

Consolidated Financial Statements of the Group

Consolidated Statement of Financial Position

(Millions of Yen)

	Notes	As of March 31, 2015	As of March 31, 2016
Assets			
Cash and cash equivalents	6, 18	290,826	248,050
Trade and other accounts receivable	6, 8, 9, 18	342,459	369,006
Assets related to securities business			
Cash segregated as deposits		1,250,678	1,139,908
Margin transaction assets		276,387	516,843
Other assets related to securities business	10	601,695	251,924
Total assets related to securities business	6, 7	2,128,760	1,908,675
Other financial assets	6, 18	31,096	29,215
Operational investment securities	6, 8, 11	114,946	118,886
Other investment securities	6, 8, 11	193,064	173,907
Investments accounted for using the equity method	12	45,455	43,853
Investment properties	14	18,478	12,027
Property and equipment	15, 18	10,590	11,778
Intangible assets	16	199,810	188,454
Other assets		22,785	22,607
Deferred tax assets	17	2,494	326
Total assets		3,400,763	3,126,784
Liabilities			
Bonds and loans payable	6, 8, 18	374,771	324,585
Trade and other accounts payable	6, 8, 19	55,005	38,759
Liabilities related to securities business			
Margin transaction liabilities		97,757	85,677
Loans payable secured by securities		290,480	344,423
Deposits from customers		638,879	573,957
Guarantee deposits received		545,116	533,862
Other liabilities related to securities business	20	388,161	222,424
Total liabilities related to securities business	6, 7, 8	1,960,393	1,760,343
Customer deposits for banking business	6, 8	361,102	386,027
Insurance contract liabilities	21	170,042	154,133
Income tax payable		13,792	7,066
Other financial liabilities	6	13,757	12,899
Other liabilities		12,034	13,396
Deferred tax liabilities	17	9,252	10,513
Total liabilities		2,970,148	2,707,721
Equity			
Capital stock	23	81,681	81,681
Capital surplus	23	148,676	145,735
Treasury stock	23	(5,137)	(19,132)
Other component of equity	23	36,934	17,107
Retained earnings	23	121,337	146,199
Equity attributable to owners of the Company		383,491	371,590
Non-controlling interests		47,124	47,473
Total equity		430,615	419,063
Total liabilities and equity		3,400,763	3,126,784

Consolidated Statement of Income

(Millions of Yen)

	Notes	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Revenue	5, 26	247,423	261,744
Expense			
Financial cost associated with financial income	27	(16,610)	(15,836)
Operating cost	27	(64,019)	(83,692)
Selling, general and administrative expenses	27	(92,039)	(96,646)
Other financial cost	27	(5,512)	(4,442)
Other expenses	27	(11,247)	(10,484)
Total expense		(189,427)	(211,100)
Share of the profit of associates and joint ventures accounted for using the equity method	5, 12	5,071	1,583
Profit before income tax expense	5	63,067	52,227
Income tax expense	28	(23,753)	(15,561)
Profit for the year		39,314	36,666
Profit for the year attributable to			
Owners of the Company		45,721	34,115
Non-controlling interests		(6,407)	2,551
Profit for the year		39,314	36,666
Earnings per share attributable to owners of the Company			
Basic (Yen)	30	211.18	160.83
Diluted (Yen)	30	195.06	147.94

(Changes in presentation of consolidated statement of income)

The Company presented revenue and expense from operating activities separately from those from other activities by presenting “Operating income (loss)” in the consolidated statement of income. However, since it became difficult to make such distinct classification due to varying revenue earning activities of the Group, the Company changed its presentation and now presents “Revenue” and each “Expense” category without presenting “Operating income (loss).”

Consolidated Statement of Comprehensive Income

(Millions of Yen)

	Note	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit for the year		39,314	36,666
Items that will not be reclassified subsequently to profit or loss			
Fair value through other comprehensive income (“FVTOCI”) financial assets	29	52	301
Items that may be reclassified subsequently to profit or loss			
Currency translation differences	29	21,431	(19,904)
Other comprehensive income, net of tax		21,483	(19,603)
Total comprehensive income		60,797	17,063
Total comprehensive income attributable to			
Owners of the Company		66,246	14,750
Non-controlling interests		(5,449)	2,313
Total comprehensive income		60,797	17,063

Consolidated Statement of Changes in Equity

(Millions of Yen)

	Note	Attributable to owners of the Company						Non-controlling interests	Total equity
		Capital stock	Capital surplus	Treasury stock	Other component of equity	Retained earnings	Total		
As at April 1, 2014		81,681	152,725	(5,140)	16,225	80,140	325,631	62,832	388,463
Profit for the year		–	–	–	–	45,721	45,721	(6,407)	39,314
Other comprehensive income		–	–	–	20,525	–	20,525	958	21,483
Total comprehensive income		–	–	–	20,525	45,721	66,246	(5,449)	60,797
Issuance of stock acquisition rights	25	–	113	–	–	–	113	–	113
Change in scope of consolidation		–	419	–	–	–	419	(7,154)	(6,735)
Dividends paid	24	–	–	–	–	(4,340)	(4,340)	(5,482)	(9,822)
Treasury shares purchased	23	–	–	(34)	–	–	(34)	–	(34)
Treasury shares sold	23	–	1	37	–	–	38	–	38
Changes of interests in subsidiaries without losing control		–	(4,582)	–	–	–	(4,582)	2,377	(2,205)
Transfer	23	–	–	–	184	(184)	–	–	–
As at March 31, 2015		81,681	148,676	(5,137)	36,934	121,337	383,491	47,124	430,615
Profit for the year		–	–	–	–	34,115	34,115	2,551	36,666
Other comprehensive income		–	–	–	(19,365)	–	(19,365)	(238)	(19,603)
Total comprehensive income		–	–	–	(19,365)	34,115	14,750	2,313	17,063
Change in scope of consolidation		–	–	–	–	–	–	4,663	4,663
Dividends paid	24	–	–	–	–	(9,715)	(9,715)	(9,406)	(19,121)
Treasury shares purchased	23	–	–	(15,030)	–	–	(15,030)	–	(15,030)
Treasury shares sold	23	–	111	1,035	–	–	1,146	–	1,146
Changes of interests in subsidiaries without losing control		–	(3,052)	–	–	–	(3,052)	2,779	(273)
Transfer	23	–	–	–	(462)	462	–	–	–
As at March 31, 2016		81,681	145,735	(19,132)	17,107	146,199	371,590	47,473	419,063

Consolidated Statement of Cash Flows

(Millions of Yen)

	Note	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net cash (used in) generated from operating activities			
Profit before income tax expense		63,067	52,227
Depreciation and amortization		11,515	11,103
Share of profits of associates and joint ventures accounted for using the equity method		(5,071)	(1,583)
Interest and dividend income		(63,795)	(72,238)
Interest expense		22,122	20,278
Decrease (Increase) in operational investment securities		16,984	(6,449)
Increase in accounts receivables and other receivables		(59,017)	(58,514)
Increase (decrease) in operational liabilities and other liabilities		4,828	(13,890)
(Increase) decrease in assets/liabilities related to securities business		(46,629)	19,882
Increase in customer deposits in the banking business		21,696	59,883
Others		(28,573)	(10,562)
Subtotal		(62,873)	137
Interest and dividend income received		66,304	71,537
Interest paid		(22,086)	(19,860)
Income taxes paid		(17,542)	(19,336)
Net cash (used in) generated from operating activities		(36,197)	32,478
Net cash generated from investing activities			
Purchases of intangible assets		(5,772)	(7,223)
Purchases of investment securities		(24,166)	(57,693)
Proceeds from sales or redemption of investment securities		50,480	70,533
Acquisition of subsidiaries, net of cash and cash equivalents acquired	31	(6,649)	(3,222)
Proceeds from sales of subsidiaries, net of cash and cash equivalents disposed of	31	30,137	550
Payments of loans receivable		(2,579)	(1,806)
Collection of loans receivable		2,539	1,942
Others		8,315	8,098
Net cash generated from investing activities		52,305	11,179
Net cash used in financing activities			
Increase (decrease) in short term loans payable		30,360	(108,085)
Proceeds from long-term loans payable		43,842	59,690
Repayment of long-term loans payable		(52,461)	(30,146)
Proceeds from issuance of bonds payable		49,866	56,103
Redemption of bonds payable		(76,400)	(24,088)
Proceeds from stock issuance to non-controlling interests		181	91
Contributions from non-controlling interests in consolidated investment funds		1,755	8,244
Cash dividends paid		(4,322)	(9,684)
Cash dividends paid to non-controlling interests		(453)	(381)
Distributions to non-controlling interests in consolidated investment funds		(5,043)	(8,827)
Purchase of treasury stock		(34)	(15,030)
Proceeds from sale of interests in subsidiaries to non-controlling interests		114	47
Payments for purchase of interests in subsidiaries from non-controlling interests		(1,321)	(4,486)
Others		(1,608)	322
Net cash used in financing activities		(15,524)	(76,230)
Net increase (decrease) in cash and cash equivalents		584	(32,573)
Cash and cash equivalents at the beginning of the year		276,221	290,826
Effect of changes in exchange rate on cash and cash equivalents		14,021	(10,203)
Cash and cash equivalents at the end of the year		290,826	248,050