



Brief Report of Financial Results (Unaudited)

(For the Fiscal 2014 Ended March 31, 2015)

May 15, 2015

Registered Company Name: **AEON Financial Service Co., Ltd.**

Stock Listing: Tokyo Stock Exchange, First Section

Code No: 8570

URL: <http://www.aeonfinancial.co.jp/>

President and CEO: Akinori Yamashita

Contact: Hideki Wakabayashi, Director, CFO

1. Business performance (For the Fiscal 2014 ended March 31, 2015 and For the Fiscal 2013 ended March 31, 2014)

(1) Consolidated Operating Results

(Millions of yen truncated to the nearest million, %, yen)

	Ordinary income	Percentage Change	Ordinary profit	Percentage Change	Net Income	Percentage Change
Fiscal 2014 ended March 31, 2015	¥329,046	15.0%	¥53,080	29.2%	¥30,491	47.0%
Fiscal 2013 ended March 31, 2014	286,070	—	41,092	—	20,743	—

※Comprehensive income; Fiscal 2014; 49,084 million(55.8%), Fiscal 2013; 31,496 million(—%)

	Net Income per Share	Fully Diluted Net Income per Share	Return on equity	Return on assets	Operating income/ Operating revenues
Fiscal 2014 ended March 31, 2015	¥152.55	¥152.04	11.2%	1.6%	16.1%
Fiscal 2013 ended March 31, 2014	104.62	99.49	8.2%	1.4%	14.4%

(Reference) Since the Company has changed the closing period of the year prior to the preceding financial year, the comparison of increase/decrease ratio of the preceding financial year (1st April 2013 – 31st March 2014) and the year prior to the preceding financial year (1st April 2012 – 31st March 2013) have not been stated.

(2) Financial Position

(Millions of yen truncated to the nearest million, %, yen)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share (Yen)
Fiscal 2014 ended March 31, 2015	¥3,589,495	¥324,948	7.6%	¥1,377.56
Fiscal 2013 ended March 31, 2014	3,163,117	307,291	8.6%	1,316.00

(Reference) 1. Shareholder's equity; Fiscal 2014; 273,708million, Fiscal 2013; 271,660 million

2. Capital ratio = {(Net assets – stock acquisition right – minority interests) / total assets} X 100

(3) Consolidated cash flows

(Millions of yen truncated to the nearest million)

	Net cash used in operating activities	Net cash used in Investing activities	Net cash provided by financing activities	Cash and cash equivalents at end of period
Fiscal 2014 ended March 31, 2015	¥161,500	¥△81,427	¥△34,579	¥455,901
Fiscal 2013 ended March 31, 2014	△137,497	15,984	30,003	408,170

2. Cash Dividends

(Base date)	Dividend per share				
	First quarter Period	Interim period	Third quarter period	Term end	Annual
March 2014 term	—	¥25.00	—	¥35.00	¥60.00
March 2015 term	—	25.00	—	35.00	60.00
March 2016 term (Estimated)	—	(28.00)	—	(38.00)	(66.00)

(Base date)	Total dividends	Payout Ratio	Dividend on equity ratio
March 2014 term	¥9,792	57.4%	4.7%
March 2015 term	12,188	39.3%	4.5%
March 2016 term(Estimated)		39.7%	

3.Projections (For the fiscal year ending March 31, 2016)

(Millions of yen truncated to the nearest million, %, yen)

	Ordinary income	YOY (%)	Ordinary profit	YOY (%)	Net income	YOY (%)	Net income per share
Interim	175,000	15.8	21,000	7.8	11,000	0.1	55.36
Full term	380,000	15.5	61,000	14.9	33,000	8.2	166.09

4.Others

(1) Change in significant subsidiary during the term (Change in specified subsidiary that caused a change in the scope of consolidation) ; No

(2)Change in accounting principle, procedure, disclosure , etc., concerning preparation of consolidated financial statements

(matters to be mentioned concerning the change of important items to be the bases for preparation of consolidated financial statements)

① Change by a newly issued accounting pronouncement ; Yes

② Change other than ① ; No

③ Change accounting quotation ; No

④ Restatement ; No

(3) Number of issued stocks and outstandings (Common stock)

① Number of issued stocks and outstandings at term end (including treasury stock)

Fiscal 2014; 208,499,435 shares, Fiscal 2013; 206,541,751 shares

② Number of shares of treasury stock at end of term

Fiscal 2014; 9,808,408shares,Fiscal 2013; 112,505 shares,

③ Average of the number of shares during the quarter(For the Fiscal 2014 ended March 31, 2015)

Fiscal 2014; 199,875,767shares,Fiscal 2013; 198,272,368 shares

(Reference) : Report of Non-Consolidated Financial Results

Business performance (For the Fiscal 2014 ended March 31, 2015 and For the Fiscal 2013 ended March 31, 2014)

(1) Non-consolidated Operating Results (Millions of yen truncated to the nearest million, %, yen)

	Operating revenues	YOY (%)	Operating income	YOY (%)	Ordinary profit	YOY (%)	Net income	YOY (%)
Fiscal 2014 ended March 31 , 2015	¥20,931	132.4%	¥12,569	784.5%	¥11,624	—	¥9,204	—
Fiscal 2013 ended March 31, 2014	9,006	—	1,421	—	849	—	404	—

	Net income per share	Fully Diluted Net Income per Share
Fiscal 2014 ended March 31 , 2015	¥46.05	¥45.89
Fiscal 2013 ended March 31, 2014	2.04	1.94

(Reference) Since the Company has changed the closing period of the year prior to the preceding financial year, the comparison of increase/decrease ratio of the preceding financial year (1st April 2013 – 31st March 2014) and the year prior to the preceding financial year (1st April 2012 – 31st March 2013) have not been stated.

(2) Financial position (Millions of yen truncated to the nearest million, %, yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal 2014 ended March 31, 2015	328,499	195,667	59.5%	984.41
Fiscal 2013 ended March 31, 2014	329,654	220,311	66.8%	1,066.98

(Reference) Shareholder's equity; Fiscal 2014; 195,593 million, Fiscal 2013; 220,256 million

※ Remarks on the projections, other issues

Projections above are based on management's assumptions using information available at the time of publication. Owing to various factors, actual results may differ from these projections.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen truncated the nearest million yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Cash and deposits	416,662	467,726
Call loans	—	10,000
Monetary claims bought	12,119	6,649
Securities	173,379	235,074
Loans and bills discounted	1,276,741	1,474,236
Accounts receivable-installment	957,403	1,038,221
Other assets	80,294	95,533
Property, plant and equipment	31,185	35,774
Buildings	4,428	5,217
Tools, furniture and fixtures, net	19,756	22,793
Land	742	742
Construction in progress	9	90
Other property, plant and equipment	6,248	6,929
Intangible assets	67,723	71,138
Software	31,243	36,882
Goodwill	28,887	27,064
Other intangible assets	7,592	7,191
Deferred tax assets	18,758	20,789
Customer's liabilities for acceptances and guarantees	176,421	183,632
Allowance for doubtful accounts	△ 47,574	△ 49,280
Total assets	3,163,117	3,589,495
Liabilities		
Deposits	1,717,769	1,963,024
Accounts payable-trade	203,742	164,836
Call money	4,900	76,300
Borrowed money	515,227	591,586
Bonds payable	101,608	114,310
Convertible bond-type bonds with subscription rights to shares	2,830	90
Other liabilities	111,859	145,754
Provision for bonuses	2,200	2,542
Net defined benefit liability	2,789	3,312
Provision for point card certificates	11,012	11,590
Provision for loss on interest repayment	3,085	4,848
Other provision	556	461
Deferred tax liabilities	1,820	2,256
Acceptances and guarantees	176,421	183,632
Total liabilities	2,855,825	3,264,547
Net assets		
Capital stock	29,051	30,421
Capital surplus	104,860	106,230
Retained earnings	136,270	154,518
Treasury stock	△ 145	△ 25,144
Total shareholders' equity	270,036	266,026
Valuation difference on available-for-sale securities	4,027	4,243
Deferred gains or losses on hedges	△ 2,326	△ 3,468
Foreign currency translation adjustment	294	7,446
Remeasurements of defined benefit plans	△ 371	△ 539
Total other comprehensive income	1,623	7,682
Subscription rights to shares	55	73
Minority interests	35,576	51,166
Total net assets	307,291	324,948
Total liabilities and net assets	3,163,117	3,589,495

(2) Consolidated Statements of Income

(Millions of yen truncated the nearest million yen)

	For the Fiscal 2013 ended March 31, 2014	For the Fiscal 2014 ended March 31, 2015
Ordinary income	286,070	329,046
Interest income	107,452	125,493
Interest on loans and discounts	104,863	123,270
Interest and dividends on securities	1,953	1,612
Interest on call loans	7	0
Interest on deposits with banks	399	393
Other interest income	228	215
Fees and commissions	145,782	168,283
Other operating income	16,796	19,053
Other ordinary income	16,038	16,215
Recoveries of written-off claims	9,237	7,810
Other ordinary income	6,800	8,404
Ordinary expenses	244,978	275,965
Interest expenses	19,524	20,677
Interest on deposits	5,183	4,015
Interest on call money	2	24
Interest on borrowings and rediscounts	12,647	14,474
Interest on bonds	1,500	1,818
Other interest expenses	190	344
Fees and commissions payments	20,259	21,838
Other operating expenses	1,028	1,109
General and administrative expenses	169,568	186,474
Other ordinary expenses	34,596	45,865
Provision of allowance for loan losses	27,677	36,369
Other	6,919	9,495
Ordinary profit	41,092	53,080
Extraordinary income	110	0
Gain on disposal of noncurrent assets	110	0
Extraordinary loss	1,405	328
Loss on disposal of noncurrent assets	154	38
Loss on penalty	—	245
Cost on the management integration	1,194	—
Other extraordinary loss	56	44
Income before income taxes	39,797	52,752
Income taxes-current	13,101	15,000
Income taxes-deferred	Δ 1,189	Δ 935
Total income taxes	11,912	14,065
Income before minority interests	27,885	38,687
Minority interests in income	7,142	8,195
Net income	20,743	30,491

(Consolidated statement of comprehensive income)

(Millions of yen truncated the nearest million yen)

	For the Fiscal 2013 ended March 31, 2014	For the Fiscal 2014 ended March 31, 2015
Income before minority interests	27,885	38,687
Other comprehensive income	3,610	10,397
Valuation difference on available-for-sale securities	1,212	219
Deferred gains or losses on hedges	△ 1,137	△ 2,115
Foreign currency translation adjustment	3,536	12,462
Remeasurements of defined benefit plans	—	△ 168
comprehensive income	31,496	49,084
(attributable to)		
Comprehensive income attributable to owners of the Company	23,357	36,550
Comprehensive income attributable to minority interests	8,138	12,534

(3) (Summary) Consolidated Statements of Changes in net assets (For the Fiscal 2013 ended March 31, 2014)

(Millions of yen truncated the nearest million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	15,466	91,275	125,320	△142	231,919
Changes of items during the period					
Convert of Convertible bond-type bonds with subscription rights to shares	13,585	13,585			27,170
Dividends from surplus			△9,792		△9,792
Net income			20,743		20,743
Purchase of treasury stock				△3	△3
Disposal of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	13,585	13,585	10,950	△3	38,117
Ending balance	29,051	104,860	136,270	△145	270,036

	Other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total other comprehensive income			
Beginning balance	2,717	△ 1,704	△ 1,631	—	△ 618	22	27,549	258,872
Changes of items during the period								
Convert of Convertible bond-type bonds with subscription rights to shares								27,170
Dividends from surplus								△ 9,792
Net income								20,743
Purchase of treasury stock								△ 3
Disposal of treasury stock								0
Net changes of items other than shareholders' equity	1,309	△ 621	1,926	△ 371	2,242	32	8,026	10,302
Total changes of items during the period	1,309	△ 621	1,926	△ 371	2,242	32	8,026	48,419
Ending balance	4,027	△ 2,326	294	△ 371	1,623	55	35,576	307,291

(For the Fiscal 2014 ended March 31, 2015)

(Millions of yen truncated the nearest million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Beginning balance	29,051	104,860	136,270	△ 145	270,036
Cumulative effects of changes in accounting policies			△ 53		△ 53
Restated balance	29,051	104,860	136,216	△ 145	269,982
Changes of items during the period					
Convert of Convertible bond-type bonds with subscription rights to shares	1,370	1,370			2,740
Dividends from surplus			△ 12,188		△ 12,188
Net income			30,491		30,491
Purchase of treasury stock				△ 25,001	△ 25,001
Disposal of treasury stock		△ 0	△ 1	2	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	1,370	1,369	18,302	△ 24,998	△ 3,956
Ending balance	30,421	106,230	154,518	△ 25,144	266,026

	Other comprehensive income					Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total other comprehensive income			
Beginning balance	4,027	△ 2,326	294	△ 371	1,623	55	35,576	307,291
Cumulative effects of changes in accounting policies								△ 53
Restated balance	4,027	△ 2,326	294	△ 371	1,623	55	35,576	307,237
Changes of items during the period								
Convert of Convertible bond-type bonds with subscription rights to shares								2,740
Dividends from surplus								△ 12,188
Net income								30,491
Purchase of treasury stock								△ 25,001
Disposal of treasury stock								0
Net changes of items other than shareholders' equity	216	△ 1,141	7,151	△ 168	6,058	18	15,590	21,666
Total changes of items during the period	216	△ 1,141	7,151	△ 168	6,058	18	15,590	17,710
Ending balance	4,243	△ 3,468	7,446	△ 539	7,682	73	51,166	324,948

(4) (Summary) Consolidated Statements of Cash Flows

(Millions of yen truncated the nearest million yen)

	For the fiscal 2013 ended March 31, 2014	For the fiscal 2014 ended March 31, 2015
Net cash provided by (used in) operating activities		
income before income tax and minority interests	39,797	52,752
Depreciation	12,734	14,532
Amortization of goodwill	1,778	1,839
Equity in (earnings) losses of affiliates	△ 20	71
Increase (decrease) in allowance for doubtful accounts	△ 14	△ 94
Increase (decrease) in provision for bonuses	473	244
Increase (decrease) in provision for retirement benefits	△ 419	—
Increase (decrease) in net defined benefit liability	499	176
Increase (decrease) in provision for point card certificates	2,316	577
Increase (decrease) in provision for loss on interest repayment	△ 635	1,762
Increase (decrease) in other provision	349	△ 94
Amortization of stock issuance cost	24	36
Amortization of bond issuance cost	57	82
Interest income	△ 107,452	△ 125,493
Interest expenses	19,524	20,677
Loss (gain) related to securities	△ 351	2,107
Loss (gain) on disposal of noncurrent assets	154	—
Net decrease (increase) in loans and bills discounted	△ 138,200	△ 163,711
Decrease (increase) in accounts receivable-installment	△ 342,366	△ 62,513
Net increase (decrease) in deposit	505,718	245,255
Increase (decrease) in notes and accounts payable-trade	11,892	△ 39,571
Net increase (decrease) in borrowed money	△ 213,087	39,196
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	4,829	△ 3,042
Net decrease (increase) in deposit (over 3 months)	4,858	△ 107
Net decrease (increase) in call loans	△ 18,729	△ 4,529
Net increase (decrease) in call money	4,900	71,400
Net increase (decrease) in commercial papers	△ 5,634	—
Increase (decrease) in straight bonds - issuance and redemption	△ 2,270	8,709
Proceeds from sales and leasebacks	—	11,403
Proceeds from fund management	104,437	124,620
Payments for finance	△ 18,071	△ 20,796
Other	3,134	3,904
Subtotal	△ 129,771	179,395
Income taxes paid	△ 7,789	△ 17,894
Income taxes refund	64	—
Net cash provided by (used in) operating activities	△ 137,497	161,500

(Millions of yen truncated the nearest million yen)

	For the fiscal 2013 ended March 31, 2014	For the fiscal 2014 ended March 31, 2015
Net cash provided by (used in) investing activities		
Purchase of short-term investment securities	Δ 80,923	Δ 230,385
Proceeds from sales of short-term investment securities	74,725	143,135
Proceeds from redemption of securities	45,210	27,510
Purchase of property, plant and equipment	Δ 9,017	Δ 7,911
Proceeds from sales of property, plant and equipment	783	759
Purchase of intangible assets	Δ 11,860	Δ 14,536
Purchase of investments in subsidiaries resulting in change in scope of consolidation	Δ 2,933	—
Net cash provided by (used in) investing activities	15,984	Δ 81,427
Net cash provided by (used in) financing activities		
Issuance of subordinated bonds	39,769	—
Payments as financing activities	Δ 108	Δ 18
Cash dividends paid	Δ 9,792	Δ 12,188
Proceeds from stock issuance to minority shareholders	3,018	5,828
Cash dividends paid to minority shareholders	Δ 2,878	Δ 3,162
Purchase of treasury stock	Δ 3	Δ 25,038
Proceeds from disposal of treasury stock	0	0
Net cash provided by (used in) financing activities	30,003	Δ 34,579
Effect of exchange rate change on cash and cash equivalents	204	2,237
Net increase (decrease) in cash and cash equivalents	Δ 91,304	47,730
Increase in cash and cash equivalents from newly consolidated subsidiary	499,474	408,170
Cash and cash equivalents, end of year	408,170	455,901

6 Segment Information

(Millions of yen)

	For the fiscal 2013 ended March 31, 2014						
	Credit	Fee Business	Bank	Overseas	Total	Adjustments	Consolidated financial statements appropriation
Operating revenue							
Operating revenue from external customer	130,303	25,523	38,693	91,551	286,070	—	286,070
The internal operating income between segments	796	11,130	2,539	3	14,469	Δ 14,469	—
Total	131,100	36,653	41,232	91,554	300,540	Δ 14,469	286,070
Segment Profit/ Loss	28,045	1,172	1,881	16,455	47,555	Δ 6,463	41,092
Segment assets	1,347,951	129,771	1,417,747	441,444	3,336,913	Δ 173,796	3,163,117
Other							
Depreciation	3,376	3,924	1,249	4,076	12,627	106	12,734
Amortization of goodwill	133	713	903	28	1,778	—	1,778
Interest income	39,417	1,604	16,169	51,315	108,507	Δ 1,054	107,452
Interest expenses	4,080	269	3,736	10,825	18,912	612	19,524
Provision of allowance for loan losses	9,359	306	298	17,712	27,677	—	27,677
Provision for point card certificates	9,680	218	496	—	10,394	—	10,394
Increase in property, plant and equipment and intangible assets	10,124	12,208	2,885	7,404	32,622	217	32,839

(Remarks) Content of each Segment

- (1) Credit ... Domestic credit businesses such as Credit Card, Installment Loan, etc.
- (2) Fee Business ... Various domestic businesses such as e-money business, etc.
- (3) Bank ... Business regarding to lending and investment, etc.
- (4) Overseas ... Financial Service business in overseas

(Millions of yen)

	For the fiscal 2014 ended March 31, 2015						
	Credit	Fee Business	Bank	Overseas	Total	Adjustments	Consolidated financial statements appropriation
Operating revenue							
Operating revenue from external customer	146,030	31,539	38,923	112,553	329,046	—	329,046
The internal operating income between segments	383	13,867	2,741	0	16,993	Δ 16,993	—
Total	146,413	45,407	41,664	112,553	346,039	Δ 16,993	329,046
Segment Profit/ Loss	32,176	1,865	Δ 37	22,144	56,149	Δ 3,068	53,080
Segment assets	1,432,212	149,679	1,651,660	549,465	3,783,017	Δ 193,521	3,589,495
Other							
Depreciation	3,508	5,140	1,386	4,359	14,395	137	14,532
Amortization of goodwill	178	713	903	43	1,839	—	1,839
Interest income	51,603	1,606	14,177	58,407	125,795	Δ 301	125,493
Interest expenses	3,573	337	2,531	13,754	20,196	481	20,677
Provision of allowance for loan losses	8,849	1,216	Δ 6	26,310	36,369	—	36,369
Reversal of allowance for doubtful accounts or provision of allowance for loan losses	14,703	376	308	—	15,389	—	15,389
Increase in property, plant and equipment and intangible assets	18,237	7,338	1,788	6,455	33,819	1,316	35,135

(Remarks) Content of each Segment

- (1) Credit ... Domestic credit businesses such as Credit Card, Installment Loan, etc.
- (2) Fee Business ... Various domestic businesses such as e-money business, etc.
- (3) Bank ... Business regarding to lending and investment, etc.
- (4) Overseas ... Financial Service business in overseas

7. (Summary) Non-consolidated financial statements

(1) (Summary) Non-consolidated Balance Sheets

(Millions of yen truncated the nearest million yen)

	As of March 31, 2014	As of March 31, 2015
ASSETS		
Current assets		
Cash and deposits	1,660	2,306
Advances paid	702	126
Prepaid expenses	68	58
Deferred tax assets	187	17
Accounts receivable-other	3,488	959
Account income	4	1
Corporate tax receivable	—	1,996
Other	0	0
Total current assets	6,111	5,466
Noncurrent assets		
Property, plant and equipment		
Buildings	—	9
Accumulated depreciation	—	△ 0
Buildings, net	—	8
Tools, furniture and fixtures	0	148
Accumulated depreciation	△ 0	△ 0
Tools, furniture and fixtures, net	0	147
Total property, plant and equipment	0	156
Intangible assets		
Software	21	680
Total Intangible assets	21	680
Investments and other assets		
Investment securities	6,489	7,206
Stocks of subsidiaries and affiliates	303,051	302,335
Long-term prepaid expenses	3	4
Guarantee money deposit	13,431	12,167
Deferred tax assets	62	110
Other	—	8
Total Investments and other assets	323,038	321,831
Total noncurrent assets	323,060	322,668
Deferred assets		
Stock issuance cost	84	48
Bond issuance cost	397	315
Total deferred assets	482	363
Total assets	329,654	328,499

(Millions of yen truncated the nearest million yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Short-term loans payable	20,000	49,800
Current portion of bonds	—	20,000
Current portion of convertible bond-type bonds with subscription rights to shares	—	40
Accounts payable-other	4,619	1,616
Accrued expenses	161	356
Income taxes payable	1,088	—
Unearned revenue	2	0
Deposits received	568	626
Reserve for executive performance bonuses	21	56
Other	18	274
Total current liabilities	26,479	72,769
Noncurrent liabilities		
Bonds payable	80,000	60,000
Convertible bond-type bonds with subscription rights to shares	2,830	50
Other	32	12
Total noncurrent liabilities	82,862	60,062
Total long-term liabilities	109,342	132,832
Net assets		
Shareholders' equity		
Capital stock	29,051	30,421
Capital surplus		
Legal capital surplus	104,860	106,230
Other capital surplus	0	—
Total capital surplus	104,860	106,230

(Millions of yen truncated the nearest million yen)

	As of March 31, 2014	As of March 31, 2015
Retained earnings		
Legal retained earnings	3,687	3,687
Other retained earnings		
General reserve	75,995	63,995
Retained earnings brought forward	4,834	13,849
Total retained earnings	84,517	81,531
Treasury stock	△ 145	△ 25,144
Total shareholders' equity	218,283	193,039
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,973	2,554
Total valuation and translation adjustments	1,973	2,554
Subscription rights to shares	55	73
Total net assets	220,311	195,667
Total Liabilities and net assets	329,654	328,499

(2) (Summary) Non-consolidated Statements of Income

(Millions of yen truncated the nearest million yen)

	For the Fiscal 2013 ended March 31, 2014	For the Fiscal 2014 ended March 31, 2015
Operating revenues		
Dividends from subsidiaries and affiliates	2,753	10,694
Commissions from subsidiaries and affiliates	6,253	10,237
Total operating revenues	9,006	20,931
Operating expenses		
Selling, general and administrative expenses	7,585	8,362
Total operating expenses	7,585	8,362
Operating income	1,421	12,569
Non-operating income		
Interest and dividends income	104	113
Other	34	44
Total non-operating income	138	158
Non-operating expenses		
Interest expenses	569	734
Commitment fee	—	200
Other	140	168
Total non-operating expenses	710	1,103
Ordinary income	849	11,624
Extraordinary loss		
Cost on the management integration	45	—
Loss on valuation of shares of subsidiaries and associates	—	943
Other	3	—
Total extraordinary loss	48	943
Income before income taxes	801	10,681
Income taxes-current	1,367	179
Income taxes-deferred	Δ 970	1,297
Total Income taxes	396	1,476
Net income	404	9,204

(3) (Summary) Non-consolidated of Changes in net assets
(For the Fiscal 2013 ended March 31, 2014)

(Millions of yen truncated the nearest million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings	Retained earnings brought forward	
						General reserve		
Beginning balance	15,466	91,275	—	91,275	3,687	75,995	14,223	93,905
Changes of items during the period								
Convert of Convertible bond-type bonds with subscription rights to shares	13,585	13,585		13,585				
Dividends from surplus							△ 9,792	△ 9,792
Net income(loss)							404	404
Reversal of general reserve								
Purchase of treasury stock								
Disposal of treasury stock			0	0				
Net changes of items other than shareholders' equity								
Total changes of items during the period	13,585	13,585	0	13,585	—	—	△ 9,388	△ 9,388
Ending balance	29,051	104,860	0	104,860	3,687	75,995	4,834	84,517

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Beginning balance	△ 142	200,504	1,741	1,741	22	202,268
Changes of items during the period						
Convert of Convertible bond-type bonds with subscription rights to shares		27,170				27,170
Dividends from surplus		△ 9,792				△ 9,792
Net income(loss)		404				404
Reversal of general reserve						—
Purchase of treasury stock	△ 3	△ 3				△ 3
Disposal of treasury stock	0	0				0
Net changes of items other than shareholders' equity			232	232	32	264
Total changes of items during the period	△ 3	17,778	232	232	32	18,043
Ending balance	△ 145	218,283	1,973	1,973	55	220,311

(For the Fiscal 2014 ended March 31, 2015)

(Millions of yen truncated the nearest million yen)

	Shareholders' equity							
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Other capital surplus	Total capital surplus		Other retained earnings		
						General reserve	Retained earnings brought forward	
Beginning balance	29,051	104,860	0	104,860	3,687	75,995	4,834	84,517
Changes of items during the period								
Convert of Convertible bond-type bonds with subscription rights to shares	1,370	1,370		1,370				
Dividends from surplus							Δ 12,188	Δ 12,188
Net income(loss)							9,204	9,204
Reversal of general reserve						Δ 12,000	12,000	—
Purchase of treasury stock								
Disposal of treasury stock			Δ 0	Δ 0			Δ 1	Δ 1
Net changes of items other than shareholders' equity								
Total changes of items during the period	1,370	1,370	Δ 0	1,369	—	Δ 12,000	9,014	Δ 2,985
Ending balance	30,421	106,230	—	106,230	3,687	63,995	13,849	81,531

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Beginning balance	Δ 145	218,283	1,973	1,973	55	220,311
Changes of items during the period						
Convert of Convertible bond-type bonds with subscription rights to shares		2,740				2,740
Dividends from surplus		Δ 12,188				Δ 12,188
Net income(loss)		9,204				9,204
Reversal of general reserve						—
Purchase of treasury stock	Δ 25,001	Δ 25,001				Δ 25,001
Disposal of treasury stock	2	0				0
Net changes of items other than shareholders' equity			581	581	18	599
Total changes of items during the period	Δ 24,998	Δ 25,244	581	581	18	Δ 24,644
Ending balance	Δ 25,144	193,039	2,554	2,554	73	195,667