

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2020

(IFRS)



May 15, 2020
Stock exchange listing: Tokyo
(URL <https://www.saisoncard.co.jp>)

Listed company name: Credit Saison Co., Ltd.

Code number: 8253

Representative: Masahiro Yamashita / Representative, Executive President and COO

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Scheduled date of the Ordinary General Meeting of the Shareholders: June 18, 2020

Scheduled date to submit Securities Report: June 18, 2020

Scheduled date to commence dividend payments: June 19, 2020

Preparation of supplementary material on financial results: Yes

Holding of investor meeting: None (Scheduled for video streaming)

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

1. Consolidated Results for the Fiscal Year Ended March 31, 2020 (April 1, 2019 to March 31, 2020)

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

	Net revenue		Business profit		Profit before tax		Profit		Profit attributable to owners of parent		Total comprehensive income	
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)
FY2019	311,410	2.2	36,184	(30.7)	27,458	(40.0)	22,645	(22.8)	22,863	(25.1)	11,157	(41.7)
FY2018	304,855	4.0	52,233	(8.9)	45,763	(13.4)	29,340	(23.6)	30,517	(20.6)	19,127	(51.9)

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Profit before tax/total assets	Business profit/net revenue
	(Yen)	(Yen)	(%)	(%)	(%)
FY2019	143.43	142.57	4.7	0.8	11.6
FY2018	186.84	—	6.2	1.5	17.1

(Reference) Share of profit (loss) of investments accounted for using equity method

FY2019 6,442 million yen FY2018 7,355 million yen

(2) Consolidated Financial Position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets	Equity attributable to owners of parent per share
	(Millions of yen)	(Millions of yen)	(Millions of yen)	(%)	(Yen)
FY2019	3,357,229	485,476	484,670	14.4	3,102.26
FY2018	3,212,465	491,741	490,998	15.3	3,006.14

(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)
FY2019	(169,864)	29,654	167,776	109,761
FY2018	(192,438)	(40,313)	242,211	82,642

2. Dividends

	Annual dividends					Total of dividends (Full year) (Millions of yen)	Payout ratio (Consolidated) (%)	Ratio of dividends to equity attributable to owners of parent (Consolidated) (%)
	End of first quarter (Yen)	End of second quarter (Yen)	End of third quarter (Yen)	End of fiscal year (Yen)	Annual (Yen)			
FY2018	–	0.00	–	45.00	45.00	7,353	24.1	1.5
FY2019	–	0.00	–	45.00	45.00	7,033	31.4	1.5
FY2020 (Projected)	–	0.00	–	45.00	45.00		–	

3. Consolidated Earnings Forecasts for Fiscal 2020 (April 1, 2020 to March 31, 2021)

The consolidated earnings forecasts for the fiscal year ending March 31, 2021 have not yet been decided because it is difficult to be reasonably calculated at this stage on account of the impact of the novel coronavirus. We will promptly announce the earnings forecasts as soon as disclosure becomes possible.

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 and changes in accounting estimates
 - a. Changes in accounting policies required by IFRS: Yes
 - b. Changes in accounting policies other than a. above: None
 - c. Changes in accounting estimates: None
- (3) Number of shares issued (common shares):
 - a. Number of share issued at the end of fiscal year (including treasury shares):

	FY2019: 185,444,772 shares	FY2018: 185,444,772 shares	
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 - b. Treasury shares at the end of fiscal year:

	FY2019: 29,213,396 shares	FY2018: 22,112,702 shares	
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 - c. Average number of shares during the term:

	FY2019: 159,401,954 shares	FY2018: 163,332,266 shares	
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Reference: Summary of Non-Consolidated Financial Statements

1. Results for Fiscal 2019 (April 1, 2019 to March 31, 2020)

(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)	(%)
FY2019	268,020	3.5	21,690	(35.3)	28,348	(28.5)	33,391	29.0
FY2018	259,018	3.7	33,543	2.0	39,634	2.0	25,875	16.6

(Reference) Volume of new contracts: FY2019 9,113,911 million yen
FY2018 8,814,054 million yen

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
FY2019	209.38	–
FY2018	158.35	–

(2) Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	(Millions of yen)	(Millions of yen)	(%)	(Yen)
FY2019	3,210,925	404,809	12.6	2,589.79
FY2018	3,107,284	407,533	13.1	2,493.92

(Reference) Equity: FY2019 404,809 million yen FY2018 407,533 million yen

2. Earnings Forecasts for Fiscal 2020 (April 1, 2020 to March 31, 2021)

The earnings forecasts for the fiscal year ending March 31, 2021 have not yet been decided because it is difficult to be reasonably calculated at this stage on account of the impact of the novel coronavirus. We will promptly announce the earnings forecasts as soon as disclosure becomes possible.

- This Consolidated Financial Statements for the Fiscal Year Ended March 31, 2020 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 forecasts indicated above are based on our future outlook as of the announcement date of these materials, assumptions that form the basis of plans, and predictions. Actual performance may differ from the projected results due to various factors.

(Means of obtaining supplementary material on financial results and contents of investor meeting)

Regarding the investor meeting for the fiscal year ended March 31, 2020, we will postpone the holding at the venue in order to prevent the spread of the novel coronavirus infections, and deliver a video to explain the financial results at a later date.

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

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Cash and cash equivalents	82,642	109,761
Trade and other receivables	2,393,197	2,565,409
Inventories	151,385	135,380
Operational investment securities	39,973	48,789
Investment securities	91,553	60,724
Other financial assets	11,916	13,905
Property, plant and equipment	29,341	29,414
Right-of-use assets	-	17,565
Intangible assets	219,972	181,058
Investment property	56,683	61,508
Investments accounted for using equity method	92,752	77,198
Deferred tax assets	32,148	47,910
Other assets	10,897	8,601
Total assets	3,212,465	3,357,229
Liabilities and equity		
Liabilities		
Trade and other payables	314,729	230,927
Financial guarantee debt	8,305	10,206
Bonds and borrowings	2,203,818	2,413,565
Other financial liabilities	28,441	26,619
Income taxes payable	3,120	9,364
Provision for point card certificates	104,963	109,938
Provision for loss on interest repayment	17,762	22,897
Other reserves	1,530	1,554
Deferred tax liabilities	1,025	903
Other liabilities	37,026	45,775
Total liabilities	2,720,724	2,871,753
Equity		
Share capital	75,929	75,929
Capital surplus	85,642	85,279
Retained earnings	360,303	384,182
Treasury shares	(52,881)	(62,881)
Other components of equity	22,004	2,161
Total equity attributable to owners of parent	490,998	484,670
Non-controlling interests	743	805
Total equity	491,741	485,476
Total liabilities and equity	3,212,465	3,357,229

(2) Consolidated Statements of Income

(Millions of yen)

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
Revenue		
Income from the payment business (Note 1)	226,250	230,160
Income from the lease business	12,579	12,266
Income from the finance business	39,231	43,112
Revenue from the real estate-related business	42,098	62,307
Revenue from the entertainment business	50,827	48,493
Finance income	854	771
Total	371,842	397,112
Of interest income (Note 2)	107,221	112,167
Cost of sales		
For the real estate-related business	24,921	46,030
For the entertainment business	42,066	39,671
Total	66,987	85,702
Net revenue	304,855	311,410
Selling, general and administrative expenses	220,974	236,910
Impairment losses on financial assets	34,088	39,376
Finance costs	9,878	10,471
Share of profit of investments accounted for using equity method	7,355	6,442
Other income	4,138	5,585
Other expenses	5,643	9,220
Profit before tax	45,763	27,458
Income tax expense	16,423	4,813
Profit	29,340	22,645
Profit attributable to		
Owners of parent	30,517	22,863
Non-controlling interests	(1,176)	(218)
Profit	29,340	22,645
Earnings per share		
Basic earnings per share	186.84	143.43
Diluted earnings per share	–	142.57

(Notes) 1. As a result of a change to a segment name, “Income from the credit service business” has been renamed “Income from the payment business” effective the fiscal year ended March 31, 2020.

2. Pursuant to IFRS 9, interest income is calculated using the effective interest method.

Reconciliation from profit before tax to business profit

(Millions of yen)

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
Profit before tax	45,763	27,458
Reconciliations (Other income)	–	(917)
Reconciliations (Other expenses)	5,517	8,979
Adjustments for the application of the effective interest method to financial assets	951	663
Subtotal	6,469	8,725
Business profit	52,233	36,184

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
Profit	29,340	22,645
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	(8,963)	(10,978)
Share of other comprehensive income of investments accounted for using equity method	62	(476)
Items that may be reclassified to profit or loss		
Net change in fair value of debt instruments measured at fair value through other comprehensive income	(7)	10
Effective portion of cash flow hedges	(1,540)	955
Exchange differences on translation of foreign operations	(28)	(687)
Share of other comprehensive income of investments accounted for using equity method	265	(311)
Total other comprehensive income, net of tax	(10,213)	(11,487)
Comprehensive income	19,127	11,157
Comprehensive income attributable to		
Owners of parent	20,314	11,389
Non-controlling interests	(1,186)	(231)
Comprehensive income	19,127	11,157

(4) Consolidated Statements of Changes in Equity
FY2018 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance as of April 1, 2018	75,929	85,629	344,291	(52,880)	35,913	488,883	1,965	490,849
Cumulative effect of accounting change			(9,148)		(3,343)	(12,491)		(12,491)
Restated balance	75,929	85,629	335,143	(52,880)	32,569	476,391	1,965	478,357
Profit			30,517			30,517	(1,176)	29,340
Other comprehensive income					(10,203)	(10,203)	(10)	(10,213)
Comprehensive income	-	-	30,517	-	(10,203)	20,314	(1,186)	19,127
Purchase of treasury shares				(0)		(0)		(0)
Disposal of treasury shares		(0)		0		0		0
Dividends			(5,719)			(5,719)		(5,719)
Transfer from other components of equity to retained earnings			362		(362)	-		-
Changes in ownership interest in subsidiaries		13				13	(36)	(23)
Total transactions with owners	-	12	(5,357)	(0)	(362)	(5,706)	(36)	(5,742)
Balance as of March 31, 2019	75,929	85,642	360,303	(52,881)	22,004	490,998	743	491,741

FY2019 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Retained earnings	Treasury shares	Other components of equity	Total		
Balance as of April 1, 2019	75,929	85,642	360,303	(52,881)	22,004	490,998	743	491,741
Profit			22,863			22,863	(218)	22,645
Other comprehensive income					(11,474)	(11,474)	(13)	(11,487)
Comprehensive income	-	-	22,863	-	(11,474)	11,389	(231)	11,157
Purchase of treasury shares				(10,000)	(0)	(10,000)		(10,000)
Disposal of treasury shares		(0)		0		0		0
Dividends			(7,353)			(7,353)		(7,353)
Transfer from other components of equity to retained earnings			8,369		(8,369)	-		-
Changes in ownership interest in subsidiaries		(363)				(363)	294	(68)
Total transactions with owners	-	(363)	1,015	(10,000)	(8,369)	(17,717)	294	(17,422)
Balance as of March 31, 2020	75,929	85,279	384,182	(62,881)	2,161	484,670	805	485,476

(5) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
Cash flows from operating activities		
Profit before tax	45,763	27,458
Depreciation and amortization	23,660	28,615
Impairment losses (reversal of impairment losses)	–	7,176
Interest and dividend income	(2,150)	(2,176)
Interest expenses	9,245	9,824
Share of loss (profit) of investments accounted for using equity method	(7,355)	(6,442)
Loss (gain) on valuation of investment securities	1,054	(89)
System transfer cost	3,299	–
Decrease (increase) in trade and other receivables	(252,393)	(167,403)
Decrease (increase) in inventories	(13,898)	16,004
Decrease (increase) in operational investment securities for sale	(1,551)	(8,832)
Increase (decrease) in trade and other payables	18,248	(82,072)
Increase (decrease) in provision for point card certificates	3,643	4,975
Increase (decrease) in provision for loss on interest repayment	(5,352)	5,134
Increase (decrease) in financial guarantee liabilities	1,260	1,901
Other	(1,831)	11,261
Subtotal	(178,356)	(154,664)
Interest and dividends received	4,304	5,037
Interest paid	(9,325)	(9,731)
Income taxes refund	820	108
Income taxes paid	(9,882)	(10,614)
Net cash used in operating activities	(192,438)	(169,864)

(Millions of yen)

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
Cash flows from investing activities		
Purchase of investment securities	(5,673)	(6,314)
Proceeds from sale or redemption of investment securities	1,458	19,551
Proceeds from sale of shares of subsidiaries and associates	–	20,775
Purchase of property, plant and equipment, and intangible assets	(27,339)	(20,844)
Proceeds from sale of property, plant and equipment, and intangible assets	33	101
Purchase of investment property	(8,028)	(3,277)
Proceeds from sale of investment property	–	894
Payments for acquisition of subsidiaries	–	(15)
Proceeds from acquisition of subsidiaries	–	16
Proceeds from sale of businesses	–	25,311
Payments for loans receivable	(664)	(12,366)
Collection of loans receivable	27	7,020
Other	(126)	(1,197)
Net cash provided by (used in) investing activities	(40,313)	29,654
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(8,000)	16,544
Net increase (decrease) in commercial papers	121,500	39,000
Net increase (decrease) in securitized borrowings (short-term)	–	15,000
Proceeds from securitized borrowings (long-term)	–	11,793
Repayments for securitized borrowings (long-term)	–	(59)
Proceeds from long-term borrowings	115,900	155,279
Repayments of long-term borrowings	(55,364)	(99,208)
Proceeds from issuance of bonds	94,547	81,552
Redemption of bonds	(20,026)	(30,042)
Repayments of lease liabilities	(603)	(4,616)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(23)	(111)
Proceeds from sale of treasury shares	0	0
Purchase of treasury shares	(0)	(10,000)
Dividends paid	(5,719)	(7,353)
Net cash provided by financing activities	242,211	167,776
Effect of exchange rate changes on cash and cash equivalents	3	(447)
Net increase (decrease) in cash and cash equivalents	9,462	27,118
Cash and cash equivalents at beginning of period	73,179	82,642
Cash and cash equivalents at end of period	82,642	109,761

(6) Segment information, etc.

(i) General information regarding reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available, and which are subject to regular review by the Board of Directors for the purpose of making decisions about the allocation of management resource and assessing the segments' performance.

The Company and its consolidated subsidiaries separately develop and conduct business activities that directly relate to their various customers, and that are mainly based on market and customer service offerings. In accordance with these considerations, the Group's reportable segments are classified by market and customer service offerings and comprise the "Payment," "Lease," "Finance," "Real Estate-Related" and "Entertainment" business segments.

The Payment business segment mainly consists of the credit card business, which is the Group's major segment, and various peripheral businesses closely related to the credit card business.

The Lease business segment operates the Group's leasing business which is centered on the leasing of office equipment.

The Finance business segment consists of the credit guarantee business and the finance related business.

The Real Estate-Related business segment comprises the real estate business and the real estate leasing business.

In the Entertainment business, the Group is developing an amusement business centered on the management of amusement centers/arcades.

The Group do not allocate assets and liabilities to operating segment information used by the Board of Directors.

Effective the fiscal year ended March 31, 2020, the business segment "Credit Service" was renamed "Payment." The change to this reportable segment's name does not have an effect on the segment information.

Note that below in the table for the fiscal year ended March 31, 2019, the new business segment name is used.

(ii) Information regarding profit or loss by reportable segments

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

(Unit: Millions of yen)

	Payment	Lease	Finance	Real estate related	Entertainment	Total	Adjustments (Note 2)	Consolidated
Revenue								
Revenue from external customers	227,102	12,580	39,231	42,099	50,827	371,842	-	371,842
Intersegment revenue	1,415	5	-	943	-	2,365	(2,365)	-
Total	228,518	12,586	39,231	43,043	50,827	374,207	(2,365)	371,842
Net revenue	228,518	12,586	39,231	18,113	8,761	307,212	(2,357)	304,855
Segment profit (Business profit) (Note 1)	16,915	5,720	19,209	8,305	2,078	52,229	3	52,233
Reconciliations	-	-	-	-	-	-	-	(6,469)
Profit before tax	-	-	-	-	-	-	-	45,763

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

(Unit: Millions of yen)

	Payment	Lease	Finance	Real estate related	Entertainment	Total	Adjustments (Note 2)	Consolidated
Revenue								
Revenue from external customers	230,928	12,267	43,112	62,309	48,493	397,112	–	397,112
Intersegment revenue	1,512	1	–	951	0	2,466	(2,466)	–
Total	232,441	12,269	43,112	63,261	48,493	399,579	(2,466)	397,112
Net revenue	232,441	12,269	43,112	17,227	8,822	313,873	(2,462)	311,410
Segment profit (Business profit) (Note 1)	6,297	2,951	18,004	6,957	1,969	36,180	3	36,184
Reconciliations	–	–	–	–	–	–	–	(8,725)
Profit before tax	–	–	–	–	–	–	–	27,458

- (Notes) 1. Business profit is a profit indicator calculated by subtracting the adjustment amount by the application of the effective interest rate method for financial assets and the non-recurring one-time profit and loss items from the profit before tax.
2. Adjustments include inter-segment eliminations.

Breakdown of reconciliations from segment profit (business profit) to profit before tax

(Millions of yen)

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
Segment profit (Business profit)	52,233	36,184
The adjustment amount for financial assets by applying the effective interest rate method	(951)	(663)
Reconciliations (Other income)	–	917
Gain on sale of shares of subsidiaries and associates	–	743
Gain on sale of businesses	–	82
Other	–	90
Reconciliations (Other expenses)	(5,517)	(8,979)
Impairment losses on non-financial assets	–	(7,176)
Loss on valuation of investment securities (stocks, etc.)	(1,266)	(627)
System transfer cost	(3,299)	–
Impairment losses related to investments accounted for using the equity method	(506)	–
Other	(445)	(1,175)
Reconciliations - total	(6,469)	(8,725)
Profit before tax	46,763	27,458

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
Assets		
Current assets		
Cash and deposits	60,052	74,974
Accounts receivable - installment	2,087,817	2,197,156
Investments in leases	241,129	257,713
Operational investment securities	35,140	43,709
Merchandise	113	113
Supplies	2,551	1,581
Prepaid expenses	4,067	4,837
Short-term loans receivable	-	544
Short-term loans receivable from subsidiaries and associates	272,855	244,208
Accounts receivable - other	17,917	26,338
Other	5,031	4,212
Allowance for doubtful accounts	(47,660)	(47,776)
Total current assets	2,679,016	2,807,614
Non-current assets		
Property, plant and equipment		
Buildings, net	5,312	5,449
Vehicles, net	0	0
Equipment, net	1,293	1,438
Land	6,904	6,904
Leased assets, net	1,336	1,234
Construction in progress	16	18
Total property, plant and equipment	14,862	15,045
Intangible assets		
Leasehold interests in land	14	14
Software	143,239	135,947
Leased assets	174	98
Software in progress	958	1,277
Other	252	252
Total intangible assets	144,639	137,589
Investments and other assets		
Investment securities	88,223	56,379
Shares of subsidiaries and associates	56,991	64,531
Bonds of subsidiaries and associates	-	400
Investments in capital	159	0
Investments in capital of subsidiaries and associates	7,080	8,480
Long-term loans receivable	10,079	10,079
Long-term loans receivable from subsidiaries and associates	34,270	29,979
Long-term prepaid expenses	29,590	34,318
Guarantee deposits	2,772	2,765
Deferred tax assets	31,214	36,417
Other	6,614	5,901
Allowance for doubtful accounts	(9)	(409)
Total investments and other assets	266,984	248,843
Total non-current assets	426,487	401,477
Deferred assets		
Bond issuance costs	1,780	1,833
Total deferred assets	1,780	1,833
Total assets	3,107,284	3,210,925

(Millions of yen)

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
Liabilities		
Current liabilities		
Notes payable - trade	0	0
Accounts payable - trade	315,926	229,187
Short-term borrowings	239,960	256,504
Current portion of long-term borrowings	91,279	124,400
Current portion of bonds payable	30,000	75,000
Commercial papers	511,000	550,000
Current portion of long-term loans payable under securitized borrowings	–	5,059
Lease obligations	487	536
Accounts payable - other	4,054	4,178
Accrued expenses	17,517	20,620
Income taxes payable	1,480	6,835
Deposits received	10,488	8,249
Unearned revenue	406	692
Provision for bonuses	1,717	1,657
Provision for bonuses for directors (and other officers)	113	119
Provision for loss on interest repayment	5,362	6,372
Provision for losses on collecting gift tickets	135	132
Deferred installment income	9,339	9,049
Other	3,813	4,915
Total current liabilities	1,243,082	1,303,514
Non-current liabilities		
Bonds payable	385,000	392,000
Long-term borrowings	923,920	947,299
Long-term loans payable under securitized borrowings	20,000	26,674
Lease obligations	1,192	927
Provision for loss on guarantees	7,917	7,869
Provision for point card certificates	104,963	109,938
Provision for loss on interest repayment	10,889	15,003
Guarantee deposits received	1,023	1,199
Other	1,763	1,689
Total non-current liabilities	1,456,668	1,502,601
Total liabilities	2,699,750	2,806,115
Net assets		
Shareholders' equity		
Share capital	75,929	75,929
Capital surplus		
Legal capital surplus	82,497	82,497
Other capital surplus	1,602	1,602
Total capital surplus	84,100	84,100
Retained earnings		
Legal retained earnings	3,020	3,020
Other retained earnings		
General reserve	232,455	247,455
Retained earnings brought forward	37,749	48,787
Total retained earnings	273,224	299,262
Treasury shares	(52,596)	(62,596)
Total shareholders' equity	380,657	396,694
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	27,294	8,346
Deferred gains or losses on hedges	(418)	(231)
Total valuation and translation adjustments	26,875	8,115
Total net assets	407,533	404,809
Total liabilities and net assets	3,107,284	3,210,925

(2) Non-Consolidated Statements of Income

(Millions of yen)

	FY2018 (April 1, 2018 to March 31, 2019)	FY2019 (April 1, 2019 to March 31, 2020)
Operating revenue		
Income from the payment business*		
Revenue from credit card business	135,751	140,136
Revenue from credit card cash advance	32,538	32,376
Revenue from term loans	680	588
Revenue from business agency	28,439	31,260
Revenue from the payment-related business*	9,802	10,111
Income from the payment business*	207,213	214,473
Income from the lease business	12,721	12,264
Income from the finance business		
Revenue from credit guarantee	16,970	16,628
Revenue from finance-related business	17,651	20,046
Income from the finance business	34,621	36,674
Income from the real estate-related business		
Revenue from the real estate-related business	22	23
Cost of the real estate-related business	1	1
Income from the real estate-related business	20	21
Financial income	4,440	4,586
Total operating revenue	259,018	268,020
Operating expenses		
Selling, general and administrative expenses	215,726	235,794
Financial expenses		
Interest expenses	8,896	9,199
Other	851	1,335
Total financial expenses	9,748	10,535
Total operating expenses	225,474	246,330
Operating profit	33,543	21,690
Non-operating income	6,334	6,979
Non-operating expenses	243	320
Ordinary profit	39,634	28,348
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	–	18,834
Gain on sales of investment securities	464	13,083
Total extraordinary income	464	31,918
Extraordinary losses		
Loss on valuation of shares of subsidiaries and associates	561	7,655
Loss on valuation of investment securities	11	2,713
Loss on sales of shares of subsidiaries and associates	–	387
Loss on disposal of non-current assets	19	245
Loss on valuation of investments in capital	945	159
Loss on sales of investment securities	–	28
System transfer cost	1,976	–
Other	–	3
Total extraordinary losses	3,514	11,192
Profit before income taxes	36,585	49,074
Income taxes - current	4,719	12,692
Income taxes - deferred	5,989	2,990
Total income taxes	10,709	15,683
Profit	25,875	33,391

* As a result of a change to a segment name, “Income from the credit service business” has been renamed “Income from the payment business”, “Income from the credit-related service” has been renamed “Income from the payment business” effective the fiscal year ended March 31, 2020.

(3) Non-Consolidated Statements of Changes in Equity
FY2018 (April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholder' 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 period	75,929	82,497	1,602	84,100	3,020	215,455	34,592	253,067	(52,595)	360,501
Changes during period										
Provision of general reserve						17,000	(17,000)	-		-
Dividends of surplus							(5,719)	(5,719)		(5,719)
Profit							25,875	25,875		25,875
Purchase of treasury shares									(0)	(0)
Disposal of treasury shares			(0)	(0)					0	0
Net changes in items other than shareholders' equity										
Total changes during period	-	-	(0)	(0)	-	17,000	3,156	20,156	(0)	20,156
Balance at end of period	75,929	82,497	1,602	84,100	3,020	232,455	37,749	273,224	(52,596)	380,657

	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 period	36,788	(458)	36,329	396,831
Changes during period				
Provision of general reserve				-
Dividends of surplus				(5,719)
Profit				25,875
Purchase of treasury shares				(0)
Disposal of treasury shares				0
Net changes in items other than shareholders' equity	(9,493)	39	(9,453)	(9,453)
Total changes during period	(9,493)	39	(9,453)	10,702
Balance at end of period	27,294	(418)	26,875	407,533

FY2019 (April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity									
	Share capital	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 period	75,929	82,497	1,602	84,100	3,020	232,455	37,749	273,224	(52,596)	380,657
Changes during period										
Provision of general reserve						15,000	(15,000)	–		–
Dividends of surplus							(7,353)	(7,353)		(7,353)
Profit							33,391	33,391		33,391
Purchase of treasury shares									(10,000)	(10,000)
Disposal of treasury shares			(0)	(0)					0	0
Net changes in items other than shareholders' equity										–
Total changes during period	–	–	(0)	(0)	–	15,000	11,037	26,037	(10,000)	16,037
Balance at end of period	75,929	82,497	1,602	84,100	3,020	247,455	48,787	299,262	(62,596)	396,694

	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 period	27,294	(418)	26,875	407,533
Changes during period				
Provision of general reserve				–
Dividends of surplus				(7,353)
Profit				33,391
Purchase of treasury shares				(10,000)
Disposal of treasury shares				0
Net changes in items other than shareholders' equity	(18,948)	187	(18,760)	(18,760)
Total changes during period	(18,948)	187	(18,760)	(2,723)
Balance at end of period	8,346	(231)	8,115	404,809