



## Summary of Consolidated Financial Statements for the First Quarter, FY2016

February 4, 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 February 12, 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 First Quarter, FY2016 (From October 1, 2015 to December 31, 2015)

(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	%
1Q FY2016	2,732	39.5	870	20.0	924	22.0	596	25.4
1Q FY2015	1,958	19.1	725	25.7	758	26.0	476	33.9

(Note) Comprehensive income: 1Q FY2016: 621 million yen (20.6%) 1Q FY2015: 515 million yen (39.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
1Q FY2016	16.07	16.07
1Q FY2015	13.78	13.78

(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
1Q FY2016	50,113	16,137	32.2	434.39
FY2015	41,831	16,186	38.7	435.78

Reference: Equity: 1Q FY2016: 16,136 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				
FY 2016 (forecast)		0.00	0.00	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
2Q of FY 2016 (cumulative)	5,216	25.3	1,741	17.0	1,742	13.8	1,075	14.7	28.94
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)	1Q FY2016: 37,150,500	FY 2015: 37,140,900
[2] Number of treasury stocks at the end of the term	1Q FY2016: 2,500	FY 2015: 2,500
[3] Average number of shares	1Q FY2016: 37,142,500	1Q FY2015: 34,535,921

(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.

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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 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 fiscal year increased by 6,093 to 65,652 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 December 2015
Number of operating stores	38,949	44,328	49,725	59,559	62,625

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.

For online payment field, such as the BtoC EC, BtoB EC and CtoC EC market, Payment Processing Business grew steadily. 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. This service provides a package of various payment methods such as credit cards to small-scale companies via its website, on a online basis.

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, the "Metropolitan Tax Credit Card Payment Site" (<https://zei.tokyo>). During the period under review, we enhanced payment services that are suitable for business operators such as new and existing electric power companies. On October 27, 2015, we began accepting advance registrations ahead of the start of services in January 2016.

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 Others, we provide Online Advertising Service, SSL server certifications, shipping services. During the period under review, we got certified as a major agency for Twitter, Inc. and start to provide "Twitter advertisement" as "GMO-PG Online Advertising Service" from December 1, 2015.

With regard to overseas business, we established five overseas entity to provide GMO-PG Global 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 fund 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 “GMO-PG Global Payment” and “GMO Global Payment Fund”.

Consequently, the Group’s operating results for the cumulative first quarter of the current consolidated fiscal year were as follows: Net sales amounted to 2,732,786,000 yen (an increase of 39.5% on a year-on-year basis). Net sales consisted of an initial revenue of 142,188,000 yen (increase of 34.7% on a year-on-year basis), running revenue of 1,435,052,000 yen (increase of 30.4% on a year-on-year basis) and merchant acquiring service revenue of 1,155,545,000 yen (increase of 53.6% 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 615,078,000 yen (increase of 61.0% on a year-on-year basis). Selling, general and administrative expenses came to 1,246,788,000 (increase of 46.5% on a year-on-year basis). The operating income grew 20.0% a year-on-year basis to 870,919,000 yen.

With regard to non-operating income and loss, while non-operating income of 59,553,000 yen has been posted due to reasons such as exchange gains and 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, ordinary income resulting 924,496,000 yen (increase of 22.0% on a year-on-year basis) and marking a ratio of ordinary income to net sales of 33.8%.

Profit attributable to owners of parent grew to 596,861,000 yen (increase of 25.4% 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 first 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 2,021,235,000 yen (increase of 21.2% on a year-on-year basis) and the segment income (operating income) marked 1,167,028,000 yen (increase of 21.6% 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 428,588,000 yen (increase of 275.5% on a year-on-year basis) and the segment income (operating income) marked 42,024,000 yen (FY2015 segment lost marked 4,069,000 yen).

For Others, “GMO-PG Online Advertising Service” grew very well. As a result, the sales marked 283,190,000 yen (increase of 59.5% on a year-on-year) and the segment income marked 27,589,000 (increase of 55.3% on a year-on-year).

## (2) Qualitative information regarding the consolidated financial condition

### [1] Assets

The balance of total assets at the end of the first quarter of the current consolidated fiscal year was 50,113,496,000 yen, up 8,281,759,000 yen as compared with the end of the previous consolidated fiscal year. This increase was mainly due to an increase of cash and deposits (+3,620,285,000 yen), an increase of Investment securities (+1,400,199,000 yen), an increase of lease receivables (+1,146,745,000 yen) and an increase of accounts receivable-trade (+521,182,000 yen).

The increase of cash and deposits was mainly caused by the increase of deposits of 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.

### [2] Liabilities

The balance of liabilities at the end of the first quarter of the current consolidated fiscal year was 33,975,829,000yen, up 8,330,444,000 yen as compared with the end of the previous consolidated fiscal year. This increase was mainly caused by an increase in deposits received of 8,093,781,000 yen, which was an effect of the increase in deposits received from merchants in accordance with the merchant acquiring service agreement.

### [3] Net assets

The balance of net assets at the end of the first quarter of the current consolidated fiscal year was 16,137,667,000 yen, down 48,684,000 yen as compared with the end of the previous consolidated fiscal year. The decrease was mainly caused by a decrease in profit attributable to owners of parent of 596,861,000 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 first quarter of the current consolidated fiscal year, cash and cash equivalents (the "Funds") was 33,727,925,000 yen, up 3,614,320,000 yen as compared with the balance at the beginning of the period. Cash flows at the end of the cumulative first 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 first quarter of the current consolidated fiscal year amounted to 5,849,734,000 yen (4,488,499,000 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 924,496,000 yen and increase in deposits received of 8,016,536,000 yen after a payment of income taxes of 773,439,000 yen, increase in lease receivables (+1,146,745,000 yen) and increase in accounts receivables(+521,355,000).

#### **Net cash provided by (used in) investing activities**

Cash used in investment activities totaled 1,647,296,000 yen (543,687,000 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 1,376,027,000 yen, purchase of intangible fixed assets of 143,167,000 yen, and purchase of stocks of subsidiaries and affiliates of 124,950,000 yen.

#### **Net cash provided by (used in) financing activities**

Cash used in financing activities totaled 598,210,000 yen (509,452,000 yen was used for the same period of the previous fiscal year). This was primarily attributable to the dividend payment of 585,514,000 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)

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.

### 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 first quarter of the current consolidated fiscal year (December 31, 2015)
<b>Assets</b>		
Current assets		
Cash and deposits	30,152,630	33,772,916
Accounts receivable-trade	2,117,007	2,638,189
Lease receivables	2,293,947	3,440,692
Merchandise	1,062	714
Supplies	617	1,087
Advance payments-trade	2,303,428	2,373,213
Prepaid expenses	67,830	83,203
Deferred tax assets	220,805	147,530
Accounts receivable-other	1,156,824	1,590,399
Other	341,591	982,453
Allowance for doubtful accounts	△186,253	△223,218
Total current assets	38,469,492	44,807,182
Noncurrent assets		
Tangible assets		
Buildings, net	73,559	70,879
Tools, furniture and fixtures	49,373	45,296
Other	92,564	98,281
Total tangible assets	215,497	214,458
Intangible assets		
Goodwill	24,707	24,057
Right of trademark	119	91
Software	751,499	737,360
Other	158,485	248,213
Total intangible assets	934,811	1,009,722
Investments and other assets		
Investment securities	1,437,144	2,837,344
Shares of subsidiaries and affiliates	139,047	279,142
Investments in other securities of subsidiaries and affiliates	343,047	352,977
Long-term loans receivable from directors and employees	1,443	1,324
Claims provable in bankruptcy, claims provable in rehabilitation and other	25,545	25,781
Long-term prepaid expenses	2,570	11,670
Lease and guarantee deposits	223,818	542,896
Deferred tax assets	64,863	56,777
Allowance for doubtful accounts	△25,545	△25,781
Total investments and other assets	2,211,935	4,082,133
Total noncurrent assets	3,362,243	5,306,314
<b>Total assets</b>	<b>41,831,736</b>	<b>50,113,496</b>



(Unit: Thousand yen)

	Summary of balance sheet at the end of the previous consolidated fiscal year (September 30, 2015)	End of the first quarter of the current consolidated fiscal year (December 31, 2015)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	985,850	1,216,364
Accounts payable-other	1,911,844	2,671,160
Income taxes payable	795,544	189,537
Accrued consumption taxes	73,108	48,466
Advances received	48,698	71,889
Deposits received	21,184,305	29,278,086
Provision for bonuses	337,334	220,861
Provision for others	58,700	—
Other	52,800	68,219
Total current liabilities	25,448,186	33,764,584
Noncurrent liabilities		
Provision for directors' remuneration Board Incentive Plan Trust	120,000	131,250
Other	77,198	79,994
Total noncurrent liabilities	197,198	211,244
Total liabilities	25,645,385	33,975,829
<b>Net assets</b>		
Shareholders' equity		
Capital stock	4,711,021	4,712,900
Capital surplus	4,970,942	4,968,506
Retained earnings	6,651,114	6,579,484
Treasury stock	△265,236	△265,236
Total shareholders' equity	16,067,842	15,995,655
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	134,960	148,749
Foreign currency translation adjustment	△18,578	△7,827
Total Accumulated other comprehensive income	116,382	140,922
Subscription rights to shares	2,126	1,089
Total net assets	16,186,351	16,137,667
<b>Total liabilities and net assets</b>	<b>41,831,736</b>	<b>50,113,496</b>

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

(Consolidated quarterly statements of income)

(Cumulative first quarter of the consolidated fiscal year)

(Unit: Thousand yen)

	First three months of the previous consolidated fiscal year (From October 1, 2014 to December 31, 201)	First three months of the current consolidated fiscal year (From October 1, 2015 to December 31, 2015)
Net sales	1,958,642	2,732,786
Cost of sales	382,006	615,078
Gross profit	1,576,636	2,117,708
Selling, general and administrative expenses	851,039	1,246,788
Operating income	725,596	870,919
Non-operating income		
Interest income	1,917	1,694
Dividends income	5,091	6,327
Equity income of affiliates	1,979	25,075
Earnings on reversal of dividends payable	1,050	933
Rent income	3,482	4,426
Commissions received	4,993	6,770
Exchange earnings	20,170	11,047
Other	609	3,277
Total non-operating income	39,294	59,553
Non-operating expenses		
Interest expenses	537	1,039
Loss on investment in silent partnership	1,467	—
Loss on investment in partnership	1,391	591
Rent expenses	3,412	4,344
Other	1	—
Total non-operating expenses	6,809	5,976
Ordinary income	758,080	924,496
Extraordinary income		
Income from securities sold	4,882	—
Total extraordinary income	4,882	—
Income before income taxes	762,962	924,496
Corporate, inhabitant and enterprise taxes	220,228	256,584
Income taxes-deferred	67,350	71,051
Total income taxes	287,578	327,635
Net income	475,383	596,861
Loss attributable to non-controlling interests (△)	△ 657	—
Profit attributable to owners of parent	476,041	596,861

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

(Unit: Thousand yen)

	First three months of the previous consolidated fiscal year (From October 1, 2014 to December 31, 2014)	First three months of the current consolidated fiscal year (From October 1, 2015 to December 31, 2015)
Net income	475,383	596,861
Other comprehensive income		
Valuation difference on available-for-sale securities	20,424	13,789
Foreign currency translation adjustment	14,889	10,751
Share of other comprehensive income of associates accounted for using equity method	4,368	—
Total other comprehensive income	39,681	24,540
Comprehensive income	515,065	621,401
Details		
Parent company shareholders' comprehensive income	515,515	621,401
Non-controlling interests' comprehensive income	△449	—

### (3) Consolidated statements of cash flows

(Unit: Thousand yen)

	First three months of the previous consolidated fiscal year (From October 1, 2014 to December 31, 2014)	First three months of the current consolidated fiscal year (From October 1, 2015 to December 31, 2015)
Net cash provided by (used in) operating activities		
Income before income taxes	762,962	924,496
Depreciation	68,370	81,063
Amortization of goodwill	2,682	650
Increase and decrease in provision (△decrease)	△116,668	△126,721
Interest and dividends income	△7,008	△8,022
Interest expenses	537	1,039
Foreign exchange gains and losses (△gains)	△20,070	△11,045
Equity in gains and losses of affiliates (△gains)	△1,979	△25,075
Gains and losses on investments in silent partnership (△gains)	1,467	—
Gains and losses on investment in partnership (△gains)	1,391	591
Gain and loss on investment securities sold (△gains)	△4,882	—
Increase and decrease in accounts receivable (△Increase)	△91,899	△521,355
Increase and decrease in lease receivables (△gains)	—	△1,146,745
Increase and decrease in inventories (△increase)	691	△118
Increase and decrease in advance payments-trade (△increase)	△383,792	△69,785
Increase and decrease in accounts receivable-other (△increase)	△478,751	△433,574
Increase and decrease in purchase debts (△decrease)	80,663	230,512
Increase and decrease in accounts payable-other (△decrease)	496,301	762,486
Increase and decrease in deposits received (△decrease)	5,169,011	8,016,536
Other	△347,574	△732,776
Subtotal	5,131,452	6,942,157
Interest and dividends income received	1,950	2,056
Interest expenses paid	△537	△1,039
Payments for deposits of deposit money	△10,025	△320,000
Income taxes paid	△634,340	△773,439
Net cash provided by (used in) operating activities	4,488,499	5,849,734
Net cash provided by (used in) investing activities		
Purchase of property, plants and equipment	—	△595
Purchase of intangible assets	△73,117	△143,167
Purchase of investment securities	△319,578	△1,376,024
Proceeds from sales of investment securities	4,983	—
Purchase of stocks of subsidiaries and affiliates	—	△124,950
Purchase of other stocks of subsidiaries and affiliates	△125,000	—
Distributions from an investment partnership	—	8,975
Payment on leasehold deposits	△31,186	△980
Other	211	△10,554
Net cash provided by (used in) investing activities	△543,687	△1,647,296
Net cash provided by (used in) financing activities		
Proceeds from issuance of common stock	—	2,749
Purchase of treasury stock	△513	—
Cash dividends paid	△499,804	△585,514
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	△4,344
Other	△9,134	△11,101
Net cash provided by (used in) financing activities	△509,452	△598,210

Translation differences of cash and cash equivalents	22,957	10,091
Increase and decrease in cash and cash equivalents(△decrease)	3,458,318	3,614,320
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	23,807,627	33,727,925

#### **(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