
Earnings Release Presentation

Fiscal Year Ended March 2016



ACOM CO., LTD.

http://www.acom.co.jp/corp/english/ir_index.html

May 9, 2016

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.

<Supplementary Information>

“Loans receivable of loan and credit card business” in this presentation material refers to the sum of accounts receivable – operating loans of loan business and accounts receivable – installment of credit card business.

Financial Results Highlight

Fiscal Year Ended March 2016



Business Environment

Macro Environment

<Japan>

- Japanese economy on the whole saw signs of gradual recovery such as improving corporate earnings and employment environment owing to implementation of economic policies and growth strategies by the government.
- There is apprehension of Japanese economy slowing down due to economic slowdowns in emerging nations in Asia including China.

<Kingdom of Thailand>

- GDP growth rate is slumping due to economic slowdown in China and delay in economic recovery in advanced nations.
- There are auspicious signs of economic recovery owing to public investments made by the government and recovery in tourism sector.

<Republic of Indonesia>

- Its economy is in recovery trend despite global economic slowdown, represented by China.
- Policy interest rate has dropped owing to factors such as economic recovery.

Competitive and Market Environment

<Japan>

- Domestic card loan market expanded smoothly.
- In the loan business sector, players represented by major consumer finance companies, megabanks, regional and online banks increased business investments. This has led to change in the nature of competitive structure of market where diverse players are involved regardless of business nature.
- Expansion and oligopoly of market progressed in guarantee business sector.
- Business environment remains to be severe as shown by requests for interest repayments.

<Kingdom of Thailand>

- Personal loan market is in a growth trend though the rate of growth has dropped.
- Financial institutions are taking discrete stances toward financing following increases in household debts.

<Republic of Indonesia>

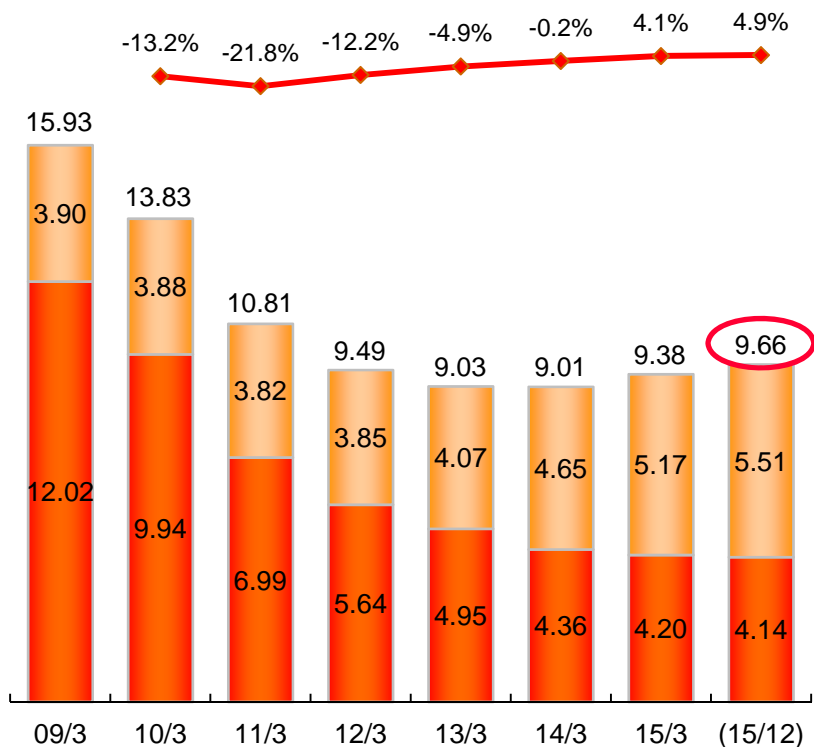
- Bank loan market expanded smoothly.
- Banks' non-performing loans are in increasing trend. There is apprehension for deterioration in banks' loan portfolios.



Trend of Market Volume of Domestic Card Loans

Domestic Card Loan Market

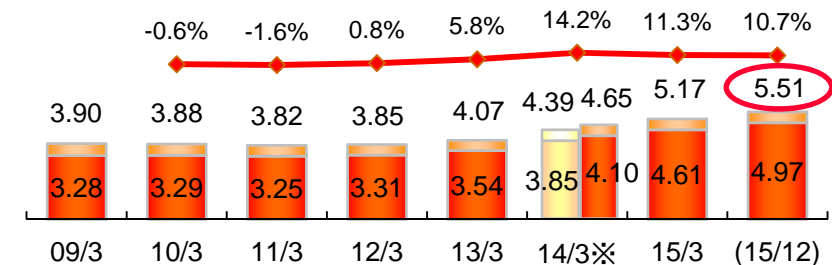
Nonbank Market Bank Market yoy (Trillions of yen)



ACOM's Share	10.3%	12.4%	13.5%	14.4%	15.6%	16.2%	16.7%
Consolidated				16.4%	17.1%	17.7%	

Bank Market

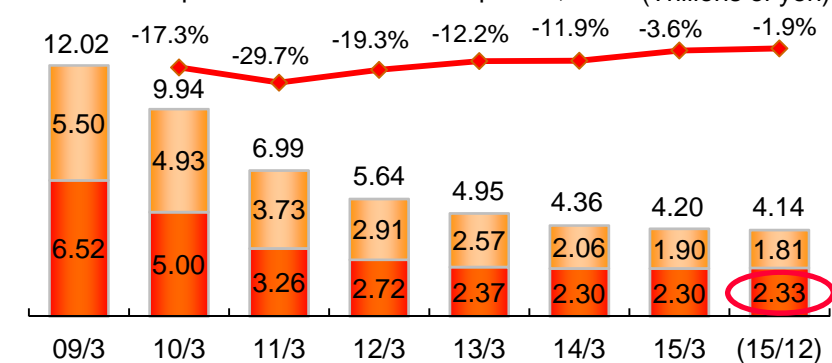
Domestic Banks Credit Unions yoy (Trillions of yen)



ACOM's Share	8.2%	11.6%	12.5%	14.4%	14.6%	15.0%	15.4%
Consolidated				16.2%	16.6%	17.2%	

Nonbank Market

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%	18.3%
--------------	-------	-------	-------	-------	-------	-------	-------

* Nonbank market is receivables outstanding (exclude housing loans) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2015/12 is preliminary.
 * Bank market 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).



Financial Results Summary

(Millions of yen, %)

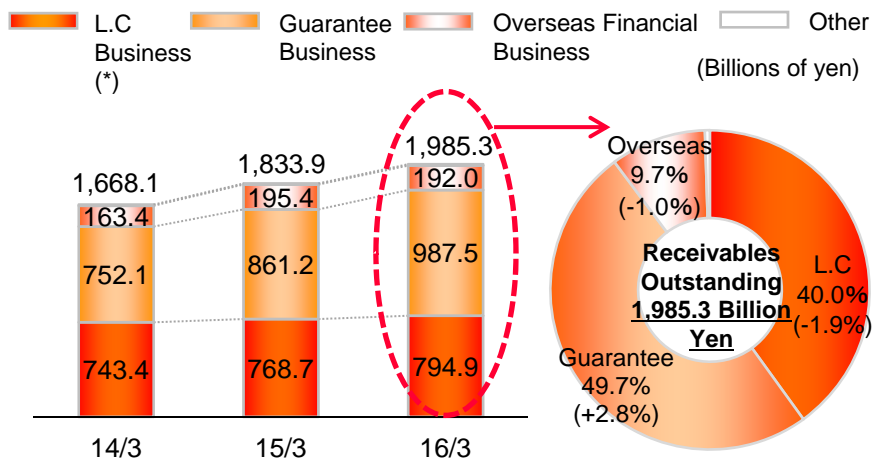
	Consolidated					Non-consolidated				
	2015/3		2016/3			2015/3		2016/3		
	Results	yoy	Results	yoy	Compared to forecast	Results	yoy	Results	yoy	Compared to forecast
Receivables Outstanding	1,833,990	9.9	1,985,336	8.3	100.3	1,545,279	8.7	1,680,752	8.8	100.8
Loan & Credit Card Business	768,735	3.4	794,982	3.4	99.2	768,735	3.4	794,982	3.4	99.2
Guarantee Business	861,212	14.5	987,508	14.7	102.5	776,544	14.4	885,770	14.1	102.4
Overseas Financial Business	195,471	19.6	192,067	-1.7	93.5	-	-	-	-	-
<P/L>										
Operating Revenue	219,289	8.4	237,683	8.4	103.3	163,644	5.1	175,380	7.2	102.3
Loan & Credit Card Business	128,725	1.9	133,170	3.5	102.3	128,725	1.9	133,170	3.5	102.3
Guarantee Business	40,992	38.0	48,868	19.2	101.0	34,630	18.5	41,500	19.8	100.7
Overseas Financial Business	42,956	9.3	48,275	12.4	107.0	-	-	-	-	-
Operating Expenses	205,215	9.2	222,166	8.3	128.9	162,512	7.7	174,352	7.3	137.9
Financial Expenses	19,498	-8.7	17,313	-11.2	91.1	10,081	-23.7	8,299	-17.7	83.0
Provision for Bad Debts	53,828	28.3	60,040	11.5	95.8	40,428	29.7	43,780	8.3	92.2
Provision for Loss on Interest Repayment	49,859	9.6	56,638	13.6	-	49,859	9.6	56,638	13.6	-
Other Operating Expenses	82,029	3.7	88,175	7.5	97.2	62,143	1.9	65,405	5.3	94.9
Operating Income	14,073	-1.8	15,516	10.3	26.9	1,132	-76.3	1,028	-9.1	2.3
Ordinary Income	14,747	-5.3	16,200	9.9	28.0	4,161	-49.2	5,171	24.3	11.2
Income Before Income Taxes	15,403	0.3	14,985	-2.7	26.0	4,817	-39.9	3,876	-19.5	8.4
Profit	15,840	22.3	17,935	13.2	33.3	9,316	12.3	9,857	5.8	21.4
Profit Attributable to Owners of Parent	12,864	21.0	14,598	13.5	28.6	-	-	-	-	-

* Liquidation of ACOM (U.S.A.) INC. in December 2015 led to 1.2 billion yen of extraordinary loss in consolidated basis, and 2.5 billion yen of non-operating income and 1.3 billion yen of extraordinary loss in non-consolidated basis.

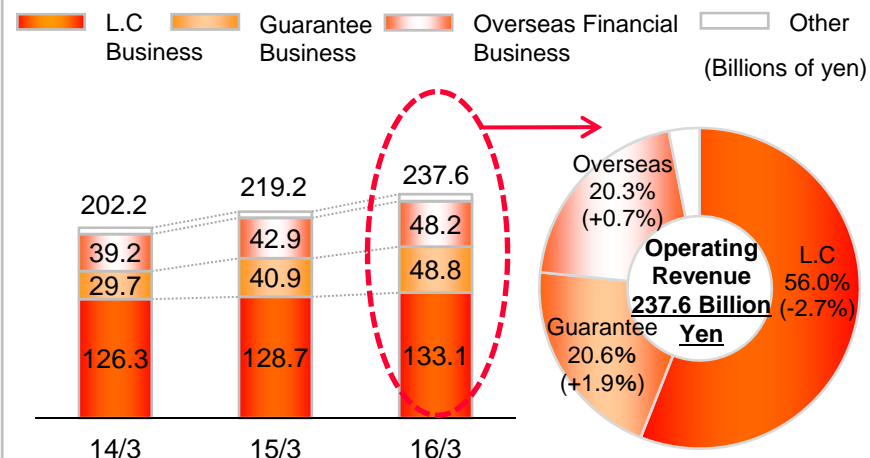


Composition Ratios by Reported Segment

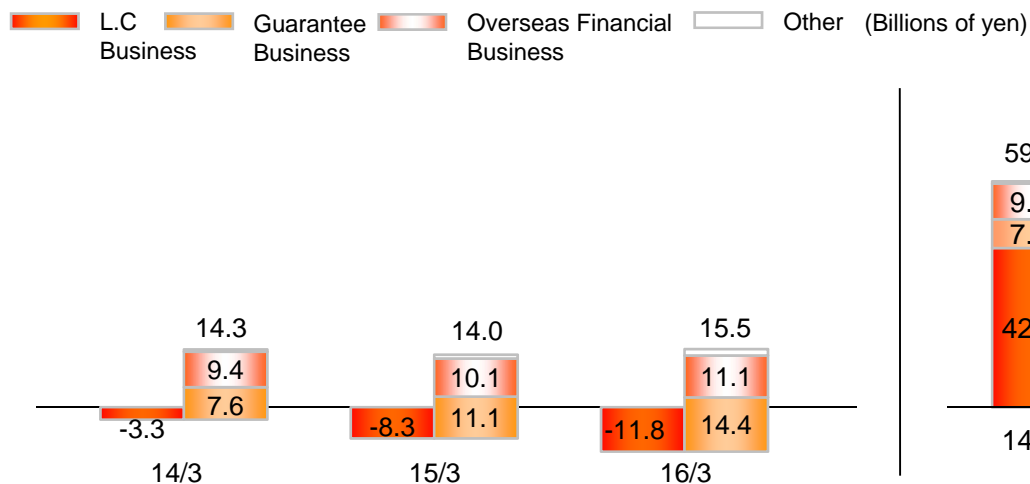
Receivables Outstanding



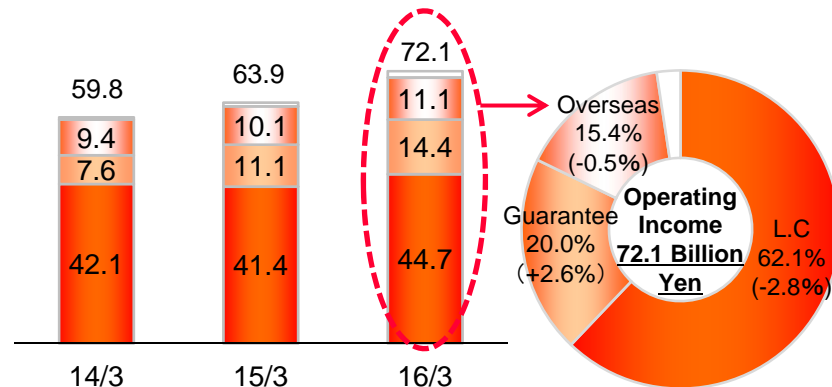
Operating Revenue



Operating Income



<Reference> Operating Income Excluding Provision for Loss on Interest Repayment



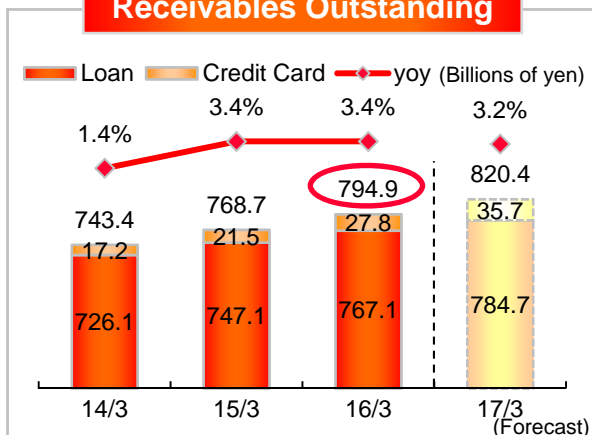
* The values in parentheses on pie charts above show yoy changes.
 * "L. C Business" stands for loan and credit card business.



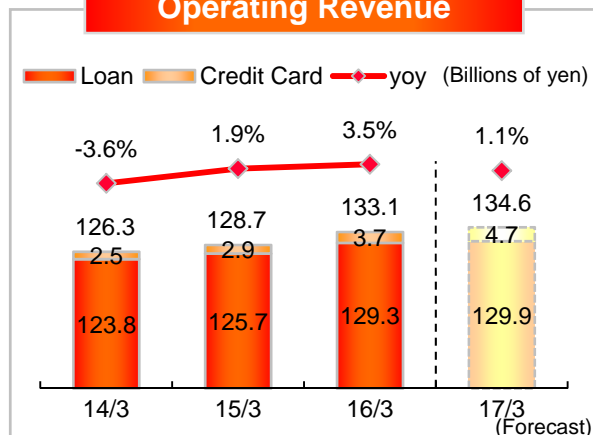
Loan and Credit Card Business (ACOM)

- **Receivables Outstanding** : Increased by 3.4% yoy to 794.9 billion yen, however, slightly below the forecast.
- **Operating Revenue** : Increased by 3.5% yoy to 133.1 billion yen, accomplishing the forecast.
- **Operating Income** : Recorded loss of 11.8 billion yen. However, it was increase of 8.0% yoy to 44.7 billion yen when provision for loss on interest repayment is excluded.

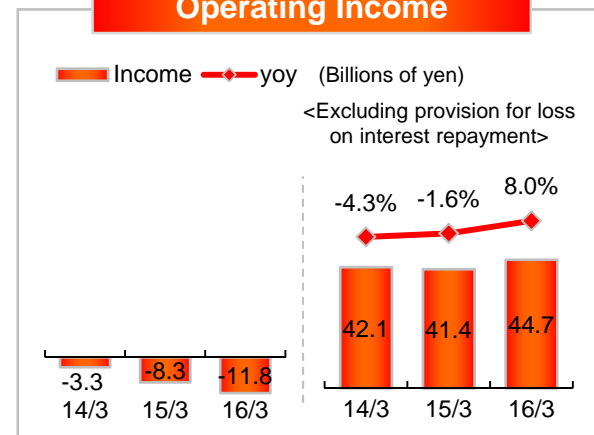
Receivables Outstanding



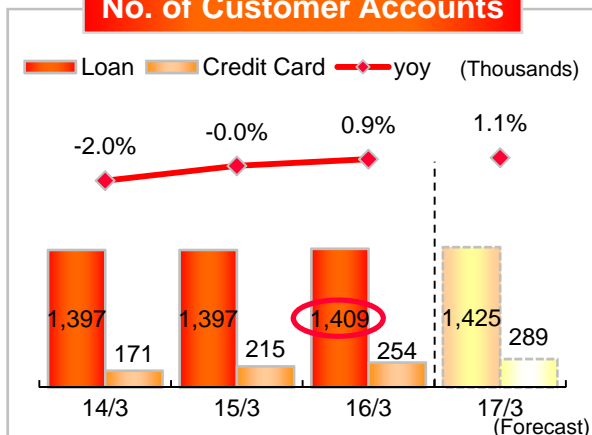
Operating Revenue



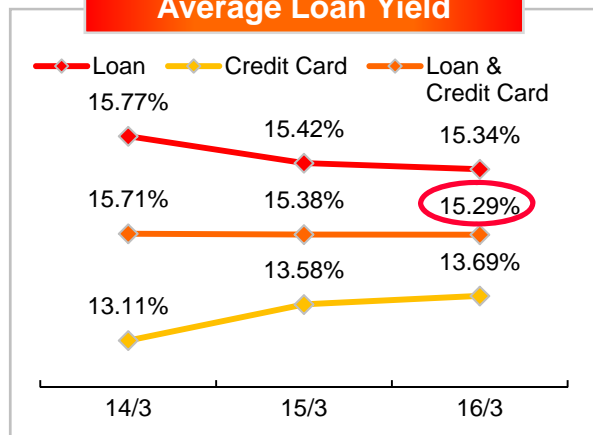
Operating Income



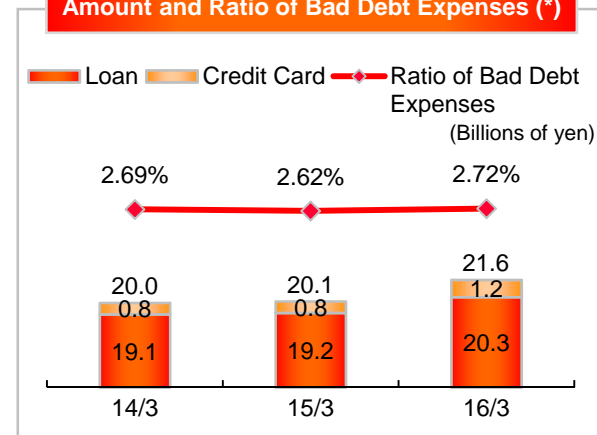
No. of Customer Accounts



Average Loan Yield



Amount and Ratio of Bad Debt Expenses (*)



* These figures exclude waiver of repayments accompanying interest repayment.

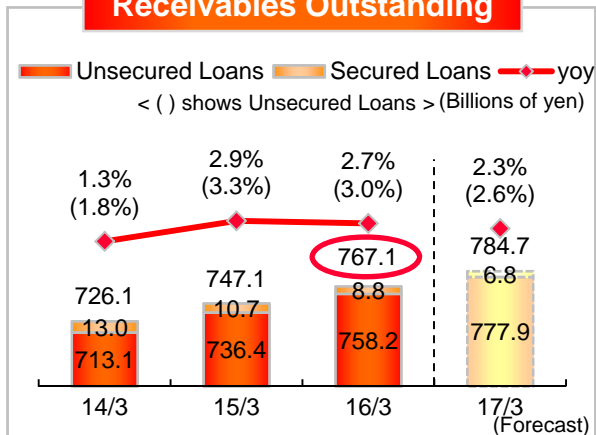
* Average yield of credit card is calculated by receivables and fees of revolving.



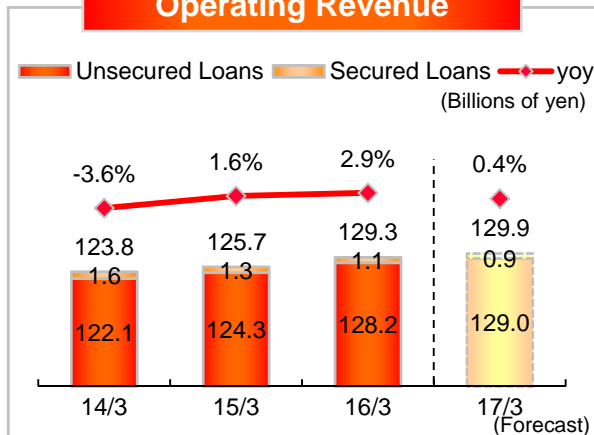
Loan Business (ACOM)

- **Receivables Outstanding** : Increased by 2.7% yoy to 767.1 billion yen, however fell below the forecast.
- **Operating Revenue** : Increased by 2.9% yoy to 129.3 billion yen, accomplishing the forecast.
- **No. of New Customers** : Increased by 1.4% yoy to 221 thousands, however fell below the forecast.

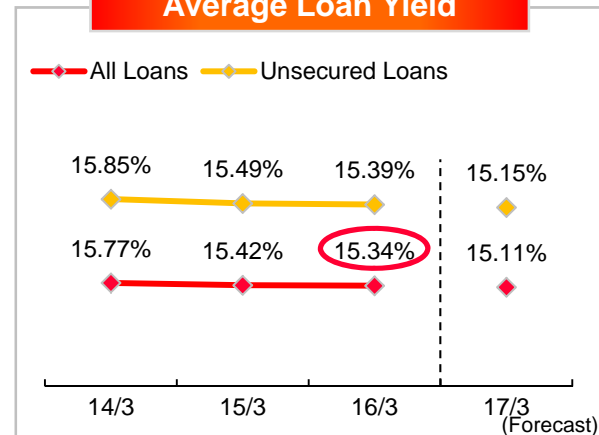
Receivables Outstanding



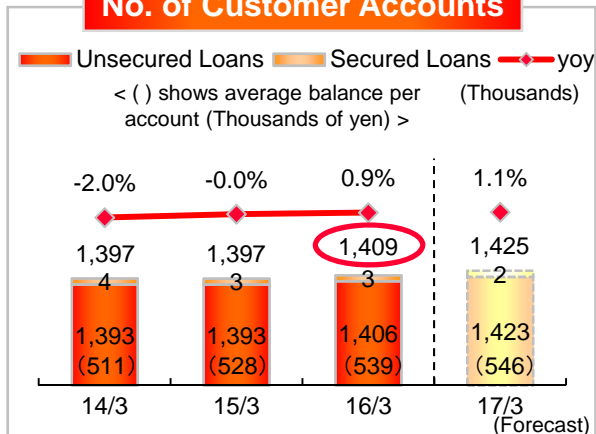
Operating Revenue



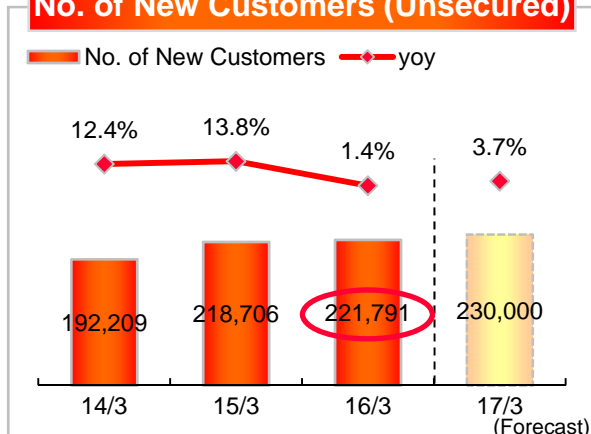
Average Loan Yield



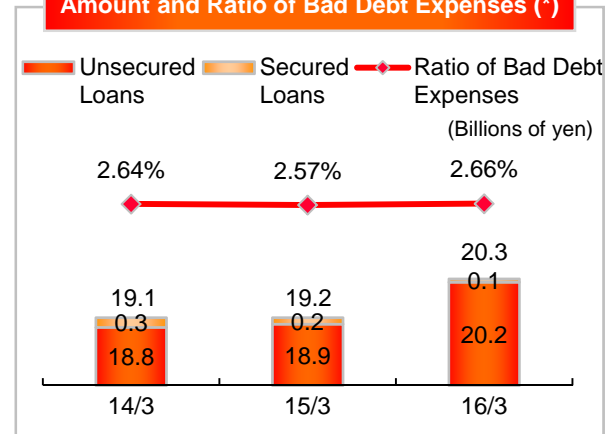
No. of Customer Accounts



No. of New Customers (Unsecured)



Amount and Ratio of Bad Debt Expenses (*)



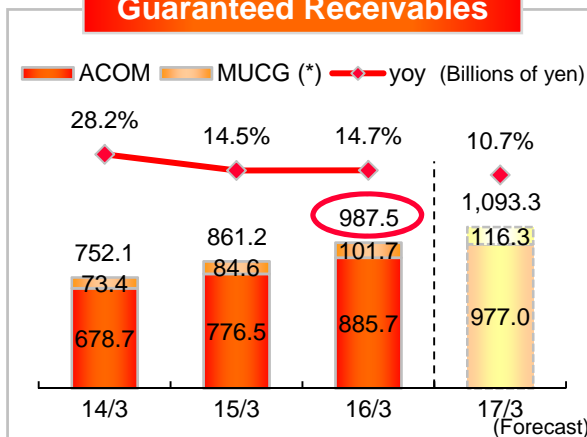
* These figures exclude waiver of repayments accompanying interest repayment.



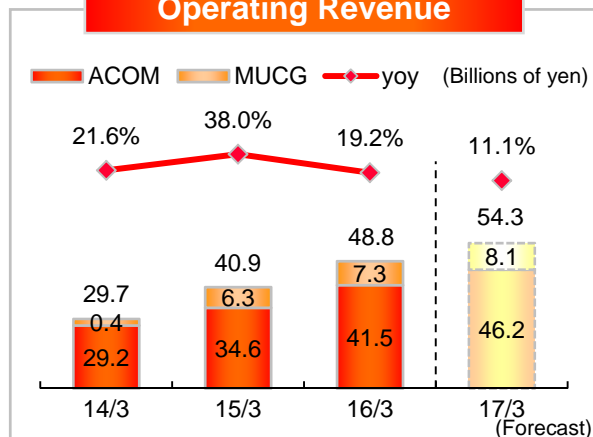
Guarantee Business (ACOM and MU Credit Guarantee)

- **Guaranteed Receivables** : Increased by 14.7% yoy to 987.5 billion yen, substantially outperforming forecast.
- **Operating Revenue** : Increased by 19.2% yoy to 48.8 billion yen, accomplishing the forecast.
- **Operating Income** : Increased by 30.0% yoy to 14.4 billion yen.

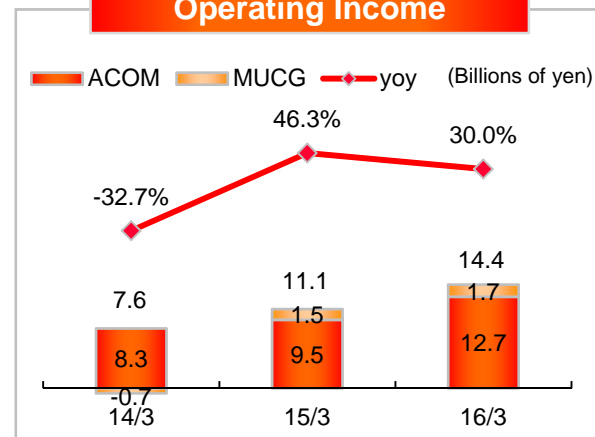
Guaranteed Receivables



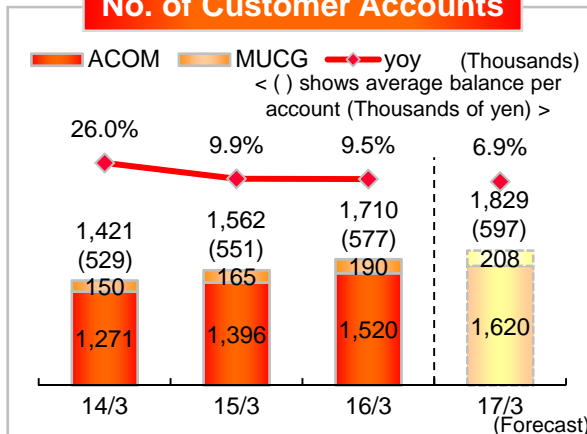
Operating Revenue



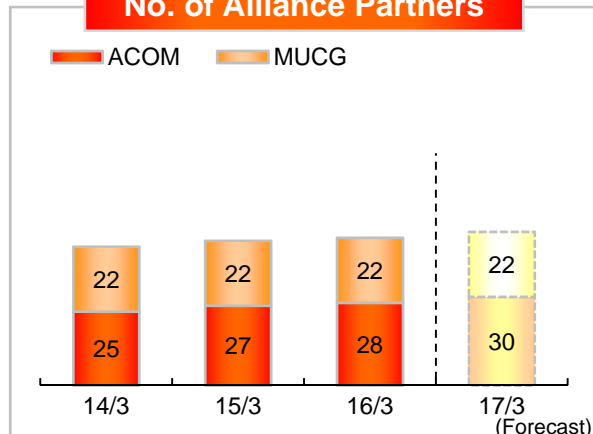
Operating Income



No. of Customer Accounts

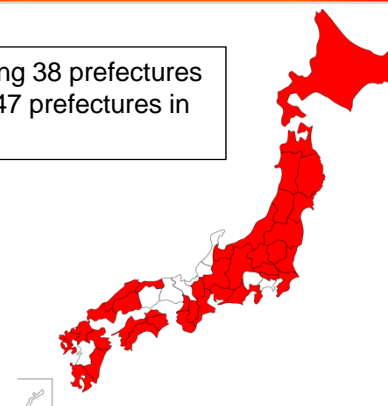


No. of Alliance Partners



Prefectures with Alliance Partners

Covering 38 prefectures out of 47 prefectures in Japan



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

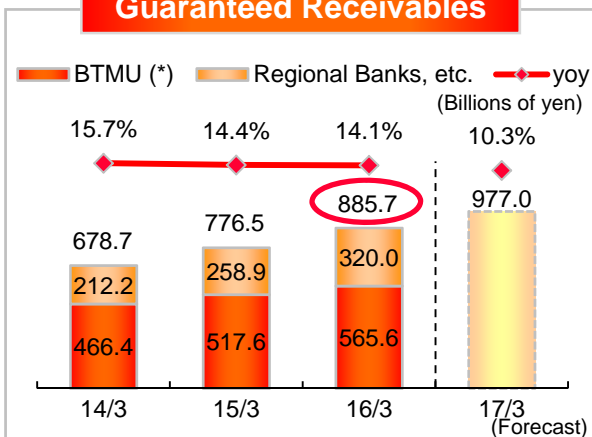
* MU Credit Guarantee Co., LTD. commenced its operation in March 2014 as a joint venture with BTMU (ACOM owned 50.08% of equity). It became ACOM's wholly-owned subsidiary in December 2015.



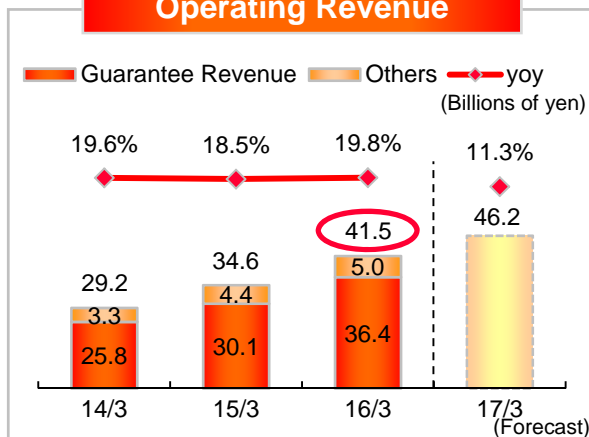
Guarantee Business (ACOM)

- **Guaranteed Receivables** : Increased by 14.1% yoy to 885.7 billion yen, substantially outperforming forecast.
- **Operating Revenue** : Increased by 19.8% yoy to 41.5 billion yen, accomplishing the forecast.
- **Operating Income** : Increased by 33.6% yoy to 12.7 billion yen.

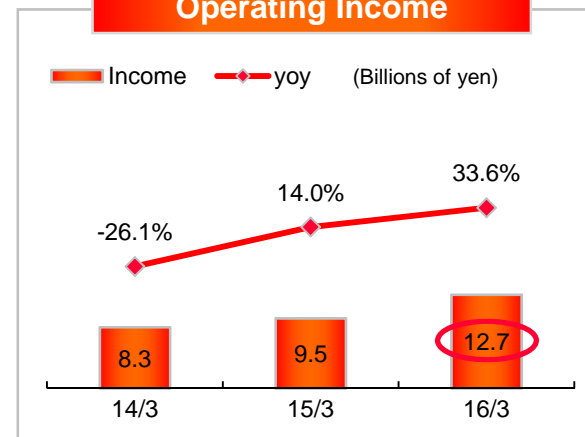
Guaranteed Receivables



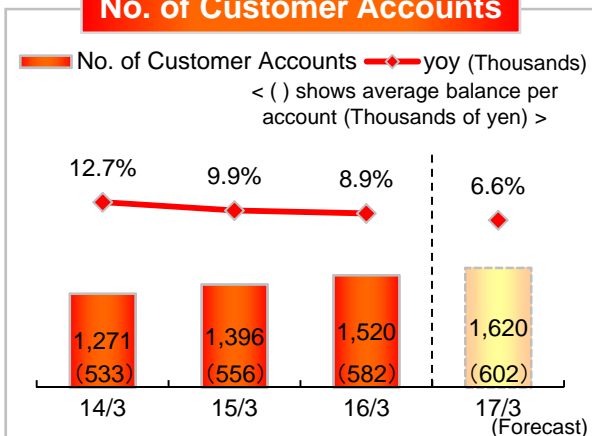
Operating Revenue



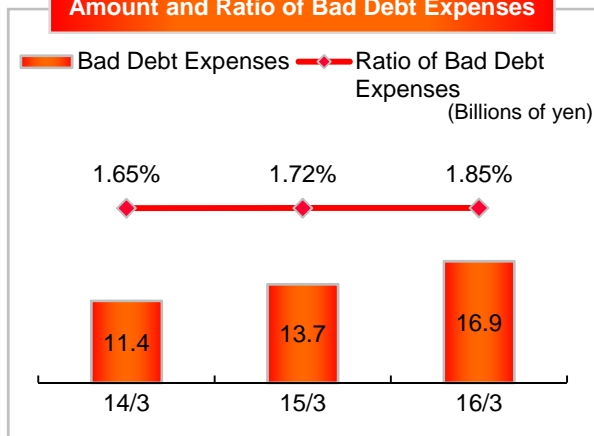
Operating Income



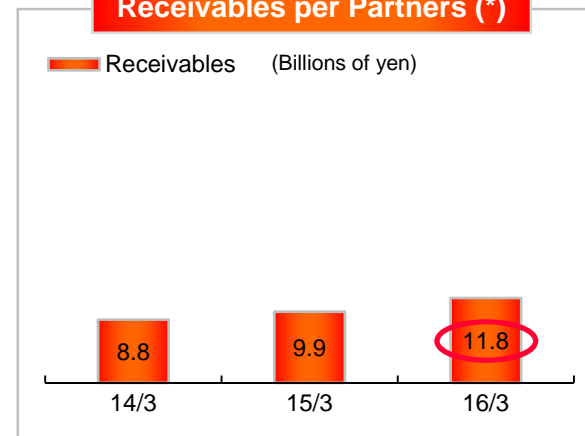
No. of Customer Accounts



Amount and Ratio of Bad Debt Expenses



Receivables per Partners (*)



* "BTMU" stands for The Bank of Tokyo-Mitsubishi UFJ, Ltd.

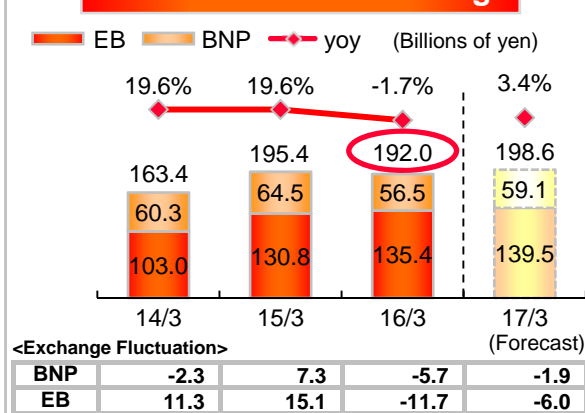
* Excluding guaranteed receivables of BTMU.



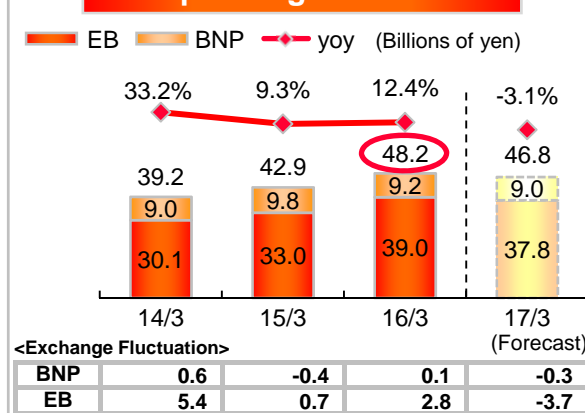
Overseas Financial Business (EASY BUY (EB) and Bank BNP (BNP))

- **Receivables Outstanding** : Exchange fluctuation due to strong yen led to decrease by 1.7% yoy to 192.0 billion yen , which fell below the forecast.
- **Operating Revenue** : Increased by 12.4% yoy to 48.2 billion yen, accomplishing the forecast.
- **Operating Income** : Increased by 9.7% yoy to 11.1 billion yen.

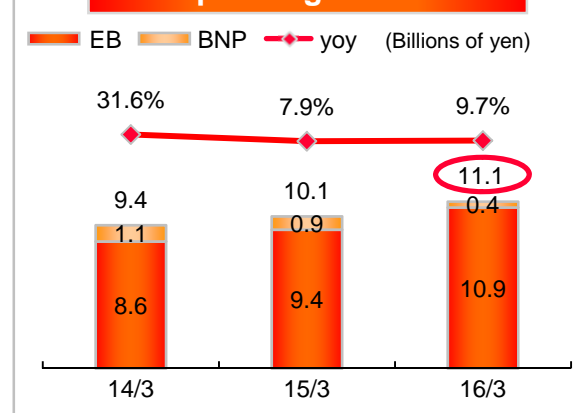
Receivables Outstanding



Operating Revenue



Operating Income



Overview of Subsidiaries

[EASY BUY Public Company Limited]

Investment ratio : 71.00%

Commenced business : 1996

Business Outline : Unsecured Loan,
Installment Loan

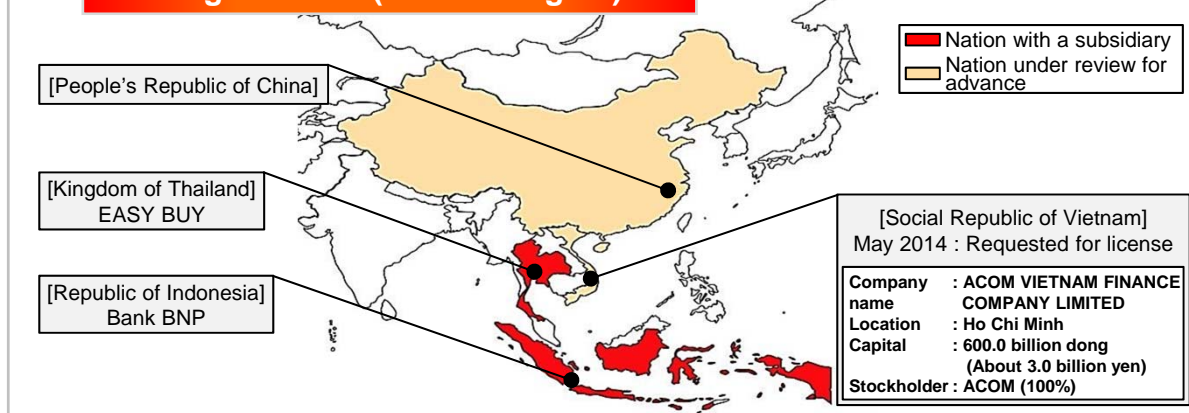
[PT. Bank Nusantara Parahyangan, Tbk.]

Investment ratio : 66.15%

Commenced business : 1972(became
subsidiary in 2007)

Business Outline : Banking

Target Market (ASEAN Region)



* This receivables outstanding is the sum of accounts receivable - operating loans, accounts receivable - installment and loans receivables of banking business.

* Exchange rates : Baht B/S: ¥3.20 (13/12), ¥3.67 (14/12), ¥3.34 (15/12), forecast ¥3.19 (16/12) P/L: ¥3.18 (13/12), ¥3.26 (14/12), ¥3.54 (15/12), forecast ¥3.20 (16/12)

(on local closing dates) Rupiah B/S: ¥0.0086 (13/12), ¥0.0097 (14/12), ¥0.0088 (15/12), forecast ¥0.0085 (16/12) P/L: ¥0.0095 (13/12), ¥0.0090 (14/12), ¥0.0091 (15/12), forecast ¥0.0088 (16/12)

* Exchange fluctuation as of current 4Q: Baht (B/S yoy -¥0.33, P/L yoy +¥0.28), Rupiah (B/S yoy -¥0.0009, P/L yoy +¥0.0001)

* Operating income shows segment income.

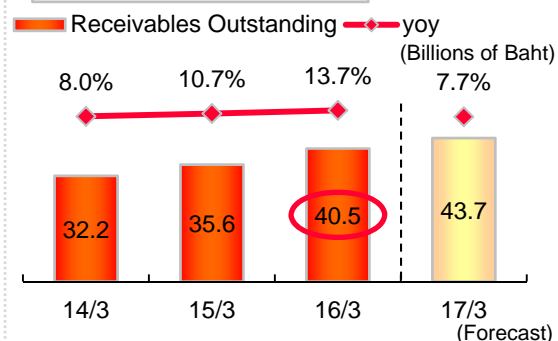


Overseas Financial Business (Local Currencies Basis)

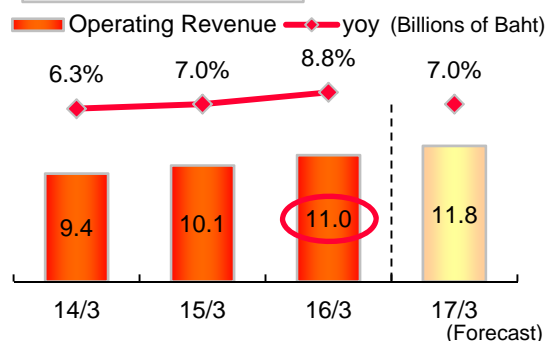
- **EASY BUY** : Receivables outstanding increased by 13.7% yoy to 40.5 billion baht, accomplishing the forecast.
: Revenue increased by 8.8% yoy while income increased by 6.8% yoy, both accomplishing the forecast.
- **Bank BNP** : Due to economic slowdown, receivables, revenue and income decreased yoy and fell below the forecast.

EASY BUY [Kingdom of Thailand]

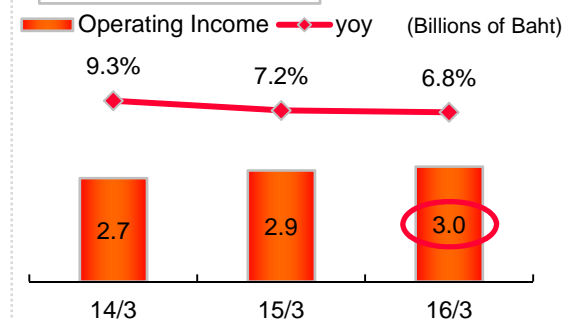
Receivables Outstanding (*)



Operating Revenue

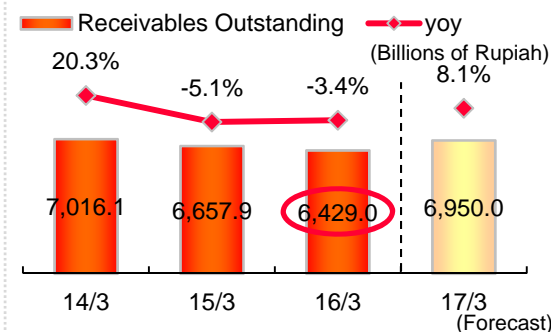


Operating Income

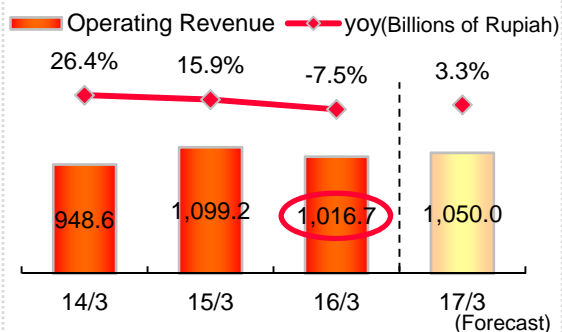


Bank BNP [Republic of Indonesia]

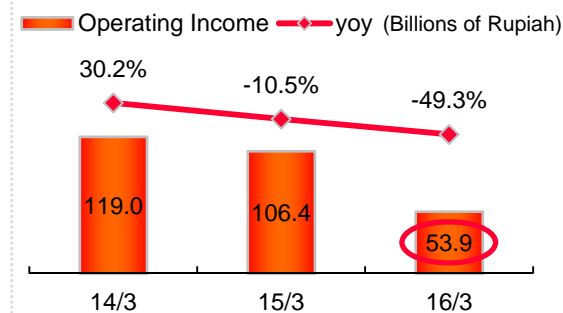
Receivables Outstanding



Operating Revenue



Operating Income



* This receivables outstanding is the sum of accounts receivables - operating loans and account receivable - installment.



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

- No. of requests : Decreased by 9.3% yoy to 72.2 thousands; however, above our initial estimate.
- Cause : Requests from certain law offices hovered at a high level.
- Recent trend : The rate of decrease of requests from other law offices have accelerated on yoy basis since January 2016.

• Monthly Number of Requests for Interest Repayment (*)

(%)

	2012/3		2013/3		2014/3		2015/3			2016/3		
	No. of Requests for Interest Repayment	yoy	No. of Requests for Interest Repayment	yoy	No. of Requests for Interest Repayment	yoy	No. of Requests for Interest Repayment	yoy	Per business day	No. of Requests for Interest Repayment	yoy	Per business day
Total	90,500	-36.5	73,500	-18.8	69,900	-4.9	79,600	13.9	323	72,200	-9.3	295
Apr.	10,100	-9.0	6,400	-36.6	6,700	4.7	6,500	-3.0	309	6,500	0.0	309
May	8,900	-7.3	7,000	-21.3	6,200	-11.4	6,200	0.0	310	5,500	-11.3	305
June	9,500	-12.0	6,600	-30.5	5,600	-15.2	6,600	17.9	314	6,400	-3.0	290
July	7,300	-24.0	6,600	-9.6	6,100	-7.6	7,100	16.4	322	6,100	-14.1	277
Aug.	7,500	-11.8	5,500	-26.7	4,600	-16.4	5,900	28.3	280	5,300	-10.2	252
Sept.	7,400	-22.1	5,800	-21.6	5,900	1.7	7,800	32.2	390	6,600	-15.4	347
Oct.	7,300	-47.1	6,600	-9.6	6,400	-3.0	7,500	17.2	340	6,700	-10.7	319
Nov.	7,100	-45.0	5,900	-16.9	5,600	-5.1	6,000	7.1	333	6,000	0.0	315
Dec.	6,200	-52.7	5,000	-19.4	5,500	10.0	6,300	14.5	300	5,800	-7.9	290
Jan.	5,000	-60.0	5,000	0.0	5,000	0.0	4,900	-2.0	257	4,700	-4.1	247
Feb.	7,200	-56.4	6,300	-12.5	5,900	-6.3	6,900	16.9	363	6,200	-10.1	310
Mar.	7,000	-52.4	6,800	-2.9	6,400	-5.9	7,900	23.4	359	6,400	-19.0	290

* 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



Trend of Loss on Interest Repayment (ACOM)

● Provision for Loss on Interest Repayment

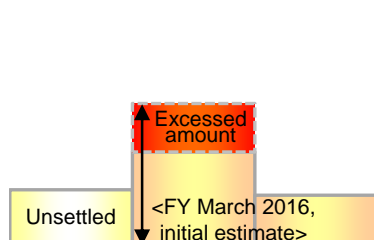
(Millions of yen, %)

	2012/3	2013/3	2014/3	2015/3	2016/3	yoy	2017/3 Forecast
Reversal of Provision	131,907	92,168	72,393	71,359	69,238	-3.0	-
Interest Repayment	93,952	70,502	58,461	58,803	57,600	-2.0	-
<Reference> Cash-out basis	89,102	74,005	57,592	59,183	57,147	-3.4	-
Bad Debt Expenses (ACOM's voluntary waiver of repayments)	37,954	21,666	13,932	12,556	11,637	-7.3	-
Addition of Provision	48,807	42,968	45,493	49,859	56,638	13.6	-
Increase or Decrease in Provision	-83,100	-49,200	-26,900	-21,500	-12,600	-	-
Provision at the End of Respective Periods	200,200	151,000	124,100	102,600	90,000	-12.3	-

FY March 2016

<Initial estimate : 102.6 billion yen>

<image>

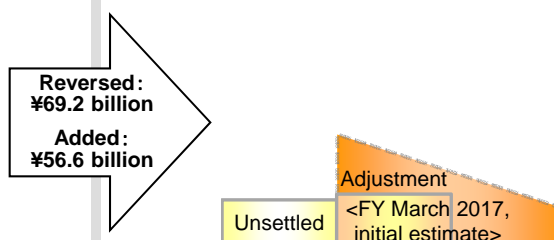


16/3 17/3

FY March 2017

<Initial estimate : 90.0 billion yen>

<image>



17/3 18/3

Key Points for Provision

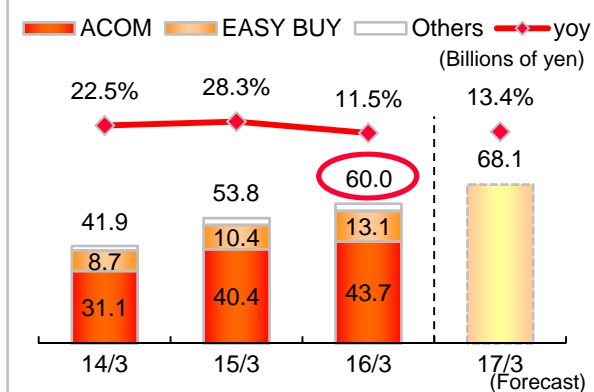
- ① ¥69.2 billion was reversed from ¥102.6 billion of provision.
 • ¥57.6 billion for interest repayment
 + ¥11.6 billion for voluntary waiver of repayment.
- ② ¥56.6 billion was added to provision in this FY.
 • 3Q: ¥14.7 billion + 4Q: ¥41.9 billion
 • Made adjustments on initial estimate based on excessed amount and analysis on recent trend. Then calculated future estimate of amount to be requested.
- ③ Hence, ending balance is ¥90.0 billion (for next two years).



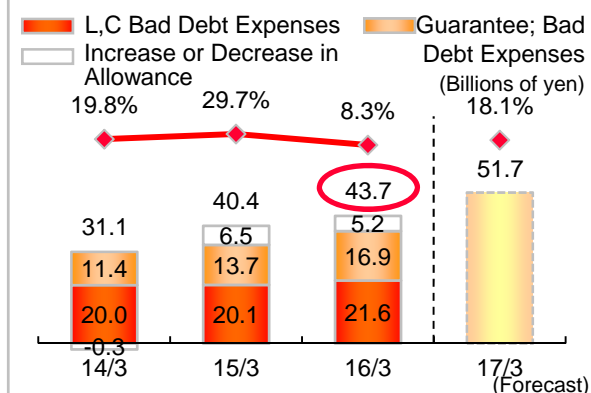
Provision for Bad Debts

- **Provision for Bad Debts (Consolidated)** : Increased by 11.5% yoy to 60.0 billion yen primarily due to scale expansions in 3 core businesses.
- **Bad debt expenses (ACOM)** : Bad debt expenses for loan business made a slight increase while that for guarantee business increased following scale expansion.
- **Non-performing Loans (ACOM)** : The ratio of NPLs remained stable at 6.93%, whereas right to reimbursement increased following scale expansion.

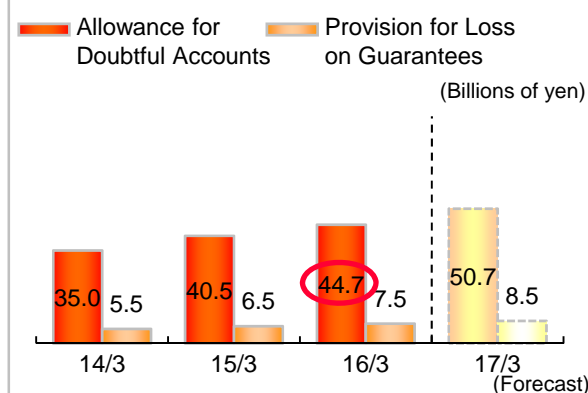
Provision for Bad Debts (Consolidated)



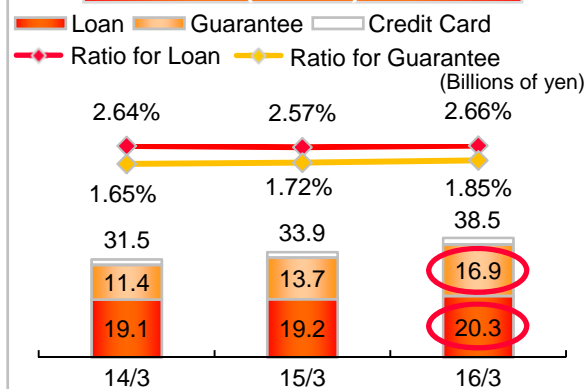
Provision for Bad Debt (ACOM)



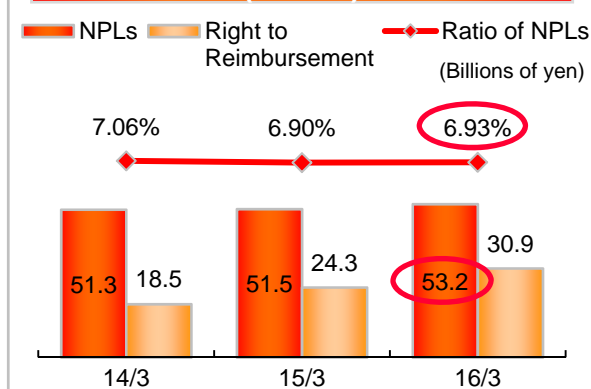
Reserves for Loan and Guarantee (ACOM)



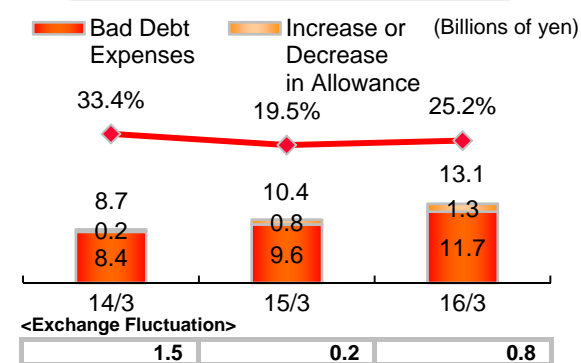
Bad Debt Expenses (ACOM)



NPLs and Right to Reimbursement (ACOM)



<Reference> Provision for Bad Debt (EASY BUY)



* Bad Debt Expenses and Ratio of Bad Debts exclude waiver of repayments accompanying interest repayment.

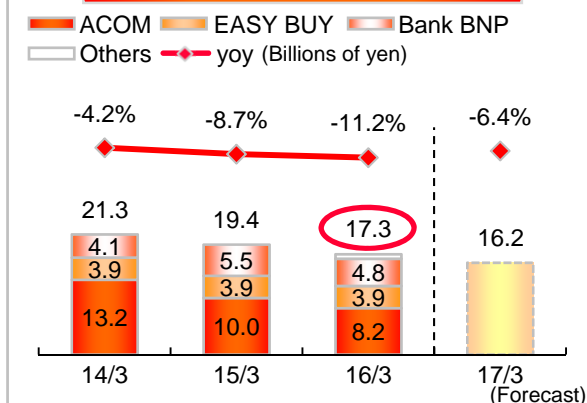
* Right to reimbursement is loans in which guarantee obligations have been performed by ACOM, but not yet written-off.



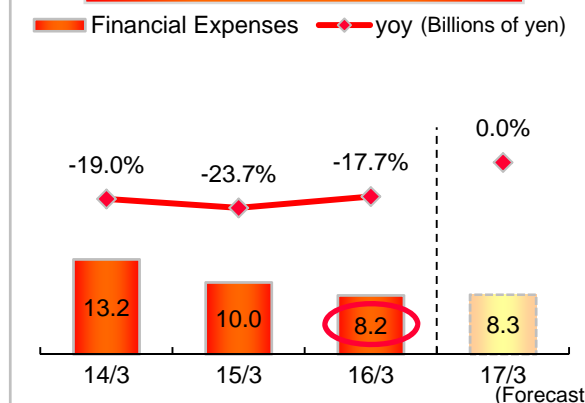
Financial Expenses

- Financial Expenses (Consolidated)** : Decreased by 11.2% yoy to 17.3 billion yen owing primarily to drop in average interest rate on funds procured during the year at ACOM
- Funds Procurement (ACOM)** : Decreased by 0.9% yoy to 553.9 billion yen.
- Average Interest Rate (ACOM)** : Decreased by 46 basis points yoy to 1.48% as some borrowings have been replaced in improving funding environment.

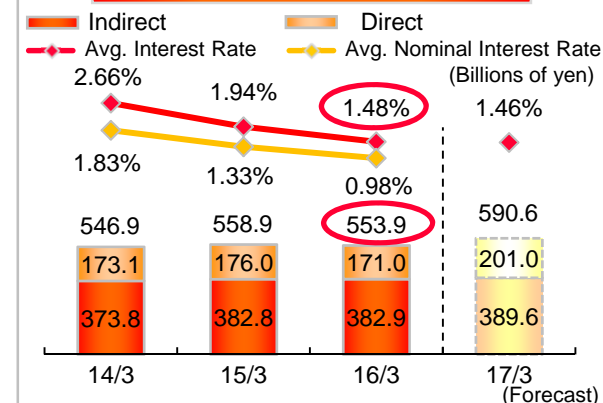
Financial Expenses (Consolidated)



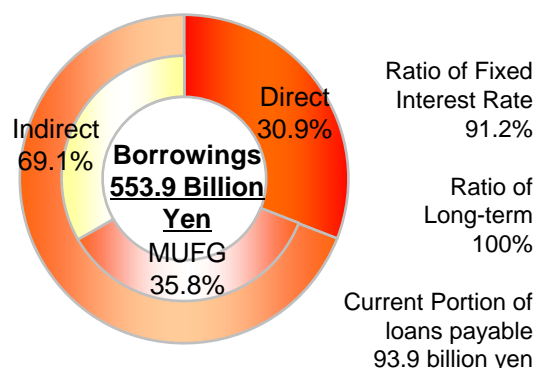
Financial Expenses (ACOM)



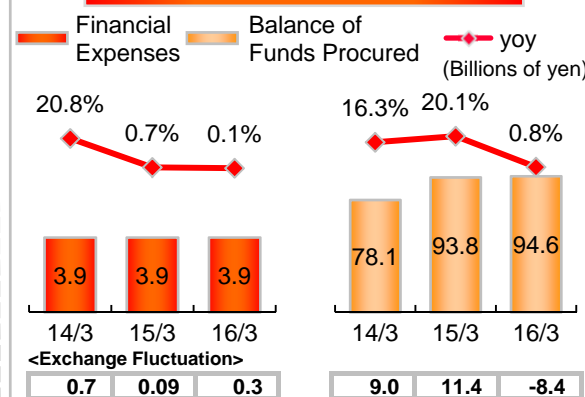
Funds Procurement (ACOM)



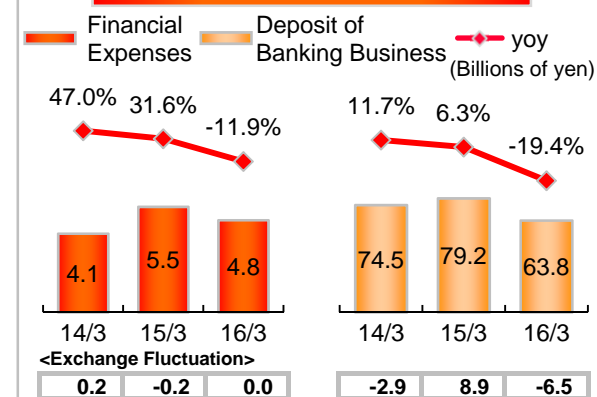
Composition Ratios by Funding Sources (ACOM)



<Reference> EASY BUY



<Reference> Bank BNP





Annual Forecast for the FY March 2017

(Millions of yen, %)

	Consolidated				Non-consolidated			
	2016/3		2017/3		2016/3		2017/3	
	Results	yoy	Forecasts	yoy	Results	yoy	Forecasts	yoy
Receivables Outstanding	1,985,336	8.3	2,123,500	7.0	1,680,752	8.8	1,797,400	6.9
Loan & Credit Card Business	794,982	3.4	820,400	3.2	794,982	3.4	820,400	3.2
Guarantee Business	987,508	14.7	1,093,300	10.7	885,770	14.1	977,000	10.3
Overseas Financial Business	192,067	-1.7	198,600	3.4	-	-	-	-
<P/L>								
Operating Revenue	237,683	8.4	242,300	1.9	175,380	7.2	180,900	3.1
Loan & Credit Card Business	133,170	3.5	134,600	1.1	133,170	3.5	134,600	1.1
Guarantee Business	48,868	19.2	54,300	11.1	41,500	19.8	46,200	11.3
Overseas Financial Business	48,275	12.4	46,800	-3.1	-	-	-	-
Operating Expenses	222,166	8.3	177,500	-20.1	174,352	7.3	129,600	-25.7
Financial Expenses	17,313	-11.2	16,200	-6.4	8,299	-17.7	8,300	0.0
Provision for Bad Debts	60,040	11.5	68,100	13.4	43,780	8.3	51,700	18.1
Provision for Loss on Interest Repayment	56,638	13.6	-	-	56,638	13.6	-	-
Other Operating Expenses	88,175	7.5	93,200	5.7	65,405	5.3	69,600	6.4
Operating Income	15,516	10.3	64,800	317.6	1,028	-9.1	51,300	-
Ordinary Income	16,200	9.9	65,300	303.1	5,171	24.3	52,500	915.3
Income Before Income Taxes	14,985	-2.7	65,200	335.1	3,876	-19.5	52,400	-
Profit	17,935	13.2	61,100	240.7	9,857	5.8	52,300	430.6
Profit Attributable to Owners of Parent	14,598	13.5	58,500	300.7	-	-	-	-



Basic Policy and Forecasts on Dividends

Basic Policy on Profit Distribution

- Attempt stable and continuous profit distribution, taking the business environment surrounding the company, shareholder's equity and our own performance into consideration.

Forecasts on Dividends

- | | | |
|--|-----|-------------------|
| ● Year-end dividend for the fiscal year ended March 2016 | ... | "None (*)" |
| ● Dividend for the second quarter of fiscal year ending March 2017 | ... | "None (forecast)" |
| ● Year-end dividend for the fiscal year ending March 2017 | ... | "Undecided" |

Prerequisite for Resumption of Dividends

- Prerequisite for Resumption of dividends
We plan to resume dividend payment as soon as we can conclude that we are "free of uncertainty of requests for interest repayment in the future," in addition to "indisputable continuous and stable growths in three core businesses (loan & credit card, guarantee and overseas financial businesses)."

* Year-end dividend for the fiscal year ended March 2016 assumes approval at the general meeting of shareholders scheduled on June 2016.



[Reference] Summary of Segment Income

● Operating Revenue and Segment Income

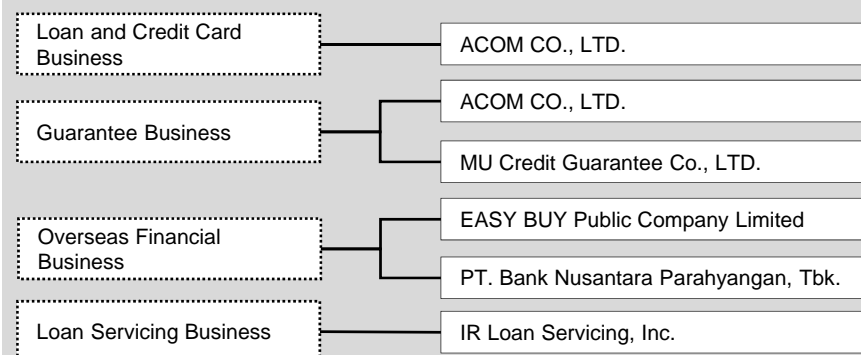
(Millions of yen, %)

	Loan and Credit Card Business		Guarantee Business		Overseas Financial Business		Loan Servicing Business		Subtotal		Others	Total
		yoy		yoy		yoy		yoy		yoy		
Operating Revenue	133,170	3.5	48,868	19.2	48,294	12.5	6,579	0.7	236,912	8.1	709	237,622
Revenue from External Customers	133,170	3.5	48,868	19.2	48,275	12.4	6,579	0.7	236,893	8.1	790	237,683
Revenue from Transactions with Other Operating Segments	-	-	-	-	18	-	-	-	18	-	-80	-61
Operating Expenses	145,011	5.8	34,402	15.2	37,155	13.3	5,508	-4.8	222,077	8.1	230	222,308
Segment Income	-11,841	-	14,466	30.0	11,138	9.7	1,071	43.6	14,834	8.6	478	15,313

● Difference between Segment and Consolidated Operating Income

Income	Amount	yoy
Segment Income	14,834	8.6
Income of "Others" Category	478	129.8
Elimination of Intersegment Transactions	156	-25.4
Adjustments due to Unification of Accounting Treatment between Parent Company and Subsidiary	47	-
Consolidated Operating Income	15,516	10.3

<Reference>





[Reference] Market Volume and ACOM's Share

● Market Volume of Domestic Card Loan

(Billions of yen, %)

		2012/3		2013/3		2014/3		2015/3		(2015/12)	
			yoy		yoy		yoy		yoy		yoy
Market Volume	Domestic Card Loan Market	9,495.8	-12.2	9,031.9	-4.9	9,018.2	-0.2	9,386.1	4.1	9,664.5	4.9
	Nonbank Market	5,643.3	-19.3	4,955.1	-12.2	4,364.4	-11.9	4,207.1	-3.6	4,149.7	-1.9
	Consumer Finance Companies	2,725.9	-16.6	2,379.4	-12.7	2,302.2	-3.2	2,306.8	0.2	2,332.0	1.3
	Bank Market	3,852.5	0.8	4,076.8	5.8	4,653.8	14.2	5,179.0	11.3	5,514.8	10.7
	Banks Only	3,312.4	1.8	3,544.2	7.0	4,109.7	16.0	4,611.3	12.2	4,947.0	11.6
ACOM's Share	Domestic Card Loan Market	13.5	1.1	14.4	0.9	15.6	1.2	16.2	0.6	16.7	0.5
	Nonbank Market	14.2	1.3	14.5	0.3	16.6	2.1	17.8	1.2	18.3	0.8
	Consumer Finance Companies	29.3	1.7	30.1	0.8	31.5	1.4	32.4	0.9	32.6	0.5
	Bank Market	12.5	0.9	14.4	1.9	14.6	0.2	15.0	0.4	15.4	0.4
	Banks Only	14.6	1.0	16.5	1.9	16.5	0.0	16.8	0.3	17.2	0.3

* Nonbank market (statistics by JFSA) refers to the receivables outstanding of nonbanks registered to JFSA (exclude housing loans).

* Bank market (statistics by Bank of Japan) refers to the volume of consumer card loans provided by domestic banks and credit unions.

* "yoy" values in ACOM's Share are the amount of changes from prior periods.

* Figures provided by JFSA for 2015/12 are preliminary figures.

Overview of the New Mid-term Management Plan (2017/3 – 2019/3)



Evaluation on Previous Medium-term Management Plan (2014/3 – 2016/3)

<Macro Environment>

Political & Legal	Raise in consumption tax rate, the social security and tax number system, stricter requirements imposed on enterprises for actions against anti-social forces, enhanced consumer protection and introduction of corporate governance codes
Economic	Anticipated recovery in domestic economy (economic policies and Olympic effect), concerns for downturn in foreign economy and economic growths in ASEAN region
Social	Drop in birthrate coupled with aging society and increasing no. of workers and participation of women in working environment
Technological	Spread of smartphones, changes in internet connection environment and innovations in ICT

<Competitive Environment>

Banks	Megabanks and top-tier regional banks promoted card loans aggressively on the premise that guarantors would provide guarantee.
Installment & Credit Cards	In spite of increase in revolving receivables, loans receivables remained in a declining trend.
Consumer Lenders	Made a turnover and remained in an increasing trend while oligopoly of market progressed.

<Key Measures Taken>

	Key Measures Taken	Outcome		Key Measures Taken	Outcome
Loan Business	<ul style="list-style-type: none"> Continued “interest free service up to 30 days” Enhanced online application completion system Placed credit card issuers to 344 outlets in phased manner Placed card loan corners in BTMU branches 	<ul style="list-style-type: none"> Number of new customers has been increasing since it made a turnover in FY 2012/3 Receivables has been increasing since it made a turnover in FY 2014/3 No. of customer accounts made a turnover in FY 2016/3 Maintained and improved soundness of loan portfolio 	Guarantee Business	<ul style="list-style-type: none"> New alliance with 6 banks Installed new processing system Enhanced operational efficiency at screening center Established MUCG with BTMU and subsequently made it wholly owned subsidiary 	<ul style="list-style-type: none"> Remarkable achievement in receivables (Increases continued in all city, regional and online banks) Remarkable achievement in receivables at MUCG (achieved 100.0 billion yen in March 2016)
Overseas Financial Business	<ul style="list-style-type: none"> EB: Swift channel development EB: Promoted advantageous interest rate BNP: Organized structure for personal loans Requested for license in Vietnam 	<ul style="list-style-type: none"> EB: Increased both revenue and income for 3 consecutive years EB: Striking increase in receivables EB: Maintained sound portfolio BNP: Increased personal loans 	Others	<ul style="list-style-type: none"> IR Servicing absorbed AFRESH CREDIT ACOM (U.S.A.) which was suspending operation liquidated 	<ul style="list-style-type: none"> Improved organization for future growth Optimization of management resources

<Quantitative Targets and Degree of Achievements>

(billions of yen, unless otherwise stated)

	Targets for FY 2016/3		Rating	Degree of Achievements
①	Consolidated operating revenue in the final year	: 214.0 (163.0 at ACOM)	Good	237.6 (175.3 at ACOM)
②	Domestic receivables (loan + guarantee)	: 1.6 trillion yen	Fair	1.7546 trillion yen (below target for loan)
③	Receivables outstanding at EASY BUY	: 35.2 billion baht	Good	40.5 billion baht
④	Loans receivable of banking business at Bank BNP	: 11,300.0 billion rupiah	Poor	6,429.0 billion rupiah



New Medium-term Management Plan (2017/3 – 2019/3)

Foundation Spirit	Circle of Trust	
Origins of Company Name	<u>A</u> ffection <u>C</u> onfidence <u>M</u> oderation	
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 and credit card business, and guarantee business
	Overseas	Loan business in ASEAN region
Medium-term Management Policy	With expeditious reactions to environmental changes, ACOM will establish a solid management base which can support continuous growth, while creating services which exceed customers' expectations.	

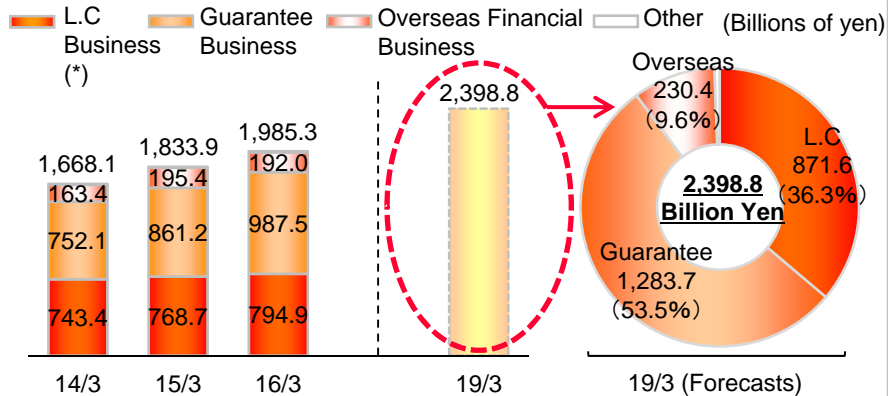
<Measures to be taken by 3 core businesses>

Priority Subjects in Following 3 Years		Key Measures to be Taken
① Advance compliance-oriented corporate culture ② Establish and enhance human resources basis ③ Increase new customer acquisition via enhanced marketing ④ Continuous increases in both loans receivable and number of customer accounts while maintaining a sound portfolio ⑤ Enhance and establish competitive advantages in guarantee business ⑥ Establish basis as one of core businesses in overseas financial business segment ⑦ Enhance groupwide collection basis ⑧ Achieve cost optimization ⑨ Accommodate to developing ICT and improve system infrastructure	Loan and credit card business	➤ Prompt accommodation to ever-changing internet environment ➤ Enhance screening and promotion for customer acquisition ➤ Enhance revenue via credit card issuances ➤ Review utilization and role of channel network ➤ Expand business scale by increasing the rate of existing customers using our services repetitively
	Guarantee business	➤ Expand business scale by utilizing knowhow from loan business ➤ Optimize guarantee screening procedures and efficient management of reception centers ➤ Acquire new alliance partners in prefectures without existing alliance partner ➤ Enhance both marketability and profitability
	Overseas financial business	➤ EASY BUY <ul style="list-style-type: none"> ● Further enhance competitive strength of Umay+ brand ● Maintain and improve soundness of portfolio (loan portfolio and scoring model) ● Construct next-generation IT system ➤ Bank BNP <ul style="list-style-type: none"> ● Expand scale of unsecured consumer loan business ● Maintain and improve soundness of loan portfolio, combined with enhanced internal control structure ➤ Advance into new regions and establish a revenue basis

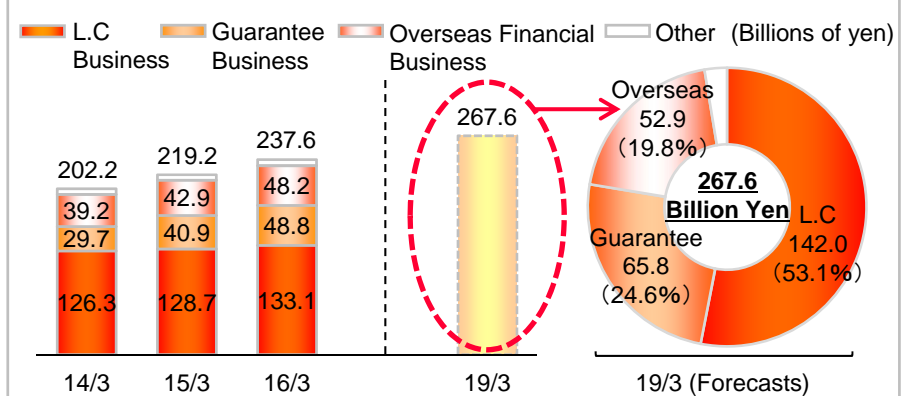


Quantitative Targets for the New Medium-Term Management Plan (2017/3 – 2019/3)

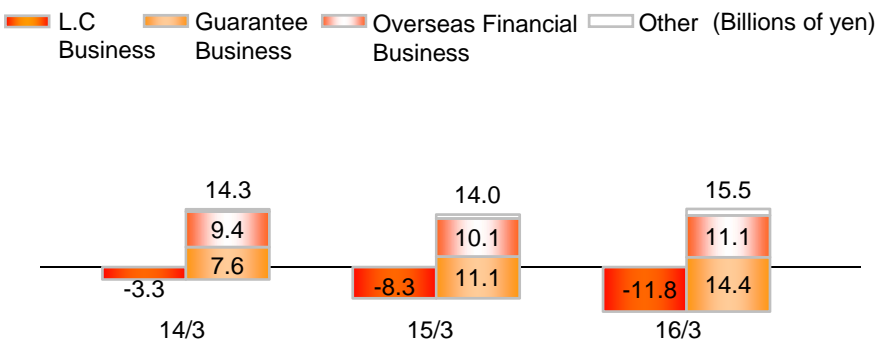
Loans Receivable



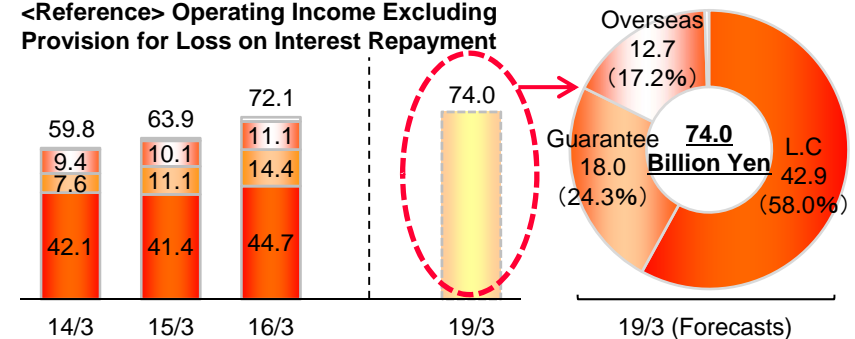
Operating Revenue



Operating Income



<Reference> Operating Income Excluding Provision for Loss on Interest Repayment



<Target Management Indices [Fiscal Year Ending March 2019]>

We aim to achieve consolidated ROE no less than 12%, and shareholders' equity ratio of 20%, computed using the sum of consolidated total assets and guaranteed receivables.

<Capital Policy and Dividend Payout Ratio under the New Medium-term Management Plan>

- Place the Maximum Priority to Enhancing Management Stability through Enhanced Internal Reserves: we will closely monitor both the "consolidated shareholders' equity ratio" and "shareholders' equity ratio computed using the sum of consolidated total assets and guaranteed receivables."
- We will review the target value of shareholders' equity ratio, determine and announce proactive strategic investments and dividend payout ratio as soon as we can conclude that we are "free of uncertainty of requests for interest repayment in the future," in addition to "indisputable continuous and stable growths in 3 core businesses."

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

[Preconditions] (1) Exchange rate at overseas financial business : Baht B/S ¥3.19, P/L ¥3.20 (2017/3 – 2019/3) Rupiah B/S ¥0.0085 P/L ¥0.0088 (2017/3 – 2019/3)

(2) Operation in Vietnam is not included in consolidated business and results as it is still unclear when we are able to commence operation there.



Reference:
Public & Investors Relations Office
Treasury Department

Tel: +81-3-5533-0861
E-mail: ir@acom.co.jp