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# Earnings Release Presentation

The Third Quarter Financial Results for the Fiscal Year Ending March 2017

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**ACOM CO., LTD.**

**[http://www.acom.co.jp/corp/english/ir\\_index.html](http://www.acom.co.jp/corp/english/ir_index.html)**

**January 30, 2017**



# Financial Results Summary

(Millions of yen, %)

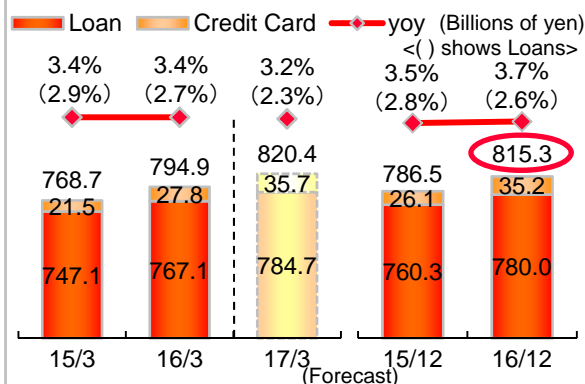
|  | Consolidated |       |           |       |          | Non-consolidated |       |           |       |          |
|--|--------------|-------|-----------|-------|----------|------------------|-------|-----------|-------|----------|
|  | 2016/12      |       | 2017/3    |       |          | 2016/12          |       | 2017/3    |       |          |
|  | Results      | yoy   | Forecast  | yoy   | Progress | Results          | yoy   | Forecast  | yoy   | Progress |
| Receivables Outstanding                  | 2,086,061    | 8.4   | 2,123,500 | 7.0   | -        | 1,785,958        | 9.0   | 1,797,400 | 6.9   | -        |
| Loan & Credit Card Business              | 815,358      | 3.7   | 820,400   | 3.2   |          | 815,358          | 3.7   | 820,400   | 3.2   |          |
| Guarantee Business                       | 1,088,618    | 14.7  | 1,093,300 | 10.7  |          | 970,600          | 13.9  | 977,000   | 10.3  |          |
| Overseas Financial Business              | 171,378      | -4.1  | 198,600   | 3.4   |          | -                | -     | -         | -     |          |
| <P/L>                                    |              |       |           |       |          |                  |       |           |       |          |
| Operating Revenue                        | 182,516      | 2.6   | 242,300   | 1.9   | 75.3     | 137,409          | 4.7   | 180,900   | 3.1   | 76.0     |
| Loan & Credit Card Business              | 102,230      | 2.1   | 134,600   | 1.1   | 76.0     | 102,230          | 2.1   | 134,600   | 1.1   | 76.0     |
| Guarantee Business                       | 41,352       | 15.4  | 54,300    | 11.1  | 76.2     | 35,028           | 15.2  | 46,200    | 11.3  | 75.8     |
| Overseas Financial Business              | 33,820       | -7.6  | 46,800    | -3.1  | 72.3     | -                | -     | -         | -     | -        |
| Operating Expenses                       | 139,322      | 1.7   | 177,500   | -20.1 | 78.5     | 106,236          | 3.9   | 129,600   | -25.7 | 82.0     |
| Financial Expenses                       | 10,267       | -23.0 | 16,200    | -6.4  | 63.4     | 5,362            | -15.7 | 8,300     | 0.0   | 64.6     |
| Provision for Bad Debts                  | 48,815       | 10.8  | 68,100    | 13.4  | 71.7     | 37,317           | 13.8  | 51,700    | 18.1  | 72.2     |
| Provision for Loss on Interest Repayment | 14,400       | -2.0  | -         | -     | -        | 14,400           | -2.0  | -         | -     | -        |
| Other Operating Expenses                 | 65,839       | 1.5   | 93,200    | 5.7   | 70.6     | 49,156           | 2.0   | 69,600    | 6.4   | 70.6     |
| Operating Income                         | 43,194       | 5.5   | 64,800    | 317.6 | 66.7     | 31,173           | 7.7   | 51,300    | -     | 60.8     |
| Ordinary Income                          | 43,621       | 5.1   | 65,300    | 303.1 | 66.8     | 32,400           | -1.8  | 52,500    | 915.3 | 61.7     |
| Income Before Income Taxes               | 43,542       | 8.0   | 65,200    | 335.1 | 66.8     | 32,340           | 1.9   | 52,400    | -     | 61.7     |
| Profit                                   | 41,921       | 9.5   | 61,100    | 240.7 | 68.6     | 33,701           | 5.4   | 52,300    | 430.6 | 64.4     |
| Profit Attributable to Owners of Parent  | 39,629       | 11.5  | 58,500    | 300.7 | 67.7     | -                | -     | -         | -     | -        |



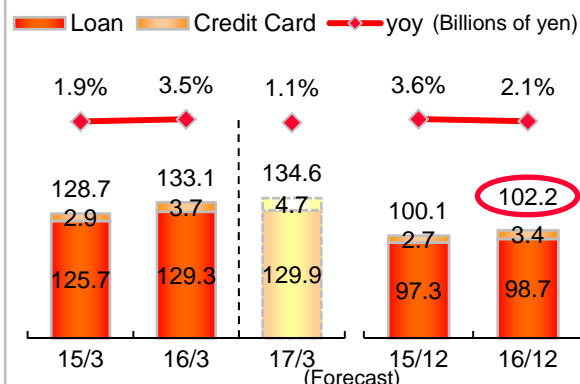
# Loan and Credit Card Business (ACOM)

- **Receivables Outstanding** : Increased by 3.7% yoy to 815.3 billion yen owing to smooth scale expansion.
- **Operating Revenue** : Increased by 2.1% yoy to 102.2 billion yen as scale expansion offset decline in average yield.
- **Operating Income** : Increased by 8.3% yoy to 20.8 billion yen.

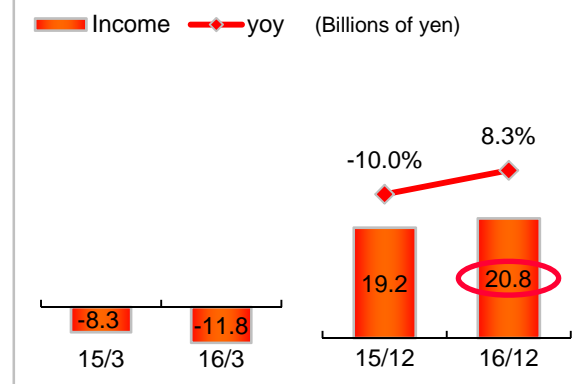
## Receivables Outstanding



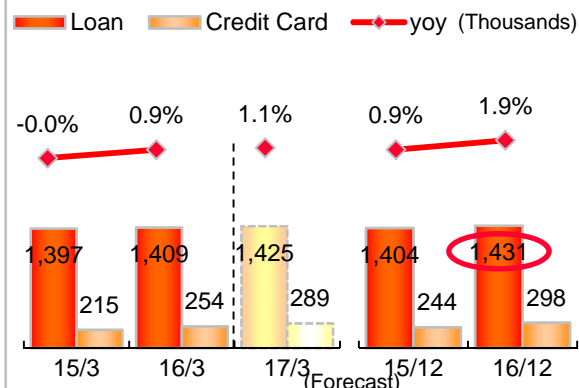
## Operating Revenue



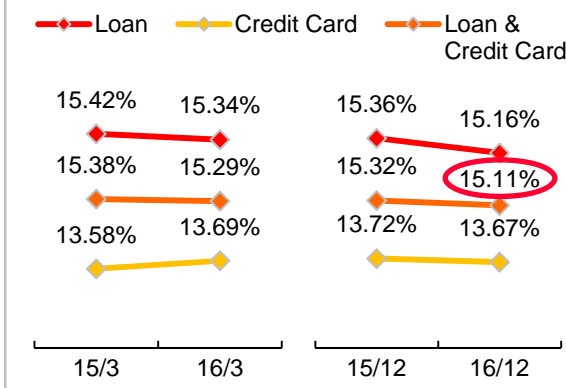
## Operating Income



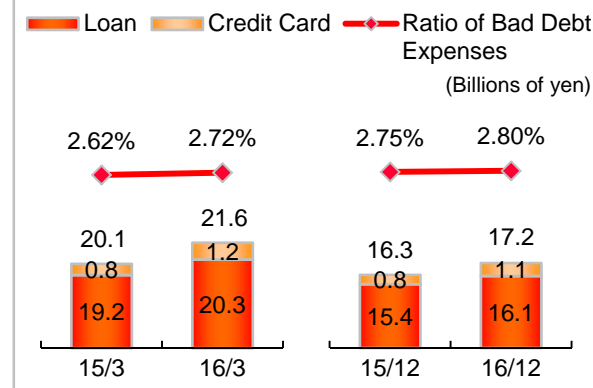
## No. of Customer Accounts



## Average Yield (\*)



## Amount and Ratio of Bad Debt Expenses (\*)



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

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

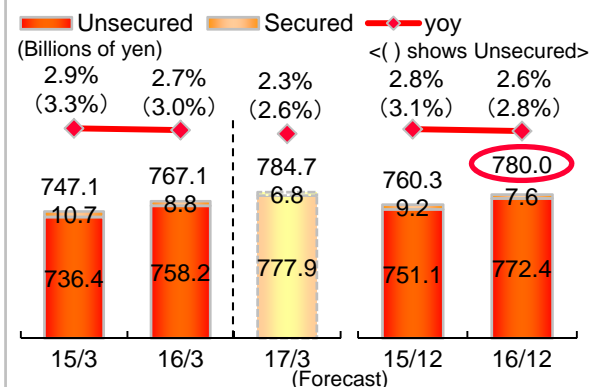
\* The ratios of bad debt expenses for 15/12 and 16/12 are recalculated into annual basis.



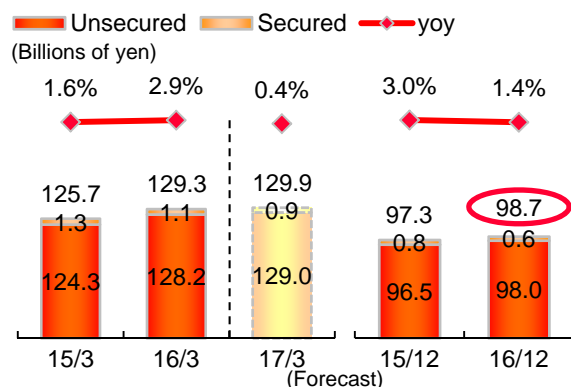
# Loan Business (ACOM)

- **Receivables Outstanding** : Increased by 2.6% yoy to 780.0 billion yen owing to smooth scale expansion.
- **Operating Revenue** : Increased by 1.4% yoy to 98.7 billion yen as scale expansion offset decline in average loan yield.
- **No. of New Customers** : Increased by 6.0% yoy or 10 thousands to 177 thousands thanks to successful marketing strategies.

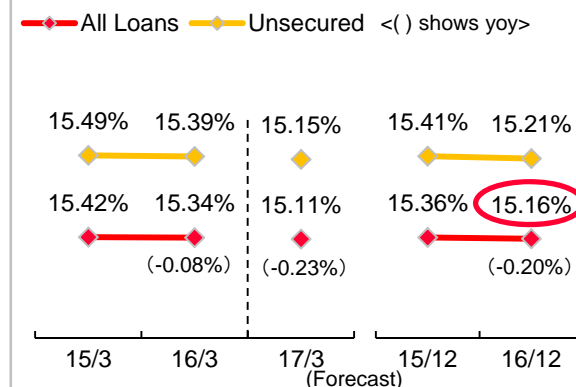
## Receivables Outstanding



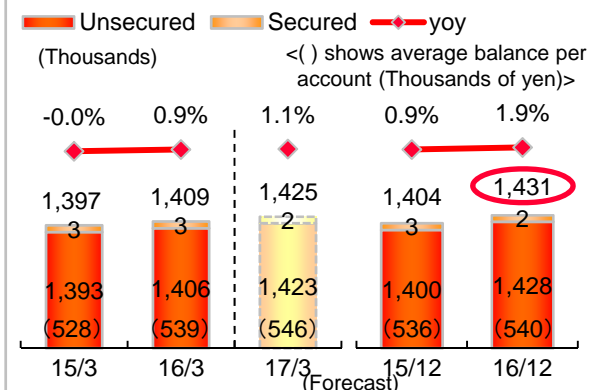
## Operating Revenue



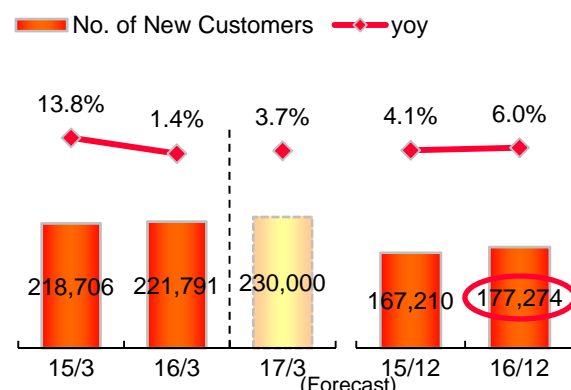
## Average Loan Yield



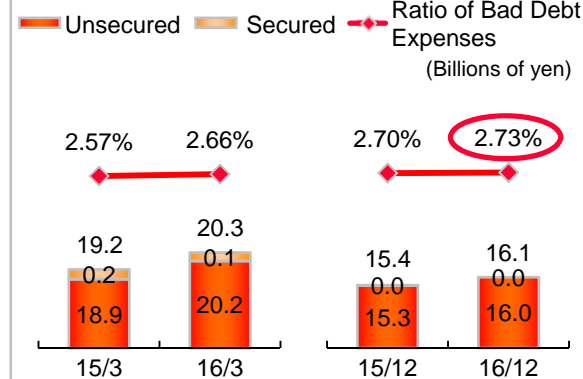
## No. of Customer Accounts



## No. of New Customers (Unsecured)



## Amount and Ratio of Bad Debt Expenses (\*)



\* These figures exclude waiver of repayments accompanying interest repayment.

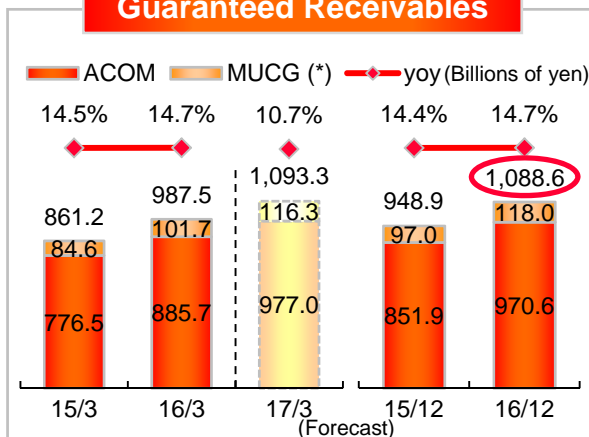
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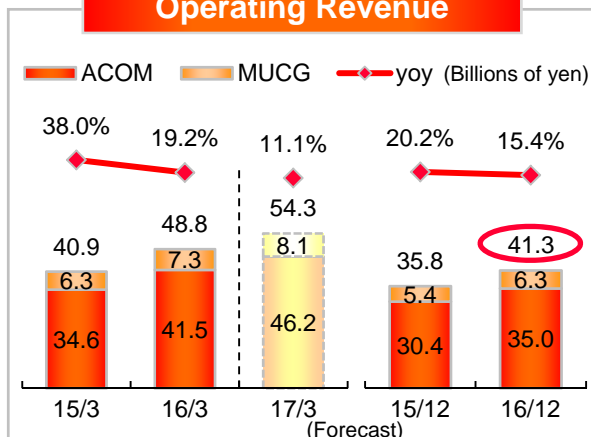
# Guarantee Business (ACOM and MU Credit Guarantee)

- **Guaranteed Receivables** : Increased by 14.7% yoy to 1,088.6 billion yen owing to smooth scale expansion.
- **Operating Revenue** : Increased by 15.4% yoy to 41.3 billion yen owing to smooth scale expansion.
- **Operating Income** : Increased by 9.6% yoy to 12.0 billion yen owing to smooth scale expansion.

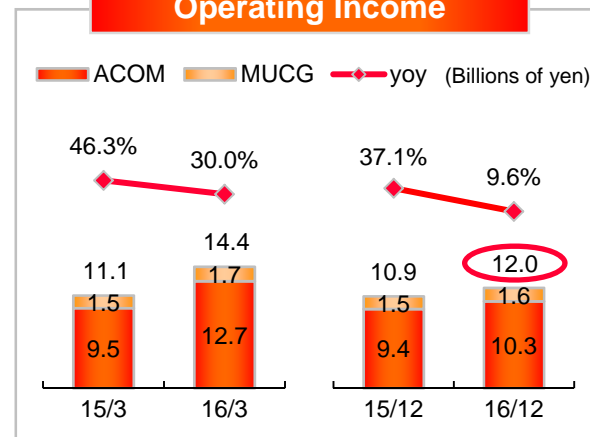
## Guaranteed Receivables



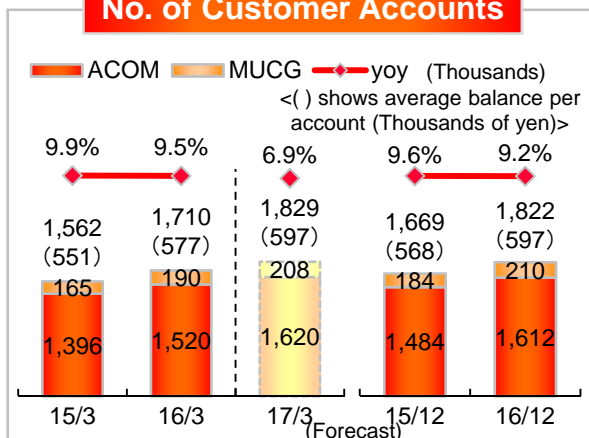
## Operating Revenue



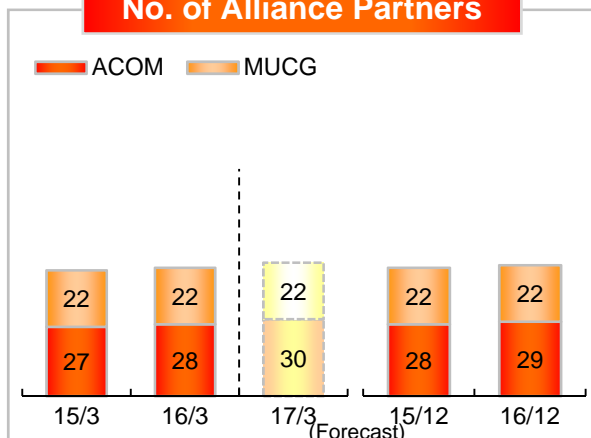
## Operating Income



## No. of Customer Accounts

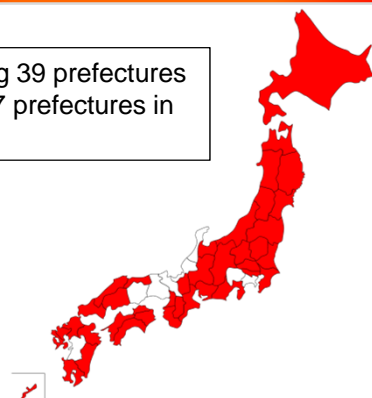


## No. of Alliance Partners



## Prefectures with Alliance Partners

Covering 39 prefectures out of 47 prefectures in Japan



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

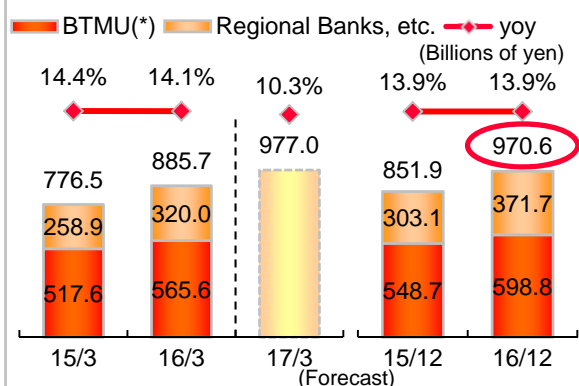
\* MU Credit Guarantee Co., LTD. commenced its operation in March 2014 as a joint venture with BTMU (ACOM owned 50.08% of equity). It became ACOM's wholly-owned subsidiary in December 2015.



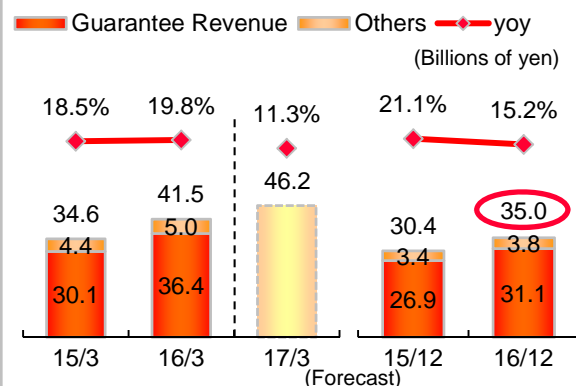
# Guarantee Business (ACOM)

- **Guaranteed Receivables** : Increased by 13.9% yoy to 970.6 billion yen owing to smooth scale expansion.
- **Operating Revenue** : Increased by 15.2% yoy to 35.0 billion yen owing to smooth scale expansion.
- **Operating Income** : Increased by 9.7% yoy to 10.3 billion yen owing to smooth scale expansion.

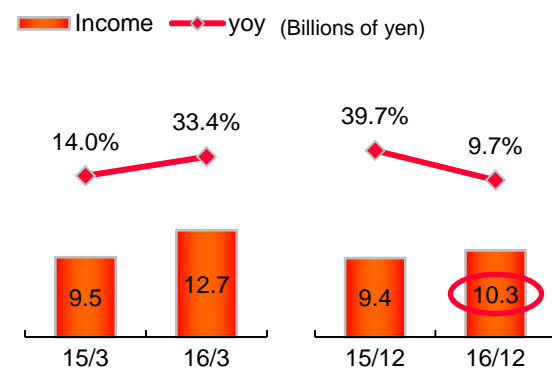
## Guaranteed Receivables



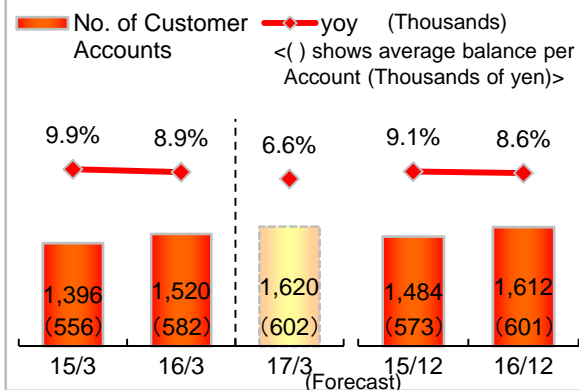
## Operating Revenue



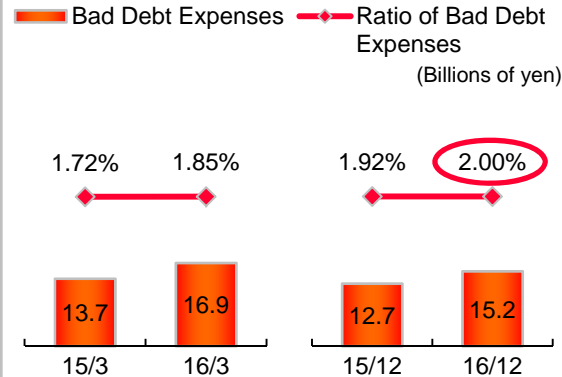
## Operating Income



## No. of Customer Accounts



## Amount and Ratio of Bad Debt Expenses (\*)



## Current Topics

- **New guarantee business alliance**  
Bank of Ryukyus, LTD. (August 1)
- **Introduced "Online Application Procedures Completion System" to Guarantee Partners**  
Hokkaido Bank, LTD. (June 20)  
Gunma Bank, LTD. (June 20)  
Ashikaga Bank, LTD. (June 20)  
3Q  
Jyuroku Bank, LTD. (October 3)  
Hachijuni Bank, LTD. (November 1)  
Oita Bank. Co., LTD. (November 14)  
Chukyo Bank, LTD. (December 5)

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

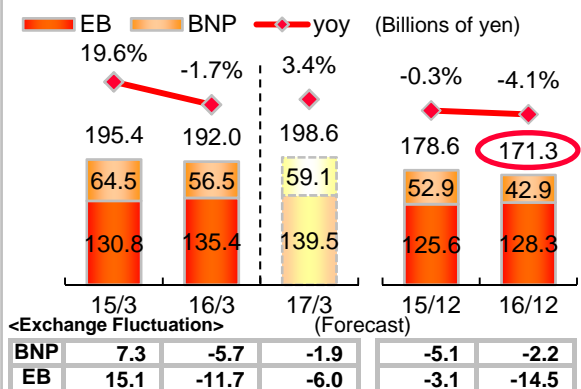
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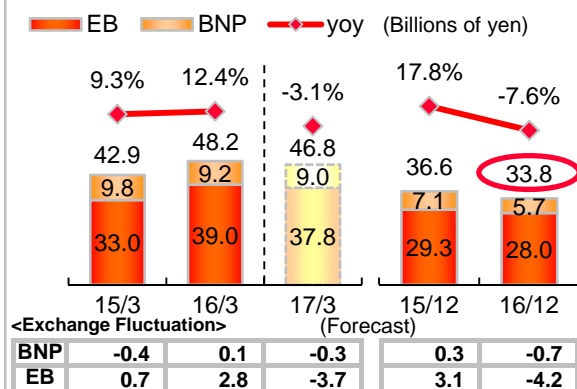
# Overseas Financial Business (EASY BUY (EB) and Bank BNP (BNP))

- **Receivables Outstanding** : Decreased by 4.1% yoy to 171.3 billion yen due to substantial exchange fluctuation caused by strong yen.
- **Operating Revenue** : Decreased by 7.6% yoy to 33.8 billion yen due to substantial exchange fluctuation caused by strong yen.
- **Operating Income** : Increased by 7.5% yoy to 9.4 billion yen.

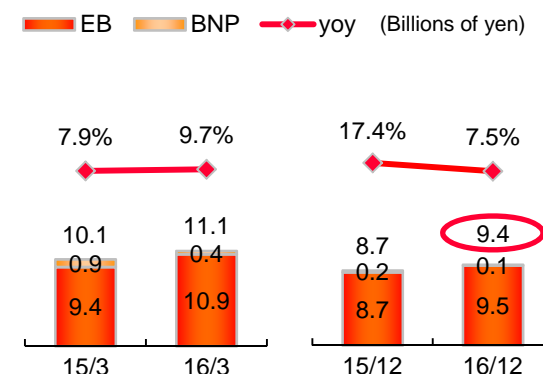
## Receivables Outstanding (\*)



## Operating Revenue



## Operating Income (\*)



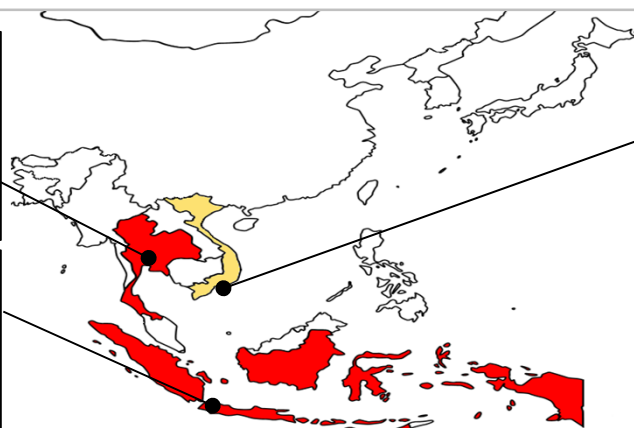
## Target Market (ASEAN Region)

### [Kingdom of Thailand]

[EASY BUY Public Company Limited]  
 Equity stake : 71.00%  
 Commenced business : 1996  
 Business Outline : Unsecured Loan, Installment Loan

### [Republic of Indonesia]

[PT. Bank Nusantara Parahyangan, Tbk.]  
 Equity stake : 66.15%  
 Commenced business : 1972(became subsidiary in 2007)  
 Business Outline : Banking



### [Socialist Republic of Vietnam]

May 2014 : Applied for license  
 (June 2016 : Reapplied for license)

Company name : ACOM VIETNAM FINANCE COMPANY LIMITED  
 Location : Ho Chi Minh  
 Capital : 600.0 billion dong (About 3.0 billion yen)  
 Stockholder: ACOM (100%)

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

\* Exchange rates : Baht B/S: ¥3.29 (15/9), ¥2.91 (16/9), forecast ¥3.19 (16/12) P/L: ¥3.60 (15/9), ¥3.08 (16/9), forecast ¥3.20 (16/12)

(on local closing dates) Rupiah B/S: ¥0.0082 (15/9), ¥0.0078 (16/9), forecast ¥0.0085 (16/12) P/L: ¥0.0092 (15/9), ¥0.0082 (16/9), forecast ¥0.0088 (16/12)

\* Exchange fluctuation as of current 3Q: Baht (B/S yoy -¥0.38, ytd -¥0.43, P/L yoy -¥0.52), Rupiah (B/S yoy -¥0.0004, ytd -¥0.0010, P/L yoy -¥0.0010)

\* Operating income shows segment income.



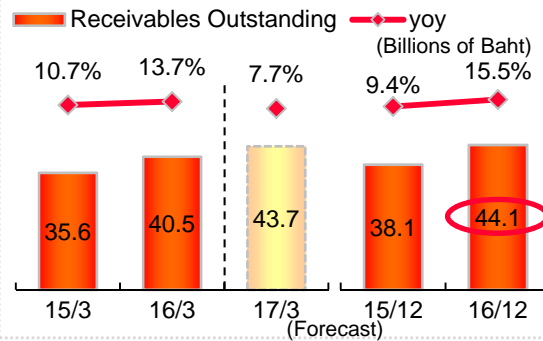


## Overseas Financial Business (Local Currencies Basis)

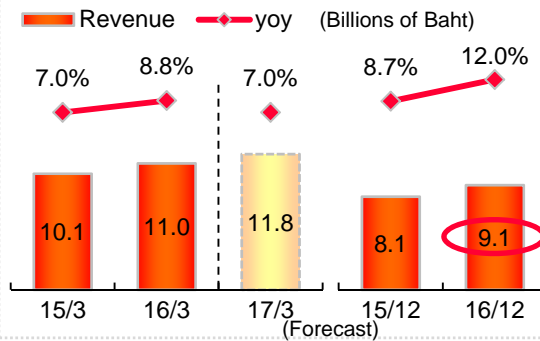
- **EASY BUY** : B/S ⇒ Increased by 15.5% yoy to 44.1 billion baht owing to smooth scale expansion.  
: P/L ⇒ Operating revenue increased by 12.0% yoy to 9.1 billion baht and operating income increased by 27.6% yoy to 3.1 billion baht.
- **Bank BNP** : Both business scale and business performance shrank as the bank implemented partial restriction on lending.

### EASY BUY [Kingdom of Thailand]

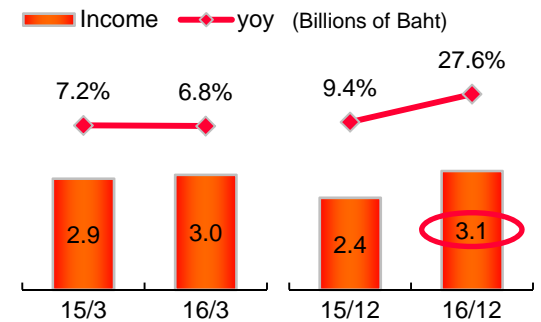
#### Receivables Outstanding (\*)



#### Operating Revenue

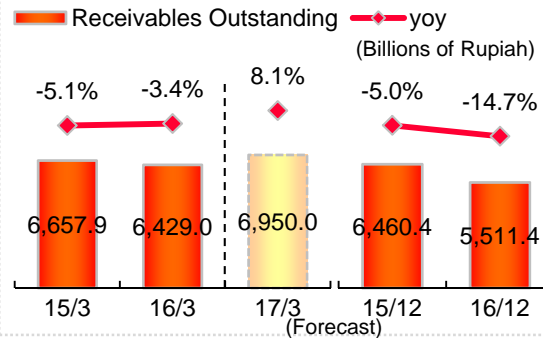


#### Operating Income

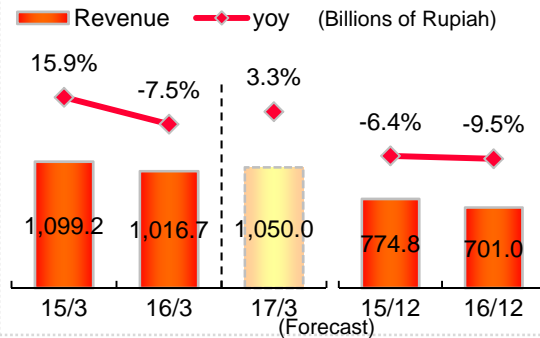


### Bank BNP [Republic of Indonesia]

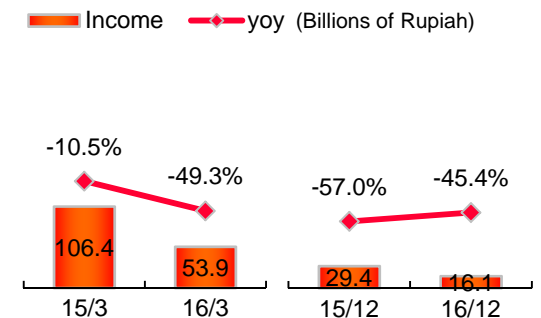
#### Receivables Outstanding



#### Operating Revenue



#### Operating Income



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





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

- No. of requests : Compared to decrease of 6.6% yoy in the previous 3Q, current 3Q decreased by 20.5% yoy. Though it is making a steady decrease, it was above our initial estimate.
- Cause : Requests from certain law offices hovered at a high level.

| ●Monthly Number of Requests for Interest Repayment (*) |                 |       |                 |       |                 |       |                 |      |                 |       |                  |                 |       |       | (%)              |     |
|--|-----------------|-------|-----------------|-------|-----------------|-------|-----------------|------|-----------------|-------|------------------|-----------------|-------|-------|------------------|-----|
|  | 2012/3          |       | 2013/3          |       | 2014/3          |       | 2015/3          |      | 2016/3          |       |                  | 2017/3          |       |       |                  |     |
|  | No. of Requests | yoy   | No. of Requests | yoy   | No. of Requests | yoy   | No. of Requests | yoy  | No. of Requests | yoy   | Per business day | No. of Requests | yoy   |       | Per business day |     |
| Total  | 90,500          | -36.5 | 73,500          | -18.8 | 69,900          | -4.9  | 79,600          | 13.9 | 72,200          | -9.3  | 295              | 46,000          | -16.2 |       | 251              |     |
| Apr.   | 10,100          | -9.0  | 6,400           | -36.6 | 6,700           | 4.7   | 6,500           | -3.0 | 6,500           | 0.0   | -4.7             | 309             | 5,500 | -15.4 |                  | 275 |
| May  | 8,900           | -7.3  | 7,000           | -21.3 | 6,200           | -11.4 | 6,200           | 0.0  | 5,500           | -11.3 |                  | 305             | 5,600 | 1.8   | -8.2             | 294 |
| June   | 9,500           | -12.0 | 6,600           | -30.5 | 5,600           | -15.2 | 6,600           | 17.9 | 6,400           | -3.0  |                  | 290             | 5,800 | -9.4  |                  | 263 |
| July   | 7,300           | -24.0 | 6,600           | -9.6  | 6,100           | -7.6  | 7,100           | 16.4 | 6,100           | -14.1 | -13.5            | 277             | 4,900 | -19.7 |                  | 245 |
| Aug.   | 7,500           | -11.8 | 5,500           | -26.7 | 4,600           | -16.4 | 5,900           | 28.3 | 5,300           | -10.2 |                  | 252             | 4,700 | -11.3 | -20.0            | 213 |
| Sept.  | 7,400           | -22.1 | 5,800           | -21.6 | 5,900           | 1.7   | 7,800           | 32.2 | 6,600           | -15.4 |                  | 347             | 4,800 | -27.3 |                  | 240 |
| Oct.   | 7,300           | -47.1 | 6,600           | -9.6  | 6,400           | -3.0  | 7,500           | 17.2 | 6,700           | -10.7 | -6.6             | 319             | 4,600 | -31.3 |                  | 230 |
| Nov.   | 7,100           | -45.0 | 5,900           | -16.9 | 5,600           | -5.1  | 6,000           | 7.1  | 6,000           | 0.0   |                  | 315             | 4,900 | -18.3 | -20.5            | 245 |
| Dec.   | 6,200           | -52.7 | 5,000           | -19.4 | 5,500           | 10.0  | 6,300           | 14.5 | 5,800           | -7.9  |                  | 290             | 5,200 | -10.3 |                  | 260 |
| Jan.   | 5,000           | -60.0 | 5,000           | 0.0   | 5,000           | 0.0   | 4,900           | -2.0 | 4,700           | -4.1  | -12.2            | 247             |       |       |                  |     |
| Feb.   | 7,200           | -56.4 | 6,300           | -12.5 | 5,900           | -6.3  | 6,900           | 16.9 | 6,200           | -10.1 |                  | 310             |       |       |                  |     |
| Mar.   | 7,000           | -52.4 | 6,800           | -2.9  | 6,400           | -5.9  | 7,900           | 23.4 | 6,400           | -19.0 |                  | 290             |       |       |                  |     |

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



## Trend of Loss on Interest Repayment (ACOM)

- **Provision Drawdown** : 52.2 billion yen was taken out from 90.0 billion yen of provision.
- **Evaluation of provision** : We added 14.4 billion yen, with regard to portions that exceeded the amount initially estimated for the nine months ended December 31, 2016, to provision for loss on interest repayment. We will continue to review the difference between estimated amount of requests and amount actually requested every quarter to evaluate validity and sufficiency of the provision.

### ● Provision for Loss on Interest Repayment

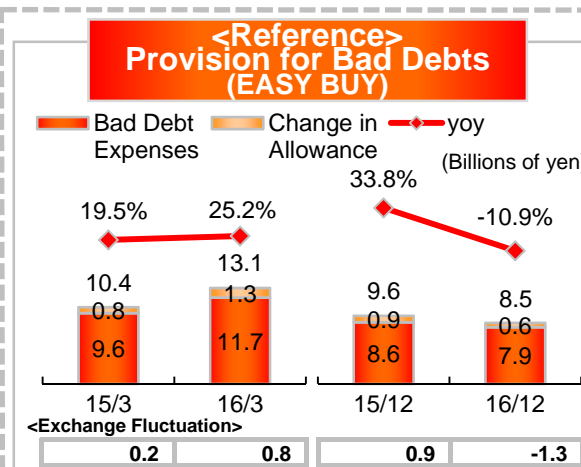
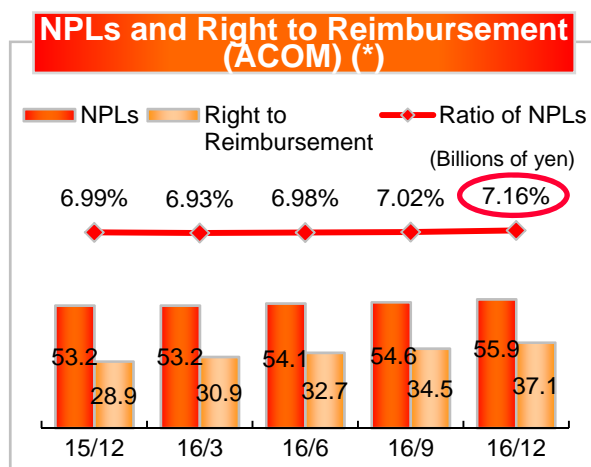
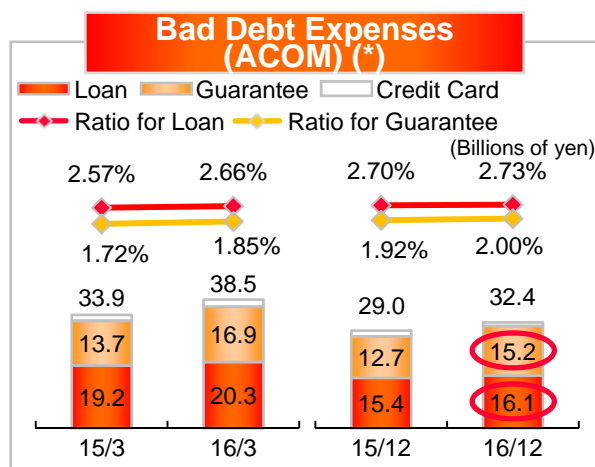
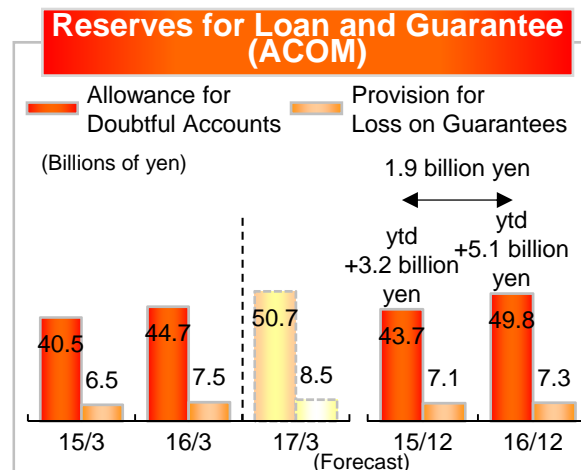
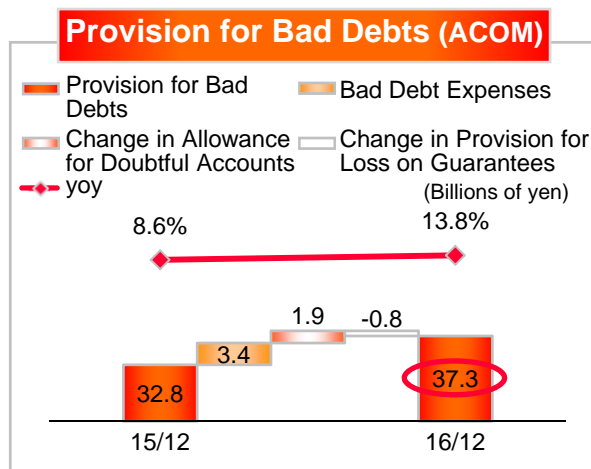
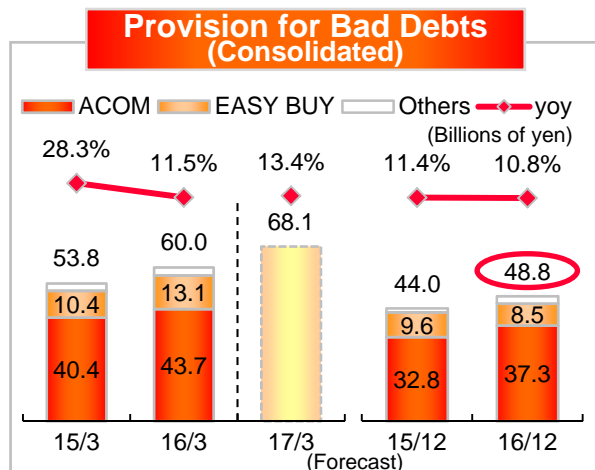
(Millions of yen, %)

|   | 2016/3  |         |        |        |         | 2017/3  |         |        |         |       | 2017/3<br>Forecast |
|---|---------|---------|--------|--------|---------|---------|---------|--------|---------|-------|--------------------|
|   | 1Q      | 2Q      | 3Q     | 4Q     | Total   | 1Q      | 2Q      | 3Q     | Total   | yoy   |                    |
| Provision Drawdown  | 15,793  | 16,944  | 16,456 | 20,045 | 69,238  | 17,802  | 17,454  | 17,016 | 52,273  | 6.3   | -                  |
| Interest Repayment  | 12,862  | 14,026  | 13,746 | 16,964 | 57,600  | 15,220  | 14,721  | 14,650 | 44,592  | 9.7   | -                  |
| <Reference><br>Cash-out basis                                   | 13,401  | 14,043  | 13,663 | 16,040 | 57,147  | 16,013  | 14,244  | 14,781 | 45,039  | 9.6   | -                  |
| Bad Debt Expenses<br>(ACOM's voluntary<br>waiver of repayments) | 2,931   | 2,917   | 2,708  | 3,080  | 11,637  | 2,581   | 2,732   | 2,366  | 7,680   | -10.3 | -                  |
| Addition of Provision   | -       | -       | 14,700 | 41,938 | 56,638  | -       | -       | 14,400 | 14,400  | -2.0  | -                  |
| Increase or Decrease in<br>Provision                            | -15,793 | -16,944 | -1,755 | 21,894 | -12,600 | -17,802 | -17,454 | -2,616 | -37,873 | -     | -                  |
| Provision at the End of<br>Respective Periods                   | 86,806  | 69,862  | 68,106 | 90,000 |         | 72,197  | 54,743  | 52,126 |         | -23.5 | -                  |



# Provision for Bad Debts

- **Provision for Bad Debts (Consolidated)** : Increased by 10.8% yoy to 48.8 billion yen primarily due to scale expansions made by 3 core businesses.
- **Bad debt expenses (ACOM)** : Both loan and guarantee businesses saw increases primarily due to scale expansions.
- **Non-performing Loans (ACOM)** : With regard to loan business, the ratio of NPLs remained stable at value of 7.16%



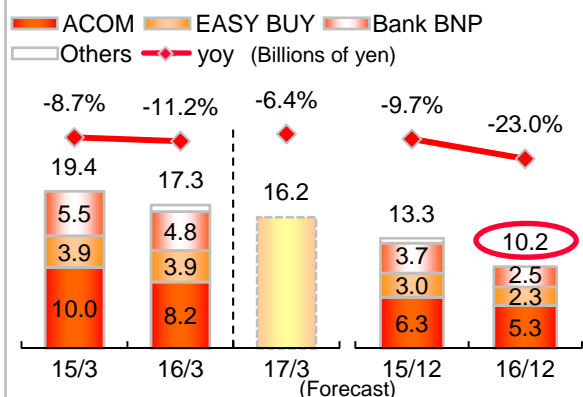
- \* Bad Debt Expenses and Ratio of Bad Debts exclude waiver of repayments accompanying interest repayment.
- \* The ratios of bad debt expenses for 15/12 and 16/12 are recalculated into annual basis.
- \* Right to reimbursement is loans in which guarantee obligations have been performed by ACOM, but not yet written-off.



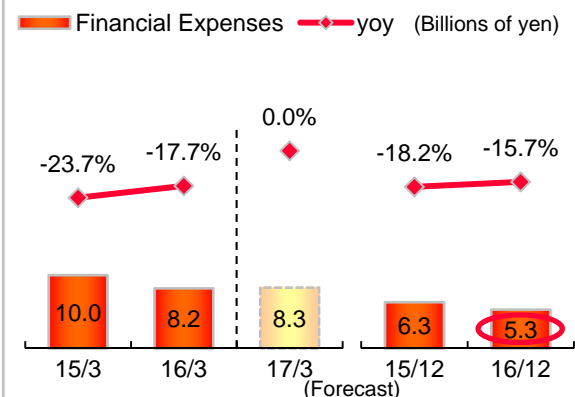
# Financial Expenses

- **Financial Expenses (Consolidated)** : Decreased by 23.0% yoy to 10.2 billion yen owing to improvements in funding environment of ACOM and EASY BUY, combined with exchange fluctuation caused by strong yen.
- **Funds Procurement (ACOM)** : Increased by 1.8% yoy to 572.5 billion yen.
- **Average Interest Rate (ACOM)** : Decreased by 23 basis points to 1.27% owing to further replacements of borrowings amid improving funding environment.

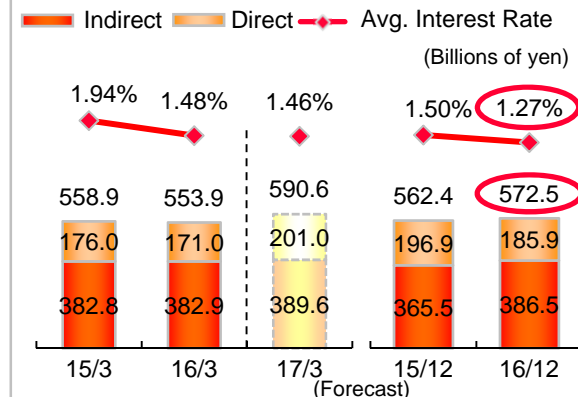
## Financial Expenses (Consolidated)



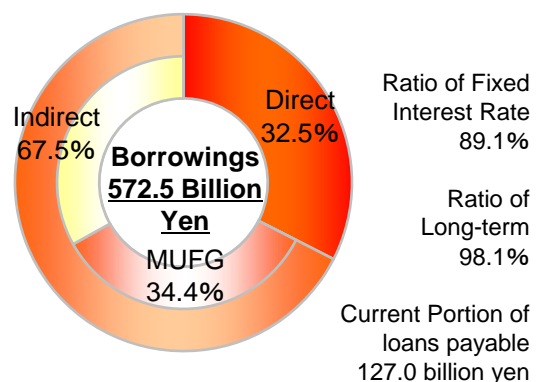
## Financial Expenses (ACOM)



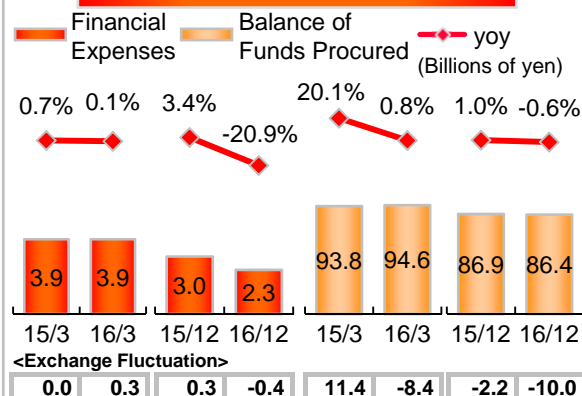
## Funds Procurement (ACOM)



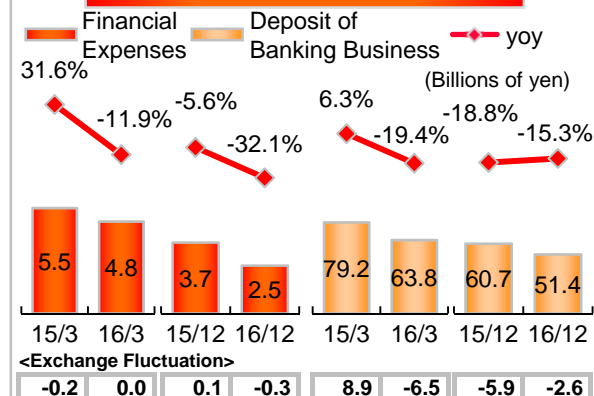
## Composition Ratios by Funding Sources (ACOM)



## <Reference> EASY BUY



## <Reference> Bank BNP



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# Reference Information

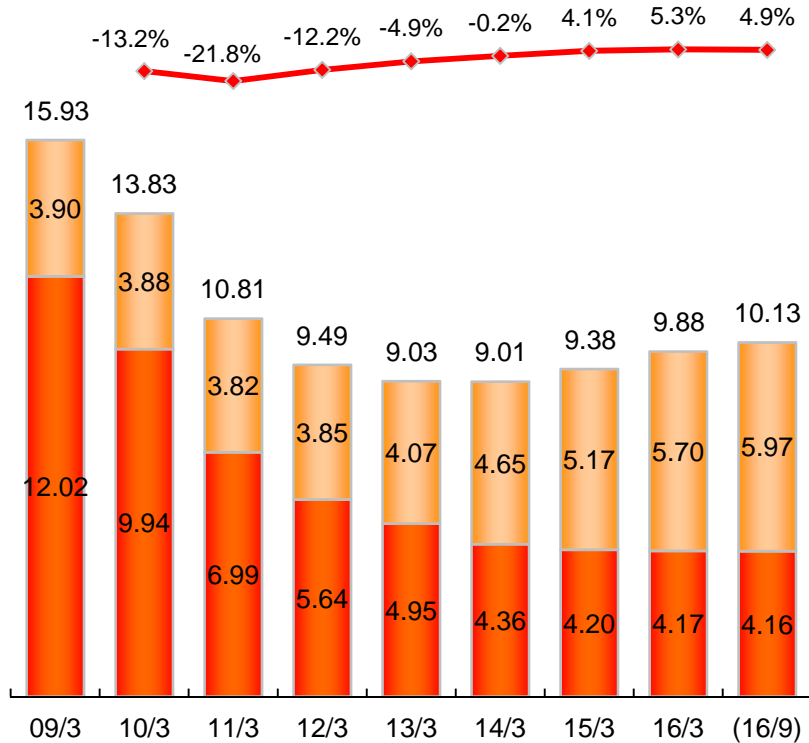
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## [Reference] Trend of Market Volume of Domestic Personal Card Loans

### Domestic Personal Card Loan Market

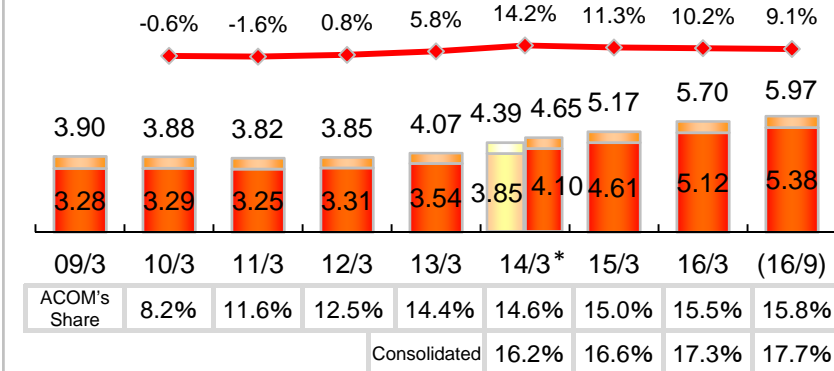
Nonbank Category Bank Category yoy (Trillions of yen)



|              |       |       |       |       |       |       |       |       |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| ACOM's Share | 10.3% | 12.4% | 13.5% | 14.4% | 15.6% | 16.2% | 16.7% | 17.0% |
| Consolidated |       |       | 16.4% | 17.1% | 17.8% | 18.1% |       |       |

### Bank Category

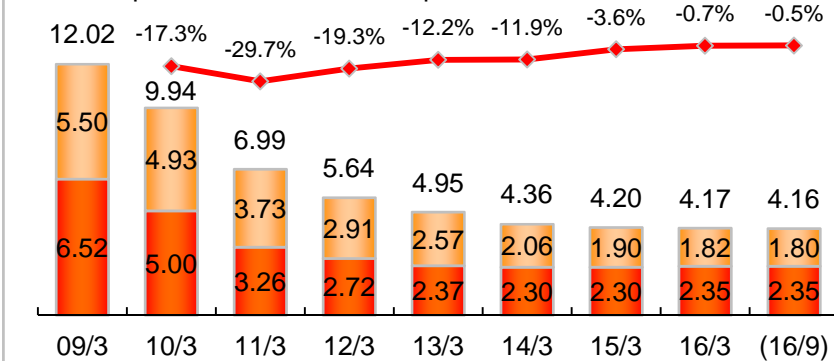
Domestic Banks Credit Unions yoy (Trillions of yen)



|              |      |       |       |       |       |       |       |       |
|--------------|------|-------|-------|-------|-------|-------|-------|-------|
| ACOM's Share | 8.2% | 11.6% | 12.5% | 14.4% | 14.6% | 15.0% | 15.5% | 15.8% |
| Consolidated |      |       | 16.2% | 16.6% | 17.3% | 17.7% |       |       |

### Nonbank Category

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



|              |       |       |       |       |       |       |       |       |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|
| ACOM's Share | 11.1% | 12.9% | 14.2% | 14.5% | 16.6% | 17.8% | 18.4% | 18.7% |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|

\* Nonbank category is receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2016/9 is preliminary.  
 \* Bank category refers to the volume of personal card loans provided by domestic banks and credit unions in statistics by The Bank of Japan.  
 (Correction on statistics by The Bank of Japan, announced on August 10, 2015, led to increase of 260 billion yen).



# [Reference] Summary of Segment Income

## ● Operating Revenue and Segment Income

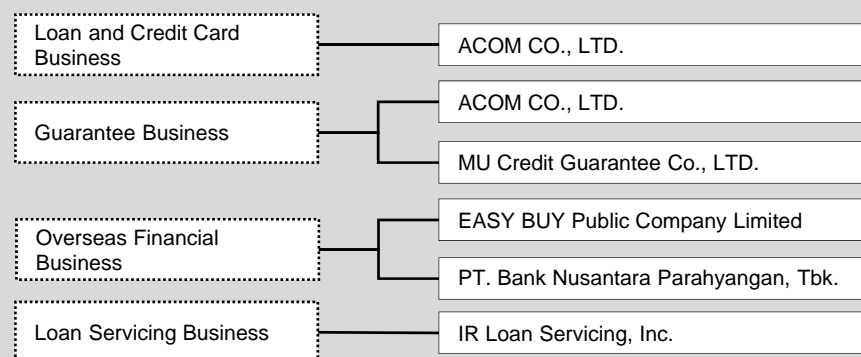
(Millions of yen, %)

|   | Loan and Credit Card Business |     | Guarantee Business |      | Overseas Financial Business |       | Loan Servicing Business |       | Subtotal |     | Others | Total   |
|---|-------------------------------|-----|--------------------|------|-----------------------------|-------|-------------------------|-------|----------|-----|--------|---------|
|   |                               | yoy |                    | yoy  |                             | yoy   |                         | yoy   |          | yoy |        |         |
| Operating Revenue                                       | 102,230                       | 2.1 | 41,352             | 15.4 | 33,832                      | -7.2  | 5,109                   | 6.3   | 182,525  | 3.0 | 150    | 182,675 |
| Revenue from External Customers                         | 102,230                       | 2.1 | 41,352             | 15.4 | 33,820                      | -7.6  | 5,109                   | 6.3   | 182,513  | 2.9 | 2      | 182,516 |
| Revenue from Transactions with Other Operating Segments | -                             | -   | -                  | -    | 11                          | -     | -                       | -     | 11       | -   | 147    | 159     |
| Operating Expenses                                      | 81,345                        | 0.6 | 29,301             | 17.9 | 24,383                      | -11.8 | 4,594                   | 35.7  | 139,625  | 2.1 | -      | 139,625 |
| Segment Income  | 20,885                        | 8.3 | 12,051             | 9.6  | 9,448                       | 7.5   | 515                     | -63.6 | 42,900   | 6.0 | 150    | 43,050  |

## ● Difference between Segment and Consolidated Operating Income

| Income   | Amount | yoy   |
|--|--------|-------|
| Segment Income   | 42,900 | 6.0   |
| Income of "Others" Category  | 150    | -64.9 |
| Elimination of Intersegment Transactions   | 74     | -37.9 |
| Adjustments due to Unification of Accounting Treatment between Parent Company and Subsidiary | 69     | -     |
| Consolidated Operating Income  | 43,194 | 5.5   |

## <Reference>

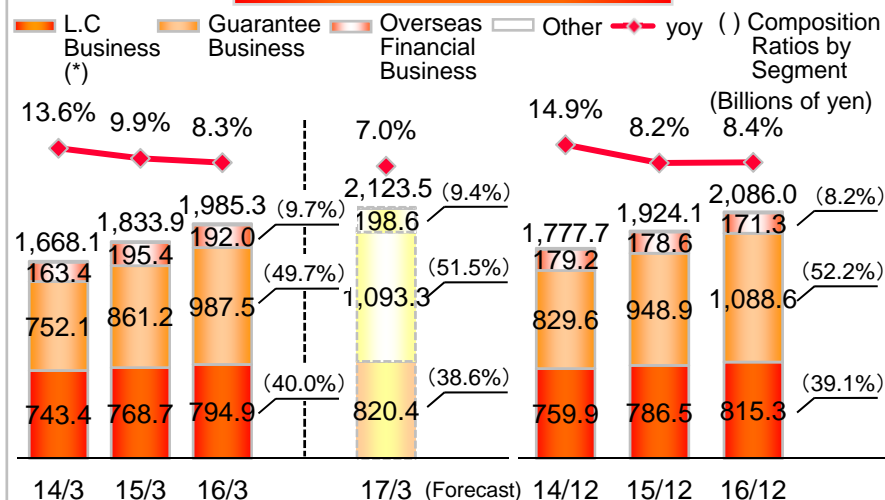




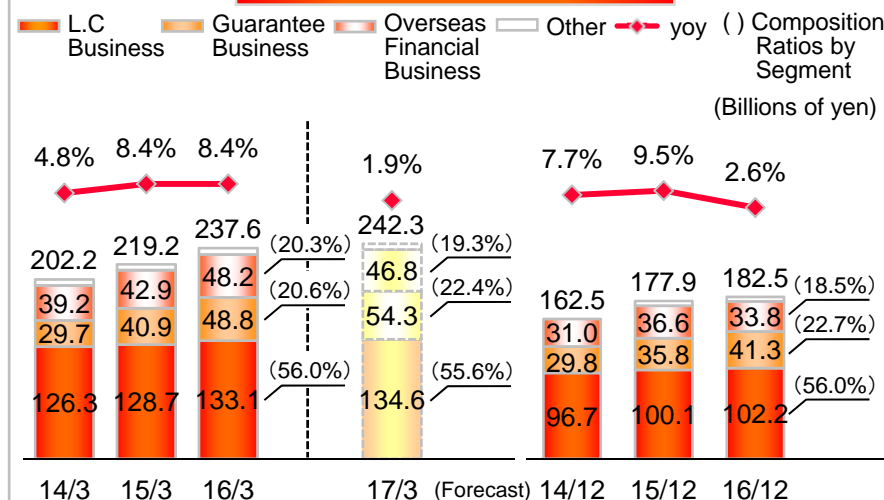


# [Reference] Composition Ratios by Reported Segment

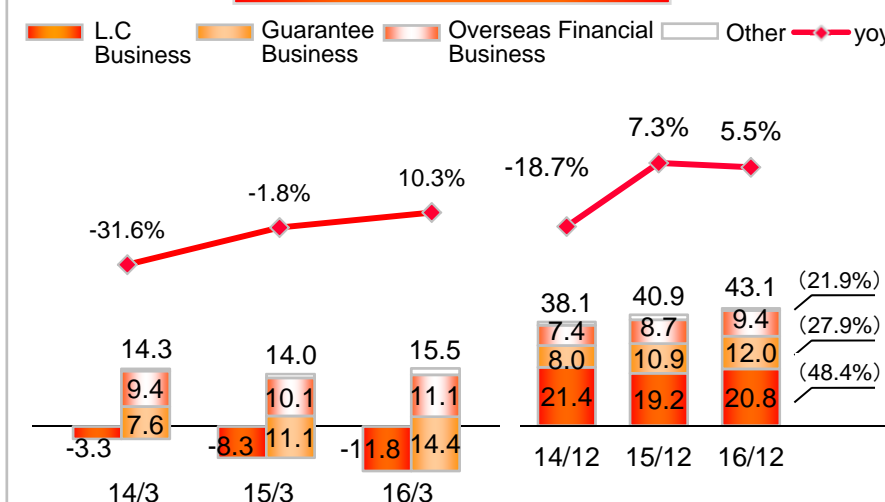
## Receivables Outstanding



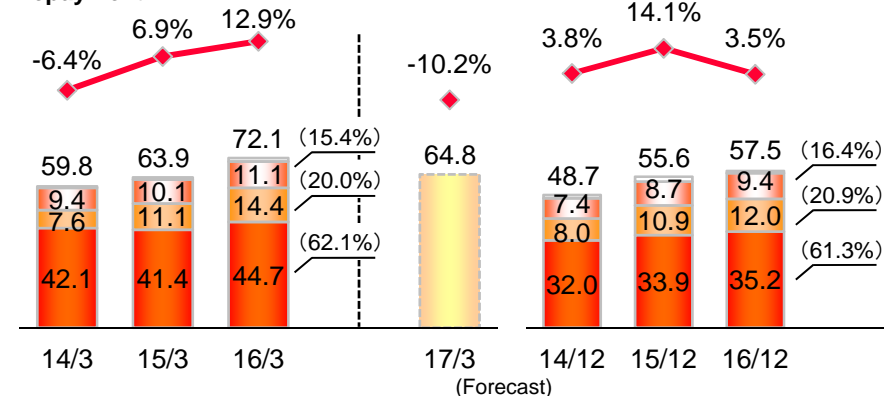
## Operating Revenue



## Operating Income



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



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



## [Reference] Annual Forecast for the FY March 2017

(Millions of yen, %)

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



## [Reference] Basic Policy and Forecasts on Dividends

### Basic Policy on Profit Distribution

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

### Forecasts on Dividends

- Dividend for the second quarter of fiscal year ending March 2017      ...      "None "
- Year-end dividend for the fiscal year ending March 2017      ...      "Undecided"

### Prerequisite for Resumption of Dividends

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



## [Reference] Medium-term Management Plan (2017/3 – 2019/3)

|                               |   |   |
|-------------------------------|---|---|
| Foundation Spirit             | Circle of Trust   |   |
| Origins of Company Name       | Affection <u>C</u> onfidence <u>M</u> oderation   |   |
| Corporate Philosophy          | ACOM, based on the spirit of human dignity and in putting customers first, is contributing to the realization of an enjoyable and affluent personal life, and to improving lifestyle, through creative and innovative management. |   |
| Management Vision             | Be the “leading company” which provides prime satisfactions to utmost number of customers and win their trust in return   |   |
| Key Business Domains          | Domestic  | Loan and credit card business, and guarantee business |
|                               | Overseas  | Loan business in ASEAN region                         |
| Medium-term Management Policy | With expeditious reactions to environmental changes, ACOM will establish a solid management base which can support continuous growth, while creating services which exceed customers' expectations.                               |   |

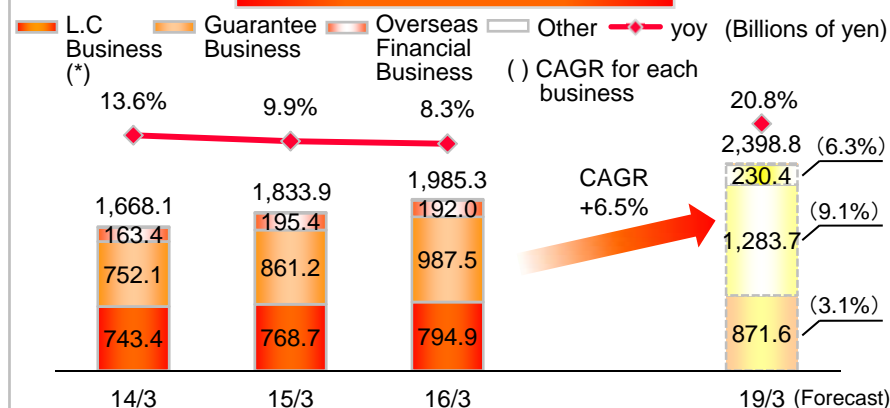
### <Measures to be taken by 3 core businesses>

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

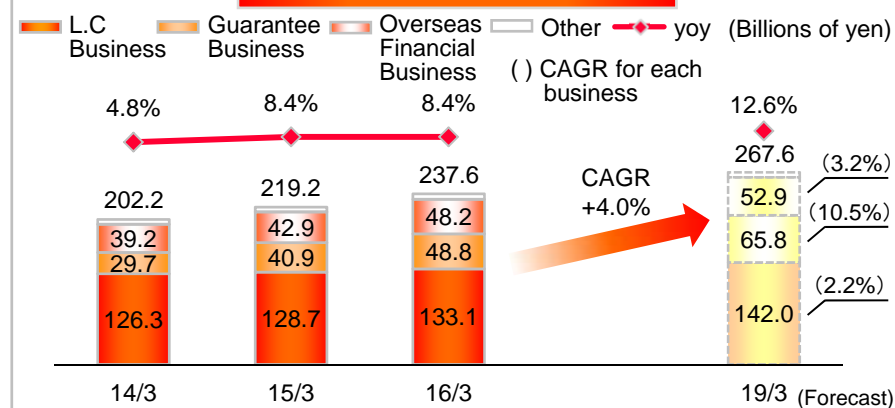


## [Reference] Quantitative Targets for the Medium-term Management Plan (2017/3 – 2019/3)

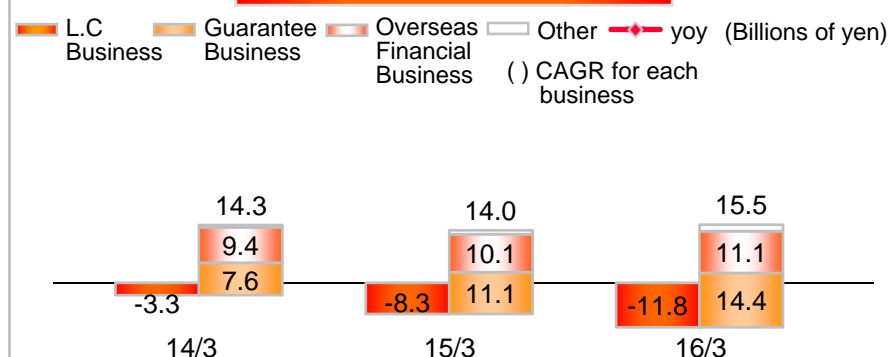
### Loans Receivable



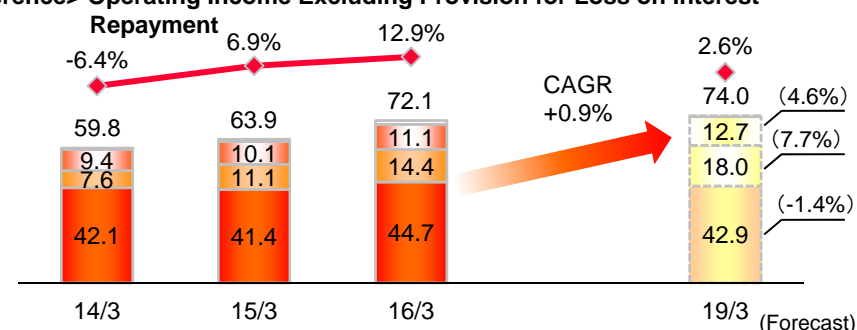
### Operating Revenue



### Operating Income



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



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

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

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

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

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

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

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



Reference:  
Public & Investor Relations Office  
Treasury Department

Tel: +81-3-5533-0861  
E-mail: [ir@acom.co.jp](mailto:ir@acom.co.jp)

## **Disclaimer**

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

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

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