

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2023



(IFRS)

May 15, 2023

Stock exchange listing: Tokyo

(URL <https://www.saisoncard.co.jp>)

Listed company name: Credit Saison Co., Ltd.

Code number: 8253

Representative: Katsumi Mizuno / Representative, Executive President and COO

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Scheduled date of the Ordinary General Meeting of the Shareholders: June 21, 2023

Scheduled date to commence dividend payments: June 22, 2023

Scheduled date to submit Securities Report: June 21, 2023

Preparation of supplementary material on financial results: Yes

Holding of financial results presentation 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, 2023 (April 1, 2022 to March 31, 2023)

(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)	(%)
FY2022	322,638	7.9	60,977	16.5	61,044	22.2	43,861	23.2	43,599	23.2	46,325	19.8
FY2021	299,017	5.8	52,336	8.2	49,936	(1.9)	35,593	(1.8)	35,375	(2.1)	38,655	(27.7)

	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)	(%)	(%)	(%)
FY2022	278.92	278.75	7.5	1.6	18.9
FY2021	226.35	226.13	6.5	1.4	17.5

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

FY2022 5,982 million yen FY2021 4,588 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)
FY2022	3,896,105	600,041	598,301	15.4	3,827.22
FY2021	3,610,778	563,738	562,387	15.6	3,598.22

(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)
FY2022	(130,092)	(43,828)	224,536	159,671
FY2021	(70,441)	(51,619)	129,260	108,970

2. Dividends

	Annual dividends					Total of dividends (Full year)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (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)	(%)	(%)
FY2021	—	0.00	—	55.00	55.00	8,600	24.3	1.6
FY2022	—	0.00	—	70.00	70.00	10,948	25.1	1.9
FY2023 (Projected)	—	0.00	—	80.00	80.00		25.5	

3. Consolidated Earnings Forecasts for Fiscal 2023 (April 1, 2023 to March 31, 2024)

(% represents year-on-year change)

	Net revenue		Business profit		Profit attributable to owners of parent		Basic earnings per share
	(Millions of yen)	(%)	(Millions of yen)	(%)	(Millions of yen)	(%)	
First six months	170,000	8.1	31,000	(21.2)	21,500	(21.8)	137.53
FY2023	356,000	10.3	70,000	14.8	49,000	12.4	313.44

4. Changes in Presentation

As stated in “(6) Segment Information, Etc.,” effective the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023), the segment that the rent guarantee business belongs to changed from the “Finance business segment” to the “Payment business segment”. In order to reflect the changes to the method of presentation of these segments, the income from the rent guarantee business has been transferred from “income from the finance business” to “income from the payment business”. As a result, for the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022), “income from the payment business” was increased by 1,169 million yen, while “income from the finance business” was decreased by the same amount.

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: None
 - 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):
 FY2022: 185,444,772 shares FY2021: 185,444,772 shares
 - b. Treasury shares at the end of fiscal year:
 FY2022: 29,116,888 shares FY2021: 29,148,823 shares
 - c. Average number of shares during the term:
 FY2022: 156,318,454 shares FY2021: 156,285,867 shares

Reference: Summary of Non-Consolidated Financial Statements

1. Results for Fiscal 2022 (April 1, 2022 to March 31, 2023)

(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)	(%)
FY2022	266,103	5.4	32,668	50.8	43,424	42.7	34,220	56.2
FY2021	252,416	0.4	21,663	(31.2)	30,421	(20.0)	21,909	(26.8)

(Reference) Volume of new contracts: FY2022 9,666,571 million yen FY2021 8,936,380 million yen

	Earnings per share	Earnings per share (diluted)
	(Yen)	(Yen)
FY2022	218.81	—
FY2021	140.12	—

(2) Financial Position

	Total assets (Millions of yen)	Net assets (Millions of yen)	Equity ratio (%)	Net assets per share (Yen)
FY2022	3,665,162	483,683	13.2	3,092.48
FY2021	3,444,915	456,739	13.3	2,920.81

(Reference) Equity: FY2022 483,683 million yen FY2021 456,739 million yen

2. Earnings Forecasts for Fiscal 2023 (April 1, 2023 to March 31, 2024)

(% 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	134,000	3.0	13,500	(25.6)	18,500	(21.2)	13,500	(21.6)	86.31
FY2023	279,000	4.8	39,000	19.4	45,500	4.8	32,000	(6.5)	204.60

- This Consolidated Financial Statements for the Fiscal Year Ended March 31, 2023 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)

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, 2022	As of March 31, 2023
Assets		
Cash and cash equivalents	108,970	159,671
Trade and other receivables	2,794,545	2,990,519
Inventories	128,462	133,247
Operational investment securities	52,992	62,521
Investment securities	72,431	74,394
Other financial assets	14,597	20,346
Property, plant and equipment	30,342	28,753
Right-of-use assets	12,364	11,044
Intangible assets	162,317	150,458
Investment property	94,763	116,612
Investments accounted for using equity method	86,914	89,176
Deferred tax assets	41,377	41,615
Other assets	10,697	16,714
Assets held for sale	—	1,030
Total assets	3,610,778	3,896,105
Liabilities and equity		
Liabilities		
Trade and other payables	244,349	253,329
Financial guarantee liabilities	8,884	7,875
Bonds and borrowings	2,569,040	2,805,175
Other financial liabilities	19,373	19,606
Income taxes payable	13,038	10,385
Provision for point card certificates	118,368	126,023
Provision for loss on interest repayment	24,066	18,091
Other provisions	1,574	1,437
Deferred tax liabilities	974	86
Other liabilities	47,368	54,051
Total liabilities	3,047,040	3,296,063
Equity		
Share capital	75,929	75,929
Capital surplus	85,152	83,560
Retained earnings	442,550	481,163
Treasury shares	(62,737)	(62,668)
Other components of equity	21,492	20,317
Total equity attributable to owners of parent	562,387	598,301
Non-controlling interests	1,351	1,739
Total equity	563,738	600,041
Total liabilities and equity	3,610,778	3,896,105

(2) Consolidated Statements of Income

(Millions of yen)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Revenue		
Income from the payment business	210,777	229,336
Income from the lease business	11,835	12,048
Income from the finance business	47,143	50,754
Revenue from the real estate-related business	59,341	58,715
Revenue from the entertainment business	32,866	30,807
Finance income	989	877
Total	362,955	382,540
Of which, interest income (Note)	108,337	118,520
Cost of sales		
Cost of sales for the real estate-related business	37,478	35,309
Cost of sales for the entertainment business	26,459	24,593
Total	63,937	59,902
Net revenue	299,017	322,638
Selling, general and administrative expenses	222,541	229,322
Impairment losses on financial assets	24,575	34,611
Finance costs	11,461	15,257
Gain arising from the derecognition of financial assets measured at amortized cost	—	43
Share of profit of investments accounted for using equity method	4,588	5,982
Other income	6,259	12,590
Other expenses	1,349	1,017
Profit before tax	49,936	61,044
Income tax expense	14,343	17,183
Profit	35,593	43,861
Profit attributable to		
Owners of parent	35,375	43,599
Non-controlling interests	218	261
Profit	35,593	43,861
Earnings per share		
Basic earnings per share (Yen)	226.35	278.92
Diluted earnings per share (Yen)	226.13	278.75

(Note) Pursuant to IFRS 9 “Financial Instruments”, interest income is calculated using the effective interest method.

Reconciliation from profit before tax to business profit

(Millions of yen)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Profit before tax	49,936	61,044
Reconciliations (Impairment losses on financial assets)	1,364	—
Reconciliations (Other income)	(228)	(616)
Reconciliations (Other expenses)	1,068	825
Adjustments for the application of the effective interest method to financial assets	194	(276)
Subtotal	2,399	(67)
Business profit	52,336	60,977

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Profit	35,593	43,861
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	(3,766)	1,311
Share of other comprehensive income of investments accounted for using equity method	633	(754)
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	(0)	(0)
Effective portion of cash flow hedges	2,762	1,645
Exchange differences on translation of foreign operations	2,252	241
Share of other comprehensive income of investments accounted for using equity method	1,179	20
Total other comprehensive income, net of tax	3,061	2,464
Comprehensive income	38,655	46,325
Comprehensive income attributable to		
Owners of parent	38,426	46,041
Non-controlling interests	228	283
Comprehensive income	38,655	46,325

(4) Consolidated Statements of Changes in Equity
FY2021 (April 1, 2021 to March 31, 2022)

(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, 2021	75,929	85,198	414,260	(62,808)	18,392	530,971	1,086	532,057
Profit			35,375			35,375	218	35,593
Other comprehensive income					3,051	3,051	10	3,061
Comprehensive income	—	—	35,375	—	3,051	38,426	228	38,655
Purchase of treasury shares				(0)		(0)		(0)
Disposal of treasury shares		(0)		0		0		0
Share-based payment transactions		125		71		197	1	198
Dividends			(7,035)			(7,035)		(7,035)
Transfer from other components of equity to retained earnings			(49)		49	—		—
Obtaining of control of subsidiaries		(172)				(172)	38	(133)
Other						—	(3)	(3)
Total transactions with owners	—	(46)	(7,085)	70	49	(7,010)	36	(6,974)
Balance as of March 31, 2022	75,929	85,152	442,550	(62,737)	21,492	562,387	1,351	563,738

FY2022 (April 1, 2022 to March 31, 2023)

(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, 2022	75,929	85,152	442,550	(62,737)	21,492	562,387	1,351	563,738
Profit			43,599			43,599	261	43,861
Other comprehensive income					2,442	2,442	22	2,464
Comprehensive income	—	—	43,599	—	2,442	46,041	283	46,325
Purchase of treasury shares				(1)		(1)		(1)
Share-based payment transactions		182		70		253	0	254
Dividends			(8,600)			(8,600)		(8,600)
Transfer from other components of equity to retained earnings			3,612		(3,612)	—		—
Obtaining of control of subsidiaries						—	100	100
Changes in ownership interest in subsidiaries		(1,774)			(4)	(1,779)	3	(1,775)
Total transactions with owners	—	(1,591)	(4,987)	69	(3,617)	(10,127)	104	(10,022)
Balance as of March 31, 2023	75,929	83,560	481,163	(62,668)	20,317	598,301	1,739	600,041

(5) Consolidated Statements of Cash Flows

(Millions of yen)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before tax	49,936	61,044
Depreciation and amortization	29,825	31,482
Impairment losses (reversal of impairment losses)	201	649
Interest and dividend income	(1,826)	(1,970)
Interest expenses	10,442	14,362
Share of loss (profit) of investments accounted for using equity method	(4,588)	(5,982)
Loss (gain) on valuation of investment securities	(852)	(4,306)
Decrease (increase) in trade and other receivables	(174,759)	(191,717)
Decrease (increase) in inventories	11,067	(3,587)
Decrease (increase) in operational investment securities for sale	(5,284)	(9,066)
Increase (decrease) in trade and other payables	14,141	9,488
Increase (decrease) in provision for point card certificates	5,160	7,655
Increase (decrease) in provision for loss on interest repayments	6,945	(5,975)
Increase (decrease) in financial guarantee liabilities	(938)	(1,008)
Other	3,651	(96)
Subtotal	(56,877)	(99,027)
Interest and dividends received	6,131	5,304
Interest paid	(9,828)	(13,555)
Income taxes refund	1,458	215
Income taxes paid	(11,326)	(23,028)
Net cash provided by (used in) operating activities	(70,441)	(130,092)

(Millions of yen)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Cash flows from investing activities		
Purchase of investment securities	(6,197)	(4,756)
Proceeds from sale and redemption of investments securities	5,421	10,466
Purchase of property, plant and equipment, and intangible assets	(16,435)	(15,636)
Proceeds from sale of property, plant and equipment, and intangible assets	64	38
Purchase of investment property	(26,251)	(23,131)
Proceeds from sale of investment property	2,360	–
Payments for acquisition of subsidiaries	(783)	(426)
Payments for loans receivable	(18,432)	(15,908)
Collection of loans receivable	9,248	9,733
Payments into time deposits	(2,862)	(1,972)
Proceeds from withdrawal of time deposits	930	2,136
Other	1,318	(4,372)
Net cash provided by (used in) investing activities	(51,619)	(43,828)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	323	4,284
Net increase (decrease) in commercial papers	(16,000)	24,000
Proceeds from securitized borrowings (long-term)	70,221	69,255
Repayments for securitized borrowings (long-term)	(7,636)	(8,673)
Proceeds from long-term borrowings	176,482	299,844
Repayments of long-term borrowings	(109,978)	(149,163)
Proceeds from issuance of bonds	92,533	54,563
Redemption of bonds	(65,042)	(55,042)
Repayments of lease liabilities	(4,608)	(4,162)
Proceeds from exercise of share acquisition rights	–	33
Proceeds from payment of CCPS	–	1,852
Payments for acquisition of interests in subsidiaries from non-controlling interests	–	(3,654)
Proceeds from sale of treasury shares	0	–
Purchase of treasury shares	(0)	(1)
Dividends paid	(7,035)	(8,600)
Net cash provided by (used in) financing activities	129,260	224,536
Effect of exchange rate changes on cash and cash equivalents	769	85
Net increase (decrease) in cash and cash equivalents	7,968	50,700
Cash and cash equivalents at beginning of period	101,001	108,970
Cash and cash equivalents at end of period	108,970	159,671

(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 does not allocate assets and liabilities to operating segment information used by the Board of Directors.

From the fiscal year ended March 31, 2023, to reflect the reorganization that was conducted in October 2022, the method of presenting the rent guarantee business, which was previously included in the Finance business segment, has changed, and it is now included in the Payment business segment.

As a result of the above change, segment information for the fiscal year ended March 31, 2022 has been restated based on the reportable segments after the change.

(ii) Information regarding profit or loss by reportable segments

For the fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Payment	Lease	Finance	Real estate-related	Entertainment	Total	Adjustments (Note 2)	Consolidated
Revenue								
Revenue from external customers	211,765	11,835	47,144	59,343	32,866	362,955	—	362,955
Intersegment revenue	1,383	1	—	466	0	1,851	(1,851)	—
Total	213,148	11,837	47,144	59,810	32,866	364,806	(1,851)	362,955
Net revenue	213,148	11,837	47,144	22,704	6,407	301,241	(2,224)	299,017
Segment profit (Business profit) (Note 1)	14,166	5,800	19,777	12,350	237	52,332	3	52,336
Reconciliations	—	—	—	—	—	—	—	(2,399)
Profit before tax	—	—	—	—	—	—	—	49,936

For the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Payment	Lease	Finance	Real estate-related	Entertainment	Total	Adjustments (Note 2)	Consolidated
Revenue								
Revenue from external customers	230,213	12,048	50,754	58,716	30,807	382,540	—	382,540
Intersegment revenue	1,377	1	—	415	0	1,793	(1,793)	—
Total	231,590	12,049	50,754	59,131	30,808	384,334	(1,793)	382,540
Net revenue	231,590	12,049	50,754	24,177	6,214	324,786	(2,148)	322,638
Segment profit (Business profit) (Note 1)	19,969	5,018	22,056	12,595	719	60,359	618	60,977
Reconciliations	—	—	—	—	—	—	—	67
Profit before tax	—	—	—	—	—	—	—	61,044

(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)	
	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Segment profit (Business profit)	52,336	60,977
Adjustments for the application of the effective interest method to financial assets	(194)	276
Reconciliations (Impairment losses on financial assets)	(1,364)	—
Allowance for doubtful accounts accumulated due to malfeasance by business partners (*)	(1,364)	—
Reconciliations (Other income)	228	616
Gain on valuation of investment securities (stocks, etc.)	—	530
Gain on change in equity	64	1
Gain on sale of fixed assets	137	23
Other	26	60
Reconciliations (Other expenses)	(1,068)	(825)
Loss on valuation of investment securities (stocks, etc.)	(23)	—
Impairment losses on non-financial assets	(201)	(649)
Loss on sale of fixed assets	(365)	—
Loss on disposal of fixed assets	(418)	(170)
Other	(59)	(6)
Reconciliations - total	(2,399)	67
Profit before tax	49,936	61,044

* The estimated uncollectible amount was recorded as allowance for doubtful accounts as doubt arose with regard to a portion of the Company's receivables due to malfeasance by business partners. This item of reconciliation from business profit comprises impairment losses on financial assets resulting from the aforementioned.

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	80,545	120,292
Accounts receivable - installment	1,253,849	1,344,075
Operating loans	1,122,017	1,106,631
Investments in leases	256,108	262,297
Operational investment securities	41,583	49,493
Merchandise	113	1,285
Supplies	1,387	1,215
Prepaid expenses	2,149	2,102
Short-term loans receivable	515	436
Short-term loans receivable from subsidiaries and associates	293,349	376,792
Accounts receivable - other	21,400	24,120
Other	10,156	12,953
Allowance for doubtful accounts	(44,087)	(41,185)
Total current assets	3,039,090	3,260,513
Non-current assets		
Property, plant and equipment		
Buildings, net	5,288	5,211
Vehicles, net	0	0
Equipment, net	2,367	1,983
Land	6,904	6,904
Leased assets, net	632	255
Construction in progress	13	46
Total property, plant and equipment	15,206	14,400
Intangible assets		
Leasehold interests in land	14	14
Software	145,468	133,308
Leased assets	5	0
Software in progress	2,185	2,516
Other	263	266
Total intangible assets	147,937	136,105
Investments and other assets		
Investment securities	67,814	68,697
Shares of subsidiaries and associates	81,965	100,007
Bonds of subsidiaries and associates	450	450
Investments in capital	0	0
Investments in capital of subsidiaries and associates	8,480	9,427
Long-term loans receivable	10,513	10,076
Long-term loans receivable from subsidiaries and associates	21,891	15,879
Long-term prepaid expenses	7,121	6,554
Guarantee deposits	2,769	2,650
Deferred tax assets	34,475	33,490
Other	5,678	5,428
Allowance for doubtful accounts	(461)	(506)
Total investments and other assets	240,698	252,156
Total non-current assets	403,842	402,662
Deferred assets		
Bond issuance costs	1,983	1,986
Total deferred assets	1,983	1,986
Total assets	3,444,915	3,665,162

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	245,524	254,702
Short-term borrowings	247,460	251,760
Current portion of long-term borrowings	133,480	104,200
Current portion of long-term borrowings from subsidiaries and associates	300	–
Current portion of bonds payable	55,000	85,000
Commercial papers	466,000	490,000
Current portion of long-term loans payable under securitized borrowings	6,822	6,986
Lease liabilities	364	185
Accounts payable - other	3,691	3,445
Accrued expenses	20,416	23,324
Income taxes payable	8,663	7,608
Contract liabilities	5,110	5,451
Deposits received	6,979	8,565
Unearned revenue	730	1,048
Provision for bonuses	2,202	4,008
Provision for bonuses for directors (and other officers)	70	77
Provision for loss on interest repayment	5,784	5,665
Provision for loss on collecting gift tickets	132	130
Other	5,018	4,602
Total current liabilities	1,213,752	1,256,761
Non-current liabilities		
Bonds payable	478,000	448,000
Long-term borrowings	999,219	1,117,329
Long-term loans payable under securitized borrowings	149,266	209,685
Lease liabilities	335	101
Contract liabilities	2,140	1,668
Provision for loss on guarantees	7,993	7,802
Provision for point card certificates	118,368	126,023
Provision for loss on interest repayment	16,650	11,124
Guarantee deposits received	2,129	2,260
Other	320	721
Total non-current liabilities	1,774,423	1,924,717
Total liabilities	2,988,176	3,181,479
Net assets		
Shareholders' equity		
Share capital	75,929	75,929
Capital surplus		
Legal capital surplus	82,497	82,497
Other capital surplus	1,539	1,519
Total capital surplus	84,036	84,017
Retained earnings		
Legal retained earnings	3,020	3,020
Other retained earnings		
General reserve	297,455	308,455
Retained earnings brought forward	37,230	51,849
Total retained earnings	337,705	363,324
Treasury shares	(62,453)	(62,383)
Total shareholders' equity	435,218	460,887
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	21,455	22,924
Deferred gains or losses on hedges	65	(128)
Total valuation and translation adjustments	21,521	22,796
Total net assets	456,739	483,683
Total liabilities and net assets	3,444,915	3,665,162

(2) Non-Consolidated Statements of Income

(Millions of yen)

	FY2021 (April 1, 2021 to March 31, 2022)	FY2022 (April 1, 2022 to March 31, 2023)
Operating revenue		
Income from the payment business		
Revenue from credit card business	131,486	142,253
Revenue from credit card cash advance	25,694	24,344
Revenue from term loans	403	323
Revenue from business agency	27,598	27,376
Revenue from the payment-related business	12,150	14,269
Income from the payment business	197,332	208,567
Income from the lease business	11,907	12,102
Income from the finance business		
Revenue from credit guarantee	13,406	13,194
Revenue from finance-related business	24,560	26,218
Income from the finance business	37,966	39,413
Income from the real estate-related business		
Revenue from the real estate-related business	25	26
Cost of sales for the real estate-related business	1	1
Income from the real estate-related business	23	24
Financial revenue	5,187	5,995
Total operating revenue	252,416	266,103
Operating expenses		
Selling, general and administrative expenses	219,371	221,512
Financial expenses		
Interest expenses	9,362	10,205
Other	2,018	1,717
Total financial expenses	11,381	11,923
Total operating expenses	230,752	233,435
Operating profit	21,663	32,668
Non-operating income	9,131	10,962
Non-operating expenses	374	205
Ordinary profit	30,421	43,424
Extraordinary income		
Gain on sale of investment securities	2,032	5,248
Total extraordinary income	2,032	5,248
Extraordinary losses		
Loss on valuation of investment securities	675	499
Loss on disposal of non-current assets	394	127
Loss on valuation of shares of subsidiaries and associates	50	—
Loss on liquidation of subsidiaries and associates	23	6
Total extraordinary losses	1,143	633
Profit before income taxes	31,310	48,039
Income taxes - current	12,574	13,446
Income taxes - deferred	(3,173)	372
Total income taxes	9,400	13,819
Profit	21,909	34,220

(3) Non-Consolidated Statements of Changes in Equity
FY2021 (April 1, 2021 to March 31, 2022)

(Millions of yen)

(millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Retained earnings				Treasury shares	Total share-holders' 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	1,576	84,073	3,020	274,455	44,684	322,159	(62,524)	419,638
Cumulative effects of changes in accounting policies							671	671		671
Restated balance	75,929	82,497	1,576	84,073	3,020	274,455	45,355	322,830	(62,524)	420,309
Changes during period										
Provision of general reserve						23,000	(23,000)	—		—
Dividends of surplus							(7,035)	(7,035)		(7,035)
Profit							21,909	21,909		21,909
Purchase of treasury shares									(0)	(0)
Disposal of treasury shares			(36)	(36)					71	34
Net changes in items other than shareholders' equity										—
Total changes during period	—	—	(36)	(36)	—	23,000	(8,125)	14,874	70	14,908
Balance at end of period	75,929	82,497	1,539	84,036	3,020	297,455	37,230	337,705	(62,453)	435,218

	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	22,187	(142)	22,044	441,683
Cumulative effects of changes in accounting policies				671
Restated balance	22,187	(142)	22,044	442,354
Changes during period				
Provision of general reserve				—
Dividends of surplus				(7,035)
Profit				21,909
Purchase of treasury shares				(0)
Disposal of treasury shares				34
Net changes in items other than shareholders' equity	(731)	208	(523)	(523)
Total changes during period	(731)	208	(523)	14,385
Balance at end of period	21,455	65	21,521	456,739

FY2022 (April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity									
	Share capital	Capital surplus			Legal retained earnings	Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at beginning of period	75,929	82,497	1,539	84,036	3,020	297,455	37,230	337,705	(62,453)	435,218
Changes during period										
Provision of general reserve						11,000	(11,000)	—		—
Dividends of surplus							(8,600)	(8,600)		(8,600)
Profit							34,220	34,220		34,220
Purchase of treasury shares			0	0					(1)	(1)
Disposal of treasury shares			(20)	(20)					71	50
Net changes in items other than shareholders' equity										—
Total changes during period	—	—	(19)	(19)	—	11,000	14,619	25,619	69	25,669
Balance at end of period	75,929	82,497	1,519	84,017	3,020	308,455	51,849	363,324	(62,383)	460,887

	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	21,455	65	21,521	456,739
Changes during period				
Provision of general reserve				—
Dividends of surplus				(8,600)
Profit				34,220
Purchase of treasury shares				(1)
Disposal of treasury shares				50
Net changes in items other than shareholders' equity	1,469	(194)	1,274	1,274
Total changes during period	1,469	(194)	1,274	26,943
Balance at end of period	22,924	(128)	22,796	483,683