

**Brief Statement of Financial Results for the Fiscal Year Ended March 2016**  
**[Japanese GAAP (Consolidated)]**

May 9, 2016

**Forward-looking Statement**

The statements and figures contained in this Brief Statement of Financial Results for the fiscal year ended March 2016 (the "Brief Statement") with respect to ACOM CO., LTD. ("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 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:	<a href="http://www.acom.co.jp/corp/english/ir_index.html">http://www.acom.co.jp/corp/english/ir_index.html</a>
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
Date of the shareholders' meeting:	June 23, 2016
Registration date of annual securities report:	June 23, 2016
Commencement date of dividend payment:	-
Material to supplement the financial results:	Applicable
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 prior fiscal year.

# 1. Consolidated Business Results for the Fiscal Year Ended March 2016 (from April 1, 2015, to March 31, 2016)

## (1) Consolidated Operating Results

(Millions of yen)

	Operating Revenue		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
3/2016	237,683	8.4%	15,516	10.3%	16,200	9.9%	14,598	13.5%
3/2015	219,289	8.4%	14,073	(1.8%)	14,747	(5.3%)	12,864	21.0%

[Note] Comprehensive income 3/2016: 12,888 million yen [(43.6%)] 3/2015: 22,835 million yen [46.2%]

	Basic Earnings per Share (Yen)	Net Income per Share Diluted (Yen)	Return on Equity (ROE)	Ordinary Income to Total Assets	Operating Margin
3/2016	9.32	—	4.6%	1.4%	6.5%
3/2015	8.21	—	4.2%	1.3%	6.4%

<Reference> Equity in income of affiliates 3/2016: 8 million yen 3/2015: 13 million yen

## (2) Consolidated Financial Status

(Millions of yen)

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
3/2016	1,175,063	338,132	27.5%	206.42
3/2015	1,190,368	328,315	26.3%	199.53

<Reference> Shareholders' Equity 3/2016: 323,377 million yen 3/2015: 312,587 million yen

## (3) Consolidated Cash Flow Status

(Millions of yen)

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents at the End of Year
3/2016	(43,045)	(2,368)	6,589	83,275
3/2015	(38,249)	(5,155)	13,503	122,306

## 2. Dividend Status

	Dividend per Share					Total Amount of Dividend (Year) (Millions of Yen)	Payout Ratio (Consolidated) (%)	Ratio of Payout to Net Assets (Consolidated) (%)
	1Q (Yen)	2Q (Yen)	3Q (Yen)	4Q (Yen)	Annual (Yen)			
3/2015	—	0.00	—	0.00	0.00	—	—	—
3/2016	—	0.00	—	0.00	0.00	—	—	—
3/2017 (Forecast)	—	0.00	—	—	—		—	

(Note) The dividend for 4Q of FY March 2017 is undecided at this point.

## 3. Forecasts for the Fiscal Year Ending March 31, 2017 (from April 1, 2016, to March 31, 2017)

(Millions of yen)

	Operating Revenue		Operating Income		Ordinary Income		Profit Attributable to Owners of the Parent		Basic Earnings per Share (Yen)
First Half	120,100	1.4%	33,000	(10.6%)	33,300	(10.4%)	29,800	(11.9%)	19.02
Annual	242,300	1.9%	64,800	317.6%	65,300	303.1%	58,500	300.7%	37.34

(Note)

(1) Change in Important Subsidiaries for the Year ended March 2016 (Change in scope of consolidation): None

(2) 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

(3) Outstanding shares (common stock)

A) Number of shares outstanding (including treasury stock)

FY March 31, 2016: 1,596,282,800 shares FY March 31, 2015: 1,596,282,800 shares

B) Number of treasury stock at the end of period

FY March 31, 2016: 29,668,592 shares FY March 31, 2015: 29,668,519 shares

C) Number of average shares outstanding

FY March 31, 2016: 1,566,614,236 shares FY March 31, 2015: 1,566,614,308 shares

(Reference) Outline of non-consolidated business results

1. Non-consolidated Business Results for the Fiscal Year Ended March 2016 (from April 1, 2015, to March 31, 2016)

(1) Non-consolidated Operating Results

(Millions of yen)								
	Operating Revenue		Operating Income		Ordinary Income		Profit	
3/2016	175,380	7.2%	1,028	(9.1%)	5,171	24.3%	9,857	5.8%
3/2015	163,644	5.1%	1,132	(76.3%)	4,161	(49.2%)	9,316	12.3%

	Basic Earnings per Share (Yen)	Net Income per Share Diluted (Yen)
3/2016	6.29	—
3/2015	5.95	—

(2) Non-consolidated Financial Status

(Millions of yen)				
	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
3/2016	970,803	300,109	30.9%	191.57
3/2015	975,799	290,252	29.7%	185.27

<Reference> Shareholders' Equity      3/2016: 300,109 million yen      3/2015: 290,252 million yen

2. Forecasts for the Fiscal Year Ending March 31, 2017 (from April 1, 2016, to March 31, 2017)

(Millions of yen)								
	Operating Revenue		Operating Income		Ordinary Income		Profit	Basic earnings per Share (Yen)
First Half	90,000	3.2%	25,600	(12.0%)	26,600	(12.7%)	26,500	16.92
Annual	180,900	3.1%	51,300	—	52,500	915.3%	52,300	33.38

(Note) Information regarding the implementation of review procedures

Brief Statement of financial results is not subject to review procedures. Therefore, at the time of disclosure of the financial results, the 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. These statements do not guarantee our future performance: actual results may differ from those in the forward-looking statements as a result of various factors. Please refer to "(B) Outlook for the Next Fiscal Year" of "(1) Analysis of Business Results" of "1. Analyses of Business Results and Financial Position" on page 3 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 the financial results conference for the year ended March 2016 for domestic financial analysts and institutional investors, and a conference call for foreign institutional investors and analysts on May 10, 2016. The materials used at the conference will be available on ACOM's website after disclosure of financial results. The archive of the conference will be also available on the website after the conference is held.

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## 1. Analyses of Business Results and Financial Position

### (1) Analysis of Business Results

#### (A) Business results for this consolidated fiscal year

During the fiscal year ended March 31, 2016, 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 the possibility of downside risks in overseas economies triggered by the unclear economic outlook of emerging nations in Asia, represented by China, 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 there are some signs that shrinking trend of the market is approaching a halt.

In such an environment, under its management vision of “strive to become the leading company in personal loan market which provides prime satisfaction to the 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.

In the fiscal year ended March 31, 2016, the final year of the medium-term management plan, the Group continued to focus its efforts on expanding business bases in the aforementioned three core businesses. The total balance of receivables in the loan business and guarantee business reached our medium-term target of 1.6 trillion yen. Accounts receivable - operating loans as of the end of the current fiscal year continued to favorably increase for the second consecutive fiscal year in the loan business and the balance of guaranteed receivables rose further than in the previous fiscal year in the guarantee business. Also, the Group worked to expand business operations and strengthen its internal control structures in the overseas financial business.

Consolidated operating revenue for fiscal year ended March 31, 2016, amounted to 237,683 million yen (up 8.4% year-on-year) primarily due to increases in interest on consumer loans and revenue from credit guarantee. Operating expenses increased to 222,166 million yen (up 8.3% year-on-year) primarily due to increases in provision for loss on interest repayment and provision of allowance for doubtful accounts. Operating income increased to 15,516 million yen (up 10.3% year-on-year), ordinary income increased to 16,200 million yen (up 9.9% year-on-year), and profit attributable to owners of parent increased to 14,598 million yen (up 13.5% year-on-year).

Business results by segment are as follows.

#### (Loan and Credit Card Business)

In the domestic loan and credit card business, we made efforts to improve product/service functions, gather and acquire new customers, promote sales of credit cards (AC MasterCard), and maintain the soundness of our loan portfolio.

As for the improvement of product/service functions and gathering and acquiring of new customers, we extended operating hours of our automatic contract machines by one hour both in the morning and in the evening, to from 8:00 a.m. to 10:00 p.m. in September 2015, in order to further enhance customer convenience. Recognizing the growing importance of the internet as an advertising platform, we continued advertising on YouTube and other sites while implementing online campaigns such as our new “Incentive Program Provided Exclusively Online” for customers who make online registration in advance and then introduce their friends to us. Furthermore, in light of the advances of women in society and other trends, we strove to appeal to working women by introducing web pages for women and promoting other measures. We continued airing commercials featuring the actress “Hiromi Nagasaki” and the sound logo of “Hajimete-no (First time at) ACOM,” maintaining an advertising strategy that has earned positive public reception and contributed to increasing the number of new customers.

We continued to focus our efforts on the sales promotion of credit cards. The total number of card members increased to 254 thousand (up 18.0% year-on-year) and the annual transaction volume increased to 23,381 million yen (up 30.8% year-on-year).

In addition to the abovementioned marketing activities, we have endeavored to maintain the soundness of our loan portfolio and improve the customer-reception quality of our employees by reinforcing the development of human resources through training for credit control, and customer reception including the improvement of the accuracy of credit screenings. As a result, accounts receivable - operating loans at the end of the current fiscal year increased to 767,127 million yen (up 2.7% year-on-year) and accounts receivable - installment increased to 27,855 million yen (up 29.0% year-on-year).

In the domestic loan and credit card business, the business segment's operating revenue was 133,170 million yen (up 3.5% year-on-year) mainly due to an increase in interest on consumer loans in accordance with our business expansion. The business segment posted an operating loss of 11,841 million yen mainly due to an increase in provision for loss on interest repayment under operating expenses (compared with operating loss of 8,364 million yen for the prior fiscal year).

#### (Guarantee Business)

In the guarantee business, the Company and MU Credit Guarantee Co., LTD. worked on the promotion of new guarantee tie-ups and measures to enhance partnerships with existing partners amid the growth trend in bank card loan market.

The Company formed a new guarantee alliance with Sony Bank Incorporated, increasing the combined number of business partners of the Company and MU Credit Guarantee Co., LTD. to 47 banks at the end of the current fiscal year.

To enhance partnerships with existing partners, the Company reviewed and revised its system for receiving applications for guarantee screening and workflow and strove to reduce the screening times for the purpose of meeting the needs of customers. Moreover, as a support toward improved performance for partners, the Company made proposals and offered assistance on product revisions such as credit limit renewals and loan interest rate adjustments, with a view to strengthening their product competitiveness and ability to gather and acquire new customers.

As a result, the balance of guaranteed receivables at the Group level has reached 987,508 million yen (up 14.7% year-on-year) at the end of the current fiscal year. The business segment's operating revenue was 48,868 million yen (up 19.2% year-on-year) mainly due to an increase in revenue from credit guarantee. Operating income was 14,466 million yen (up 30.0% year-on-year).

#### (Overseas Financial Business)

In the overseas financial business, business operations were proactively carried out in the pursuit of expanding the relevant businesses.

The loan business of EASY BUY Public Company Limited in the Kingdom of Thailand actively conducted marketing activities of the Umay+ brand with the aim of enhancing the brand image and gathering and acquiring new customers, in spite of the current political instabilities in that country. As a result, the number of new contracts and accounts receivable - operating loans has increased steadily, thereby building the top-brand position in Thailand.

The banking business of PT. Bank Nusantara Parahyangan, Tbk. in the Republic of Indonesia worked to expand revenue with a view to strengthening its internal control structure amid lingering future uncertainty about the domestic economy.

In the Socialist Republic of Vietnam, where the Company has established a representative office, the Company applied for a license to operate as a finance company in May 2014. While waiting for the result of the screening, the Company has continued surveys on various local laws/regulations and risks, and market analysis for future business development. The Company also continues with necessary surveys in other Asian countries to explore the feasibility of business development.

As a result, the business segment's operating revenue and operating income were 48,294 million yen (up 12.5% year-on-year) and 11,138 million yen (up 9.7% year-on-year), respectively.

#### (Loan Servicing Business)

In the loan servicing business, IR Loan Servicing, Inc. has endeavored to strengthen its business structure and increase profitability amid intensified competition in the purchased receivables market.

As the amount of collection from purchased receivables increased from the prior fiscal year, the business segment's operating revenue was 6,579 million yen (up 0.7% year-on-year) and operating income was 1,071 million yen (up 43.5% year-on-year) primarily due to decreases in cost of purchased receivable and provision for bad debts.

#### (B) Outlook for the next fiscal year

Domestic card loan market has made a turn for growth trend from shrinking trend in the past. However, we estimate that business environment in the future will remain severe as nonbank market still need to cope with the issue of requests for interest repayment.

The Company has made a new medium-term management plan for 3 years starting from the fiscal year ending March 2017. The Company has set mid-term quantitative target of 2.1 trillion yen or above of receivables from loan & credit card and guarantee businesses combined in the domestic domain. As for the overseas domain, the Company aims to attain loans receivable of 51.0 billion baht for EASY BUY Public Company Limited in the Kingdom of Thailand while the target for PT. Bank Nusantara Parahyangan, Tbk. in the Republic of Indonesia stands at 8.01 trillion rupiah in loans receivable for banking business. The Company is going to make steady progress toward targets in the fiscal year ending March 2017.

With regard to quantitative targets, the Group forecasts consolidated operating revenue of 242.3 billion yen, ordinary income of 65.3 billion yen and profit attributable to owners of parent of 58.5 billion yen.

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) Analysis of Financial Position

### (A) Situations of assets, liabilities, and net assets

Compared with the end of the prior fiscal year, total assets decreased by 15,305 million yen and total liabilities decreased by 25,123 million yen, whereas net assets increased by 9,817 million yen as of March 31, 2016. Details of changes in assets, liabilities and net assets are as follows:

#### (Assets)

Current assets decreased by 10,280 million yen while noncurrent assets decreased by 5,025 million yen, and total assets decreased by 15,305 million yen. The breakdown of major increases and decreases in current assets is as follows: cash and deposits (down 32,329 million yen), loans receivable of banking business (down 8,006 million yen), short-term investment securities (down 7,454 million yen), accounts receivable - operating loans (up 24,723 million yen), deferred tax assets (up 7,989 million yen), accounts receivable - installment (up 6,098 million yen). The breakdown of major decreases in noncurrent assets is as follows: net defined benefit asset (down 2,100 million yen), software (down 1,107 million yen), and goodwill (down 984 million yen).

#### (Liabilities)

With regard to the liabilities account, changes in current and noncurrent liabilities were a decrease of 56,283 million yen and an increase of 31,160 million yen, respectively, resulting in a decrease of 25,123 million yen in total liabilities. The breakdown of major increases and decreases in liabilities include: deposits of banking business (down 15,372 million yen), provision for loss on interest repayment (down 12,600 million yen), loans and bonds payable (up 1,716 million yen), and provision for loss on guarantees (up 1,079 million yen).

#### (Net assets)

In terms of net assets, shareholders' equity increased by 14,504 million yen mainly due to an increase in retained earnings, accumulated other comprehensive income decreased by 3,715 million yen, and non-controlling interests decreased by 972 million yen. As a result, total net assets increased by 9,817 million yen and the shareholders' equity ratio increased by 1.2 percentage points year-on-year to 27.5%.

### (B) Status of cash flows

Cash and cash equivalents (hereinafter, "funds") at the end of the current fiscal year decreased by 39,030 million yen (down 31.9% year-on-year) from the end of the prior fiscal year to 83,275 million yen.

With respect to net cash used in operating activities, funds saw a decrease of 43,045 million yen, reflecting funds-increasing factors such as 14,985 million yen in income before income taxes, an increase of 6,162 million yen in allowance for doubtful accounts, and 4,155 million yen in depreciation, as well as funds-decreasing factors such as an increase of 37,417 million yen in accounts receivable - operating loans, a decrease of 12,600 million yen in provision for loss on interest repayment, and a decrease of 8,293 million yen in deposits of banking business.

With respect to net cash used in investing activities, funds saw a decrease of 2,368 million yen. This was primarily due to the fact that the amount of proceeds from sales of noncurrent assets was 2,222 million yen less than the payments for purchase of noncurrent assets and that the amount of proceeds from sales of short-term investment securities was 459 million yen less than the payments for purchase of short-term investment securities.

With respect to net cash provided by financing activities, funds saw an increase of 6,589 million yen. This was primarily due to the fact that the total amount of proceeds from loans and issuance of bonds was 10,114 million yen more than the repayments of loans payable and payments at maturity of bonds.

## (3) Basic Policy on Profit Distribution and Dividend for This and Next Fiscal Year

With regard to profit distribution to shareholders, it is our basic policy to attempt stable and continuous profit distribution taking the business environment surrounding us, shareholders' equity, and our own performance into consideration.

ACOM truly regrets to inform that there will be no dividend payment for the fiscal year ended March 2016. This is because it is a task of the highest priority to expand shareholders' equity from the view of improving management stability and security aiming to realize growth strategies in the future.

As for next fiscal year, no dividend payments are planned at the second quarter and those of fourth quarter are undecided.

The Group intends to strive for its long-term stable growth in the future.

#### (4) Risks Related to Business

The following report on “Risks Related to Business” details major potential risks to the Group’s operations based on our assumptions and views as of the submission date of this brief statement.

However, the risks described below may not cover all potential risks. Moreover, as there may be new risks arising from various uncertain factors such as future changes in economic and business conditions affecting the consumer finance industry. From the viewpoint of prompt and timely disclosure to the investors, we disclose what may not be such risk factors but we believe are important for the investors in making their investment-related decisions. The forward-looking statements included in the following description are based on our assumptions and views as of the submission date of this financial statement.

##### (A) Financial results

The business performance of the Group may be influenced by changes, fluctuations and modifications -and the degree of these – in the each of the items 1) to 9) listed below.

- 1) Increase or decrease in number of customer accounts and average loan balance per customer account
- 2) Changes in judicial rulings and legal regulations applicable to the consumer finance industry
- 3) Changes in average contracted interest rates received from customers
- 4) Changes in number of requests for interest repayment, as well as amounts we will pay
- 5) Competition with other companies
- 6) Rate of default by customers
- 7) The Company’s ability to procure funds and costs involved
- 8) Advertising expenses, personnel expenses, and other expenses
- 9) Outbreaks of massive accidents, disasters, etc.

##### (B) Status of interest repayment

The interest rates charged on some loan products by the Company, in which customers entered into contracts before June 17, 2007, exceed the interest rate ceilings specified in the Interest Rate Restriction Act. In addition, several consumers have taken legal action against consumer finance companies, including the Company, calling for a reimbursement of payments made, asserting that such payments do not meet a part of the requirements set forth in Article 43 of the Money Lending Business Act. In some recent court precedents, the plaintiffs’ demands were accepted.

In case our customers request a reduction in the loan amount or reimbursement of excess interest paid, citing obligations for maximum interest rates under the Interest Rate Restriction Act, the Company may accept to write off such loan or reimburse payments. The costs of write-off and reimbursing repayments (hereinafter, “loss on interest repayment”) have remained at high level recently. Therefore, we will continue to pay close attention to the number of requests and other relevant factors. Future potential for loss on interest repayment, further booking of the provision for loss on interest repayment, and court rulings from lawsuits demanding refunds of interest paid that put the Company and other finance companies at a clear disadvantage, could have an impact on the Group’s business performance.

##### (C) Fund procurement

The Group secures the necessary funds for its operations and liabilities repayments through cash provided by operating activities, as well as financing activities such as borrowings from financial institutions, etc. and direct financing from capital markets, including via bond issues.

While the Group has steadily diversified its funding resources in recent years, there is no assurance that its existing main banks and lenders will not change their current lending policy due to a potential reorganization of the financial industry or other factors. Furthermore, there is no assurance that capital markets will always be available as a reliable financing resource in the future.

There is the possibility that our ability to procure funds may decrease due to changes in credit rating and its rank. In that case, the fund procurement costs might increase and the amount of funding may be restricted. As a result, it may have a negative impact on our business performance in the future.

##### (D) Information systems

The Group relies on computer systems and networks to manage information relating to our business, including data on our branch network and customers, in order to provide services to customers and to manage our marketing activities. In case our service for customers are hindered by factors such as damage to the communications infrastructure, the hardware, or the software used for these systems and networks resulting from human error, natural disasters, power outages, computer viruses, etc. or the suspension of support services provided by



telecommunications carriers or computer systems companies, it may potentially impact on the performance of the Group. For example, it may result in a decline in new customers, delays in the repayment of loans, and a loss of trust in the Group.

As for general ledger system, the Group has a backup center in order to avoid the possibility of business interruptions. However, it is possible that the Group's business may be suspended in the event of a large scale natural disaster, such as earthquake or flood.

## 2. Management Policy

### (1) Basic Management Policy

The Group was founded under the motto "Extending the feeling of confidence from person to person," in which we place our corporate philosophy of "contributing to the realization of an enjoyable and affluent personal life, and improving lifestyle, through creative and innovative management based on the spirit of human dignity and in putting customers first." The Group seeks to become "a leading company trusted by society" through development centering on loan, guarantee and overseas financial businesses in accordance with its corporate philosophy.

### (2) Target Indicators

The Group has adopted a series of target indicators intended to guide it toward the achievement of higher shareholder value and the continuation of stable business management. In this context, special emphasis is placed on return on equity (ROE), return on assets (ROA) and shareholders' equity ratio. Similarly, the Group also intends to improve other indicators such as the ratio of ordinary income to operating revenue, and basic earnings per share.

### (3) Medium-to-long-term Corporate Management Strategies

The business environment surrounding the Group is expected to remain harsh due to structural changes in our society as represented by the declining birthrate and the aging population, intensifying competition, etc.

Under these circumstances, the Group will focus on enhancement of marketing capabilities in loan business, scale expansion in guarantee business and business expansion in Asian region in overseas business to construct solid basis for mid-term growth. These measures will be conducted through close alliance with MUFG Group on basis of the Group's expertise in consumer finance business, low cost operation through centralization and loan business at overseas. Concurrently, the Group will endeavor to deepen mutual trust between all stakeholders and achieve growth in concert with society in accordance with the following basic policies:

- (A) Provide services that customers really demand, and establish a corporate brand image that inspires "confidence and trust," through a society-oriented approach to business characterized by rigorous compliance.
- (B) Comply faithfully with the changing environment, and rebuilding the foundations of our business to ensure stable, long-term growth.
- (C) Transform our business model into one that facilitates sweeping cost reductions, and enhance our cost competitiveness.

### (4) Problems to be Tackled

The Company has set a new medium-term management plan for the three years starting from fiscal year ending March 2017 which has "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" as medium-term management policy. The Company will materialize creation of services that exceed customer expectations while reacting expeditiously to socio-structural changes such as developing ICT (information and communication technology), women's increased participation in the workforce and drop in birthrate coupled with aging society, combined with changes in customer demands and products/services in consumer credit market. The Company will also aim to establish a management base through further promotion of compliance and customer satisfaction oriented management in addition to enhancing human, system and financial bases which support business management in order to become an enterprise that fulfills both social responsibilities and duties imposed to money lender and credit guarantor.

For the fiscal year ending March 2019, the final year of the medium-term management plan, the company has set following quantitative targets: operating receivable – operating loans of 870.0 billion yen for loan and credit card business, and guarantee receivables of 1.28 trillion yen for guarantee business, thus no less than 2.1 trillion yen combined for the domestic market; loans receivable of 51.0 billion baht for EASY BUY Public Company Limited in the Kingdom of Thailand and 8.01 trillion rupiah in loans receivable of banking business for PT. Bank Nusantara Parahyangan, Tbk. in the Republic of Indonesia for overseas market.

Followings are projects under progress to achieve abovementioned targets in fiscal year ending March 2017, the beginning year of medium-term management plan.

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. These statements do not guarantee our future performance: actual results may differ from those in the forward-looking statements as a result of various factors.

(Loan and credit card business)

Under the corporate vision of "Putting the customer first," the Group will further strive to improve product/service functions and customer convenience. Concurrently, the Group will also attempt to enhance new customer attraction, increase the number of customers and improve the quality of its loan portfolio through enhanced promotion and improved screening accuracy.

(Guarantee business)

The Group will promote guarantee business with a firm grasp on current market that is expanding in personal card loans provided by financial institutions. In order to meet needs of each and every financial institution in alliance, increasing in complexity as market invigorate, the Group will make the best use of its expertise gained from loan business to enhance and improve service functions.

(Overseas financial business)

In this business domain, the Group will continue its effort to improve and expand business operation of its existing foreign subsidiaries. In addition to this, it will keep its investigation and research activities in a solid manner, aiming to realize advancement into new region for further expansion.

### 3. Basic Stance on Selection of Accounting Policy

The company's financial statements are prepared in accordance with generally accepted accounting practices in Japan (J-GAAP). The company is currently under consideration of the necessity of application of IFRS in the future.

4. Consolidated Financial Statements  
(1) Consolidated Balance Sheet

(Millions of yen)

	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
<b>Assets</b>		
Current assets		
Cash and deposits	119,835	87,506
Accounts receivable - operating loans	877,427	902,150
Loans receivable of banking business	64,582	56,575
Accounts receivable - installment	22,295	28,393
Purchased receivables	8,473	10,709
Short-term investment securities	8,000	545
Trading account securities	1,804	692
Merchandise and finished goods	325	-
Raw materials and supplies	65	67
Deferred tax assets	25,189	33,179
Other	56,833	59,903
Allowance for doubtful accounts	(52,923)	(58,094)
Total current assets	1,131,909	1,121,629
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	30,560	30,187
Accumulated depreciation	(24,010)	(24,361)
Buildings and structures, net	6,549	5,826
Vehicles	38	17
Accumulated depreciation	(33)	(14)
Vehicles, net	5	3
Equipment	21,555	21,363
Accumulated depreciation	(11,278)	(10,782)
Equipment, net	10,277	10,580
Land	6,249	6,234
Lease assets	3,300	3,353
Accumulated depreciation	(2,166)	(2,502)
Lease assets, net	1,133	851
Total property, plant and equipment	24,215	23,495
Intangible assets		
Goodwill	7,443	6,459
Leasehold right	4	4
Software	7,081	5,973
Telephone subscription right	37	37
Other	2	1
Total intangible assets	14,568	12,476

(Millions of yen)

	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
<b>Investments and other assets</b>		
Investment securities	4,467	4,962
Net defined benefit asset	6,474	4,374
Deferred tax assets	57	-
Guarantee deposits	5,772	5,632
Other	3,559	3,177
Allowance for doubtful accounts	(656)	(685)
Total investments and other assets	19,675	17,462
<b>Total noncurrent assets</b>	<b>58,459</b>	<b>53,434</b>
<b>Total assets</b>	<b>1,190,368</b>	<b>1,175,063</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable-trade	331	385
Short-term loans payable	32,850	18,286
Current portion of long-term loans payable	113,340	103,758
Current portion of bonds	35,422	16,700
Deposits of banking business	79,248	63,875
Lease obligations	434	372
Income taxes payable	2,218	3,136
Provision for loss on guarantees	7,013	8,093
Asset retirement obligations	2	14
Deferred installment income	86	64
Other	12,863	12,842
Total current liabilities	283,812	227,529
<b>Noncurrent liabilities</b>		
Bonds payable	167,890	193,058
Long-term loans payable	297,349	316,766
Lease obligations	828	586
Deferred tax liabilities	4,288	3,913
Provision for directors' retirement benefits	28	26
Provision for loss on interest repayment	102,600	90,000
Net defined benefit liability	343	207
Asset retirement obligations	4,608	4,546
Other	302	295
Total noncurrent liabilities	578,240	609,401
<b>Total liabilities</b>	<b>862,053</b>	<b>836,930</b>

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	73,671	73,578
Retained earnings	189,426	204,025
Treasury stock	(19,794)	(19,794)
Total shareholders' equity	307,136	321,641
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8	7
Foreign currency translation adjustment	3,546	1,669
Remeasurements of defined benefit plans	1,896	57
Total accumulated other comprehensive income	5,450	1,735
Non-controlling interests	15,727	14,755
Total net assets	328,315	338,132
Total liabilities and net assets	1,190,368	1,175,063

(2) Consolidated Statement of Income and Statement of Comprehensive Income  
Consolidated Statement of Income

(Millions of yen)

	For the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	For the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)
Operating revenue		
Interest on operating loans	143,474	151,600
Interest on loans of banking business	8,503	8,104
Credit card revenue	2,637	3,401
Per-item revenue	104	87
Revenue from credit guarantee	36,260	43,472
Collection from purchased receivable	5,315	5,549
Other financial revenue		
Interest on deposits	148	71
Interest on securities	152	102
Interest on loans	3	5
Foreign exchange gains	41	275
Gain on valuation of derivatives	41	-
Other	875	733
Total other financial revenue	1,263	1,187
Other operating revenue	21,731	24,279
Total operating revenue	219,289	237,683
Operating expenses		
Financial expenses		
Interest expenses	8,689	7,741
Interest on deposits of banking business	5,368	4,816
Interest on bonds	3,678	3,477
Amortization of bond issuance cost	449	292
Loss on valuation of derivatives	-	269
Other	1,311	715
Total financial expenses	19,498	17,313
Cost of purchased receivable	2,563	2,382
Other operating expenses		
Advertising expenses	11,518	11,407
Provision of allowance for doubtful accounts	46,773	51,997
Provision for loss on guarantees	7,013	8,042
Provision for loss on interest repayment	49,859	56,638
Employees' salaries and bonuses	17,894	19,009
Retirement benefit expenses	375	549
Provision for directors' retirement benefits	9	6
Welfare expenses	2,507	2,587
Rent expenses	6,748	6,849
Depreciation	3,808	4,155
Commission fee	21,354	23,139
Amortization of goodwill	984	984
Other	14,305	17,102
Total other operating expenses	183,153	202,471
Total operating expenses	205,215	222,166
Operating income	14,073	15,516

	(Millions of yen)	
	For the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	For the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)
Non-operating income		
Interest income	216	308
Dividends income	11	10
Equity in earnings of affiliates	13	8
House rent income	312	302
Other	172	152
Total non-operating income	726	781
Non-operating expenses		
Interest expenses	22	18
Foreign exchange losses	-	34
Loss on investments in partnership	17	12
Loss on insurance cancellation	8	16
Other	5	15
Total non-operating expenses	53	97
Ordinary income	14,747	16,200
Extraordinary income		
Gain on sales of noncurrent assets	716	8
Gain on sales of investment securities	66	105
Other	0	-
Total extraordinary income	783	113
Extraordinary loss		
Loss on sales of noncurrent assets	11	3
Loss on retirement of noncurrent assets	114	74
Impairment loss	-	6
Loss on valuation of investment securities	0	0
Loss on liquidation of a subsidiary	-	1,243
Other	0	0
Total extraordinary loss	126	1,329
Income before income taxes	15,403	14,985
Income taxes-current	3,235	4,656
Income taxes-deferred	(3,672)	(7,606)
Total income taxes	(436)	(2,950)
Profit	15,840	17,935
Profit attributable to non-controlling interests	2,975	3,337
Profit attributable to owners of parent	12,864	14,598

## Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	For the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)
Profit	15,840	17,935
Other comprehensive income		
Valuation difference on available-for-sale securities	(14)	(0)
Foreign currency translation adjustment	6,427	(3,243)
Remeasurements of defined benefit plans, net of tax	581	(1,803)
Total other comprehensive income	6,995	(5,047)
Comprehensive income	22,835	12,888
Comprehensive income attributable to:		
Owners of the parent	18,188	10,883
Non-controlling interests	4,647	2,005



(3) Consolidated Statement of Changes in Net Assets  
Prior fiscal year (from April 1, 2014, to March 31, 2015)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholder's equity
Balance at the beginning of the period	63,832	76,010	173,398	(19,793)	293,447
Cumulative effects of changes in accounting policies		(2,339)	3,163		824
Restated balance	63,832	73,671	176,562	(19,793)	294,272
Changes of items during the period					
Profit attributable to owners of parent			12,864		12,864
Purchase of treasury stock				(0)	(0)
Purchase of shares of consolidated subsidiaries					-
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	-	12,864	(0)	12,864
Balance at the end of the period	63,832	73,671	189,426	(19,794)	307,136

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	22	(756)	1,679	945	12,333	306,726
Cumulative effects of changes in accounting policies		(433)	(385)	(819)		5
Restated balance	22	(1,190)	1,293	126	12,333	306,732
Changes of items during the period						
Profit attributable to owners of parent						12,864
Purchase of treasury stock						(0)
Purchase of shares of consolidated subsidiaries						-
Net changes of items other than shareholders' equity	(14)	4,736	602	5,324	3,394	8,718
Total changes of items during the period	(14)	4,736	602	5,324	3,394	21,583
Balance at the end of the period	8	3,546	1,896	5,450	15,727	328,315

Current fiscal year (from April 1, 2015, to March 31, 2016)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total Shareholder's equity
Balance at the beginning of the period	63,832	73,671	189,426	(19,794)	307,136
Cumulative effects of changes in accounting policies					-
Restated balance	63,832	73,671	189,426	(19,794)	307,136
Changes of items during the period					
Profit attributable to owners of parent			14,598		14,598
Purchase of treasury stock				(0)	(0)
Purchase of shares of consolidated subsidiaries		(93)			(93)
Net changes of items other than shareholders' equity					
Total changes of items during the period	-	(93)	14,598	(0)	14,504
Balance at the end of the period	63,832	73,578	204,025	(19,794)	321,641

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	8	3,546	1,896	5,450	15,727	328,315
Cumulative effects of changes in accounting policies						-
Restated balance	8	3,546	1,896	5,450	15,727	328,315
Changes of items during the period						
Profit attributable to owners of parent						14,598
Purchase of treasury stock						(0)
Purchase of shares of consolidated subsidiaries						(93)
Net changes of items other than shareholders' equity	(0)	(1,876)	(1,838)	(3,715)	(972)	(4,687)
Total changes of items during the period	(0)	(1,876)	(1,838)	(3,715)	(972)	9,817
Balance at the end of the period	7	1,669	57	1,735	14,755	338,132

## (4) Consolidated Statement of Cash Flows

(Millions of yen)

	For the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	For the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)
Net cash provided by (used in) operating activities		
Income before income taxes	15,403	14,985
Depreciation and amortization	3,808	4,155
Impairment loss	-	6
Amortization of goodwill	984	984
Increase (decrease) in allowance for doubtful accounts	6,556	6,162
Increase (decrease) in provision for loss on guarantees	1,106	1,079
Increase (decrease) in net defined benefit liability	13	32
Increase (decrease) in provision for directors' retirement benefits	0	(2)
Increase (decrease) in provision for loss on interest repayment	(21,500)	(12,600)
Interest and dividends income	(228)	(318)
Interest expenses	22	18
Amortization of bond issuance cost	449	292
Foreign exchange losses (gains)	(8)	(221)
Equity in (earnings) losses of affiliates	(13)	(8)
Loss (gain) on sales of property, plant and equipment	(704)	(5)
Loss on retirement of property, plant and equipment	114	74
Loss (gain) on sales of investment securities	(66)	(105)
Loss (gain) on valuation of investment securities	0	0
Loss (gain) on liquidation of a subsidiary	-	1,243
Decrease (increase) in accounts receivable - operating loans	(32,338)	(37,417)
Decrease (increase) in loans receivable of banking business	3,223	2,083
Decrease (increase) in accounts receivable - installment	(4,090)	(6,155)
Decrease (increase) in purchased receivables	372	(2,235)
Decrease (increase) in net defined benefit asset	(153)	(294)
Decrease (increase) in trading account securities	935	976
Decrease (increase) in inventories	6	224
Decrease (increase) in other current assets	(5,396)	(5,326)
Increase (decrease) in notes and accounts payable-trade	88	56
Increase (decrease) in deposits of banking business	(4,453)	(8,293)
Increase (decrease) in deferred installment income	(17)	(15)
Increase (decrease) in other current liabilities	(1,243)	111
Increase (decrease) by other operating activities	996	805
Subtotal	(36,132)	(39,704)
Interest and dividends income received	228	317
Interest expenses paid	(22)	(18)
Income taxes refund	408	352
Income taxes paid	(2,732)	(3,992)
Net cash provided by (used in) operating activities	(38,249)	(43,045)

(Millions of yen)

	For the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	For the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(1,876)	(1,293)
Proceeds from sales of property, plant and equipment	1,753	15
Purchase of intangible assets	(2,601)	(944)
Purchase of investment securities	(2,480)	(567)
Proceeds from sales of investment securities	157	108
Increase (decrease) by other investing activities	(108)	313
Net cash provided by (used in) investing activities	(5,155)	(2,368)
Net cash provided by (used in) financing activities		
Proceeds from short-term loans payable	156,398	114,670
Repayment of short-term loans payable	(173,898)	(127,596)
Proceeds from issuance of bonds	62,695	44,671
Redemption of bonds	(51,956)	(35,053)
Proceeds from long-term loans payable	191,881	130,496
Repayment of long-term loans payable	(169,921)	(117,073)
Repayments of finance lease obligations	(455)	(453)
Purchase of treasury stock	(0)	(0)
Repayments to non-controlling shareholders	(903)	-
Cash dividends paid to non-controlling shareholders	(337)	(470)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	(2,600)
Net cash provided by (used in) financing activities	13,503	6,589
Effect of exchange rate change on cash and cash equivalents	496	(206)
Net increase (decrease) in cash and cash equivalents	(29,405)	(39,030)
Cash and cash equivalents at the beginning of period	151,711	122,306
Cash and cash equivalents at the end of period	122,306	83,275

(5) Notes on Consolidated Financial Statements

(Notes on Going-concern Assumption)

Not applicable

(Changes in Presentation)

<Changes Resulting from Adoption of the "Revised Accounting Standard for Consolidated Financial Statements">

Effective from current fiscal year, 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 consolidated financial statements for the year ended March 31, 2015, have been reclassified.

<Consolidated Statement of Income>

"Foreign exchange gains" was included in "Other" of "Other financial revenue" in the prior fiscal year. However, it is presented as individual item from current fiscal year following increase in its significance. Thus, consolidated financial statements for the year ended March 31, 2015, has been rearranged to reflect the change.

Consequently, "Other" of "Other financial revenue" which was formerly presented as 917 million yen in consolidated statement of income in the prior fiscal year has been rearranged to 41 million yen of "Foreign exchange gains" and 875 million yen of "Other."

(Supplemental Information)

<Adoption of consolidated taxation system>

Effective from the current fiscal year, the Company and some of its domestic consolidated subsidiaries have adopted the consolidated tax system.

<Amendments of deferred tax assets and deferred tax liabilities following changes in rate of corporate tax , etc.>

Following promulgation of "Act on Partial Revision of the Income Tax Act, etc." and "Act on Partial Revision of the Local Tax Act, etc." on March 29, 2016, the effective statutory tax rate used in the calculation of deferred tax assets and liabilities for current fiscal year (limited to those that will be resolved on or after April 1, 2016) has been revised from 32.34% in prior fiscal year to 30.86% for items expected to be recovered or settled in the period from April 1, 2016, to March 31, 2018, and to 30.62% for items expected to be recovered or settled on or after April 1, 2018.

Consequently, the amount of deferred tax assets (deducting that of deferred tax liabilities) decreased by 1,378 million yen. This led to increases in income taxes-deferred, valuation difference on available-for-sale securities, and remeasurements of defined benefit plans for current fiscal year by 1,381 million yen, 0 million yen and 2 million yen, respectively.

## (Consolidated Balance Sheet)

## 1. Amount of subsidiaries' and affiliates' stocks included in investment securities

(Millions of yen)

	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
Investment securities	296	305

## 2. Pledged assets

## (1) Assets pledged as collateral

(Millions of yen)

	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
Accounts receivable - operating loans	31,542	-
	[31,542]	[-]

## (2) Secured obligations

(Millions of yen)

	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
Current portion of long-term loans payable	5,036	-
	[5,036]	[-]
Long-term loans payable	-	-
	[-]	[-]
Total	5,036	-
	[5,036]	[-]

Figures in brackets "[ ]" represent amounts concerning liquidation of receivables. In addition, accounts receivable - operating loans shown above have been transferred by trust for the purpose of liquidation, whose right of ownership has been transferred to the trust bank (trustees).

## 3. Reserve for deposit of a consolidated subsidiary pursuant to the regulations of Bank Indonesia

(Millions of yen)

	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
Cash and deposits	5,523	4,224

## 4. Contingent liabilities

(Millions of yen)

	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
Outstanding guarantee obligation in the guarantee business	861,212	987,508
Outstanding guarantee obligation in the banking business	1,109	931
Provision for loss on guarantees	7,013	8,093
Net	855,308	980,346

5. Commitment line contracts for accounts receivable - operating loans

For the prior fiscal year (as of March 31, 2015)

Loans extended by the Company and some of consolidated subsidiaries primarily take the form of revolving credit-line contracts whereby a facility indicating a maximum loanable amount is assigned to a customer who is then able to borrow repeatedly within the limit of the facility, provided that contract terms have not been violated. Outstanding unexercised portions of such facilities amounted to 353,962 million yen at the end of the accounting period. This included a total of 181,004 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the fiscal year.

A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the Company.

Contracts contain provisions allowing the Company to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.

For the current fiscal year (as of March 31, 2016)

Loans extended by the Company and some of consolidated subsidiaries primarily take the form of revolving credit-line contracts whereby a facility indicating a maximum loanable amount is assigned to a customer who is then able to borrow repeatedly within the limit of the facility, provided that contract terms have not been violated. Outstanding unexercised portions of such facilities amounted to 392,722 million yen at the end of the accounting period. This included a total of 209,827 million yen of unexercised amounts remaining in the accounts of customers with zero outstanding balances at the end of the fiscal year.

A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the Company.

Contracts contain provisions allowing the Company to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.

6. Commitment line contracts for loans receivable of banking business

For the prior fiscal year (as of March 31, 2015)

The consolidated subsidiary, PT. Bank Nusantara Parahyangan, Tbk., has concluded a savings overdraft agreement pledging to lend funds up to an established limit when such financing is requested by a customer (as long as this lending does not violate conditions stipulated in the agreements) and a commitment line agreement on loans. The balance of undrawn lines of credit based on these agreements is 16,606 million yen as of the end of this consolidated fiscal year.

A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the corresponding consolidated subsidiary.

Contracts contain provisions allowing the bank to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.

For the current fiscal year (as of March 31, 2016)

The consolidated subsidiary, PT. Bank Nusantara Parahyangan, Tbk., has concluded a savings overdraft agreement pledging to lend funds up to an established limit when such financing is requested by a customer (as long as this lending does not violate conditions stipulated in the agreements) and a commitment line agreement on loans. The balance of undrawn lines of credit based on these agreements is 14,943 million yen as of the end of this consolidated fiscal year.

A certain portion of revolving credit-line contracts lapse without ever being used. Therefore, the amount itself of outstanding unexercised facilities will not necessarily affect the future cash flow of the corresponding consolidated subsidiary.

Contracts contain provisions allowing the bank to reject applications for additional borrowing or reduce the facility in case of changes in the customer's credit standing or other material reasons. Outstanding contracts are regularly examined according to internal procedures to determine the credit standing of customers and other pertinent information. When necessary, contracts are reviewed and measures are taken to preserve loan assets.

#### 7. Status of non-performing loans of accounts receivable - operating loans

Losses on unsecured consumer loans to bankrupt parties are written off at the time bankruptcy is declared. For this reason, loans to parties in bankruptcy include receivables for debtors who have petitioned for bankruptcy as of the end of the fiscal year, but not yet declared bankrupt. This entire amount is booked to on allowance for doubtful accounts.

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
Loans to parties who have petitioned for bankruptcy, but not yet declared bankrupt	243	269

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
Loans to bankrupt parties	745	712
Loans in arrears	23,095	24,051
Loans overdue by 3 months or more	4,225	4,249
Restructured loans	30,111	28,674
Total	58,178	57,687

(Note 1) Loans to bankrupt parties are loans exclusive of accrued interest to bankrupt parties, parties in rehabilitation and reorganization, and others.

(Note 2) Loans in arrears are other loans stated exclusive of accrued interest, excluding loans that have been restructured or on which interest is reduced in the interest of rehabilitating the debtor.

(Note 3) Loans overdue by 3 months or more are loans other than the above that are overdue by 3 months or more.

(Note 4) Restructured loans are loans other than the above on which favorable terms have been granted, such as the waiving of interest.

#### 8. Agreements for overdraft and commitment facilities

For efficient procurement of working capital, the Company and some of its subsidiaries maintain overdraft contract with financial institutions and designated commitment line contracts with financial institutions and etc. The unexercised portion of facilities based on these contracts was as follows.

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
Agreed amount of agreement for overdraft and commitment line	153,019	137,305
Amount of borrowing	66,099	52,626
Net	86,920	84,678



(Segment and Related Information)

1. Outline of reported segment information

The reported segment of the Company are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic review to determine distribution of management resources and evaluate their business results.

The Company conducts financial businesses comprised mainly of loan and credit card business in Japan and overseas.

In Japan, the Company mainly conducts guarantee business and loan servicing business in addition to loan and credit card business. In overseas, the Company also conducts financial businesses in Asia.

Accordingly, the Company's reported segments are "Loan and credit card business," "Guarantee business," "Overseas financial business" and "Loan servicing business."

2. Methods of measurement for the amounts of operating revenue, income or loss, assets and other items by reported segments

The accounting treatment regarding the reported business segments are the same as recorded in the "Significant matters providing the basis for the preparation of consolidated financial statements." The income of business segments are based on operating income. The intersegment operating revenue is based on trading prices in the market.

3. Information about operating revenue, income or loss, assets and other items by reported segments

For the year ended March 31, 2015 (from April 1, 2014, to March 31, 2015)

(Millions of yen)

	Reported Segments					Others (Note 1)	Total
	Loan and Credit Card Business	Guarantee Business	Overseas Financial Business	Loan Servicing Business	Subtotal		
Operating revenue							
Operating revenue from external customers	128,725	40,992	42,956	6,533	219,207	82	219,289
Revenues from transactions with other operating segments	-	-	(16)	2	(14)	214	200
Total	128,725	40,992	42,939	6,535	219,192	296	219,489
Segment Income (Loss)	(8,364)	11,125	10,156	746	13,664	208	13,872
Segment Assets	768,132	30,028	224,722	6,727	1,029,610	78,526	1,108,136
Other Items							
Depreciation	2,464	772	583	13	3,834	0	3,834
Amortization of goodwill	-	984	-	-	984	-	984
Provision for bad debts(Note 2)	23,165	18,678	10,580	1,292	53,716	-	53,716
Provision for loss on interest repayment	49,859	-	-	-	49,859	-	49,859
Increase of tangible and intangible asset	2,533	854	731	12	4,132	-	4,132

(Note 1) "Others" category is a business segment which is not included in the reported segments and includes installment sales finance business, etc.

(Note 2) This item is the sum of provision of allowance for doubtful accounts and provision for loss on guarantees.

For the year ended March 31, 2016 (from April 1, 2015, to March 31, 2016)

(Millions of yen)

	Reported Segments					Others (Note 1)	Total
	Loan and Credit Card Business	Guarantee Business	Overseas Financial Business	Loan Servicing Business	Subtotal		
Operating revenue							
Operating revenue from external customers	133,170	48,868	48,275	6,579	236,893	790	237,683
Revenues from transactions with other operating segments	-	-	18	-	18	(80)	(61)
Total	133,170	48,868	48,294	6,579	236,912	709	237,622
Segment Income (Loss)	(11,841)	14,466	11,138	1,071	14,834	478	15,313
Segment Assets	794,290	32,780	213,196	9,214	1,049,481	46,587	1,096,068
Other Items							
Depreciation	2,513	949	702	13	4,179	-	4,179
Amortization of goodwill	-	984	-	-	984	-	984
Provision for bad debts(Note 2)	23,856	21,506	13,490	1,189	60,044	-	60,044
Provision for loss on interest repayment	56,638	-	-	-	56,638	-	56,638
Increase of tangible and intangible asset	1,555	321	397	19	2,294	255	2,550

(Note 1) "Others" category consist of operating revenue, income, and assets and other items which are not included in the reported segments.

(Note 2) This item is the sum of provision of allowance for doubtful accounts and provision for loss on guarantees, etc.

4. Amount and outline of difference between the total amounts of reported segments and amounts of consolidated financial statements

(Millions of yen)

Operating revenue	For the year ended March 31, 2015	For the year ended March 31, 2016
Total reported segments	219,192	236,912
Operating revenue of "Others" category	296	709
Elimination of intrasegment transactions	(221)	(194)
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	21	256
Operating revenue in consolidated financial statements	219,289	237,683

(Millions of yen)

Income	For the year ended March 31, 2015	For the year ended March 31, 2016
Total reported segments	13,664	14,834
Income (loss) of "Others" category	208	478
Elimination of intrasegment transactions	209	156
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	(8)	47
Operating income in consolidated financial statements	14,073	15,516

(Millions of yen)

Assets	As of March 31, 2015	As of March 31, 2016
Total reported segments	1,029,610	1,049,481
Assets of "Others" category	78,526	46,587
Elimination of intrasegment asset	(33,112)	(23,987)
Assets at head office	112,722	103,448
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	2,622	(467)
Total assets in consolidated financial statements	1,190,368	1,175,063

(Millions of yen)

Other Items	Sum of Reported Segments		Others		Adjustment Amount		Amounts in the Consolidated Financial Statements	
	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016
Depreciation	3,834	4,179	0	-	(26)	(23)	3,808	4,155
Amortization of goodwill	984	984	-	-	-	-	984	984
Provision for bad debts	53,716	60,044	-	-	111	(4)	53,828	60,040
Provision for loss on interest repayment	49,859	56,638	-	-	-	-	49,859	56,638
Increase of tangible and intangible asset	4,132	2,294	-	-	100	255	4,232	2,550

(Note) The adjustment amount of increase of tangible and intangible assets is mainly the amount of capital investment in assets at head office.

## (Per Share Information)

(Yen)

Item	For the year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)	For the year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Net assets per share	199.53	206.42
Basic earnings per share	8.21	9.32

Notes: 1. Diluted earnings per share is not stated since there is no dilutive security.

2. Basic earnings per share is calculated based on the following data.

(Millions of yen unless otherwise stated)

Item	For the year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)	For the year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)
Profit attributable to owners of parent	12,864	14,598
Profit not attributable to common shareholders	-	-
Profit attributable to owners of parent related to common stock	12,864	14,598
Weighted average number of common stock during the consolidated fiscal year	1,566,614,308 shares	1,566,614,236 shares

6. Net assets per share is calculated based on the following data.

(Millions of yen unless otherwise stated)

Item	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
Total net assets	328,315	338,132
Amount deducted from total net assets [Non-controlling interests included in the above]	15,727 [15,727]	14,755 [14,755]
Amounts of net assets related to common stock at the end of fiscal year	312,587	323,377
Number of common shares to calculate net assets per share at the end of fiscal year	1,566,614,281 shares	1,566,614,208 shares

## (Significant Subsequent Events)

Not applicable

5. Non-consolidated Financial Statements  
(1) Non-consolidated Balance Sheet

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
<b>Assets</b>		
Current assets		
Cash and deposits	103,255	73,932
Accounts receivable - operating loans	747,139	767,127
Accounts receivable - installment	21,595	27,855
Short-term investment securities	8,000	-
Merchandise and finished goods	325	-
Raw materials and supplies	34	41
Prepaid expenses	652	520
Deferred tax assets	22,688	30,638
Accrued income	11,616	12,774
Short-term loans receivable from subsidiaries and affiliates	2,500	4,000
Right to reimbursement	24,327	30,901
Other	2,723	1,454
Allowance for doubtful accounts	(39,850)	(44,020)
Total current assets	905,010	905,226
Noncurrent assets		
Property, plant and equipment		
Buildings	24,692	24,483
Accumulated depreciation	(19,942)	(20,123)
Buildings, net	4,749	4,360
Structures	4,236	4,176
Accumulated depreciation	(3,184)	(3,220)
Structures, net	1,052	956
Vehicles	2	2
Accumulated depreciation	(2)	(2)
Vehicles, net	0	0
Equipment	18,626	18,633
Accumulated depreciation	(9,328)	(8,857)
Equipment, net	9,297	9,776
Land	6,124	6,121
Lease assets	2,427	2,559
Accumulated depreciation	(1,293)	(1,707)
Lease assets, net	1,133	851
Total property, plant and equipment	22,357	22,065
Intangible assets		
Goodwill	7,443	6,459
Leasehold right	4	4
Software	4,928	4,226
Telephone subscription right	37	36
Other	1	1
Total intangible assets	12,415	10,728

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
<b>Investments and other assets</b>		
Investment securities	1,047	997
Stocks of subsidiaries and affiliates	22,198	19,347
Long-term loans receivable from subsidiaries and affiliates	472	668
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,018	1,064
Long-term prepaid expenses	365	212
Guarantee deposits	5,379	5,241
Prepaid pension cost	3,476	4,171
Other	2,706	1,758
Allowance for doubtful accounts	(650)	(680)
<b>Total investments and other assets</b>	<b>36,016</b>	<b>32,782</b>
<b>Total noncurrent assets</b>	<b>70,788</b>	<b>65,577</b>
<b>Total assets</b>	<b>975,799</b>	<b>970,803</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	312	369
Short-term loans payable	15,000	-
Current portion of long-term loans payable	107,653	93,942
Current portion of bonds	25,000	-
Lease obligations	434	372
Accounts payable-other	2,268	2,882
Accrued expenses	7,357	6,829
Income taxes payable	185	2,057
Deposit received	229	242
Provision for loss on guarantees	6,560	7,590
Asset retirement obligations	0	12
Other	213	59
<b>Total current liabilities</b>	<b>165,215</b>	<b>114,356</b>
<b>Noncurrent liabilities</b>		
Bonds payable	146,000	171,000
Long-term loans payable	265,261	289,014
Lease obligations	828	586
Deferred tax liabilities	1,144	1,294
Provision for loss on interest repayment	102,600	90,000
Asset retirement obligations	4,336	4,297
Other	160	144
<b>Total noncurrent liabilities</b>	<b>520,331</b>	<b>556,337</b>
<b>Total liabilities</b>	<b>685,546</b>	<b>670,693</b>

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2015)	Current fiscal year (As of March 31, 2016)
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus		
Legal capital surplus	72,322	72,322
Other capital surplus	3,687	3,687
Total capital surplus	76,010	76,010
Retained earnings		
Legal retained earnings	4,320	4,320
Other retained earnings		
General reserve	80,000	80,000
Retained earnings brought forward	85,874	95,732
Total retained earnings	170,194	180,052
Treasury stock	(19,794)	(19,794)
Total shareholders' equity	290,244	300,101
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8	7
Total valuation and translation adjustments	8	7
Total net assets	290,252	300,109
Total liabilities and net assets	975,799	970,803

## (2) Non-consolidated Statement of Income

	(Millions of yen)	
	For the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	For the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)
Operating revenue		
Interest on operating loans	113,608	116,112
Credit card revenue	2,637	3,401
Revenue from credit guarantee	30,191	36,460
Other financial revenue		
Interest on deposits	18	14
Interest on securities	11	4
Interest on loans	3	5
Foreign exchange gains	34	-
Total other financial revenue	68	23
Net sales of goods	-	490
Other operating revenue	17,138	18,891
Total operating revenue	163,644	175,380
Operating expenses		
Financial expenses		
Interest expenses	6,390	5,690
Interest on bonds	2,222	1,740
Amortization of bond issuance cost	366	138
Other	1,102	730
Total financial expenses	10,081	8,299
Cost of sales		
Beginning goods	325	325
Cost of purchased goods	-	-
Total	325	325
Transfer to other account	-	97
Ending goods	325	-
Cost of goods sold	-	228
Other operating expenses		
Advertising expenses	11,253	11,155
Provision of allowance for doubtful accounts	33,868	36,190
Provision for loss on guarantees	6,560	7,590
Provision for loss on interest repayment	49,859	56,638
Employees' salaries and bonuses	11,816	11,912
Retirement benefit expenses	141	290
Welfare expenses	1,983	2,013
Rent expenses	5,500	5,491
Depreciation	2,788	3,010
Commission fee	18,822	20,149
Amortization of goodwill	984	984
Other	8,852	10,397
Total other operating expenses	152,431	165,824
Total operating expenses	162,512	174,352
Operating income	1,132	1,028



	(Millions of yen)	
	For the year ended March 31, 2015 (from April 1, 2014 to March 31, 2015)	For the year ended March 31, 2016 (from April 1, 2015 to March 31, 2016)
Non-operating income		
Interest income	117	79
Interest on securities	0	0
Dividends income	2,369	3,726
Other	590	475
Total non-operating income	3,078	4,282
Non-operating expenses		
Interest expenses	22	18
Foreign exchange losses	-	85
Loss on insurance cancellation	8	16
Other	18	20
Total non-operating expenses	49	140
Ordinary income	4,161	5,171
Extraordinary income		
Gain on sales of noncurrent assets	711	3
Gain on sales of investment securities	66	105
Other	0	-
Total extraordinary income	778	108
Extraordinary loss		
Loss on sales of noncurrent assets	11	3
Loss on retirement of noncurrent assets	110	71
Impairment loss	-	6
Loss on valuation of investment securities	0	0
Loss on liquidation of a subsidiary	-	1,320
Other	0	0
Total extraordinary loss	122	1,402
Income before income taxes	4,817	3,876
Income taxes-current	131	1,816
Income taxes-deferred	(4,630)	(7,797)
Total income taxes	(4,499)	(5,980)
Profit	9,316	9,857

## (3) Non-consolidated Statement of Changes in Net Assets

Prior fiscal year (from April 1, 2014, to March 31, 2015)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of the period	63,832	72,322	3,687	76,010
Cumulative effects of changes in accounting policies				
Restated balance	63,832	72,322	3,687	76,010
Changes of items during the period				
Profit				
Purchase of treasury stock				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	-	-
Balance at the end of the period	63,832	72,322	3,687	76,010

	Shareholders' equity			
	Retained earnings			
	Legal retained earnings	Other retained earnings		Total retained earnings
		General reserve	Retained earnings brought forward	
Balance at the beginning of the period	4,320	80,000	73,780	158,101
Cumulative effects of changes in accounting policies			2,776	2,776
Restated balance	4,320	80,000	76,557	160,878
Changes of items during the period				
Profit			9,316	9,316
Purchase of treasury stock				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	9,316	9,316
Balance at the end of the period	4,320	80,000	85,874	170,194

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the period	(19,793)	278,150	22	22	278,173
Cumulative effects of changes in accounting policies		2,776			2,776
Restated balance	(19,793)	280,927	22	22	280,949
Changes of items during the period					
Profit		9,316			9,316
Purchase of treasury stock	(0)	(0)			(0)
Net changes of items other than shareholders' equity			(14)	(14)	(14)
Total changes of items during the period	(0)	9,316	(14)	(14)	9,302
Balance at the end of the period	(19,794)	290,244	8	8	290,252

Current fiscal year (from April 1, 2015, to March 31, 2016)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at the beginning of the period	63,832	72,322	3,687	76,010
Cumulative effects of changes in accounting policies				
Restated balance	63,832	72,322	3,687	76,010
Changes of items during the period				
Profit				
Purchase of treasury stock				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	-	-
Balance at the end of the period	63,832	72,322	3,687	76,010

	Shareholders' equity			
	Retained earnings			
	Legal retained earnings	Other retained earnings		Total retained earnings
		General reserve	Retained earnings brought forward	
Balance at the beginning of the period	4,320	80,000	85,874	170,194
Cumulative effects of changes in accounting policies				
Restated balance	4,320	80,000	85,874	170,194
Changes of items during the period				
Profit			9,857	9,857
Purchase of treasury stock				
Net changes of items other than shareholders' equity				
Total changes of items during the period	-	-	9,857	9,857
Balance at the end of the period	4,320	80,000	95,732	180,052

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of the period	(19,794)	290,244	8	8	290,252
Cumulative effects of changes in accounting policies		-			-
Restated balance	(19,794)	290,244	8	8	290,252
Changes of items during the period					
Profit		9,857			9,857
Purchase of treasury stock	(0)	(0)			(0)
Net changes of items other than shareholders' equity			(0)	(0)	(0)
Total changes of items during the period	(0)	9,857	(0)	(0)	9,857
Balance at the end of the period	(19,794)	300,101	7	7	300,109