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# Earnings Release Presentation

The First Quarter Financial Results for the Fiscal Year Ending March 2019

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**ACOM CO., LTD.**

**<https://www.acom.co.jp/corp/english/ir/>**

**July 27, 2018**



# Financial Results Summary

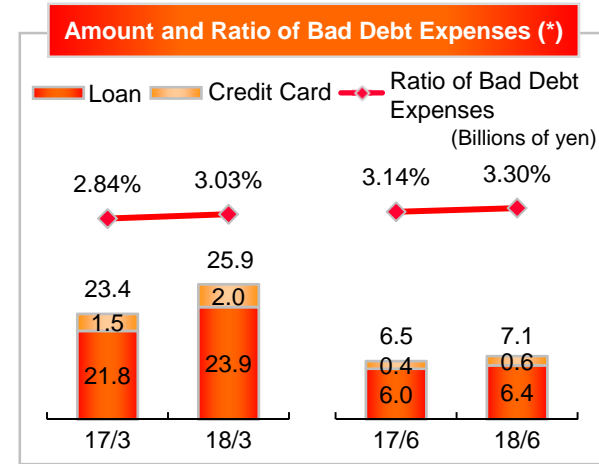
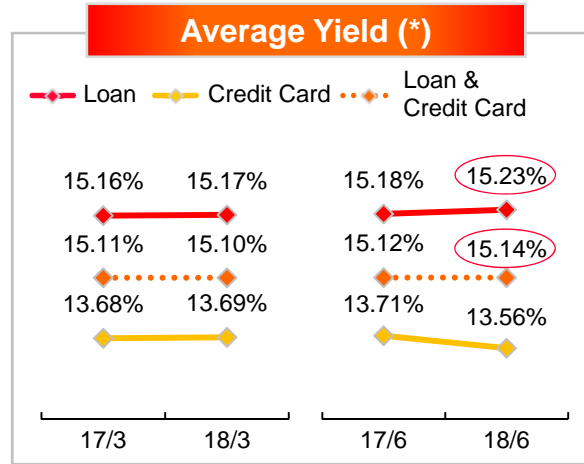
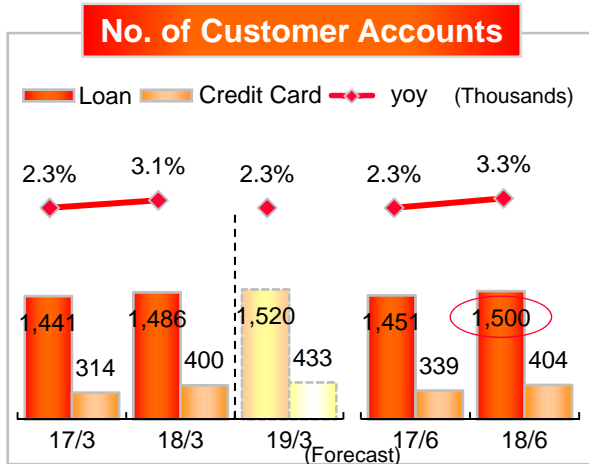
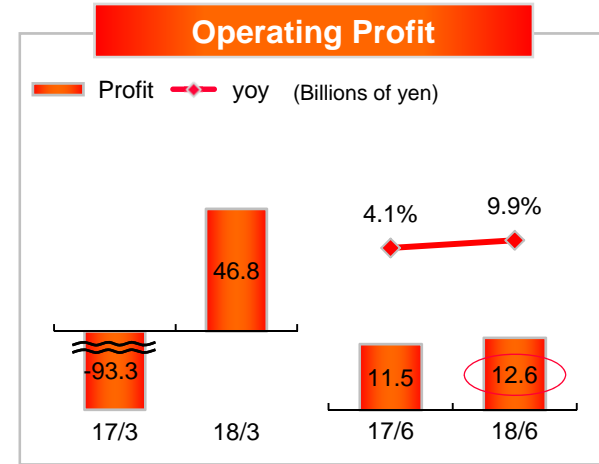
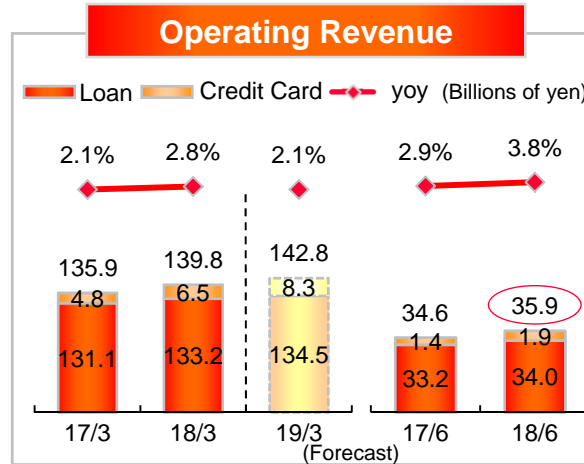
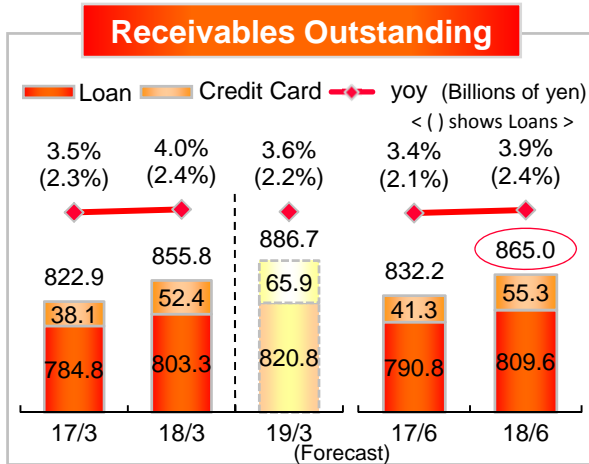
(Millions of yen, %)

	Consolidated					Non-consolidated				
	2018/6		2019/3			2018/6		2019/3		
	Results	yoy	Forecasts	yoy	Progress	Results	yoy	Forecasts	yoy	Progress
Receivables Outstanding	2,292,313	4.4	2,355,600	3.0		1,921,543	3.2	1,969,400	3.0	
Loan & Credit Card Business	865,056	3.9	886,700	3.6		865,056	3.9	886,700	3.6	
Guarantee Business	1,202,774	3.5	1,236,100	3.0	-	1,056,486	2.6	1,082,700	2.5	-
Overseas Financial Business	214,393	12.1	222,600	0.7		-	-	-	-	
<b>&lt;P/L&gt;</b>										
Operating Revenue	68,049	7.2	269,900	2.4	25.2	50,215	5.5	200,300	2.6	25.1
Loan & Credit Card Business	35,979	3.8	142,800	2.1	25.2	35,979	3.8	142,800	2.1	25.2
Guarantee Business	16,812	10.0	67,800	4.0	24.8	14,197	9.9	57,400	3.6	24.7
Overseas Financial Business	13,834	14.0	53,700	3.5	25.8	-	-	-	-	-
Operating Expenses	44,988	-1.0	192,700	5.6	23.3	33,028	-2.5	142,100	6.4	23.2
Financial Expenses	2,942	-5.9	11,700	-6.1	25.1	1,452	-12.4	5,900	-8.4	24.6
Provision for Bad Debts	19,470	-3.4	81,900	5.6	23.8	14,847	-6.1	63,400	7.0	23.4
Provision for Loss on Interest Repayment	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	22,574	2.0	99,100	7.2	22.8	16,728	2.1	72,800	7.3	23.0
Operating Profit	23,060	27.9	77,200	-4.6	29.9	17,187	25.1	58,200	-5.8	29.5
Ordinary Profit	23,215	26.3	77,700	-4.9	29.9	20,747	20.7	62,000	-5.3	33.5
Profit Before Income Taxes	23,205	26.1	77,600	-4.4	29.9	20,726	20.5	61,900	-4.7	33.5
Profit	20,137	17.5	67,300	-9.3	29.9	19,044	14.6	56,900	-9.9	33.5
Profit Attributable to Owners of Parent	18,965	16.0	63,600	-9.9	29.8	-	-	-	-	-



# Loan and Credit Card Business (ACOM)

- **Receivables Outstanding** : Increased by 3.9% yoy (+1.1% ytd) to 865.0 billion yen.
- **Operating Revenue** : Increased by 3.8% yoy to 35.9 billion yen owing to increases in interest on operating loans and credit card revenue.
- **Operating Profit** : Increased by 9.9% yoy to 12.6 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.

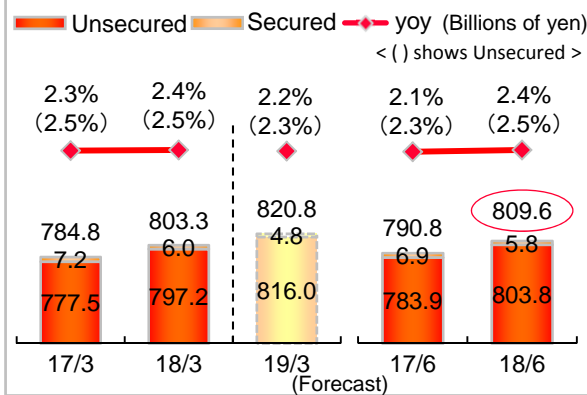
\* The ratios of bad debt expenses for 17/6 and 18/6 are recalculated into annual basis.



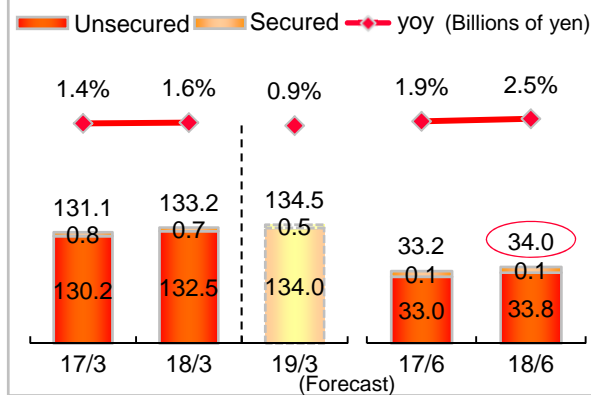
# Loan Business (ACOM)

- **Receivables Outstanding** : Increased by 2.4% yoy (+0.8% ytd) to 809.6 billion yen.
- **Operating Revenue** : Increased by 2.5% yoy to 34.0 billion yen owing to scale expansions.
- **No. of New Customers** : Increased by 6.0% yoy to 64 thousands, making a smooth progress.

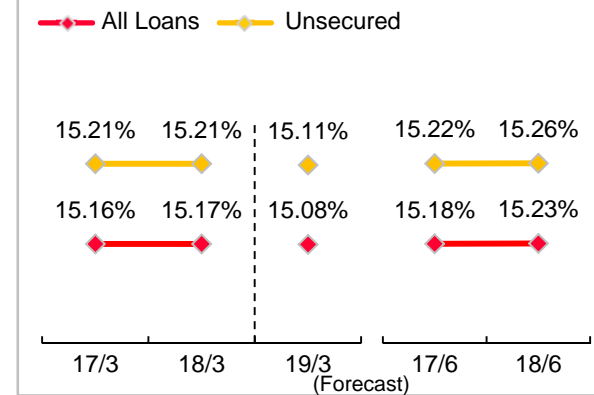
## Receivables Outstanding



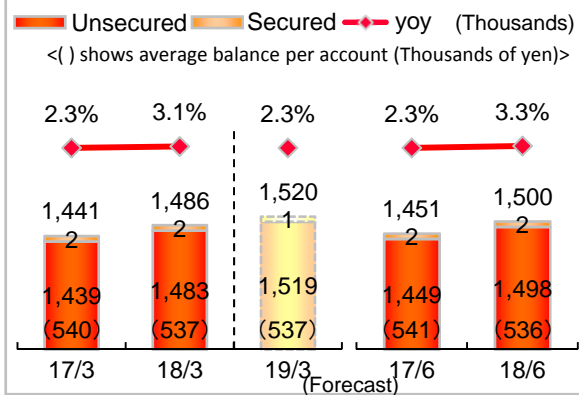
## Operating Revenue



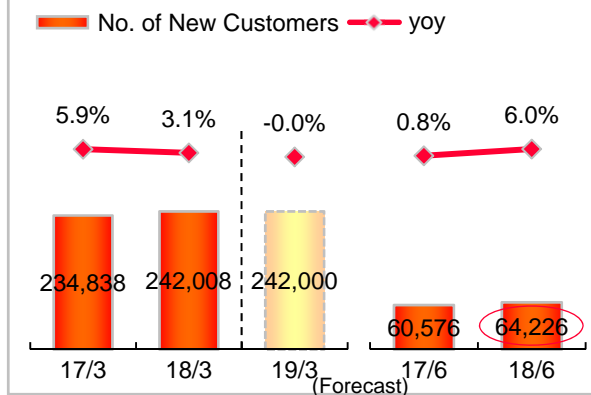
## Average Loan Yield



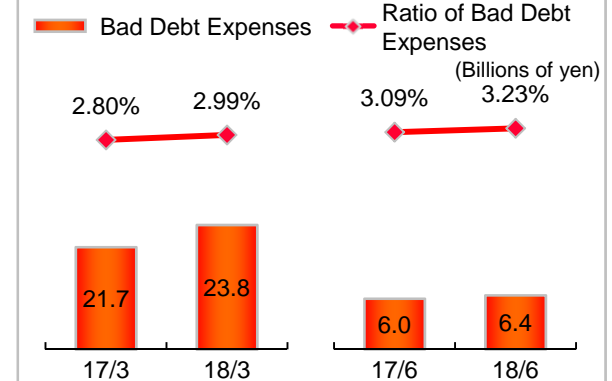
## No. of Customer Accounts



## No. of New Customers (Unsecured)



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



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

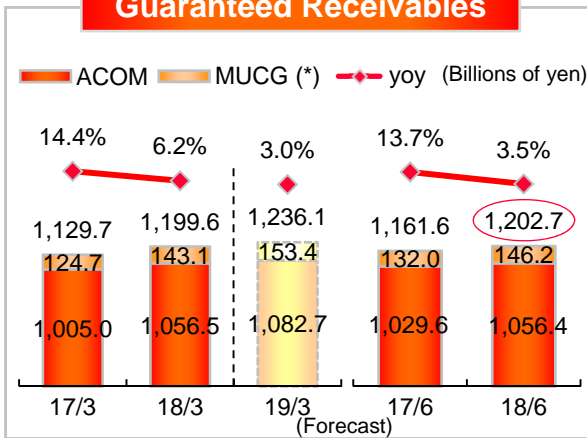
\* The ratios of bad debt expenses for 17/6 and 18/6 are recalculated into annual basis.



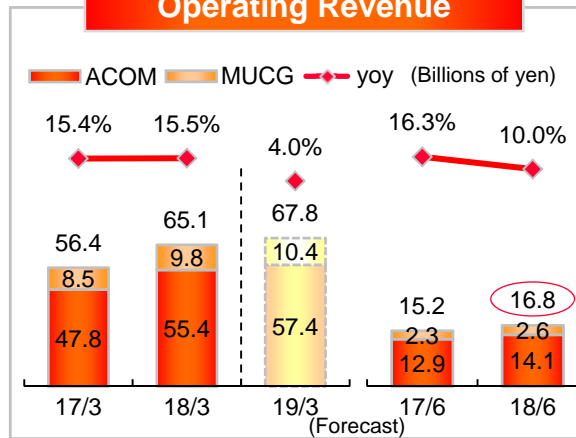
# Guarantee Business (ACOM and MU Credit Guarantee)

- **Guaranteed Receivables** : Increased by 3.5% yoy (+0.3% ytd) to 1,202.7 billion yen.
- **Operating Revenue** : Increased by 10.0% yoy to 16.8 billion yen owing to revision of guarantee fees.
- **Operating Profit** : Increased by 76.6% yoy to 5.3 billion yen owing to decrease in provision for bad debts.

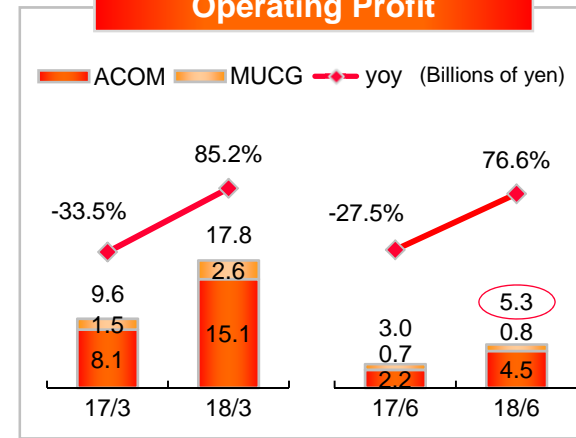
### Guaranteed Receivables



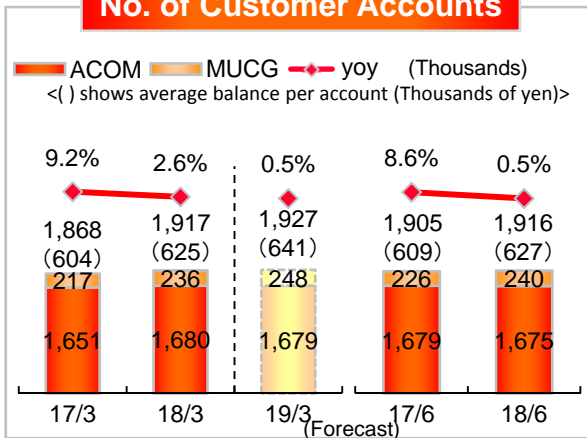
### Operating Revenue



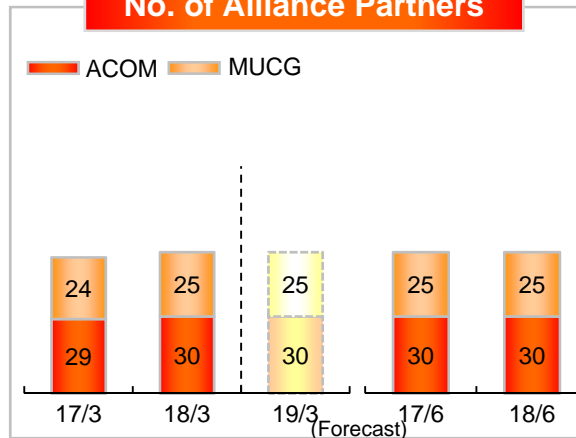
### Operating Profit



### No. of Customer Accounts

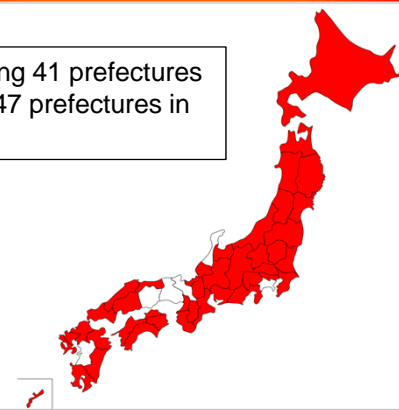


### No. of Alliance Partners



### Prefectures with Alliance Partners

Covering 41 prefectures out of 47 prefectures in Japan



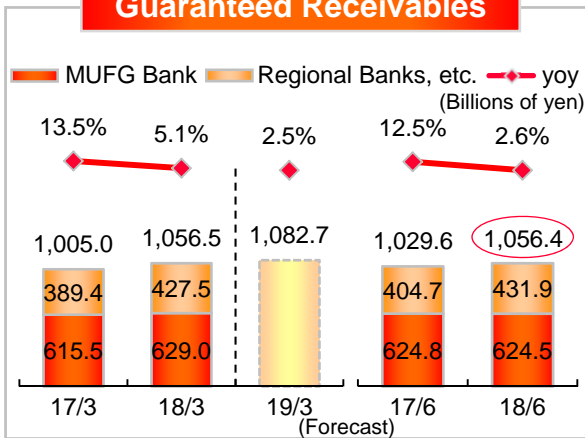
\* "MUCG" stands for MU Credit Guarantee Co., LTD.



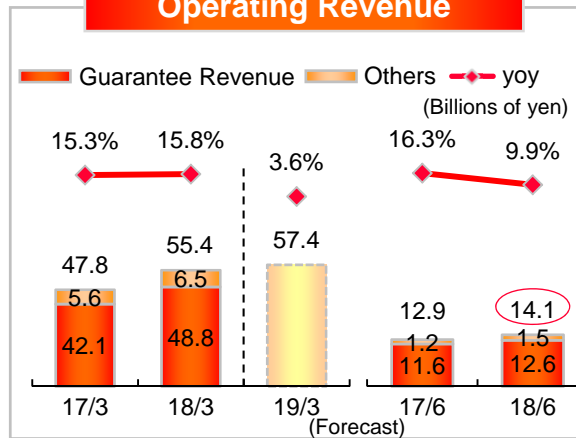
# Guarantee Business (ACOM)

- **Guaranteed Receivables** : Increased by 2.6% yoy (-0.0% ytd) to 1,056.4 billion yen.
- **Operating Revenue** : Increased by 9.9% yoy to 14.1 billion yen.
- **Operating Profit** : Increased by 101.6% yoy to 4.5 billion yen.

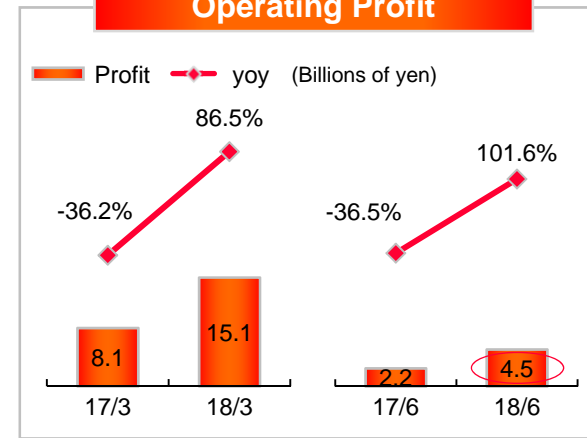
### Guaranteed Receivables



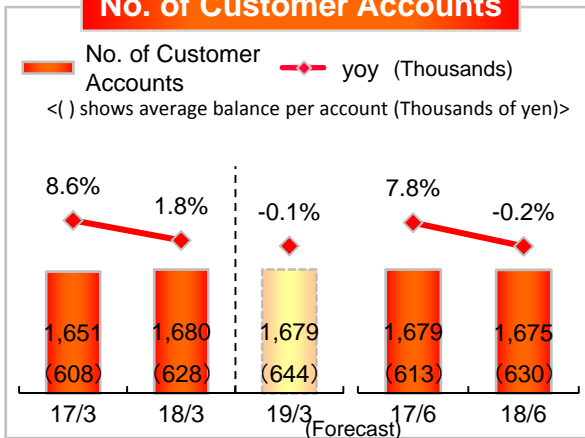
### Operating Revenue



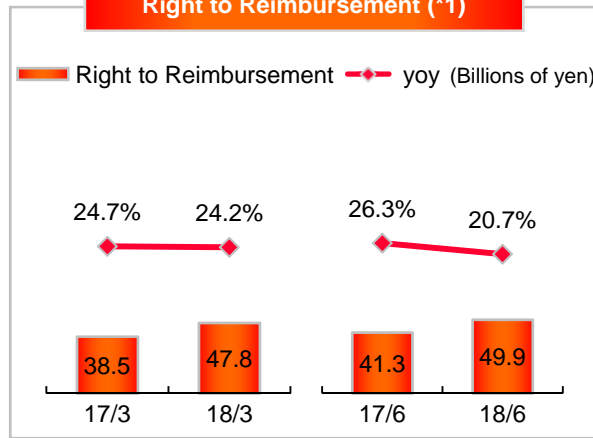
### Operating Profit



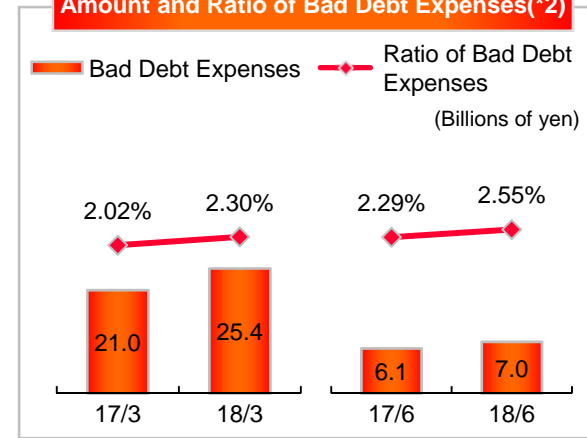
### No. of Customer Accounts



### Right to Reimbursement (\*1)



### Amount and Ratio of Bad Debt Expenses(\*2)



\*1 Right to reimbursement is loans in which guarantee obligations have been performed by ACOM, but not yet written-off.

\*2 The ratios of bad debt expenses for 17/6 and 18/6 are recalculated into annual basis.



# Target Market in Overseas Financial Business

## Target Market (ASEAN)



### [Kingdom of Thailand]

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

- Carried out business proactively while putting primary emphasis on improving soundness of loan portfolio.
- Revenue and profit both increased owing to scale expansion.

### [Republic of Indonesia]

[PT. Bank Nusantara Parahyangan, Tbk.]  
 Equity stake : 67.59%  
 Commenced business : 1972(became subsidiary in 2007)  
 Business Outline : Banking

- Maintained and improved soundness of loan portfolio, combined with enhanced internal control structure.

### [Republic of the Philippines]

[ACOM CONSUMER FINANCE CORPORATION]  
 Equity stake : 80.00%  
 Commenced business : July 2018  
 Business Outline : Unsecured Loan

- Established the company in July 2017.
- Commenced the business at Metro Manila in July 2018.

### Applying for license

### [Socialist Republic of Vietnam]

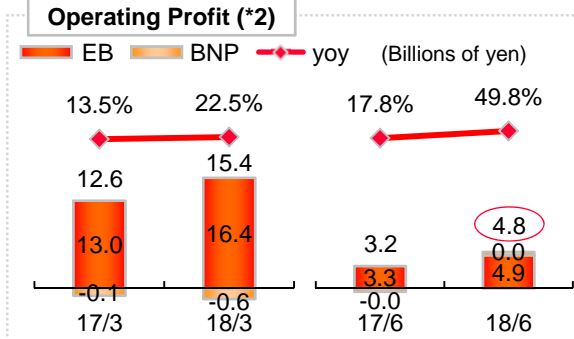
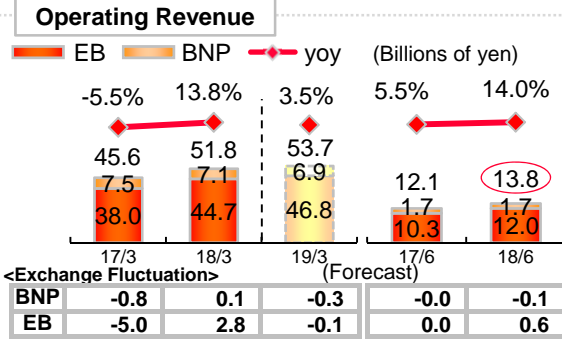
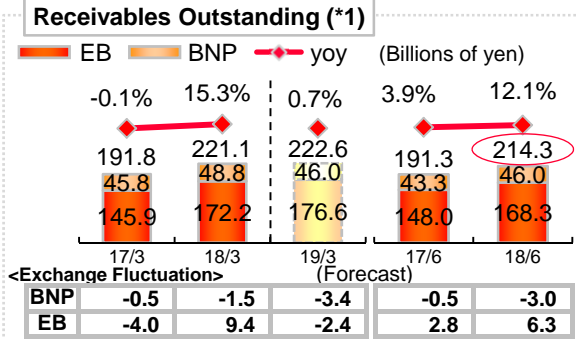
[ACOM VIETNAM FINANCE COMPANY LIMITED]  
 Location : Ho Chi Minh  
 Capital : 600.0 billion dong  
 (About 3.0 billion yen)  
 Equity stake : 100%

- Applied for license for company establishment in May 2014.
- Reapplied for license in June 2016.
- Plans to commence business at the earliest date upon completion of screening procedures.

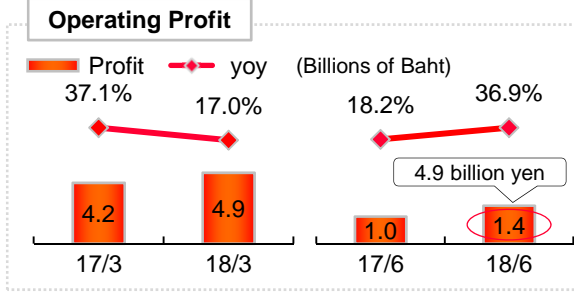
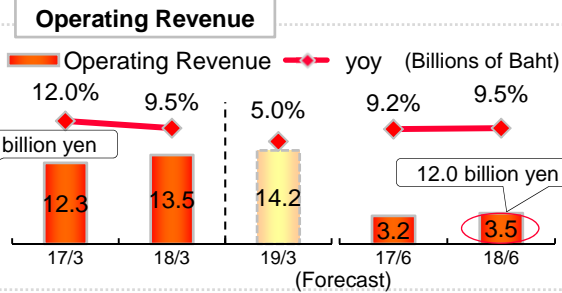
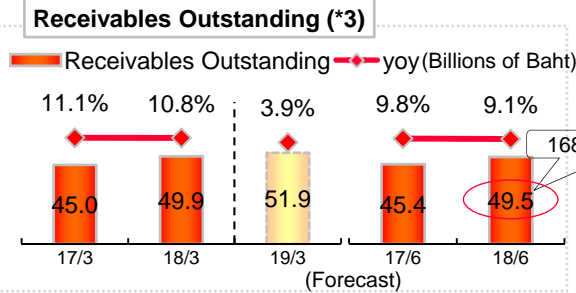


# Overseas Financial Business (EASY BUY (EB) and Bank BNP (BNP))

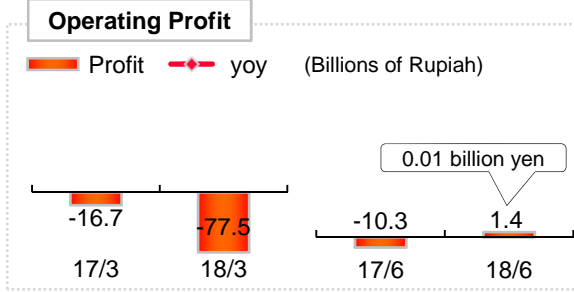
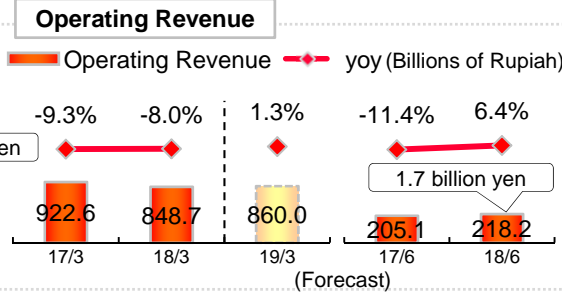
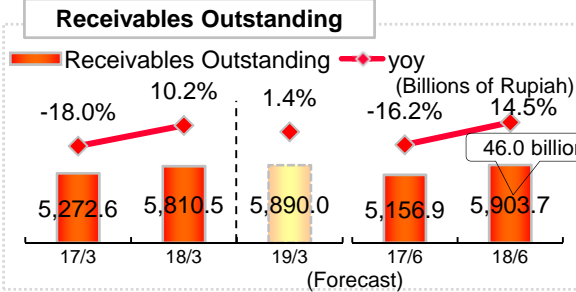
## Overseas Financial Business (Yen Basis)



## EASY BUY (Local Currencies Basis)



## Bank BNP (Local Currencies Basis)



\*1 Receivables outstanding = accounts receivable - operating loans + accounts receivable - installment + loans receivables of banking business  
 \*2 Operating profit shows segment income. \*3 Receivables outstanding = accounts receivable - operating loans + accounts receivable - installment  
 \* Exchange rates :Baht B/S: ¥3.26 (17/3), ¥3.40 (18/3), forecast ¥3.40 (18/12) P/L: ¥3.24 (17/3), ¥3.44 (18/3), forecast ¥3.30 (18/12)  
 (on local closing dates) Rupiah B/S: ¥0.0084 (17/3), ¥0.0078 (18/3), forecast ¥0.0078 (18/12) P/L: ¥0.0085 (17/3), ¥0.0080 (18/3), forecast ¥0.0080 (18/12)  
 \* Exchange fluctuation as of current 1Q: Baht (B/S yoy +¥0.14, ytd -¥0.05 P/L yoy +¥0.20), Rupiah (B/S yoy -¥0.0006, ytd -¥0.0006 P/L yoy -¥0.0005)





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

- **No. of requests** : Decreased by 27.9% yoy to 7.5 thousands which was inline with the initial forecast.
- **Cause** : Decline in advertisement activities by some of certain law offices led to decrease of requests.
- **Estimation** : The No. of Requests for FY March 2019 expects to decrease by 20% to 25% yoy.

● **Monthly Number of Requests for Interest Repayment (\*)** (%)

	2014/3		2015/3		2016/3		2017/3		2018/3			2019/3			
	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>	69,900	-4.9	79,600	13.9	72,200	-9.3	60,700	-15.9	34,300	-43.5	140	7,500	-27.9	120	
Apr.	6,700	4.7	6,500	-3.0	6,500	0.0	5,500	-15.4	3,600	-34.5	180	2,400	-33.3	120	
May	6,200	-11.4	6,200	0.0	5,500	-11.3	5,600	1.8	3,400	-39.3	-38.5	2,600	-23.5	-27.9	123
June	5,600	-15.2	6,600	17.9	6,400	-3.0	5,800	-9.4	3,400	-41.4		2,500	-26.5	119	
July	6,100	-7.6	7,100	16.4	6,100	-14.1	4,900	-19.7	2,800	-42.9					
Aug.	4,600	-16.4	5,900	28.3	5,300	-10.2	4,700	-11.3	2,500	-46.8	-43.8				
Sept.	5,900	1.7	7,800	32.2	6,600	-15.4	4,800	-27.3	2,800	-41.7					
Oct.	6,400	-3.0	7,500	17.2	6,700	-10.7	4,600	-31.3	2,700	-41.3					
Nov.	5,600	-5.1	6,000	7.1	6,000	0.0	4,900	-18.3	4,100	-16.3	-38.1				
Dec.	5,500	10.0	6,300	14.5	5,800	-7.9	5,200	-10.3	2,300	-55.8					
Jan.	5,000	0.0	4,900	-2.0	4,700	-4.1	4,500	-4.3	2,000	-55.6					
Feb.	5,900	-6.3	6,900	16.9	6,200	-10.1	5,200	-16.1	2,200	-57.7	-54.4				
Mar.	6,400	-5.9	7,900	23.4	6,400	-19.0	5,000	-21.9	2,500	-50.0					

\* 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.

\* Number of requests for interest repayment includes reaccepted requests.



# Trend of Loss on Interest Repayment (ACOM)

- **Provision drawdown** : 9.8 billion yen was drawn down (8.7 billion yen for interest repayment and 1.1 billion yen for bad debt expenses).
- **Provision** : 94.2 billion yen remains as 9.8 billion yen was drawn down from 104.0 billion yen of provision.
- **Estimation** : Provision drawdown for FY March 2019 expects to decrease by about 25% yoy.

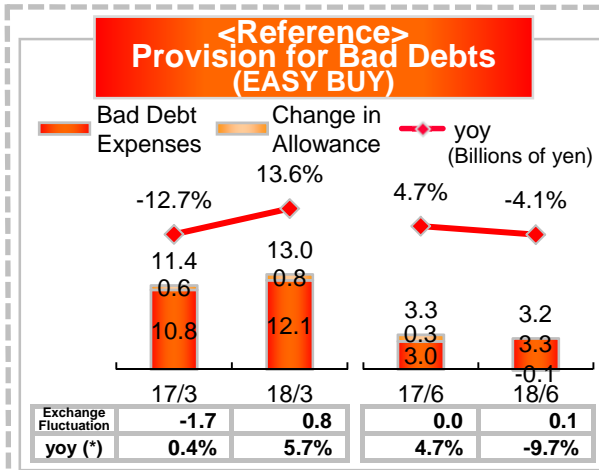
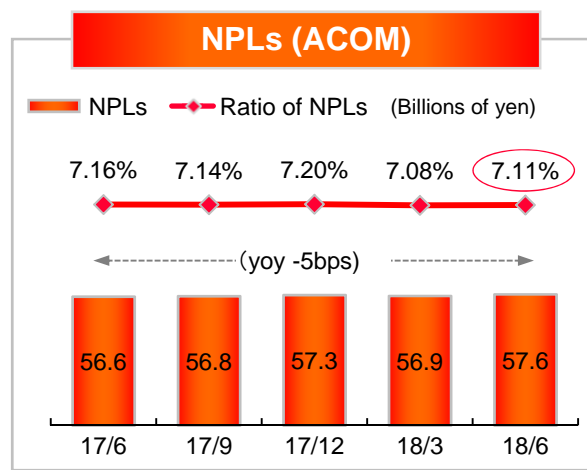
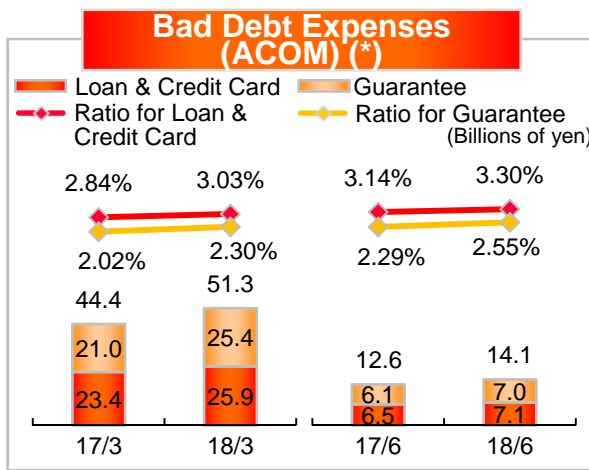
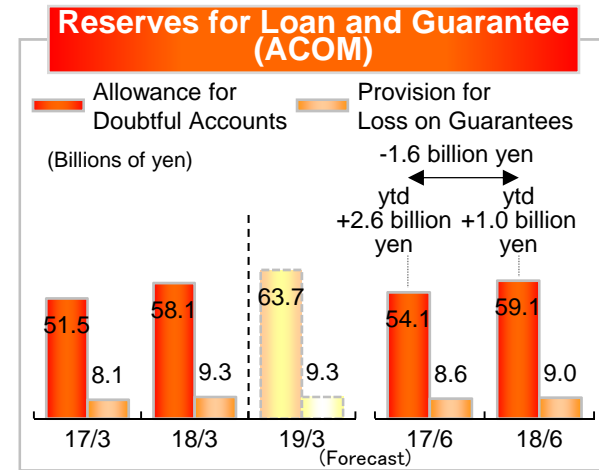
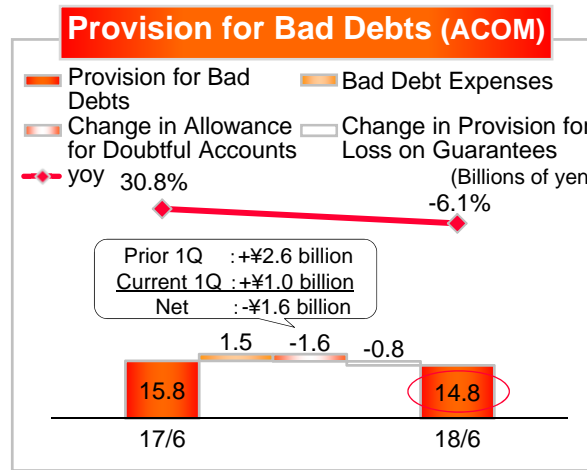
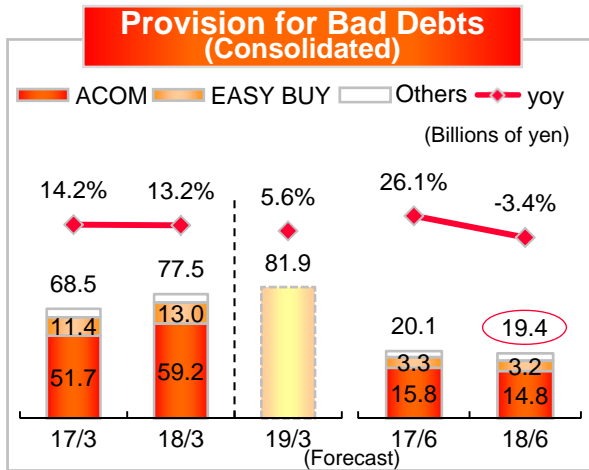
● **Provision for Loss on Interest Repayment** (Millions of yen, %)

	2018/3										2019/3	
	1Q	yoy	2Q	yoy	3Q	yoy	4Q	yoy	Total	yoy	1Q	yoy
<b>Provision Drawdown</b>	16,391	-7.9	16,327	-6.5	14,420	-15.3	13,691	-17.3	60,831	-11.6	9,844	-39.9
<b>Interest Repayment</b>	14,227	-6.5	14,238	-3.3	12,783	-12.7	12,220	-14.3	53,470	-9.1	8,738	-38.6
<Reference> Cash-out basis	14,355	-10.4	13,944	-2.1	13,020	-11.9	11,693	-15.7	53,014	-10.0	9,808	-31.7
<b>Bad Debt Expenses</b> (ACOM's voluntary waiver of repayments)	2,163	-16.2	2,088	-23.6	1,637	-30.8	1,471	-35.9	7,360	-26.2	1,105	-48.9
<b>Addition of Provision</b>	-	-	-	-	-	-	-	-	-	-	-	-
<b>Increase or Decrease in Provision</b>	-16,391	-	-16,327	-	-14,420	-	-13,691	-	-60,831	-	-9,844	-
<b>Ending Balance of Provision</b>	148,508	-	132,181	-	117,760	-	104,068				94,224	-



# Provision for Bad Debts

- **Provision for Bad Debts (Consolidated):** Decreased by 3.4% yoy to 19.4 billion yen owing to decrease in changes in reserve.
- **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 decreased by 5 basis point yoy to 7.11%.

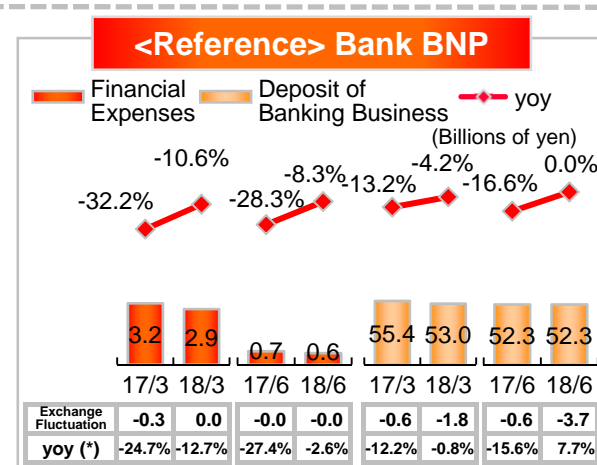
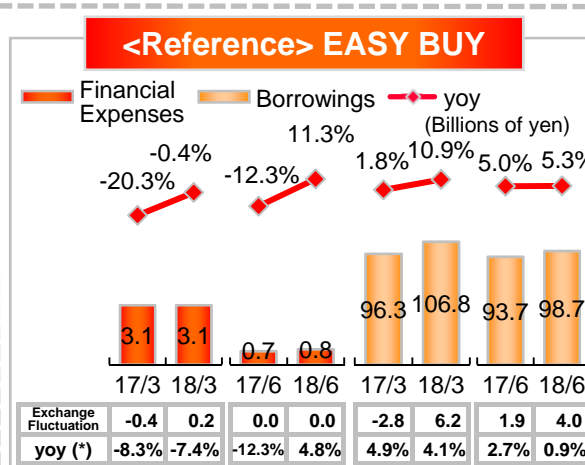
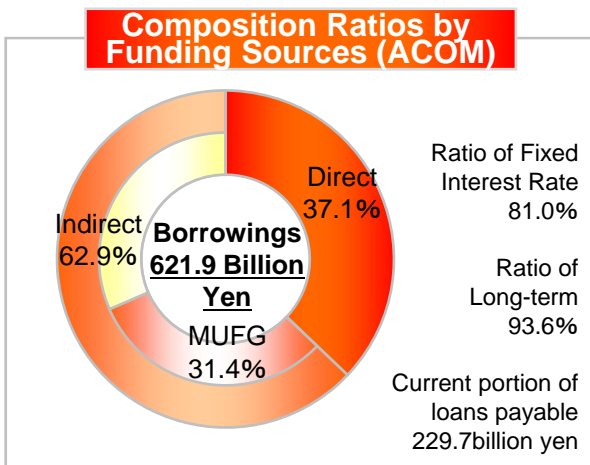
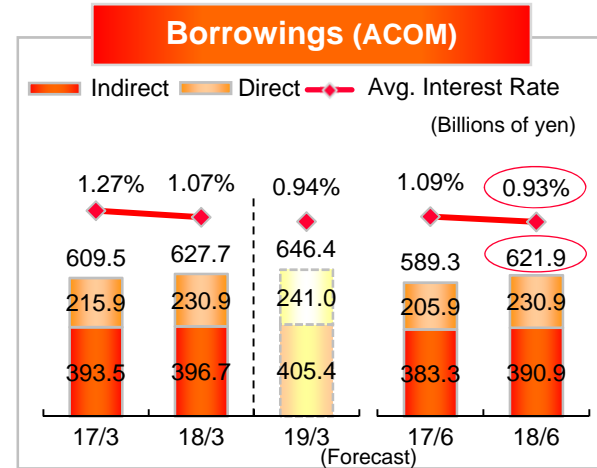
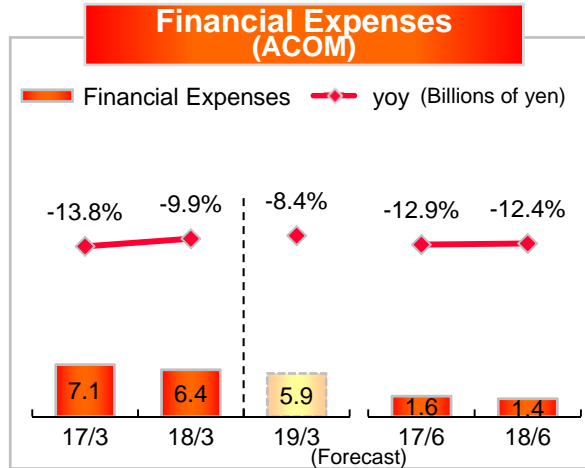
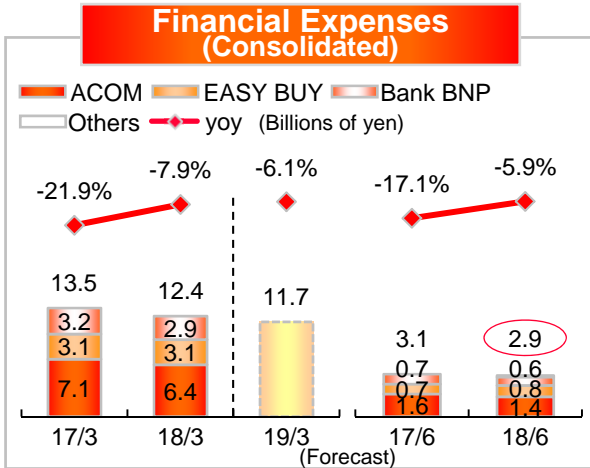


\* Amount and ratio of bad debt expenses exclude waiver of repayments accompanying interest repayment.  
 \* The ratios of bad debt expenses for 17/6 and 18/6 are recalculated into annual basis.  
 \* "yoy" shows local currencies basis.



# Financial Expenses

- **Financial Expenses (Consolidated)** : Decreased by 5.9% yoy to 2.9 billion yen owing to improvements in funding environment of ACOM.
- **Borrowings (ACOM)** : Increased by 32.6 billion yen yoy to 621.9 billion yen.
- **Average Interest Rate (ACOM)** : Decreased by 16 basis points to 0.93% owing to further replacements of borrowings and improving funding environment.



\* "yoy" shows local currencies basis.

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# Reference Information

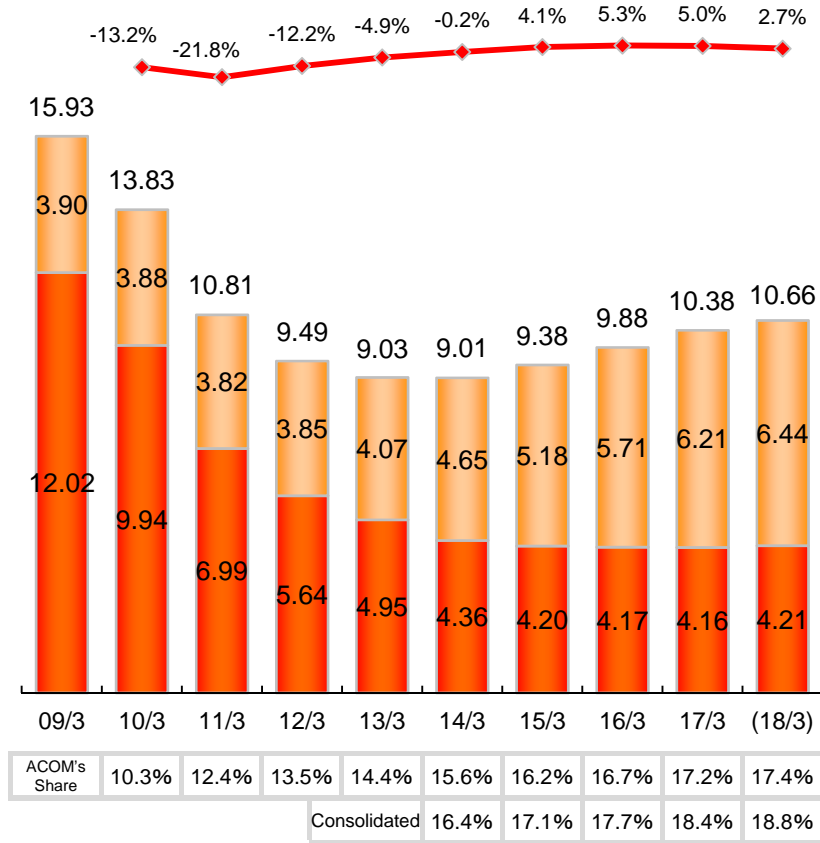
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# [Reference] Trend of Market Volume of Domestic Personal Card Loans

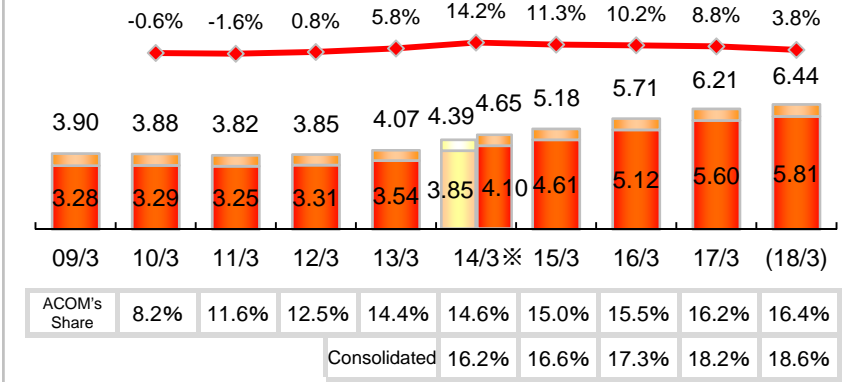
## Domestic Personal Card Loan Market

Nonbank Category Bank Category yoy (Trillions of yen)



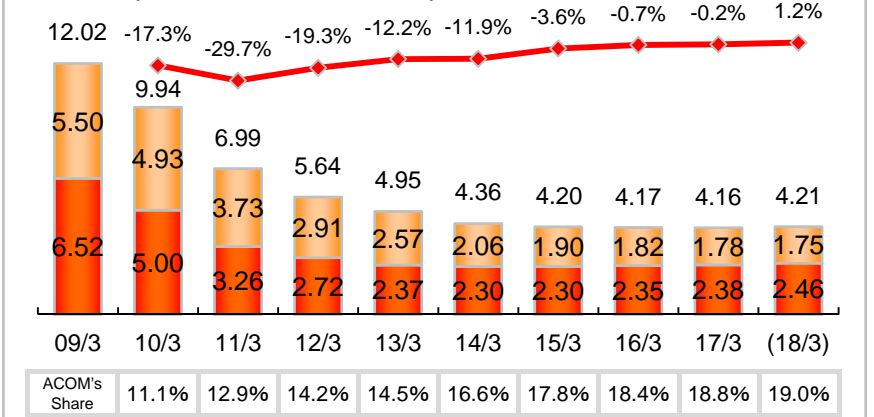
## Bank Category

Domestic Banks Credit Unions yoy (Trillions of yen)



## Nonbank Category

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



\* Nonbank category is receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2018/3 is preliminary.  
 \* Bank category refers to the volume of personal card loans provided by domestic banks and credit unions in statistics by The Bank of Japan.  
 (Correction on statistics by The Bank of Japan, announced on August 10, 2015, led to increase of 260 billion yen).



# [Reference] Summary of Segment Income

## ● Operating Revenue and Segment Income

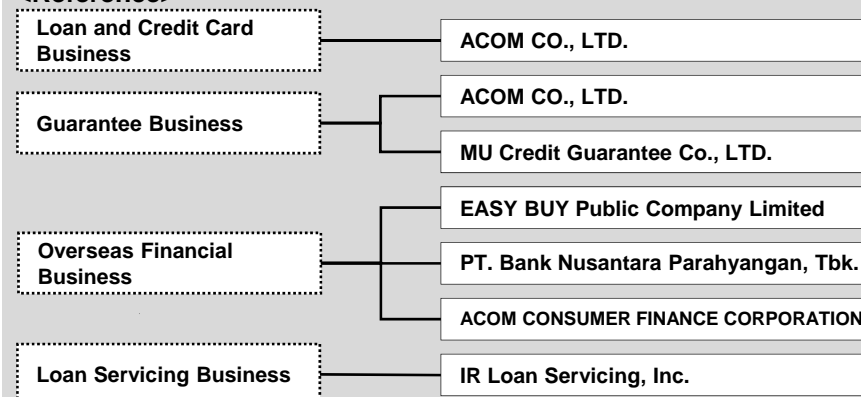
(Millions of yen, %)

	Loan and Credit Card Business		Guarantee Business		Overseas Financial Business		Loan Servicing Business		Subtotal		Others	Total
		yoy		yoy		yoy		yoy		yoy		
Operating Revenue	35,979	3.8	16,812	10.0	13,834	13.9	1,401	3.4	68,027	7.2	39	68,066
Revenue from External Customers	35,979	3.8	16,812	10.0	13,834	14.0	1,401	3.4	68,027	7.2	21	68,049
Revenue from Transactions with Other Operating Segments	-	-	-	-	0	-93.9	-	-	0	-93.9	17	17
Operating Expenses	23,326	0.7	11,421	-6.7	8,996	1.0	1,293	9.4	45,037	-1.0	-	45,037
Segment Income	12,653	9.9	5,390	76.6	4,838	49.8	107	-37.6	22,990	28.0	39	23,029

## ● Difference between Segment and Consolidated Operating Profit

Income	Amount	
		yoy
Segment Income	22,990	28.0
Income of "Others" Category	39	68.1
Elimination of Intersegment Transactions	14	-31.9
Adjustments due to Unification of Accounting Treatment between Parent Company and Subsidiary	16	-31.8
Consolidated Operating Profit	23,060	27.9

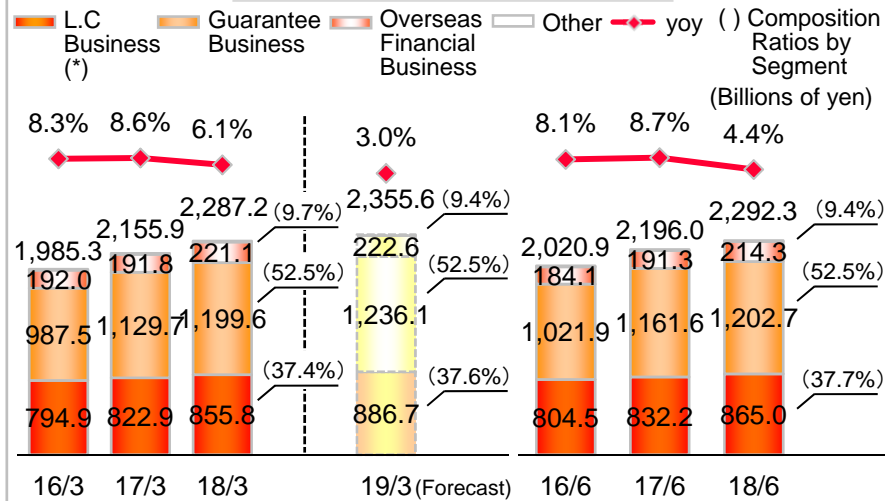
## <Reference>



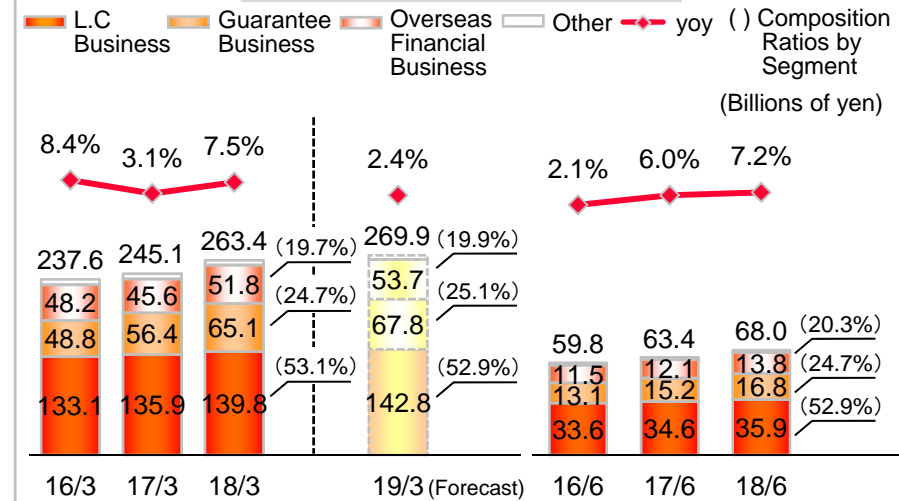


# [Reference] Composition Ratios by Reported Segment

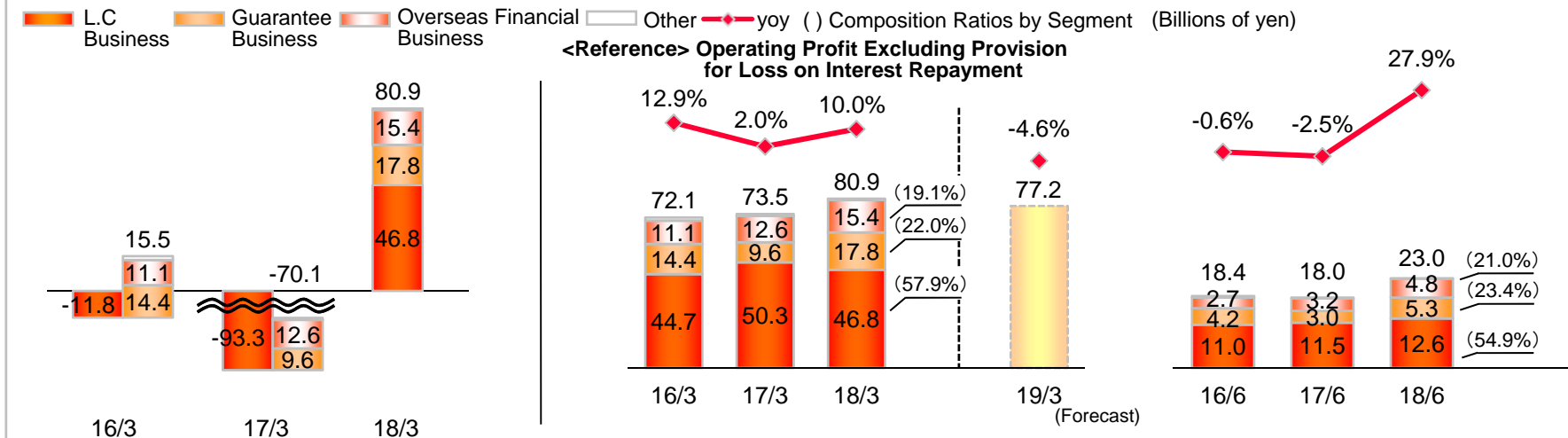
## Receivables Outstanding



## Operating Revenue



## Operating Profit



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





# [Reference] Annual Forecast for the FY March 2019

(Millions of yen, %)

	Consolidated				Non-consolidated			
	2018/3		2019/3		2018/3		2019/3	
	Results	yoy	Forecasts	yoy	Results	yoy	Forecasts	yoy
Receivables Outstanding	2,287,206	6.1	2,355,600	3.0	1,912,343	4.6	1,969,400	3.0
Loan & Credit Card Business	855,811	4.0	886,700	3.6	855,811	4.0	886,700	3.6
Guarantee Business	1,199,644	6.2	1,236,100	3.0	1,056,532	5.1	1,082,700	2.5
Overseas Financial Business	221,107	15.3	222,600	0.7	-	-	-	-
<b>&lt;P/L&gt;</b>								
Operating Revenue	263,453	7.5	269,900	2.4	195,310	6.1	200,300	2.6
Loan & Credit Card Business	139,826	2.8	142,800	2.1	139,826	2.8	142,800	2.1
Guarantee Business	65,171	15.5	67,800	4.0	55,401	15.8	57,400	3.6
Overseas Financial Business	51,895	13.8	53,700	3.5	-	-	-	-
Operating Expenses	182,511	-42.1	192,700	5.6	133,542	-50.4	142,100	6.4
Financial Expenses	12,454	-7.9	11,700	-6.1	6,442	-9.9	5,900	-8.4
Provision for Bad Debts	77,570	13.2	81,900	5.6	59,253	14.4	63,400	7.0
Provision for Loss on Interest Repayment	-	-	-	-	-	-	-	-
Other Operating Expenses	92,486	3.3	99,100	7.2	67,846	1.7	72,800	7.3
Operating Profit	80,942	-	77,200	-4.6	61,767	-	58,200	-5.8
Ordinary Profit	81,694	-	77,700	-4.9	65,471	-	62,000	-5.3
Profit Before Income Taxes	81,168	-	77,600	-4.4	64,926	-	61,900	-4.7
Profit	74,233	-	67,300	-9.3	63,184	-	56,900	-9.9
Profit Attributable to Owners of Parent	70,572	-	63,600	-9.9	-	-	-	-



# [Reference] Basic Policy on Dividends

## Basic Policy

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

## Prerequisite for Resumption of Dividends (4Q of FY March 2018)

From viewpoint of management stability and safety, it is task of first priority to increase shareholders' equity. While focusing on the value of shareholders' equity ratio, we will closely monitor difference between estimated and actually requested amount of request for interest repayment. We will resume dividend payment as soon as future concern is solved.

## Current Situation and issues (4Q of FY March 2018)

### <Situations of Business Performance and Financial Conditions>

- Three core businesses are in stable growth trend.
- Level of Profits are going smoothly to reach the target of mid-term management plan.
- Because the rate of decrease in request for interest repayment exceeds initial estimate, further risk of damaging equity due to additional provision has been lowered.

### <Issues>

- We aim to achieve consolidated shareholders' equity ratio of 20%, computed using the sum of consolidated total assets and guaranteed receivables for FY March 2019. However, there is huge gap between the target and actual result due to additional provision caused significant damage to shareholder's equity.
- Amount of drawdown for interest repayment was down by only 11.6% yoy basis; therefore, we cannot conclude that future concern about interest repayment issue is solved.

## Forecasts on Dividends

- Regarding the dividend, we took business performance and financial basis for FY March 2018 into consideration and decided to pay dividends as follows.
- Dividend for the fiscal year ended March 2018                   ...       "2Q ; None" , "4Q ; 1 yen"
- Dividend for the fiscal year ending March 2019               ...       "2Q ; 1 yen (forecast)" , "4Q ; 1 yen (forecast)"



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

<b>Foundation Spirit</b>	<b>Circle of Trust</b>	
<b>Origins of Company Name</b>	<u>A</u> ffection <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
<b>Mid-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.	

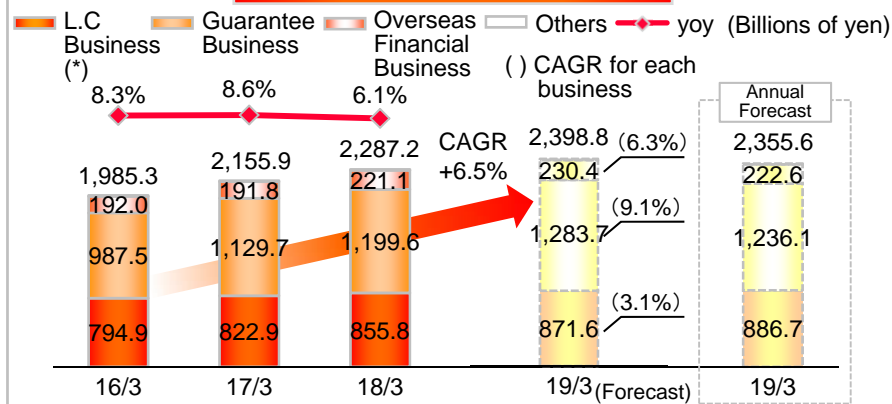
**<Measures to be taken by 3 core businesses>**

Priority Subjects in Target Period		Key Measures to be Taken
① Advance compliance-oriented corporate culture ② Establish and enhance human resources basis ③ Increase new customer acquisition via enhanced marketing ④ Continuous increases in both loans receivable and number of customer accounts while maintaining a sound portfolio ⑤ Enhance and establish competitive advantages in guarantee business ⑥ Establish basis as one of core businesses in overseas financial business segment ⑦ Enhance groupwide collection basis ⑧ Achieve cost optimization ⑨ Accommodate to developing ICT and improve system infrastructure	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>

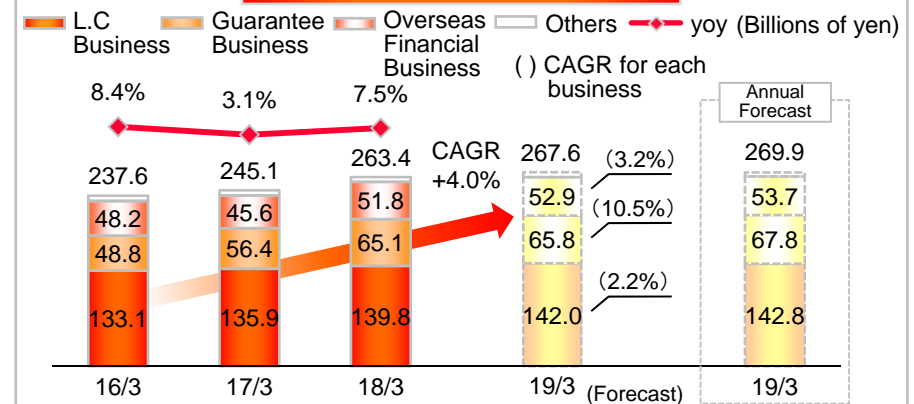


## [Reference] Quantitative Targets for the Mid-term Management Plan (2017/3 – 2019/3)

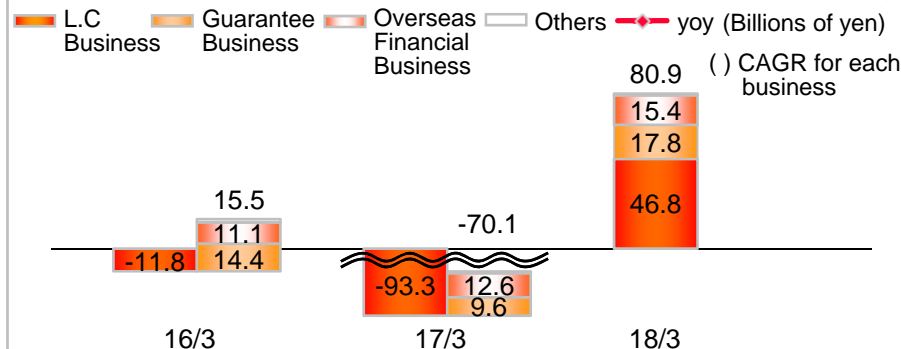
### Loans Receivable



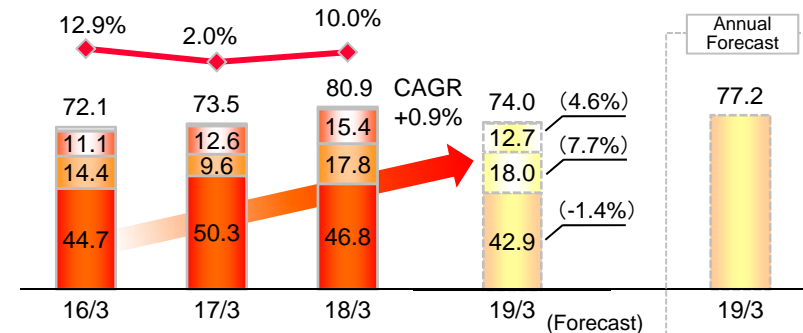
### Operating Revenue



### Operating Profit



### <Reference> Operating Profit 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 Mid-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 three core businesses."

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

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

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



Reference:  
Public & Investor Relations Office

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.