Representative Director	Male	97%	May 1982	3,272	○		○		○	○		
Keiji Masui	Representative Director, Vice President Executive Officer	Male	100%	June 2016	112	○		○			○		
Masayuki Sato	Director and Vice Chairman Executive Officer	Male	94%	June 1999	209	○		○	○	○	○	○	
Akira Kamiyo	Director and Vice President Executive Officer	Male	100%	June 2020	61	○	○	○		○	○	○	○
Ryoko Kitazawa	Outside Director	Female	100%	June 2025	9	○		○	○				○
Hitoshi Shimura	Outside Director, Audit and Supervisory Committee Member	Male	100%	June 2021	5		○	○	○				○
Munetaka Shimatani	Director and Audit and Supervisory Committee Member	Male	-	June 2026	72		○						
Haruichi Suzuki	Outside Director, Audit and Supervisory Committee Member	Male	100%	June 2015	-		○						○
Shinichiro Maeda	Outside Director, Audit and Supervisory Committee Member	Male	100%	June 2022	-		○	○	○				○

(note) 1. The column "Corporate Management" explains that a Director possesses experience of Executive Director for one year or more in the Company or other companies.
2. The columns other than "Corporate Management" explains that a Director possesses experience for one year or more of Senior General Manager in the applied business area at the Company or other companies.

Skill item	Explanation	Skill item	Explanation
Corporate Management	A person who has been appointed Executive Director or has work experience that requires specialized knowledge of corporate management at the Company (including subsidiaries) and other companies, and is recognized as having insight / experience in Corporate Management.	Human Resource Development	A person who has expertise in personnel and labor and is recognized as having insight / experience on the appropriate allocation of employees, who are management resources, human resources development, diversity, working style, etc.
Legal / Risk Management	A person who is highly specialized in law and risk management. Or a person who is qualified as an attorney and is recognized as having insight / experience in law and compliance.	Credit Screening / Marketing	A person who has specialized knowledge and experience in "Credit screening," the essence of finance, and is recognized as having insight / experience that will contribute to the maximization of profit by marketing based on data analysis.
Finance, Accounting	A person who has expertise in finance and accounting. Or a person who is qualified as a certified public tax accountant or having experience as an analyst and is recognized as having insight / experience in finance and accounting.	IT Digital / DX	A person who has specialized knowledge in the IT digital field, DX, and information systems, and is recognized as having insight / experience that will contribute to the maximization of profit by reforming new service provisions and business structures.
Global	A person who has experience developing overseas businesses, has experience as an officer of an overseas subsidiary, or has experienced overseas assignment, and is recognized as having management insight / experience in a global environment.	Diversity	A person who is recognized as having insight / experience that contributes to the innovation of the AIFUL Group through various backgrounds that are not bound by common sense and experience in the Company such as academic knowledge (as an attorney or a doctoral degree, etc.), important posts of government offices, gender, internationality, etc.

Corporate Governance 04

Reasons for the current structure

The Company has adopted a company with an Audit & Supervisory Committee structure. Of the four Directors who are Audit & Supervisory Committee Members, three are Outside Directors. All Directors who are Audit & Supervisory Committee Members attend meetings of the Board of Directors, as well as key meetings and committees, including the Compliance Committee. The Company has also established a framework for reporting to the Audit & Supervisory Committee, thereby ensuring the effectiveness and independence of audits.

In addition, the Company has established the Audit & Supervisory Committee Office as a dedicated department to assist the Audit & Supervisory Committee in the performance of its duties, thereby further enhancing the effectiveness of audits.

The Company has also introduced an Executive Officer system to separate management oversight from business execution. In addition, committees including the Compliance Committee and Risk Management Committee, whose members include external experts, have been established to strengthen the supervisory function.

The Company has adopted this governance structure to achieve transparent, fair, and efficient management.

● A Board of Directors with Diverse Expertise

To achieve sustainable growth and enhance corporate value over the medium to long term, the Company has structured its Board of Directors to include members with diverse knowledge, experience, and expertise.
In addition to Inside Directors with extensive knowledge of the Company's business operations, the Board includes Outside Directors with diverse backgrounds, including experience in the financial industry, legal practice, government, and academia. The Company also considers diversity in terms of gender, professional background, age, and other attributes, seeking to enhance the quality of decision-making through discussions that draw on each Director's expertise.
In light of changes in the business environment and the Group's areas of business, the Company continuously reviews the knowledge and experience required of the Board and works to further enhance its diversity.

● Board Effectiveness Leveraging the Expertise of Outside Directors

The Company works to enhance the effectiveness of the Board of Directors in order to respond swiftly and appropriately to changes in the business environment and enhance corporate value over the medium to long term.
The Board comprises Inside Directors with extensive knowledge of the Company's business operations and Outside Directors with specialized expertise. This composition facilitates active discussions from diverse perspectives in deliberations on management strategy and other important matters.
The Company currently has three Independent Outside Directors, representing less than one-third of all Directors. These Directors bring extensive experience and expertise in areas such as law, finance, and public administration, and play an important role in strengthening management oversight and ensuring objectivity and transparency in decision-making.
Rather than focusing solely on the proportion of Outside Directors, the Company seeks an optimal Board composition that balances the skills and experience required in light of its business characteristics and management challenges. Going forward, we will continue to review the composition and operation of the Board to further strengthen a highly transparent and effective corporate governance framework.

● Ensuring Objectivity and Transparency in Nomination and Remuneration

As a company with an Audit & Supervisory Committee, the Company seeks to ensure objectivity and transparency in the nomination and remuneration of Directors, with the Audit & Supervisory Committee, a majority of whose members are Independent Outside Directors, playing a central role in deliberations.
In selecting candidates for Director, the Company places importance on extensive experience, a high level of expertise, ethical standards, and personal integrity, while also considering the diversity and overall balance of skills of the Board. Based on proposals from the Representative Director and President, the Executive Officer responsible for human resources, and others, the Audit & Supervisory Committee conducts thorough deliberations and expresses its opinion. The Board of Directors then makes the final decision, taking the Committee's opinion into consideration.
The Company has also established a remuneration system for Directors based on their roles, responsibilities, and performance evaluations. Performance evaluations are reviewed and determined by the Human Resources Committee. Based on the results, remuneration levels and other terms are determined following deliberation by the Audit & Supervisory Committee.
Through the active involvement of the Audit & Supervisory Committee in the nomination and remuneration processes, the Company seeks to ensure independence, objectivity, and accountability.

Remunerations for executives

The Company has established a policy regarding the determination of the amount of directors' remuneration and the method for calculating such remuneration. Under this policy, in accordance with the Company's management philosophy of "Earn the trust of society through corporate activity based in integrity," director remuneration is designed not only to function as consideration for the fulfillment of roles and responsibilities, but also to effectively serve as an incentive for the improvement of medium- to long-term corporate performance and the enhancement of corporate value.

Specifically, remuneration for directors (excluding directors who are members of the Audit and Supervisory Committee and outside directors) consists of fixed basic remuneration and performance-linked non-monetary remuneration (restricted stock compensation). Remuneration for outside directors and directors who are members of the Audit and Supervisory Committee consists solely of basic remuneration, from the perspective of ensuring their independence.

The authority to determine the policy regarding the amount of remuneration or the method for calculating such remuneration for directors rests with the Board of Directors and the Audit and Supervisory Committee.

Based on this policy, the remuneration structure and remuneration levels are reviewed as necessary in light of the management environment and business performance, and the allocation to each individual director is determined according to the scope and significance of the role associated with

Corporate Governance 05

each position, as well as each director's assigned duties, responsibilities, and authority.

With respect to remuneration for directors (excluding directors who are members of the Audit and Supervisory Committee), at the 48th Annual General Meeting of Shareholders of AIFUL CORPORATION held on June 24, 2025, Agenda Item No. 1 (Approval of the Share Transfer Plan) approved a maximum annual remuneration amount of 500 million yen (excluding salaries for the employee portion of directors concurrently serving as employees). At the time of this resolution, the number of such directors was six.

At the same General Meeting of Shareholders, within the above remuneration limit, it was also resolved that monetary claims to be granted as restricted stock compensation to directors (excluding directors who are members of the Audit and Supervisory Committee, outside directors, and domestic non-residents) would be limited to 50 million yen per year (excluding salaries for the employee portion of directors concurrently serving as employees), and that the total number of shares to be issued or disposed of would be limited to 333,000 shares per year. At the time of this resolution, the number of eligible directors was six.

In addition, with respect to remuneration for directors who are members of the Audit and Supervisory Committee, the same General Meeting of Shareholders resolved that such remuneration would be limited to 80 million yen per year. At the time of this resolution, the number of directors who were members of the Audit and Supervisory Committee was four.

Compliance framework

Under our Corporate Philosophy of "Earn the trust of society through corporate activity based in integrity," the Group conducts its business with high ethical standards, going beyond compliance with laws, regulations, and the Articles of Incorporation. We regard compliance as a key management priority and as a foundation for enhancing corporate value and achieving sustainable growth.

The Group has established the Group Compliance Committee to maintain a compliance framework based on a shared understanding across all Group companies. Led by the Committee, we continuously provide education and training and conduct awareness-raising activities to strengthen compliance awareness and embed high standards of corporate ethics throughout the Group.

The Internal Audit Division also regularly audits the operations of the Company and Group companies, including their compliance with laws and regulations, and reports the results to the Board of Directors and the Audit & Supervisory Committee. We have also established a framework for promptly reporting any actual or suspected violations of laws and regulations to the Audit & Supervisory Committee and the Board of Directors, ensuring that appropriate action is taken.

In addition, we have established a hotline system for consultation and reporting on legal violations, misconduct, and other concerns. The system is operated in accordance with the Whistleblower Protection Act to facilitate the early detection and remediation of issues. We are also strengthening the risk management framework required of a financial services group, including measures to prevent relationships with antisocial forces and to combat money laundering and terrorist financing.

Through these initiatives, the Group is building a highly transparent, fair, and effective compliance framework and aims to remain a corporate group trusted by society.

Approaches to antisocial forces

Muninova Group clearly stipulates in its "Compliance Code of Conduct," which has been established as a guideline for actions to realize its management philosophy of "Earn the trust of society through corporate activity based in integrity" that it shall have no relationship whatsoever with any anti-social forces. In addition, the specific provisions of the "Compliance Code of Conduct" are set forth in internal regulations.

(1) Status of the Department in Charge and the Person Responsible for Preventing Unjust Demands
The Management Planning Department has been designated as the department responsible for overseeing responses to anti-social forces, and a system has been established under the direction of the Executive Officer in charge of the Management Planning Department, in cooperation with relevant departments, to conduct investigations and take appropriate measures.

(2) Status of Cooperation with External Specialized Organizations
A system has been established to maintain close consultation and reporting with external specialized organizations, including police authorities and attorneys.

(3) Status of Collection and Management of Information on Anti-Social Forces
Information is collected through participation in training sessions and meetings held by external organizations, as well as through membership in such organizations. In addition, a Risk Management Committee has been established as a body to identify internal risks at an early stage, and it is responsible for collecting and centrally managing risk information.

(4) Status of Development of Response Manuals
As part of responses required in the course of business operations, the Company has established internal regulations such as the "Regulations for the Prevention of Damage Caused by Anti-Social Forces," the "Group Response Manual upon Identification of Transactions with Anti-Social Forces," and the "Manual for Responding to Anti-Social Forces." In addition, various manuals have been developed to ensure the complete severance of relationships with anti-social forces.

Corporate Governance 06

Building a Corporate Culture That Learns from Past Lessons

The Group positions the administrative disposition imposed on AIFUL in 2006 as a serious management lesson and we must never let it fade from memory. At the time, the focus of the investigation was not only on individual violations of laws and regulations, but also on the inadequate internal control system that had failed to prevent them in advance. The Group has passed down this experience as a shared lesson: "Never repeat the same mistake again," and we continue our efforts to establish compliance as a corporate culture.

As part of these efforts, through the Executive and General Manager Caravan and compliance study sessions, the Group has built a mechanism to connect issues identified in the field into improvement activities, and continuously run the PDCA cycle to prevent recurrence. We are committed to preventing recurrence by applying the lessons from the past to our daily operations.

Executive and General Manager Caravan

This is an activity in which executives or general managers visit each department and business base to directly communicate management policies and priority measures, ensure compliance, instill the code of conduct, and reflect the voices of frontline employees in management. The Group conducts this activity at least once a year for all group companies.

This initiative allows management to grasp actual situations and issues on the frontline at an early stage, and at the same time, it facilitates shared understanding among departments and drives awareness throughout the entire organization as executives communicate the Company's policies and expectations directly. It also serves as an important communication opportunity connecting management and all employees, as it allows us to gather information that may lead to business improvements and risk reduction through exchanges of opinions with frontline employees.

Compliance Study Session

The compliance study session is an educational and training opportunity designed to deepen understanding of laws and regulations, internal rules, social norms, and points to note in business operations, thereby improving compliance awareness. Since 2006, the Group has held these sessions quarterly for all group companies.

The purpose of this study session is to help each employee acquire the knowledge and judgment criteria necessary to prevent violations of laws and regulations as well as internal rules, and to perform their duties properly and fairly. Sharing case studies and points of caution raises frontline employees' risk sensitivity, facilitates early detection and response to problems, and presents an attitude that places strong emphasis on compliance shared throughout the entire organization, leading to maintaining and improving a sound corporate culture.

Compliance Reporting Desk (Hotline)

The Group has established a Compliance Reporting Desk (Hotline) for the early detection and correction of violations of laws and regulations, harassment, and other compliance-related problems.

This Reporting Desk is available not only to executives and employees of the Group, but also to former employees, and to service providers engaged in the Group's business operations (such as persons belonging to companies or organizations that have business relationships with the Group and are engaged in the Group's operations, or persons engaged in the Group's operations based on outsourcing contracts).

When accepting and responding to reports, in accordance with the purpose of the Whistleblower Protection Act and other relevant laws and regulations, the Group strictly maintains the confidentiality of whistleblowers and ensures that they are not subject to disadvantageous treatment. At the same time, appropriate investigations are carried out and corrective measures are taken.

A Dedicated Website to Pass on Lessons from the Past to Future Generations of Employees

Twenty years have passed since the administrative disposition, and an increasing number of employees have no firsthand knowledge of the events at that time. To ensure that the lessons learned are passed on, the Group launched an internal website dedicated to the administrative disposition in 2025.



Image of the dedicated website for all Group companies

Developed with the aim of conveying both the positive and negative aspects of the Company's history and accurately passing on the lessons of the past, the website is designed not as a one-time training resource, but as a permanent learning platform that employees can revisit at any time. It systematically presents and shares within the Group the circumstances surrounding the administrative disposition, measures taken to prevent recurrence, and initiatives to strengthen compliance.

The Group's various compliance initiatives are built on this culture of preserving and passing on the lessons of the past. We regard compliance not as a temporary response, but as an ongoing commitment essential to realizing our Corporate Philosophy. Through these efforts, we will continue to earn and maintain the trust of our stakeholders.

Management 01

Directors / Executive Officers of Muninova Holdings Inc.

Mitsuhide Fukuda
President and Representative Director, Chief Executive Officer
Chairperson of Group Risk Management Committee,
In charge of Internal Auditing Department
- President and Representative Director of AIFUL CORPORATION
- Chairman and Representative Director of LIFECARD Co., Ltd.

Yoshitaka Fukuda
Chairman and Representative Director
- Chairman and Representative Director of AIFUL CORPORATION
- Director of LIFECARD Co., Ltd.

Keiji Masui
Representative Director, Vice President Executive Officer
- Representative Director and Vice President Executive Officer of AIFUL CORPORATION
- President and Representative Director of LIFECARD Co., Ltd.
- President and Representative Director of AG Payment Service CO., LTD
- Chairman and Representative Director of BitCash Inc.

Masayuki Sato
Director, Vice Chairman Executive Officer
In charge of Marketing Department
- Director and Vice Chairman Executive Officer of AIFUL CORPORATION
- Director, Executive Officer of LIFECARD Co., Ltd.

Akira Kamiyo
Director, Vice President Executive Officer
Chairperson of Compliance Committee, In charge of Management Planning Department, Corporate Group Management Department,
Operation Management Department Group Communications Department,
Legal Department and Group Corporate Risk Management Department
- Director and Vice President Executive Officer of AIFUL CORPORATION
- Director, Executive Officer of LIFECARD Co., Ltd.

Ryoko Kitazawa
Director (Outside)
- Director of AIFUL CORPORATION

Directors who are Audit and Supervisory Committee Member of Muninova Holdings Inc.

Hitoshi Shimura
Director (Outside)
- Auditor of AIFUL CORPORATION
- Auditor of LIFECARD Co., Ltd.

Munetaka Shimatani
Director
- Auditor of AIFUL CORPORATION
- Auditor of LIFECARD Co., Ltd.

Haruichi Suzuki
Director (Outside)
- Auditor of AIFUL CORPORATION

Shinichiro Maeda
Director (Outside)
- Auditor of AIFUL CORPORATION

Executive Officers of Muninova Group

Fumihiko Hirose
Senior Managing Executive Officer of Muninova Holdings Inc.
In charge of Corporate Strategy Department and Finance Department
- Senior Managing Executive Officer of AIFUL CORPORATION
- President and Representative Director of AG Partners Corporation

Etsushi Yamada
Managing Executive Officer of Muninova Holdings Inc.
Responsible for Marketing Department
- Director and Managing Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.
- President and Representative Director of AG Servicer Corporation

Kazuhiro Yasuda
Managing Executive Officer of Muninova Holdings Inc.
Responsible for Corporate Strategy Department and Finance Department
- Managing Executive Officer of AIFUL CORPORATION
- Director of LIFECARD Co., Ltd.

Atsushi Suda
Managing Executive Officer of Muninova Holdings Inc.
- Managing Executive Officer of AIFUL CORPORATION
- Managing Executive Officer of LIFECARD Co., Ltd.

Management 02

Takayuki Nakata
Managing Executive Officer of Muninova Holdings Inc.
In charge of System and Digital Promotion Department
- Managing Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.

Akitaka Domoto
Managing Executive Officer of Muninova Holdings Inc.
Responsible for Group Companies Management Department
- Managing Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.

Hisashi Shimojo
Managing Executive Officer of Muninova Holdings Inc.
- Managing Executive Officer of AIFUL CORPORATION
- Managing Executive Officer of LIFECARD Co., Ltd.
- President and Representative Director of AG Lending Corporation
- President and Representative Director of BitCash Inc.

Yuji Fukada
Managing Executive Officer of Muninova Holdings Inc.
- Managing Executive Officer of AIFUL CORPORATION
- President and Representative Director of AG BUSINESS SUPPORT CORPORATION
- President and Representative Director of AG MEDICAL CORPORATION
- President and Representative Director of AG Capital Co., Ltd.
- President and Representative Director of AG Smile Leaseback Corporation

Ikuo Yamauchi
Managing Executive Officer of Muninova Holdings Inc.
Responsible for Finance Department
- Managing Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.

Hiroshi Azuma
Managing Executive Officer of Muninova Holdings Inc.
Responsible for Corporate Strategy Department
- Managing Executive Officer of AIFUL CORPORATION

Yasuhiko Hashimoto
Managing Executive Officer of Muninova Holdings Inc.
- Managing Executive Officer of AIFUL CORPORATION
- COO of PT REKSA FINANCE

Junichi Niizuma
Managing Executive Officer of Muninova Holdings Inc.
Responsible for Internal Auditing Department, Legal Department and Corporate Risk Management Department
- Managing Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.

Yorihiro Fujii
Managing Executive Officer of Muninova Holdings Inc.
In charge of Personnel Department, Responsible for Data Analytics Department and Group Communications Department
- Managing Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.

Toshiaki Ando
Managing Executive Officer of Muninova Holdings Inc.
- Managing Executive Officer of AIFUL CORPORATION

Kimihiro Omori
Executive Officer of Muninova Holdings Inc.
- Executive Officer of AIFUL CORPORATION
- CEO of AIRA & AIFUL Public Company Limited

Kotaro Matsuura
Executive Officer of Muninova Holdings Inc.
In charge of Accounting Department, Responsible for Operation Management Department (IR)
- Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.

Ichiro Yamaguchi
Executive Officer of Muninova Holdings Inc.
Responsible for Management Planning Department
- Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.
- President and Representative Director of AG Solution Technology Inc.

Jun Mitsuishi
Executive Officer of Muninova Holdings Inc.
Responsible for Management Planning Department
- Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.

Atsuki Inagaki
Executive Officer of Muninova Holdings Inc.
- Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.

Yuki Okano
Executive Officer of Muninova Holdings Inc.
- Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.

Mahito Oishi
Executive Officer of Muninova Holdings Inc.
Responsible for Personnel Department
- Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.

Katsuhiro Sakazaki
Executive Officer of Muninova Holdings Inc.
Responsible for Corporate Strategy Department and Finance Department
- Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.

Kenichiro Ishii
Executive Officer of Muninova Holdings Inc.
Responsible for System and Digital Promotion Department
- Executive Officer of AIFUL CORPORATION
- Executive Officer of LIFECARD Co., Ltd.



Risk Factor 01

Risk Management Framework

Under its holding company structure, the Group establishes basic policies for Group-wide risk management and oversees risk management at each Group company. On April 1, 2026, the Group Risk Management Committee was established as a body directly under the Board of Directors of Muninova Holdings. Based on the Group-wide Risk Management Regulations, the Committee oversees and manages risks across the Group on a cross-functional basis.

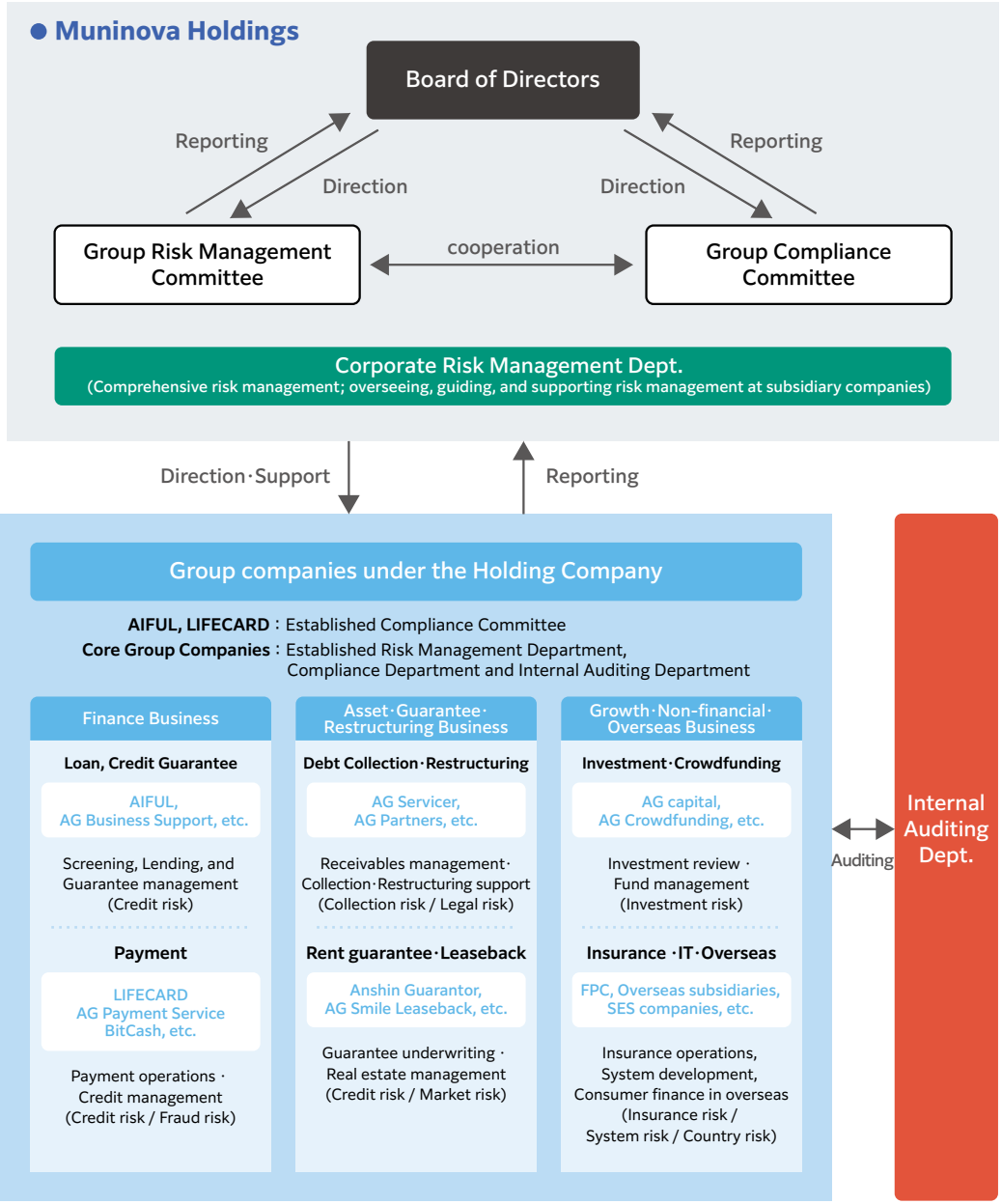
Core Group companies, including AIFUL and LIFECARD, have established risk management, compliance, and internal audit functions, which serve as the second- and third-line functions at each company. The Corporate Risk Management Department and Internal Auditing Department of Muninova Holdings work closely with these functions to provide integrated management and oversight of risks across the Group.

Risk information identified and assessed by each Group company is reported to the Corporate Risk Management Department of Muninova Holdings and submitted to the Group Risk Management Committee for deliberation. The Committee regularly reviews risks and directs the consideration of measures to avoid or mitigate them. Important response policies are subject to approval by the Board of Directors.

AIFUL and LIFECARD have also established Compliance Committees that regularly deliberate on important matters, including the progress of their compliance programs and the status of compliance with laws and regulations.

Despite these measures, changes in the business environment, including the tightening or easing of laws and regulations, competitive conditions, and economic fluctuations, may affect the Group's financial position and operating results and may require the Group to revise its strategies.

Since the fiscal year ended March 2025, the Group has identified as Top Risks those risks that management recognizes as having the potential to materially affect its business, based on the likelihood of risk scenarios and the magnitude of their potential impact on operations. Top Risks are reviewed and determined each fiscal year by the Group Risk Management Committee. The Group assesses increases in risk levels and early warning signs associated with these Top Risks and implements necessary measures to mitigate and control them.



Risk Factor 02

Top Risks

The Company has selected risks that the management recognized may have a significant impact on the business as top risks for FY2025/3 and beyond, based on the probability of a risk scenario and its impact on the business. The top risks will be discussed and determined every fiscal year at the Risk Management Committee. For the top risks, we will assess the heightening of risks and their signs and take necessary measures to control them.

	Risk event	Risk scenario	Our Group's Measures	Opportunities
①	Risk related to violation of laws and regulations and inappropri-ate actions by an employee(s)	Risk of undermining the trust of stakeholders when an employee(s) does not take appropriate actions in accordance with laws and regulations, social norms, business/market practices, and a customer perspective (this is so-called “misconduct”).	● Set up the Group Compliance Committee with the goals of sharing the unified corporate ethics of the entire Group and establishing a compliance system for the whole Group ● Enhance organizations and systems as an internal control function and address operational risks with these systems ● Carry out Inspections and ongoing improvements by implementing three lines (Each business execution department, Risk Management Department, Internal Audit Department) of defense	● Reform the compliance system and long-term organizational strengthening corporate culture ● Improve brand value by restoring trust
②	Risk of reduced competitiveness	Risk of reduced competitiveness in the market which occurs when the Company cannot appropriately respond to changing customers' expectations.	● Conduct activities to proactively gather market trends andcustomers' voices ● Enhance convenience utilizing digital technology by strengthening measures for improving UI/UX ● Diversify its business portfolio through business diversification and business expansion to overseas	● Develop products and services that capture new needs ● Create new services and markets through technological innovation
③	Risk of increase in credit cost	Risk of an increase in customers who have difficulty paying loans due to financial difficulties caused by worsening economic conditions.	● Build a system to instantly identify any signs, including periodic surveys of regular investigation of customers ‘ creditability to maintain the soundness of receivables	● Reduce bad debt risk ● Improve profit structure through better quality of loan portfolio
④	Risk of rising interest rates	Risk of the rise of funding rate due to the fluctuating market environment, affecting the Company's business performance.	● Mitigate the risk of fluctuating interest rates by fixing the funding rate and diversifying procurement means based on the interest rate outlook and costs ● Manage the risk of interest rates with ALM (Asset Liability Management)	● Shift to a funding model that utilizes retained earnings and equity capital ● Shift to management that emphasizes capital efficiency indicators (ROIC, etc.)
⑤	Risk of cyber-attacks and system failures	Risk of having an impact of human error, natural disasters, and cyber-attacks and others similar events from outside the Group on the business.	● Strengthen its infrastructure such as duplicating core systems and establishing back-up systems ● Establish a system for information linkage inside and outside the industry based on in-house CSIRT, eliminate computer viruses, monitor the possibility of cyber-threats from outside the Group, implement measures to diagnose vulnerabilities from multiple aspects ● Reduce damage by implementing concrete measures such as the adoption of two-step authentication, holding regular in-house training etc.	● Evolution of Resilient IT Infrastructure ● Promote employee awareness of system risks
⑥	Risk of an impact of human resource shortage on the business plan	Risk of failure to secure personnel and human resources, making it impossible to execute the business plan and project.	● Recruit employees and provide ongoing training for employees to secure and develop a diverse workforce to ensure continued recruitment and retention of talented personnel ● Implement measures to optimize recruitment, placement, and evaluation through active use of a talent management system ● Carry out effective human resource development through clarification of requirements for organizations and positions ● Make continuous improvement of internal loyalty to enhance employee satisfaction.	● Acquire diverse and highly skilled human resources from outside ● Promote organizational renewal
⑦	Risk of funding liquidity	Risk of having difficulty procuring funds due to the market environment, a decrease in the Company's creditability.	● Manage funding liquidity with ALM ● Manage and report the financial covenants or early redemption clauses ● Diversify procurement, devise new procurement methods, and undertake measures to boost its rating	● Improve cash flow and reform financial structure ● Diversify procurement methods

Eleven-Year Summary (2016/3-2020/3)

For the Year (Millions of yen)

	2016/3	2017/3	2018/3	2019/3	2020/3
Operating revenue	87,708	91,450	115,389	115,328	127,038
Operating expenses	81,032	84,440	112,897	112,297	125,358
Financial expenses	7,780	8,030	7,560	7,949	7,522
Provision for doubtful account	16,126	20,744	20,497	30,628	35,277
Personnel expenses	13,761	14,270	15,680	16,540	16,853
Interest repayment related expenses	2,897	-	12,384	11,501	16,927
Advertising expenses*1	3,637	3,450	3,592	2,675	2,662
Operating profit (loss)	6,676	7,009	2,492	3,031	1,679
Ordinary profit (loss)	6,860	7,399	2,823	4,110	1,716
Profit (loss) before income taxes	6,860	7,399	3,527	3,420	1,569
Profit (loss)	7,044	7,276	2,945	8,183	300
Profit (loss) attributable to owners of parent	7,044	7,276	3,958	9,346	1,390

At Year-End (Millions of yen)

	2016/3	2017/3	2018/3	2019/3	2020/3
Loans outstanding	376,224	412,649	472,018	521,823	573,080
Non-performing loans*2	66,158	66,401	71,515	79,294	86,422
Total assets	567,514	616,651	682,645	760,587	860,507
Allowance for doubtful accounts	72,643	70,172	66,959	70,469	72,294
Total liabilities	463,263	505,002	563,238	632,570	731,576
Interest-bearing debt	249,059	300,222	365,836	418,708	475,893
Net assets	104,250	111,649	119,407	128,016	128,931

Per Share Data (yen)

	2016/3	2017/3	2018/3	2019/3	2020/3
Total number of shares issued	483,794,536	484,619,136	484,620,136	484,620,136	484,620,136
Basic profit (loss) (EPS)	14.59	15.05	8.18	19.32	2.88
Net assets (BPS)	214.16	228.94	236.13	256.45	260.53

Ratios (%)

	2016/3	2017/3	2018/3	2019/3	2020/3
Equity ratio	18.2	18.0	16.7	16.3	14.6
ROE	7.0	6.8	3.5	7.8	1.1
ROA	1.2	1.2	0.4	0.6	0.2

*1 From the fiscal year ended March, 2022, affiliate/listing advertisement costs related to the acquisition of new sales which had previously been included in sales promotion expenses, have been included in advertising expenses.
*2 As the "Notes on Non-Performing Loans" in the "Cabinet Office Order on Account Management of specified finance companies" was revised on March 31, 2022, the classification is presented based on the classification after the revision of the said Cabinet Office Order from 2021/3.

Eleven-Year Summary (2021/3-2026/3)

For the Year (Millions of yen)

	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Operating revenue	127,481	132,097	144,152	163,109	189,054	214,603
Operating expenses	109,950	120,855	120,427	142,045	163,751	180,588
Financial expenses	7,248	7,041	7,068	7,246	9,512	12,467
Provision for doubtful account	38,818	27,918	36,004	52,546	56,904	59,143
Personnel expenses	16,902	16,704	17,386	19,095	21,697	23,083
Interest repayment related expenses	-	19,929	-	-	-	-
Advertising expenses*1	3,013	11,321	16,876	17,788	18,557	19,226
Operating profit (loss)	17,530	11,242	23,724	21,064	25,302	34,105
Ordinary profit (loss)	19,305	12,265	24,428	22,067	26,817	35,543
Profit (loss) before income taxes	18,149	12,265	23,959	21,493	24,240	34,610
Profit (loss)	17,794	13,037	22,946	21,502	22,089	27,269
Profit (loss) attributable to owners of parent	184,375	12,334	22,343	21,818	22,516	27,123

At Year-End (Millions of yen)

	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Loans outstanding	553,389	582,349	648,760	738,676	815,259	890,559
Non-performing loans*2	87,393	97,121	104,904	120,627	125,910	128,213
Total assets	863,354	935,642	1,070,485	1,266,374	1,448,451	1,640,117
Allowance for doubtful accounts	77,830	78,246	79,623	92,601	102,675	110,958
Total liabilities	715,662	779,116	890,892	1,064,962	1,227,054	1,394,839
Interest-bearing debt	457,639	480,401	561,236	664,905	789,617	847,754
Net assets	147,692	156,526	179,593	201,412	221,396	245,278

Per Share Data (yen)

	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Total number of shares issued	484,620,136	484,620,136	484,620,136	484,620,136	484,620,136	484,620,136
Basic profit (loss) (EPS)	38.12	25.50	46.19	45.10	46.91	56.63
Net assets (BPS)	300.92	318.17	364.01	409.04	455.12	503.97

Ratios (%)

	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3
Equity ratio	16.9	16.4	16.4	15.6	15.0	14.7
ROE	13.6	8.2	13.5	11.7	10.8	11.8
ROA	2.2	1.4	2.4	1.9	2.0	2.3

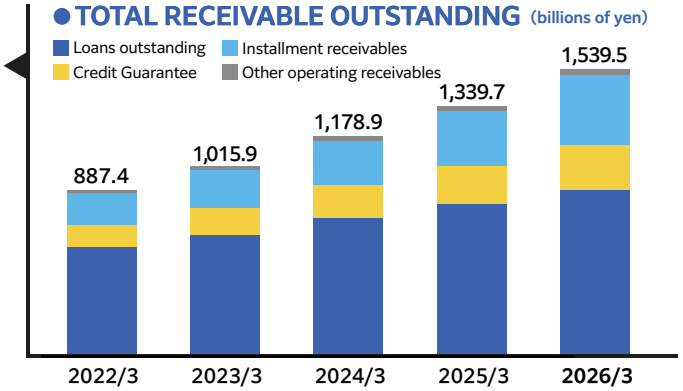
*1 Affiliate/listing advertisement costs related to the acquisition of new sales were included in advertising expenses, which were included in sales promotion expenses from fiscal year ended March, 2022.
*2 As the "Notes on Non-Performing Loans" in the "Cabinet Office Order on Account Management of specified finance companies" was revised on March 31, 2022, the classification is presented based on the classification after the revision of the said Cabinet Office Order from 2021/3.

Consolidated Business Data

● TOTAL RECEIVABLE OUTSTANDING

(Millions of yen)

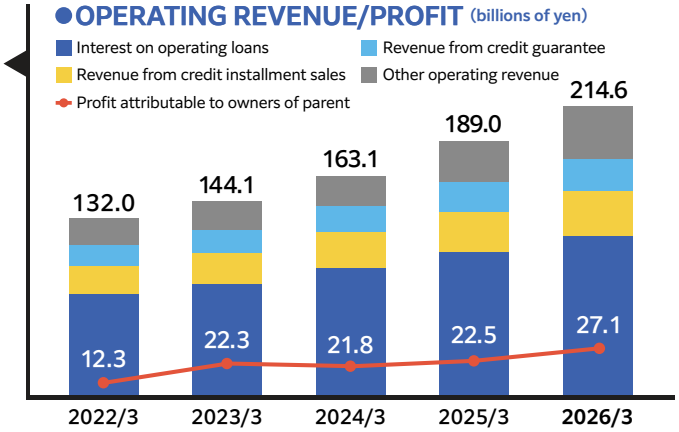
	2022/3	2023/3	2024/3	2025/3	2026/3
Total receivable outstanding	887,407	1,015,910	1,178,983	1,339,705	1,539,593
Loans outstanding	582,349	648,760	738,676	815,259	890,559
Unsecured	505,255	550,647	614,131	666,528	717,775
Small business	58,810	72,133	89,145	102,257	112,976
Secured	18,282	25,979	35,399	45,794	58,928
Installment receivables	116,780	142,899	173,790	203,332	237,191
Credit Guarantee	172,697	204,078	241,562	291,858	381,017
Other operating receivables	15,579	20,171	24,953	29,254	30,825



● OPERATING REVENUE/PROFIT

(Millions of yen)

	2022/3	2023/3	2024/3	2025/3	2026/3
Operating revenue	132,097	144,152	163,109	189,054	214,693
Interest on operating loans	76,332	83,230	95,400	106,590	118,577
Unsecured	70,842	76,143	85,722	94,515	104,077
Small business	3,865	5,137	7,055	8,668	10,261
Secured	1,624	1,949	2,622	3,406	4,237
Revenue from installment sales	20,099	23,158	26,290	30,145	33,330
Revenue from credit guarantee	15,730	17,030	19,408	21,526	23,885
Other operating revenue	19,934	20,732	22,010	30,791	38,899
Operating expense	120,855	120,427	142,045	163,751	180,588
Operating profit	11,242	23,724	21,064	25,302	34,105
Profit attributable to owners of parent	12,334	22,343	21,818	22,516	27,123



● NUMBER OF CUSTOMER ACCOUNTS

(Thousands)

	2022/3	2023/3	2024/3	2025/3	2026/3
Number of customer accounts	1,464	1,625	1,716	1,795	1,832
Unsecured	1,425	1,582	1,666	1,739	1,770
Small business	35	40	46	52	57
Secured	3	3	3	4	4
Credit card holders	5,240	5,141	5,051	5,035	4,958
Number of customer accounts of Installment credit sales	42	81	130	173	210

● AVERAGE FUNDING COST

(%)

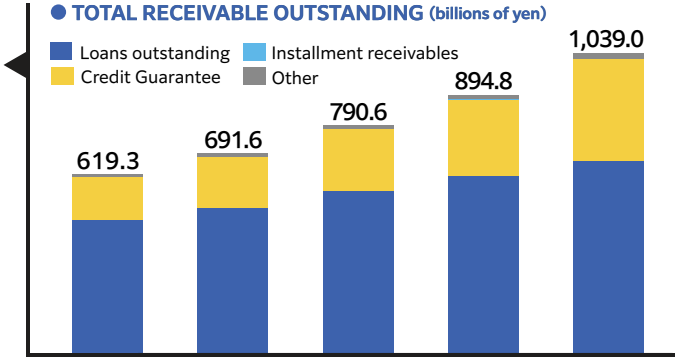
	2022/3	2023/3	2024/3	2025/3	2026/3
Average funding cost	1.22	1.11	1.10	1.42	1.69
Indirect	1.39	1.27	1.20	1.57	1.84
Direct	0.95	0.81	0.86	1.11	1.35
Share of indirect	62.0	66.2	68.4	66.7	69.2
Variable-rate Debt Ratio (Long-term Borrowings)	69.4	78.0	86.0	86.8	89.3

AIFUL CORPORATION Business Data

● TOTAL RECEIVABLE OUTSTANDING

(Millions of yen)

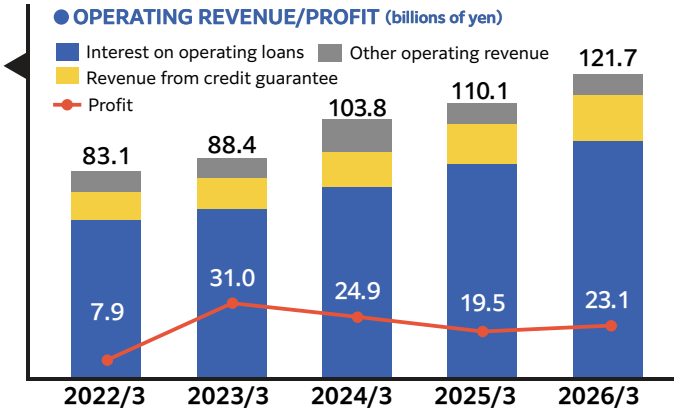
	2022/3	2023/3	2024/3	2025/3	2026/3
Total receivable outstanding	619,388	691,689	790,608	894,844	1,039,055
Loans outstanding	461,884	502,874	562,913	614,222	666,396
Unsecured	449,747	490,096	548,554	597,976	648,117
Small business	8,635	10,275	12,522	14,860	17,236
Secured	3,501	2,502	1,836	1,385	1,041
Credit Guarantee	148,475	177,303	213,333	263,788	353,269
Installment receivables	226	185	162	140	126
Other	8,802	11,326	14,198	16,693	19,262



● OPERATING REVENUE/PROFIT

(Millions of yen)

	2022/3	2023/3	2024/3	2025/3	2026/3
Operating revenue	83,117	88,449	103,867	110,158	121,762
Interest on operating loans	63,071	67,596	76,323	85,603	94,793
Unsecured	61,872	66,274	74,753	83,736	92,605
Small business	809	1,040	1,359	1,265	2,073
Secured	388	281	210	146	115
Revenue from credit guarantee	11,447	12,447	14,397	16,198	18,743
Other operating revenue	8,598	8,406	13,146	8,356	8,225
Operating expense	78,359	69,322	79,527	89,766	96,345
Operating profit	4,757	19,127	24,339	20,391	25,417
Profit	7,912	31,028	24,998	19,562	23,101



● NUMBER OF CUSTOMER ACCOUNTS

(Thousands)

	2022/3	2023/3	2024/3	2025/3	2026/3
Number of loan accounts	980	1,115	1,256	1,348	1,406
Unsecured	968	1,103	1,243	1,335	1,391
Small business	9	10	11	12	14
Secured	2	1	1	0	0

● AVERAGE YIELD

(%)

	2022/3	2023/3	2024/3	2025/3	2026/3
Average yield	14.4	14.3	14.5	14.6	14.8
Unsecured	14.5	14.3	14.5	14.6	14.9
Small business	13.4	13.4	13.3	13.4	13.4
Secured	9.4	9.4	9.7	9.1	9.5

● NEW ACCOUNTS

	2022/3	2023/3	2024/3	2025/3	2026/3
New accounts (Operating loans)	210,104	301,262	338,783	325,676	299,550
Unsecured	210,014	301,183	338,657	325,528	299,410

● AMOUNT OF WRITE-OFFS/ RATIO OFWRITE-OFFS

	2022/3	2023/3	2024/3	2025/3	2026/3
Amount of write-offs (Millions of yen)	20,521	21,795	24,696	28,388	30,223
Ratio of write-offs (%)	3.3	3.2	3.1	3.2	2.9

Non-financial Data

● Human Resource

	2023/3	2024/3	2025/3	2026/3
Number of employees (Entire Group)	4,409	4,982	5,003	5,113
Number of employees (Consolidated)	3,275	3,716	4,043	4,031
Number of foreign employees (Entire Group)	928	993	1,034	742
Number of employees with disabilities ※1	32	42	47	48
Rate of female employees taking childcare leave ※1(%)	100	100	100	100
Rate of male employees taking childcare leave ※1(%)	63.6	96.7	175.0	112.9
Rate of annual paid leaves taken ※2(%)	77.8	74.3	68.2	73.9
Employees' average years of service ※2	15.1	12.7	12.5	12.6
Average age ※2	39.9	38.5	38.5	38.7
Number of in-house engineers (Entire Group)	110	247	327	390
Number of in-house data analysts, data scientists (Entire Group)	39	63	68	87
Number of in-house designers (Entire Group)	15	19	23	25

● Environment·Society·Governance

	2023/3	2024/3	2025/3	2026/3
Inside directors	6	6	6	6
Outside directors	3	3	3	4
Ratio of independent outside directors	33.3%	33.3%	33.3%	30.0%
Number of board meetings held	42	39	31	36
Number of IR Briefings (Financial Results Briefings / Individual Shareholder Briefings)	3	3	4	5
Number of compliance study sessions	4	4	4	4
Amount of donation through credit card (Yen)	12,160,000	11,200,000	9,460,000	9,110,000
Total (t-CO2) ※3	6,545	5,798	5,672	6,035
Scope1 Direct CO2 emissions (t-CO2)	691	684	610	647
Scope2 Indirect CO2 emissions (t-CO2)	5,854	5,114	5,061	5,388

● Customer Base·Brands

	2023/3	2024/3	2025/3	2026/3
App evaluation iOS (AIFUL)	4.6	4.6	4.6	4.4
App evaluation Android (AIFUL)	4.6	4.3	4.7	4.6
Incoming call rate per account (AIFUL) (HP, application renovation, and QA enhancement)	16%	14%	11%	8%
Number of data analysis	168	239	294	358
Number of in-house design products ※4	756	948	990	1,154

※1 Employee of the AIFUL
※2 AIFUL only
※3 Effective from the FY ended March 2023, the calculation method has been revised to improve the accuracy of acquired data.
※4 The number of in-house designers began being tallied starting with the FY ended March 2023.

Financial Report by the Management Team (FY2026/3) 01

① Consolidated business results

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.

In the consolidated fiscal year under review, 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. This was mainly due to financial expenses of 12,467 million yen (up 31.1% year on year), cost of sales of 3,090 million yen (up 769.4% year on year) due to an increase in the number of consolidated subsidiaries engaged in System Engineering Service business and provision for doubtful accounts of 59,143 million yen (up 3.9 % year on year).

As a result, 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) reflecting the recording of income taxes of 7,340 million yen.

② By business

Unsecured loan

The market for unsecured loans to individuals has continued to expand on the back of solid demand for funds, and the market stood at 10.4 trillion yen, up 5.0% year on year, as of December 2025. Of this, financial institutions accounted for 5.7 trillion yen, up 3.6% year on year, and the total of companies specializing in consumer finance and credit card companies for 4.7 trillion yen, up 6.7% year on year.

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.

The Group's balance of unsecured loans was 717,775 million yen, up 7.7% year on year, and AIFUL's non-consolidated one was 648,117 million yen, up 8.4% year on year.

Small business loan

In the small business loan market for small- and medium-sized companies, although the number of corporate bankruptcies has been rising recently due to factors such as labor shortages caused by soaring labor costs and rising costs of raw materials, supplies, and energy, the outstanding balance of business loans provided by lenders has continued to expand since the resumption of economic activity following the COVID-19 pandemic, driven by increased demand for funding.

As a result, the balance for small business loans was 112,976 million yen, an increase of 10.5% year on year. Of this, AG Business Support accounted for 93,341 million yen, up 9.4% year on year, and AIFUL's non-consolidated balance was 17,236 million yen, up 16.0% year on year.

Financial Report by the Management Team (FY2026/3) 02

● Credit business (Credit card business)

In the credit card market, domestic transaction volume of credit card increased 15.1% year on year to 134 trillion yen in fiscal 2025 due to the recovery of consumer expenditure, the increase in cashless payments, and spread of corporate cards, indicating that the market will continue to expand in the future.

In the credit 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 application 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).

● Credit guarantee

In the 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, the balance of credit guarantees at the end of the fiscal year under review was 380,576 million yen (up 30.5% year on year), of which AIFUL's credit guarantee balance was 353,181 million yen (up 33.9 % year on year) and LIFECARD's credit guarantee balance was 27,395 million yen (down 5.3 % year on year).

③ Overview of balance sheet

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, an increase of 33,935 million yen in installment receivables and an increase of 9,707 million yen of goodwill.

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.

④ Overview of cash flows

Cash and cash equivalents ("funds") decreased 13,743 million yen or 24.6%, compared with the end of the previous fiscal year, to 42,184 million yen. The situation of each category of cash flow for the current 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 31.0% 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 purchase of intangible fixed assets and investment.

● Cash flows from financing activities

Net cash provided by financing activities amounted to 53,428 million yen an increase of 55.4%, compared with the previous fiscal year. This was mainly due to borrowings exceeding repayments.

⑤ Fund procurement trends

The Group, which conducts mainly financial business, procures funds required for business expansion from outside the Group. The Group adjusts for market conditions and the balance between long- and short-term borrowings and procures funds both indirectly from financial institutions and directly through corporate bonds in order to build a safe and robust procurement platform.

At the end of fiscal 2025, the balance of loans, including off-balance sheet borrowings, was 890,267 million yen, a rise of 6.7% year on year. The balance of loans via indirect procurement stood at 615,726 million yen. This accounted for 69.2% of total borrowings. The interest rate on indirect financing was 1.84%, up 0.27 points year on year.

The balance of loans via direct procurement, accounting for 30.8% of total borrowings, was 274,541 million yen. This breaks down to 14,000 million yen in commercial papers, 120,000 million yen in straight bonds and securitization of 140,541 million yen. The interest rate on direct financing was 1.35%, up 0.24 points year on year, and the funding interest rate which includes interest rates on direct and indirect financing was 1.69%, up 0.27 points year on year. At the end of fiscal 2025, short-term borrowings amounted to 132,333 million yen, and long-term borrowings stood at 757,933 million yen.

Financial Report by the Management Team (FY2026/3) 03

⑥ Non-performing loan

According to the judicial statistics of the Supreme Court, it still stays at a low level compared to the early 2000s, when bankruptcy due to multiple debts became an issue.

In fiscal 2025, the Group's total non-performing loans stood at 128,213 million yen, a rise of 1.3% year on year. Of this, the amount of non-performing loans on unsecured loans, a mainstay product, was 102,985 million yen, an increase of 1.8% year on year and the amount of non-performing loans, consisting mainly of real estate-secured loans and other than unsecured loans, totaled 25,228 million yen, an increase of 13.9% year on year. Meanwhile, restructured loans with a high share of non-performing unsecured loans stood at 57,883 million yen, a rise of 3.1% year on year. However, we think that the collectability of restructured loans is high, and that they are not directly related to bad debt.

● Status of four categories of non-performing loans

(Millions of yen)

2025/3	Operating loans and claims in bankruptcy		Other	Total
	Unsecured loans	Other than unsecured loans		
Loans in legal bankruptcy	841	11,142	733	12,716
Doubtful loans	33,378	10,523	11,970	55,871
Loans 3 months more in arrears	10,843	324	-	11,167
Restructured loans	56,127	3,410	7,435	66,972
Performing loans	565,628	106,618	310,431	982,678
Total	666,818	132,017	330,570	1,129,406

2026/3	Operating loans and claims in bankruptcy		Other	Total
	Unsecured loans	Other than unsecured loans		
Loans in legal bankruptcy	908	8,964	1,096	10,969
Doubtful loans	33,809	12,792	14,145	60,748
Loans 3 months more in arrears	10,383	450	-	10,833
Restructured loans	57,883	3,020	8,050	68,954
Performing loans	615,618	132,886	398,869	1,147,375
Total	718,603	158,115	422,163	1,298,882

⑦ Write-offs

In fiscal 2025, the amount of write-offs, including debt waived in tandem with interest repayment claims, totaled 48,917 million yen, an increase of 6.7%, in comparison with a year earlier.

Write-off debt waived in tandem with interest repayment claims was 197 million yen, a decline of 46.2% year on year, indicating a declining trend. Other ordinary bad debts were 48,720 million yen (up 6.7% year on year), and the write-off ratio excluding debt forgiveness arising from interest repayment claims accounted for 3.3% of total operating receivables (down 0.2 percentage points year on year), which indicates that the write-off ratio remains stable and low.

Accordingly, provisions to the allowance for doubtful accounts in fiscal 2025 totaled 59,143 million yen, an increase of 3.9%, in contrast with the previous fiscal year. At the end of fiscal 2025, the balance for the allowance for doubtful accounts came to 110,958 million yen (including 999 million yen in allowance for debt waived in tandem with interest repayment claims).

⑧ Dividend policy

The return of profits to shareholders is a management priority for the Group. The Group's basic policy calls for stable retained earnings and the return of profits in line with business results, while aiming to maximize shareholder value through medium- to long-term profit growth.

We have decided to pay year-end dividend of 6 yen/share in fiscal 2025. For the next fiscal year, we plan to pay an annual dividend of 20.00 yen per share (0 yen per share at the end of the second quarter, 20.00 yen per share at the end of the fiscal year).

Internal reserves are to be utilized flexibly and efficiently for M&A promotion with a view to generating future profits and for stable and continuous shareholder returns in accordance with the medium-term management plan for the fiscal year ended March 2025 through the fiscal year ending March 2027 with targets of an "equity ratio of 15% or more" and "total return ratio of approximately 30%"

	2021/3	2022/3	2023/3	2024/3	2025/3	2026/3	2027/3 (Forecast)
Full Year(yen)	1	1	1	1	1	12	20
Interim	0	0	0	0	0	6	-
Year-end	1	1	1	1	1	6	20
Stock Buy-back (yen)	-	-	-	-	1.9billion	-	-
Total Payout ratio(%)	2.6	3.9	2.2	2.1	11.0	21.2	29.9

Consolidated Balance Sheets

Asset (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
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

Liabilities (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
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 (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
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

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

● 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 2025 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

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 share-holders' 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

(Millions of yen)

	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 share-holders' 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 shares				(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

(Millions of yen)

	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

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 share-holders' 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
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(Millions of yen)

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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 share-holders' 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 shares				(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

(Millions of yen)

	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

Notes to Consolidated Financial Statements 01

Significant items forming the basis for the preparation of consolidated financial statements

1. Matters concerning the scope of consolidation

1 Number of consolidated subsidiaries:15
Names of consolidated subsidiaries
LIFECARD Co., Ltd., AG Business Support Corporation, AG Loan Services Corporation, AG Payment Service CO., LTD., AIRA & AIFUL Public Company Limited, and ten other companies.
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

2 Name, etc., of non-consolidated subsidiaries
- AG Partners Corporation
- AG Smile Leaseback Corporation
- and nine other companies

(Reason for exclusion from the scope of consolidation)
Each of the non-consolidated subsidiaries are small in scale and the total assets, operating revenue, profit or loss (corresponding to equity) and retained earnings (corresponding to equity) of those companies in aggregate have an insignificant impact on the consolidated financial statements.
Therefore, they have been excluded from the scope of consolidation.

2. Matters concerning application of the equity method

1 Number of non-consolidated subsidiaries and affiliated companies accounted for using the equity method: 1
Name of company: Anshin Guarantor Service Co., Ltd.

2 Name of major non-consolidated subsidiaries or affiliated companies not accounted for using the equity method AG Partners Co., Ltd., AG Smile Leaseback Corporation and nine other companies
(Reason for not applying the equity method)
Each of the non-consolidated subsidiaries or affiliated companies not accounted for using the equity method are small in scale and the profit or loss (corresponding to equity), retained earnings (corresponding to equity), etc. of those companies in aggregate have an insignificant impact on the consolidated financial statements.
Therefore, they have been excluded from the scope of application of the equity method. There are no affiliated companies to which the equity method does not apply.

3. Matters concerning the fiscal year, etc., of consolidated subsidiaries

Of the consolidated subsidiaries, the closing date of AIRA & AIFUL Public Company Limited is December 31. In preparing the consolidated financial statements, the financial statements as of the above date were used and the necessary adjustments for consolidation were made for important transactions occurring between said date and the consolidated closing date.

4. Matters relating to accounting policies

1 Valuation standards and methods for significant assets

(i) Securities
Held-to-maturity debt securities
Amortized cost method (straight-line method)
Other securities
Securities other than shares, etc. without market prices
Fair value method based on market prices, etc. as of the consolidated fiscal year-end (valuation differences are recognized directly in net assets, and the cost of securities sold is determined using the moving-average method).
Shares, etc. without market prices
Cost method based on the moving-average method

(ii) Derivatives
Fair value method

Notes to Consolidated Financial Statements 02

② Depreciation and amortization methods for significant depreciable and amortizable assets

(i) Property, plant and equipment (excluding leased assets)

The Company and its consolidated subsidiaries apply the declining-balance method.
However, consolidated subsidiaries apply the straight-line method to buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998.
The principal useful lives are as follows:
Buildings and structures: 2–62 years
Machinery, equipment and vehicles: 2–17 years
Tools, furniture and fixtures: 2–20 years

(ii) Intangible assets (excluding leased assets)

The straight-line method is applied.
Software for internal use is amortized over its estimated useful life within the Company (five years).

(iii) Leased assets

Leased assets under finance lease transactions that transfer ownership
The same depreciation method as that applied to property, plant and equipment owned by the Company is used.
Leased assets under finance lease transactions that do not transfer ownership The straight-line method is applied, with the lease term as the useful life and a residual value of zero.
Overseas consolidated subsidiaries prepare their financial statements in accordance with International Financial Reporting Standards and apply IFRS 16 Leases (“IFRS 16”). Under IFRS 16, lessees, in principle, recognize assets and liabilities for all leases on the balance sheet, and right-of-use assets recognized on the balance sheet are depreciated using the straight-line method.

③ Accounting standards for significant provisions

(i) Allowance for doubtful accounts

To provide for losses on receivables such as operating loans, an amount deemed necessary based on the historical credit loss ratio and other factors is recorded for general receivables. For specific receivables such as doubtful receivables, collectibility is assessed individually and the estimated uncollectible amount is recorded.

(ii) Provision for bonuses

To provide for the payment of bonuses to employees, the amount attributable to the current consolidated fiscal year is recorded based on the estimated amount of future payments.

(iii) Provision for bonuses for directors

To provide for the payment of bonuses to directors, the amount attributable to the current consolidated fiscal year is recorded based on the estimated amount of future payments.

(iv) Provision for share-based compensation

To provide for the future delivery of the Company’s shares to directors and other eligible persons (excluding directors who are Audit & Supervisory Committee members, outside directors, and non-residents of Japan) under the Restricted Stock Compensation Plan, the estimated amount of the obligation as of the end of the current consolidated fiscal year is recorded.

(v) Provision for losses on interest repayments

To provide for future interest repayments, the estimated amount of repayments is reasonably calculated and recorded based on historical repayment results and recent repayment trends, among other factors.

(vi) Provision for retirement benefits for directors

To provide for retirement benefits for directors, the amount required to be paid as of the end of the current consolidated fiscal year is recorded in accordance with the Company’s rules for retirement benefits for directors.

④ Recognition standards for significant revenue and expenses

(i) Interest on operating loans

Interest on operating loans is recognized on an accrual basis. Accrued interest on operating loans is calculated using the lower of the interest rate prescribed under the Interest Rate Restriction Act or the contractual interest rate.

(ii) Revenue recognition for installment sales

Customer fees under the add-on method are initially recorded in full as “deferred installment income” at the time of contract and recognized as revenue as each payment becomes due. Revenue is allocated over the relevant periods using the seven-eight method.
Customer fees under the outstanding balance method and revolving method are recognized as revenue as each payment becomes due. Revenue is allocated over the relevant periods using the outstanding balance method.

Notes to Consolidated Financial Statements 03

(iii) Credit guarantee revenue

Credit guarantee revenue is recognized using the outstanding balance method.

(iv) Revenue from contracts with customers

Within the Group, revenue from contracts with customers, including merchant fees, revenue related to the Group's proprietary point program, and annual card membership fees, is recognized in the amount allocated to the satisfied performance obligations when, or as, the relevant performance obligations are satisfied, based on the following five-step approach:

Step 1: Identify the contract with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the performance obligations are satisfied

Information regarding performance obligations related to revenue from contracts with customers is as follows.

(a) Performance obligations satisfied at a point in time

Revenue from credit card members

With respect to merchant fees related to the comprehensive credit purchase intermediation business, the performance obligation to provide payment services is satisfied when a cardholder makes a shopping transaction. Accordingly, revenue is recognized as revenue from comprehensive credit purchase intermediation at that point in time.

With respect to revenue related to the Group's proprietary point program, the amount corresponding to the cost of proprietary points awarded based on cardholders' credit card spending is deducted from merchant fees and deferred as a contract liability. Revenue is recognized as revenue from comprehensive credit purchase intermediation when the points are redeemed and the relevant performance obligation is satisfied.

Revenue from electronic payment services

Revenue related to third-party prepaid payment instruments consists of payment processing fees. With respect to such fees, the Group has a performance obligation under merchant agreements to settle transaction amounts with merchants. As the performance obligation is satisfied when payment is made using the relevant payment instrument, merchant fees are recognized as revenue (fee income) at that point in time.

Revenue from breakage is recognized as revenue (fee income) for the unexercised portion calculated using the historical utilization rate corresponding to the period elapsed from the commencement of the provision of the third-party prepaid payment instruments to the present.

(b) Performance obligations satisfied over time

Annual card membership fees are recognized as other operating revenue over the contractual period during which the relevant performance obligations are satisfied.

The above revenue is recognized based on contracts with customers, and the amount of promised consideration does not include estimates of variable consideration or financing components.

(v) Accounting treatment for interest on borrowings

Interest on borrowings attributable to financial receivables is recorded as "operating expenses" (financial expenses).

5 Basis for translation of significant foreign currency-denominated assets and liabilities into Japanese yen

Foreign currency-denominated monetary receivables and payables are translated into Japanese yen at the spot exchange rates prevailing at the consolidated fiscal year-end, and resulting translation differences are recognized in profit or loss.

Assets and liabilities of overseas subsidiaries and other entities are translated into Japanese yen at the spot exchange rates prevailing at the consolidated fiscal year-end, while revenue and expenses are translated at the average exchange rates during the fiscal year. Resulting translation differences are included in foreign currency translation adjustments and non-controlling interests under net assets.

Notes to Consolidated Financial Statements 04

6 Significant hedge accounting methods

Method of hedge accounting

Interest rate cap transactions qualify for special accounting treatment and are therefore accounted for using such treatment.

Hedging instruments and hedged items

Hedging instruments: Interest rate cap transactions
Hedged items: Floating-rate borrowings

Hedging policy

In accordance with the Company's internal management rules, interest rate cap transactions are used to hedge the risk of fluctuations in interest rates associated with the hedged items.

Method for assessing hedge effectiveness

Assessment of hedge effectiveness is omitted for interest rate cap transactions accounted for using special accounting treatment.

7 Scope of cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, demand deposits, and short-term investments with maturities of three months or less from the date of acquisition that are highly liquid, readily convertible into cash, and subject to an insignificant risk of changes in value.

8 Accounting treatment for non-deductible consumption taxes, etc. related to assets

Non-deductible consumption taxes, etc. related to assets are recorded under "Other" in "Investments and other assets" and amortized on a straight-line basis over five years.

9 Accounting principles and procedures adopted where relevant accounting standards, etc. are not clearly specified

Recognition of assets and liabilities related to significant guarantees

Guarantees provided by the Company for borrowings by unconsolidated subsidiaries from financial institutions, guarantees provided for subordinated beneficial interests backed by mortgage loan receivables held by financial institutions and obligations to compensate beneficiaries under indemnification agreements for loan receivables held against multiple domestic corporations are disclosed as contingent liabilities.

For outstanding guarantees arising from other guarantee operations, corresponding amounts are presented on a gross basis as "Customers' liabilities for acceptances and guarantees" under current assets and "Acceptances and guarantees" under current liabilities in the consolidated balance sheet.

10 Method and period of amortization of goodwill

Goodwill is amortized on a straight-line basis over a specified period not exceeding 15 years. However, if the amount of goodwill is immaterial, it is expensed in the consolidated fiscal year in which it arises.

11 Method of providing for policy reserves

Policy reserves, which account for the majority of insurance contract reserves, are reserves provided for pursuant to Article 116 of the Insurance Business Act and are calculated in accordance with Article 211-46, Paragraph 1 of the Ordinance for Enforcement of the Insurance Business Act.

12 Application of the group tax sharing system

The Group applies the group tax sharing system.

Critical Accounting Estimates 01

1. Allowance for doubtful accounts

1 Amount recorded in the financial statements for the current fiscal year

(Millions of yen)	As of March 31, 2025	As of March 31, 2026
Allowance for doubtful accounts	102,675	110,958

2 Information on the significant accounting estimates for the identified items

● Calculation method

Business loans, installment receivables, acceptances and guarantees, and other operating receivables are classified into performing loans, monitored loans, and bankruptcy and reorganization receivables according to a credit risk based on a debtor's payment status, etc.

(i) Performing loans
Estimated loan losses are calculated using the actual loan loss ratio for each loan type, such as consumer and business, over the average transaction period.

(ii) Monitored loans
Receivables with payment delays exceeding a certain period are classified according to borrowers' delinquency period and other factors for each loan type, such as consumer and business, and the estimated amount of bad debt is calculated using the actual rate of bad debt in the calculation period, such as the average remaining period in each category, and the actual rate of bad debt in classification matching the liability state of debtors (such as intervention by a lawyer).

(iii) Claims in bankruptcy
The estimated amount of bad debts is the balance obtained by subtracting the estimated amount of collection (including the estimated amount of collateral to be disposed of) for each individual claim from the balance of the claim.

● Key assumptions

Changes in economic conditions at the end of the fiscal year may have a direct or indirect impact on debtors. In order to reflect these changes in the evaluation of operating loans, installment receivables, credit guarantee, and other operating receivables, the Company makes judgments regarding the necessity of adjustments to the actual loan loss ratio.

● Impact on the financial statements for the following year

An allowance for doubtful accounts is provided based on various factors, including historical experience and available information.
However, future changes in uncertain economic conditions may have a direct or indirect impact on a borrower, and the allowance for doubtful accounts may increase or decrease if the judgment of the actual bad debt ratio changes depending on the collection conditions and other factors.

2. Allowance for loss on interest repayment

1 Amount recorded in the financial statements for the current fiscal year

(Millions of yen)	As of March 31, 2025	As of March 31, 2026
Allowance for doubtful accounts	8,772	6,544

2 Information on the content of significant accounting estimates for identified items

There are some interest payments received under the Capital Contribution Act prior to the amendment of 2010 in loan agreements and other agreements offered or previously offered by our group, for users have the right to claim interest repayment.
As a result, our group conforms to "the Industry Audit Practice Committee Report No. 37 Application of Auditing for Provision of Allowance for Losses for Reclaimed Refund of Interest in the Accounting of Consumer Finance Companies" and sets aside allowance for loss on interest repayment in order to prepare for interest repayment claims.

● Calculation method

Amounts expected to be refunded in the future are estimated by taking into account multiple factors, as well as the number of claims for refund (hereinafter referred to as "the number of claims") for interest paid in excess of the maximum amount specified in the Interest Rate Restriction Act (hereinafter referred to as "Excess Interest"), the amount of excess interest repayment per case (hereinafter referred to as "the unit price of refund"), and other factors.

● Key assumptions

Future transitions in the number of claims for repayment of excess interest and the amount of excess interest repayment per case are predicted based on the business environment, such as trends at the most recent law firms and judicial book firms, and changes in the Group's negotiation policy.

● Impact on the consolidated financial statements for the following year

The allowance for loss on interest repayment may increase or decrease if the number of claims and the unit price of refund significantly deviate from the estimates, because the Company considers the status of recent refunds and other factors based on past returns.

Critical Accounting Estimates 02

3. Valuation of goodwill

1 Amount recorded in the fiscal year under review

(Millions of yen)	As of March 31, 2025	As of March 31, 2026
FPC Co., Ltd.	2,874	2,653
BitCash Inc.	6,833	6,833
Seven Seas Co., Ltd.	-	115
Liblock Inc.	-	331
Salop, Inc.	-	305
TEMPLATE co., ltd.	-	114
Smart Link co., ltd.	-	134

(Note) In BitCash Inc. for the current consolidated fiscal year, standalone goodwill increased by 738 million yen due to the acquisition of a portion of the business through a company split (incorporation-type split) of au Payment Corporation.

2 Information on the significant accounting estimates for the identified items

- Calculation method

  The Group checks on the status of achievement of the business plan anticipated at the time of acquisition of each target company in order to determine whether there is damage to excess earnings potential, and assesses goodwill for impairment when an indication of impairment has occurred, such as marked deterioration in the business environment. Regarding an asset or an asset group indicating impairment, we compare a total undiscounted future cash flow expected to be generated from the asset or asset group to their book value and judge whether an impairment loss should be recognized.
  Goodwill is amortized regularly over the period during which the effect of goodwill shall apply.

- Key assumptions used in the calculation of estimates

  The estimates have been prepared by the best estimate and judgment based on information available at the time of use.

- Impact on the consolidated financial statements for the following year

  When estimates become necessary due to changes in the business environment and other impacts in the future, such estimates may have a major impact on the consolidated financial statements in and after the following fiscal year.

(Unapplied accounting standards, etc.)

- "Accounting Standard for Leases" (ASBJ Statement No. 34, September 13,2024)
- "Implementation Guidance on Accounting Standard for Leases" (ASBJ Statement No. 33, September 13, 2024)

Other related amendments to ASBJ Statement, ASBJ Guidance, Practical Solution and Transfer Guidance.

(1) Outline

The standards set forth treatment whereby lessees record assets and liabilities for all leases, etc. consistent with international accounting standards.

(2) Scheduled application date

The standards will be applied from the beginning of the fiscal year ending March 31, 2028.

(3) Impact of the application of said accounting standards, etc.

The extent of the impact of the application of the "Accounting Standard for Leases," etc. on the consolidated financial statements is currently under evaluation.

Critical Accounting Estimates 03

(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 01

1. Assets pledged as collateral and corresponding liabilities

(Millions of yen)

Assets pledged as collateral	As of March 31, 2025
Cash and deposit	4,646
Operating loans	406,827
Accounts receivable-installment	56,814
Total	468,288

(Millions of yen)

Assets pledged as collateral	As of March 31, 2026
Cash and deposit	-
Operating loans	423,372
Accounts receivable-installment	59,589
Total	482,962

(Millions of yen)

Corresponding liabilities	As of March 31, 2025
Short-term borrowings	52,590
Current portion of long-term borrowings	129,667
Long-term borrowings	194,286
Total	376,543

(Millions of yen)

Corresponding liabilities	As of March 31, 2026
Short-term borrowings	54,740
Current portion of long-term borrowings	134,244
Long-term borrowings	201,330
Total	390,315

(i) The amounts above at the end of the fiscal year ended March 31,2025 include amounts pertaining to the securitization of receivables (operating loans of ¥201,116 million, current portion of long-term borrowings of ¥22,528 million, and long-term borrowings of ¥83,108 million)

(ii) The amount 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 ended March 31,2026 include amounts pertaining to the securitization of receivables (operating loans of ¥199,400 million, current portion of long-term borrowings of ¥24,245 million and long-term borrowings of ¥73,782 million)

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

2. Unsecured personal loans included in operating loans

(Millions of yen)

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

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

(Millions of yen)

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

4. Accounts receivables - installment

(Millions of yen)

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

5. Deferred installment income

(Millions of yen)

As of March 31, 2025	Balance at April 1, 2024	Receipts during FY	Actual balance during FY	Balance at March 31, 2025
Credit card shopping	759	1,608	1,444	924
Installment sales finance	12,094	17,629	12,315	17,408
Total	12,854	19,237	13,759	18,332

(Millions of yen)

As of March 31, 2026	Balance at April 1, 2025	Receipts during FY	Actual balance during FY	Balance at March 31, 2026
Credit card shopping	924	1,969	1,658	1,235
Installment sales finance	17,408	22,614	17,099	22,923
Total	18,332	24,583	18,758	24,158

Notes to Consolidated Balance Sheets 02

6. Securitization of claims removed from the balance sheets

(Millions of yen)

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

7. Contingent liability

Guarantee obligation

1. The Company guarantees loans payable from financial institutions for the Company's non-consolidated subsidiary, PT REKSA FINANCE.

(Millions of yen)

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

2. The Company guarantees subordinated beneficiary interests backed by mortgage loans.

(Millions of yen)

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

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.

(Millions of yen)

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

8. Non-performing loans

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

(Millions of yen)

As of March 31, 2025	Operating loans and claims in bankruptcy		Other	Total
	Unsecured loans	Other than unsecured		
Loans in legal bankruptcy	841	11,142	733	12,716
Doubtful loans	33,378	10,523	11,970	55,871
Loans 3 months or more in arrears	10,843	324	-	11,167
Restructured Loans	56,127	3,410	7,435	66,972
Performing loans	565,628	106,618	310,431	982,678
Total	666,818	132,017	330,570	1,129,406

(Millions of yen)

As of March 31, 2026	Operating loans and claims in bankruptcy		Other	Total
	Unsecured loans	Other than unsecured		
Loans in legal bankruptcy	908	8,964	1,096	10,969
Doubtful loans	33,809	12,792	14,145	60,748
Loans 3 months or more in arrears	10,383	450	-	10,833
Restructured Loans	57,883	3,020	8,050	68,954
Performing loans	615,618	132,886	398,869	1,147,375
Total	718,603	158,115	422,163	1,298,882

The loan categories in the table above are as follows:

(Loans in legal bankruptcy)
Claims provable in bankruptcy and similar claims mean the claims that fall under either of Article 96, Paragraph 1, Item 3 (a) to (e) and Item 4 of the Order for the Enforcement of the Corporation Tax Act (Cabinet Order No. 97, 1965). Any amounts deemed necessary to cover possible losses on an individual account basis of the claims provable in bankruptcy and similar claims are posted in the allowances for doubtful accounts.

(Doubtful loans)
Doubtful loans mean the claims with a high possibility that it will be impossible to collect principal and interest in accordance with contracts due to the worsening of the repayment status, and do not fall under claims provable in bankruptcy and similar claims.

(Loans three months or more in arrears)
Loans three months or more in arrears are loans 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. Claims provable in bankruptcy and similar claims and risky claims are excluded from loans three months or more in arrears.

(Restructured loans)
Restructured loans are loans for which creditors have granted concessions (e.g., reduction of the stated interest rate, long-term installments, 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. Claims provable in bankruptcy and similar claims, doubtful claims and loans three months or more in arrears are excluded.

(Performing loans)
Performing loans are the claims without any problem with the repayment status that do not fall under any of the above-mentioned claims.

Notes to Consolidated Balance Sheets 03

9. Loan commitments related to operating loans

(Fiscal year ended March 31, 2025)
Of operating loans including off-balance sheet loans resulting from securitization, ¥695,384 million 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.
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 ended March 31, 2026)
Of operating loans including off-balance sheet loans resulting from securitization, ¥752,049 million 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.
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:

(Millions of yen)

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

11. Of others, the amount of contract liabilities are as follows:

(Millions of yen)

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

Consolidated Statements of Income

1. Revenue arising from contracts with customers

Regarding operating revenue, revenue arising from contracts with customers and other revenues are not separately posted. Revenue arising from contracts with customers is posted in "1. Information on breakdown of revenue arising from contracts with customers of Notes to Consolidated Financial Statements (Notes on regarding revenue recognition)" in the consolidated financial statements.

2. The details of the gain on sale of fixed assets are as follows:

(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

3. Impairment loss

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

Location	Use	Category	Impairment loss
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 ended March 31, 2026 (April 1, 2025 to March 31, 2026)
Not applicable.

4. Loss on valuation of stocks of subsidiaries and affiliates and provision for doubtful accounts

Fiscal year ended March 31, 2025 (April 1, 2024 to March 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 ended March 31, 2026 (April 1, 2025 to March 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.

5. 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.

6. 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.

Consolidated Statements of Comprehensive Income 01

1. Comprehensive income

1 Amounts of reclassification adjustment and tax effect pertaining to other comprehensive income

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Valuation difference on available-for-sale securities		
Amount during the period	(564)	(509)
Reclassification adjustment	-	40
Before tax effect adjustment	(564)	(468)
Tax effect	94	72
Valuation difference on available-for-sale securities	(470)	(395)
Foreign currency translation adjustment		
Amount during the period	793	517
Share of other comprehensive income of entities accounted for using equity method		
Amount during the period	(0)	0
Total other comprehensive income	323	122

2. Change in shareholders' equity

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

1 Matters regarding class and total number of shares issued and class and number of treasury shares

	Number of shares at beginning of FY	Number of shares increased during FY	Number of shares decreased during FY	Number of shares at end of FY
Shares issued				
Common stock	484,620,136	-	-	484,620,136
Total	484,620,136	-	-	484,620,136
Treasury shares				
Common stock	783,316	5,152,482	145,894	5,789,904
Total	783,316	5,152,482	145,894	5,789,904

(Outline of the reason for the change)

- The number of shares of treasury stock increased by 5,151,200 shares due to acquisition by resolution of the Board of Directors, 368 shares due to purchase of odd-lot shares, and 914 shares due to free transfer of restricted stock compensation.
- The decrease in the number of common shares of treasury stock is due to the disposal of treasury stock by way of restricted stock compensation on July 29, 2024, in accordance with the resolution of the Board of Directors meeting held on July 8, 2024.

2 Matters regarding dividends

- Dividends paid

Resolution	Share type	Total dividend amount (millions of yen)	Dividend per share (yen)	Record date	Effective date
May 10, 2024	Common share	483	1.00	Mar. 31, 2024	Jun. 6, 2024

- Among the dividends whose record dates are in the consolidated fiscal year under review, the dividend whose effective date is in the following consolidated fiscal year is as follows:

Resolution	Share type	Dividend resource	Total dividend amount (millions of yen)	Dividend per share (yen)	Record date	Effective date
May 9, 2025	Common share	Retained earnings	478	1.00	Mar. 31, 2025	Jun. 5, 2025

Consolidated Statements of Comprehensive Income 02

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

1 Matters regarding class and total number of shares issued and class and number of treasury shares

	Number of shares at beginning of FY	Number of shares increased during FY	Number of shares decreased during FY	Number of shares at end of FY
Shares issued				
Common stock	484,620,136	-	-	484,620,136
Total	484,620,136	-	-	484,620,136
Treasury shares				
Common stock	5,789,904	3,146	166,261	5,626,789
Total	5,789,904	3,146	166,261	5,626,789

(Outline of the reasons for the changes)

- The increase in the number of common shares held as treasury shares consists of an increase of 34 shares from purchases of shares constituting less than one trading unit and an increase of 3,112 shares from the gratuitous acquisition of restricted shares.
- The decrease in the number of common shares held as treasury shares is due to the disposal of treasury shares as restricted stock compensation on July 22, 2025, pursuant to a resolution of the Board of Directors at its meeting held on June 30, 2025.

2 Matters regarding dividends

- Dividends paid

Resolution	Share type	Total dividend amount (millions of yen)	Dividend per share (yen)	Record date	Effective date
May.9, 2025	Common share	478	1.00	Mar.31, 2025	Jun.6, 2024
November.11, 2025	Common share	2,873	6.00	Sep.30, 2025	Dec.5, 2025

- Among the dividends whose record dates are in the consolidated fiscal year under review, the dividend whose effective date is in the following consolidated fiscal year is as follows:

Resolution	Share type	Dividend resource	Total dividend amount (millions of yen)	Dividend per share (yen)	Record date	Effective date
May.15, 2026	Common share	Retained earnings	2,873	6.00	Mar. 31, 2026	Jun.4, 2026

Consolidated Statements of Cash Flows・Notes on Financial Instruments 01

1. Consolidated statements of cash flows

1 Relationship between the balance of cash and cash equivalents at the end of the consolidated fiscal year and the amounts of account titles shown on the consolidated balance sheets

	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 and deposits	60,608	42,214
Time deposit with maturity period of more than three months	(4,679)	(30)
Cash and cash equivalents	55,928	42,184

2 Major breakdown of assets and liabilities of the company newly consolidated as a result of stock acquisition

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

The following is a breakdown of the assets and liabilities of BitCash Inc. at the time of its consolidation as a result of the acquisition of its shares, and the relationship between the acquisition cost of BitCash Inc. shares and the expenditures (net) for the acquisition of BitCash Inc.

(Millions of yen)

Current Assets	6,324
Noncurrent Assets	1,562
Goodwill	7,387
Customer related assets	2,469
Current Liabilities	(7,788)
Deferred Tax Liabilities	(755)
Stock acquisition price	9,200
Cash and cash equivalents	(2,440)
Difference: Expenditures for acquisition	6,759

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

The information has omitted due to lack of significance.

3 Breakdown of assets and liabilities increased as a result of the acquisition of a business for cash and cash equivalents

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

Not applicable.

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

The breakdown of assets and liabilities associated with the acquisition of part of the business of au Payment Corporation by the consolidated subsidiary BitCash Inc., as well as the relationship between the acquisition price and expenditures for the business acquisition (net), is as follows.

(Millions of yen)

Current Assets	812
Noncurrent Assets	340
Goodwill	738
Current Liabilities	(660)
Purchase price of business acquisition	1,230
Cash and cash equivalents	(784)
Difference: Expenditures for acquisition	446

2. Notes on financial instruments

1 Matters regarding the situation of financial instruments

● Policy on financial instruments

The Group's primary business is the financial business, which includes consumer finance, business operator finance, credit sales, credit guarantee and receivables management and collection. In order to conduct these businesses, the Company procures funds by indirect financing through bank borrowings as well as by direct financing through corporate bonds, based on the market situation and the balance between long- and short-term funding. Thus, as the Company holds financial liabilities that involve interest rate fluctuation, it is also engaged in derivative transactions to prevent any disadvantageous impacts of interest rate fluctuation. In conducting derivatives transactions, the Company has a policy of limiting them to transactions that involve actual demand, in principle, and not engaging in such transactions for short-term trading purposes.

● Types and risks of financial instruments

The financial assets of the Group consist mainly of operating loans to individuals and corporations and installment receivables, both of which are exposed to credit risks posed by customer default. In addition, operational investment securities and investment securities mainly consist of shares and investments in capital of partnerships, and are held for the purpose of promoting the Group's business. They are exposed to credit risks of the issuers and market price fluctuation risks, respectively. Financial assets denominated in foreign currencies are exposed to foreign exchange fluctuation risks.

Financial liabilities such as borrowings and corporate bonds are exposed to liquidity risk, which prevents payments from being made on the due date in such cases where the Group will not be able to access the market under certain circumstances. The Group also conducts variable rate financing, which is exposed to interest rate fluctuation risks.

Derivative transactions pose market interest rate fluctuation risk and counterparty risk.

Notes on Financial Instruments 02

● System for managing risk pertaining to financial instruments

(i) Management of credit risk

The Group manages credit risk in accordance with the Company's various management regulations. With respect to operating loans, installment receivables and customers' liabilities for acceptances and guarantees, which are the Group's principal financial assets, the Company has established and operates a system for credit management in which it conducts credit examinations for individual transactions based on the data of personal credit information agencies and the Company's own credit system. Furthermore, the credit risks of issuers of securities are managed by obtaining credit information and fair value regularly.

With respect to counterparty risk of derivative transactions, the Company enters into derivative contracts with credible financial institutions in Japan and abroad, and thus deems credit risk small. These risk management measures are subject to evaluation, analysis and consideration of countermeasures by the respective departments in charge and are reported to the Board of Directors as needed.

(ii) Management of market risk

i) Management of interest rate risk

The Group manages interest rate risk based on the Risk Management Manual that was created with the approval of the Risk Management Committee, which is under the direct control of the Board of Directors. The risks are reported by the Finance Department, which is the department in charge, to the Corporate Risk Management Department where the risks are assessed and the adequacy and appropriateness of the countermeasures are examined and reported to the Board of Directors as needed. For reference, derivative transactions are made to hedge interest rate fluctuation risks.

ii) Management of price fluctuation risk

Many shares held by the Group are for the purpose of business promotion, including business and capital partnerships. The market environment and financial condition of clients are monitored and countermeasures are considered by the department in charge, which reports to the Board of Directors as needed. The Group does not hold financial instruments for trading purposes.

iii) Derivative transactions

Risks are managed in accordance with the Company's various management regulations. A protocol of internal checks that involve appropriate execution of transactions, evaluation of hedging effectiveness and administration by the department in charge and reporting to the Accounting Department has been established.

iv) Quantitative information pertaining to market risk

The Group does not carry out quantitative analyses.

(Interest rate risk)

At the Group, the major financial instruments whose fair value fluctuates due to interest rate fluctuation, which is the principal risk variable, are operating loans, installment receivables, borrowings and corporate bonds. In account titles whose fair value is calculated by market interest rates, the estimated amount of impact of a 1 basis point (0.01%) change in market interest rates at the end of the fiscal year on the net value (of assets) after offsetting financial assets against financial liabilities is as follows: a decrease of ¥113 million in the present value of financial instruments affected by interest rate fluctuations if yen-denominated interest rates rise by 1 basis point (0.01%); and an increase of ¥113 million if such interest rates drop by 1 basis point (0.01%). This estimation of impact assumes no changes in risk variables other than market interest rates.

(iii) Management of liquidity risk pertaining to funding

The Group manages liquidity risk by managing funds for the entire Group on a timely basis as well as by diversifying funding means and adjusting the balance of long-term and short-term financing in consideration of the market environment.

● Supplementary explanation on matters regarding fair value, etc., of financial instruments

The fair value of financial instruments includes value based on market prices as well as reasonable estimates if there is no market price. Since certain assumptions are adopted in the calculation of the values of financial instruments, the values may vary under different assumptions.

Notes on Financial Instruments 03

② Matters regarding fair value, etc., of financial instruments

The consolidated balance sheet amounts, fair values and the differences between these are as follows. Since cash and deposits, notes and accounts payable, and short-term borrowings are in the form of cash and are settled in short term, their fair value is similar to the book value, so the notes are omitted.

Fiscal year ended March 31, 2025

(Millions of yen)

Category	Consolidated balance sheet amount	Fair value	Difference
(1) Operating loans	785,674		
Allowance for doubtful accounts*2	(58,296)		
	727,378	818,316	90,938
(2) Accounts receivable-installment	197,300		
Deferred installment income*3	(18,332)		
Allowance for doubtful accounts*2	(10,480)		
	168,487	192,594	24,107
(3) Operational investment securities and investment securities*1			
Held-to-maturity bonds	223	203	(19)
Available-for-sale securities	3,346	3,453	107
(4) Claims provable in bankruptcy	13,924		
Allowance for doubtful accounts*2	(11,755)		
	2,168	2,168	-
Total assets	901,602	1,016,737	115,134
(1) Bonds	110,000	109,282	(718)
(2) Long-term borrowings*4	576,834	576,527	(307)
Total liabilities	686,834	685,809	(1,025)
Derivative transactions*4			
(i) Those qualified for hedge accounting	-	-	-
(ii) Those not qualified for hedge accounting	-	-	-
Total derivative transactions	-	-	-

*1 Shares with no market value or the like are not included in "(3) Operational investment securities and investment securities." The sum of said financial instruments recorded on the consolidated balance sheet is as follows.

(Millions of yen)

Category	Consolidated balance sheet amount
Operational investment securities and investment securities	
Unlisted shares	8,039
Total	8,039

*2 The allowance for doubtful accounts of operating loans, accounts receivable- installment and claims provable in bankruptcy is deducted.

*3 Deferred installment income (liabilities account) on installment receivables is deducted.

*4 Since derivative transactions that qualify for hedge accounting are accounted for as part of long-term borrowings that are subject to hedging, their fair value is included in the fair value of such long-term borrowings.

Fiscal year ended March 31, 2026

(Millions of yen)

Category	Consolidated balance sheet amount	Fair value	Difference
(1) Operating loans	865,424		
Allowance for doubtful accounts*2	(63,115)		
	802,309	898,732	96,423
(2) Accounts receivable-installment	231,236		
Deferred installment income*3	(24,158)		
Allowance for doubtful accounts*2	(11,509)		
	195,567	226,581	31,013
(3) Operational investment securities and investment securities*1			
Held-to-maturity bonds	223	176	(46)
Available-for-sale securities	7,382	7,670	287
(4) Claims provable in bankruptcy	12,425		
Allowance for doubtful accounts*2	(10,097)		
	2,328	2,328	-
Total assets	1,007,811	1,135,489	127,678
(1) Bonds	120,000	118,987	(1,013)
(2) Long-term borrowings	605,920	605,622	(298)
Total liabilities	725,920	724,609	(1,311)
Derivative transactions			
(i) Those qualified for hedge accounting	-	-	-
(ii) Those not qualified for hedge accounting	-	-	-
Total derivative transactions	-	-	-

*1 Shares with no market value or the like are not included in "(3) Operational investment securities and investment securities." The sum of said financial instruments recorded on the consolidated balance sheet is as follows.

(Millions of yen)

Category	Consolidated balance sheet amount
Operational investment securities and investment securities	
Unlisted shares	5,345
Total	5,345

*2 The allowance for doubtful accounts of operating loans, accounts receivable- installment and claims provable in bankruptcy is deducted.

*3 Deferred installment income (liabilities account) on installment receivables is deducted.

Notes on Financial Instruments 04

Notes: 1. Scheduled redemption amounts after the consolidated closing date of monetary claims and securities with maturity

Fiscal year ended March 31, 2025

(Millions of yen)

Category	Due within 1 year	Due within 1-5 years	Due after 5 years or more
Cash and deposits	60,608	-	-
Operating loans	300,358	484,359	956
Accounts receivable-installment	133,757	63,462	79
Operational investment securities and investment securities			
Securities to be held to maturity (government bonds)	-	-	-
Available-for-sale securities with maturities	-	-	-
Total	494,724	547,821	1,261

Does not include ¥13,924 million of claims provable in bankruptcy, etc. for which a scheduled redemption amount cannot be expected.

Fiscal year ended March 31, 2026

(Millions of yen)

Category	Due within 1 year	Due within 1-5 years	Due after 5 years or more
Cash and deposits	42,214	-	-
Operating loans	326,384	538,299	740
Accounts receivable-installment	148,346	82,846	43
Operational investment securities and investment securities			
Securities to be held to maturity (government bonds)	-	-	225
Available-for-sale securities with maturities	-	-	540
Total	516,945	621,145	1,549

Does not include ¥12,425 million of claims provable in bankruptcy, etc. for which a scheduled redemption amount cannot be expected.

3 Scheduled repayments of bonds, long-term borrowings, and other interest-bearing debt after the consolidated closing date

Fiscal year ended March 31, 2025

(Millions of yen)

Category	Due within 1 year	Due within 1-2 years	Due within 2-3 years	Due within 3-4 years	Due within 4-5 year	Due after 5 years or more
Bonds payable	15,000	35,000	60,000	-	-	-
Long-term borrowings	252,042	175,896	109,987	20,791	11,301	6,816
Total	267,042	210,896	169,987	20,791	11,301	6,816

Fiscal year ended March 31, 2026

(Millions of yen)

Category	Due within 1 year	Due within 1-2 years	Due within 2-3 years	Due within 3-4 years	Due within 4-5 year	Due after 5 years or more
Bonds payable	35,000	60,000	25,000	-	-	-
Long-term borrowings	262,513	206,971	102,042	21,640	9,404	3,347
Total	297,513	266,971	127,042	21,640	9,404	3,347

4 Items related to the breakdown of the fair value of financial instruments by level

The fair values of financial instruments are classified into the following three levels, according to the observability and importance of input used for fair value measurement.

Fair value of level 1: Fair value estimated from the market prices related to the assets or liabilities for estimation of observable fair values in active markets, out of the input for measurement of the observable fair values

Fair value of level 2: Fair value estimated from the input for measurement of the fair values other than the input at level 1, out of the input for measurement of observable fair values

Fair value of level 3: Fair value estimated from the input for measurement of unobservable Fair values In the case where multiple pieces of input data that would produce significant effects on measurement of fair values are used, fair values are classified into the level with the lowest priority in measurement of fair values among the levels of the input data.

Notes on Financial Instruments 05

Fiscal year ended March 31, 2025

● Financial instruments posted at fair values in the consolidated balance sheet

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Operational investment securities and investment securities				
Shares	428	2,000	-	2,428
Government and local government bonds, etc.	-	-	-	-

● Financial instruments other than those posted at fair values in the consolidated balance sheet

Category	Fair value			
	Level 1	Level 2	Level 3	Total
(1) Operating loans	-	-	818,316	818,316
(2) Accounts receivable-installment	-	-	192,594	192,594
(3) Operational investment securities and investment securities				
①Securities to be held to maturityGovernment bonds and local government bonds, etc.	203	-	-	203
②Available-for-sale securities Shares Shares	-	1,024	-	1,024
(4) Claims provable in bankruptcy	-	-	2,168	2,168
Total assets	203	1,024	1,013,079	1,014,308
(1) Bonds	-	109,282	-	109,282
(2) Long-term borrowings	-	576,527	-	576,527
Total liabilities	-	685,809	-	685,809
Derivative transactions				
(i) Those qualified for hedge accounting	-	-	-	-
(ii) Those not qualified for hedge accounting	-	-	-	-
Total derivative transactions	-	-	-	-

Fiscal year ended March 31, 2026

● Financial instruments posted at fair values in the consolidated balance sheet

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Operational investment securities and investment securities				
Shares	396	5,131	-	5,527
Government and local government bonds, etc.	840	-	-	840

● Financial instruments other than those posted at fair values in the consolidated balance sheet

Category	Fair value			
	Level 1	Level 2	Level 3	Total
(1) Operating loans	-	-	898,732	898,732
(2) Accounts receivable-installment	-	-	226,581	226,581
(3) Operational investment securities and investment securities				
①Securities to be held to maturityGovernment bonds and local government bonds, etc.	176	-	-	176
②Available-for-sale securities Shares Shares	-	1,302	-	1,302
(4) Claims provable in bankruptcy	-	-	2,328	2,328
Total assets	176	1,302	1,127,642	1,129,121
(1) Bonds	-	118,987	-	118,987
(2) Long-term borrowings	-	605,622	-	605,622
Total liabilities	-	724,609	-	724,609
Derivative transactions				
(i) Those qualified for hedge accounting	-	-	-	-
(ii) Those not qualified for hedge accounting	-	-	-	-
Total derivative transactions	-	-	-	-

Notes on Financial Instruments 06

(Note) Description of the evaluation technique used for measurement of fair values and input data for measurement of fair values

Operating loans

The fair value of operating loans is measured based on the present value of the collectible amounts of principal and interest that reflect their collectability minus the estimated collection costs, discounted by a safe interest rate corresponding to the remaining period, and is classified in Level 3.

Accounts receivable-installment

The fair value of installment receivables is measured based on the present value of the collectible amounts of principal and fees that reflect their collectability minus the estimated collection costs, discounted by a safe interest rate corresponding to the remaining period, and is classified in Level 3.

Operational investment securities and investment securities

Listed shares, government bonds and local government bonds, etc. are evaluated by using market prices. The shares traded in active markets are classified into the fair values at Level 1, while other shares are classified into the fair values at Level 2.

Claims provable in bankruptcy

Since the estimated amount of bad debt on claims provable in bankruptcy is calculated based on the collectible amount by collateral, the fair value of the claims is similar to the balance sheet amount on the consolidated closing date minus the present estimate of probable credit losses. Therefore, this amount is shown as the fair value, and is classified in Level 3.

Bonds

Bonds are classified into fair values at Level 2, because they are evaluated by using the market price and treated as transactions other than those in active markets.

Long-term borrowings

Regarding long-term borrowings, variable interest rates reflect the market interest rate and credit risks in the short term, so fair values are considered to be close to book values. Accordingly, said book values are recognized as fair values. For fixed interest rates, the present value obtained by dividing the sum of principal and interest by the interest rate assumed for the same borrowing is recognized as the fair value.

Since the fair value of borrowings to be repaid within one year is close to the book value, said book value is recognized as the fair value. The fair values of them are classified into the fair values at Level 2. For those subject to the special provision for the cap on interest rate, the fair value of said cap on interest rate is reflected.

Notes on Securities

Fiscal year ended March 31, 2025

1 Securities to be held to maturity

(Millions of yen)

Category	Consolidated balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the consolidated balance sheet amount	-	-	-
Securities whose fair value does not exceed the amount reported in the consolidated balance sheets	223	203	(19)
Total	223	203	(19)

2 Available-for-sale securities

(Millions of yen)

Category	Consolidated balance sheet amount	Purchase cost	Difference
Those whose consolidated balance sheet amount exceeds acquisition cost			
Shares	2,105	697	1,408
Subtotal	2,105	697	1,408
Those whose consolidated balance sheet amount does not exceed acquisition cost			
Shares	323	581	(257)
Receivables	-	-	-
Subtotal	323	581	(257)
Total	2,428	1,278	1,150

Note: Unlisted shares, etc. (consolidated balance sheet amount of ¥3,610 million) are not included in the above table since they do not have a market price.

3 Available-for-sale securities sold during the fiscal year (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Amount of sales	Total amount of gain on sales	Total amount of loss on sales
Shares	42	40	28

4 Available-for-sale securities for which impairment loss was recorded

An impairment loss of ¥267 million was recognized for available-for-sale securities during the consolidated fiscal year under review. Impairment loss on securities is recognized when fair value has dropped 50% or more of the acquisition cost and is not expected to recover to the level of the acquisition cost. When fair value has dropped between 30% to 50% of the acquisition cost, impairment loss is recognized for the amount deemed necessary in consideration of financial conditions, operating performance, share prices, etc.

Fiscal year ended March 31, 2026

1 Securities to be held to maturity

(Millions of yen)

Category	Consolidated balance sheet amount	Fair value	Difference
Securities whose fair value exceeds the consolidated balance sheet amount	-	-	-
Securities whose fair value does not exceed the amount reported in the consolidated balance sheets	223	176	(46)
Total	223	176	(46)

2 Available-for-sale securities

Category	Consolidated balance sheet amount	Purchase cost	Difference
Those whose consolidated balance sheet amount exceeds acquisition cost			
Shares	3,175	1,942	1,232
Subtotal	3,175	1,942	1,232
Those whose consolidated balance sheet amount does not exceed acquisition cost			
Shares	2,352	2,802	(450)
Receivables	840	925	(84)
Subtotal	3,192	3,728	(535)
Total	6,367	5,670	696

Note: Unlisted shares, etc. (consolidated balance sheet amount of ¥2,730 million) are not included in the above table since they do not have a market price.

3 Available-for-sale securities sold during the fiscal year (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Amount of sales	Total amount of gain on sales	Total amount of loss on sales
Shares	794	319	73

4 Available-for-sale securities for which impairment loss was recorded

An impairment loss of ¥901 million was recognized for available-for-sale securities during the consolidated fiscal year under review. Impairment loss on securities is recognized when fair value has dropped 50% or more of the acquisition cost and is not expected to recover to the level of the acquisition cost. When fair value has dropped between 30% to 50% of the acquisition cost, impairment loss is recognized for the amount deemed necessary in consideration of financial conditions, operating performance, share prices, etc.

Notes on Derivative Transactions

Fiscal year ended March 31, 2025 (as of March 31, 2025)

1. Derivative transactions not qualified for hedge accounting
   Not applicable

2. Derivative transactions qualified for hedge accounting

(Millions of yen)

Method of hedge accounting	Type, etc., of derivative transaction	Main hedged item	Contract amount, etc.	Contract amount, etc., over one year	Fair value
Special accounting for interest rate cap	Interest rate cap transaction	Long-term borrowings	1,360	80	(Note)

(Note) Since those subject to special accounting for interest rate cap are accounted for as part of long-term borrowings that are subject to hedging, their fair value is included in the fair value of such long-term borrowings.

Fiscal year ended March 31, 2026 (as of March 31, 2026)

1. Derivative transactions not qualified for hedge accounting
   Not applicable

2. Derivative transactions qualified for hedge accounting
   Not applicable

Notes on Retirement Benefits

1. Outline of retirement benefit system adopted

The Group, except for certain consolidated subsidiaries, uses a defined contribution pension plan in combination with a prepaid retirement allowance plan.
Certain consolidated subsidiaries have adopted an internally funded lump-sum retirement benefit plan based on their retirement allowance regulations, and calculate liabilities for retirement benefits and retirement benefit expenses using the simplified method.
In addition, overseas consolidated subsidiaries have adopted defined benefit plans and, applying IFRS, account for them in accordance with IAS 19 "Employee Benefits."

2. Defined benefit plan

1 Reconciliation between beginning balance and ending balance of retirement benefit obligations (Excluding plans to which the simplified method is applied)

(Millions of yen)

	FY ended March 31, 2025	FY ended March 31, 2026
Beginning balance of retirement benefit obligations	55	75
Service cost	10	10
Interest expense	1	2
Actuarial gain or loss	-	1
Retirement benefits paid	-	△8
Prior service cost incurred during the period	-	-
Foreign currency translation adjustment	7	5
Ending balance of retirement benefit obligations	75	87

2 Reconciliation of the opening and year-end balances of liabilities for retirement benefits for plans to which the simplified method is applied

(Millions of yen)

	FY ended March 31, 2025	FY ended March 31, 2026
Beginning balance of retirement benefit liability	-	-
Retirement benefit expenses	-	10
Retirement benefits paid	-	△0
Increase cost of increase in consolidated subsidiaries	-	27
Ending balance of retirement benefit liability	-	38

3 Reconciliation between ending balance of retirement benefit obligations and pension assets and the consolidated balance sheet amount of liabilities and assets pertaining to retirement benefits

	FY ended March 31, 2025	FY ended March 31, 2026
Funded retirement benefit obligations	-	38
Pension assets	-	-
	-	38
Unfunded retirement benefit obligations	75	87
Net consolidated balance sheet amounts of liabilities and assets	75	125
Liabilities pertaining to retirement benefits	75	125
Assets pertaining to retirement benefits	-	-
Net consolidated balance sheet amounts of liabilities and assets	75	125

(Note) Plans to which the simplified method is applied are included.

4 Retirement benefit expenses and sub-items

	FY ended March 31, 2025	FY ended March 31, 2026
Service cost	10	10
Interest expense	1	2
Amount of prior service costs recorded as expenses	-	-
Retirement benefit expenses calculated using the simplified method	-	10
Retirement benefit expenses pertaining to the defined benefit plan	12	23

(Note) In the current consolidated fiscal year, in addition to the retirement benefit expenses above, we recorded special retirement payments of 131 million yen under extraordinary losses as "business restructuring costs."

5 Matters regarding the basis of actuarial calculation Major basis of actuarial calculation

	FY ended March 31, 2025	FY ended March 31, 2026
Discount rate	3.2%	2.5%

3. Defined contribution pension plan and prepaid retirement benefit plan

	FY ended March 31, 2025	FY ended March 31, 2026
Amount of prepaid retirement benefits	114	117
Amount of contribution to defined contribution pension	386	391
Other	5	6
Retirement benefit expenses pertaining to the defined benefit plan	506	514

Notes on Tax Effect Accounting 01

1 Breakdown of major factors of deferred tax assets and liabilities

(Millions of yen)

	FY ended March 31, 2025	FY ended March 31, 2026
Deferred tax assets		
Allowance for doubtful accounts	19,596	24,698
Provision for loss on interest repayment	2,749	2,051
Bad debt loss	4,938	7,903
Accrued income	1,167	1,125
Loss carried forward	14,213	4,670
Shares of subsidiaries and associates	381	32,570
Other	6,517	9,795
Subtotal of deferred tax assets	49,564	82,814
Valuation allowance for tax loss carryforwards *2	(8,651)	(370)
Valuation allowance for the sum total of deductible temporary differences, etc.	(15,360)	(54,725)
Subtotal of valuation allowances *1	(24,011)	(55,096)
Total deferred tax assets	25,552	27,718
Deferred tax liabilities		
Valuation difference on available-for-sale securities	(296)	(252)
Retirement cost corresponding to asset retirement obligations	(279)	(27)
Customer-related assets	(698)	(622)
Other	(87)	(265)
Total deferred tax liabilities	(1,360)	(1,168)
Net amount of deferred tax assets	24,192	26,549

(Note) 1. The valuation allowance increased by 31,084 million yen. The primary reason for the increase is that, due to the adjustment of investment book values accompanying the transition to a holding company structure, we recognized an increase in shares of affiliates of 28,150 million yen (an amount multiplied by the statutory effective tax rate). We have also recognized a decrease in temporary differences related to tax loss carryforwards, including the effect of 1,897 million yen (an amount multiplied by the statutory effective tax rate) of tax loss carryforwards arising in the fiscal year ended March 2017 being written off due to expiration of the carryforward period.

*2 The amount of tax loss carryforwards and their deferred tax assets by carryforward period Fiscal year ended March 31, 2025 (as of March 31, 2025)

(Millions of yen)

	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Tax loss carryforwards (a)	9,607	3,753	75	91	350	335	14,213
Valuation allowances	(4,653)	(3,753)	(75)	(91)	-	(77)	(8,651)
Deferred tax assets	4,954	-	-	-	350	257	(b)5,562

(a) The amount of tax loss carryforwards has been multiplied by the effective statutory tax rate.

(b) Deferred tax assets of ¥5,562 million have been recorded for the ¥14,213 million of tax loss carryforwards (amount multiplied by the effective statutory tax rate). Said deferred tax assets amounting to 5,562 million yen is attributable to the recognition of the balance of tax loss carryforwards amounting to 13,339 million yen (obtained by multiplying the effective statutory tax rate) of AIFUL CORPORATION, which is the consolidated parent company. The tax loss carryforwards that recorded said deferred tax assets were incurred due to the loss on interest repayment of past fiscal years and do not recognize valuation allowances on the portion which were deemed collectible based on future expectations of taxable income.

Fiscal year ended March 31, 2026 (as of March 31, 2026)

(Millions of yen)

	Less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total
Tax loss carryforwards (c)	3,753	75	91	-	494	256	4,670
Valuation allowances	(85)	(69)	(89)	-	(21)	(105)	(370)
Deferred tax assets	3,667	6	2	-	472	151	(d)4,300

(c) The amount of tax loss carryforwards has been multiplied by the effective statutory tax rate.

(d) Deferred tax assets of ¥4,300 million have been recorded for the ¥4,670 million of tax loss carryforwards (amount multiplied by the effective statutory tax rate). Said deferred tax assets amounting to 4,300 million yen is attributable to the recognition of the balance of tax loss carryforwards amounting to 3,859 million yen (obtained by multiplying the effective statutory tax rate) of AIFUL CORPORATION, which is the consolidated parent company. The tax loss carryforwards that recorded said deferred tax assets were incurred due to the loss on interest repayment of past fiscal years and do not recognize valuation allowances on the portion which were deemed collectible based on future expectations of taxable income.

Notes on Tax Effect Accounting 02

② Major components of significant differences between the effective statutory tax rate and the burden rate of income taxes, etc., after application of tax effect accounting

	As of March 31, 2025	As of March 31, 2026
Effective statutory tax rate (Adjustment)	30.5%	30.5%
Inhabitant tax on per capita basis	0.3%	0.3%
Entertainment expenses and other items permanently excluded from loss	0.6%	0.5%
Valuation allowances	(53.2%)	(14.1%)
Exclusion of Dividends Received from Gross Profits	(0.0%)	(0.6%)
Effects of the change in effective statutory tax rate	(3.4%)	(1.8%)
Income taxes for prior periods	0.0%	1.5%
Tax credits under the Tax Credit for Promoting Wage Increases and Investment	(1.2%)	(0.2%)
Effect of foreign corporation tax included in deductible expenses	0.0%	0.0%
Share of profit (loss) of entities accounted for using the equity method	(0.0%)	(0.1%)
Expiry of time limit of loss carried forward	36.1%	5.5%
Effect of goodwill amortization	(0.9%)	(0.2%)
Difference in tax rate from that of parent company	0.5%	0.0%
Other	(0.4%)	(0.1%)
Burden rate of income taxes, etc., after application of tax effect accounting	(8.9%)	21.2%

③ Accounting of income taxes and local corporate taxes, and tax effect accounting for these taxes

The group tax sharing system has been applied to the Company and our subsidiaries in Japan since. Furthermore, we perform accounting of income taxes and local corporate taxes or accounting and disclosure of tax effect accounting for these taxes in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (ASBJ PITF No. 42, August 12, 2021).

Notes on Business Combination (Business combination through acquisition of shares) 01

1. Outline of business combination

1. Name and business of the acquired company
   TEMPLATE co., ltd
   Business: System engineering service business
2. 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.
3. Date of business combination
   May 1, 2025 (Share acquisition date)
   June 30, 2025 (Deemed acquisition date)
4. Legal form of business combination
   Acquisition of shares
5. Corporate name following combination
   No change.
6. Percentage of voting rights acquired
   100.0%
7. 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 break-down by type of consideration

(Millions of yen)

Consideration for acquisition	cash	205
Acquisition cost		205

4. Details and amounts of major acquisition-related expenses

1. Amounts of acquisition-related expenses
   Fees and commissions paid to advisors, etc. 29 million yen
2. 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

1. Amount of goodwill incurred
   127 million yen
2. Reason for incurrence
   This is mainly the excess earnings power expected from future business development.
3. 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

(Millions of yen)

Current assets	137
Non-current assets	70
Total Assets	208
Current liabilities	44
Non-current liabilities	115
Total Liabilities	160

Estimated amount and calculation method of the effect of the business combination on the consolidated statement of income for the current fiscal year as if the business combination had been completed on the first day of the consolidated fiscal year
This information is omitted due to lack of significance.

Notes on Business Combination (Business combination through acquisition of shares) 02

1. Outline of business combination

1 Name and business of the acquired company
Smart Link co., ltd
Business: System engineering service business

2 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.

3 Date of business combination
June 20, 2025 (Share acquisition date)
June 30, 2025 (Deemed acquisition date)

4 Legal form of business combination
Acquisition of shares

5 Corporate name following combination
No change.

6 Percentage of voting rights acquired
100.0%

7 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 break-down by type of consideration

(Millions of yen)

Consideration for acquisition	cash	179
Acquisition cost		179

4. Details and amounts of major acquisition-related expenses

1 Amounts of acquisition-related expenses
Fees and commissions paid to advisors, etc. 29 million yen

2 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

1 Amount of goodwill incurred
153 million yen

2 Reason for incurrence
This is mainly the excess earnings power expected from future business development.

3 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

(Millions of yen)

Current assets	59
Non-current assets	2
Total Assets	62
Current liabilities	54
Non-current liabilities	10
Total Liabilities	65

Estimated amount and calculation method of the effect of the business combination on the consolidated statement of income for the current fiscal year as if the business combination had been completed on the first day of the consolidated fiscal year
This information is omitted due to lack of significance.

Notes on Business Combination (Business combination through absorption-type company split)

1. Outline of business combination

1. Name and business of the acquired company
   BitCash Inc.
   Name of acquired company: au Payment Corporation
   Business: Prepaid payment instrument issuance and management
2. 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.
3. Date of business combination
   March 31, 2026 (The effective date of absorption-type split)
4. Legal form of business combination
   Absorption-type split with cash consideration
5. Corporate name following combination
   No change.
6. Percentage of voting rights acquired
   Since the effective date of absorption-type split on March 31, 2026, no voting rights are being acquired.
7. 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

(Millions of yen)

Consideration for acquisition	cash	1,230
Acquisition cost		1,230

4. Details and amounts of major acquisition-related expenses

1. Amounts of acquisition-related expenses
   Fees and commissions paid to advisors, etc. 34 million yen
2. 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

1. 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.
2. Reason for incurrence
   This is mainly the excess earnings power expected from future business development.
3. 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

(Millions of yen)

Current assets	812
Non-current assets	340
Current liabilities	660

Estimated amount and calculation method of the effect of the business combination on the consolidated statement of income for the current fiscal year as if the business combination had been completed on the first day of the consolidated fiscal year
This information is omitted due to lack of significance.

Notes on Revenue Recognition 01

1. Information on breakdown of revenue arising from contracts with customers

From the current consolidated fiscal year, we have changed our reportable segments. Details of the segment change are as described in "(Segment Information, etc.)," "[Segment Information]," and "1. Overview of Reportable Segments."
The information for the previous consolidated fiscal year has been prepared based on the classifications after the segment change.

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segment					
	AIFUL CORPORATION	LIFECARD CO., LTD.	AG BUSINESS SUPPORT	Subtotal	Other *1	Total
Member store commissions	-	10,702	-	10,702	3,289	13,991
Revenues related to its own point system	-	2,377	-	2,377	-	2,377
Annual card membership fees	-	3,753	-	3,753	-	3,753
Software in progress	-	-	-	-	-	-
Other	2,547	5,418	476	8,442	802	9,245
Revenue arising from contracts with customers	2,547	22,252	476	25,276	4,091	29,368
Interest on operating loans	85,603	3,336	8,274	97,215	9,375	106,590
Customer commissions	2	9,810	-	9,813	6,782	16,596
Revenue from credit guarantee*2	16,198	1,903	3,416	21,518	7	21,526
Collection from purchased receivables	-	-	-	-	1,865	1,865
Recoveries of written off claims	5,523	532	31	6,087	619	6,707
Insurance premiums	-	-	-	-	4,728	4,728
Other	8	279	1,034	1,322	349	1,671
Other revenue	107,337	15,863	12,757	135,957	23,728	159,686
Sales to external customers	109,884	38,115	13,234	161,233	27,820	189,054

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

*2 Revenue from credit guarantee includes the following amounts earned through the liquidation of receivables.
AIFUL CORPORATION: 345 million yen AG BUSINESSSUPPORT: 3,416 million yen Total: 3,761 million yen

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reporting segment					
	AIFUL CORPORATION	LIFECARD CO., LTD.	AG BUSINESS SUPPORT	Subtotal	Other *1	Total
Member store commissions	-	10,895	-	10,895	4,320	15,215
Revenues related to its own point system	-	2,406	-	2,406	-	2,406
Annual card membership fees	-	3,777	-	3,777	-	3,777
Software in progress	-	-	-	-	2,320	2,320
Other	2,764	6,103	657	9,525	846	10,371
Revenue arising from contracts with customers	2,764	23,183	657	26,604	7,487	34,092
Interest on operating loans	94,793	3,540	10,000	108,335	10,242	118,577
Customer commissions	2	10,614	-	10,616	8,810	19,426
Revenue from credit guarantee*2	18,743	1,875	3,261	23,879	6	23,885
Collection from purchased receivables	-	-	-	-	2,154	2,154
Recoveries of written off claims	4,952	457	22	5,431	828	6,260
Insurance premiums	-	-	-	-	6,969	6,969
Other	104	254	2,090	2,449	878	3,327
Other revenue	118,596	16,741	15,374	150,712	29,889	180,601
Sales to external customers	121,360	39,924	16,032	177,317	37,376	214,693

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

*2 Revenue from credit guarantee includes the following amounts earned through the liquidation of receivables.
AIFUL CORPORATION: 149 million yen, AG BUSINESSSUPORT: 3,261 million yen, Total: 3,410 million yen

Notes on Revenue Recognition 03 ・Notes to Segment Information, etc. 01

ii) Transaction prices allocated to the remaining performance obligations

The note about the remaining performance obligations is written for the category “Revenue arising from contracts with customers” in “1. Information on breakdown of revenue arising from contracts with customers.” Regarding member store commissions, there are no transaction prices allocated to the remaining performance obligations. In addition, we adopted a practically convenient method, and annual card membership fees are part of a contract whose assumed period is 1 year or less, so they are not subject to the note. Regarding other operating revenue, its importance is low, so the note is omitted. The performance obligations still to be fulfilled as of the end of the consolidated fiscal year under review are the transaction prices allocated to the remaining performance obligations for its own point system, which amount to 2,340 million yen.
For said remaining performance obligations, revenues are expected to be recognized in the coming 60 months according to the use of points.

Notes to segment information, etc.

● 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 to decide the allocation of managerial resources and evaluate business performance.
The Group conducts business with the Company and its consolidated subsidiaries as the smallest components 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. LIFECARD CO., LTD. is mainly involved in the credit card and credit guarantee businesses. 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 reported business segments are the same as those described in “Significant items forming the basis for the preparation of consolidated financial statements.” Profit of the reporting segments is the amount of profit.
Inter-segment sales and transfers are based on the amount equivalent to costs of the Company.

Notes on Revenue Recognition 02

2.Basic information for understanding revenues

As mentioned in "④ Booking of significant revenues and expenses" of "**4. Matters concerning accounting policies**" in "Significant items forming the basis for the preparation of **consolidated financial statements**."

3. Information on the relationship between the fulfillment of the performance obligations set forth in contracts with customers and cash flows arising out of said contracts, and revenues arising out of contracts with customers that are effective as of the end of the consolidated fiscal year under review expected to be posted from the following consolidated fiscal year and the timing of posting of said revenues

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

i) Balance of contract liabilities, etc.

(Millions of yen)

	FY ended March 31, 2025
Receivables arising out of contracts with customers (balance at beginning of term)	166
Receivables arising out of contracts with customers (balance at end of term)	177
Contract liabilities (balance at beginning of term)	3,558
Contract liabilities (balance at end of term)	3,553

Contract liabilities are related to its own point system and annual card membership fees.
The contract liabilities related to its own point system are the amount of unused points that are provided to card members, which is calculated by multiplying the balance of points as of the end of the consolidated fiscal year by the expected amount of points used. Said contract liabilities are reduced through the posting of revenues from the use of points.
The contract liabilities related to annual card membership fees are the amount for the remaining period out of annual card membership fees. Said contract liabilities are reduced through the posting of revenues through the elapse of the period. Out of the revenues recognized in the previous consolidated fiscal year, the amount included in the balance of contract liabilities at the beginning of the term stood at 2,871 million yen. The amount of revenues from the performance obligations fulfilled in the past recognized in the previous consolidated fiscal year is not significant.

ii) Transaction prices allocated to the remaining performance obligations

The note about the remaining performance obligations is written for the category "Revenue arising from contracts with customers" in "1. Information on breakdown of revenue arising from contracts with customers." Regarding member store commissions, there are no transaction prices allocated to the remaining performance obligations. In addition, we adopted a practically convenient method, and annual card membership fees are part of a contract whose assumed period is 1 year or less, so they are not subject to the note. Regarding other operating revenue, its importance is low, so the note is omitted. The performance obligations still to be fulfilled as of the end of the consolidated fiscal year under review are the transaction prices allocated to the remaining performance obligations for its own point system, which amount to 2,060 million yen.
For said remaining performance obligations, revenues are expected to be recognized in the coming 60 months according to the use of points.

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

i) Balance of contract liabilities, etc.

(Millions of yen)

	FY ended March 31, 2026
Receivables arising out of contracts with customers (balance at beginning of term)	177
Receivables arising out of contracts with customers (balance at end of term)	477
Contract liabilities (balance at beginning of term)	3,553
Contract liabilities (balance at end of term)	3,889

Contract liabilities are related to its own point system and annual card membership fees.
The contract liabilities related to its own point system are the amount of unused points that are provided to card members, which is calculated by multiplying the balance of points as of the end of the consolidated fiscal year by the expected amount of points used. Said contract liabilities are reduced through the posting of revenues from the use of points.
The contract liabilities related to annual card membership fees are the amount for the remaining period out of annual card membership fees. Said contract liabilities are reduced through the posting of revenues through the elapse of the period. Out of the revenues recognized in the previous consolidated fiscal year, the amount included in the balance of contract liabilities at the beginning of the term stood at 2,902 million yen. The amount of revenues from the performance obligations fulfilled in the past recognized in the previous consolidated fiscal year is not significant.

Notes to Segment Information, etc. 02

③ Information on operating revenue, profit or loss, assets, liabilities and other items of each reporting segment

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segment					
	AIFUL CORPORATION	LIFECARD Co.,Ltd	AG BUSINESS SUPPORT	Total	Other*1	Total
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	27,849	189,532
Segment profit (loss)	19,562	772	534	20,869	1,298	22,168
Segment assets	1,163,481	228,409	88,809	1,480,699	181,657	1,662,356
Segment liabilities	981,479	185,612	82,301	1,249,392	165,140	1,414,532
Other items						
Provision of allowance for doubtful accounts *2	35,543	4,232	7,837	47,614	10,561	58,175
Provision for bonuses	1,089	11	1	1,102	51	1,153
Depreciation	2,081	1,595	124	3,801	308	4,109
Amortization of goodwill	-	-	-	-	151	151
Interest on loans receivable	2,594	79	-	2,673	4	2,678
Foreign exchange gains	541	-	-	541	1	542
Share of profit of entities accounted for using equity method	-	-	-	-	-	-
Gain on sale of investment securities	-	-	-	-	-	-
Loss on sale of investment securities	-	-	-	-	-	-
Loss on liquidation of subsidiaries	0	-	-	0	19	20
Amortization expense of leasehold deposits	4	-	-	4	-	4
Extraordinary income	-	-	-	-	-	-
Extraordinary losses	2,783	0	-	2,783	5	2,788
(Bad debt write offs)	(498)	(-)	(-)	(498)	(-)	(498)
(Impairment loss)	(1,582)	(-)	(-)	(1,582)	(-)	(1,582)
(Loss on retirement of non-current assets)	(4)	(0)	(-)	(4)	(5)	(10)
(Loss on valuation of stocks of subsidiaries and affiliates)	(697)	(-)	(-)	(697)	(-)	(697)
(Bad debt expenses on loans to subsidiaries and affiliates)	(-)	(-)	(-)	(-)	(-)	(-)
(Business restructuring expenses)	(-)	(-)	(-)	(-)	(-)	(-)
Income taxes – current	3,238	(25)	1,313	4,576	1,412	5,989
Income taxes- deferred	(1,999)	(65)	(1,101)	(3,165)	(798)	(3,964)
Investments in entities accounted for using equity method	356	-	-	356	21	377
Increase in property, plant and equipment, and intangible assets	22,876	2,141	378	23,395	326	25,722

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

*2 Provision of allowance for doubtful accounts is the sum total of operating expenses and extraordinary losses.

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reporting segment					
	AIFUL CORPORATION	LIFECARD Co.,Ltd	AG BUSINESS SUPPORT	Total	Other*1	Total
Operating revenue						
Operating revenue from third parties	121,360	39,924	16,031	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 (loss)	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
Segment liabilities	1,122,238	204,458	104,333	1,431,031	194,139	1,625,170
Other items						
Provision of allowance for doubtful accounts *2	37,249	4,662	8,838	50,751	12,010	62,761
Provision for bonuses	1,004	25	3	1,034	69	1,103
Depreciation	2,991	1,539	170	4,701	307	5,008
Amortization of goodwill	-	-	-	-	202	202
Interest on loans receivable	3,763	185	-	3,948	41	3,990
Foreign exchange gains	1,201	0	-	1,202	0	1,202
Share of profit of entities accounted for using equity method	-	-	-	-	-	-
Gain on sale of investment securities	-	-	-	-	2	2
Loss on sale of investment securities	-	-	-	-	9	9
Loss on liquidation of subsidiaries	-	-	-	-	-	-
Amortization expense of leasehold deposits	6	-	-	6	-	6
Extraordinary income	-	-	-	-	-	-
Extraordinary losses	2,716	150	0	2,867	184	3,051
(Bad debt write offs)	(176)	(7)	(-)	(184)	(-)	(184)
(Impairment loss)	(-)	(-)	(-)	(-)	(-)	(-)
(Loss on retirement of non-current assets)	(40)	(142)	(0)	(183)	(26)	(209)
(Loss on valuation of stocks of subsidiaries and affiliates)	(-)	(-)	(-)	(-)	(-)	(-)
(Bad debt expenses on loans to subsidiaries and affiliates)	(2,500)	(-)	(-)	(2,500)	(-)	(2,500)
(Business restructuring expenses)	(-)	(-)	(-)	(-)	(157)	(157)
Income taxes – current	5,514	424	1,739	7,678	1,420	9,098
Income taxes- deferred	(774)	79	(1,198)	(1,894)	(570)	(2,464)
Investments in entities accounted for using equity method	356	-	-	356	21	377
Increase in property, plant and equipment, and intangible assets	5,544	2,003	223	7,771	435	8,207

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

*2 Provision of allowance for doubtful accounts is the sum total of operating expenses and extraordinary losses.

Notes to Segment Information, etc. 03

4 The amount and main constituents of the difference between the sum total of the reporting segments and the amount posted in consolidated financial statements

(Millions of yen)

Operating revenue	FY ended March 31, 2025	FY ended March 31, 2026
Reporting segment total	161,684	177,703
Operating revenue categorized as "other"	27,847	37,919
Inter-segment eliminations	(477)	(929)
Operating revenue posted in consolidated financial statements	189,054	214,693

(Millions of yen)

Profit (loss)	FY ended March 31, 2025	FY ended March 31, 2026
Reporting segment total	20,869	24,034
Profit categorized as "other"	1,298	5,675
Inter-segment eliminations	466	(453)
Other adjustments	(117)	(2,133)
Profit attributable to owners of parent posted in consolidated financial statements	22,516	27,123

(Millions of yen)

Assets	FY ended March 31, 2025	FY ended March 31, 2026
Reporting segment total	1,480,699	1,682,664
Assets categorized as "other"	181,657	216,780
Other adjustments	(213,905)	(259,327)
Total assets posted in consolidated financial statements	1,448,451	1,640,117

(Millions of yen)

Liabilities	FY ended March 31, 2025	FY ended March 31, 2026
Reporting segment total	1,249,392	1,431,031
Liabilities categorized as "other"	165,140	194,139
Other adjustments	(187,478)	(230,331)
Total Liabilities posted in consolidated financial statements	1,227,054	1,394,839

(Millions of yen)

Other items	Reporting segment total		Other		Adjustments		Amount posted in consolidated financial statements	
	2025/3	2026/3	2025/3	2026/3	2025/3	2026/3	2025/3	2026/3
Other items								
Provision of allowance for doubtful accounts*	47,614	50,751	10,561	12,010	(902)	(3,234)	57,272	59,527
Provision for bonuses	1,102	1,034	51	69	587	496	1,741	1,600
Depreciation	3,801	4,701	308	307	185	246	4,294	5,255
Amortization of goodwill	-	-	151	202	623	993	775	1,195
Interest on loans receivable	2,673	3,948	4	41	(2,613)	(3,874)	64	115
Foreign exchange gains	541	1,202	1	0	665	(320)	1,208	882
Share of profit of entities accounted for using equity method	-	-	-	-	31	117	31	117
Gain on sale of investment securities	-	-	-	2	-	-	-	2
Loss on sale of investment securities	-	-	-	9	-	-	-	9
Loss on liquidation of subsidiaries	0	-	19	-	-	-	20	-
Amortization expense of leasehold deposits	4	6	-	-	-	-	4	6
Extraordinary income	-	-	-	-	-	-	-	-
Extraordinary losses	2,783	2,867	5	184	(578)	(2,500)	2,210	551
(Bad debt write offs)	(498)	(184)	(-)	(-)	(-)	(-)	(498)	(184)
(Impairment loss)	(1,582)	(-)	(-)	(-)	(-)	(-)	(1,582)	(-)
(Loss on retirement of non-current assets)	(4)	(183)	(5)	(26)	(-)	(-)	(10)	(209)
(Loss on valuation of stocks of subsidiaries and affiliates)	(697)	(-)	(-)	(-)	(578)	(-)	(119)	(-)
(Bad debt expenses on loans to subsidiaries and affiliates)	(-)	(2,500)	(-)	(-)	(-)	(2,500)	(-)	(-)
(Business restructuring expenses)	(-)	(-)	(-)	(157)	(-)	(-)	(-)	(157)
Income taxes – current	4,576	7,678	1,412	1,420	-	-	5,989	9,098
Income taxes – deferred	(3,165)	(1,894)	(798)	(570)	126	706	(3,838)	(1,758)
Investments in entities accounted for using equity method	356	356	21	21	540	638	917	1,015
Increase in property, plant and equipment, and intangible assets	25,395	7,771	326	435	37	58	25,760	8,265

* Provision of allowance for doubtful accounts is the sum total of operating expenses, non-operating expenses and extraordinary losses.

Related Information 01

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

1 Information on products and services

(Millions of yen)

	Loan business	Credit sales business	Credit guarantee business	Other	Total
Operating revenue from third parties	112,477	34,342	21,839	20,395	189,054

2 Information by region

- Operating revenue
  Disclosure is omitted since operating revenue from third parties in Japan accounts for more than 90% of operating revenue in the consolidated statements of income.
- Property, plant and equipment Disclosure is omitted since the amount of property, plant and equipment located in Japan accounts for more than 90% of the consolidated balance sheet amount of property, plant and equipment.

3 Information of major customers

There is no disclosure since no counterparty for operating revenue from third parties accounts for 10% or more of the operating revenue in the consolidated statements of income.

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

1 Information on products and services

(Millions of yen)

	Loan business	Credit sales business	Credit guarantee business	Other	Total
Operating revenue from third parties	124,061	37,732	24,205	28,694	214,693

2 Information by region

- Operating revenue
  Disclosure is omitted since operating revenue from third parties in Japan accounts for more than 90% of operating revenue in the consolidated statements of income.
- Property, plant and equipment Disclosure is omitted since the amount of property, plant and equipment located in Japan accounts for more than 90% of the consolidated balance sheet amount of property, plant and equipment.

3 Information of major customers

There is no disclosure since no counterparty for operating revenue from third parties accounts for 10% or more of the operating revenue in the consolidated statements of income.

Information on impairment loss on non-current assets of the reporting segments

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

This information is omitted because the same information is disclosed in the segment information.

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

Not applicable.

Information on amortization and unamortized balance of goodwill by reportable segment

● Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reporting segment				Other	Corporate or elimination	Total
	AIFUL CORPORATION	LIFECARD Co., Ltd.	AG BUSINESS SUPPORT	Total			
Balance at March 31, 2025	-	-	-	-	3,239	6,468	9,707

(note)
1 Amortization of goodwill is omitted because the same information is disclosed in the segment information.
2 "Other" represents the goodwill of BitCash Inc. on a non-consolidated basis, and "Corporate and eliminations" represents the goodwill of FPC Co., Ltd. and BitCash Inc. on a consolidated basis.

● Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

	Reporting segment				Other	Corporate or elimination	Total
	AIFUL CORPORATION	LIFECARD Co., Ltd.	AG BUSINESS SUPPORT	Total			
Balance at March 31, 2026	-	-	-	-	3,775	6,711	10,487

(note)
1 Amortization of goodwill is omitted because the same information is disclosed in the segment information.
2 This is standalone goodwill at BitCash Inc., which increased by 738 million yen due to the acquisition of a portion of the business through a company split (incorporation-type split) of au Payment Corporation.
3 It increased by 1,000 million yen due to the consolidation of Seven Seas Co., Ltd., Liblock Co., Ltd., and Salop, Inc., which had been unconsolidated subsidiaries through the previous consolidated fiscal year, and due to the consolidation resulting from the acquisition of all shares of Template Co., Ltd. as of May 1, 2025 and Smart Link Co., Ltd. as of June 20, 2025.

Related Information 02

Information on gain on negative goodwill by reportable segment

Not applicable.

Information on related parties

Fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(Millions of yen)

Category	Company name	Location	Capital or investment	Business or occupation	Voting rights owned (%)	Relationship with related parties	Transaction details	Amount of transaction	Subject	Balance at March 31, 2025
A company in which executives and their close relatives own a majority of voting rights.	AMG CO., LTD.	Ukyo-ku, Kyoto	10	Securities trading	None	Secondment of employees	Receipt of secondment fee (Note)	10	-	-

(Note) Secondment fees for secondment of employees are determined by mutual agreement based on the salary of the assignor company.

Fiscal year ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(Millions of yen)

Category	Company name	Location	Capital or investment	Business or occupation	Voting rights owned (%)	Relationship with related parties	Transaction details	Amount of transaction	Subject	Balance at March 31, 2026
A company in which executives and their close relatives own a majority of voting rights.	AMG CO., LTD.	Ukyo-ku, Kyoto	10	Securities trading	None	Secondment of employees	Receipt of secondment fee (Note)	23	-	-

(Note) Secondment fees for secondment of employees are determined by mutual agreement based on the salary of the assignor company.

Per share Information

(Millions of yen)

FY ended March 31, 2025		FY ended March 31, 2026	
Net assets per share	455.12	Net assets per share	503.97
Profit per share	46.91	Profit per share	56.63

1. The diluted profit per share is omitted because there were no dilutive shares.
2. The basis for calculation of profit per share is as follows:

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Profit attributable to owners of parent	22,516	27,123
Amount not attributable to common stockholders	-	-
Profit attributable to owners of parent pertaining to common stock	22,516	27,123
Average number of shares of common stock during the period	479,951,366	478,943,890

3. Average number of shares of common stock during the period

(Millions of yen)

	As of March 31, 2025	As of March 31, 2026
Total net assets	221,396	245,278
Amount deducted from total net assets	3,473	3,879
(Portion of 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	478,993,347

Important Subsequent Events 01

(Transition to a holding company structure through a sole share transfer)

It was resolved at the Board of Directors meeting held on May 19, 2025 that the Company would establish, through a sole share transfer of the Company's shares(hereinafter, the "Share Transfer"), the holding company Muninova Holdings Inc.,wholly owning parent company, (hereinafter, the "Holding Company") , with an effective date of 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 enhancing its services across the Group to support customers' sound consumption and business activities and to help them achieve a "For Colorful Life." society where each person can play an active role.

In the non-bank sector surrounding the AIFUL Group, loan receivables have continued to increase, backed by strong funding demand. On the other hand, rising financial and personnel costs due to inflation are creating a need to review the existing loan-centered business model and profit structure.

Against this backdrop, the AIFUL Group is working to enhance profitability, particularly focusing on its four core businesses (unsecured consumer loans, small business loans, credit guarantees, and installment sales finance), with the goal of strengthening competitiveness going forward. Leveraging the profits generated from these businesses, the Group aims to expand group profit levels and diversify its operations through M&A as a growth driver, targeting an ROE of over 15% and ordinary profit of 100 billion yen.

Based on these circumstances, the Company has determined that it is desirable to transition to a pure holding company structure to further strengthen group governance functions. With the Holding Company managing and supervising from across-group perspective, we will aim to build a new business model with a proper balance, without over-reliance on current core businesses, and to maximize group-wide synergies. Furthermore, by clearly defining authority and responsibility at each group company and promoting autonomous management, we aim to enhance the overall competitiveness of the Group. Under the new structure, the Holding Company will lead the M&A strategy to promote business diversification, accelerating the transformation of the Group into a company that goes beyond the traditional non-bank sector.

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. Overview of the Transition to a Holding Company Structure through 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 (effective date)
April 1, 2026 (Wed)	Stock listing date of the Holding Company

However, the schedule is subject to change depending on the necessity of the progress of the procedures for the Share Transfer or other reasons.

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.

Important Subsequent Events 02

③ Details of the Share Allocation (Share Transfer Ratio)

Company's 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 will 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 will adopt the unit share system, with 100 shares per unit.

(c) Basis for Calculating Share Transfer Ratio

Since the Share Transfer will 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 Treatment of 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
(3) Representative name and title	Mitsuhide Fukuda, President and Chief executive officer
(4) Business description	Management of group companies and related operations
(5) Capital	2,000 million yen
(6) Date of establishment	April 1, 2026
(7) Number of shares issued	484,620,134
(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.

Important Subsequent Events 03

(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 nonconsolidated subsidiaries — AG Partners Corporation, AG Crowdfunding Co., Ltd., AG Funding Co., Ltd., AG Lending Corporation, AG Finance Technology Co., Ltd., and KYOTO CAPITAL GROUP CORPORATION — 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.

Regarding the Execution of a Business Alliance Agreement and a Capital Alliance Agreement

Muninova Holdings Inc., the Company's parent company, at the meeting of the Board of Directors held on May 15, 2026, it resolved to enter into a business alliance agreement (the "Business Alliance") with Mizuho Bank, Ltd. (Head office: Chiyoda-ku, Tokyo; President & CEO: Masahiko Kato; hereinafter "Mizuho Bank ") and Orient Corporation (Head office: Chiyoda-ku, Tokyo; President and Representative Director: Makoto Umemiya; hereinafter "Orico"), and further to enter into a capital alliance agreement (the "Capital Alliance") with Orico.

Also, the Company acquired 25,714,700 shares of Orico common stock held by Mizuho Bank (equivalent to 14.96% of the total voting rights of all shareholders) through an off-market transaction, and entered into a business and capital alliance.

1. Reasons for Business Alliance and Capital Alliance

The Company's parent company, Mizuho Bank and Orico have executed a business alliance agreement in order to broadly explore collaboration among the three companies aimed at enhancing corporate value, and hereby announce such execution.

As digitalization advances and customer needs diversify, the value expected of financial services is changing significantly. In particular, among individual customers, demand is increasing for flexible and highly convenient credit and payment services tailored to diverse lifestyles. In addition, for small and medium-sized enterprise customers, improving the efficiency of expense reimbursement and payment operations, enhancing operational efficiency under limited human resources, and strengthening internal controls have become important management issues.

Against this backdrop, each company has provided a variety of financial services, including lending, guarantees, installment sales and payments. However, the three companies share the recognition that, in order to continue to be chosen by customers in the years ahead, it is essential to improve operational efficiency and customer experience through the utilization of digital technology, while further enhancing service quality through advanced credit assessment know-how. Based on this shared recognition, Mizuho Bank , with the reliability and broad customer base of a megabank, Orico, with extensive installment sales and payment expertise cultivated as a major credit sales company and a broad network of merchants and alliance partners, and the Company, which possesses multiple business areas beyond finance based on the advanced credit assessment know-how and IT/digital technologies cultivated by the Company, an independent consumer finance company, have agreed to explore initiatives aimed at realizing seamless collaboration across non-bank financial services and banking services by leveraging the strengths of each company. The business alliance initiatives currently contemplated by the three companies include the following, and the parties will also broadly consider additional collaborative opportunities that may contribute to enhancing corporate value.

Important Subsequent Events 04

2. Details of the Business Alliance

1 Improvement of operational efficiency and productivity through the utilization of IT and digital technologies

By leveraging IT and digital technologies, including AI, the parties will promote automation and laborsaving initiatives across overall operations, including contact centers and head office staff operations, thereby optimizing the allocation of management resources and enhancing the quality of customer service.

2 Enhancement and streamlining of credit screening and joint development of credit models

By mutually utilizing expertise, data and know-how relating to credit screening, the parties will optimize credit screening processes, enhance credit assessment capabilities, and improve the accuracy of credit decisions.

3 Advancement and efficiency improvement in collection and reminder operations

By mutually utilizing expertise and know-how relating to collection and delinquency management operations, the parties will optimize collection approaches according to customer attributes and delinquency status, enhance collection strategies through data analysis, and review operational processes.

4 Other areas of collaboration (including seamless customer-centric collaborations)

By bringing together the digital know-how of each company, the parties will improve the UI/UX of various digital touchpoints, including apps, such as by developing customer journeys that enable customers to use services more smoothly and with less friction.

3. Details of the Capital Alliance

The Company's parent company acquired shares of Orico common stock held by Mizuho Bank through an off-market transaction. In this context, the Company has entered into a capital alliance agreement with Orico in order to achieve the synergies from the business alliance at an early stage and to the maximum extent and to ensure its effectiveness.

(1) Name	Orient Corporation
(2) Share acquisition date	June 1,2026
(3) Number of shares acquired	25,714,700
(4) Acquisition price	26,031 Million yen
(5) Ownership percentage after acquisition	14.96%

4. Overview of Each Company

(1) Name	Mizuho Bank, Ltd.
(2) Location	1-5-5 Otemachi, Chiyoda-ku, Tokyo
(3) Representative name and title	Masahiko Kato, Director and President
(4) Business description	Acceptance of deposits or time deposits, lending of funds, discounting of bills, and exchange transactions Guarantee of obligations, acceptance of bills, and other operations incidental to the banking business described in the preceding item Other matters incidental or related to the operations described in the preceding item
(5) Capital	1,404,065 million yen
(6) Date of establishment	May 7, 1923

(1) Name	Orient Corporation
(2) Location	5-2-1 Kojimachi, Chiyoda-ku, Tokyo
(3) Representative name and title	Makoto Umemiya, President and Representative Director
(4) Business description	Credit sales business
(5) Capital	150,075 million yen
(6) Date of establishment	March 15, 1951

5. Schedule

(1) Execution Date of the Agreement	May 15, 2026
(2) Commencement Date of Business and Capital Alliance	June 1,2026

Consolidated Schedules 01

Bonds schedule

(Millions of yen)

Company name	Issue	Date of issue	Balance at April 1, 2025	Balance at March 31, 2026	Interest rate(%)	Security	Maturity date
The Company	65th unsecured straight bond	December 14, 2022	15,000	-	0.940	Unsecured	December 12, 2025
	66th unsecured straight bond	June 13, 2023	15,000	15,000 (15,000)	0.870	Unsecured	June 12, 2026
	67th unsecured straight bond	January 26, 2024	20,000	20,000 (20,000)	0.900	Unsecured	January 26, 2027
	68th unsecured straight bond	June 18, 2024	10,000	10,000	1.130	Unsecured	June 18, 2027
	69th unsecured straight bond	June 12, 2024	20,000	20,000	1.120	Unsecured	June 11, 2027
	70th unsecured straight bond	January 24, 2025	30,000	30,000	1.370	Unsecured	January 24, 2028
	71th unsecured straight bond	September 22, 2025	-	25,000	1.535	Unsecured	September 21, 2028
Total		-	110,000	120,000 (35,000)	-	-	-

Notes: 1 The amount of ending balance shown in parentheses is included in the amount shown without parentheses. Said amount is scheduled to be redeemed within one (1) year from the day immediately following the date of the consolidated balance sheets. In the consolidated balance sheets, said amount is stated under current liabilities.

2 The scheduled amount of redemption for each year within five years after the consolidated closing date is as shown below.

(Millions of yen)

Due within 1 year	Due within 1-2 years	Due within 2-3 years	Due within 3-4 years	Due within 4-5 years
35,000	60,000	25,000	-	-

Borrowings schedule

(Millions of yen)

Category	Balance at April 1, 2025	Balance at March 31, 2026	Average interest rate(%)	Repayment due date
Short-term borrowings (including short-term borrowings of subsidiaries and associates)	85,382	107,833	2.72	-
Commercial paper	17,400	14,000	1.29	-
Current portion of long-term borrowings	252,042	262,513	1.67	-
Current portion of lease obligations	200	78	-	-
Long-term borrowings (excluding the current portion)	324,792	343,406	1.59	From April 2027 to January2032
Lease obligations (excluding the current portion)	51	115	-	From April 2027 to March 2030
Total	679,869	727,947	-	-

Notes: 1 The "average interest rate" represents the weighted-average rate applicable to the ending balance.

2 The average interest rate of lease obligations is not stated since lease obligations recorded on the consolidated balance sheets represent the amount prior to deducting the amount equivalent to interest included in the total lease fees.

3 The scheduled repayment amounts of long-term borrowings and lease obligations (excluding current portions) for each year within five years after the date of the consolidated balance sheets are as shown below.

(Millions of yen)

Category	Due within 1-2 years	Due within 2-3 years	Due within 3-4 years	Due within 4-5 years
Long-term borrowings	206,971	102,042	21,640	9,404
Lease obligations	69	36	3	3

Consolidated Schedules 02

Asset retirement obligations schedule

Disclosure is omitted since the amounts of asset retirement obligations at the beginning and end of the fiscal year under review are not more than one hundredth (1/100) of the sum total of liabilities and net assets at the beginning and end of the fiscal year under review.

Others

Quarterly information for the consolidated fiscal year under review

(Millions of yen)

Category	Interim consolidated accounting period	FY2026/3
Operating revenue	104,454	214,693
Profit before income taxes	16,282	34,610
Profit attributable to owners of parent	12,661	27,123
Profit per share (yen)	26.44	56.63

AIFUL Balance Sheets

Assets (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
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 (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
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 (Millions of yen)

	As of March 31, 2025	As of March 31, 2026
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

AIFUL 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

(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 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 security deposits	4	6
Settlement payment	-	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

Group Companies

Loan

AIFUL CORPORATION	Unsecured consumer loan/ Credit guarantee
AG BUSINESS SUPPORT CORPORATION	Small business loan/ Factoring
AG MEDICAL CORPORATION	Medical loan secured by medical fee receivables

Credit Card / Payment service

LIFECARD CO., LTD.	Credit card/ Payment service
AG Payment Service CO.,LTD	Installment credit sales/ Post-pay settlement business
BitCash Inc.	Issuance of prepaid electronic money/ Electronic payment service using electronic money

SES

AG Solution Technology Inc.	Management of subsidiaries and related operations
Seven Seas Co., Ltd.	System development / Maintenance and operation / Network and infrastructure construction
Liblock Inc.	System development / Maintenance and operation / Application development
Salop, Inc.	System development / Maintenance and operation / Application Development
TEMPLATE co., ltd.	System development / Maintenance and operation
Smart Link co., ltd.	System Consulting / System Design / Project Management and support

Servicer

AG Servicer Corporation	Debt collection (Servicer)
AG Partners Corporation	Corporate turnaround & restructuring

Overseas

AIRA&AIFUL Public Company Limited	Consumer finance (Kingdom of Thailand)
PT REKSA FINANCE	Used car loans (Republic of Indonesia)
AIFUL FINANCE PHILIPPINES INC.	Motorcycle and automobile secured loans (Republic of the Philippines)

Others

AG Capital Co.,Ltd	Venture capital
AG Smile Leaseback Corporation	Leaseback
AG Crowdfunding Co.,Ltd.	Social lending (peer-to-peer lending)
AG Lending Corporation	Secured loan (Fund)
FPC Co., Ltd.	Small amount short-term pet insurance
Anshin Guarantor Service Co.,Ltd.	Guarantee (Rent liabilities)

Corporate Overview

Corporate Profile

Corporate Name	Muninova Holdings Inc.
President	Mitsuhide Fukuda, President & CEO
Address of Head Office	381-1, Takasago-cho, Gojo-Agaru, Karasuma-Dori, Shimogyo-ku, Kyoto 600-8420, Japan
Date of Establishment	April 2026
Paid-in Capital	¥2,000 million
Fiscal Year End	March 31
Business Outline	Management of group companies engaged in consumer finance, credit card, and other related businesses, as well as ancillary and related operations
Industrial Classification	Other Financing Business
Stock Listing	Tokyo Stock Exchange, Prime Market
Securities Code	547A
Transfer Agent and Registrar	Sumitomo Mitsui Trust Bank, Limited
Independent Auditor	Deloitte Touche Tohmatsu LLC
Number of Employees	5,113 *Total number of employees at AIFUL Group including non-consolidated subsidiaries

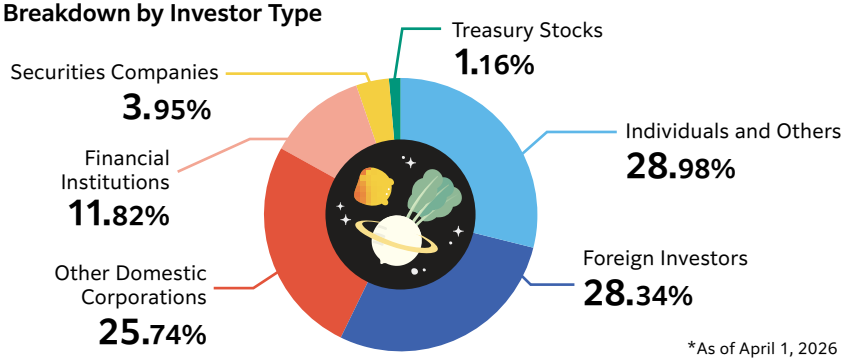
*As of April 1, 2026

Stock Information

Total number of shares authorized : 1,136,280,000
Total number of shares issued : 484,620,134
Number of shareholders : 20,397

Shareholder's name	Number of shares held (thousand shares)	Percentage of total shares outstanding
AMG Co., Ltd.	94,814	19.79%
Mitsuhide Fukuda	62,235	12.99%
The Master Trust Bank of Japan, Ltd. (trust account)	40,495	8.45%
Marutaka Co., Ltd.	24,543	5.12%
BOFAS INC SEGREGATION ACCOUNT	13,857	2.89%
THE CHASE MANHATTAN BANK N.A. LONDONSECS LENDING OMNIBUS ACCOUNT	12,951	2.70%
MSIP CLIENT SECURITIES	12,782	2.67%
BARCLAYS CAPITAL SECURITIES LIMITED	9,886	2.06%
Custody bank of Japan, Ltd. (trust account)	9,739	2.03%
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	6,845	1.43%

Breakdown by Investor Type



*As of April 1, 2026

MUNINOVA

Inquiries about this report

Muninova Holdings Inc.
I.R. Section, Operation Management Department

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