



Summary of Consolidated Financial Statements for the Third Quarter, FY2016

July 29, 2016

Exchange: First Section of Tokyo Stock Exchange

Name of listed company: GMO Payment Gateway, Inc.
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 Scheduled date of submission of quarterly report August 10, 2016 Scheduled date of commencement of dividend payment -
 Supplemental materials prepared for financial results Yes
 Information meeting arranged related to financial results Yes (for institutional investors and analysts)

(Amounts rounded down to the nearest one million yen)

1. Consolidated Financial Statements for the Third Quarter, FY2016 (Cumulative) (From October 1, 2015 to June 30, 2016)

(1) Consolidated Financial Statements (Percentages denote the increase or decrease from the previous period)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q FY2016	8,820	37.2	2,953	28.4	2,941	26.9	1,809	24.4
3Q FY2015	6,427	21.0	2,300	20.1	2,317	20.2	1,454	29.1

(Note) Comprehensive income: 3Q FY2016: 1,567 million yen (2.9%) 3Q FY2015: 1,523 million yen (32.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
3Q FY2016	48.70	48.70
3Q FY2015	42.04	42.02

(Note) In order to appropriately display the net income per share, in regard to the stock attributed to the directors' remuneration board incentive plan trust, it has the right to a claim of dividend, and is therefore, not included in treasury stock.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
3Q FY2016	52,766	17,082	32.4	459.82
FY2015	41,831	16,186	38.7	435.78

Reference: Equity: 3Q FY2016: 17,081 million yen FY2015: 16,184 million yen

2. Dividends

	Yearly dividends				
	1Q	2Q	3Q	Fiscal Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY 2015	—	0.00	—	18.00	18.00
FY 2016	0.00	0.00	0.00		
FY 2016 (forecast)				22.00	22.00

(Note) Revision of the most recently released dividend forecast: No

3. Consolidated Financial Forecast for the Fiscal Year Ending September 2016 (From October 1, 2015 to September 30, 2016)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	11,413	26.4	3,741	25.7	3,750	25.0	2,335	26.0	62.86

(Note) Revision of the most recently released financial forecast: No

Notices:

- (1) Changes of important subsidiaries during the period (change of specific subsidiaries that lead to a change in the scope of consolidation): No
Number of new subsidiaries: - (Name:), number of excluded subsidiaries: - (Name:)
- (2) Application of special accounting procedures for the execution of the financial statements: No
- (3) Changes in the accounting policy / changes in the accounting estimation / restatement of corrections
- [1] Changes associated with the revision of accounting policy, etc.: Yes
 - [2] Changes other than [1]: No
 - [3] Changes in accounting estimations: No
 - [4] Restatement of corrections: No

- (4) Number of shares issued (common stock)
- | | | |
|---|-----------------------|-----------------------|
| [1] Number of shares issued at the end of the term (including treasury stock) | 3Q FY2016: 37,150,500 | FY 2015: 37,140,900 |
| [2] Number of treasury stocks at the end of the term | 3Q FY2016: 2,500 | FY 2015: 2,500 |
| [3] Average number of shares | 3Q FY2016: 37,146,153 | 3Q FY2015: 34,596,463 |
- (Note) In order to appropriately display the number of treasury stocks at the end of the term and average number of shares, in regard to the stock attributed to the directors' remuneration board incentive plan trust, it has the right to a claim of dividend, and is therefore, not included in treasury stock.

- * Indication of the implementation status of quarterly review procedures
These quarterly financial statements are not subject to the quarterly review procedures of the Financial Instruments and Exchange Act. At the time of disclosure of these quarterly financial statements, the quarterly financial statement review procedures of the Financial Instruments and Exchange Act had not been completed.

- * Explanation of the proper use of financial forecasts and other important notes
The above forecasts are outlooks based on information currently available, and include various uncertain factors. Actual performance may differ substantially from the forecasts due to changes in business conditions and other factors. For the assumption on which financial forecasts are based and matters to be considered in using financial forecasts, please refer to“(3) Review of consolidated earnings forecasts and other forecasts” under“1. Qualitative Information on Consolidated Financial Statements for the Quarter” on page 4 of the attachment.

Results Presentation for Investors and Analysts: August 1, 2016. Supporting materials and a video of the presentation will be made available on the company's website after the event.

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1. Qualitative Information on Consolidated Financial Statements for the Quarter

(1) Qualitative information on consolidated operating results

Regarding the economic environment in Japan during the period under review, although there were some concerns about overseas economic conditions such as the impact of China's economic decline, the decline in crude oil prices, and the fluctuations in exchange, the economy is gradually on the mend, with the economic and fiscal policy of the government and the monetary easing policy of the Bank of Japan as a background.

In regard to our core business, the BtoC EC market continues to grow, thanks to a favorable external environment such as broader use of smartphones as well as reforms in logistics, and e-commerce is also spreading in the market of sales of non-goods items such as services, as seen in new areas such as BtoB EC and CtoC EC.

In regard to the credit card field, credit card shopping is steadily growing, and people tend to make more purchases via the Internet. Also, use of credit cards in the field of payment via the internet for everyday living expenses continues to expand, such as payments for rent and medical costs, as well as utility charges and public funds. It is a certainty that opportunities to use credit cards will continue to increase.

Under such circumstances, the group has pressed on with its businesses in order to expand the scale of operations described below.

The Group consists of GMO Payment Gateway, Inc. and its consolidated subsidiaries, GMO Epsilon, Inc. , GMO PAYMENT SERVICE, Inc., GMO PAYMENT GATEWAY PTE. LTD. etc, and provides Payment Processing Business, Money Service Business, and Other business as a consolidated subsidiary of GMO Internet, Inc.

The number of merchants during the current consolidated cumulative third quarter increased by 13,010 to 72,569 compared to the end of the previous consolidated fiscal year. The number and amount of processed payments steadily increased.

Changes in number of operating stores

	End of September 2012	End of September 2013	End of September 2014	End of September 2015	End of June 2016
Number of operating stores	38,949	44,328	49,725	59,559	72,569

Note: Number of operating stores means the number of IDs assigned to each store to use the service. It shows the number of stores (merchants) which have an agreement with the Group, are connected to the system, and are able to process payments at any time in principle, though the number of operating stores does not include stores which are using the GMO Payment after delivery service or Online advertising service.

For online payment field, such as the BtoC EC, BtoB EC and CtoC EC market, Payment Processing Business grew steadily. For consolidated cumulative third quarter, GMO Payment Gateway, Inc. has started offering a Bank Transfer (Virtual Account) for its PG Multi-Payment Service that allocates dedicated transfer accounts for each transaction as of April 18, 2016. GMO Epsilon, Inc., our consolidated subsidiary, sells and provides the "Multi-Payment Service" and is contributing to an increase in the number of operating stores and merchants acquiring service revenue.

For recurring payment field, we have continued to attempt to develop this field to enable using credit card for paying utility charges, public funds and other monthly services closely connected with everyday life. We provide payment methods to public institutions, such as the Japan Pension Service, and local governments. For consolidated cumulative third quarter, GMO Payment Gateway, Inc. has started providing payment processing services and develop and operate a credit card payment site for automobile taxes in Oita Prefecture in April and Fukushima Prefecture in May.

For Money Service Business, Our subsidiary GMO Payment Service Inc. provides a "GMO Payment after delivery" service that allows the user to pay after receiving the goods. The "GMO Payment after delivery" service has been adopted by an increasing number of merchants as a payment service with high level of consumers' needs and has continued to perform favorably since its introduction in May 2013. We also provide "Money service business (MSB)" such as "early payment services", Transaction Lending service and "GMO-PG Remittance Service". For consolidated cumulative third quarter, GMO Epsilon, Inc. also started offering remittance service for the merchants as of May 10, 2016.

For Others, we provide Online Advertising Service, SSL server certifications, shipping services.

With regard to overseas business, we established five overseas entities to provide Z.com Payment solutions to Japanese online businesses with a local presence and targeting local markets in South East Asia. We have continued to promote funding activities through the “GMO Global Payment Fund” to form capital alliances with prospective payment-related businesses; in addition, the financial results of local payment processing companies in which we invest our funds have performed steadily. With a view to incorporating the huge growth potential of South East Asia, which is the center of global growth, into our Group’s mid-to-long-term business growth, we will continue to introduce new measures while creating a synergistic effect between “Z.com Payment” and “GMO Global Payment Fund”.

*“GMO-PG Global Payment” has changed the name to “Z.com Payment”.

Consequently, the Group’s operating results for the cumulative third quarter of the current consolidated fiscal year were as follows: Net sales amounted to 8,820,198,000 yen (an increase of 37.2% on a year-on-year basis).

Net sales consisted of an initial revenue of 454,493,000 yen (increase of 21.0% on a year-on-year basis), running revenue of 4,602,738,000 yen (increase of 30.2% on a year-on-year basis) and merchant acquiring service revenue of 3,762,966,000 yen (increase of 49.6% on a year-on-year basis).

Concerning operating expenses, while the solid performance of “GMO Payment after delivery” service saw a hike in cost of sales, we were able to take advantage of the scale merit of the revenue growth. As a result, cost of sales amounted to 1,997,568,000 yen (increase of 46.2% on a year-on-year basis). Selling, general and administrative expenses came to 3,869,281,000 (increase of 40.1% on a year-on-year basis) due to the increases of MSB related sales and an increase in personnel expenses. The operating income grew 28.4% a year-on-year basis to 2,953,348,000 yen.

With regard to non-operating income and loss, while non-operating income of 79,498,000 yen has been posted due to the occurrence of investment return with the equity method by the enhancement of performance of GMO Financial Gate which is an affiliate accounted for using the equity method, though exchange losses of 75,105,000 yen has been posted. Ordinary income resulting 2,941,309,000 yen (increase of 26.9% on a year-on-year basis) and marking a ratio of ordinary income to net sales of 33.3%.

Profit attributable to owners of parent grew to 1,809,030,000 yen (increase of 24.4% on a year-on-year basis).

The Results of each segment is as mentioned below.

Effective from the first quarter of the fiscal year ending September 30, 2016, the classification of the reporting segments has been revised. The reporting segments consist of the “Payment Processing Business”, the “Money Service Business”, and the Others. Segment information for the third quarter of the previous fiscal year is based on the segment classification after the change.

For Payment Processing Business, the number and amount of processed payments steadily increased with the expansion of e-commerce market. System development orders from large-sized enterprises remained at a high level. The sales marked 6,361,261,000 yen (increase of 20.2% on a year-on-year basis) and the segment income (operating income) marked 3,845,844,000 yen (increase of 22.0% on year-on-year basis).

For Money Service Business, Money service business (MSB) such as “GMO Payment after delivery”, “GMO-PG Remittance Service” steadily increased. As a result, the sales marked 1,554,482,000 yen (increase of 195.3% on a year-on-year basis) and the segment income (operating income) marked 159,923,000 yen (FY2015 segment lost marked 22,114,000 yen).

For Others, “GMO-PG Online Advertising Service” grew very well. Sales of SSL server certifications and shipping service grew steadily. As a result, the sales marked 904,670,000 yen (increase of 48.6% on a year-on-year) and the segment income marked 124,217,000 (increase of 69.7% on a year-on-year basis).

(2) Qualitative information regarding the consolidated financial condition

[1] Assets

The balance of total assets at the end of the third quarter of the current consolidated fiscal year was 52,766,266,000 yen, up 10,934,529,000 yen as compared with the end of the previous consolidated fiscal year. This increase was mainly due to an increase of lease receivables (+3,710,441,000 yen), an increase of advance payments-trade (+3,976,675,000 yen) and an increase of investments securities (+1,231,013,000 yen).

[2] Liabilities

The balance of liabilities at the end of the third quarter of the current consolidated fiscal year was 35,683,925,000yen, up 10,038,539,000 yen as compared with the end of the previous consolidated fiscal year. This increase was mainly caused by an increase in deposits received of 8,756,298,000 yen, which was an effect of the increase in deposits received from merchants in accordance with the merchant acquiring service agreement. The deposits of merchants will mostly be paid out on the tenth of the next month, therefore the deposit balance will decrease with receipt of deposits.

[3] Net assets

The balance of net assets at the end of the third quarter of the current consolidated fiscal year was 17,082,341,000 yen, up 895,990,000 yen as compared with the end of the previous consolidated fiscal year. The increase was mainly caused by increase in profit attributable to owners of parent of 1,809,030,000 yen, with a decrease of 668,491,000 yen as a result of a distribution of surplus.

[4] Cash Flows

At the end of the third quarter of the current consolidated fiscal year, cash and cash equivalents (the "Funds") was 30,450,163,000 yen, up 336,558,000 yen as compared with the balance at the beginning of the period. Cash flows at the end of the cumulative third quarter of the current consolidated fiscal year are as follows.

Net cash provided by (used in) operating activities

Cash provided by operating activities during the cumulative third quarter of the current consolidated fiscal year amounted to 3,260,157,000 yen (8,039,232,000 yen was obtained for the same period of the previous fiscal year). This was mainly due to the recording net income before income taxes and others of 2,936,424,000 yen and increase in deposits received of 8,756,298,000 yen after a payment of income taxes of 1,462,685,000 yen, increase in lease receivables (+3,710,441,000 yen) , increase in advance payments-trade (+3,976,675,000) and increase in accounts payable-other (913,337,000 yen).

Net cash provided by (used in) investing activities

Cash used in investment activities totaled 2,198,365,000 yen (952,435,000 yen was used for the same period of the previous fiscal year.) This was mainly due to the investments in other securities of subsidiaries and affiliates of 1,525,587,000 yen, purchase of intangible fixed assets of 467,163,000 yen.

Net cash provided by (used in) financing activities

Cash used in financing activities totaled 639,660,000 yen (7,419,985,000 yen was used for the same period of the previous fiscal year). This was primarily attributable to the dividend payment of 599,259,000 yen.

(3) Review of consolidated earnings forecasts and other forecasts

(Forecasts for the next period)

In regard to our core business, the BtoC EC market continues to grow thanks to a favorable external environment such as broader use of smartphones as well as reforms in logistics, and e-commerce is also spreading in the market of sales of non-goods items such as services, as seen in new areas such as BtoB EC and CtoC EC.

For the term ending September 2016, we believe this will be achieved by accelerating the acquisition pace of new merchants, strengthening the development of large-scale merchants through the provision of higher quality services, and increasing revenue per merchant through providing services such as "Online Advertising Service" and "Money service business (MSB)" that increase added value associated with the merchants' use of the Group.

In regard to costs, we keep forecast for increase in sales cost ratio due to the sales growth of "Online Advertising Service" and "GMO-PG Remittance Service", which has a high sales-cost ratio. We also forecast investment cost on the subsidiary companies, overseas businesses, and other investment on new businesses. We expect 25.0% growth in ordinary income and 32.9% ordinary income ratio.

As regards the foreseen joint venture company with Mitsui Sumitomo Bank, we think it would contribute to enhance the mid-term corporate value and shareholders' value of our company, but we expect that, for the term ending September 2016, the costs related to the establishments of the new company would precede.

2. Items concerning summary information (Notes)

(1) Changes of important subsidiaries N/A

(2) Application of special accounting procedures for the execution of the financial statements

N/A

(3) Changes in the accounting policy/ changes in the accounting estimation/ restatement of corrections

(Changes in the accounting policy)

(Application of Accounting Standard for Business Combinations, etc.)

Since the first quarter of the accounting period under review, the Company has applied the Accounting standard for Business Combinations (Accounting Standards Board of Japan "ASBJ" Statement No. 21, issued on September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, issued on September 13, 2013), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7, issued on September 13, 2013). In line with the application of these standards, the Company included the balance resulting from the changes in a parent's ownership interest in a subsidiary, in which the parent retains control, as capital surplus, and included the costs related to the acquisition of additional ownership interests in the costs of the fiscal period in which the relevant costs were incurred. In regard to the business combinations executed after the beginning of the first quarter of the accounting period under review, the Company has decided to revise the allocation of acquisition costs in response to the tentative decisions related to accounting processing, and to reflect this to the quarterly financial statements for the period in which the relevant business combinations are executed. The Company has also changed the method of disclosing quarterly net income, etc., and the method of reporting changes in minority interests to non-controlling interests. In order to reflect these changes, the financial statements of the cumulative first quarter and the fiscal year for the previous fiscal year have been restated.

In the cash flow statement of the cumulative first quarter, the cash flow for the costs of the acquisition or sales of ownership interests in subsidiaries that do not result in change in scope of consolidation is stated in the net cash provided by (used in) financing activities, and the cash flow for the costs of the acquisition of ownership interests in subsidiaries resulting in change in scope of consolidation or the acquisition or sales of ownership interests in subsidiaries that do not result in change in scope of consolidation is stated in the net cash provided by (used in) operating activities. The accounting standards for business combinations have been applied in accordance with the transitional treatment provided in Paragraph 58-2(4) of the Accounting Standard for Business Combinations, Paragraph 44-5(4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4(4) of the Accounting Standard for Business Divestitures. These standards were applied prospectively from the beginning of the first quarter of the accounting period under review.

The impact of this change on income is immaterial.

(Change in Method for Calculation of Depreciation of Tangible Fixed Assets)

Effective as of the third quarter of fiscal 2016, the Company began applying the Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016 (Accounting Standards Board of Japan's [ASBJ] Practical Issues Task Force [PITF] No. 32 of June 17, 2016) as a result of revisions to Japan's Corporate Tax Act. The solution was adopted to change from the declining-balance method to the straight-line method for depreciation of facilities attached to buildings or structures acquired since April 1, 2016.

The effect on consolidated financial statements for the subject third quarter period is negligible.

3. Consolidated quarterly financial statements

(1) Consolidated quarterly balance sheet

(Unit: Thousand yen)

	Summary of balance sheet at the end of the previous consolidated fiscal year (September 30, 2015)	End of the third quarter of the current consolidated fiscal year (June 30, 2016)
Assets		
Current assets		
Cash and deposits	30,152,630	30,493,676
Accounts receivable-trade	2,117,007	2,796,012
Lease receivables	2,293,947	6,004,388
Merchandise	1,062	3,327
Supplies	617	900
Advance payments-trade	2,303,428	6,280,103
Prepaid expenses	67,830	102,103
Deferred tax assets	220,805	111,805
Accounts receivable-other	1,156,824	1,677,812
Other	341,591	500,331
Allowance for doubtful accounts	△186,253	△289,576
Total current assets	38,469,492	47,680,886
Noncurrent assets		
Tangible assets		
Buildings, net	73,559	65,520
Tools, furniture and fixtures	49,373	58,747
Other	92,564	82,491
Total tangible assets	215,497	206,759
Intangible assets		
Goodwill	24,707	22,756
Right of trademark	119	46
Software	751,499	930,759
Other	158,485	225,302
Total intangible assets	934,811	1,178,865
Investments and other assets		
Investment securities	1,437,144	2,668,158
Shares of subsidiaries and affiliates	139,047	284,987
Investments in other securities of subsidiaries and affiliates	343,047	341,861
Long-term loans receivable from directors and employees	1,443	1,084
Claims provable in bankruptcy, claims provable in rehabilitation and other	25,545	25,942
Long-term prepaid expenses	2,570	27,101
Lease and guarantee deposits	223,818	204,174
Deferred tax assets	64,863	122,888
Other	—	49,500
Allowance for doubtful accounts	△25,545	△25,942
Total investments and other assets	2,211,935	3,699,755
Total noncurrent assets	3,362,243	5,085,380
Total assets	41,831,736	52,766,266

(Unit: Thousand yen)

	Summary of balance sheet at the end of the previous consolidated fiscal year (September 30, 2015)	End of the third quarter of the current consolidated fiscal year (June 30, 2016)
Liabilities		
Current liabilities		
Accounts payable-trade	985,850	1,448,853
Accounts payable-other	1,911,844	2,820,940
Income taxes payable	795,544	357,352
Accrued consumption taxes	73,108	39,489
Advances received	48,698	489,524
Deposits received	21,184,305	29,940,604
Provision for bonuses	337,334	102,363
Provision for others	58,700	207,100
Other	52,800	53,490
Total current liabilities	25,448,186	35,459,719
Noncurrent liabilities		
Provision for directors' remuneration Board Incentive Plan Trust	120,000	157,500
Other	77,198	66,706
Total noncurrent liabilities	197,198	224,206
Total liabilities	25,645,385	35,683,925
Net assets		
Shareholders' equity		
Capital stock	4,711,021	4,712,900
Capital surplus	4,970,942	4,966,785
Retained earnings	6,651,114	7,791,653
Treasury stock	△265,236	△265,236
Total shareholders' equity	16,067,842	17,206,103
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	134,960	△12,929
Foreign currency translation adjustment	△18,578	△111,910
Total Accumulated other comprehensive income	116,382	△124,839
Subscription rights to shares	2,126	1,077
Total net assets	16,186,351	17,082,341
Total liabilities and net assets	41,831,736	52,766,266

(2) Consolidated quarterly statements of income and consolidated quarterly statement of comprehensive income

(Consolidated quarterly statements of income)
(Cumulative third quarter of the consolidated fiscal year)

(Unit: Thousand yen)

	First nine months of the previous consolidated fiscal year (From October 1, 2014 to June 30, 2015)	First nine months of the current consolidated fiscal year (From October 1, 2015 to June 30, 2016)
Net sales	6,427,681	8,820,198
Cost of sales	1,366,038	1,997,568
Gross profit	5,061,642	6,822,630
Selling, general and administrative expenses	2,761,453	3,869,281
Operating income	2,300,189	2,953,348
Non-operating income		
Interest income	5,260	3,620
Dividends income	5,271	6,719
Equity income of affiliates	22,465	19,804
Earning on investment in silent partnership	1,218	—
Earning on investment in partnership	—	10,857
Earnings on reversal of dividends payable	1,050	933
Rent income	10,525	13,615
Commissions received	12,402	16,741
Exchange earnings	25,257	—
Other	3,625	7,206
Total non-operating income	87,077	79,498
Non-operating expenses		
Interest expenses	1,486	2,880
Loss on investment in partnership	10,984	—
Rent expenses	11,517	13,369
Stock delivery expenses	45,317	—
Exchange losses	—	75,105
Other	12	181
Total non-operating expenses	69,318	91,537
Ordinary income	2,317,947	2,941,309
Extraordinary income		
Income from securities sold	30,766	—
Gain on change in equity	26,196	—
Total extraordinary income	56,962	—
extraordinary expense		
loss on retirement of noncurrent assets	570	3,088
loss on disaster	—	1,797
Total extraordinary expense	570	4,885
Income before income taxes	2,374,399	2,936,424
Corporate, inhabitant and enterprise taxes	859,700	1,023,742
Income taxes-deferred	62,846	103,651
Total income taxes	922,546	1,127,393
Net income	1,451,792	1,809,030
Loss attributable to non-controlling interests (△)	△2,675	—
Profit attributable to owners of parent	1,454,467	1,809,030

(Consolidated quarterly statements of comprehensive income)
(Cumulative third quarter of the consolidated fiscal year)

(Unit: Thousand yen)

	First nine months of the previous consolidated fiscal year (From October 1, 2014 to June 30, 2015)	First nine months of the current consolidated fiscal year (From October 1, 2015 to June 30, 2016)
Net income	1,451,792	1,809,030
Other comprehensive income		
Valuation difference on available-for-sale securities	40,924	△147,890
Foreign currency translation adjustment	△30,841	△93,331
Total other comprehensive income	71,766	△241,222
Comprehensive income	1,523,558	1,567,808
Details		
Parent company shareholders' comprehensive income	1,526,034	1,567,808
Non-controlling interests' comprehensive income	△2,475	—

(3) Consolidated statements of cash flows

(Unit: Thousand yen)

	First nine months of the previous consolidated fiscal year (From October 1, 2014 to June 30, 2015)	First nine months of the current consolidated fiscal year (From October 1, 2015 to June 30, 2016)
Net cash provided by (used in) operating activities		
Income before income taxes	2,374,339	2,936,424
Depreciation	215,339	265,976
Amortization of goodwill	5,337	1,950
Increase and decrease in provision (△decrease)	△8,999	54,649
Interest and dividends income	△10,531	△10,340
Interest expenses	1,486	2,880
stock delivery expenses	45,317	—
Foreign exchange gains and losses (△gains)	△25,298	72,433
Equity in gains and losses of affiliates (△gains)	△22,465	△19,804
Gains and losses on investments in silent partnership (△gains)	△1,218	—
Gains and losses on investment in partnership (△gains)	10,984	△10,857
Gain and loss on investment securities sold (△gains)	△30,766	—
Gains and losses on change in equity	△26,196	—
Loss on retirement of noncurrent assets	570	3,088
Gains and loss on disaster	—	1,797
Increase and decrease in accounts receivable (△Increase)	△194,649	△680,263
Increase and decrease in lease receivables (△gains)	—	△3,710,441
Increase and decrease in inventories (△increase)	1,505	△2,668
Increase and decrease in advance payments-trade (△increase)	△981,820	△3,976,675
Increase and decrease in accounts receivable-other (△increase)	△495,563	△521,003
Increase and decrease in purchase debts (△decrease)	68,465	463,169
Increase and decrease in accounts payable-other (△decrease)	1,035,209	913,337
Increase and decrease in deposits received (△decrease)	8,653,715	8,756,298
Other	△1,416,524	161,399
Subtotal	9,198,885	4,701,351
Interest and dividends income received	6,282	4,371
Interest expenses paid	△1,486	△2,880
Payments for deposits of deposit money	△10,025	△350,000
Proceeds from returned guaranteed deposits	—	370,000
Income taxes paid	△1,154,423	△1,462,685
Net cash provided by (used in) operating activities	8,039,232	3,260,157
Net cash provided by (used in) investing activities		
Purchase of property, plants and equipment	△16,606	△25,320
Purchase of intangible assets	△262,501	△467,163
Purchase of investment securities	△778,234	△1,525,587
Proceeds from sales and redemptions of investment securities	263,159	—
Purchase of stocks of subsidiaries and affiliates	△63,000	△124,950
Purchase of other stocks of subsidiaries and affiliates	△125,000	—
Distributions from an investment partnership	30,092	30,328
Payment on leasehold deposits	—	△1,225
Other	△345	△84,447
Net cash provided by (used in) investing activities	△952,435	△2,198,365
Net cash provided by (used in) financing activities		
Proceeds from issuance of common stock	7,968,601	2,749
Purchase of treasury stock	△513	—
Cash dividends paid	△516,833	△599,259

Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	△6,076
Other	△31,268	△37,073
Net cash provided by (used in) financing activities	△7,419,985	△639,660
Translation differences of cash and cash equivalents	37,999	△85,573
Increase and decrease in cash and cash equivalents(△decrease)	14,544,782	336,558
Balance of cash and cash equivalents at the beginning of the period	20,349,309	30,113,605
Cash and cash equivalents at the end of period	34,894,092	30,450,163

(4) Notes to the consolidated quarterly financial statement

(Notes regarding the premise for continuance)

N/A

(Note when there is a significant fluctuation in the amount of shareholders' equity)

N/A