

Brief Statement of the First Quarter Financial Results for the Fiscal Year Ending March 2025
[Japanese GAAP (Consolidated)]

July 29, 2024

Forward-looking Statement

The statements and figures contained in this Brief Statement of Financial Results for the fiscal year ending March 2024 (the "Brief Statement") 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 Brief Statement. However, there are some potential risk factors in the Group's business management. Therefore, the actual results may differ from the forecast.

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.

Name of the company:	ACOM CO., LTD. ("ACOM" or "the Company")
Stock market:	Tokyo Stock Exchange
Code Number:	8572
Location of the head office:	Tokyo
URL:	https://www.acom.co.jp/corp/english/ir/
Position of the representative:	President & Chief Executive Officer
Name:	Masataka Kinoshita
Position of the person in charge:	Chief PR & IR Officer
Name:	Takashi Okamoto
Telephone Number:	(03) 6865-6474
Commencement date of dividend payment:	—
Quarterly material to supplement the financial results:	Applicable
Quarterly financial results conference:	Applicable (For domestic institutional investors and financial analysts)

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

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

1. Consolidated Business Results for the First Quarter Accounting Period (from April 1, 2024, to June 30, 2024)

(1) Consolidated Business Results (Accumulated)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent (First Quarter)	
	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%
1Q for FY March 2025	77,236	8.9	21,958	0.1	22,097	0.1	13,632	(1.0)
1Q for FY March 2024	70,926	6.6	21,927	(13.7)	22,082	(13.0)	13,776	(17.0)

[Note] Comprehensive income

1Q for FY March 2025: 16,062 million yen [(15.2%)]

1Q for FY March 2024: 18,931 million yen [(28.0%)]

	Basic Earnings per Share (First Quarter)	Diluted Earnings per Share (First Quarter)
	(Yen)	(Yen)
1Q for FY March 2025	8.70	—
1Q for FY March 2024	8.79	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity
	(Millions of yen)	(Millions of yen)	%
1Q for FY March 2025	1,416,976	679,822	44.7
FY March 2024 (Annual)	1,417,403	674,175	44.3

<Reference> Shareholders' Equity:

1Q for FY March 2025: 633,061 million yen FY March 2024: 628,011 million yen

2. Dividend Status

	Dividend per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual
FY March 2024	—	6.00	—	6.00	12.00
FY March 2025	—				
FY March 2025 (Forecast)		7.00	—	7.00	14.00

<Note> Amendment to dividend forecast: None

3. Forecasts for the Fiscal Year Ending March 2025 (from April 1, 2024, to March 31, 2025)

(The figures in percentage show year-on-year change from the same prior periods.)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Basic Earnings per Share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
First Half	153,900	6.7	42,500	(3.9)	42,700	(3.8)	25,800	(5.5)	16.47
Annual	313,500	6.4	87,100	0.9	87,500	0.9	55,600	4.7	35.49

<Note> Amendment to business results forecast: None

(Note)

(1) Significant Changes in the Scope of Consolidation in the Three Months ended June 30, 2024: None

(2) Adoption of Accounting Methods Used Specifically for Quarterly Consolidated Financial Statements: None

(3) Changes in Accounting Policies, Accounting Estimates and Restatement

A) Change in accounting policies due to revisions of accounting standards and other regulations: None

B) Changes in accounting policies due to other reasons: None

C) Change in accounting estimates: None

D) Restatement: None

(4) Outstanding shares (common shares)

A) Number of shares outstanding (including treasury shares)

As of March 31, 2025	1,566,614,098 shares
As of March 31, 2024	1,566,614,098 shares

B) Number of treasury shares at the end of period

As of March 31, 2025	120 shares
As of March 31, 2024	120 shares

C) Number of average shares outstanding (accumulated quarterly consolidated period)

As of March 31, 2025	1,566,613,978 shares
As of March 31, 2024	1,566,614,048 shares

(Note) Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

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

(Notes to Forward-looking Statement)

The statements about the future performance of ACOM are based on management's assumptions and beliefs in light of the information currently available to it. These statements do not guarantee our future performance: actual results may differ from those in the forward-looking statements as a result of various factors. Please refer to "(3) Qualitative Information on the Forecasts for the Consolidated Business Results" of "1. Overview of Business Results, etc." on page 6 for conditions which are basis of forecasts and notes for using the forecast.

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

ACOM plans to hold the first quarter financial results conference (web conferencing for domestic institutional investors and financial analysts) on July 29, 2024. The materials used at the conference will be available at ACOM's website promptly after disclosure of financial results.

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1. Overview of Business Results, etc.

(1) Overview of Business Results in the Period under Review

During the three months ended June 30, 2024, economic conditions in Japan continued to recover gradually, partly due to various government measures, amid the continued improvement of the employment and income environment. However, there is a risk of downturn in overseas economies due to international tensions and the effects of high interest rates in the U.S. and Europe, which could push down Japan's economy. The impact of those factors on consumer spending and financial markets needs to be closely monitored.

Overseas, economic conditions in the Kingdom of Thailand where we operate the business, continue to grow gradually led by inbound demand and a recovery of consumer spending although the economic growth rate has slowed down due to the slowdown of the global economy. In the Republic of the Philippines and Malaysia also, steady economic growth is expected associated with a recovery of inbound demand and consumer spending.

In the nonbank business sector in Japan, despite continued strong demand for funding, close attention should be paid to future trends due to the significant impact of personal spending. Although requests for interest repayment are decreasing, future trends need to be closely monitored on an ongoing basis, as requests for interest repayment are susceptible to the impacts of changes in the external environment.

In such an environment, the Company Group will continue to promote its operating activities in accordance with the vision and medium-term policy formulated on the occasion of the medium-term management plan, while flexibly responding to changes in the external environment.

Consolidated operating revenue for the three months ended June 30, 2024, increased to 77,236 million yen (up 8.9% year-on-year). This is attributable to the increases in interest on operating loans due to an increase in accounts receivable - operating loans and the impact of depreciation of the yen. Operating expenses also increased to 55,277 million yen (up 12.8% year-on-year) due to an increase in provision for bad debts associated with the expansion of business scale. As a result, operating profit increased to 21,958 million yen (up 0.1% year-on-year). Ordinary profit also increased to 22,097 million yen (up 0.1% year-on-year). Profit attributable to owners of parent decreased to 13,632 million yen (down 1.0% year-on-year) due to an increase income taxes-deferred.

(2) Overview of Financial Position in the Period under Review

Compared with the end of the prior fiscal year, total assets decreased by 427 million yen and net assets increased by 5,646 million yen as of June 30, 2024. Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets increased by 4,542 million yen and non-current assets decreased by 4,969 million yen. Consequently, total assets decreased by 427 million yen. The breakdown of major increases in current assets is as follows: accounts receivable - operating loans (up 17,482 million yen) and accounts receivable - installment (up 4,684 million yen). The factors of an increase in accounts receivable - operating loans include foreign exchange impacts. The increases in accounts receivable - operating loans and accounts receivable - installment led to an increase of 3,078 million yen in allowance for doubtful accounts. The breakdown of major decreases in non-current assets includes deferred tax assets (down 5,492 million yen).

(Liabilities)

With regard to the liabilities account, changes in current and non-current liabilities were an increase of 26,734 million yen and a decrease of 32,809 million yen, respectively, resulting in a decrease of 6,074 million yen in total liabilities. The breakdown of major changes in liabilities is as follows: income taxes payable (down 9,030 million yen), provision for loss on interest repayment (down 5,796 million yen), and the outstanding balance of funds procured mainly in the form of loans and bonds payable (up 11,760 million yen).

(Net assets)

In terms of net assets, shareholders' equity increased by 4,233 million yen due to an increase in retained earnings. The breakdown of major changes in retained earnings includes an increase due to the recording of profit attributable to owners of parent (13,632 million yen) and a decrease due to the payment of dividends (9,399 million yen). Moreover, accumulated other comprehensive income increased by 817 million yen due in part to an increase in foreign currency translation adjustment, and non-controlling interests increased by 596 million yen. As a result, total net assets increased by 5,646 million yen, and the shareholders' equity ratio increased by 0.4 percentage points to 44.7%.

(3) Qualitative Information on the Forecasts for the Consolidated Business Results

The Company expects business results as follows: 313.5 billion yen of operating revenue; 87.1 billion yen of operating profit; 87.5 billion yen of ordinary profit; and 55.6 billion yen of profit attributable to owners of parent.

Outlook above is forecast based on information available at the date of announcement of this brief statement. However, there are some potential risk factors in the Group's business management. Actual results may differ from the forecast.

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 the forecast values due to various risk factors, not limited to those mentioned above.

2. Interim Consolidated Financial Statements and Principal Notes

(1) Interim Consolidated Balance Sheet

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current first quarter (As of June 30, 2024)
Assets		
Current assets		
Cash and deposits	73,486	57,817
Accounts receivable - operating loans	1,121,554	1,139,037
Accounts receivable - installment	123,058	127,743
Purchased receivables	8,212	8,644
Other	96,167	96,859
Allowance for doubtful accounts	(92,289)	(95,368)
Total current assets	1,330,190	1,334,732
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,878	2,749
Equipment, net	4,243	4,610
Other, net	1,263	1,176
Total property, plant and equipment	8,384	8,536
Intangible assets		
Goodwill	215	86
Software	8,755	9,490
Other	14	14
Total intangible assets	8,985	9,591
Investments and other assets		
Investment securities	1,414	1,422
Retirement benefit asset	10,322	10,201
Deferred tax assets	50,507	45,015
Guarantee deposits	4,309	4,241
Other	3,861	3,770
Allowance for doubtful accounts	(572)	(535)
Total investments and other assets	69,843	64,116
Total non-current assets	87,213	82,243
Total assets	1,417,403	1,416,976

(Millions of yen)

	Prior fiscal year (As of March 31, 2024)	Current first quarter (As of June 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	769	736
Short-term borrowings	19,242	31,468
Commercial papers	29,989	54,954
Current portion of long-term borrowings	123,808	131,462
Current portion of bonds payable	60,650	54,560
Income taxes payable	13,160	4,129
Provision for loss on guarantees	11,973	12,021
Asset retirement obligations	579	490
Other	15,558	12,642
Total current liabilities	275,732	302,467
Non-current liabilities		
Bonds payable	104,086	104,152
Long-term borrowings	325,553	298,491
Provision for loss on interest repayment	30,346	24,550
Retirement benefit liability	983	1,017
Asset retirement obligations	5,061	5,020
Other	1,464	1,454
Total non-current liabilities	467,495	434,686
Total liabilities	743,228	737,153
Net assets		
Shareholders' equity		
Share capital	63,832	63,832
Capital surplus	69,861	69,861
Retained earnings	469,849	474,082
Treasury shares	(0)	(0)
Total shareholders' equity	603,543	607,776
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	21,153	22,147
Remeasurements of defined benefit plans	3,314	3,137
Total accumulated other comprehensive income	24,468	25,285
Non-controlling interests	46,164	46,760
Total net assets	674,175	679,822
Total liabilities and net assets	1,417,403	1,416,976

(2) Interim Consolidated Statement of Income and
Interim Consolidated Statement of Comprehensive Income
(Interim Consolidated Statement of Income)
Three months ended June 30

(Millions of yen)

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Operating revenue		
Interest on operating loans	43,619	47,685
Credit card business	3,419	4,048
Per-item revenue	16	16
Revenue from credit guarantee	14,904	16,085
Collection from purchased receivables	1,086	1,145
Other financial revenue	78	120
Other operating revenue	7,801	8,135
Total operating revenue	70,926	77,236
Operating expenses		
Financial expenses	1,036	1,335
Cost of purchased receivables	407	491
Other operating expenses	47,554	53,450
Total operating expenses	48,998	55,277
Operating profit	21,927	21,958
Non-operating income		
Interest income	0	0
Dividend income	28	4
Share of profit of entities accounted for using equity method	2	8
Rental income from buildings	46	48
Foreign exchange gains	65	32
Other	12	46
Total non-operating income	156	140
Non-operating expenses		
Interest expenses	0	1
Other	1	0
Total non-operating expenses	1	2
Ordinary profit	22,082	22,097

(Millions of yen)

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	44	54
Other	0	1
Total extraordinary losses	44	56
Profit before income taxes	22,038	22,041
Income taxes – current	3,192	1,561
Income taxes – deferred	3,795	5,602
Total income taxes	6,988	7,164
Profit	15,050	14,877
Profit attributable to non-controlling interests	1,274	1,244
Profit attributable to owners of parent	13,776	13,632

(Interim Consolidated Statement of Comprehensive Income)

Three months ended June 30

(Millions of yen)

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Profit	15,050	14,877
Other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	3,879	1,361
Remeasurements of defined benefit plans, net of tax	2	(176)
Total other comprehensive income	3,881	1,185
Comprehensive income	18,931	16,062
Comprehensive income attributable to		
Owners of parent	16,534	14,450
Non-controlling interests	2,397	1,612

(3) Notes to Interim Consolidated Financial Statements

(Segment information, etc.)

I. For the three months ended June 30, 2023 (from April 1, 2023, to June 30, 2023)

1. Operating revenue and profit or loss by reported segments, and disaggregation of revenue

(Millions of yen)

	Reported segments					Others (Note 1)	Total
	Loan and credit card business	Guarantee business	Overseas financial business	Loan servicing business	Subtotal		
Operating revenue							
Operating revenue from external customers	37,750	16,976	14,694	1,432	70,853	72	70,926
Revenues from financial instruments transactions	36,827	16,826	14,555	1,431	69,640	72	69,713
Fees and commissions (Note 2)	922	150	139	0	1,212	—	1,212
Revenues from transactions with other operating segments	—	—	(4)	—	(4)	17	12
Total	37,750	16,976	14,689	1,432	70,848	90	70,939
Segment profit	10,250	5,633	5,466	472	21,822	90	21,913

(Note 1) The “Others” category represents operating revenue and profit which are not included in the reported segments.

(Note 2) The “fees and commissions” is revenue from contracts with customers that are subject to the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29).

2. Reconciliation between the total segment profit or loss and operating profit in interim consolidated statement of income

Profit	Amount (Millions of yen)
Total reported segments	21,822
Profit of “Others” category	90
Elimination of intersegment transactions	3
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	10
Operating profit in interim consolidated statement of income	21,927

II. For the three months ended June 30, 2024 (from April 1, 2024, to June 30, 2024)

1. Operating revenue and profit or loss by reported segments, and disaggregation of revenue

(Millions of yen)

	Reported segments					Others (Note 1)	Total
	Loan and credit card business	Guarantee business	Overseas financial business	Loan servicing business	Subtotal		
Operating revenue							
Operating revenue from external customers	41,470	18,237	15,854	1,574	77,138	98	77,236
Revenues from financial instruments transactions	40,470	18,006	15,740	1,574	75,791	98	75,890
Fees and commissions (Note 2)	1,000	231	114	0	1,346	—	1,346
Revenues from transactions with other operating segments	—	—	11	—	11	23	34
Total	41,470	18,237	15,866	1,574	77,149	121	77,271
Segment profit	11,322	4,750	5,353	406	21,833	121	21,955

(Note 1) The “Others” category represents operating revenue and profit which are not included in the reported segments.

(Note 2) The “fees and commissions” is revenue from contracts with customers that are subject to the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29).

2. Reconciliation between the total segment profit or loss and operating profit in interim consolidated statement of income

Profit	Amount (Millions of yen)
Total reported segments	21,833
Profit of “Others” category	121
Elimination of intersegment transactions	1
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	1
Operating profit in interim consolidated statement of income	21,958

(Notes in case of any significant changes in the amount of shareholders’ equity)

Not applicable.

(Notes on Going-concern Assumption)

Not applicable.

(Notes to Statement of Cash Flows)

Interim Consolidated Statement of Cash Flows has not been prepared for the three months ended June 30, 2024. The amounts of depreciation (including amortization of intangible assets except goodwill) and amortization of goodwill for the three months are as follows.

(Millions of yen)

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Depreciation	846	889
Amortization of goodwill	129	129

3. [Reference] Quarterly Non-consolidated Financial Statements

Quarterly financial statements are prepared in accordance with the "Regulations of Quarterly Financial Statements on Terms, Forms and Preparation Method" (Cabinet Office Ordinance No. 63, 2007).

(1) [Reference] Quarterly Non-consolidated Balance Sheet

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2024)	Current first quarter (As of June 30, 2024)
Assets		
Current assets		
Cash and deposits	64,292	54,484
Accounts receivable - operating loans	879,021	897,849
Accounts receivable - installment	122,303	126,996
Right to reimbursement	58,359	59,537
Other	22,229	21,278
Allowance for doubtful accounts	(67,740)	(71,080)
Total current assets	1,078,467	1,089,067
Non-current assets		
Property, plant and equipment	7,644	7,786
Intangible assets	7,958	8,404
Investments and other assets		
Shares of subsidiaries and associates	21,452	21,452
Deferred tax assets	56,034	50,609
Prepaid pension costs	5,416	5,546
Other	8,406	8,268
Allowance for doubtful accounts	(560)	(520)
Total investments and other assets	90,749	85,357
Total non-current assets	106,352	101,548
Total assets	1,184,819	1,190,615
Liabilities		
Current liabilities		
Accounts payable-trade	750	725
Short-term borrowings	-	15,000
Commercial papers	29,989	54,954
Current portion of long-term borrowings	112,285	120,272
Current portion of bonds payable	40,000	40,000
Income taxes payable	9,659	167
Provision for loss on guarantees	10,870	10,910
Asset retirement obligations	579	488
Other	12,706	10,522
Total current liabilities	216,840	253,040
Non-current liabilities		
Bonds payable	95,000	95,000
Long-term borrowings	311,139	282,933
Provision for loss on interest repayment	30,346	24,550
Asset retirement obligations	4,781	4,740
Other	1,236	1,164
Total non-current liabilities	442,504	408,388
Total liabilities	659,345	661,429
Net assets		
Shareholders' equity		
Share capital	63,832	63,832
Capital surplus	72,322	72,322
Retained earnings	389,319	393,031
Treasury shares	(0)	(0)
Total shareholders' equity	525,474	529,186
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	0
Total valuation and translation adjustments	0	0
Total net assets	525,474	529,186
Total liabilities and net assets	1,184,819	1,190,615

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

(Millions of yen)

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Operating revenue		
Interest on operating loans	30,366	33,296
Credit card revenue	3,419	4,048
Revenue from credit guarantee	12,226	13,184
Other financial revenue	72	98
Other operating revenue	5,894	6,106
Total operating revenue	51,980	56,733
Operating expenses		
Financial expenses	636	808
Other operating expenses	36,382	40,604
Total operating expenses	37,019	41,413
Operating profit	14,961	15,320
Non-operating income		
Interest income	0	0
Dividend income	4,353	3,097
Other	125	125
Total non-operating income	4,479	3,223
Non-operating expenses		
Interest expenses	0	1
Other	1	0
Total non-operating expenses	1	1
Ordinary profit	19,438	18,542
Extraordinary losses		
Loss on retirement of non-current assets	44	51
Other	0	1
Total extraordinary losses	44	52
Profit before income taxes	19,393	18,490
Total income taxes	5,110	5,378
Profit	14,283	13,111