

Brief Statement of the Second Quarter Financial Results for the Fiscal Year Ending March 2016
[Japanese GAAP (Consolidated)]

November 5, 2015

Forward-looking Statement

The statements and figures contained in this Brief Statement of the Second Quarter Financial Results for the fiscal year ending March 2016 (the "Brief Statement") with respect to ACOM CO., LTD.'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 beliefs in light of the information currently available to it and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. Potential risks and uncertainties include, without limitation, 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 Act, the level of interest rates paid on ACOM's debt, and legal limits on interest rates charged by ACOM.

Name of the company:	ACOM CO., LTD. ("ACOM" or "the Company")
Stock market:	First Section of Tokyo Stock Exchange
Code Number:	8572
Location of the head office:	Tokyo
URL:	http://www.acom.co.jp/corp/english/ir_index.html
Position of the representative:	Chairman, President & Chief Executive Officer
Name:	Shigeyoshi Kinoshita
Position of the person in charge:	Executive Officer, Chief General Manager of Treasury Department
Name:	Takashi Kiribuchi
Telephone Number:	(03) 5533-0861
Registration date of quarterly securities report:	November 13, 2015
Commencement date of dividend payment:	-
Quarterly material to supplement the financial results:	Applicable
Quarterly financial results conference:	Applicable (For domestic and foreign financial analysts and institutional investors)

Note: 1. All amounts under minimum units appearing in each of the tables have been disregarded throughout this brief statement and the annexed materials.

Note: 2. The figures in percentages show the year-on-year change from previous second quarter.

1. Consolidated Business Results for the Second Quarter Accounting Period (from April 1, 2015, to September 30, 2015)

(1) Consolidated Business Results (Accumulated)

	Operating Revenue		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent (Second Quarter)	
	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%
2Q for FY March 2016	118,407	10.9	36,917	22.2	37,179	21.9	33,814	20.4
2Q for FY March 2015	106,738	7.0	30,219	(3.3)	30,506	(4.0)	28,090	(2.1)

[Note] Comprehensive income

2Q for FY March 2016: 34,504 million yen [21.8%]

2Q for FY March 2015: 28,318 million yen [(15.6%)]

	Basic Earnings per Share (Second Quarter)	Diluted Earnings per Share (Second Quarter)
	(Yen)	(Yen)
2Q for FY March 2016	21.58	—
2Q for FY March 2015	17.93	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity
	(Millions of yen)	(Millions of yen)	%
2Q for FY March 2016	1,203,896	362,349	28.7
FY March 2015	1,190,368	328,315	26.3

<Reference> Shareholders' Equity:

2Q for FY March 2016: 345,682 million yen

FY March 2015: 312,587 million yen

2. Dividend Status

	Dividend per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual
FY March 2015	—	0.00	—	0.00	0.00
FY March 2016	—	0.00			
FY March 2016 (Forecast)			—	—	—

<Note> Amendment to dividend forecast: None

Dividend for fourth quarter of FY March 2016 is undecided at this point.

3. Forecasts for the Fiscal Year Ending March 2016 (from April 1, 2015, to March 31, 2016)

(The figures in percentage show year-on-year change from the same prior periods.)

	Operating Revenue		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Basic Earnings per Share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Annual	230,000	4.9	57,600	309.3	57,800	291.9	51,000	296.5	32.55

<Note> Amendment to business results forecast: None

(Note)

(1) Change in Important Subsidiaries in the Six Months ended September 30, 2015 (Change in scope of consolidation): None

(2) Adoption of Accounting Methods Used Specifically for Quarterly Consolidated Financial Statements: None

(3) Changes in Accounting Policy, Accounting Estimates and Restatement

A) Change in accounting policy due to revision of accounting standards, etc.: None

B) Changes other than A): None

C) Change in accounting estimates: None

D) Restatement: None

(4) Outstanding shares (common shares)

A) Number of shares outstanding (including treasury stock)

Second Quarter of FY March 2016: 1,596,282,800 shares	FY March 2015: 1,596,282,800 shares
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B) Number of treasury stock at the end of period

Second Quarter of FY March 2016: 29,668,592 shares	FY March 2015: 29,668,519 shares
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C) Number of average shares outstanding (accumulated quarterly period)

Second Quarter of FY March 2016: 1,566,614,263 shares	Second Quarter of FY March 2015: 1,566,614,332 shares
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(Note) Information regarding the implementation of quarterly review procedures

Brief Statement of Quarterly financial results is not subject to quarterly review procedures. Therefore, at the time of disclosure of the financial results, the quarterly consolidated financial statement review procedures based on the Financial Instruments and Exchange Law, are in process.

(Note) Explanation regarding proper use of the business forecast and other notes

(Notes to Forward-looking Statement)

The statements about the future performance of ACOM are based on management's assumptions and beliefs in light of the information currently available to it. Actual results may differ from those in the forward-looking statements as a result of various factors. Please refer to "(3) Qualitative Information on the Forecasts for the Consolidated Business Results" of "1. Quarterly Qualitative Information on Business Results" on page 2 for conditions which are basis of forecasts and notes for using the forecast.

(Accessing financial results materials and archive of financial results conference)

ACOM plans to hold an earnings release conference for domestic institutional investors and financial analysts, and a conference call for foreign institutional investors and financial analysts regarding the second quarter financial results for the year ending March 2016 on November 6, 2015. The materials used at the conference will be listed promptly after disclosure of financial results. The archive of the conference will be listed promptly at the website after the conference is held.

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1. Quarterly Qualitative Information on Business Results

(1) Qualitative Information on Business Results

During the six months ended September 30, 2015, the Japanese economy showed signs of gradual improvement in corporate earnings and the employment environment, as well as hints of recovery in consumer spending due to the effects of various economic policies implemented by the government. However, the possibility of an economic downturn remained, due to possibility of downturns in overseas economies due to unclear economic outlook of emerging nations in Asia, represented by China, and unfavorable impact of drop in crude oil price and other factors.

In the consumer finance industry, business conditions continued to be severe, due to factors including requests for interest repayment remaining at a high level, although recovery in the conditions of loans and new applications has begun to curb the shrinking trend of market.

In such an environment, under its management vision of “strive to become the leading company in personal loan market which provides prime satisfaction to utmost number of customers and win their trust in return,” the Company Group has positioned its loan business, guarantee business and overseas financial business as the three core business categories and strives to increase market shares in the consumer loan market.

Consolidated operating revenue for the six months ended September 30, 2015, increased to 118,407 million yen (up 10.9% year-on-year), due primarily to increases in interest on consumer loans and revenue from credit guarantee. Operating expenses increased to 81,490 million yen (up 6.5% year-on-year) due primarily to increases in other operating expenses such as provision of allowance for doubtful accounts and commission fee. As a result, operating income increased to 36,917 million yen (up 22.2% year-on-year), ordinary income increased to 37,179 million yen (up 21.9% year-on-year), and profit attributable to owners of parent increased to 33,814 million yen (up 20.4% year-on-year).

(2) Qualitative Information on Financial Position

Compared with the end of the prior fiscal year, total assets increased by 13,527 million yen while net assets increased by 34,033 million yen as of September 30, 2015. Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets increased by 15,606 million yen while noncurrent assets decreased by 2,079 million yen, and total assets increased by 13,527 million. The breakdown of major increases and decreases in current assets is as follows: accounts receivable - operating loans (up by 15,462 million yen), cash and deposits (up by 4,473 million yen), accounts receivable - installment (up by 3,037 million yen), loans receivable of banking business (down by 4,566 million yen), and short-term investment securities (down by 3,343 million yen). The breakdown of major decreases in noncurrent assets is as follows: software (down by 580 million yen), goodwill (down by 492 million yen), and buildings and structures (down by 396 million yen).

(Liabilities)

Current liabilities decreased by 27,672 million yen, whereas noncurrent liabilities increased by 7,165 million yen. Consequently, total liabilities decreased by 20,506 million yen. The breakdown of major increases and decreases in liabilities include: loans and bonds payable (up by 21,875 million yen), provision for loss on interest repayment (down by 32,737 million yen), and deposits of banking business (down by 8,124 million yen).

(Net Assets)

In terms of net assets, shareholders' equity increased by 33,814 million yen, due to an increase in retained earnings, accumulated other comprehensive income decreased by 719 million yen, and non-controlling interests increased by 939 million yen. As a result, total net assets increased by 34,033 million yen, and the shareholder's equity ratio increased by 2.4 percentage points to 28.7%.

(3) Qualitative Information on the Forecasts for the Consolidated Business Results

The Company expects operating revenue, ordinary income and profit attributable to owners of parent of 230.0 billion yen, 57.8 billion yen and 51.0 billion yen, respectively as it has announced on May 8, 2015.

Outlook above is forecast based on information available at the date of announcement of this brief statement. However, there are some potential risk factors in the Group's business management. The trend of requests for interest repayment in particular is highly uncertain, due to its sensitivity to changes in external environmental changes. The Group may have to make additional provision for loss on interest repayment.

Actual results may differ from forecast values due to various risk factors, not limited to those mentioned above.

2. Summary Information (notes)

(1) Change in Important Subsidiaries during the Six Months ended September 30, 2015

Not applicable

(2) Additional Information

<Changes in Presentation>

Effective from the three months ended June 30, 2015, the Company has adopted the "Revised Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22, September 13, 2013) in respect to provisions stated in Paragraph 39, etc., and changed the presentation of net income, etc. as well as the presentation of minority interests to non-controlling interests. To reflect these changes in presentation, the quarterly consolidated financial statements for the six months ended September 30, 2014 and consolidated financial statements for the fiscal year ended March 31, 2015 have been reclassified.

<Adoption of consolidated taxation system>

Effective from the three months ended June 30, 2015, the Company and one of its domestic consolidated subsidiaries have adopted the consolidated tax system.

3. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Prior fiscal year (As of March 31, 2015)	Current second quarter (As of September 30, 2015)
Assets		
Current assets		
Cash and deposits	119,835	124,309
Accounts receivable - operating loans	877,427	892,889
Loans receivable of banking business	64,582	60,016
Accounts receivable - installment	22,295	25,332
Purchased receivables	8,473	9,490
Short-term investment securities	8,000	4,656
Trading account securities	1,804	1,552
Merchandise and finished goods	325	-
Raw materials and supplies	65	77
Deferred tax assets	25,189	25,843
Other	56,833	58,147
Allowance for doubtful accounts	(52,923)	(54,798)
Total current assets	1,131,909	1,147,516
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	6,549	6,153
Equipment, net	10,277	10,196
Land	6,249	6,242
Other, net	1,138	1,033
Total property, plant and equipment	24,215	23,626
Intangible assets		
Goodwill	7,443	6,951
Software	7,081	6,500
Other	43	43
Total intangible assets	14,568	13,495
Investments and other assets		
Investment securities	4,467	4,711
Net defined benefit asset	6,474	6,209
Deferred tax assets	57	54
Guarantee deposits	5,772	5,763
Other	3,559	3,203
Allowance for doubtful accounts	(656)	(686)
Total investments and other assets	19,675	19,257
Total noncurrent assets	58,459	56,379
Total assets	1,190,368	1,203,896

(Millions of yen)

	Prior fiscal year (As of March 31, 2015)	Current second quarter (As of September 30, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	331	443
Short-term loans payable	32,850	13,539
Current portion of long-term loans payable	113,340	108,888
Current portion of bonds	35,422	41,290
Deposits of banking business	79,248	71,123
Income taxes payable	2,218	1,988
Provision for loss on guarantees	7,013	7,428
Asset retirement obligations	2	66
Deferred installment income	86	75
Other	13,298	11,296
Total current liabilities	283,812	256,140
Noncurrent liabilities		
Bonds payable	167,890	191,287
Long-term loans payable	297,349	313,723
Deferred tax liabilities	4,288	4,572
Provision for directors' retirement benefits	28	27
Provision for loss on interest repayment	102,600	69,862
Net defined benefit liability	343	341
Asset retirement obligations	4,608	4,554
Other	1,130	1,036
Total noncurrent liabilities	578,240	585,406
Total liabilities	862,053	841,547
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	73,671	73,671
Retained earnings	189,426	223,241
Treasury stock	(19,794)	(19,794)
Total shareholders' equity	307,136	340,951
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8	6
Foreign currency translation adjustment	3,546	2,968
Remeasurements of defined benefit plans	1,896	1,755
Total accumulated other comprehensive income	5,450	4,730
Non-controlling interests	15,727	16,666
Total net assets	328,315	362,349
Total liabilities and net assets	1,190,368	1,203,896

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
Quarterly Consolidated Statement of Income
Six months ended September 30

	(Millions of yen)	
	For the six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Operating revenue		
Interest on operating loans	70,709	75,509
Interest on loans of banking business	4,166	4,218
Credit card revenue	1,241	1,593
Per-item revenue	52	48
Revenue from credit guarantee	16,941	20,995
Collection from purchased receivable	2,617	2,674
Other financial revenue	647	712
Other operating revenue	10,362	12,655
Total operating revenue	106,738	118,407
Operating expenses		
Financial expenses	9,892	9,239
Cost of purchased receivable	1,027	1,129
Other operating expenses	65,599	71,120
Total operating expenses	76,518	81,490
Operating income	30,219	36,917
Non-operating income		
Interest income	79	146
Dividend income	11	10
Equity in earnings of affiliates	13	5
House rent income	158	154
Other	61	85
Total non-operating income	323	401
Non-operating expenses		
Interest expenses	11	10
Foreign exchange losses	-	95
Loss on investments in partnership	11	8
Other	15	26
Total non-operating expenses	37	139
Ordinary income	30,506	37,179

	(Millions of yen)	
	For the six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Extraordinary income		
Gain on sales of noncurrent assets	9	0
Gain on sales of investment securities	13	0
Total extraordinary income	23	0
Extraordinary loss		
Loss on sales of noncurrent assets	3	0
Loss on retirement of noncurrent assets	30	10
Loss on valuation of investment securities	0	0
Other	0	0
Total extraordinary loss	34	12
Income before income taxes	30,495	37,167
Income taxes-current	1,553	1,957
Income taxes-deferred	(546)	(321)
Total income taxes	1,007	1,635
Profit	29,488	35,531
Profit attributable to non-controlling interests	1,397	1,717
Profit attributable to owners of parent	28,090	33,814

Quarterly Consolidated Statement of Comprehensive Income
Six months ended September 30

(Millions of yen)

	For the six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Profit	29,488	35,531
Other comprehensive income		
Valuation difference on available-for-sale securities	(16)	(1)
Foreign currency translation adjustment	(947)	(893)
Remeasurements of defined benefit plans, net of tax	(205)	(131)
Total other comprehensive income	(1,169)	(1,026)
Comprehensive income	28,318	34,504
Comprehensive income attributable to:		
Owners of parent	27,127	33,094
Non-controlling interests	1,190	1,409

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on Going-concern Assumption)

Not applicable

(Notes in Case of Any Significant Changes in the Amount of Shareholders' Equity)

Not applicable

4. [Reference] Quarterly Non-consolidated Financial Statements

Quarterly financial statements are prepared in accordance with the "Regulations of Quarterly Financial Statements on Terms, Forms and Preparation Method" (Cabinet Office Ordinance No. 63, 2007).

(1) [Reference] Quarterly Non-consolidated Balance Sheet

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2015)	Current second quarter (As of September 30, 2015)
Assets		
Current assets		
Cash and deposits	103,255	111,027
Accounts receivable - operating loans	747,139	760,094
Accounts receivable - installment	21,595	24,691
Short-term investment securities	8,000	4,500
Merchandise and finished goods	325	-
Raw materials and supplies	34	42
Deferred tax assets	22,688	23,218
Right to reimbursement	24,327	27,130
Other	17,492	16,947
Allowance for doubtful accounts	(39,850)	(41,620)
Total current assets	905,010	926,033
Noncurrent assets		
Property, plant and equipment	22,357	21,960
Intangible assets	12,415	11,562
Investments and other assets		
Prepaid pension cost	3,476	3,451
Other	33,189	32,148
Allowance for doubtful accounts	(650)	(680)
Total investments and other assets	36,016	34,919
Total noncurrent assets	70,788	68,443
Total assets	975,799	994,477
Liabilities		
Current liabilities		
Accounts payable-trade	312	430
Short-term loans payable	15,000	-
Current portion of long-term loans payable	107,653	101,257
Current portion of bonds	25,000	25,000
Income taxes payable	185	650
Provision for loss on guarantees	6,560	6,980
Asset retirement obligations	0	56
Other	10,503	8,447
Total current liabilities	165,215	142,822
Noncurrent liabilities		
Bonds payable	146,000	171,000
Long-term loans payable	265,261	283,840
Deferred tax liabilities	1,144	1,130
Provision for loss on interest repayment	102,600	69,862
Asset retirement obligations	4,336	4,290
Other	989	884
Total noncurrent liabilities	520,331	531,008
Total liabilities	685,546	673,830
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	76,010	76,010
Retained earnings	170,194	200,590
Treasury stock	(19,794)	(19,794)
Total shareholders' equity	290,244	320,640
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8	6
Total valuation and translation adjustments	8	6
Total net assets	290,252	320,646
Total liabilities and net assets	975,799	994,477

(2) [Reference] Quarterly Non-consolidated Statement of Income
Six months ended September 30

(Millions of yen)

	For the six months ended September 30, 2014 (From April 1, 2014 to September 30, 2014)	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)
Operating revenue		
Interest on operating loans	56,787	57,821
Credit card revenue	1,241	1,593
Revenue from credit guarantee	13,995	17,615
Other financial revenue	29	13
Other operating revenue	8,167	10,157
Total operating revenue	80,220	87,202
Operating expenses		
Financial expenses	5,307	4,326
Other operating expenses	50,754	53,780
Total operating expenses	56,061	58,107
Operating income	24,158	29,095
Non-operating income		
Interest income	64	40
Dividend income	2,369	1,148
Other	273	247
Total non-operating income	2,707	1,436
Non-operating expenses		
Interest expenses	11	10
Foreign exchange losses	-	31
Loss on insurance cancellation	8	16
Other	12	13
Total non-operating expenses	31	71
Ordinary income	26,835	30,460
Extraordinary income		
Gain on sales of noncurrent assets	6	-
Gain on sales of investment securities	13	0
Total extraordinary income	20	0
Extraordinary loss		
Loss on sales of noncurrent assets	3	0
Loss on retirement of noncurrent assets	29	8
Loss on valuation of investment securities	0	0
Other	0	0
Total extraordinary loss	33	10
Income before income taxes	26,821	30,450
Income taxes-current	106	595
Income taxes-deferred	(1,003)	(541)
Total income taxes	(897)	54
Profit	27,718	30,396