

These consolidated financial results are an English translation of excerpts from the Japanese “*Kessan Tanshin*” including attachments filed with the Tokyo Stock Exchange, solely for the convenience of readers outside Japan.

This report has been prepared in accordance with accounting principles and practices generally accepted in Japan. Amounts less than ¥1 million have been omitted unless otherwise stated.

Consolidated Financial Results (*Kessan Tanshin*) for the Fiscal Year Ended March 31, 2017 [Japan GAAP]

May 12, 2017

Name of Listed Company: Tokyo Century Corporation

Stock Exchange Listing: Tokyo

Securities Code: 8439

(URL: <https://www.tokyocentury.co.jp>)

Representative: Shunichi Asada, President & CEO, Representative Director

Contact: Koichi Baba, Managing Executive Officer

Phone: +81-3-5209-6710

Date of Annual General Meeting of Shareholders: June 23, 2017

Scheduled Payment Date of Dividends: June 26, 2017

Scheduled Reportable Date of Securities Report: June 23, 2017

Preparation of Supplementary Reference Documents: Yes

Holding of Earnings Announcement: Yes (for institutional investors and analysts)

(Amounts less than one million yen are omitted.)

1. Consolidated Performance

	Fiscal 2015	Fiscal 2016	YoY
	<i>(Millions of yen)</i>		<i>(Percentage change)</i>
(1) Consolidated business results:			
Revenues	940,460	976,107	3.8%
Operating income	65,904	71,999	9.2%
Ordinary income	68,008	73,511	8.1%
Net income attributable to owners of parent	40,033	43,648	9.0%
Basic earnings per share (<i>Yen</i>)	379.34	413.51	
Diluted earnings per share (<i>Yen</i>)	378.51	412.36	
Rate of return on equity (ROE)	13.1%	12.9%	
Return on assets (ROA)	2.1%	2.1%	
Operating income to revenues	7.0%	7.4%	
(2) Consolidated financial condition:			
Total assets	3,317,862	3,579,882	
Net assets	374,872	404,818	
Shareholders' equity ratio	9.6%	9.9%	
Net assets per share (<i>Yen</i>)	3,033.61	3,360.27	
(3) Consolidated cash flows:			
Cash flows from operating activities	(136,618)	(670)	
Cash flows from investing activities	(3,072)	(30,071)	
Cash flows from financing activities	155,770	27,500	
Cash and cash equivalents at end of year	91,762	85,730	

Notes:

Total comprehensive income

Fiscal 2016 ended March 31, 2017: ¥49,679 million (28.1%)

Fiscal 2015 ended March 31, 2016: ¥38,789 million (-24.2%)

Equity in earnings of affiliates

Fiscal 2016 ended March 31, 2017: ¥1,172 million

Fiscal 2015 ended March 31, 2016: ¥1,286 million

Shareholders' equity

Fiscal 2016 ended March 31, 2017: ¥354,701 million

Fiscal 2015 ended March 31, 2016: ¥320,162 million

2. Dividends

	Dividends per Share (Yen)					Total Dividends (Millions of yen)	Payout Ratio (Consolidated)	Dividend on Net Assets Ratio (Consolidated)
	First Quarter	Second Quarter	Third Quarter	Year-End	Total			
Fiscal 2015	—	35.00	—	45.00	80.00	8,443	21.1%	2.8%
Fiscal 2016	—	47.00	—	53.00	100.00	10,555	24.2%	3.1%
Fiscal 2017 (Forecast)	—	52.00	—	53.00	105.00		24.6%	

3. Consolidated Results Forecast for the Fiscal Year Ending March 31, 2018 (As of May 12, 2017)

	Full year	YoY
	(Millions of yen)	(Percentage change)
Revenues	980,000	0.4%
Operating income	74,000	2.8%
Ordinary income	76,000	3.4%
Net income attributable to owners of parent	45,000	3.1%
Basic earnings per share (Yen)	426.31	—

Notes

(1) Changes in status of significant subsidiaries during the fiscal year under review (changes in status of specified subsidiaries resulting in change in scope of consolidation): Yes

New: One company Name: CSI Leasing, Inc.

Exclusion: — company Name: —

(2) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

1) Changes in accounting policies due to reforms of accounting standards: Yes

2) Changes in accounting policies other than item 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

(3) Number of shares of common stock issued

1) Number of shares issued at the end of the fiscal year (including treasury stock)

As of March 31, 2016: 106,624,620 shares

As of March 31, 2017: 106,624,620 shares

2) Number of shares of treasury stock at the end of the fiscal year

As of March 31, 2016: 1,086,343 shares

As of March 31, 2017: 1,067,233 shares

3) Average number of shares during the fiscal year

Fiscal year ended March 31, 2016: 105,532,229 shares

Fiscal year ended March 31, 2017: 105,557,164 shares

(Reference: Outline of non-consolidated business results)

1. Non-consolidated Performance

	Fiscal 2015 Ended March 31, 2016	Fiscal 2016 Ended March 31, 2017	YoY
	<i>(Millions of yen)</i>		<i>(Percentage change)</i>
(1) Non-consolidated business results:			
Revenues	518,830	480,165	-7.5%
Operating income	40,425	37,225	-7.9%
Ordinary income	43,701	41,112	-5.9%
Net income	29,784	29,034	-2.5%
Basic earnings per share (<i>Yen</i>)	282.23	275.06	
Diluted earnings per share (<i>Yen</i>)	281.61	274.30	

	As of March 31, 2016	As of March 31, 2017
	<i>(Millions of yen)</i>	
(2) Non-consolidated financial condition:		
Total assets	2,288,107	2,306,297
Net assets	243,763	264,700
Shareholders' equity ratio	10.6%	11.4%
Net assets per share (<i>Yen</i>)	2,302.93	2,498.71

Note:

Shareholders' equity

Fiscal 2016 ended March 31, 2017: ¥263,757 million

Fiscal 2015 ended March 31, 2016: ¥243,047 million

These financial results are outside the scope of audit.

Explanation related to forward-looking statements and other items warranting special mention

(Regarding forward-looking statements)

The statements concerning future performance presented in this document are prepared based on currently available information and certain preconditions that Tokyo Century Corporation and its Group companies believe to be reasonable at the publication of this document. Actual results may be substantially different from any projections presented herein due to various factors.

(Methods for obtaining supplementary reference documents)

- Supplementary Reference Documents and Consolidated Financial Results will be made available simultaneously on the Company's website. The Company holds an earnings announcement for institutional investors and analysts on Tuesday, May 16, 2017.

1. Overview of Business Results, etc.

(1) Overview of Business Results for the Fiscal Year under Review

The Japanese economy in the fiscal year ended March 31, 2017 showed signs of a moderate recovery overall on the back of improvement in corporate earnings and the employment environment, as well as a pick-up in consumer spending. Meanwhile, despite solid consumer spending in the U.S. and Europe, the global economy continued to face future uncertainties, such as on the policy path of the new U.S. administration and the implications of the European political landscape.

Under these circumstances, Tokyo Century Group formulated its third three-year medium-term management plan that commenced in fiscal 2016 and embarked on initiatives that aimed to promote the shift to a “high-revenue business model” with a focus on asset efficiency in order to lay the foundations for further sustainable growth. Meanwhile, as of October 1, 2016, we changed our name to “Tokyo Century Corporation.” This reflects the Company’s resolve to develop a broad range of businesses as a highly specialized and unique “financial services company,” while promoting the further evolution and advance of its leasing and financing capabilities.

1) Strengthening of sales base

[Equipment Leasing business]

- We have established “Nanatsujima Biomass Power Godo Kaisha (Limited Liability Company)” jointly with IHI Corporation and seven other investing companies, in Kagoshima City, Kagoshima, and incorporated it as an equity-method affiliate. This is an operator of woody biomass power generation, the largest in Kagoshima in terms of woody biomass power generation capacity.

[Specialty Financing business]

- We acquired 30 percent of the shares issued by Nittochi Asset Management Co., Ltd., a subsidiary of Nippon Tochi-Tatemono Co., Ltd., and incorporated it as an equity-method affiliate. This acquisition was designed to enhance our asset management business in collaboration with the new affiliate.
- We acquired all shares held by CIT Group Inc. in TC-CIT Aviation Ireland Limited (currently TC Skyward Aviation Ireland Limited) and TC-CIT Aviation U.S., Inc. (currently TC Skyward Aviation U.S., Inc.), which were established as a joint venture in the aircraft leasing business with CIT Group Inc.. Following the share acquisition, these two companies were converted to our wholly owned subsidiaries.

[Domestic Automobile Financing business]

- Nippon Car Solutions Co., Ltd., our consolidated subsidiary, acquired leased vehicles (approximately 4,000 units) and lease receivables from JT Creative Service Co., Ltd., a wholly owned consolidated subsidiary of Japan Tobacco Inc.

[International business]

- We completed acquisition of additional shares in CSI Leasing, Inc., a leading independent leasing company in the U.S., to make it our wholly owned subsidiary.
- We and Lippo Group, Indonesia’s leading conglomerate, concluded a strategic partnership agreement. We plan to establish business alliance in the digital and FinTech businesses that Lippo Group is promoting in Indonesia by investing a total of about US\$100 million.
- We and Grab Inc., the largest ride-hailing platform provider that offers services through a mobile application in Southeast Asia, concluded a strategic partnership agreement to collaborate on the car leasing and rental business. Through this agreement, we intend to promote collaboration in the car leasing and rental business with Grab Inc. while providing with our expertise built up over the years in Japan and overseas.
- We concluded a strategic business alliance with China UnionPay Merchant Services Co., Ltd., which is a subsidiary of China UnionPay Co., Ltd., China’s bank card association, and operates the largest card payment service in China. We will jointly expand businesses, such as by providing equipment leasing and automobile leasing services over the Internet for merchants of China UnionPay Merchant Services.
- We acquired leased vehicles (approximately 2,500 units), lease receivables, and related business assets, including employees and sales facilities, with which leasing operator ACS Capital Corporation Ltd., a consolidated subsidiary of AEON Financial Service Co., Ltd., operated an automobile leasing business as part of its leasing business. Concurrently, with the aim of further advancing our automobile leasing business in Thailand, we established TC Car Solutions (Thailand) Co., Ltd. as our subsidiary dedicated to the automobile leasing business.
- We and Dalian Bingshan Group Co., Ltd. (DBG), the Chinese largest refrigeration and air-conditioning equipment manufacturer, jointly established Dalian Bingshan Group Hua Hui Da Financial Leasing Co., Ltd. as our affiliate company to further promote sales of DBG’s products.

2) Strengthening of management base

[Strengthen consolidated management]

- We acquired additional shares in Nippon Rent-A-Car Service, Inc., our consolidated subsidiary (from 69.6% at the end of March 2016 to 81.1% at the end of March 2017), in anticipation for further enhanced cooperation.

[Enhance and reinforce the financial foundation]

- PT. Century Tokyo Leasing Indonesia, our consolidated subsidiary, issued rupiah-denominated unsecured bonds amounting to IDR200.0 billion (approximately ¥1.6 billion) in the Indonesian market to meet increasing fund procurement needs associated with the company's increased leased assets and others. This is the Group's first bond issuance in Indonesia.
- Orico Auto Leasing Co., Ltd., our consolidated subsidiary, issued ¥2.0 billion in short-term bonds (electronic commercial paper), after receiving a "J-1" rating for a maximum issue amount of ¥40.0 billion from Japan Credit Rating Agency, Ltd. in October 2016, to meet increasing fund procurement needs due to steady business growth and diversify methods of fund procurement. The outstanding issued amount stands at ¥30.0 billion as of the end of March 2017.

[Strengthen the other management base]

- For the second year running, we were selected for the "Competitive IT Strategy Company 2016" designation, which is jointly promoted by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, as one of the 26 companies that were nominated from about 3,500 companies listed on the stock exchange.
- We were selected for the "2017 Certified Health and Productivity Management Organization (White 500)" designation, which was launched this fiscal year and is jointly promoted by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Conference).
- Our "Initiative on the Power Generation Business Using Renewable Energy Resources Jointly with a Local Government" was selected for the 5th annual "Good Practice" designation from signatory financial institutions to Principles for Financial Action for the 21st Century, which was formulated by the Ministry of the Environment as a secretariat.
- We were selected for the "Nadeshiko Brand 2017" designation, which is jointly promoted by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange, as one of the 47 companies that were nominated from about 3,500 companies listed on the stock exchange.

With regard to the business results, new transactions volume for the consolidated fiscal year under review was ¥1,499,991 million, up 0.1% from the previous consolidated fiscal year, due to an increase in transactions volume of Leasing and installment sales, despite a decrease in that of Finance. In terms of profits and losses, revenues for the consolidated fiscal year under review amounted to ¥976,107 million, up 3.8% from the previous consolidated fiscal year. Operating income increased 9.2% to ¥71,999 million, ordinary income increased 8.1% to ¥73,511 million, and net income attributable to owners of parent increased 9.0% to ¥43,648 million. Segment income for the consolidated fiscal year under review was ¥59,931 million, up 19.1% in Leasing and installment sales, ¥12,622 million, down 23.4% in Finance and ¥8,095 million, up 41.3% in Other from the previous consolidated fiscal year.

(2) Overview of Financial Position for the Fiscal Year under Review

Assets, Liabilities, and Net Assets

1) Assets

Total assets at the end of the consolidated fiscal year under review increased ¥262,019 million, or 7.9%, to ¥3,579,882 million from total assets at the end of the previous consolidated fiscal year, mainly due to increased operating assets resulting from the consolidation of CSI Leasing, Inc.

○ Operating assets

The balance of operating assets at the end of the consolidated fiscal year under review increased ¥224,853 million, or 7.5%, to ¥3,215,995 million from the end of the previous consolidated fiscal year.

The balance of operating assets by segment is as follows: ¥2,439,206 million for Leasing and installment sales, ¥749,965 million for Finance, and ¥26,823 million for Other.

2) Liabilities

Total liabilities at the end of the consolidated fiscal year under review increased ¥232,073 million, or 7.9%, to ¥3,175,063 million from the end of the previous consolidated fiscal year, mainly due to increased interest-bearing debts resulting from the consolidation of CSI Leasing, Inc.

○ Interest-bearing debts

Total interest-bearing debts increased ¥181,553 million, or 7.1%, to ¥2,733,044 million from the end of the previous consolidated fiscal year. A breakdown of interest-bearing debts shows that, in short-term funds procurement, interest-bearing debts increased ¥6,659 million, or 0.5%, to ¥1,291,641 million from the end of the previous consolidated fiscal year. Meanwhile, in long-term funds procurement, interest-bearing debts increased ¥174,893 million, or 13.8%, to ¥1,441,402 million from the end of the previous consolidated fiscal year, due to factors such as an increase in procurement of long-term funds by issuance of bonds and an increase in long-term debt resulting from the consolidation of CSI Leasing, Inc.

3) Net assets

Total net assets increased ¥29,946 million, or 8.0%, to ¥404,818 million from the end of the previous consolidated fiscal year, mainly due to an increase in retained earnings of ¥33,627 million. As a result, the shareholders' equity ratio increased 0.3 points from the end of the previous consolidated fiscal year to 9.9%.

Cash Flows

Net cash used for operating activities amounted to ¥670 million. Net cash used in investing activities amounted to ¥30,071 million, due to an increased acquisition of subsidiaries' shares accompanying the change in investments in securities and the scope of consolidation. Net cash provided by financing activities amounted to ¥27,500 million, due to the increased issuance of commercial papers and bonds. Due to the factors mentioned above, cash and cash equivalents at the end of the consolidated fiscal year under review decreased ¥6,031 million to ¥85,730 million from the previous consolidated fiscal year.

(3) Future Outlook

Japan's economy is expected to continue to be uncertain due to the yen's appreciation and falling stock prices since the start of the new year and a downturn in corporate business sentiment. This is despite a recovery trend, albeit a moderate one, supported by strong corporate earnings and an improved employment environment.

In response to this outlook, the Company will continuously reduce funding cost and the cost of credit. As a highly specialized and unique financial services company, we will also work alongside customers in pursuit of their growth and will strive to create an environmentally-sound, sustainable economy and society.

Based on the above, as our forecast of business performance for the next fiscal year ending March 31, 2018, we expect to achieve revenues of ¥980,000 million, up 0.4% from the previous consolidated fiscal year, operating income of ¥74,000 million, up 2.8%, ordinary income of ¥76,000 million, up 3.4%, and net income attributable to owners of parent of ¥45,000 million, up 3.1%.

(4) Basic Policy on Distribution of Profits, as well as Dividends for both the Fiscal Year under Review and the Next Fiscal Year

The Group believes that an ongoing commitment to the expansion of business content and the reinforcement of its business structure should gain higher corporate value. In this context, the Company complies with a basic policy of stably distributing profits to its shareholders over the long term with due consideration given to increasing its retained earnings.

Internal reserve funds will be effectively appropriated in the future by corporate management to, for example, be used as funds to purchase high-quality operating assets.

As for dividends in the fiscal year under review, at the beginning of the year, the Company forecasted an annual dividend of ¥95 per share (interim dividend of ¥47, year-end dividend of ¥48). The interim dividend was ¥47 per share in line with the initial forecast. As for the year-end dividend, we intend to increase the year-end dividend by ¥5 per share from the initially forecasted year-end dividend, to ¥53 per share. With this increase, we intend to pay an annual dividend of ¥100 per share.

For the fiscal year ending March 31, 2018, the Company intends to ensure an annual dividend of ¥105 per share, which will consist of a ¥52 per share interim dividend and a ¥53 per share year-end dividend, based on the above policy of distributing profits to shareholders and in appreciation of the support of the shareholders.

2. Basic Stance on Selection of Accounting Standards

We judge that our consolidated financial statements based on Japan GAAP appropriately reflect the Company's results of operations and financial conditions. Furthermore, with regard to the selection of accounting standards,

having considered the costs and benefits from various points of view such as streamlining of financial reporting, ensuring comparability, and impact on funding procurement, we deem it suitable at this time to apply Japan GAAP.

Our policy is to continue to closely observe trends in IFRS and Japanese accounting system and standards, and to respond appropriately with regard to selection of accounting standards.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Assets		
Current assets		
Cash on hand and in banks	80,395	83,565
Accounts receivable - installment sales	226,467	216,466
Lease receivables and investment assets	1,480,951	1,600,637
Loans	528,365	539,058
Operational investment securities	194,627	209,712
Accounts receivable - leases	24,287	27,525
Short-term investment securities	12,843	4,052
Inventories	677	1,796
Deferred tax assets	4,349	7,074
Other current assets	69,256	81,016
Allowance for doubtful accounts	(3,236)	(4,104)
Total current assets	2,618,986	2,766,802
Non-current assets		
Property and equipment		
Leased assets	545,724	636,820
Advances for purchases of property for lease	12,302	4,561
Other operating assets	25,442	26,823
Own assets in use	9,733	13,419
Total property and equipment	593,202	681,624
Intangible assets		
Computer programs leased to customers	231	258
Goodwill	3,614	13,612
Other	4,204	6,806
Total intangible assets	8,050	20,676
Investments and other assets		
Investments in securities	64,278	69,592
Claims provable in bankruptcy or rehabilitation	2,199	1,625
Deferred tax assets	4,701	6,124
Long-term loans and other assets	27,934	34,318
Allowance for doubtful accounts	(1,490)	(1,072)
Total investments and other assets	97,623	110,588
Total non-current assets	698,876	812,890
Deferred assets	—	189
Total assets	3,317,862	3,579,882

(Millions of yen)

	As of March 31, 2016	As of March 31, 2017
Liabilities		
Current liabilities		
Notes and accounts payable - trade	197,272	215,570
Short-term borrowings	437,181	416,341
Current portion of bonds	44,571	68,242
Current portion of long-term debt	277,758	350,210
Commercial papers	763,400	800,700
Payables under fluidity lease receivables	75,400	59,100
Current portion of long-term payables under fluidity lease receivables	1,096	1,963
Lease obligations	7,335	6,994
Accrued income taxes	9,614	10,730
Deferred tax liabilities	1,507	2,138
Deferred profit on installment sales	12,026	14,975
Provision for bonuses	2,763	2,719
Provision for directors' bonuses	168	185
Other provision	478	503
Other current liabilities	47,666	63,864
Total current liabilities	1,878,241	2,014,241
Long-term liabilities		
Bonds payable	152,031	163,772
Long-term debt	798,451	868,640
Long-term payables under fluidity lease receivables	1,600	4,072
Lease obligations	10,912	9,634
Deferred tax liabilities	2,483	18,065
Provision for directors' retirement benefits	259	236
Provision for automobile inspection costs	940	957
Net defined benefit liability	9,614	9,540
Other long-term liabilities	88,454	85,902
Total long-term liabilities	1,064,748	1,160,822
Total liabilities	2,942,990	3,175,063
Net assets		
Shareholders' equity		
Common stock without par value	34,231	34,231
Capital surplus	6,122	7,821
Retained earnings	266,044	299,671
Treasury stock	(2,806)	(2,757)
Total shareholders' equity	303,591	338,966
Accumulated other comprehensive income		
Net unrealized holding gains on securities	15,474	15,830
Net unrealized gains (loss) on derivative instruments	(624)	473
Translation adjustments	3,028	564
Remeasurements of defined benefit plans	(1,307)	(1,133)
Total accumulated other comprehensive income	16,570	15,734
Share subscription rights	716	943
Non-controlling interests	53,994	49,174
Total net assets	374,872	404,818
Total liabilities and net assets	3,317,862	3,579,882

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

Consolidated Statements of Income
(For the years ended March 31, 2016 and 2017)

(Millions of yen)

	Fiscal 2015	Fiscal 2016
Revenues	940,460	976,107
Costs	803,645	823,295
Gross profit	136,815	152,811
Selling, general and administrative expenses	70,910	80,811
Operating income	65,904	71,999
Non-operating income		
Interest income	50	135
Dividend income	851	655
Equity in earnings of affiliates	1,286	1,172
Income from derivatives other than for trading or hedging	755	687
Other	574	771
Total non-operating income	3,517	3,423
Non-operating expenses		
Interest expense	306	233
Foreign exchange losses	858	1,354
Other	249	323
Total non-operating expenses	1,413	1,911
Ordinary income	68,008	73,511
Extraordinary income		
Gain on sale of investments in securities	922	639
Gain on step acquisitions	—	100
Other	18	37
Total extraordinary income	941	777
Extraordinary losses		
Company name change cost	—	220
Loss on valuation of investment securities	5	110
Loss on disposal of non-current assets	80	100
Office transfer related expenses	289	—
Other	115	116
Total extraordinary losses	490	547
Income before income taxes	68,459	73,741
Income taxes - current	21,429	22,513
Income taxes - deferred	1,723	408
Total income taxes	23,152	22,921
Net income	45,306	50,819
Net income attributable to non-controlling interests	5,273	7,170
Net income attributable to owners of parent	40,033	43,648

Consolidated Statements of Comprehensive Income
(For the years ended March 31, 2016 and 2017)

(Millions of yen)

	Fiscal 2015	Fiscal 2016
Net income	45,306	50,819
Other comprehensive income		
Net unrealized holding gains (losses) on securities	(947)	348
Net unrealized gains (losses) on derivative instruments	(927)	1,355
Translation adjustments	(2,664)	(2,079)
Remeasurements of defined benefit plans	(1,657)	238
Share of other comprehensive income of affiliates accounted for using equity method	(318)	(1,001)
Total other comprehensive income	(6,516)	(1,139)
Comprehensive income	38,789	49,679
Comprehensive income attributable to:		
Owners of parent	34,211	42,812
Non-controlling interests	4,578	6,867

(3) Consolidated Statements of Changes in Net Assets

(For the year ended March 31, 2016)

(Millions of yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	34,231	5,537	233,650	(2,876)	270,542
Changes of items during the period					
Cash dividends			(7,175)		(7,175)
Net income attributable to owners of parent			40,033		40,033
Purchase of treasury stock				(3)	(3)
Disposal of treasury stock		(12)		72	59
Change of scope of consolidation			18		18
Purchase of shares of consolidated subsidiaries		597			597
Change of scope of equity method			(420)	0	(420)
Decrease by share change			(61)		(61)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	584	32,394	70	33,048
Balance at end of year	34,231	6,122	266,044	(2,806)	303,591

	Accumulated other comprehensive income					Share subscription rights	Non-controlling interests	Total net assets
	Net unrealized holding gains on securities	Net unrealized gains on derivative instruments	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	16,439	(9)	6,026	(64)	22,392	491	43,110	336,537
Changes of items during the period								
Cash dividends								(7,175)
Net income attributable to owners of parent								40,033
Purchase of treasury stock								(3)
Disposal of treasury stock								59
Change of scope of consolidation								18
Purchase of shares of consolidated subsidiaries								597
Change of scope of equity method								(420)
Decrease by share change								(61)
Net changes of items other than shareholders' equity	(965)	(614)	(2,998)	(1,243)	(5,821)	224	10,883	5,286
Total changes of items during the period	(965)	(614)	(2,998)	(1,243)	(5,821)	224	10,883	38,335
Balance at end of year	15,474	(624)	3,028	(1,307)	16,570	716	53,994	374,872

(For the year ended March 31, 2017)

(Millions of yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of year	34,231	6,122	266,044	(2,806)	303,591
Changes of items during the period					
Cash dividends			(9,710)		(9,710)
Net income attributable to owners of parent			43,648		43,648
Purchase of treasury stock				(2)	(2)
Disposal of treasury stock		4		50	55
Change of scope of consolidation			—		—
Purchase of shares of consolidated subsidiaries		1,695			1,695
Change of scope of equity method			—	—	—
Decrease by share change			(311)		(311)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	1,699	33,627	48	35,375
Balance at end of year	34,231	7,821	299,671	(2,757)	338,966

	Accumulated other comprehensive income					Share subscription rights	Non-controlling interests	Total net assets
	Net unrealized holding gains on securities	Net unrealized gains on derivative instruments	Translation adjustments	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of year	15,474	(624)	3,028	(1,307)	16,570	716	53,994	374,872
Changes of items during the period								
Cash dividends								(9,710)
Net income attributable to owners of parent								43,648
Purchase of treasury stock								(2)
Disposal of treasury stock								55
Change of scope of consolidation								—
Purchase of shares of consolidated subsidiaries								1,695
Change of scope of equity method								—
Decrease by share change								(311)
Net changes of items other than shareholders' equity	355	1,097	(2,463)	174	(836)	227	(4,819)	(5,429)
Total changes of items during the period	355	1,097	(2,463)	174	(836)	227	(4,819)	29,946
Balance at end of year	15,830	473	564	(1,133)	15,734	943	49,174	404,818

(4) Consolidated Statements of Cash Flows

(For the years ended March 31, 2016 and 2017)

(Millions of yen)

	Fiscal 2015	Fiscal 2016
Cash flows from operating activities		
Income before income taxes	68,459	73,741
Depreciation and amortization of leased assets	80,137	97,987
Loss on disposal of leased assets	45,496	53,619
Depreciation of other operating assets, and cost of other operating assets sales	1,208	5,759
Depreciation of own-used assets, and loss on sales and retirement of own-used assets	3,516	3,662
Amortization of goodwill	524	863
Loss on devaluation of investments in securities	5	110
Foreign exchange losses	858	1,354
Increase (decrease) in allowance for doubtful accounts	(336)	305
Increase (decrease) in provision for bonuses	210	(43)
Increase in net defined benefit liability	517	233
Interest and dividend income	(902)	(791)
Interest expense	13,643	17,733
Share of profit of entities accounted for using equity method	(1,286)	(1,172)
Gain on sale of investments in securities	(920)	(639)
Decrease in installment sales receivable	19,961	10,339
Increase in lease receivables and investment assets	(10,374)	(3,023)
Decrease (increase) in loans receivable	2,146	(15,559)
Increase in operational investment securities	(31,778)	(18,681)
Purchases of leased assets	(239,962)	(207,841)
Purchases of other operating assets	(14,630)	(7,237)
Decrease in claims provable in bankruptcy or rehabilitation	20	538
Increase (decrease) in trade notes and accounts payable	(5,433)	12,804
Other, net	(33,343)	12,471
Subtotal	(102,262)	36,535
Interest and dividend income received	1,665	1,528
Interest expense paid	(13,832)	(18,115)
Income taxes paid	(22,189)	(20,618)
Net cash used in operating activities	(136,618)	(670)
Cash flows from investing activities		
Proceeds from sales of own assets in use	122	217
Purchases of own assets in use	(3,167)	(2,325)
Proceeds from sales/redemptions of investments in securities	3,699	4,460
Purchases of investments in securities	(4,069)	(15,980)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(15,109)
Other, net	341	(1,333)
Net cash used in investing activities	(3,072)	(30,071)

(Millions of yen)

	Fiscal 2015	Fiscal 2016
Cash flows from financing activities		
Decrease in short-term borrowings, net	(30,455)	(25,088)
Increase in commercial papers, net	8,800	37,300
Proceeds from long-term debt	476,094	385,131
Repayment of long-term debt	(303,240)	(377,062)
Proceeds under fluidity lease receivables	17,600	4,619
Repayments of payables under fluidity lease receivables	(1,087)	(17,579)
Proceeds from issuance of bonds	80,604	79,869
Redemption of bonds	(91,144)	(44,607)
Proceeds from share issuance to non-controlling interest shareholders	7,190	7,718
Cash dividends paid	(7,175)	(9,710)
Cash dividends paid to non-controlling-interest shareholder	(777)	(1,015)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(584)	(12,017)
Proceeds from sales of treasury shares	0	0
Purchase of treasury shares	(3)	(2)
Other, net	(51)	(54)
Net cash provided by financing activities	155,770	27,500
Effect of exchange rate changes on cash and cash equivalents	3,816	(2,790)
Net increase (decrease) in cash and cash equivalents	19,894	(6,031)
Cash and cash equivalents at beginning of year	71,864	91,762
Increase in cash and cash equivalents from newly consolidated subsidiary	3	—
Cash and cash equivalents at end of year	91,762	85,730

(5) Notes to the Consolidated Financial Statements

Notes on Going Concern Assumption

Not applicable

Changes in Accounting Policy

In accordance with the revisions to the Corporation Tax Act of Japan, we have adopted the Practical Solution on a change in depreciation method due to Tax Reform 2016 (Practical Issues Task Force (PITF) No. 32, June 17, 2016) for the fiscal year under review. Accordingly, the depreciation method for facilities attached to buildings and structures that were acquired on or after April 1, 2016 has been changed from the declining-balance method to the straight-line method.

Note that the effect of the change on profits and losses for the consolidated fiscal year under review is immaterial.

Segment Information

1. Outline of reportable segments

The Company's reportable segments shall be part of its organizational units whose financial information is individually available, and shall be subject to regular review by its Board of Directors for the purpose of deciding the allocation of its managerial resources and evaluating its business performance.

The Company's businesses are classified, by type of operating transaction, into the reportable segments: "Leasing and Installment Sales," "Finance" and "Other."

"Leasing and Installment Sales" consists of leasing and installment sales of IT-related equipment and office equipment, industrial machinery, transportation use equipment, commercial and service equipment, etc. (including sales of assets thereof pertaining to maturity and/or cancellation before maturity of leasing transactions). "Finance" consists of money-lending business and investment business such as capital investments in operational investment securities and silent partnerships. "Other" consists of commission transactions, solar power sales business, and other businesses.

2. Calculation Method for Amounts for Revenues, Profit or Loss, Assets, Liabilities and Other Items by Reportable Segment

The accounting method for reportable business segments is based on the accounting standards applied for the preparation of consolidated financial statements.

3. Information of the amount of revenues, income/loss, assets, liabilities and other items by reportable segment

Fiscal 2015 (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Leasing and Installment Sales	Finance	Other	Total
Revenues				
Revenues from customers	889,939	29,266	21,254	940,460
Intersegment revenues/transfers	—	—	797	797
Total	889,939	29,266	22,051	941,257
Segment income	50,339	16,479	5,728	72,547
Segment assets	2,392,491	752,048	27,837	3,172,376
Other				
Depreciation and amortization	80,137	—	1,208	81,345
Amortization of goodwill	—	—	—	—
Increase in property, plant and equipment and intangible assets	239,962	—	14,630	254,593

Fiscal 2016 (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Leasing and Installment Sales	Finance	Other	Total
Revenues				
Revenues from customers	924,246	24,211	27,649	976,107
Intersegment revenues /transfers	—	—	1,462	1,462
Total	924,246	24,211	29,111	977,569
Segment income	59,931	12,622	8,095	80,649
Segment assets	2,615,314	779,332	32,938	3,427,585
Other				
Depreciation and amortization	98,154	—	1,657	99,812
Amortization of goodwill	381	—	—	381
Increase in property, plant and equipment and intangible assets	211,305	—	7,237	218,543

4. Difference between the total amount of reportable segments and the amounts reported in the financial statements, as well as the main elements of the difference (the items regarding variance adjustment)

(Millions of yen)

Revenues	Fiscal 2015	Fiscal 2016
Reportable segments total	941,257	977,569
Intersegment eliminations	(797)	(1,462)
Revenues reported in financial statements	940,460	976,107

(Millions of yen)

Income	Fiscal 2015	Fiscal 2016
Reportable segments total	72,547	80,649
Intersegment eliminations	(797)	(1,462)
Corporate expenses (Note)	(5,845)	(7,187)
Operating income reported in financial statements	65,904	71,999

Note: Corporate expenses consist of general and administrative expenses, not attributing to reportable segments.

(Millions of yen)

Assets	Fiscal 2015	Fiscal 2016
Reportable segments total	3,172,376	3,427,585
Corporate assets (Note)	145,485	152,297
Assets reported in financial statements	3,317,862	3,579,882

Note: Corporate assets mainly consist of deposits, etc., not attributing to reportable segments.

(Millions of yen)

Other	Reportable segments total		Adjustment (Note)		Amount reported in financial statements	
	Fiscal 2015	Fiscal 2016	Fiscal 2015	Fiscal 2016	Fiscal 2015	Fiscal 2016
Depreciation and amortization	81,345	99,812	2,925	2,547	84,270	102,359
Amortization of goodwill	—	381	524	481	524	863
Increase in property, plant and equipment and intangible assets	254,593	218,543	3,535	2,526	258,129	221,069

Note: Adjustment consists of adjustment for corporate assets.

(Relevant Information)

1. Information by products and services

Fiscal 2015 (from April 1, 2015 to March 31, 2016)

(Millions of yen)

	Finance lease	Operating lease	Installment sales	Finance	Other	Total
Revenues from customers	554,062	254,396	81,481	29,266	21,254	940,460

Fiscal 2016 (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Finance lease	Operating lease	Installment sales	Finance	Other	Total
Revenues from customers	580,169	270,438	73,639	24,211	27,649	976,107

2. Information by geographic segments

Fiscal 2015 (from April 1, 2015 to March 31, 2016)

(i) Revenues

Information by geographic segment is not disclosed since sales to third parties located in Japan represented more than 90% of revenues in Consolidated Statements of Income.

(ii) Property, plant and equipment

(Millions of yen)

Japan	Europe and North America		Asia	Central and South America	Total
	Ireland	Other			
381,344	116,651	60,353	5,111	29,740	593,202

(Notes) 1 Presented by country or geographic segment where the Company and its consolidated subsidiaries are located.

2 Major countries or regions which belong to each of the geographic segment

Europe and North America: Ireland, U.S., Cyprus

Asia: Singapore, Malaysia, Thailand

Central and South America: Panama

Fiscal 2016 (from April 1, 2016 to March 31, 2017)

(i) Revenues

Information by geographic segment is not disclosed since sales to third parties located in Japan represented more than 90% of revenues in Consolidated Statements of Income.

(ii) Property, plant and equipment

(Millions of yen)

Japan	Europe and North America		Asia	Central and South America	Total
	Ireland	Other			
410,731	124,116	110,340	6,096	30,339	681,624

(Notes) 1 Presented by country or geographic segment where the Company and its consolidated subsidiaries are located.

2 Major countries or regions which belong to each of the geographic segment

Europe and North America: Ireland, U.S., U.K., Germany, Cyprus

Asia: Singapore, Malaysia, Thailand

Central and South America: Panama, Mexico, Brazil

3. Information by main customers

Fiscal 2015 (from April 1, 2015 to March 31, 2016) and Fiscal 2016 (from April 1, 2016 to March 31, 2017)

Information by main customers is not disclosed since none of the customer accounts for 10% or more of revenues from customers in revenues of Consolidated Statements of Income.

(Information Concerning Impairment Loss on Non-current Assets by Reportable Segments)

Fiscal 2015 (from April 1, 2015 to March 31, 2016) and Fiscal 2016 (from April 1, 2016 to March 31, 2017)

Information is not disclosed since the significance of the amount is low.

(Information Concerning Amount of Amortization of Goodwill and its Unamortized Balance by Reportable Segments)

Fiscal 2015 (from April 1, 2015 to March 31, 2016)

¥524 million of amortization of goodwill and ¥3,614 million of unamortized balance was not allocated to the reportable segments for the year ended March 31, 2016.

Fiscal 2016 (from April 1, 2016 to March 31, 2017)

(Millions of yen)

	Leasing and Installment Sales	Finance	Other	Total
Amortization	381	—	—	381
Year-end balance	10,479	—	—	10,479

¥481 million of amortization of goodwill and ¥3,132 million of unamortized balance was not allocated to the reportable segments for the year ended March 31, 2017.

(Information Concerning Gain on Bargain Purchase by Reportable Segments)

Fiscal 2015 (from April 1, 2015 to March 31, 2016)

Not applicable

Fiscal 2016 (from April 1, 2016 to March 31, 2017)

Not applicable

Per Share Information

	Fiscal 2015	Fiscal 2016
Net assets per share	¥3,033.61	¥3,360.27
Basic earnings per share	¥379.34	¥413.51
Diluted earnings per share	¥378.51	¥412.36

(Note) Basis for the calculation of basic earnings per share and diluted earnings per share are as follows.

	Fiscal 2015	Fiscal 2016
Basic earnings per share		
Net income attributable to owners of parent (millions of yen)	40,033	43,648
Amount not attributable to common shareholders (millions of yen)	—	—
Net income attributable to owners of parent attributable to common stock (millions of yen)	40,033	43,648
Weighted average number of shares of common stock during the year (thousand shares)	105,532	105,557
Diluted earnings per share		
Adjustments to net income attributable to owners of parent (millions of yen)	—	—
Increase in number of shares of common stock (thousand shares)	232	293
(of which number of share subscription rights (thousand shares))	(232)	(293)
Overview of dilutive shares not included in the calculation of diluted earnings per share due to the absence of dilutive effect, which had significant changes from the previous consolidated fiscal year.	—	—

Significant Subsequent Events

The Company issued the 17th and 18th Unsecured Bonds (with limited inter-bond pari passu clause) on April 18, 2017.

Below is an overview of the issued Bonds.

	17th Unsecured Bonds	18th Unsecured Bonds
Total amount of issuance	¥10,000 million	¥15,000 million
Issuance price	¥100 per face value of ¥100	
Interest rate	0.03% annually	0.17% annually
Redemption amount	¥100 per face value of ¥100	
Maturity date	April 17, 2020 (3-year bond)	April 18, 2022 (5-year bond)
Redemption method	Lump-sum redemption at maturity	
Closing date	April 18, 2017	
Collateral	There are no collaterals or guarantees on the Bonds and no assets are specifically reserved for them.	
Use of funds	Redemption of short-term bonds	

4. Others

(1) New Transactions Volume

(Millions of yen)

Classification		Fiscal 2016	
		Amount	Change over the same period of the previous year (%)
Leasing and Installment Sales	Finance lease	588,592	110.0
	Operating lease	207,841	86.6
	Subtotal	796,433	102.8
	Installment sales	93,508	102.6
	Total	889,941	102.7
Finance		602,811	97.7
Other		7,237	49.5
Total		1,499,991	100.1

Note: For the “Installment sales,” the amount of installment sales receivable, after deducting deferred profit on installment sales, is presented.

(2) Balance of Operating Assets

(Millions of yen)

Classification		Fiscal 2015		Fiscal 2016	
		Amount	Share (%)	Amount	Share (%)
Leasing and Installment Sales	Finance lease	1,480,951	49.5	1,600,637	49.8
	Operating lease	545,955	18.2	637,078	19.8
	Subtotal	2,026,907	67.7	2,237,715	69.6
	Installment sales	214,441	7.2	201,490	6.3
	Total	2,241,348	74.9	2,439,206	75.9
Finance		724,350	24.2	749,965	23.3
Other		25,442	0.9	26,823	0.8
Total		2,991,141	100.0	3,215,995	100.0

Note: For the “Installment sales,” the amount of installment sales receivable, after deducting deferred profit on installment sales, is presented.

(Reference)

(Millions of yen)

	Fiscal 2015	Fiscal 2016
Business guarantees	27,857	42,594