

《Translation of excerpted sections》

Consolidated Financial Statements for the Fiscal Year Ended March 31, 2022



(IFRS)

May 13, 2022
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

Inquiries to: Yuka Wakamatsu / General Manager, Public Relations Office; Phone: (03) 3982-0700

Scheduled date of the Ordinary General Meeting of the Shareholders: June 22, 2022

Scheduled date to commence dividend payments: June 23, 2022

Scheduled date to submit Securities Report: June 22, 2022

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, 2022 (April 1, 2021 to March 31, 2022)

(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) | (%) |
| 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) |
| FY2020 | 282,625 | (9.2) | 48,352 | 33.6 | 50,915 | 85.4 | 36,247 | 60.1 | 36,132 | 58.0 | 53,474 | 379.3 |

| | 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) | (%) | (%) | (%) |
| FY2021 | 226.35 | 226.13 | 6.5 | 1.4 | 17.5 |
| FY2020 | 231.24 | 231.02 | 7.1 | 1.5 | 17.1 |

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

FY2021 4,588 million yen FY2020 4,168 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) |
| FY2021 | 3,610,778 | 563,738 | 562,387 | 15.6 | 3,598.22 |
| FY2020 | 3,409,247 | 532,057 | 530,971 | 15.6 | 3,397.92 |

(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) |
| FY2021 | (70,441) | (51,619) | 129,260 | 108,970 |
| FY2020 | (4,695) | (10,622) | 6,225 | 101,001 |

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) | | | |
| FY2020 | – | 0.00 | – | 45.00 | 45.00 | 7,035 | 19.5 | 1.4 |
| FY2021 | – | 0.00 | – | 55.00 | 55.00 | 8,600 | 24.3 | 1.6 |
| FY2022 (Projected) | – | 0.00 | – | 60.00 | 60.00 | | 26.4 | |

3. Consolidated Earnings Forecasts for Fiscal 2022 (April 1, 2022 to March 31, 2023)

(% represents year-on-year change)

| | Net revenue | | Business profit | | Profit attributable to owners of parent | | Basic earnings per share (Yen) |
|------------------|-------------------|-----|-------------------|--------|---|--------|-----------------------------------|
| | (Millions of yen) | (%) | (Millions of yen) | (%) | (Millions of yen) | (%) | |
| First six months | 153,000 | 2.5 | 26,000 | (26.4) | 17,500 | (18.8) | 111.97 |
| FY2022 | 312,000 | 4.3 | 53,000 | 1.3 | 35,500 | 0.4 | 227.13 |

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

| | |
|----------------------------|----------------------------|
| FY2021: 185,444,772 shares | FY2020: 185,444,772 shares |
|----------------------------|----------------------------|
 - Treasury shares at the end of fiscal year:

| | |
|---------------------------|---------------------------|
| FY2021: 29,148,823 shares | FY2020: 29,181,240 shares |
|---------------------------|---------------------------|
 - Average number of shares during the term:

| | |
|----------------------------|----------------------------|
| FY2021: 156,285,867 shares | FY2020: 156,254,705 shares |
|----------------------------|----------------------------|

Reference: Summary of Non-Consolidated Financial Statements

1. Results for Fiscal 2021 (April 1, 2021 to March 31, 2022)

(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) | (%) |
| FY2021 | 252,416 | 0.4 | 21,663 | (31.2) | 30,421 | (20.0) | 21,909 | (26.8) |
| FY2020 | 251,307 | (6.2) | 31,507 | 45.3 | 38,026 | 34.1 | 29,931 | (10.4) |

(Reference) Volume of new contracts: FY2021 8,936,380 million yen FY2020 8,319,503 million yen

| | Earnings per share | Earnings per share (diluted) |
|--------|--------------------|---------------------------------|
| | (Yen) | (Yen) |
| FY2021 | 140.12 | – |
| FY2020 | 191.46 | – |

(2) Financial Position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|--------|-------------------|-------------------|--------------|----------------------|
| | (Millions of yen) | (Millions of yen) | (%) | (Yen) |
| FY2021 | 3,444,915 | 456,739 | 13.3 | 2,920.81 |
| FY2020 | 3,280,302 | 441,683 | 13.5 | 2,825.11 |

(Reference) Equity: FY2021 456,739 million yen FY2020 441,683 million yen

2. Earnings Forecasts for Fiscal 2022 (April 1, 2022 to March 31, 2023)

(% 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 | 127,500 | 2.7 | 14,000 | (21.3) | 17,500 | (27.1) | 11,500 | (35.7) | 73.54 |
| FY2022 | 260,000 | 3.0 | 31,500 | 45.4 | 37,000 | 21.6 | 24,000 | 9.5 | 153.48 |

- This Consolidated Financial Statements for the Fiscal Year Ended March 31, 2022 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, 2021 | As of March 31, 2022 |
|--|----------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | 101,001 | 108,970 |
| Trade and other receivables | 2,607,838 | 2,794,545 |
| Inventories | 139,530 | 128,462 |
| Operational investment securities | 47,250 | 52,992 |
| Investment securities | 78,774 | 72,431 |
| Other financial assets | 13,374 | 14,597 |
| Property, plant and equipment | 29,095 | 30,342 |
| Right-of-use assets | 14,850 | 12,364 |
| Intangible assets | 171,421 | 162,317 |
| Investment property | 73,888 | 94,763 |
| Investments accounted for using equity method | 80,680 | 86,914 |
| Deferred tax assets | 37,569 | 41,377 |
| Other assets | 13,972 | 10,697 |
| Total assets | 3,409,247 | 3,610,778 |
| Liabilities and equity | | |
| Liabilities | | |
| Trade and other payables | 229,962 | 244,349 |
| Financial guarantee liabilities | 9,823 | 8,884 |
| Bonds and borrowings | 2,429,488 | 2,569,040 |
| Other financial liabilities | 23,799 | 19,373 |
| Income taxes payable | 6,079 | 13,038 |
| Provision for point card certificates | 113,207 | 118,368 |
| Provision for loss on interest repayment | 17,121 | 24,066 |
| Other provisions | 1,521 | 1,574 |
| Deferred tax liabilities | 1,005 | 974 |
| Other liabilities | 45,181 | 47,368 |
| Total liabilities | 2,877,190 | 3,047,040 |
| Equity | | |
| Share capital | 75,929 | 75,929 |
| Capital surplus | 85,198 | 85,152 |
| Retained earnings | 414,260 | 442,550 |
| Treasury shares | (62,808) | (62,737) |
| Other components of equity | 18,392 | 21,492 |
| Total equity attributable to owners of parent | 530,971 | 562,387 |
| Non-controlling interests | 1,086 | 1,351 |
| Total equity | 532,057 | 563,738 |
| Total liabilities and equity | 3,409,247 | 3,610,778 |

(2) Consolidated Statements of Income

(Millions of yen)

| | FY2020 (April 1, 2020 to March 31, 2021) | FY2021 (April 1, 2021 to March 31, 2022) |
|--|--|--|
| Revenue | | |
| Income from the payment business | 206,722 | 209,608 |
| Income from the lease business | 12,286 | 11,835 |
| Income from the finance business | 43,412 | 48,313 |
| Revenue from the real estate-related business | 32,382 | 59,341 |
| Revenue from the entertainment business | 29,548 | 32,866 |
| Finance income | 1,028 | 989 |
| Total | 325,381 | 362,955 |
| Of which, interest income (Note) | 108,784 | 108,337 |
| Cost of sales | | |
| Cost of sales for the real estate-related business | 18,743 | 37,478 |
| Cost of sales for the entertainment business | 24,012 | 26,459 |
| Total | 42,755 | 63,937 |
| Net revenue | 282,625 | 299,017 |
| Expenses and other income | | |
| Selling, general and administrative expenses | 202,380 | 222,541 |
| Impairment losses on financial assets | 31,867 | 24,575 |
| Finance costs | 11,266 | 11,461 |
| Share of profit of investments accounted for using equity method | 4,168 | 4,588 |
| Other income | 12,475 | 6,259 |
| Other expenses | 2,839 | 1,349 |
| Profit before tax | 50,915 | 49,936 |
| Income tax expense | 14,668 | 14,343 |
| Profit | 36,247 | 35,593 |
| Profit attributable to | | |
| Owners of parent | 36,132 | 35,375 |
| Non-controlling interests | 114 | 218 |
| Profit | 36,247 | 35,593 |
| Earnings per share | | |
| Basic earnings per share (Yen) | 231.24 | 226.35 |
| Diluted earnings per share (Yen) | 231.02 | 226.13 |

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

Reconciliation from profit before tax to business profit

(Millions of yen)

| | FY2020 (April 1, 2020 to March 31, 2021) | FY2021 (April 1, 2021 to March 31, 2022) |
|--|--|--|
| Profit before tax | 50,915 | 49,936 |
| Reconciliations (Selling, general and administrative expenses) | 924 | – |
| Reconciliations (Impairment losses on financial assets) | – | 1,364 |
| Reconciliations (Other income) | (6,672) | (228) |
| Reconciliations (Other expenses) | 2,473 | 1,068 |
| Adjustments for the application of the effective interest method to financial assets | 711 | 194 |
| Subtotal | (2,562) | 2,399 |
| Business profit | 48,352 | 52,336 |

(3) Consolidated Statements of Comprehensive Income

(Millions of yen)

| | FY2020 (April 1, 2020 to March 31, 2021) | FY2021 (April 1, 2021 to March 31, 2022) |
|--|--|--|
| Profit | 36,247 | 35,593 |
| 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 | 14,355 | (3,766) |
| Share of other comprehensive income of investments accounted for using equity method | 93 | 633 |
| 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 | (13) | (0) |
| Effective portion of cash flow hedges | 1,618 | 2,762 |
| Exchange differences on translation of foreign operations | 682 | 2,252 |
| Share of other comprehensive income of investments accounted for using equity method | 489 | 1,179 |
| Total other comprehensive income, net of tax | 17,227 | 3,061 |
| Comprehensive income | 53,474 | 38,655 |
| Comprehensive income attributable to | | |
| Owners of parent | 53,342 | 38,426 |
| Non-controlling interests | 131 | 228 |
| Comprehensive income | 53,474 | 38,655 |

(4) Consolidated Statements of Changes in Equity
FY2020 (April 1, 2020 to March 31, 2021)

(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, 2020 | 75,929 | 85,279 | 384,182 | (62,881) | 2,161 | 484,670 | 805 | 485,476 |
| Profit | | | 36,132 | | | 36,132 | 114 | 36,247 |
| Other comprehensive income | | | | | 17,209 | 17,209 | 17 | 17,227 |
| Comprehensive income | – | – | 36,132 | – | 17,209 | 53,342 | 131 | 53,474 |
| Purchase of treasury shares | | | | (0) | | (0) | | (0) |
| Disposal of treasury shares | | (0) | | 0 | | 0 | | 0 |
| Share-based payment transactions | | 31 | | 73 | | 104 | 32 | 137 |
| Dividends | | | (7,033) | | | (7,033) | | (7,033) |
| Transfer from other components of equity to retained earnings | | | 978 | | (978) | – | | – |
| Changes in ownership interest in subsidiaries | | (112) | | | | (112) | 112 | – |
| Other | | | | | | – | 3 | 3 |
| Total transactions with owners | – | (80) | (6,055) | 72 | (978) | (7,041) | 148 | (6,893) |
| Balance as of March 31, 2021 | 75,929 | 85,198 | 414,260 | (62,808) | 18,392 | 530,971 | 1,086 | 532,057 |

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 |

(5) Consolidated Statements of Cash Flows

(Millions of yen)

| | FY2020 (April 1, 2020 to March 31, 2021) | FY2021 (April 1, 2021 to March 31, 2022) |
|---|--|--|
| Cash flows from operating activities | | |
| Profit before tax | 50,915 | 49,936 |
| Depreciation and amortization | 28,624 | 29,825 |
| Impairment losses (reversal of impairment losses) | 1,218 | 201 |
| Interest and dividend income | (2,218) | (1,826) |
| Interest expenses | 10,095 | 10,442 |
| Share of loss (profit) of investments accounted for using equity method | (4,168) | (4,588) |
| Loss (gain) on valuation of investment securities | (4,580) | (852) |
| Decrease (increase) in trade and other receivables | (51,222) | (174,759) |
| Decrease (increase) in inventories | (4,134) | 11,067 |
| Decrease (increase) in operational investment securities for sale | 1,601 | (5,284) |
| Increase (decrease) in trade and other payables | (821) | 14,141 |
| Increase (decrease) in provision for point card certificates | 3,269 | 5,160 |
| Increase (decrease) in provision for loss on interest repayment | (5,776) | 6,945 |
| Increase (decrease) in financial guarantee liabilities | (383) | (938) |
| Other | (5,010) | 3,651 |
| Subtotal | 17,407 | (56,877) |
| Interest and dividends received | 3,531 | 6,131 |
| Interest paid | (9,739) | (9,828) |
| Income taxes refund | 33 | 1,458 |
| Income taxes paid | (15,929) | (11,326) |
| Net cash provided by (used in) operating activities | (4,695) | (70,441) |

(Millions of yen)

| | FY2020 (April 1, 2020 to March 31, 2021) | FY2021 (April 1, 2021 to March 31, 2022) |
|--|--|--|
| Cash flows from investing activities | | |
| Purchase of investment securities | (2,014) | (6,197) |
| Proceeds from sale or redemption of investment securities | 10,655 | 5,421 |
| Purchase of property, plant and equipment, and intangible assets | (17,143) | (16,435) |
| Proceeds from sale of property, plant and equipment, and intangible assets | 366 | 64 |
| Purchase of investment property | (16,697) | (26,251) |
| Proceeds from sale of investment property | 5,182 | 2,360 |
| Payments for acquisition of subsidiaries | (41) | (783) |
| Payments for loans receivable | (1,256) | (18,432) |
| Collection of loans receivable | 10,750 | 9,248 |
| Payments into time deposits | – | (2,862) |
| Proceeds from withdrawal of time deposits | – | 930 |
| Other | (423) | 1,318 |
| Net cash provided by (used in) investing activities | (10,622) | (51,619) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | (9,844) | 323 |
| Net increase (decrease) in commercial papers | (68,000) | (16,000) |
| Net increase (decrease) in securitized borrowings (short-term) | (15,000) | – |
| Proceeds from securitized borrowings (long-term) | 67,762 | 70,221 |
| Repayments for securitized borrowings (long-term) | (5,993) | (7,636) |
| Proceeds from long-term borrowings | 146,721 | 176,482 |
| Repayments of long-term borrowings | (134,814) | (109,978) |
| Proceeds from issuance of bonds | 112,449 | 92,533 |
| Redemption of bonds | (75,042) | (65,042) |
| Repayments of lease liabilities | (4,986) | (4,608) |
| Payments for acquisition of interests in subsidiaries from non-controlling interests | (20) | – |
| Proceeds from sale of treasury shares | 0 | 0 |
| Purchase of treasury shares | (0) | (0) |
| Dividends paid | (7,033) | (7,035) |
| Other | 26 | – |
| Net cash provided by (used in) financing activities | 6,225 | 129,260 |
| Effect of exchange rate changes on cash and cash equivalents | 333 | 769 |
| Net increase (decrease) in cash and cash equivalents | (8,759) | 7,968 |
| Cash and cash equivalents at beginning of period | 109,761 | 101,001 |
| Cash and cash equivalents at end of period | 101,001 | 108,970 |

(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, 2022, the Group reviewed the allocation standards for the Company's common expenses, and carried out changes to the method for calculating the profit or loss of each operating segment in order to more appropriately evaluate and manage the performance of each reportable segment.

(ii) Information regarding profit or loss by reportable segments

For the fiscal year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)

(Millions of yen)

| | Payment | Lease | Finance | Real estate related | Entertainment | Total | Adjustments (Note 2) | Consolidated |
|--|---------|--------|---------|---------------------|---------------|---------|----------------------|--------------|
| Revenue | | | | | | | | |
| Revenue from external customers | 207,746 | 12,289 | 43,412 | 32,384 | 29,548 | 325,381 | – | 325,381 |
| Intersegment revenue | 1,384 | 1 | – | 970 | 0 | 2,356 | (2,356) | – |
| Total | 209,130 | 12,290 | 43,412 | 33,355 | 29,548 | 327,738 | (2,356) | 325,381 |
| Net revenue | 209,130 | 12,290 | 43,412 | 14,595 | 5,536 | 284,965 | (2,340) | 282,625 |
| Segment profit (Business profit) or Segment loss (Business loss) (Note 1) (Note 3) | 17,968 | 5,455 | 21,279 | 5,390 | (1,745) | 48,349 | 3 | 48,352 |
| Reconciliations | – | – | – | – | – | – | – | 2,562 |
| Profit before tax | – | – | – | – | – | – | – | 50,915 |

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 | 210,595 | 11,835 | 48,313 | 59,343 | 32,866 | 362,955 | – | 362,955 |
| Intersegment revenue | 1,383 | 1 | – | 466 | 0 | 1,851 | (1,851) | – |
| Total | 211,979 | 11,837 | 48,313 | 59,810 | 32,866 | 364,806 | (1,851) | 362,955 |
| Net revenue | 211,979 | 11,837 | 48,313 | 22,704 | 6,407 | 301,241 | (2,224) | 299,017 |
| Segment profit (Business profit) or Segment loss (Business loss) (Note 1) | 14,016 | 5,805 | 19,922 | 12,350 | 237 | 52,332 | 3 | 52,336 |
| Reconciliations | – | – | – | – | – | – | – | (2,399) |
| Profit before tax | – | – | – | – | – | – | – | 49,936 |

(Notes) 1. Business profit or Business loss 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.

3. From the fiscal year ended March 31, 2022, the Group reviewed the allocation standards for the Company's common expenses, and carried out changes to the method for calculating the profit or loss of each operating segment. In the event that operating segment information for the fiscal year ended March 31, 2021 was prepared using the method of calculation after the change, Business profit of the Payment business would increase by ¥4,363 million, while Business profit of the Lease and Finance businesses would decrease by ¥748 million and ¥3,614 million, respectively.

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

| | (Millions of yen) | |
|--|--|--|
| | FY2020 (April 1, 2020 to March 31, 2021) | FY2021 (April 1, 2021 to March 31, 2022) |
| Segment profit (Business profit) | 48,352 | 52,336 |
| Adjustments for the application of the effective interest method to financial assets | (711) | (194) |
| Reconciliations (Selling, general and administrative expenses) | (924) | - |
| Loss related to COVID-19 (*1) | (924) | - |
| Reconciliations (Impairment losses on financial assets) | - | (1,364) |
| Allowance for doubtful accounts accumulated due to malfeasance by business partners (*2) | - | (1,364) |
| Reconciliations (Other income) | 6,672 | 228 |
| Gain on valuation of investment securities (stocks, etc.) | 3,968 | - |
| Gain on change in equity | 64 | 64 |
| Gain on sale of fixed assets | 2,629 | 137 |
| Other | 9 | 26 |
| Reconciliations (Other expenses) | (2,473) | (1,068) |
| Loss on valuation of investment securities (stocks, etc.) | - | (23) |
| Impairment losses on non-financial assets | (1,218) | (201) |
| Loss on sale of fixed assets | - | (365) |
| Loss on disposal of fixed assets | (592) | (418) |
| Amount of payment (*3) | (580) | - |
| Other | (82) | (59) |
| Reconciliations - total | 2,562 | (2,399) |
| Profit before tax | 50,915 | 49,936 |

*1 In response to various requests from the national and local governments taken to address the novel coronavirus disease (COVID-19), we compensated some of our employees due to the suspension of business partners and locations, and took measures to close some locations temporarily. This item of reconciliation from business profit comprises non-recurring expenses that include the fixed costs (such as personnel costs and depreciation) resulting from the aforementioned. The Group recognizes the ¥662 million grant received as a government grant pertaining to COVID-19 in the fiscal year ended March 31, 2021 as profit or loss, and has excluded it from related expenses.

*2 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.

*3 A one-time adjustment for expenses with business partners.

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|---|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 68,665 | 80,545 |
| Accounts receivable - installment | 1,198,421 | 1,253,849 |
| Operating loans | 1,055,804 | 1,122,017 |
| Investments in leases | 259,964 | 256,108 |
| Operational investment securities | 41,257 | 41,583 |
| Merchandise | 113 | 113 |
| Supplies | 1,485 | 1,387 |
| Prepaid expenses | 1,618 | 2,149 |
| Short-term loans receivable | 425 | 515 |
| Short-term loans receivable from subsidiaries and | 254,617 | 293,349 |
| Accounts receivable - other | 21,967 | 21,400 |
| Other | 11,277 | 10,156 |
| Allowance for doubtful accounts | (45,521) | (44,087) |
| Total current assets | 2,870,097 | 3,039,090 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings, net | 5,329 | 5,288 |
| Vehicles, net | 0 | 0 |
| Equipment, net | 2,863 | 2,367 |
| Land | 6,904 | 6,904 |
| Leased assets, net | 1,052 | 632 |
| Construction in progress | 11 | 13 |
| Total property, plant and equipment | 16,160 | 15,206 |
| Intangible assets | | |
| Leasehold interests in land | 14 | 14 |
| Software | 154,302 | 145,468 |
| Leased assets | 21 | 5 |
| Software in progress | 2,760 | 2,185 |
| Other | 252 | 263 |
| Total intangible assets | 157,349 | 147,937 |
| Investments and other assets | | |
| Investment securities | 70,174 | 67,814 |
| Shares of subsidiaries and associates | 68,497 | 81,965 |
| Bonds of subsidiaries and associates | 450 | 450 |
| Investments in capital | 0 | 0 |
| Investments in capital of subsidiaries and associates | 8,480 | 8,480 |
| Long-term loans receivable | 10,595 | 10,513 |
| Long-term loans receivable from subsidiaries and | 29,533 | 21,891 |
| Long-term prepaid expenses | 7,661 | 7,121 |
| Guarantee deposits | 2,928 | 2,769 |
| Deferred tax assets | 31,070 | 34,475 |
| Other | 5,760 | 5,678 |
| Allowance for doubtful accounts | (411) | (461) |
| Total investments and other assets | 234,740 | 240,698 |
| Total non-current assets | 408,250 | 403,842 |
| Deferred assets | | |
| Bond issuance costs | 1,953 | 1,983 |
| Total deferred assets | 1,953 | 1,983 |
| Total assets | 3,280,302 | 3,444,915 |

(Millions of yen)

| | As of March 31, 2021 | As of March 31, 2022 |
|---|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 231,024 | 245,524 |
| Short-term borrowings | 246,960 | 247,460 |
| Current portion of long-term borrowings | 101,670 | 133,480 |
| Current portion of long-term loans payable under securitized borrowings | – | 300 |
| Current portion of bonds payable | 65,000 | 55,000 |
| Commercial papers | 482,000 | 466,000 |
| Current portion of long-term loans payable under credit fluidity | 6,257 | 6,822 |
| Lease liabilities | 463 | 364 |
| Accounts payable - other | 4,088 | 3,691 |
| Accrued expenses | 20,747 | 20,416 |
| Income taxes payable | 3,719 | 8,663 |
| Contract liabilities | – | 5,110 |
| Deposits received | 8,225 | 6,979 |
| Unearned revenue | 1,229 | 730 |
| Provision for bonuses | 2,215 | 2,202 |
| Provision for bonuses for directors (and other officers) | 68 | 70 |
| Provision for loss on interest repayment | 5,580 | 5,784 |
| Allowance for losses on collecting gift tickets | 132 | 132 |
| Deferred installment income | 8,064 | – |
| Other | 4,482 | 5,018 |
| Total current liabilities | 1,191,931 | 1,213,752 |
| Non-current liabilities | | |
| Bonds payable | 440,000 | 478,000 |
| Long-term borrowings | 982,529 | 999,219 |
| Long-term loans payable under securitized borrowings | 87,245 | 149,266 |
| Lease liabilities | 728 | 335 |
| Contract liabilities | – | 2,140 |
| Provision for loss on guarantees | 8,311 | 7,993 |
| Provision for point card certificates | 113,207 | 118,368 |
| Provision for loss on interest repayment | 10,433 | 16,650 |
| Guarantee deposits received | 1,303 | 2,129 |
| Other | 2,929 | 320 |
| Total non-current liabilities | 1,646,687 | 1,774,423 |
| Total liabilities | 2,838,618 | 2,988,176 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 75,929 | 75,929 |
| Capital surplus | | |
| Legal capital surplus | 82,497 | 82,497 |
| Other capital surplus | 1,576 | 1,539 |
| Total capital surplus | 84,073 | 84,036 |
| Retained earnings | | |
| Legal retained earnings | 3,020 | 3,020 |
| Other retained earnings | | |
| General reserve | 274,455 | 297,455 |
| Retained earnings brought forward | 44,684 | 37,230 |
| Total retained earnings | 322,159 | 337,705 |
| Treasury shares | (62,524) | (62,453) |
| Total shareholders' equity | 419,638 | 435,218 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 22,187 | 21,455 |
| Deferred gains or losses on hedges | (142) | 65 |
| Total valuation and translation adjustments | 22,044 | 21,521 |
| Total net assets | 441,683 | 456,739 |
| Total liabilities and net assets | 3,280,302 | 3,444,915 |

(2) Non-Consolidated Statements of Income

(Millions of yen)

| | FY2020 (April 1, 2020 to March 31, 2021) | FY2021 (April 1, 2021 to March 31, 2022) |
|--|--|--|
| Operating revenue | | |
| Income from the payment business | | |
| Revenue from credit card business | 131,339 | 131,486 |
| Revenue from credit card cash advance | 28,308 | 25,694 |
| Revenue from term loans | 472 | 403 |
| Revenue from business agency | 27,572 | 27,598 |
| Revenue from the payment-related business | 10,408 | 10,980 |
| Income from the payment business | 198,101 | 196,163 |
| Income from the Lease business | 12,287 | 11,907 |
| Income from the finance business | | |
| Revenue from credit guarantee | 14,949 | 13,406 |
| Revenue from finance-related business | 21,498 | 25,729 |
| Income from the finance business | 36,447 | 39,135 |
| Income from the real estate-related business | | |
| Revenue from the real estate-related business | 25 | 25 |
| Cost of the real estate-related business | 1 | 1 |
| Income from the real estate-related business | 23 | 23 |
| Financial revenue | 4,448 | 5,187 |
| Total operating revenue | 251,307 | 252,416 |
| Operating expenses | | |
| Selling, general and administrative expenses | 208,269 | 219,371 |
| Financial expenses | | |
| Interest expenses | 9,394 | 9,362 |
| Other | 2,136 | 2,018 |
| Total financial expenses | 11,530 | 11,381 |
| Total operating expenses | 219,799 | 230,752 |
| Operating profit | 31,507 | 21,663 |
| Non-operating income | 6,688 | 9,131 |
| Non-operating expenses | 169 | 374 |
| Ordinary profit | 38,026 | 30,421 |
| Extraordinary income | | |
| Gain on sale of investment securities | 2,120 | 2,032 |
| Subsidies for employment adjustment | 475 | – |
| Other | 1 | – |
| Total extraordinary income | 2,597 | 2,032 |
| Extraordinary losses | | |
| Loss on valuation of investment securities | 508 | 675 |
| Loss on disposal of non-current assets | 566 | 394 |
| Loss on valuation of shares of subsidiaries and associates | 42 | 50 |
| Loss on liquidation of subsidiaries and associates | – | 23 |
| Loss related to COVID-19 | 1,007 | – |
| Amount of payment | 580 | – |
| Loss on sale of investment securities | 416 | – |
| Other | 0 | – |
| Total extraordinary losses | 3,123 | 1,143 |
| Profit before income taxes | 37,501 | 31,310 |
| Income taxes - current | 8,347 | 12,574 |
| Income taxes - deferred | (777) | (3,173) |
| Total income taxes | 7,569 | 9,400 |
| Profit | 29,931 | 21,909 |

(3) Non-Consolidated Statements of Changes in Equity
FY2020 (April 1, 2020 to March 31, 2021)

(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 | 247,455 | 48,787 | 299,262 | (62,596) | 396,694 |
| Changes during period | | | | | | | | | | |
| Provision of general reserve | | | | | | 27,000 | (27,000) | - | | - |
| Dividends of surplus | | | | | | | (7,033) | (7,033) | | (7,033) |
| Profit | | | | | | | 29,931 | 29,931 | | 29,931 |
| Purchase of treasury shares | | | | | | | | | (0) | (0) |
| Disposal of treasury shares | | | (26) | (26) | | | | | 73 | 46 |
| Net changes in items other than shareholders' equity | | | | | | | | | | - |
| Total changes during period | - | - | (26) | (26) | - | 27,000 | (4,102) | 22,897 | 72 | 22,943 |
| Balance at end of period | 75,929 | 82,497 | 1,576 | 84,073 | 3,020 | 274,455 | 44,684 | 322,159 | (62,524) | 419,638 |

| | 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 | 8,346 | (231) | 8,115 | 404,809 |
| Changes during period | | | | |
| Provision of general reserve | | | | - |
| Dividends of surplus | | | | (7,033) |
| Profit | | | | 29,931 |
| Purchase of treasury shares | | | | (0) |
| Disposal of treasury shares | | | | 46 |
| Net changes in items other than shareholders' equity | 13,840 | 88 | 13,929 | 13,929 |
| Total changes during period | 13,840 | 88 | 13,929 | 36,873 |
| Balance at end of period | 22,187 | (142) | 22,044 | 441,683 |

FY2021 (April 1, 2021 to March 31, 2022)

(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 | 1,576 | 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 |