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Brief Statement of Financial Results for the Fiscal Year Ended March 2018 [Japanese GAAP (Consolidated)]

May 10, 2018

Forward-looking Statement

The statements and figures contained in this Brief Statement of Financial Results for the fiscal year ended March 2018 (the "Brief Statement") with respect to ACOM CO., LTD. ("ACOM")'s plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of ACOM which are based on management's assumptions and beliefs in light of the information currently available to it and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. Potential risks and uncertainties include, without limitation, general economic conditions in ACOM's market and changes in the size of the overall market for consumer loans, the rate of default by customers, the fluctuations in number of cases of claims from and the amount paid to customers who claim us to reimburse the portion of interest in excess of the interest ceiling as specified in the Interest Rate Restriction Act, the level of interest rates paid on ACOM's debt, and legal limits on interest rates charged by ACOM.

Name of the company:	ACOM CO., LTD. ("ACOM" or "the Company")
Stock market:	First Section of Tokyo Stock Exchange
Code Number:	8572
Location of the head office:	Tokyo
URL:	https://www.acom.co.jp/corp/english/ir/
Position of the representative:	Chairman, President & Chief Executive Officer
Name:	Shigeyoshi Kinoshita
Position of the person in charge:	Chief PR & IR Officer
Name:	Takashi Okamoto
Telephone Number:	(03) 5533-0861
Date of the shareholders' meeting:	June 22, 2018
Registration date of annual securities report:	June 22, 2018
Commencement date of dividend payment:	June 25, 2018
Material to supplement the financial results:	Applicable
Financial results conference:	Applicable (For domestic and foreign institutional investors and financial analysts)

Note: 1. All amounts under minimum units appearing in each of the tables have been disregarded throughout this brief statement and the annexed materials.
Note: 2. The figures in percentages show the year-on-year change from prior fiscal year.

1. Consolidated Business Results for the Fiscal Year Ended March 2018 (from April 1, 2017, to March 31, 2018)

(1) Consolidated Operating Results

(Millions of yen)

	Operating Revenue		Operating Profit (Loss)		Ordinary Profit (Loss)		Profit (Loss) Attributable to Owners of Parent	
3/2018	263,453	7.5%	80,942	–	81,694	–	70,572	–
3/2017	245,148	3.1%	-70,166	–	-69,543	–	-72,187	–

[Note] Comprehensive income (loss) 3/2018: 77,461 million yen [–%] 3/2017: -70,550 million yen [–%]

	Basic Earnings per Share (Yen)	Net Income per Share Diluted (Yen)	Return on Equity (ROE)	Ordinary Profit to Total Assets	Operating Margin
3/2018	45.05	–	24.6%	6.5%	30.7%
3/2017	-46.08	–	-25.2%	-5.8%	-28.6%

<Reference> Equity in income of affiliates 3/2018: 10 million yen 3/2017: 19 million yen

(2) Consolidated Financial Status

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
3/2018	1,280,851	344,437	25.2%	206.12
3/2017	1,228,930	267,226	20.3%	159.58

<Reference> Shareholders' Equity 3/2018: 322,916 million yen 3/2017: 250,006 million yen

(3) Consolidated Cash Flow Status

(Millions of yen)

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents at the End of Year
3/2018	-32,634	-1,711	21,259	88,551
3/2017	-37,451	-2,858	58,863	101,719

2. Dividend Status

	Dividend per Share					Total Amount of Dividend (Year) (Millions of Yen)	Payout Ratio (Consolidated) (%)	Ratio of Payout to Net Assets (Consolidated) (%)
	1Q (Yen)	2Q (Yen)	3Q (Yen)	4Q (Yen)	Annual (Yen)			
3/2017	–	0.00	–	0.00	0.00	–	–	–
3/2018	–	0.00	–	1.00	1.00	1,566	2.2	0.5
3/2019 (Forecast)	–	1.00	–	1.00	2.00		4.9	

3. Forecasts for the Fiscal Year Ending March 31, 2019 (from April 1, 2018, to March 31, 2019)

(Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of the Parent		Basic Earnings per Share (Yen)
First Half	134,500	4.3%	38,300	-0.2%	38,600	-0.6%	31,900	-7.4%	20.36
Annual	269,900	2.4%	77,200	-4.6%	77,700	-4.9%	63,600	-9.9%	40.60

(Notes)

(1) Change in Important Subsidiaries for the Year ended March 2018 (Change in scope of consolidation): None

(2) Changes in Accounting Policy, Accounting Estimates and Restatement

A) Change in accounting policy due to revision of accounting standards, etc.: None

B) Changes other than A): None

C) Change in accounting estimates: None

D) Restatement: None

(3) Outstanding shares (common stock)

A) Number of shares outstanding (including treasury stock)

FY March 31, 2018: 1,596,282,800 shares FY March 31, 2017: 1,596,282,800 shares

B) Number of treasury stock at the end of period

FY March 31, 2018: 29,668,592 shares FY March 31, 2017: 29,668,592 shares

C) Number of average shares outstanding

FY March 31, 2018: 1,566,614,208 shares FY March 31, 2017: 1,566,614,208 shares

(Reference) Outline of non-consolidated business results

1. Non-consolidated Business Results for the Fiscal Year Ended March 2018 (from April 1, 2017, to March 31, 2018)

(1) Non-consolidated Operating Results (Millions of yen)

	Operating Revenue		Operating Profit (Loss)		Ordinary Profit (Loss)		Profit (Loss)	
3/2018	195,310	6.1%	61,767	–	65,471	–	63,184	–
3/2017	183,997	4.9%	-85,390	–	-84,054	–	-79,289	–

	Basic Earnings per Share (Yen)	Net Income per Share Diluted (Yen)
3/2018	40.33	–
3/2017	-50.61	–

(2) Non-consolidated Financial Status (Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
3/2018	1,049,913	283,997	27.0%	181.28
3/2017	1,021,927	220,816	21.6%	140.95

<Reference> Shareholders' Equity 3/2018: 283,997 million yen 3/2017: 220,816 million yen

2. Forecasts for the Fiscal Year Ending March 31, 2019 (from April 1, 2018, to March 31, 2019) (Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit		Basic earnings per Share (Yen)
First Half	99,700	3.3%	29,900	-0.9%	33,500	-0.6%	30,800	-6.2%	19.66
Annual	200,300	2.6%	58,200	-5.8%	62,000	-5.3%	56,900	-9.9%	36.32

(Note) Brief Statement of financial results is not subject to review procedures of CPAs.

(Note) Explanation regarding proper use of the business forecast and other notes

(Notes to Forward-looking Statement)

The statements about the future performance of ACOM are based on management's assumptions and beliefs in light of the information currently available to it. These statements do not guarantee our future performance: actual results may differ from those in the forward-looking statements as a result of various factors. Please refer to "(4) Outlook for the Next Fiscal Year" of "1. Analyses of Business Results and Financial Position" on page 4 for conditions which are basis of forecasts and notes for using the forecast.

(Accessing financial results materials and archive of financial results conference)

ACOM plans to hold the financial results conference for the year ended March 2018 for domestic institutional investors and financial analysts, and a conference call for foreign institutional investors and analysts on May 11, 2018. The materials used at the conference will be available on ACOM's website after disclosure of financial results. The archive of the conference will be also available on the website after the conference is held.

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1. Analyses of Business Results and Financial Position

(1) Analysis of Business Results

During the fiscal year ended March 31, 2018, the Japanese economy showed signs of gradual improvement in corporate earnings as well as the employment and income environment, combined with ongoing recovery in consumer spending, chiefly due to the effects of various economic policies implemented by the government. However, the possibility of an economic downturn remained in Japan due to uncertainty in overseas economies and the impact of fluctuations in the financial and capital markets, though economic recovery is expected to continue in the future.

In the consumer finance industry, the market is gradually expanding while requests for interest repayment have steadily decreased. However, future trends need to be closely monitored on an ongoing basis, as requests for interest repayment are susceptible to the impacts of changes in the external environment.

In such an environment, under its management vision of “strive to become the leading company in personal loan market which provides prime satisfaction to the utmost number of customers and win their trust in return,” the Company Group has positioned its loan and credit card business, guarantee business and overseas financial business as the three core business categories and has strived to increase market shares in the consumer loan market, while making efforts to contribute to sound growth of the market.

Consolidated operating revenue for the fiscal year ended March 31, 2018, increased to 263,453 million yen (up 7.5% year-on-year) primarily due to increases in interest on operating loans and revenue from credit guarantee. Operating expenses decreased to 182,511 million yen (down 42.1% year-on-year) due to the absence of addition made to provision for loss on interest repayment (143,728 million yen for the prior fiscal year). As a result, operating profit was 80,942 million yen (operating loss of 70,166 million yen for the prior fiscal year), ordinary profit was 81,694 million yen (ordinary loss of 69,543 million yen for the prior fiscal year), and profit attributable to owners of parent was 70,572 million yen (loss attributable to owners of parent of 72,187 million yen for the prior fiscal year).

Business results for each segment are as follows:

(Loan and credit card business)

In the domestic loan and credit card business, we made efforts to improve product/service functions, gather and acquire new customers, promote sales of credit cards (AC MasterCard) and maintain the soundness of loan portfolio.

As for the improvement of product/service functions, we worked to speed up our responses to customers by reducing the processing time for applications received via the internet in order to further enhance convenience for customers. Recognizing the recent spread of smartphones and diversifying customer search activities in web browsers, we have continued to enhance the information provided on our website since its renewal in March 2017.

As for the gathering and acquiring of new customers, we continued airing commercials featuring the actress “Hiromi Nagasaku” and the sound logo of “Hajimete-no (First time at) ACOM,” while broadcasting internet video advertisements on YouTube to earn positive public reception and gain increased public notice.

As for the sales promotion of credit cards, the total number of card members significantly increased to 400 thousand (up 27.4% year-on-year) and the annual transaction volume surged to 41,476 million yen (up 31.1% year-on-year) as a result of our efforts to promote the issuance of credit cards from instant issue credit card machines installed at automatic contract machine corners.

In addition to the abovementioned marketing activities, we have endeavored to maintain the soundness of our loan portfolio and improve the customer-reception quality of our employees by reinforcing the development of human resources through training for credit control, and customer reception including the improvement of the accuracy of credit screenings. As a result, accounts receivable - operating loans at the end of the current fiscal year increased to 803,365 million yen (up 2.4% year-on-year) and accounts receivable - installment increased to 52,445 million yen (up 37.6% year-on-year).

As a result, the business segment’s operating revenue was 139,826 million yen (up 2.8% year-on-year) mainly due to increases in interest on operating loans and revenue from credit card business in accordance with our business expansion, and operating profit was 46,864 million yen (operating loss of 93,373 million yen for the prior fiscal year).

(Guarantee business)

In the guarantee business, the Company and MU Credit Guarantee Co., LTD. continued to work on the promotion of new guarantee tie-ups and reasonable communication with partners as a credit guarantee company, based on the “Arrangements for Loans to Consumers by Banks” announced by the Japanese Bankers Association, and measures to enhance partnerships with existing partners amid the growth of the bank card loan market.

The Company formed a new guarantee alliance with The Yamanashi Chuo Bank, Ltd. MU Credit Guarantee Co., LTD. formed a new guarantee alliance with The Fukui Bank, Ltd. As a result, the combined number of business partners of the Company and MU Credit Guarantee Co., LTD. increased to 52 banks at the end of the current fiscal year.

To enhance partnerships with existing partners, the Company continued appropriate screening, provided various figures based on analysis, and provided various support for existing partners with a view to enhancing their business results and stabilizing their growth.

As a result, the total balance of guaranteed receivables in the guarantee operation of the Company and MU Credit Guarantee Co., LTD. was 1,199,644 million yen (up 6.2% year-on-year). The business segment's operating revenue was 65,295 million yen (up 15.7% year-on-year) mainly due to an increase in revenue from credit guarantee, and operating profit was 17,808 million yen (up 85.2% year-on-year) due to a decrease in provision of allowance for doubtful accounts under operating expenses.

(Overseas financial business)

In the overseas financial business, we proactively carried out business operations in the pursuit of further expanding the relevant businesses.

The loan business of EASY BUY Public Company Limited in the Kingdom of Thailand actively conducted marketing activities of the Umay+ brand with the aim of enhancing the brand image and gathering and acquiring new customers in an environment of tightened loan standards and other regulations implemented by the Bank of Thailand. As a result, the number of new contracts and accounts receivable - operating loans have increased steadily, thereby building the top-brand position in the Kingdom of Thailand.

In regard to the banking business of PT. Bank Nusantara Parahyangan Tbk. in the Republic of Indonesia, we worked to strengthen our internal control structure and improve our loan portfolio.

In the Republic of the Philippines, we established ACOM CONSUMER FINANCE CORPORATION in July 2017 and are currently advancing preparations chiefly by establishing stores and systems with the aim of launching a full-fledged business in or around July 2018. We will strive to steadily make our business profitable in the Republic of the Philippines amidst the country's rapid economic growth by taking advantage of the experience we have nurtured in the personal loan business and overseas business development in Japan, the Kingdom of Thailand, and the Republic of Indonesia.

In the Socialist Republic of Vietnam, where the Company has established a representative office, the Company applied for a license to operate as a finance company in May 2014. The Company has continued surveys on various local laws/regulations and risks, and market analysis for future business development, while awaiting the results of the licensing examination. The Company also continues with necessary surveys in other Asian countries to explore the feasibility of business development.

As a result, the business segment's operating revenue amounted to 51,904 million yen (up 13.8% year-on-year), due primarily to an increase in interest on operating loans in accordance with our business expansion, and operating profit was 15,478 million yen (up 22.5% year-on-year).

(Loan servicing business)

In the loan servicing business, IR Loan Servicing, Inc. has endeavored to acquire new business partners and increase profitability amid intensified competition in the purchased receivables market.

As a result, the business segment's operating revenue was 6,560 million yen (down 8.4% year-on-year), mainly due to a decrease in amount of collection from purchased receivables. However, operating profit was 615 million yen (up 13.1% year-on-year), due primarily to a decrease in provision of allowance for doubtful accounts under operating expenses.

(2) Analysis of financial position

Compared with the end of the prior fiscal year, total assets increased by 51,920 million yen and total liabilities decreased by 25,290 million yen, whereas net assets increased by 77,211 million yen as of March 31, 2018. Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets increased by 51,213 million yen and noncurrent assets increased by 706 million yen. Consequently, total assets increased by 51,920 million yen. The breakdown of major changes in current assets is as follows: accounts receivable - operating loans (up 44,823 million yen), accounts receivable - installment (up 14,385 million yen), cash and deposits (down 13,054 million yen), and trading account securities (down 2,740 million yen). The breakdown of major changes in noncurrent assets is as follows: software (up 2,020 million yen), lease assets (up 1,022 million yen), goodwill (down 1,411 million yen), and investment securities (down 1,080 million yen).

(Liabilities)

With regard to the liabilities account, changes in current and noncurrent liabilities were an increase of 74,861 million yen and a decrease of 100,152 million yen, respectively, resulting in a decrease of 25,290 million yen in total liabilities. The breakdown of major increases and decreases in liabilities include: provision for loss on interest repayment (down 60,831 million yen) and loans and bonds payable (up 28,642 million yen).

(Net assets)

In terms of net assets, shareholders' equity increased by 70,572 million yen mainly due to an increase in retained earnings, accumulated other comprehensive income increased by 2,337 million yen due to an increase in foreign currency translation adjustment, and noncontrolling interests increased by 4,301 million yen. As a result, total net assets increased by 77,211 million yen, and the shareholders' equity ratio increased by 4.9 percentage points to 25.2%.

(3) Status of cash flows

Cash and cash equivalents (hereinafter, "funds") at the end of the current fiscal year decreased by 13,168 million yen (down 12.9%) from the end of the prior fiscal year to 88,551 million yen.

With respect to net cash used in operating activities, funds saw a decrease of 32,634 million yen, reflecting various factors such as 81,168 million yen in profit before income taxes, an increase of 8,496 million yen in allowance for doubtful accounts, and a decrease of 60,831 million yen in provision for loss on interest repayment, as well as funds-decreasing factors such as an increase of 34,713 million yen in accounts receivable - operating loans and an increase of 14,350 million yen in accounts receivable - installment.

With respect to net cash used in investing activities, funds saw a decrease of 1,711 million yen. This was primarily due to the fact that the payment for purchase of property, plant and equipment amounted to 1,060 million yen, the payment for purchase of intangible asset amounted to 1,647 million yen and proceeds from sales of investment securities amounted to 285 million yen.

With respect to net cash provided by financing activities, funds saw an increase of 21,259 million yen. This was primarily due to the fact that the total amount of proceeds from loans and issuance of bonds was 22,004 million yen more than the repayments of loans payable and payments at maturity of bonds.

(4) Outlook for the Next Fiscal Year

Domestic card loan market is in a gradual increasing trend. However, we estimate that business environment in the future will remain severe as nonbank market still need to cope with the issue of requests for interest repayment.

The Company has set the outlook for the fiscal year ending March 2019 which is a final year of mid-term management plan. Its quantitative outlook of combined receivables from loan & credit card business and guarantee business is 2 trillion and 122.8 billion yen (2.1 trillion yen or above under mid-term management plan). The outlook of receivable of loan & credit card business is 886.7 billion yen (870.0 billion yen under mid-term management plan), and receivable of guarantee business is 1 trillion and 236.1 billion yen (1.28 trillion yen under mid-term management plan) in the domestic domain. As for the overseas domain, the Company aims to attain loans receivable of 51.7 billion baht (51.0 billion baht under mid-term management plan) for EASY BUY Public Company Limited in the Kingdom of Thailand while the outlook for PT. Bank Nusantara Parahyangan, Tbk. in the Republic of Indonesia stands at 5 trillion and 896.8 billion rupiah (8.01 trillion rupiah under mid-term management plan) in loans receivable for banking business.

With regard to quantitative targets, the Group forecasts consolidated operating revenue of 269.9 billion yen, ordinary profit of 77.7 billion yen and profit attributable to owners of parent of 63.6 billion yen.

Outlook above is forecast based on information available at the date of announcement of this brief statement. However, there are some potential risk factors in the Group's business management. The trend of requests for interest repayment in particular is highly uncertain, due to its sensitivity to changes in external environmental changes. The Group may have to make additional provision for loss on interest repayment.

Actual results may differ from forecast values due to various risk factors, not limited to those mentioned above.

(5) Basic Policy on Profit Distribution and Dividend for This and Next Fiscal Year

With regard to profit distribution to shareholders, it is our basic policy to attempt stable and continuous profit distribution taking the business environment surrounding us, shareholders' equity, and our own performance into consideration.

ACOM takes recent business performance and financial basis into consideration. As a result, ACOM has decided to pay a dividend of 1 yen per share (latest forecast of dividend was "undecided").

Resumption of dividend assumes approval at the Ordinary General Meeting of Shareholders to be held on June 2018.

As for next fiscal year, a dividend of 1 yen is planned at the second quarter and also a dividend of 1 yen is planned at the fourth quarter.

The Group intends to strive for its long-term stable growth in the future.

2. Basic Stance on Selection of Accounting Policy

The company's financial statements are prepared in accordance with generally accepted accounting practices in Japan (J-GAAP). The company is currently under consideration of the necessity of application of IFRS in the future.

3. Consolidated Financial Statements and Major Notes
(1) Consolidated Balance Sheet

(Millions of yen)

	Prior fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Assets		
Current assets		
Cash and deposits	104,939	91,884
Accounts receivable - operating loans	930,292	975,116
Loans receivable of banking business	45,872	48,808
Accounts receivable - installment	38,648	53,034
Purchased receivables	11,334	10,603
Short-term investment securities	260	904
Trading account securities	4,391	1,651
Raw materials and supplies	79	60
Deferred tax assets	39,106	41,307
Other	69,575	81,342
Allowance for doubtful accounts	-66,685	-75,686
Total current assets	1,177,815	1,229,028
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	29,364	28,599
Accumulated depreciation	-24,074	-23,755
Buildings and structures, net	5,289	4,844
Vehicles	15	14
Accumulated depreciation	-13	-13
Vehicles, net	1	0
Equipment	21,385	21,324
Accumulated depreciation	-10,704	-11,129
Equipment, net	10,681	10,195
Land	6,233	6,203
Lease assets	3,341	4,232
Accumulated depreciation	-2,807	-2,675
Lease assets, net	533	1,556
Total property, plant and equipment	22,739	22,800
Intangible assets		
Goodwill	5,474	4,063
Leasehold right	4	4
Software	5,082	7,103
Telephone subscription right	37	37
Other	1	1
Total intangible assets	10,600	11,210

(Millions of yen)

	Prior fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Investments and other assets		
Investment securities	5,341	4,261
Net defined benefit asset	4,074	4,559
Deferred tax assets	66	436
Guarantee deposits	5,504	5,259
Other	3,550	4,194
Allowance for doubtful accounts	-762	-899
Total investments and other assets	17,775	17,811
Total noncurrent assets	51,115	51,822
Total assets	1,228,930	1,280,851
Liabilities		
Current liabilities		
Notes and accounts payable-trade	413	500
Short-term loans payable	17,627	10,873
Commercial papers	14,997	29,998
Current portion of long-term loans payable	117,907	160,244
Current portion of bonds	25,000	45,350
Deposits of banking business	55,427	53,074
Lease obligations	281	573
Income taxes payable	3,543	5,112
Deferred tax liabilities	-	0
Provision for loss on guarantees	8,722	10,061
Asset retirement obligations	18	89
Deferred installment income	66	53
Other	13,128	16,063
Total current liabilities	257,134	331,995
Noncurrent liabilities		
Bonds payable	216,838	211,210
Long-term loans payable	313,505	276,841
Lease obligations	329	1,150
Deferred tax liabilities	4,037	4,893
Provision for directors' retirement benefits	27	22
Provision for loss on interest repayment	164,900	104,068
Net defined benefit liability	272	334
Asset retirement obligations	4,480	4,320
Other	177	1,574
Total noncurrent liabilities	704,570	604,417
Total liabilities	961,704	936,413

(Millions of yen)

	Prior fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	73,578	73,578
Retained earnings	131,837	202,410
Treasury stock	-19,794	-19,794
Total shareholders' equity	249,453	320,026
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4	0
Foreign currency translation adjustment	1,128	3,412
Remeasurements of defined benefit plans	-579	-523
Total accumulated other comprehensive income	552	2,889
Non-controlling interests	17,219	21,521
Total net assets	267,226	344,437
Total liabilities and net assets	1,228,930	1,280,851

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

Consolidated Statement of Income

(Millions of yen)

	For the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)
Operating revenue		
Interest on operating loans	153,140	161,564
Interest on loans of banking business	6,550	6,049
Credit card revenue	4,455	6,168
Per-item revenue	66	74
Revenue from credit guarantee	50,400	58,401
Collection from purchased receivable	6,148	5,429
Other financial revenue		
Interest on deposits	79	61
Interest on securities	192	224
Interest on loans	-	19
Interest on deposits with banks	190	187
Other	296	298
Total other financial revenue	759	792
Other operating revenue	23,626	24,973
Total operating revenue	245,148	263,453
Operating expenses		
Financial expenses		
Interest expenses	6,735	5,931
Interest on deposits of banking business	3,261	2,912
Interest on bonds	2,761	2,851
Amortization of bond issuance cost	220	148
Other	544	610
Total financial expenses	13,524	12,454
Cost of purchased receivable	2,759	2,465
Other operating expenses		
Advertising expenses	11,763	11,734
Provision of allowance for doubtful accounts	59,805	67,519
Provision for loss on guarantees	8,732	10,050
Provision for loss on interest repayment	143,728	-
Employees' salaries and bonuses	18,506	19,534
Retirement benefit expenses	679	1,045
Provision for directors' retirement benefits	4	3
Welfare expenses	2,520	2,723
Rent expenses	6,592	6,599
Depreciation	4,246	4,448
Commission fee	24,264	24,197
Amortization of goodwill	984	984
Other	17,201	18,750
Total other operating expenses	299,031	167,591
Total operating expenses	315,315	182,511
Operating profit (loss)	-70,166	80,942

(Millions of yen)

	For the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)
Non-operating income		
Interest income	276	252
Dividends income	7	13
Equity in earnings of affiliates	19	10
House rent income	276	277
Settlement received	-	199
Other	135	212
Total non-operating income	716	965
Non-operating expenses		
Interest expenses	12	28
Foreign exchange losses	27	84
Other	53	100
Total non-operating expenses	92	213
Ordinary profit (loss)	-69,543	81,694
Extraordinary income		
Gain on sales of noncurrent assets	9	38
Gain on sales of investment securities	180	25
Total extraordinary income	190	63
Extraordinary loss		
Loss on sales of noncurrent assets	2	10
Loss on retirement of noncurrent assets	141	149
Impairment loss	-	426
Loss on valuation of investment securities	-	0
Other	0	2
Total extraordinary loss	144	589
Profit (loss) before income taxes	-69,497	81,168
Income taxes-current	5,251	8,505
Income taxes-deferred	-5,630	-1,571
Total income taxes	-378	6,934
Profit (loss)	-69,118	74,233
Profit attributable to non-controlling interests	3,069	3,661
Profit (loss) attributable to owners of parent	-72,187	70,572

Consolidted Statement of Comprehensive Income

(Millions of yen)

	For the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)
Profit (loss)	-69,118	74,233
Other comprehensive income		
Valuation difference on available-for-sale securities	-3	-3
Foreign currency translation adjustment	-770	3,185
Remeasurements of defined benefit plans, net of tax	-658	45
Total other comprehensive income	-1,432	3,228
Comprehensive income	-70,550	77,461
Comprehensive income attributable to:		
Owners of the parent	-73,370	72,909
Non-controlling interests	2,819	4,552

(3) Consolidated Statement of Changes in Net Assets

Prior fiscal year (from April 1, 2016, to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Share-holder's equity
Balance at the beginning of the period	63,832	73,578	204,025	-19,794	321,641
Changes of items during the period					
Profit (loss) attributable to owners of parent			-72,187		-72,187
Sales of shares of consolidated subsidiaries		0			0
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	0	-72,187	-	-72,187
Balance at the end of the period	63,832	73,578	131,837	-19,794	249,453

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	7	1,669	57	1,735	14,755	338,132
Changes of items during the period						
Profit (loss) attributable to owners of parent						-72,187
Sales of shares of consolidated subsidiaries						0
Net changes of items other than shareholders' equity	-3	-541	-637	-1,182	2,464	1,281
Total changes of items during the period	-3	-541	-637	-1,182	2,464	-70,906
Balance at the end of the period	4	1,128	-579	552	17,219	267,226

Current fiscal year (from April 1, 2017, to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Share-holder's equity
Balance at the beginning of the period	63,832	73,578	131,837	-19,794	249,453
Changes of items during the period					
Profit (loss) attributable to owners of parent			70,572		70,572
Sales of shares of consolidated subsidiaries					-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	70,572	-	70,572
Balance at the end of the period	63,832	73,578	202,410	-19,794	320,026

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	4	1,128	-579	552	17,219	267,226
Changes of items during the period						
Profit (loss) attributable to owners of parent						70,572
Sales of shares of consolidated subsidiaries						-
Net changes of items other than shareholders' equity	-3	2,284	56	2,337	4,301	6,638
Total changes of items during the period	-3	2,284	56	2,337	4,301	77,211
Balance at the end of the period	0	3,412	-523	2,889	21,521	344,437

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	-69,497	81,168
Depreciation and amortization	4,246	4,448
Impairment loss	-	426
Amortization of goodwill	984	984
Increase (decrease) in allowance for doubtful accounts	8,926	8,496
Increase (decrease) in provision for loss on guarantees	628	1,338
Increase (decrease) in net defined benefit liability	28	56
Increase (decrease) in provision for directors' retirement benefits	1	-5
Increase (decrease) in provision for loss on interest repayment	74,900	-60,831
Interest and dividends income	-284	-265
Interest expenses	12	28
Amortization of bond issuance cost	220	148
Foreign exchange losses (gains)	25	86
Equity in (earnings) losses of affiliates	-19	-10
Settlement received	-	-199
Loss (gain) on sales of property, plant and equipment	-7	-27
Loss on retirement of property, plant and equipment	141	140
Loss (gain) on sales of investment securities	-180	-25
Loss (gain) on valuation of investment securities	-	0
Decrease (increase) in accounts receivable - operating loans	-31,465	-34,713
Decrease (increase) in loans receivable of banking business	9,481	-4,518
Decrease (increase) in accounts receivable - installment	-10,269	-14,350
Decrease (increase) in purchased receivables	-624	730
Decrease (increase) in net defined benefit asset	-344	-425
Decrease (increase) in trading account securities	-3,494	2,589
Decrease (increase) in inventories	-11	17
Decrease (increase) in other current assets	-9,821	-11,489
Increase (decrease) in notes and accounts payable-trade	29	85
Increase (decrease) in deposits of banking business	-7,277	-441
Increase (decrease) in deferred installment income	3	-16
Increase (decrease) in other current liabilities	597	1,791
Increase (decrease) by other operating activities	674	-1,266
Subtotal	-32,397	-26,049
Interest and dividends income received	271	265
Interest expenses paid	-12	-28
Income taxes refund	-	199
Income taxes paid	-5,312	-7,022
Net cash provided by (used in) operating activities	-37,451	-32,634

(Millions of yen)

	For the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-1,758	-1,060
Proceeds from sales of property, plant and equipment	48	67
Purchase of intangible assets	-1,147	-1,647
Purchase of investment securities	-723	-
Proceeds from sales of investment securities	697	285
Increase (decrease) by other investing activities	24	644
Net cash provided by (used in) investing activities	-2,858	-1,711
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	144,921	98,729
Repayment of short-term loans payable	-144,790	-106,233
Proceeds from issuance of commercial papers	24,994	129,982
Redemption of commercial papers	-10,000	-115,000
Proceeds from issuance of bonds	48,259	36,438
Redemption of bonds	-15,400	-25,000
Proceeds from long-term loans payable	117,886	127,133
Repayment of long-term loans payable	-106,239	-124,045
Repayments of finance lease obligations	-412	-494
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	0	-
Proceeds from share issuance to non-controlling shareholders	-	221
Cash dividends paid to non-controlling shareholders	-355	-471
Net cash provided by (used in) financing activities	58,863	21,259
Effect of exchange rate change on cash and cash equivalents	-109	-81
Net increase (decrease) in cash and cash equivalents	18,444	-13,168
Cash and cash equivalents at the beginning of period	83,275	101,719
Cash and cash equivalents at the end of period	101,719	88,551

(5) Notes on Consolidated Financial Statements

(Going-concern Assumption)

Not applicable

(Consolidated Balance Sheet)

1. Amount of subsidiaries' and affiliates' stocks included in investment securities

(Millions of yen)

	Prior fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Investment securities	324	335

2. Reserve for deposit of a consolidated subsidiary pursuant to the regulations of Bank Indonesia

(Millions of yen)

	Prior fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Cash and deposits	3,213	3,327

3. Contingent liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Outstanding guarantee obligation in the guarantee business	1,129,773	1,199,644
Outstanding guarantee obligation in the banking business	939	568
Provision for loss on guarantees	8,722	10,061
Net	1,121,990	1,190,151

4. Commitment line contracts for accounts receivable - operating loans

For the prior fiscal year (as of March 31, 2017)

Loans extended by the Company and some of consolidated subsidiaries primarily take the form of revolving credit-line contracts whereby a facility indicating a maximum loanable amount is assigned to a customer who is then able to borrow repeatedly within the limit of the facility, provided that contract terms have not been violated. Outstanding unexercised portions of such facilities amounted to 409,336 million yen at the end of the accounting period. This included a total of 239,735 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the fiscal year.

A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the Company.

Contracts contain provisions allowing the Company to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.

For the current fiscal year (as of March 31, 2018)

Loans extended by the Company and some of consolidated subsidiaries primarily take the form of revolving credit-line contracts whereby a facility indicating a maximum loanable amount is assigned to a customer who is then able to borrow repeatedly within the limit of the facility, provided that contract terms have not been violated. Outstanding unexercised portions of such facilities amounted to 456,235 million yen at the end of the accounting period. This included a total of 275,973 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the fiscal year.

A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the Company.

Contracts contain provisions allowing the Company to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.

5. Commitment line contracts for loans receivable of banking business

For the prior fiscal year (as of March 31, 2017)

The consolidated subsidiary, PT. Bank Nusantara Parahyangan, Tbk., has concluded a savings overdraft agreement pledging to lend funds up to an established limit when such financing is requested by a customer (as long as this lending does not violate conditions stipulated in the agreements) and a commitment line agreement on loans. The balance of undrawn lines of credit based on these agreements is 13,737 million yen as of the end of this consolidated fiscal year.

A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the corresponding consolidated subsidiary.

Contracts contain provisions allowing the bank to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.

For the current fiscal year (as of March 31, 2018)

The consolidated subsidiary, PT. Bank Nusantara Parahyangan, Tbk., has concluded a savings overdraft agreement pledging to lend funds up to an established limit when such financing is requested by a customer (as long as this lending does not violate conditions stipulated in the agreements) and a commitment line agreement on loans. The balance of undrawn lines of credit based on these agreements is 13,161 million yen as of the end of this consolidated fiscal year.

A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the corresponding consolidated subsidiary.

Contracts contain provisions allowing the bank to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.

6. Status of non-performing loans of accounts receivable - operating loans

Losses on unsecured consumer loans to bankrupt parties are written off at the time bankruptcy is declared. For this reason, loans to parties in bankruptcy include receivables for debtors who have petitioned for bankruptcy as of the end of the fiscal year, but not yet declared bankrupt. This entire amount is booked to on allowance for doubtful accounts.

(Millions of yen)

	Prior fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Loans to parties who have petitioned for bankruptcy, but not yet declared bankrupt	273	308

(Millions of yen)

	Prior fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Loans to bankrupt parties	714	788
Loans in arrears	24,706	23,821
Loans overdue by 3 months or more	4,287	4,753
Restructured loans	30,111	31,477
Total	59,819	60,841

(Note 1) Loans to bankrupt parties are loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others.

(Note 2) Loans in arrears are other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor.

(Note 3) Loans overdue by 3 months or more are loans other than the above that are overdue by 3 months or more.

(Note 4) Restructured loans are loans other than the above on which favorable terms have been granted, such as the waiving of interest.

7. Agreements for overdraft and commitment facilities

For efficient procurement of working capital, the Company and some of its subsidiaries maintain overdraft contract with financial institutions and designated commitment line contracts with financial institutions and etc. The unexercised portion of facilities based on these contracts was as follows.

(Millions of yen)

	Prior fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Agreed amount of agreement for overdraft and commitment line	155,565	125,922
Amount of borrowing	60,142	47,207
Net	95,423	78,715

(Consolidated Statement of Income)

The Company posted settlement regarding discontinued system development as "Settlement received" under Non - operating income.

(Segment and Related Information)

(Segment Information)

1. Outline of reported segment information

The reported segment of the Company is the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic review to determine distribution of management resources and evaluate their business results.

The Company conducts financial businesses comprised mainly of loan and credit card business in Japan and overseas.

In Japan, the Company mainly conducts guarantee business and loan servicing business in addition to loan and credit card business. In overseas, the Company also conducts financial businesses in Asia.

Accordingly, the Company's reported segments are "Loan and credit card business," "Guarantee business," "Overseas financial business" and “Loan servicing business.”

2. Methods of measurement for the amounts of operating revenue, income or loss, assets and other items by reported segments

The accounting treatment regarding the reported business segments are the same as recorded in the “Significant matters providing the basis for the preparation of consolidated financial statements.” The income of business segments are based on operating income. The intersegment operating revenue is based on trading prices in the market.

3. Information about operating revenue, income or loss, assets and other items by reported segments

For the year ended March 31, 2017 (from April 1, 2016, to March 31, 2017)

(Millions of yen)

	Reported Segments					Others (Note 1)	Total
	Loan and Credit Card Business	Guarantee Business	Overseas Financial Business	Loan Servicing Business	Subtotal		
Operating revenue							
Operating revenue from external customers	135,971	56,411	45,606	7,159	245,147	0	245,148
Revenues from transactions with other operating segments	-	-	12	-	12	183	196
Total	135,971	56,411	45,618	7,159	245,160	184	245,344
Segment Income (Loss)	-93,373	9,614	12,640	544	-70,574	184	-70,389
Segment Assets	824,737	32,445	215,325	9,350	1,081,858	54,521	1,136,380
Other Items							
Depreciation	2,621	1,030	598	12	4,263	-	4,263
Amortization of goodwill	-	984	-	-	984	-	984
Provision for bad debts(Note 2)	21,249	33,188	12,280	1,819	68,538	-	68,538
Provision for loss on interest repayment	143,728	-	-	-	143,728	-	143,728
Increase of tangible and intangible asset	1,392	512	749	2	2,657	-	2,657

(Note 1) "Others" category consist of operating revenue, income, and assets and other items which are not included in the reported segments.

(Note 2) This item is the sum of provision of allowance for doubtful accounts and provision for loss on guarantees, etc.

For the year ended March 31, 2018 (from April 1, 2017, to March 31, 2018)

(Millions of yen)

	Reported Segments					Others (Note 1)	Total
	Loan and Credit Card Business	Guarantee Business	Overseas Financial Business	Loan Servicing Business	Subtotal		
Operating revenue							
Operating revenue from external customers	139,826	65,171	51,895	6,560	263,453	0	263,453
Revenues from transactions with other operating segments	0	124	8	-	133	81	214
Total	139,826	65,295	51,904	6,560	263,586	81	263,668
Segment Income (Loss)	46,864	17,808	15,478	615	80,766	81	80,848
Segment Assets	853,532	36,143	239,492	8,814	1,137,983	49,793	1,187,776
Other Items							
Depreciation	2,648	1,117	672	11	4,449	-	4,449
Amortization of goodwill	-	984	-	-	984	-	984
Provision for bad debts(Note 2)	28,633	33,361	14,171	1,404	77,570	-	77,570
Provision for loss on interest repayment	-	-	-	-	-	-	-
Increase of tangible and intangible asset	1,069	100	586	8	1,765	-	1,765

(Note 1) "Others" category consist of operating revenue, income, and assets and other items which are not included in the reported segments.

(Note 2) This item is the sum of provision of allowance for doubtful accounts and provision for loss on guarantees, etc.

4. Amount and outline of difference between the total amounts of reported segments and amounts of consolidated financial statements

(Millions of yen)

Operating revenue	For the year ended March 31, 2017	For the year ended March 31, 2018
Total reported segments	245,160	263,586
Operting revenue of "Others" category	184	81
Elimination of intrasegment transactions	-183	-206
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	-12	-8
Operating revenue in consolidated financial statements	245,148	263,453

(Millions of yen)

Income (loss)	For the year ended March 31, 2017	For the year ended March 31, 2018
Total reported segments	-70,574	80,766
Income (loss) of "Others" category	184	81
Elimination of intrasegment transactions	97	-48
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	125	141
Operating profit (loss) in consolidated financial statements	-70,166	80,942

(Millions of yen)

Assets	As of March 31, 2017	As of March 31, 2018
Total reported segments	1,081,858	1,137,983
Assets of "Others" category	54,521	49,793
Elimination of intrasegment asset	-24,246	-24,452
Assets at head office	118,722	118,886
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	-1,925	-1,359
Total assets in consolidated financial statements	1,228,930	1,280,851

(Millions of yen)

Other Items	Sum of Reported Segments		Others		Adjustment Amount		Amounts in the Consolidated Financial Statements	
	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2018
Depreciation	4,263	4,449	-	-	-17	-1	4,246	4,448
Amortization of goodwill	984	984	-	-	-	-	984	984
Provision for bad debts	68,538	77,570	-	-	-0	-0	68,538	77,570
Provision for loss on interest repayment	143,728	-	-	-	-	-	143,728	-
Increase of tangible and intangible asset	2,657	1,765	-	-	147	4,898	2,804	6,663

(Note) The adjustment amount of increase of tangible and intangible assets is mainly the amount of capital investment in assets at head office.

(Per Share Information)

(Yen)

Item	For the year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)	For the year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)
Net assets per share	159.58	206.12
Basic earnings (loss) per share	-46.08	45.05

Notes: 1. Dilutive earnings per share for prior fiscal year is not stated as the Company posted basic loss per share and there is no dilutive security. Dilutive earnings per share for current fiscal year is not stated as there is no dilutive security.

2. Basic earnings (loss) per share is calculated based on the following data.

(Millions of yen unless otherwise stated)

Item	For the year ended March 31, 2017 (From April 1, 2016 to March 31, 2017)	For the year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)
Profit (loss) attributable to owners of parent	-72,187	70,572
Profit not attributable to common shareholders	-	-
Profit (loss) attributable to owners of parent related to common stock	-72,187	70,572
Weighted average number of common stock during the consolidated fiscal year	1,566,614,208 shares	1,566,614,208 shares

3. Net assets per share is calculated based on the following data.

(Millions of yen unless otherwise stated)

Item	Prior fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Total net assets	267,226	344,437
Amount deducted from total net assets	17,219	21,521
[Non-controlling interests included in the above]	[17,219]	[21,521]
Amounts of net assets related to common stock at the end of fiscal year	250,006	322,916
Number of common shares to calculate net assets per share at the end of fiscal year	1,566,614,208 shares	1,566,614,208 shares

(Significant Subsequent Events)

Not applicable

4. Non-consolidated Financial Statements
(1) Non-consolidated Balance Sheet

(Millions of yen)

	Prior fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Assets		
Current assets		
Cash and deposits	90,802	78,196
Accounts receivable - operating loans	784,806	803,365
Accounts receivable - installment	38,109	52,445
Securities	-	58
Raw materials and supplies	26	25
Prepaid expenses	531	612
Deferred tax assets	36,506	37,632
Accrued income	14,122	15,529
Short-term loans receivable from subsidiaries and affiliates	3,300	2,600
Current portion of long-term loans receivable from subsidiaries and associates	-	630
Right to reimbursement	38,525	47,852
Other	2,252	2,564
Allowance for doubtful accounts	-50,750	-57,230
Total current assets	958,234	984,283
Noncurrent assets		
Property, plant and equipment		
Buildings	23,791	23,147
Accumulated depreciation	-19,772	-19,369
Buildings, net	4,018	3,778
Structures	4,060	3,848
Accumulated depreciation	-3,188	-3,085
Structures, net	871	763
Vehicles	2	2
Accumulated depreciation	-2	-2
Vehicles, net	0	0
Equipment	18,348	18,351
Accumulated depreciation	-8,574	-8,996
Equipment, net	9,774	9,355
Land	6,121	6,109
Lease assets	2,570	3,992
Accumulated depreciation	-2,036	-2,435
Lease assets, net	533	1,556
Total property, plant and equipment	21,319	21,563
Intangible assets		
Goodwill	5,474	4,063
Leasehold right	4	4
Software	3,486	5,895
Telephone subscription right	36	36
Other	1	1
Total intangible assets	9,004	10,001

(Millions of yen)

	Prior fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Investments and other assets		
Investment securities	917	830
Stocks of subsidiaries and affiliates	19,347	20,231
Long-term loans receivable from subsidiaries and affiliates	665	-
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,174	1,375
Long-term prepaid expenses	446	1,418
Guarantee deposits	5,087	4,812
Prepaid pension cost	4,711	5,064
Other	1,768	1,201
Allowance for doubtful accounts	-750	-870
Total investments and other assets	33,369	34,064
Total noncurrent assets	63,693	65,629
Total assets	1,021,927	1,049,913
Liabilities		
Current liabilities		
Accounts payable-trade	402	489
Short-term loans payable	6,000	-
Commercial papers	14,997	29,998
Current portion of long-term loans payable	99,666	150,572
Current portion of bonds	25,000	35,000
Lease obligations	281	573
Accounts payable-other	2,675	4,791
Accrued expenses	6,987	7,462
Income taxes payable	1,679	2,582
Deposit received	252	329
Provision for loss on guarantees	8,100	9,360
Asset retirement obligations	17	85
Other	97	142
Total current liabilities	166,158	241,385
Noncurrent liabilities		
Bonds payable	176,000	166,000
Long-term loans payable	287,890	246,150
Lease obligations	329	1,150
Deferred tax liabilities	1,457	1,564
Provision for loss on interest repayment	164,900	104,068
Asset retirement obligations	4,229	4,052
Other	144	1,542
Total noncurrent liabilities	634,952	524,529
Total liabilities	801,110	765,915

(Millions of yen)

	Prior fiscal year (As of March 31, 2017)	Current fiscal year (As of March 31, 2018)
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus		
Legal capital surplus	72,322	72,322
Other capital surplus	3,687	3,687
Total capital surplus	76,010	76,010
Retained earnings		
Legal retained earnings	4,320	4,320
Other retained earnings		
General reserve	80,000	80,000
Retained earnings brought forward	16,443	79,627
Total retained earnings	100,763	163,948
Treasury stock	-19,794	-19,794
Total shareholders' equity	220,812	283,997
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4	0
Total valuation and translation adjustments	4	0
Total net assets	220,816	283,997
Total liabilities and net assets	1,021,927	1,049,913

(2) Non-consolidated Statement of Income

(Millions of yen)

	For the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)
Operating revenue		
Interest on operating loans	117,819	120,405
Credit card revenue	4,455	6,168
Revenue from credit guarantee	42,199	48,892
Other financial revenue		
Interest on deposits	0	0
Total other financial revenue	0	0
Other operating revenue	19,522	19,843
Total operating revenue	183,997	195,310
Operating expenses		
Financial expenses		
Interest expenses	4,891	4,263
Interest on bonds	1,548	1,448
Amortization of bond issuance cost	181	127
Other	531	601
Total financial expenses	7,153	6,442
Other operating expenses		
Advertising expenses	11,427	11,299
Provision of allowance for doubtful accounts	43,686	49,893
Provision for loss on guarantees	8,100	9,360
Provision for loss on interest repayment	143,728	-
Employees' salaries and bonuses	11,779	12,042
Retirement benefit expenses	412	718
Welfare expenses	1,937	2,006
Rent expenses	5,266	5,087
Depreciation	3,169	3,263
Commission fee	21,186	20,804
Amortization of goodwill	984	984
Other	10,556	11,639
Total other operating expenses	262,234	127,100
Total operating expenses	269,388	133,542
Operating profit (loss)	-85,390	61,767

(Millions of yen)

	For the year ended March 31, 2017 (from April 1, 2016 to March 31, 2017)	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)
Non-operating income		
Interest income	78	68
Interest on securities	0	0
Dividends income	871	3,167
Other	415	662
Total non-operating income	1,366	3,899
Non-operating expenses		
Interest expenses	12	28
Foreign exchange losses	8	71
Other	9	95
Total non-operating expenses	30	195
Ordinary profit (loss)	-84,054	65,471
Extraordinary income		
Gain on sales of noncurrent assets	8	4
Gain on sales of investment securities	180	25
Other	0	-
Total extraordinary income	189	29
Extraordinary loss		
Loss on sales of noncurrent assets	1	6
Loss on retirement of noncurrent assets	118	138
Impairment loss	-	426
Loss on valuation of investment securities	-	0
Other	0	2
Total extraordinary loss	121	574
Profit (loss) before income taxes	-83,986	64,926
Income taxes-current	1,005	2,759
Income taxes-deferred	-5,702	-1,018
Total income taxes	-4,697	1,741
Profit (loss)	-79,289	63,184

(3) Non-consolidated Statement of Changes in Net Assets

Prior fiscal year (from April 1, 2016, to March 31, 2017)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of the period	63,832	72,322	3,687	76,010
Changes of items during the period				
Profit (loss)				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	-	-
Balance at the end of the period	63,832	72,322	3,687	76,010

	Shareholders' equity			
	Retained earnings			
	Legal retained earnings	Other retained earnings		Total retained earnings
		General reserve	Retained earnings brought forward	
Balance at the beginning of the period	4,320	80,000	95,732	180,052
Changes of items during the period				
Profit (loss)			-79,289	-79,289
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	-79,289	-79,289
Balance at the end of the period	4,320	80,000	16,443	100,763

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the period	-19,794	300,101	7	7	300,109
Changes of items during the period					
Profit (loss)		-79,289			-79,289
Net changes of items other than shareholders' equity			-3	-3	-3
Total changes of items during the period	-	-79,289	-3	-3	-79,292
Balance at the end of the period	-19,794	220,812	4	4	220,816

Current fiscal year (from April 1, 2017, to March 31, 2018)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of the period	63,832	72,322	3,687	76,010
Changes of items during the period				
Profit (loss)				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	-	-
Balance at the end of the period	63,832	72,322	3,687	76,010

	Shareholders' equity			
	Retained earnings			
	Legal retained earnings	Other retained earnings		Total retained earnings
		General reserve	Retained earnings brought forward	
Balance at the beginning of the period	4,320	80,000	16,443	100,763
Changes of items during the period				
Profit (loss)			63,184	63,184
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	63,184	63,184
Balance at the end of the period	4,320	80,000	79,627	163,948

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the period	-19,794	220,812	4	4	220,816
Changes of items during the period					
Profit (loss)		63,184			63,184
Net changes of items other than shareholders' equity			-3	-3	-3
Total changes of items during the period	-	63,184	-3	-3	63,181
Balance at the end of the period	-19,794	283,997	0	0	283,997