

# Earnings Release Presentation

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Financial Results for the Fiscal Year Ended March 2022



May 13, 2022

## ■ Disclaimer

The figures contained in this presentation material with respect to ACOM Group's plans and strategies and other statements that are not historical facts are based on information available at the date of announcement of this presentation material. However, there are some potential risk factors in the Group's business management. In particular, the plans formulated by the Company rest on the assumption that the stagnant economic activities on the impact of the spread of COVID-19 will gradually recover. Therefore, the actual results may differ significantly based the converges of COVID-19 infection.

The trend of requests for interest repayment is also 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.

## ■ Notations

L.C. Business	Loan and Credit Card Business
MUCG	MU Credit Guarantee Co., LTD.
yoy	year on year percentage point
ytd	year to date percentage point
E	estimates
EB、EASY BUY	EASY BUY Public Company Limited
ACF	ACOM CONSUMER FINANCE CORPORATION

## ■ Reference

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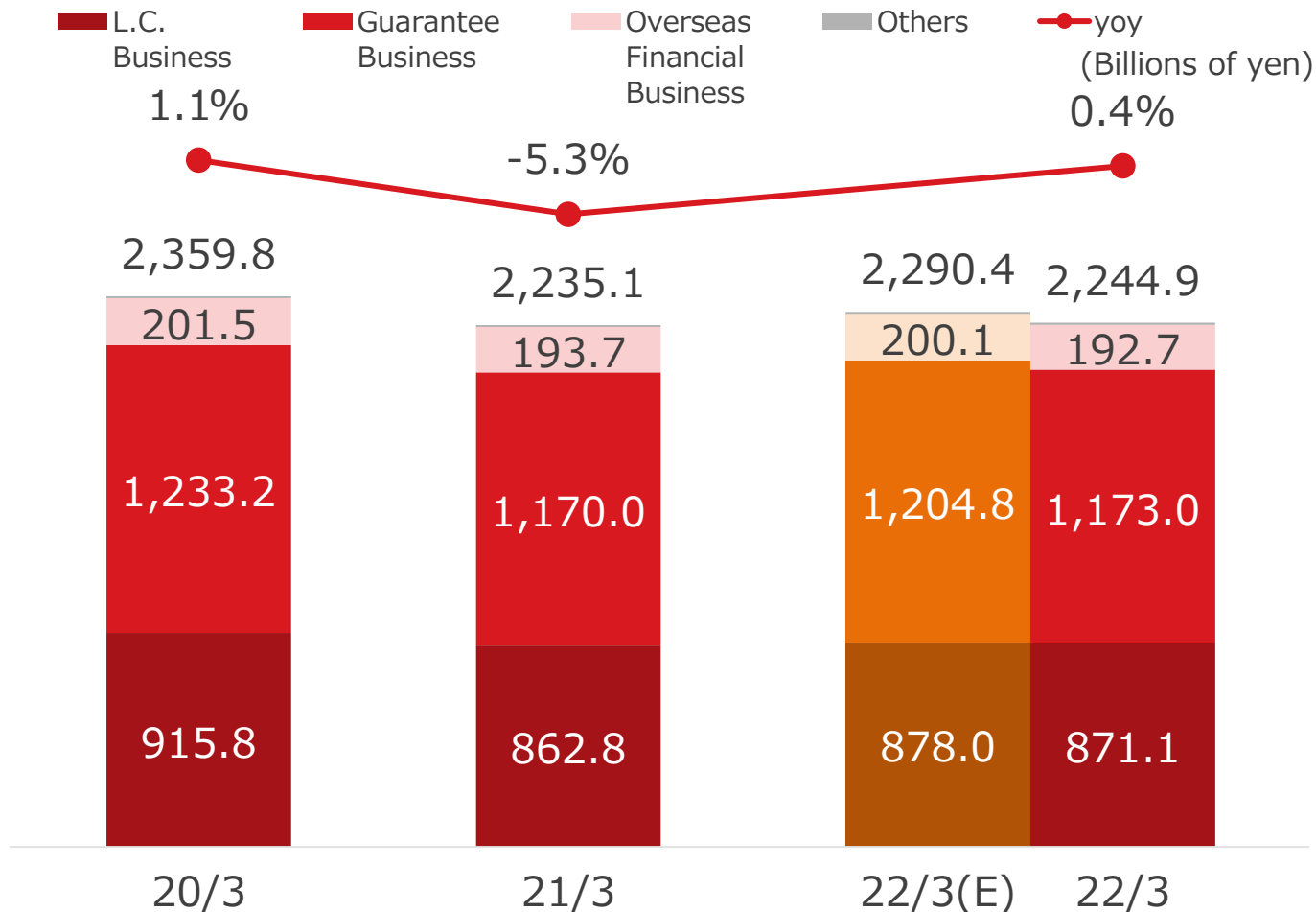
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# Consolidated Financial Summary (Business Scale)

- The impact of COVID-19 lasted longer than expected, and there was a delay in business recovery.
- L.C. Business and Guarantee Business showed signs of recovery after 3Q.



Consolidated  
Receivables  
Outstanding

**¥2,244.9bn**  
(yoy + 0.4%/compared to E -2.0%)

L.C. Business

**¥871.1bn**  
(yoy + 1.0%/compared to E -0.8%)

Guarantee  
Business

**¥1,173.0bn**  
(yoy + 0.3%/compared to E -2.6%)

Overseas  
Financial  
Business

**¥192.7bn**  
(yoy -0.5%/compared to E -3.7%)

# Consolidated Financial Summary (Business Performance)

- Operating Revenue decreased by 1.6% to ¥262.1 billion.
- Operating Profit resulted in ¥34.7 billion due to addition to provision for interest repayment.
- The classification of companies in relation to the recoverability of deferred tax assets is revised.  
Profit attributable to owners of parent resulted in ¥55.6 billion.

## Operating Revenue

## Operating Profit

## Attributable to Owners of Parent Profit

Consolidated **¥262.1bn**  
(yoy -1.6%/ compared to E +0.6%)

Consolidated **¥34.7bn**  
(yoy -64.8%)

**¥55.6bn**  
(yoy -29.4%/ compared to E -8.7%)

L.C. Business **¥142.3bn**  
(yoy -1.5%/ compared to E +0.2%)

L.C. Business **-¥8.8bn**  
(yoy — )

## Dividends

Guarantee Business **¥62.8bn**  
(yoy -2.2%/ compared to E +0.7%)

Guarantee Business **¥23.9bn**  
(yoy -4.2%)

Interim : **¥3**  
Year-end : **¥4\*** } Total : **¥7**

Overseas Financial Business **¥51.2bn**  
(yoy -1.7%/ compared to E +0.1%)

Overseas Financial Business **¥18.3bn**  
(yoy -7.7%)

## Pay-out Ratio

**19.7%**

\* The year-end dividend for the fiscal year ended March 31, 2022 is subject to approval at the annual shareholders' meeting to be held in June 2022.

# What's New for FY March 2022 | Cardless/Cashless



## Virtual Card

Virtual Card (Credit Card) can be instantly issued via smartphone, enabling customers to shop online without a physical card.

## Smartphone ATM

Customers can scan QR code on Seven Bank's ATMs' screen via smartphone, enabling withdrawal (borrowing) and repayment without a physical card.



## Changed the Concept of TV Commercials

Our TV commercials change from “emphasizing features” such as zero yen interest rate services and immediacy to “evoking specific usage scenarios.”



## Launched a Project for Challengers

We launched a new project “Challenge What You Want to Start” to support first challenge and create a society where everyone can try what they want to try.

# What's New for FY March 2022 | Strategies for Next Growth



## **Established “GeNiE Inc.”**

In April 2022, to start Embedded Finance Business, GeNiE was set up. By business alliance with Crezit Holdings, we are preparing a new experience of financial services.



## **Established a subsidiary in Malaysia**

In July 2021, ACOM(M)SDN. BHD. was established in Malaysia, preparing to start business right after acquisition of the moneylender license.



# What's New for FY March 2022 | External Evaluation



## Ranked No. 2 in Popularity of Companies

Ranked No.2 in the "Credit, Consumer Credit, Leasing, and Other Finance Sector" in a joint survey by Mynavi Corp. and Nikkei Inc., ranking the most popular companies for university students graduating in 2023.



## Awarded as a "Welfare Promotion Corporation"

ACOM was awarded as a "Welfare Promotion Corporation" which is given to only 5 companies for their outstanding efforts under welfare award and certification system, "Hataraku Yell."



## Designated as Excellent Health Management Corp.

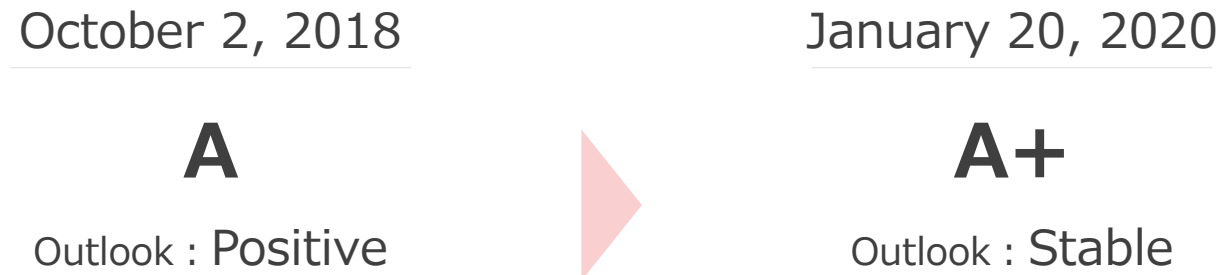
Established the "Declaration of Health Management" in October 2021, and was recognized as an "Excellent Health Management Corporation 2022" jointly selected by the Ministry of Economy, Trade and Industry and the Japan Health Council.

# What's New for FY March 2022 | Rating Upgrades

**Rating and  
Investment  
Information, Inc.  
(R&I)**



**Japan Credit  
Rating Agency, Ltd.  
(JCR)**



# **FY March 2022 Supplement**

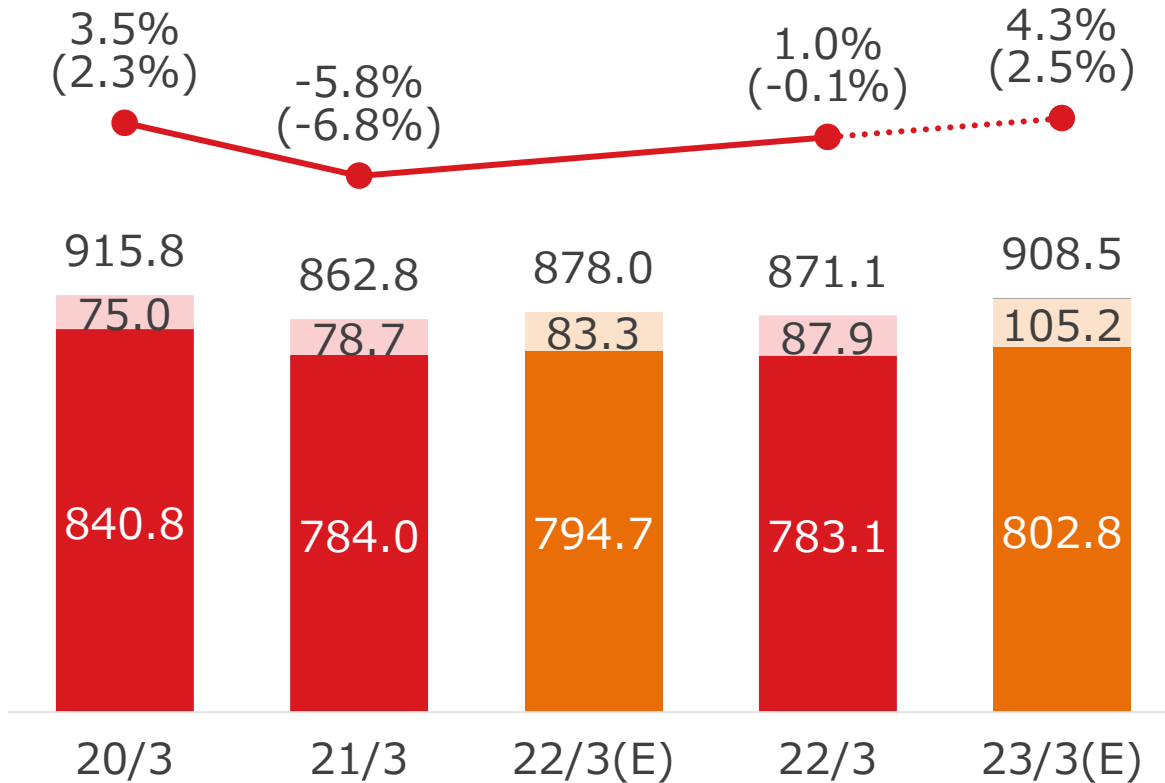
# Loan and Credit Card Business | Business Scale

- Receivables Outstanding increased by 1.0% yoy to ¥871.1 billion as there were signs of recovery in funds demand after 3Q. No. of Customer Accounts for Loans increased by 0.9% yoy to 1,516 thousand.
- Receivables Outstanding for Loans decreased by 0.1% to ¥783.1 billion.

## ■ Receivables Outstanding

(Billions of yen)

■ Loan ■ Credit Card ■ Others ● yoy <( ) shows Loans >

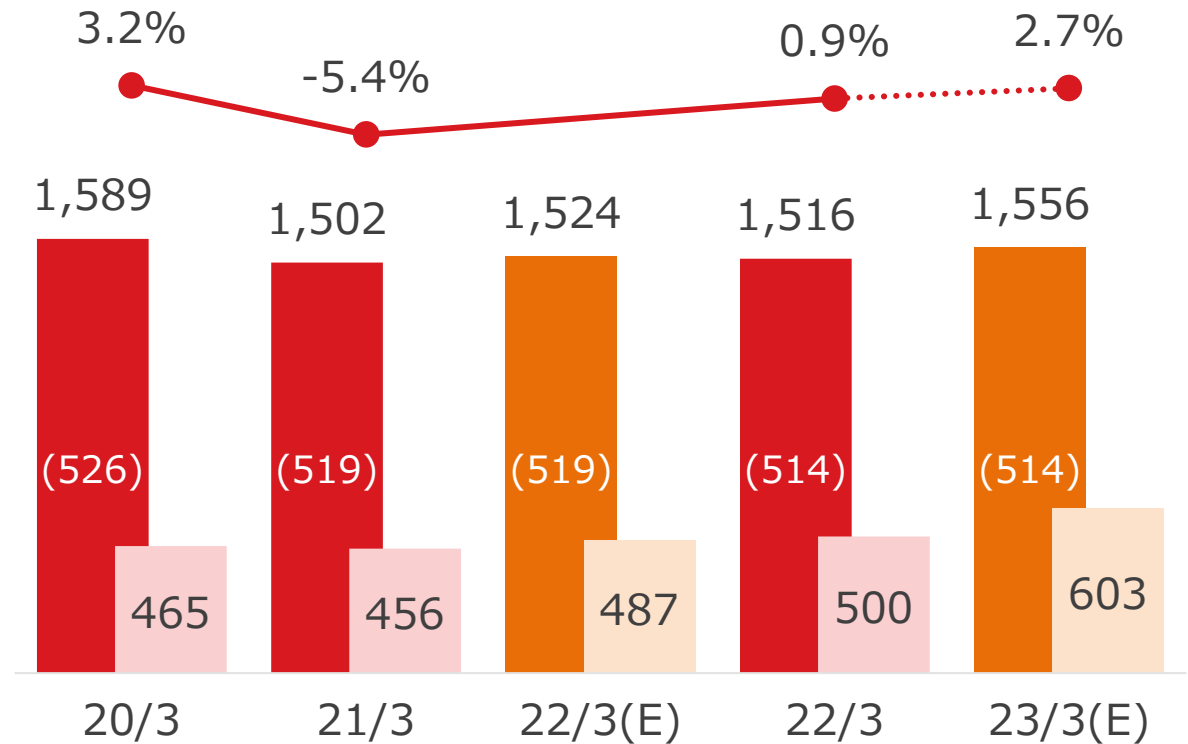


## ■ Number of Customer Accounts\*

(Thousands)

■ Loan ■ Credit Card ● yoy

<( ) shows average balance per account (Thousands of yen)>

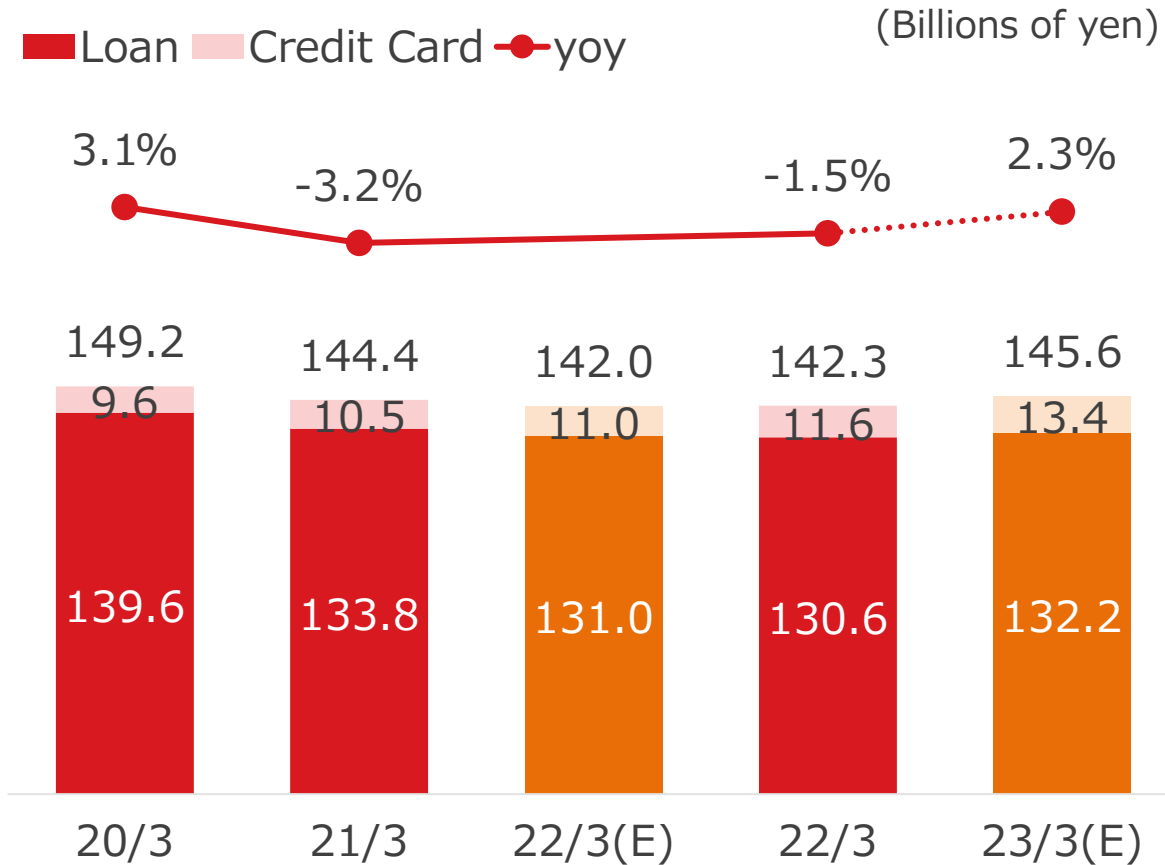


\* Credit Card Business : Number of cardholders

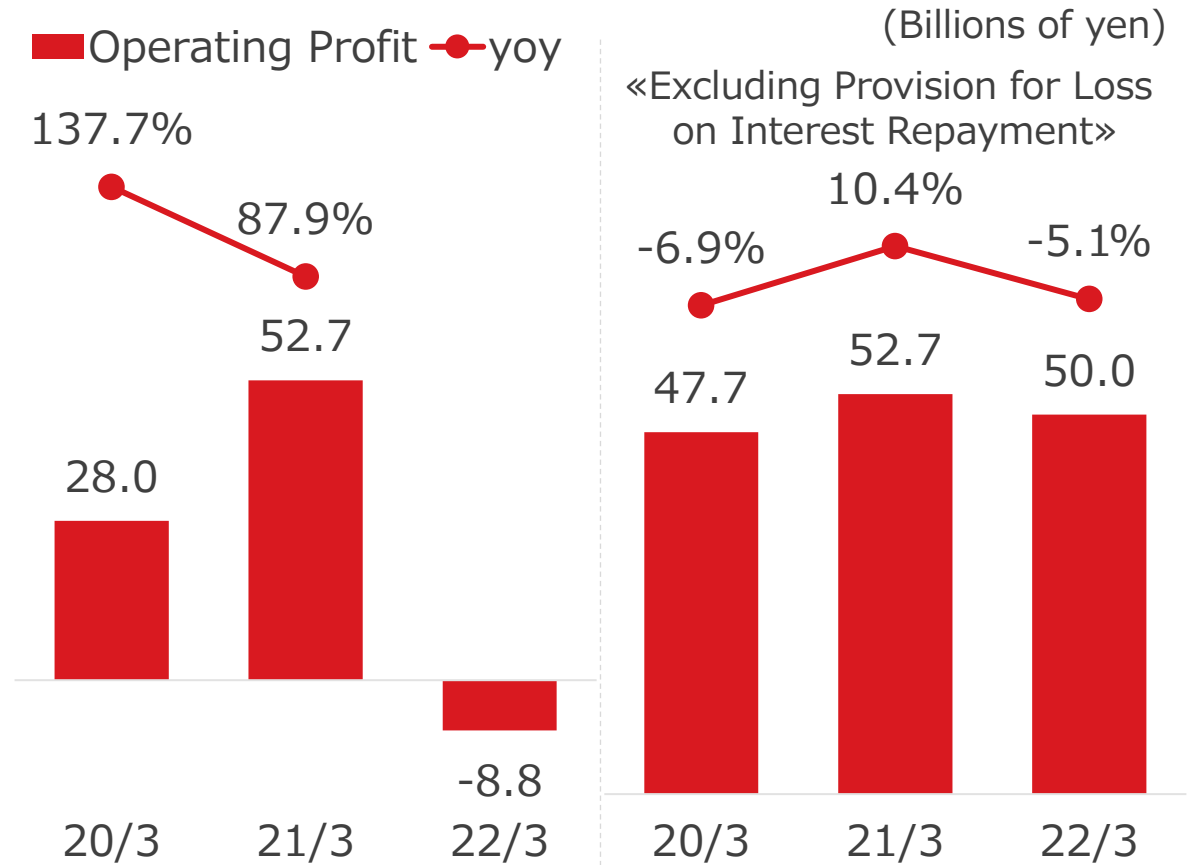
# Loan and Credit Card Business | Business Performance

- Operating Revenue decreased by 1.5% yoy to ¥142.3 billion.
- Operating Loss resulted in -¥8.8 billion due to addition of ¥58.9 billion (3Q:¥7.6 bn、4Q:¥51.2 bn) to provision for interest repayment.

## ■ Operating Revenue



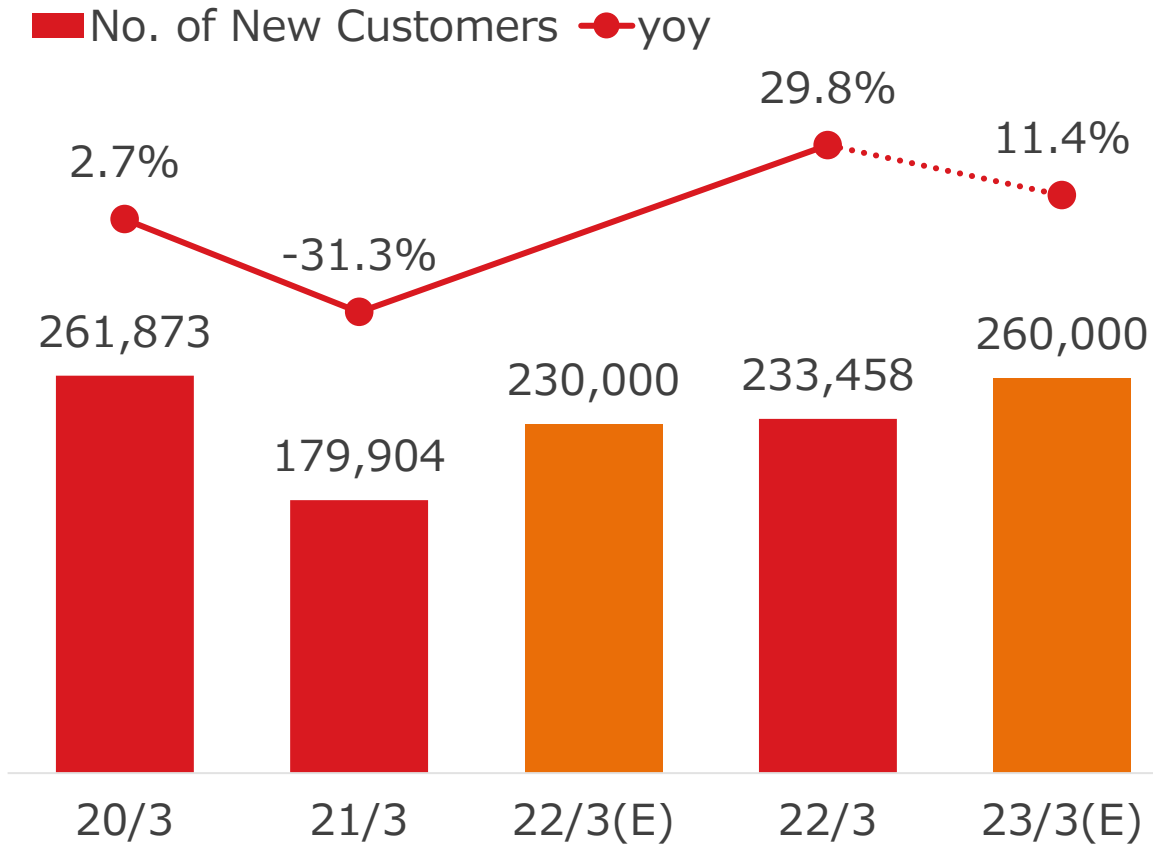
## ■ Operating Profit



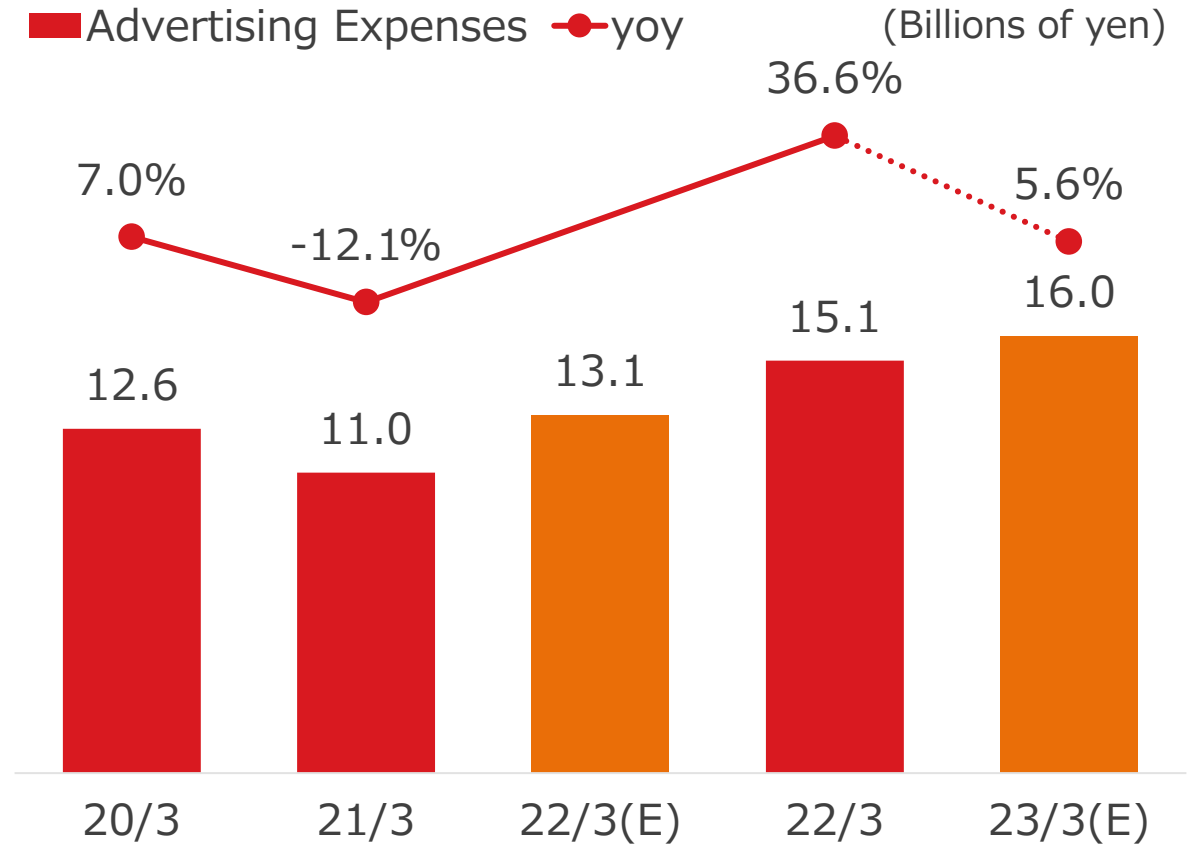
# Loan and Credit Card Business | No. of New Customers

- Increased by 29.8% yoy to 233,458 customers.
- Expect 260 thousands for FY March 2023.

## ■ Number of New Customers (Unsecured)



## ■ Advertising Expenses (ACOM)

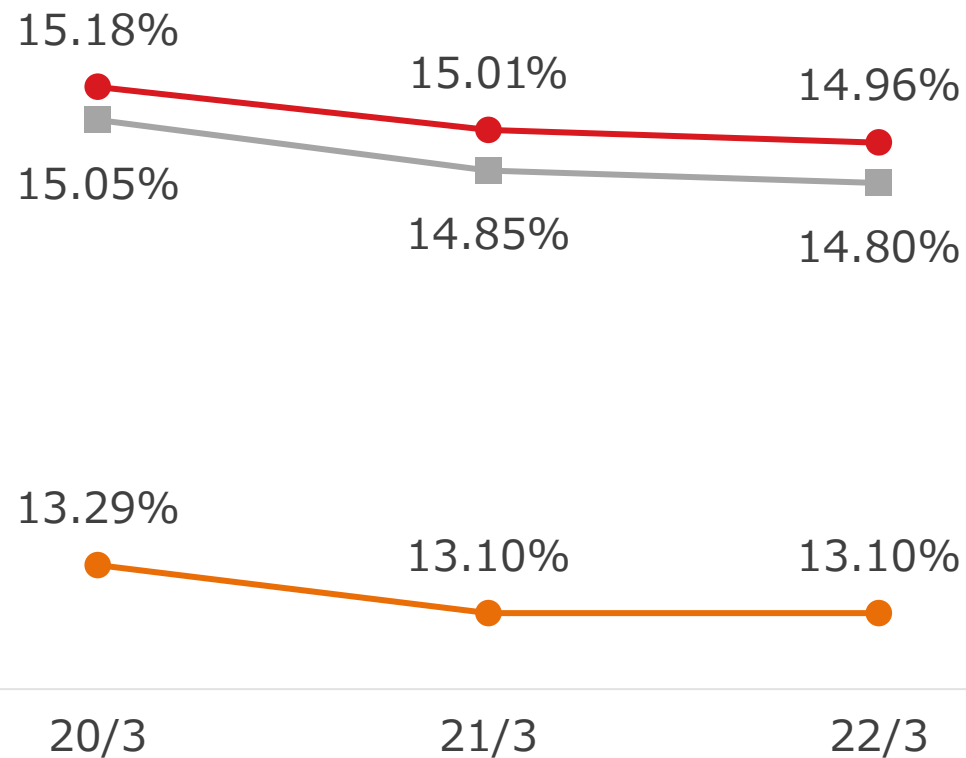


# Loan and Credit Card Business | Yield・Bad Debt Expenses

- Average Loan Yield in L.C. Business decreased by 5 basis points yoy to 14.80%.
- Amount of Bad Debt Expenses decreased as many customers used their excess cash on hand to repay the loan. Ratio of Bad Debt Expenses decreased by 35 basis points yoy to 3.04%.

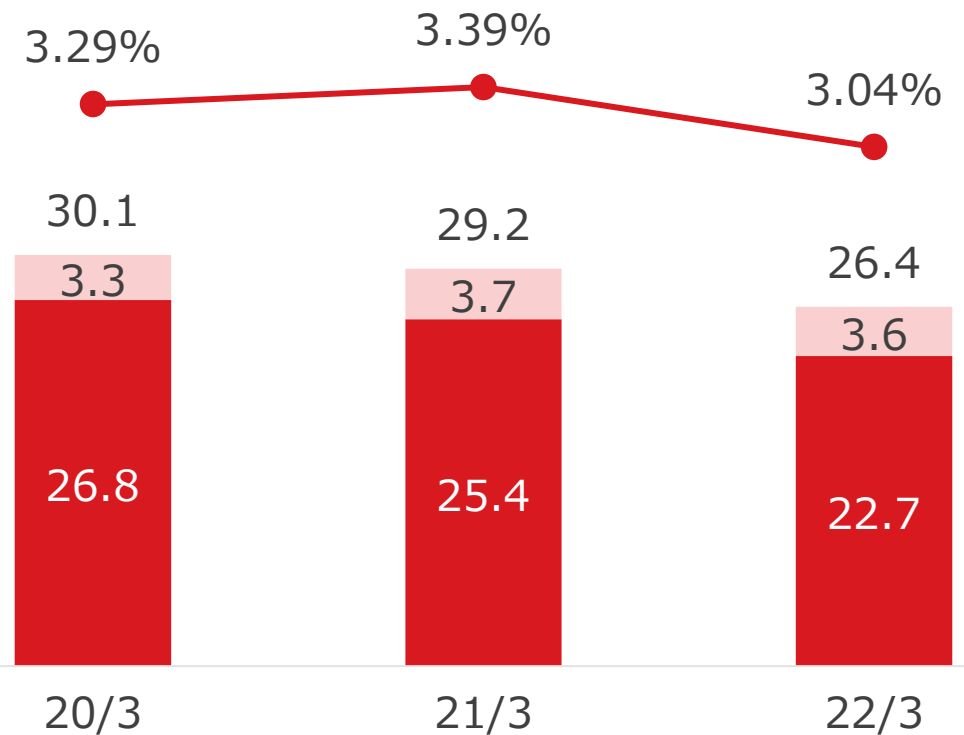
## ■ Average Loan Yield\*1

● Loan ● Credit Card ■ Loan and Credit Card



## ■ Amount and Ratio of Bad Debt Expenses\*2

■ Loan ■ Credit Card ● Ratio of Bad (Billions of yen)  
Debt Expenses



\*1 Average yield of credit card is calculated by receivables and fees of revolving.

\*2 Amount and ratio of bad debt expenses exclude waiver of repayments accompanying requests for interest repayment.

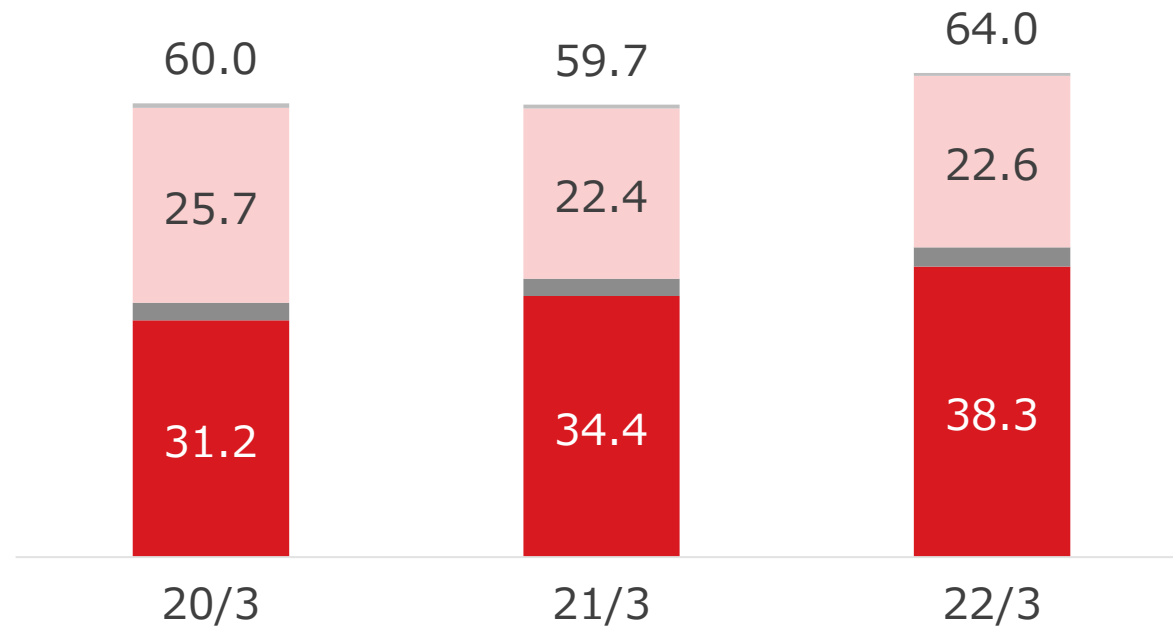
# Loan Business | Non-performing Loans

- NPLs increased to ¥64.0 billion, mainly due to an increase in restructured loans with low ratio of bad debt expenses.

## ■ Non-performing Loans

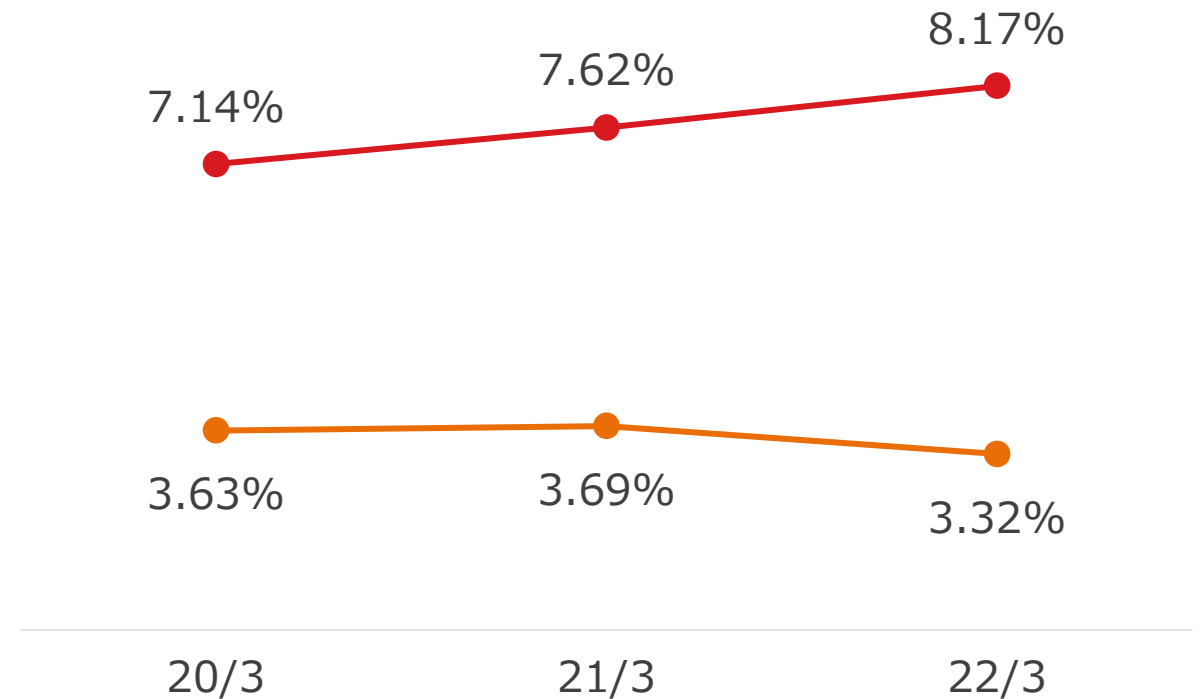
(Billions of yen)

- Bankrupt or De facto Bankrupt
- Doubtful Receivables
- Receivables Past Due for Three Months or More
- Restructured Loans



## ■ Ratio of NPLs and Bad Debt Expenses \*

- NPLs
- Bad Debt Expenses(Loan)



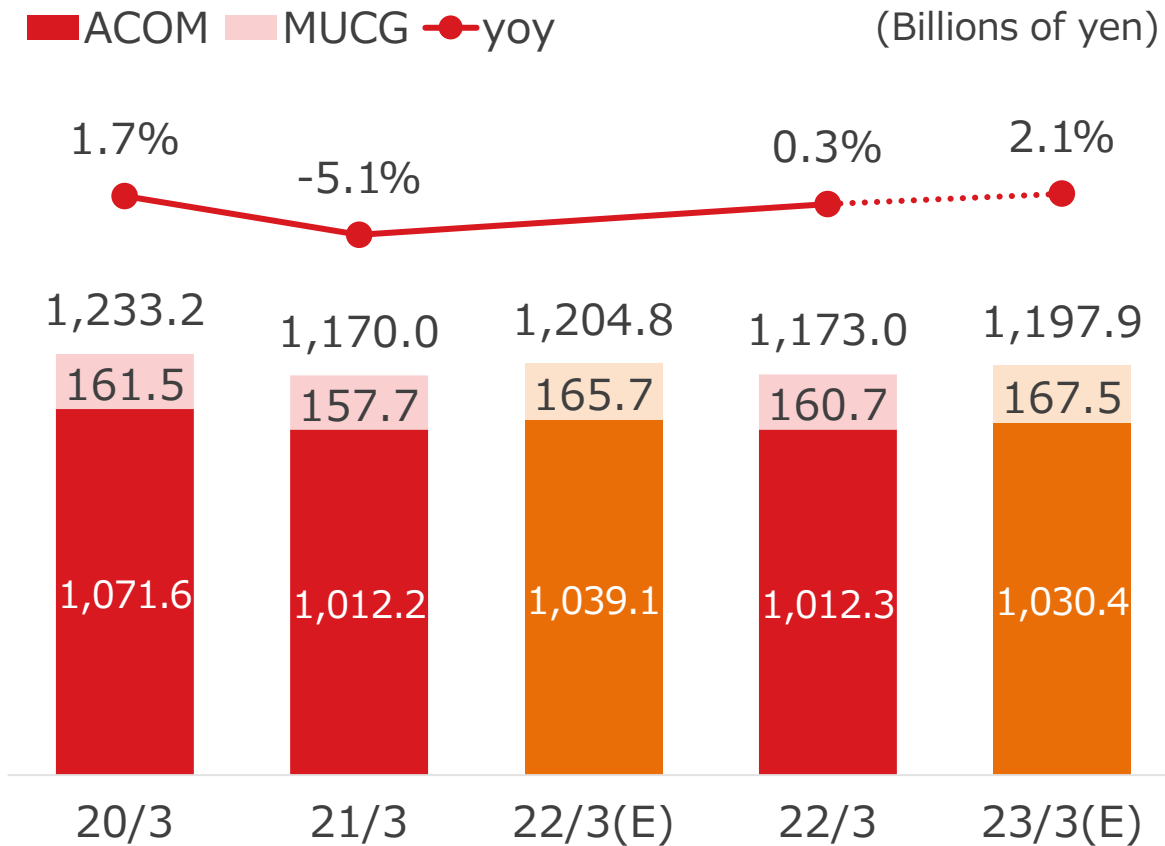
\* Ratio of bad Debt Expenses exclude waiver of repayments accompanying requests for interest repayment.



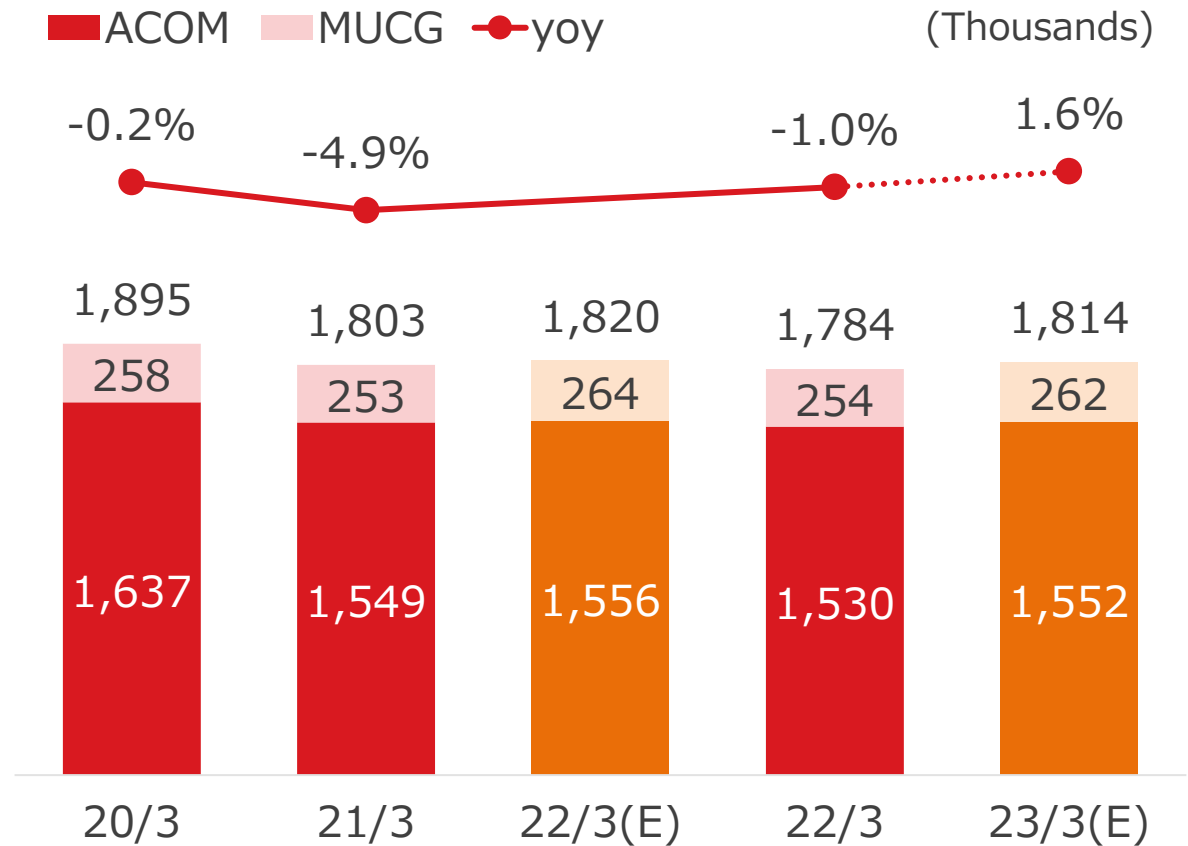
# Guarantee Business | Business Scale

- With signs of recovery in funds demand from 3Q, Guaranteed Receivables increased by 0.3% yoy to ¥1,173.0 billion. The number of accounts decreased by 1.0% yoy to 1,784 thousands.

## ■ Guaranteed Receivables



## ■ Number of Customer Accounts

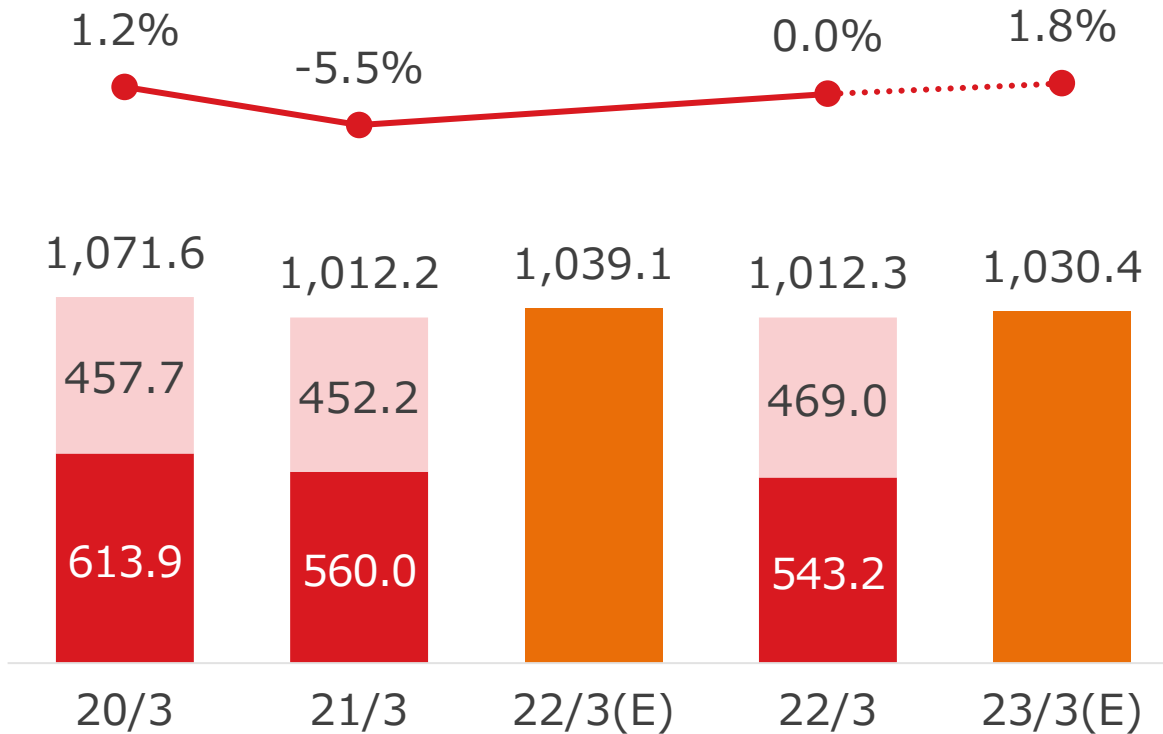


# Guarantee Business | Business Scale (ACOM)

- Guaranteed Receivables increased +0.0% yoy to ¥1,012.3 billion. The number of accounts decreased 1.3% yoy to 1,530 thousand.

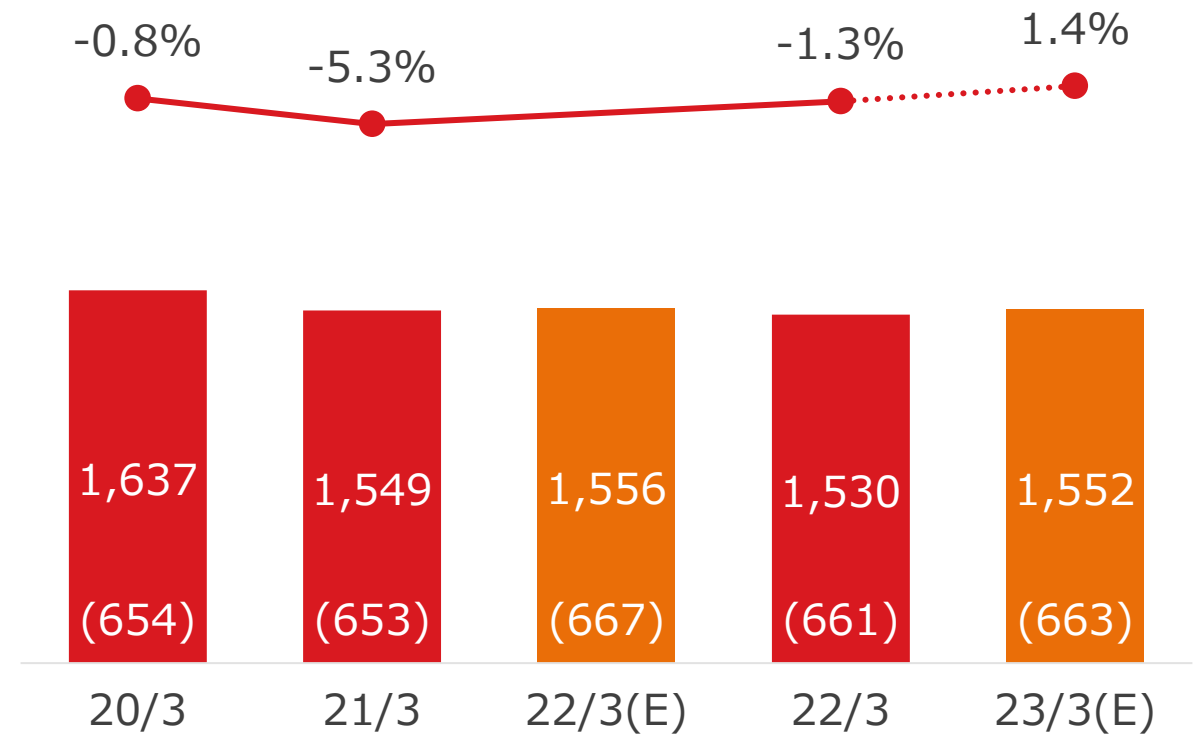
## ■ Guaranteed Receivables

(Billions of yen)  
■ MUFG Bank ■ Regional Banks, etc. ● yoy



## ■ Number of Customer Accounts

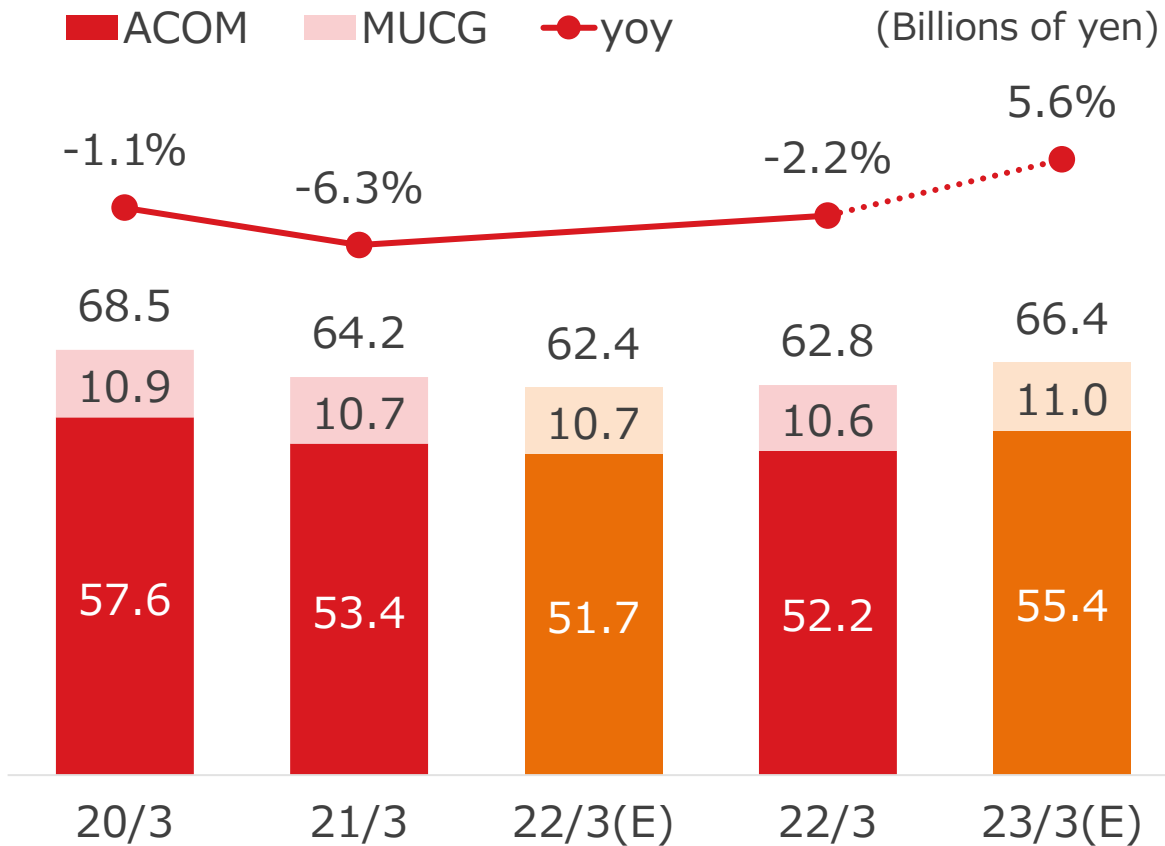
■ Number of Customer Accounts ● yoy (Thousands)  
<( ) shows average balance per account (Thousands of yen)>



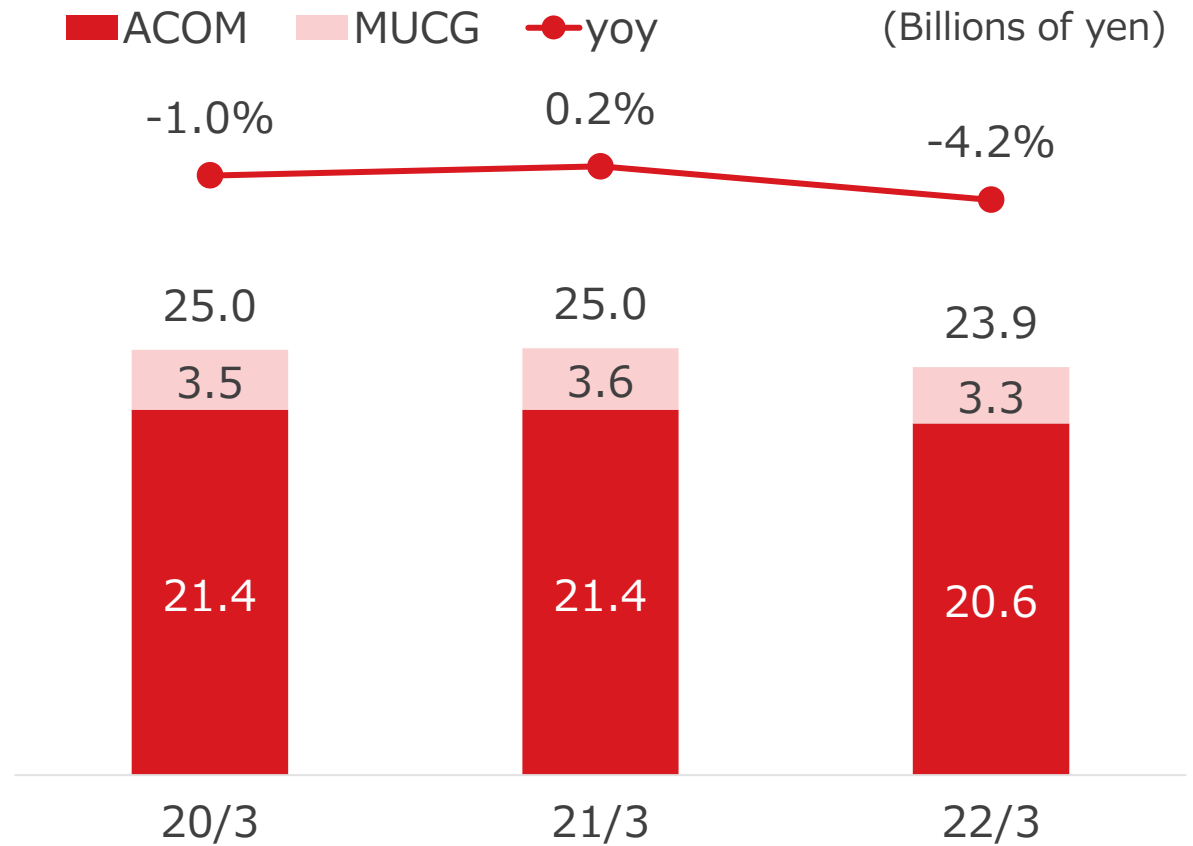
# Guarantee Business | Business Performance

- Operating Revenue decreased by 2.2% yoy to ¥62.8 billion due to revision of guaranteed fee rates.
- Operating Profit decreased by 4.2% yoy to ¥23.9 billion.

## ■ Operating Revenue



## ■ Operating Profit

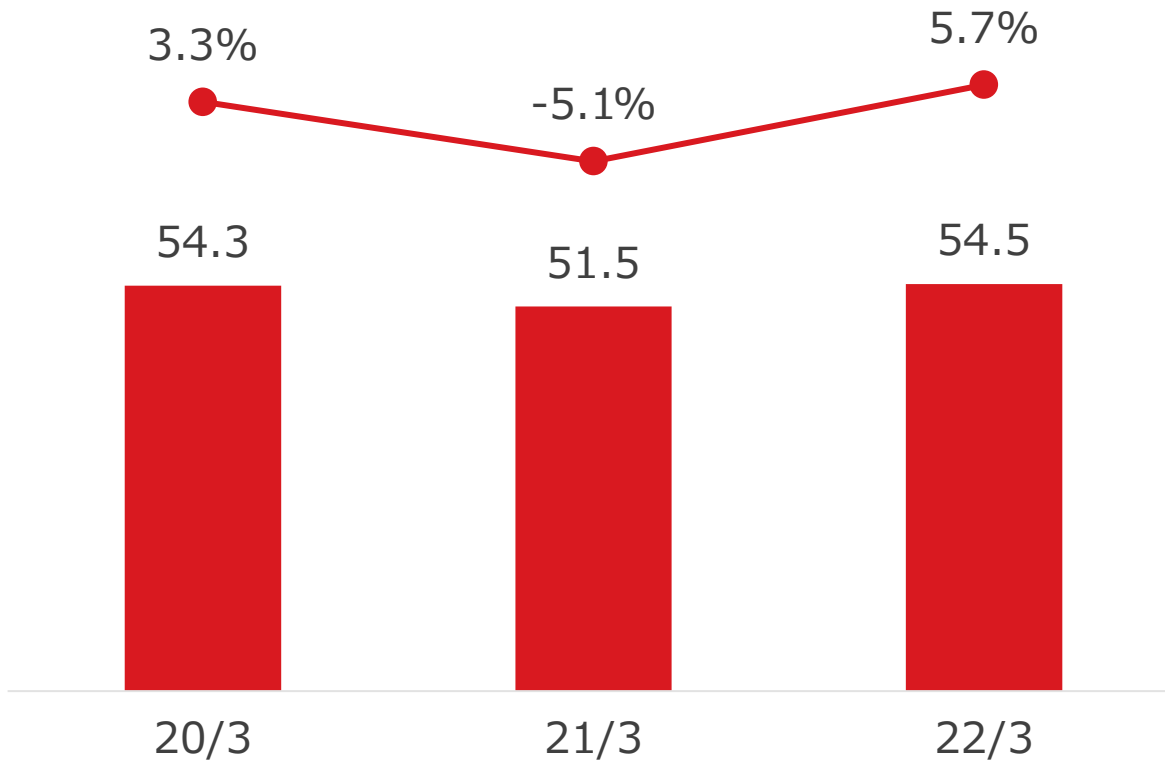


# Guarantee Business | Right to Reimbursement·Bad Debt Expenses (ACOM)

- Right to reimbursement increased by 5.7% yoy to ¥54.5 billion, mainly due to an increase in the fulfillment of guarantees from some of our alliance partners.
- Ratio of Bad Debt Expenses decreased by 41 basis points yoy to 1.96%.

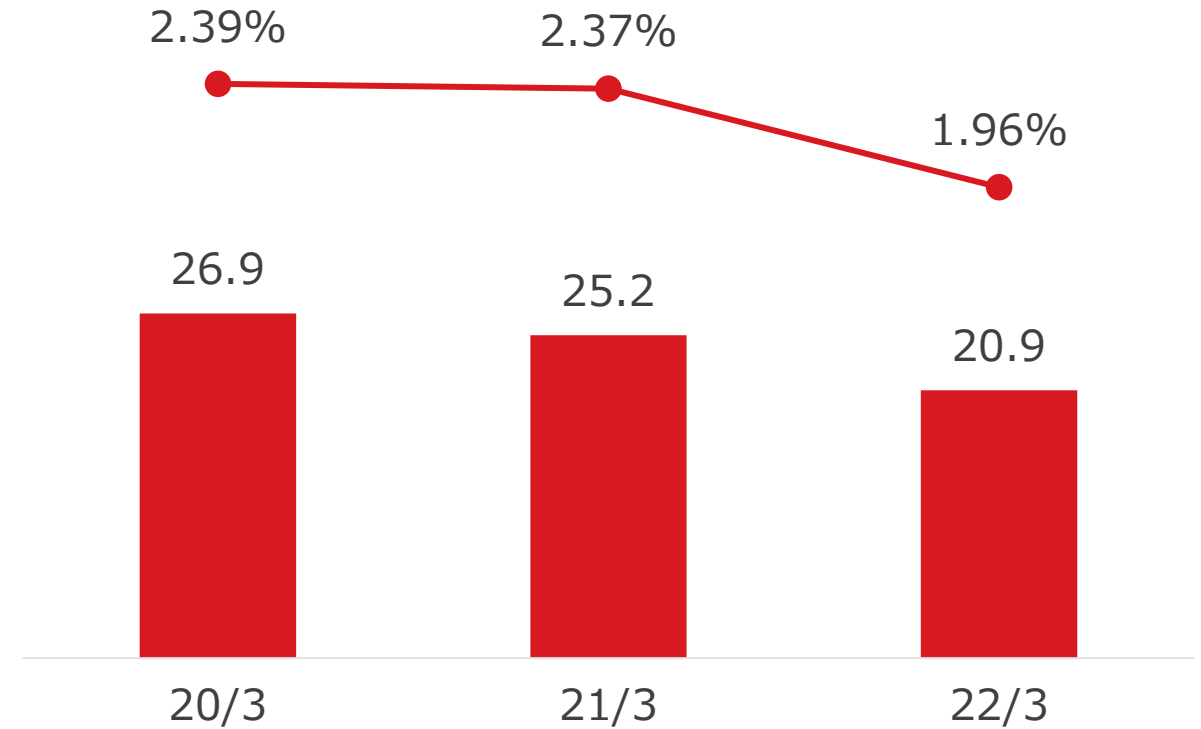
## ■ Right to Reimbursement \*

■ Right to Reimbursement ● yoy (Billions of yen)



## ■ Amount and Ratio of Bad Debt Expenses

(Billions of yen)  
■ Bad Debt Expenses ● Ratio of Bad Debt Expenses

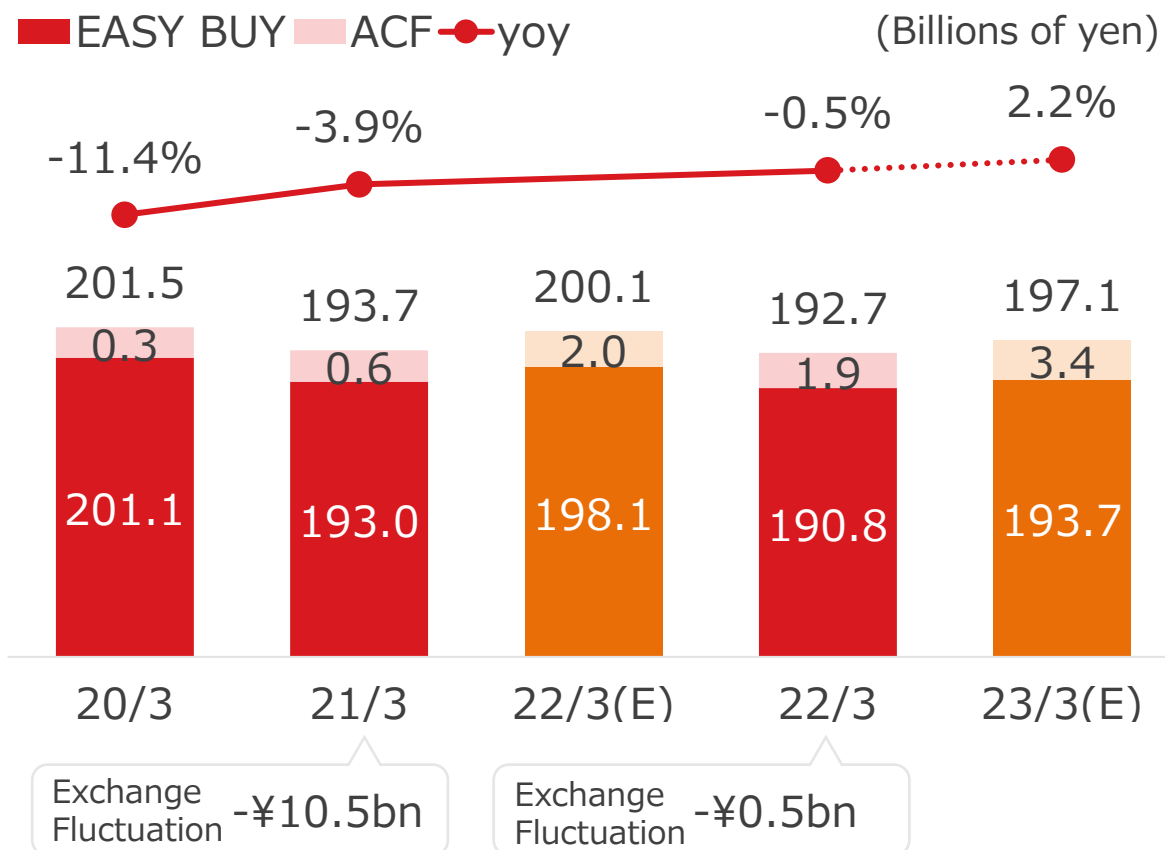


\* Right to reimbursement is loans in which guarantee obligations have been performed by ACOM, but not yet written-off.

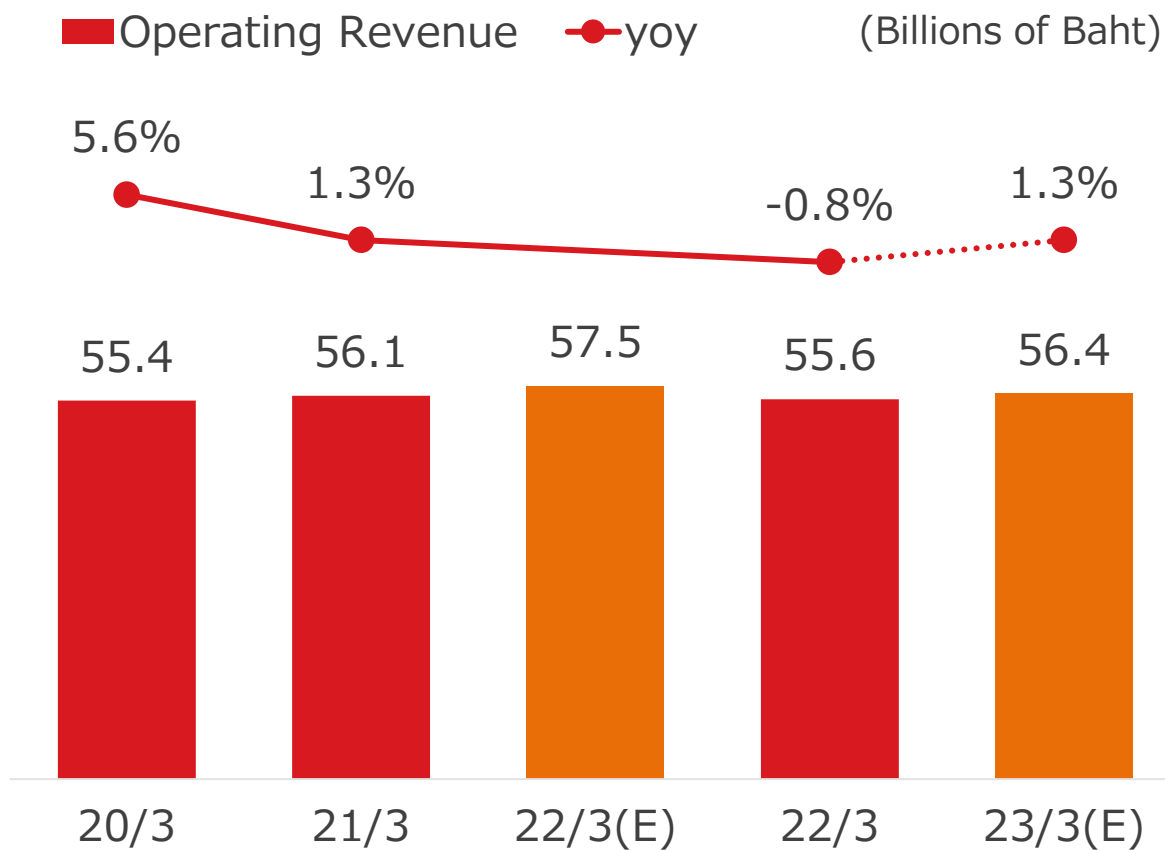
# Overseas Financial Business | Receivables Outstanding\*<sup>1</sup>

- Decreased by 0.5% yoy to ¥192.7 billion in EASY BUY in Thailand, which accounts for the majority of Overseas Financial Business, due to the temporary closure of branches and booths in commercial facilities and restrictions on outside sales activities limitation of led by the impact from lockdown.

## ■ Overseas Financial Business(Yen Basis)\*<sup>2</sup>



## ■ EASY BUY(Local Currencies Basis)



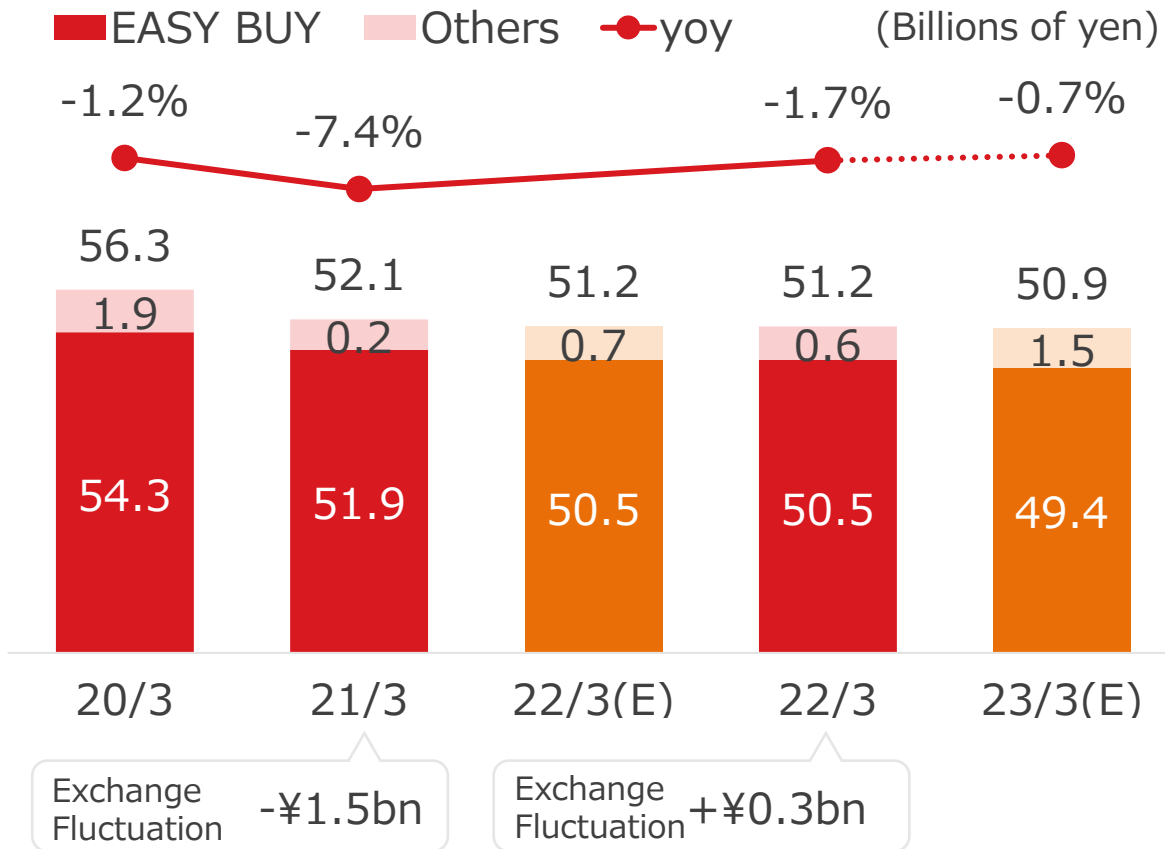
\*1 Receivables outstanding = "accounts receivable - operating loans" + "accounts receivable - installment"

\*2 Exchange rates : Baht ¥3.63(20/3), ¥3.44(21/3), ¥3.43(22/3), ¥3.43(Forecast) Exchange fluctuation : -¥0.01(22/3)

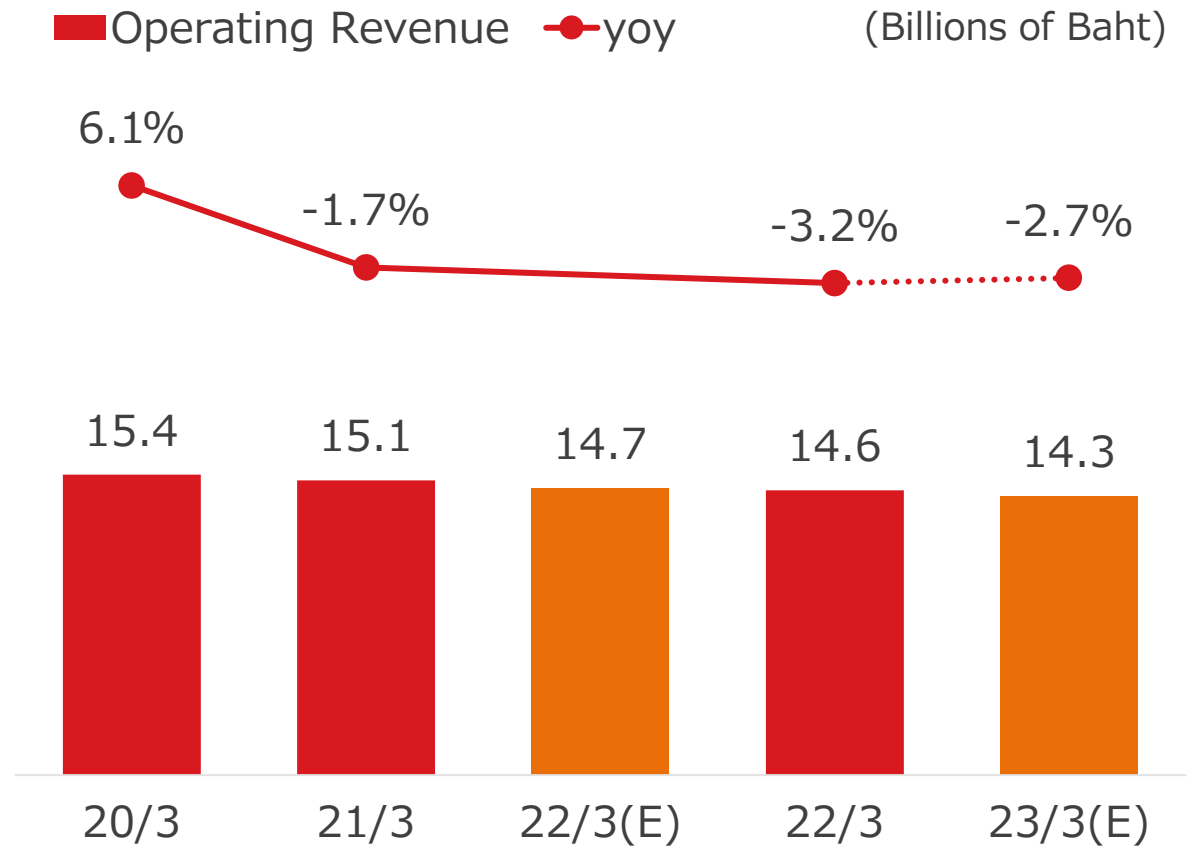
# Overseas Financial Business | Operating Revenue

- Operating Revenue decreased by 1.7% yoy to ¥51.2 billion due to lowered maximum interest rate in Thailand.

## ■ Overseas Financial Business(Yen Basis)\*



## ■ EASY BUY(Local Currencies Basis)

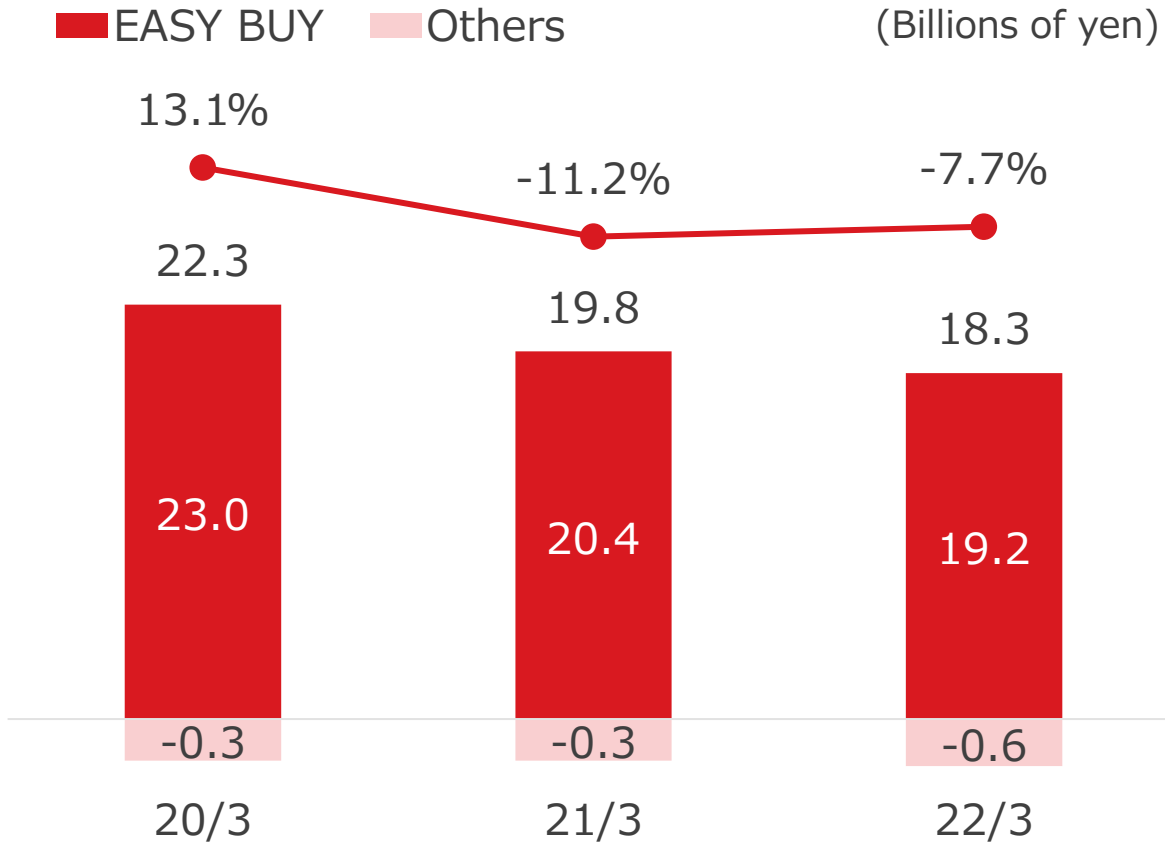


\* Exchange rates : Baht: ¥3.52 (20/3), ¥3.42 (21/3), ¥3.44 (22/3), ¥3.44 (Forecast) Exchange fluctuation : +¥0.02 (22/3)

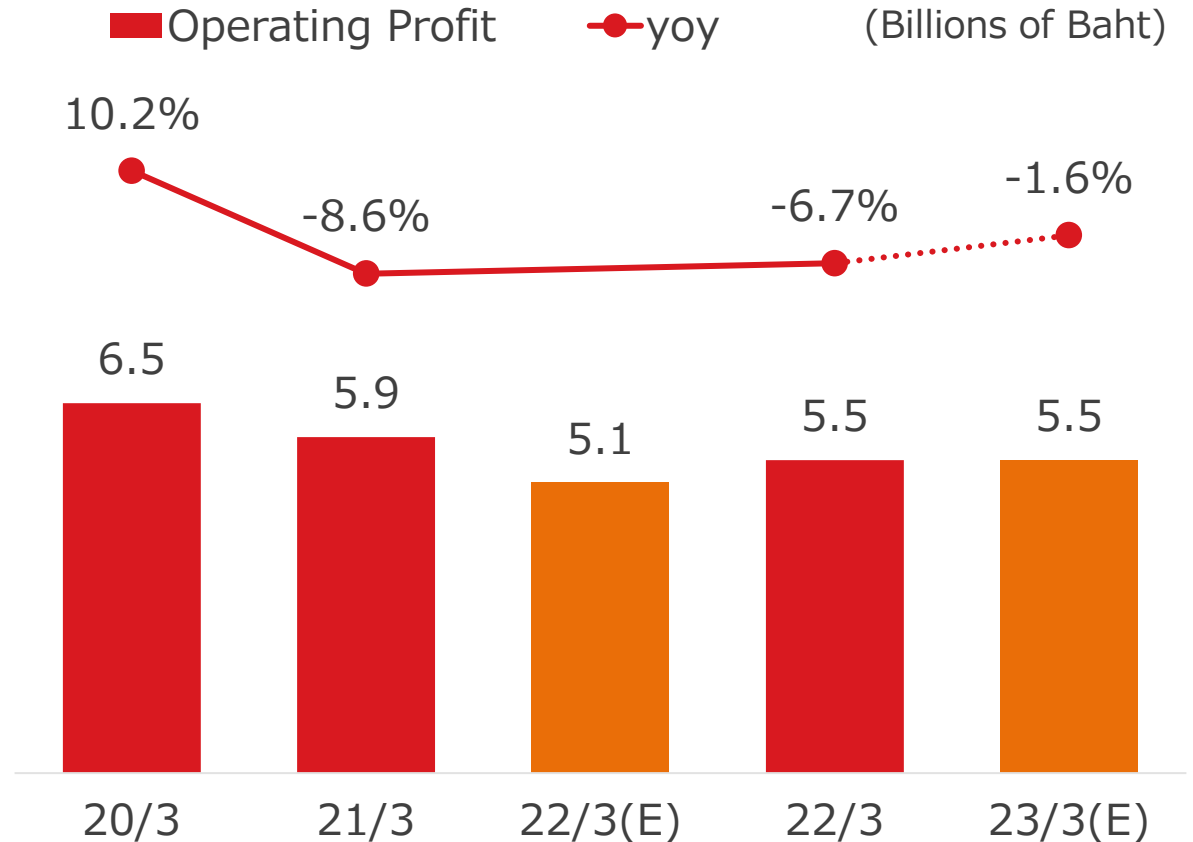
# Overseas Financial Business | Operating Profit

- Operating Profit decreased by 7.7% yoy to ¥18.3 billion due to decrease in operating revenue led by lowered maximum interest rate and increase in provision for bad debts at EASY BUY.

## ■ Overseas Financial Business(Yen Basis)\*



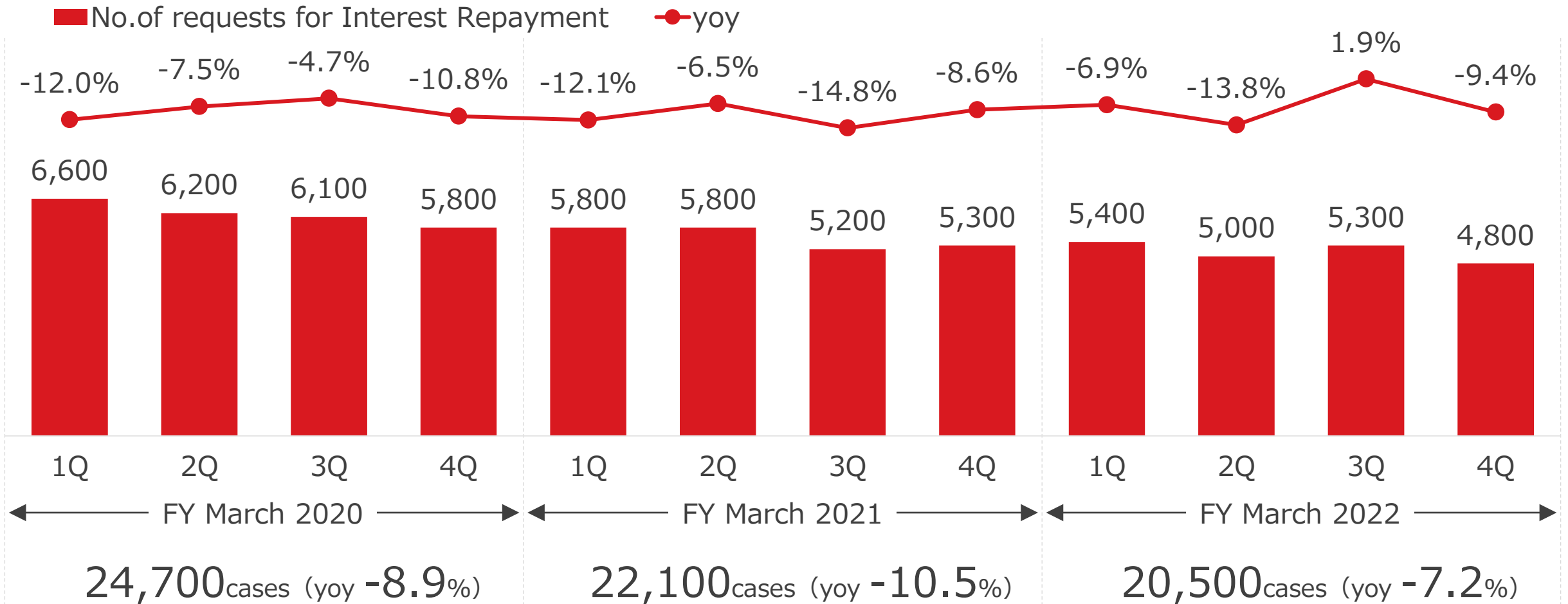
## ■ EASY BUY(Local Currencies Basis)



\* profit by segment

# No.of Requests for Interest Repayment\*

- The number of requests for FY March 2022 decreased by 7.2% yoy to 20.5 thousands.
- The number of requests for FY March 2023 is expected to decrease around 10% yoy.

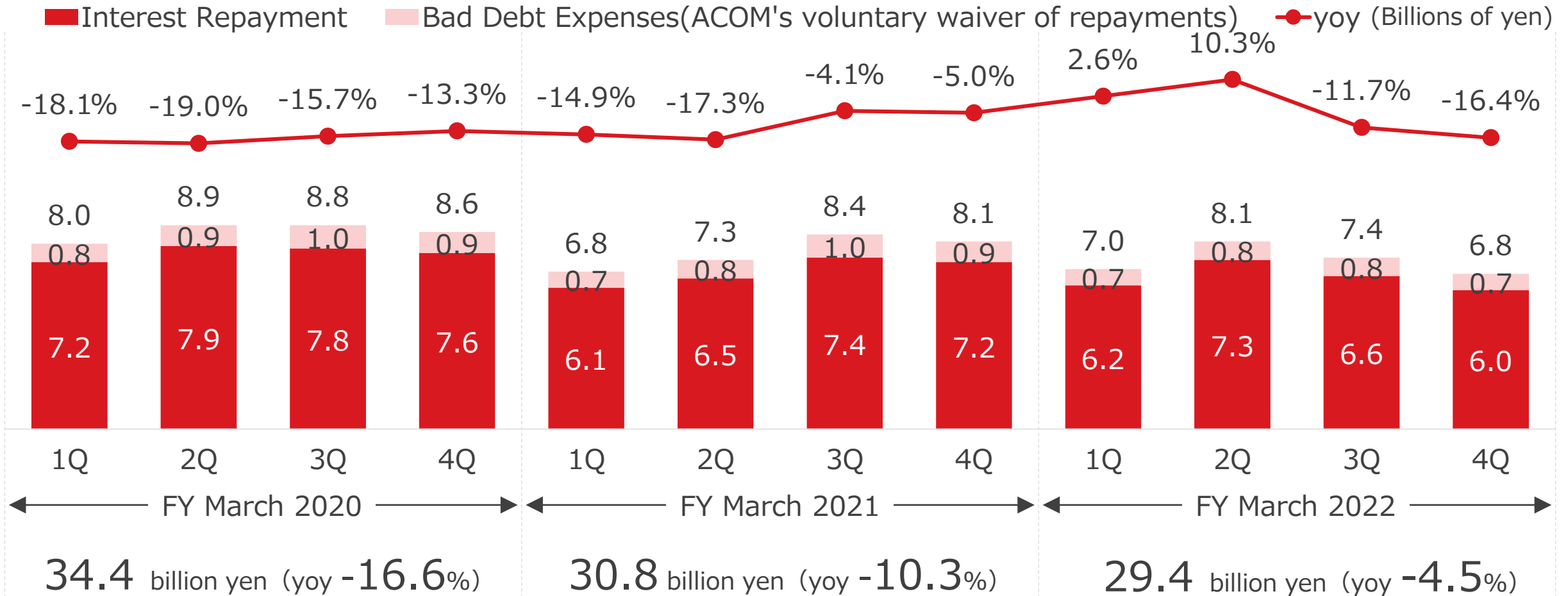


\* No. of requests which interest repayment occurs as a result of ACOM's recalculation based on the interest ceiling as specified in Interest Rate Restriction Act from claims which lawyers or judicial scriveners accept debt consolidation (including reaccepted requests)



# Loss on Interest Repayment

- Amount of drawdown in FY March 2022 was ¥29.4 billion(4Q: ¥6.8 billion).
- After adding ¥58.9 billion (3Q:¥7.6 billion, 4Q:¥51.2 billion) to provision, ¥86.2 billion remains.  
(Covers up to FY March 2026).
- Estimate amount of drawdown to decrease around 5% yoy in FY March 2023.



# Key Points for Provision

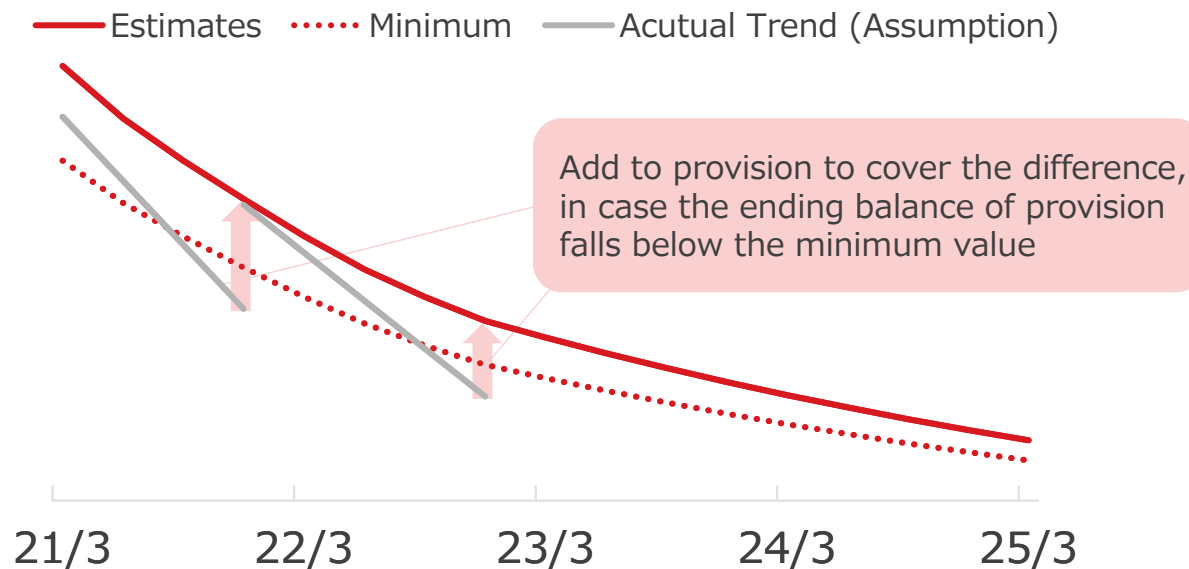
## Evaluation method of Provision for Loss on Interest Repayment

- ① When quarterly ending balance of provision falls below the minimum value of estimate, addition will be made to cover the difference between these.
- ② Reassess the necessity of changing estimation method for the provision;
  - when the quarterly ending balance of provision falls significantly below the minimum value of initial estimate
  - at formulation of medium-term management plan every 3 years

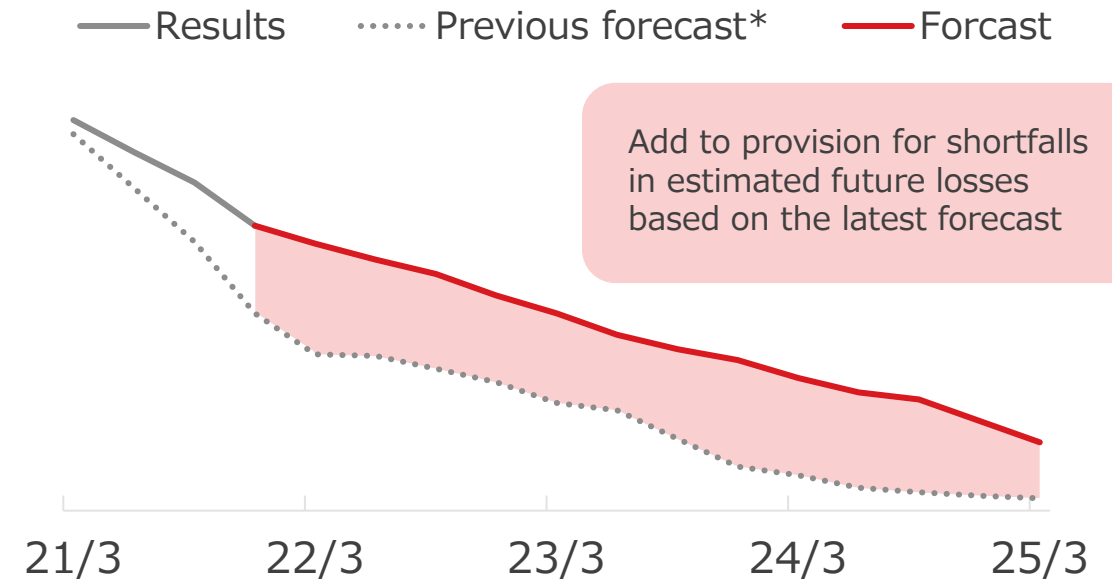


Determined that it was necessary to recalculate the future losses because actual results were lower than expected and the speed of decline slowed down considerably despite the assumption that the speed of decline in the number of requests for Interest Repayment would accelerate in the projections at the end of FY March 2020

### ■ Method of addition to Provision (above①)



### ■ Method of addition to Provision (above②)

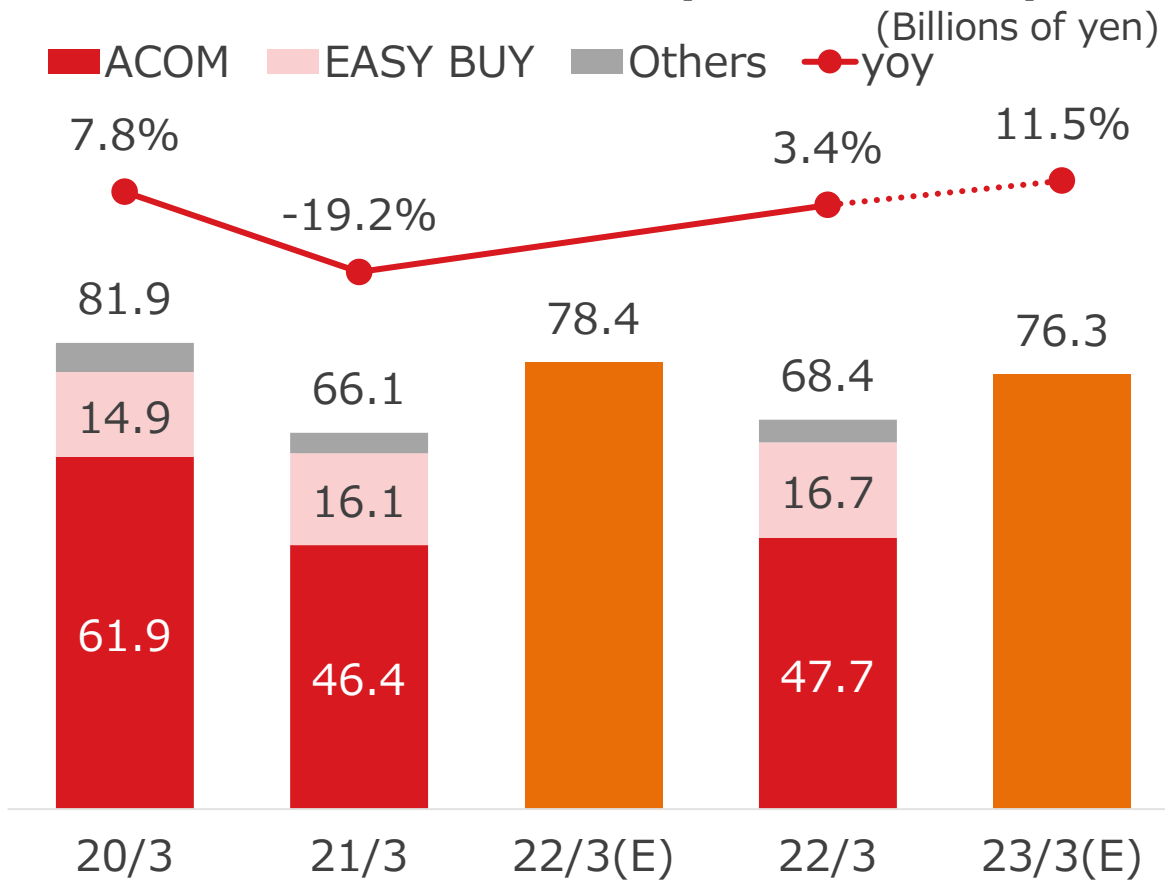


\*The future forecast when addition of provision was made in FY March 2020.

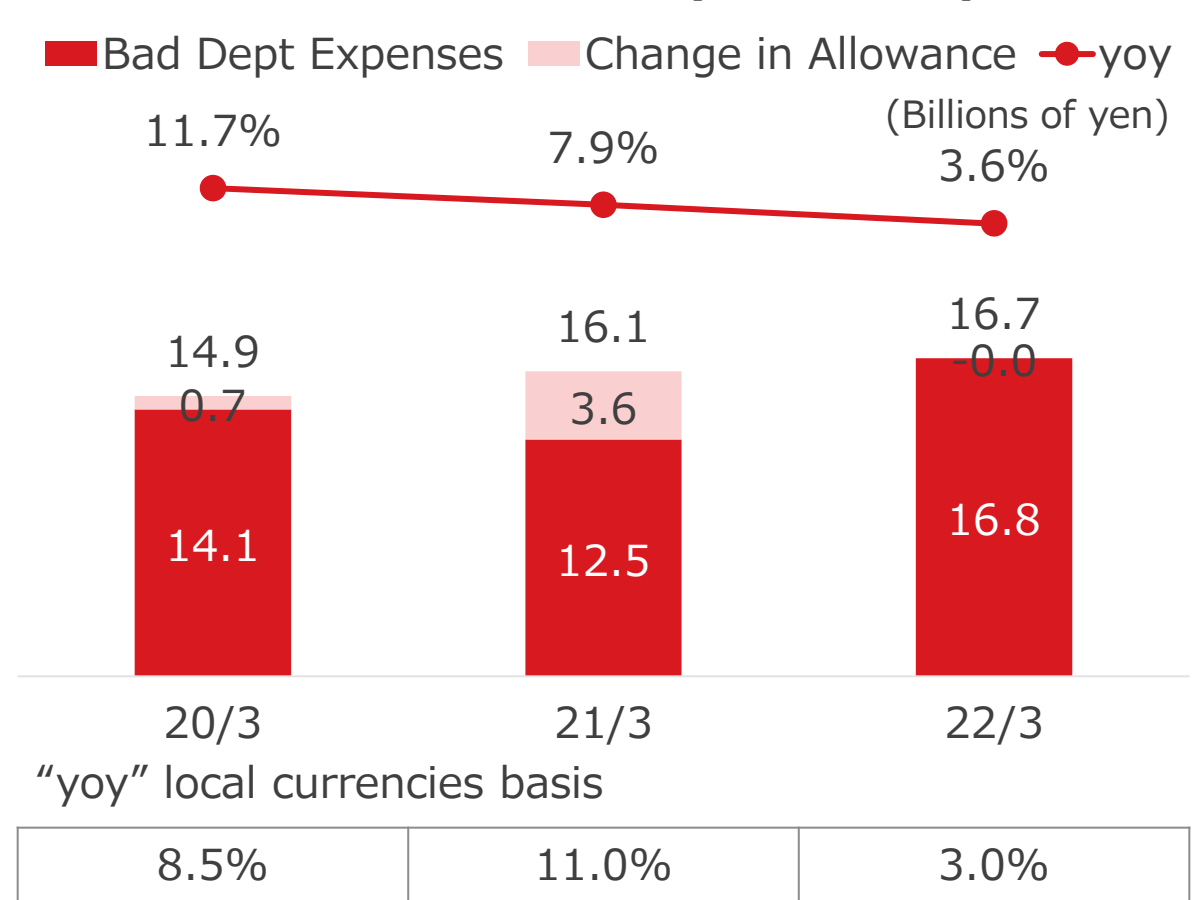
# Provision for Bad Debts

- Provision for Bad Debts (Consolidated) increased by 3.4% yoy to ¥68.4 billion due to increase in ACOM and EASY BUY.
- Provision for Bad Debts in EASY BUY increased by 3.6% yoy to ¥16.7 billion due to the COVID-19.

## ■ Provision for Bad Debts (Consolidated)



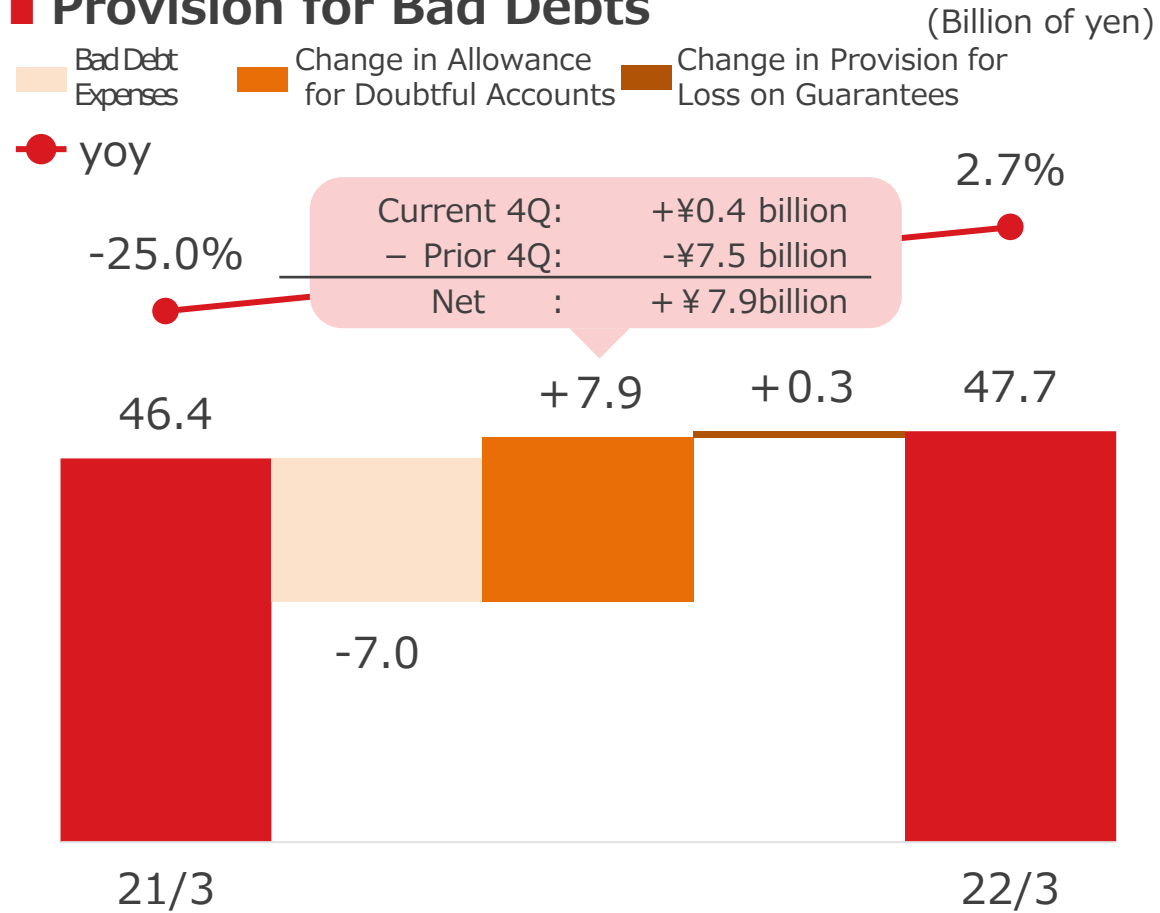
## ■ Provision for Bad Debts (EASY BUY)



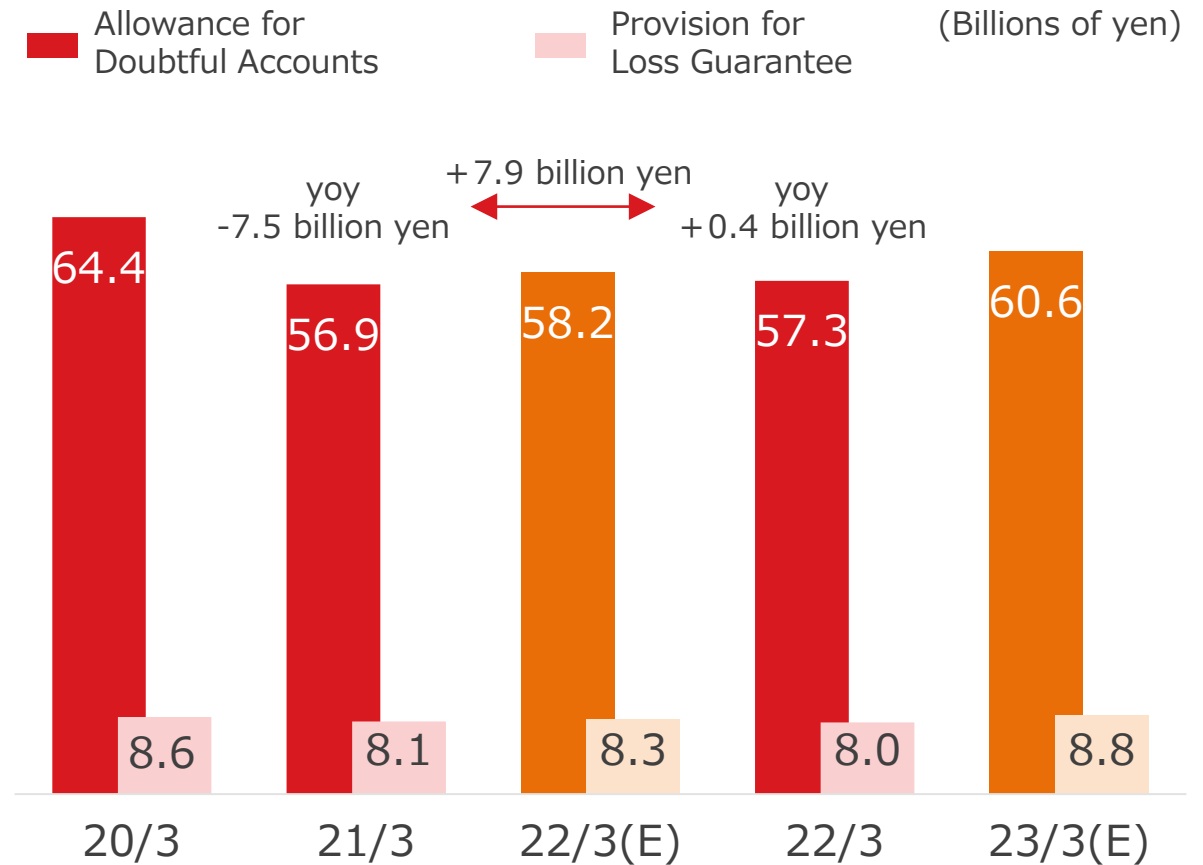
# Q Provision for Bad Debts (ACOM)

- Provision for Bad Debts was ¥47.7 billion due to ¥7.5 billion decrease in the change in allowance for doubtful accounts in the previous fiscal year, despite decrease of ¥7.0 billion yoy in the amount of bad debt expenses mainly due to extra cash being used for repayment.

## ■ Provision for Bad Debts



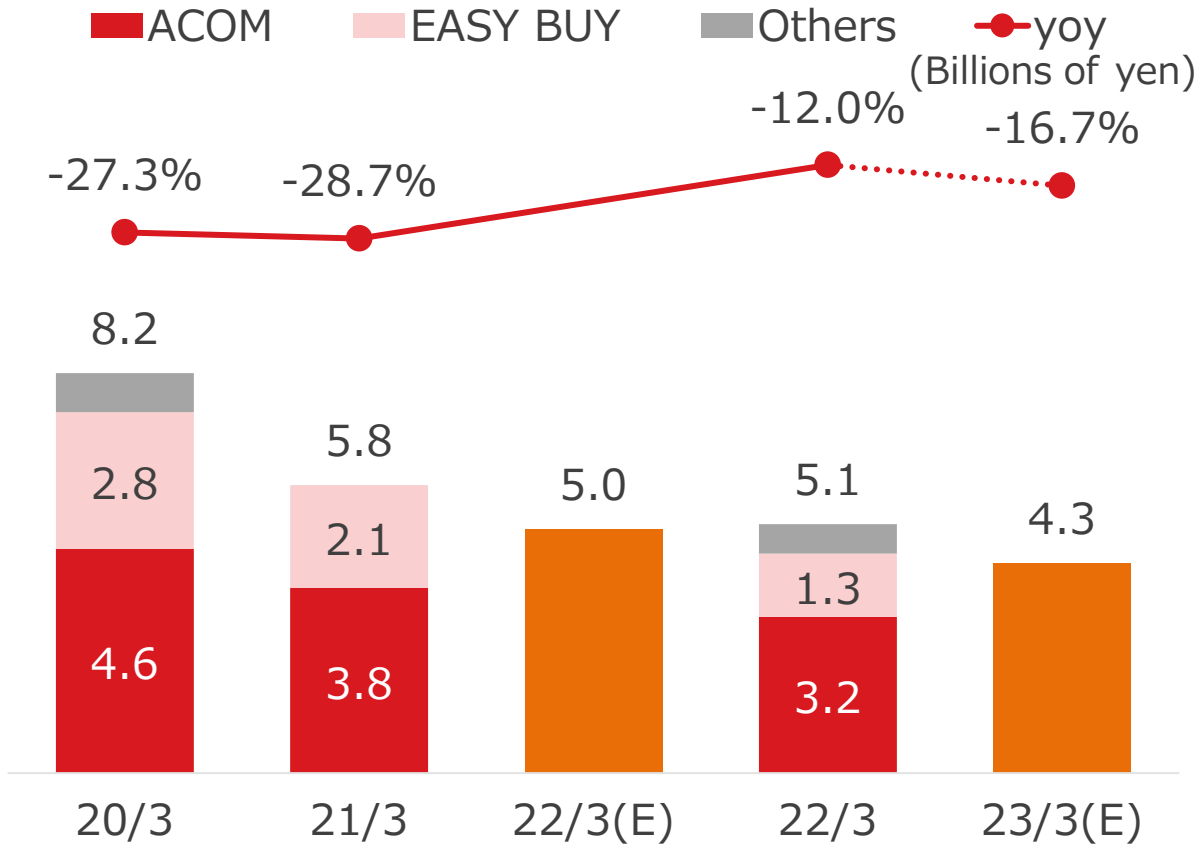
## ■ Reserves for Loan and Guarantee



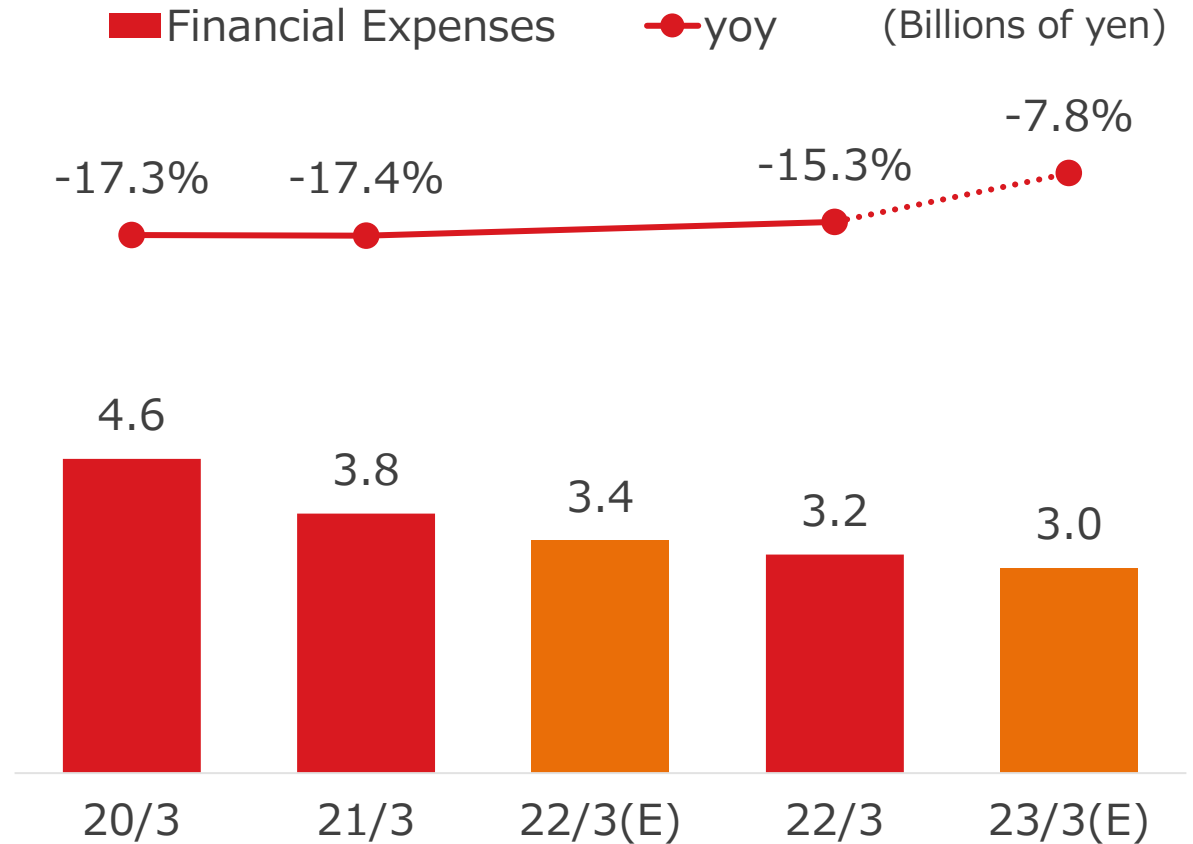
# Financial Expenses

- Financial Expenses (Consolidated) decreased by 12.0% yoy to ¥5.1 billion owing to decrease in ACOM and EASY BUY.

## ■ Financial Expenses (Consolidated)



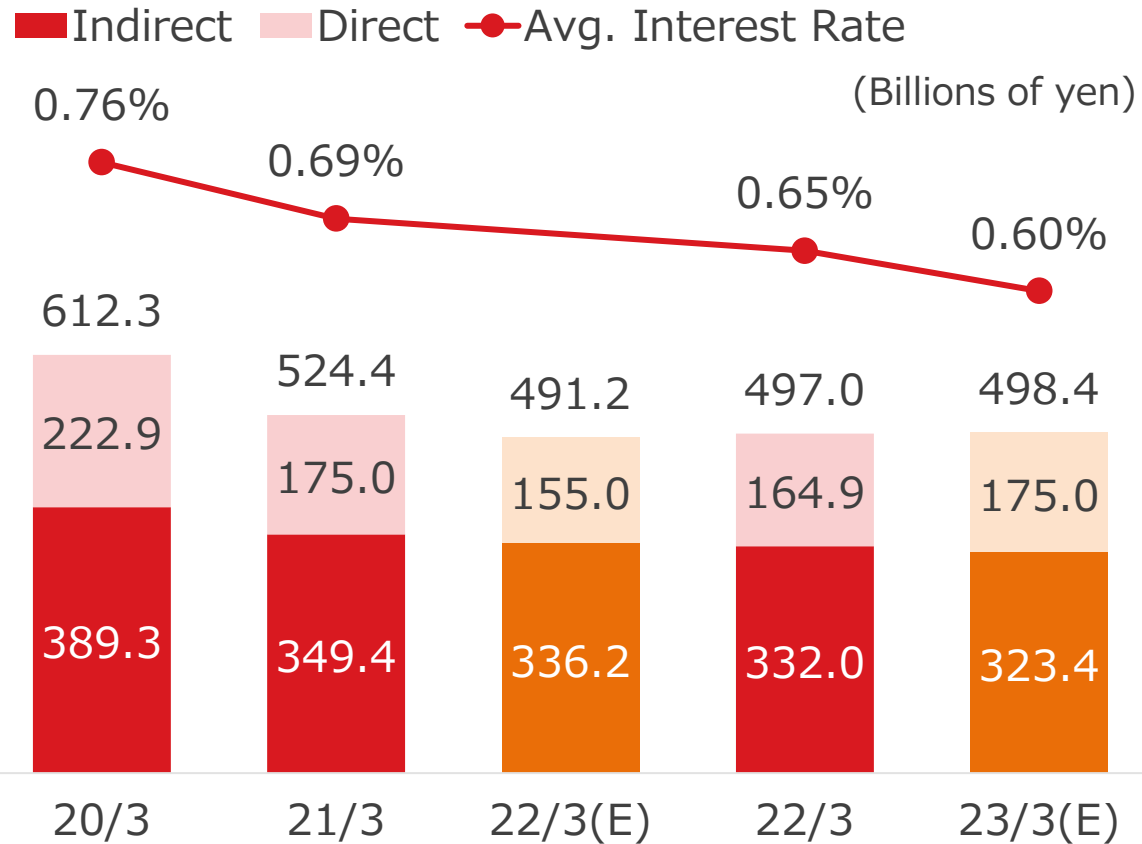
## ■ Financial Expenses (ACOM)



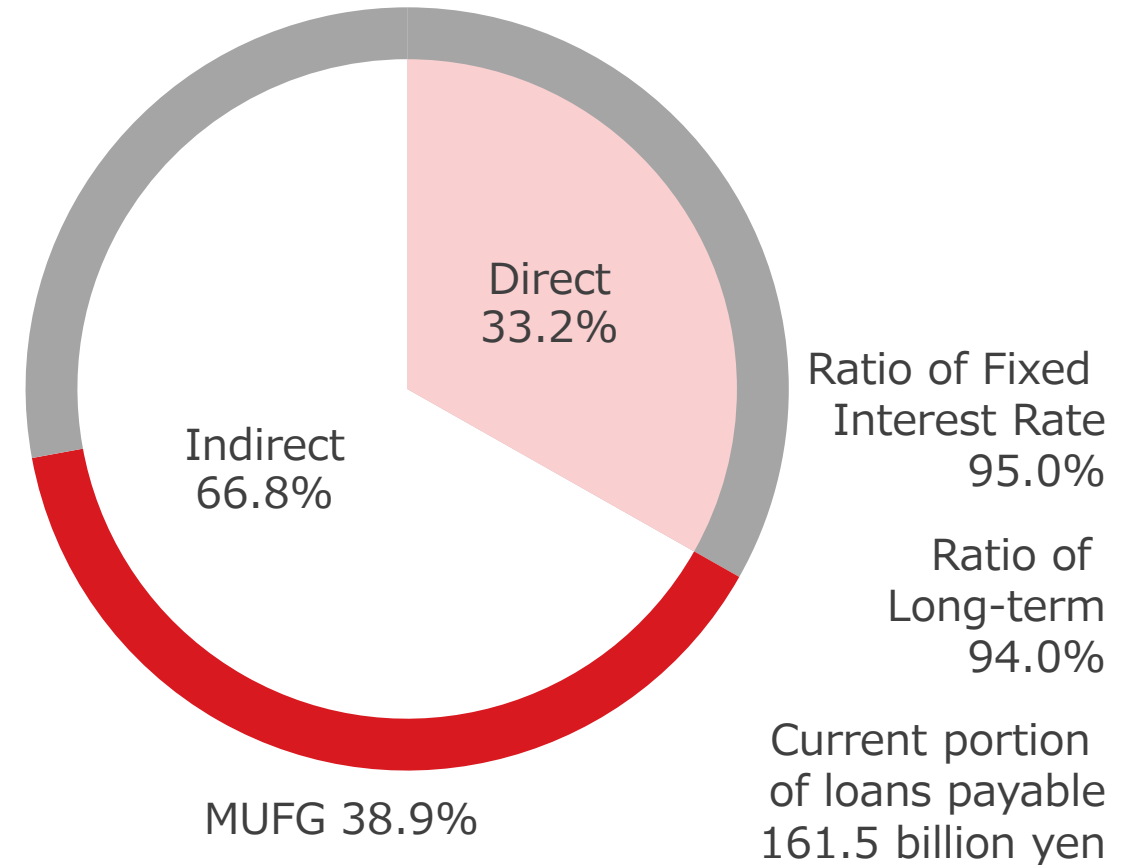
# Financial Expenses | Borrowings(ACOM)

- Borrowings decreased by ¥27.4 billion yoy to ¥497.0 billion.
- Average Interest Rate decreased by 4 bps yoy to 0.65% owing to rating upgrades and refinancing.

## ■ Borrowings



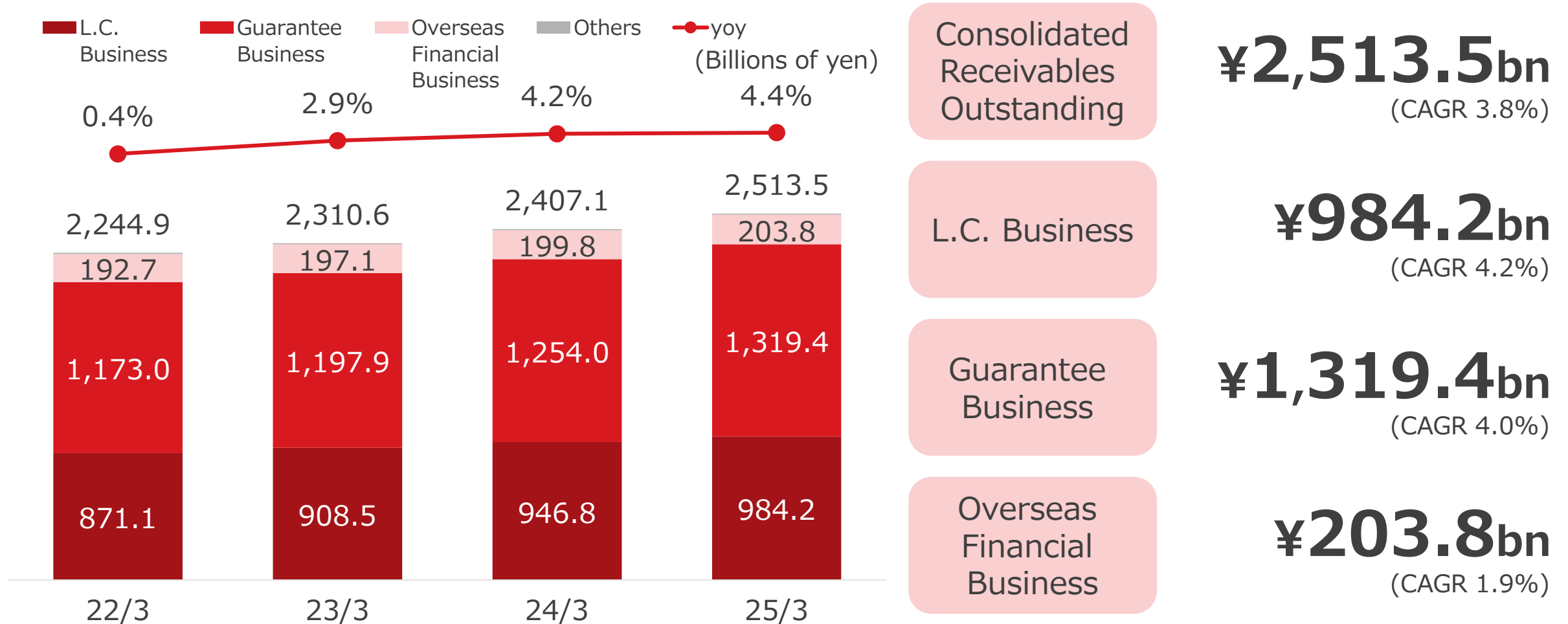
## ■ Composition Ratio by Funding Sources



# **Mid-Term Management Plan**

# New Mid-Term Management Plan | Business Scale

- Aiming to exceed the pre-COVID-19 scale in all 3 businesses through cashless payment support and digital investments.
- Aiming ¥2.5 trillion in total of 3 core businesses and Embedded finance business.

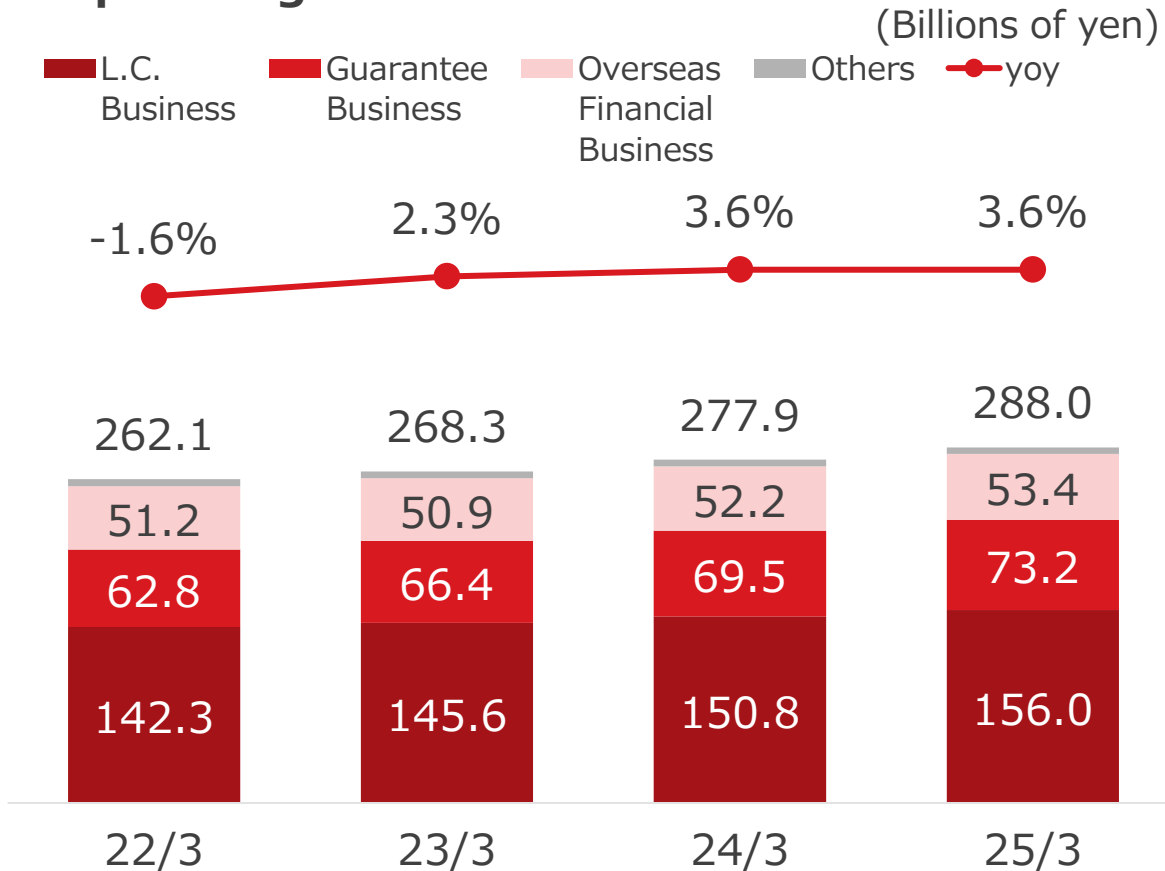




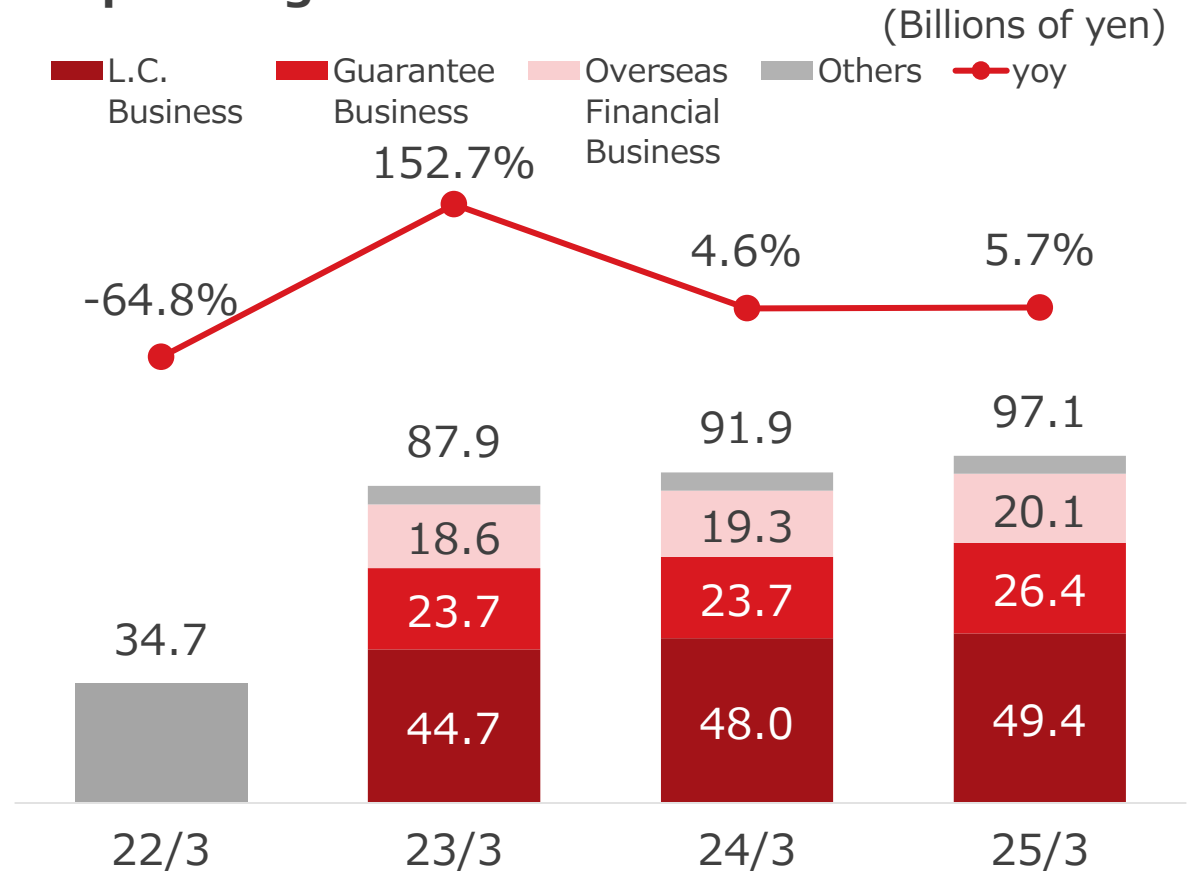
# New Mid-Term Management Plan | Business Performance

- Operating revenue is expected to increase steadily with business expansion.
- Aim to increase operating income for 3 consecutive fiscal years.

## ■ Operating Revenue



## ■ Operating Profit



# Mid-Term Key Themes

Key Point of New Mid-Term Management Plan

**View this period as a time to make strategic moves to expand our business domain for future growth in each of our businesses**

All Basics

- Fostering a Compliance Culture

## Business Strategy

- Enhance brand strength by rebuilding perception\*
- Provide high-quality customer experience through optimization of "human" and "digital" resources
- Challenge to create new businesses and services for next growth
- Expand guarantee tie-ups with financial institutions and realization of guarantee tie-ups with business companies
- Further strengthen ties with existing guarantee partners
- Expansion into new countries
- Expand business base in existing countries
- Optimize debt protection system

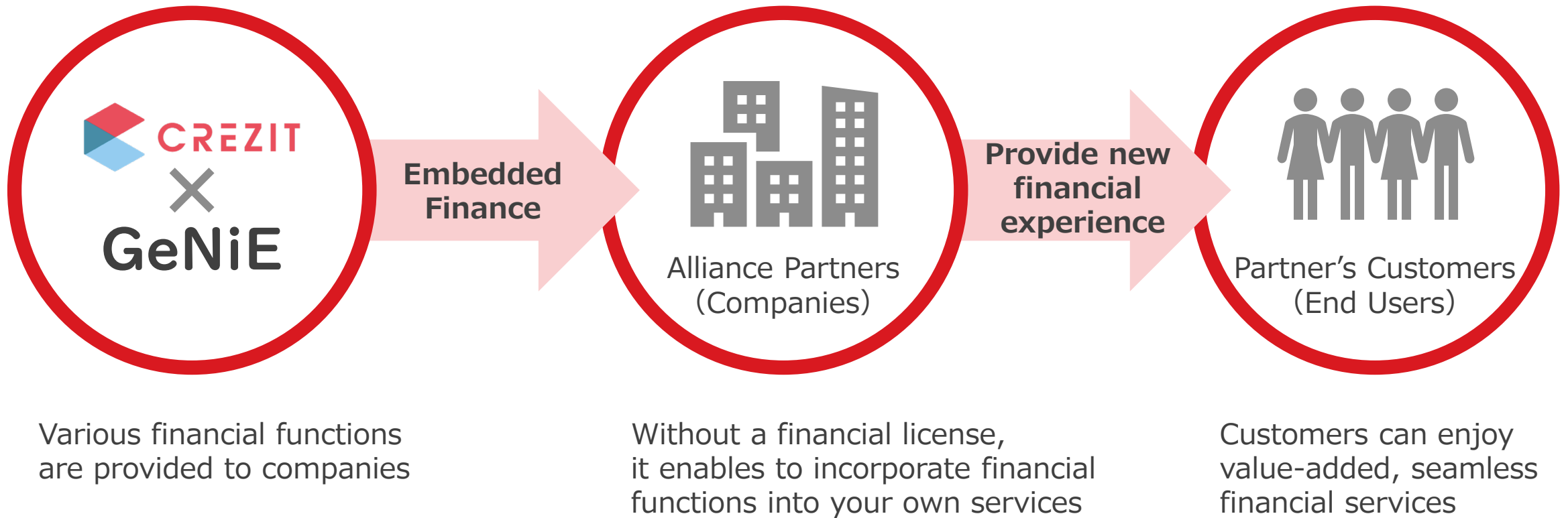
## Functional Strategy

- Build a system infrastructure that can respond flexibly and quickly to environmental changes
- Establish human resource base by strengthening recruitment, training, and retention
- Increase employee engagement through permeation of vision
- Strengthen and Expand Sustainability Promotion System and Initiatives
- Strengthen governance by upgrading risk management
- Create a highly productive work environment by improving operational efficiency
- Maintain stability and improve cost efficiency by optimizing procurement methods

\* Perception is the awareness, recognition, and perception of a company or brand that is a factor in consumers' image and purchase decisions.

# Challenges to Create New Businesses & Services for Next Growth

- To start Embedded Finance Business, GeNiE Inc. was established in April 2022.
- Aim to create a new service by combining "Credit as a Service" platform of Crezit Holdings, Inc. with our credit and collection expertise.



# Realization of Guarantee Partnerships with Companies

- Guarantee business tie-up with a company that has many users and is entering card loan business.
- Of the ¥140.0 billion in balance growth over the three years of the mid-term plan, about 30% will come from new alliances with partner companies.

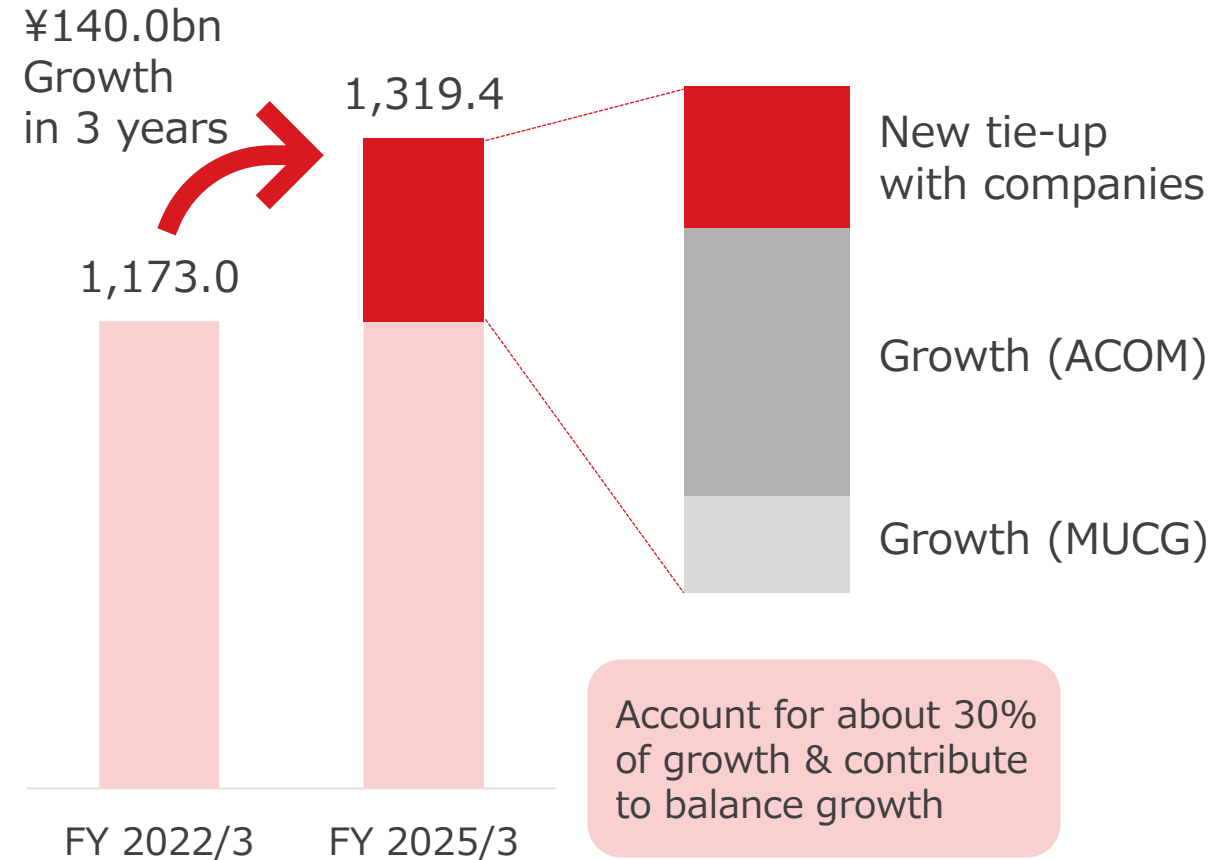
## ■ Guarantee Partnerships with Companies

Aim to realize guarantee partnerships with companies during the mid-term management plan period, although the partners in Guarantee business have been limited to financial institutions



## ■ Guarantee Balance (Plan)

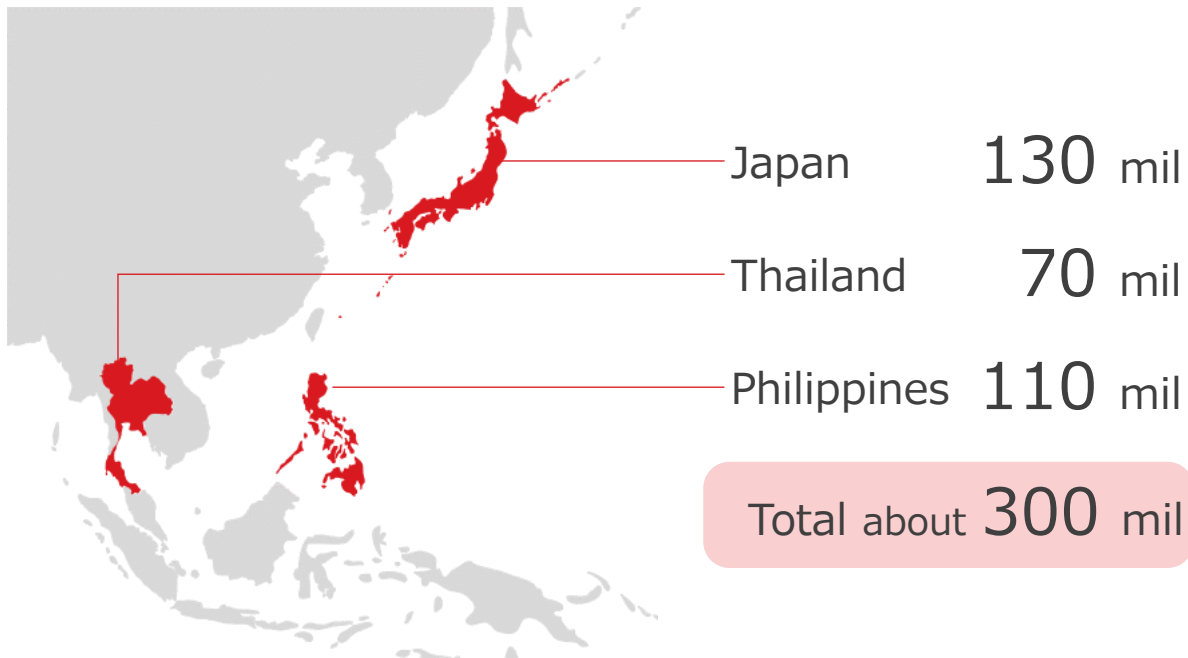
(Billions of yen)



# Realization of Expansion into New Countries

- Subsidiary in Malaysia, applying for a license in Dec. 2021, is preparing to start business from 2023 onward.
- Continue research activities, including the possibility of expanding into non-ASEAN regions.
- Aim to enter at least one more country in addition to Malaysia during the mid-term management plan period, with a view to adding to the market population of 300 million people in the future.

## Market Demography

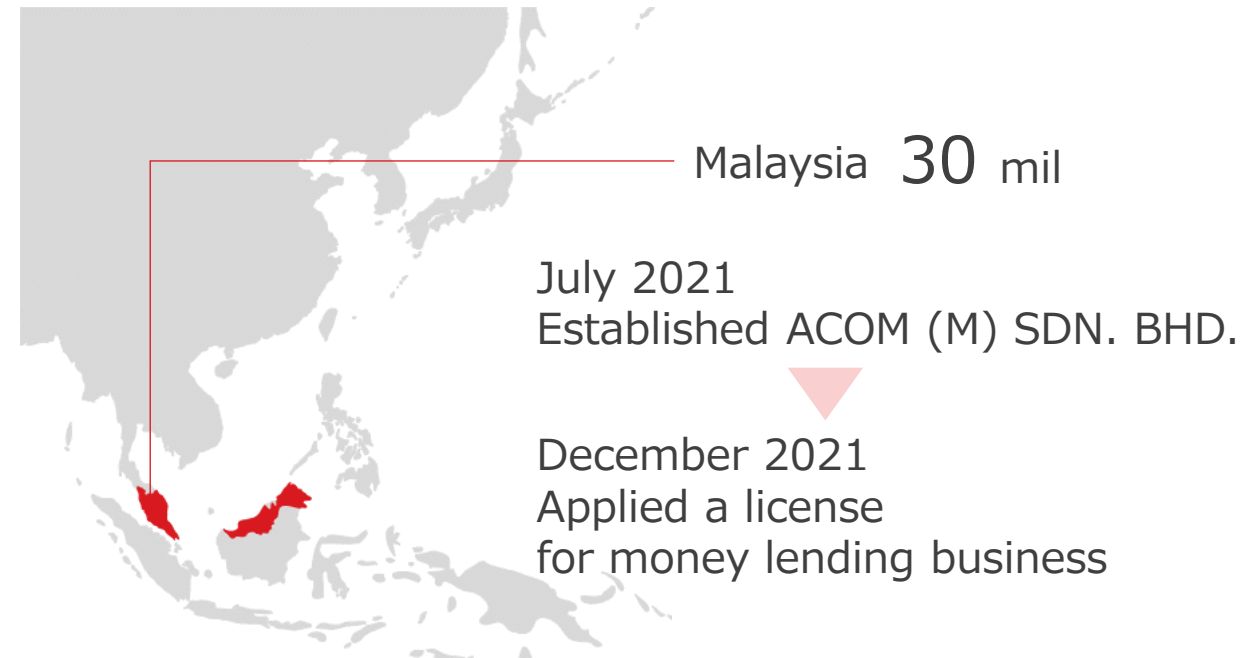


300 mil ▶ 600 mil

---

Total 7,900 mil

## Market Demography(Malaysia)



Preparing to start business  
once the license is approved

# Reinforcement of the System to Promote Sustainability

- Basic Policy on Sustainability is newly formulated with the aim of both solving social issues and enhancing corporate value.
- Materiality is identified based on stakeholders' expectations of our universal values of "The Spirit of Human Dignity," "Customers First," and "Creative and Innovative Management" in our corporate philosophy, as well as our efforts to address social issues.

## Basic Policy on Sustainability

Based on our founding spirit of "Circle of Trust," and through our corporate philosophy of "The Spirit of Human Dignity," "Customers First," and "Creative and Innovative Management," we aim to solve social issues and enhance corporate value, thereby contributing to the realization of a sustainable society.

## Materiality

- Promote environment-friendly corporate activities
- Promote diversity based on **"The Spirit of Human Dignity"**
- Provide financial services that put the **customers first**
- Pursue **creative and innovative management** utilizing digital technology
- Strengthen governance



Solve social issues

Enhance corporate value

# Sustainability Initiatives

## Offer of financial service to pursue “Customers first”

- Invigoration of local economy through Guarantee Business
- Contribution to the economic development of the ASEAN region through Overseas Financial Business



## Pursuit of creative and innovative management utilizing digital

- Enhancement of the interface of digital channels
- Foundation of new business



## Governance

- Corporate Governance
- Compliance



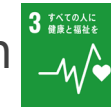
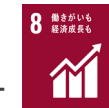
## Environmental conservation

- Implementation of card less transaction function
- Paperless
- Study on introduction of renewable energy



## Diversity based on the spirit of human dignity

- Enhancement of employees' engagement
- Health Management Promotion
- “ACOM Miru Concert Monogatari,” music-and-silhouette-theater show, enjoyable for all ages, genders and handicaps.



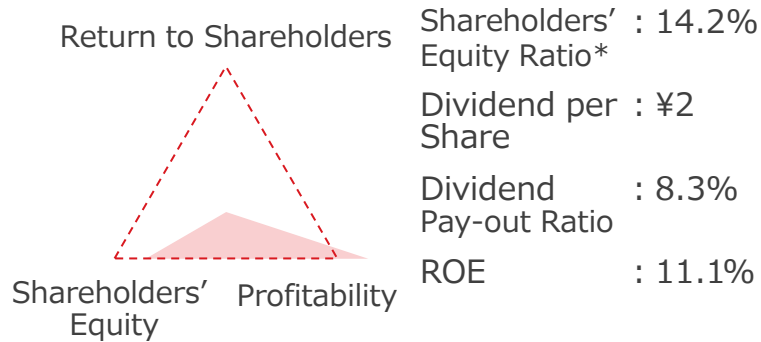
▶ We plan to launch a sustainability website by the end of 2022 to actively disclose information on our initiatives.

# New Mid-Term Management Plan | Capital Policy

## Basic Policy on Capital Policy

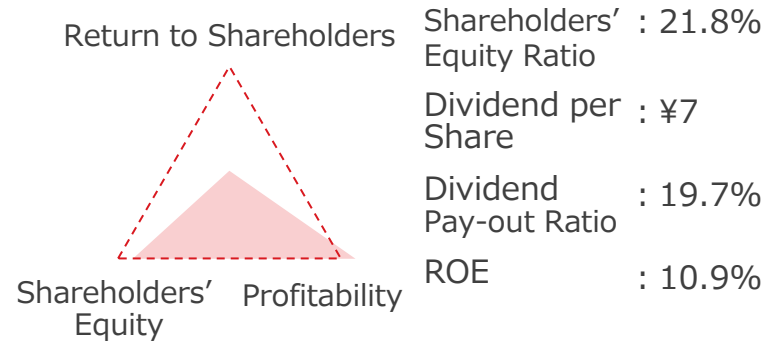
Maintain and improve financial soundness and increase shareholder returns

### Mid-Term Management Plan (FY March 2017~FY March 2019)



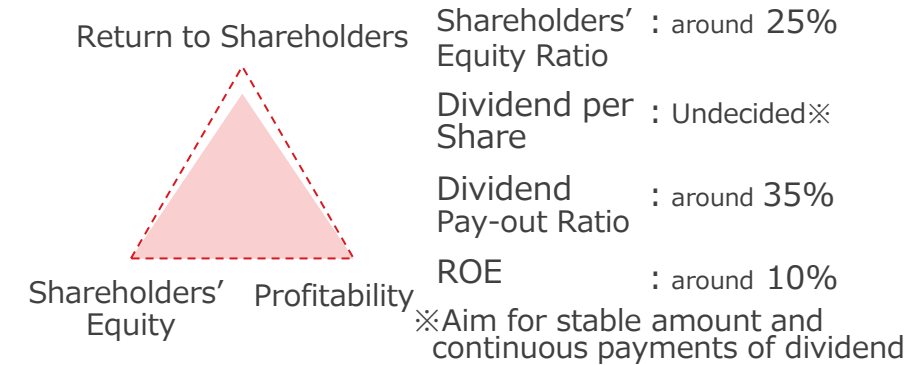
Expansion of capital adequacy is a top priority,  
Aiming to "resume dividend payments"  
once concerns about the future  
due to interest repayment claims are resolved.

### Mid-Term Management Plan (FY March 2020~FY March 2022)



Place the highest priority on optimizing  
shareholders' equity while increasing  
shareholder returns

### New Mid-Term Management Plan (FY March 2023~FY March 2025)



Maintain and improve financial soundness  
and increase shareholder returns

## Basic Policy on Dividend Payment

Expand shareholder returns  
based on high profitability and appropriate capital adequacy

	FY March 2021		FY March 2022	
Dividend per Share	Interim ¥3	Year-end ¥3	Interim ¥3	Year-end ¥4 (Forecast)
	Total ¥6		Total ¥7(Forecast)	
Dividend Pay-out Ratio	11.9%		19.7%	



FY March 2023	
Interim ¥5 (Forecast)	Year-end ¥5 (Forecast)
Total ¥10(Forecast)	
25.1%	

\* These values are computed using the sum of total assets and guaranteed receivables.



# Appendix

# Business Environment

## Japan

- Although social and economic activities continue while quarantine measures are taken against COVID-19, the severe situation gradually eased and economic trends are picking up.
- There are signs of a recovery in consumer sentiment owing to the effects of various policies and other factors, although the market has shrunk in size due to continued sluggish personal consumption.

## Thailand

- Covid-19 spread rapidly from July to August 2021. Subsequently, the number of infections gradually decreased which lifted the curfew entirely in December and restrictions on activities were greatly eased.
- Due to the outbreak of the Omicron strain, the number of infections surged in January 2022 and peaked again in March. However, the number of infections is currently on a downward trend.

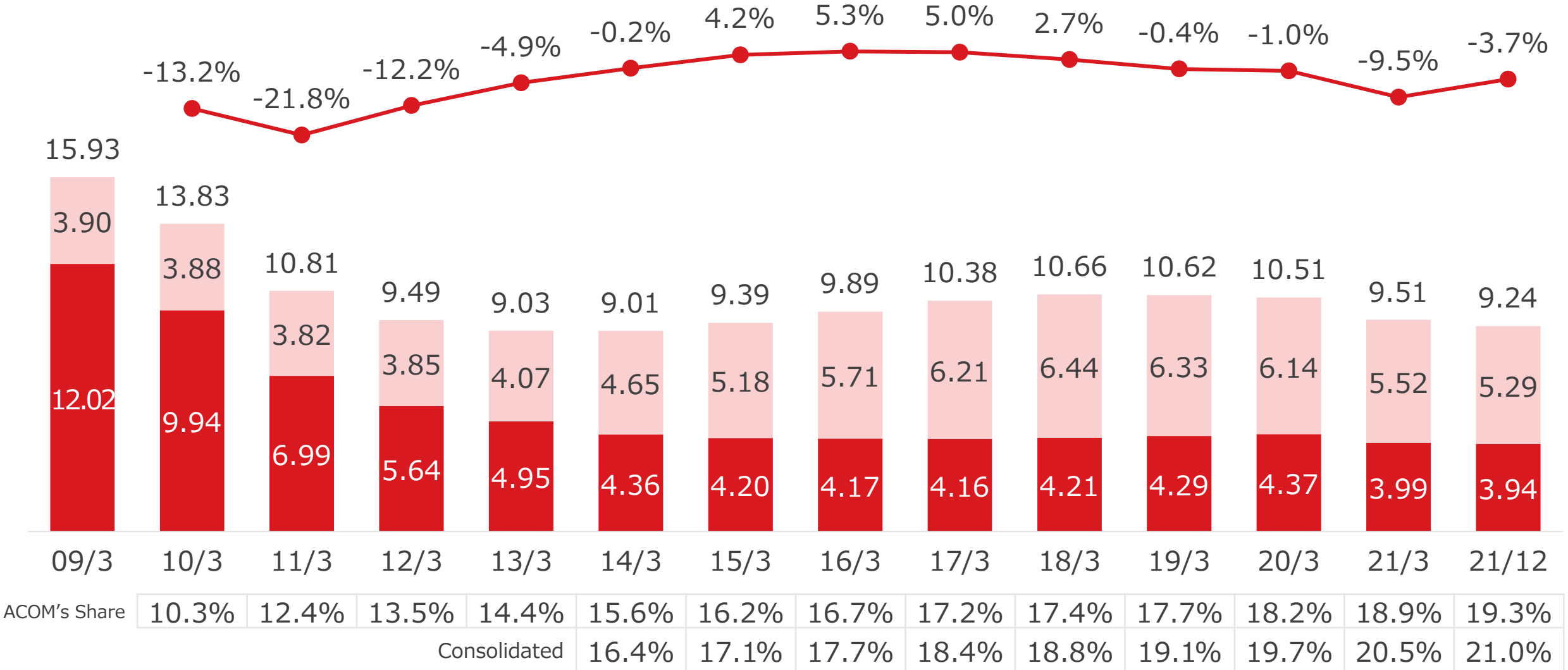
## Philippines

- Although the number of infections from Covid-19 peaked out in September 2021, it peaked again in January 2022 due to the outbreak of Omicron strain. As of now, the spread of infection is being prevented.

# Market Volume of Domestic Personal Card Loan

■ Nonbank <sup>\*1</sup> ■ Bank <sup>\*2</sup> ● yoy

(Trillions of yen)

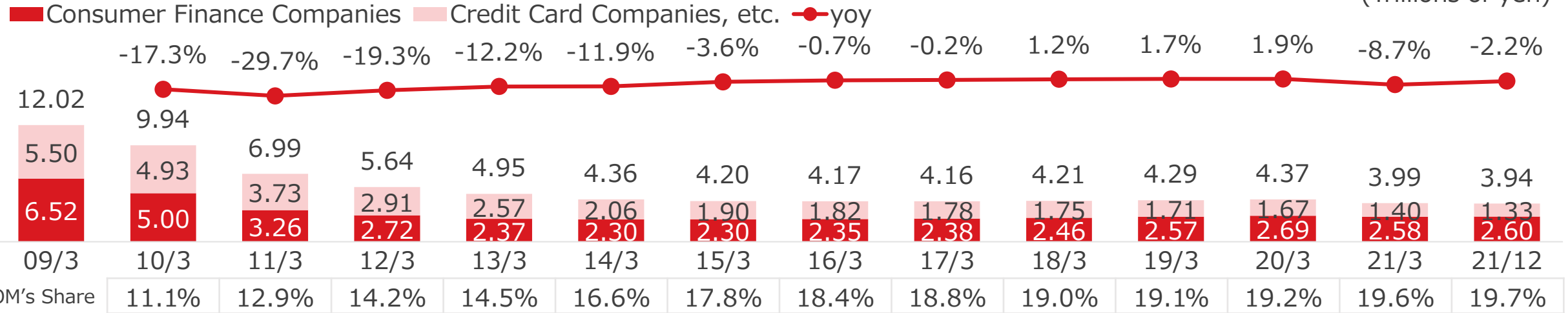


\*1 Nonbank refers to receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2021/12 is preliminary

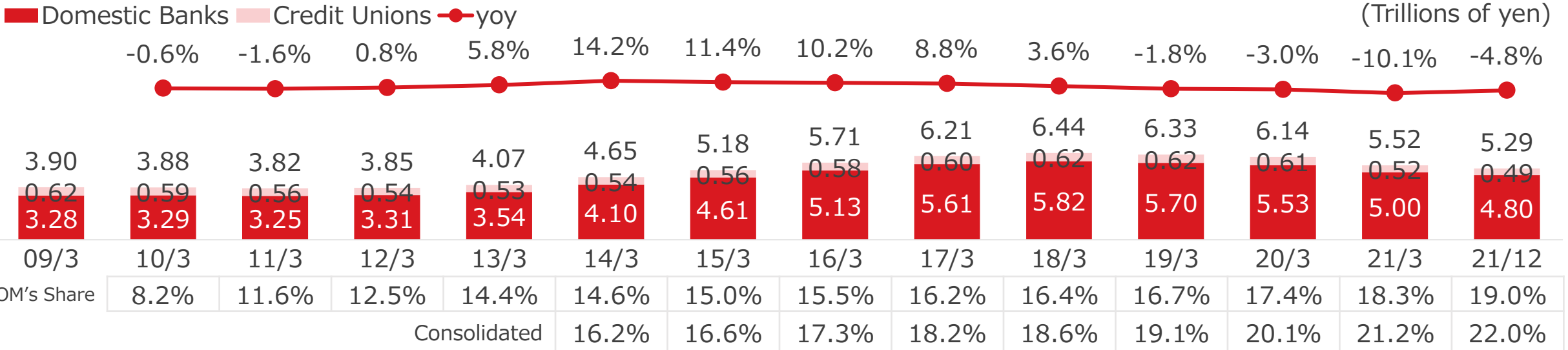
\*2 Bank refers to the volume of personal card loans provided by domestic banks and credit unions in statistics by The Bank of Japan

# Market Volume of Personal Card Loan by Business Type

## ■ Nonbank\*1



## ■ Bank\*2



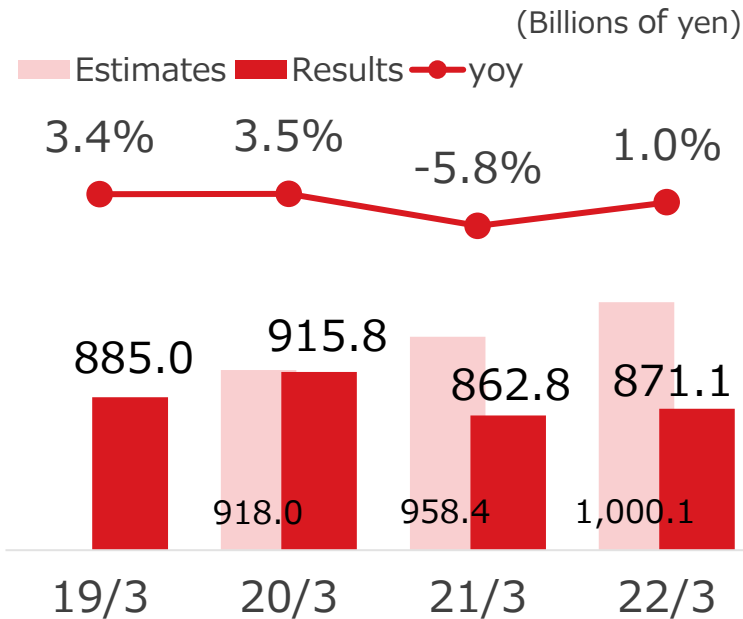
\*1 Nonbank refers to receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2021/12 is preliminary

\*2 Bank refers to the volume of personal card loans provided by domestic banks and credit unions in statistics by The Bank of Japan

# Reflection on the Previous Mid-Term Plan | Business Scale

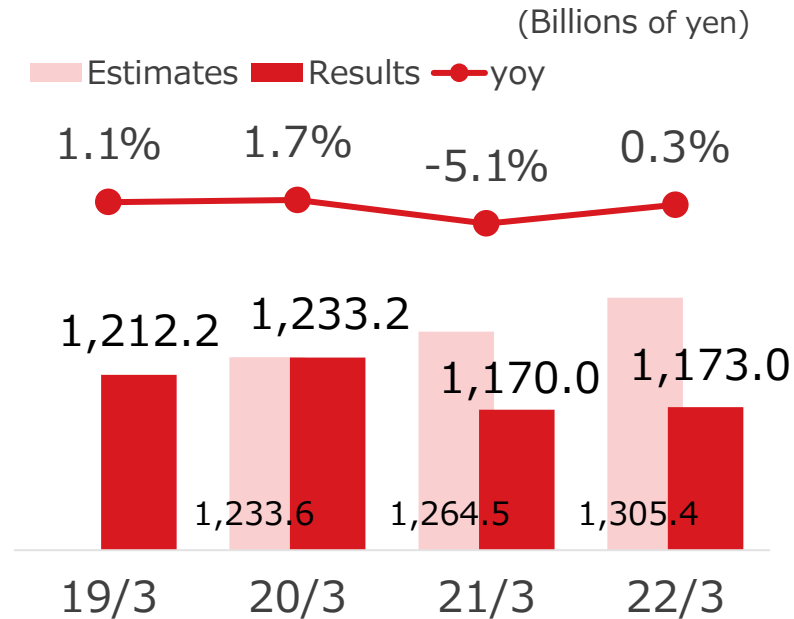
- Due to changes in the business environment caused by the impact of the COVID-19 that became apparent from 4Q in FY March 2020, business results, with the exception of the overseas finance business, have fallen far short of expectations.

## ■ L.C. Business



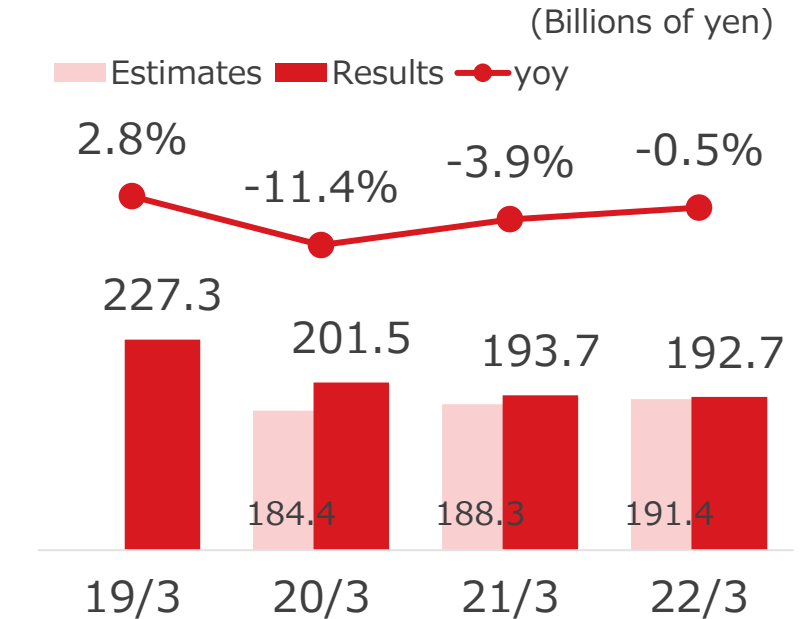
- Loan business decreased due to the decline in demands for funds.
- Credit card business increases as cashless needs grow.

## ■ Guarantee Business



- Focused on strengthening relationships with business partners and sales initiatives, despite the impact of lower demand for funds.
- Secured No. 1 consolidated market share.

## ■ Overseas Financial Business



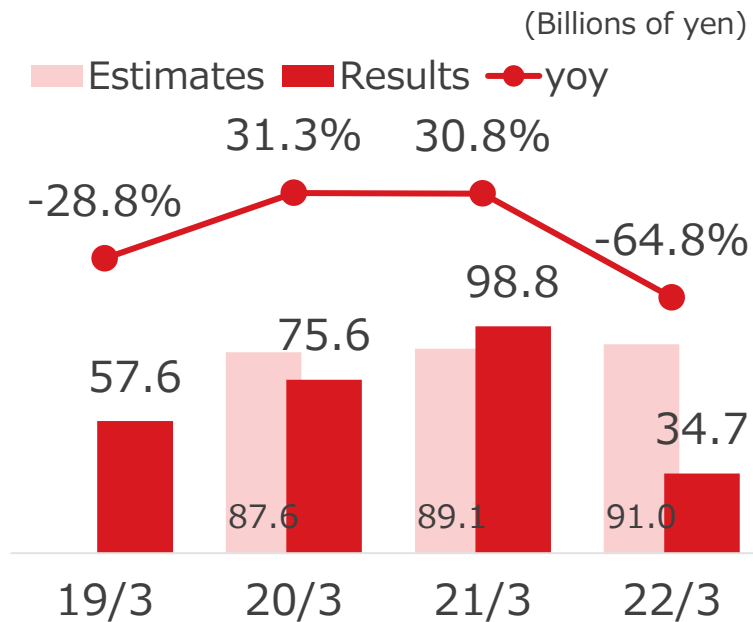
- EASY BUY's receivables outstanding remained largely unchanged on a local currency basis.

# Q Reflection on the Previous Mid-Term Plan | Business Performance

## Capital Policy

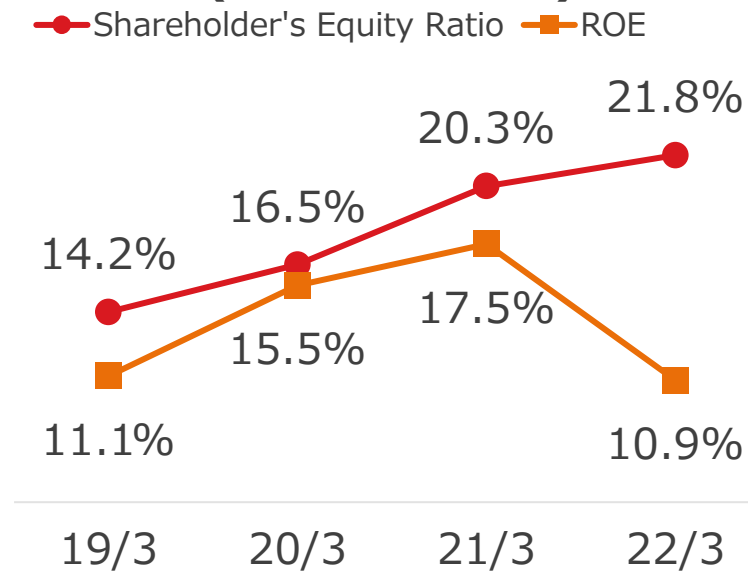
- Although revenues decreased due to unachieved business scale, the performance results excluding interest repayment expenses achieved the plan due to a decrease in provision for bad debts.
- Achieved shareholders' equity ratio<sup>\*1</sup> of 20%.
- Dividends have been increased for four consecutive fiscal years since the resumption of dividend payments.<sup>\*2</sup>

### Operating Profit



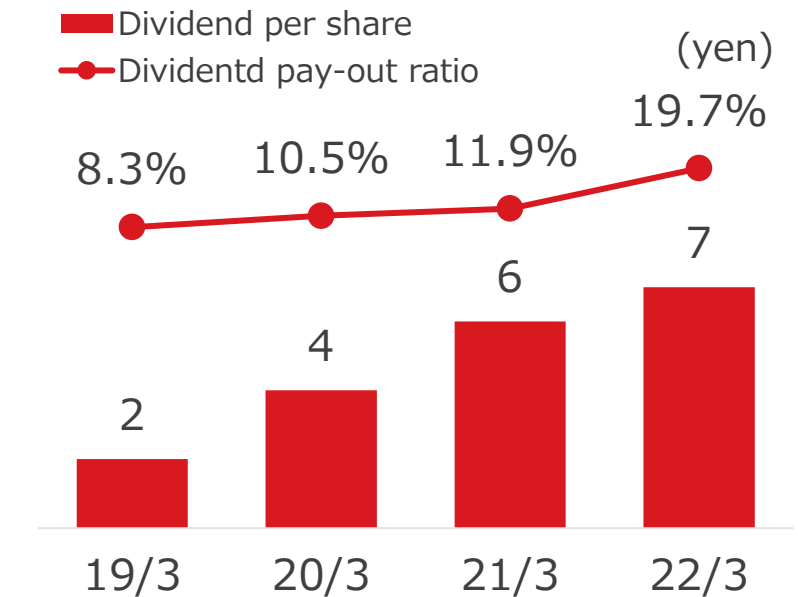
- Operating profit excluding loss on interest repayment achieved the plan for the third consecutive year due to a decrease in provision for bad debts.

### Shareholders' Equity Ratio • ROE (Consolidated)



- Achieved target shareholders' equity ratio of 20% ahead of schedule, partly due to business contraction caused by Covid-19.

### Dividend per share



- Dividends have increased for four consecutive fiscal years since resumption of dividends.

\*1 Equity ratio calculated by adding the balance of credit guarantees to consolidated total assets.

\*2 The year-end dividend for the fiscal year ended March 31, 2022 is subject to approval at the annual shareholders' meeting to be held in June 2022.

# Dividend Status

## Basic Policy on Dividend Payment

Aim for enhanced return to shareholders through stable and continuous profit distribution, taking the business environment surrounding the company, shareholders' equity and our own business performance into consideration

### Business Scale and Performance

- Receivables outstanding in the three core businesses declined due to the impact of the COVID-19.
- Operating revenue exceeded the plan due to an increase in credit card revenues, etc., and operating profit excluding interest repayment expenses exceeded the plan.

### Shareholder's Equity

- The shareholders' equity ratio, which is calculated by adding the guarantees receivables to total consolidated assets, will reach the target of 20% in the fiscal year ended March 31, 2021, due to a decrease in provision for bad debt and etc., despite a decrease in the balance of trade receivables.

### Business Environment

- The number of requests for interest repayment has exceeded expectations, and despite an unplanned provision to the allowance for losses on interest repayments, the number of claims has been steadily declining.

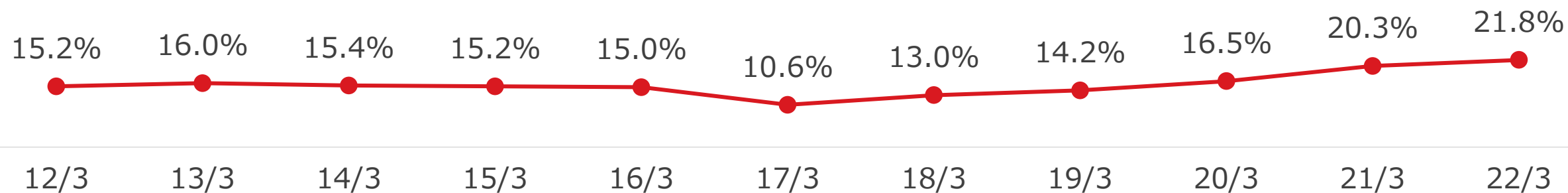


Revised year-end dividend for the fiscal year ended March 31, 2022 from 3 yen to 4 yen\*, for an annual dividend of 7 yen.

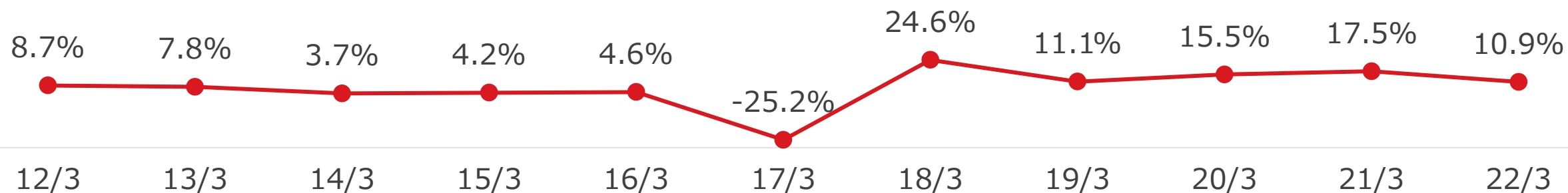
\* The year-end dividend for the fiscal year ended March 31, 2022 is subject to approval at the annual shareholders' meeting to be held in June 2022.

# Financial Ratios

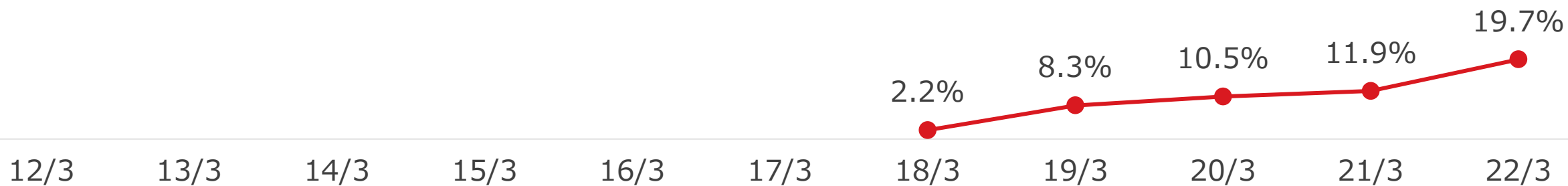
## ■ Shareholders' Equity Ratio\*(Consolidated)



## ■ ROE (Consolidated)



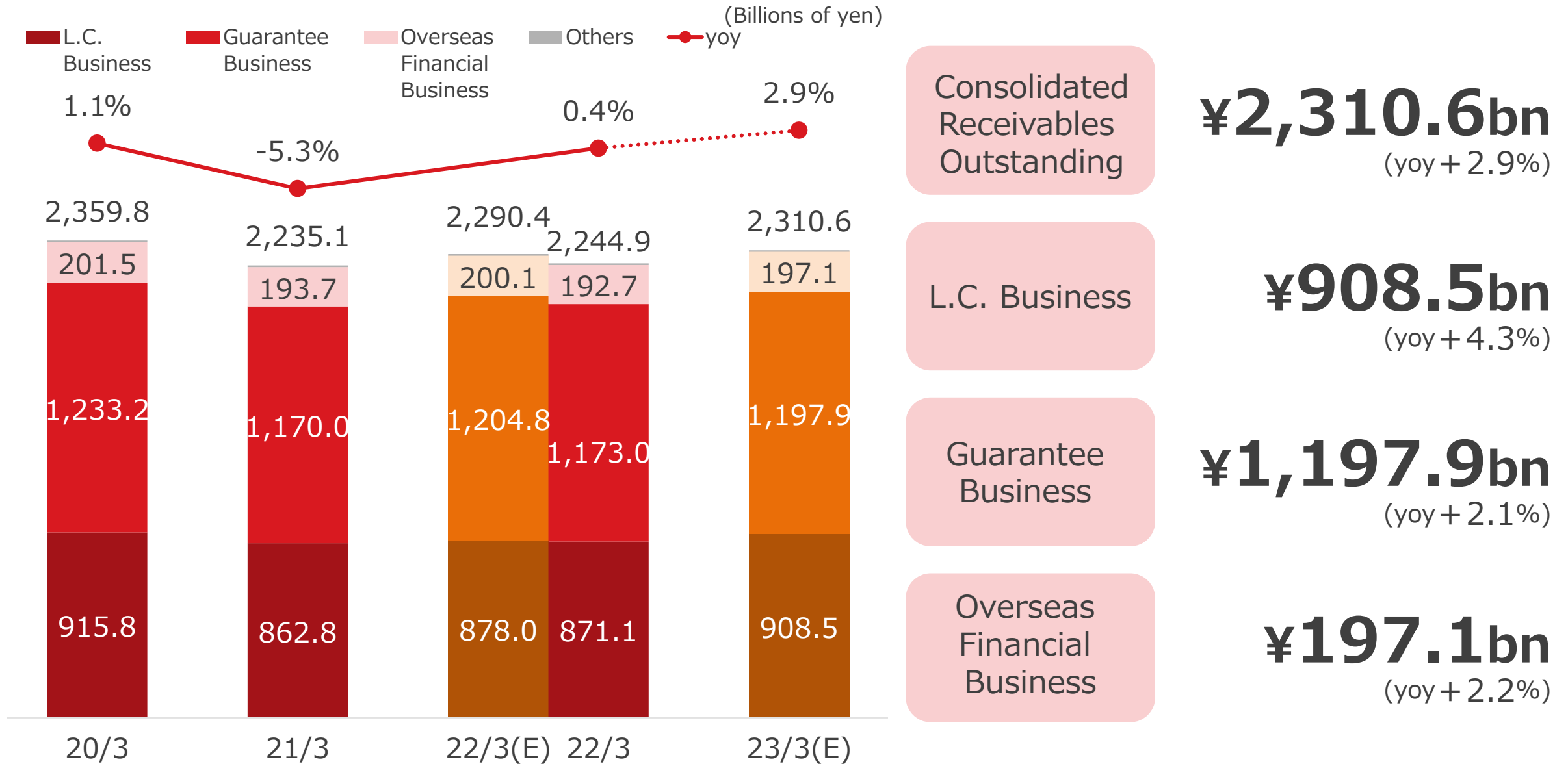
## ■ Dividend Pay-out Ratio



\* Equity ratio calculated by adding the balance of credit guarantees to consolidated total assets.



# Annual Forecast for the FY March 2023(Business Scale)





# Annual Forecast for the FY March 2023(Performance) (Millions of yen, %)

		2022/3		2023/3	
		Results	yoy	Forecast	yoy
1	Operating Revenue	262,155	-1.6	268,300	2.3
2	Loan and Credit Card Business	142,302	-1.5	145,600	2.3
3	Guarantee Business	62,861	-2.2	66,400	5.6
4	Overseas Financial Business	51,239	-1.7	50,900	-0.7
5	Operating Expenses	227,376	35.8	180,400	-20.7
6	Financial Expenses	5,165	-12.0	4,300	-16.7
7	Provision for Bad Debts	68,437	3.4	76,300	11.5
8	Provision for Loss on Interest Repayment	58,923	-	-	-
9	Other Operating Expenses	94,850	-0.5	99,800	5.2
10	Operating Profit	34,779	-64.8	87,900	152.7
11	Ordinary Profit	35,441	-64.6	88,200	148.9
12	Profit Before Income Taxes	33,726	-66.0	89,000	163.9
13	Profit	59,810	-28.5	66,500	11.2
14	Profit Attributable to Owners of Parent	55,678	-29.4	62,400	12.1

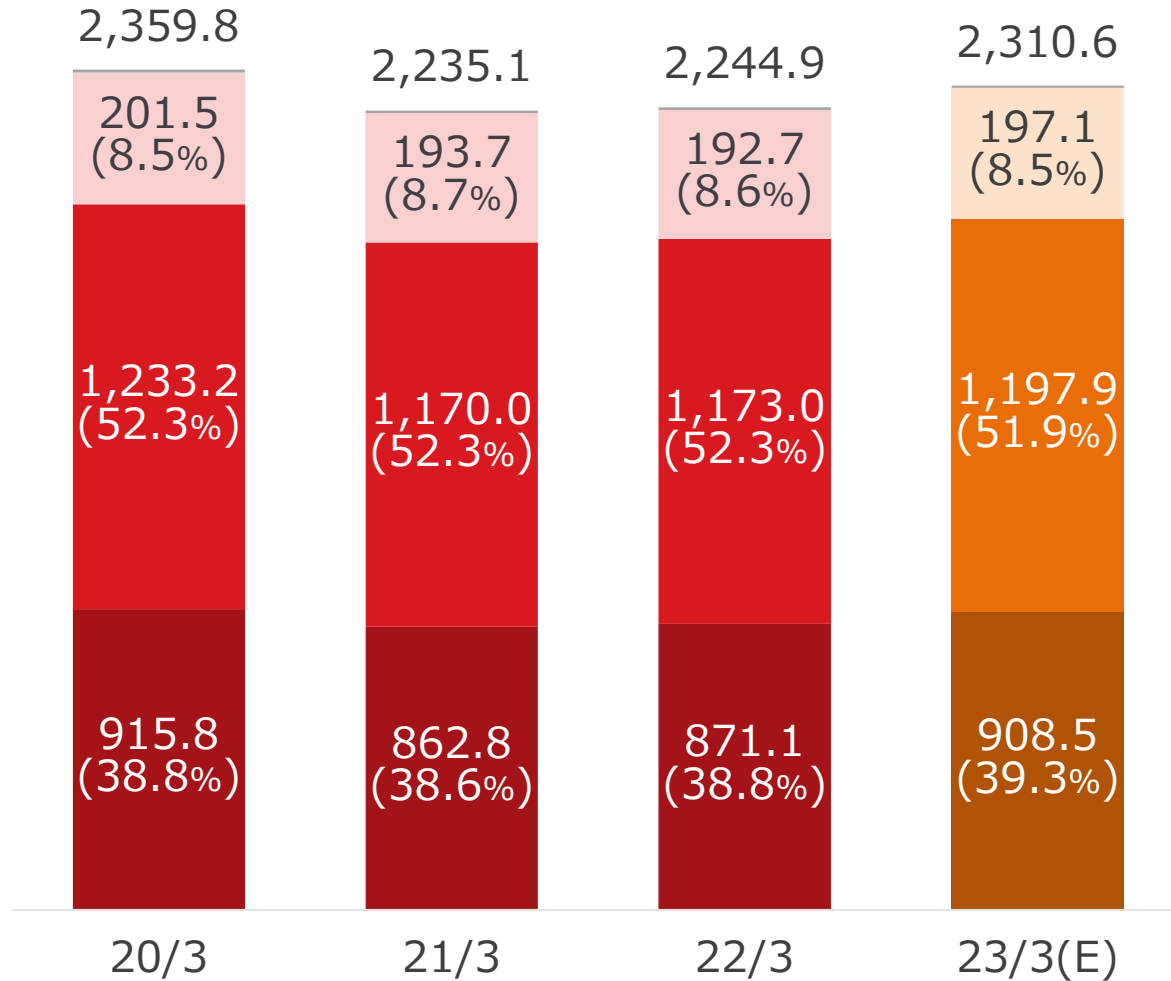
# Composition Ratios by Reported Segment

■ L.C. Business   
 ■ Guarantee Business   
 ■ Overseas Financial Business   
 ■ Others

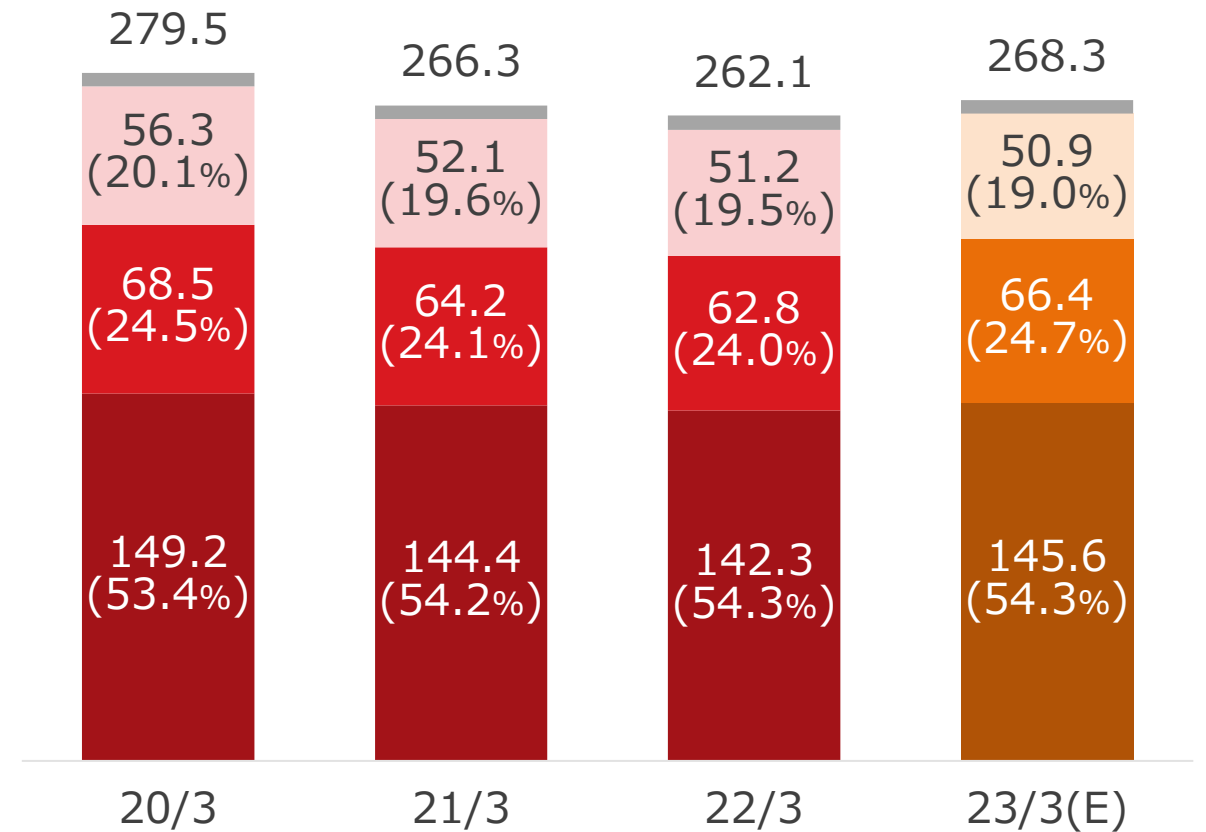
(Billions of yen)

( ) Composition Ratios by Segment

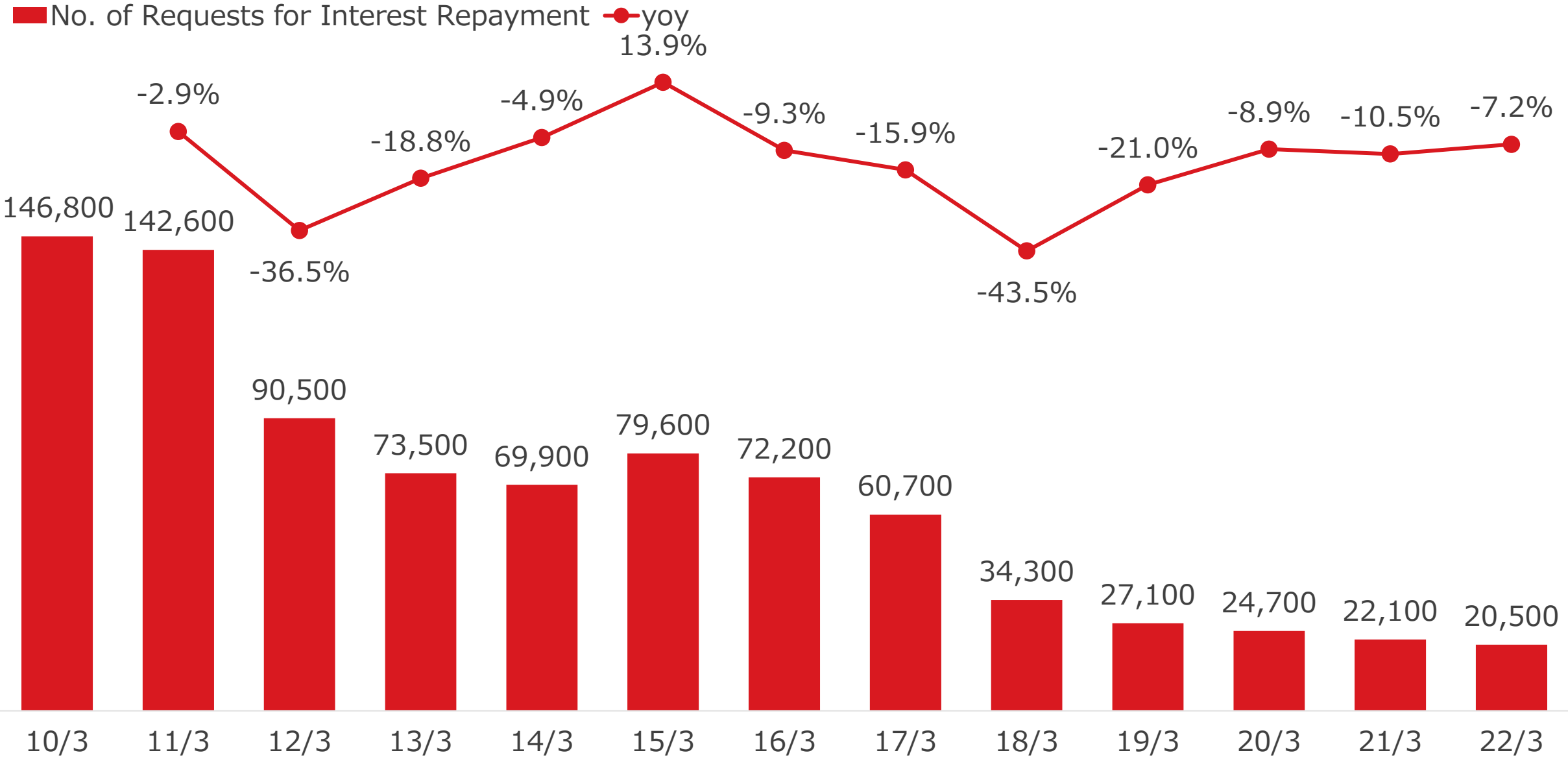
## ■ Receivables Outstanding



## ■ Operating Revenue



# Trend of No. of Requests for Interest Repayment

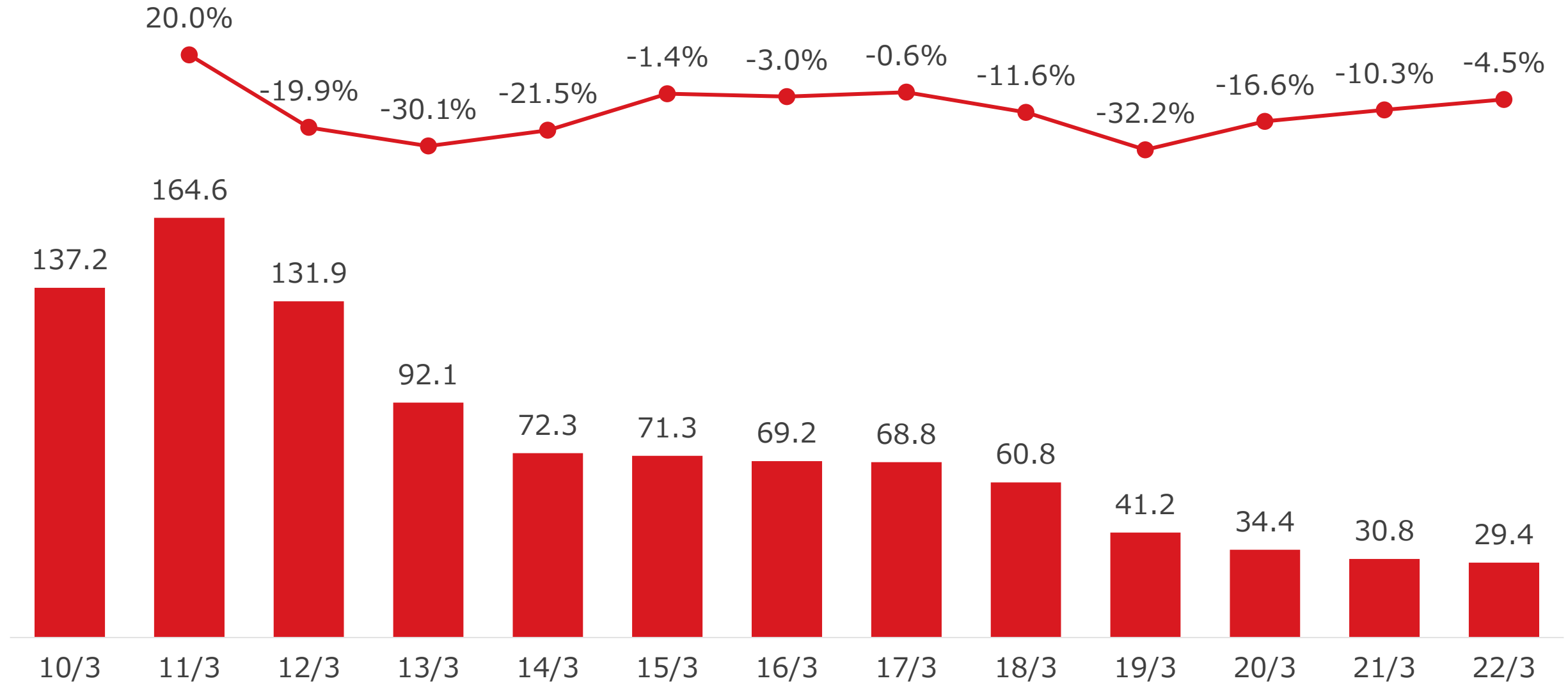


\*. No. of requests which interest repayment occurs as a result of ACOM’s recalculation based on the interest ceiling as specified in Interest Rate Restriction Act from claims which lawyers or judicial scriveners accept debt consolidation. (including reaccepted requests)

# Trend of Loss on Interest Repayment

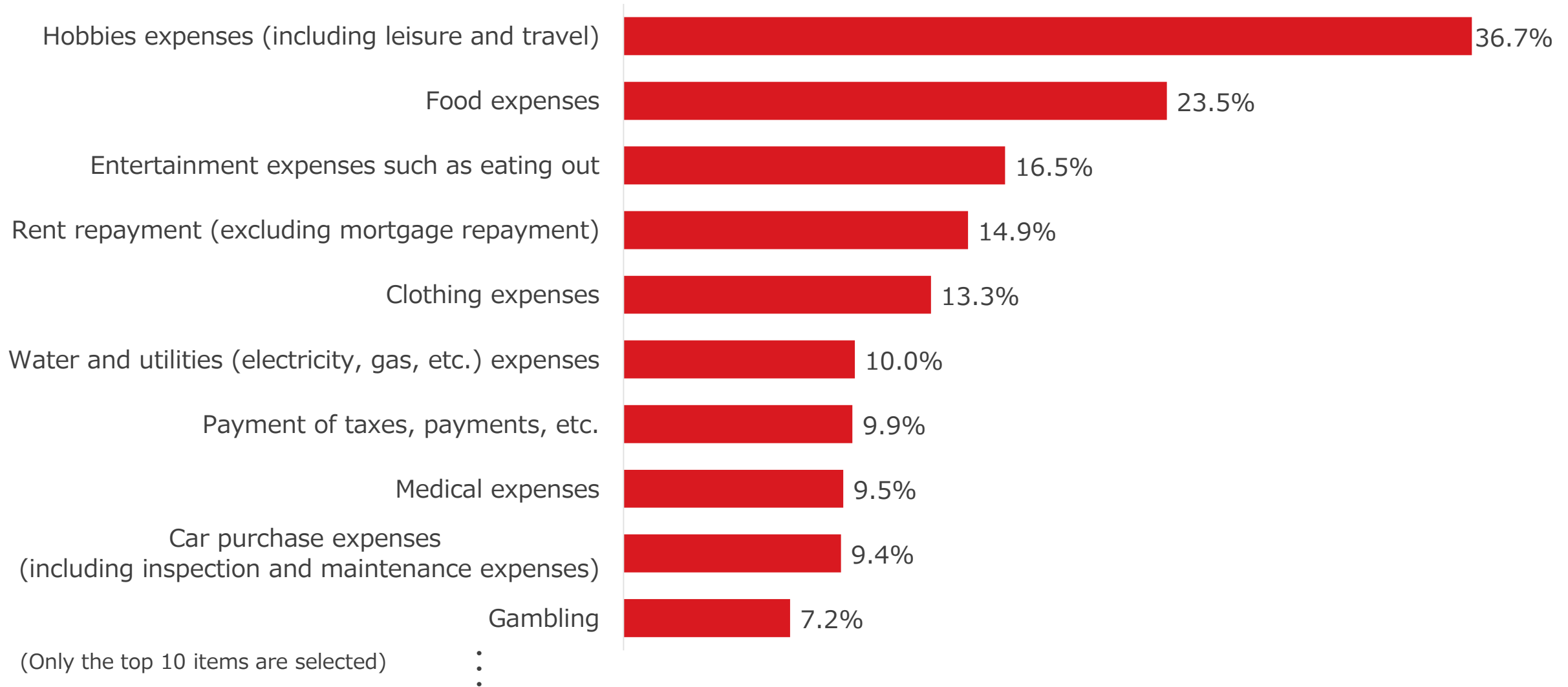
■ Provision Drawdown    ● yoy

(Billions of yen)



# Background of Borrowing Behavior among Individuals

## ■ Purpose of Loan\* (Multiple answers n=2,000)

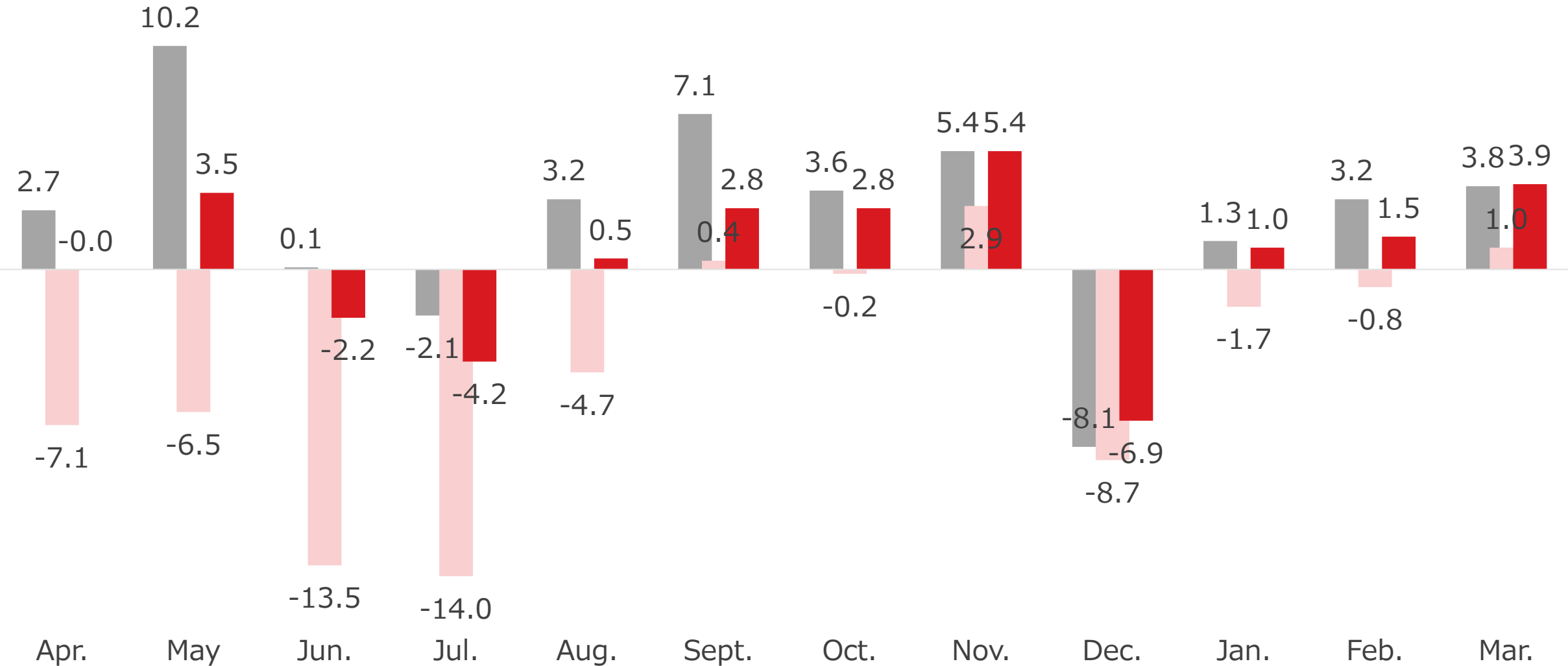


\* . Excerpted "survey results report on borrowing awareness and borrowing behavior of fund demanders" dated March 18, 2022 surveyed by Japan Financial Services Association (JFSA)

# Impact from COVID-19

**Monthly Changes in Loan and Credit Card Business: Receivables Outstanding** (Billions of yen)

FY March 2020 FY March 2021 FY March 2022



- Clarify what the ACOM Group wants to be based on the "founding spirit," "origin of the company name," and "corporate philosophy," which are the universal values and beliefs of the ACOM Group.
- Define specifically what we promise to each stakeholder as our "Vision".

## Meeting the expectations of all stakeholders

---

### Customers

Responding to the customer's desire of "what they want" and "the services they would like to get" with speed and mind of customers first in Japan and overseas

### Alliance

Contribute to the enhancement of corporate value of our alliance partners by providing our accumulated know-how

### Employee

Make our employees and their families happier tomorrow than today

### Society

Contribute to the realization of a sustainable society through corporate activities

### Shareholders/ Investors

Achieve stable and continuous returns through sustained growth in corporate value

### Partners

Build a strong relationship of trust and mutual development



# Mid-Term Policy | what we will do in the next 3 years to realize our“Vision”

## Customers

- Provide more comfortable services with speed through a superior UI that utilizes digital technology.
- As a leading company, we will continue to be easy to consult with and dependable.

## Alliance

- Work with our alliance partners to accurately understand customer needs and provide better services.
- Promote alliances not only with financial institutions but also with other companies that require the expertise of the ACOM Group.

## Employee

- Foster an open corporate culture that is free from discrimination and harassment and that recognizes diverse values.
- Mutually support each other's actions toward growth and create a workplace where people can feel pride and satisfaction in their work.

## Society

- As a member of society, actively work to resolve environmental and other social issues.

## Shareholders / Investors

- We will increase shareholder returns based on high profitability and appropriate capital adequacy.

## Partners

- Work together as business partners, building trust through good communication.

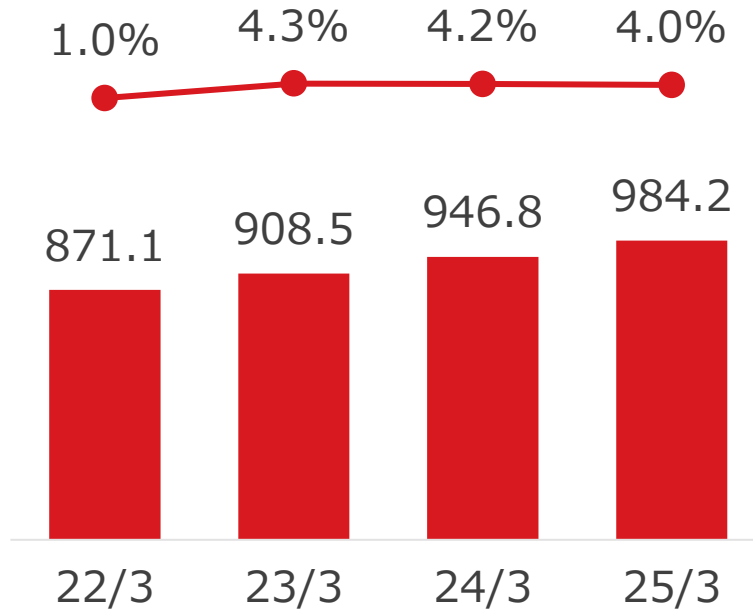
# New Mid-Term Management Plan | Business Scale and Performance by Segments (L.C. Business)

- Focus on attracting new customers efficiently by accurately and speedily grasping the rapidly changing digital environment.
- Expand business with existing customers and quickly recover business that shrank due to COVID-19.
- Aim for ¥984.2 billion in receivables outstanding including Embedded Finance Business.

## ■ Receivables Outstanding

(Billions of yen)

■ Receivables Outstanding ● yoy

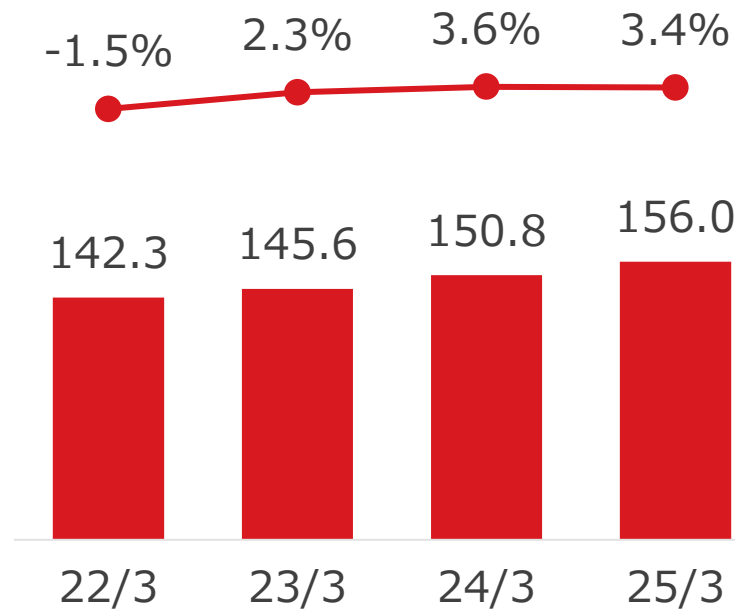


CAGR 4.2%

## ■ Operating Revenue

(Billions of yen)

■ Operating Revenue ● yoy

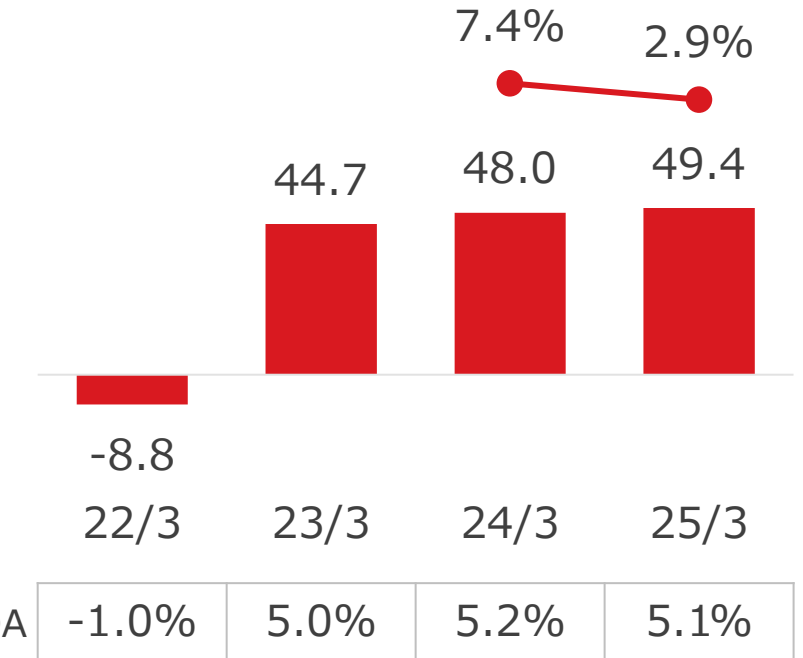


CAGR 3.1%

## ■ Operating Profit

(Billions of yen)

■ Operating Profit ● yoy



CAGR - %

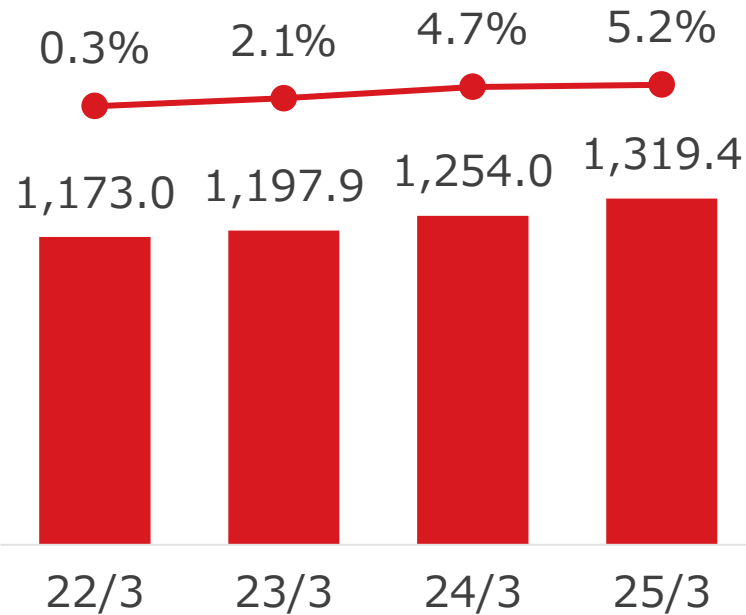
# New Mid-Term Management Plan | Business Scale and Performance by Segments (Guarantee Business)

- Focus on expanding business scale by guaranteed alliance with business companies and new alliance with financial institutions, and on attracting more customers in existing alliances.
- Aiming for consolidated guaranteed receivables of ¥1.3 trillion.

## ■ Guaranteed Receivables

(Billions of yen)

■ Guaranteed Receivables ● yoy

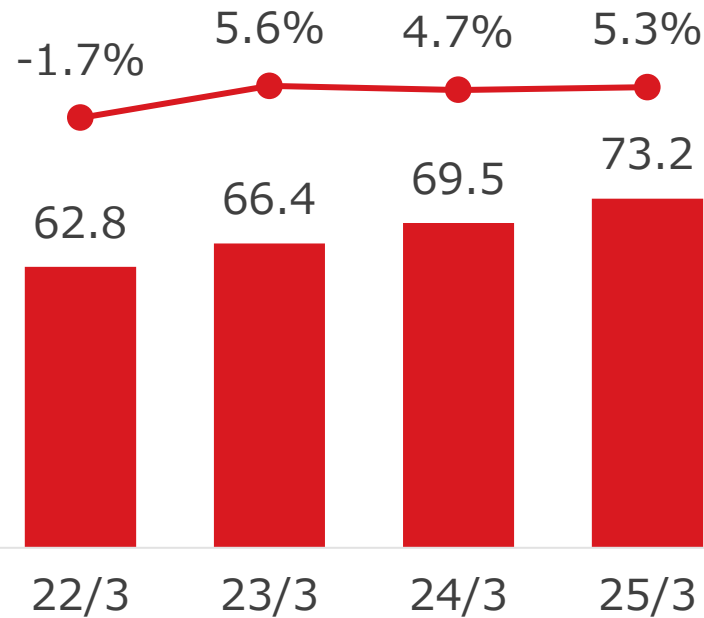


CAGR 4.0%

## ■ Operating Revenue

(Billions of yen)

■ Operating Revenue ● yoy

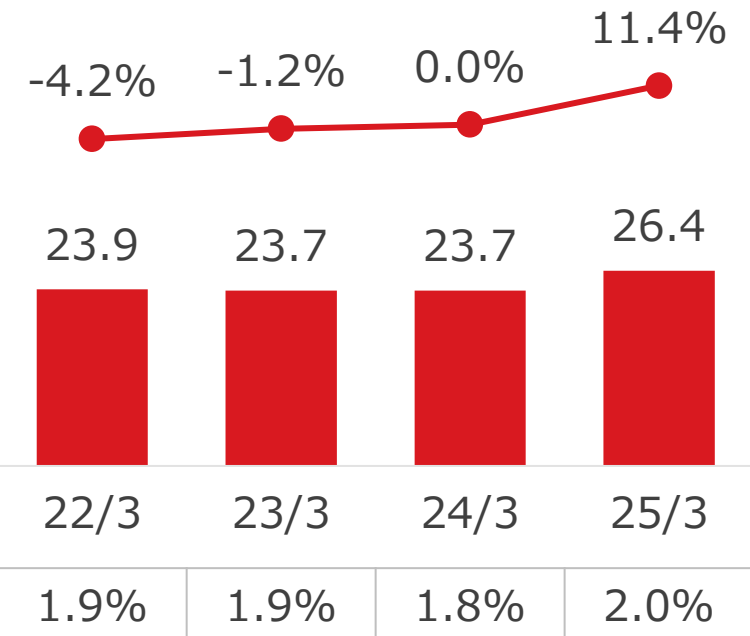


CAGR 5.2%

## ■ Operating Profit

(Billions of yen)

■ Operating Profit ● yoy



ROA

1.9%

1.9%

1.8%

2.0%

CAGR 3.2%

# New Mid-Term Management Plan |

## Business Scale and Performance by Segments (Overseas Financial Business)

- EASY BUY (Thailand) : Regulations have reduced profitability. Promote digitalization and improve efficiency.
- ACF (Philippines) : Aim to return to profitability in a single year by steadily increasing the receivables outstanding.
- Subsidiary in Malaysia : Aim to start business as soon as possible.

### ■ Receivables Outstanding

(Billions of yen)

■ Receivables Outstanding ● yoy



192.7 197.1 199.8 203.8

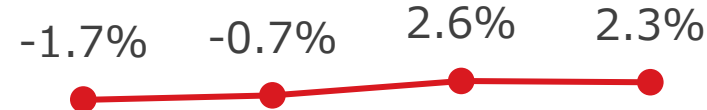
22/3 23/3 24/3 25/3

CAGR 1.9%

### ■ Operating Revenue

(Billions of yen)

■ Operating Revenue ● yoy



51.2 50.9 52.2 53.4

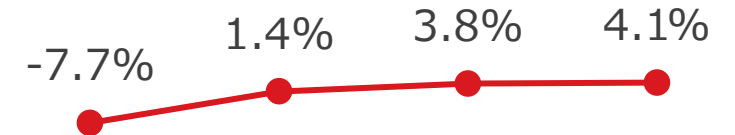
22/3 23/3 24/3 25/3 ROA

CAGR 1.4%

### ■ Operating Profit

(Billions of yen)

■ Operating Profit ● yoy



18.3 18.6 19.3 20.1

22/3 23/3 24/3 25/3

9.5% 9.5% 9.7% 10.0%

CAGR 3.1%