

Brief Statement of Financial Results for the Fiscal Year Ended March 2023
[Japanese GAAP (Consolidated)]

May 11, 2023

Forward-looking Statement

The statements and figures contained in this Brief Statement of Financial Results for the fiscal year ended March 2023 (the "Brief Statement") with respect to ACOM Group's plans and strategies and other statements that are not historical facts are based on information available at the date of announcement of this Brief Statement. However, there are some potential risk factors in the Group's business management. Therefore, the actual results may differ from the forecast.

The trend of requests for interest repayment is also highly uncertain, due to its sensitivity to changes in external environmental changes. The Group may have to make additional provision for loss on interest repayment.

Actual results may differ from forecast values due to various risk factors, not limited to those mentioned above.

Name of the company:	ACOM CO., LTD. ("ACOM" or "the Company")
Stock market:	Tokyo Stock Exchange
Code Number:	8572
Location of the head office:	Tokyo
URL:	https://www.acom.co.jp/corp/english/ir/
Position of the representative:	President & Chief Executive Officer
Name:	Masataka Kinoshita
Position of the person in charge:	Chief PR & IR Officer
Name:	Takashi Okamoto
Telephone Number:	(03) 6865-6474
Date of the shareholders' meeting:	June 23, 2023
Registration date of annual securities report:	June 23, 2023
Commencement date of dividend payment:	June 26, 2023
Material to supplement the financial results:	Applicable
Financial results conference:	Applicable (For domestic and foreign institutional investors and financial analysts)

Note: 1. All amounts under minimum units appearing in each of the tables have been disregarded throughout this brief statement and the annexed materials.

Note: 2. The figures in percentages show the year-on-year change from prior fiscal year.

1. Consolidated Business Results for the Fiscal Year Ended March 2023 (from April 1, 2022, to March 31, 2023)

(1) Consolidated Operating Results

(Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
3/2023	273,793	4.4%	87,287	151.0%	87,485	146.8%	54,926	(1.4%)
3/2022	262,155	(1.6%)	34,779	(64.8%)	35,441	(64.6%)	55,678	(29.4%)

[Note] Comprehensive income 3/2023: 71,409 million yen [19.7%] 3/2022: 59,673 million yen [(26.8%)]

	Basic Earnings per Share (Yen)	Net Income per Share Diluted (Yen)	Return on Equity (ROE)	Ordinary Profit to Total Assets	Operating Margin
3/2023	35.06	—	9.9%	6.8%	31.9%
3/2022	35.54	—	10.9%	2.9%	13.3%

<Reference> Equity in earnings of affiliates

3/2023: 24 million yen

3/2022: 31 million yen

(2) Consolidated Financial Status

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
3/2023	1,297,316	619,837	44.8%	370.92
3/2022	1,263,296	563,963	42.1%	339.51

<Reference> Shareholders' Equity

3/2023: 581,087 million yen

3/2022: 531,880 million yen

(3) Consolidated Cash Flow Status

(Millions of yen)

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents at the End of Year
3/2023	(1,318)	(2,692)	(12,933)	57,666
3/2022	46,089	(4,032)	(50,162)	74,242

2. Dividend Status

	Dividend per Share					Total Amount of Dividend (Year) (Millions of Yen)	Payout Ratio (Consolidated) (%)	Ratio of Payout to Net Assets (Consolidated) (%)
	1Q (Yen)	2Q (Yen)	3Q (Yen)	4Q (Yen)	Annual (Yen)			
3/2022	—	3.00	—	4.00	7.00	10,966	19.7	2.2
3/2023	—	5.00	—	5.00	10.00	15,666	28.5	2.8
3/2024 (Forecast)	—	6.00	—	6.00	12.00		32.5	

3. Forecasts for the Fiscal Year Ending March 31, 2024 (from April 1, 2023, to March 31, 2024)

(Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of the Parent		Basic Earnings per Share (Yen)
First Half	140,000	3.7%	45,600	(6.6%)	45,700	(6.4%)	29,500	(10.6%)	18.83
Annual	284,300	3.8%	90,400	3.6%	90,600	3.6%	57,900	5.4%	36.96

(Notes)

(1) Change in Important Subsidiaries for the Year ended March 2023 (Change in scope of consolidation): None

(2) Changes in Accounting Policy, Accounting Estimates and Restatement

A) Change in accounting policy due to revision of accounting standards, etc.: None

B) Changes other than A): None

C) Change in accounting estimates: None

D) Restatement: None

(3) Outstanding shares (common stock)

A) Number of shares outstanding (including treasury shares)

FY March 31, 2023: 1,566,614,098 shares FY March 31, 2022: 1,566,614,098 shares

B) Number of treasury shares at the end of period

FY March 31, 2023: 50 shares FY March 31, 2022: 50 shares

C) Number of average shares outstanding

FY March 31, 2023: 1,566,614,048 shares FY March 31, 2022: 1,566,614,094 shares

(Reference) Outline of non-consolidated business results

1. Non-consolidated Business Results for the Fiscal Year Ended March 2023 (from April 1, 2022, to March 31, 2023)

(1) Non-consolidated Operating Results

(Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit	
3/2023	200,679	3.1%	62,826	438.8%	70,417	292.0%	48,985	1.9%
3/2022	194,670	(1.7%)	11,660	(84.2%)	17,962	(77.9%)	48,082	(32.2%)

	Basic Earnings per Share (Yen)	Net Income per Share Diluted (Yen)
3/2023	31.27	—
3/2022	30.69	—

(2) Non-consolidated Financial Status

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
3/2023	1,090,256	496,416	45.5%	316.87
3/2022	1,080,514	461,531	42.7%	294.60

<Reference> Shareholders' Equity 3/2023: 496,416 million yen 3/2022: 461,531 million yen

2. Forecasts for the Fiscal Year Ending March 31, 2024 (from April 1, 2023, to March 31, 2024)

(Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit		Basic earnings per Share (Yen)
First Half	104,100	4.5%	33,700	(5.2%)	37,800	(8.5%)	27,000	(16.6%)	17.23
Annual	210,600	4.9%	67,000	6.6%	72,700	3.2%	51,400	4.9%	32.81

(Note) Brief Statement of financial results is not subject to review procedures of CPAs nor an accounting firm.

(Note) Explanation regarding proper use of the business forecast and other notes

(Notes to Forward-looking Statement)

The statements about the future performance of ACOM are based on management's assumptions and beliefs in light of the information currently available to it. These statements do not guarantee our future performance: actual results may differ from those in the forward-looking statements as a result of various factors. Please refer to "(4) Outlook for the Next Fiscal Year" of "1. Analyses of Business Results and Financial Position" on page 4 for conditions which are basis of forecasts and notes for using the forecast.

(Accessing financial results materials and archive of financial results conference)

ACOM plans to hold a financial results conference for the year ended March 2023 for domestic institutional investors and financial analysts on May 11, 2023, and a video conferencing for foreign institutional investors and analysts on May 12, 2023. The materials used at the conference will be available on ACOM's website after disclosure of financial results. The archive of the conference will be also available on the website after the conference is held.

Contents

1. Analyses of Business Results and Financial Position:	P2
(1) Analysis of Business Results:	P2
(2) Analysis of Financial Position:	P3
(3) Status of Cash Flows:	P4
(4) Outlook for the Next Fiscal Year:	P4
(5) Basic Policy on Profit Distribution and Dividend for This and Next Fiscal Year:	P4
2. Basic Stance on Selection of Accounting Policy:	P4
3. Consolidated Financial Statements and Major Notes:	P5
(1) Consolidated Balance Sheet:	P5
(2) Consolidated Statement of Income and Statement of Comprehensive Income:	P8
(3) Consolidated Statement of Changes in Net Assets:	P11
(4) Consolidated Statement of Cash Flows:	P13
(5) Notes on Consolidated Financial Statements:	P15
(Going-concern Assumption):	P15
(Consolidated Balance Sheet):	P15
(Segment and Related Information):	P17
(Per Share Information):	P20
(Significant Subsequent Events):	P20
4. Non-consolidated Financial Statements:	P21
(1) Non-consolidated Balance Sheet:	P21
(2) Non-consolidated Statement of Income:	P24
(3) Non-consolidated Statement of Changes in Net Assets:	P26

1. Analyses of Business Results and Financial Position

(1) Analysis of Business Results

During the fiscal year ended March 31, 2023, the Japanese economy has showed signs of recovery as a result of the normalization of social and economic activities under preventive measures and various policies against the spread of COVID-19 infection. However, associated with tensions in international affairs and the global surge in raw materials prices, the impact of price hikes on consumer spending needs to be closely monitored. Meanwhile, although the situation varied from country to country, in the Kingdom of Thailand, the economic conditions showed signs of recovery with an increase in consumer spending, owing to the calming down of COVID-19 infection by lifting the state of emergency declaration in October 2022. In the Republic of the Philippines, while the situation was like Thailand, the expansion of consumer spending slowed down due to inflation.

In the nonbank business sector, while there were signs of recovery in demand for funds, we need to closely monitor on future trends as well as the domestic economy. Although requests for interest repayment are steadily decreasing, future trends need to be closely monitored on an ongoing basis, as requests for interest repayment are susceptible to the impacts of changes in the external environment.

In such an environment, based on a new medium-term management plan beginning from the fiscal year ended March 31, 2023, the Company Group has articulated its commitment to each of its stakeholders in the “vision,” and has set forth a medium-term policy to promote initiatives to realize this vision in consecutive three years. The Company Group will continue to promote its operating activities in accordance with its vision and medium-term policy, adopting to changes in the external environment including the spread of COVID-19 infection.

Consolidated operating revenue for the fiscal year ended March 31, 2023, increased to 273,793 million yen (up 4.4% year-on-year). This is mainly due to an increase in interest on operating loans, attributable to an increase in operating loans and the impact of depreciation of the yen. Operating expenses decreased to 186,506 million yen (down 18.0% year-on-year) mainly due to the stripping out of the provision for loss on interest repayments (58,923 million yen for prior fiscal year). As a result, operating profit increased to 87,287 million yen (up 151.0% year-on-year). Ordinary profit increased to 87,485 million yen (up 146.8% year-on-year). Profit attributable to owners of parent decreased to 54,926 million yen (down 1.4% year-on-year), mainly due to an increase in income taxes-deferred.

Business results for each segment are as follows:

(Loan and credit card business)

In the domestic loan and credit card business, we made efforts to strengthen our ability to attract new customers, improve product/service functions, and maintain the soundness of loan portfolio.

As a measure to strengthen our ability to attract new customers, we worked on new measures including the use of social networking services. Also, to improve product/service functions we strive to boost customer convenience, bringing Apple Pay® (Note 1) and Google Pay™ (Note 2) to our MasterCard® holders.

In addition to these marketing activities, we have endeavored to maintain the soundness of our loan portfolio and improve the customer-reception quality of our employees by reinforcing the development of human resources through training for credit control, and customer reception including the improvement of the accuracy of credit screenings.

Moreover, at GeNiE Inc., our domestic subsidiary, the launch of embedded finance business has been pushed back due to delays in system development and other factors.

In the domestic loan business, associated with signs of recovery shown on personal consumption, accounts receivable - operating loans for the fiscal year ended March 31, 2023 amounted to 810,958 million yen (up 3.6% year-on-year). In the domestic credit card business, on the other hand, transaction volume increased. Accordingly, accounts receivable - installment amounted to 103,575 million yen (up 17.7% year-on-year).

As a result, during the fiscal year ended March 31, 2023, the business segment's operating revenue was 145,174 million yen (up 2.0% year-on-year) mainly due to an increase in revenue from credit card associated with an increase in accounts receivable - installment. In addition, operating expenses decreased due to the stripping out of the provision for loss on interest repayments (58,923 million yen) recorded in the previous year, operating profit was 40,686 million yen (compared to operating loss of 8,879 million yen for the prior fiscal year).

Notes: 1. Apple Pay® is registered trademarks of Apple Inc.

2. Google Pay™ is registered trademarks of Google LLC.

(Guarantee business)

In the guarantee business, we strove to deepen communication with existing partners and continued appropriate screening. We also worked on enhancement of its ability to attract new customers through joint advertisements, in which common advertising materials are used by our multiple partner companies, as well as various operating measures such as sending our employees to partner companies for technical guidance, and supports to improve operation of the companies.

Furthermore, we agreed on business alliance with LINE Credit Corporation in March 2023, and thus strove to

develop new alliance including business companies.

As a result, the total balance of guaranteed receivables in the guarantee operation of the Company and MU Credit Guarantee Co., LTD. at the end of the current fiscal year was 1,212,883 million yen (up 3.4% year-on-year) associated with signs of recovery shown on personal consumption.

The business segment's operating revenue was 66,278 million yen (up 5.4% year-on-year) primarily due to an increase in revenue from credit guarantee associated with an increase in the balance of guaranteed receivables and an increase in guaranteed fee rates, and operating profit was 25,643 million yen (up 6.9% year-on-year).

(Overseas financial business)

In the overseas financial business, we carried out business operations in the pursuit of expanding the scale of the relevant businesses.

EASY BUY Public Company Limited ("EASY BUY"), which engages in the loan business in the Kingdom of Thailand, actively conducted marketing activities of the Umay+ brand with the aim of enhancing the brand image and gathering and acquiring new customers, thereby building the top-brand position in the country. In this business segment, we have also worked to strengthen our services by using mobile apps for purposes such as the issuance of virtual cards and the electromagnetic delivery of receipts.

ACOM CONSUMER FINANCE CORPORATION, which engages in the loan business in the Republic of the Philippines, has proactively promoted marketing activities to attract more new customers while working on improving the quality of loans.

ACOM (M) SDN. BHD., a company established in Malaysia, has been working on system construction to start business in the fiscal year ending March 2024. We have also promoted necessary surveys in other Asian countries to explore the feasibility of business development.

Consolidated receivables outstanding for EASY BUY for the fiscal year ended March 31, 2023 was 215,315 million yen (up 13.2% year-to-date) and for ACOM CONSUMER FINANCE CORPORATION was 3,437 million yen (up 80.9% year-to-date) owing to the impact of depreciation of the yen and recovery trend in personal consumption.

As a result, the business segment's operating revenue for the current fiscal year amounted to 56,537 million yen (up 10.3% year-on-year) due primarily to a rise in interest on operating loans and the impact of depreciation of the yen. In addition, operating profit was 19,681 million yen (up 7.3% year-on-year).

(Loan servicing business)

In the loan servicing business, IR Loan Servicing, Inc. has endeavored to strengthen relationship with existing partners as well as enhance its sales and collection capability by upgrading its collection method although the loan servicing market is shrinking.

As a result, the business segment's operating revenue was 5,680 million yen (up 0.3% year-on-year), mainly owing to an increase in the amount of proceeds from purchased receivables. In addition, due to an increase in operating expenses led by an increase in provision for bad debts, operating profit decreased to 1,050 million yen (down 36.0% year-on-year).

(2) Analysis of Financial Position

Compared with the end of the prior fiscal year, total assets increased by 34,020 million yen and total liabilities decreased by 21,854 million yen, whereas net assets increased by 55,874 million yen as of March 31, 2023. Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets increased by 51,492 million yen and non-current assets increased by 17,471 million yen. Consequently, total assets increased by 34,020 million yen. The breakdown of major changes in current assets is as follows: accounts receivable - operating loans (up 54,445 million yen), accounts receivable - installment (up 15,655 million yen) and cash and deposits (down 16,576 million yen). The increase in accounts receivable - operating loans is due in part to the effects of foreign exchange rates. The breakdown of major changes in non-current assets is as follows: deferred tax assets (down 12,324 million yen) and equipment due to the recording of impairment loss resulting from changes in usage caused by the head office relocation (down 3,316 million yen). The combined total of allowance for doubtful accounts recorded under current assets and non-current assets increased by 5,716 million yen.

(Liabilities)

With regard to the liabilities account, changes in current and non-current liabilities were a decrease of 7,863 million yen and a decrease of 13,990 million yen, respectively, resulting in a decrease of 21,854 million yen in total liabilities. The breakdown of major changes in liabilities includes: provision for loss on interest repayment (down 28,476 million yen) and the outstanding balance of funds procured mainly in the form of loans and bonds payable (up 10,682 million yen).

(Net assets)

In terms of net assets, shareholders' equity increased by 40,826 million yen due to an increase in retained earnings, accumulated other comprehensive income increased by 8,379 million yen due in part to an increase in foreign currency translation adjustment, and non-controlling interests increased by 6,668 million yen. As a result, total net assets increased by 55,874 million yen, and the shareholders' equity ratio increased by 2.7 percentage points to 44.8%.

(3) Status of Cash Flows

Cash and cash equivalents (hereinafter, "funds") at the end of the current fiscal year decreased by 16,576 million yen from the end of the prior fiscal year to 57,666 million yen. The changes in the respective cash flows and the reasons thereof are as follows:

(Net cash provided by (used in) operating activities)

With respect to net cash provided by operating activities, funds saw a decrease of 1,318 million yen (down 47,407 million yen year-on-year), mainly reflecting 84,803 million yen in profit before income taxes, a decrease of 28,476 million yen in provision for loss on interest repayment, and funds-decreasing factors such as an increase of 33,768 million yen in accounts receivable - operating loans, an increase of 15,582 million yen in accounts receivable - installment and income taxes paid of 19,233 million yen.

(Net cash provided by (used in) investing activities)

With respect to net cash provided by investing activities, funds saw a decrease of 2,692 million yen (up 1,339 million yen year-on-year). This was primarily due to funds-decreasing factors such as the purchase of intangible assets, and the purchase of property, plant and equipment, which combined amounted to 4,681 million yen.

(Net cash provided by (used in) financing activities)

With respect to net cash used in financing activities, funds saw a decrease of 12,933 million yen (up 37,228 million yen year-on-year). This was primarily due to cash dividends paid amounted to 14,098 million yen.

(4) Outlook for the Next Fiscal Year

In such an environment, the Company has set the outlook for the fiscal year ending March 2024. Its quantitative outlook of combined receivables from loan and credit card business and guarantee business is 2 trillion and 223.4 billion yen. The outlook of receivable of loan and credit card business is 954.6 billion yen, and receivable of guarantee business is 1 trillion and 268.8 billion yen in the domestic domain. As for the overseas domain, the Company aims to attain loans receivable of 56.8 billion THB for EASY BUY Public Company Limited in the Kingdom of Thailand and 1.1 billion PHP for ACOM CONSUMER FINANCE CORPORATION in Republic of the Philippines.

With regard to quantitative targets, the Group forecasts consolidated operating revenue of 284.3 billion yen, ordinary profit of 90.6 billion yen and profit attributable to owners of parent of 57.9 billion yen.

Outlook above is forecast based on information available at the date of announcement of this brief statement. However, there are some potential risk factors in the Group's business management. Therefore, the actual results may differ significantly.

The trend of requests for interest repayment is also highly uncertain, due to its sensitivity to changes in external environmental changes. The Group may have to make additional provision for loss on interest repayment.

Actual results may differ from forecast values due to various risk factors, not limited to those mentioned above.

(5) Basic Policy on Profit Distribution and Dividend for This and Next Fiscal Year

With regard to profit distribution to shareholders, it is our basic policy to attempt stable and continuous profit distribution taking the business environment surrounding us, shareholders' equity, and our own performance into consideration.

As for the fiscal year ended March 2023, year-end dividend of 5 yen per share is planned. This dividend payment will be subject to approval at the ordinary general meeting of shareholders scheduled in June 2023.

As for the fiscal year ending March 2024, annual dividend of 12 yen is planned. This consists of 6 yen at the second quarter and 6 yen at the fourth quarter.

The Group intends to strive for its long-term stable growth in the future.

2. Basic Stance on Selection of Accounting Policy

The company's financial statements are prepared in accordance with generally accepted accounting practices in Japan (J-GAAP). The company is currently under consideration of the necessity of application of IFRS in the future.

3. Consolidated Financial Statements and Major Notes
(1) Consolidated Balance Sheet

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	74,242	57,666
Accounts receivable - operating loans	975,282	1,029,728
Accounts receivable - installment	88,640	104,295
Purchased receivables	7,988	7,630
Other	85,479	89,590
Allowance for doubtful accounts	(77,632)	(83,418)
Total current assets	1,153,999	1,205,491
Non-current assets		
Property, plant and equipment		
Buildings and structures	22,270	19,879
Accumulated depreciation	(18,818)	(16,711)
Buildings and structures, net	3,451	3,168
Vehicles	0	0
Accumulated depreciation	(0)	(0)
Vehicles, net	0	0
Equipment	16,472	12,841
Accumulated depreciation	(8,883)	(8,568)
Equipment, net	7,589	4,272
Land	1,351	-
Leased assets	3,292	2,144
Accumulated depreciation	(3,094)	(2,029)
Leased assets, net	197	115
Total property, plant and equipment	12,590	7,556
Intangible assets		
Goodwill	1,252	734
Software	5,856	6,829
Other	43	43
Total intangible assets	7,152	7,606

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Investments and other assets		
Investment securities	1,238	1,396
Retirement benefit asset	5,986	5,906
Deferred tax assets	73,961	61,637
Guarantee deposits	5,133	4,572
Other	3,970	3,817
Allowance for doubtful accounts	(737)	(667)
Total investments and other assets	89,553	76,661
Total non-current assets	109,296	91,824
Total assets	1,263,296	1,297,316
Liabilities		
Current liabilities		
Notes and accounts payable-trade	797	344
Short-term borrowings	15,284	18,528
Commercial papers	24,999	34,988
Current portion of long-term borrowings	94,429	104,381
Current portion of bonds payable	58,720	32,600
Lease obligations	170	117
Income taxes payable	13,648	6,644
Provision for loss on guarantees	8,873	9,612
Asset retirement obligations	611	709
Deferred installment income	25	26
Other	12,794	14,527
Total current liabilities	230,355	222,491
Non-current liabilities		
Bonds payable	119,010	91,660
Long-term borrowings	257,899	298,857
Lease obligations	75	25
Provision for loss on interest repayment	86,200	57,723
Retirement benefit liability	784	789
Asset retirement obligations	4,779	5,653
Other	230	277
Total non-current liabilities	468,978	454,987
Total liabilities	699,333	677,478

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Net assets		
Shareholders' equity		
Share capital	63,832	63,832
Capital surplus	69,861	69,861
Retained earnings	393,163	433,990
Treasury shares	(0)	(0)
Total shareholders' equity	526,857	567,683
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	4,306	12,943
Remeasurements of defined benefit plans	716	459
Total accumulated other comprehensive income	5,023	13,403
Non-controlling interests	32,082	38,750
Total net assets	563,963	619,837
Total liabilities and net assets	1,263,296	1,297,316

(2) Consolidated Statement of Income and Statement of Comprehensive Income
Consolidated Statement of Income

(Millions of yen)

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Operating revenue		
Interest on operating loans	163,272	168,872
Revenue from credit card business	10,853	12,377
Revenue from installment sales finance business	62	66
Revenue from credit guarantee	53,658	56,646
Proceeds from purchased receivables	4,411	4,633
Other financial revenue		
Interest on deposits	3	0
Interest on securities	0	0
Other	100	130
Total other financial revenue	104	131
Other operating revenue	29,792	31,067
Total operating revenue	262,155	273,793
Operating expenses		
Financial expenses		
Interest expenses	2,381	2,246
Interest on bonds	1,796	1,212
Amortization of bond issuance cost	73	6
Other	913	546
Total financial expenses	5,165	4,012
Cost of purchased receivables	1,649	1,657
Other operating expenses		
Advertising expenses	15,226	17,848
Provision of allowance for doubtful accounts	59,446	70,855
Provision for loss on guarantees	8,990	9,662
Provision for loss on interest repayment	58,923	-
Employees' salaries, allowances and bonuses	20,509	21,160
Retirement benefit expenses	973	876
Welfare expenses	2,841	2,897
Rent expenses	5,883	6,107
Depreciation	3,285	3,647
Commission fee	21,727	22,258
Amortization of goodwill	518	518
Other	22,236	25,005
Total other operating expenses	220,561	180,836
Total operating expenses	227,376	186,506
Operating profit	34,779	87,287

	(Millions of yen)	
	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Non-operating income		
Interest income	1	1
Dividend income	13	25
Share of profit of entities accounted for using equity method	31	24
Rental income from buildings	179	185
Subsidies for employment adjustment	363	-
Other	109	105
Total non-operating income	700	342
Non-operating expenses		
Interest expenses	7	1
Foreign exchange losses	17	130
Other	13	12
Total non-operating expenses	38	144
Ordinary profit	35,441	87,485
Extraordinary income		
Gain on sale of non-current assets	25	1,117
Total extraordinary income	25	1,117
Extraordinary losses		
Loss on sale of non-current assets	53	67
Loss on retirement of non-current assets	164	205
Impairment losses	1,520	3,523
Other	2	3
Total extraordinary loss	1,740	3,799
Profit before income taxes	33,726	84,803
Income taxes-current	18,233	12,482
Income taxes-deferred	(44,317)	12,845
Total income taxes	(26,084)	25,327
Profit	59,810	59,476
Profit attributable to non-controlling interests	4,132	4,549
Profit attributable to owners of parent	55,678	54,926

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Profit	59,810	59,476
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	(204)	12,147
Remeasurements of defined benefit plans, net of tax	67	(214)
Total other comprehensive income	(137)	11,933
Comprehensive income	59,673	71,409
Comprehensive income attributable to:		
Owners of the parent	55,596	63,305
Non-controlling interests	4,077	8,103

(3) Consolidated Statement of Changes in Net Assets
 Prior fiscal year (from April 1, 2021, to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholder's equity
Beginning balance	63,832	73,549	362,991	(19,794)	480,578
Changes of items during the period					
Dividends of surplus			(9,399)		(9,399)
Profit attributable to owners of parent			55,678		55,678
Purchase of treasury shares				(0)	(0)
Cancellation of treasury shares		(3,687)	(16,106)	19,794	-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(3,687)	30,172	19,794	46,278
Ending balance	63,832	69,861	393,163	(0)	526,857

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	0	4,444	661	5,105	29,443	515,128
Changes of items during the period						
Dividends of surplus						(9,399)
Profit attributable to owners of parent						55,678
Purchase of treasury shares						(0)
Cancellation of treasury shares						-
Net changes of items other than shareholders' equity	0	(137)	55	(81)	2,638	2,556
Total changes of items during the period	0	(137)	55	(81)	2,638	48,835
Ending balance	0	4,306	716	5,023	32,082	563,963

Current fiscal year (from April 1, 2022, to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total Shareholder's equity
Beginning balance	63,832	69,861	393,163	(0)	526,857
Changes of items during the period					
Dividends of surplus			(14,099)		(14,099)
Profit attributable to owners of parent			54,926		54,926
Purchase of treasury shares					
Cancellation of treasury shares					
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	40,826	-	40,826
Ending balance	63,832	69,861	433,990	(0)	567,683

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance	0	4,306	716	5,023	32,082	563,963
Changes of items during the period						
Dividends of surplus						(14,099)
Profit attributable to owners of parent						54,926
Purchase of treasury shares						-
Cancellation of treasury shares						-
Net changes of items other than shareholders' equity	0	8,636	(256)	8,379	6,668	15,048
Total changes of items during the period	0	8,636	(256)	8,379	6,668	55,874
Ending balance	0	12,943	459	13,403	38,750	619,837

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	33,726	84,803
Depreciation and amortization	3,285	3,647
Impairment losses	1,520	3,523
Amortization of goodwill	518	518
Increase (decrease) in allowance for doubtful accounts	78	4,029
Increase (decrease) in provision for loss on guarantees	(3)	739
Increase (decrease) in retirement benefit liability	115	125
Increase (decrease) in provision for loss on interest repayment	29,458	(28,476)
Interest and dividend income	(15)	(27)
Interest expenses	7	1
Amortization of bond issuance cost	73	6
Foreign exchange losses (gains)	(71)	(130)
Share of loss (profit) of entities accounted for using equity method	(31)	(24)
Loss (gain) on sale of property, plant and equipment	27	(1,050)
Loss on retirement of property, plant and equipment	164	205
Decrease (increase) in accounts receivable - operating loans	1,345	(33,768)
Decrease (increase) in accounts receivable - installment	(9,218)	(15,582)
Decrease (increase) in purchased receivables	489	357
Decrease (increase) in retirement benefit asset	(329)	(439)
Decrease (increase) in other current assets	(3,124)	(3,359)
Increase (decrease) in notes and accounts payable-trade	101	(454)
Increase (decrease) in deferred installment income	(3)	(1)
Increase (decrease) in other current liabilities	(800)	1,731
Increase (decrease) by other operating activities	1,004	1,513
Subtotal	58,319	17,889
Interest and dividends received	15	27
Interest paid	(7)	(1)
Income taxes paid	(12,237)	(19,233)
Net cash provided by (used in) operating activities	46,089	(1,318)

(Millions of yen)

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(1,682)	(1,829)
Proceeds from sale of property, plant and equipment	225	2,772
Purchase of intangible assets	(2,801)	(2,851)
Proceeds from sale of investment securities	-	(133)
Increase (decrease) by other investing activities	225	(650)
Net cash provided by (used in) investing activities	(4,032)	(2,692)
Net cash provided by (used in) financing activities		
Proceeds from short-term borrowings	197,926	248,647
Repayment of short-term borrowings	(198,651)	(246,654)
Proceeds from issuance of commercial papers	32,998	244,981
Redemption of commercial papers	(13,000)	(235,000)
Proceeds from issuance of bonds	21,966	2,618
Redemption of bonds	(53,760)	(60,000)
Proceeds from long-term borrowings	44,656	146,200
Repayment of long-term borrowings	(71,101)	(98,022)
Repayments of finance lease obligations	(358)	(170)
Purchase of treasury shares	(0)	-
Cash dividends paid	(9,399)	(14,098)
Cash dividends paid to non-controlling shareholders	(1,438)	(1,434)
Net cash provided by (used in) financing activities	(50,162)	(12,933)
Effect of exchange rate change on cash and cash equivalents	113	368
Net increase (decrease) in cash and cash equivalents	(7,991)	(16,576)
Cash and cash equivalents at the beginning of period	82,233	74,242
Cash and cash equivalents at the end of period	74,242	57,666

(5) Notes on Consolidated Financial Statements

(Going-concern Assumption)

Not applicable

(Consolidated Balance Sheet)

1. Amount of shares of subsidiaries and associates included in investment securities

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Investment securities	420	445

2. Contingent liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Outstanding guarantee obligation in the guarantee business	1,173,059	1,212,883
Provision for loss on guarantees	8,873	9,612
Net	1,164,186	1,203,270

3. Commitment line contracts for accounts receivable - operating loans

For the prior fiscal year (As of March 31, 2022)

Loans extended by the Company and some of consolidated subsidiaries primarily take the form of revolving credit-line contracts whereby a facility indicating a maximum loanable amount is assigned to a customer who is then able to borrow repeatedly within the limit of the facility, provided that contract terms have not been violated. Outstanding unexercised portions of such facilities amounted to 644,661 million yen at the end of the accounting period. This included a total of 463,179 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the fiscal year.

A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the Company.

Contracts contain provisions allowing the Company to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.

For the current fiscal year (As of March 31, 2023)

Loans extended by the Company and some of consolidated subsidiaries primarily take the form of revolving credit-line contracts whereby a facility indicating a maximum loanable amount is assigned to a customer who is then able to borrow repeatedly within the limit of the facility, provided that contract terms have not been violated. Outstanding unexercised portions of such facilities amounted to 691,568 million yen at the end of the accounting period. This included a total of 509,980 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the fiscal year.

A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the Company.

Contracts contain provisions allowing the Company to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.

4. Status of non-performing loans of accounts receivable - operating loans

Losses on unsecured consumer loans to bankrupt parties are written off at the time bankruptcy is declared. For this reason, loans to borrowers in bankruptcy or under reorganization include receivables for debtors who have petitioned for bankruptcy as of the end of the fiscal year, but not yet declared bankrupt. This entire amount is booked to on allowance for doubtful accounts.

	(Millions of yen)	
	Current fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Loans to parties who have petitioned for bankruptcy, but not yet declared bankrupt	195	183
	(Millions of yen)	
	Current fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Bankrupt or De facto Bankrupt	487	442
Doubtful receivables	22,767	23,236
Receivables past due for three months or more	5,617	6,648
Restructured receivables	38,560	41,183
Performing loans(*)	918,902	970,206
Total	986,334	1,041,717

(*) Accrued interest (Prior fiscal year: 10,767 million yen, Current fiscal year: 11,736 million yen) is included in Performing loans.

(Note 1) Bankrupt or De facto Bankrupt are loans to borrowers who have fallen into bankruptcy due to declared bankrupt, rehabilitation and reorganization, or other similar circumstances.

(Note 2) Doubtful receivables are other than the above, where the borrower has not yet entered into bankruptcy, but the financial condition and business performance of the borrower have deteriorated and it is highly probable that the principal of the loan will not be collected and interest will not be received in accordance with the contract.

(Note 3) Receivables past due for three months or more are loans other than the above that are overdue by 3 months or more.

(Note 4) Restructured receivables are loans other than the above on which favorable terms have been granted, such as the waiving of interest.

(Note 5) Performing loans are classified as other than the above as there are no particular problems with the borrower's financial condition or business performance.

5. Agreements for overdraft and commitment facilities

For efficient procurement of working capital, the Company and some of its subsidiaries maintain overdraft contract with financial institutions and designated commitment line contracts with financial institutions and etc. The unexercised portion of facilities based on these contracts was as follows.

	(Millions of yen)	
	Current fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Agreed amount of agreement for overdraft and commitment line	119,634	148,443
Amount of borrowing	35,472	34,445
Net	84,162	113,998

(Segment and Related Information)

(Segment Information)

1. Outline of reported segment information

The reported segment of the Company is the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic review to determine distribution of management resources and evaluate their business results.

The Company conducts financial businesses comprised mainly of loan and credit card business in Japan and overseas.

In Japan, the Company mainly conducts guarantee business and loan servicing business in addition to loan and credit card business. In overseas, the Company also conducts financial businesses in Asia.

Accordingly, the Company's reported segments are "Loan and credit card business," "Guarantee business," "Overseas financial business" and "Loan servicing business."

2. Methods of measurement for the amounts of operating revenue, income or loss, assets and other items by reported segments

The accounting treatment regarding the reported business segments are the same as recorded in the "Significant matters providing the basis for the preparation of consolidated financial statements." The income of business segments are based on operating income. The intersegment operating revenue is based on trading prices in the market.

3. Information about operating revenue, income or loss, assets and other items by reported segments

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

(Millions of yen)

	Reported Segments					Others (Note 1)	Total
	Loan and Credit Card Business	Guarantee Business	Overseas Financial Business	Loan Servicing Business	Subtotal		
Operating revenue							
Operating revenue from external customers	142,296	62,861	51,262	5,662	262,083	71	262,155
Revenues from transactions with other operating segments	5	-	(23)	-	(17)	67	50
Total	142,302	62,861	51,239	5,662	262,066	139	262,205
Segment Income	(8,879)	23,991	18,347	1,641	35,100	139	35,239
Segment Assets	873,155	41,947	189,990	8,373	1,113,467	6,270	1,119,738
Other Items							
Depreciation	2,232	571	1,367	18	4,190	-	4,190
Amortization of goodwill	-	518	-	-	518	-	518
Provision for bad debts(Note 2)	25,911	24,619	17,518	443	68,493	-	68,493
Provision for loss on interest repayment	58,923	-	-	-	58,923	-	58,923
Increase of tangible and intangible assets	1,133	53	591	36	1,814	-	1,814

(Note 1) "Others" category consist of operating revenue, income, and assets and other items which are not included in the reported segments.

(Note 2) This item is the sum of provision of allowance for doubtful accounts and provision for loss on guarantees, etc.

(Note 3) Different criteria are applied for allocation of non-current assets to each segment and for allocation of relevant depreciation to each segment, respectively.

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

(Millions of yen)

	Reported Segments					Others (Note 1)	Total
	Loan and Credit Card Business	Guarantee Business	Overseas Financial Business	Loan Servicing Business	Subtotal		
Operating revenue							
Operating revenue from external customers	145,170	66,278	56,533	5,680	273,663	130	273,793
Revenues from transactions with other operating segments	4	-	3	-	7	86	94
Total	145,174	66,278	56,537	5,680	273,670	217	273,887
Segment Income	40,686	25,643	19,681	1,050	87,062	217	87,279
Segment Assets	911,017	44,606	215,596	7,485	1,178,706	5,564	1,184,271
Other Items							
Depreciation	2,562	630	1,347	26	4,566	-	4,566
Amortization of goodwill	-	518	-	-	518	-	518
Provision for bad debts(Note 3)	33,460	25,997	20,137	1,076	80,671	-	80,671
Provision for loss on interest repayment	-	-	-	-	-	-	-
Increase of tangible and intangible assets	2,699	138	163	9	3,009	-	3,009

(Note 1) "Others" category consist of operating revenue, income, and assets and other items which are not included in the reported segments.

(Note 2) This item is the sum of provision of allowance for doubtful accounts and provision for loss on guarantees, etc.

(Note 3) Different criteria are applied for allocation of non-current assets to each segment and for allocation of relevant depreciation to each segment, respectively.

4. Amount and outline of difference between the total amounts of reported segments and amounts of consolidated financial statements

(Millions of yen)

Operating revenue	For the year ended March 31, 2022	For the year ended March 31, 2023
Total reported segments	262,066	273,670
Operating revenue of "Others" category	139	217
Elimination of intersegment transactions	(73)	(90)
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	23	(3)
Operating revenue in consolidated financial statements	262,155	273,793

(Millions of yen)

Income	For the year ended March 31, 2022	For the year ended March 31, 2023
Total reported segments	35,100	87,062
Profit of "Others" category	139	217
Elimination of intersegment transactions	(0)	5
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	(459)	2
Operating profit in consolidated financial statements	34,779	87,287

(Millions of yen)

Assets	As of March 31, 2022	As of March 31, 2023
Total reported segments	1,113,467	1,178,706
Assets of "Others" category	6,270	5,564
Elimination of intersegment asset	(17,173)	(16,966)
Assets at head office	167,008	137,577
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	(6,276)	(7,565)
Total assets in consolidated financial statements	1,263,296	1,297,316

(Millions of yen)

Other Items	Sum of Reported Segments		Others		Adjustment Amount		Amounts in the Consolidated Financial Statements	
	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2023
Depreciation	4,190	4,566	-	-	(904)	(919)	3,285	3,647
Amortization of goodwill	518	518	-	-	-	-	518	518
Provision for bad debts	68,493	80,671	-	-	(56)	(154)	68,437	80,517
Provision for loss on interest repayment	58,923	-	-	-	-	-	58,923	-
Increase of tangible and intangible asset	1,814	3,009	-	-	2,956	3,287	4,771	6,297

(Note) The adjustment amount of increase of tangible and intangible assets is the amount of capital investment in assets at head office.

(Per Share Information)

(Yen)

Item	For the year ended March 31, 2022	For the year ended March 31, 2023
	(From April 1, 2021 to March 31, 2022)	(From April 1, 2022 to March 31, 2023)
Net assets per share	339.51	370.92
Basic earnings (loss) per share	35.54	35.06

Notes: 1. Dilutive earnings per share is not stated as there is no dilutive security.

2. Basic earnings per share is calculated based on the following data.

(Millions of yen unless otherwise stated)

Item	For the year ended March 31, 2022	For the year ended March 31, 2023
	(From April 1, 2021 to March 31, 2022)	(From April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent	55,678	54,926
Profit not attributable to common shareholders	-	-
Profit attributable to owners of parent related to common stock	55,678	54,926
Weighted average number of common stock during the consolidated fiscal year	1,566,614,094 shares	1,566,614,048 shares

3. Net assets per share is calculated based on the following data.

(Millions of yen unless otherwise stated)

Item	Prior fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
	Total net assets	563,963
Amount deducted from total net assets [Non-controlling interests included in the above]	32,082 [32,082]	38,750 [38,750]
Amounts of net assets related to common stock at the end of fiscal year	531,880	581,087
Number of common shares to calculate net assets per share at the end of fiscal year	1,566,614,048 shares	1,566,614,048 shares

(Significant Subsequent Events)

The Company, at the Executive Officers' Meeting held on February 27, 2023, determined the cancellation of the business alliance with Crezit Holdings, Inc. agreed on March 18, 2022, regarding implementation of "Credit as a Service Platform (CaaS PF) **" and creation of new business, and agreed on its cancellation on April 20, 2023.

(Note) A platform that provides the system infrastructure and operations required to build financial services.

1. Reason for Cancellation

Under the business alliance above, GeNiE Inc., a subsidiary established on April 1, 2022, was in preparation for providing financial service by implementing CaaS PF provided by Crezit Holdings, Inc. However, both parties agreed that it would be difficult to continue the business alliance agreement due to differences in the direction of achieving both parties' visions.

2. Others

The impact this cancellation has on the consolidated financial statements is negligible from the next fiscal year.

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

	(Millions of yen)	
	Current fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	69,334	52,957
Accounts receivable - operating loans	783,155	810,958
Accounts receivable - installment	87,962	103,575
Prepaid expenses	1,154	1,091
Accrued income	13,552	14,420
Right to reimbursement	54,519	57,192
Other	3,585	3,373
Allowance for doubtful accounts	(56,600)	(61,050)
Total current assets	956,664	982,519
Non-current assets		
Property, plant and equipment		
Buildings	18,147	15,956
Accumulated depreciation	(15,694)	(13,715)
Buildings, net	2,452	2,240
Structures	2,662	2,342
Accumulated depreciation	(2,153)	(1,856)
Structures, net	508	486
Equipment	14,262	10,660
Accumulated depreciation	(7,060)	(6,725)
Equipment, net	7,201	3,935
Land	1,351	-
Leased assets	3,281	2,133
Accumulated depreciation	(3,089)	(2,021)
Leased assets, net	192	111
Total property, plant and equipment	11,705	6,773
Intangible assets		
Goodwill	1,252	734
Software	5,637	6,566
Other	38	38
Total intangible assets	6,928	7,338

(Millions of yen)

	Current fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Investments and other assets		
Investment securities	818	951
Shares of subsidiaries and associates	16,209	15,916
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,288	1,122
Long-term prepaid expenses	1,656	1,637
Deferred tax assets	75,717	64,656
Guarantee deposits	4,726	4,041
Prepaid pension costs	4,750	5,165
Other	747	782
Allowance for doubtful accounts	(700)	(650)
Total investments and other assets	105,215	93,623
Total non-current assets	123,849	107,736
Total assets	1,080,514	1,090,256
Liabilities		
Current liabilities		
Accounts payable-trade	784	334
Short-term borrowings	5,000	-
Commercial papers	24,999	34,998
Current portion of long-term borrowings	86,540	89,926
Current portion of bonds	45,000	25,000
Lease obligations	168	115
Accounts payable-other	1,991	1,759
Accrued expenses	7,772	9,570
Income taxes payable	11,087	3,622
Deposits received	290	321
Provision for loss on guarantees	8,010	8,670
Asset retirement obligations	611	709
Other	293	262
Total current liabilities	192,551	175,290
Non-current liabilities		
Bonds payable	95,000	70,000
Long-term loans borrowings	240,461	285,253
Lease obligations	71	23
Provision for loss on interest repayment	86,200	57,723
Asset retirement obligations	4,545	5,393
Other	153	154
Total non-current liabilities	426,431	418,549
Total liabilities	618,982	593,839

(Millions of yen)

	Current fiscal year (As of March 31, 2022)	Current fiscal year (As of March 31, 2023)
Net assets		
Shareholders' equity		
Share capital	63,832	63,832
Capital surplus		
Legal capital surplus	72,322	72,322
Total capital surplus	72,322	72,322
Retained earnings		
Legal retained earnings	4,320	4,320
Other retained earnings		
General reserve	80,000	80,000
Retained earnings brought forward	241,055	275,941
Total retained earnings	325,375	360,261
Treasury shares	(0)	(0)
Total shareholders' equity	461,531	496,416
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	0
Total valuation and translation adjustments	0	0
Total net assets	461,531	496,416
Total liabilities and net assets	1,080,514	1,090,256

(2) Non-consolidated Statement of Income

(Millions of yen)

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Operating revenue		
Interest on operating loans	117,003	117,875
Revenue from credit card business	10,853	12,377
Revenue from credit guarantee	43,579	46,285
Other financial revenue		
Interest on deposits	0	0
Interest on securities	0	0
Foreign exchange gains	71	130
Total other financial revenue	71	130
Other operating revenue	23,162	24,011
Total operating revenue	194,670	200,679
Operating expenses		
Financial expenses		
Interest expenses	1,636	1,487
Interest on bonds	942	588
Amortization of bond issuance cost	57	-
Other	617	505
Total financial expenses	3,254	2,581
Other operating expenses		
Advertising expenses	15,157	17,767
Provision of allowance for doubtful accounts	39,698	47,886
Provision for loss on guarantees	8,010	8,670
Provision for loss on interest repayment	58,923	-
Employees' salaries, allowances and bonuses	13,471	13,675
Retirement benefit expenses	693	610
Welfare expenses	2,299	2,345
Rent expenses	4,417	4,477
Depreciation	2,741	3,156
Commission fee	18,209	18,236
Amortization of goodwill	518	518
Other	15,614	17,927
Total other operating expenses	179,755	135,271
Total operating expenses	183,009	137,852
Operating profit	11,660	62,826

(Millions of yen)

	For the year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	For the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Non-operating income		
Interest income	2	1
Dividend income	5,736	7,444
Other	599	288
Total non-operating income	6,337	7,733
Non-operating expenses		
Interest expenses	7	1
Foreign exchange losses	16	132
Other	12	9
Total non-operating expenses	36	143
Ordinary profit	17,962	70,417
Extraordinary income		
Gain on sale of non-current assets	24	1,115
Total extraordinary income	24	1,115
Extraordinary loss		
Loss on sale of non-current assets	53	67
Loss on retirement of non-current assets	156	191
Impairment losses	1,520	3,523
Loss on valuation of shares of subsidiaries and associates	-	1,190
Other	2	3
Total extraordinary loss	1,732	4,975
Profit before income taxes	16,254	66,557
Income taxes-current	12,929	6,511
Income taxes-deferred	(44,757)	11,061
Total income taxes	(31,828)	17,572
Profit	48,082	48,985

(3) Non-consolidated Statement of Changes in Net Assets

Prior fiscal year (from April 1, 2021, to March 31, 2022)

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Beginning balance	63,832	72,322	3,687	76,010
Changes of items during the period				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Cancellation of treasury shares			(3,687)	(3,687)
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	(3,687)	(3,687)
Ending balance	63,832	72,322	-	72,322

	Shareholders' equity			
	Legal retained earnings	Retained earnings		Total retained earnings
		Other retained earnings	Retained earnings brought forward	
	General reserve			
Beginning balance	4,320	80,000	218,478	302,798
Changes of items during the period				
Dividends of surplus			(9,399)	(9,399)
Profit			48,082	48,082
Purchase of treasury shares				
Cancellation of treasury shares			(16,106)	(16,106)
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	22,577	22,577
Ending balance	4,320	80,000	241,055	325,375

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Beginning balance	(19,794)	422,847	0	0	422,847
Changes of items during the period					
Dividends of surplus		(9,399)			(9,399)
Profit		48,082			48,082
Purchase of treasury shares	(0)	(0)			(0)
Cancellation of treasury shares	19,794	-			-
Net changes of items other than shareholders' equity			0	0	0
Total changes of items during the period	19,794	38,683	0	0	38,683
Ending balance	(0)	461,531	0	0	461,531

Current fiscal year (from April 1, 2022, to March 31, 2023)

(Millions of yen)

	Shareholders' equity			
	Share capital	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Beginning balance	63,832	72,322	-	72,322
Changes of items during the period				
Dividends of surplus				
Profit				
Purchase of treasury shares				
Cancellation of treasury shares				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	-	-
Ending balance	63,832	72,322	-	72,322

	Shareholders' equity			
	Legal retained earnings	Other retained earnings		Total retained earnings
		General reserve	Retained earnings brought forward	
Beginning balance	4,320	80,000	241,055	325,375
Changes of items during the period				
Dividends of surplus			(14,099)	(14,099)
Profit			48,985	48,985
Purchase of treasury shares				
Cancellation of treasury shares				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	34,885	34,885
Ending balance	4,320	80,000	275,941	360,261

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Beginning balance	(0)	461,531	0	0	461,531
Changes of items during the period					
Dividends of surplus		(14,099)			(14,099)
Profit		48,985			48,985
Purchase of treasury shares					-
Cancellation of treasury shares					-
Net changes of items other than shareholders' equity			0	0	0
Total changes of items during the period	0	34,885	0	0	34,885
Ending balance	(0)	496,416	0	0	496,416