

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

November 1, 2016

**Forward-looking Statement**

The statements and figures contained in this Brief Statement of the Second Quarter Financial Results for the fiscal year ending March 2017 (the "Brief Statement") with respect to ACOM CO., LTD.'s plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of ACOM which are based on management's assumptions and beliefs in light of the information currently available to it and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. Potential risks and uncertainties include, without limitation, general economic conditions in ACOM's market and changes in the size of the overall market for consumer loans, the rate of default by customers, the fluctuations in number of cases of claims from and the amount paid to customers who claim us to reimburse the portion of interest in excess of the interest ceiling as specified in the Interest Rate Restriction Act, the level of interest rates paid on ACOM's debt, and legal limits on interest rates charged by ACOM.

Name of the company:	ACOM CO., LTD. ("ACOM" or "the Company")
Stock market:	First Section of Tokyo Stock Exchange
Code Number:	8572
Location of the head office:	Tokyo
URL:	<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
Registration date of quarterly securities report:	November 14, 2016
Commencement date of dividend payment:	-
Quarterly material to supplement the financial results:	Applicable
Quarterly financial results conference:	Applicable (For domestic and foreign financial analysts and institutional investors)

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

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

1. Consolidated Business Results for the Second Quarter Accounting Period (from April 1, 2016, to September 30, 2016)

(1) Consolidated Business Results (Accumulated)

	Operating Revenue		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent (Second Quarter)	
	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%
2Q for FY March 2017	121,023	2.2	38,266	3.7	38,484	3.5	35,927	6.2
2Q for FY March 2016	118,407	10.9	36,917	22.2	37,179	21.9	33,814	20.4

[Note] Comprehensive income

2Q for FY March 2017: 31,245 million yen [(9.4%)]

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

	Basic Earnings per Share (Second Quarter)	Diluted Earnings per Share (Second Quarter)
	(Yen)	(Yen)
2Q for FY March 2017	22.93	—
2Q for FY March 2016	21.58	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity
	(Millions of yen)	(Millions of yen)	%
2Q for FY March 2017	1,166,819	369,023	30.4
FY March 2016	1,175,063	338,132	27.5

<Reference> Shareholders' Equity:

2Q for FY March 2017: 354,921 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 Six Months ended September 30, 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)

Second 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

Second 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 period)

Second Quarter of FY March 2017:	1,566,614,208 shares	Second Quarter of FY March 2016:	1,566,614,263 shares
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(Note) Information regarding the implementation of quarterly review procedures

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

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

(Notes to Forward-looking Statement)

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

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

ACOM plans to hold an earnings release conference for domestic institutional investors and financial analysts, and a conference call for foreign institutional investors and financial analysts regarding the second quarter financial results for the year ending March 2017 on November 2, 2016. The materials used at the conference will be listed promptly after disclosure of financial results. The archive of the conference will be listed promptly at the website after the conference is held.

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## 1. Quarterly Qualitative Information on Business Results

### (1) Qualitative Information on Business Results

During the six months ended September 30, 2016, the Japanese economy showed signs of gradual improvement in the employment environment, as well as steady movement 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 concerns of downside risks in overseas economies triggered by the UK's decision to leave the EU, the unclear economic outlook of China and other emerging nations in Asia and the resource-rich nations, 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 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 six months ended September 30, 2016, increased to 121,023 million yen (up 2.2% year-on-year) primarily due to increases in interest on operating loans and revenue from credit guarantee. Operating expenses increased to 82,756 million yen (up 1.6% year-on-year) primarily due to an increase in provision of allowance for doubtful accounts. As a result, operating income increased to 38,266 million yen (up 3.7% year-on-year) and ordinary income increased to 38,484 million yen (up 3.5% year-on-year). Meanwhile, profit attributable to owners of parent increased to 35,927 million yen (up 6.2% year-on-year) due to a decrease of income taxes-deferred.

### (2) Qualitative Information on Financial Position

Compared with the end of the prior fiscal year, total assets decreased by 8,243 million yen while net assets increased by 30,890 million yen as of September 30, 2016. Details of changes in assets, liabilities and net assets are as follows:

#### (Assets)

Current assets decreased by 6,440 million yen and noncurrent assets decreased by 1,802 million yen. Consequently, total assets decreased by 8,243 million. The breakdown of major increases and decreases in current assets is as follows: loans receivable of banking business (down 10,172 million yen), cash and deposits (down 6,887 million yen), accounts receivable - installment (up 4,331 million yen), deferred tax assets (up 1,927 million yen), and accounts receivable - operating loans (up 1,817 million yen). The breakdown of major decreases in noncurrent assets is as follows: goodwill (down 492 million yen), software (down 488 million yen), and buildings and structures (down 268 million yen).

#### (Liabilities)

Current liabilities increased by 5,634 million yen and noncurrent liabilities decreased by 44,768 million yen. Consequently, total liabilities decreased by 39,134 million yen. The breakdown of major increases and decreases in liabilities is as follows: provision for loss on interest repayment (down 35,256 million yen), deposits of banking business (down 8,889 million yen), and loans and bonds payable (up 6,695 million yen).

#### (Net Assets)

In terms of net assets, shareholders' equity increased by 35,927 million yen mainly due to an increase of retained earnings, accumulated other comprehensive income decreased by 4,383 million yen, and non-controlling interests decreased by 653 million yen. As a result, total net assets increased by 30,890 million yen, and the shareholders' equity ratio increased by 2.9 percentage points to 30.4%.

### (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.

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

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

2. Summary Information (notes)

(1) Change in Important Subsidiaries during the Six Months ended September 30, 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 second quarter (As of September 30, 2016)
<b>Assets</b>		
Current assets		
Cash and deposits	87,506	80,618
Accounts receivable - operating loans	902,150	903,967
Loans receivable of banking business	56,575	46,402
Accounts receivable - installment	28,393	32,725
Purchased receivables	10,709	11,290
Short-term investment securities	545	355
Trading account securities	692	2,363
Raw materials and supplies	67	59
Deferred tax assets	33,179	35,106
Other	59,903	62,403
Allowance for doubtful accounts	(58,094)	(60,106)
Total current assets	1,121,629	1,115,188
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	5,826	5,557
Equipment, net	10,580	10,548
Land	6,234	6,222
Other, net	854	685
Total property, plant and equipment	23,495	23,014
Intangible assets		
Goodwill	6,459	5,967
Software	5,973	5,485
Other	42	42
Total intangible assets	12,476	11,495
Investments and other assets		
Investment securities	4,962	4,894
Net defined benefit asset	4,374	4,139
Guarantee deposits	5,632	5,605
Other	3,177	3,208
Allowance for doubtful accounts	(685)	(726)
Total investments and other assets	17,462	17,121
Total noncurrent assets	53,434	51,631
Total assets	1,175,063	1,166,819

(Millions of yen)

	Prior fiscal year (As of March 31, 2016)	Current second quarter (As of September 30, 2016)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	385	370
Short-term loans payable	18,286	19,232
Commercial papers	-	4,999
Current portion of long-term loans payable	103,758	102,426
Current portion of bonds	16,700	27,930
Deposits of banking business	63,875	54,985
Income taxes payable	3,136	3,450
Provision for loss on guarantees	8,093	7,757
Asset retirement obligations	14	26
Deferred installment income	64	55
Other	13,214	11,928
Total current liabilities	227,529	233,163
Noncurrent liabilities		
Bonds payable	193,058	187,070
Long-term loans payable	316,766	313,605
Deferred tax liabilities	3,913	3,843
Provision for directors' retirement benefits	26	25
Provision for loss on interest repayment	90,000	54,743
Net defined benefit liability	207	195
Asset retirement obligations	4,546	4,528
Other	881	620
Total noncurrent liabilities	609,401	564,632
Total liabilities	836,930	797,796
Net assets		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	73,578	73,578
Retained earnings	204,025	239,953
Treasury stock	(19,794)	(19,794)
Total shareholders' equity	321,641	357,569
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	7	5
Foreign currency translation adjustment	1,669	(2,615)
Remeasurements of defined benefit plans	57	(37)
Total accumulated other comprehensive income	1,735	(2,648)
Non-controlling interests	14,755	14,101
Total net assets	338,132	369,023
Total liabilities and net assets	1,175,063	1,166,819



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

(Millions of yen)

	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
<b>Operating revenue</b>		
Interest on operating loans	75,509	76,138
Interest on loans of banking business	4,218	3,422
Credit card revenue	1,593	2,047
Per-item revenue	48	34
Revenue from credit guarantee	20,995	24,389
Collection from purchased receivable	2,674	2,810
Other financial revenue	712	404
Other operating revenue	12,655	11,775
<b>Total operating revenue</b>	<b>118,407</b>	<b>121,023</b>
<b>Operating expenses</b>		
Financial expenses	9,239	7,109
Cost of purchased receivable	1,129	1,144
Other operating expenses	71,120	74,502
<b>Total operating expenses</b>	<b>81,490</b>	<b>82,756</b>
<b>Operating income</b>	<b>36,917</b>	<b>38,266</b>
<b>Non-operating income</b>		
Interest income	146	143
Dividend income	10	7
Equity in earnings of affiliates	5	10
House rent income	154	140
Other	85	61
<b>Total non-operating income</b>	<b>401</b>	<b>364</b>
<b>Non-operating expenses</b>		
Interest expenses	10	6
Foreign exchange losses	95	91
Other	34	48
<b>Total non-operating expenses</b>	<b>139</b>	<b>146</b>
<b>Ordinary income</b>	<b>37,179</b>	<b>38,484</b>

(Millions of yen)

	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
<b>Extraordinary income</b>		
Gain on sales of noncurrent assets	0	1
Gain on sales of investment securities	0	-
Total extraordinary income	0	1
<b>Extraordinary loss</b>		
Loss on sales of noncurrent assets	0	1
Loss on retirement of noncurrent assets	10	47
Loss on valuation of investment securities	0	-
Other	0	0
Total extraordinary loss	12	49
Income before income taxes	37,167	38,436
Income taxes-current	1,957	3,170
Income taxes-deferred	(321)	(2,187)
Total income taxes	1,635	982
Profit	35,531	37,453
Profit attributable to non-controlling interests	1,717	1,525
Profit attributable to owners of parent	33,814	35,927

Quarterly Consolidated Statement of Comprehensive Income  
Six months ended September 30

(Millions of yen)

	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Profit	35,531	37,453
Other comprehensive income		
Valuation difference on available-for-sale securities	(1)	(2)
Foreign currency translation adjustment	(893)	(6,113)
Remeasurements of defined benefit plans, net of tax	(131)	(91)
Total other comprehensive income	(1,026)	(6,207)
Comprehensive income	34,504	31,245
Comprehensive income attributable to:		
Owners of parent	33,094	31,543
Non-controlling interests	1,409	(298)

(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 second quarter (As of September 30, 2016)
<b>Assets</b>		
Current assets		
Cash and deposits	73,932	66,398
Accounts receivable - operating loans	767,127	778,934
Accounts receivable - installment	27,855	32,280
Raw materials and supplies	41	32
Deferred tax assets	30,638	32,333
Right to reimbursement	30,901	34,565
Other	18,749	19,657
Allowance for doubtful accounts	(44,020)	(47,080)
Total current assets	905,226	917,123
Noncurrent assets		
Property, plant and equipment	22,065	21,841
Intangible assets	10,728	9,862
Investments and other assets		
Prepaid pension cost	4,171	4,065
Other	29,291	29,227
Allowance for doubtful accounts	(680)	(720)
Total investments and other assets	32,782	32,573
Total noncurrent assets	65,577	64,277
Total assets	970,803	981,401
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	369	361
Short-term loans payable	-	6,000
Commercial papers	-	4,999
Current portion of long-term loans payable	93,942	91,196
Current portion of bonds	-	25,000
Income taxes payable	2,057	1,898
Provision for loss on guarantees	7,590	7,210
Asset retirement obligations	12	23
Other	10,386	9,159
Total current liabilities	114,356	145,849
Noncurrent liabilities		
Bonds payable	171,000	156,000
Long-term loans payable	289,014	286,438
Deferred tax liabilities	1,294	1,260
Provision for loss on interest repayment	90,000	54,743
Asset retirement obligations	4,297	4,304
Other	731	590
Total noncurrent liabilities	556,337	503,336
Total liabilities	670,693	649,186
<b>Net assets</b>		
Shareholders' equity		
Capital stock	63,832	63,832
Capital surplus	76,010	76,010
Retained earnings	180,052	212,160
Treasury stock	(19,794)	(19,794)
Total shareholders' equity	300,101	332,209
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	332,214
Total liabilities and net assets	970,803	981,401

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

(Millions of yen)

	For the six months ended September 30, 2015 (From April 1, 2015 to September 30, 2015)	For the six months ended September 30, 2016 (From April 1, 2016 to September 30, 2016)
Operating revenue		
Interest on operating loans	57,821	58,725
Credit card revenue	1,593	2,047
Revenue from credit guarantee	17,615	20,438
Other financial revenue	13	0
Other operating revenue	10,157	9,719
Total operating revenue	87,202	90,931
Operating expenses		
Financial expenses	4,326	3,676
Other operating expenses	53,780	57,036
Total operating expenses	58,107	60,713
Operating income	29,095	30,218
Non-operating income		
Interest income	40	40
Dividend income	1,148	871
Other	247	207
Total non-operating income	1,436	1,119
Non-operating expenses		
Interest expenses	10	6
Foreign exchange losses	31	72
Other	29	5
Total non-operating expenses	71	84
Ordinary income	30,460	31,253
Extraordinary income		
Gain on sales of investment securities	0	-
Gain on sales of shares of subsidiaries and affiliates	-	0
Total extraordinary income	0	0
Extraordinary loss		
Loss on sales of noncurrent assets	0	1
Loss on retirement of noncurrent assets	8	42
Loss on valuation of investment securities	0	-
Other	0	0
Total extraordinary loss	10	43
Income before income taxes	30,450	31,209
Income taxes-current	595	830
Income taxes-deferred	(541)	(1,727)
Total income taxes	54	(897)
Profit	30,396	32,107