

Brief Report of Financial Results (Unaudited)

(For the Fiscal 2016 Ended March 31, 2017)



May 11, 2017

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: Kenji Kawahara

Contact: Hideki Wakabayashi, Director, CFO

1. Business performance (For the Fiscal 2016 ended March 31, 2017 and For the Fiscal 2015 ended March 31, 2016)

(1) Consolidated Operating Results

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

	Ordinary income	Percentage Change	Ordinary profit	Percentage Change	Profit attributable to owners of parent	Percentage Change
Fiscal 2016 ended March 31, 2017	¥375,166	4.3%	¥61,606	3.7%	¥39,454	10.3%
Fiscal 2015 ended March 31, 2016	359,651	9.3	59,380	11.9	35,785	17.4

※Comprehensive income; Fiscal 2016; 47,009 million(40.7%), Fiscal 2015; 33,412 million(31.9%)

	Profit attributable to owners of parent per Share(Yen)	Fully Diluted Profit attributable to owners of parent per Share(Yen)	Return on equity	Return on assets	Operating income/ Operating revenues
Fiscal 2016 ended March 31, 2017	¥189.75	¥183.96	12.4%	1.6%	16.4%
Fiscal 2015 ended March 31, 2016	180.09	180.00	12.7	1.6	16.5

(Reference) Investment gains and losses on equity method; Fiscal 2016; 24 million, Fiscal 2015; 53 million

(2) Consolidated Financial Position

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

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share (Yen)
Fiscal 2016 ended March 31, 2017	¥4,187,263	¥401,170	8.3%	¥1604.79
Fiscal 2015 ended March 31, 2016	3,745,546	340,886	7.8%	1,465.31

(Reference)1. Shareholder's equity; Fiscal 2016; 346,182million, Fiscal 2015; 291,186 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 2016 ended March 31, 2017	¥35,909	¥5,357	¥43,487	¥506,202
Fiscal 2015 ended March 31, 2016	△9,650	△5,782	△15,805	421,975

2. Cash Dividends

(Base date)	Dividend per share				
	First quarter Period	Interim period	Third quarter period	Term end	Annual
March 2016 term	—	¥28.00	—	¥38.00	¥66.00
March 2017 term	—	29.00	—	39.00	68.00
March 2018 term (Estimated)	—	(29.00)	—	(39.00)	(68.00)

(Base date)	Total dividends	Payout Ratio	Dividend on equity ratio
March 2016 term	¥12,517	36.6%	4.6%
March 2017 term	13,805	35.8%	4.4%
March 2018 term (Estimated)		36.7%	

3.Projections (For the fiscal year ending March 31, 2018)

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

	Ordinary income	YOY (%)	Ordinary profit	YOY (%)	Profit attributable to owners of parent	YOY (%)	Profit attributable to owners of parent per share
Interim	¥176,000	△2.8	¥29,000	5.7	¥19,000	11.7	88.08
Full term	390,000	4.0	65,000	5.5	40,000	1.4	185.43

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 ; No

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 2016; 225,510,128shares, Fiscal 2015; 208,527,801 shares

② Number of shares of treasury stock at end of term

Fiscal 2016; 9,791,194shares, Fiscal 2015; 9,807,144shares shares,

③ Average of the number of shares during the quarter(For the Fiscal 2016 ended March 31, 2017)

Fiscal 2016; 207,930,957 shares, Fiscal 2015; 198,704,819 shares

(Reference) : Report of Non-Consolidated Financial Results

Business performance (For the Fiscal 2016 ended March 31, 2017 and For the Fiscal 2015 ended March 31, 2016)

(1) Non-consolidated Operating Results

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

	Operating revenues	YOY (%)	Operating income	YOY (%)	Ordinary profit	YOY (%)	Profit attributable to owners of parent	YOY (%)
Fiscal 2016 ended March 31, 2017	¥24,635	8.3%	¥15,864	31.9%	¥15,418	37.6%	¥12,290	28.2%
Fiscal 2015 ended March 31, 2016	22,740	8.6%	12,031	△4.3%	11,203	△3.6%	9,585	4.1%

	Profit attributable to owners of parent per share	Fully Diluted Profit attributable to owners of parent per Share
Fiscal 2016 ended March 31, 2017	¥59.11	¥57.31
Fiscal 2015 ended March 31, 2016	48.24	48.21

(2) Financial position

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

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal 2016 ended March 31, 2017	¥349,909	222,220	63.5%	1,029.62
Fiscal 2015 ended March 31, 2016	331,946	192,973	58.1%	970.52

(Reference) Shareholder's equity; Fiscal 2016; 222,108 million, Fiscal 2015; 192,863 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, 2016	As of March 31, 2017
Assets		
Cash and due from banks	444,868	534,656
Call loans	—	30,000
Monetary claims bought	5,051	3,945
Securities	211,131	170,635
Loans and bills discounted	1,673,997	1,864,904
Accounts receivable-installment	1,022,387	1,182,193
lease receivables and investment assets	5,405	7,103
Other assets	124,594	155,160
Property, plant and equipment	36,530	38,229
Buildings	5,449	6,015
Tools, furniture and fixtures	25,955	27,929
Land	4	—
Construction in progress	58	115
Other tangible fixed assets	5,063	4,168
Intangible assets	77,163	87,053
Software	44,859	57,016
Goodwill	25,597	23,732
Other intangible assets	6,706	6,305
Deferred tax assets	20,433	25,007
Customer's liabilities for acceptances and guarantees	173,441	138,729
Allowance for doubtful accounts	△ 49,458	△ 50,356
Total assets	3,745,546	4,187,263
Liabilities		
Deposits	2,152,928	2,542,090
Accounts payable-trade	173,568	189,365
Commercial papers	68,000	38,000
Borrowed money	535,989	514,946
Bonds payable	122,074	140,120
Convertible bond-type bonds with subscription rights to shares	50	30,000
Other liabilities	152,845	163,890
Provision for bonuses	2,828	3,243
Net defined benefit liability	3,530	3,415
Provision for point card certificates	12,456	14,518
Provision for loss on interest repayment	4,206	3,806
Provision for contingent loss	—	565
Other provision	396	359
Deferred tax liabilities	2,344	3,041
Acceptances and guarantees	173,441	138,729
Total liabilities	3,404,660	3,786,093
Net assets		
Capital stock	30,441	45,698
Capital surplus	106,230	121,211
Retained earnings	177,766	203,401
Treasury shares	△ 25,141	△ 25,100
Total shareholders' equity	289,296	345,210
Valuation difference on available-for-sale securities	5,889	4,893
Deferred gains or losses on hedges	△ 3,514	△ 2,244
Foreign currency translation adjustment	122	△ 1,235
Remeasurements of defined benefit plans	△ 607	△ 440
Accumulated other comprehensive income	1,890	972
Subscription rights to shares	110	112
Non controlling interests	49,589	54,875
Total net assets	340,886	401,170
Total liabilities and net assets	3,745,546	4,187,263

(2) Consolidated Statements of Income

(Millions of yen truncated the nearest million yen)

	For the Fiscal 2015 ended March 31, 2016	For the Fiscal 2016 ended March 31, 2017
Ordinary income	359,651	375,166
Interest income	138,810	140,240
Interest on loans and discounts	136,342	138,169
Interest and dividends on securities	1,863	1,509
Interest on call loans	0	0
Interest on deposits with banks	447	419
Other interest income	155	141
Fees and commissions	185,072	187,511
Other ordinary income	19,759	28,226
Other income	16,010	19,188
Recoveries of written-off claims	6,432	7,120
Other	9,577	12,067
Ordinary expenses	300,270	313,559
Interest expenses	21,305	18,996
Interest on deposits	3,759	3,309
Interest on call money	3	—
Interest on borrowings and rediscounts	15,127	13,124
Interest on bonds	1,950	2,028
Other interest expenses	465	533
Fees and commissions payments	24,667	26,372
Other operating expenses	1,437	3,226
General and administrative expenses	203,553	214,657
Other expenses	49,306	50,306
Provision of allowance for loan losses	42,688	44,046
Other	6,618	6,260
Ordinary profit	59,380	61,606
Extraordinary income	1,280	105
Gain on disposal of noncurrent assets	1,280	105
Extraordinary loss	1,411	2,046
Loss on disposal of noncurrent assets	1,304	1,297
Provision for contingent loss	—	565
Other	106	183
Profit before income taxes	59,250	59,665
Income taxes-current	15,192	15,920
Income taxes-deferred	△ 405	△ 3,854
Total income taxes	14,787	12,065
Profit	44,463	47,599
Profit attributable to non-controlling interests	8,678	8,145
Profit attributable to owners of parent	35,785	39,454

(Consolidated statement of comprehensive income)

(Millions of yen truncated the nearest million yen)

	For the Fiscal 2015 ended March 31, 2016	For the Fiscal 2016 ended March 31, 2017
Profit	44,463	47,599
Other comprehensive income	Δ 11,050	Δ 590
Valuation difference on available-for-sale securities	1,625	Δ 1,003
Deferred gains or losses on hedges	76	2,268
Foreign currency translation adjustment	Δ 12,684	Δ 2,022
Remeasurements of defined benefit plans	Δ 68	166
comprehensive income	33,412	47,009
(attributable to)		
Comprehensive income attributable to owners of parent	29,993	38,536
Comprehensive income attributable to non-controlling interests	3,419	8,472

(3) (Summary) Consolidated Statements of Changes in net assets (For the Fiscal 2015 ended March 31, 2016)

(Millions of yen truncated the nearest million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	30,421	106,230	154,518	△ 25,144	266,026
Changes of items during period					
Issuance of new shares					—
Convert of Convertible bond-type bonds with subscription rights to shares	20	20			40
Dividends from surplus			△ 12,517		△ 12,517
Profit attributable to owners of parent			35,785		35,785
Purchase of treasury shares				0	△ 0
Disposal of treasury shares			△ 1	3	1
Change in ownership interest of parent due to transactions with non-controlling interests		△ 20			△ 20
Change of scope of equity method			△ 18		△ 18
Net changes of items other than shareholders' equity					
Total changes of items during the period	20	0	23,247	2	23,270
Balance at end of current period	30,441	106,230	177,766	△ 25,141	289,296

	Other comprehensive income					Subscription rights to shares	Noncontrolling 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			
Balance at beginning of current period	4,243	△ 3,468	7,446	△ 539	7,682	73	51,166	324,948
Changes of items during period								
Issuance of new shares								—
Convert of Convertible bond-type bonds with subscription rights to shares								40
Dividends from surplus								△ 12,517
Profit attributable to owners of parent								35,785
Purchase of treasury shares								△ 0
Disposal of treasury shares								1
Change in ownership interest of parent due to transactions with non-controlling interests							20	—
Change of scope of equity method								△ 18
Net changes of items other than shareholders' equity	1,646	△ 46	△ 7,323	△ 68	△ 5,792	37	△ 1,597	△ 7,352
Total changes of items during the period	1,646	△ 46	△ 7,323	△ 68	△ 5,792	37	△ 1,576	15,938
Balance at end of current period	5,889	△ 3,514	122	△ 607	1,890	110	49,589	340,886

(For the Fiscal 2016 ended March 31, 2017)

(Millions of yen truncated the nearest million yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of current period	30,441	106,230	177,766	△ 25,141	289,296
Changes of items during period					
Issuance of new shares	15,231	15,231			30,463
Convert of Convertible bond-type bonds with subscription rights to shares	25	25			50
Dividends from surplus			△ 13,805		△ 13,805
Profit attributable to owners of parent			39,454		39,454
Purchase of treasury shares				△ 0	△ 0
Disposal of treasury shares			△ 13	41	28
Change in ownership interest of parent due to transactions with non-controlling interests		△ 275			△ 275
Change of scope of equity method					—
Net changes of items other than shareholders' equity					
Total changes of items during the period	15,256	14,981	25,635	40	55,914
Balance at end of current period	45,698	121,211	203,401	△ 25,100	345,210

	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			
Balance at beginning of current period	5,889	△ 3,514	122	△ 607	1,890	110	49,589	340,886
Changes of items during period								
Issuance of new shares								30,463
Convert of Convertible bond-type bonds with subscription rights to shares								50
Dividends from surplus								△ 13,805
Profit attributable to owners of parent								39,454
Purchase of treasury shares								△ 0
Disposal of treasury shares								28
Change in ownership interest of parent due to transactions with non-controlling interests							275	—
Change of scope of equity method								—
Net changes of items other than shareholders' equity	△ 996	1,270	△ 1,358	166	△ 917	1	5,010	4,094
Total changes of items during the period	△ 996	1,270	△ 1,358	166	△ 917	1	5,286	60,283
Balance at end of current period	4,893	△ 2,244	△ 1,235	△ 440	972	112	54,875	401,170

(4) (Summary) Consolidated Statements of Cash Flows

(Millions of yen truncated the nearest million yen)

	For the fiscal 2015 ended March 31, 2016	For the fiscal 2016 ended March 31, 2017
Net cash provided by (used in) operating activities		
Profit before income taxes	59,250	59,665
Depreciation	15,884	17,583
Amortization of goodwill	1,840	1,865
Share of (profit) loss of entities accounted for using equity method	△53	△24
Increase (decrease) in allowance for loan losses	2,448	1,109
Increase (decrease) in provision for bonuses	332	432
Increase (decrease) in net defined benefit liability	107	69
Increase (decrease) in provision for point card certificates	866	2,062
Increase (decrease) in provision for loss on interest repayment	△642	△399
Increase (decrease) in provision for contingent loss	—	565
Increase (decrease) in other provision	△61	△17
Interest income	△138,810	△140,240
Interest expenses	21,305	18,996
Loss (gain) related to securities	178	17
Loss (gain) on disposal of non-current assets	23	1,192
Net decrease (increase) in loans and bills discounted	△232,770	△191,082
Decrease (increase) in accounts receivable-installment	△16,158	△167,691
Net decrease (increase) in lease receivables and investment assets	205	△1,698
Net increase (decrease) in deposit	189,903	389,162
Increase (decrease) in notes and accounts payable-trade	7,891	15,844
Net increase (decrease) in borrowed money	△24,199	△13,765
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	△10,800	△4,623
Net decrease (increase) in deposit (over 3 months)	△355	△962
Net decrease (increase) in call loans	11,597	△28,893
Net increase (decrease) in call money	△76,300	—
Net increase (decrease) in commercial papers	68,000	△30,000
Increase (decrease) in straight bonds - issuance and redemption	10,333	17,732
Proceeds from sales and leasebacks	11,108	8,021
Proceeds from fund management	138,420	139,410
Payments for finance	△28,662	△17,717
Other	△7,512	△26,241
Subtotal	3,372	50,373
Income taxes paid	△14,922	△16,338
Income taxes refund	1,899	1,873
Net cash provided by (used in) operating activities	△9,650	35,909

(Millions of yen truncated the nearest million yen)

	For the fiscal 2015 ended March 31, 2016	For the fiscal 2016 ended March 31, 2017
Net cash provided by (used in) investing activities		
Purchase of securities	△119,961	△314,365
Proceeds from sales of securities	74,449	7,620
Proceeds from redemption of securities	71,006	345,875
Purchase of property, plant and equipment	△10,194	△8,605
Proceeds from sales of property, plant and equipment	2,820	957
Purchase of intangible assets	△17,397	△26,124
Proceeds from sales of intangible assets	198	—
Payments for transfer of business	△6,702	—
Net cash provided by (used in) investing activities	△5,782	5,357
Net cash provided by (used in) financing activities		
Payments as financing activities	△1	△0
Proceeds from issuance of convertible bond-type bonds with subscription rights to shares	—	29,968
Proceeds from issuance of common shares	—	30,327
Cash dividends paid	△12,517	△13,805
Proceeds from share issuance to non-controlling shareholders	247	—
Dividends paid to non-controlling interests	△3,532	△3,100
Purchase of treasury shares	△0	△0
Proceeds from disposal of treasury shares	0	0
Proceeds from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	—	97
Net cash provided by (used in) financing activities	△15,805	43,487
Effect of exchange rate change on cash and cash equivalents	△2,686	△526
Net increase (decrease) in cash and cash equivalents	△33,925	84,227
Cash and cash equivalents at beginning of period	455,901	421,975
Cash and cash equivalents at end of period	421,975	506,202

6.Segment Information

(Millions of yen)

	For the fiscal 2015 ended March 31, 2016						
	Credit	Bank	Overseas	Fee Businesses	Total	Adjustments	Consolidated financial statements appropriation
Operating revenue							
Operating revenue from external customer	159,129	42,797	123,086	34,638	359,651	—	359,651
The internal operating income between segments	2,218	4,022	0	14,998	21,239	△ 21,239	—
Total	161,347	46,820	123,087	49,636	380,891	△ 21,239	359,651
Segment Profit	36,945	1,162	24,034	4,068	66,210	△ 6,829	59,380
Segment assets	1,425,959	1,778,958	529,443	170,881	3,905,242	△ 159,696	3,745,546
Other							
Depreciation	3,556	1,669	4,744	5,475	15,446	438	15,884
Amortization of goodwill	178	903	28	730	1,840	—	1,840
Interest income	58,527	16,094	63,518	1,712	139,853	△ 1,042	138,810
Interest expenses	4,399	1,175	15,025	371	20,972	333	21,305
Provision of allowance for loan losses	12,480	238	28,506	1,462	42,688	—	42,688
Increase in property, plant and equipment and intangible assets	14,355	3,114	4,569	5,559	27,599	2,028	29,627

(Remarks)

1. In replace of sales in general corporations, the operating income is stated in here.
2. Adjustments are as follows
 - (1)Adjustment for segmental profit is △6,829 million JPY.
This is the company expense mainly from operating expense which were not allocated to each report segment.
 - (2)The adjustmentst for segment assets △159,696 million JPY refers to adjustments in terms of the company assets not allocated to reportable segments and elimination of inter-segment transactions and adjustments.
3. Segment profit has been adjusted with the operating profit in quarterly profit and loss report.

(Millions of yen)

	For the fiscal 2016 ended March 31, 2017						
	Credit	Bank	Overseas	Fee Businesses	Total	Adjustments	Consolidated financial statements appropriation
Operating revenue							
Operating revenue from external customer	174,102	48,644	113,298	39,120	375,166	—	375,166
The internal operating income between segments	1,795	4,460	0	14,958	21,214	△21,214	—
Total	175,897	53,105	113,299	54,079	396,380	△21,214	375,166
Segment Profit	40,372	589	22,544	4,302	67,808	△6,202	61,606
Segment assets	1,564,794	2,094,004	553,368	178,222	4,390,390	△203,126	4,187,263
Other							
Depreciation	3,978	1,921	4,467	6,452	16,820	763	17,583
Amortization of goodwill	178	969	28	755	1,931	△66	1,865
Interest income	63,334	18,760	58,047	1,628	141,771	△1,531	140,240
Interest expenses	3,203	1,369	13,744	329	18,647	349	18,996
Provision of allowance for loan losses	15,526	△500	27,167	1,852	44,046	—	44,046
Increase in property, plant and equipment and intangible assets	14,913	5,039	4,321	10,745	35,020	1,550	36,571

(Remarks)

1. In replace of sales in general corporations, the operating income is stated in here.
2. Adjustments are as follows
 - (1)Adjustment for segmental profit is △6,202 million JPY.
This is the company expense mainly from operating expense which were not allocated to each report segment.
 - (2)The adjustmentst for segment assets △203,126 million JPY refers to adjustments in terms of the company assets not allocated to reportable segments and elimination of inter-segment transactions and adjustments.
3. Segment profit has been adjusted with the operating profit in quarterly profit and loss report.

7. (Summary) Non-consolidated financial statements

(1) (Summary) Non-consolidated Balance Sheets

(Millions of yen truncated the nearest million yen)

	As of March 31, 2016	As of March 31, 2017
ASSETS		
Current assets		
Cash and deposits	2,676	4,484
Advances paid	23	1
Prepaid expenses	274	257
Deferred tax assets	151	117
Accounts receivable-other	4,056	1,981
Account income	3	0
Short-term loans receivable	—	20,000
Income taxes receivable	2,129	1,688
Other	91	0
Total current assets	9,406	28,530
Non-current assets		
Property, plant and equipment		
Buildings	323	403
Accumulated depreciation	△9	△60
Buildings, net	313	342
Tools, furniture and fixtures	450	565
Accumulated depreciation	△44	△155
Tools, furniture and fixtures, net	406	409
Total property, plant and equipment	719	752
Intangible assets		
Software	926	1,177
Total Intangible assets	926	1,177
Investments and other assets		
Investment securities	7,275	7,465
Shares of subsidiaries and associates	301,541	299,417
Long-term prepaid expenses	5	78
Deferred tax assets	11,262	11,259
Guarantee deposits	1,039	784
Other	6	5
Allowance for investment loss	△623	—
Total Investments and other assets	320,507	319,011
Total non-current assets	322,153	320,941
Deferred assets		
Share issuance cost	12	109
Bond issuance cost	374	328
Total deferred assets	386	437
Total assets	331,946	349,909

(Millions of yen truncated the nearest million yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Short-term loans payable	1,200	1,500
Commercial papers	43,000	—
Current portion of convertible bond-type bonds with subscription rights to shares	50	—
Accounts payable-other	2,036	2,010
Accrued expenses	382	392
Income taxes payable	22	196
Unearned revenue	302	396
Deposits received	1,082	1,356
Reserve for executive performance bonuses	66	60
Provision for contingent loss	—	565
Other	430	220
Total current liabilities	48,573	6,699
Non-current liabilities		
Bonds payable	90,000	90,000
Convertible bond-type bonds with subscription rights to shares	—	30,000
Other	398	989
Total non-current liabilities	90,398	120,989
Total liabilities	138,972	127,688
Net assets		
Shareholders' equity		
Capital stock	30,441	45,698
Capital surplus		
Legal capital surplus	106,250	121,506
Total capital surplus	106,250	121,506

(Millions of yen truncated the nearest million yen)

	As of March 31, 2016	As of March 31, 2017
Retained earnings		
Legal retained earnings	3,687	3,687
Other retained earnings		
General reserve	63,995	63,995
Retained earnings brought forward	10,915	9,386
Total retained earnings	78,597	77,068
Treasury shares	Δ25,141	Δ25,100
Total shareholders' equity	190,147	219,173
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,715	2,935
Total valuation and translation adjustments	2,715	2,935
Subscription rights to shares	110	112
Total net assets	192,973	222,220
Total Liabilities and net assets	331,946	349,909

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

(Millions of yen truncated the nearest million yen)

	For the Fiscal 2015 ended March 31, 2016	For the Fiscal 2016 ended March 31, 2017
Operating revenues		
Dividends from subsidiaries and associates	11,154	13,707
Commissions from subsidiaries and associates	11,585	10,928
Total operating revenues	22,740	24,635
Operating expenses		
Selling, general and administrative expenses	10,708	8,771
Total operating expenses	10,708	8,771
Operating profit	12,031	15,864
Non-operating income		
Interest and dividends income	117	136
Commitment fee	19	136
Gain on sales of investment securities	—	189
Other	34	29
Total non-operating income	171	492
Non-operating expenses		
Interest expenses	630	562
Commitment fee	43	142
Foreign exchange losses	9	99
Loss on valuation of investment securities	178	17
Other	136	116
Total non-operating expenses	999	938
Ordinary profit	11,203	15,418
Extraordinary losses		
Loss on disposal of non-current assets	13	3
Loss on valuation of shares of subsidiaries and associates	—	1,893
Provision for contingent loss	—	565
Provision of allowance for investment loss	623	—
Total extraordinary losses	636	2,462
Profit before income taxes	10,566	12,956
Income taxes-current	178	641
Income taxes-deferred	803	25
Total Income taxes	981	666
Profit	9,585	12,290

(3) (Summary) Non-consolidated of Changes in net assets
(For the Fiscal 2015 ended March 31, 2016)

(Millions of yen truncated the nearest million yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		
		Legal capital surplus	Total capital surplus		Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Beginning balance	30,421	106,230	106,230	3,687	63,995	13,849	81,531
Changes of items during the period							
Issuance of new shares							
Convert of Convertible bond-type bonds with subscription rights to shares	20	20	20				
Dividends from surplus						△12,517	△12,517
Profit						9,585	9,585
Purchase of treasury stock							
Disposal of treasury stock						△1	△1
Net changes of items other than shareholders' equity							
Total changes of items during the period	20	20	20	—	—	△2,934	△2,934
Ending balance	30,441	106,250	106,250	3,687	63,995	10,915	78,597

	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	△25,144	193,039	2,554	2,554	73	195,667
Changes of items during the period						
Issuance of new shares		—				—
Convert of Convertible bond-type bonds with subscription rights to shares		40				40
Dividends from surplus		△12,517				△12,517
Profit		9,585				9,585
Purchase of treasury stock	△0	△0				△0
Disposal of treasury stock	3	1				1
Net changes of items other than shareholders' equity			161	161	37	198
Total changes of items during the period	2	△ 2,891	161	161	37	△ 2,693
Ending balance	△ 25,141	190,147	2,715	2,715	110	192,973

(For the Fiscal 2016 ended March 31, 2017)

(Millions of yen truncated the nearest million yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Beginning balance	30,441	106,250	106,250	3,687	63,995	10,915	78,597
Changes of items during the period							
Issuance of new shares	15,231	15,231	15,231				
Convert of Convertible bond-type bonds with subscription rights to shares	25	25	25				
Dividends from surplus						△13,805	△13,805
Profit						12,290	12,290
Purchase of treasury stock							
Disposal of treasury stock						△13	△13
Net changes of items other than shareholders' equity							
Total changes of items during the period	15,256	15,256	15,256	—	—	△1,528	△1,528
Ending balance	45,698	121,506	121,506	3,687	63,995	9,386	77,068

	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	△25,141	190,147	2,715	2,715	110	192,973
Changes of items during the period						
Issuance of new shares		30,463				30,463
Convert of Convertible bond-type bonds with subscription rights to shares		50				50
Dividends from surplus		△13,805				△13,805
Profit		12,290				12,290
Purchase of treasury stock	△ 0	△ 0				△ 0
Disposal of treasury stock	41	28				28
Net changes of items other than shareholders' equity			219	219	1	220
Total changes of items during the period	40	29,025	219	219	1	29,246
Ending balance	△25,100	219,173	2,935	2,935	112	222,220