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FASF MEMBERSHIP

Brief Statement of Financial Results for the Fiscal Year Ended March 2020 [Japanese GAAP (Consolidated)]

May 14, 2020

Forward-looking Statement

The statements and figures contained in this Brief Statement of Financial Results for the fiscal year ended March 2020 (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 23, 2020
Registration date of annual securities report:	June 23, 2020
Commencement date of dividend payment:	June 24, 2020
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 2020 (from April 1, 2019, to March 31, 2020)

(1) Consolidated Operating Results (Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
3/2020	279,510	0.9%	75,636	31.3%	75,104	29.0%	59,600	57.8%
3/2019	277,069	5.2%	57,607	-28.8%	58,205	-28.8%	37,781	-46.5%

[Note] Comprehensive income 3/2020: 70,918 million yen [74.5%] 3/2019: 40,643 million yen [-47.5%]

	Basic Earnings per Share (Yen)	Net Income per Share Diluted (Yen)	Return on Equity (ROE)	Ordinary Profit to Total Assets	Operating Margin
3/2020	38.04	–	15.5%	5.8%	27.1%
3/2019	24.12	–	11.1%	4.5%	20.8%

<Reference> Equity in earnings of affiliates 3/2020: 3 million yen 3/2019: 7 million yen

(2) Consolidated Financial Status (Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
3/2020	1,282,389	442,496	32.4%	265.11
3/2019	1,301,908	381,501	27.4%	227.35

<Reference> Shareholders' Equity 3/2020: 415,322 million yen 3/2019: 356,174 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
3/2020	19,698	6,214	-24,339	82,545
3/2019	7,329	-1,165	-12,573	82,346

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)			
3/2019	–	1.00	–	1.00	2.00	3,133	8.3	0.9
3/2020	–	2.00	–	2.00	4.00	6,266	10.5	1.6
3/2021 (Forecast)	–	–	–	–	–		–	

<Note> Dividend forecast for the fiscal year ending March 2021 is undetermined since earnings forecast is under examination.

3. Forecasts for the Fiscal Year Ending March 31, 2021 (from April 1, 2020, to March 31, 2021)

The environment surrounding the company Group is uncertain due to factors including the spread of new coronavirus infections, which are likely to slow economic activity and prolong the deterioration of the global economy.

The company Group is engaged within and outside Japan, making it difficult to make a reasonable projection of its financial performance at this point. Therefore, the outlook of the Group's consolidated financial performance for the fiscal year ending March 2021 is undetermined at this point.

The Company will promptly announce the earnings forecast once determination of forecast becomes possible.

(Notes)

(1) Change in Important Subsidiaries for the Year ended March 2020 (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, 2020: 1,596,282,800 shares FY March 31, 2019: 1,596,282,800 shares

B) Number of treasury stock at the end of period

FY March 31, 2020: 29,668,632 shares FY March 31, 2019: 29,668,592 shares

C) Number of average shares outstanding

FY March 31, 2020: 1,566,614,197 shares FY March 31, 2019: 1,566,614,208 shares

(Reference) Outline of non-consolidated business results

1. Non-consolidated Business Results for the Fiscal Year Ended March 2020 (from April 1, 2019, to March 31, 2020)

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

	Operating Revenue		Operating Profit		Ordinary Profit		Profit	
3/2020	206,968	1.6%	49,273	46.5%	56,352	50.4%	53,673	79.3%
3/2019	203,636	4.3%	33,635	-45.5%	37,472	-42.8%	29,927	-52.6%

	Basic Earnings per Share (Yen)	Net Income per Share Diluted (Yen)
3/2020	34.26	–
3/2019	19.10	–

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

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
3/2020	1,090,351	359,765	33.0%	229.65
3/2019	1,070,518	310,792	29.0%	198.38

<Reference> Shareholders' Equity 3/2020: 359,765 million yen 3/2019: 310,792 million yen

2. Forecasts for the Fiscal Year Ending March 31, 2021 (from April 1, 2020, to March 31, 2021)

The environment surrounding the Company is uncertain due to factors including the spread of new coronavirus infections, which are likely to prolong economic slowdown.

It is difficult to make a reasonable projection of its financial performance at this point. Therefore, the outlook of the Company's non-consolidated financial performance for the fiscal year ending March 2021 is undetermined at this point.

The Company will promptly announce the earnings forecast once determination of forecast becomes possible.

(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 2020 for domestic institutional investors and financial analysts, and a conference call for foreign institutional investors and analysts on May 15, 2020. 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, 2020, the Japanese economy maintained moderate economic recovery, while recovery in consumer spending and improvement in the employment and income environment continued. Meanwhile, the economy was harshly restrained due to the spread of the new coronavirus infection combined with consumer sentiment after the consumption tax hike, the trend of 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, the Company Group has upheld 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.” Under a medium-term management policy of “with expeditious reactions to environmental changes, ACOM will strive for sustainable growth and increasing corporate value, while creating services which exceed customers’ expectations” as set out in the medium-term management plan beginning in the current fiscal year, the Company Group will strive to expand its scope of business in the loan and credit card business, guarantee business and overseas financial business, which the Group has positioned as the three core business categories, while making efforts to contribute to sound growth of the market.

The consolidated business results for the fiscal year ended March 31, 2020, reflects the exclusion of PT. Bank Nusantara Parahyangan, Tbk. (“Bank BNP”), a former consolidated subsidiary, from the scope of consolidation upon sales of all its shares held by the Company in April 2019. Operating revenue increased to 279,510 million yen (up 0.9% year-on-year) primarily due to an increase in interest on operating loans of the Company and EASY BUY Public Company Limited (“EASY BUY”) in Kingdom of Thailand, in spite of a decrease in interest on loans of banking business due to the exclusion of Bank BNP from the scope of consolidation. On the other hand, operating expenses decreased to 203,873 million yen (down 7.1% year-on-year) primarily due to a decrease in provision for loss on interest repayment of the Company. As a result, operating profit increased to 75,636 million yen (up 31.3% year-on-year) and ordinary profit increased to 75,104 million yen (up 29.0% year-on-year). Profit attributable to owners of parent increased to 59,600 million yen (up 57.8% year-on-year) due to the posting of 9,875 million yen in extraordinary income resulting from the sale of the shares of Bank BNP and the posting of 4,969 million yen in extraordinary loss primarily attributable to the write down of some equipment of the Company as well as the merger expenses incurred for the said company.

Business results for each segment are as follows:

(Loan and credit card business)

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

As for measures for increasing the number of new customers, we publicized a sound logo of “Hajimete-no (First time at) ACOM” and products/services. We placed advertisements on YouTube, Abema TV and LINE. 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 continuous efforts to enhance the quality of UI/UX such as our website, for the purpose of further enhancing convenience for customers.

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 840,847 million yen (up 2.3% year-on-year).

In the domestic credit card business, we have promoted sales and increased the utilization rate mainly by participating in the Point Reward Project for Consumers using Cashless Payment and continuously issuing IC-chip-embedded credit cards from instant-issue credit card machines installed at automatic contract machine corners nationwide. Consequently, accounts receivable - installment at the end of the current fiscal year increased to 75,035 million yen (up 18.8% year-on-year).

As a result, the business segment’s operating revenue was 149,266 million yen (up 3.1% year-on-year) mainly due to increases in interest on operating loans and revenue from credit card business.

In addition, operating profit was 28,056 million yen (up 137.7% year-on-year) mainly due to a decrease in provision for loss on interest repayment under operating expenses.

(Guarantee business)

In the guarantee business, we worked on reasonable communication with existing partners to further enhance our partnerships with them.

To enhance partnerships with existing partners, the Company continued appropriate screening, provided the

results of analysis about loan portfolio and the effect of advertisement, 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. at the end of the current fiscal year was 1,233,228 million yen (up 1.7% year-on-year). However, the business segment's operating revenue was 68,569 million yen (down 1.1% year-on-year) primarily due to a decrease in revenue from credit guarantee, and operating profit was 25,000 million yen (down 1.0% year-on-year).

(Overseas financial business)

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

EASY BUY, which engages in the loan business 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 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.

In the Republic of Indonesia, Bank BNP, a former consolidated subsidiary, was excluded from the scope of consolidation upon sales of all its shares held by the Company in April 2019.

ACOM CONSUMER FINANCE CORPORATION, which engages in the loan business in the Republic of the Philippines, launched a full-fledged business in July 2018 and proactively promoted marketing activities.

The Company has also promoted necessary surveys in other Asian countries to explore the feasibility of business development.

As a result, the business segment's operating revenue and operating expenses for the current fiscal year reflect downward effect of the exclusion of Bank BNP from the scope of consolidation. Operating revenue amounted to 56,314 million yen (down 1.2% year-on-year) in spite of an increase in interest on operating loans at EASY BUY, whereas operating profit was 22,394 million yen (up 13.1% year-on-year).

(Loan servicing business)

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

As a result, the business segment's operating revenue was 5,358 million yen (down 9.1% year-on-year), mainly due to a year-on-year decrease in amount of collection from purchased receivables, and operating profit was 464 million yen (up 18.7% year-on-year) mainly due to decreases in financial expenses and provision for bad debts.

(2) Analysis of Financial Position

Compared with the end of the prior fiscal year, total assets decreased by 19,518 million yen and total liabilities decreased by 80,513 million yen, whereas net assets increased by 60,994 million yen as of March 31, 2020. These changes reflect the exclusion of Bank BNP, a former consolidated subsidiary, from the scope of consolidation. Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets decreased by 9,419 million yen and noncurrent assets decreased by 10,099 million yen. Consequently, total assets decreased by 19,518 million yen. The breakdown of major changes in current assets is as follows: accounts receivable - operating loans (up 41,282 million yen), accounts receivable - installment (up 11,985 million yen), and loans receivable of banking business (down 48,331 million yen). The breakdown of major decreases in noncurrent assets is as follows: investment securities (down 3,082 million yen), deferred tax assets (down 2,282 million yen), and equipment (down 2,000 million yen).

(Liabilities)

With regard to the liabilities account, changes in current and noncurrent liabilities were a decrease of 110,130 million yen and an increase of 29,616 million yen, respectively, resulting in a decrease of 80,513 million yen in total liabilities. The breakdown of major decreases in liabilities includes: deposits of banking business (down 52,319 million yen), the outstanding balance of funds procured mainly in the form of loans and bonds payable (down 11,048 million yen) and provision for loss on interest repayment (down 14,700 million yen).

(Net assets)

In terms of net assets, shareholders' equity increased by 54,900 million yen mainly due to an increase in retained earnings, accumulated other comprehensive income increased by 4,247 million yen due to an increase in foreign currency translation adjustment (up 5,123 million yen) and a decrease in remeasurements of defined benefit plans (down 875 million yen), and non-controlling interests increased by 1,846 million yen. As a result, total net assets increased by 60,994 million yen, and the shareholders' equity ratio increased by 5.0 percentage points to 32.4%.

(3) Status of Cash Flows

Cash and cash equivalents (hereinafter, “funds”) at the end of the current fiscal year increased by 198 million yen from the end of the prior fiscal year to 82,545 million yen. The change reflects the exclusion of Bank BNP, a former consolidated subsidiary, from the scope of consolidation. The changes in the respective cash flows and the reasons thereof are as follows:

With respect to net cash provided by operating activities, funds saw an increase of 19,698 million yen, mainly reflecting funds-increasing factors such as 80,011 million yen in profit before income taxes, 3,503 million yen in depreciation and amortization, 2,370 million yen in impairment loss, and an increase of 6,396 million yen in allowance for doubtful accounts, as well as funds-decreasing factors such as an increase of 29,444 million yen in accounts receivable - operating loans, a decrease of 14,700 million yen in provision for loss on interest repayment, 13,838 million yen in income taxes paid, and an increase of 11,945 million yen in accounts receivable - installment.

With respect to net cash provided by investing activities, funds saw an increase of 6,214 million yen. This was primarily due to the fact that proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation amounted to 10,411 million yen, the purchase of intangible assets amounted to 2,151 million yen, and the purchase of property, plant and equipment amounted to 1,496 million yen.

With respect to net cash used in financing activities, funds saw a decrease of 24,339 million yen. This was primarily due to the fact that the total amount of proceeds from loans and issuance of bonds was 17,664 million yen less than the repayments of loans payable and payments at maturity of bonds, and cash dividends paid amounted to 4,698 million yen.

(4) Outlook for the Next Fiscal Year

The environment surrounding the company Group is uncertain due to factors including the spread of new coronavirus infections, which are likely to slow economic activity and prolong the deterioration of the global economy.

The company Group is engaged within and outside Japan, making it difficult to make a reasonable projection of its financial performance at this point. Therefore, the outlook of the Group’s consolidated financial performance for the fiscal year ending March 2021 is undetermined at this point.

The Company will promptly announce the earnings forecast once determination of forecast becomes possible.

(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 2020, year-end dividend of 2 yen per share is planned as initially announced. This dividend payment will be subject to approval at the ordinary general meeting of shareholders scheduled in June 2020.

As for the fiscal year ending March 2021, dividend forecast is undetermined since it is difficult to make a reasonable projection of its financial performance at this point.

The Company will promptly announce the dividend forecast once determination of forecast becomes possible.

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, 2019)	Current fiscal year (As of March 31, 2020)
Assets		
Current assets		
Cash and deposits	85,546	82,545
Accounts receivable - operating loans	1,000,428	1,041,711
Loans receivable of banking business	48,331	-
Accounts receivable - installment	63,740	75,726
Purchased receivables	9,435	9,188
Short-term investment securities	479	-
Raw materials and supplies	64	42
Other	91,327	87,162
Allowance for doubtful accounts	-76,532	-82,974
Total current assets	1,222,821	1,213,402
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	24,545	23,350
Accumulated depreciation	-20,753	-19,833
Buildings and structures, net	3,791	3,516
Vehicles	11	0
Accumulated depreciation	-10	0
Vehicles, net	0	0
Equipment	21,245	19,017
Accumulated depreciation	-11,638	-11,411
Equipment, net	9,606	7,606
Land	3,196	3,123
Lease assets	4,139	4,124
Accumulated depreciation	-2,870	-3,213
Lease assets, net	1,269	910
Total property, plant and equipment	17,864	15,156
Intangible assets		
Goodwill	3,250	2,436
Leasehold right	4	4
Software	5,387	5,056
Telephone subscription right	37	37
Other	9	8
Total intangible assets	8,687	7,542

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Investments and other assets		
Investment securities	4,247	1,165
Net defined benefit asset	3,898	2,379
Deferred tax assets	36,117	33,835
Guarantee deposits	5,035	5,041
Other	4,266	4,839
Allowance for doubtful accounts	-1,032	-973
Total investments and other assets	52,534	46,287
Total noncurrent assets	79,086	68,986
Total assets	1,301,908	1,282,389
Liabilities		
Current liabilities		
Notes and accounts payable-trade	509	682
Short-term loans payable	11,547	15,330
Commercial papers	39,998	29,998
Current portion of long-term loans payable	146,714	91,048
Current portion of bonds	41,519	48,026
Deposits of banking business	52,319	-
Lease obligations	523	405
Income taxes payable	7,772	7,888
Provision for loss on guarantees	9,661	9,475
Asset retirement obligations	10	32
Deferred installment income	42	36
Other	16,205	13,767
Total current liabilities	326,824	216,694
Noncurrent liabilities		
Bonds payable	202,691	196,300
Long-term loans payable	282,671	333,388
Lease obligations	896	642
Deferred tax liabilities	28	-
Provision for directors' retirement benefits	25	28
Provision for loss on interest repayment	102,300	87,600
Net defined benefit liability	338	676
Asset retirement obligations	4,159	4,375
Other	470	186
Total noncurrent liabilities	593,581	623,198
Total liabilities	920,406	839,892

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	73,549	73,549
Retained earnings	237,058	291,959
Treasury stock	-19,794	-19,794
Total shareholders' equity	354,646	409,547
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-0	0
Foreign currency translation adjustment	2,832	7,956
Remeasurements of defined benefit plans	-1,304	-2,180
Total accumulated other comprehensive income	1,528	5,775
Non-controlling interests	25,327	27,173
Total net assets	381,501	442,496
Total liabilities and net assets	1,301,908	1,282,389

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

Consolidated Statement of Income

(Millions of yen)

	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Operating revenue		
Interest on operating loans	169,273	176,286
Interest on loans of banking business	6,135	1,567
Credit card revenue	7,773	9,198
Per-item revenue	64	67
Revenue from credit guarantee	61,428	60,142
Collection from purchased receivable	4,739	4,272
Other financial revenue		
Interest on deposits	61	12
Interest on securities	101	12
Interest on loans	87	59
Interest on deposits with banks	126	43
Other	455	73
Total other financial revenue	832	200
Other operating revenue	26,822	27,774
Total operating revenue	277,069	279,510
Operating expenses		
Financial expenses		
Interest expenses	5,044	3,897
Interest on deposits of banking business	2,615	745
Interest on bonds	2,845	2,725
Amortization of bond issuance cost	143	175
Other	662	684
Total financial expenses	11,310	8,228
Cost of purchased receivable	2,087	1,782
Other operating expenses		
Advertising expenses	12,103	12,737
Provision of allowance for doubtful accounts	66,261	72,468
Provision for loss on guarantees	9,728	9,448
Provision for loss on interest repayment	39,479	19,700
Employees' salaries and bonuses	20,193	20,293
Retirement benefit expenses	954	1,635
Provision for directors' retirement benefits	3	3
Welfare expenses	2,684	2,694
Rent expenses	6,408	6,148
Depreciation	4,749	3,503
Commission fee	22,954	22,901
Amortization of goodwill	813	813
Other	19,728	21,513
Total other operating expenses	206,062	193,862
Total operating expenses	219,461	203,873
Operating profit	57,607	75,636

(Millions of yen)

	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Non-operating income		
Interest income	209	53
Dividends income	15	25
Equity in earnings of affiliates	7	3
House rent income	282	250
Other	209	119
Total non-operating income	724	451
Non-operating expenses		
Interest expenses	31	23
Foreign exchange losses	25	931
Other	69	27
Total non-operating expenses	126	983
Ordinary profit	58,205	75,104
Extraordinary income		
Gain on sales of noncurrent assets	384	0
Gain on sales of investment securities	3	-
Gain on sales of subsidiaries and affiliates' stocks	-	9,875
Total extraordinary income	388	9,875
Extraordinary loss		
Loss on sales of noncurrent assets	259	0
Loss on retirement of noncurrent assets	191	230
Impairment loss	2,800	2,370
Loss on sales of investment securities	-	1
Loss on valuation of investment securities	6	-
Merger expenses	-	2,363
Other	1	2
Total extraordinary loss	3,259	4,969
Profit before income taxes	55,334	80,011
Income taxes-current	11,126	13,720
Income taxes-deferred	1,684	2,269
Total income taxes	12,810	15,990
Profit	42,523	64,020
Profit attributable to non-controlling interests	4,742	4,419
Profit attributable to owners of parent	37,781	59,600

Consolidted Statement of Comprehensive Income

(Millions of yen)

	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Profit	42,523	64,020
Other comprehensive income		
Valuation difference on available-for-sale securities	-0	0
Foreign currency translation adjustment	-1,113	7,777
Remeasurements of defined benefit plans, net of tax	-766	-879
Total other comprehensive income	-1,880	6,898
Comprehensive income	40,643	70,918
Comprehensive income attributable to:		
Owners of the parent	36,420	63,848
Non-controlling interests	4,223	7,070

(3) Consolidated Statement of Changes in Net Assets

Prior 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
Beginning balance	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 treasury stock					
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
Ending balance	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		
Beginning balance	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 treasury stock						
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
Ending balance	-0	2,832	-1,304	1,528	25,327	381,501

Current fiscal year (from April 1, 2019, to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Share-holder's equity
Beginning balance	63,832	73,549	237,508	-19,794	354,646
Changes of items during the period					
Dividends from surplus			-4,699		-4,699
Profit attributable to owners of parent			59,600		59,600
Purchase of treasury stock				-0	-0
Purchase of shares of consolidated subsidiaries					
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	54,900	-0	54,900
Ending balance	63,832	73,549	291,959	-19,794	409,547

	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		
Beginning balance	-0	2,832	-1,304	1,528	25,327	381,501
Changes of items during the period						
Dividends from surplus						-4,699
Profit attributable to owners of parent						59,600
Purchase of treasury stock						-0
Purchase of shares of consolidated subsidiaries						
Net changes of items other than shareholders' equity	0	5,123	-875	4,247	1,846	6,093
Total changes of items during the period	0	5,123	-875	4,247	1,846	60,994
Ending balance	0	7,956	-2,180	5,775	27,173	442,496

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	55,334	80,011
Depreciation and amortization	4,749	3,503
Impairment loss	2,800	2,370
Amortization of goodwill	813	813
Increase (decrease) in allowance for doubtful accounts	1,214	6,396
Increase (decrease) in provision for loss on guarantees	-399	-186
Increase (decrease) in net defined benefit liability	48	187
Increase (decrease) in provision for directors' retirement benefits	3	3
Increase (decrease) in provision for loss on interest repayment	-1,768	-14,700
Interest and dividends income	-224	-78
Interest expenses	31	23
Amortization of bond issuance cost	143	175
Foreign exchange losses (gains)	13	864
Equity in (earnings) losses of affiliates	-7	-3
Loss (gain) on sales of property, plant and equipment	-125	-0
Loss on retirement of property, plant and equipment	191	213
Loss (gain) on sales of investment securities	-3	1
Loss (gain) on valuation of investment securities	6	-
Loss (gain) on sales of subsidiaries and affiliates' stocks	-	-9,875
Merger expenses	-	2,363
Decrease (increase) in accounts receivable - operating loans	-27,327	-29,444
Decrease (increase) in loans receivable of banking business	-3,637	1,092
Decrease (increase) in accounts receivable - installment	-10,713	-11,945
Decrease (increase) in purchased receivables	1,167	247
Decrease (increase) in net defined benefit asset	-492	165
Decrease (increase) in trading account securities	1,533	-
Decrease (increase) in inventories	-6	10
Decrease (increase) in other current assets	-10,430	1,433
Increase (decrease) in notes and accounts payable-trade	9	172
Increase (decrease) in deposits of banking business	3,714	385
Increase (decrease) in deferred installment income	-11	-7
Increase (decrease) in other current liabilities	193	-1,740
Increase (decrease) by other operating activities	-1,178	1,026
Subtotal	15,641	33,481
Interest and dividends income received	235	78
Interest expenses paid	-31	-23
Income taxes paid	-8,516	-13,838
Net cash provided by (used in) operating activities	7,329	19,698

(Millions of yen)

	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Net cash provided by (used in) investing activities		
Purchase of securities	-1,365	-
Proceeds from redemption of securities	1,187	21
Purchase of property, plant and equipment	-704	-1,496
Proceeds from sales of property, plant and equipment	917	0
Purchase of intangible assets	-2,019	-2,151
Purchase of investment securities	-477	-
Proceeds from sales and redemption of investment securities	784	2
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	-	10,411
Increase (decrease) by other investing activities	511	-573
Net cash provided by (used in) investing activities	-1,165	6,214
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	143,597	185,197
Repayment of short-term loans payable	-142,880	-182,341
Proceeds from issuance of commercial papers	159,976	139,978
Redemption of commercial papers	-150,000	-150,000
Proceeds from issuance of bonds	33,404	38,624
Redemption of bonds	-45,260	-41,956
Proceeds from long-term loans payable	158,191	141,566
Repayment of long-term loans payable	-165,436	-148,732
Repayments of finance lease obligations	-591	-529
Purchase of treasury stock	-	-0
Proceeds from share issuance to non-controlling shareholders	357	-
Cash dividends paid	-3,131	-4,698
Cash dividends paid to non-controlling shareholders	-790	-1,447
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	-12,573	-24,339
Effect of exchange rate change on cash and cash equivalents	205	-1,373
Net increase (decrease) in cash and cash equivalents	-6,204	198
Cash and cash equivalents at the beginning of period	88,551	82,346
Cash and cash equivalents at the end of period	82,346	82,545

(5) Notes on Consolidated Financial Statements

(Going-concern Assumption)

Not applicable

(Changes in Presentation)

<Consolidated Statement of Income>

"Insurance cancellation losses" in non-operating income was separately listed for the prior fiscal year. As it has decreased its quantitative significance, "Insurance cancellation losses" has been included in "Other" 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, 55 million yen of "Insurance cancellation losses" and 13 million yen of "Other" in non-operating income have been reclassified into 69 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, 2019)	Current fiscal year (As of March 31, 2020)
Investment securities	342	345

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, 2019)	Current fiscal year (As of March 31, 2020)
Cash and deposits	3,092	-

3. Contingent liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Outstanding guarantee obligation in the guarantee business	1,212,255	1,233,228
Outstanding guarantee obligation in the banking business	510	-
Provision for loss on guarantees	9,661	9,475
Net	1,203,103	1,223,753

4. Commitment line contracts for accounts receivable - operating loans

For the prior 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.

For the current fiscal year (As of March 31, 2020)

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 545,784 million yen at the end of the accounting period. This included a total of 361,059 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, 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.

For the current fiscal year (As of March 31, 2020)

Not applicable

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, 2019)	Current fiscal year (As of March 31, 2020)
Loans to parties who have petitioned for bankruptcy, but not yet declared bankrupt	275	316

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Loans to bankrupt parties	769	652
Loans in arrears	24,179	25,821
Loans overdue by 3 months or more	4,753	5,964
Restructured loans	31,990	31,862
Total	61,692	64,301

(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, 2019)	Current fiscal year (As of March 31, 2020)
Agreed amount of agreement for overdraft and commitment line	123,458	124,533
Amount of borrowing	39,579	41,693
Net	83,879	82,840

(Consolidated Statement of Income)

Merger expenses under extraordinary loss includes retirement payments (2,158 million yen), office closing expenses (68 million yen) and inventory disposal expenses (136 million yen), resulting from merger between PT Bank Danamon Indonesia, Tbk. and PT. Bank Nusantara Parahyangan, Tbk., a consolidated subsidiary of ACOM.

(Notes to business combinations)

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 was excluded from the scope of consolidation.

1. Outline of Share Sales

(1) Name of Entity Shares were Sold to

MUFG Bank

(2) Outline of Business

Banking business in Indonesia

(3) 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.

(4) Date of the Sales

April 29, 2019

(5) Outline of the Transaction

Sales of shares in exchange for cash

2. Outline of Accounting Treatment

(1) The amount of gain

9,875 million yen

(2) Fair book values of assets and liabilities of the consolidated subsidiary sold and breakdown thereof

Current assets	61,673 million yen
Noncurrent assets	2,769 million yen
Total assets	64,443 million yen
Current liabilities	56,324 million yen
Noncurrent liabilities	—
Total liabilities	56,324 million yen

(3) Accounting treatment

The difference between amount sold and book value of the asset sold was recorded as "gain on sales of shares of subsidiaries and associates" under extraordinary income.

3. The Reported Segment to which the Consolidated Subsidiary in Concern belonged

Overseas Financial Business

4. Amount of profit or loss of the consolidated subsidiary sold included in consolidated statement of income for the current consolidated fiscal year

Operating revenue	1,829 million yen
Operating profit	-38 million yen

(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, 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	56,955	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.

For the year ended March 31, 2020 (from April 1, 2019, to March 31, 2020)

(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	149,266	68,569	56,314	5,358	279,508	1	279,510
Revenues from transactions with other operating segments	-	-	-	-	-	69	69
Total	149,266	68,569	56,314	5,358	279,508	71	279,579
Segment Income	28,056	25,000	22,394	464	75,915	71	75,986
Segment Assets	918,185	41,889	201,814	7,706	1,169,596	15,397	1,184,993
Other Items							
Depreciation	2,217	764	498	23	3,503	-	3,503
Amortization of goodwill	-	813	-	-	813	-	813
Provision for bad debts(Note 2)	35,611	29,420	15,361	1,058	81,501	-	81,501
Provision for loss on interest repayment	19,700	-	-	-	19,700	-	19,700
Increase of tangible and intangible asset	1,644	53	86	34	1,818	-	1,818

(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, 2019	For the year ended March 31, 2020
Total reported segments	277,060	279,508
Operting revenue of "Others" category	78	71
Elimination of intersegment transactions	-69	-68
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	0	-0
Operating revenue in consolidated financial statements	277,069	279,510

(Millions of yen)

Income	For the year ended March 31, 2019	For the year ended March 31, 2020
Total reported segments	57,239	75,915
Income of "Others" category	78	71
Elimination of intersegment transactions	48	14
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	241	-364
Operating profit in consolidated financial statements	57,607	75,636

(Millions of yen)

Assets	As of March 31, 2019	As of March 31, 2020
Total reported segments	1,177,471	1,169,596
Assets of "Others" category	6,987	15,397
Elimination of intersegment asset	-23,828	-16,686
Assets at head office	148,843	123,111
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	-7,565	-9,029
Total assets in consolidated financial statements	1,301,908	1,282,389

(Millions of yen)

Other Items	Sum of Reported Segments		Others		Adjustment Amount		Amounts in the Consolidated Financial Statements	
	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020	For the year ended March 31, 2019	For the year ended March 31, 2020
Depreciation	4,749	3,503	-	-	-	-	4,749	3,503
Amortization of goodwill	813	813	-	-	-	-	813	813
Provision for bad debts	76,048	81,501	-	-	-58	415	75,989	81,916
Provision for loss on interest repayment	39,479	19,700	-	-	-	-	39,479	19,700
Increase of tangible and intangible asset	1,160	1,818	-	-	597	1,282	1,758	3,100

(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, 2019 (From April 1, 2018 to March 31, 2019)	For the year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)
Net assets per share	227.35	265.11
Basic earnings (loss) per share	24.12	38.04

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, 2019 (From April 1, 2018 to March 31, 2019)	For the year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)
Profit attributable to owners of parent	37,781	59,600
Profit not attributable to common shareholders	-	-
Profit attributable to owners of parent related to common stock	37,781	59,600
Weighted average number of common stock during the consolidated fiscal year	1,566,614,208 shares	1,566,614,197 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, 2019)	Current fiscal year (As of March 31, 2020)
Total net assets	381,501	442,496
Amount deducted from total net assets	25,327	27,173
[Non-controlling interests included in the above]	[25,327]	[27,173]
Amounts of net assets related to common stock at the end of fiscal year	356,174	415,322
Number of common shares to calculate net assets per share at the end of fiscal year	1,566,614,208 shares	1,566,614,168 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, 2019)	Current fiscal year (As of March 31, 2020)
Assets		
Current assets		
Cash and deposits	72,826	78,870
Accounts receivable - operating loans	821,943	840,847
Accounts receivable - installment	63,137	75,035
Raw materials and supplies	34	27
Prepaid expenses	763	1,018
Accrued income	15,833	15,378
Short-term loans receivable from subsidiaries and affiliates	1,300	1,250
Right to reimbursement	52,608	54,351
Other	3,483	3,012
Allowance for doubtful accounts	-58,410	-63,470
Total current assets	973,522	1,006,323
Noncurrent assets		
Property, plant and equipment		
Buildings	19,561	18,587
Accumulated depreciation	-16,713	-15,888
Buildings, net	2,847	2,699
Structures	3,411	3,164
Accumulated depreciation	-2,744	-2,574
Structures, net	667	589
Equipment	18,109	16,419
Accumulated depreciation	-9,139	-9,283
Equipment, net	8,969	7,135
Land	3,123	3,123
Lease assets	4,130	4,115
Accumulated depreciation	-2,868	-3,209
Lease assets, net	1,261	905
Total property, plant and equipment	16,869	14,453
Intangible assets		
Goodwill	3,250	2,436
Leasehold right	4	4
Software	4,593	4,515
Telephone subscription right	36	36
Other	1	1
Total intangible assets	7,886	6,994

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
Investments and other assets		
Investment securities	823	819
Stocks of subsidiaries and affiliates	21,437	14,410
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,589	1,507
Long-term prepaid expenses	1,920	2,372
Deferred tax assets	36,919	33,921
Guarantee deposits	4,598	4,544
Prepaid pension cost	5,458	5,264
Other	483	670
Allowance for doubtful accounts	-990	-930
Total investments and other assets	72,240	62,579
Total noncurrent assets	96,996	84,028
Total assets	1,070,518	1,090,351
Liabilities		
Current liabilities		
Accounts payable-trade	494	673
Commercial papers	39,998	29,998
Current portion of long-term loans payable	134,718	79,006
Current portion of bonds	28,000	33,000
Lease obligations	521	403
Accounts payable-other	3,270	2,163
Accrued expenses	8,419	8,222
Income taxes payable	5,348	5,127
Deposit received	350	283
Provision for loss on guarantees	8,850	8,640
Asset retirement obligations	10	31
Other	337	201
Total current liabilities	230,319	167,751
Noncurrent liabilities		
Bonds payable	163,000	160,000
Long-term loans payable	258,876	310,339
Lease obligations	890	638
Provision for loss on interest repayment	102,300	87,600
Asset retirement obligations	3,901	4,103
Other	438	152
Total noncurrent liabilities	529,406	562,834
Total liabilities	759,726	730,585

(Millions of yen)

	Prior fiscal year (As of March 31, 2019)	Current fiscal year (As of March 31, 2020)
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	106,422	155,396
Total retained earnings	190,743	239,716
Treasury stock	-19,794	-19,794
Total shareholders' equity	310,792	359,765
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	-0	0
Total valuation and translation adjustments	-0	0
Total net assets	310,792	359,765
Total liabilities and net assets	1,070,518	1,090,351

(2) Non-consolidated Statement of Income

(Millions of yen)

	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Operating revenue		
Interest on operating loans	123,474	126,516
Credit card revenue	7,773	9,198
Revenue from credit guarantee	51,231	49,635
Other financial revenue		
Interest on deposits	0	0
Interest on securities	0	0
Foreign exchange gains	10	1
Total other financial revenue	11	2
Other operating revenue	21,145	21,614
Total operating revenue	203,636	206,968
Operating expenses		
Financial expenses		
Interest expenses	3,652	2,581
Interest on bonds	1,349	1,248
Amortization of bond issuance cost	130	162
Other	487	656
Total financial expenses	5,619	4,648
Other operating expenses		
Advertising expenses	11,800	12,622
Provision of allowance for doubtful accounts	48,057	53,310
Provision for loss on guarantees	8,850	8,640
Provision for loss on interest repayment	39,479	19,700
Employees' salaries and bonuses	12,300	13,126
Retirement benefit expenses	644	1,245
Welfare expenses	1,997	2,088
Rent expenses	4,940	4,777
Depreciation	3,629	2,897
Commission fee	19,476	19,514
Amortization of goodwill	813	813
Other	12,391	14,308
Total other operating expenses	164,381	153,045
Total operating expenses	170,000	157,694
Operating profit	33,635	49,273

(Millions of yen)

	For the year ended March 31, 2019 (from April 1, 2018 to March 31, 2019)	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)
Non-operating income		
Interest income	42	12
Interest on securities	0	-
Dividends income	3,449	7,669
Other	467	366
Total non-operating income	3,960	8,048
Non-operating expenses		
Interest expenses	30	22
Foreign exchange losses	31	931
Other	61	15
Total non-operating expenses	124	969
Ordinary profit	37,472	56,352
Extraordinary income		
Gain on sales of noncurrent assets	345	0
Gain on sales of investment securities	3	-
Gain on sales of subsidiaries and affiliates' stocks	-	10,824
Total extraordinary income	348	10,824
Extraordinary loss		
Loss on sales of noncurrent assets	258	0
Loss on retirement of noncurrent assets	185	210
Impairment loss	2,800	2,370
Loss on sales of investment securities	-	1
Loss on valuation of investment securities	6	-
Loss on valuation of stocks of subsidiaries and affiliates	-	454
Other	1	2
Total extraordinary loss	3,252	3,040
Profit before income taxes	34,568	64,136
Income taxes-current	5,492	7,464
Income taxes-deferred	-851	2,998
Total income taxes	4,640	10,463
Profit	29,927	53,673

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

Prior 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
Beginning balance	63,832	72,322	3,687	76,010
Changes of items during the period				
Dividends from surplus				
Profit				
Purchase of treasury stock				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	-	-
Ending balance	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	
Beginning balance	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
Purchase of treasury stock				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	26,794	26,794
Ending balance	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	
Beginning balance	-19,794	283,997	0	0	283,997
Changes of items during the period					
Dividends from surplus		-3,133			-3,133
Profit		29,927			29,927
Purchase of treasury stock					
Net changes of items other than shareholders' equity			-0	-0	-0
Total changes of items during the period	-	26,794	-0	-0	26,794
Ending balance	-19,794	310,792	-0	-0	310,792

Current fiscal year (from April 1, 2019, to March 31, 2020)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Beginning balance	63,832	72,322	3,687	76,010
Changes of items during the period				
Dividends from surplus				
Profit				
Purchase of treasury stock				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	-	-
Ending balance	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	
Beginning balance	4,320	80,000	106,422	190,743
Changes of items during the period				
Dividends from surplus			-4,699	-4,699
Profit			53,673	53,673
Purchase of treasury stock				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	48,973	48,973
Ending balance	4,320	80,000	155,396	239,716

	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	
Beginning balance	-19,794	310,792	-0	-0	310,792
Changes of items during the period					
Dividends from surplus		-4,699			-4,699
Profit		53,673			53,673
Purchase of treasury stock	-0	-0			-0
Net changes of items other than shareholders' equity			0	0	0
Total changes of items during the period	-0	48,973	0	0	48,973
Ending balance	-19,794	359,765	0	0	359,765