

March 19, 2020

APLUS FINANCIAL Co., Ltd.

### **Updates on Investigation of Investment Condominium Loans**

We would like to provide you with the latest update on the investigation conducted by the Special Investigation Committee, which was established within the Company, as a follow-up to the announcement made on February 27, 2020 titled the "Investigation Structure and Status of Investigation Concerning Investment Condominium Loans."

#### 1. Survey by the Special Investigation Committee

(1) Requested customers to cooperate in a survey who use "Investment Condominium Loans" and "Support Credits for ARUHI Alliances", hereinafter "The Products")

(i) Requested all customers for cooperation in this investigation who use "The Products"

We dispatched a letter to all the customers who use The Products to request cooperation in a survey on March 2, 2020. Up to now, some customers have responded that they would like to verify their submitted documents including the annual income statements and the loan application documents. APLUS Corporation ("APLUS") will respond to these inquiries on a first come first served basis.

(ii) Survey regarding the cases which, we think, need closer investigation out of the above-mentioned cases

These cases which, we think, need closer investigation are such cases which were handled by certain specific real estate companies. On March 3, 2020 we sent a letter together with our survey questionnaire and the loan application documents to the customers for whom we need to perform a closer investigation. We confirmed that approximately 80% of these customers have received our letters we sent. We have, so far, received responses from 19 of these specified cases, where they claimed the submitted documents which APLUS received via ARUHI CO., LTD are different from the application and the income statement documents that they currently have.

We will continue to investigate these cases.

(Number of Investigations and Survey Status as of March 18, 2020)

(i) Survey of all the customers of The Products Number of contracts: 12,994	(ii) Survey of the customers who need closer checks Number of contracts: 254
Number of contracts where we sent application documents to customers as per their requests: 56 contracts	Number of contracts where customers claimed that the application documents are different from what they have: 19 contracts

(2) Investigating through questionnaires and interviews with internal departments related to this issue as well as information posted on internal reporting desks for employees regarding this issue

At this point in time, our investigation shows that our executives and employees have not participated in the falsification of the loan application documents.

In addition, the Company continues to conduct analyses and investigations, including interviews with executives and employees, digital forensics and the verification of sales and credit screening systems of The Products.

2. Date of completion of survey (plan)

The investigation period by the Special Investigation Committee is scheduled until the end of March 2020.

Our group companies fully support the investigation of the Special Investigation Committee. We will announce the results of the investigation by the Special Investigation Committee in a timely and appropriate manner.

\* We have established a contact point for customer inquiries regarding this matter.

[Contact for Customer Inquiries]	APLUS Customer Support Phone: 0570-086-866 From 9:30 to 17:30 on weekdays
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We would like to express our deepest apologies for the concerns we have caused our customers and the other stakeholders. We will continue to make every effort to ensure that our customers are able to deal with us with peace of mind. We would like to ask for your kind understanding and cooperation in this matter.

End

<Reference Releases>

"Survey on Reports on Investment Condominium Loans" dated January 30, 2020

"Survey Structure and Status of Condominium Loans for Investment" dated February 27, 2020