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# Brief Report of Financial Results (Unaudited)

(For the Fiscal 2021 Ended February 28, 2022)

April 7, 2022

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

Stock Listing: Tokyo Stock Exchange, Prime

Code No: 8570

URL: <https://www.aeonfinancial.co.jp/eng>

President and CEO: Kenji Fujita

Contact: Yuro Kisaka, Director, Managing Executive Officer

**1. Business performance** (For the Fiscal 2021 ended February 28, 2022 and For the Fiscal 2020 ended February 28, 2021)

## (1) Consolidated Operating Results

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

	Operating revenue	Percentage Change	Operating profit	Percentage Change	Ordinary profit	Percentage Change	Profit attributable to owners of parent	Percentage Change
Fiscal 2021 ended February 28, 2022	470,657	△3.4	58,852	44.8	59,944	49.0	30,212	70.8
Fiscal 2020 ended February 28, 2021	487,309	-	40,651	-	40,238	-	17,693	-

(Note) Comprehensive income; Fiscal 2021; 47,593million (71.4%), Fiscal 2020; 27,775 million (-%)

	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 profit/ Operating revenue
Fiscal 2021 ended February 28, 2022	139.98	139.97	7.3	1.0	12.5
Fiscal 2020 ended February 28, 2021	81.99	81.97	4.5	0.7	8.3

(Reference) Investment gains and losses on equity method; Fiscal 2021; △26 million, Fiscal 2020; 43 million.

## (2) Consolidated Financial Position

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

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share
Fiscal 2021 ended February 28, 2022	6,278,586	509,055	6.8	1,965.47
Fiscal 2020 ended February 28, 2021	6,123,721	474,667	6.6	1,860.08

(Reference) Shareholder's equity; Fiscal 2021; 424,222 million, Fiscal 2020; 401,462 million.

## (3) Consolidated cash flows

(Millions of yen truncated to the nearest million yen)

	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 2021 ended February 28, 2022	76,287	△33,562	△13,508	697,628
Fiscal 2020 ended February 28, 2021	62,282	△94,557	△14,354	666,738

## 2. Dividends

	Dividend per share					Total dividends paid	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total			
February 2021 term	yen	yen	yen	yen	yen	million yen	%	%
February 2022 term	-	11.00	-	23.00	34.00	7,338	41.5	1.8
February 2023 term (Estimated)	-	19.00	-	31.00	50.00	10,791	35.7	2.6
February 2023 term (Estimated)	-	20.00	-	30.00	50.00		37.2 to 40.0	

(Note) Breakdown of dividend for end-second quarter of February 2022 term

: Ordinary dividend 17yen, commemorative dividend for our 40th year of business 2yen.

Breakdown of dividend for fiscal year-end of February 2022 term

: Ordinary dividend 29yen, commemorative dividend for our 40th year of business 2 yen.

## 3. Forecast of Consolidated Earnings (For the fiscal year ending February 28, 2023)

(Millions of yen, %)

(% is the percentage of change to the previous year)

	Operating revenue	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit attributable to owners of parent	YoY	Net income per share
Full term	445,000	1.5	55,000 to 60,000	△6.5 to 1.9	55,000 to 60,000	△8.2 to 0.1	27,000 to 29,000	△10.6 to △4.0	125.10 to 134.36

(Notes) Consolidated earnings forecasts are disclosed in a range format.

In order to apply the accounting standards for revenue recognition (Accounting Standard No. 29, March 31, 2020) from the fiscal year ended February 28, 2023, operating revenue in the consolidated earnings forecasts for the fiscal year ended February 28, 2022, is the amount after the accounting standards are applied. To the rate of increase or decrease on the previous fiscal year compared to the figures after retroactively applying the accounting standards.

### ※Notes

- (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 shares issued (Common stock)
  - ① Number of shares issued at end of period (including treasury stock)  
Fiscal 2021; 216,010,128 shares, Fiscal 2020; 216,010,128 shares
  - ② Number of shares of treasury stock at end of term  
Fiscal 2021; 172,749 shares, Fiscal 2020; 179,553 shares
  - ③ Average of the number of shares during the quarter(For the Fiscal 2019 ended February 29, 2020)  
Fiscal 2021; 215,833,256 shares, Fiscal 2020; 215,812,956 shares

### (Reference): Report of Non-Consolidated Financial Results

**Business performance** (For the Fiscal 2020 ended February 28, 2021 and for the Fiscal 2019 ended February 29, 2020)

#### (1) Non-consolidated Operating Results

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

	Operating revenue	YOY	Operating profit	YOY	Ordinary profit	YOY	Profit attributable to owners of parent	YOY
Fiscal 2021 ended February 28, 2022	21,264	△4.4	11,873	△11.6	11,645	△5.9	10,474	22.8
Fiscal 2020 ended February 28, 2021	22,252	-	13,429	-	12,378	-	8,529	-

	Profit attributable to owners of parent per share	Fully Diluted Profit attributable to owners of parent per Share
Fiscal 2021 ended February 28, 2022	48.53	48.52
Fiscal 2020 ended February 28, 2021	39.52	39.51

**(2) Financial position**

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

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal 2021 ended February 28, 2022	733,686	217,321	29.6	1,006.72
Fiscal 2020 ended February 28, 2021	685,719	215,862	31.5	999.94

(Reference) Shareholder's equity; Fiscal 2021; 217,288 million, Fiscal 2020; 215,818 million.

※ The financial results are not audited by a certified public accountant or an audit corporation.

※ Remarks on the projections, other issues

(Notes on future statements, etc.)

The forecasts include the future prospects, the assumptions and forecasts underlying the plan on the present date, and the achievement is not intended to be a promise to us. In addition, actual performance is different from the above forecast due to various factors in the future.

(How to obtain supplementary information on financial results) We provide supplementary explanatory materials on our website for business and performance.

(Notes on obtaining supplementary explanatory materials for financial results)

The Company provides FACTBOOK on its business and performance on its website.

**Attachments****(1) Consolidated Balance Sheets**

(Millions of yen)

	As of February 28, 2021	As of February 28, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	705,739	738,782
Call loans	30,841	8,864
Accounts receivable - installment	1,521,149	1,566,284
Lease receivables and investments in leases	12,284	12,585
Operating loans	782,916	772,604
Loans and bills discounted for banking business	1,998,379	2,110,010
Securities for banking business	519,023	536,221
Securities for insurance business	70,261	49,397
Monetary claims bought	30,800	27,028
Money held in trust	92,567	111,015
Other	184,176	170,924
Allowance for doubtful accounts	△133,331	△124,549
<b>Total current assets</b>	<b>5,814,809</b>	<b>5,979,170</b>
Non-current assets		
Property, plant and equipment		
Buildings, net	9,752	8,648
Tools, furniture and fixtures, net	29,029	25,331
Construction in progress	232	109
Other, net	137	230
<b>Total property, plant and equipment</b>	<b>39,152</b>	<b>34,320</b>
Intangible assets		
Goodwill	16,784	14,924
Software	100,249	107,732
Other	4,738	4,344
<b>Total intangible assets</b>	<b>121,773</b>	<b>127,001</b>
Investments and other assets		
Investment securities	12,424	12,989
Deferred tax assets	44,289	39,021
Guarantee deposits	56,115	50,438
Other	34,376	34,928
<b>Total investments and other assets</b>	<b>147,205</b>	<b>137,377</b>
<b>Total non-current assets</b>	<b>308,130</b>	<b>298,699</b>
Deferred assets		
Bond issuance costs	780	716
<b>Total deferred assets</b>	<b>780</b>	<b>716</b>
<b>Total assets</b>	<b>6,123,721</b>	<b>6,278,586</b>

(Millions of yen)

	As of February 28, 2021	As of February 28, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	270,015	225,236
Deposits for banking business	4,018,666	4,178,544
Short-term borrowings	216,468	204,074
Current portion of long-term borrowings	62,159	90,214
Current portion of bonds payable	23,012	63,410
Commercial papers	85,000	85,000
Provision for bonuses	3,511	4,086

Provision for point card certificates	20,685	7,129
Other provisions	197	200
Other	189,143	194,349
<b>Total current liabilities</b>	<b>4,888,859</b>	<b>5,052,244</b>
Non-current liabilities		
Reserve for insurance policy liabilities	86,639	64,367
Bonds payable	282,721	277,250
Long-term borrowings	337,026	335,933
Retirement benefit liability	4,707	2,271
Provision for loss on interest repayment	5,706	6,476
Other provisions	530	460
Deferred tax liabilities	1,518	1,273
Other	41,344	29,252
<b>Total non-current liabilities</b>	<b>760,194</b>	<b>717,286</b>
<b>Total liabilities</b>	<b>5,649,053</b>	<b>5,769,530</b>
Net assets		
Shareholders' equity		
Share capital	45,698	45,698
Capital surplus	120,145	119,990
Retained earnings	237,385	258,525
Treasury shares	△460	△442
<b>Total shareholders' equity</b>	<b>402,768</b>	<b>423,771</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,283	△2,549
Deferred gains or losses on hedges	△3,902	△1,628
Foreign currency translation adjustment	△334	4,852
Remeasurements of defined benefit plans	△352	△222
<b>Total accumulated other comprehensive income</b>	<b>△1,306</b>	<b>450</b>
Share acquisition rights	43	33
Non-controlling interests	73,162	84,799
<b>Total net assets</b>	<b>474,667</b>	<b>509,055</b>
<b>Total liabilities and net assets</b>	<b>6,123,721</b>	<b>6,278,586</b>

**(2) Consolidated Statements of Income**

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
<b>Operating revenue</b>		
Revenue from credit card business	128,701	131,779
Revenue from installment sales finance business	42,573	42,662
Financing revenue	136,913	128,421
Recoveries of written off receivables	9,450	11,920
<b>Financial revenue</b>		
Interest on loans and discounts from banking business	22,405	22,878
Interest and dividends on securities from banking business	4,650	4,866
Interest on call loans	276	29
Interest income	671	773
Other financial revenue	4,938	5,135
Total financial revenue	32,941	33,684
<b>Insurance revenue</b>		
Reversal of policy reserve	40,667	22,271
Other insurance revenue	10,997	6,918
Total Insurance revenue	51,665	29,189
Fees and commissions	60,384	60,991
Other	24,679	32,007
Total operating revenue	487,309	470,657
<b>Operating expenses</b>		
<b>Financial expenses</b>		
Interest expenses	18,437	16,596
Interest on deposits from banking business	2,321	1,864
Other financial expenses	2,271	2,972
Total financial expenses	23,030	21,433
<b>Insurance expenses</b>		
Insurance claims and other	50,331	28,045
Other insurance expenses	72	146
Total Insurance expenses	50,404	28,192
Fees and commissions payments	11,161	11,462
Selling, general and administrative expenses	358,689	347,766
Other	3,372	2,949
Total operating expenses	446,657	411,804
Operating profit	40,651	58,852
<b>Non-operating income</b>		
Dividend income	246	202
Gain on investments in investment partnerships	272	361
Subsidy income	—	493
Other	232	183
Total non-operating income	751	1,240
<b>Non-operating expenses</b>		
Share of loss of entities accounted for using equity method	—	26
Loss on valuation of investment securities	670	54
Foreign exchange losses	399	46
Loss on sale of receivables	—	10
Miscellaneous losses	94	10
Total non-operating expenses	1,164	149
Ordinary profit	40,238	59,944
Extraordinary income		

Gain on sale of non-current assets	8	21
Gain on sale of investment securities	—	436
Gain on termination of retirement benefit plan	—	239
Subsidies for employment adjustment	360	8
Total extraordinary income	368	705

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Extraordinary losses		
Loss on disposal of non-current assets	709	574
Impairment losses	144	202
Loss on liquidation of subsidiaries	—	53
Infectious Disease Related Cost	436	48
Other	12	25
Total extraordinary losses	1,302	903
Profit before income taxes	39,305	59,745
Income taxes - current	21,316	13,068
Income taxes - deferred	△8,120	5,630
Total income taxes	13,196	18,698
Profit	26,108	41,047
Profit attributable to non-controlling interests	8,415	10,834
Profit attributable to owners of parent	17,693	30,212

**(Consolidated statement of comprehensive income)**

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Profit	26,108	41,047
Other comprehensive income		
Valuation difference on available-for-sale securities	243	△5,757
Deferred gains or losses on hedges	1,078	3,946
Foreign currency translation adjustment	105	8,226
Remeasurements of defined benefit plans, net of tax	238	130
Total other comprehensive income	1,666	6,545
Comprehensive income	27,775	47,593
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,001	31,969
Comprehensive income attributable to non-controlling interests	8,773	15,623



## (5) Notes on the Consolidated Financial Statements

(Notes on the Going-concern Assumption)

Not applicable

(Additional information)

(Accounting estimates of the impact of the covid-19)

The Group assumes that the impact of the spread of the covid-19 will still take time to converge on the recovery status of repayment receivables, etc. in some countries. Based on this assumption, we anticipate an increase in future credit risk to repayment grace receivables, etc., and are included in the estimate of allowance for doubtful accounts.

Although the amount is the best estimate at this time, the assumptions used for the estimate are high, and if the status of the covid-19 and its impact on the economic environment change, allowance for doubtful accounts may increase or decrease in the consolidated financial statements and quarterly consolidated financial statements from the following consolidated fiscal year onwards.

(Segment information)

### 1. Reporting segment overview

The Group's reporting segments are subject to periodic examinations by the Board of Directors in order to determine the allocation of management resources and evaluate performance, with separate financial information available among the Group's constituent units.

The Company divides the "Domestic" business into "retail" and "solution" in order to clarify the role of the function by the target customer. The "Global" business is divided into "China Area" (Hong Kong, etc.), "Mekong Area" (Thailand, etc.), and "Malay Area" (Malaysia, etc.) so that the business model can be smoothly developed horizontally by dividing the three listed companies. Accordingly, the Group has five reporting segments: "Retail" and "Solutions" in "Domestic", "China Area", "Mekong Area" and "Malay Area" in "Global".

"Retail" is a banking and insurance business, mainly for individual customers.

"Solution" is a business that provides financial services of the Group using databases, such as processing business and individual installment business, mainly to merchants.

"China Area", "Mekong Area" and "Malay Area" are businesses that provide financial services tailored to needs including credit cards and loans to individual customers and merchants in each region.

### 2. Method for calculating the amount of operating income, profit or loss, assets, and other items by reporting segment

The accounting method for the reported business segments is the same as the accounting method introduced to prepare consolidated financial statements. Earnings in the reporting segment are based on operating profit. Internal operating revenues and transfer volumes between segments are based on actual market prices.

### 3. Segment Information

For the fiscal 2020 ended February 28, 2021

(Millions of yen)

	Segment					Total	Adjustments (※2)	Consolidated financial statements appropriation (※3)
	Domestic		Global					
	Retail	Solution	China Area	Mekong Area	Malay Area			
Operating revenue								
Operating revenue from external customer	226,946	123,569	15,563	73,826	47,680	487,586	△276	487,309
The internal operating revenue between segments	3,305	59,149	3	57	—	62,515	△62,515	—
Total	230,251	182,718	15,567	73,883	47,680	550,101	△62,792	487,309
Segment profit/ loss	4,648	16,615	4,545	10,706	4,178	40,693	△42	40,651
Segment assets	4,682,930	947,026	71,261	310,371	279,741	6,291,331	△167,609	6,123,721
Other								
Depreciation	7,184	14,966	1,128	3,677	2,216	29,174	405	29,579
Amortization of goodwill	1,443	428	—	—	—	1,871	—	1,871
Financial expenses	3,410	1,148	543	7,254	9,911	22,269	760	23,030
Provision of allowance for loan losses	2,612	24,645	1,165	26,272	16,786	71,482	△76	71,406
Increase in property, plant and equipment and intangible assets	7,492	26,472	1,093	1,930	1,847	38,836	671	39,507

(Remarks)

1. Instead of sales of general companies, operating revenues are listed.

2. Adjustments details are as follows.

(1) The adjustment of △276 million yen to Operating revenue from external customer represents corporate operating revenue that are not allocated to each reportable segment.

(2) The adjustment of △42 million yen to Segment Profit mainly represents the corporate operating revenue that are not allocated to each reportable segment and intersegment elimination.

(3) The adjustment of △167,609 million yen to Segment assets represents total corporate assets that are not allocated to each reportable segment and adjustment of intersegment elimination.

3. Segment profit/ loss is adjusted to operating profit of consolidated statement of income.

For the fiscal 2021 ended February 28, 2022

(Millions of yen)

	Segment					Total	Adjustments (※2)	Consolidated financial statements appropriation (※3)
	Domestic		Global					
	Retail	Solution	China Area	Mekong Area	Malay Area			
Operating revenue								
Operating revenue from external customer	210,031	122,908	15,743	72,372	49,980	471,036	△378	470,657
The internal operating revenue between segments	3,546	55,939	0	43	—	59,530	△59,530	—
Total	213,578	178,847	15,743	72,416	49,980	530,566	△59,908	470,657
Segment profit/ loss	8,090	17,836	5,530	15,298	12,977	59,732	△879	58,852
Segment assets	4,818,287	935,681	76,591	321,275	290,395	6,442,231	△163,645	6,278,586
Other								
Depreciation	6,796	16,036	1,251	3,819	2,331	30,235	325	30,561
Amortization of goodwill	1,457	415	—	—	1	1,873	—	1,873
Financial expenses	3,714	1,296	429	6,030	9,519	20,991	442	21,433
Provision of allowance for loan losses	1,001	16,843	143	23,194	9,032	50,215	32	50,248
Increase in property, plant and equipment and intangible assets	6,137	22,701	782	2,814	2,199	34,636	324	34,961

(Remarks)

1. Instead of sales of general companies, operating revenues are listed.

2. Adjustments details are as follows.

(1) The adjustment of △378 million yen to Operating revenue from external customer represents corporate operating revenue that are not allocated to each reportable segment.

(2) The adjustment of △879 million yen to Segment Profit mainly represents the corporate operating revenue that are not allocated to each reportable segment and intersegment elimination.

(3) The adjustment of △163,645 million yen to Segment assets represents total corporate assets that are not allocated to each reportable segment and adjustment of intersegment elimination.

3. Segment profit/ loss is adjusted to operating profit of consolidated statement of income.

### (3) Consolidated Statement of Changes in Equity

Year ended February 28, 2021 (March 1, 2020 to February 28, 2021)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	45,698	120,360	230,508	△534	396,032
Changes during period					
Dividends of surplus			△10,790		△10,790
Profit attributable to owners of parent			17,693		17,693
Purchase of treasury shares				△0	△0
Disposal of treasury shares			△26	74	47
Change in ownership interest of parent due to transactions with non-controlling interests		△214			△214
Net changes in items other than shareholders' equity					
Total changes during period	—	△214	6,876	74	6,736
Balance at end of period	45,698	120,145	237,385	△460	402,768

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling 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 accumulated other comprehensive income			
Balance at beginning of period	2,912	△4,468	△467	△591	△2,614	82	65,575	459,075
Changes during period								
Dividends of surplus								△10,790
Profit attributable to owners of parent								17,693
Purchase of treasury shares								△0
Disposal of treasury shares								47
Change in ownership interest of parent due to transactions with non-controlling interests							214	—
Net changes in items other than shareholders' equity	371	566	132	238	1,308	△38	7,371	8,641
Total changes during period	371	566	132	238	1,308	△38	7,586	15,592
Balance at end of period	3,283	△3,902	△334	△352	△1,306	43	73,162	474,667

Year ended February 28, 2022 (March 1, 2021 to February 28, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	45,698	120,145	237,385	△460	402,768
Changes during period					
Dividends of surplus			△9,064		△9,064
Profit attributable to owners of parent			30,212		30,212
Purchase of treasury shares				△0	△0
Disposal of treasury shares			△7	18	10
Change in ownership interest of parent due to transactions with non-controlling interests		△155			△155
Net changes in items other than shareholders' equity					
Total changes during period	—	△155	21,140	17	21,003
Balance at end of period	45,698	119,990	258,525	△442	423,771

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling 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 accumulated other comprehensive income			
Balance at beginning of period	3,283	△3,902	△334	△352	△1,306	43	73,162	474,667
Changes during period								
Dividends of surplus								△9,064
Profit attributable to owners of parent								30,212
Purchase of treasury shares								△0
Disposal of treasury shares								10
Change in ownership interest of parent due to transactions with non-controlling interests							155	—
Net changes in items other than shareholders' equity	△5,833	2,273	5,186	130	1,756	△10	11,482	13,228
Total changes during period	△5,833	2,273	5,186	130	1,756	△10	11,637	34,387
Balance at end of period	△2,549	△1,628	4,852	△222	450	33	84,799	509,055

**(4) Consolidated Statements of Cash Flows**

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Cash flows from operating activities		
Profit before income taxes	39,305	59,745
Depreciation	29,579	30,561
Amortization of goodwill	1,871	1,873
Share of loss (profit) of entities accounted for using equity method	△43	26
Increase (decrease) in allowance for doubtful accounts	18,496	△10,602
Increase (decrease) in provision for bonuses	△255	484
Increase (decrease) in retirement benefit liability	249	△1,959
Increase (decrease) in provision for point card certificates	△28	△13,556
Increase (decrease) in provision for loss on interest repayment	741	769
Increase (decrease) in other provisions	102	△77
Financial revenue	△32,941	△33,684
Financial expenses	23,030	21,433
Dividend income	△246	△202
Loss (gain) on disposal of non-current assets	700	552
Loss (gain) on liquidation of subsidiaries	—	53
Decrease (increase) in operating loans receivable	79,179	18,031
Decrease (increase) in cash loans and bills discounted for banking business	△323,593	△111,630
Decrease (increase) in accounts receivable - installment	21,641	△30,412
Net decrease (increase) in lease receivables and investments in leases	497	△300
Net increase (decrease) in deposits	228,425	159,878
Increase (decrease) in trade payables	9,218	△44,964
Net increase (decrease) in borrowed money	59,745	△8,626
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	10,961	△599
Net decrease (increase) in due from banks (over 3 months)	△275	△710
Net decrease (increase) in call loans	6,954	25,749
Increase (decrease) in commercial papers	△74,823	—
Increase (decrease) in straight bonds - issuance and redemption	6,353	33,071
Increase (decrease) in reserve for insurance policy liabilities	△40,667	△22,271
Proceeds from sales and leasebacks	498	929
Interest received	33,392	33,988
Interest paid	△23,719	△21,711
Other, net	6,447	9,226
Subtotal	80,800	95,068
Interest and dividends received	246	202
Income taxes paid	△21,889	△21,519
Income taxes refund	3,125	2,535
Net cash provided by (used in) operating activities	62,282	76,287

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
<b>Cash flows from investing activities</b>		
Purchase of securities	△589,889	△518,990
Proceeds from sale of securities	189,861	248,186
Proceeds from redemption of securities	368,592	283,851
Increase in money held in trust	△44,044	△28,450
Decrease in money held in trust	7,223	10,823
Purchase of property, plant and equipment	△4,908	△4,101
Proceeds from sale of property, plant and equipment	8	76
Purchase of intangible assets	△30,996	△24,961
Proceeds from sale of intangible assets	—	3
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	9,595	—
Net cash provided by (used in) investing activities	△94,557	△33,562
<b>Cash flows from financing activities</b>		
Dividends paid	△10,790	△9,064
Repayments to non-controlling shareholders	△25	—
Dividends paid to non-controlling interests	△3,536	△4,443
Purchase of treasury shares	△0	△0
Proceeds from disposal of treasury shares	0	0
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	△2	—
Net cash provided by (used in) financing activities	△14,354	△13,508
Effect of exchange rate change on cash and cash equivalents	△40	1,674
Net increase (decrease) in cash and cash equivalents	△46,669	30,890
Cash and cash equivalents at beginning of period	713,407	666,738
Cash and cash equivalents at end of period	666,738	697,628

**Non-consolidated financial statements**  
**(1) Non-consolidated Balance Sheets**

(Millions of yen)

	As of February 28, 2021	As of February 28, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	2,876	2,212
Advances paid	129	131
Prepaid expenses	544	519
Accounts receivable - other	8,059	6,898
Accrued income	164	161
Short-term loans receivable	276,050	326,430
Current portion of long-term loans receivable from subsidiaries and associates	—	92
Income taxes receivable	1,678	1,285
Consumption taxes receivable	—	27
<b>Total current assets</b>	<b>289,503</b>	<b>337,760</b>
Non-current assets		
Property, plant and equipment		
Buildings	539	510
Accumulated depreciation	△254	△291
<b>Buildings, net</b>	<b>285</b>	<b>218</b>
Tools, furniture and fixtures	583	566
Accumulated depreciation	△454	△486
<b>Tools, furniture and fixtures, net</b>	<b>128</b>	<b>80</b>
<b>Total property, plant and equipment</b>	<b>413</b>	<b>299</b>
Intangible assets		
Software	1,621	1,573
<b>Total intangible assets</b>	<b>1,621</b>	<b>1,573</b>
Investments and other assets		
Investment securities	52,265	51,891
Shares of subsidiaries and associates	325,924	325,910
Bonds of subsidiaries and associates	2,619	2,753
Long-term loans receivable from subsidiaries and associates	424	369
Long-term prepaid expenses	92	89
Deferred tax assets	11,162	11,133
Guarantee deposits	927	1,199
<b>Total investments and other assets</b>	<b>393,417</b>	<b>393,347</b>
<b>Total non-current assets</b>	<b>395,453</b>	<b>395,220</b>
Deferred assets		
Bond issuance costs	762	705
<b>Total deferred assets</b>	<b>762</b>	<b>705</b>
<b>Total assets</b>	<b>685,719</b>	<b>733,686</b>

(Millions of yen)

	As of February 28, 2021	As of February 28, 2022
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	138,590	130,080
Commercial papers	45,000	45,000
Current portion of bonds payable	10,000	50,000
Current portion of long-term borrowings	300	9,000
Current portion of long-term borrowings from subsidiaries and associates	—	462



Accounts payable - other	3,776	3,228
Accrued expenses	399	378
Income taxes payable	169	132
Accrued consumption taxes	340	—
Unearned revenue	223	215
Deposits received	1,474	591
Provision for bonuses	107	153
Provision For Directors Remuneration Based On Performance	44	39
Other	10	13
<b>Total current liabilities</b>	<b>200,435</b>	<b>239,294</b>
Non-current liabilities		
Bonds payable	240,000	240,000
Long-term borrowings	27,800	35,900
Long-term borrowings from subsidiaries and associates	424	—
Other	1,196	1,170
<b>Total non-current liabilities</b>	<b>269,421</b>	<b>277,070</b>
<b>Total liabilities</b>	<b>469,856</b>	<b>516,365</b>
Net assets		
Shareholders' equity		
Share capital	45,698	45,698
Capital surplus		
Legal capital surplus	121,506	121,506
Total capital surplus	121,506	121,506
Retained earnings		
Legal retained earnings	3,687	3,687
Other retained earnings		
General reserve	35,995	35,995
Retained earnings brought forward	6,227	7,628
Total retained earnings	45,909	47,311
Treasury shares	△460	△442
<b>Total shareholders' equity</b>	<b>212,654</b>	<b>214,074</b>
Valuation and translation adjustments		
Valuation difference on available-for- sale securities	3,163	3,214
<b>Total valuation and translation adjustments</b>	<b>3,163</b>	<b>3,214</b>
Share acquisition rights	43	33
<b>Total net assets</b>	<b>215,862</b>	<b>217,321</b>
<b>Total liabilities and net assets</b>	<b>685,719</b>	<b>733,686</b>

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

(Millions of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Operating revenue		
Dividends from subsidiaries and associates	11,990	11,340
Commissions from subsidiaries and associates	9,857	9,433
Other	404	489
Total operating revenue	22,252	21,264
Operating expenses		
Selling, general and administrative expenses	8,823	9,390
Total operating expenses	8,823	9,390
Operating profit	13,429	11,873
Non-operating income		
Interest and dividend income	1,296	1,376
Foreign exchange gains	22	130
Other	96	84
Total non-operating income	1,415	1,591
Non-operating expenses		
Interest expenses	1,356	1,296
Commitment fees	10	10
Loss on valuation of investment securities	670	54
Amortization of bond issuance costs	229	294
Other	199	163
Total non-operating expenses	2,466	1,820
Ordinary profit	12,378	11,645
Extraordinary income		
Gain on sale of investment securities	—	436
Gain on sale of shares of subsidiaries	—	230
Other	0	63
Total extraordinary income	0	731
Extraordinary losses		
Loss on disposal of non-current assets	63	67
Loss on valuation of shares of subsidiaries and associates	3,321	1,429
Other	17	0
Total extraordinary losses	3,402	1,496
Profit before income taxes	8,977	10,879
Income taxes - current	536	417
Income taxes - deferred	△88	△11
Total income taxes	448	405
Profit	8,529	10,474

**(3) Consolidated Statement of Changes in Equity**

Year ended February 28, 2021(March 1, 2020 to February 28, 2021)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Legal retained earnings	Other retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	45,698	121,506	121,506	3,687	35,995	8,514	48,197
Changes during period							
Dividends of surplus						△10,790	△10,790
Profit						8,529	8,529
Purchase of treasury shares							
Disposal of treasury shares						△26	△26
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	△2,287	△2,287
Balance at end of period	45,698	121,506	121,506	3,687	35,995	6,227	45,909

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	△534	214,867	1,623	1,623	82	216,573
Changes during period						
Dividends of surplus		△10,790				△10,790
Profit		8,529				8,529
Purchase of treasury shares	△0	△0				△0
Disposal of treasury shares	74	47				47
Net changes in items other than shareholders' equity			1,540	1,540	△38	1,502
Total changes during period	74	△2,213	1,540	1,540	△38	△710
Balance at end of period	△460	212,654	3,163	3,163	43	215,862

**(3) Consolidated Statement of Changes in Equity**

Year ended February 28, 2022(March 1, 2020 to February 28, 2022)

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Legal retained earnings	Other retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at beginning of period	45,698	121,506	121,506	3,687	35,995	6,227	45,909
Changes during period							
Dividends of surplus						△9,064	△9,064
Profit						10,474	10,474
Purchase of treasury shares							
Disposal of treasury shares						△7	△7
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	1,401	1,401
Balance at end of period	45,698	121,506	121,506	3,687	35,995	7,628	47,311

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	△460	212,654	3,163	3,163	43	215,862
Changes during period						
Dividends of surplus		△9,064				△9,064
Profit		10,474				10,474
Purchase of treasury shares	△0	△0				△0
Disposal of treasury shares	18	10				10
Net changes in items other than shareholders' equity			50	50	△10	39
Total changes during period	17	1,419	50	50	△10	1,458
Balance at end of period	△442	214,074	3,214	3,214	33	217,321