(Translation for reference only)
In the event of any discrepancy between this translated document and the original Japanese document the original document shall prevail.

Brief Statement of Financial Results for the Fiscal Year Ended March 2019 [Japanese GAAP (Consolidated)]

May 14, 2019

Forward-looking Statement

The statements and figures contained in this Brief Statement of Financial Results for the fiscal year ended March 2019 (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 21, 2019
Registration date of annual securities report:	June 21, 2019
Commencement date of dividend payment:	June 24, 2019
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 2019 (from April 1, 2018, to March 31, 2019)

(1) Consolidated Operating Results

(Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
3/2019	277,069	5.2%	57,607	-28.8%	58,205	-28.8%	37,781	-46.5%
3/2018	263,453	7.5%	80,942	–	81,694	–	70,572	–

[Note] Comprehensive income 3/2019: 40,643 million yen [-47.5%] 3/2018: 77,461 million yen [–%]

	Basic Earnings per Share (Yen)	Net Income per Share Diluted (Yen)	Return on Equity (ROE)	Ordinary Profit to Total Assets	Operating Margin
3/2019	24.12	–	11.1%	4.5%	20.8%
3/2018	45.05	–	24.6%	6.5%	30.7%

<Reference> Equity in earnings of affiliates 3/2019: 7 million yen 3/2018: 10 million yen

(2) Consolidated Financial Status

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
3/2019	1,301,908	381,501	27.4%	227.35
3/2018	1,275,957	344,437	25.3%	206.12

<Reference> Shareholders' Equity 3/2019: 356,174 million yen 3/2018: 322,916 million yen

<Note>

The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from the beginning of the three months ended June 30, 2018. Accordingly, the consolidated financial position for the fiscal year ended March 2018 are stated in figures to which the above accounting standard has been retrospectively applied.

(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
3/2019	7,329	-1,165	-12,573	82,346
3/2018	-32,634	-1,711	21,259	88,551

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)			
3/2018	–	0.00	–	1.00	1.00	1,566	2.2	0.5
3/2019	–	1.00	–	1.00	2.00	3,133	8.3	0.9
3/2020 (Forecast)	–	2.00	–	2.00	4.00		8.3	

3. Forecasts for the Fiscal Year Ending March 31, 2020 (from April 1, 2019, to March 31, 2020)

(Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of the Parent		Basic Earnings per Share (Yen)
First Half	138,000	0.5%	44,700	-6.8%	44,900	-6.9%	40,500	1.7%	25.85
Annual	275,000	-0.6%	87,600	52.1%	87,900	51.0%	75,500	99.8%	48.19

(Notes)

(1) Change in Important Subsidiaries for the Year ended March 2019 (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, 2019: 1,596,282,800 shares FY March 31, 2018: 1,596,282,800 shares

B) Number of treasury stock at the end of period

FY March 31, 2019: 29,668,592 shares FY March 31, 2018: 29,668,592 shares

C) Number of average shares outstanding

FY March 31, 2019: 1,566,614,208 shares FY March 31, 2018: 1,566,614,208 shares

(Reference) Outline of non-consolidated business results

1. Non-consolidated Business Results for the Fiscal Year Ended March 2019 (from April 1, 2018, to March 31, 2019)

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

	Operating Revenue		Operating Profit		Ordinary Profit		Profit	
3/2019	203,636	4.3%	33,635	-45.5%	37,472	-42.8%	29,927	-52.6%
3/2018	195,310	6.1%	61,767	–	65,471	–	63,184	–

	Basic Earnings per Share (Yen)	Net Income per Share Diluted (Yen)
3/2019	19.10	–
3/2018	40.33	–

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

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
3/2019	1,070,518	310,792	29.0%	198.38
3/2018	1,048,349	283,997	27.1%	181.28

<Reference> Shareholders' Equity 3/2019: 310,792 million yen 3/2018: 283,997 million yen

<Note>

The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from the beginning of the three months ended June 30, 2018. Accordingly, the non-consolidated financial position for the fiscal year ended March 2018 are stated in figures to which the above accounting standard has been retrospectively applied.

2. Forecasts for the Fiscal Year Ending March 31, 2020 (from April 1, 2019, to March 31, 2020) (Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit		Basic earnings per Share (Yen)
First Half	102,000	0.6%	33,100	-8.8%	38,300	-4.0%	41,000	11.5%	26.17
Annual	205,200	0.8%	63,700	89.4%	69,000	84.1%	70,300	134.9%	44.87

(Note) Brief Statement of financial results is not subject to review procedures of CPAs nor an accounting firm.

(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 a financial results conference for the year ended March 2019 for domestic institutional investors and financial analysts, and a conference call for foreign institutional investors and analysts on May 15, 2019. 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.

Contents

1. Analyses of Business Results and Financial Position: P2
   (1) Analysis of Business Results: P2
   (2) Analysis of Financial Position: P3
   (3) Status of Cash Flows: P4
   (4) Outlook for the Next Fiscal Year: P4
   (5) Basic Policy on Profit Distribution and Dividend for This and Next Fiscal Year: P4

2. Basic Stance on Selection of Accounting Policy: P4

3. Consolidated Financial Statements and Major Notes: P5
   (1) Consolidated Balance Sheet: P5
   (2) Consolidated Statement of Income and Statement of Comprehensive Income: P8
   (3) Consolidated Statement of Changes in Net Assets: P11
   (4) Consolidated Statement of Cash Flows: P13
   (5) Notes on Consolidated Financial Statements: P15
      (Going-concern Assumption): P15
      (Changes in Presentation): P15
      (Consolidated Balance Sheet): P15
      (Segment and Related Information): P18
      (Per Share Information): P20
      (Significant Subsequent Events): P21

4. Non-consolidated Financial Statements: P22
   (1) Non-consolidated Balance Sheet: P22
   (2) Non-consolidated Statement of Income: P25
   (3) Non-consolidated Statement of Changes in Net Assets: P27

1. Analyses of Business Results and Financial Position

(1) Analysis of Business Results

During the fiscal year ended March 31, 2019, moderate economic recovery is expected to continue in the Japanese economy amid ongoing recovery in consumer spending and improvement in the employment and income environment due partly 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.

In the nonbank business sector, 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 personal loan market, while making efforts to contribute to sound growth of the market.

Consolidated operating revenue for the fiscal year ended March 31, 2019, increased to 277,069 million yen (up 5.2% year-on-year) primarily due to increases in interest on operating loans and revenue from credit guarantee. Operating expenses increased to 219,461 million yen (up 20.2% year-on-year) despite decreases in financial expenses and provision for bad debts. This is mainly attributable to the posting of provision for loss on interest repayment. As a result, operating profit was 57,607 million yen (down 28.8% year-on-year), ordinary profit was 58,205 million yen (down 28.8% year-on-year), and profit attributable to owners of parent was 37,781 million yen (down 46.5% year-on-year).

Business results for each segment are as follows:

(Loan and credit card business)

In the domestic loan business, we made efforts to gather and acquire new customers, improve product/service functions, and maintain the soundness of loan portfolio.

As for the gathering and acquiring of new customers, we began featuring Atsuro Watabe and Miki Sato as celebrity promoters from August 2018 to publicize the sound logo of “Hajimete-no (First time at) ACOM” and products/services, while placing advertisements on the Internet video site YouTube. Through these efforts, we strove to expand recognition and earn favorable public image for targets.

As for the improvement of product/service functions, we made system changes to accommodate to all-day borrowing by bank transfer in order to further enhance convenience for customers. Further, we made continuous efforts to enhance the quality of customer-reception in digital channels such as our website.

In addition to these 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 821,943 million yen (up 2.3% year-on-year).

In the domestic credit card business, our credit cards (AC MasterCard) were modified to IC transaction types effective from October 2018. We also made it possible to issue IC cards at instant issue credit card machines installed at automatic contract machine corners nationwide. Through these sales promotional and utilization boosting efforts, accounts receivable - installment increased to 63,137 million yen (up 20.4% year-on-year).

As a result, the business segment’s operating revenue was 144,829 million yen (up 3.6% year-on-year) mainly due to increases in interest on operating loans and revenue from credit card business.

However, operating profit was 11,804 million yen (down 74.8% year-on-year) due to the posting of provision for loss on interest repayment.

(Guarantee business)

In the guarantee business, we continued to work on reasonable communication with existing partners as a credit guarantee company.

To enhance partnerships with existing partners, the Company continued appropriate screening, provided various figures based on analyses on loan portfolio and effectiveness of advertisement measures, etc. 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 1,212,255 million yen (up 1.1% year-on-year). The business segment’s operating revenue was 69,341 million yen (up 6.2% year-on-year) mainly due to an increase in revenue from credit guarantee, and operating profit was 25,241 million yen (up 41.7% year-on-year) due primarily 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 amid an environment of tightened new loan regulations including new loan standards implemented by the Bank of Thailand in September 2017. 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.

PT. Bank Nusantara Parahyangan, Tbk. – the Company's banking subsidiary in Indonesia – resolved to merge with PT Bank Danamon Indonesia, Tbk., another leading Indonesian bank whose shares are strategically held by MUFG Bank, Ltd. The purpose of merger is to establish a foundation of retail commercial business as MUFG Group.

In the Republic of the Philippines, ACOM CONSUMER FINANCE CORPORATION launched a full-fledged loan business in July 2018 and proactively promoted marketing activities. 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 financial business development in Japan, the Kingdom of Thailand, and the Republic of Indonesia.

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 56,995 million yen (up 9.8% year-on-year), due primarily to an increase in interest on operating loans in accordance with our business expansion, and operating profit was 19,802 million yen (up 27.9% 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 market.

As a result, the business segment's operating revenue was 5,893 million yen (down 10.2% year-on-year), mainly due to a decrease in amount of collection from purchased receivables, and operating profit was 390 million yen (down 36.5% year-on-year).

(2) Analysis of Financial Position

Compared with the end of the prior fiscal year, total assets increased by 25,951 million yen and total liabilities decreased by 11,113 million yen, whereas net assets increased by 37,064 million yen as of March 31, 2019. Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets increased by 35,100 million yen while noncurrent assets decreased by 9,149 million yen. Consequently, total assets increased by 25,951 million yen. The breakdown of major changes in current assets is as follows: accounts receivable - operating loans (up 25,311 million yen), accounts receivable - installment (up 10,706 million yen), cash and deposits (down 6,338 million yen), and trading account securities (down 1,651 million yen). The breakdown of major decreases in noncurrent assets is as follows: land (down 3,006 million yen), software (down 1,716 million yen), buildings and structures (down 1,052 million yen), and goodwill (down 813 million yen).

(Liabilities)

With regard to the liabilities account, changes in current and noncurrent liabilities were a decrease of 5,171 million yen and a decrease of 5,942 million yen, respectively, resulting in a decrease of 11,113 million yen in total liabilities. The breakdown of major decreases in liabilities includes: loans and bonds payable (down 9,376 million yen) and provision for loss on interest repayment (down 1,768 million yen).

(Net assets)

In terms of net assets, shareholders' equity increased by 34,619 million yen mainly due to an increase in retained earnings, accumulated other comprehensive income decreased by 1,361 million yen due to decreases in remeasurements of defined benefit plans and foreign currency translation adjustment, and non-controlling interests increased by 3,806 million yen. As a result, total net assets increased by 37,064 million yen, and the shareholders' equity ratio increased by 2.1 percentage points to 27.4%.

The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from the beginning of the three months ended June 30, 2018. Accordingly, the figures in the current financial position are compared and analyzed with the figures in the prior fiscal year to which the above accounting standard has been retrospectively applied.

(3) Status of Cash Flows

Cash and cash equivalents (hereinafter, “funds”) at the end of the current fiscal year decreased by 6,204 million yen (down 7.0%) from the end of the prior fiscal year to 82,346 million yen.

With respect to net cash provided by operating activities, funds saw an increase of 7,329 million yen, reflecting various factors such as 55,334 million yen in profit before income taxes, an increase of 4,749 million yen in depreciation and amortization, an increase of 2,800 million yen in impairment loss, an increase of 1,214 million yen in allowance for doubtful accounts, and a decrease of 1,768 million yen in provision for loss on interest repayment, as well as funds-decreasing factors such as an increase of 27,327 million yen in accounts receivable - operating loans and an increase of 10,713 million yen in accounts receivable - installment.

With respect to net cash used in investing activities, funds saw a decrease of 1,165 million yen. This was primarily due to the fact that the purchase of intangible assets amounted to 2,019 million yen, the purchase of securities amounted to 1,365 million yen, and that the amount of proceeds from redemption of securities amounted to 1,187 million yen.

With respect to net cash used in financing activities, funds saw a decrease of 12,573 million yen. This was primarily due to the fact that the total amount of proceeds from loans and issuance of bonds was 8,405 million yen less than the repayments of loans payable and payments at maturity of bonds and cash dividends paid amounted to 3,131 million yen.

(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 following outlook for the fiscal year ending March 2020. Its quantitative outlook of combined receivables from loan & credit card business and guarantee business is 2 trillion and 151.6 billion yen. The outlook of receivable of loan & credit card business is 918.0 billion yen, and receivable of guarantee business is 1 trillion and 233.6 billion yen in the domestic domain. As for the overseas domain, the Company aims to attain loans receivable of 53.8 billion baht for EASY BUY Public Company Limited in the Kingdom of Thailand.

With regard to quantitative targets, the Group forecasts consolidated operating revenue of 275.5 billion yen, ordinary profit of 87.9 billion yen and profit attributable to owners of parent of 75.5 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 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.

As for the fiscal year ended March 2019, year-end dividend of 1 yen is planned as initially announced. This dividend payment will be subject to approval at the ordinary general meeting of shareholders scheduled in June 2019.

As for the fiscal year ending March 2020, annual dividend of 4 yen is planned. This consists of 2 yen at the second quarter and 2 yen scheduled at the fourth quarter.

The group will make further commitment for its long-term sustainable stable growth.

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, 2018)	Current fiscal year (As of March 31, 2019)
Assets		
Current assets		
Cash and deposits	91,884	85,546
Accounts receivable - operating loans	975,116	1,000,428
Loans receivable of banking business	48,808	48,331
Accounts receivable - installment	53,034	63,740
Purchased receivables	10,603	9,435
Short-term investment securities	904	479
Trading account securities	1,651	-
Raw materials and supplies	60	64
Other	81,342	91,327
Allowance for doubtful accounts	-75,686	-76,532
Total current assets	1,187,721	1,222,821
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	28,599	24,545
Accumulated depreciation	-23,755	-20,753
Buildings and structures, net	4,844	3,791
Vehicles	14	11
Accumulated depreciation	-13	-10
Vehicles, net	0	0
Equipment	21,324	21,245
Accumulated depreciation	-11,129	-11,638
Equipment, net	10,195	9,606
Land	6,203	3,196
Lease assets	4,232	4,139
Accumulated depreciation	-2,675	-2,870
Lease assets, net	1,556	1,269
Total property, plant and equipment	22,800	17,864
Intangible assets		
Goodwill	4,063	3,250
Leasehold right	4	4
Software	7,103	5,387
Telephone subscription right	37	37
Other	1	9
Total intangible assets	11,210	8,687

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Investments and other assets		
Investment securities	4,261	4,247
Net defined benefit asset	4,559	3,898
Deferred tax assets	36,850	36,117
Guarantee deposits	5,259	5,035
Other	4,194	4,266
Allowance for doubtful accounts	-899	-1,032
Total investments and other assets	54,224	52,534
Total noncurrent assets	88,235	79,086
Total assets	1,275,957	1,301,908
Liabilities		
Current liabilities		
Notes and accounts payable-trade	500	509
Short-term loans payable	10,873	11,547
Commercial papers	29,998	39,998
Current portion of long-term loans payable	160,244	146,714
Current portion of bonds	45,350	41,519
Deposits of banking business	53,074	52,319
Lease obligations	573	523
Income taxes payable	5,112	7,772
Provision for loss on guarantees	10,061	9,661
Asset retirement obligations	89	10
Deferred installment income	53	42
Other	16,063	16,205
Total current liabilities	331,995	326,824
Noncurrent liabilities		
Bonds payable	211,210	202,691
Long-term loans payable	276,841	282,671
Lease obligations	1,150	896
Deferred tax liabilities	0	28
Provision for directors' retirement benefits	22	25
Provision for loss on interest repayment	104,068	102,300
Net defined benefit liability	334	338
Asset retirement obligations	4,320	4,159
Other	1,574	470
Total noncurrent liabilities	599,523	593,581
Total liabilities	931,519	920,406

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	73,578	73,549
Retained earnings	202,410	237,058
Treasury stock	-19,794	-19,794
Total shareholders' equity	320,026	354,646
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	-0
Foreign currency translation adjustment	3,412	2,832
Remeasurements of defined benefit plans	-523	-1,304
Total accumulated other comprehensive income	2,889	1,528
Non-controlling interests	21,521	25,327
Total net assets	344,437	381,501
Total liabilities and net assets	1,275,957	1,301,908

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

Consolidated Statement of Income

(Millions of yen)

	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)
Operating revenue		
Interest on operating loans	161,564	169,273
Interest on loans of banking business	6,049	6,135
Credit card revenue	6,168	7,773
Per-item revenue	74	64
Revenue from credit guarantee	58,401	61,428
Collection from purchased receivable	5,429	4,739
Other financial revenue		
Interest on deposits	61	61
Interest on securities	224	101
Interest on loans	19	87
Interest on deposits with banks	187	126
Other	298	455
Total other financial revenue	792	832
Other operating revenue	24,973	26,822
Total operating revenue	263,453	277,069
Operating expenses		
Financial expenses		
Interest expenses	5,931	5,044
Interest on deposits of banking business	2,912	2,615
Interest on bonds	2,851	2,845
Amortization of bond issuance cost	148	143
Other	610	662
Total financial expenses	12,454	11,310
Cost of purchased receivable	2,465	2,087
Other operating expenses		
Advertising expenses	11,734	12,103
Provision of allowance for doubtful accounts	67,519	66,261
Provision for loss on guarantees	10,050	9,728
Provision for loss on interest repayment	-	39,479
Employees' salaries and bonuses	19,534	20,193
Retirement benefit expenses	1,045	954
Provision for directors' retirement benefits	3	3
Welfare expenses	2,723	2,684
Rent expenses	6,599	6,408
Depreciation	4,448	4,749
Commission fee	24,197	22,954
Amortization of goodwill	984	813
Other	18,750	19,728
Total other operating expenses	167,591	206,062
Total operating expenses	182,511	219,461
Operating profit	80,942	57,607

(Millions of yen)

	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)
Non-operating income		
Interest income	252	209
Dividends income	13	15
Equity in earnings of affiliates	10	7
House rent income	277	282
Settlement received	199	-
Other	212	209
Total non-operating income	965	724
Non-operating expenses		
Interest expenses	28	31
Foreign exchange losses	84	25
Insurance cancellation losses	16	55
Other	83	13
Total non-operating expenses	213	126
Ordinary profit	81,694	58,205
Extraordinary income		
Gain on sales of noncurrent assets	38	384
Gain on sales of investment securities	25	3
Total extraordinary income	63	388
Extraordinary loss		
Loss on sales of noncurrent assets	10	259
Loss on retirement of noncurrent assets	149	191
Impairment loss	426	2,800
Loss on valuation of investment securities	0	6
Other	2	1
Total extraordinary loss	589	3,259
Profit before income taxes	81,168	55,334
Income taxes-current	8,505	11,126
Income taxes-deferred	-1,571	1,684
Total income taxes	6,934	12,810
Profit	74,233	42,523
Profit attributable to non-controlling interests	3,661	4,742
Profit attributable to owners of parent	70,572	37,781

Consolidted Statement of Comprehensive Income

(Millions of yen)

	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)
Profit	74,233	42,523
Other comprehensive income		
Valuation difference on available-for-sale securities	-3	-0
Foreign currency translation adjustment	3,185	-1,113
Remeasurements of defined benefit plans, net of tax	45	-766
Total other comprehensive income	3,228	-1,880
Comprehensive income	77,461	40,643
Comprehensive income attributable to:		
Owners of the parent	72,909	36,420
Non-controlling interests	4,552	4,223

(3) Consolidated Statement of Changes in Net Assets

Prior 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					
Dividends from surplus					
Profit attributable to owners of parent			70,572		70,572
Purchase 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						
Dividends from surplus						
Profit attributable to owners of parent						70,572
Purchase 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

Current fiscal year (from April 1, 2018, to March 31, 2019)

(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	202,410	-19,794	320,026
Changes of items during the period					
Dividends from surplus			-3,133		-3,133
Profit attributable to owners of parent			37,781		37,781
Purchase of shares of consolidated subsidiaries		-29			-29
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-29	34,648	-	34,619
Balance at the end of the period	63,832	73,549	237,058	-19,794	354,646

	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	0	3,412	-523	2,889	21,521	344,437
Changes of items during the period						
Dividends from surplus						-3,133
Profit attributable to owners of parent						37,781
Purchase of shares of consolidated subsidiaries						-29
Net changes of items other than shareholders' equity	-0	-579	-781	-1,361	3,806	2,444
Total changes of items during the period	-0	-579	-781	-1,361	3,806	37,064
Balance at the end of the period	-0	2,832	-1,304	1,528	25,327	381,501

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	81,168	55,334
Depreciation and amortization	4,448	4,749
Impairment loss	426	2,800
Amortization of goodwill	984	813
Increase (decrease) in allowance for doubtful accounts	8,496	1,214
Increase (decrease) in provision for loss on guarantees	1,338	-399
Increase (decrease) in net defined benefit liability	56	48
Increase (decrease) in provision for directors' retirement benefits	-5	3
Increase (decrease) in provision for loss on interest repayment	-60,831	-1,768
Interest and dividends income	-265	-224
Interest expenses	28	31
Amortization of bond issuance cost	148	143
Foreign exchange losses (gains)	86	13
Equity in (earnings) losses of affiliates	-10	-7
Settlement received	-199	-
Loss (gain) on sales of property, plant and equipment	-27	-125
Loss on retirement of property, plant and equipment	140	191
Loss (gain) on sales of investment securities	-25	-3
Loss (gain) on valuation of investment securities	0	6
Decrease (increase) in accounts receivable - operating loans	-34,713	-27,327
Decrease (increase) in loans receivable of banking business	-4,518	-3,637
Decrease (increase) in accounts receivable - installment	-14,350	-10,713
Decrease (increase) in purchased receivables	730	1,167
Decrease (increase) in net defined benefit asset	-425	-492
Decrease (increase) in trading account securities	2,589	1,533
Decrease (increase) in inventories	17	-6
Decrease (increase) in other current assets	-11,489	-10,430
Increase (decrease) in notes and accounts payable-trade	85	9
Increase (decrease) in deposits of banking business	-441	3,714
Increase (decrease) in deferred installment income	-16	-11
Increase (decrease) in other current liabilities	1,791	193
Increase (decrease) by other operating activities	-1,266	-1,178
Subtotal	-26,049	15,641
Interest and dividends income received	265	235
Interest expenses paid	-28	-31
Settlement package received	199	-
Income taxes paid	-7,022	-8,516
Net cash provided by (used in) operating activities	-32,634	7,329

(Millions of yen)

	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)
Net cash provided by (used in) investing activities		
Purchase of securities	-	-1,365
Proceeds from redemption of securities	-	1,187
Purchase of property, plant and equipment	-1,060	-704
Proceeds from sales of property, plant and equipment	67	917
Purchase of intangible assets	-1,647	-2,019
Purchase of investment securities	-	-477
Proceeds from sales and redemption of investment securities	285	784
Increase (decrease) by other investing activities	644	511
Net cash provided by (used in) investing activities	-1,711	-1,165
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	98,729	143,597
Repayment of short-term loans payable	-106,233	-142,880
Proceeds from issuance of commercial papers	129,982	159,976
Redemption of commercial papers	-115,000	-150,000
Proceeds from issuance of bonds	36,438	33,404
Redemption of bonds	-25,000	-45,260
Proceeds from long-term loans payable	127,133	158,191
Repayment of long-term loans payable	-124,045	-165,436
Repayments of finance lease obligations	-494	-591
Proceeds from share issuance to non-controlling shareholders	221	357
Cash dividends paid	-	-3,131
Cash dividends paid to non-controlling shareholders	-471	-790
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	-13
Net cash provided by (used in) financing activities	21,259	-12,573
Effect of exchange rate change on cash and cash equivalents	-81	205
Net increase (decrease) in cash and cash equivalents	-13,168	-6,204
Cash and cash equivalents at the beginning of period	101,719	88,551
Cash and cash equivalents at the end of period	88,551	82,346

(5) Notes on Consolidated Financial Statements

(Going-concern Assumption)

Not applicable

(Changes in Presentation)

<Changes accompanying "Partial Amendments to Accounting Standard for Tax Effect Accounting">

The Company has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from the beginning of the three months ended June 30, 2018. Accordingly, deferred tax assets are presented under investments and other assets and deferred tax liabilities are presented under noncurrent liabilities.

Consequently, in the consolidated balance sheet for the prior fiscal year, "Deferred tax assets" under "Current assets" decreased by 41,307 million yen and "Deferred tax assets" under "Investments and other assets" increased by 36,413 million yen, while "Deferred tax liabilities" under "Current liabilities" decreased by 0 million yen and "Deferred tax liabilities" under "Noncurrent liabilities" decreased by 4,893 million yen.

Because "Deferred tax assets" and "Deferred tax liabilities" offset each other in the same taxable entity, total assets, total liabilities, and total liabilities and net assets decreased by 4,893 million yen, respectively.

<Consolidated Statement of Income>

"Insurance cancellation losses" in non-operating income was included in "Other" for the prior fiscal year. As it has increased its quantitative significance, "Insurance cancellation losses" has been separately listed effective from the current fiscal year. To reflect these changes in presentation, the financial statements for the prior fiscal year have been reclassified.

To reflect this change in the statement of income for the prior fiscal year, 100 million yen of "Other" in non-operating income has been reclassified into 16 million yen of "Insurance cancellation losses" and 83 million yen of "Other."

(Consolidated Balance Sheet)

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Investment securities	335	342

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, 2018)	Current fiscal year (As of March 31, 2019)
Cash and deposits	3,327	3,092

3. Contingent liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Outstanding guarantee obligation in the guarantee business	1,199,644	1,212,255
Outstanding guarantee obligation in the banking business	568	510
Provision for loss on guarantees	10,061	9,661
Net	1,190,151	1,203,103

4. Commitment line contracts for accounts receivable - operating loans

For the prior 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.

For the current fiscal year (as of March 31, 2019)

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 496,960 million yen at the end of the accounting period. This included a total of 314,419 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, 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.

For the current fiscal year (as of March 31, 2019)

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 10,336 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, 2018)	Current fiscal year (As of March 31, 2019)
Loans to parties who have petitioned for bankruptcy, but not yet declared bankrupt	308	275

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Loans to bankrupt parties	788	769
Loans in arrears	23,821	24,179
Loans overdue by 3 months or more	4,753	4,753
Restructured loans	31,477	31,990
Total	60,841	61,692

(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, 2018)	Current fiscal year (As of March 31, 2019)
Agreed amount of agreement for overdraft and commitment line	125,922	123,458
Amount of borrowing	47,207	39,579
Net	78,715	83,879

(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.

The Company has applied the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28, February 16, 2018) from the beginning of the three months ended June 30, 2018. Accordingly, the segment assets for the fiscal year ended March 2018 are stated in figures to which the above accounting standard has been retrospectively applied.

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

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	46,864	17,808	15,478	615	80,766	81	80,848
Segment Assets	853,532	36,143	239,492	8,788	1,137,957	49,793	1,187,751
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.

(Note 3) Different criteria are applied for allocation of non-current assets to each segment and for allocation of relevant depreciation to each segment, respectively.

For the year ended March 31, 2019 (from April 1, 2018, to March 31, 2019)

(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	144,826	69,341	56,984	5,893	277,045	23	277,069
Revenues from transactions with other operating segments	2	-	11	-	14	54	69
Total	144,829	69,341	56,995	5,893	277,060	78	277,138
Segment Income	11,804	25,241	19,802	390	57,239	78	57,317
Segment Assets	882,241	42,163	245,352	7,713	1,177,471	6,987	1,184,458
Other Items							
Depreciation	2,824	1,282	631	10	4,749	-	4,749
Amortization of goodwill	-	813	-	-	813	-	813
Provision for bad debts(Note 2)	29,761	30,245	14,634	1,406	76,048	-	76,048
Provision for loss on interest repayment	39,479	-	-	-	39,479	-	39,479
Increase of tangible and intangible asset	677	175	245	62	1,160	-	1,160

(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.

(Note 3) Different criteria are applied for allocation of non-current assets to each segment and for allocation of relevant depreciation to each segment, respectively.

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, 2018	For the year ended March 31, 2019
Total reported segments	263,586	277,060
Operting revenue of "Others" category	81	78
Elimination of intersegment transactions	-206	-69
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	-8	0
Operating revenue in consolidated financial statements	263,453	277,069

(Millions of yen)

Income	For the year ended March 31, 2018	For the year ended March 31, 2019
Total reported segments	80,766	57,239
Income of "Others" category	81	78
Elimination of intersegment transactions	-48	48
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	141	241
Operating profit in consolidated financial statements	80,942	57,607

(Millions of yen)

Assets	As of March 31, 2018	As of March 31, 2019
Total reported segments	1,137,957	1,177,471
Assets of "Others" category	49,793	6,987
Elimination of intersegment asset	-24,452	-23,828
Assets at head office	117,322	148,843
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	-4,664	-7,565
Total assets in consolidated financial statements	1,275,957	1,301,908

(Millions of yen)

Other Items	Sum of Reported Segments		Others		Adjustment Amount		Amounts in the Consolidated Financial Statements	
	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019
Depreciation	4,449	4,749	-	-	-1	-	4,448	4,749
Amortization of goodwill	984	813	-	-	-	-	984	813
Provision for bad debts	77,570	76,048	-	-	-0	-58	77,570	75,989
Provision for loss on interest repayment	-	39,479	-	-	-	-	-	39,479
Increase of tangible and intangible asset	1,765	1,160	-	-	4,898	597	6,663	1,758

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

(Per Share Information)

(Yen)

Item	For the year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)	For the year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)
Net assets per share	206.12	227.35
Basic earnings (loss) per share	45.05	24.12

Notes: 1. Dilutive earnings per share is not stated as there is no dilutive security.

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

(Millions of yen unless otherwise stated)

Item	For the year ended March 31, 2018 (From April 1, 2017 to March 31, 2018)	For the year ended March 31, 2019 (From April 1, 2018 to March 31, 2019)
Profit attributable to owners of parent	70,572	37,781
Profit not attributable to common shareholders	-	-
Profit attributable to owners of parent related to common stock	70,572	37,781
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, 2018)	Current fiscal year (As of March 31, 2019)
Total net assets	344,437	381,501
Amount deducted from total net assets	21,521	25,327
[Non-controlling interests included in the above]	[21,521]	[25,327]
Amounts of net assets related to common stock at the end of fiscal year	322,916	356,174
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)

<Sales of Shares of Consolidated Subsidiary>

The Company accepted cash offer from MUFG Bank, Ltd. ("MUFG Bank") and sold all holding shares of its consolidated subsidiary, PT. Bank Nusantara Parahyangan, Tbk. ("Bank BNP"), on April 29, 2019, based on resolution made at the Board of Directors Meeting held on March 15, 2019. Consequently, Bank BNP will be excluded from the scope of consolidation.

1. Outline of Share Sales

(1) Name of Entity Shares were Sold to

MUFG Bank

(2) Reason of Selling Shares

Indonesia has the largest population in Southeast Asia, and its growth in retail finance market is promising. Therefore, the Company made entry into the market as a bank capable of conducting unsecured personal loan business. However, MUFG Bank made strategic investment to PT Bank Danamon Indonesia, Tbk. ("Bank Danamon"). The Company decided to sell all holding shares of Bank BNP as various synergistic effects such as providing comprehensive services of Bank Danamon to Bank BNP's customers at Bandung are expected.

(3) Date of the Sales

April 29, 2019

(4) Outline of the Transaction

Sales of shares in exchange for cash

2. Outline of the Consolidated Subsidiary

(1) Outline of Business

Banking business in Indonesia

(2) Scale of Business

A) Amount of Assets, Liabilities, etc. (As of December 31, 2018)

(Millions of yen)

Total Assets	63,206
Liabilities	52,871
Net Assets	10,334

(Note) Figures above are translated at spot exchange rate as of December 31, 2018 (1 rupiah = 0.0077 yen)

B) Profit and Loss (From January 1, 2018, to December 31, 2018)

(Millions of yen)

Operating Revenue	7,354
Operating Profit	94
Ordinary Profit	136
Profit	62

(Note) Figures above are translated at term average exchange rate from January 1, 2018, to December 31, 2018 (1 rupiah = 0.0078 yen)

3. Number of Shares Sold, Sales Value and Equity Owned after the Sales

Number of Shares Sold	540,619,195 shares
Sales Value	4,088 rupiah per share
Equity Owned after the Sales	- %

4. The Reported Segment which Included the Consolidated Subsidiary in Concern

Overseas Financial Business

5. Outline of Accounting Treatment to be Implemented

The difference between amount sold and book value of the asset sold will be recorded as gain on sales of shares of subsidiaries and associates under extraordinary income. The amount of extraordinary income will be computed based on Bank BNP's financial statement as of deemed date of the sales. However, the amount of gain on sales of shares subsidiaries and associates is not settled yet as the Company has not obtained the financial statement in concern.

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Assets		
Current assets		
Cash and deposits	78,196	72,826
Accounts receivable - operating loans	803,365	821,943
Accounts receivable - installment	52,445	63,137
Short-term investment securities	58	-
Raw materials and supplies	25	34
Prepaid expenses	612	763
Accrued income	15,529	15,833
Short-term loans receivable from subsidiaries and affiliates	2,600	1,300
Current portion of long-term loans receivable from subsidiaries and associates	630	-
Right to reimbursement	47,852	52,608
Other	2,564	3,483
Allowance for doubtful accounts	-57,230	-58,410
Total current assets	946,651	973,522
Noncurrent assets		
Property, plant and equipment		
Buildings	23,147	19,561
Accumulated depreciation	-19,369	-16,713
Buildings, net	3,778	2,847
Structures	3,848	3,411
Accumulated depreciation	-3,085	-2,744
Structures, net	763	667
Vehicles	2	-
Accumulated depreciation	-2	-
Vehicles, net	0	-
Equipment	18,351	18,109
Accumulated depreciation	-8,996	-9,139
Equipment, net	9,355	8,969
Land	6,109	3,123
Lease assets	3,992	4,130
Accumulated depreciation	-2,435	-2,868
Lease assets, net	1,556	1,261
Total property, plant and equipment	21,563	16,869
Intangible assets		
Goodwill	4,063	3,250
Leasehold right	4	4
Software	5,895	4,593
Telephone subscription right	36	36
Other	1	1
Total intangible assets	10,001	7,886

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
Investments and other assets		
Investment securities	830	823
Stocks of subsidiaries and affiliates	20,231	21,437
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,375	1,589
Long-term prepaid expenses	1,418	1,920
Deferred tax assets	36,068	36,919
Guarantee deposits	4,812	4,598
Prepaid pension cost	5,064	5,458
Other	1,201	483
Allowance for doubtful accounts	-870	-990
Total investments and other assets	70,132	72,240
Total noncurrent assets	101,697	96,996
Total assets	1,048,349	1,070,518
Liabilities		
Current liabilities		
Accounts payable-trade	489	494
Commercial papers	29,998	39,998
Current portion of long-term loans payable	150,572	134,718
Current portion of bonds	35,000	28,000
Lease obligations	573	521
Accounts payable-other	4,791	3,270
Accrued expenses	7,462	8,419
Income taxes payable	2,582	5,348
Deposit received	329	350
Provision for loss on guarantees	9,360	8,850
Asset retirement obligations	85	10
Other	142	337
Total current liabilities	241,385	230,319
Noncurrent liabilities		
Bonds payable	166,000	163,000
Long-term loans payable	246,150	258,876
Lease obligations	1,150	890
Provision for loss on interest repayment	104,068	102,300
Asset retirement obligations	4,052	3,901
Other	1,542	438
Total noncurrent liabilities	522,965	529,406
Total liabilities	764,351	759,726

(Millions of yen)

	Prior fiscal year (As of March 31, 2018)	Current fiscal year (As of March 31, 2019)
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	79,627	106,422
Total retained earnings	163,948	190,743
Treasury stock	-19,794	-19,794
Total shareholders' equity	283,997	310,792
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	-0
Total valuation and translation adjustments	0	-0
Total net assets	283,997	310,792
Total liabilities and net assets	1,048,349	1,070,518

(2) Non-consolidated Statement of Income

(Millions of yen)

	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)
Operating revenue		
Interest on operating loans	120,405	123,474
Credit card revenue	6,168	7,773
Revenue from credit guarantee	48,892	51,231
Other financial revenue		
Interest on deposits	0	0
Foreign exchange gains	-	10
Total other financial revenue	0	11
Other operating revenue	19,843	21,145
Total operating revenue	195,310	203,636
Operating expenses		
Financial expenses		
Interest expenses	4,263	3,652
Interest on bonds	1,448	1,349
Amortization of bond issuance cost	127	130
Other	601	487
Total financial expenses	6,442	5,619
Other operating expenses		
Advertising expenses	11,299	11,800
Provision of allowance for doubtful accounts	49,893	48,057
Provision for loss on guarantees	9,360	8,850
Provision for loss on interest repayment	-	39,479
Employees' salaries and bonuses	12,042	12,300
Retirement benefit expenses	718	644
Welfare expenses	2,006	1,997
Rent expenses	5,087	4,940
Depreciation	3,263	3,629
Commission fee	20,804	19,476
Amortization of goodwill	984	813
Other	11,639	12,391
Total other operating expenses	127,100	164,381
Total operating expenses	133,542	170,000
Operating profit	61,767	33,635

(Millions of yen)

	For the year ended March 31, 2018 (from April 1, 2017 to March 31, 2018)	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)
Non-operating income		
Interest income	68	42
Interest on securities	0	0
Dividends income	3,167	3,449
Other	662	467
Total non-operating income	3,899	3,960
Non-operating expenses		
Interest expenses	28	30
Foreign exchange losses	71	31
Loss on insurance cancellation	16	55
Other	79	6
Total non-operating expenses	195	124
Ordinary profit	65,471	37,472
Extraordinary income		
Gain on sales of noncurrent assets	4	345
Gain on sales of investment securities	25	3
Total extraordinary income	29	348
Extraordinary loss		
Loss on sales of noncurrent assets	6	258
Loss on retirement of noncurrent assets	138	185
Impairment loss	426	2,800
Loss on valuation of investment securities	0	6
Other	2	1
Total extraordinary loss	574	3,252
Profit before income taxes	64,926	34,568
Income taxes-current	2,759	5,492
Income taxes-deferred	-1,018	-851
Total income taxes	1,741	4,640
Profit	63,184	29,927

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

Prior 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				
Dividends from surplus				
Profit				
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				
Dividends from surplus				
Profit			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					
Dividends from surplus					
Profit		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

Current fiscal year (from April 1, 2018, to March 31, 2019)

(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				
Dividends from surplus				
Profit				
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	79,627	163,948
Changes of items during the period				
Dividends from surplus			-3,133	-3,133
Profit			29,927	29,927
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	26,794	26,794
Balance at the end of the period	4,320	80,000	106,422	190,743

	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	283,997	0	0	283,997
Changes of items during the period					
Dividends from surplus		-3,133			-3,133
Profit		29,927			29,227
Net changes of items other than shareholders' equity			-0	-0	-0
Total changes of items during the period	-	26,794	-0	-0	26,794
Balance at the end of the period	-19,794	310,792	-0	-0	310,792