



(Translation for reference only)

May 14, 2018

Consolidated Financial Results
For the Fiscal Year ended in March 31, 2018
 (Under Japanese GAAP)

Company name: AIFUL Corporation
 Stock Listing: Tokyo Stock Exchange
 Stock Code: 8515
 URL: <http://aiful.co.jp>
 Representative: Yoshitaka Fukuda, President and Chief Executive Officer
 For inquiry: Jun Mitsuishi, General Manager of Finance Department TEL (03) 4503 – 6050
 Scheduled date of convention of annual general meeting of shareholders: June 26, 2018
 Scheduled date of submission of Securities report: June 27, 2018
 Scheduled date of commencement of dividend payments : —
 Supplementary materials for financial results: Yes
 Earnings release conference: Yes (For financial analysts and institutional investors)

I. Consolidated Financial Results for the Fiscal Year ended in March 31, 2018
 (April 1, 2017 – March 31, 2018)

(Amounts less than one million yen have been rounded down)

1. Consolidated Operating Results

(Millions of yen, Percentages indicate year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
Fiscal year ended								
March 31, 2018	115,389	26.2%	2,492	(64.4)%	2,823	(61.8)%	3,958	(45.6)%
March 31, 2017	91,450	4.3%	7,009	5.0%	7,399	7.8%	7,276	3.3%

Note: Comprehensive income: For the Fiscal year ended
 March 31, 2018: 3,569 million yen (50.7)%
 March 31, 2017: 7,246 million yen (7.8)%

	Net Income per Share (Yen)	Diluted Net Income per Share (Yen)	Profit to Shareholders' Equity Ratio (%)	Ordinary Profit to Total Assets Ratio (%)	Operating Profit to Operating Revenue Ratio (%)
Fiscal year ended					
March 31, 2018	8.18	—	3.5	0.4	2.2
March 31, 2017	15.05	15.04	6.8	1.2	7.7

Reference: Equity in earnings of affiliated companies: For the Fiscal year ended
 March 31, 2018: — million yen
 March 31, 2017: — million yen

2. Consolidated Financial Position

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
As of				
March 31, 2018	682,645	119,407	16.7	236.13
March 31, 2017	616,651	111,649	18.0	228.94

Reference: Shareholders' equity: As of March 31, 2018: 114,214 million yen
 As of March 31, 2017: 110,738 million yen

3. Consolidated Cash Flows

(In millions of yen)

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents at the End of Period
Fiscal year ended March 31, 2018	(70,221)	(3,546)	67,560	29,323
March 31, 2017	(51,222)	(6,192)	51,054	33,560

II. Dividend Information

	Dividend per share (Yen)					Total dividend payment (full year)	Payout Ratio % (Consolidated)	Dividend to equity ratio % (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	Year-end	Annual			
FY ended March 31, 2017	—	0.00	—	0.00	0.00	—	—	—
FY ended March 31, 2018	—	0.00	—	0.00	0.00	—	—	—
FY ending March 31, 2019 (Forecast)	—	0.00	—	0.00	0.00		—	

III. Earnings Forecast on a Consolidated Basis for the Fiscal Year ending March 31, 2019

(April 1, 2018 – March 31, 2019)

(Millions of yen, Percentages indicate year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Profit per Share (Yen)
Six months ending September 30, 2018	56,200	14.1%	5,700	165.4%	6,000	151.8%	5,600	64.6%	11.58
Fiscal year ending March 31, 2019	115,400	0.0%	16,400	558.1%	16,900	498.7%	15,600	294.1%	32.25

IV. Other

(1) Changes in significant subsidiaries during the period

(Changes in specified subsidiaries resulting changes in scope of consolidation): None

(2) Changes in accounting principles, procedures and methods of presentation

(a) Changes accompanying amendments to accounting standards: None

(b) Changes other than those in (a): None

(c) Change in accounting estimates: None

(d) Restatement: None

(3) Number of shares issued (Common stock)

(a) Number of shares issued at the end of the period (including treasury stock)

FY2017	484,620,136 shares	FY2016	484,619,136 shares
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(b) Number of treasury stock at the end of the period

FY2017	917,138 shares	FY2016	916,964 shares
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(c) Average number of shares during the period

FY2017	483,702,876 shares	FY2016	483,499,857 shares
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(Reference) Highlights of Non-Consolidated Business Results

I. Non-Consolidated Business Results for the Fiscal Year ended in March 31, 2018
(April 1, 2017 – March 31, 2018)

1. Non-Consolidated Operating Results

(In millions of yen, except where noted; percentage figures show year-on-year changes)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit	
Fiscal year ended								
March 31, 2018	64,663	10.8%	366	(89.8)%	979	(76.1)%	2,437	(49.5)%
March 31, 2017	58,339	5.8%	3,587	(3.0)%	4,090	(18.4)%	4,823	(8.7)%

	Profit per Share (Yen)	Diluted Profit per Share (Yen)
Fiscal year ended		
March 31, 2018	5.04	—
March 31, 2017	9.98	9.97

2. Non-Consolidated Financial Position

(In millions of yen, except where noted)

	Total Assets	Net Assets	Shareholders' Equity Ratio (%)	Net Assets per Share (Yen)
As of				
March 31, 2018	500,262	85,548	17.1	176.38
March 31, 2017	439,840	83,919	18.9	171.61

Reference: Shareholders' equity: As of March 31, 2018 85,313 million yen
As of March 31, 2017 83,009 million yen

II. Earnings Forecast on a Non-Consolidated Basis for the Fiscal Year ending March 31, 2019
(April 1, 2018 – March 31, 2019):

(In millions of yen, except where noted; percentage figures show year-on-year change.)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit		Profit per Share (Yen)
Six months ending September 30, 2018	34,600	9.9%	2,900	37.1%	3,200	28.9%	3,200	(3.0)%	6.62
Fiscal year ending March 31, 2019	70,500	9.0%	11,300	—	11,900	—	12,100	396.5%	25.02

* Note: Brief Statement of financial results is not subject to audit procedures that are conducted by a certified public accountant or an audit corporation.

* Note: Disclaimer concerning the proper use of business results forecasts

The forecasts and other forward-looking statements contained in this Report are based on information currently available to the Company as well as certain assumptions that the AIFUL Group has judged to be reasonable. Accordingly, actual results may differ from the forecasts due to various factors. For matters related to earnings forecast above, please refer to "1. Business Results and Other, (4) Outlook for the fiscal year ending March 2019" on page 5.

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1. Business Results and Others

(1) Overview of Business Results

In the consolidated fiscal year under review, Japanese economy experienced a gradual recovery as a result of the recovery in corporate earnings and, employment and income environment etc. However, the outlook for the economy remain uncertain, due to the policy management in the U.S., concerns of an economic deceleration in emerging countries, and escalating geopolitical risk caused by increased tension in the international affairs etc.

In the consumer finance industry, the number of new contracts at major players remained stable, and the operating loan balance increased moderately. On the other hand, interest repayment claims, industry's biggest risk, they have declined significantly from their peak and the downward trend became more apparent in current fiscal year.

In this environment, while dealing with interest repayment claims as the principal management issue, the AIFUL Group united its efforts to diversify the financial business and increase operating assets to bolster its revenue base. The Group also worked to diversify funding channels to strengthen its financial base and improve business efficiency across the Group.

The results by business segments are as follows.

(AIFUL Corporation)

Loan business

In the unsecured loan segment, AIFUL made effort to increase the number of new contracts and the operating loan balance by improving its customer service through renewing the website and enhancing the convenience of smartphone websites, in addition to effective advertising mainly on television and the internet.

In the fiscal year under review, new contracts signed for unsecured loans were 197 thousand (up 8.2% year on year) and the contract rate was 45.6% (up 0.3pt year on year).

As a result, unsecured loans outstanding at the end of the fiscal year under review was 341,777 million yen (up 13.5% year on year), secured loans outstanding was 12,403 million yen (down 24.6% year on year), small business loans outstanding was 5,850 million (up 27.9% year on year) and the total balance of operating loans for the loan segment was 360,031 million yen (up 11.8% year on year). (27,264 million yen off-balance sheet operating loans from the securitization have been included.)

Credit guarantee business

In the credit guarantee business, AIFUL made the most of its know-how related to credit operations for individuals and small and medium sized enterprises and the unique strengths it possesses as an independent organ to expand the credit guarantee outstanding by conducting business activities that aim to increase the number of guarantee partners, proposing new products, and providing support for marketing promotions.

Accounting for the aforementioned factors, AIFUL secured affiliations with 91 financial institutions for unsecured personal loan guarantee, and the loans outstanding amounted to 67,201 million yen (up 15.4% year on year). Also, the Company commenced affiliations with 96 financial institutions for unsecured business loan guarantee, and the loan outstanding was totaling 33,451 million yen (down 3.0% year on year).

Of the credit guarantee for the unsecured business loans, 23,537 million yen comes from guarantees provided to BUSINEXT CORPORATION.

As a result, AIFUL posted operating revenue of 64,663 million yen (up 10.8% year on year), operating profit of 366 million yen (down 89.8% year on year), ordinary profit of 979 million yen (down 76.1% year on year), and profit of 2,437 million yen (down 49.5% year on year).

(LIFECARD Co., Ltd)

Credit card business

In the credit card business, LIFECARD worked to expand the number of new applications through aggressive affiliate advertising and issuing new tie-up cards and affiliated business credit card. Also, it began increasing the credit limits and adding privilege of exchanging point for the purpose of providing its card members with more convenience.

As a result of the above, transactions volume for the fiscal year under review were 733,305 million yen (up 5.7% year on year), and the balance of accounts receivable - installment for credit card business stood at 99,955 million yen (up 3.8% year on year). (3,208 million yen off-balance sheet accounts receivable - installment outstanding from the securitization have been included.)

Card Cashing

The total amount of loans outstanding in the LIFECARD's loan business stood at 31,594 million yen (up 1.2% year on year). (1,361 million yen off-balance sheet operating loans from the securitization have been included.)

Credit guarantee business

In the credit guarantee business, LIFECARD made the most of its know-how related to credit operations for individuals and small and medium sized enterprises and the unique strengths it possesses as an independent organ to expand the credit guarantee outstanding by conducting business activities that aim to increase the number of guarantee partners, proposing new products, and providing support for marketing promotions.

As a result, at the end of the fiscal year under review, there were affiliations with 163 financial institutions for unsecured personal loan guarantee and the loans outstanding amounted to 20,639 million yen, up 3.9% year on year. Also, there were affiliations with 39 financial institutions for unsecured business loan guarantee, and loans outstanding totaled 1,392 million yen, up 22.3% year on year.

As a result, LIFECARD Co.,Ltd operating revenue amounted to 42,979 million yen (up 48.8% year on year), operating profit was 4,119 million yen (up 42.1% year on year), ordinary profit was 4,261 million yen (up 31.6% year on year) and profit was 2,746 million yen (down 9.4% year on year).

(AIRA & AIFUL Public Company Limited)

AIRA & AIFUL Public Company Limited, which engaged in the consumer credit business in the Kingdom of Thailand from September 2015 achieved steady growth due to brisk demand for funds with a background of economic growth and rising

consumption in Thailand. At the end of the current consolidated fiscal year, the number of accounts was 30 ten thousand (up 235.1 % year on year) and the operating loan balance was 16,020 million (up 238.0% year on year).

As a result, for the current consolidated fiscal year, AIRA & AIFUL Public Company Limited recorded operating revenue of 2,977 million yen; however, due to expenses associated with active prior investment for business expansion, the operating loss was 2,016 million yen, the ordinary loss was 2,013 million yen and the net loss was 2,013 million yen.

(Other)

There were three consolidated subsidiaries that are not included in reported segments for the consolidated fiscal year under review (BUSINEXT CORPORATION, AsTry Loan Services Corporation and AG Capital Co., Ltd.) for which operating revenue was 4,961 million yen (up 10.6% year on year), operating loss was 464 million yen (compared with operating loss of 6 million yen in the previous period), ordinary loss was 426 million yen (compared with ordinary profit of 67 million yen in the previous period) and loss of 608 million yen (compared with loss of 53 million yen in the previous period).

(Overview of the Results)

In the consolidated fiscal year under review, the AIFUL Group's consolidated operating revenue was 115,389 million yen (up 26.2% year on year). The principal components and their movements were interest on operating loans, which increased 17.6% year on year to 56,305 million yen, revenue from the credit card business, which increased 3.9% to 16,025 million yen and revenue in the credit guarantee business, which increased 4.0% to 12,992 million yen, collection from purchased receivable decreased 1.1% to 2,074 million yen, recoveries of charged off claims increased 12.9% to 6,411 million yen and sales of software development was 12,803 million yen.

Operating expenses increased 28,456 million yen, or 33.7%, compared with the previous fiscal year to 112,897 million yen. The main factors for the increase were posting 11,244 million yen cost of sales of software development and 8,625 million yen expenses related to interest repayment because the Company made an additional provision for loss on interest repayment of 12,384 million yen and the reversal of allowance for doubtful accounts associated with interest repayment's waiver of principal of 3,759 million yen.

As a result of the above factors, for the consolidated fiscal year under review, the AIFUL Group recorded an operating profit of 2,492 million yen (down 64.4% year on year), ordinary profit of 2,823 million yen (down 61.8% year on year), and profit attributable to owners of parent of 3,958 million yen (down 45.6% year on year), reflecting a gain on reversal of shares acquisition rights of 703 million yen as extraordinary income and a loss attributable to non-controlling interests of 1,012 million yen.

AIRA & AIFUL Public Company Limited, which was an unconsolidated subsidiary providing consumer financing in Thailand, is included in the scope of consolidation from the first quarter of fiscal year under review due to an increase in its importance. Profit attributable to owners of parent is affected by income attributable to AIFUL's equity in AIRA & AIFUL Public Company Limited.

(2) Overview of Financial Position

(Assets, liabilities, net assets)

Total assets on a consolidated basis increased 65,994 million yen, or 10.7%, compared to the end of the previous fiscal year

to 682,645 million yen at the end of fiscal year ended March 2018. This was primarily due to 60,077 million yen increased in operating loans.

Total liabilities at the end of fiscal year ended March 2018 were 563,238 million yen, an increase of 58,236 million yen, or 11.5%, compared with the previous fiscal year-end. The principal factors contributing to this increase was an increase of 89,813 million yen in the loans payable.

Net assets increased 7,757 million yen, or 6.9%, compared with the previous fiscal year-end, to 119,407 million yen. This was largely attributable to an increase in retained earnings and non-controlling interests.

(3) Overview of Cash Flows

(Cash Flows)

Cash and cash equivalents (“funds”) declined 4,237 million yen, or 12.6%, compared to the end of the previous fiscal year to 29,323 million yen.

The situation of each category of cash flow for the current fiscal year and the contributing factors are as follows.

(Cash flows from operating activities)

Net cash used for operating activities amounted to 70,221 million yen, an increase of 37.1% compared with previous fiscal year. This was mainly attributable to the decline in funds reflecting an increase in total receivable outstanding such as operating loans.

(Cash flows from investing activities)

Net cash used for investing activities stood at 3,546 million yen, a decrease of 42.7% compared with the previous fiscal year. This was mainly attributable to the purchase of property, plant and equipment, and intangible assets.

(Cash flow from financing activities)

Net cash provided by financing activities amounted to 67,560 million yen, an increase of 32.3% compared with the previous fiscal year. This was mainly attributable to an increase in the loans payable.

(4) Outlook for the fiscal year ending March 2019

In the industry to which the AIFUL Group belongs, the number of new contracts remained solid mainly due to recovery in business confidence and aggressive advertising by major players, and also the operating loan balance recovered steadily. Meanwhile, the interest repayment claims, industry’s biggest risk, still require close monitoring even though they have declined significantly from their peak and the downward trend became more apparent.

In this environment, while dealing with the principal management issue of interest repayment claims, it is taking measures to diversify the financial business and increase operating assets. The Group is also working to diversify funding channels to strengthen its financial base and improve business efficiency across the Group.

With regard to its earnings forecasts for the fiscal year ending March 2019, the AIFUL Group expects to record operating revenue of 115,400 million yen (up 0.0% year on year), operating income of 16,400 million yen (up 558.1% year on year),

ordinary profit of 16,900 million yen (up 498.7% year on year), and profit attributable to owners of parent of 15,600 million yen (up 294.1% year on year).

Actual results may differ from forecast values due to various risk factors such as trend in interest repayment claims in the business environment that surrounds the Company.

(5) Basic Policies on Profit Distribution and Dividend for the Fiscal Year under Review and Next Fiscal Year

The return of profits to shareholders is a management priority at the AIFUL Group. The Group's basic policy calls for a consistent return of profits in line with business results. The Group aims to maximize shareholder returns and shareholder value while simultaneously securing stable internal reserves through medium to long-term profit growth.

However, the financial burden associated with claims for interest repayments is still heavy, creating difficult conditions for the distribution of profits. In addition, losses in the distributable amount continue. The Group therefore regret to announce that we will be unable to pay any dividends for the current fiscal year and forecast no dividends for the next fiscal year.

The AIFUL Group has been dealing with the principal management issue of interest repayment claims. At the same time, it is taking measures to diversify the financial business and increase operating assets to bolster its revenue base, and also work to diversify funding channels. The Group is also determined to return to the basic policy outlined above by improving its financial position and profitability.

The AIFUL Group asks all of its shareholders for their understanding and cooperation in these endeavors.

2. Basic stance on selection of accounting standards

In preparation for the pending application to the IFRS, the AIFUL Group is developing internal manuals, guidelines and other documents and examining the timing of the application.

3. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheets

(In millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	33,644	29,327
Operating loans	352,628	412,706
Accounts receivables - installment	94,272	97,252
Operational investment securities	694	940
Customers' liabilities for acceptances and guarantees	114,452	124,883
Other operating receivables	5,997	6,725
Purchased receivables	2,941	2,874
Work in process	7,305	—
Deferred tax assets	796	627
Other	11,839	14,688
Allowance for doubtful accounts	(42,971)	(41,344)
Total current assets	581,600	648,681
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,132	24,357
Accumulated depreciation	(17,655)	(17,933)
Buildings and structures, net	6,476	6,424
Machinery and equipment	392	419
Accumulated depreciation	(283)	(305)
Machinery and equipment, net	109	113
Furniture and fixtures	6,499	6,993
Accumulated depreciation	(5,006)	(5,261)
Furniture and fixtures, net	1,492	1,732
Land	8,899	8,899
Leased assets	873	1,378
Accumulated depreciation	(277)	(508)
Leased assets, net	596	870
Construction in progress	88	93
Total property, plant and equipment	17,664	18,133
Intangible assets		
Software	3,009	3,094
Other	104	103
Total intangible assets	3,113	3,198
Investment and other assets		
Investment securities	7,524	4,052
Claims provable in bankruptcy	29,323	27,787
Lease and guarantee deposits	1,605	1,911
Other	3,019	4,496
Allowance for doubtful accounts	(27,200)	(25,614)
Total investments and other assets	14,272	12,633
Total non-current assets	35,050	33,964
Total assets	616,651	682,645

(In millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Notes & accounts payable-trade	15,620	16,196
Acceptances and guarantees	114,452	124,883
Short-term loans payable	73,610	83,325
Current portion of bonds	2,600	1,300
Current portion of long-term loans payable	32,138	53,482
Income taxes payable	661	544
Allowance for bonuses	913	991
Provision for point card certificates	3,300	2,807
Deferred installment income	423	440
Other	31,153	23,368
Total current liabilities	274,873	307,340
Non-current liabilities		
Bonds payable	30,100	7,200
Long-term loans payable	161,774	220,529
Deferred tax liabilities	252	334
Provision for loss on interest repayment	34,640	24,331
Other	3,360	3,503
Total non-current liabilities	230,128	255,898
Total liabilities	505,002	563,238
Net Assets		
Shareholders' equity		
Capital stock	143,454	143,454
Capital surplus	13,953	13,948
Retained earnings	(43,332)	(40,208)
Treasury shares	(3,110)	(3,110)
Total shareholders' equity	110,964	114,083
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(225)	(184)
Foreign currency translation adjustment	—	315
Total accumulated other comprehensive income	(225)	130
Shares acquisition rights	910	234
Non-controlling interests	—	4,957
Total net assets	111,649	119,407
Total liabilities and net assets	616,651	682,645

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

i. Consolidated Statements of Income

(In millions of yen)

	FY ended March 31, 2017 (Apr. 1 2016 to Mar. 31 2017)	FY ended March 31, 2018 (Apr. 1 2017 to Mar. 31 2018)
Operating revenue		
Interest on loans receivable	47,869	56,305
Revenue from credit card business	15,422	16,025
Revenue from credit guarantee	12,494	12,992
Other financial revenue	1	13
Other operating revenue		
Collection from purchased receivable	2,096	2,074
Recoveries of written off claims	5,678	6,411
Sales of software development	—	12,803
Other	7,887	8,761
Total other operating revenue	15,662	30,052
Total operating revenue	91,450	115,389
Operating expenses		
Financial expenses		
Interest expenses	4,762	5,783
Interest on bonds	2,385	813
Other	882	963
Total financial expenses	8,030	7,560
Cost of sales		
Cost of purchased receivable	1,476	1,497
Cost of sales of software development	—	11,244
Other	61	73
Total cost of sales	1,537	12,815
Other operating expenses		
Provision for point card certificates	3,300	2,807
Commissions	11,835	12,962
Provision of allowance for investment loss	(2)	(2)
Provision of allowance for doubtful accounts	20,744	20,020
Provision for loss on interest repayment	—	12,384
Employees' salaries and bonuses	10,232	11,409
Provision for bonuses	895	972
Retirement benefit expenses	470	474
Sales promotion expenses	7,522	8,841
Other	19,875	22,650
Total other operating expenses	74,872	92,520
Total operating expenses	84,440	112,897
Operating profit	7,009	2,492

(In millions of yen)

	FY ended March 31, 2017 (Apr. 1 2016 to Mar. 31 2017)	FY ended March 31, 2018 (Apr. 1 2017 to Mar. 31 2018)
Non-operating income		
Interest on loans receivable	25	65
Foreign exchange gains	—	68
Rent on real estate	55	73
Other	476	152
Total non-operating income	557	359
Non-operating expenses		
Interest expenses	—	1
Foreign exchange losses	86	—
Provision for doubtful accounts	—	8
Other	82	17
Total non-operating expenses	168	28
Ordinary profit	7,399	2,823
Extraordinary income		
Gain on reversal of shares acquisition rights	—	703
Total extraordinary income	—	703
Profit before income taxes	7,399	3,527
Income taxes - current	440	437
Income taxes - deferred	(318)	144
Total income taxes	122	581
Profit	7,276	2,945
Profit (loss) attributable to non-controlling interests	—	(1,012)
Profit attributable to owners of parent	7,276	3,958

ii. Consolidated Statements of Comprehensive Income

(In millions of yen)

	FY ended March 31, 2017 (Apr. 1 2016 to Mar. 31 2017)	FY ended March 31, 2018 (Apr. 1 2017 to Mar. 31 2018)
Profit	7,276	2,945
Other Comprehensive income		
Valuation difference on available-for-sale securities	(29)	40
Foreign currency translation adjustment	—	583
Total other comprehensive income	(29)	623
Comprehensive income	7,246	3,569
Comprehensive income attributable to		
Owners of parent	7,246	4,289
Non-controlling interests	—	(719)

(3) Consolidated Statements of Change in Shareholders' Equity

Fiscal year ended March 31, 2017

(In millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2016	143,415	13,914	(50,609)	(3,110)	103,609
Changes during the period					
Issuance of new shares-exercise of shares acquisition rights	38	38			77
Profit attributable to owners of parent			7,276		7,276
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation					—
Capital increase of consolidated subsidiaries					—
Net changes in accounts other than shareholders' equity					
Total change during fiscal year	38	38	7,276	(0)	7,354
Balance at March 31, 2017	143,454	13,953	(43,332)	(3,110)	110,964

	Accumulated other comprehensive income			Shares acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total			
Balance at April 1, 2016	(195)	—	(195)	836	—	104,250
Changes during the period						
Issuance of new shares-exercise of shares acquisition rights						77
Profit attributable to owners of parent						7,276
Purchase of treasury shares						(0)
Change of scope of consolidation						—
Capital increase of consolidated subsidiaries						—
Net changes in accounts other than shareholders' equity	(29)	—	(29)	74	—	44
Total change during fiscal year	(29)	—	(29)	74	—	7,398
Balance at March 31, 2017	(225)	—	(225)	910	—	111,649

For the fiscal year ended March 31, 2018

(In millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2017	143,454	13,953	(43,332)	(3,110)	110,964
Changes during the period					
Issuance of new shares-exercise of shares acquisition rights	0	0			0
Profit attributable to owners of parent			3,958		3,958
Purchase of treasury shares				(0)	(0)
Change of scope of consolidation		(1)	(834)		(835)
Capital increase of consolidated subsidiaries		(3)			(3)
Net changes in accounts other than shareholders' equity					
Total change during fiscal year	0	(4)	3,123	(0)	3,119
Balance at March 31, 2018	143,454	13,948	(40,208)	(3,110)	114,083

	Accumulated other comprehensive income			Shares acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total			
Balance at April 1, 2017	(225)	—	(225)	910	—	111,649
Changes during the period						
Issuance of new shares-exercise of shares acquisition rights						0
Net income attributable to owners of parent						3,958
Purchase of treasury stock						(0)
Change of scope of consolidation						(835)
Capital increase of consolidated subsidiaries						(3)
Net changes in accounts other than shareholders' equity	40	315	356	(675)	4,957	4,638
Total change during fiscal year	40	315	356	(675)	4,957	7,757
Balance at March 31, 2018	(184)	315	130	234	4,957	119,407

(4) Consolidated Statements of Cash Flows

(In millions of yen)

	FY ended March 31, 2017 (Apr. 1 2016 to Mar. 31 2017)	FY ended March 31, 2018 (Apr. 1 2017 to Mar. 31 2018)
Cash flows from operating activities		
Profit before income taxes	7,399	3,527
Depreciation	2,338	2,384
Increase (decrease) in allowance for investment loss	(2)	(2)
Increase (decrease) in allowance for doubtful accounts	(2,471)	(3,667)
Increase (decrease) in provision for bonuses	(1)	78
Increase (decrease) in provision for point card certificates	(80)	(493)
Increase (decrease) in allowance for loss on interest repayment	(28,798)	(10,308)
Interest and dividend income	(52)	(101)
Interest expenses	—	1
Gain on reversal of shares acquisition rights	—	(703)
Decrease (increase) in interest on loans receivable	(37,081)	54,585
Decrease (increase) in accounts receivable – installment	(5,070)	(2,979)
Decrease (increase) in other operating receivable	(230)	(728)
Decrease (increase) in purchased receivable	(87)	67
Decrease (increase) in claims provable in bankruptcy	2,622	1,536
Decrease (increase) in work in process	(5,607)	7,305
Decrease (increase) in other current assets	(380)	(2,789)
Increase (decrease) in other current liabilities	16,764	(7,639)
Other	(518)	(671)
Subtotal	(51,256)	(69,769)
Interest and dividend income	52	101
Interest expenses paid	—	(2)
Income taxes refund	118	6
Income taxes paid	(136)	(558)
Cash flow from operating activities	(51,222)	(70,221)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,170)	(1,189)
Purchase of intangible assets	(1,043)	(983)
Purchase of investment securities	(2,175)	(417)
Other	(1,802)	(956)
Cash flows from investing activities	(6,192)	(3,546)

(In millions of yen)

	FY ended March 31, 2017 (Apr. 1 2016 to Mar. 31 2017)	FY ended March 31, 2018 (Apr. 1 2017 to Mar. 31 2018)
Cash flows from financing activities		
Increase in short-term loans payable	853,380	898,299
Decrease in short-term loans payable	(847,760)	(888,878)
Proceeds from long-term loans payable	76,450	127,758
Repayments of long-term loans payable	(32,207)	(47,659)
Proceeds from issuance of bonds	1,300	7,200
Redemption of bonds	—	(31,400)
Proceeds from issuance of common shares	52	0
Proceeds from share issuance to non-controlling shareholders	—	2,460
Purchase of treasury shares	(0)	(0)
Other	(160)	(219)
Cash flows from financing activities	51,054	67,560
Effect of exchange rate changes on cash and cash equivalents	14	244
Net increase (decrease) in cash and cash equivalents	(6,345)	(5,963)
Cash and cash equivalents at beginning of period	39,906	33,560
Increase in cash and cash equivalents resulting from merger	—	1,726
Cash and cash equivalents at end of period	33,560	29,323

(5) Notes to Consolidated Financial Statements

(Notes on premise of going concern)

Not applicable

(Changes in disclosure method)

(Consolidated Balance Sheets)

The "Machinery, equipment " which was presented as a separate item in the previous fiscal year, has been renamed to "Machinery, equipment and vehicles" from the current fiscal year under review due to the subsidiary company which owns vehicles, being newly included within the scope of consolidation.

To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

(Consolidated Statements of Income)

In the previous consolidated fiscal year, "Revenue from Installment sales finance business" was listed as individual items within "Operating revenue" in the prior fiscal year. This item has been included in "Other" in "Operating revenue" from current fiscal year as their monetary significance decreased. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, the Consolidated Statements of Income for the previous consolidated fiscal year have been reclassified so that the 108 million yen presented as the "Revenue from Installment sales finance business" is recalculated into 7,887 million yen of "Other" in " Operating revenue".

In the previous consolidated fiscal year, the "Other" item of "Non-operating income" included "Interest on loans receivable" and "Rent on real estate" but, as these items have exceeded 10% of Non-operating income, from the consolidated fiscal year under review, it has been noted independently. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, the Consolidated Statements of Income for the previous consolidated fiscal year have been reclassified so that the 322 million yen presented as the "Gains on reversal of guarantee deposits received", 235 million yen of "Other" in Non-operating income is recalculated into 25 million yen of "Interest on loans receivable", 55 million yen of "Rent on real estate", 476 million yen of "Other " in Operating revenue

(Notes to Consolidated Balance Sheets)

*1. An increase of ¥18,693 million (includes ¥13,900 million in recognized evaluation differences for shares of subsidiaries during the process of capital consolidation) in legal capital surplus were included in capital surplus which was resulted from a simple exchange of shares.

*2. Assets pledged as collateral and corresponding liabilities

As of March 31, 2017		As of March 31, 2018	
(1) Assets pledged as collateral		(1) Assets pledged as collateral	
	(million yen)		(million yen)
Operating loans	252,596	Operating loans	311,939
Accounts receivable - installment	68,979	Accounts receivable - installment	61,264
Buildings and structures	4,353	Buildings and structures	4,244
Machinery and equipment	17	Machinery and equipment	14
Furniture and fixtures	41	Furniture and fixtures	32
Land	8,523	Land	8,523
<u>Total</u>	<u>334,511</u>	<u>Total</u>	<u>386,018</u>
(2) Corresponding liabilities		(2) Corresponding liabilities	
	(million yen)		(million yen)
Short-term loans payable	67,810	Short-term loans payable	68,580
Current portion of long-term loans payable	24,486	Current portion of long-term loans payable	36,351
Long-term loans payable	150,673	Long-term loans payable	182,742
<u>Total</u>	<u>242,970</u>	<u>Total</u>	<u>287,674</u>

i) The amounts above at the end of the fiscal year under review include amounts associated with the securitization of receivables (operating loans of 89,073 million yen and long-term loans payable of 75,000 million yen).

ii) Parts of operating loans and Accounts receivable - installment are amounts at the time of registration of the transfer of receivables.

i) The amounts above at the end of the fiscal year under review include amounts associated with the securitization of receivables (operating loans of 140,294 million yen and long-term loans payable of 116,303 million yen).

ii) Parts of operating loans and installment receivables are amounts at the time of registration of the transfer of receivables.

*3. Unsecured personal loans included in operating loans

As of March 31, 2017	As of March 31, 2018
¥315,358 million	¥376,504 million

*4. Shares and other securities issued by non-consolidated subsidiaries and affiliated companies

As of March 31, 2017	As of March 31, 2018
Investment securities (shares) ¥4,652 million	¥1,097 million
Investment securities (other securities) ¥1,250 million	¥1,212 million

*5. Accounts receivable - installment

	As of March 31, 2017	As of March 31, 2018
Credit card business	¥93,828 million	¥97,044million
Installment sales finance business	¥443 million	¥207 million
Total	¥94,272 million	¥97,252 million

*6. Deferred installment income

As of March 31, 2017					As of March 31, 2018				
(million yen)					(million yen)				
	Balance at the beginning of FY	Current fiscal year receipts	Actual current fiscal year balance	Balance at the end of FY		Balance at the beginning of FY	Current fiscal year receipts	Actual current fiscal year balance	Balance at the end of FY
Credit card shopping	367	15,102	15,062	407 (33)	Credit card shopping	407	15,691	15,670	427 (30)
Installment sales finance	0	—	0	— (—)	Installment sales finance	—	—	—	— (—)
Credit guarantee	20	1,289	1,294	15 (—)	Credit guarantee	15	5,618	5,621	12 (—)
Loans	—	5,919	5,919	— (—)	Loans	—	1,621	1,621	— (—)
Total	388	22,311	22,276	423 (33)	Total	423	22,930	22,913	440 (30)

Note: Figures in parenthesis indicate member store commissions

*7. Securitization of claims removed from the balance sheet

	As of March 31, 2017	As of March 31, 2018
Operating loans outstanding	¥60,020 million	¥59,311million
Accounts receivable - installment	¥2,862 million	¥3,208million

*8. Contingent liability

Guarantee obligation

The Company's consolidated subsidiary, LIFECARD Co., Ltd guarantees obligations related to the credit card payment operations, etc. for the Company's non-consolidated subsidiary, Sumishin Life Card Company, Limited

	As of March 31, 2017	As of March 31, 2018
Sumishin Life Card Company, Limited	¥2,860 million	¥2,385 million
Total	¥2,860 million	¥2,385 million

*9. Non-performing loans

Status of Non-performing loans (NPL) of operating loans and claims in bankruptcy are as follows

As of March 31, 2017				As of March 31, 2018			
(million yen)				(million yen)			
	Unsecured loans	Other than unsecured loans	Total		Unsecured loans	Other than unsecured loans	Total
Loans in legal bankruptcy	361	28,351	28,712	Loans in legal bankruptcy	531	26,616	27,147
Nonaccrual loans	18,819	6,711	25,530	Nonaccrual loans	22,409	5,904	28,314
Loans in 3-months+ in arrears	4,142	264	4,407	Loans in 3-months+ in arrears	5,589	203	5,792
Restructured loans	6,884	866	7,750	Restructured loans	9,374	887	10,261
Total	30,207	36,193	66,401	Total	37,904	33,611	71,515

The loan categories in the table above are as follows.

(Loans in legal bankruptcy)

Loans in legal bankruptcy are loans in which payment of principal or interest remain past due for a considerable period and accruals of interest are discontinued, with the conditions stipulated under (a) through (e) of sub-paragraph 3, paragraph 1, Article 96 or sub-paragraph 4 of the same paragraph of the Corporation Tax Law Enforcement Ordinance (Enforcement Ordinance No. 97 of 1965) arise. Any amounts deemed necessary to cover possible losses on an individual accounts basis of the Claims in bankruptcy is posted in the allowances for doubtful accounts.

(Nonaccrual loans)

Nonaccrual loans are loans in which accruals of interest is discontinued, other than loans in legal bankruptcy, as well as loans receiving regular payments in the case of granting deferral of interest payment to the debtors in financial difficulties to assist them in their recovery.

(Loans three months or more in arrears)

Loans three months or more in arrears are loans for which payments of principal or interest have not been received for a period of three months or more beginning with the next business day following the last due date for such payments. Loans classified as loans in legal bankruptcy and nonaccrual loans are excluded from loans three months or more in arrears.

(Restructured loans)

Restructured loans are loans on which creditors grant concessions (e.g., reduction of the stated interest rate, deferral of interest payment, extension of maturity date, waiver of the face amount, or other concessive measures) to the debtors in financial difficulties to assist them in their recovery and eventually enable them to pay creditors. Loans classified as loans in legal bankruptcy, nonaccrual loans and loans three months or more in arrears are excluded.

*10. Loan commitments related to operating loans

(Previous fiscal year)

Of operating loans including off-balance sheet loans resulting from securitization, 317,614 million yen is loans under revolving credit agreements. Under revolving credit agreements, customers may get additional loans up to a specified maximum amount that does not exceed an amount requested by them.

Outstanding loan commitments under revolving credit agreements were 744,943 million yen (including 10,260 million yen under secured revolving credit agreements and revolving credit agreements with businesses).

The Group reviews revolving credit agreements and takes steps to preserve credit after the conclusion of revolving

credit agreements if it considers that taking steps are necessary due to changes in customers' credit standing and other reasons.

Outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments and who have not requested any loans after the conclusion of credit agreements. Many revolving credit agreements expire with no loans being given. Outstanding loan commitments themselves therefore do not necessarily affect the Group's future cash flows.

(Fiscal year under review)

Of operating loans including off-balance sheet loans resulting from securitization, 372,237 million yen is loans under revolving credit agreements. Under revolving credit agreements, customers may get additional loans up to a specified maximum amount that does not exceed an amount requested by them.

Outstanding loan commitments under revolving credit agreements were 760,837 million yen (including 12,305 million yen under secured revolving credit agreements and revolving credit agreements with businesses).

The Group reviews revolving credit agreements and takes steps to preserve credit after the conclusion of revolving credit agreements if it considers that taking steps are necessary due to changes in customers' credit standing and other reasons.

The outstanding loan commitments include commitments to customers who do not have any outstanding loan commitments and who have not requested any loans after the conclusion of credit agreements. Many revolving credit agreements expire with no loans being given. Outstanding loan commitments themselves therefore do not necessarily affect the Group's future cash flows.

*11. Of the allowances for doubtful accounts, following amount in estimated interest repayment is expected to have priority application in operating loans.

As of March 31, 2017	As of March 31, 2018
¥8,663 million	¥2,238 million

(Notes to Segment information)

Segment Information

(1) Overview of reportable segments

i) Determination of reportable segments

The Company's reportable segments are the Group's structural units, for which separate financial information is available. The financial results for all business segments are periodically reviewed by the Company's Board of Directors in order to make decisions on the proper allocation of business resources and to evaluate the business performance of the respective segments.

The Group draws up strategies for the Company and each of its consolidated subsidiaries and conducts business activities accordingly.

As a result, the AIFUL Group has three reportable segments, the core company AIFUL Corporation, LIFECARD Co., Ltd and AIRA & AIFUL Public Company Limited.

ii) Type of products and services belonging to each reportable segments

"AIFUL Corporation" is mainly involved in the loan business and credit guarantee business while "LIFECARD Co., Ltd." is mainly involved in the credit sales business and the credit guarantee business. "AIRA & AIFUL Public Company Limited" is mainly involved in the loan business.

(2) Calculation of operating revenue, profit or loss, assets, liabilities, etc. by reporting segment

The accounting methods applied to reporting segments are the same as those described in Significant Items Forming the Basis for the Preparation of the Consolidated Financial Statements. Income (Loss) for reportable segments are net income (loss).

Inter-segment sales and transfers are calculated based on the amount equal to cost to the submitting company.

(3) Notes relating to changes in reportable segments

AIRA & AIFUL Public Company Limited, which was a non-consolidated subsidiary of the Company, has been included in the scope of consolidation from this financial year as its importance has increased. As a result, there are three reporting segments, AIFUL Corporation, LIFECARD Co., Ltd and AIRA & AIFUL Public Company Limited.

(3) Information relating to operating revenue, profit or loss, assets, liabilities and other amounts for each reportable segment

For the Prior Fiscal year (From April 1, 2016 to March 31, 2017)

(In millions of yen)

	Reportable segments				Other *1	Total
	AIFUL	LIFECARD	AIRA & AIFUL Public Company Limited	Subtotal		
Operating revenue						
Operating revenue from third parties	58,330	28,690	—	87,020	4,430	91,450
Inter-segment sales	9	189	—	198	55	254
Total	58,339	28,879	—	87,219	4,485	91,704
Segment profit (loss)	4,823	3,031	—	7,855	(53)	7,802
Segment assets	439,840	188,889	—	628,730	30,721	659,451
Segment liabilities	355,921	148,064	—	503,985	12,145	516,131
Other items						
Provision for point card certificates	—	3,300	—	3,300	—	3,300
Provision of allowance for doubtful accounts *2	16,724	3,669	—	20,393	351	20,744
Provision for loss on interest repayment	—	—	—	—	—	—
Provision for bonuses	563	14	—	577	20	597
Depreciation	1,263	1,071	—	2,335	3	2,338
Interests on loans	239	—	—	239	92	331
Dividends received	15	10	—	26	0	26
Reversal provision of allowance for doubtful accounts	1	—	—	1	—	1
Reversal provision for investment loss	—	—	—	—	2	2
Rent expenses on real estates	131	—	—	131	—	131
Interest expenses *3	—	—	—	—	39	39
Extraordinary income	—	—	—	—	—	—
(Gain on reversal of shares acquisition rights)	(—)	(—)	(—)	(—)	(—)	(—)
Income taxes - current	(725)	1,042	—	316	124	440
Income taxes - deferred	(7)	(836)	—	(844)	—	(844)
Increase/decrease in property, plant and equipment, and intangible assets	1,156	1,201	—	2,357	18	2,376

*1. The other classification comprises businesses not included in reporting segments and encompasses the activities of

BUSINEXT CORPORATION, AsTry Loan Services Corporation and related companies.

2. Provision of allowance for doubtful accounts is the sum total of operating expenses and non-operating expenses.

3. Interest expenses is the amount that is not included in operating expenses but is noted as non-operating expenses.

For the Current Fiscal year (From April 1, 2017 to March 31, 2018)

(In millions of yen)

	Reportable segments				Other *1	Total
	AIFUL	LIFECARD	AIRA & AIFUL Public Company Limited	Subtotal		
Operating revenue						
Operating revenue from third parties	64,652	42,855	2,977	110,485	4,902	115,388
Inter-segment sales	10	123	—	134	58	192
Total	64,663	42,979	2,977	110,619	4,962	115,582
Segment profit (loss)	2,437	2,746	(2,013)	3,170	(608)	2,562
Segment assets	500,262	179,419	17,568	697,250	33,278	730,529
Segment liabilities	414,714	135,848	7,702	558,265	15,193	573,458
Other items						
Provision for point card certificates	—	2,807	—	2,807	—	2,807
Provision of allowance for doubtful accounts *2	13,290	4,129	1,346	18,766	1,262	20,029
Provision for loss on interest repayment	12,384	—	—	12,384	—	12,384
Provision for bonuses	643	14	—	657	23	681
Depreciation	1,250	1,020	108	2,380	3	2,384
Interests on loans	247	—	—	247	39	286
Dividends received	23	12	—	35	0	35
Reversal provision of allowance for doubtful accounts	—	—	—	—	—	—
Reversal provision for investment loss	—	—	—	—	2	2
Rent expenses on real estates	149	—	—	149	2	151
Interest expenses *3	—	—	—	—	34	34
Extraordinary income	703	—	—	703	—	703
(Gain on reversal of shares acquisition rights)	(703)	(—)	(—)	(703)	(—)	(703)
Income taxes - current	(736)	992	—	255	181	437
Income taxes - deferred	(17)	523	—	505	—	505
Increase/decrease in property, plant and equipment, and intangible assets	1,034	1,394	131	2,560	0	2,561

*1. The other classification comprises businesses not included in reporting segments and encompasses the activities of BUSINEXT CORPORATION, AsTry Loan Services Corporation and related companies.

2. Provision of allowance for doubtful accounts is the sum total of operating expenses and non-operating expenses.

3. Interest expenses is the amount that is not included in operating expenses but is noted as non-operating expenses.

- (4) The amount and principal details of the difference between the total amount of reporting segments and amounts posted on the Company's financial statements

(In millions of yen)

Operating revenue	FY2017/3	FY2018/3
Reportable segment total	87,219	110,619
Operating revenue categorized in "Other"	4,485	4,962
Inter-segment eliminations	(254)	(192)
Operating revenue posted in consolidated financial statements	91,450	115,389

Profit / Loss	FY2017/3	FY2018/3
Reportable segment total	7,855	3,170
Profit(loss) categorized in "Other"	(53)	(608)
Inter-segment eliminations	(526)	1,396
Profit (loss) attributable to owners of parent posted in consolidated financial statements	7,276	3,958

Assets	FY2017/3	FY2018/3
Reportable segment total	628,730	697,250
Profit categorized in "Other"	30,721	33,278
Inter-segment eliminations	(42,800)	(47,883)
Total assets posted in consolidated financial statements	616,651	682,645

Liabilities	FY2017/3	FY2018/3
Reportable segment total	503,985	558,265
Profit categorized in "Other"	12,145	15,193
Inter-segment eliminations	(11,129)	(10,219)
Total liabilities posted in consolidated financial statements	505,002	563,238

(In millions of yen)

Other Items	Total of reportable segment		Other		Adjustment		Amount posted in Consolidated Financial statements	
	FY2017/3	FY2018/3	FY2017/3	FY2018/3	FY2017/3	FY2018/3	FY2017/3	FY2018/3
Other items								
Provision for point card certificates	3,300	2,807	—	—	—	—	3,300	2,807
Provision for investment loss	—	—	—	—	(2)	(2)	(2)	(2)
Provision of allowance for doubtful accounts *1	20,393	18,766	351	1,262	—	—	20,744	20,029
Provision for loss on interest repayment	—	12,384	—	—	—	—	—	12,384
Provision for bonuses	577	657	20	23	297	291	895	972
Depreciation	2,335	2,380	3	3	—	—	2,338	2,384
Interests on loans	239	247	92	39	(305)	(221)	25	65
Dividends received	26	35	0	0	—	—	26	35
Reversal provision of allowance for doubtful accounts	1	—	—	—	—	—	1	—
Reversal provision for investment loss	—	—	2	2	(2)	(2)	—	—
Rent expenses on real estates	131	149	—	2	(76)	(78)	55	73
Interest expenses *2	—	—	39	34	(39)	(32)	—	1
Extraordinary income	—	703	—	—	—	—	—	703
(Gain on reversal of shares acquisition rights)	—	(703)	(—)	(—)	(—)	(—)	(—)	(703)
Income taxes - current	316	255	124	181	—	—	440	437
Income taxes - deferred	(844)	505	—	—	526	(361)	(318)	144
Increase/decrease in property, plant and equipment, and intangible assets	2,357	2,560	18	0	—	—	2,376	2,561

*1. Provision of allowance for doubtful accounts is the sum total of operating expenses and non-operating expenses

2. Interest expenses is the amount that is not included in operating expenses but is noted as a non-operating expenses.

(Per Share Information)

Prior FY (from April 1, 2016 to March 31, 2017)		Current FY (from April 1, 2017 to March 31, 2018)	
Net assets per share	228.94 yen	Net assets per share	236.13 yen
Net income per share	15.05 yen	Net income per share	8.18 yen
Diluted net income per share	15.04 yen	Diluted net income per share	—

Note 1: Diluted net income per share omitted because there were no latent shares with a dilutive effect.

Note : Basis of calculation of net assets per share is as follows

(Million yen)

	Prior FY (from April 1, 2016 to March 31, 2017)	Current FY (from April 1, 2017 to March 31, 2018)
Total net assets	111,649	119,407
Amount deducted from total net assets	910	5,192
(Of which shares acquisition rights)	(910)	(234)
(Of which non-controlling interests)	—	(4,957)
Net assets related to capital stock at end of fiscal year	110,738	114,214
Number of shares of capital stock at the end of the fiscal year used in the calculation of net assets per share	483,702,172 shares	483,702,998 shares

Note 3: Basis for calculation of net income per share and diluted net income per share is as follows.

Item	Current FY (from April 1, 2016 to March 31, 2017)	Current FY (from April 1, 2017 to March 31, 2018)
Net income per share		
Profit attributable to owners of parent	7,276 million yen	3,958 million yen
Amount not attributable to capital stock shareholders		
Profit attributable to owners of parent related to common stock	7,276 million yen	3,958 million yen
Average number of shares of capital stock during the period	483,499,857 shares	483,702,876 shares
Diluted net income per share		
Adjusted profit attributable to owners of parent	—	—
Increase in number of capital stock	191,195 shares	—
(of which shares acquisition rights)	(191,195) shares	(—)
Outline of stock not included in diluted net income per share due to lack of dilutive effect	New shares acquisition rights of Stock options is issued by board of directors in April 26, 2013(2,685,100shares). New shares acquisition rights of Stock options is issued by board of directors in June 15, 2015(1,520,850shares).	New shares acquisition rights of Stock options is issued by board of directors in June 15, 2015(1,494,850shares).

(Important Subsequent Events)

Not applicable

4. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(In millions of yen)

	As of March 31, 2017	As of March 31, 2018
Assets		
Current assets		
Cash and deposits	16,938	17,768
Operating loans	291,373	332,766
Accounts receivable - installment	857	503
Customers' liabilities for acceptances and guarantees	92,722	100,653
Other operating receivables	5,275	5,811
Prepaid expenses	188	237
Accrued income	2,296	2,584
Other	4,674	5,065
Allowance for doubtful accounts	(33,554)	(28,913)
Total current assets	380,771	436,477
Non-current assets		
Property, plant and equipment		
Buildings	13,201	13,059
Accumulated depreciation	(8,232)	(8,393)
Buildings, net	4,969	4,665
Structures	1,362	1,289
Accumulated depreciation	(1,078)	(1,030)
Structures, net	283	258
Machinery and equipment	146	146
Accumulated depreciation	(129)	(131)
Machinery and equipment, net	17	14
Furniture and fixtures	3,690	3,808
Accumulated depreciation	(2,877)	(2,983)
Furniture and fixtures, net	813	824
Land	6,809	6,809
Leased assets	726	840
Accumulated depreciation	(260)	(413)
Leased assets, net	466	426
Construction in process	88	93
Total property, plant and equipment	13,449	13,094
Intangible assets		
Software	769	909
Other	26	25
Total intangible assets	795	935
Investments and other assets		
Investment securities	1,322	1,189
Shares of subsidiaries and associates	30,242	33,120
Long-term loans receivable from subsidiaries and associates	9,270	11,257
Claims provable in bankruptcy	29,108	27,618
Long-term prepaid expenses	177	168
Lease and guarantee deposits	1,464	1,602
Other	250	265
Allowance for doubtful accounts	(27,012)	(25,465)
Total investments and other assets	44,823	49,755
Total non-current assets	59,069	63,784
Total Assets	439,840	500,262

(In millions of yen)

	As of March 31, 2017	As of March 31, 2018
Liabilities		
Current liabilities		
Acceptances and guarantees	92,722	100,653
Short-term loans payable	5,300	7,000
Current portion of bonds	2,600	1,300
Current portion of long-term loans payable	23,380	46,337
Lease obligations	156	179
Trade accounts payable	9,543	8,446
Accrued expenses	1,317	499
Income taxes payable	329	330
Allowance for bonuses	877	953
Deferred installment income	15	12
Asset retirement obligations	26	6
Other	491	525
Total current liabilities	136,762	166,243
Non-current liabilities		
Bonds payable	30,100	7,200
Long-term loans payable	152,871	215,836
Long-term loans receivable to subsidiaries and associates	1,800	—
Lease obligations	347	281
Deferred tax liabilities	198	180
Provision for loss on interest repayment	30,994	22,158
Asset retirement obligations	1,978	1,982
Other	869	830
Total non-current liabilities	219,159	248,470
Total liabilities	355,921	414,714
Net Assets		
Shareholders' equity		
Capital stock	143,454	143,454
Capital surplus		
Capital reserves	52	52
Total capital surplus	52	52
Retained earnings		
Other retained earnings		
Retained earnings carried forward	(57,072)	(54,634)
Total retained earnings	(57,072)	(54,634)
Treasury shares	(3,110)	(3,110)
Total shareholders' equity	83,324	85,762
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(314)	(448)
Total valuation and translation adjustments	(314)	(448)
Shares acquisition rights	910	234
Total net assets	83,919	85,548
Total liabilities and net assets	439,840	500,262

(2) Non-Consolidated Statements of Income

(In millions of yen)

	FY ended March 31, 2017 (Apr. 1 2016 to Mar. 31 2017)	FY ended March 31, 2018 (Apr. 1 2017 to Mar. 31 2018)
Operating revenue		
Interest on operating loans	40,292	45,881
Other financial revenue	1	1
Other operating revenue		
Revenue from credit guarantee	11,106	10,976
Recoveries of written off claims	5,415	6,126
Other	1,523	1,677
Total other operating revenue	18,045	18,780
Total operating revenue	58,339	64,663
Operating expenses		
Financial expenses		
Interest expenses	3,275	4,205
Interest on bonds	2,385	813
Other	708	822
Total financial expenses	6,369	5,841
Other operating expenses		
Commissions	5,055	5,458
Provision of allowance for doubtful accounts	16,724	13,281
Provision for loss on interest repayment	—	12,384
Salaries and allowances for employees	5,993	6,060
Provision for bonuses	563	643
Sales promotion expenses	6,002	6,243
Depreciation	1,263	1,250
Other	12,779	13,130
Total other operating expenses	48,382	58,455
Total operating expenses	54,751	64,296
Operating profit	3,587	366
Non-operating income		
Interest on loans	239	247
Rent expenses on real estates	131	149
Fiduciary obligation fee	180	192
Other	91	68
Total non-operating income	642	657
Non-operating expenses		
Foreign exchange losses	123	24
Provision of allowance for doubtful accounts	—	8
Other	16	11
Total non-operating expenses	139	44
Ordinary profit	4,090	979
Extraordinary income		
Gain on reversal of shares acquisition rights	—	703
Total extraordinary income	—	703
Income before taxes	4,090	1,683
Income taxes - current	(725)	(736)
Income taxes - deferred	(7)	(17)
Total income taxes	(733)	(754)
Profit	4,823	2,437

(3) Non-Consolidated Statements of Change in Shareholders' Equity

Fiscal year ended March 31, 2017

(In millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at April 1, 2016	143,415	13	13	(61,896)	(61,896)	(3,110)	78,422
Changes during the period							
Issuance of new shares-exercise of shares acquisition rights	38	38	38				77
Profit				4,823	4,823		4,823
Purchase of treasury shares						(0)	(0)
Net changes in accounts other than shareholders' equity							
Total change during fiscal year	38	38	38	4,823	4,823	(0)	4,901
Balance at March 31, 2017	143,454	52	52	(57,072)	(57,072)	(3,110)	83,324

	Valuation and translation adjustments		Shares acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at April 1, 2016	(374)	(374)	836	78,883
Changes during the period				
Issuance of new shares-exercise of shares acquisition rights				77
Net profit				4,823
Purchase of treasury shares				(0)
Net changes in accounts other than shareholders' equity	59	59	74	133
Total change during fiscal year	59	59	74	5,035
Balance at March 31, 2017	(314)	(314)	910	83,919

Fiscal year ended March 31, 2018

(In millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Other retained earnings Retained earnings brought forward	Total retained earnings		
Balance at April 1, 2017	143,454	52	52	(57,072)	(57,072)	(3,110)	83,324
Changes during the period							
Issuance of new shares-exercise of shares acquisition rights	0	0	0				0
Profit				2,437	2,437		2,437
Purchase of treasury shares						(0)	(0)
Net changes in accounts other than shareholders' equity							
Total change during fiscal year	0	0	0	2,437	2,437	(0)	2,438
Balance at March 31, 2018	143,454	52	52	(54,634)	(54,634)	(3,110)	85,762

	Valuation and translation adjustments		Shares acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at April 1, 2017	(314)	(314)	910	83,919
Changes during the period				
Issuance of new shares-exercise of shares acquisition rights				0
Profit				2,437
Purchase of treasury shares				(0)
Net changes in accounts other than shareholders' equity	(133)	(133)	(675)	(809)
Total change during fiscal year	(133)	(133)	(675)	1,628
Balance at March 31, 2018	(448)	(448)	234	85,548