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# Earnings Release Presentation

The Second 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)**

**November 1, 2016**





# Business Environment

## Macro Environment

### <Japan>

- Japanese economy on the whole saw signs of gradual recovery such as improving corporate earnings and employment environment owing to implementation of economic policies and growth strategies by the government.
- There is apprehension of Japanese economy slowing down due to UK's withdrawal from the EU and unclear economic outlook of China and other emerging nations in Asia.

### <Kingdom of Thailand>

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

### <Republic of Indonesia>

- Its economy is in recovery trend despite global economic slowdown, represented by China.
- The central bank reduced the policy rate.

## Competitive and Market Environment

### <Japan>

- Loan business saw changes in the nature of competitive structure of market. The market now involves diverse players from both bank and nonbank sectors.
- Domestic personal card loan market expanded smoothly.
- Expansion and oligopoly of market progressed in guarantee business sector.
- Business environment remains to be severe as shown by requests for interest repayments.

### <Kingdom of Thailand>

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

### <Republic of Indonesia>

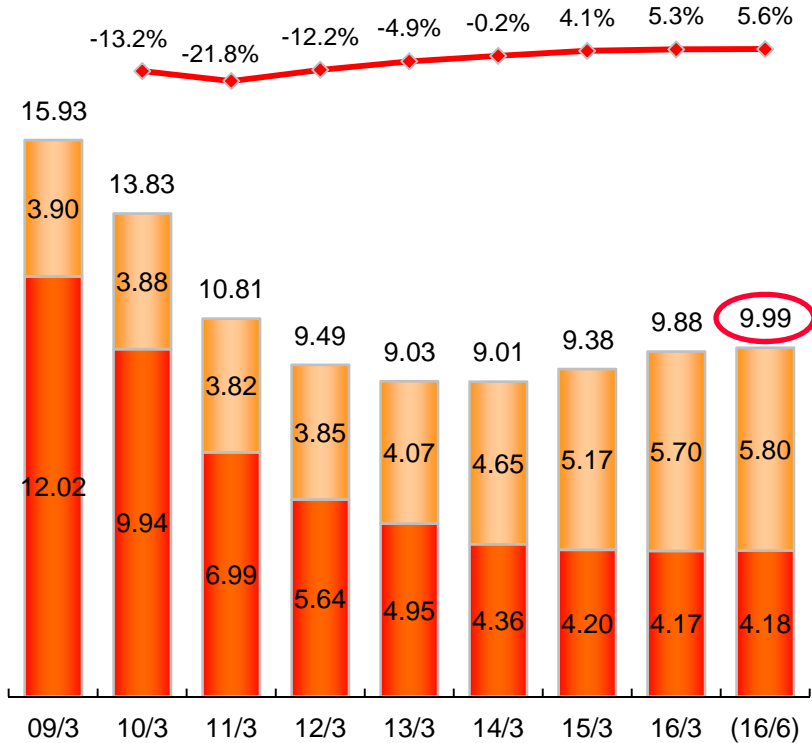
- Bank loan market expanded smoothly.
- Banks' non-performing loans are in increasing trend. There is apprehension for deterioration in banks' loan portfolios.



# Trend of Market Volume of Domestic Personal Card Loans

## Domestic Personal Card Loan Market

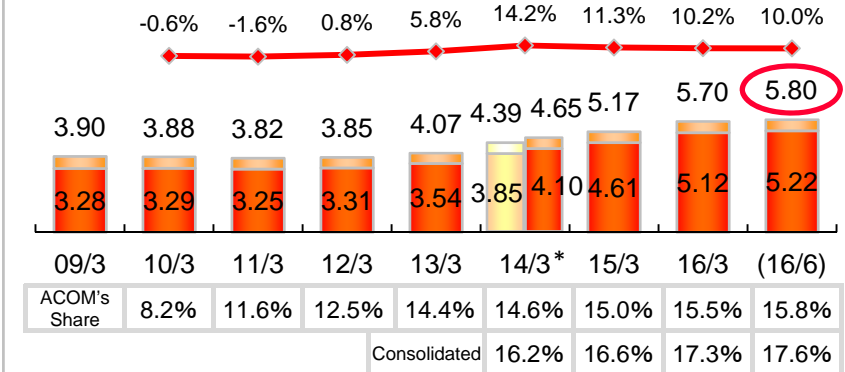
Nonbank Category Bank Category yoy (Trillions of yen)



ACOM's Share	10.3%	12.4%	13.5%	14.4%	15.6%	16.2%	16.7%	16.9%
Consolidated			16.4%	17.1%	17.8%	18.0%		

## Bank Category

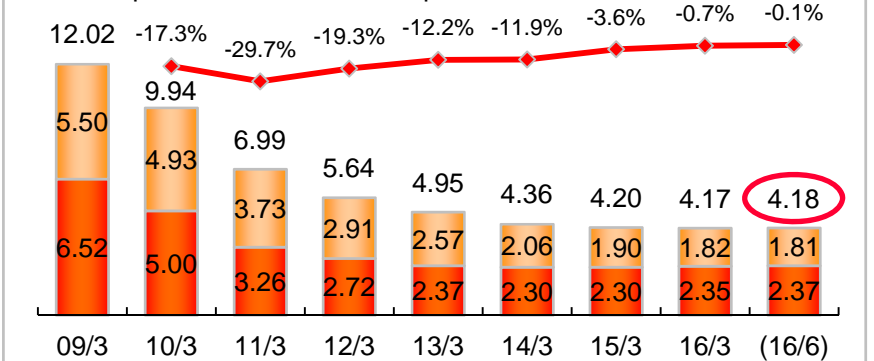
Domestic Banks Credit Unions yoy (Trillions of yen)



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%	17.6%		

## 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%	18.5%
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\* Nonbank category is receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2016/6 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).



# Financial Results Summary

(Millions of yen, %)

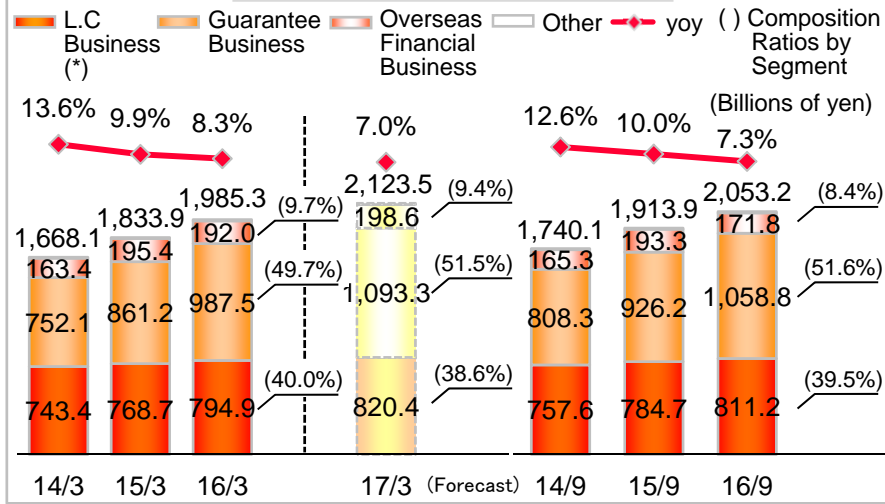
	Consolidated					Non-consolidated				
	2016/9		2016/9	2017/3		2016/9		2016/9	2017/3	
	Results	yoy	Compared to forecast	Forecast (*)	Progress	Results	yoy	Compared to forecast	Forecast (*)	Progress
Receivables Outstanding	2,053,252	7.3		2,123,500		1,758,097	8.7		1,797,400	
Loan & Credit Card Business	811,215	3.4		820,400		811,215	3.4		820,400	
Guarantee Business	1,058,866	14.3	-	1,093,300	-	946,882	13.7	-	977,000	-
Overseas Financial Business	171,823	-11.1		198,600		-	-		-	
<b>&lt;P/L&gt;</b>										
Operating Revenue	121,023	2.2	923	242,300	49.9	90,931	4.3	931	180,900	50.3
Loan & Credit Card Business	67,636	1.8		134,600	50.2	67,636	1.8		134,600	50.2
Guarantee Business	27,332	15.4	-	54,300	50.3	23,197	15.2	-	46,200	50.2
Overseas Financial Business	22,748	-7.2		46,800	48.6	-	-		-	-
Operating Expenses	82,756	1.6	-4,344	177,500	46.6	60,713	4.5	-3,687	129,600	46.8
Financial Expenses	7,109	-23.1		16,200	43.9	3,676	-15.0		8,300	44.3
Provision for Bad Debts	31,900	11.5		68,100	46.8	24,353	14.9		51,700	47.1
Provision for Loss on Interest Repayment	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	43,746	0.2		93,200	46.9	32,683	1.0		69,600	47.0
Operating Income	38,266	3.7	5,266	64,800	59.1	30,218	3.9	4,618	51,300	58.9
Ordinary Income	38,484	3.5	5,184	65,300	58.9	31,253	2.6	4,653	52,500	59.5
Income Before Income Taxes	38,436	3.4	-	65,200	59.0	31,209	2.5	-	52,400	59.6
Profit	37,453	5.4	-	61,100	61.3	32,107	5.6	5,607	52,300	61.4
Profit Attributable to Owners of Parent	35,927	6.2	6,127	58,500	61.4	-	-	-	-	-

\* There is no revision from the earnings forecast announced on May 9, 2016.

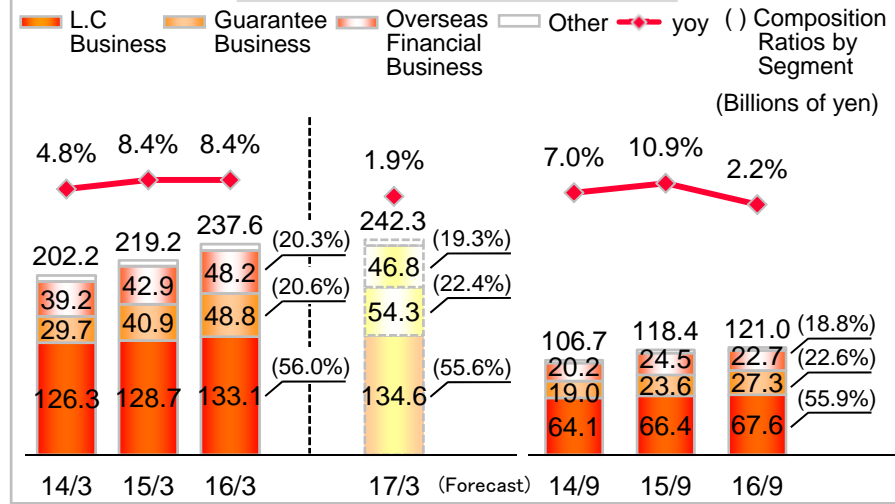


# Composition Ratios by Reported Segment

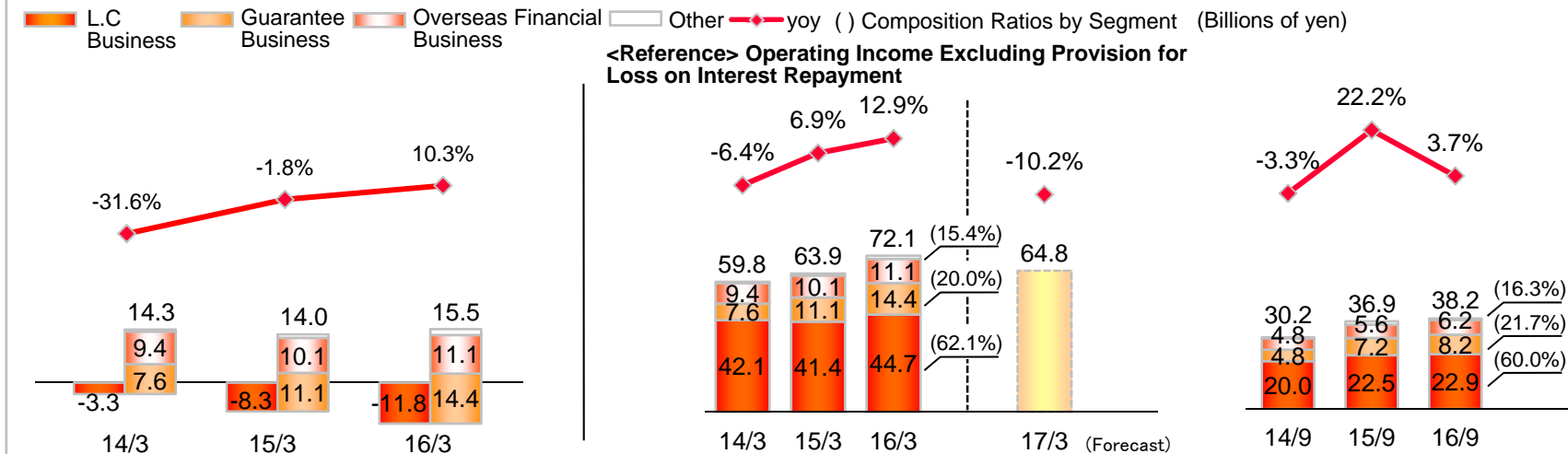
## Receivables Outstanding



## Operating Revenue



## Operating Income

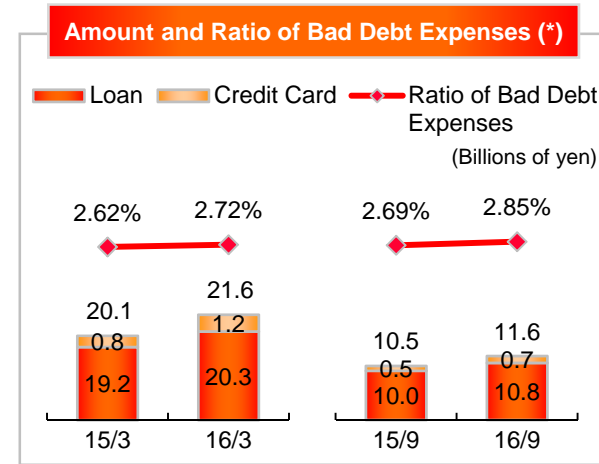
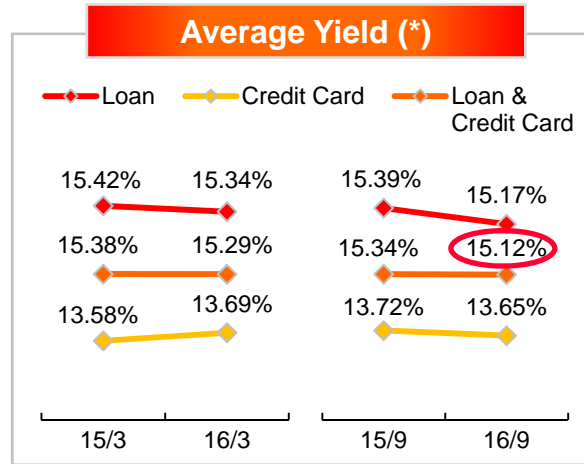
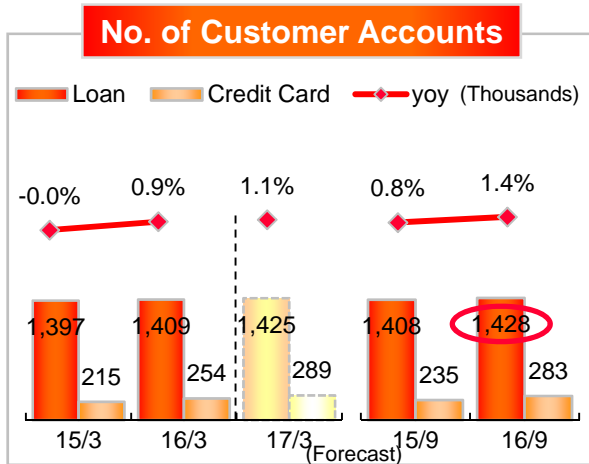
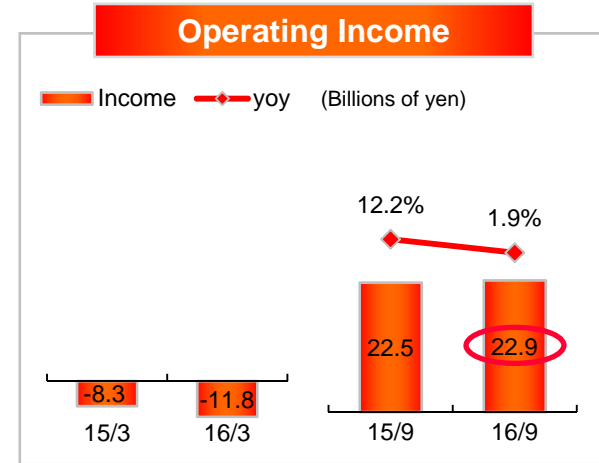
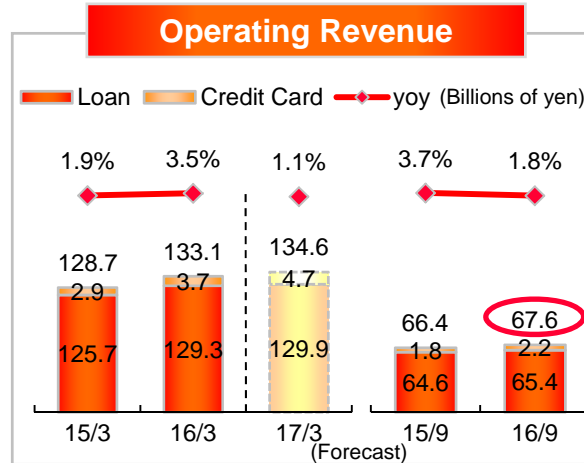
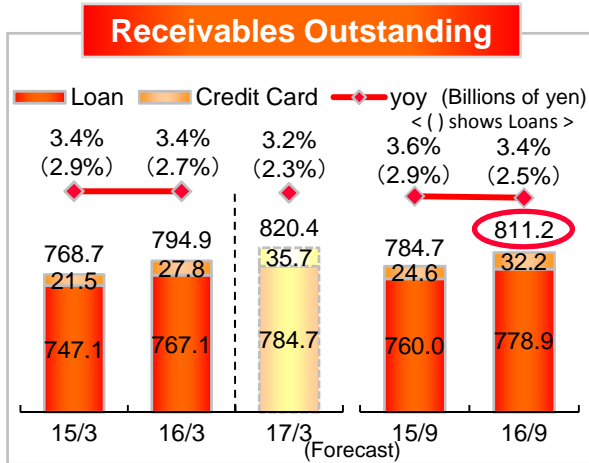


\* "L. C Business" stands for loan and credit card business.



# Loan and Credit Card Business (ACOM)

- **Receivables Outstanding** : Increased by 3.4% yoy to 811.2 billion yen owing to smooth scale expansion.
- **Operating Revenue** : Increased by 1.8% yoy to 67.6 billion yen as scale expansion offset decline in average yield.
- **Operating Income** : Increased by 1.9% yoy to 22.9 billion yen.



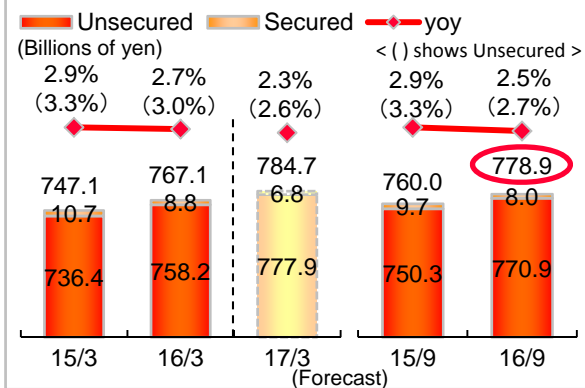
\* Average yield of credit card is calculated by receivables and fees of revolving.  
 \* Amount and ratio of bad debt expenses exclude waiver of repayments accompanying interest repayment.  
 \* The ratios of bad debt expenses for 15/9 and 16/9 are recalculated into annual basis.



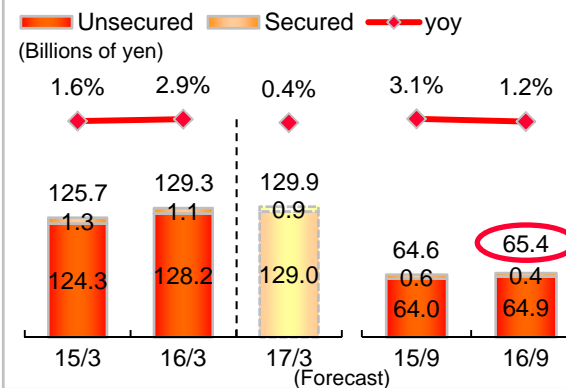
# Loan Business (ACOM)

- **Receivables Outstanding** : Increased by 2.5% yoy to 778.9 billion yen owing to smooth scale expansion.
- **Operating Revenue** : Increased by 1.2% yoy to 65.4 billion yen as scale expansion offset decline in average loan yield.
- **No. of New Customers** : Increased by 4.6% yoy or 5 thousands to 118 thousands thanks to successful marketing strategies.

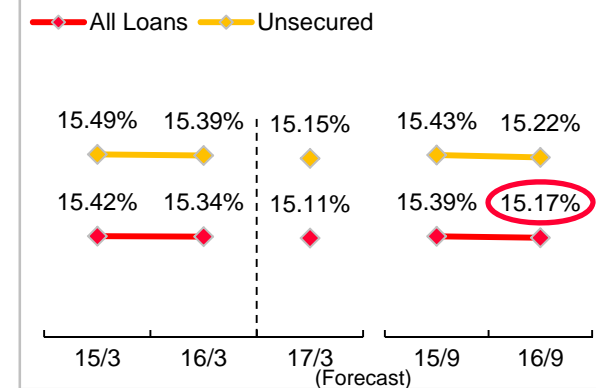
### Receivables Outstanding



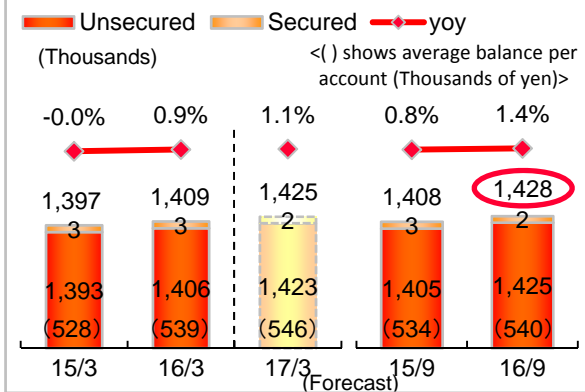
### Operating Revenue



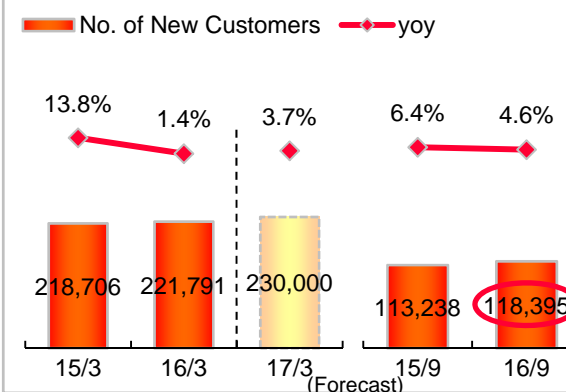
### Average Loan Yield



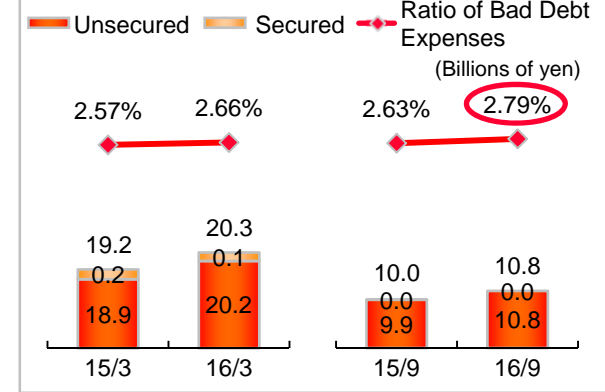
### No. of Customer Accounts



### No. of New Customers (Unsecured)



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



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

\* The ratios of bad debt expenses for 15/9 and 16/9 are recalculated into annual basis.

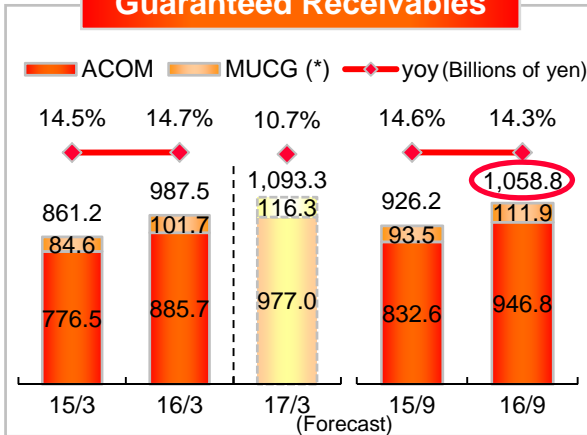




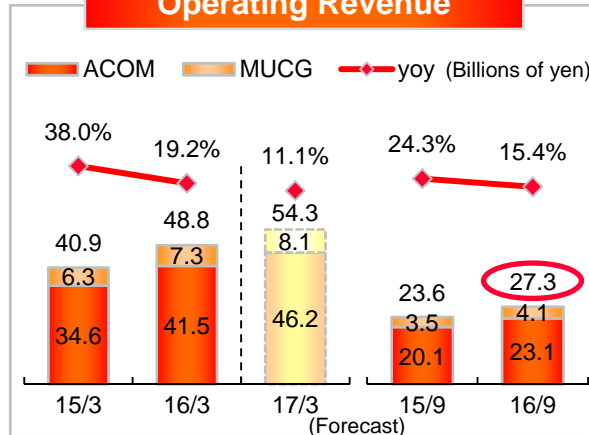
# Guarantee Business (ACOM and MU Credit Guarantee)

- **Guaranteed Receivables** : Increased by 14.3% yoy to 1,058.8 billion yen owing to smooth scale expansion.
- **Operating Revenue** : Increased by 15.4% yoy to 27.3 billion yen owing to smooth scale expansion.
- **Operating Income** : Increased by 15.0% yoy to 8.2 billion yen owing to smooth scale expansion.

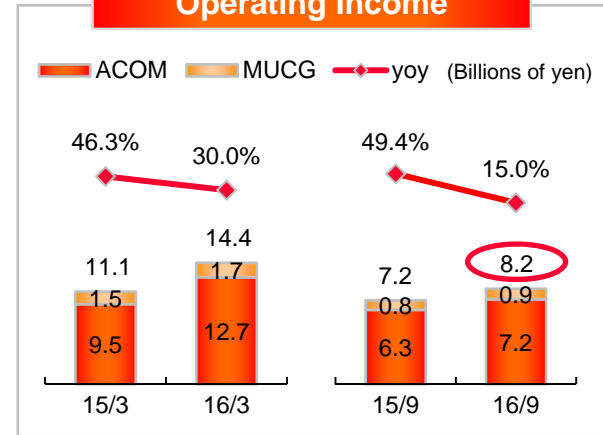
### Guaranteed Receivables



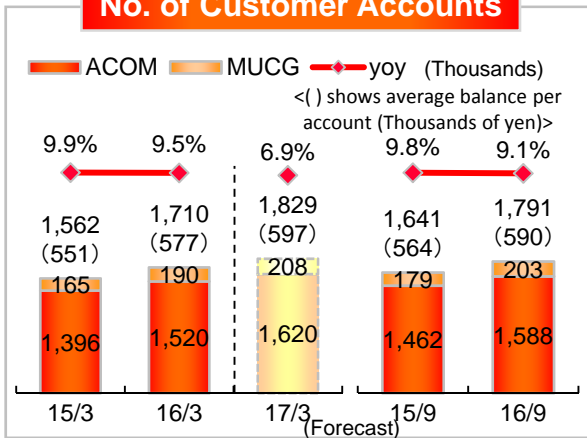
### Operating Revenue



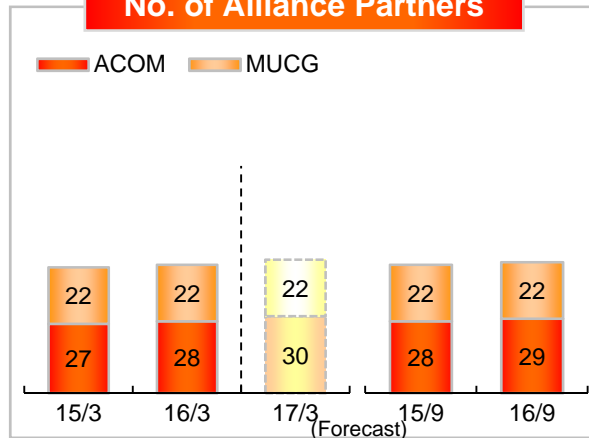
### Operating Income



### No. of Customer Accounts

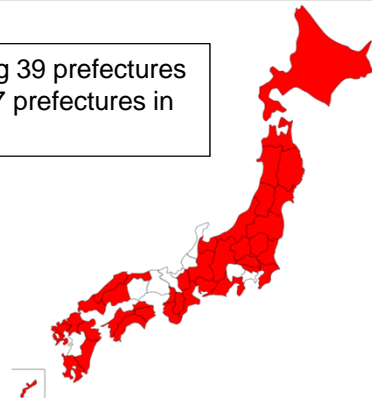


### No. of Alliance Partners



### Prefectures with Alliance Partners

Covering 39 prefectures out of 47 prefectures in Japan



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

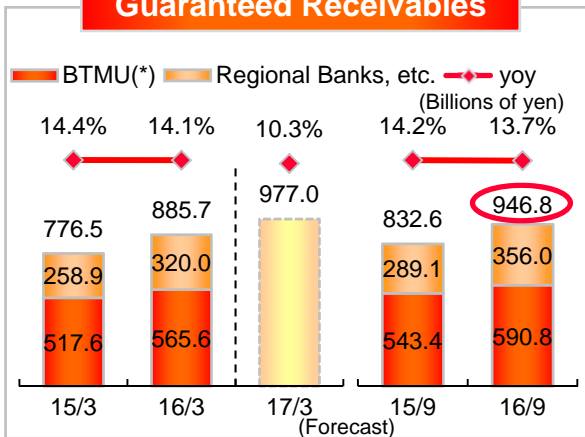
\* MU Credit Guarantee Co., LTD. commenced its operation in March 2014 as a joint venture with BTMU (ACOM owned 50.08% of equity). It became ACOM's wholly-owned subsidiary in December 2015.



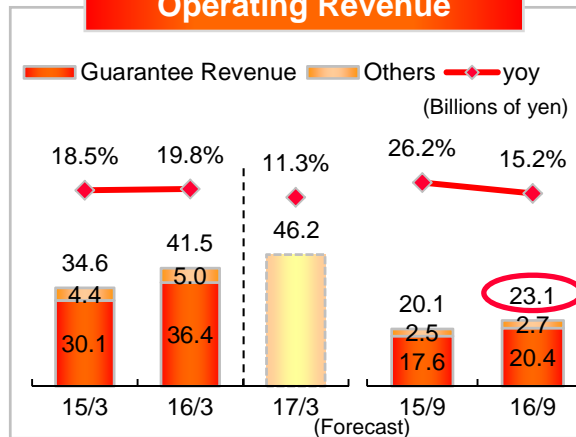
# Guarantee Business (ACOM)

- **Guaranteed Receivables** : Increased by 13.7% yoy to 946.8 billion yen owing to smooth scale expansion.
- **Operating Revenue** : Increased by 15.2% yoy to 23.1 billion yen owing to smooth scale expansion.
- **Operating Income** : Increased by 15.5% yoy to 7.2 billion yen owing to smooth scale expansion.

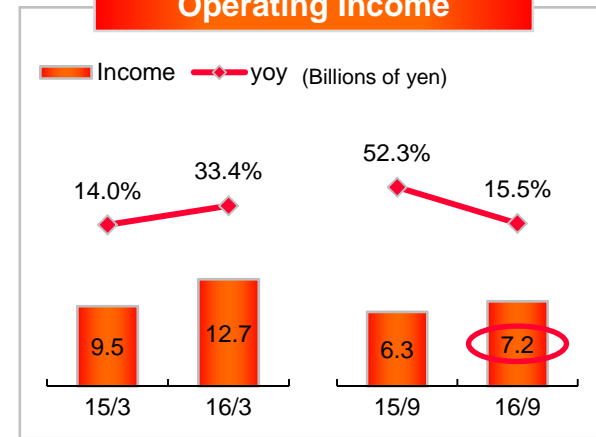
## Guaranteed Receivables



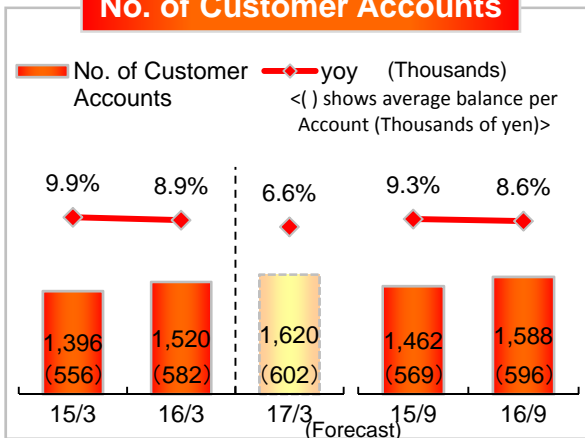
## Operating Revenue



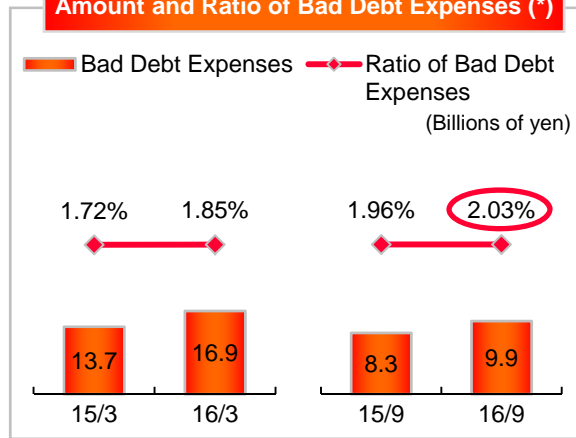
## Operating Income



## No. of Customer Accounts



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



## Topics

- **Launched Personal Loan Guarantee Business Alliance with BANK OF RYUKYUS, LTD.**  
- Provided from : August 1, 2016
- **Introduced of "Online Application Procedures Completion System" to The Jyuroku Bank, LTD.**  
- Introduced from : October 3, 2016  
- No. of system users : 4 Banks

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

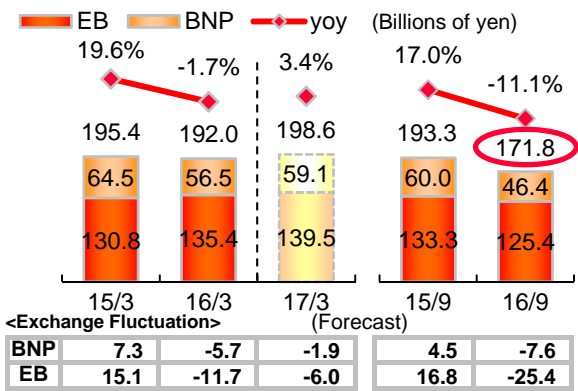
\* The ratios of bad debt expenses for 15/9 and 16/9 are recalculated into annual basis.



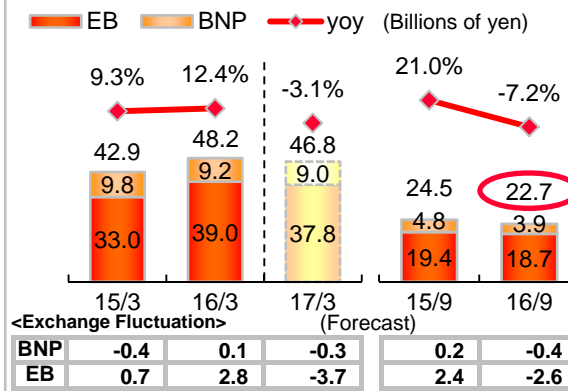
# Overseas Financial Business (EASY BUY (EB) and Bank BNP (BNP))

- **Receivables Outstanding** : Decreased by 11.1% yoy to 171.8 billion yen due to substantial exchange fluctuation caused by strong yen.
- **Operating Revenue** : Decreased by 7.2% yoy to 22.7 billion yen due to substantial exchange fluctuation caused by strong yen.
- **Operating Income** : Increased by 9.9% yoy to 6.2 billion yen.

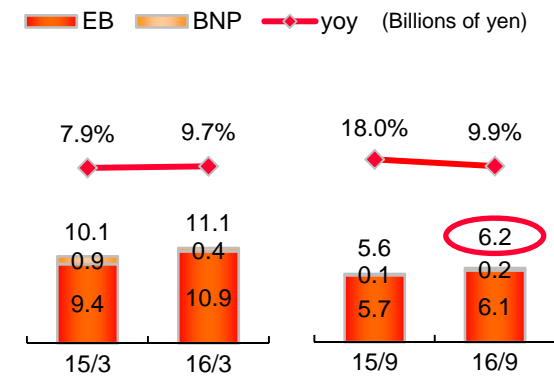
## Receivables Outstanding (\*)



## Operating Revenue



## Operating Income (\*)



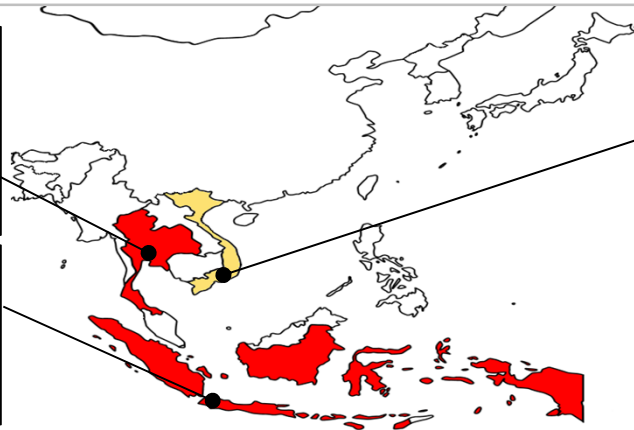
## Target Market (ASEAN Region)

[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 : Requested 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%)

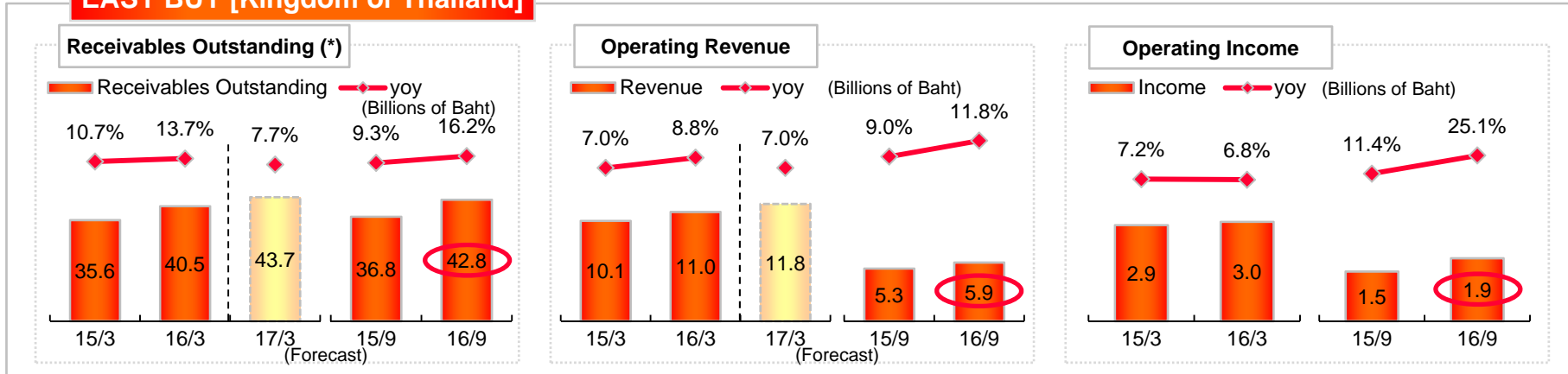
\* This receivables outstanding is the sum of accounts receivable - operating loans, accounts receivable - installment and loans receivables of banking business.  
 \* Exchange rates : Baht B/S: ¥3.62 (15/6), ¥2.93 (16/6), forecast ¥3.19 (16/12) P/L: ¥3.65 (15/6), ¥3.15 (16/6), forecast ¥3.20 (16/12)  
 (on local closing dates) Rupiah B/S: ¥0.0092 (15/6), ¥0.0079 (16/6), forecast ¥0.0085 (16/12) P/L: ¥0.0093 (15/6), ¥0.0084 (16/6), forecast ¥0.0088 (16/12)  
 \* Exchange fluctuation as of current 2Q: Baht (B/S yoy -¥0.69, ytd -¥0.41, P/L yoy -¥0.50), Rupiah (B/S yoy -¥0.0013, ytd -¥0.0009, P/L yoy -¥0.0009)  
 \* Operating income shows segment income.



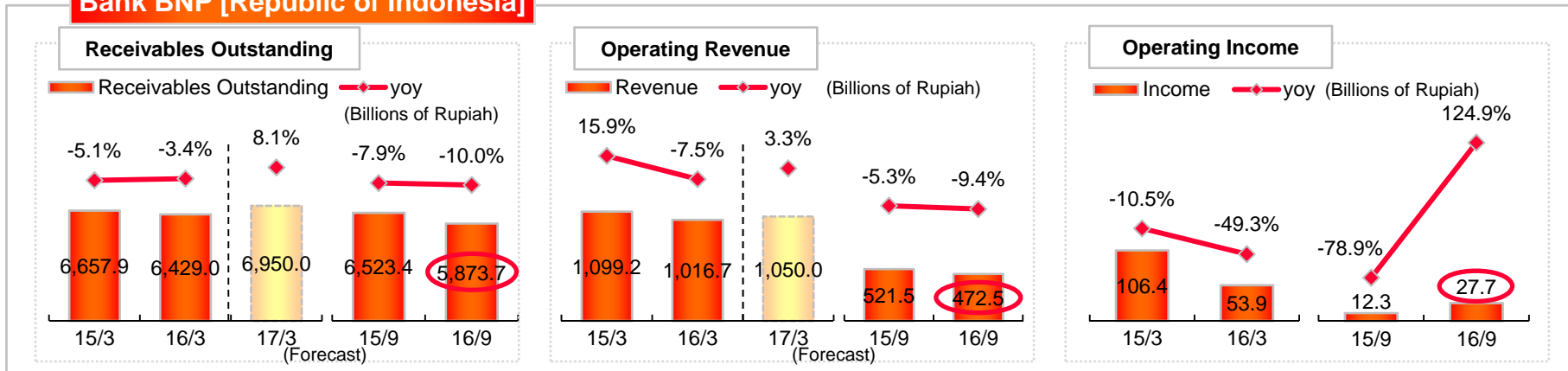
# Overseas Financial Business (Local Currencies Basis)

- **EASY BUY** : B/S ⇒ Increased by 16.2% yoy to 42.8 billion baht owing to smooth scale expansion.  
: P/L ⇒ Operating revenue increased by 11.8% yoy to 5.9 billion baht and operating income increased by 25.1% yoy to 1.9 billion baht.
- **Bank BNP** : Both business scale and business performance shrank as the bank implemented partial restriction on lending.

## EASY BUY [Kingdom of Thailand]



## Bank BNP [Republic of Indonesia]



\* 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 13.5% in the previous 2Q, current 2Q had decrease of 20.0% 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		
<b>Total</b>	90,500	-36.5	73,500	-18.8	69,900	-4.9	79,600	13.9	72,200	-9.3	295	31,300	-14.0	254		
Apr.	10,100	-9.0	6,400	-36.6	6,700	4.7	6,500	-3.0	6,500	0.0	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	-4.7	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		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	-13.5	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		319				
Nov.	7,100	-45.0	5,900	-16.9	5,600	-5.1	6,000	7.1	6,000	0.0	-6.6	315				
Dec.	6,200	-52.7	5,000	-19.4	5,500	10.0	6,300	14.5	5,800	-7.9		290				
Jan.	5,000	-60.0	5,000	0.0	5,000	0.0	4,900	-2.0	4,700	-4.1		247				
Feb.	7,200	-56.4	6,300	-12.5	5,900	-6.3	6,900	16.9	6,200	-10.1	-12.2	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 for Loss on Interest Repayment

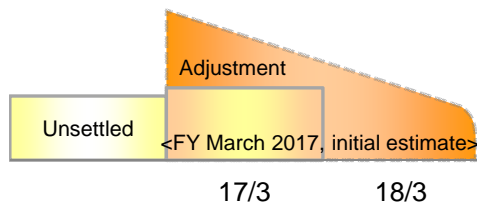
(Millions of yen, %)

	2016/3					2017/3				2017/3
	1Q	2Q	3Q	4Q	Total	1Q	2Q	Total	yoy	Forecast
Provision Drawdown	15,793	16,944	16,456	20,045	69,238	17,802	17,454	35,256	7.7	-
Interest Repayment	12,862	14,026	13,746	16,964	57,600	15,220	14,721	29,942	11.4	-
<Reference> Cash-out basis	13,401	14,043	13,663	16,040	57,147	16,013	14,244	30,257	10.2	-
Bad Debt Expenses (ACOM's voluntary waiver of repayments)	2,931	2,917	2,708	3,080	11,637	2,581	2,732	5,314	-9.1	-
Addition of Provision	-	-	14,700	41,938	56,638	-	-	-	-	-
Increase or Decrease in Provision	-15,793	-16,944	-1,755	21,894	-12,600	-17,802	-17,454	-35,256	-	-
Provision at the End of Respective Periods	86,806	69,862	68,106	90,000		72,197	54,743		-21.6	-

### FY March 2017

<Initial estimate : 90.0 billion yen>

<Image>



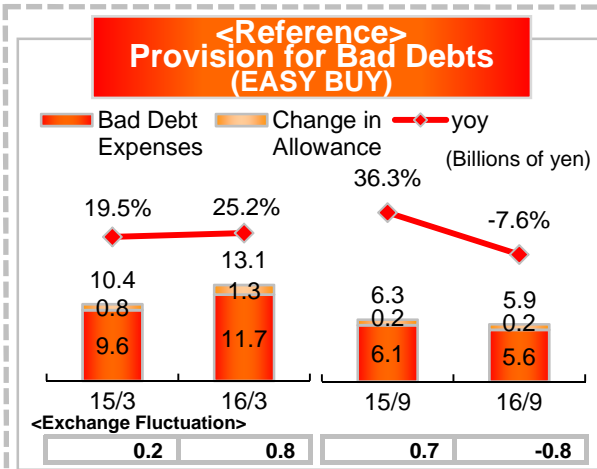
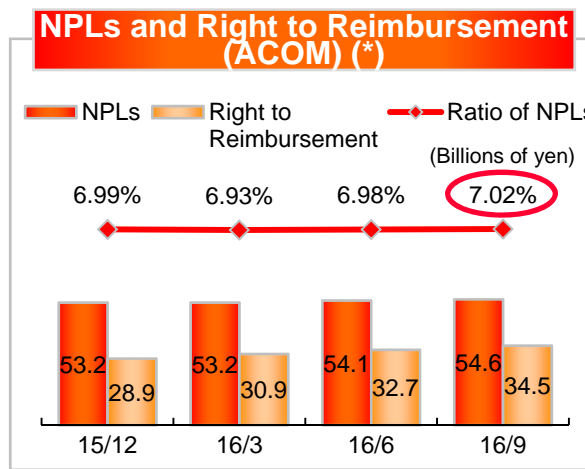
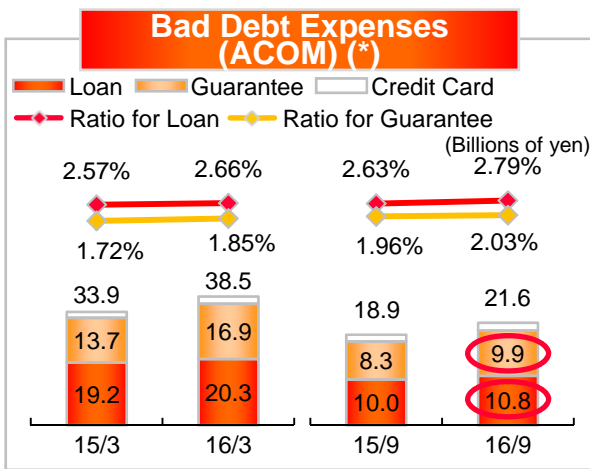
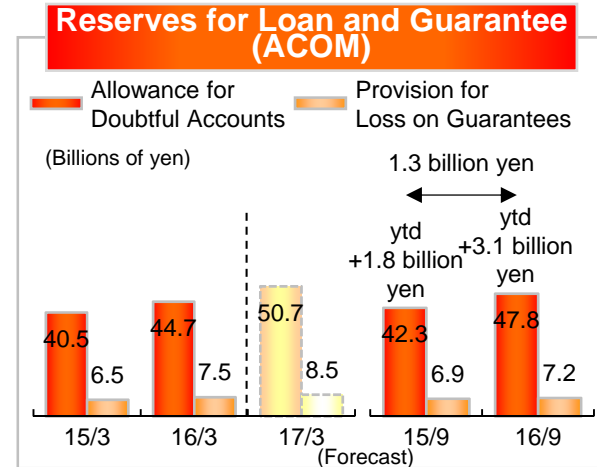
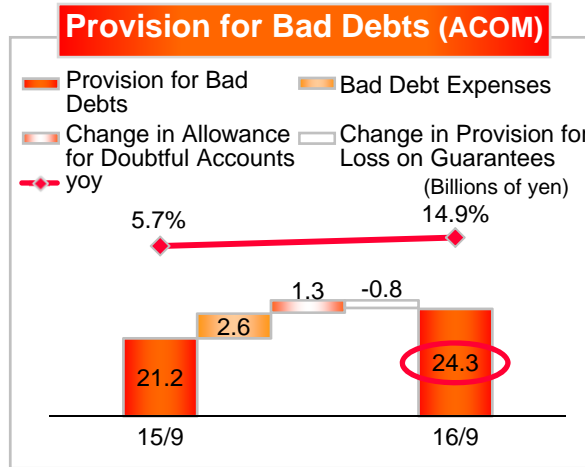
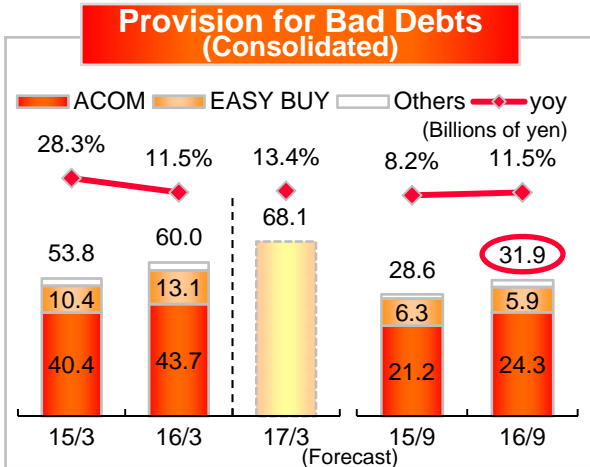
### Key Points for Provision

- **Provision** : 54.7 billion yen remains as 35.2 billion yen was drawn from 90.0 billion yen of provision.
- **Addition of provision** : We did not make any addition to the provision as requests for interest repayment remained within the permissible range despite trending above our initial forecast.
- **Evaluation of provision** : We will continue to review the difference between expected amount of requests and amount actually requested every quarter to evaluate validity and sufficiency of the provision.



# Provision for Bad Debts

- **Provision for Bad Debts (Consolidated)** : Increased by 11.5% yoy to 31.9 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 7.02%

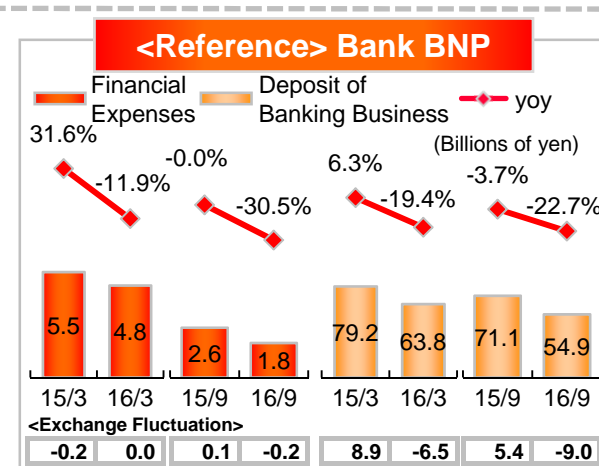
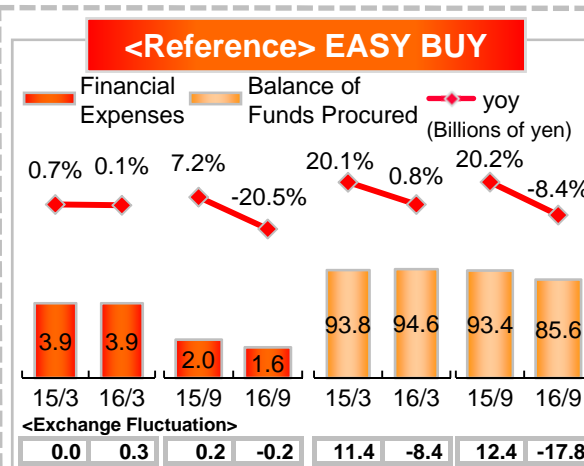
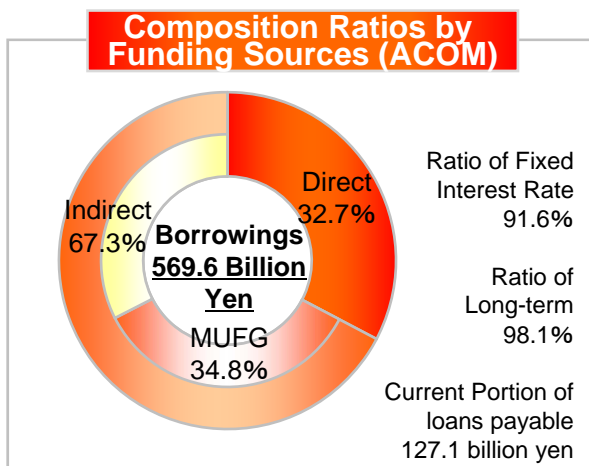
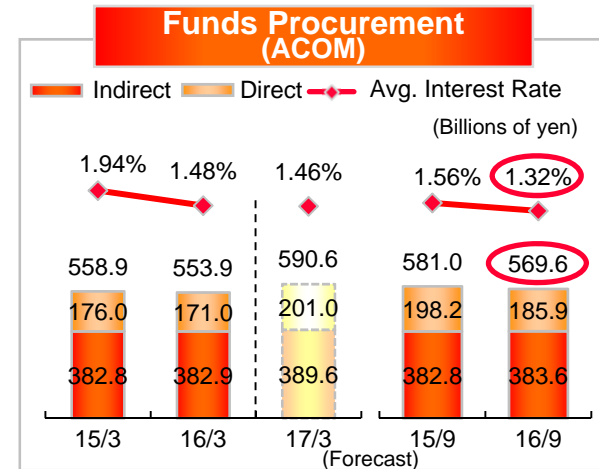
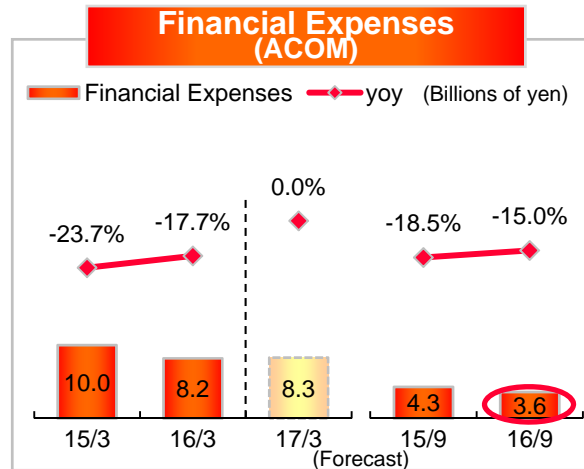
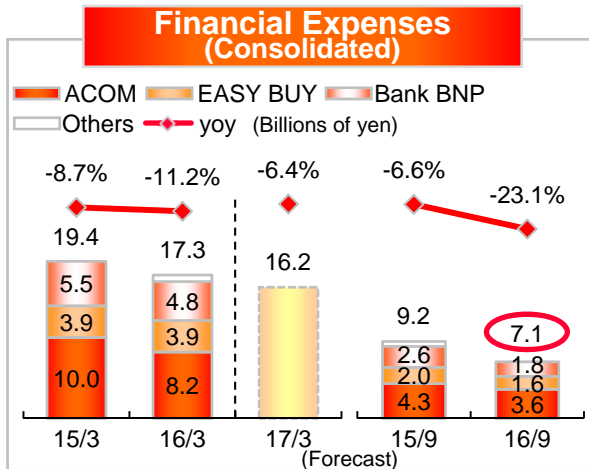


\* Bad Debt Expenses and Ratio of Bad Debts exclude waiver of repayments accompanying interest repayment.  
 \* The ratios of bad debt expenses for 15/9 and 16/9 are recalculated into annual basis.  
 \* Right to reimbursement is loans in which guarantee obligations have been performed by ACOM, but not yet written-off.



# Financial Expenses

- **Financial Expenses (Consolidated)** : Decreased by 23.1% yoy to 7.1 billion yen owing to improvements in funding environment of ACOM and EASY BUY, combined with exchange fluctuation caused by strong yen.
- **Funds Procurement (ACOM)** : Decreased by 2.0% yoy to 569.6 billion yen.
- **Average Interest Rate (ACOM)** : Decreased by 24 basis points to 1.32% owing to further replacements of borrowings amid improving funding environment.







# 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)."**

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# Reference Information

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# [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	-	-	-	-
<b>&lt;P/L&gt;</b>								
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] Summary of Segment Income

## ● Operating Revenue and Segment Income

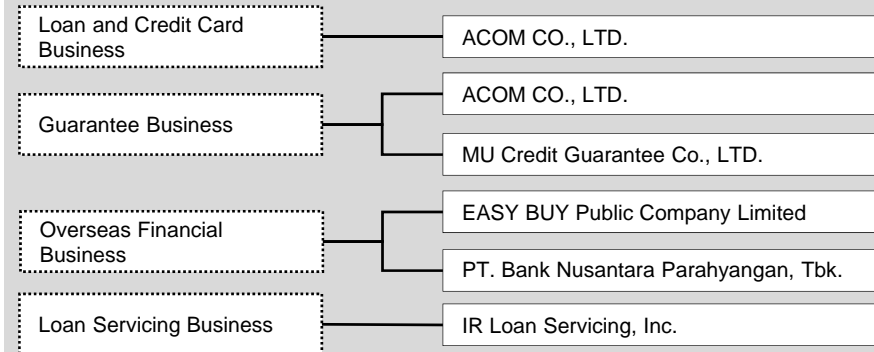
(Millions of yen, %)

	Loan and Credit Card Business		Guarantee Business		Overseas Financial Business		Loan Servicing Business		Subtotal		Others	Total
		yoy		yoy		yoy		yoy		yoy		
Operating Revenue	67,636	1.8	27,332	15.4	22,756	-6.5	3,305	2.2	121,030	2.8	98	121,128
Revenue from External Customers	67,636	1.8	27,332	15.4	22,748	-7.2	3,305	2.2	121,023	2.6	0	121,023
Revenue from Transactions with Other Operating Segments	-	-	-	-	7	-	-	-	7	-	98	105
Operating Expenses	44,657	1.7	19,040	15.6	16,508	-11.4	2,779	29.1	82,986	2.2	-	82,986
Segment Income	22,978	1.9	8,291	15.0	6,247	9.9	526	-51.4	38,044	4.1	98	38,142

## ● Difference between Segment and Consolidated Operating Income

Income	Amount	
		yoy
Segment Income	38,044	4.1
Income of "Others" Category	98	-73.4
Elimination of Intersegment Transactions	52	-37.5
Adjustments due to Unification of Accounting Treatment between Parent Company and Subsidiary	71	-
Consolidated Operating Income	38,266	3.7

## <Reference>





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

<b>Foundation Spirit</b>	Circle of Trust	
<b>Origins of Company Name</b>	Affection <u>C</u> onfidence <u>M</u> oderation	
<b>Corporate Philosophy</b>	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.	
<b>Management Vision</b>	Be the “leading company” which provides prime satisfactions to utmost number of customers and win their trust in return	
<b>Key Business Domains</b>	Domestic	Loan and credit card business, and guarantee business
	Overseas	Loan business in ASEAN region
<b>Medium-term Management Policy</b>	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.	

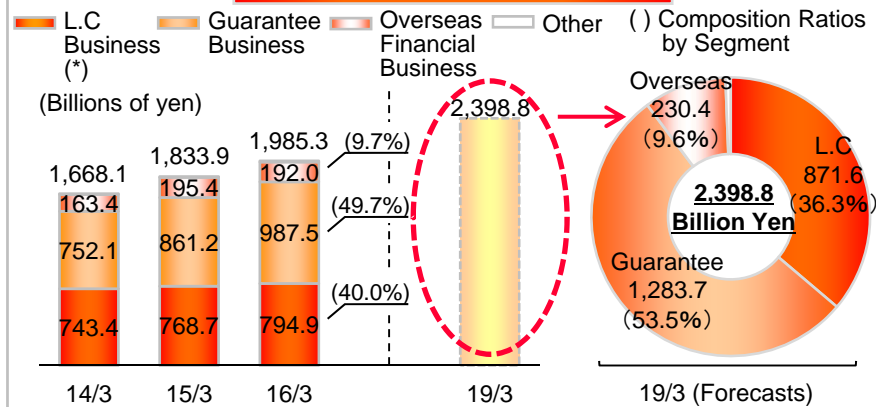
### <Measures to be taken by 3 core businesses>

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

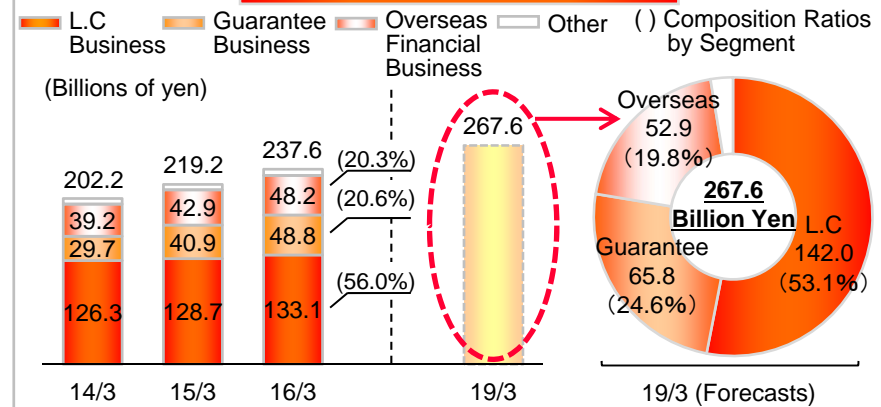


## [Reference] Quantitative Targets for the Medium-Term Management Plan (2017/3 – 2019/3)

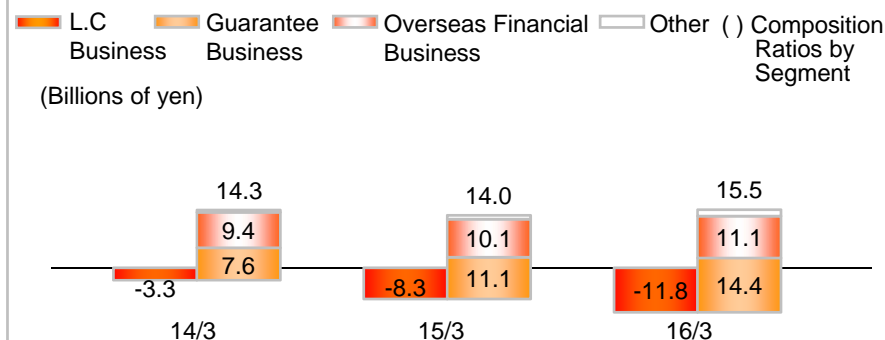
### Loans Receivable



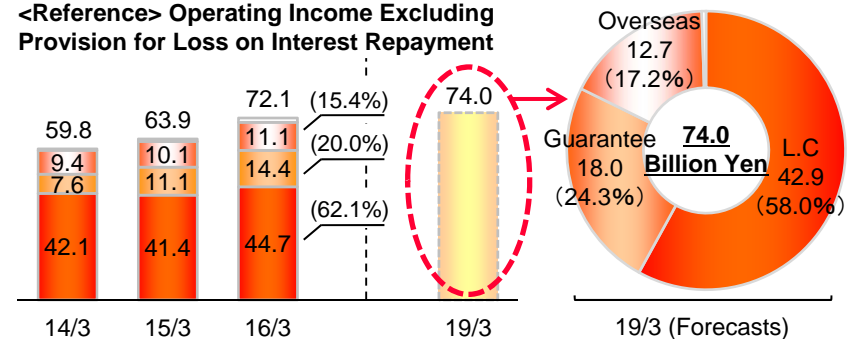
### Operating Revenue



### 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 and 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.