

# SBI HOLDINGS, INC.

(Incorporated in Japan with limited liability)

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2016

Japan, October 27, 2016

The board of directors (the “Directors”) of SBI HOLDINGS, INC. (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended September 30, 2016.

(Amounts are rounded to the nearest million Japanese yen)

### 1. Consolidated Financial Results

#### (1) Consolidated Operating Results

(Percentages represent year-on-year changes)

|                                     | Revenue         |     | Profit before income tax expense |        | Profit for the period |        | Profit attributable to owners of the Company |        |
|-------------------------------------|-----------------|-----|----------------------------------|--------|-----------------------|--------|----------------------------------------------|--------|
|                                     | Millions of yen | %   | Millions of yen                  | %      | Millions of yen       | %      | Millions of yen                              | %      |
| Six months ended September 30, 2016 | 121,284         | 5.3 | 17,286                           | (13.2) | 10,109                | (23.5) | 14,194                                       | 7.8    |
| Six months ended September 30, 2015 | 115,183         | 1.5 | 19,906                           | (38.7) | 13,215                | (35.9) | 13,162                                       | (49.0) |

|                                     | Total comprehensive income |        | Basic earnings per share attributable to owners of the Company | Diluted earnings per share attributable to owners of the Company |
|-------------------------------------|----------------------------|--------|----------------------------------------------------------------|------------------------------------------------------------------|
|                                     | Millions of yen            | %      | Yen                                                            | Yen                                                              |
| Six months ended September 30, 2016 | (4,620)                    | —      | 68.92                                                          | 63.56                                                            |
| Six months ended September 30, 2015 | 75                         | (99.8) | 61.80                                                          | 56.76                                                            |

#### (2) Consolidated Financial Position

|                    | Total assets    | Total equity    | Equity attributable to owners of the Company | Ratio of equity attributable to owners of the Company to total assets |
|--------------------|-----------------|-----------------|----------------------------------------------|-----------------------------------------------------------------------|
|                    | Millions of yen | Millions of yen | Millions of yen                              | %                                                                     |
| September 30, 2016 | 3,169,900       | 391,535         | 354,572                                      | 11.2                                                                  |
| March 31, 2016     | 3,126,784       | 419,063         | 371,590                                      | 11.9                                                                  |

## 2. Dividends

| (Declared date)                                        | Dividend per share       |                          |                          |          |           |
|--------------------------------------------------------|--------------------------|--------------------------|--------------------------|----------|-----------|
|                                                        | End of 1 <sup>st</sup> Q | End of 2 <sup>nd</sup> Q | End of 3 <sup>rd</sup> Q | Year-end | Full year |
|                                                        | Yen                      | Yen                      | Yen                      | Yen      | Yen       |
| Fiscal Year ended March 31, 2016                       | —                        | 10.00                    | —                        | 35.00    | 45.00     |
| Fiscal Year ending March 31, 2017                      | —                        | 10.00                    |                          |          |           |
| Fiscal Year ending March 31, 2017<br>(forecast) (Note) |                          |                          | —                        | —        | —         |

(Note) Fiscal year ending March 31, 2017 forecast is to be determined.

## 3. Total number of shares outstanding (Common stock)

|                                                             |                                       |                      |
|-------------------------------------------------------------|---------------------------------------|----------------------|
| (1) Number of shares outstanding (including treasury stock) | : September 30, 2016                  | : 224,561,761shares  |
|                                                             | : March 31, 2016                      | : 224,561,761shares  |
| (2) Number of treasury stock                                | : September 30, 2016                  | : 24,030,150 shares  |
|                                                             | : March 31, 2016                      | : 17,211,580 shares  |
| (3) Average number of shares outstanding                    | : Six months ended September 30, 2016 | : 205,934,044 shares |
|                                                             | : Six months ended September 30, 2015 | : 212,965,674 shares |

The Group prepared the consolidated financial statements in accordance with IFRSs.

*As of the date of this announcement, the results for the six months ended September 30, 2016 are under review by the independent accountants of the Company.*

## 1. BUSINESS RESULTS

### (1) Results of Operations

The Group's consolidated results of operations for the six months ended September 30, 2016 were as follow. Revenue increased 5.3% year-on-year to ¥121,284 million, profit before income tax expense decreased 13.2% to ¥17,286 million, and profit attributable to owners of the Company increased 7.8% to ¥14,194 million.

The results of operations for each reporting segment of the Group for the six months ended September 30, 2016 were as follow.

Certain subsidiaries, including SBI AXES Co., Ltd., which were included in the Asset Management Business until the previous reporting period, are now included in the Financial Services Business beginning with this fiscal year. Consequently, segment information for the six months ended September 30, 2015, is restated in accordance with the new basis of segmentation.

|                                | Revenue                             |                                     |        | Profit before income tax expense    |                                     |        |
|--------------------------------|-------------------------------------|-------------------------------------|--------|-------------------------------------|-------------------------------------|--------|
|                                | Six months ended September 30, 2015 | Six months ended September 30, 2016 |        | Six months ended September 30, 2015 | Six months ended September 30, 2016 |        |
|                                | Millions of Yen                     | Millions of Yen                     | %      | Millions of Yen                     | Millions of Yen                     | %      |
| Financial Services Business    | 78,154                              | 83,563                              | 6.9    | 25,059                              | 25,298                              | 1.0    |
| Asset Management Business      | 33,297                              | 36,327                              | 9.1    | (262)                               | 2,877                               | —      |
| Biotechnology-related Business | 3,341                               | 2,027                               | (39.3) | (242)                               | (5,178)                             | —      |
| Total                          | 114,792                             | 121,917                             | 6.2    | 24,555                              | 22,997                              | (6.3)  |
| Others                         | 1,759                               | 353                                 | (79.9) | (345)                               | (542)                               | —      |
| Elimination                    | (1,368)                             | (986)                               | —      | (4,304)                             | (5,169)                             | —      |
| Consolidation                  | 115,183                             | 121,284                             | 5.3    | 19,906                              | 17,286                              | (13.2) |

(% represents year-on-year changes)

#### (Financial Services Business)

The Financial Services Business consists of a wide range of finance-related business and the provision of information regarding financial products, including securities brokerage business, banking services business, and life, property and casualty insurance business.

The results of operations of the Financial Services Business for the six months ended September 30, 2016 were as follows. Revenue increased 6.9% year-on-year to ¥83,563 million, and profit before income tax expense increased 1.0% to ¥25,298 million.

#### (Asset Management Business)

The Asset Management Business primarily consists of fund management and investment in Internet technology, biotechnology, environmental energy and finance-related venture companies in Japan and overseas, investment in overseas financial institutions by forming partnerships with prominent local institutions, and asset management services business which provides information regarding financial products.

The results of operations of the Asset Management Business for the six months ended September 30, 2016 were as follows. Revenue increased 9.1% year-on-year to ¥36,327 million, and profit before income tax expense amounted to ¥2,877 million for the six months ended September 30, 2016 (¥262 million of loss before income tax expense for the six months ended September 30, 2015).

### **(Biotechnology-related Business)**

The Biotechnology-related Business represents development and distribution of pharmaceutical products, health foods, and cosmetics with 5-aminolevulinic acid (ALA\*), a kind of amino acid which exists in vivo, and research and development of antibody drugs and nucleic acid medicine in the field of cancer and immunology.

The results of operations of the Biotechnology-related Business for the six months ended September 30, 2016 were as follows. Revenue decreased 39.3% year-on-year to ¥2,027 million, and loss before income tax expense amounted to ¥5,178 million for the six months ended September 30, 2016 (¥242 million of loss before income tax expense for the six months ended September 30, 2015).

- \* Five-aminolevulinic acid (ALA) is an amino acid generated by mitochondria in the human body and an important substance used to produce heme or cytochrome, proteins to generate energy. The production of ALA in the human body decreases with age. ALA is included in food products, including slops of distilled spirits, red wine, and radish shoots. ALA is also known as a chloroplastic substance in plants.

## **(2) Financial Positions and Cash Flows**

As at September 30, 2016, total assets amounted to ¥3,169,900 million and increased by ¥43,116 million from total assets of ¥3,126,784 million as at March 31, 2016. The Group's equity decreased by ¥27,528 million to ¥391,535 million from the fiscal year ended March 31, 2016. As at September 30, 2016, the Group's cash and cash equivalents amounted to ¥290,369 million and increased by ¥42,319 million from that of ¥248,050 million as at March 31, 2016. The changes of cash flows for each activity and the reasons for changes are as follows:

### **(Operating Cash Flows)**

Cash flows from operating activities amounted to ¥44,476 million in net cash inflows (¥64,594 million in net cash outflows for the six months ended September 30, 2015). The net cash inflows were primarily due to a ¥49,137 million cash inflow from customer deposits in the banking business, a ¥22,185 million cash inflow from an increase in operational liabilities and other liabilities and a ¥20,386 decrease in assets/liabilities related to securities business, despite a ¥48,492 million cash an outflow from an increase in accounts receivables and other receivables.

### **(Investing Cash Flows)**

Cash flows from investing activities amounted to ¥3,697 million in net cash inflows (¥34,874 million in net cash inflows for the six months ended September 30, 2015). The net cash inflows were primarily due to a ¥42,830 million cash inflow from proceeds from sales or redemption of investment securities and a ¥4,577 million cash inflow from collection of loans receivable, despite a ¥42,021 million cash outflow from purchases of investment securities.

### **(Financing Cash Flows)**

Cash flows from financing activities amounted to ¥3,535 million in net cash inflows (¥31,485 million in net cash inflows for the six months ended September 30, 2015). The net cash inflows were primarily due to a ¥59,210 million cash inflows from a proceeds from bond issuance and a \$10,011 million cash inflows from an increase in short term loans payable, despite a ¥50,145 million cash outflow from redemption of bonds payable and a ¥13,910 million cash outflow from distributions to non-controlling interests in consolidated investment funds.

## 2. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### (1) Interim Condensed Consolidated Statement of Financial Position

|                                                   | As at March 31,<br>2016<br>Millions of Yen | As at September 30,<br>2016<br>Millions of Yen |
|---------------------------------------------------|--------------------------------------------|------------------------------------------------|
| <b>Assets</b>                                     |                                            |                                                |
| Cash and cash equivalents                         | 248,050                                    | 290,369                                        |
| Trade and other accounts receivable               | 369,006                                    | 388,230                                        |
| Assets related to securities business             |                                            |                                                |
| Cash segregated as deposits                       | 1,139,908                                  | 1,160,672                                      |
| Margin transaction assets                         | 516,843                                    | 492,424                                        |
| Other assets related to securities business       | 251,924                                    | 242,230                                        |
| Total assets related to securities business       | 1,908,675                                  | 1,895,326                                      |
| Other financial assets                            | 29,215                                     | 28,130                                         |
| Operational investment securities                 | 118,886                                    | 89,294                                         |
| Other investment securities                       | 173,907                                    | 173,464                                        |
| Investments accounted for using the equity method | 43,853                                     | 85,898                                         |
| Investment properties                             | 12,027                                     | 9,581                                          |
| Property and equipment                            | 11,778                                     | 9,830                                          |
| Intangible assets                                 | 188,454                                    | 175,677                                        |
| Other assets                                      | 22,607                                     | 23,738                                         |
| Deferred tax assets                               | 326                                        | 363                                            |
| <b>Total assets</b>                               | <b>3,126,784</b>                           | <b>3,169,900</b>                               |
| <b>Liabilities</b>                                |                                            |                                                |
| Bonds and loans payable                           | 324,585                                    | 349,098                                        |
| Trade and other accounts payable                  | 38,759                                     | 60,837                                         |
| Liabilities related to securities business        |                                            |                                                |
| Margin transaction liabilities                    | 85,677                                     | 110,461                                        |
| Loans payable secured by securities               | 344,423                                    | 291,992                                        |
| Deposits from customers                           | 573,957                                    | 610,052                                        |
| Guarantee deposits received                       | 533,862                                    | 540,055                                        |
| Other liabilities related to securities business  | 222,424                                    | 214,835                                        |
| Total liabilities related to securities business  | 1,760,343                                  | 1,767,395                                      |
| Customer deposits for banking business            | 386,027                                    | 408,645                                        |
| Insurance contract liability                      | 154,133                                    | 150,450                                        |
| Income tax payable                                | 7,066                                      | 7,206                                          |
| Other financial liabilities                       | 12,899                                     | 12,214                                         |
| Other liabilities                                 | 13,396                                     | 11,207                                         |
| Deferred tax liabilities                          | 10,513                                     | 11,313                                         |
| <b>Total liabilities</b>                          | <b>2,707,721</b>                           | <b>2,778,365</b>                               |
| <b>Equity</b>                                     |                                            |                                                |
| Capital stock                                     | 81,681                                     | 81,681                                         |
| Capital surplus                                   | 145,735                                    | 144,425                                        |
| Treasury stock                                    | (19,132)                                   | (27,110)                                       |
| Other component of equity                         | 17,107                                     | 2,453                                          |
| Retained earnings                                 | 146,199                                    | 153,123                                        |
| Equity attributable to owners of the Company      | 371,590                                    | 354,572                                        |
| Non-controlling interests                         | 47,473                                     | 36,963                                         |
| <b>Total equity</b>                               | <b>419,063</b>                             | <b>391,535</b>                                 |
| <b>Total liabilities and equity</b>               | <b>3,126,784</b>                           | <b>3,169,900</b>                               |

**(2) Interim Condensed Consolidated Statements of Income and Comprehensive Income**  
**Interim Condensed Consolidated Statement of Income**

|                                                                                               | Six months ended<br>September 30, 2015 | Six months ended<br>September 30, 2016 |
|-----------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
|                                                                                               | Millions of Yen                        | Millions of Yen                        |
| Revenue                                                                                       | 115,183                                | 121,284                                |
| Expense                                                                                       |                                        |                                        |
| Financial cost associated with financial income                                               | (8,641)                                | (6,581)                                |
| Operating cost                                                                                | (33,282)                               | (45,334)                               |
| Selling, general and administrative expenses                                                  | (47,688)                               | (47,320)                               |
| Other financial cost                                                                          | (2,560)                                | (1,893)                                |
| Other expenses                                                                                | (4,100)                                | (4,831)                                |
| Total expense                                                                                 | (96,271)                               | (105,959)                              |
| Share of the profit of associates and joint ventures<br>accounted for using the equity method | 994                                    | 1,961                                  |
| Profit before income tax expense                                                              | 19,906                                 | 17,286                                 |
| Income tax expense                                                                            | (6,691)                                | (7,177)                                |
| Profit for the period                                                                         | 13,215                                 | 10,109                                 |
| Profit for the period attributable to                                                         |                                        |                                        |
| Owners of the Company                                                                         | 13,162                                 | 14,194                                 |
| Non-controlling interests                                                                     | 53                                     | (4,085)                                |
| Profit for the period                                                                         | 13,215                                 | 10,109                                 |
| Earnings per share attributable to owners of the<br>Company                                   |                                        |                                        |
| Basic (Yen)                                                                                   | 61.80                                  | 68.92                                  |
| Diluted (Yen)                                                                                 | 56.76                                  | 63.56                                  |

## Interim Condensed Consolidated Statement of Comprehensive Income

|                                                                              | Six months ended<br>September 30, 2015<br>Millions of Yen | Six months ended<br>September 30, 2016<br>Millions of Yen |
|------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|
| Profit for the period                                                        | 13,215                                                    | 10,109                                                    |
| Items that will not be reclassified subsequently to<br>profit or loss        |                                                           |                                                           |
| Fair value through other comprehensive income<br>("FVTOCI") financial assets | 290                                                       | (8)                                                       |
| Items that may be reclassified subsequently to profit<br>or loss             |                                                           |                                                           |
| Currency translation differences                                             | (12,905)                                                  | (14,000)                                                  |
| Share of other comprehensive income of<br>associates and joint ventures      | (525)                                                     | (721)                                                     |
| Other comprehensive income, net of tax                                       | (13,140)                                                  | (14,729)                                                  |
| <br>Total comprehensive income                                               | <br>75                                                    | <br>(4,620)                                               |
| <br>Total comprehensive income attributable to                               |                                                           |                                                           |
| Owners of the Company                                                        | 99                                                        | (459)                                                     |
| Non-controlling interests                                                    | (24)                                                      | (4,161)                                                   |
| Total comprehensive income                                                   | 75                                                        | (4,620)                                                   |

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

Six months ended September 30, 2015

|                                                             | Attributable to owners of the Company |                 |                 |                           |                   |                 |                           | Total equity<br>Millions of Yen |
|-------------------------------------------------------------|---------------------------------------|-----------------|-----------------|---------------------------|-------------------|-----------------|---------------------------|---------------------------------|
|                                                             | Capital stock                         | Capital surplus | Treasury stock  | Other component of equity | Retained earnings | Total           | Non-controlling interests |                                 |
|                                                             | Millions of Yen                       | Millions of Yen | Millions of Yen | Millions of Yen           | Millions of Yen   | Millions of Yen | Millions of Yen           |                                 |
| As at April 1, 2015                                         | 81,681                                | 148,676         | (5,137)         | 36,934                    | 121,337           | 383,491         | 47,124                    | 430,615                         |
| Profit for the period                                       | —                                     | —               | —               | —                         | 13,162            | 13,162          | 53                        | 13,215                          |
| Other comprehensive income                                  | —                                     | —               | —               | (13,063)                  | —                 | (13,063)        | (77)                      | (13,140)                        |
| Total comprehensive income                                  | —                                     | —               | —               | (13,063)                  | 13,162            | 99              | (24)                      | 75                              |
| Change in scope of consolidation                            | —                                     | —               | —               | —                         | —                 | —               | 1,222                     | 1,222                           |
| Dividends paid                                              | —                                     | —               | —               | —                         | (7,594)           | (7,594)         | (3,557)                   | (11,151)                        |
| Treasury shares purchased                                   | —                                     | —               | (10,222)        | —                         | —                 | (10,022)        | —                         | (10,022)                        |
| Treasury shares sold                                        | —                                     | 106             | 955             | —                         | —                 | 1,061           | —                         | 1,061                           |
| Changes of interests in subsidiaries without losing control | —                                     | (981)           | —               | —                         | —                 | (981)           | (367)                     | (1,348)                         |
| Transfer                                                    | —                                     | —               | —               | (460)                     | 460               | —               | —                         | —                               |
| As at September 30, 2015                                    | 81,681                                | 147,801         | (14,204)        | 23,411                    | 127,365           | 366,054         | 44,398                    | 410,452                         |

Six months ended September 30, 2016

|                                                             | Attributable to owners of the Company |                 |                 |                           |                   |                 |                           | Total equity<br>Millions of Yen |
|-------------------------------------------------------------|---------------------------------------|-----------------|-----------------|---------------------------|-------------------|-----------------|---------------------------|---------------------------------|
|                                                             | Capital stock                         | Capital surplus | Treasury stock  | Other component of equity | Retained earnings | Total           | Non-controlling interests |                                 |
|                                                             | Millions of Yen                       | Millions of Yen | Millions of Yen | Millions of Yen           | Millions of Yen   | Millions of Yen | Millions of Yen           |                                 |
| As at April 1, 2016                                         | 81,681                                | 145,735         | (19,132)        | 17,107                    | 146,199           | 371,590         | 47,473                    | 419,063                         |
| Profit for the period                                       | —                                     | —               | —               | —                         | 14,194            | 14,194          | (4,085)                   | 10,109                          |
| Other comprehensive income                                  | —                                     | —               | —               | (14,653)                  | —                 | (14,653)        | (76)                      | (14,729)                        |
| Total comprehensive income                                  | —                                     | —               | —               | (14,653)                  | 14,194            | (459)           | (4,161)                   | (4,620)                         |
| Change in scope of consolidation                            | —                                     | (4)             | —               | —                         | —                 | (4)             | (784)                     | (788)                           |
| Dividends paid                                              | —                                     | —               | —               | —                         | (7,271)           | (7,271)         | (14,255)                  | (21,526)                        |
| Treasury shares purchased                                   | —                                     | —               | (8,003)         | —                         | —                 | (8,003)         | —                         | (8,003)                         |
| Treasury shares sold                                        | —                                     | (0)             | 25              | —                         | —                 | 25              | —                         | 25                              |
| Changes of interests in subsidiaries without losing control | —                                     | (1,306)         | —               | —                         | —                 | (1,306)         | 8,690                     | 7,384                           |
| Transfer                                                    | —                                     | —               | —               | (1)                       | 1                 | —               | —                         | —                               |
| As at September 30, 2016                                    | 81,681                                | 144,425         | (27,110)        | 2,453                     | 153,123           | 354,572         | 36,963                    | 391,535                         |

#### (4) Interim Condensed Consolidated Statement of Cash flows

|                                                                                                     | Six months ended<br>September 30, 2015 | Six months ended<br>September 30, 2016 |
|-----------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
|                                                                                                     | Millions of Yen                        | Millions of Yen                        |
| Net cash (used in) generated from operating activities                                              |                                        |                                        |
| Profit before income tax expense                                                                    | 19,906                                 | 17,286                                 |
| Depreciation and amortization                                                                       | 5,473                                  | 5,185                                  |
| Share of profits of associates and joint ventures<br>accounted for using the equity method          | (994)                                  | (1,961)                                |
| Interest and dividend income                                                                        | (36,141)                               | (37,576)                               |
| Interest expense                                                                                    | 11,201                                 | 8,473                                  |
| Decrease (Increase) in operational investment<br>Securities                                         | 9,144                                  | (9,818)                                |
| Increase in accounts receivables and other<br>receivables                                           | (6,057)                                | (48,492)                               |
| Increase in operational liabilities and other liabilities                                           | 39,966                                 | 22,185                                 |
| (Increase) decrease in assets/liabilities related to<br>securities business                         | (111,666)                              | 20,386                                 |
| (Decrease) increase in customer deposits in the<br>banking business                                 | (3,532)                                | 49,137                                 |
| Others                                                                                              | (3,211)                                | (3,932)                                |
| Subtotal                                                                                            | (75,911)                               | 20,873                                 |
| Interest and dividend income received                                                               | 35,972                                 | 37,009                                 |
| Interest expense paid                                                                               | (10,507)                               | (7,341)                                |
| Income taxes paid                                                                                   | (14,148)                               | (6,065)                                |
| Net cash (used in) generated from operating<br>activities                                           | (64,594)                               | 44,476                                 |
| Net cash generated from investing activities                                                        |                                        |                                        |
| Purchases of intangible assets                                                                      | (2,494)                                | (3,053)                                |
| Purchases of investment securities                                                                  | (16,927)                               | (42,021)                               |
| Proceeds from sales or redemption of investment<br>securities                                       | 49,002                                 | 42,830                                 |
| Acquisition of subsidiaries, net of cash and cash<br>equivalents acquired                           | (144)                                  | (1,968)                                |
| Proceeds from (payments for) sales of subsidiaries,<br>net of cash and cash equivalents disposed of | 286                                    | 2,771                                  |
| Payments of loans receivable                                                                        | (175)                                  | (3,601)                                |
| Collection of loans receivable                                                                      | 788                                    | 4,577                                  |
| Others                                                                                              | 4,538                                  | 4,162                                  |
| Net cash generated from investing activities                                                        | 34,874                                 | 3,697                                  |

|                                                                                   | Six months ended<br>September 30, 2015 | Six months ended<br>September 30, 2016 |
|-----------------------------------------------------------------------------------|----------------------------------------|----------------------------------------|
|                                                                                   | Millions of Yen                        | Millions of Yen                        |
| Net cash generated from financing activities                                      |                                        |                                        |
| Increase in short term loans payable                                              | 6,942                                  | 10,011                                 |
| Proceeds from long-term loans payable                                             | 32,501                                 | 7,482                                  |
| Repayment of long-term loans payable                                              | (2,764)                                | (2,390)                                |
| Proceeds from bond issuance                                                       | 19,984                                 | 59,210                                 |
| Redemption of bonds payable                                                       | (4,068)                                | (50,145)                               |
| Proceeds from stock issuance to non-controlling interests                         | 91                                     | 200                                    |
| Contributions from non-controlling interests in consolidated investment funds     | 1,207                                  | 9,575                                  |
| Cash dividend paid                                                                | (7,563)                                | (7,257)                                |
| Cash dividend paid to non-controlling interests                                   | (382)                                  | (378)                                  |
| Distributions to non-controlling interests in consolidated investment funds       | (3,183)                                | (13,910)                               |
| Purchase of treasury stock                                                        | (10,022)                               | (8,003)                                |
| Proceeds from sale of interests in subsidiaries to non-controlling interests      | —                                      | 30                                     |
| Payments for purchase of interests in subsidiaries from non-controlling interests | (1,948)                                | (492)                                  |
| Others                                                                            | 690                                    | (398)                                  |
| Net cash generated from financing activities                                      | 31,485                                 | 3,535                                  |
| Net increase in cash and cash equivalents                                         | 1,765                                  | 51,708                                 |
| Cash and cash equivalents at the beginning of the period                          | 290,826                                | 248,050                                |
| Effect of changes in exchange rate on cash and cash equivalents                   | (5,368)                                | (9,389)                                |
| Transfer to assets held for sale                                                  | (2,244)                                | —                                      |
| Cash and cash equivalents at the end of the period                                | 284,979                                | 290,369                                |

## Notes to Interim Condensed Consolidated Financial Statements

### 1. Revenue

|                                                  | Six months ended<br>September 30, 2015 | Six months ended<br>September 30, 2016 |
|--------------------------------------------------|----------------------------------------|----------------------------------------|
|                                                  | Millions of yen                        | Millions of yen                        |
| Revenue                                          |                                        |                                        |
| Financial income                                 |                                        |                                        |
| Interest income (Note)                           | 35,024                                 | 37,190                                 |
| Dividends received                               | 1,259                                  | 658                                    |
| Income arising from financial assets<br>at FVTPL | (6,076)                                | (2,261)                                |
| Gain from trading                                | 10,066                                 | 8,662                                  |
| Total financial income                           | 40,273                                 | 44,249                                 |
| Revenue arising on insurance contracts           | 20,657                                 | 26,589                                 |
| Revenue from rendering of services               | 40,220                                 | 33,937                                 |
| Others                                           | 14,033                                 | 16,509                                 |
| Total revenue                                    | 115,183                                | 121,284                                |

(Note) Interest income in financial income arises from financial assets measured at amortized cost.

### 2. Events after the Reporting Period

There were no significant subsequent events noted.