

《Translation of excerpted sections》

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2018

[JGAAP]



May 15, 2018
Stock exchange listing: Tokyo
(URL <http://www.saisoncard.co.jp>)

Listed company name: **Credit Saison Co., Ltd.**

Code number: 8253

Representative: Hiroshi Rinno / President and CEO

Inquiries to: Yuichi Kawahara / General Manager, Corporate Planning Dept.; Phone: (03) 3988-2110

Scheduled date of the Ordinary General Meeting of the Shareholders: June 20, 2018

Scheduled date to submit Securities Report: June 20, 2018

Scheduled date to commence dividend payments: June 21, 2018

Preparation of supplementary material on financial results: Yes

Holding of investor meeting: Yes (for institutional investors and analysts)

Note: All amounts are rounded down to the nearest million yen.

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

(1) Consolidated Operating Results (% represents year-on-year change)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
FY2017	292,183	4.7	40,771	30.6	56,717	6.9	38,329	(9.3)
FY2016	278,944	3.3	31,213	(14.7)	53,065	21.1	42,253	61.5

(Note) Comprehensive income: FY2017 39,507 million yen [17.6%]
FY2016 33,606 million yen [32.3%]

	Earnings per share	Earnings per share (diluted)	Return on equity	Ordinary profit/total assets	Operating profit/operating revenue
	(Yen)	(Yen)	(%)	(%)	(%)
FY2017	234.67	—	8.3	2.0	14.0
FY2016	258.70	255.28	9.8	2.0	11.2

(Reference) Equity in (earnings) losses of affiliates: FY2017 11,896 million yen FY2016 18,446 million yen

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
FY2017	2,940,027	480,669	16.3	2,933.46
FY2016	2,720,051	446,882	16.4	2,724.88

(Reference) Equity: FY2017 479,128 million yen FY2016 445,063 million yen

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(Millions of yen)
FY2017	(57,861)	(43,728)	112,992	74,557
FY2016	(103,280)	(19,462)	121,208	63,215

2. Dividends

	Annual dividends					Total of dividends (Full year)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	End of first quarter	End of second quarter	End of third quarter	End of fiscal year	Annual			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of yen)	(%)	(%)
FY2016	—	0.00	—	35.00	35.00	5,719	13.5	1.4
FY2017	—	0.00	—	35.00	35.00	5,719	14.9	1.2
FY2018 (Projected)	—	0.00	—	45.00	45.00		20.7	

3. Consolidated Earnings Forecasts for Fiscal 2018 (April 1, 2018 to March 31, 2019)

(% represents year-on-year change)

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
First six months	152,000	4.5	18,500	(29.1)	25,000	(31.0)	17,000	(46.9)	104.08
FY2018	311,000	6.4	42,500	4.2	55,000	(3.0)	35,500	(7.4)	217.35

Notes

(1) Changes in significant subsidiaries during fiscal year: None

(Changes in specified subsidiaries resulting in changes in the scope of consolidation)

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

a. Changes in accounting policies in accordance with revisions of accounting standards and other regulations: None

b. Changes in accounting policies other than a. above: Yes

c. Changes in accounting estimates: None

d. Restatement of prior period financial statements after error corrections: None

(3) Number of shares issued (common shares):

a. Number of share issued at the end of fiscal year (including treasury shares):

FY2017: 185,444,772 shares FY2016: 185,444,772 shares

b. Treasury shares at the end of fiscal year:

FY2017: 22,033,901 shares FY2016: 22,033,143 shares

c. Average number of shares during the term:

FY2017: 163,332,931 shares FY2016: 163,330,968 shares

Reference: Summary of Non-Consolidated Financial Statements

1. Results for Fiscal 2017 (April 1, 2017 to March 31, 2018)

(1) Operating Results (% represents year-on-year change)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
FY2017	249,865	4.7	32,900	35.3	38,871	37.8	22,190	5.4
FY2016	238,637	4.3	24,316	(17.8)	28,210	(13.5)	21,045	(17.7)

(Reference) Volume of new contracts: FY2017 8,409,848 million yen
FY2016 7,914,568 million yen

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
FY2017	135.80	—
FY2016	128.79	—

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
FY2017	2,831,296	396,831	14.0	2,428.43
FY2016	2,623,644	374,477	14.3	2,291.62

(Reference) Equity: FY2017 396,831 million yen FY2016 374,477 million yen

2. Earnings Forecasts for Fiscal 2018 (April 1, 2018 to March 31, 2019)

(% represents year-on-year change)

	Operating revenue		Operating profit		Ordinary profit		Profit		Earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Yen)
First six months	130,400	5.4	14,700	(29.8)	18,700	(22.6)	12,500	(44.9)	76.49
FY2018	267,300	7.0	35,400	7.6	41,500	6.8	26,000	17.2	159.11

(Reference) Volume of new contracts: FY 2018 First six months 4,417,000 million yen
FY 2018 Full Year 9,032,000 million yen

- This Consolidated Financial Statements for the Fiscal Year Ended March 31, 2018 are exempt from audit conducted by certified public accountants or an audit corporation.

- Proper use of earnings forecasts, and other special matters

(Caution regarding forward-looking statements, etc.)

The above consolidated and non-consolidated earnings forecasts include future prospects, assumptions on which plans will be based and forecasts from the date this document was released. The actual results may differ from the above earnings forecasts due to various factors.

(Means of obtaining supplementary material on financial results)

The Company provides English translations of supplementary materials on its businesses and performance and its financial statements (excerpted sections only) on its website.

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Millions of yen)

	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)
(ASSETS)		
Current assets		
Cash and deposits	63,266	74,612
Accounts receivable - installment	1,768,176	1,927,544
Purchased receivables	14,967	15,347
Lease investment assets	227,760	231,733
Other trade receivables	490	837
Operational investment securities	33,099	35,976
Real estate for sale	101,674	102,009
Other inventories	1,170	1,578
Deferred tax assets	18,408	23,544
Short-term loans receivable	3,997	5,503
Other	21,690	27,733
Allowance for doubtful accounts	(47,289)	(50,570)
Total current assets	2,207,412	2,395,849
Non-current assets		
Property, plant and equipment		
Buildings, net	24,673	29,749
Land	39,774	41,055
Leased assets, net	1,354	1,304
Construction in progress	1,094	196
Other, net	4,252	4,183
Total property, plant and equipment	71,150	76,490
Intangible assets		
Leasehold right	970	970
Software	5,745	175,310
Leased assets	309	254
Software in progress	193,309	33,782
Other	287	287
Total intangible assets	200,622	210,605
Investments and other assets		
Investment securities	168,339	192,224
Long-term loans receivable	11,258	11,516
Guarantee deposits	5,439	5,337
Liquidation business assets	32,456	32,108
Deferred tax assets	21,397	8,402
Other	3,468	8,796
Allowance for doubtful accounts	(2,977)	(2,924)
Total investments and other assets	239,382	255,462
Total non-current assets	511,154	542,558
Deferred assets		
Bond issuance cost	1,484	1,620
Total deferred assets	1,484	1,620
Total assets	2,720,051	2,940,027

(Millions of yen)

	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)
(LIABILITIES)		
Current liabilities		
Notes and accounts payable - trade	238,190	295,523
Short-term loans payable	229,960	247,960
Current portion of long-term loans payable	69,885	55,300
Current portion of bonds	50,000	20,000
Commercial papers	358,000	389,500
Lease obligations	524	466
Income taxes payable	9,589	5,173
Provision for bonuses	2,315	2,636
Provision for directors' bonuses	157	172
Provision for loss on interest repayment	9,445	9,229
Allowance for losses on collecting gift tickets	144	139
Deferred installment income	9,028	9,579
Other	39,388	50,185
Total current liabilities	1,016,629	1,085,865
Non-current liabilities		
Bonds payable	255,000	320,000
Long-term loans payable	852,899	902,299
Long-term loans payable under credit fluidity	20,000	20,000
Lease obligations	1,209	1,318
Provision for directors' retirement benefits	133	128
Provision for loss on guarantees	6,418	7,359
Allowance for losses on warranty of defects	14	19
Provision for point card certificates	94,033	101,319
Provision for loss on interest repayment	21,148	13,918
Asset retirement obligations	445	467
Other	5,238	6,661
Total non-current liabilities	1,256,539	1,373,492
Total liabilities	2,273,168	2,459,358

(Millions of yen)

	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)
(NET ASSETS)		
Shareholders' equity		
Capital stock	75,929	75,929
Capital surplus	85,634	85,634
Retained earnings	302,087	334,698
Treasury shares	(52,879)	(52,880)
Total shareholders' equity	410,773	443,381
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	35,315	36,806
Deferred gains or losses on hedges	(649)	(458)
Foreign currency translation adjustment	(374)	(601)
Total accumulated other comprehensive income	34,290	35,746
Share acquisition rights	0	0
Non-controlling interests	1,818	1,540
Total net assets	446,882	480,669
Total liabilities and net assets	2,720,051	2,940,027

**(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)**

(Millions of yen)

	FY2016 (April 1, 2016 to March 31, 2017)	FY2017 (April 1, 2017 to March 31, 2018)
Operating revenue		
Income from the credit service business	210,336	218,952
Income from the Lease business revenue	13,241	12,851
Income from the finance business	31,072	35,417
Income from the real estate related business		
Revenue from the real estate related business	37,487	37,748
Cost of the real estate related business	23,868	22,301
Income from the real estate related business	13,619	15,446
Income from the entertainment business		
Revenue from the entertainment business	58,686	51,272
Cost of the entertainment business	48,290	41,984
Income from the entertainment business	10,396	9,288
Financial revenue	279	226
Total operating revenue	278,944	292,183
Operating expenses		
Selling, general and administrative expenses	236,661	241,740
Financial expenses	11,069	9,671
Total operating expenses	247,730	251,412
Operating profit	31,213	40,771
Non-operating income	22,016	16,602
Non-operating expenses	164	655
Ordinary profit	53,065	56,717
Extraordinary income		
Gain on sales of investment securities	1,905	8,536
Settlement received	11,475	275
Other	39	17
Total extraordinary income	13,420	8,830

(Millions of yen)

	FY2016 (April 1, 2016 to March 31, 2017)	FY2017 (April 1, 2017 to March 31, 2018)
Extraordinary losses		
Loss on disposal of non-current assets	298	166
Impairment loss	159	1
Loss on valuation of investment securities	3,638	102
Loss on valuation of membership	1	—
System transfer cost	—	12,969
Other	181	—
Total extraordinary losses	4,279	13,240
Profit before income taxes	62,207	52,307
Income taxes - current	9,370	9,078
Income taxes - deferred	9,034	5,166
Total income taxes	18,404	14,244
Profit	43,802	38,062
Profit (loss) attributable to non-controlling interests	1,549	(267)
Profit attributable to owners of parent	42,253	38,329

(Consolidated Statements of Comprehensive Income)

(Millions of yen)

	FY2016 (April 1, 2016 to March 31, 2017)	FY2017 (April 1, 2017 to March 31, 2018)
Profit	43,802	38,062
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,263)	5,676
Deferred gains or losses on hedges	1,015	191
Foreign currency translation adjustment	(9)	(36)
Share of other comprehensive income of entities accounted for using equity method	(9,938)	(4,386)
Total other comprehensive income	(10,195)	1,445
Comprehensive income	33,606	39,507
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	32,060	39,785
Comprehensive income attributable to non-controlling interests	1,546	(277)

(3) Consolidated Statements of Changes in Equity
FY2016 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	75,929	85,634	265,554	(52,885)	374,232
Changes of items during period					
Dividends of surplus			(5,719)		(5,719)
Profit attributable to owners of parent			42,253		42,253
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		0		8	8
Net changes of items other than shareholders' equity					
Total changes of items during period	—	0	36,533	6	36,540
Balance at end of current period	75,929	85,634	302,087	(52,879)	410,773

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	46,301	(1,665)	(152)	44,483	0	272	418,988
Changes of items during period							
Dividends of surplus							(5,719)
Profit attributable to owners of parent							42,253
Purchase of treasury shares							(1)
Disposal of treasury shares							8
Net changes of items other than shareholders' equity	(10,986)	1,015	(222)	(10,192)	—	1,546	(8,646)
Total changes of items during period	(10,986)	1,015	(222)	(10,192)	—	1,546	27,894
Balance at end of current period	35,315	(649)	(374)	34,290	0	1,818	446,882

FY2017 (April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	75,929	85,634	302,087	(52,879)	410,773
Changes of items during period					
Dividends of surplus			(5,719)		(5,719)
Profit attributable to owners of parent			38,329		38,329
Purchase of treasury shares				(1)	(1)
Disposal of treasury shares		—		—	—
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	32,610	(1)	32,608
Balance at end of current period	75,929	85,634	334,698	(52,880)	443,381

	Accumulated other comprehensive income				Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	35,315	(649)	(374)	34,290	0	1,818	446,882
Changes of items during period							
Dividends of surplus							(5,719)
Profit attributable to owners of parent							38,329
Purchase of treasury shares							(1)
Disposal of treasury shares							—
Net changes of items other than shareholders' equity	1,491	191	(227)	1,456	—	(277)	1,178
Total changes of items during period	1,491	191	(227)	1,456	—	(277)	33,786
Balance at end of current period	36,806	(458)	(601)	35,746	0	1,540	480,669

(4) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2016 (April 1, 2016 to March 31, 2017)	FY2017 (April 1, 2017 to March 31, 2018)
Cash flows from operating activities		
Profit before income taxes	62,207	52,307
Depreciation	7,368	11,741
Amortization of deferred assets	246	300
Loss (gain) on liquidation business	(413)	509
Increase (decrease) in allowance for doubtful accounts	1,866	3,271
Increase (decrease) in provision for point card certificates	5,457	7,286
Increase (decrease) in provision for loss on interest repayment	5,472	(7,446)
Increase (decrease) in other provision	1,564	1,272
Interest and dividend income	(1,668)	(1,655)
Interest expenses	9,578	8,617
Share of loss (profit) of entities accounted for using equity method	(18,446)	(11,896)
Foreign exchange losses (gains)	(23)	28
(Gain) loss on sales or redemption of investment securities	(1,905)	(8,536)
Loss (gain) on valuation of investment securities	3,638	102
Impairment loss	159	1
Loss (gain) on sales and retirement of property, plant and equipment and intangible assets	767	622
Settlement received	(11,475)	(275)
System transfer cost	—	12,969
Decrease (increase) in operating receivables	(170,992)	(160,102)
Decrease (increase) in lease investment assets	(308)	(3,972)
Decrease (increase) in investment securities for sale	(4,312)	(3,145)
Decrease (increase) in inventories	(3,077)	(742)
Decrease (increase) in other assets	3,499	(5,015)
Increase (decrease) in operating debt	(1,529)	57,333
Increase (decrease) in other liabilities	(1,860)	11,344
Other, net	329	(1,038)
Subtotal	(113,857)	(36,120)
Interest and dividend income received	2,778	3,516
Interest expenses paid	(9,997)	(8,895)
Settlement package received	11,475	275
Income taxes refund	9,883	65
Income taxes paid	(3,562)	(13,649)
Net cash provided by (used in) operating activities	(103,280)	(54,808)

(Millions of yen)

	FY2016 (April 1, 2016 to March 31, 2017)	FY2017 (April 1, 2017 to March 31, 2018)
Cash flows from investing activities		
Purchase of investment securities	(3,760)	(14,715)
Proceeds from sales or redemption of investment securities	3,187	14,751
Proceeds from liquidation business	21,098	(204)
Purchase of property, plant and equipment and intangible assets	(43,862)	(44,518)
Proceeds from sales of property, plant and equipment and intangible assets	64	20
Payments of loans receivable	(37)	(1,783)
Collection of loans receivable	5,479	17
Other, net	(1,632)	50
Net cash provided by (used in) investing activities	(19,462)	(46,380)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	15,800	18,000
Net increase (decrease) in commercial papers	122,000	31,500
Proceeds from long-term loans payable	88,800	104,700
Repayments of long-term loans payable	(122,960)	(69,885)
Proceeds from issuance of bonds	59,173	84,564
Redemption of bonds	(35,000)	(50,000)
Repayments of lease obligations	(884)	(565)
Proceeds from sales of treasury shares	0	—
Purchase of treasury shares	(1)	(1)
Cash dividends paid	(5,719)	(5,719)
Net cash provided by (used in) financing activities	121,208	112,592
Effect of exchange rate change on cash and cash equivalents	(62)	(61)
Net increase (decrease) in cash and cash equivalents	(1,598)	11,342
Cash and cash equivalents at beginning of period	64,813	63,215
Cash and cash equivalents at end of period	63,215	74,557

Non-Consolidated Financial Statements
(1) Non-Consolidated Balance Sheets

(Millions of yen)

	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)
(ASSETS)		
Current assets		
Cash and deposits	49,156	53,802
Accounts receivable - installment	1,697,415	1,851,106
Lease investment assets	227,821	231,774
Operational investment securities	31,411	34,761
Merchandise	113	113
Supplies	994	1,436
Prepaid expenses	1,054	4,628
Deferred tax assets	16,957	21,751
Short-term loans receivable from subsidiaries and associates	277,190	236,786
Accounts receivable - other	16,166	19,817
Other	2,811	3,155
Allowance for doubtful accounts	(41,475)	(44,495)
Total current assets	2,279,618	2,414,638
Non-current assets		
Property, plant and equipment		
Buildings, net	5,689	5,573
Vehicles, net	0	0
Equipment, net	1,325	1,720
Land	6,904	6,904
Leased assets, net	1,168	1,261
Construction in progress	295	47
Total property, plant and equipment	15,383	15,506
Intangible assets		
Leasehold right	14	14
Software	4,117	143,179
Leased assets	309	254
Software in progress	101,262	4,630
Other	253	253
Total intangible assets	105,956	148,331
Investments and other assets		
Investment securities	84,380	98,708
Shares of subsidiaries and associates	55,029	55,881
Investments in capital	0	0
Investments in capital of subsidiaries and associates	6,227	6,357
Long-term loans receivable	10,000	10,089
Long-term loans receivable from subsidiaries and associates	37,456	32,108
Long-term prepaid expenses	669	28,245
Guarantee deposits	2,927	2,854
Deferred tax assets	23,354	11,013
Other	1,167	5,951
Allowance for doubtful accounts	(9)	(9)
Total investments and other assets	221,202	251,199
Total non-current assets	342,541	415,038
Deferred assets		
Bond issuance cost	1,484	1,620
Total deferred assets	1,484	1,620
Total assets	2,623,644	2,831,296

(Millions of yen)

	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)
(LIABILITIES)		
Current liabilities		
Notes payable - trade	0	0
Accounts payable - trade	237,930	295,057
Short-term loans payable	229,760	247,960
Current portion of long-term loans payable	68,700	54,900
Current portion of bonds	50,000	20,000
Commercial papers	358,000	389,500
Lease obligations	441	445
Accounts payable - other	3,517	4,931
Accrued expenses	15,180	17,886
Income taxes payable	7,188	3,887
Deposits received	6,947	10,811
Unearned revenue	198	402
Provision for bonuses	1,500	1,687
Provision for directors' bonuses	128	149
Provision for loss on interest repayment	8,826	8,558
Allowance for losses on collecting gift tickets	144	139
Deferred installment income	9,028	9,579
Other	3,661	3,334
Total current liabilities	1,001,154	1,069,232
Non-current liabilities		
Bonds payable	255,000	320,000
Long-term loans payable	849,499	899,299
Long-term loans payable under credit fluidity	20,000	20,000
Lease obligations	1,151	1,236
Provision for loss on guarantees	6,128	7,000
Provision for point card certificates	94,033	101,319
Provision for loss on interest repayment	19,996	12,795
Guarantee deposits received	726	1,152
Other	1,477	2,429
Total non-current liabilities	1,248,012	1,365,233
Total liabilities	2,249,166	2,434,465

(Millions of yen)

	FY2016 (As of March 31, 2017)	FY2017 (As of March 31, 2018)
(NET ASSETS)		
Shareholders' equity		
Capital stock	75,929	75,929
Capital surplus		
Legal capital surplus	82,497	82,497
Other capital surplus	1,602	1,602
Total capital surpluses	84,100	84,100
Retained earnings		
Legal retained earnings	3,020	3,020
Other retained earnings		
General reserve	200,455	215,455
Retained earnings brought forward	33,121	34,592
Total retained earnings	236,596	253,067
Treasury shares	(52,594)	(52,595)
Total shareholders' equity	344,031	360,501
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	31,095	36,788
Deferred gains or losses on hedges	(649)	(458)
Total valuation and translation adjustments	30,445	36,329
Total net assets	374,477	396,831
Total liabilities and net assets	2,623,644	2,831,296

(2) Non-Consolidated Statements of Income

(Millions of yen)

	FY2016 (April 1, 2016 to March 31, 2017)	FY2017 (April 1, 2017 to March 31, 2018)
Operating revenue		
Income from the credit service business		
Revenue from credit card business	124,655	131,828
Credit card cashing revenue	33,053	32,822
Loan certificates Revenue	1,098	896
Business agency revenue	25,773	27,229
Income from the Credit-related services	9,374	9,206
Income from the credit service business	193,955	201,984
Income from the Lease business revenue	13,249	12,863
Income from the finance business		
Revenue from credit guarantee	16,528	17,101
Finance related Revenue	10,063	13,183
Income from the finance business	26,592	30,285
Income from the real estate related business		
Revenue from the real estate related business	21	23
Cost of the real estate related business	1	1
Income from the real estate related business	19	21
Financial revenue	4,820	4,710
Total operating revenue	238,637	249,865
Operating expenses		
Selling, general and administrative expenses	203,038	207,093
Financial expenses		
Interest expenses	9,772	8,795
Other	1,509	1,076
Total financial expenses	11,282	9,872
Total operating expenses	214,320	216,965
Operating profit	24,316	32,900
Non-operating income	4,026	6,090
Non-operating expenses	132	119
Ordinary profit	28,210	38,871
Extraordinary income		
Gain on sales of investment securities	1,905	8,515
Reversal of allowance for doubtful accounts	88	—
Settlement received	6,647	275
Total extraordinary income	8,640	8,790

(Millions of yen)

	FY2016 (April 1, 2016 to March 31, 2017)	FY2017 (April 1, 2017 to March 31, 2018)
Extraordinary losses		
Loss on disposal of non-current assets	271	124
Loss on valuation of investment securities	3,115	102
Loss on valuation of shares of subsidiaries and associates	—	424
Impairment loss	50	—
System transfer cost	—	12,969
Other	148	—
Total extraordinary losses	3,585	13,621
Profit before income taxes	33,265	34,040
Income taxes - current	5,958	6,896
Income taxes - deferred	6,260	4,953
Total income taxes	12,219	11,850
Profit	21,045	22,190

(3) Non-Consolidated Statements of Changes in Equity
FY2016 (April 1, 2016 to March 31, 2017)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of current period	75,929	82,497	1,602	84,099	3,020	181,455	36,795	221,270	(52,601)	328,698
Changes of items during period										
Provision of general reserve						19,000	(19,000)	—		—
Dividends of surplus							(5,719)	(5,719)	—	(5,719)
Profit							21,045	21,045	—	21,045
Purchase of treasury shares									(1)	(1)
Disposal of treasury shares			0	0					8	8
Net changes of items other than shareholders' equity										
Total changes of items during period	—	—	0	0	—	19,000	(3,673)	15,326	6	15,333
Balance at end of current period	75,929	82,497	1,602	84,100	3,020	200,455	33,121	236,596	(52,594)	344,031

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	32,395	(1,665)	30,729	359,428
Changes of items during period				
Provision of general reserve				—
Dividends of surplus				(5,719)
Profit				21,045
Purchase of treasury shares				(1)
Disposal of treasury shares				8
Net changes of items other than shareholders' equity	(1,300)	1,015	(284)	(284)
Total changes of items during period	(1,300)	1,015	(284)	15,049
Balance at end of current period	31,095	(649)	30,445	374,477

FY2017 (April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity									
	Capital stock	Capital surplus			Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of current period	75,929	82,497	1,602	84,100	3,020	200,455	33,121	236,596	(52,594)	344,031
Changes of items during period										
Provision of general reserve						15,000	(15,000)	—		—
Dividends of surplus							(5,719)	(5,719)		(5,719)
Profit							22,190	22,190		22,190
Purchase of treasury shares									(1)	(1)
Net changes of items other than shareholders' equity										
Total changes of items during period	—	—	—	—	—	15,000	1,471	16,471	(1)	16,469
Balance at end of current period	75,929	82,497	1,602	84,100	3,020	215,455	34,592	253,067	(52,595)	360,501

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of current period	31,095	(649)	30,445	374,477
Changes of items during period				
Provision of general reserve				—
Dividends of surplus				(5,719)
Profit				22,190
Purchase of treasury shares				(1)
Net changes of items other than shareholders' equity	5,692	191	5,884	5,884
Total changes of items during period	5,692	191	5,884	22,353
Balance at end of current period	36,788	(458)	36,329	396,831

(5) Segment information, etc.

Segment information

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

Information regarding sales, profit/loss, assets, liabilities and other items by reportable segments

(Unit: Millions of yen)

	Reportable segments						Adjustments	Consolidated statements of income
	Credit service	Lease	Finance	Real estate related	Entertainment	Total		
Operating revenue								
External revenue	210,596	13,254	31,074	13,623	10,396	278,944	–	278,944
Inter-segment revenue and transfer	1,037	24	–	24	–	1,086	(1,086)	–
Total	211,633	13,278	31,074	13,648	10,396	280,030	(1,086)	278,944
Segment profit	7,971	4,313	12,817	4,904	1,199	31,208	5	31,213
Segment assets	1,808,494	291,264	387,868	214,079	18,481	2,720,188	(137)	2,720,051
Others								
Depreciation	3,820	196	119	916	2,319	7,372	(3)	7,368
Financial expenses	6,543	1,754	1,793	978	–	11,069	–	11,069
Allowance for doubtful accounts	32,123	3,274	7,916	31	–	43,346	0	43,346
Investment in subsidiaries and associates	74,318	–	–	–	4,831	79,150	–	79,150
Increase on property, plant and equipment and intangible assets	27,969	710	208	11,488	2,283	42,659	–	42,659

(Notes)1. Adjustments include inter-segment eliminations.

2. Segment profit is adjusted to total operating profit in the consolidated statements of income.

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

Information regarding sales, profit/loss, assets, liabilities and other items by reportable segments

(Unit: Millions of yen)

	Reportable segments						Adjustments	Consolidated statements of income
	Credit service	Lease	Finance	Real estate related	Entertainment	Total		
Operating revenue								
External revenue	219,161	12,866	35,417	15,450	9,288	292,183	–	292,183
Inter-segment revenue and transfer	1,158	19	–	22	–	1,200	(1,200)	–
Total	220,320	12,885	35,417	15,472	9,288	293,384	(1,200)	292,183
Segment profit	12,719	4,349	16,213	6,401	1,082	40,767	3	40,771
Segment assets	1,848,129	301,246	544,036	225,927	20,970	2,940,309	(282)	2,940,027
Others								
Depreciation	8,534	196	129	1,032	1,852	11,744	(3)	11,741
Financial expenses	4,982	1,452	2,406	830	–	9,671	–	9,671
Allowance for doubtful accounts	18,442	2,990	8,538	212	–	30,183	–	30,183
Investment in subsidiaries and associates	80,117	–	–	–	5,645	85,762	–	85,762
Increase on property, plant and equipment and intangible assets	36,758	240	446	7,168	1,677	46,291	–	46,291

(Notes)1. Adjustments include inter-segment eliminations.

2. Segment profit is adjusted to total operating profit in the consolidated statements of income.