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Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (under IFRS)

May 11, 2023

Company name: ARUHI Corporation (the “Company”)
 Listing: Tokyo Stock Exchange
 Securities code: 7198
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Scheduled date of annual general meeting of shareholders: June 21, 2023
 Scheduled date to commence dividend payments: June 23, 2023
 Scheduled date to file annual securities report: June 21, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results presentation meeting: Yes (for analysts)

(Millions of yen with fractional amounts rounded down, unless otherwise noted)

1. Consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Income before tax		Net income		Net income attributable to owners of the parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	22,601	(10.3)	4,119	(33.0)	2,802	(33.7)	2,821	(33.5)
March 31, 2022	25,189	(6.1)	6,151	(20.6)	4,225	(18.4)	4,239	(18.1)

	Total comprehensive income		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
Fiscal year ended				
March 31, 2023	2,802	(33.7)	79.64	79.40
March 31, 2022	4,225	(18.4)	119.78	119.02

(2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets	Equity attributable to owners of the parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2023	148,616	32,735	32,765	22.0	921.43
March 31, 2022	150,713	31,877	31,889	21.2	903.09

(3) Consolidated cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	1,495	(712)	(5,846)	17,169
March 31, 2022	3,716	(698)	(18,189)	22,232

2. Cash dividends

	Annual dividends per share					Total amount of dividends (total)	Payout ratio (consolidated)	Ratio of dividends to equity attributable to owners of the parent (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2022	–	30.00	–	30.00	60.00	2,118	50.1	6.9
Fiscal year ended March 31, 2023	–	30.00	–	25.00	55.00	1,953	69.1	6.0
Fiscal year ending March 31, 2024 (Forecast)	–	20.00	–	20.00	40.00		69.1	

3. Consolidated earnings forecasts for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Percentages indicate year-on-year changes.)

	Operating revenue		Income before tax		Net income		Net income attributable to owners of the parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending March 31, 2024	21,000	(7.1)	3,000	(27.2)	2,050	(26.8)	2,050	(27.3)	57.87

- Notes:
- As the Company manages its business performance on an annual basis, consolidated earnings forecasts for the second quarter (cumulative) are omitted. For details, please see “(4) Future outlook” in “1. Overview of operating results, etc.” in the attached materials on page 3.
 - The forecast of the basic earnings per share is calculated based on the weighted-average number of shares during the fiscal year ended March 31, 2023.

* **Notes**

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies and changes in accounting estimates
- Changes in accounting policies required by IFRS: Yes
 - Changes in accounting policies due to other reasons: None
 - Changes in accounting estimates: Yes

Note: For details, please see “(5) Notes to consolidated financial statements” in “3. Consolidated financial statements and significant notes thereto” in the attached materials on page 10.

- (3) Number of issued shares (ordinary shares)

- a. Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2023	36,080,600 shares
As of March 31, 2022	36,080,600 shares

- b. Number of treasury shares at the end of the period

As of March 31, 2023	520,860 shares
As of March 31, 2022	769,460 shares

- c. Weighted-average number of shares during the period (cumulative from the beginning of the fiscal year)

For the fiscal year ended March 31, 2023	35,426,041 shares
For the fiscal year ended March 31, 2022	35,396,976 shares

(Reference) Summary of Non-consolidated financial results for the fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

- (1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
March 31, 2023	19,505	(19.1)	1,181	(75.6)	1,227	(75.1)	455	(85.2)
March 31, 2022	24,120	(9.0)	4,846	(29.3)	4,937	(27.5)	3,081	(28.5)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2023	12.87	12.83
March 31, 2022	87.05	86.49

- (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	93,074	20,663	21.8	571.34
March 31, 2022	102,486	22,148	21.2	616.65

(Reference) Equity capital: As of March 31, 2023 ¥20,316 million
As of March 31, 2022 ¥21,774 million

< Reason for differences from the non-consolidated financial results in the previous fiscal year >

Operating revenue underperformed year-on-year due to decline in loan execution revenue and finance revenue attributable to sluggish performance of Flat 35 housing loans. In addition, both ordinary income and net income decreased year-on-year due to the recognition of expenses related to the tender offer by the SBI Group, which resulted in the differences in financial results between the previous fiscal year and the fiscal year under review.

* Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual business and other results may differ substantially from these forecasts due to various factors.

For details on the earnings forecasts, please see “(4) Future outlook” in “1. Overview of operating results, etc.” in the attached materials on page 3.

Table of Contents of Appendix

1. Overview of operating results	2
(1) Overview of operating results for the fiscal year ended March 31, 2023	2
(2) Overview of financial position for the fiscal year ended March 31, 2023	3
(3) Overview of cash flows for the fiscal year ended March 31, 2023	3
(4) Future outlook	3
(5) Basic policy on profit distribution and dividends for the fiscal year ended March 31, 2023 and the fiscal year ending March 31, 2024.....	4
2. Basic approach to selecting accounting standards.....	4
3. Consolidated financial statements and significant notes thereto	5
(1) Consolidated statement of financial position	5
(2) Consolidated statement of net income and consolidated statement of comprehensive income	6
(3) Consolidated statement of changes in equity	8
(4) Consolidated statement of cash flows	9
(5) Notes to consolidated financial statements	10
(Note on assumption of going concern)	10
(Changes in accounting policies)	10
(Changes in accounting estimates).....	10
(Segment information, etc.).....	10
(Per share information)	11
(Significant events after reporting period)	11

1. Overview of operating results

(1) Overview of operating results for the fiscal year ended March 31, 2023

In the fiscal year ended March 31, 2023, Japan's housing-related industry saw a year-on-year decline in both the number of new housing starts and the number of brokered contracts, against a backdrop of rising housing prices stemming from soaring construction materials costs amid global inflationary trends and the yen's depreciation. In the housing loan market, demand for products with lower monthly repayments was up, while competition among banks to lower interest rates intensified, helping drive even more customers to choose variable interest rate loans. Meanwhile, some customers deferred home purchases in light of rising housing prices and the impact of commodity price hikes, while the Bank of Japan's revisions to monetary policy served to increase long-term interest rates and elevate fixed interest rates. This created a challenging environment for the Flat 35 fixed rate loan market, with the number of Flat 35 loans executed during the fiscal year under review down 24.2% year on year.

Under these circumstances, with the aim of strengthening sales capabilities and expanding sales channels for housing loan products, the ARUHI Group (the "Group") established a framework encompassing eight branch offices across Japan and pursued sales activities centered on regional communities. We also expanded the network of directly operated sales offices that offer variable interest rate loans and other products from banks. Other initiatives included the launch of ARUHI Super 40, a variable interest rate housing loan with a maximum repayment period of 40 years, and collaboration with real estate companies under the purview of the headheadquarters.

In addition, as a "homebuying service company," the Group is building a framework to guide prospective homebuyers through the process of searching for a town or property, purchasing a home, and applying for a housing loan. Our online service named "TownU" offers suggestions on the "most livable towns" suited to the lifestyles and values of individual customers. In addition to the existing town search using a "town diagnostic" tool, we added a property recommendation function to the platform and rolled out a property search service on town information pages. ARUHI Homebuying Concierge Corporation, a provider of consulting services to prospective homebuyers, took steps to strengthen collaboration with real estate companies as well as coordination with TownU, with the aim of deepening customer engagement, and advanced preparation for the further expansion of its service area from April 2023.

We became a group company of SBI Holdings, Inc. in November 2022. Our plan is to work together with the SBI Group to further expand our product lineup and sales channels and enhance services as a "homebuying service company." To this end, for the housing loan business, we are moving ahead with the joint development of variable interest rate products that can be sold at franchise offices. Also, as the first step in our collaboration, we entered into a basic agreement on a business alliance with SBI Insurance Co., Ltd. in March 2023. ARUHI Homebuying Concierge has also begun partnering with the SBI Group, and we will continue to expand collaborative efforts between our two groups.

Operating revenue for the fiscal year ended March 31, 2023 was down ¥2,587 million year on year to ¥22,601 million (-10.3% year on year). Sluggish performance of Flat 35 housing loans was a major factor behind a 27.6% year-on-year decline in loan execution revenue. Meanwhile, revenue from the loan servicing and insurance businesses remained firm, increasing year on year by 7.9% and 13.2%, respectively. Revenue from other services including new businesses was up 66.2% year on year. In addition, finance revenue declined only 4.8% year on year, as an increase in revenue relating to the fair value of financial instruments largely offset a drop in loan receivable securitization revenue (which is linked to loan execution revenue). Operating expenses were down 1.7% year on year. Although expenses linked to loan execution services were down, this was somewhat offset by an increase in expenses associated with higher revenue from new businesses and the recognition of expenses related to the tender offer by the SBI Group. As a result of the above, income before tax was down ¥2,032 million year on year to ¥4,119 million (-33.0% year on year), net income was ¥2,802 million (-33.7% year on year), and net income attributable to owners of the parent was ¥2,821 million (-33.5% year on year). Segment information has been omitted as the Group operates in a single segment, namely, the housing loan business.

(2) Overview of financial position for the fiscal year ended March 31, 2023

As of March 31, 2023, total assets stood at ¥148,616 million, a decrease of ¥2,096 million from March 31, 2022. This was primarily due to a ¥5,063 million decrease in cash and cash equivalents, which offset a ¥3,674 million increase in other financial assets.

As of March 31, 2023, total liabilities stood at ¥115,881 million, a decrease of ¥2,954 million from March 31, 2022. This was primarily due to decreases of ¥3,049 million in borrowings and ¥3,755 million in deposits received, which offset a ¥4,530 million increase in other financial liabilities.

As of March 31, 2023, total equity was ¥32,735 million, an increase of ¥857 million from March 31, 2022. This was primarily due to the recording of net income of ¥2,802 million, which was partially offset by ¥2,123 million in dividend payments.

(3) Overview of cash flows for the fiscal year ended March 31, 2023

As of March 31, 2023, cash and cash equivalents ("cash" below) were ¥17,169 million, a decrease of ¥5,063 million from March 31, 2022.

The respective cash flow positions and the factors affecting them for the fiscal year ended March 31, 2023 are as follows.

Net cash provided by operating activities was ¥1,495 million, compared with ¥3,716 million provided in the fiscal year ended March 31, 2022. This was primarily due to income before tax of ¥4,119 million and a ¥5,013 million decrease in operating loans receivable, factors that increased cash. This offset factors that decreased cash, including a ¥3,755 million decrease in deposits received and a ¥3,606 million change in revenue related to securitization of loans receivable (corresponding to receivables that were not securitized in the fiscal year ended March 31, 2023).

Net cash used in investing activities was ¥712 million, compared with ¥698 million used in the fiscal year ended March 31, 2022. This was primarily due to a ¥620 million purchase of intangible assets.

Net cash used in financing activities was ¥5,846 million, compared with ¥18,189 million used in the fiscal year ended March 31, 2022. This was primarily because factors that increased cash, such as proceeds from non-current borrowings of ¥6,500 million, were offset by factors that decreased cash, such as a ¥6,900 million decrease in short-term borrowings and a ¥2,800 million outflow for repayments of non-current borrowings.

(4) Future outlook

In the fiscal year ending March 31, 2024, in the housing loan market, we expect continued high housing prices and an ongoing uptrend in commodity prices. We do not expect the gap between fixed and variable interest rates to narrow, pointing to an interest rate environment that will continue to favor variable interest rate products. At the same time, in addition to rising wages, we expect the trend of seeking out more hospitable living environments to continue amid changes in lifestyles in Japan. As a result, we expect demand for both new and pre-owned housing to remain solid.

Under these circumstances, in the first year of the medium-term strategic plan 2023, we are reinforcing efforts to get the housing loan business back on a growth track, leveraging collaboration with the SBI Group and other outside partners while expanding the homebuying-related business. We will accelerate our transformation into a "homebuying service company" by coordinating functions ranging from town and property searches to homebuying consultation, property consultation, and successful homebuying.

Specifically, we plan to expand the product lineup in the housing loan business, including variable interest rate products jointly developed with SBI Shinsei Bank that can be sold at franchise offices. In addition to collaboration with the SBI Group, we will actively cultivate new sales channels, such as through tie-ups with realtors under the purview of the headquarters. We are pushing ahead with several initiatives in the homebuying-related business, including upgrading property information on the TownU platform to generate more homebuying consultations, working with the SBI Group and strengthening collaboration with realtors through ARUHI Homebuying Concierge,

and tapping into demand in newly expanded service areas.

Our current earnings forecasts for the fiscal year ending March 31, 2024 call for operating revenue of ¥ 21,000 million. We expect higher expenses, including system investment outlays for the rollout of new products and digital transformation efforts. Consequently, we forecast income before tax of ¥ 3,000 million and net income attributable to owners of the parent of ¥ 2,050 million.

Note that we formulated the above earnings forecasts based on information available as of the date of publication of this document. Results may differ from forecasts due to various future factors, such as changes in monetary policy.

(5) Basic policy on profit distribution and dividends for the fiscal year ended March 31, 2023 and the following fiscal year

The Company considers both distribution of profits to shareholders and sustainable corporate growth as top management priorities. Our Articles of Incorporation stipulate that the Company may pay an interim dividend once a year in addition to the year-end dividend. Based on this, the Company's basic policy is to pay ongoing, steady dividends out of surplus funds while comprehensively taking into account the level of ROE and financial leverage and maintaining a certain level of internal reserves to prepare for growth investments to further enhance corporate value. Specifically, during the period covered by the current medium-term strategic plan, we aim to maintain a minimum payout ratio of 35–40%. The decision-making bodies for paying dividends from surplus are the General Meeting of Shareholders for year-end dividends and the Board of Directors for interim dividends.

For the fiscal year ended March 31, 2023, in addition to an interim dividend of ¥30 per share already paid, we plan to pay a year-end dividend of ¥25 per share, for a total annual dividend of ¥55 per share.

For the fiscal year ending March 31, 2024, we plan to pay an interim dividend of ¥ 20 per share and a year-end dividend of ¥ 20 per share, for a total annual dividend of ¥ 40 per share.

2. Basic approach to selecting accounting standards

The Group has adopted International Financial Reporting Standards to improve the global comparability of its financial information and enhance convenience in capital markets.

3. Consolidated financial statements and significant notes thereto

(1) Consolidated statement of financial position

(Millions of yen)

	As of March 31, 2022	As of March 31, 2023
Assets		
Cash and cash equivalents	22,232	17,169
Trade receivables	1,007	829
Operating loans receivable	68,703	68,709
Deposits paid	149	142
Accounts receivable	24	26
Other financial assets	28,274	31,948
Other assets	1,205	1,415
Property, plant and equipment	1,563	1,209
Goodwill	24,464	24,464
Intangible assets	2,930	2,701
Deferred tax assets	157	0
Total assets	150,713	148,616
Liabilities		
Deposits received	11,162	7,407
Lease liabilities	1,249	830
Borrowings	65,780	62,730
Provisions	197	209
Income taxes payable	543	7
Other financial liabilities	38,564	43,094
Other liabilities	1,336	1,228
Deferred tax liabilities	–	372
Total liabilities	118,835	115,881
Equity		
Share capital	3,471	3,471
Share premium	8,903	8,684
Treasury shares	(1,236)	(838)
Retained earnings	20,750	21,448
Equity attributable to owners of the parent	31,889	32,765
Non-controlling interests	(11)	(30)
Total equity	31,877	32,735
Total liabilities and equity	150,713	148,616

(2) Consolidated statement of net income and consolidated statement of comprehensive income

Consolidated statement of net income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Operating revenue	25,189	22,601
Operating expenses		
Finance costs	(3,548)	(3,563)
Selling, general and administrative expenses	(14,705)	(13,876)
Other expenses	(428)	(917)
Total operating expenses	(18,682)	(18,357)
Other income and expenses		
Other income	48	61
Other expenses	(403)	(186)
Total other income and expenses	(354)	(124)
Income before tax	6,151	4,119
Income tax expenses	(1,925)	(1,316)
Net income	4,225	2,802
Net income attributable to:		
Owners of the parent	4,239	2,821
Non-controlling interests	(14)	(18)
Net income	4,225	2,802
Earnings per share (Attributable to owners of the parent)		
Basic earnings per share (Yen)	119.78	79.64
Diluted earnings per share (Yen)	119.02	79.40

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net income	4,225	2,802
Comprehensive income	4,225	2,802
Comprehensive income attributable to:		
Owners of the parent	4,239	2,821
Non-controlling interests	(14)	(18)
Comprehensive income	4,225	2,802

(3) Consolidated statement of changes in equity

For the fiscal year ended March 31, 2022

(Millions of yen)

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Retained earnings	Total		
Balance as of April 1, 2021	3,471	9,057	(1,070)	18,635	30,093	–	30,093
Net income	–	–	–	4,239	4,239	(14)	4,225
Total comprehensive income	–	–	–	4,239	4,239	(14)	4,225
Purchase of treasury shares	–	(2)	(447)	–	(449)	–	(449)
Disposal of treasury shares	–	(129)	200	–	70	–	70
Dividends	–	–	–	(2,124)	(2,124)	–	(2,124)
Share acquisition rights	–	13	–	–	13	–	13
Restricted share-based remuneration	–	(35)	80	–	45	–	45
Changes in ownership interest in subsidiaries	–	–	–	–	–	3	3
Total transactions with owners	–	(154)	(165)	(2,124)	(2,444)	3	(2,441)
Balance as of March 31, 2022	3,471	8,903	(1,236)	20,750	31,889	(11)	31,877

For the fiscal year ended March 31, 2023

(Millions of yen)

	Equity attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Share premium	Treasury shares	Retained earnings	Total		
Balance as of April 1, 2022	3,471	8,903	(1,236)	20,750	31,889	(11)	31,877
Net income	–	–	–	2,821	2,821	(18)	2,802
Total comprehensive income	–	–	–	2,821	2,821	(18)	2,802
Disposal of treasury shares	–	(178)	313	–	135	–	135
Dividends	–	–	–	(2,123)	(2,123)	–	(2,123)
Share acquisition rights	–	(4)	–	–	(4)	–	(4)
Restricted share-based remuneration	–	(35)	84	–	48	–	48
Total transactions with owners	–	(219)	398	(2,123)	(1,944)	–	(1,944)
Balance as of March 31, 2023	3,471	8,684	(838)	21,448	32,765	(30)	32,735

(4) Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Income before tax	6,151	4,119
Depreciation and amortization expenses	1,152	1,231
Amortization expenses of servicing assets	329	299
Impairment loss	27	2
Interest income	(281)	(220)
Net gain or loss (gain) arising on financial instruments as at FVTPL	(992)	(2,294)
Interest expenses	749	541
Revenue related to liquidation of loans receivable	(3,801)	(3,606)
Decrease (increase) in trade receivables	(50)	178
Decrease (increase) in operating loans receivable	6,442	5,013
Decrease (increase) in deposits paid	(23)	6
Decrease (increase) in accounts receivable	108	0
Decrease (increase) in other financial assets	569	1,367
Decrease (increase) in other assets	(595)	(201)
Increase (decrease) in deposits received	(3,355)	(3,755)
Increase (decrease) in provisions	(0)	(0)
Increase (decrease) in other financial liabilities	(348)	(85)
Increase (decrease) in other liabilities	(89)	(108)
Other	(77)	(167)
Subtotal	5,914	2,320
Interest received	1,045	891
Interest paid	(571)	(394)
Income taxes paid	(2,672)	(1,323)
Net cash provided by operating activities	3,716	1,495
Cash flows from investing activities		
Purchase of intangible assets	(522)	(620)
Other	(176)	(91)
Net cash used in investing activities	(698)	(712)
Cash flows from financing activities		
Payments for purchase of treasury shares	(449)	–
Net increase (decrease) in short-term borrowings	(23,300)	(6,900)
Increase (decrease) in borrowings accompanying the liquidation	(0)	(0)
Proceeds from non-current borrowings	14,000	6,500
Repayments of non-current borrowings	(5,663)	(2,800)
Repayments of lease liabilities	(725)	(656)
Proceeds from exercise of share options	70	135
Dividends paid	(2,124)	(2,123)
Other	3	–
Net cash used in financing activities	(18,189)	(5,846)
Increase (decrease) in cash and cash equivalents	(15,171)	(5,063)
Cash and cash equivalents at beginning of period	37,404	22,232
Cash and cash equivalents at end of period	22,232	17,169

(5) Notes to consolidated financial statements

(Note on assumption of going concern)

Not applicable.

(Changes in accounting policies)

Effective from the fiscal year ended March 31, 2023, the Company has applied the following standards.

IFRS		Outline of new standards and amendments
IAS 16	Property, Plant and Equipment	It is prohibited to deduct income prior to intended use from the acquisition cost of property, plant and equipment
IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Prescribes which costs should be included by a company when assessing whether a contract is loss-making
IFRS 3	Business Combinations	Updated references to the “Conceptual Framework for Financial Reporting” in IFRS 3
IFRS 9	Financial Instruments	Clarified the fees to be included in the 10% test for discontinued recognition of financial liabilities

The adoption of above standards does not have a significant effect on the consolidated financial statements of the Company.

(Changes in accounting estimates)

Fair value of financial instruments

Adjustments reasonably estimated after taking into consideration past performance, etc. in public data made available by external third-party institutions have been reflected in estimates for the conditional prepayment rate (CPR) when evaluating the fair value of some beneficiary rights (rights to receive dividend payments) arising from the transfer of housing loan receivables within the financial instruments held by the Group. In the fiscal year ended March 31, 2023, CPR estimates have been revised as a result of the comprehensive consideration of declines in public data made available by external third-party institutions, the increase in fixed rates and other factors.

As a result, other financial assets increased by ¥978 million as of March 31, 2023, and operating revenue and income before tax both increased by ¥978 million in the fiscal year ended March 31, 2023, compared to figures prior to the revision.

(Segment information, etc.)

(1) General information

The Company’s business consists of the execution and collection of long-term and fixed rate housing loans such as “Flat 35,” floating rate or fixed and floating rate mixed-type housing loans, and the sale of insurance products incidental to these loans, etc. As such, the Company has a single reportable segment since there are no separable operating segments.

(2) Information about services

(Millions of yen)

	Fiscal year ended March 31, 2022		Fiscal year ended March 31, 2023	
	Amount	Ratio (%)	Amount	Ratio (%)
Loan execution operations	12,192	48.4	8,829	39.1
Financing operations	6,574	26.1	6,260	27.7
Loan management and collection operations	2,840	11.3	3,065	13.6
Insurance-related operations	2,843	11.3	3,220	14.2
Other operations	737	2.9	1,224	5.4
Total	25,189	100.0	22,601	100.0

(3) Regional information

Disclosure of regional information is omitted since the Company's operating revenue consists of domestic operating revenue from external customers.

(4) Information on major customers

Information on major customers is omitted because no single external customer (or group) accounts for 10% or more of the operating revenue from external customers reported on the consolidated statement of net income.

(Per share information)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net income attributable to owners of the parent (Millions of yen)	4,239	2,821
Net income adjustment (Millions of yen)	–	–
Net income used to calculate diluted earnings per share (Millions of yen)	4,239	2,821
Weighted average number of ordinary shares (Shares)	35,396,976	35,426,041
Increase in the number of ordinary shares (Shares)		
Share options (Shares)	227,471	107,289
Weighted average number of ordinary shares after dilution (Shares)	35,624,447	35,533,330
Basic earnings per share (Yen)	119.78	79.64
Diluted earnings per share (Yen)	119.02	79.40

(Significant events after reporting period)

Not applicable.