

Brief Statement of the Third Quarter Financial Results for the Fiscal Year Ending March 2017
[Japanese GAAP (Consolidated)]

January 30, 2017

Forward-looking Statement

The statements and figures contained in this Brief Statement of the Third Quarter Financial Results for the fiscal year ending March 2017 (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:	http://www.acom.co.jp/corp/english/ir_index.html
Position of the representative:	Chairman, President & Chief Executive Officer
Name:	Shigeyoshi Kinoshita
Position of the person in charge:	Executive Officer, Chief General Manager of Treasury Department
Name:	Takashi Kiribuchi
Telephone Number:	(03) 5533-0861
Registration date of quarterly securities report:	February 14, 2017
Commencement date of dividend payment:	—
Quarterly material to supplement the financial results:	Applicable
Quarterly financial results conference:	Applicable (For domestic institutional investors and financial analysts)

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

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

1. Consolidated Business Results for the Third Quarter Accounting Period (from April 1, 2016, to December 31, 2016)

(1) Consolidated Business Results (Accumulated)

	Operating Revenue		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent (Third Quarter)	
	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%
3Q for FY March 2017	182,516	2.6	43,194	5.5	43,621	5.1	39,629	11.5
3Q for FY March 2016	177,924	9.5	40,950	7.3	41,516	7.3	35,538	1.7

[Note] Comprehensive income

3Q for FY March 2017: 35,167 million yen [5.1%]

3Q for FY March 2016: 33,468 million yen [(14.5%)]

	Basic Earnings per Share (Third Quarter)	Diluted Earnings per Share (Third Quarter)
	(Yen)	(Yen)
3Q for FY March 2017	25.30	—
3Q for FY March 2016	22.68	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity
	(Millions of yen)	(Millions of yen)	%
3Q for FY March 2017	1,166,922	372,944	30.7
FY March 2016 (Annual)	1,175,063	338,132	27.5

<Reference> Shareholders' Equity:

3Q for FY March 2017: 358,229 million yen

FY March 2016: 323,377 million yen

2. Dividend Status

	Dividend per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual
FY March 2016	—	0.00	—	0.00	0.00
FY March 2017	—	0.00	—		
FY March 2017 (Forecast)				—	—

<Note> Amendment to dividend forecast: None

Dividend for fourth quarter of FY March 2017 is undecided at this point.

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

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

	Operating Revenue		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Basic Earnings per Share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Annual	242,300	1.9	64,800	317.6	65,300	303.1	58,500	300.7	37.34

<Note> Amendment to business results forecast: None

(Note)

(1) Change in Important Subsidiaries in the Nine Months ended December 31, 2016: None
(Change in scope of consolidation)

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

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

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

B) Changes other than A): None

C) Change in accounting estimates: None

D) Restatement: None

(4) Outstanding shares (common shares)

A) Number of shares outstanding (including treasury stock)

Third Quarter of FY March 2017:	1,596,282,800 shares	FY March 2016:	1,596,282,800 shares
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B) Number of treasury stock at the end of period

Third Quarter of FY March 2017:	29,668,592 shares	FY March 2016:	29,668,592 shares
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C) Number of average shares outstanding (accumulated quarterly consolidated period)

Third Quarter of FY March 2017:	1,566,614,208 shares	Third Quarter of FY March 2016:	1,566,614,245 shares
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(Note) Information regarding the implementation of quarterly review procedures

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

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

(Notes to Forward-looking Statement)

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

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

ACOM plans to hold the third quarter financial results conference (conference call for domestic institutional investors and financial analysts) on January 30, 2017. The materials for the conference call will be available at ACOM's website promptly after disclosure of financial results.

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1. Quarterly Qualitative Information on Business Results

(1) Qualitative Information on Business Results

During the nine months ended December 31, 2016, the Japanese economy showed signs of gradual improvement in the employment environment, as well as movement toward 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 uncertainty in overseas economies and the impact of fluctuations in the financial and capital markets.

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 the market is slowly expanding.

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 and credit card business, guarantee business and overseas financial business as the three core business categories and has strived to increase market shares in the consumer loan market.

Consolidated operating revenue for the nine months ended December 31, 2016, increased to 182,516 million yen (up 2.6% year-on-year) primarily due to increases in interest on operating loans and revenue from credit guarantee. Operating expenses increased to 139,322 million yen (up 1.7% year-on-year) due primarily to addition made to provision for loss on interest repayment and an increase in provision of allowance for doubtful accounts. As a result, operating income increased to 43,194 million yen (up 5.5% year-on-year), ordinary income increased to 43,621 million yen (up 5.1% year-on-year), and profit attributable to owners of parent increased to 39,629 million yen (up 11.5% year-on-year).

(2) Qualitative Information on Financial Position

Compared with the end of the prior fiscal year, total assets decreased by 8,140 million yen while net assets increased by 34,811 million yen as of December 31, 2016. Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets decreased by 6,238 million yen and noncurrent assets decreased by 1,901 million yen. Consequently, total assets decreased by 8,140 million. The breakdown of major increases and decreases in current assets is as follows: loans receivable of banking business (down 13,585 million yen), cash and deposits (down 12,218 million yen), accounts receivable - installment (up 7,341 million yen), accounts receivable - operating loans (up 5,916 million yen), and trading account securities (up 2,750 million yen). The breakdown of major decreases in noncurrent assets is as follows: software (down 817 million yen), goodwill (down 738 million yen), and buildings and structures (down 429 million yen).

(Liabilities)

Current liabilities increased by 890 million yen and noncurrent liabilities decreased by 43,842 million yen. Consequently, total liabilities decreased by 42,952 million yen. The breakdown of major increases and decreases in liabilities is as follows: provision for loss on interest repayment (down 37,873 million yen), deposits of banking business (down 12,430 million yen), and loans and bonds payable (up 10,446 million yen).

(Net Assets)

In terms of net assets, shareholders' equity increased by 39,629 million yen mainly due to an increase of retained earnings, accumulated other comprehensive income decreased by 4,777 million yen, and non-controlling interests decreased by 40 million yen. As a result, total net assets increased by 34,811 million yen, and the shareholders' equity ratio increased by 3.2 percentage points to 30.7%.

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

As the Company has announced on May 9, 2016, it expects consolidated business results as follows: 242.3 billion yen of operating revenue; 65.3 billion yen of ordinary income; and 58.5 billion yen of profit attributable to owners of parent. The Company did not revise its annual business forecasts despite unscheduled addition made to provision for loss on interest repayment owing to operating revenue outpacing the target and reduction in expenses, etc.

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

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

2. Summary Information (notes)

(1) Change in Important Subsidiaries during the Nine Months ended December 31, 2016

Not applicable

(2) Additional Information

Effective from the three months ended June 30, 2016, the Company has adopted the “Revised Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016).

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

(Millions of yen)

	Prior fiscal year (As of March 31, 2016)	Current third quarter (As of December 31, 2016)
Assets		
Current assets		
Cash and deposits	87,506	75,287
Accounts receivable - operating loans	902,150	908,067
Loans receivable of banking business	56,575	42,989
Accounts receivable - installment	28,393	35,735
Purchased receivables	10,709	10,651
Short-term investment securities	545	584
Trading account securities	692	3,443
Raw materials and supplies	67	65
Deferred tax assets	33,179	35,819
Other	59,903	65,590
Allowance for doubtful accounts	(58,094)	(62,843)
Total current assets	1,121,629	1,115,390
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	5,826	5,397
Equipment, net	10,580	10,384
Land	6,234	6,221
Other, net	854	610
Total property, plant and equipment	23,495	22,612
Intangible assets		
Goodwill	6,459	5,721
Software	5,973	5,156
Other	42	42
Total intangible assets	12,476	10,919
Investments and other assets		
Investment securities	4,962	4,932
Net defined benefit asset	4,374	4,801
Guarantee deposits	5,632	5,589
Other	3,177	3,441
Allowance for doubtful accounts	(685)	(765)
Total investments and other assets	17,462	17,999
Total noncurrent assets	53,434	51,532
Total assets	1,175,063	1,166,922

(Millions of yen)

	Prior fiscal year (As of March 31, 2016)	Current third quarter (As of December 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	385	653
Short-term loans payable	18,286	16,003
Commercial papers	-	4,999
Current portion of long-term loans payable	103,758	106,062
Current portion of bonds	16,700	27,910
Deposits of banking business	63,875	51,444
Income taxes payable	3,136	2,104
Provision for loss on guarantees	8,093	7,939
Asset retirement obligations	14	77
Deferred installment income	64	56
Other	13,214	11,168
Total current liabilities	227,529	228,419
Noncurrent liabilities		
Bonds payable	193,058	192,678
Long-term loans payable	316,766	311,362
Deferred tax liabilities	3,913	4,132
Provision for directors' retirement benefits	26	26
Provision for loss on interest repayment	90,000	52,126
Net defined benefit liability	207	200
Asset retirement obligations	4,546	4,464
Other	881	566
Total noncurrent liabilities	609,401	565,558
Total liabilities	836,930	793,978
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	73,578	73,578
Retained earnings	204,025	243,655
Treasury stock	(19,794)	(19,794)
Total shareholders' equity	321,641	361,271
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7	5
Foreign currency translation adjustment	1,669	(2,959)
Remeasurements of defined benefit plans	57	(87)
Total accumulated other comprehensive income	1,735	(3,042)
Non-controlling interests	14,755	14,714
Total net assets	338,132	372,944
Total liabilities and net assets	1,175,063	1,166,922

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income
Quarterly Consolidated Statement of Income
Nine months ended December 31

	(Millions of yen)	
	For the nine months ended December 31, 2015 (From April 1, 2015 to December 31, 2015)	For the nine months ended December 31, 2016 (From April 1, 2016 to December 31, 2016)
Operating revenue		
Interest on operating loans	113,793	114,655
Interest on loans of banking business	6,214	4,944
Credit card revenue	2,479	3,215
Per-item revenue	69	49
Revenue from credit guarantee	32,097	37,241
Collection from purchased receivable	4,020	4,393
Other financial revenue	910	601
Other operating revenue	18,340	17,415
Total operating revenue	177,924	182,516
Operating expenses		
Financial expenses	13,341	10,267
Cost of purchased receivable	1,672	1,930
Other operating expenses	121,959	127,124
Total operating expenses	136,974	139,322
Operating income	40,950	43,194
Non-operating income		
Interest income	228	209
Dividend income	10	7
Equity in earnings of affiliates	5	14
House rent income	229	208
Other	145	75
Total non-operating income	618	515
Non-operating expenses		
Interest expenses	14	9
Foreign exchange losses	-	26
Other	37	51
Total non-operating expenses	52	88
Ordinary income	41,516	43,621

	(Millions of yen)	
	For the nine months ended December 31, 2015 (From April 1, 2015 to December 31, 2015)	For the nine months ended December 31, 2016 (From April 1, 2016 to December 31, 2016)
Extraordinary income		
Gain on sales of noncurrent assets	8	9
Gain on sales of investment securities	105	-
Total extraordinary income	113	9
Extraordinary loss		
Loss on sales of noncurrent assets	3	2
Loss on retirement of noncurrent assets	47	86
Loss on valuation of investment securities	0	-
Loss on liquidation of a subsidiary	1,243	-
Other	0	0
Total extraordinary loss	1,295	89
Income before income taxes	40,334	43,542
Income taxes-current	2,375	4,225
Income taxes-deferred	(308)	(2,604)
Total income taxes	2,067	1,620
Profit	38,267	41,921
Profit attributable to non-controlling interests	2,728	2,291
Profit attributable to owners of parent	35,538	39,629

Quarterly Consolidated Statement of Comprehensive Income
Nine months ended December 31

(Millions of yen)

	For the nine months ended December 31, 2015 (From April 1, 2015 to December 31, 2015)	For the nine months ended December 31, 2016 (From April 1, 2016 to December 31, 2016)
Profit	38,267	41,921
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(2)
Foreign currency translation adjustment	(4,610)	(6,610)
Remeasurements of defined benefit plans, net of tax	(186)	(140)
Total other comprehensive income	(4,798)	(6,753)
Comprehensive income	33,468	35,167
Comprehensive income attributable to:		
Owners of parent	32,525	34,852
Non-controlling interests	943	314

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on Going-concern Assumption)

Not applicable

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

Not applicable

4. [Reference] Quarterly Non-consolidated Financial Statements

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

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

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2016)	Current third quarter (As of December 31, 2016)
Assets		
Current assets		
Cash and deposits	73,932	62,964
Accounts receivable - operating loans	767,127	780,066
Accounts receivable - installment	27,855	35,292
Raw materials and supplies	41	35
Deferred tax assets	30,638	32,877
Right to reimbursement	30,901	37,101
Other	18,749	18,892
Allowance for doubtful accounts	(44,020)	(49,040)
Total current assets	905,226	918,190
Noncurrent assets		
Property, plant and equipment	22,065	21,533
Intangible assets	10,728	9,426
Investments and other assets		
Prepaid pension cost	4,171	4,764
Other	29,291	29,487
Allowance for doubtful accounts	(680)	(760)
Total investments and other assets	32,782	33,491
Total noncurrent assets	65,577	64,452
Total assets	970,803	982,643
Liabilities		
Current liabilities		
Accounts payable-trade	369	640
Short-term loans payable	-	6,000
Commercial papers	-	4,999
Current portion of long-term loans payable	93,942	91,064
Current portion of bonds	-	25,000
Income taxes payable	2,057	1,018
Provision for loss on guarantees	7,590	7,360
Asset retirement obligations	12	76
Other	10,386	8,789
Total current liabilities	114,356	144,948
Noncurrent liabilities		
Bonds payable	171,000	156,000
Long-term loans payable	289,014	289,512
Deferred tax liabilities	1,294	1,474
Provision for loss on interest repayment	90,000	52,126
Asset retirement obligations	4,297	4,237
Other	731	535
Total noncurrent liabilities	556,337	503,886
Total liabilities	670,693	648,834
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	76,010	76,010
Retained earnings	180,052	213,754
Treasury stock	(19,794)	(19,794)
Total shareholders' equity	300,101	333,803
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	7	5
Total valuation and translation adjustments	7	5
Total net assets	300,109	333,808
Total liabilities and net assets	970,803	982,643

(2) [Reference] Quarterly Non-consolidated Statement of Income
Nine months ended December 31

(Millions of yen)

	For the nine months ended December 31, 2015 (From April 1, 2015 to December 31, 2015)	For the nine months ended December 31, 2016 (From April 1, 2016 to December 31, 2016)
Operating revenue		
Interest on operating loans	87,219	88,608
Credit card revenue	2,479	3,215
Revenue from credit guarantee	26,918	31,196
Other financial revenue	21	0
Other operating revenue	14,589	14,388
Total operating revenue	131,227	137,409
Operating expenses		
Financial expenses	6,364	5,362
Other operating expenses	95,927	100,873
Total operating expenses	102,292	106,236
Operating income	28,934	31,173
Non-operating income		
Interest income	59	61
Dividend income	3,726	871
Other	360	312
Total non-operating income	4,146	1,244
Non-operating expenses		
Interest expenses	14	9
Foreign exchange losses	36	-
Other	29	8
Total non-operating expenses	81	18
Ordinary income	33,000	32,400
Extraordinary income		
Gain on sales of noncurrent assets	3	8
Gain on sales of investment securities	105	-
Gain on sales of shares of subsidiaries and affiliates	-	0
Total extraordinary income	108	8
Extraordinary loss		
Loss on sales of noncurrent assets	3	1
Loss on retirement of noncurrent assets	44	67
Loss on valuation of investment securities	0	-
Loss on liquidation of a subsidiary	1,320	-
Other	0	0
Total extraordinary loss	1,368	68
Income before income taxes	31,740	32,340
Income taxes-current	298	696
Income taxes-deferred	(547)	(2,057)
Total income taxes	(249)	(1,361)
Profit	31,989	33,701