

Brief Statement of Financial Results for the Fiscal Year Ended March 2021
[Japanese GAAP (Consolidated)]

May 13, 2021

Forward-looking Statement

The statements and figures contained in this Brief Statement of Financial Results for the fiscal year ended March 2021 (the "Brief Statement") with respect to ACOM CO., LTD. ("ACOM")'s plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of ACOM which are based on management's assumptions and beliefs in light of the information currently available to it and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. Potential risks and uncertainties include, without limitation, general economic conditions in ACOM's market and changes in the size of the overall market for consumer loans, the rate of default by customers, the fluctuations in number of cases of claims from and the amount paid to customers who claim us to reimburse the portion of interest in excess of the interest ceiling as specified in the Interest Rate Restriction Act, the level of interest rates paid on ACOM's debt, and legal limits on interest rates charged by ACOM.

Name of the company:	ACOM CO., LTD. ("ACOM" or "the Company")
Stock market:	First Section of 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:	Chairman, President & Chief Executive Officer
Name:	Shigeyoshi Kinoshita
Position of the person in charge:	Chief PR & IR Officer
Name:	Takashi Okamoto
Telephone Number:	(03) 5533-0861
Date of the shareholders' meeting:	June 23, 2021
Registration date of annual securities report:	June 23, 2021
Commencement date of dividend payment:	June 24, 2021
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 2021 (from April 1, 2020, to March 31, 2021)

(1) Consolidated Operating Results

(Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
3/2021	266,316	-4.7%	98,896	30.8%	100,014	33.2%	78,864	32.3%
3/2020	279,510	0.9%	75,636	31.3%	75,104	29.0%	59,600	57.8%

[Note] Comprehensive income 3/2021: 81,545 million yen [15.0%] 3/2020: 70,918 million yen [74.5%]

	Basic Earnings per Share (Yen)	Net Income per Share Diluted (Yen)	Return on Equity (ROE)	Ordinary Profit to Total Assets	Operating Margin
3/2021	50.34	—	17.5%	8.0%	37.1%
3/2020	38.04	—	15.5%	5.8%	27.1%

<Reference> Equity in earnings of affiliates 3/2021: 43 million yen 3/2020: 3 million yen

(2) Consolidated Financial Status

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
3/2021	1,219,109	515,128	39.8%	310.02
3/2020	1,282,389	442,496	32.4%	265.11

<Reference> Shareholders' Equity 3/2021: 485,684 million yen 3/2020: 415,322 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
3/2021	113,179	-4,566	-108,786	82,233
3/2020	19,698	6,214	-24,339	82,545

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)			
3/2020	—	2.00	—	2.00	4.00	6,266	10.5	1.6
3/2021	—	3.00	—	3.00	6.00	9,399	11.9	2.1
3/2022 (Forecast)	—	3.00	—	3.00	6.00		15.4	

3. Forecasts for the Fiscal Year Ending March 31, 2022 (from April 1, 2021, to March 31, 2022)

(Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of the Parent		Basic Earnings per Share (Yen)
First Half	129,700	-3.9%	39,900	-26.8%	40,000	-27.8%	30,800	-29.2%	19.66
Annual	260,700	-2.1%	79,900	-19.2%	80,100	-19.9%	61,000	-22.7%	38.94

(Notes)

(1) Change in Important Subsidiaries for the Year ended March 2021 (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, 2021: 1,596,282,800 shares FY March 31, 2020: 1,596,282,800 shares

B) Number of treasury shares at the end of period

FY March 31, 2021: 29,668,702 shares FY March 31, 2020: 29,668,632 shares

C) Number of average shares outstanding

FY March 31, 2021: 1,566,614,115 shares FY March 31, 2020: 1,566,614,197 shares

(Reference) Outline of non-consolidated business results

1. Non-consolidated Business Results for the Fiscal Year Ended March 2021 (from April 1, 2020, to March 31, 2021)

(1) Non-consolidated Operating Results (Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit	
3/2021	197,986	-4.3%	73,938	50.1%	81,254	44.2%	70,915	32.1%
3/2020	206,968	1.6%	49,273	46.5%	56,352	50.4%	53,673	79.3%

	Basic Earnings per Share (Yen)	Net Income per Share Diluted (Yen)
3/2021	45.27	—
3/2020	34.26	—

(2) Non-consolidated Financial Status

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
3/2021	1,034,887	422,847	40.9%	269.91
3/2020	1,090,351	359,765	33.0%	229.65

<Reference> Shareholders' Equity 3/2021: 422,925 million yen 3/2020: 359,765 million yen

2. Forecasts for the Fiscal Year Ending March 31, 2022 (from April 1, 2021, to March 31, 2022)

(Millions of yen)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit		Basic earnings per Share (Yen)
First Half	96,500	-3.8%	29,500	-28.2%	33,900	-27.1%	29,200	-27.1%	18.64
Annual	193,800	-2.1%	58,800	-20.5%	64,800	-20.3%	55,400	-21.9%	35.36

(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 2021 for domestic institutional investors and financial analysts on May 14, 2021. 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.

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1. Analyses of Business Results and Financial Position

(1) Analysis of Business Results

During the fiscal year ended March 2021, the Japanese economy remained, as in the nine months ended December 31, 2020, under preventive measures against COVID-19 infection in order to sustain social and economic activities, and the situation remained uncertain with the ongoing possibility of a re-spread of the infection. Meanwhile, overseas economy remained harshly restrained due in part to the impact of limitations in activities, though situations differ from country to country.

In the nonbank business sector, the market is contracting as a result of prolonged stagnation of consumer spending due to the impact of the spread of COVID-19 infection, and the outlook remains uncertain, partly due to the second declaration of a state of emergency. Although requests for interest repayment have steadily decreased, 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, the Company Group will continue its operating activities while paying due attention to the safety of customers and employees, and will provide flexible and courteous support for repayment, etc.

The Company Group has upheld its management vision of “strive to become the leading company in personal loan market which provides prime satisfaction to the utmost number of customers and win their trust in return.” Amid the spread of COVID-19 infection and other changes in the external environment, the Company Group will continue to make concerted efforts under a medium-term management policy of “with expeditious reactions to environmental changes, ACOM will strive for sustainable growth and increasing corporate value, while creating services which exceed customers’ expectations.”

Consolidated operating revenue for the fiscal year ended March 2021, decreased to 266,316 million yen (down 4.7% year-on-year). This is attributable to: the decreases in accounts receivable - operating loans and guaranteed receivables due to the spread of COVID-19 infection which led to decreases in interest on operating loans and revenue from credit guarantee. Operating expenses, on the other hand, decreased to 167,419 million yen (down 17.9% year-on-year) mainly due to decreases in provision of allowance for doubtful accounts and allowance for loss on guarantees resulting from decreases in accounts receivable - operating loans and guaranteed receivables and the absence of addition made to provision for loss on interest repayment (19,700 million yen for the prior fiscal year). Allowance for doubtful accounts and provision for loss on guarantees were partially adjusted because the expected increases in the use rates of the said allowance and provision due to the spread of COVID-19 infection stoked concern that the allowance and provision would be insufficient. As a result, operating profit increased to 98,896 million yen (up 30.8% year-on-year), ordinary profit increased to 100,014 million yen (up 33.2% year-on-year), and profit attributable to owners of parent increased to 78,864 million yen (up 32.3% year-on-year).

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 increase the number of new customers, improve product/service functions, and maintain the soundness of loan portfolio.

As for measures for increasing the number of new customers, we continued to appeal to customers through advertisements tailored to their attributes and place advertisements on YouTube, etc., while newly opening a Twitter account and taking other measures. Through these efforts, we strove to expand recognition and earn favorable public image for targets.

As for the improvement of product/service functions, we made continuous efforts to enhance the quality of UI/UX such as our website, for the purpose of further enhancing convenience for customers.

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.

However, new lending to and additional borrowing by customers saw drastic decrease following decline in the demand for funds associated with the move to adopt voluntary restrictions in economic activities amid the growing impact of COVID-19 infection. As a result, accounts receivable - operating loans at the end of the current fiscal year decreased to 784,051 million yen (down 6.8% year-on-year), and accounts receivable - installment, which increased steadily in the previous fiscal year, slackened its pace from the previous fiscal year (expansion rate: up 18.8%), amounting to 78,788 million yen (up 5.0% year-on-year).

As a result, the business segment’s operating revenue was 144,417 million yen (down 3.2% year-on-year) mainly due to a decrease in interest on operating loans.

Operating profit was 52,725 million yen (up 87.9% year-on-year) mainly owing to a decrease in provision of allowance for doubtful accounts and the absence of addition made to provision for loss on interest repayment (19,700 million yen for the prior fiscal year) under operating expenses.

(Guarantee business)

In the guarantee business, we worked to deepen communication with existing partners and continued appropriate screening as well as making efforts to further strengthen our partnerships by providing the results of analysis about loan portfolio and the effect of advertisement, and various support for existing partners with a view to improving their business results and stabilizing their growth.

However, the number of applicants saw drastic decrease following decline in the demand for funds associated with the move to adopt voluntary restrictions in economic activities amid the growing impact of COVID-19 infection. 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 1,170,094 million yen (down 5.1% year-on-year). The business segment's operating revenue was 64,245 million yen (down 6.3% year-on-year) primarily due to a decrease in revenue from credit guarantee, whereas operating profit was 25,041 million yen (up 0.2% year-on-year) owing to a decrease in provision of allowance for doubtful accounts.

(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.

ACOM CONSUMER FINANCE CORPORATION, which engages in the loan business in the Republic of the Philippines, launched a full-fledged business in July 2018 and proactively promoted marketing activities.

The Company has promoted necessary surveys in other Asian countries to explore the feasibility of business development.

As a result, the business segment's operating revenue for the current fiscal year amounted to 52,136 million yen (down 7.4% year-on-year) due to a drop in interest on operating loans at EASY BUY led by lowered maximum interest rate and foreign exchange impact in the Kingdom of Thailand, and operating profit was 19,879 million yen (down 11.2% year-on-year).

The business segment's operating revenue and operating expenses reflect downward effect of the exclusion of PT. Bank Nusantara Parahyangan, Tbk. from the scope of consolidation.

(Loan servicing business)

In the loan servicing business, IR Loan Servicing, Inc. has endeavored to strengthen its business structure and increase profitability amid intensified competition in the purchased receivables market.

As a result, the business segment's operating revenue was 5,504 million yen (up 2.7% year-on-year), mainly owing to increase in amount of proceeds from purchased receivables. Operating profit increased to 528 million yen (up 13.8% year-on-year).

(2) Analysis of Financial Position

Compared with the end of the prior fiscal year, total assets decreased by 63,279 million yen and total liabilities decreased by 135,910 million yen, whereas net assets increased by 72,631 million yen as of March 31, 2021. Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets decreased by 60,055 million yen and non-current assets decreased by 3,223 million yen. Consequently, total assets decreased by 63,279 million yen. The breakdown of major changes in current assets is as follows: accounts receivable - operating loans (down 64,558 million yen) and accounts receivable - installment (up 3,696 million yen). The breakdown of major changes in non-current assets is as follows: deferred tax assets (down 4,158 million yen) and retirement benefit asset (up 3,238 million yen). The combined total of allowance for doubtful accounts recorded under current assets and non-current assets decreased by 5,619 million yen.

(Liabilities)

With regard to the liabilities account, changes in current and non-current liabilities were a decrease of 41,422 million yen and a decrease of 94,487 million yen, respectively, resulting in a decrease of 135,910 million yen in total liabilities. The breakdown of major decreases in liabilities includes: the outstanding balance of funds procured mainly in the form of loans and bonds payable (down 104,693 million yen) and provision for loss on interest repayment (down 30,858 million yen).

(Net assets)

In terms of net assets, shareholders' equity increased by 71,031 million yen mainly due to an increase in retained earnings, accumulated other comprehensive income decreased by 669 million yen due to a decrease in foreign currency translation adjustment (down 3,511 million yen) and an increase in remeasurements of defined benefit

plans (up 2,841 million yen), and non-controlling interests increased by 2,269 million yen. As a result, total net assets increased by 72,631 million yen, and the shareholders' equity ratio increased by 7.4 percentage points to 39.8%.

(3) Status of Cash Flows

Cash and cash equivalents (hereinafter, "funds") at the end of the current fiscal year decreased by 311 million yen from the end of the prior fiscal year to 82,233 million yen. The changes in the respective cash flows and the reasons thereof are as follows:

With respect to net cash provided by operating activities, funds saw an increase of 113,179 million yen, mainly reflecting 99,297 million yen in profit before income taxes, 3,170 million yen in depreciation and amortization, a decrease of 4,971 million yen in allowance for doubtful accounts, a decrease of 30,858 million yen in provision for loss on interest repayment, and funds-increasing factors such as a decrease of 54,081 million yen in accounts receivable - operating loans, as well as funds-decreasing factors such as 13,408 million yen in income taxes paid and an increase of 3,733 million yen in accounts receivable - installment.

With respect to net cash used in investing activities, funds saw a decrease of 4,566 million yen. This was primarily due to the fact that the purchase of intangible assets amounted to 2,235 million yen, and the purchase of property, plant and equipment amounted to 1,113 million yen.

With respect to net cash used in financing activities, funds saw a decrease of 108,786 million yen. This was primarily due to the fact that the total amount of proceeds from loans and issuance of bonds was 99,411 million yen, less than the repayments of borrowings and payments at maturity of bonds, and cash dividends paid amounted to 7,831 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 2022. Its quantitative outlook of combined receivables from loan & credit card business and guarantee business is 2 trillion and 82.8 billion yen. The outlook of receivable of loan & credit card business is 878.0 billion yen, and receivable of guarantee business is 1 trillion and 204.8 billion yen in the domestic domain. As for the overseas domain, the Company aims to attain loans receivable of 57.3 billion baht for EASY BUY Public Company Limited in the Kingdom of Thailand.

With regard to quantitative targets, the Group forecasts consolidated operating revenue of 260.7 billion yen, ordinary profit of 80.1 billion yen and profit attributable to owners of parent of 61.0 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. In particular, the plans formulated by the Company rest on the assumption that the stagnant economic activities on the impact of the spread of COVID-19 will gradually recover. 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 2021, year-end dividend of 3 yen per share is planned as initially announced. This dividend payment will be subject to approval at the ordinary general meeting of shareholders scheduled in June 2021.

As for the fiscal year ending March 2022, the Company expects decrease in operating revenue and operating profit. At the same time, uncertainty has been further rising due to the impact of the spread of COVID-19 infection. For those reasons, annual dividend of 6 yen, same amount as current fiscal year, is planned. This consists of 3 yen at the second quarter and 3 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, 2020)	Current fiscal year (As of March 31, 2021)
Assets		
Current assets		
Cash and deposits	82,545	83,323
Accounts receivable - operating loans	1,041,711	977,152
Accounts receivable - installment	75,726	79,423
Purchased receivables	9,188	8,477
Raw materials and supplies	42	63
Other	87,162	82,334
Allowance for doubtful accounts	-82,974	-77,428
Total current assets	1,213,402	1,153,346
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	23,350	23,991
Accumulated depreciation	-19,833	-20,605
Buildings and structures, net	3,516	3,386
Vehicles	0	0
Accumulated depreciation	-0	-0
Vehicles, net	0	0
Equipment	19,017	18,018
Accumulated depreciation	-11,411	-10,378
Equipment, net	7,606	7,640
Land	3,123	2,476
Lease assets	4,124	3,867
Accumulated depreciation	-3,213	-3,371
Lease assets, net	910	495
Total property, plant and equipment	15,156	13,998
Intangible assets		
Goodwill	2,436	1,770
Leasehold right	4	4
Software	5,056	4,984
Telephone subscription right	37	37
Other	8	7
Total intangible assets	7,542	6,803

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2020)	Current fiscal year (As of March 31, 2021)
Investments and other assets		
Investment securities	1,165	1,207
Net defined benefit asset	2,379	5,618
Deferred tax assets	33,835	29,677
Guarantee deposits	5,041	4,990
Other	4,839	4,367
Allowance for doubtful accounts	-973	-900
Total investments and other assets	46,287	44,960
Total noncurrent assets	68,986	65,763
Total assets	1,282,389	1,219,109
Liabilities		
Current liabilities		
Notes and accounts payable-trade	682	696
Short-term loans payable	15,330	15,992
Commercial papers	29,998	5,000
Current portion of long-term loans payable	91,048	69,416
Current portion of bonds	48,026	53,760
Lease obligations	405	354
Income taxes payable	7,888	7,258
Provision for loss on guarantees	9,475	8,876
Asset retirement obligations	32	408
Deferred installment income	36	28
Other	13,767	13,479
Total current liabilities	216,694	175,271
Noncurrent liabilities		
Bonds payable	196,300	155,800
Long-term loans payable	333,388	309,431
Lease obligations	642	238
Provision for directors' retirement benefits	28	-
Provision for loss on interest repayment	87,600	56,741
Net defined benefit liability	676	721
Asset retirement obligations	4,375	5,420
Other	186	357
Total noncurrent liabilities	623,198	528,710
Total liabilities	839,892	703,981

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2020)	Current fiscal year (As of March 31, 2021)
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	73,549	73,549
Retained earnings	291,959	362,991
Treasury shares	-19,794	-19,794
Total shareholders' equity	409,547	480,578
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	7,956	4,444
Remeasurements of defined benefit plans	-2,180	661
Total accumulated other comprehensive income	5,775	5,105
Non-controlling interests	27,173	29,443
Total net assets	442,496	515,128
Total liabilities and net assets	1,282,389	1,219,109

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

(Millions of yen)

	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Operating revenue		
Interest on operating loans	176,286	167,833
Interest on loans of banking business	1,567	-
Credit card revenue	9,198	9,985
Per-item revenue	67	56
Revenue from credit guarantee	60,142	55,675
Collection from purchased receivable	4,272	4,358
Other financial revenue		
Interest on deposits	12	12
Interest on securities	12	0
Interest on loans	59	-
Interest on deposits with banks	43	-
Other	73	21
Total other financial revenue	200	34
Other operating revenue	27,774	28,372
Total operating revenue	279,510	266,316
Operating expenses		
Financial expenses		
Interest expenses	3,897	2,735
Interest on deposits of banking business	745	-
Interest on bonds	2,725	2,274
Amortization of bond issuance cost	175	64
Other	684	796
Total financial expenses	8,228	5,870
Cost of purchased receivable	1,782	1,844
Other operating expenses		
Advertising expenses	12,737	11,165
Provision of allowance for doubtful accounts	72,468	57,449
Provision for loss on guarantees	9,448	8,749
Provision for loss on interest repayment	19,700	-
Employees' salaries and bonuses	20,293	20,150
Retirement benefit expenses	1,635	2,190
Provision for directors' retirement benefits	3	-
Welfare expenses	2,694	2,764
Rent expenses	6,148	5,931
Depreciation	3,503	3,170
Commission fee	22,901	24,689
Amortization of goodwill	813	665
Other	21,513	22,776
Total other operating expenses	193,862	159,704
Total operating expenses	203,873	167,419
Operating profit	75,636	98,896

	(Millions of yen)	
	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Non-operating income		
Interest income	53	2
Dividends income	25	25
Equity in earnings of affiliates	3	43
House rent income	250	184
Subsidy income	-	767
Other	119	154
Total non-operating income	451	1,177
Non-operating expenses		
Interest expenses	23	15
Foreign exchange losses	931	26
Loss on cancellation of insurance policies	6	11
Other	20	7
Total non-operating expenses	983	60
Ordinary profit	75,104	100,014
Extraordinary income		
Gain on sales of noncurrent assets	0	40
Gain on sales of investment securities	-	28
Gain on sales of subsidiaries and affiliates' stocks	9,875	-
Total extraordinary income	9,875	68
Extraordinary loss		
Loss on sales of noncurrent assets	0	52
Loss on retirement of noncurrent assets	230	177
Impairment loss	2,370	555
Loss on sales of investment securities	1	-
Merger expenses	2,363	-
Other	2	0
Total extraordinary loss	4,969	785
Profit before income taxes	80,011	99,297
Income taxes-current	13,720	12,925
Income taxes-deferred	2,269	2,729
Total income taxes	15,990	15,654
Profit	64,020	83,643
Profit attributable to non-controlling interests	4,419	4,778
Profit attributable to owners of parent	59,600	78,864

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Profit	64,020	83,643
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	7,777	-4,946
Remeasurements of defined benefit plans, net of tax	-879	2,848
Total other comprehensive income	6,898	-2,097
Comprehensive income	70,918	81,545
Comprehensive income attributable to:		
Owners of the parent	63,848	78,194
Non-controlling interests	7,070	3,350

(3) Consolidated Statement of Changes in Net Assets
Prior fiscal year (from April 1, 2019, to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total Shareholder's equity
Beginning balance	63,832	73,549	237,508	-19,794	354,646
Changes of items during the period					
Dividends from surplus			-4,699		-4,699
Profit attributable to owners of parent			59,600		59,600
Purchase of treasury shares				-0	-0
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	54,900	-0	54,900
Ending balance	63,832	73,549	291,959	-19,794	409,547

	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	2,832	-1,304	1,528	25,327	381,501
Changes of items during the period						
Dividends from surplus						-4,699
Profit attributable to owners of parent						59,600
Purchase of treasury shares						-0
Net changes of items other than shareholders' equity	0	5,123	-875	4,247	1,846	6,093
Total changes of items during the period	0	5,123	-875	4,247	1,846	60,994
Ending balance	0	7,956	-2,180	5,775	27,173	442,496

Current fiscal year (from April 1, 2020, to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total Shareholder's equity
Beginning balance	63,832	73,549	291,959	-19,794	409,547
Changes of items during the period					
Dividends from surplus			-7,833		-7,833
Profit attributable to owners of parent			78,864		78,864
Purchase of treasury shares				-0	-0
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	71,031	-0	71,031
Ending balance	63,832	73,549	362,991	-19,794	480,578

	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	7,956	-2,180	5,775	27,173	442,496
Changes of items during the period						
Dividends from surplus						-7,833
Profit attributable to owners of parent						78,864
Purchase of treasury shares						-0
Net changes of items other than shareholders' equity	0	-3,511	2,841	-669	2,269	1,599
Total changes of items during the period	0	-3,511	2,841	-669	2,269	72,631
Ending balance	0	4,444	661	5,105	29,443	515,128

(4) Consolidated Statement of Cash Flows

	(Millions of yen)	
	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Net cash provided by (used in) operating activities		
Profit (loss) before income taxes	80,011	99,297
Depreciation and amortization	3,503	3,170
Impairment loss	2,370	555
Amortization of goodwill	813	665
Increase (decrease) in allowance for doubtful accounts	6,396	-4,971
Increase (decrease) in provision for loss on guarantees	-186	-598
Increase (decrease) in net defined benefit liability	187	95
Increase (decrease) in provision for directors' retirement benefits	3	-28
Increase (decrease) in provision for loss on interest repayment	-14,700	-30,858
Interest and dividends income	-78	-28
Interest expenses	23	15
Amortization of bond issuance cost	175	64
Foreign exchange losses (gains)	864	-21
Equity in (earnings) losses of affiliates	-3	-43
Loss (gain) on sales of property, plant and equipment	-0	11
Loss on retirement of property, plant and equipment	213	159
Loss (gain) on sales of investment securities	1	-28
Loss (gain) on sales of subsidiaries and affiliates' stocks	-9,875	-
Merger expenses	2,363	-
Decrease (increase) in accounts receivable - operating loans	-29,444	54,081
Decrease (increase) in loans receivable of banking business	1,092	-
Decrease (increase) in accounts receivable - installment	-11,945	-3,733
Decrease (increase) in purchased receivables	247	711
Decrease (increase) in net defined benefit asset	165	834
Decrease (increase) in inventories	10	-20
Decrease (increase) in other current assets	1,433	4,532
Increase (decrease) in notes and accounts payable-trade	172	14
Increase (decrease) in deposits of banking business	385	-
Increase (decrease) in deferred installment income	-7	-6
Increase (decrease) in other current liabilities	-1,740	380
Increase (decrease) by other operating activities	1,026	2,322
Subtotal	33,481	126,575
Interest and dividends income received	78	28
Interest expenses paid	-23	-15
Income taxes paid	-13,838	-13,408
Net cash provided by (used in) operating activities	19,698	113,179

	(Millions of yen)	
	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Net cash provided by (used in) investing activities		
Proceeds from redemption of securities	21	-
Purchase of property, plant and equipment	-1,496	-1,113
Proceeds from sales of property, plant and equipment	0	161
Purchase of intangible assets	-2,151	-2,235
Proceeds from sales and redemption of investment securities	2	25
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	10,411	-
Increase (decrease) by other investing activities	-573	-1,404
Net cash provided by (used in) investing activities	6,214	-4,566
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	185,197	129,084
Repayment of short-term loans payable	-182,341	-127,669
Proceeds from issuance of commercial papers	139,978	16,995
Redemption of commercial papers	-150,000	-42,000
Proceeds from issuance of bonds	38,624	15,065
Redemption of bonds	-41,956	-47,157
Proceeds from long-term loans payable	141,566	48,224
Repayment of long-term loans payable	-148,732	-91,954
Repayments of finance lease obligations	-529	-462
Purchase of treasury shares	-0	-0
Proceeds from share issuance to non-controlling shareholders	-	436
Cash dividends paid	-4,698	-7,831
Cash dividends paid to non-controlling shareholders	-1,447	-1,516
Net cash provided by (used in) financing activities	-24,339	-108,786
Effect of exchange rate change on cash and cash equivalents	-1,373	-138
Net increase (decrease) in cash and cash equivalents	198	-311
Cash and cash equivalents at the beginning of period	82,346	82,545
Cash and cash equivalents at the end of period	82,545	82,233

(5) Notes on Consolidated Financial Statements

(Going-concern Assumption)

Not applicable

(Changes in Presentation)

<Consolidated Statement of Income>

"Insurance cancellation losses" in non-operating income was included in "Other" for the prior fiscal year. As it has increased its quantitative significance, "Insurance cancellation losses" has been separately listed effective from the current fiscal year. To reflect these changes in presentation, the financial statements for the prior fiscal year have been reclassified.

To reflect this change in the statement of income for the prior fiscal year, 27 million yen of "Other" in non-operating income has been reclassified into 6 million yen of "Insurance cancellation losses" and 20 million yen of "Other."

(Consolidated Balance Sheet)

1. Amount of subsidiaries' and affiliates' stocks included in investment securities

(Millions of yen)

	Prior fiscal year (As of March 31, 2020)	Current fiscal year (As of March 31, 2021)
Investment securities	345	389

2. Contingent liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2020)	Current fiscal year (As of March 31, 2021)
Outstanding guarantee obligation in the guarantee business	1,233,228	1,170,094
Provision for loss on guarantees	9,475	8,876
Net	1,223,753	1,161,217

3. Commitment line contracts for accounts receivable - operating loans

For the prior fiscal year (As of March 31, 2020)

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 545,784 million yen at the end of the accounting period. This included a total of 361,059 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, 2021)

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 669,286 million yen at the end of the accounting period. This included a total of 430,370 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 parties in bankruptcy 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)	
	Prior fiscal year (As of March 31, 2020)	Current fiscal year (As of March 31, 2021)
Loans to parties who have petitioned for bankruptcy, but not yet declared bankrupt	316	235
	(Millions of yen)	
	Prior fiscal year (As of March 31, 2020)	Current fiscal year (As of March 31, 2021)
Loans to bankrupt parties	652	552
Loans in arrears	25,821	22,498
Loans overdue by 3 months or more	5,964	7,564
Restructured loans	31,862	34,892
Total	64,301	65,508

(Note 1) Loans to bankrupt parties are loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others.

(Note 2) Loans in arrears are other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor.

(Note 3) Loans overdue by 3 months or more are loans other than the above that are overdue by 3 months or more.

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

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)	
	Prior fiscal year (As of March 31, 2020)	Current fiscal year (As of March 31, 2021)
Agreed amount of agreement for overdraft and commitment line	124,533	119,315
Amount of borrowing	41,693	38,654
Net	82,840	80,661

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

(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	149,266	68,569	56,314	5,358	279,508	1	279,510
Revenues from transactions with other operating segments	-	-	-	-	-	69	69
Total	149,266	68,569	56,314	5,358	279,508	71	279,579
Segment Income	28,056	25,000	22,394	464	75,915	71	75,986
Segment Assets	918,185	41,889	201,814	7,706	1,169,596	15,397	1,184,993
Other Items							
Depreciation	2,217	764	498	23	3,503	-	3,503
Amortization of goodwill	-	813	-	-	813	-	813
Provision for bad debts(Note 2)	35,661	29,420	15,361	1,058	81,501	-	81,501
Provision for loss on interest repayment	19,700	-	-	-	19,700	-	19,700
Increase of tangible and intangible asset	1,644	53	86	34	1,818	-	1,818

(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, 2021 (from April 1, 2020, to March 31, 2021)

(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	144,407	64,245	52,136	5,504	266,294	22	266,316
Revenues from transactions with other operating segments	9	-	-	-	9	68	77
Total	144,417	64,245	52,136	5,504	266,303	90	266,394
Segment Income	52,725	25,041	19,879	528	98,174	90	98,264
Segment Assets	864,767	40,358	191,645	7,172	1,103,944	16,889	1,120,834
Other Items							
Depreciation	2,151	588	432	18	3,192	-	3,192
Amortization of goodwill	-	665	-	-	665	-	665
Provision for bad debts(Note 2)	24,443	24,777	16,321	1,148	66,690	-	66,690
Provision for loss on interest repayment	-	-	-	-	-	-	-
Increase of tangible and intangible asset	3,305	62	164	1	3,533	-	3,533

(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, 2020	For the year ended March 31, 2021
Total reported segments	279,508	266,303
Operating revenue of "Others" category	71	90
Elimination of intersegment transactions	-68	-77
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	-0	-
Operating revenue in consolidated financial statements	279,510	266,316

(Millions of yen)

Income	For the year ended March 31, 2020	For the year ended March 31, 2021
Total reported segments	75,915	98,174
Income of "Others" category	71	90
Elimination of intersegment transactions	14	1
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	-364	630
Operating profit in consolidated financial statements	75,636	98,896

(Millions of yen)

Assets	As of March 31, 2020	As of March 31, 2021
Total reported segments	1,169,596	1,103,944
Assets of "Others" category	15,397	16,889
Elimination of intersegment asset	-16,686	-17,370
Assets at head office	123,111	120,731
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	-9,029	-5,085
Total assets in consolidated financial statements	1,282,389	1,219,109

(Millions of yen)

Other Items	Sum of Reported Segments		Others		Adjustment Amount		Amounts in the Consolidated Financial Statements	
	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2021
Depreciation	3,503	3,192	-	-	-	-21	3,503	3,170
Amortization of goodwill	813	665	-	-	-	-	813	665
Provision for bad debts	81,501	66,690	-	-	415	-491	81,916	66,198
Provision for loss on interest repayment	19,700	-	-	-	-	-	19,700	-
Increase of tangible and intangible asset	1,818	3,533	-	-	1,282	829	3,100	4,363

(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, 2020 (From April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)
Net assets per share	265.11	310.02
Basic earnings (loss) per share	38.04	50.34

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, 2020 (From April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)
Profit attributable to owners of parent	59,600	78,864
Profit not attributable to common shareholders	-	-
Profit attributable to owners of parent related to common stock	59,600	78,864
Weighted average number of common stock during the consolidated fiscal year	1,566,614,197 shares	1,566,614,115 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, 2020)	Current fiscal year (As of March 31, 2021)
Total net assets	442,496	515,128
Amount deducted from total net assets [Non-controlling interests included in the above]	27,173 [27,173]	29,443 [29,443]
Amounts of net assets related to common stock at the end of fiscal year	415,322	485,684
Number of common shares to calculate net assets per share at the end of fiscal year	1,566,614,168 shares	1,566,614,098 shares

(Significant Subsequent Events)

Not applicable

4. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2020)	Current fiscal year (As of March 31, 2021)
Assets		
Current assets		
Cash and deposits	78,870	78,168
Accounts receivable - operating loans	840,847	784,051
Accounts receivable - installment	75,035	78,788
Raw materials and supplies	27	47
Prepaid expenses	1,018	1,328
Accrued income	15,378	13,591
Short-term loans receivable from subsidiaries and affiliates	1,250	250
Right to reimbursement	54,351	51,591
Other	3,012	3,115
Allowance for doubtful accounts	-63,470	-56,040
Total current assets	1,006,323	954,892
Noncurrent assets		
Property, plant and equipment		
Buildings	18,587	19,543
Accumulated depreciation	-15,888	-16,887
Buildings, net	2,699	2,656
Structures	3,164	2,947
Accumulated depreciation	-2,574	-2,409
Structures, net	589	538
Equipment	16,419	15,371
Accumulated depreciation	-9,283	-8,181
Equipment, net	7,135	7,189
Land	3,123	2,476
Lease assets	4,115	3,857
Accumulated depreciation	-3,209	-3,365
Lease assets, net	905	492
Total property, plant and equipment	14,453	13,354
Intangible assets		
Goodwill	2,436	1,770
Leasehold right	4	4
Software	4,515	4,651
Telephone subscription right	36	36
Other	1	1
Total intangible assets	6,994	6,464

(Millions of yen)

	Prior fiscal year (As of March 31, 2020)	Current fiscal year (As of March 31, 2021)
Investments and other assets		
Investment securities	819	818
Stocks of subsidiaries and affiliates	14,410	16,154
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,507	1,423
Long-term prepaid expenses	2,372	2,104
Deferred tax assets	33,921	30,960
Guarantee deposits	4,544	4,579
Prepaid pension cost	5,264	4,443
Other	670	552
Allowance for doubtful accounts	-930	-860
Total investments and other assets	62,579	60,176
Total noncurrent assets	84,028	79,995
Total assets	1,090,351	1,034,887
Liabilities		
Current liabilities		
Accounts payable-trade	673	677
Commercial papers	29,998	5,000
Current portion of long-term loans payable	79,006	58,183
Current portion of bonds	33,000	40,000
Lease obligations	403	352
Accounts payable-other	2,163	1,836
Accrued expenses	8,222	8,988
Income taxes payable	5,127	4,317
Deposit received	283	289
Provision for loss on guarantees	8,640	8,140
Asset retirement obligations	31	306
Other	201	192
Total current liabilities	167,751	128,284
Noncurrent liabilities		
Bonds payable	160,000	130,000
Long-term loans payable	310,339	291,254
Lease obligations	638	236
Provision for loss on interest repayment	87,600	56,741
Asset retirement obligations	4,103	5,267
Other	152	255
Total noncurrent liabilities	562,834	483,755
Total liabilities	730,585	612,039

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2020)	Current fiscal year (As of March 31, 2021)
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus		
Legal capital surplus	72,322	72,322
Other capital surplus	3,687	3,687
Total capital surplus	76,010	76,010
Retained earnings		
Legal retained earnings	4,320	4,320
Other retained earnings		
General reserve	80,000	80,000
Retained earnings brought forward	155,396	218,478
Total retained earnings	239,716	302,798
Treasury shares	-19,794	-19,794
Total shareholders' equity	359,765	422,847
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	0
Total valuation and translation adjustments	0	0
Total net assets	359,765	422,847
Total liabilities and net assets	1,090,351	1,034,887

(2) Non-consolidated Statement of Income

(Millions of yen)

	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Operating revenue		
Interest on operating loans	126,516	120,688
Credit card revenue	9,198	9,985
Revenue from credit guarantee	49,635	45,382
Other financial revenue		
Interest on deposits	0	0
Interest on securities	0	0
Foreign exchange gains	1	21
Total other financial revenue	2	22
Other operating revenue	21,614	21,907
Total operating revenue	206,968	197,986
Operating expenses		
Financial expenses		
Interest expenses	2,581	1,976
Interest on bonds	1,248	1,109
Amortization of bond issuance cost	162	57
Other	656	698
Total financial expenses	4,648	3,841
Other operating expenses		
Advertising expenses	12,622	11,092
Provision of allowance for doubtful accounts	53,310	38,332
Provision for loss on guarantees	8,640	8,140
Provision for loss on interest repayment	19,700	-
Employees' salaries and bonuses	13,126	13,376
Retirement benefit expenses	1,245	1,888
Welfare expenses	2,088	2,214
Rent expenses	4,777	4,591
Depreciation	2,897	2,655
Commission fee	19,514	21,285
Amortization of goodwill	813	665
Other	14,308	15,963
Total other operating expenses	153,045	120,205
Total operating expenses	157,694	124,047
Operating profit	49,273	73,938

(Millions of yen)

	For the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)	For the year ended March 31, 2021 (from April 1, 2020 to March 31, 2021)
Non-operating income		
Interest income	12	7
Dividends income	7,669	6,339
Other	366	1,025
Total non-operating income	8,048	7,372
Non-operating expenses		
Interest expenses	22	14
Foreign exchange losses	931	24
Loss on cancellation of insurance policies	6	11
Other	8	5
Total non-operating expenses	969	56
Ordinary profit	56,352	81,254
Extraordinary income		
Gain on sales of noncurrent assets	0	40
Gain on sales of investment securities	-	28
Gain on sales of subsidiaries and affiliates' stocks	10,824	-
Total extraordinary income	10,824	68
Extraordinary loss		
Loss on sales of noncurrent assets	0	52
Loss on retirement of noncurrent assets	210	172
Impairment loss	2,370	555
Loss on sales of investment securities	1	-
Loss on valuation of stocks of subsidiaries and affiliates	454	-
Other	2	0
Total extraordinary loss	3,040	780
Profit before income taxes	64,136	80,542
Income taxes-current	7,464	6,666
Income taxes-deferred	2,998	2,960
Total income taxes	10,463	9,627
Profit	53,673	70,915

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

Prior fiscal year (from April 1, 2019, to March 31, 2020)

(Millions of yen)

	Shareholders' equity			
	Capital stock	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 from surplus				
Profit				
Purchase of treasury shares				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	-	-
Ending balance	63,832	72,322	3,687	76,010

	Shareholders' equity			
	Retained earnings			
	Legal retained earnings	Other retained earnings		Total retained earnings
		General reserve	Retained earnings brought forward	
Beginning balance	4,320	80,000	106,422	190,743
Changes of items during the period				
Dividends from surplus			-4,699	-4,699
Profit			53,673	53,673
Purchase of treasury shares				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	48,973	48,973
Ending balance	4,320	80,000	155,396	239,716

	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	310,792	-0	-0	310,792
Changes of items during the period					
Dividends from surplus		-4,699			-4,699
Profit		53,673			53,673
Purchase of treasury shares	-0	-0			-0
Net changes of items other than shareholders' equity			0	0	0
Total changes of items during the period	-0	48,973	0	0	48,973
Ending balance	-19,794	359,765	0	0	359,765

Current fiscal year (from April 1, 2020, to March 31, 2021)

(Millions of yen)

	Shareholders' equity			
	Capital stock	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 from surplus				
Profit				
Purchase of treasury shares				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	-	-
Ending balance	63,832	72,322	3,687	76,010

	Shareholders' equity			
	Retained earnings			Total retained earnings
	Legal retained earnings	Other retained earnings		
		General reserve	Retained earnings brought forward	
Beginning balance	4,320	80,000	155,396	239,716
Changes of items during the period				
Dividends from surplus			-7,833	-7,833
Profit			70,915	70,915
Purchase of treasury shares				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	63,081	63,081
Ending balance	4,320	80,000	218,478	302,798

	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	359,765	0	0	359,765
Changes of items during the period					
Dividends from surplus		-7,833			-7,833
Profit		70,915			70,915
Purchase of treasury shares	-0	-0			-0
Net changes of items other than shareholders' equity			0	0	0
Total changes of items during the period	-0	63,081	0	0	63,081
Ending balance	-19,794	422,847	0	0	422,847