
Earnings Release Presentation

The Second Quarter Financial Results for the Fiscal Year Ending March 2021



ACOM CO., LTD.

<https://www.acom.co.jp/corp/english/ir/>

November 5, 2020

Disclaimer

The figures contained in this presentation material with respect to ACOM's plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of ACOM which are based on management's assumptions and belief in light of the information currently available to it and involve risks and uncertainties.

Therefore, actual results may differ from those in the forward-looking statements due to various factors.

Potential risks and uncertainties include, but not limited to, general economic conditions in ACOM's market and changes in the size of the overall market for consumer loans, the rate of default by customers, the fluctuations in number of cases of claims from and the amount paid to customers who claim us to reimburse the portion of interest in excess of the interest ceiling as specified in the Interest-Rate Restriction Law, the level of interest rates paid on the ACOM's debt and legal limits on interest rates charged by ACOM.



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Business Environment

Macro Environment

<Japan>

- Sustained social and economic activities while taking preventive measures against COVID-19 infections. Situation remains unpredictable regarding re-spread of the infection.
- Some signs of recovery began to appear in consumer sentiment, owing to various policies implemented by the government.
- Uncertainty due to COVID-19 infections is expected to remain. Therefore, we need to continue closely monitoring its impact.

<Kingdom of Thailand>

- Economic trend has been harshly restrained due to curfews, restrictions on activities, lockdowns and other measures implemented by the local government after declaration of state emergency.

<Republic of the Philippines>

- Economic situation is severe. The restrictions on activities imposed by the local government had drastic impact on economy, as shown by drop in economic growth rate to record low.

Market and Competitive Environment

<Japan>

- The personal card loan market shrank due to rapid drop in consumer spending resulting from spread of COVID-19 infection.
- We expect the market to shift into gradual increasing trend as there are signs of recovery in consumer sentiment.
- Requests for interest repayment have been in steady decreasing trend. However, we will keep monitoring the trend, noting its susceptibility to external environmental changes.

<Kingdom of Thailand>

- Personal loan market turned to decreasing trend due to drop in consumer spending resulting from spread of COVID-19 infection.
- Bank of Thailand issued an order to lower maximum interest rate from current 28% to 25%, effective from August 1st. We need to closely monitor the impact on income from 3Q onward.

<Republic of the Philippines>

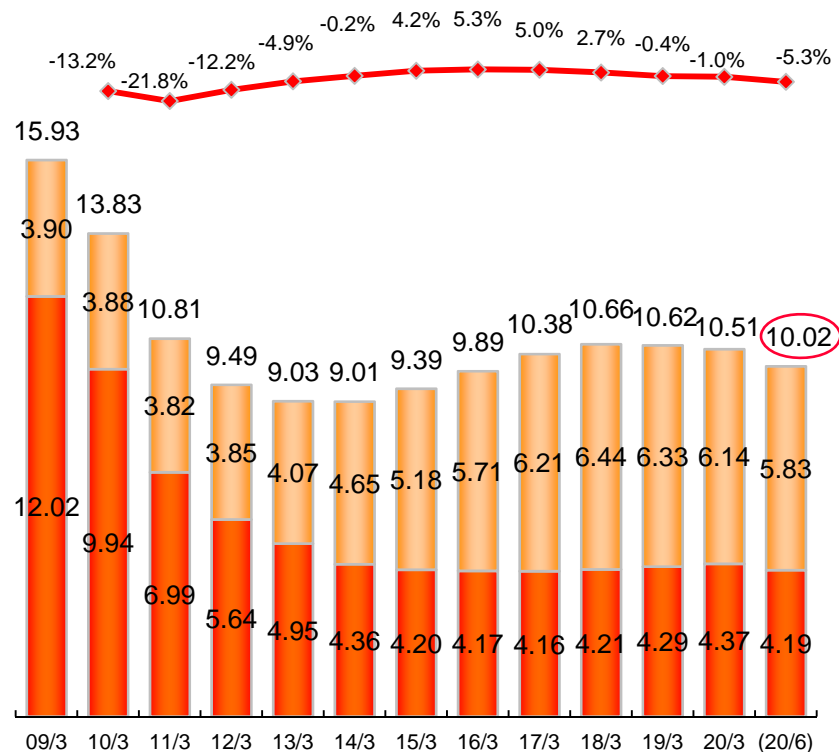
- Personal loan market remained in steady growth trend.
- Implemented economic reconstruction measure, “Bayanihan 2,” on September 15th. This act requires moratorium of repayments for 60 days.



Trend of Market Volume of Domestic Personal Card Loans

Domestic Personal Card Loan Market

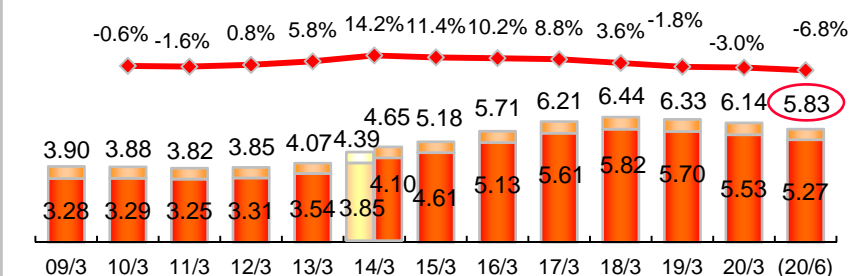
Nonbank Category Bank Category yoy (Trillions of yen)



ACOM's Share	10.3%	12.4%	13.5%	14.4%	15.6%	16.2%	16.7%	17.2%	17.4%	17.7%	18.2%	18.5%
Consolidated			16.4%	17.1%	17.7%	18.4%	18.8%	19.1%	19.7%	20.1%		

Bank Category (*1)

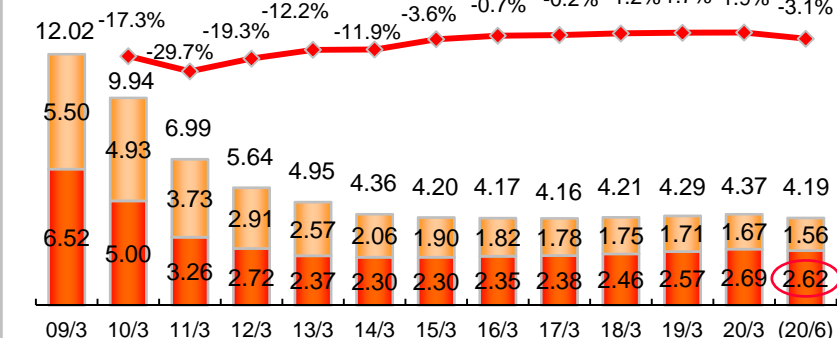
Domestic Banks Credit Unions yoy (Trillions of yen)



ACOM's Share	8.2%	11.6%	12.5%	14.4%	14.6%	15.0%	15.5%	16.2%	16.4%	16.7%	17.4%	17.8%
Consolidated			16.2%	16.6%	17.3%	18.2%	18.6%	19.1%	20.1%	20.5%		

Nonbank Category (*2)

Consumer Finance Companies Credit Card Companies, etc. yoy (Trillions of yen)



ACOM's Share	11.1%	12.9%	14.2%	14.5%	16.6%	17.8%	18.4%	18.8%	19.0%	19.1%	19.2%	19.4%
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*1. Bank category refers to the volume of personal card loans provided by domestic banks and credit unions in statistics by The Bank of Japan.

(Correction on statistics by The Bank of Japan, announced on August 10, 2015, led to increase of 260 billion yen for receivables of bank category in FY March 2014.)

*2. Nonbank category is receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2020/6 is preliminary.



Annual Forecast for the FY March 2021

	A	B	C	D	E	F	G	H
	Consolidated				Non-consolidated			
(Millions of yen, %)	2020/3		2021/3		2020/3		2021/3	
<B/S>	Results	yoy	Forecast	yoy	Results	yoy	Forecast	yoy
1 Receivables Outstanding	2,359,855	1.1	2,225,300	-5.7	1,987,523	2.2	1,873,900	-5.7
2 Loan & Credit Card Business	915,883	3.5	867,400	-5.3	915,883	3.5	867,400	-5.3
3 Guarantee Business	1,233,228	1.7	1,161,700	-5.8	1,071,640	1.2	1,006,500	-6.1
4 Overseas Financial Business	201,524	-11.4	187,800	-6.8	-	-	-	-
5 EASY BUY	201,186	12.4	187,200	-7.0	-	-	-	-
<P/L>								
6 Operating Revenue	279,510	0.9	263,000	-5.9	206,968	1.6	196,800	-4.9
7 Loan & Credit Card Business	149,266	3.1	143,600	-3.8	149,266	3.1	143,600	-3.8
8 Guarantee Business	68,569	-1.1	63,800	-7.0	57,630	-1.9	53,100	-7.9
9 Overseas Financial Business	56,314	-1.2	50,600	-10.1	-	-	-	-
10 EASY BUY	54,332	9.2	50,400	-7.2	-	-	-	-
11 Operating Expenses	203,873	-7.1	173,500	-14.9	157,694	-7.2	131,300	-16.7
12 Financial Expenses	8,228	-27.3	6,000	-27.1	4,648	-17.3	3,900	-16.1
13 Provision for Bad Debts	81,916	7.8	72,100	-12.0	61,950	8.9	53,300	-14.0
14 Provision for Loss on Interest Repayment	19,700	-50.1	-	-	19,700	-50.1	-	-
15 Other Operating Expenses	94,028	1.5	95,400	1.5	71,394	5.0	74,100	3.8
16 Operating Profit	75,636	31.3	89,500	18.3	49,273	46.5	65,500	32.9
17 Ordinary Profit	75,104	29.0	90,500	20.5	56,352	50.4	72,400	28.5
18 Profit Before Income Taxes	80,011	44.6	90,300	12.9	64,136	85.5	72,200	12.6
19 Profit	64,020	50.6	75,000	17.2	53,673	79.3	63,600	18.5
20 Profit Attributable to Owners of Parent	59,600	57.8	70,300	18.0	-	-	-	-



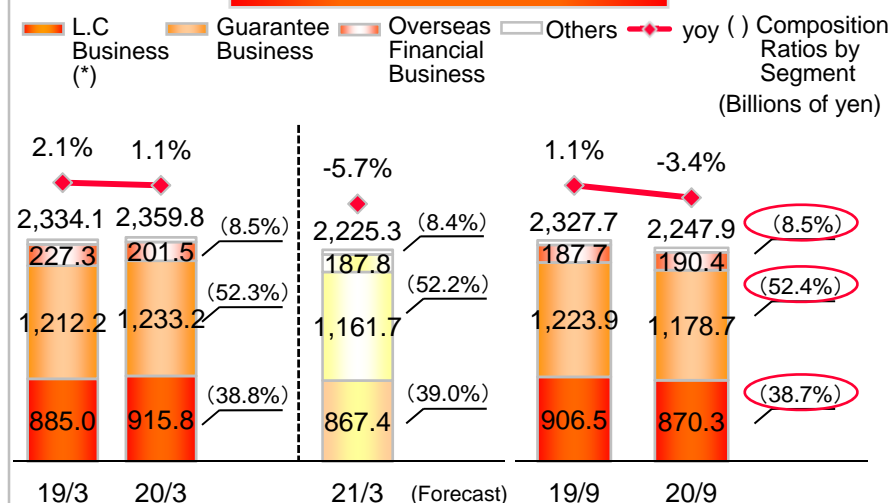
Financial Results Summary

	A	B	C	D	E	F	G	H
	Consolidated				Non-consolidated			
(Millions of yen, %)	2019/9		2020/9		2019/9		2020/9	
<B/S>	Results	yoy	Results	yoy	Results	yoy	Results	yoy
1 Receivables Outstanding	2,327,707	1.1	2,247,995	-3.4	1,972,025	2.2	1,892,050	-4.1
2 Loan & Credit Card Business	906,549	4.0	870,332	-4.0	906,549	4.0	870,332	-4.0
3 Guarantee Business	1,223,964	1.4	1,178,705	-3.7	1,065,475	0.7	1,021,717	-4.1
4 Overseas Financial Business	187,729	-12.1	190,470	1.5	-	-	-	-
5 EASY BUY	187,544	12.3	190,018	1.3	-	-	-	-
<P/L>								
6 Operating Revenue	139,290	1.4	134,945	-3.1	103,191	1.8	100,268	-2.8
7 Loan & Credit Card Business	74,452	3.1	72,950	-2.0	74,452	3.1	72,954	-2.0
8 Guarantee Business	34,146	-0.7	32,737	-4.1	28,704	-1.4	27,279	-5.0
9 Overseas Financial Business	28,118	1.0	26,971	-4.1	-	-	-	-
10 EASY BUY	26,230	7.9	26,875	2.5	-	-	-	-
11 Operating Expenses	88,478	-1.0	80,446	-9.1	65,870	1.2	59,158	-10.2
12 Financial Expenses	4,538	-23.4	3,125	-31.1	2,384	-20.2	1,994	-16.4
13 Provision for Bad Debts	38,965	1.5	32,755	-15.9	29,747	2.6	22,774	-23.4
14 Provision for Loss on Interest Repayment	-	-	-	-	-	-	-	-
15 Other Operating Expenses	44,974	-0.2	44,565	-0.9	33,738	1.8	34,388	1.9
16 Operating Profit	50,812	6.0	54,499	7.3	37,320	2.8	41,109	10.2
17 Ordinary Profit	50,144	4.0	55,410	10.5	42,652	6.9	46,514	9.1
18 Profit Before Income Taxes	55,235	14.6	55,368	0.2	51,057	28.1	46,474	-9.0
19 Profit	46,957	11.4	46,154	-1.7	44,382	20.7	40,034	-9.8
20 Profit Attributable to Owners of Parent	45,098	13.2	43,505	-3.5	-	-	-	-

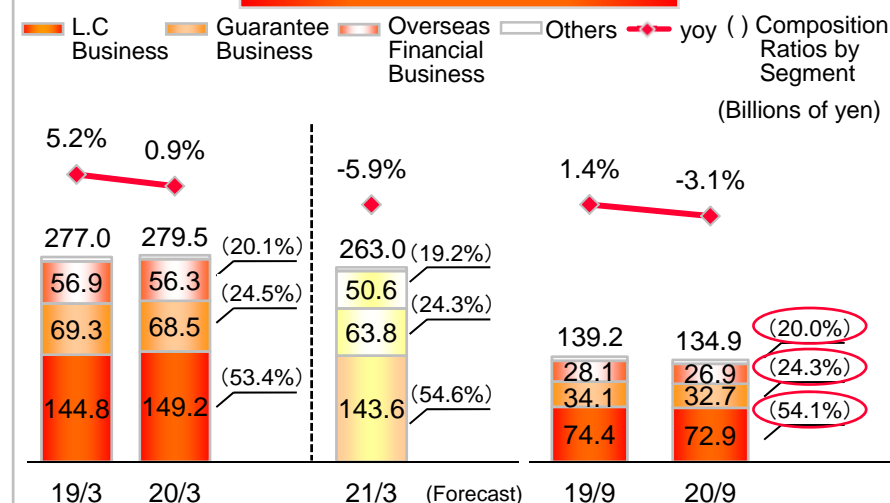


Composition Ratios by Reported Segment

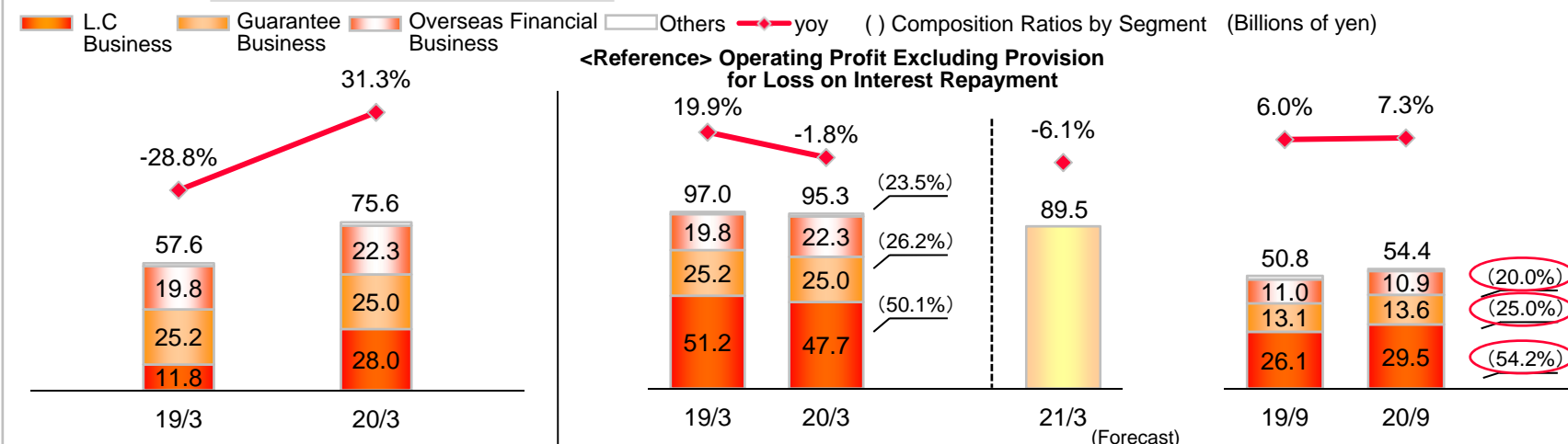
Receivables Outstanding



Operating Revenue



Operating Profit



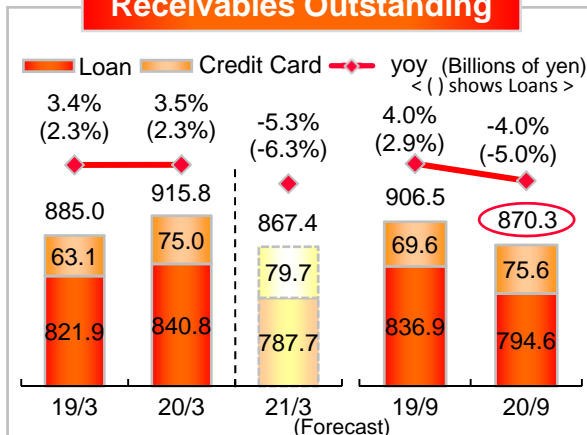
* "L.C. Business" stands for loan and credit card business.



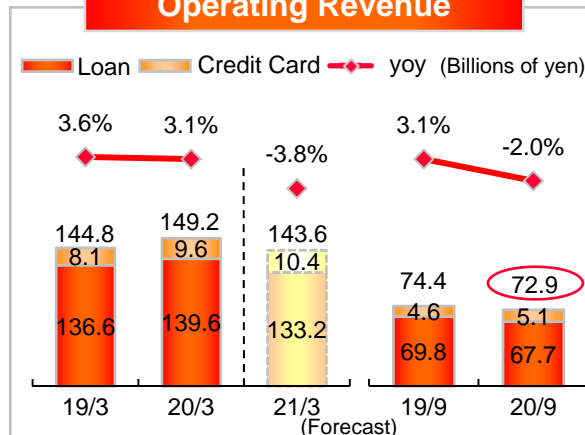
Loan and Credit Card Business (ACOM)

- **Receivables Outstanding** : Decreased by 4.0% yoy (-5.0% ytd) to 870.3 billion yen due to decline in the demand for funds mainly associated with voluntary restrictions in customer activities outside the home.
- **Operating Revenue** : Decreased by 2.0% yoy to 72.9 billion yen due to decrease in interest on operating loans.
- **Operating Profit** : Increased by 13.0% yoy to 29.5 billion yen owing to decrease in provision for bad debts.

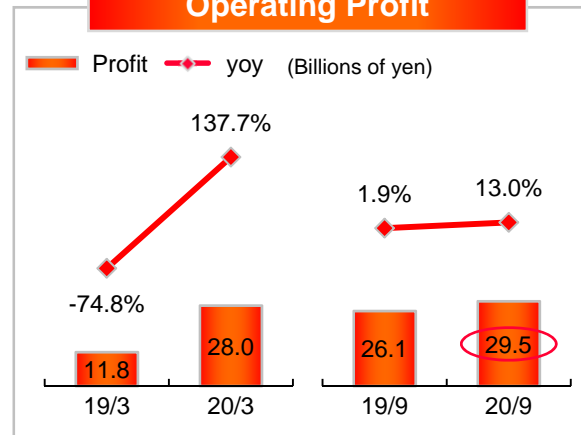
Receivables Outstanding



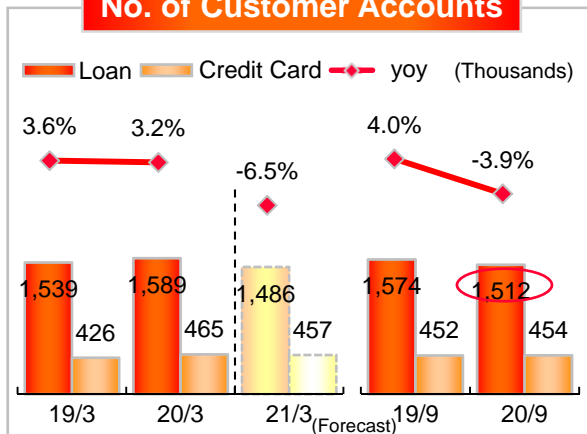
Operating Revenue



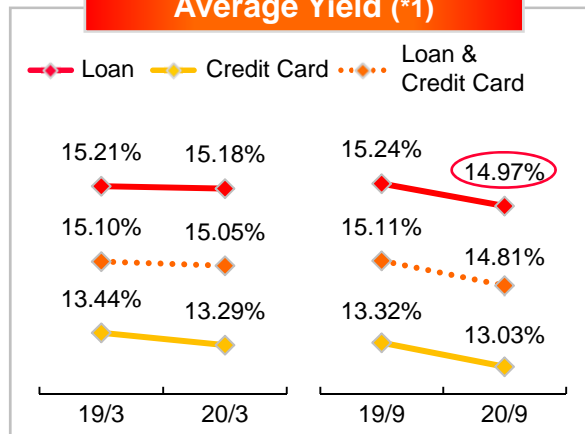
Operating Profit



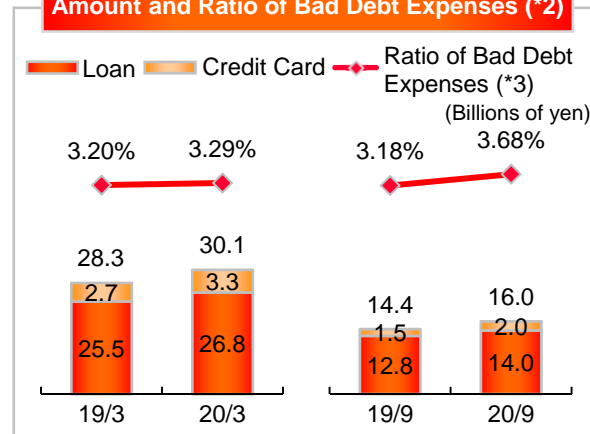
No. of Customer Accounts



Average Yield (*1)



Amount and Ratio of Bad Debt Expenses (*2)



*1. Average yield of credit card is calculated by receivables and fees of revolving.

*2. Amount and ratio of bad debt expenses exclude waiver of repayments accompanying requests for interest repayment.

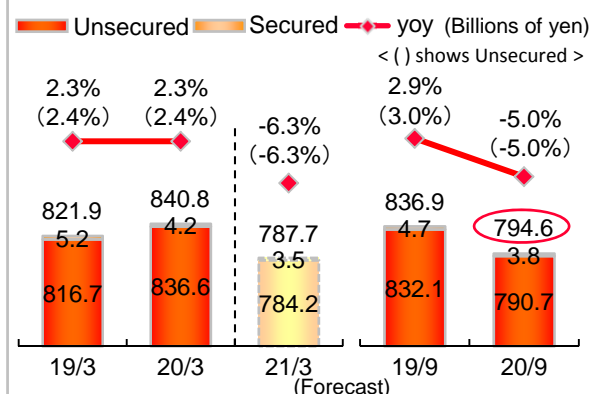
*3. The ratios of bad debt expenses for 19/9 and 20/9 are recalculated into annual basis.



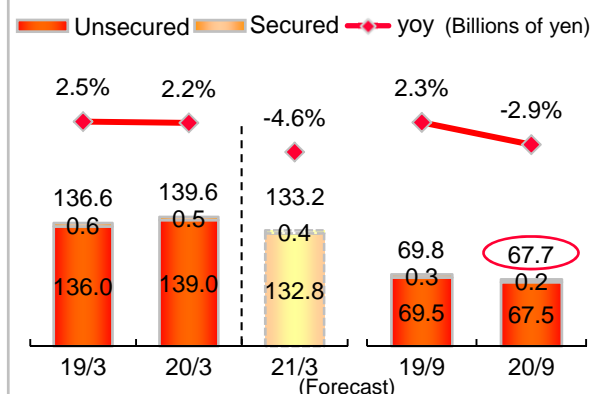
Loan Business (ACOM)

- **Receivables Outstanding** : Decreased by 5.0% yoy (-5.5% ytd) to 794.6 billion yen.
- **Operating Revenue** : Decreased by 2.9% yoy to 67.7 billion yen.
- **No. of New Customers** : Decreased by 44.1% yoy to 75 thousands due to decline in the demand for funds and restraint in advertisements placed.

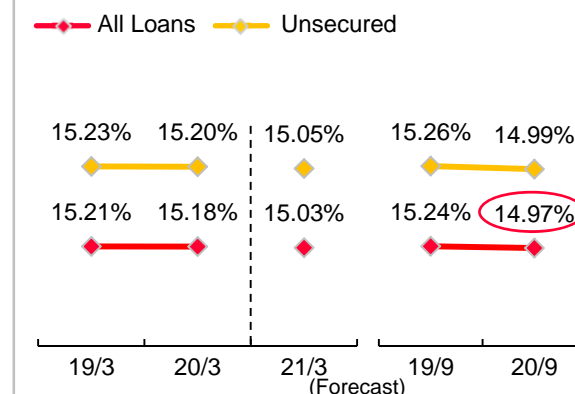
Receivables Outstanding



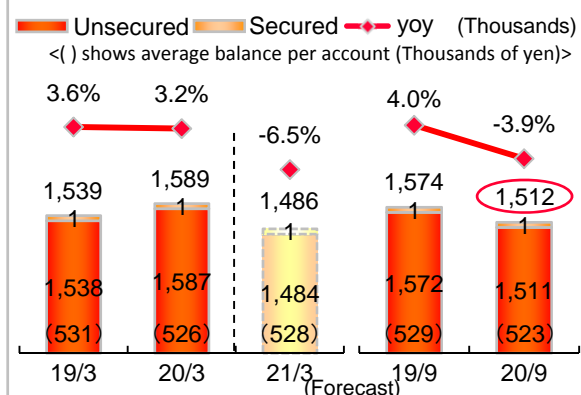
Operating Revenue



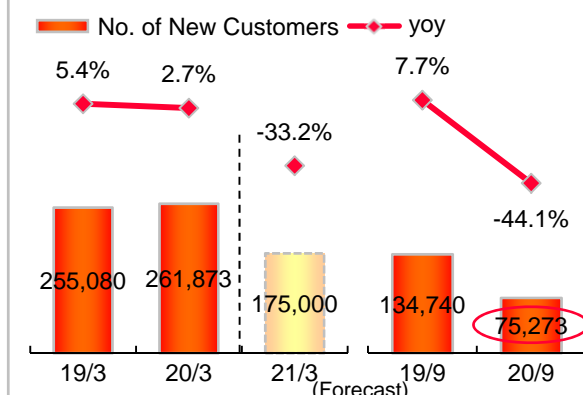
Average Loan Yield



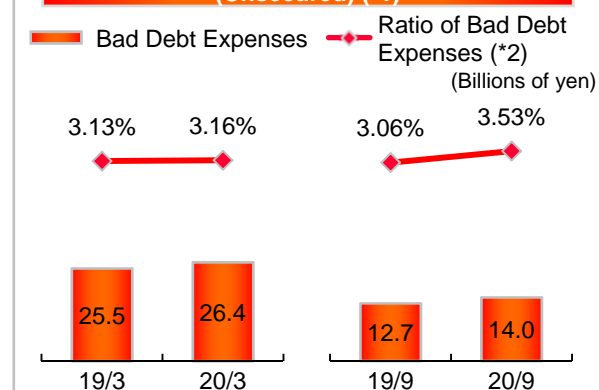
No. of Customer Accounts



No. of New Customers (Unsecured)



Amount and Ratio of Bad Debt Expenses (Unsecured) (*1)



*1. Amount and ratio of bad debt expenses exclude waiver of repayments accompanying interest repayment.

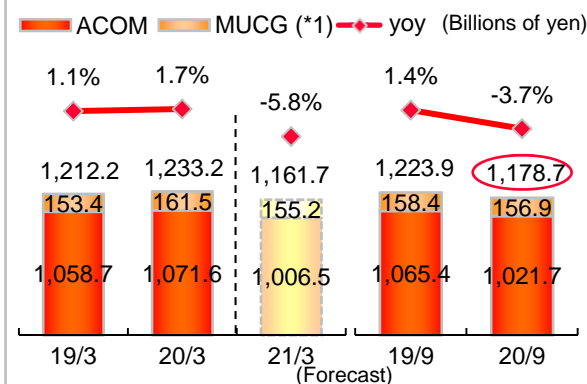
*2. The ratios of bad debt expenses for 19/9 and 20/9 are recalculated into annual basis.



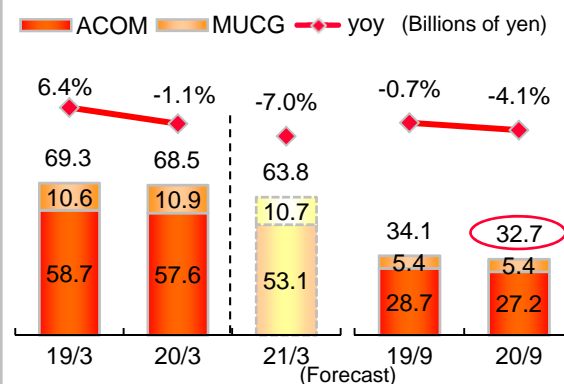
Guarantee Business (ACOM and MU Credit Guarantee)

- **Guaranteed Receivables** : Decreased by 3.7% yoy (-4.4% ytd) to 1,178.7 billion yen due to decline in the demand for funds mainly associated with voluntary restrictions in customer activities outside the home.
- **Operating Revenue** : Decreased by 4.1% yoy to 32.7 billion yen due to decrease in guaranteed receivables and revision of guarantee fees.
- **Operating Profit** : Increased by 3.1% yoy to 13.6 billion yen owing to decrease in provision for bad debts.

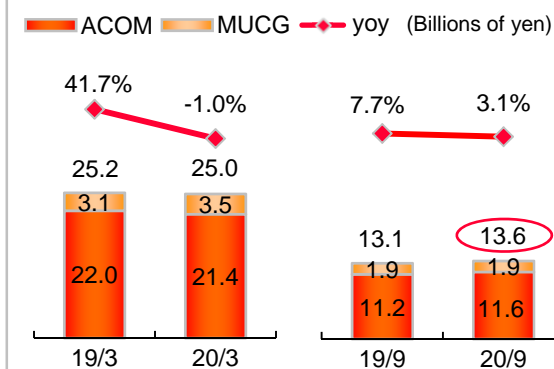
Guaranteed Receivables



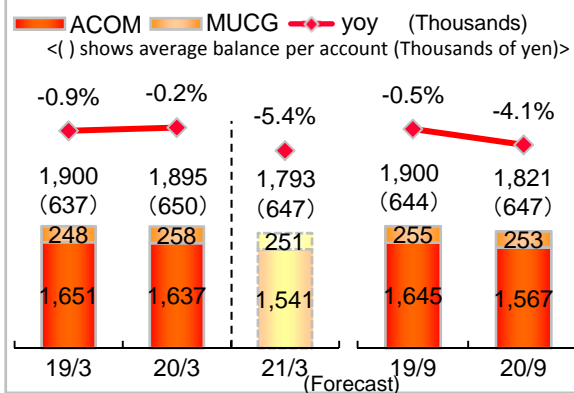
Operating Revenue



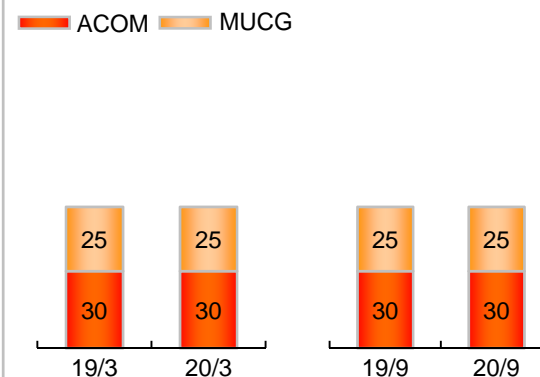
Operating Profit



No. of Customer Accounts

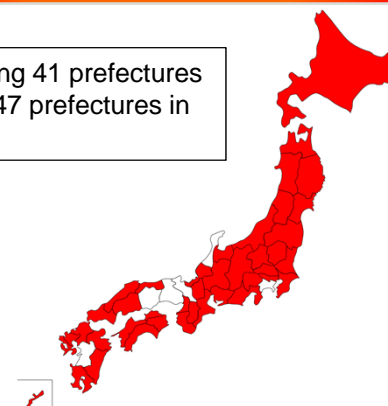


No. of Alliance Partners (*2)



Prefectures with Alliance Partners

Covering 41 prefectures out of 47 prefectures in Japan



*1. "MUCG" stands for MU Credit Guarantee Co., LTD.

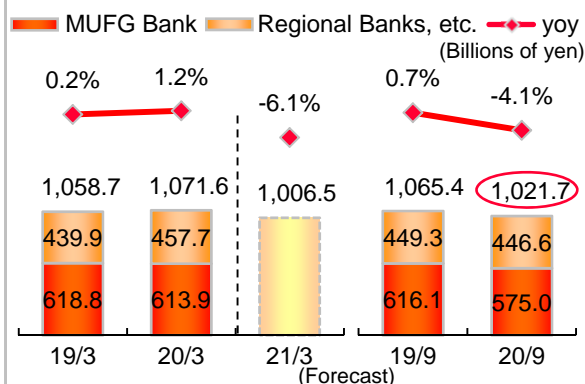
*2. ACOM and MUCG share three alliance partners.



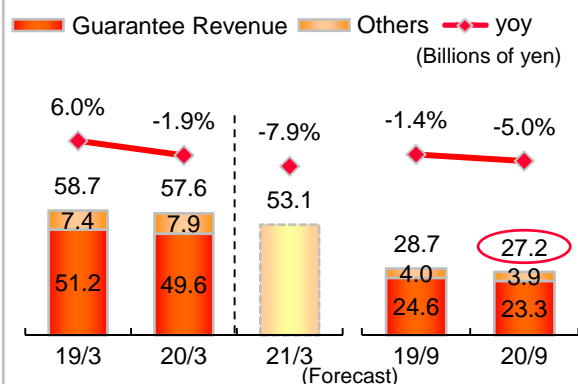
Guarantee Business (ACOM)

- **Guaranteed Receivables** : Decreased by 4.1% yoy (-4.7% ytd) to 1,021.7 billion yen.
- **Operating Revenue** : Decreased by 5.0% yoy to 27.2 billion yen.
- **Operating Profit** : Increased by 3.5% yoy to 11.6 billion yen.

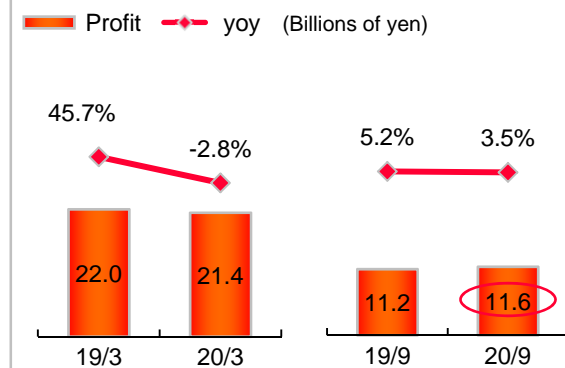
Guaranteed Receivables



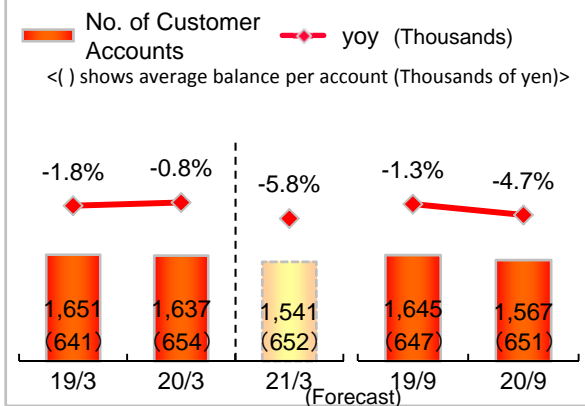
Operating Revenue



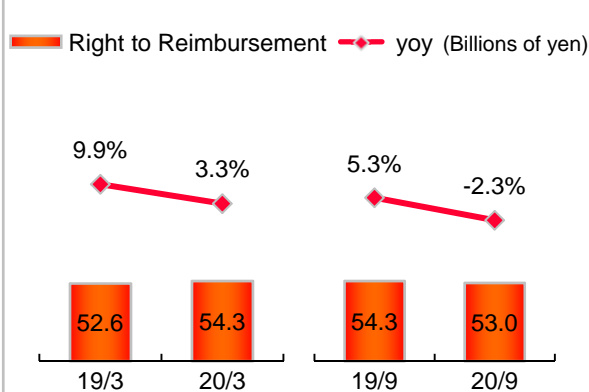
Operating Profit



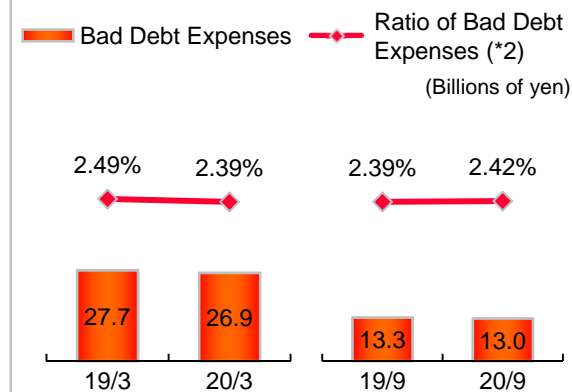
No. of Customer Accounts



Right to Reimbursement (*1)



Amount and Ratio of Bad Debt Expenses



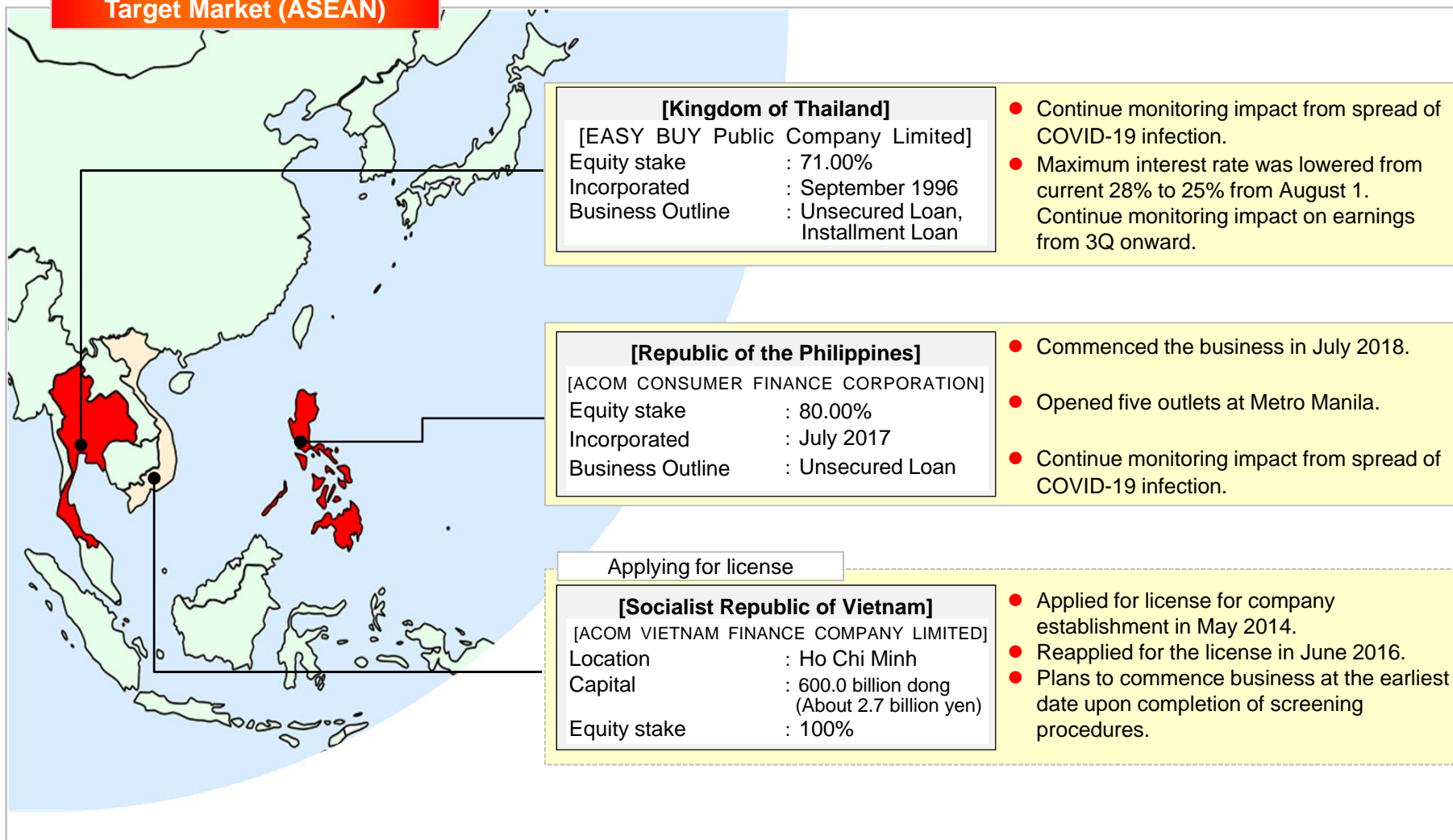
*1 Right to reimbursement is loans in which guarantee obligations have been performed by ACOM, but not yet written-off.

*2 The ratios of bad debt expenses for 19/9 and 20/9 are recalculated into annual basis.



Target Market in Overseas Financial Business

Target Market (ASEAN)



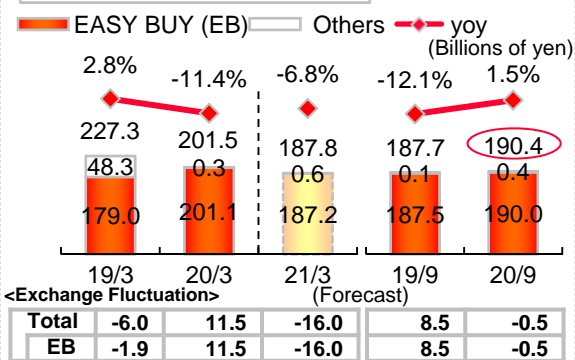


Overseas Financial Business

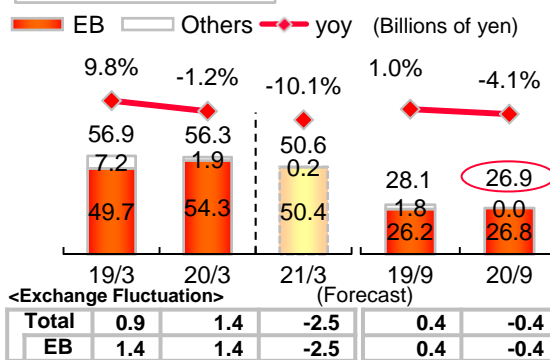
- **Receivables Outstanding (Consolidated)** : Increased by 1.5% yoy (-5.5% ytd) to 190.4 billion yen.
- **Operating Revenue (Consolidated)** : Decreased by 4.1% yoy to 26.9 billion yen due to deconsolidation of Bank BNP (*1).
- **Operating Profit (Consolidated)** : Decreased by 1.6% yoy to 10.9 billion yen due to increase in provision for bad debts at EASY BUY.

Overseas Financial Business (Yen Basis) (*2)

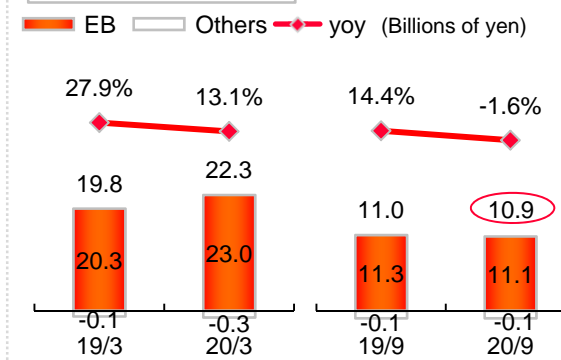
Receivables Outstanding (*3)



Operating Revenue

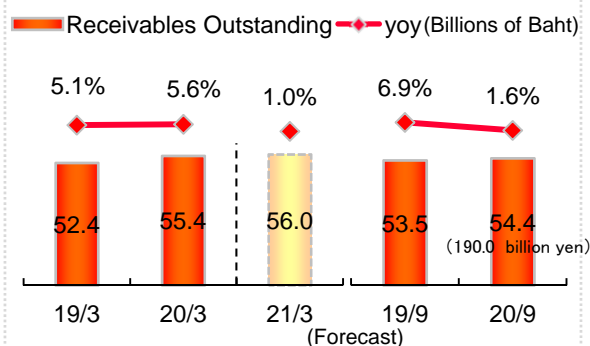


Operating Profit (*4)

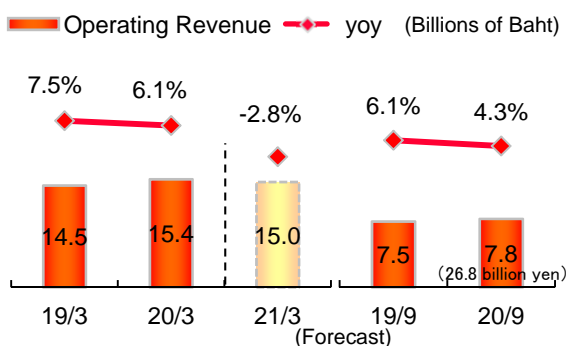


EASY BUY (Local Currencies Basis)

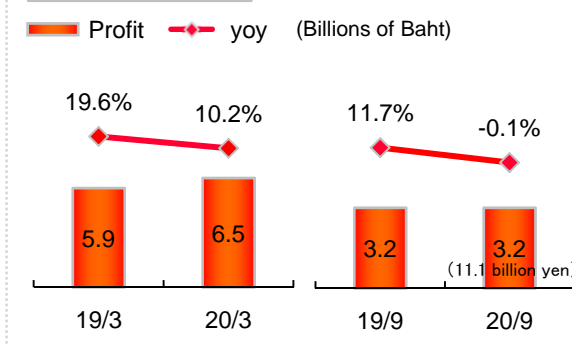
Receivables Outstanding (*5)



Operating Revenue



Operating Profit



*1. Bank BNP stands for PT Bank Nusantara Parahyangan, Tbk. which was operating banking business. (Conducted merger where PT Bank Danamon Indonesia, Tbk. was the surviving bank on 1 May, 2019.)

*2. Exchange rates : Baht B/S: ¥3.50 (19/9), ¥3.49 (20/9), Forecast ¥3.34 (21/3) P/L: ¥3.49 (19/9), ¥3.43 (20/9), Forecast ¥3.35 (21/3)

Exchange fluctuation as of current 2Q: Baht (B/S yoy -¥0.01 P/L yoy -¥0.06)

*3. Receivables outstanding = accounts receivable + operating loans + accounts receivable - installment + loans receivables of banking business

*4. Operating profit shows segment income. *5. Receivables outstanding = accounts receivable - operating loans + accounts receivable - installment



Trend of No. of Requests for Interest Repayment (ACOM)

- No. of requests : Decreased by 9.4% yoy to 11.6 thousands.
- Estimation : The number of requests for FY March 2021 is expected to decrease by 20% yoy.

●Monthly Number of Requests for Interest Repayment (*1) (*2)															(%)	
	2016/3		2017/3		2018/3		2019/3		2020/3				2021/3			
	No. of Requests	yoy	No. of Requests	yoy	No. of Requests	yoy	No. of Requests	yoy	No. of Requests	yoy	Per business day	No. of Requests	yoy	Per business day		
Total	72,200	-9.3	60,700	-15.9	34,300	-43.5	27,100	-21.0	24,700	-8.9	102	11,600	-9.4	95		
Apr.	6,500	0.0	5,500	-15.4	3,600	-34.5	2,400	-33.3	2,200	-8.3	-12.0	110	1,600	-27.3	76	
May	5,500	-11.3	5,600	1.8	3,400	-39.3	2,600	-23.5	2,100	-19.2		110	1,700	-19.0	-12.1	94
June	6,400	-3.0	5,800	-9.4	3,400	-41.4	2,500	-26.5	2,300	-8.0		115	2,500	8.7		113
July	6,100	-14.1	4,900	-19.7	2,800	-42.9	2,400	-14.3	2,300	-4.2	-7.5	104	2,100	-8.7	100	
Aug.	5,300	-10.2	4,700	-11.3	2,500	-46.8	2,300	-8.0	1,900	-17.4		90	1,900	0.0	-6.5	95
Sept.	6,600	-15.4	4,800	-27.3	2,800	-41.7	2,000	-28.6	2,000	0.0		105	1,800	-10.0		90
Oct.	6,700	-10.7	4,600	-31.3	2,700	-41.3	2,400	-11.1	2,200	-8.3	-4.7	104				
Nov.	6,000	0.0	4,900	-18.3	4,100	-16.3	2,200	-46.3	2,000	-9.1		100				
Dec.	5,800	-7.9	5,200	-10.3	2,300	-55.8	1,800	-21.7	1,900	5.6		95				
Jan.	4,700	-4.1	4,500	-4.3	2,000	-55.6	2,000	0.0	1,800	-10.0	-10.8	94				
Feb.	6,200	-10.1	5,200	-16.1	2,200	-57.7	2,200	0.0	1,800	-18.2		100				
Mar.	6,400	-19.0	5,000	-21.9	2,500	-50.0	2,300	-8.0	2,200	-4.3		104				

*1. No. of requests which interest repayment occurs as a result of ACOM's recalculation based on the interest ceiling as specified in Interest Rate Restriction Act from claims which lawyers or judicial scriveners accept debt consolidation.

*2. Number of requests for interest repayment includes reaccepted requests.



Trend of Loss on Interest Repayment (ACOM)

- **Provision drawdown** : ¥14.2 billion was drawn down from ¥87.6 billion of provision. (¥12.6 billion for interest repayment + ¥1.5 billion for voluntary waiver of repayment)
- **Ending balance** : 73.3billion yen remains as there was no addition made to provision for loss on interest repayment in 2Q. Covers up to FY March 2024.
- **Estimation** : Estimate amount of drawdown to decrease by 10% to 15% yoy in FY March 2021.

● Provision for Loss on Interest Repayment

(Millions of yen, %)

	2016/3	2017/3	2018/3	2019/3	2020/3						2021/3			
					1Q	2Q	3Q	4Q	Total	yoy	1Q	2Q	Total	yoy
Provision Drawdown	69,238	68,828	60,831	41,248	8,058	8,933	8,805	8,603	34,400	-16.6	6,854	7,385	14,240	-16.2
Interest Repayment	57,600	58,852	53,470	36,586	7,210	7,975	7,802	7,697	30,686	-16.1	6,113	6,576	12,690	-16.4
Bad Debt Expenses (ACOM's voluntary waiver of repayments)	11,637	9,975	7,360	4,661	847	958	1,002	905	3,713	-20.3	741	808	1,549	-14.2
Addition of Provision	56,638	143,728	-	39,479	-	-	-	19,700	19,700	-50.1	-	-	-	-
Increase or Decrease in Provision	-12,600	74,900	-60,831	-1,768	-8,058	-8,933	-8,805	11,097	-14,700	-	-6,854	-7,385	-14,240	-
Ending Balance of Provision	90,000	164,900	104,068	102,300	94,241	85,307	76,502	87,600	-14.4	80,745	73,359	-14.0		

<Reference> Image of Conventional Addition of Provision

< Estimated amount to be requested >

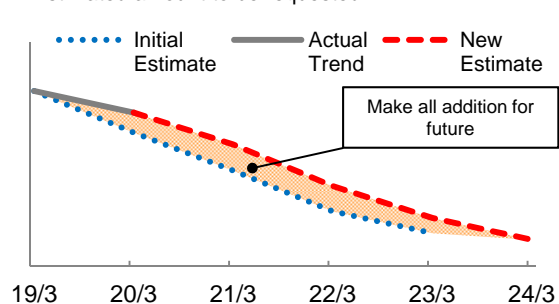
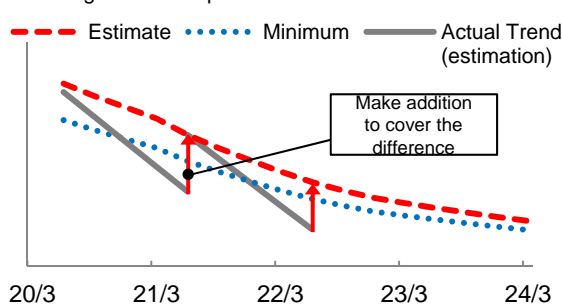


Image of Addition of Provision

< Ending balance of provision >



Key Points for Provision

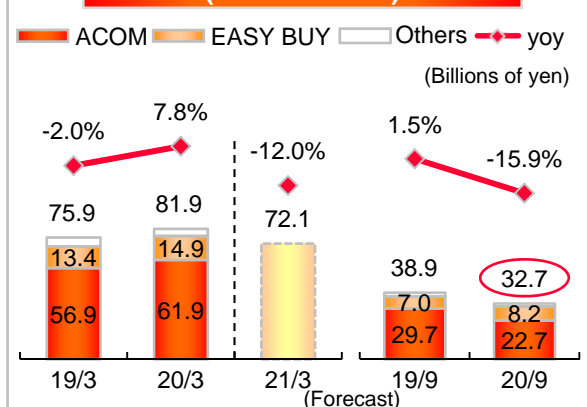
- ① When quarterly ending balance of provision falls below the minimum value of estimate, addition will be made to cover the difference between these.
- ② Reassess the necessity of changing estimation method for the provision;
 - when the quarterly ending balance of provision falls significantly below the minimum value of initial estimate.
 - at formulation of medium-term management plan every 3 years.



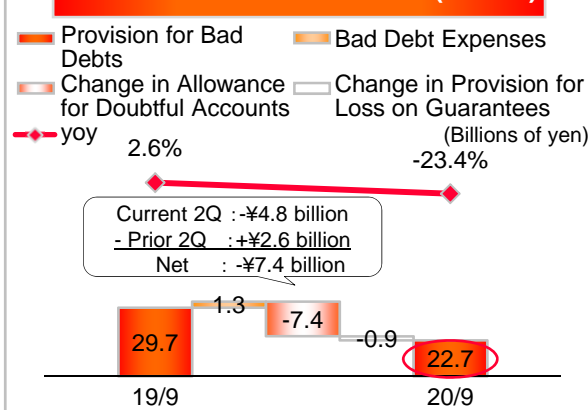
Provision for Bad Debts

- **Provision for Bad Debts (Consolidated)** : Decreased by 15.9% yoy to 32.7 billion yen owing to decrease in ACOM.
- **Bad debt expenses (ACOM)** : Increased by 1.3 billion yen yoy to 29.1 billion yen.
- **Non-performing Loans (ACOM)** : Increased by 47 basis points to 7.54% due to decrease in receivable outstanding on operating loans.

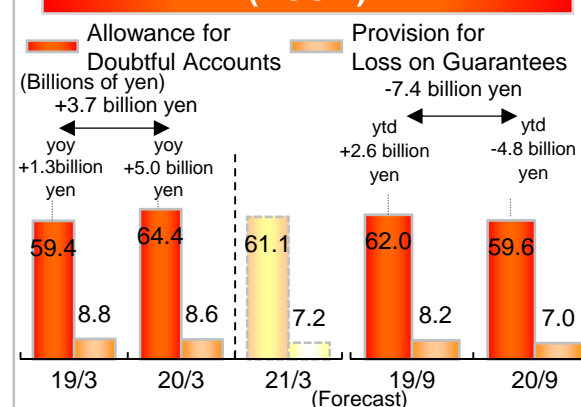
Provision for Bad Debts (Consolidated)



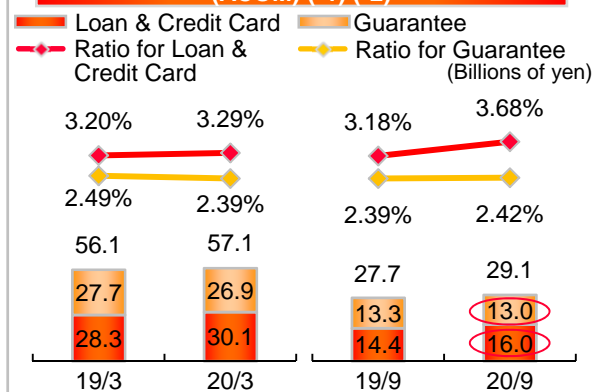
Provision for Bad Debts (ACOM)



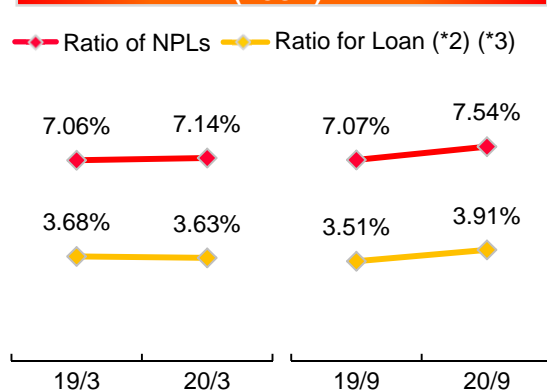
Reserves for Loan and Guarantee (ACOM)



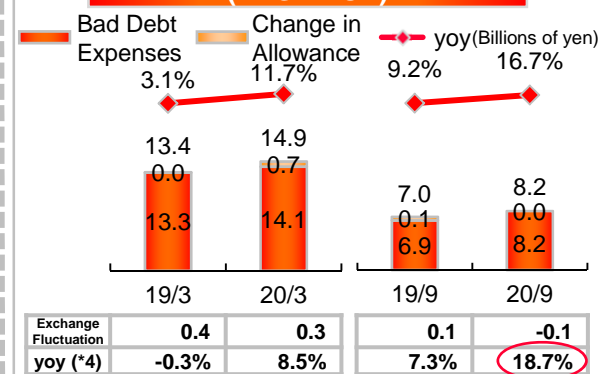
Amount and Ratio of Bad Debt Expenses (ACOM) (*1) (*2)



NPLs and Ratio of Bad Debt Expenses (ACOM)



<Reference> Provision for Bad Debts (EASY BUY)



*1. Amount and ratio of bad debt expenses exclude waiver of repayments accompanying requests for interest repayment.

*2. The ratios of bad debt expenses for 19/9 and 20/9 are recalculated into annual basis.

*3. Ratio of bad debt expenses includes waiver of repayments accompanying requests for interest repayment.

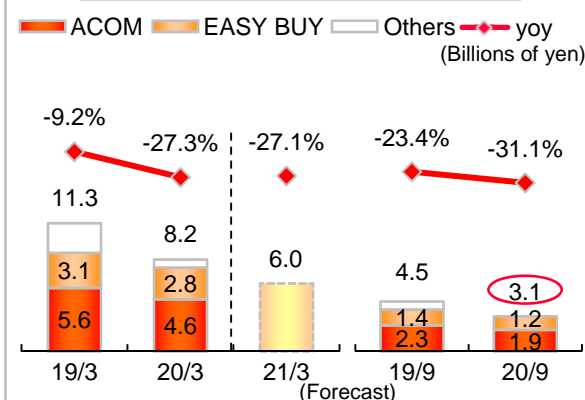
*4. "yoy" shows local currencies basis.



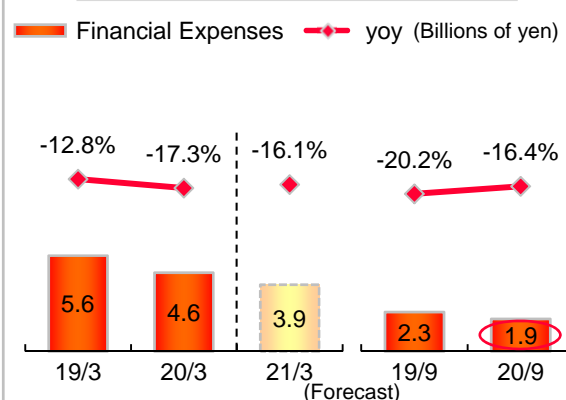
Financial Expenses

- **Financial Expenses (Consolidated)** : Decreased by 31.1% yoy to 3.1 billion yen.
- **Borrowings (ACOM)** : Decreased by 71.9 billion yen yoy to 544.5 billion yen.
- **Average Interest Rate (ACOM)** : Decreased by 10 basis points to 0.68% owing to further replacements of borrowings in low interest rate environment.

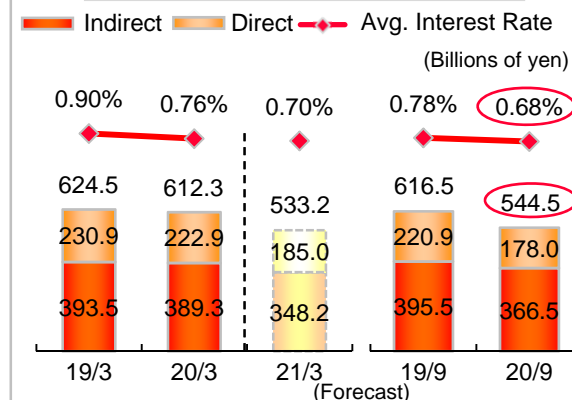
Financial Expenses (Consolidated)



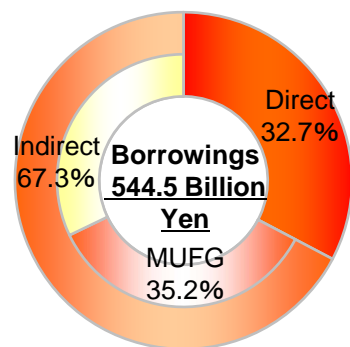
Financial Expenses (ACOM)



Borrowings (ACOM)



Composition Ratios by Funding Sources (ACOM)

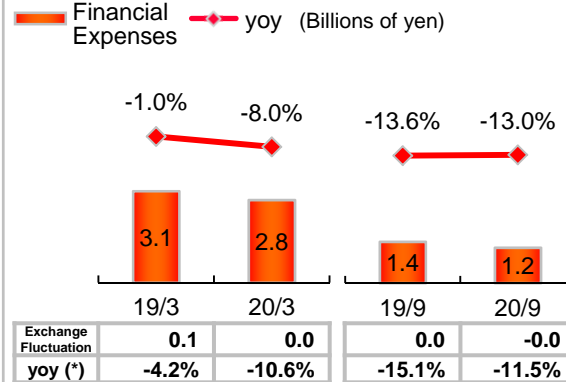


Ratio of Fixed Interest Rate 88.2%

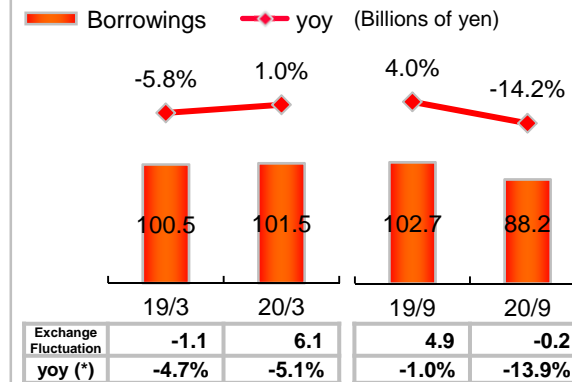
Ratio of Long-term 100.0%

Current portion of loans payable 99.5 billion yen

Financial Expenses (EASY BUY)



Borrowings (EASY BUY)



* "yoy" shows local currencies basis.



Dividend Status

Basic Policy on Dividend Payment

- Aim for enhanced return to shareholders through stable and continuous profit distribution, taking the business environment surrounding the company, shareholders' equity and our own business performance into consideration.

Business Scale and Performance

- Although we assume the decline in demand for funds resulting from spread of COVID-19 infection will remain, we also see signs of recovery in domestic economy. Therefore, we expect the receivables in 3 core businesses to shift back to gradual increasing trend by the end of fiscal year.
- With regard to FY March 2021, we expect decrease in operating revenue because of shrinkage in business scale. However, such shrinkage also leads to decreases in provision for bad debts. We do not plan to make addition to provision for loss on interest repayment. Therefore, we expect increase in operating profit.
- We assume that adversity from COVID-19 infections will remain in FY March 2022, making it extremely difficult to achieve targets in receivables of MMP (*1).

Shareholders' Equity

- We resulted in 18.9% of shareholders' equity ratio, computed using the sum of consolidated total assets and guaranteed receivables, owing to decreases in receivables outstanding and guaranteed receivables.

Business Environment

- We assume uncertainty accompanying COVID-19 infection will remain in the future.
- Requests for interest repayment is in declining trend. We expect the amount of drawdown to decrease as initially expected.

Dividend Payments and Forecast

- We paid 2 yen in FY March 2019 and 4 yen in FY March 2020. We expect to pay 6 yen in FY March 2021.

	FY March 2019 (Results)		FY March 2020 (Results)		FY March 2021	
	Interim	Year-end	Interim	Year-end	Interim	Year-end
Dividend per Share	¥1	¥1	¥2	¥2	¥3	¥3 (Forecast)
	¥2 total		¥4 total		¥6 total (Forecast)	

<Reference>

Shareholders' Equity Ratio (*2)	Consolidated	14.4%	14.2%	16.2%	16.5%	18.9%	—
	ACOM	15.0%	14.6%	16.5%	16.6%	19.2%	—

*1. "MMP" stands for medium-term management plan.

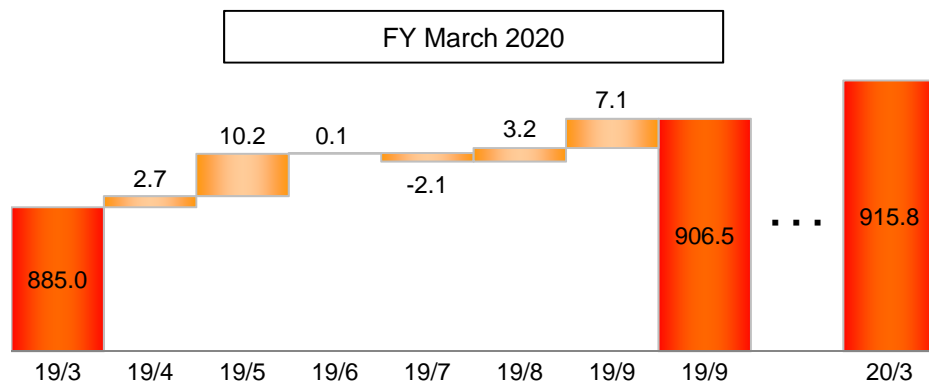
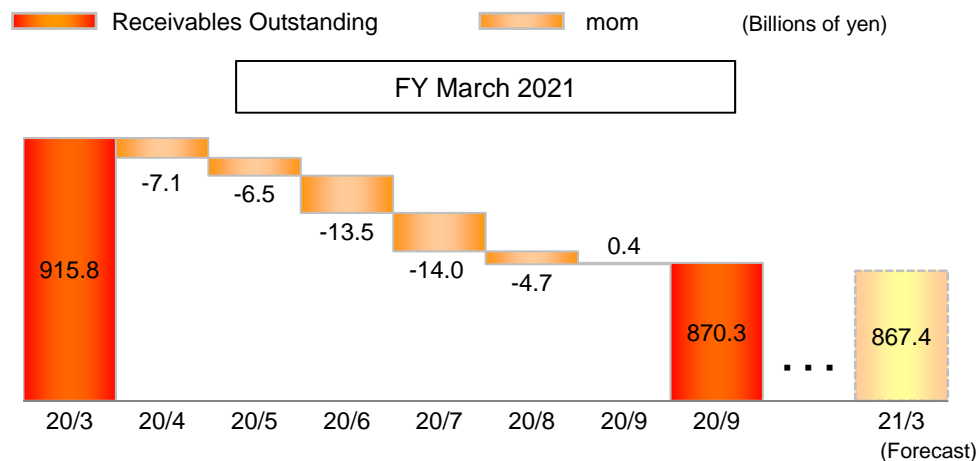
*2. These values are computed using the sum of total assets and guaranteed receivables.

Reference Information



【Reference】 Impact from COVID-19 Infections ①

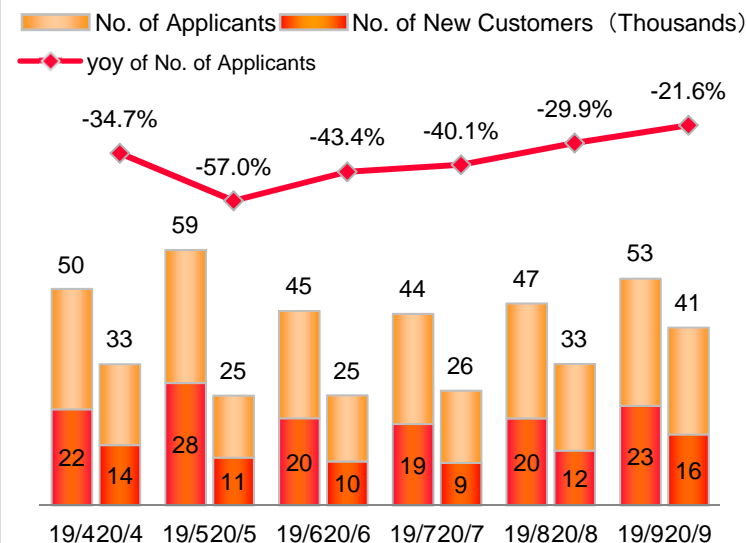
Loan and Credit Card Business: Receivables Outstanding



< yoy of monthly changes >

April	May	June	July	August	September
-9.9	-16.8	-13.7	-11.8	-7.9	-6.6

Loan Business: No. of Applicants and New Customers



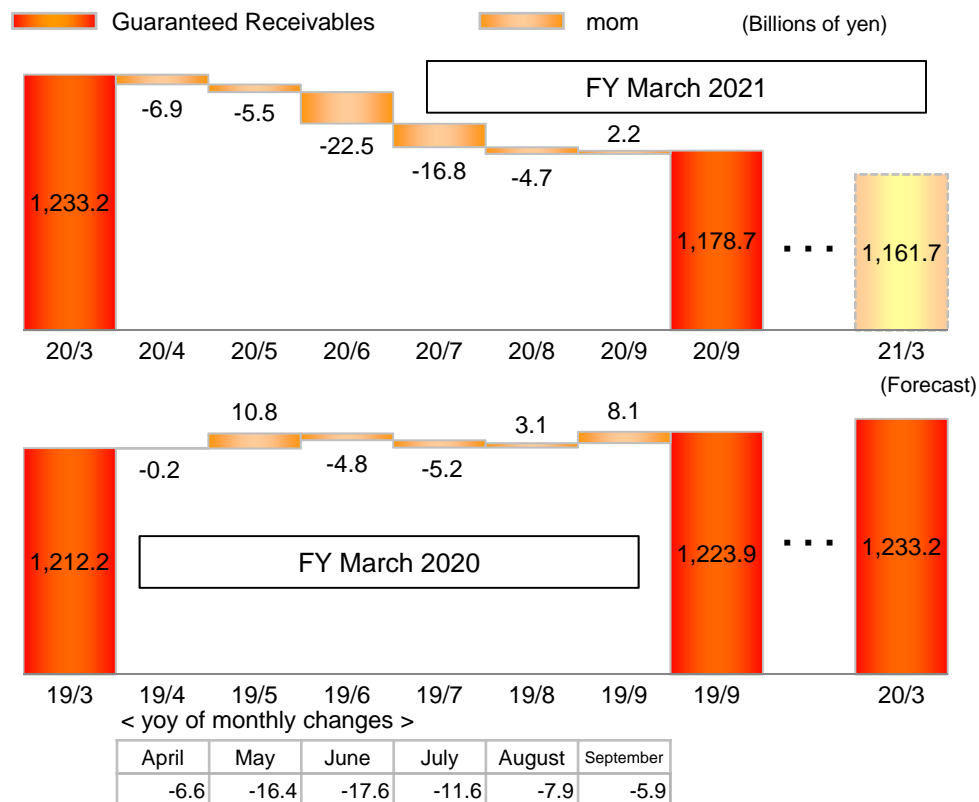
Key Points for Loan and Credit Card Business

- We assume decline in demand for funds due to spread of COVID-19 infection will remain. However, we expect the extent of yoy decreases in receivables to moderate and shift back to gradual increasing trend by the end of fiscal year.
- We reduced the number of operating days and hours of our call centers and other operational bases in the 1st quarter. These have returned to the normal state at present.
- We will continue flexible and courteous support for repayment.



【Reference】 Impact from COVID-19 Infections ②

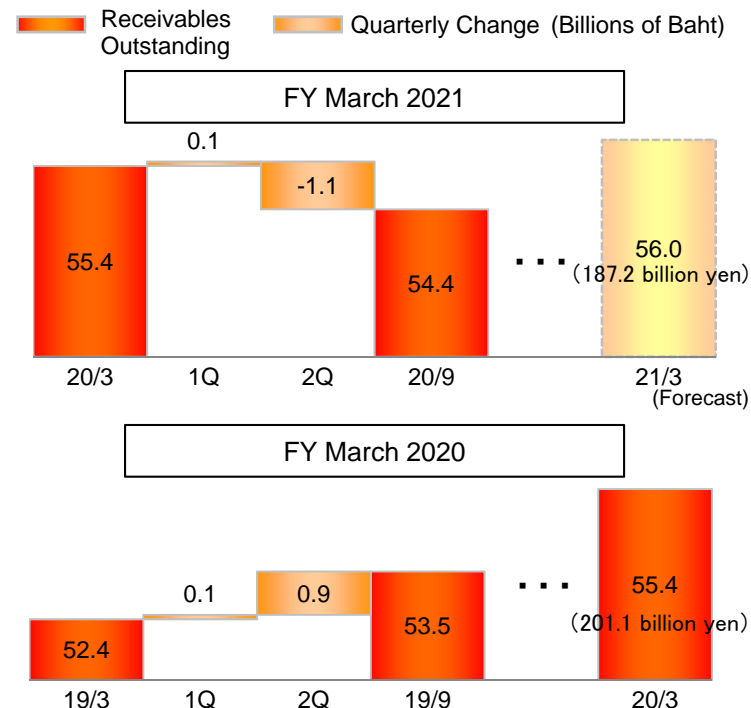
Guarantee Business: Receivables Outstanding (ACOM and MU Credit Guarantee)



Key Points for Guarantee Business

- Decline in demand for funds due to spread of COVID-19 infection will remain.
- The extent of yoy decrease in receivables will moderate and shift back to gradual increasing trend by the end of fiscal year.

Receivables Outstanding (EASY BUY) [Local Currencies Basis]



Key Points for Overseas Financial Business

- Operation in Kingdom of Thailand accounts for the majority of receivables in overseas business performance. Demand for funds has declined in Thailand as the local government has imposed curfews, restrictions on activities, lockdowns and other measures after declaration of state of emergency.
- There is another adverse impact of foreign exchanges from appreciation of yen against Baht. With these factors, we expect shrinkage in group's business scale.



[Reference] Medium-term Management Policy and Key Themes

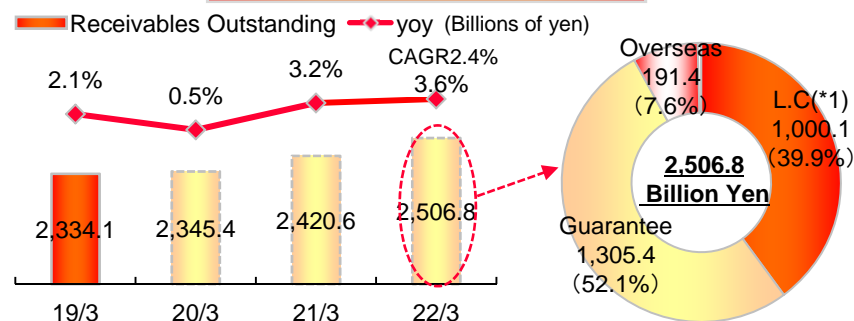
Foundation Spirit	Circle of Trust	
Origins of Company Name	Affection COnfidence Moderation	
Corporate Philosophy	ACOM, based on the spirit of human dignity and in putting customers first, is contributing to the realization of an enjoyable and affluent personal life, and to improving lifestyle, through creative and innovative management.	
Management Vision	Be the “leading company” which provides prime satisfactions to utmost number of customers and win their trust in return	
Key Business Domains	Domestic	Loan & credit card business and guarantee business
	Overseas	Loan business in ASEAN
Medium-term Management Policy	With expeditious reactions to environmental changes, ACOM will strive for sustainable growth and increasing corporate value, while creating services which exceed customers' expectations.	
Medium-term Key Themes		Business Strategy
① Foster compliance culture ② Establish human resources basis through recruitment, education and retention ③ Enhance customer acquisition through sophistication of screening and promotion ④ Provide supreme customer experience by enhancing customer-reception quality and promoting digitalization ⑤ Continuous scale expansion in loan and credit card business ⑥ Further enhancing alliances in guarantee business ⑦ Expanding basis of overseas financial business ⑧ Achieve optimum credit preservation ⑨ Establish IT structure capable of responding to environmental changes ⑩ Establish organization with high quality and productivity through operational reforms	Loan and credit card business	➤ Provide product/services accommodating to changes in customer needs ➤ Credit and promotion strategies for stable customer acquisition
	Guarantee business	➤ Enhance alliances with existing partners ➤ Enhance profitability ➤ Increase new guarantee alliance partners
	Overseas financial business	➤ Research activities in ASEAN and surrounding region ➤ Enhance management structure of existing subsidiaries
	Functional Strategy	
	Digital / IT	➤ “Lending and payment” services in cashless environment ➤ Creating supreme customer experience via hyper-instant screening ➤ Promote renovation of core system
	Operational reforms	➤ Maintenance of operational reform promoting structure ➤ Company-wide implementation of RPA



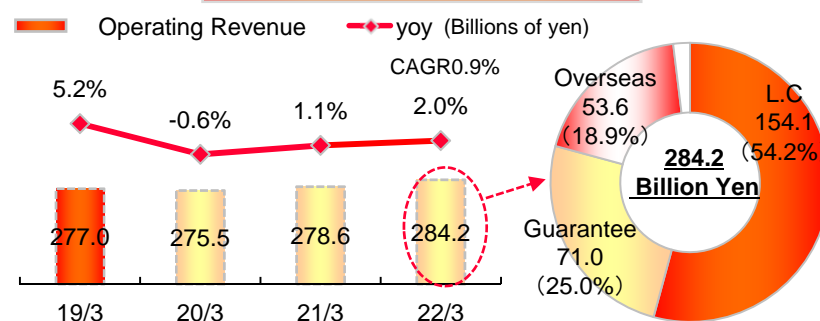
[Reference] Medium-term Management Plan (2020/3-2022/3) Business Scale and Performance

- Strive for receivables of ¥2.5 trillion through digital investments to 3 core businesses and consecutive growth in both revenue and profit
 - FY 2020/3: Receivables would remain almost flat due to Bank BNP impact. Revenue would decrease due to Bank BNP and decline in guarantee fee rate
 - FY 2021/3: Business scale would grow smoothly while revenue and profit would increase owing to scale expansion
 - FY 2022/3: Business scale would continue smooth expansion while growth rate of revenue would rise from further business expansion

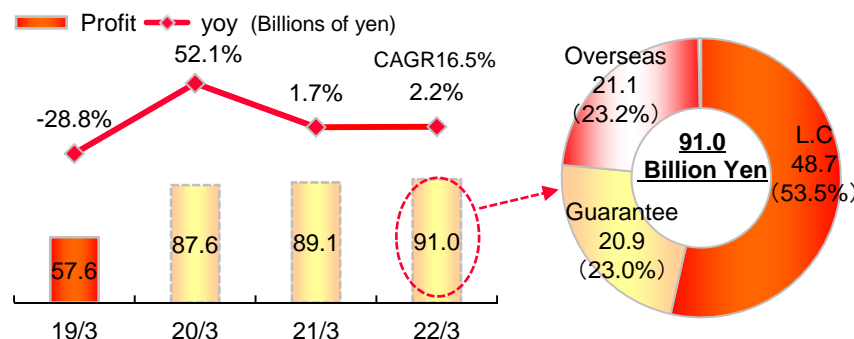
Receivables Outstanding



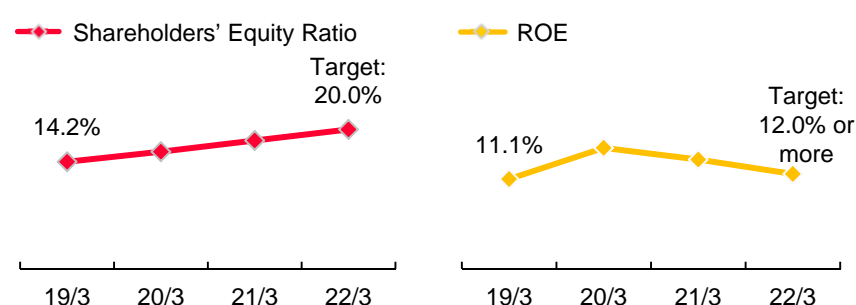
Operating Revenue



Operating Profit



Shareholders' Equity Ratio (*2)・ROE



*1 "L.C." stands for loan and credit card business.

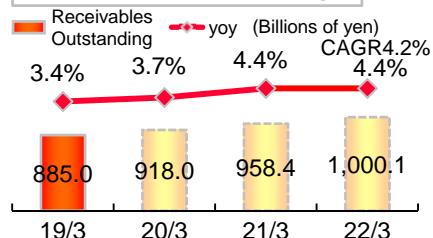
*2 These values are computed using the sum of total assets and guaranteed receivables.



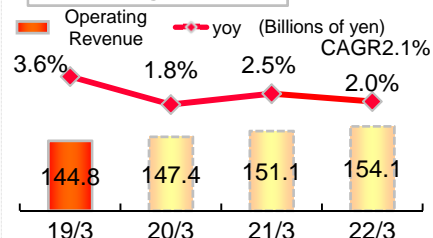
[Reference] Medium-term Management Plan (2020/3-2022/3) Business Scale and Performance by Business Segment

Loan and Credit Card Business

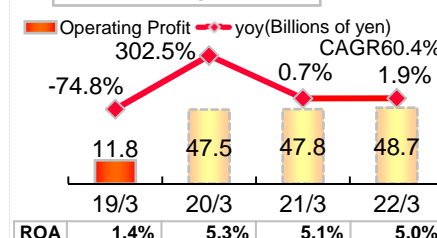
Receivables Outstanding



Operating Revenue



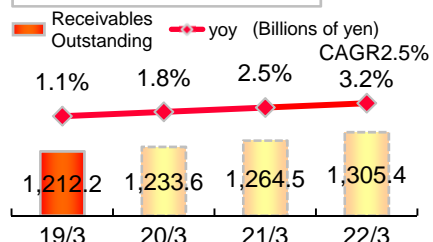
Operating Profit



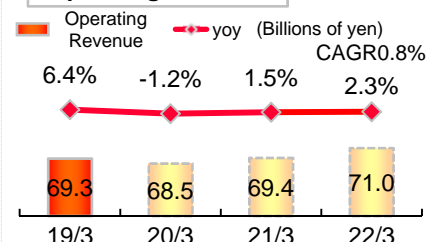
- Aim for receivables to exceed ¥1 trillion
- Targets: ¥154.1 billion of revenue and ¥48.7 billion of profit

Guarantee Business

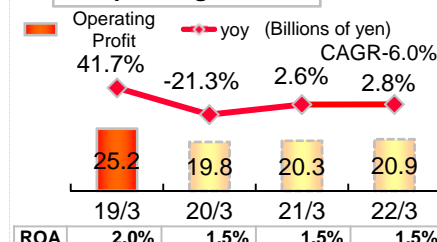
Guaranteed Receivables



Operating Revenue



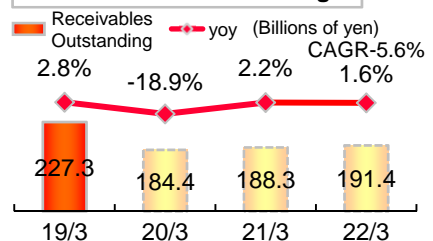
Operating Profit



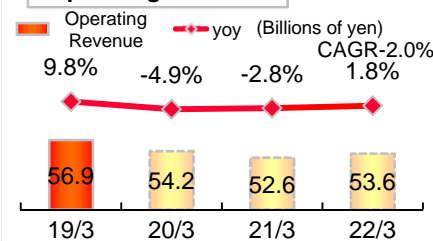
- Aim for receivables of ¥1.3 trillion.
- Targets: ¥71.0 billion of revenue and ¥20.9 billion of profit
- Revenue for FY 2020/3 would decrease due to decline in guarantee fee rate

Overseas Financial Business (*)

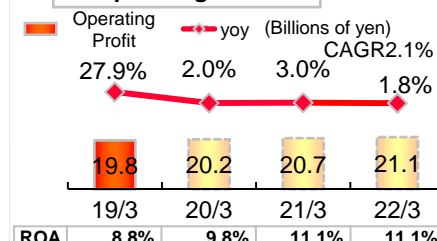
Receivables Outstanding



Operating Revenue



Operating Profit



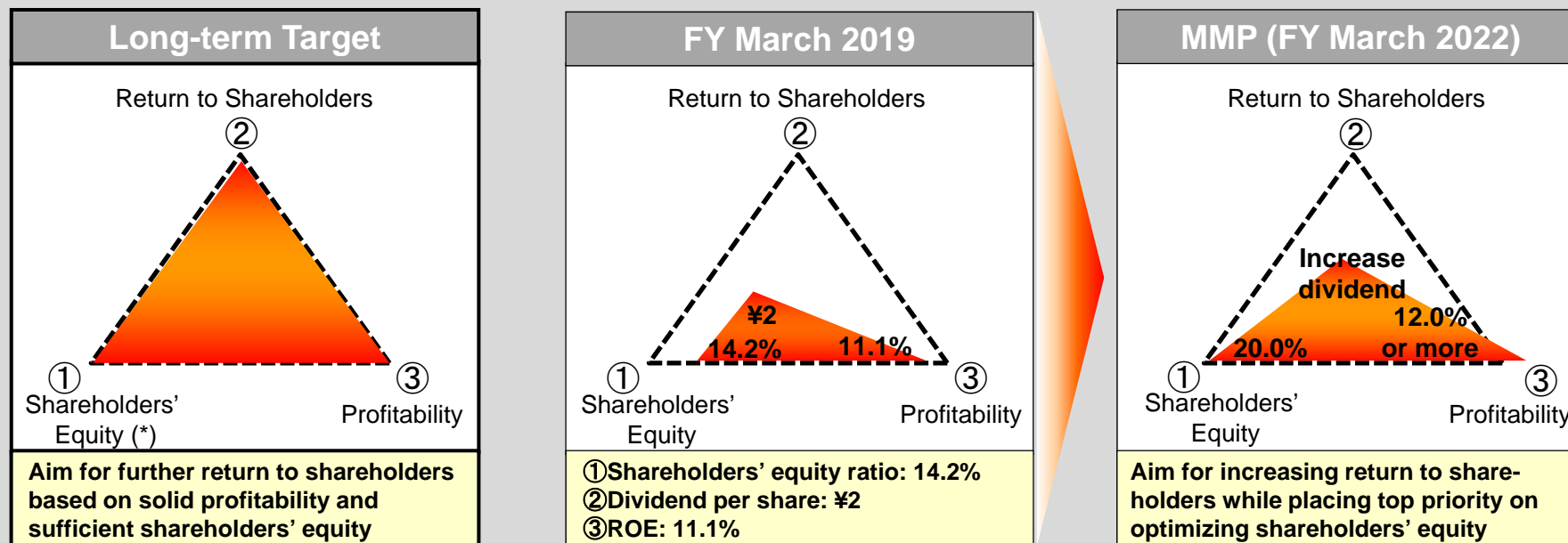
- Aim for receivables of ¥191.4 billion.
- Targets: ¥53.6 billion of revenue and ¥21.1 billion of profit
- Bank BNP exclusion would cause receivables and revenue to decrease in FY 2020/3

* Bank BNP was excluded from the scope of consolidation in April 2019. With regard to estimates for 2020/3, Bank BNP's receivables is excluded, but its 4 months performance is included in P/L.




[Reference] Medium-term Management Plan (2020/3-2022/3) Capital Policy

Basic Capital Policy



Basic Policy on Dividend Payment

- Aim for enhanced return to shareholders through stable and continuous profit distribution, taking the business environment surrounding the company, shareholders' equity and our own business performance into consideration.

	FY March 2019 (Results)		FY March 2020			FY March 2021 FY March2022
	Interim	Year-end	Interim	Year-end		
Dividend per Share	¥1	¥1	¥2	¥2		Aim for increasing dividend
	¥2 total		¥4 total			

* These values are computed using the sum of total assets and guaranteed receivables.



Reference:
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