

Earnings Release Presentation

The Second Quarter Financial Results for the Fiscal Year Ending March 2024



November 9, 2023

■ 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. 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.

■ Notation

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

ACOM. CO., LTD.
Public & Investor Relations Office
 +81-3-6865-6474
 ir@acom.co.jp

01

The Second Quarter Financial Results Summary

Consolidated Financial Summary	4
Loan and Credit Card Business	6
Guarantee Business	13
Overseas Financial Business	15
Human Resource	18
Revised Estimates	19
Dividend Status	21

02

The Second Quarter Supplemental information

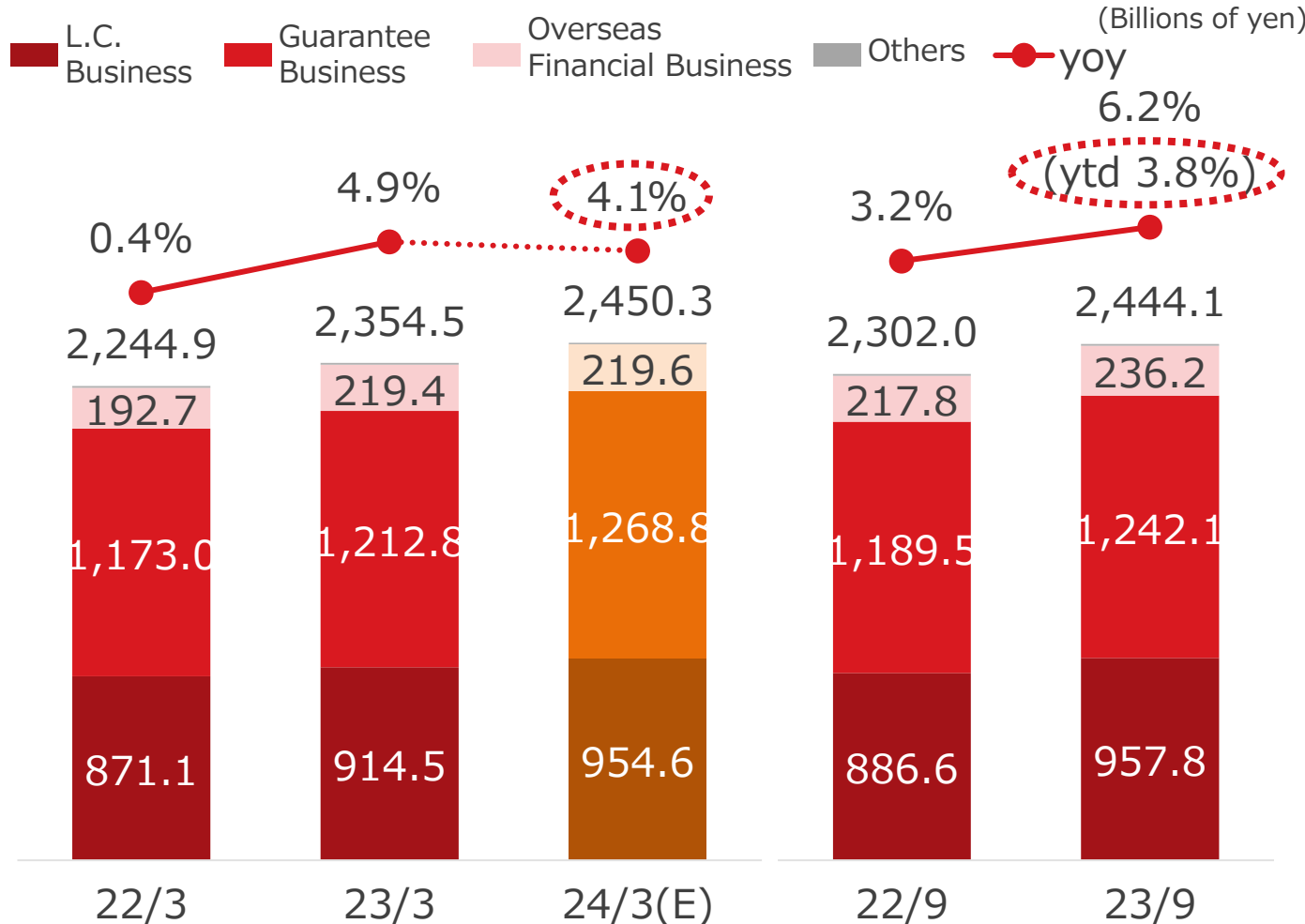
Loan and Credit Card Business	23
Guarantee Business	28
Overseas Financial Business	32
Interest Repayment	36
Provision for Bad Debts	38
Financial Expenses	40

Appendix

Consolidated Financial Summary (Business Performance)	43
Market Volume	44
Interest Repayment	46
Background to Borrowing Behavior	49
Vision and Mid-term Management Policy	50
Mid-term Management Plan	52

Consolidated Financial Summary (Business Scale)

- Business Scale expanded steadily owing to favorable trend in borrowings by new and existing customers in domestic business and the impact of the depreciation of yen against baht.
- Consolidated Receivables Outstanding increased by 3.8% ytd (+¥90.0 billion) to ¥2,444.1 billion compared to the estimate of 4.1% yoy (+¥96.0 billion) increase.



Consolidated
Receivables
Outstanding

¥2,444.1bn
(ytd + 3.8% yoy + 6.2%)

L.C. Business

¥957.8bn
(ytd + 4.7% yoy + 8.0%)

Guarantee
Business

¥1,242.1bn
(ytd + 2.4% yoy + 4.4%)

Overseas
Financial
Business

¥236.2bn
(ytd + 7.7% yoy + 8.4%)

Consolidated Financial Summary (Business Performance)

- Operating Revenue increased by 3.1% compared to estimates (+6.8% yoy) to ¥144.2 billion owing to the expansion of business scale in addition to impact of the depreciation of yen.
- Operating Profit was -3.0% compared to estimates (-9.4% yoy) to ¥44.2 billion.
- Profit attributable to owners of parent was -7.5% compared to estimates (-17.4% yoy) to ¥27.2 billion.

Operating Revenue +3.1% compared to 2Q E

Consolidated	¥144.2bn (yoy +6.8% Progress 50.8%)
L.C. Business	¥76.3bn (yoy +5.7% Progress 50.3%)
Guarantee Business	¥34.8bn (yoy +6.8% Progress 49.6%)
Overseas Financial Business	¥30.0bn (yoy +10.8% Progress 52.8%)

Operating Profit -3.0% compared to 2Q E

Consolidated	¥44.2bn (yoy -9.4% Progress 48.9%)
L.C. Business	¥20.0bn (yoy -16.8%)
Guarantee Business	¥11.5bn (yoy -12.3%)
Overseas Financial Business	¥13.6bn (yoy +27.6%)
Profit Attributable to Owners of Parent	¥27.2bn -7.5% compared to 2Q E (yoy -17.4% Progress 47.1%)

External Environment



**Continued moderate recovery
in Japanese economy**

Japanese socio-economic activities are returning to normal against a backdrop of COVID-19 being classified as a Category V Infectious Disease and various government measures, resulting in economic conditions showing signs of gradual recovery.



Active demand for funds

In the non-bank sector, demand for funds is booming, including from those who have not had access to consumer finance in the past.

Sales Measures



**Enhancement of attracting
new customers**

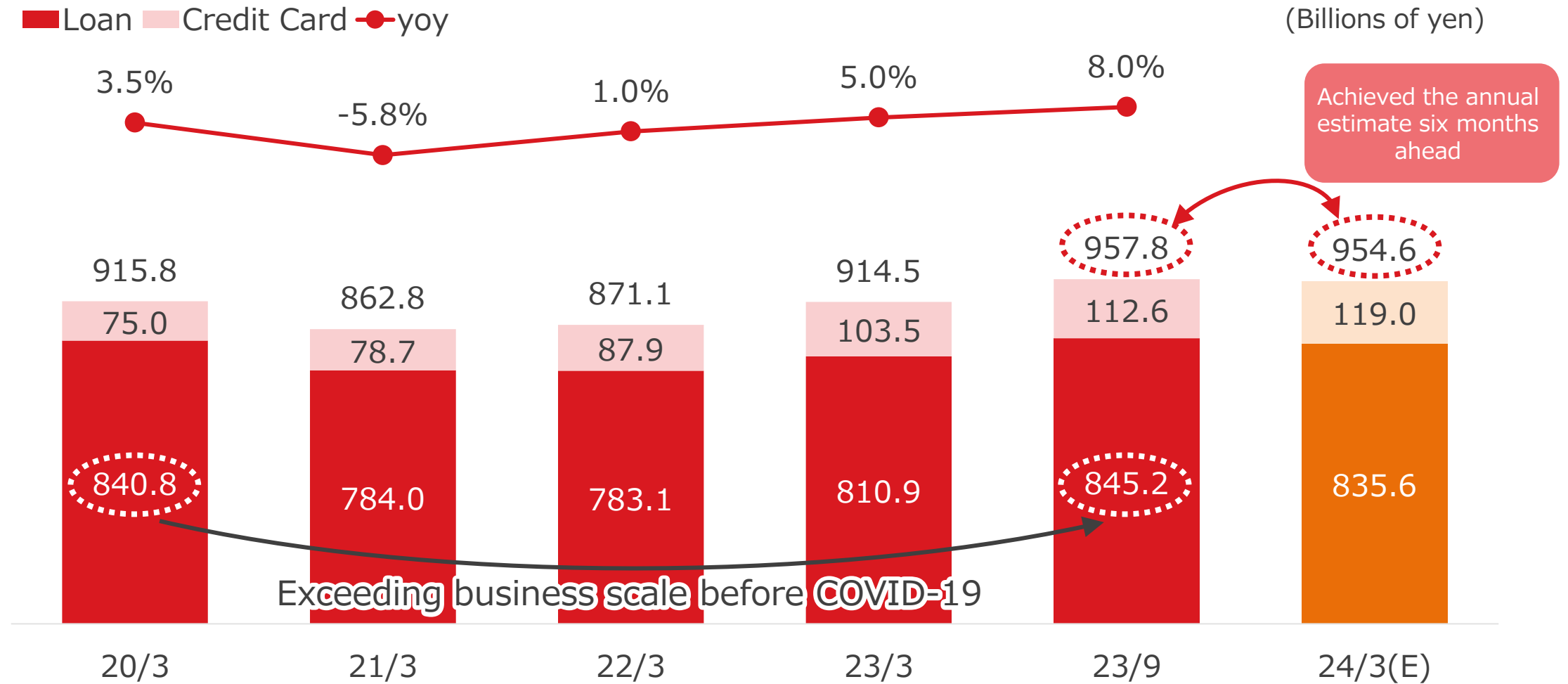
As consumer spending returns to pre-COVID levels, we invest efficiently in acquisitions of new customers while keeping acquisition costs low.



**Sales enhancement
for existing customers**

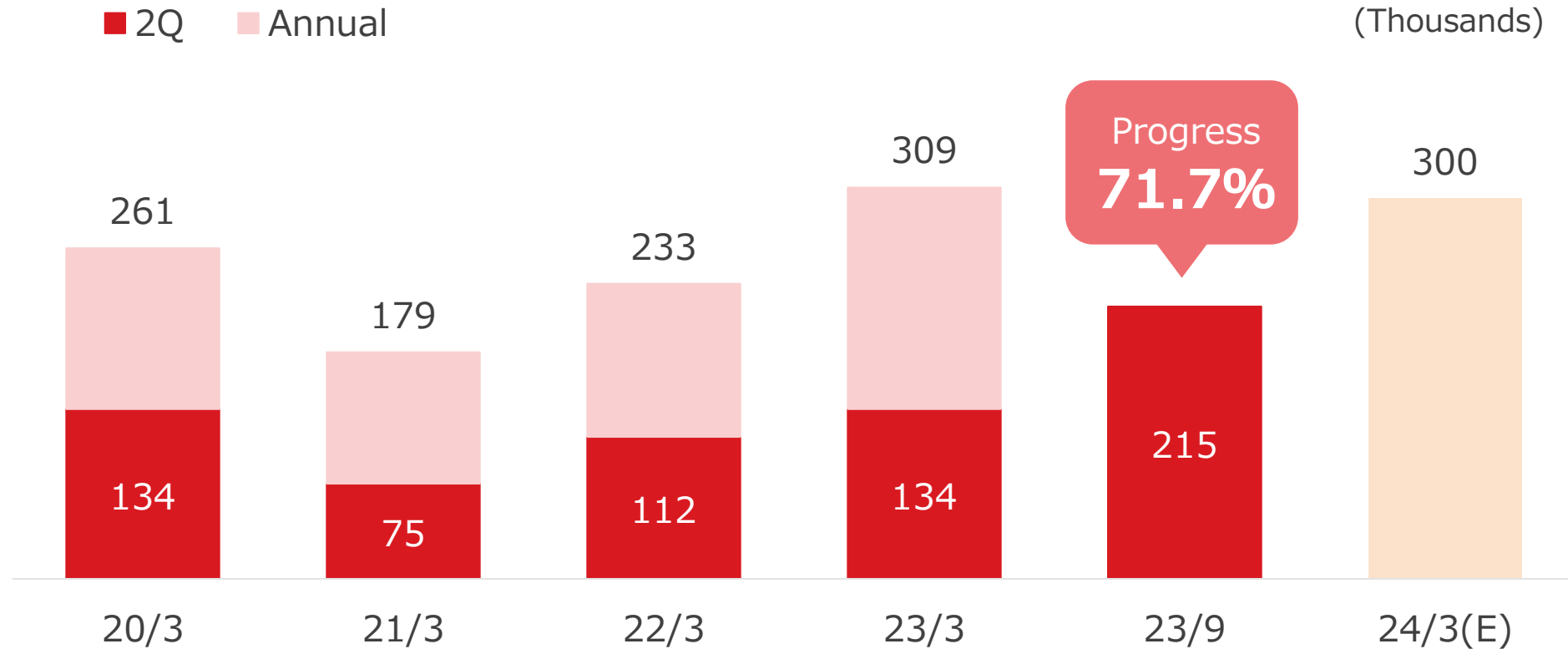
Receivables outstanding has increased higher than expected, mainly owing to the review of credit screenings in connection with the active acquisition of a certificate of income.

Loan and Credit Card Business | Receivables Outstanding



Exceeding business scale of loan at pre-COVID-19 level owing to active demand for funds and various sales measures.
Achieved the annual estimate six months ahead in L.C. Business.

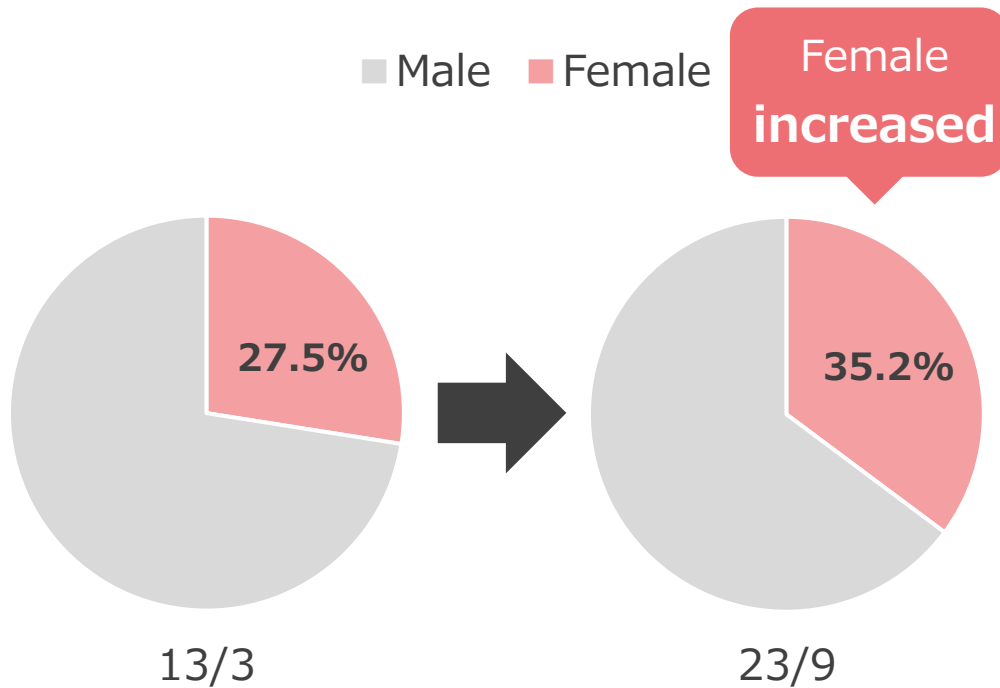
Loan and Credit Card Business | No. of New Customers



Number of new customers was 215 thousands compared to the estimate of 300 thousands, resulting in 71.7% of progress.
Number of new customers is expected to exceed 400 thousands if this situation continues.

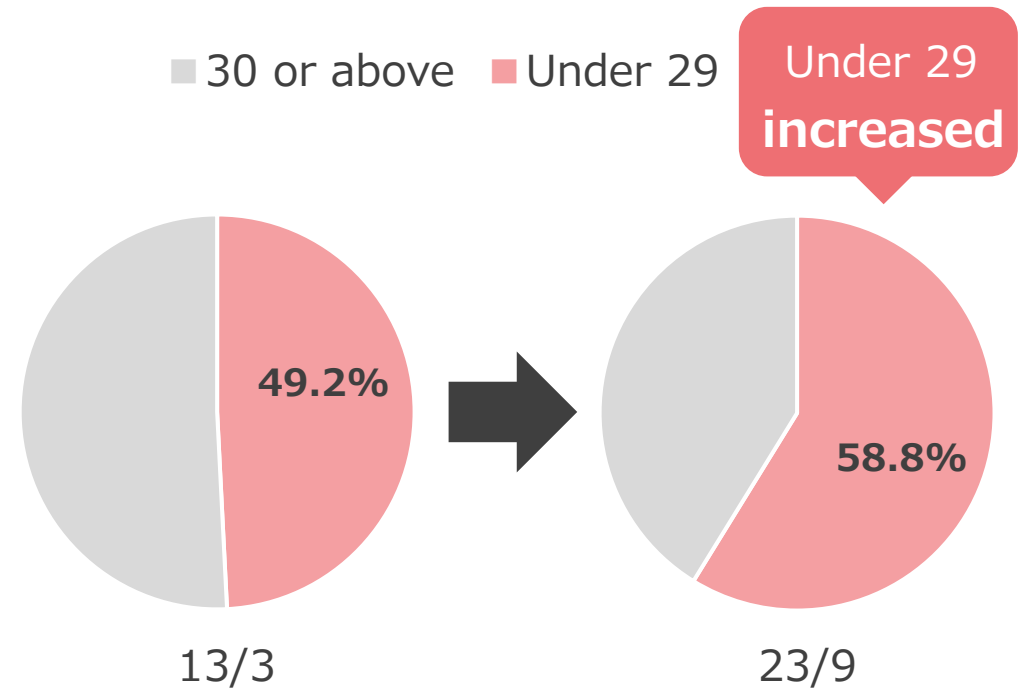
Loan and Credit Card Business | New customers Attributes

Composition Ratio of New Customers by Gender



Composition ratio of female increased at signing a new contract.

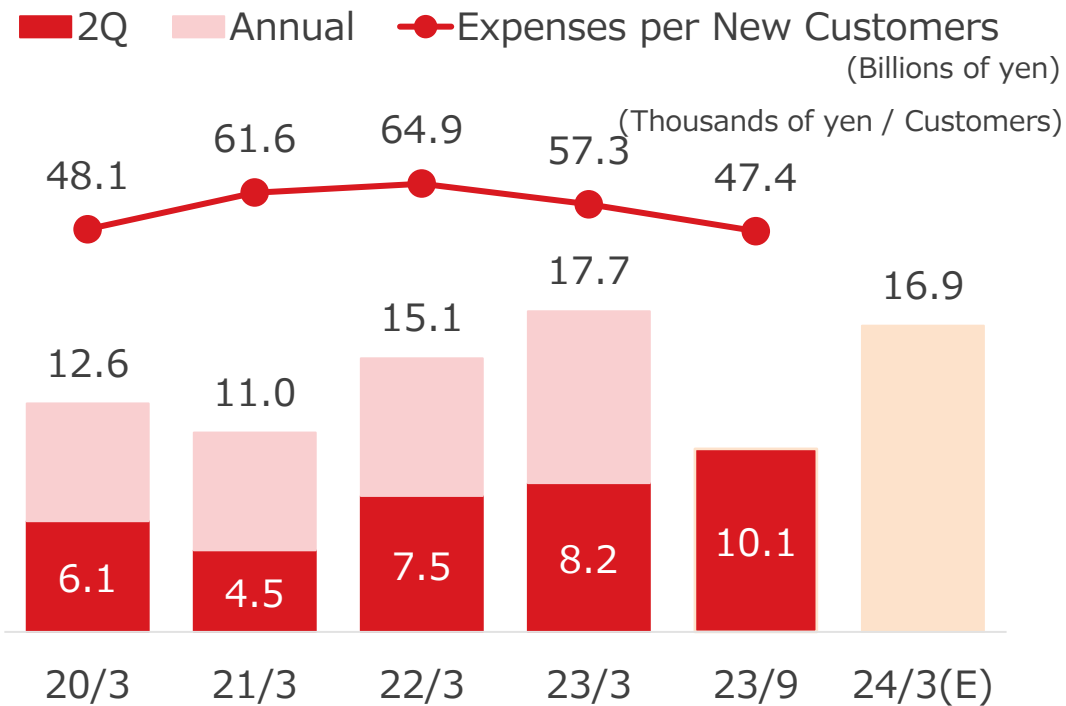
Composition Ratio of New Customers by Age



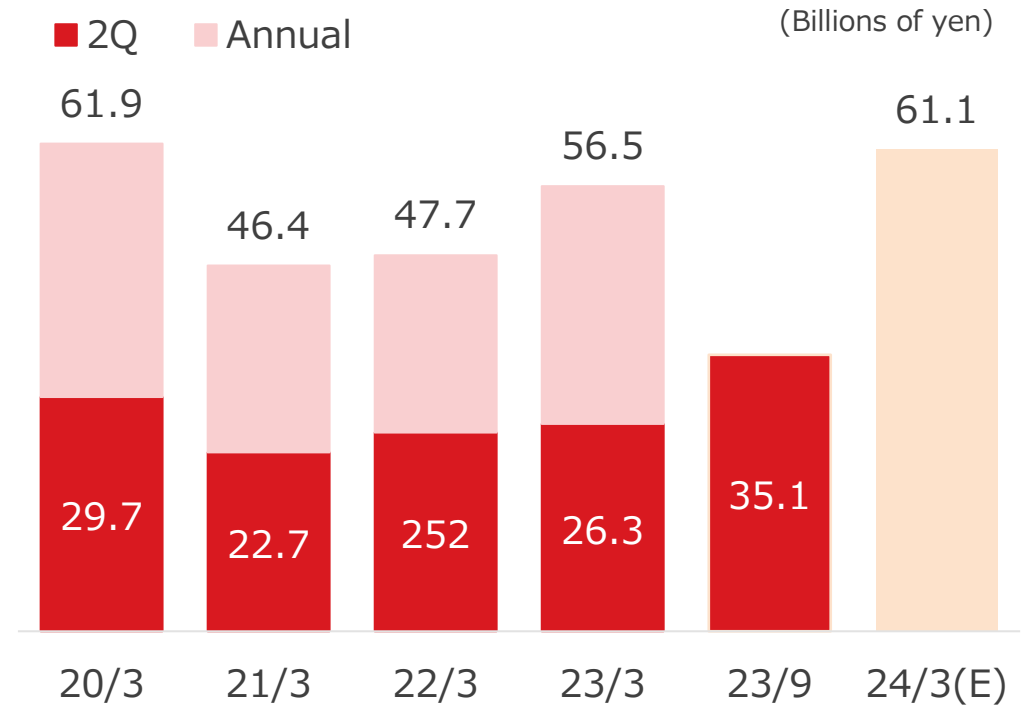
Increased composition ratio of under 29 owing to acquiring supports from young customers.

Loan and Credit Card Business | Operating Expenses

Advertising Expenses (ACOM)



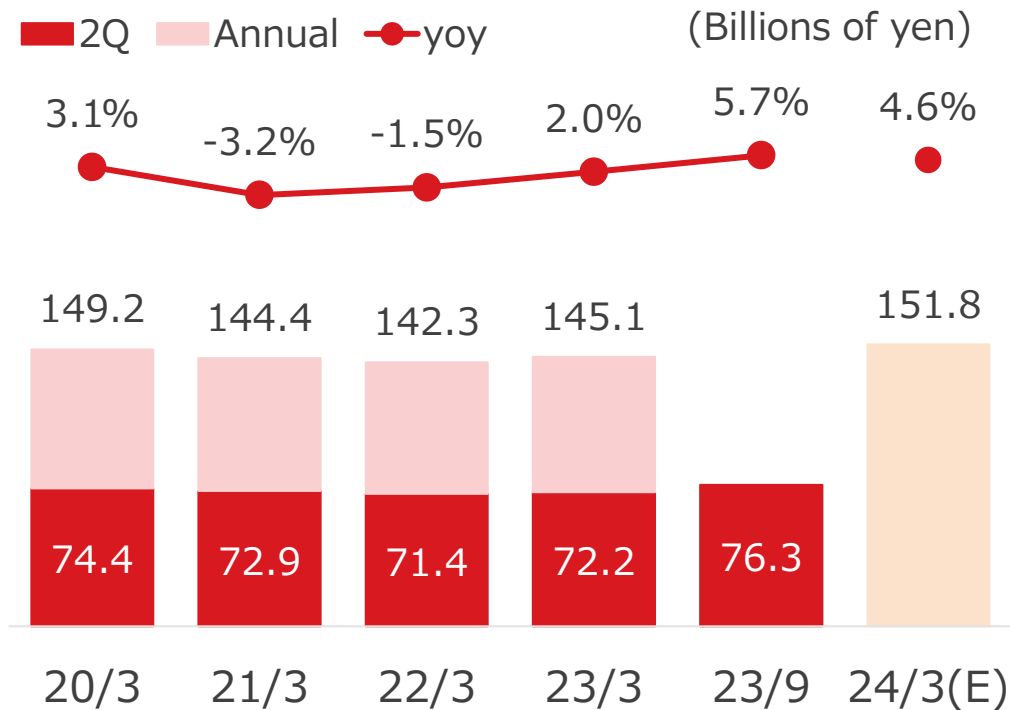
Provision for Bad Debts (ACOM)



Both advertising expenses and provision for bad debts exceeded the estimates as of the second quarter due to increased number of new customers. We will continue to acquire new customers as advance investments since new customers will be stable sources of future stable earnings.

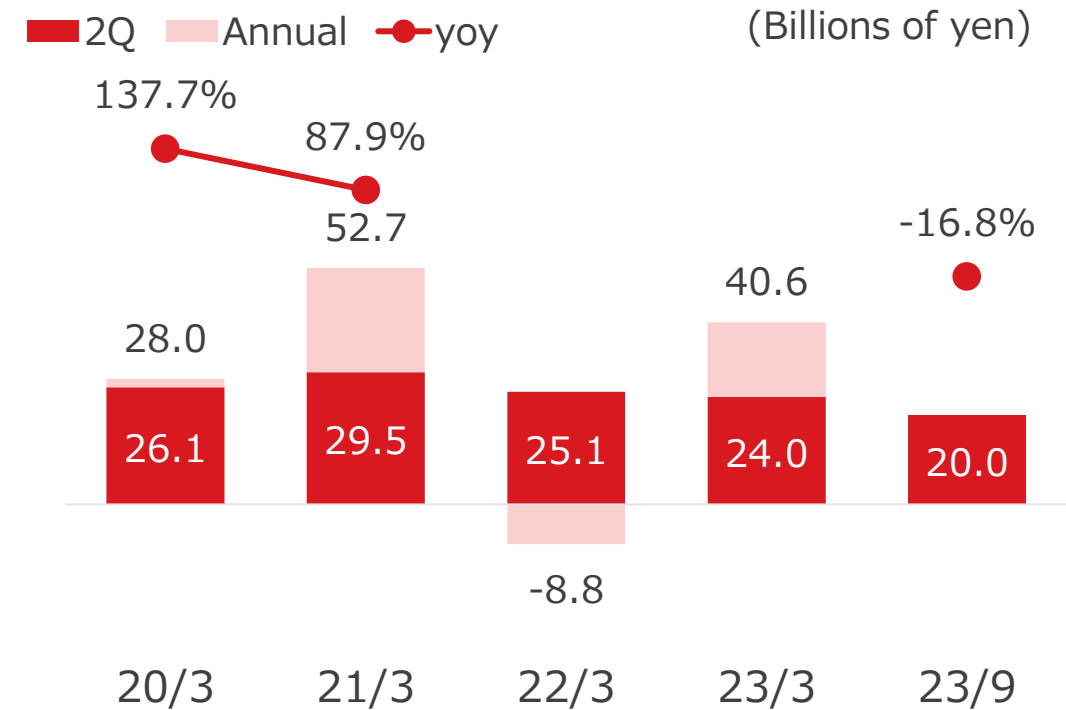
Loan and Credit Card Business | Business Performance

Operating Revenue



Operating Revenue increased owing to steady increase in receivables outstanding.

Operating Profit



Operating Profit decreased due to increase in provision for bad debts and advertising expenses .

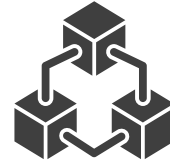
Loan and Credit Card Business | Embedded Finance

New Business (Embedded Finance)

GeNiE



GeNiE has built a system using existing packages to promote Embedded Finance.



System Development

- ✓ System development has started in June 2023.
- ✓ The system development will be completed next summer. The progress has been made smoothly.
- ✓ Aim for commencement of business by next autumn.



Commencement of Business

Guarantee Business | Sales Measures • Business Scale

Realization of guarantee tie-ups with business companies



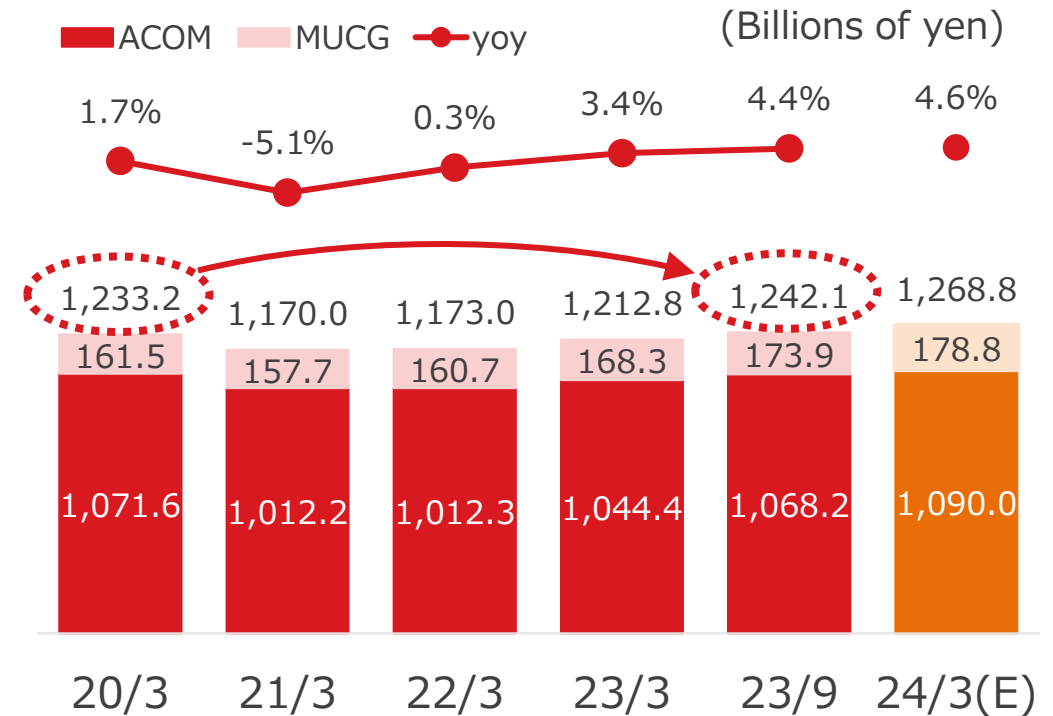
LINE Credit

Started Guarantee Partnerships with LINE Credit Corp. in March 2023.



Negotiations are underway with other companies other than LINE Credit Corp. for further guarantee partnerships.

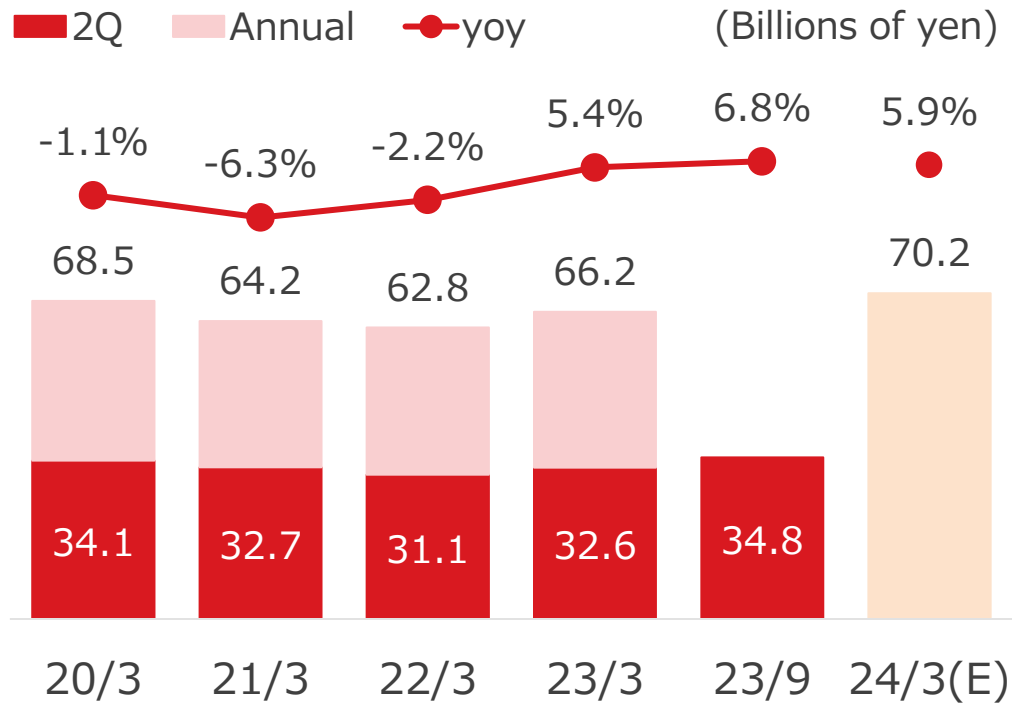
Guaranteed Receivables



Exceeding business scale at
pre-COVID-19 level

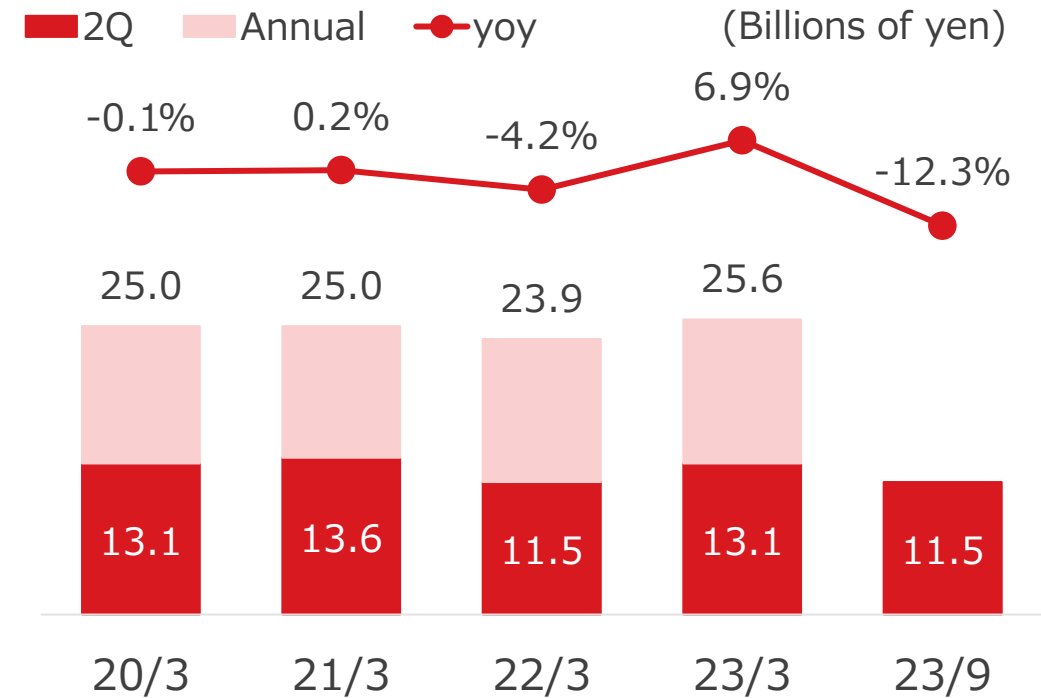
Guarantee Business | Business Performance

Operating Revenue



Operating Revenue increased owing to the expansion of business scale and revision of guaranteed fee rates.

Operating Profit



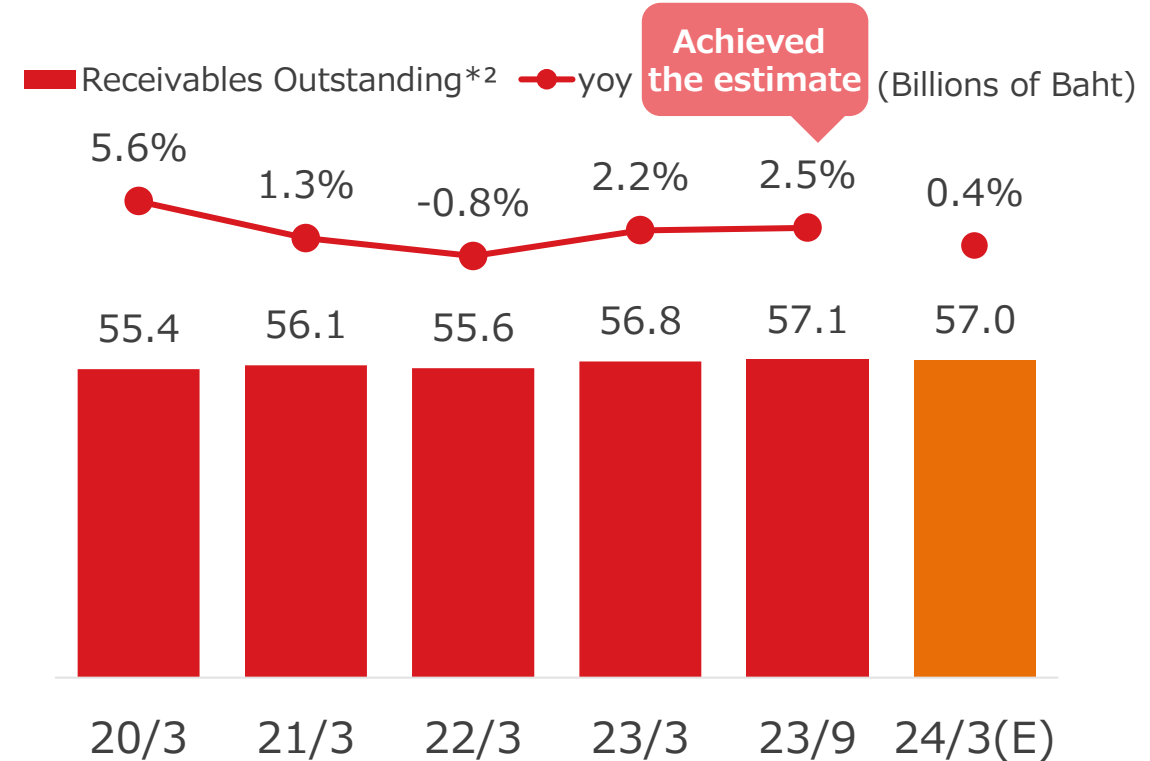
Operating Profit decreased due to an increase in provision for bad debts.

External Environment

- Economic conditions continue to grow gradually led by inbound demand and recovery of consumer spending although the economic growth rate has slowed down due to slowdown of global economy.
- Deregulation measures^{*1} implemented by Bank of Thailand to help customers affected by COVID-19 infection ended at the end of 2022.
- Future trends need to be closely monitored on an ongoing basis as political unrest associated with the change of government remains.



Receivables Outstanding (Local Currencies Basis)



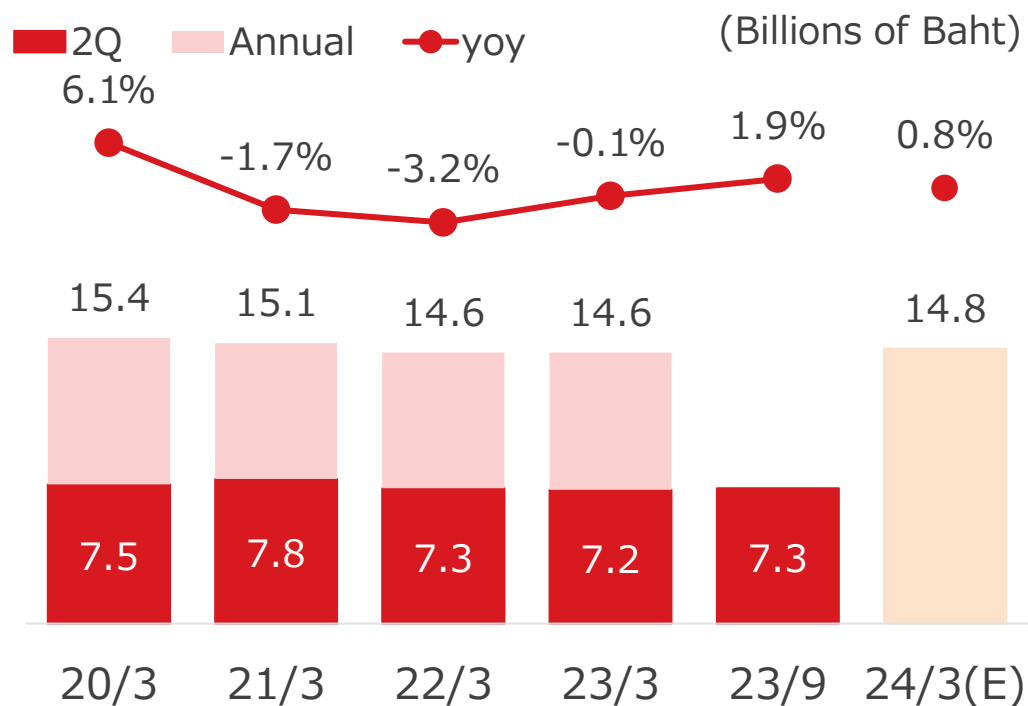
Achieved the annual estimate six months ahead.

^{*1} Easing of credit limits and removal of caps on the number of financial institutions of borrowing

^{*2} Receivables Outstanding = "accounts receivable - operating loans" + "accounts receivable - installment"

Operating Revenue

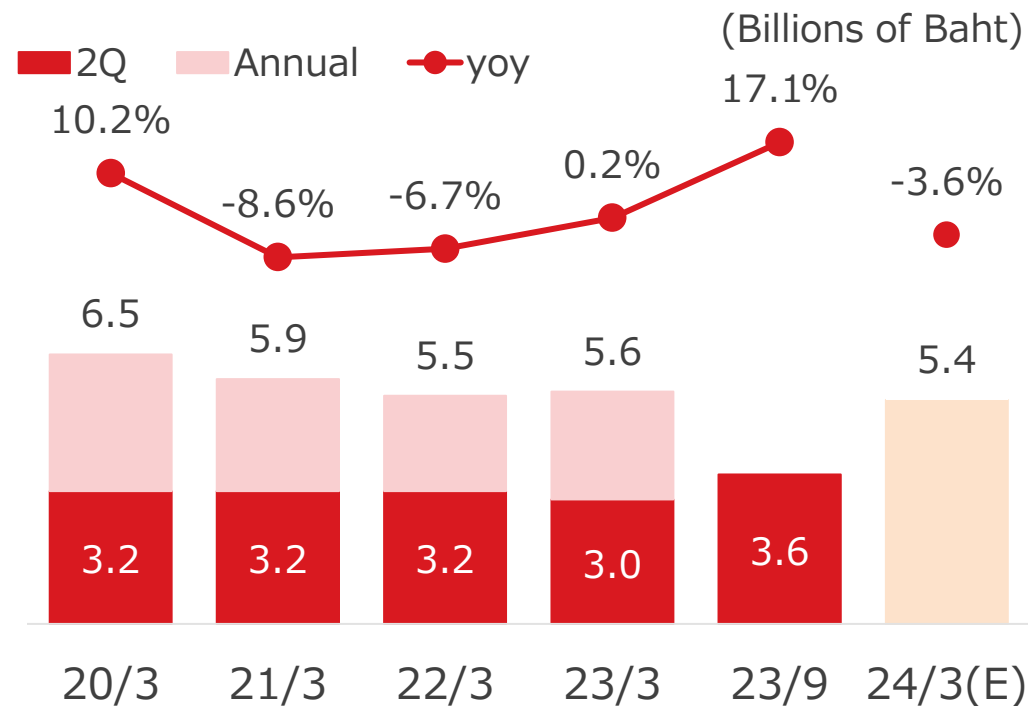
(Local Currencies Basis)



Operating Revenue increased
owing to the expansion of
business scale.

Operating Profit

(Local Currencies Basis)



Operating Profit increased
owing to a decrease in
provision for bad debts.

Overseas Financial Business | Other Subsidiaries

Republic of the Philippines

ACOM CONSUMER FINANCE CORPORATION



The steady economic growth is expected associated with a recovery of inbound demand.

Strengthening external sales activities to improve credit portfolio.

Malaysia

ACOM (M) SND.BHD.



Our consolidated subsidiary in Malaysia started personal loan business in September 2023.

Continuing our investigations into topics including possibilities for expanding into other Asian countries

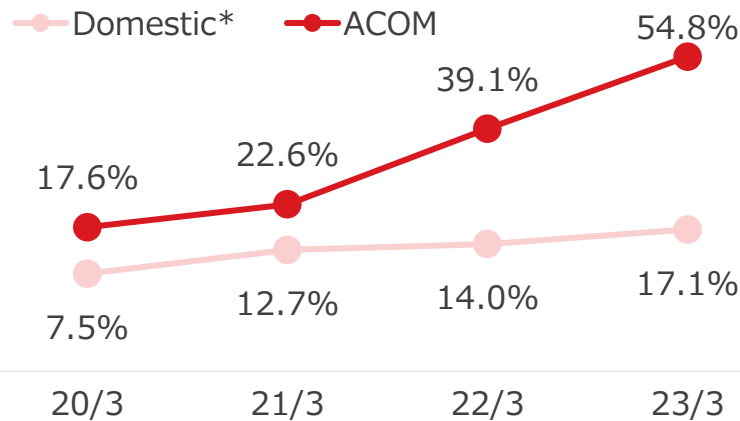


Human Resource

- Develop human resource capable of embodying our corporate philosophy by respecting abilities, ideas and values of diverse human resource toward sustainable growth.
- Improve an internal environment where employees can feel "work in comfort" and with thorough "job satisfaction" toward the goals by March 2025.



Ratio of male employees taking childcare leave

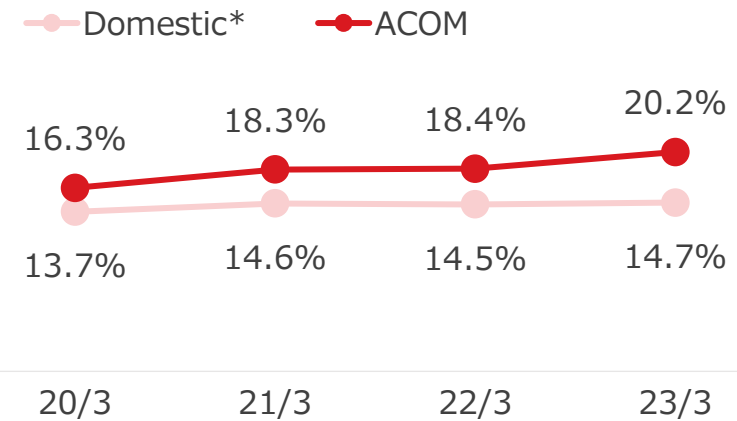


Aim for **100%** by March 2025 

- ✓ Introduced a system to make the first five working days of childcare leave paid, which is originally unpaid.



Ratio of female among Assistant Managers and above



Aim for **25.0%** by March 2025 

- ✓ Implemented a program, "Women Career Program" to foster women's career development mindset.

Revised Estimates | Annual Estimates for the FY March 2024 (Business Scale)

- Refined estimates of Business Scale owing to favorable trend in demand for funds.
- Aim for consolidated receivables of ¥2.5 trillion and new customers of 400thousands.

Premise of estimates before revision

Active demand for funds will continue until 2Q, and calm down from 3Q.



Premise of estimates after revision

Active demand for funds will continue toward the end of the period.

Consolidated

¥2,450.3bn
(yoy + 4.1%)



¥2,505.4bn
(yoy + 6.4%)

L.C. Business

¥954.6bn
(yoy + 4.4%)



¥988.1bn
(yoy + 8.0%)

Guarantee Business

¥1,268.8bn
(yoy + 4.6%)



¥1,276.0bn
(yoy + 5.2%)

Overseas Financial
Business

¥219.6bn
(yoy + 0.1%)



¥233.1bn
(yoy + 6.2%)

Revised Estimates | Annual Estimates for the FY March 2024 (Performance)

- Revised estimates of Operating Revenue upwards owing to the expansion of business scale.
- Advertising Expenses and Provision for Bad Debts will increase to maintain new customer acquisitions in terms of future earnings. Estimates of Operating Profit and Profit Attributable to Owners of Parent were revised downwards.

Operating Revenue

Consolidated	¥284.3_{bn}	➡	¥293.1_{bn}
	(yoy + 3.8%)		(yoy + 7.1%)

L.C. Business	¥151.8_{bn}	➡	¥155.2_{bn}
	(yoy + 4.6%)		(yoy + 6.9%)

Guarantee Business	¥70.2_{bn}	➡	¥70.9_{bn}
	(yoy + 5.9%)		(yoy + 7.0%)

Overseas Financial Business	¥56.9_{bn}	➡	¥61.0_{bn}
	(yoy + 0.6%)		(yoy + 7.9%)

Operating Profit

¥90.4_{bn}	➡	¥84.5_{bn}
(yoy + 3.6%)		(yoy - 3.2%)

Profit

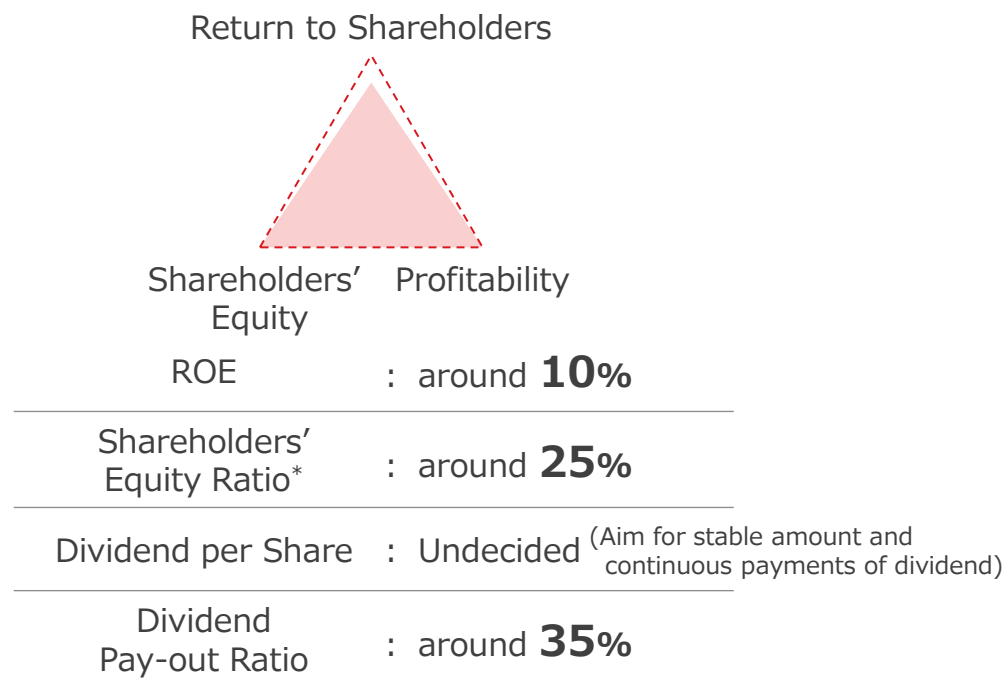
Attributable to
Owners of Parent

¥57.9_{bn}	➡	¥52.9_{bn}
(yoy + 5.4%)		(yoy - 3.7%)

Dividend Status

- **Basic Policy on Capital Policy** : 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

Our Target in FY March 2025



Profitability

(as of September 2023) ROE **9.2%**



Operating Revenue : Increase in revenue owing to the expansion of business scale



Operating Profit : Increase in advertising expenses and provision for bad debts

Shareholder's Equity

(as of September 2023) Shareholders' Equity Ratio* **23.3%**



Steady progress toward the 25% target.

Return to Shareholders

Interim **¥6** Year-end **¥6**



Based on the fact that business expansion and new acquisitions exceeded our expectations, Interim ¥6, Year-end ¥6 (Unchanged)



Annual Dividend Pay-out Ratio is expected to be 35.5%

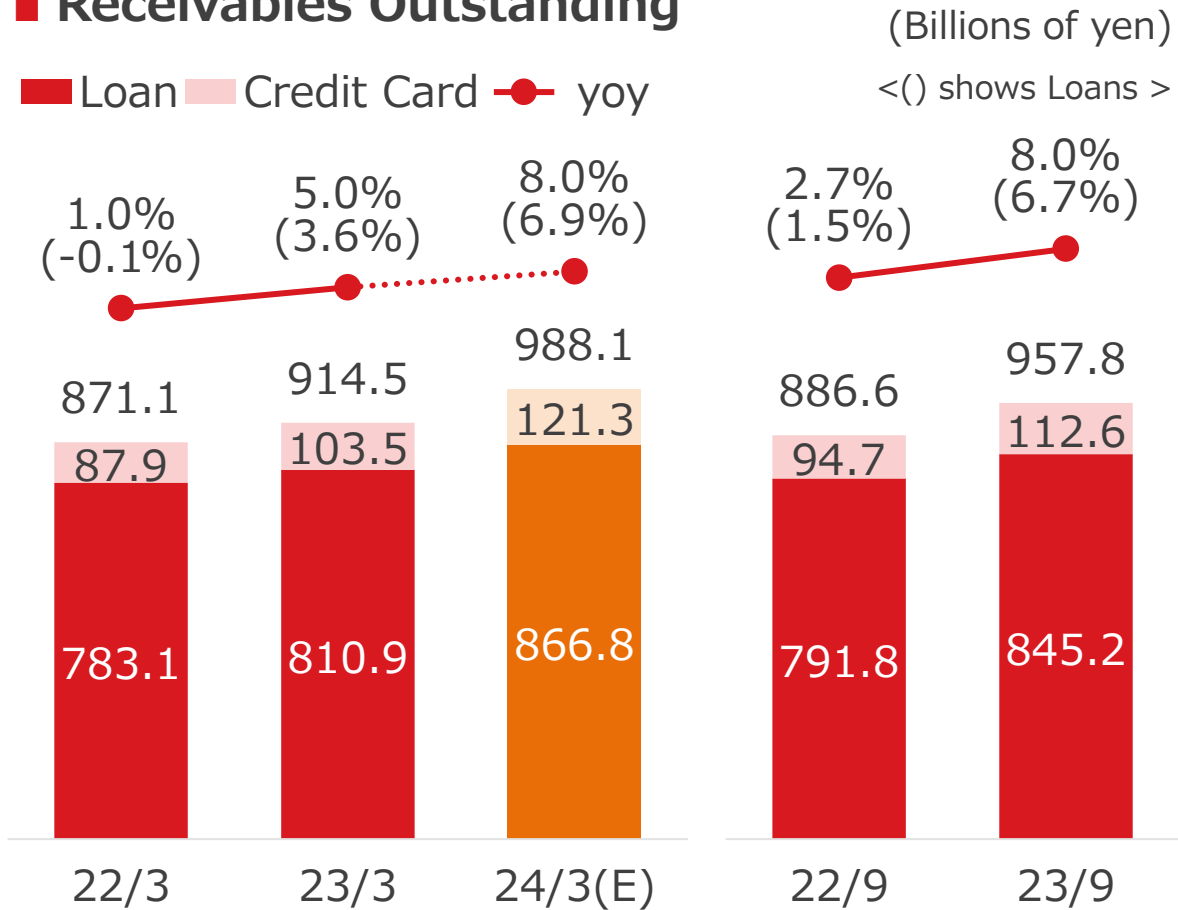
* The equity ratio, calculated by adding the balance of credit guarantees to total consolidated assets

Supplemental Information

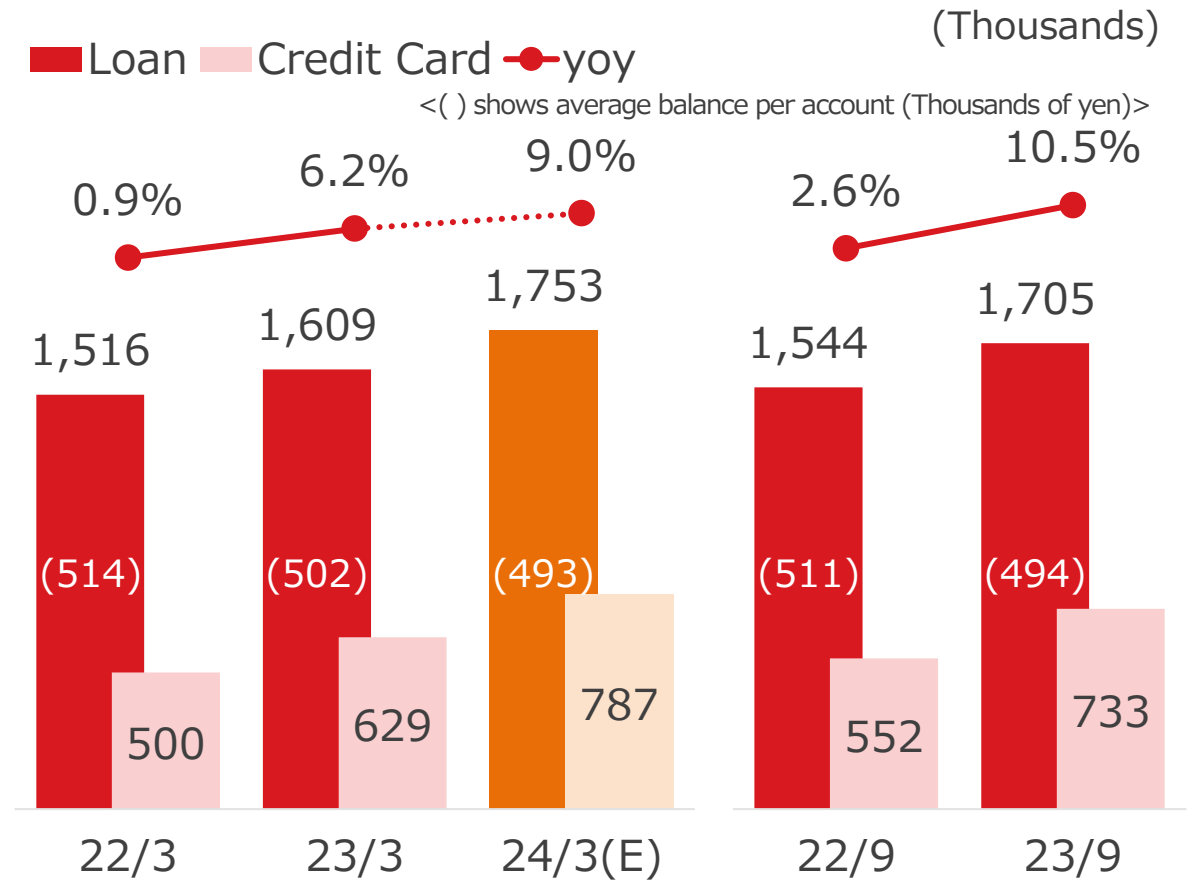
Loan and Credit Card Business | Business Scale

- Receivables Outstanding increased by 8.0% yoy to ¥957.8 billion owing to favorable trend in borrowings by new and existing customers.
- Number of Customer Accounts increased by 10.5% yoy to 1,705 thousands.

■ Receivables Outstanding



■ Number of Customer Accounts*

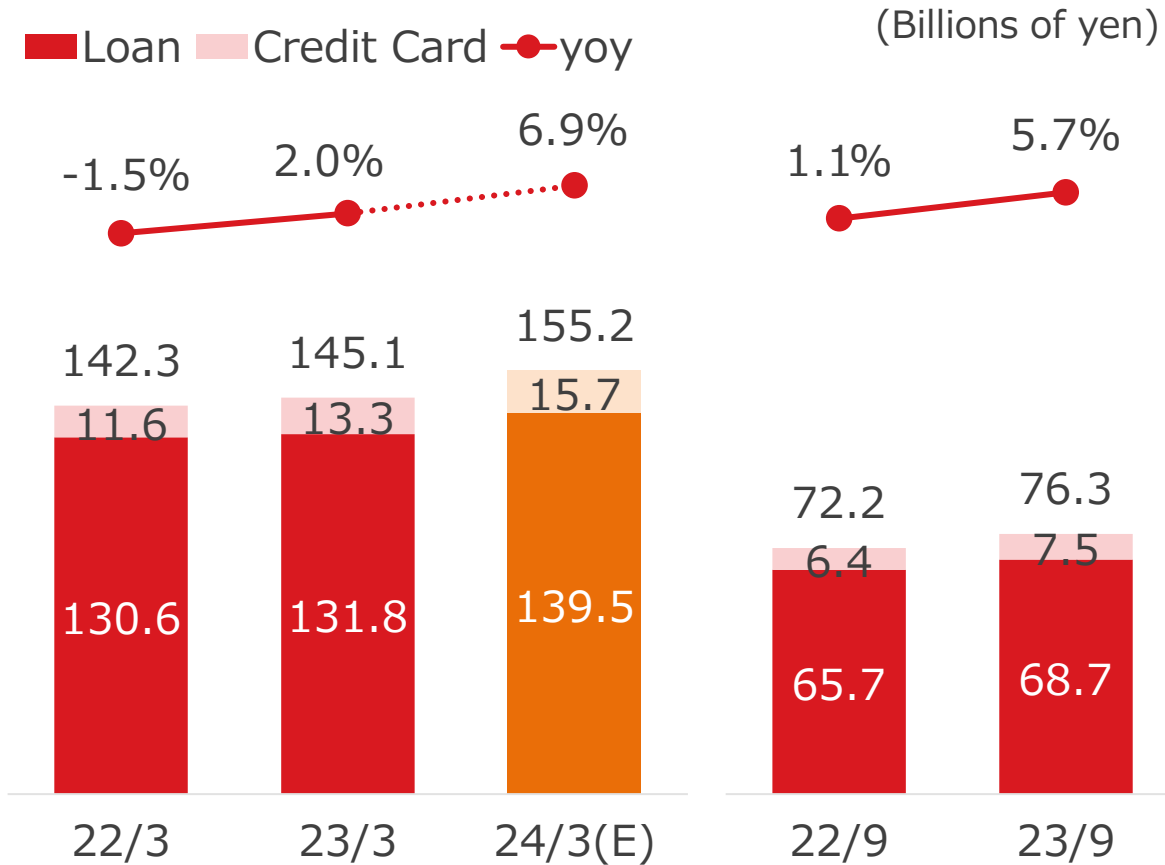


* Credit Card Business : Number of cardholders

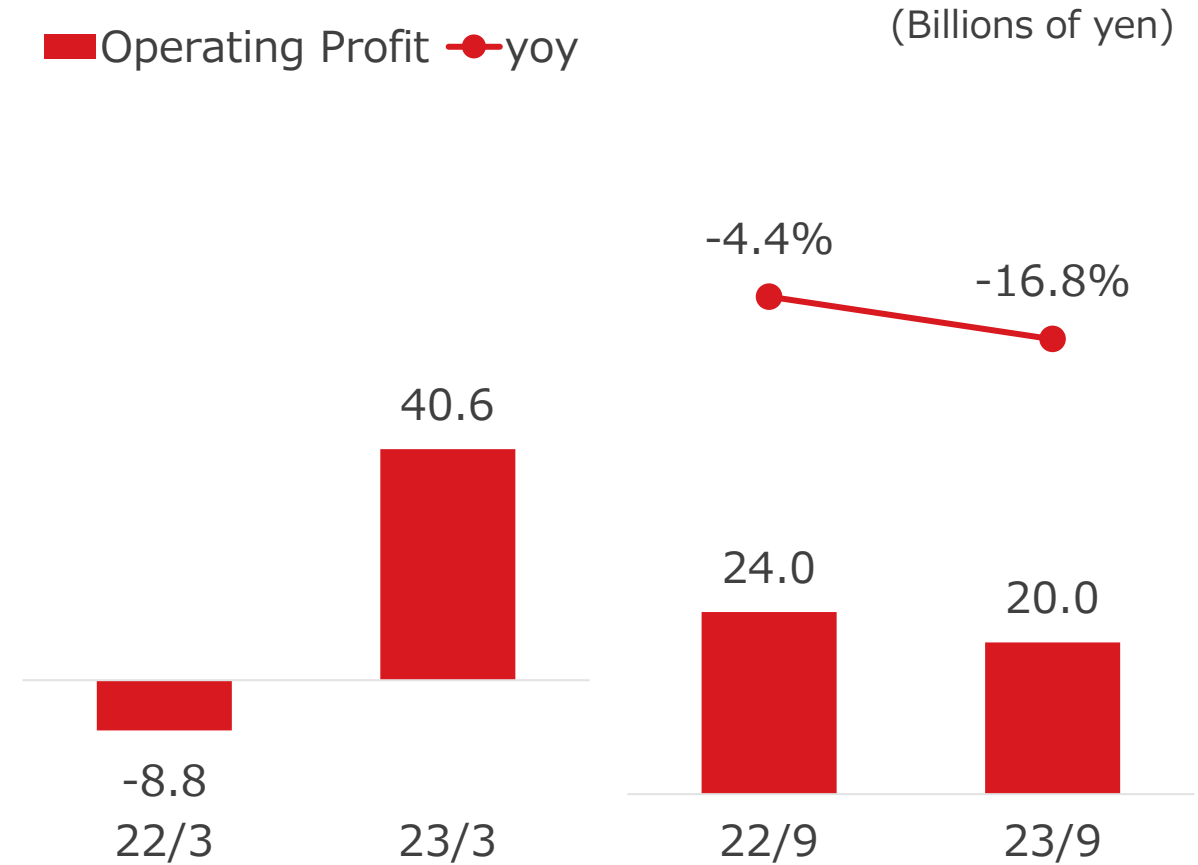
Loan and Credit Card Business | Business Performance

- Operating Revenue increased by 5.7% yoy to ¥76.3 billion.
- Operating Profit decreased by 16.8% yoy to ¥20.0 billion due to increase in Provision for Bad Debts and Advertising Expenses.

■ Operating Revenue



■ Operating Profit

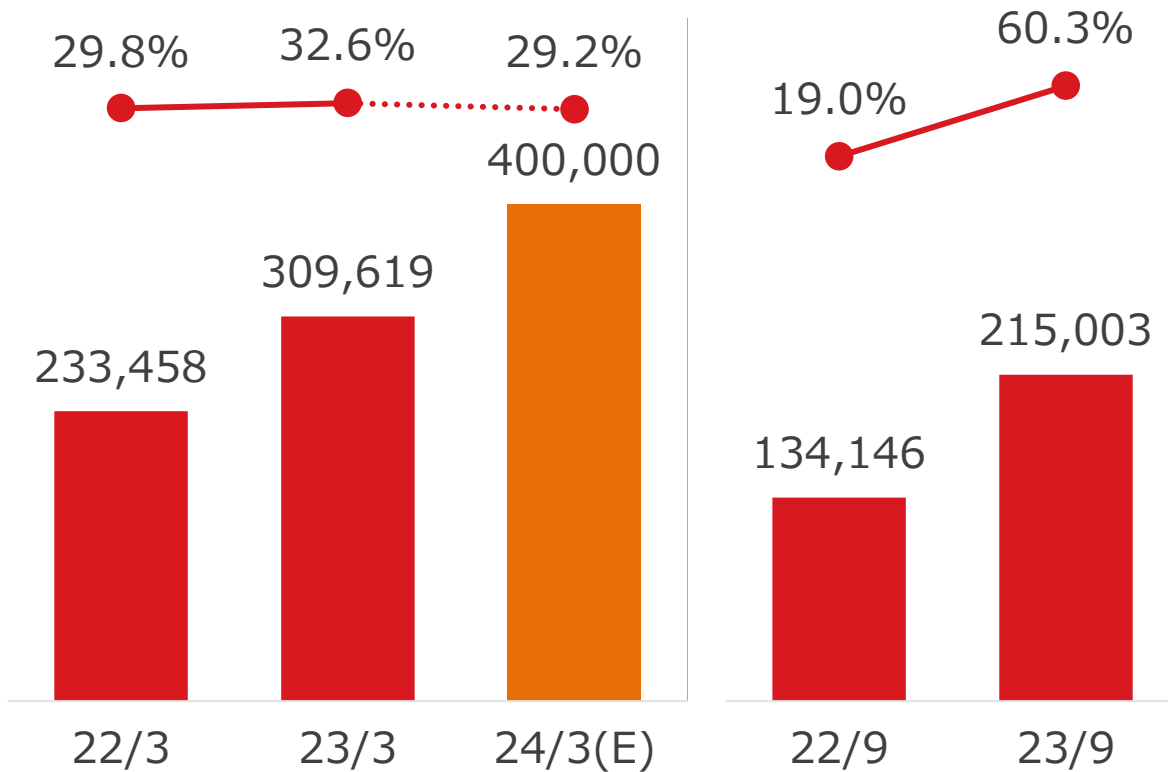


Loan and Credit Card Business | No. of New Customers

- Number of New Customers increased by 60.3% yoy to 215,003.
- Advertising Expenses increased by 23.1% yoy to ¥10.1 billion due to increase in number of new customers.

■ Number of New Customers (Unsecured)

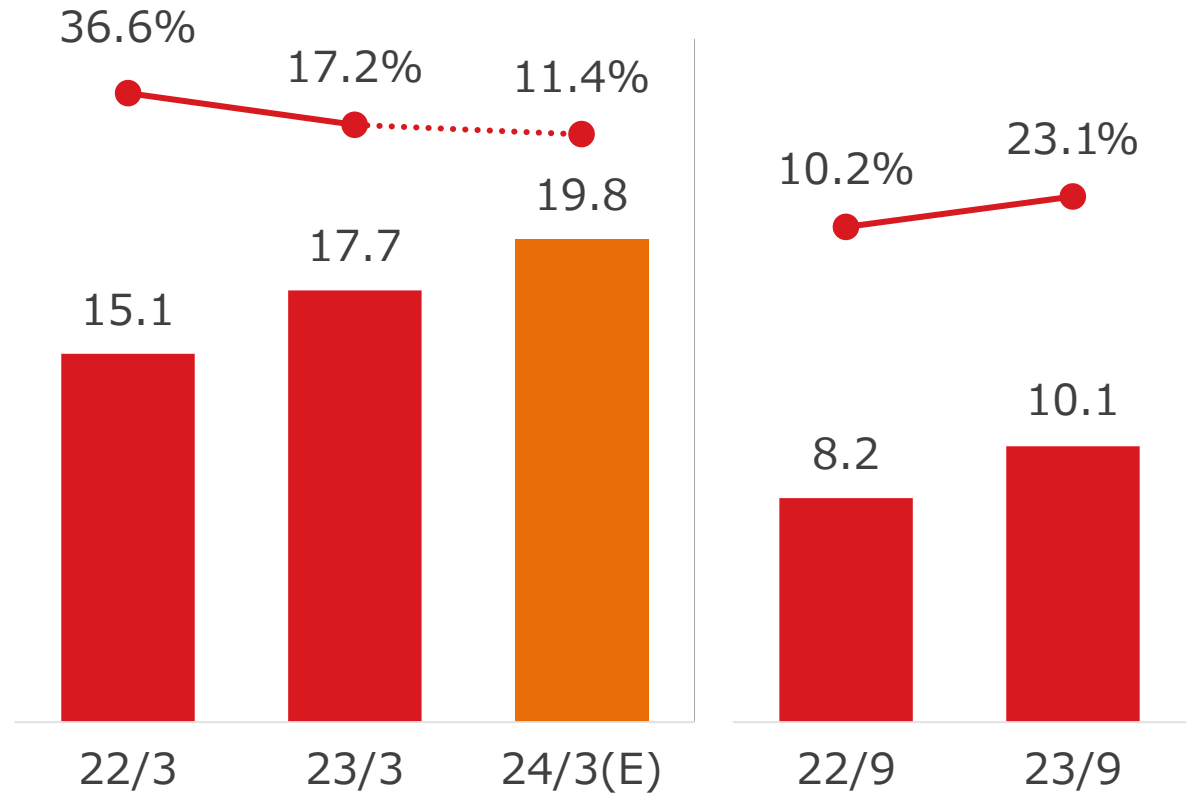
■ No. of New Customers ● yoy



■ Advertising Expenses (ACOM)

■ Advertising Expenses ● yoy

(Billions of yen)

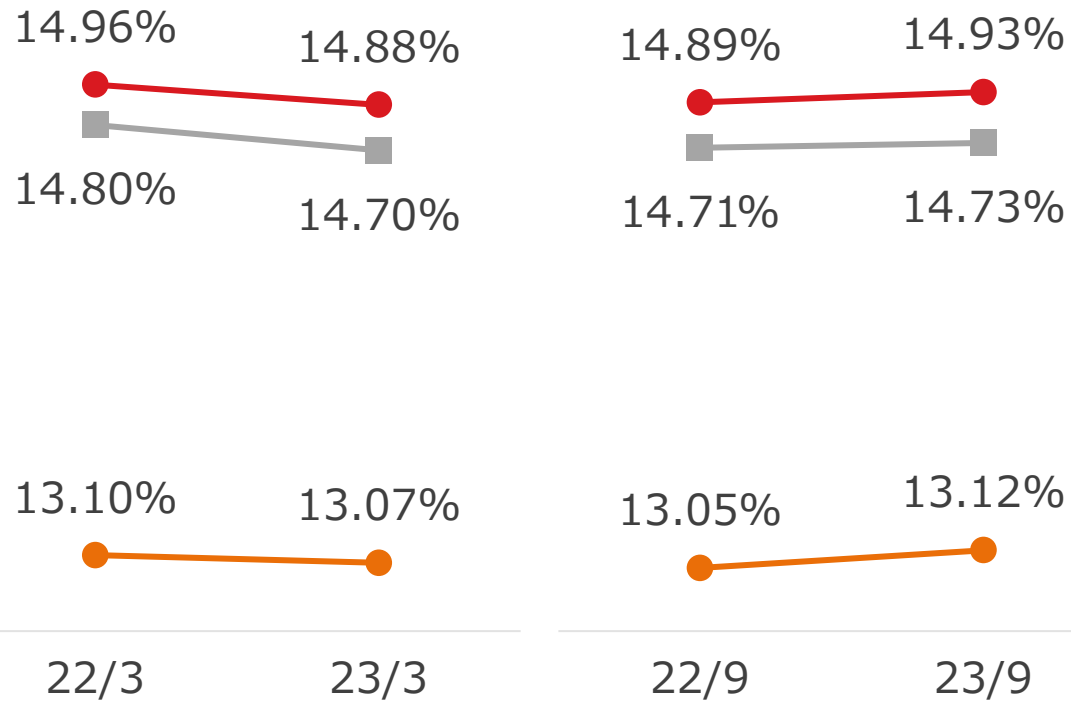


Loan and Credit Card Business | Yield·Bad Debt Expenses

- Average Loan Yield in L.C. Business increased by 2 basis points yoy to 14.73%.
- Ratio of Bad Debt Expenses increased by 34 basis points yoy to 3.52% due to the expansion of business scale.

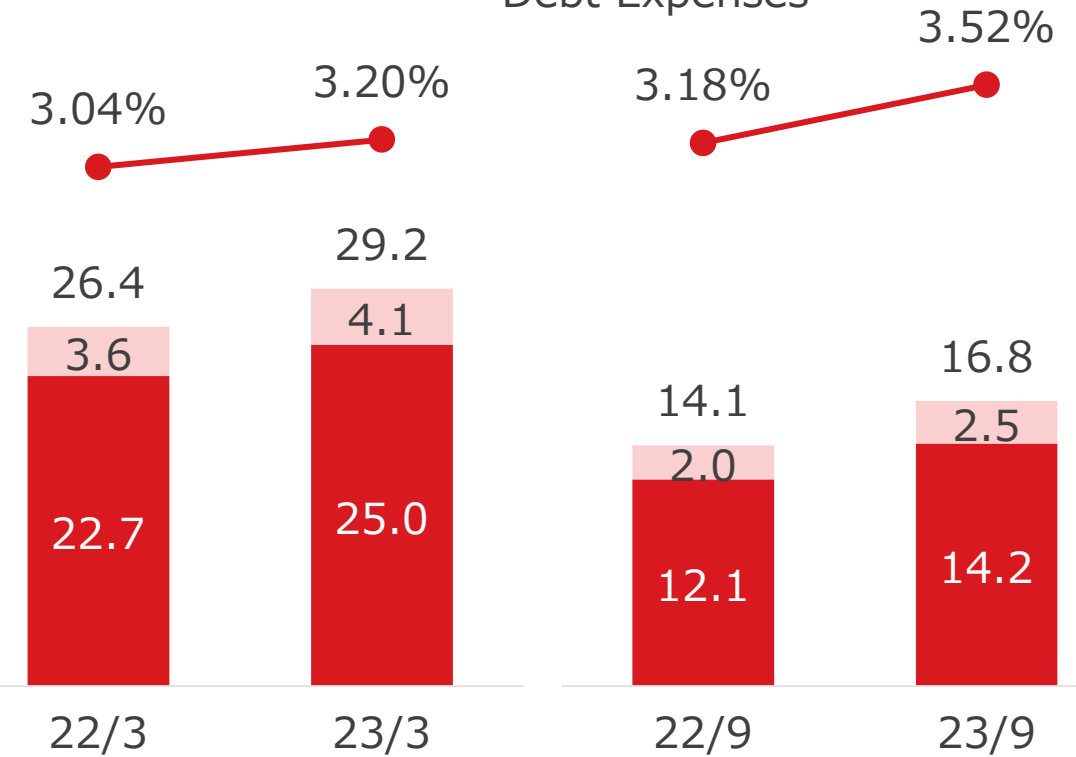
■ Average Loan Yield*¹

—●— Loan —●— Credit Card —■— Loan and Credit Card



■ Amount and Ratio of Bad Debt Expenses*²

■ Loan ■ Credit Card —●— Ratio of Bad Debt Expenses*³ (Billions of yen)



*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.

*³ The ratios of bad debt expenses for 22/9 and 23/9 are recalculated into annual basis.

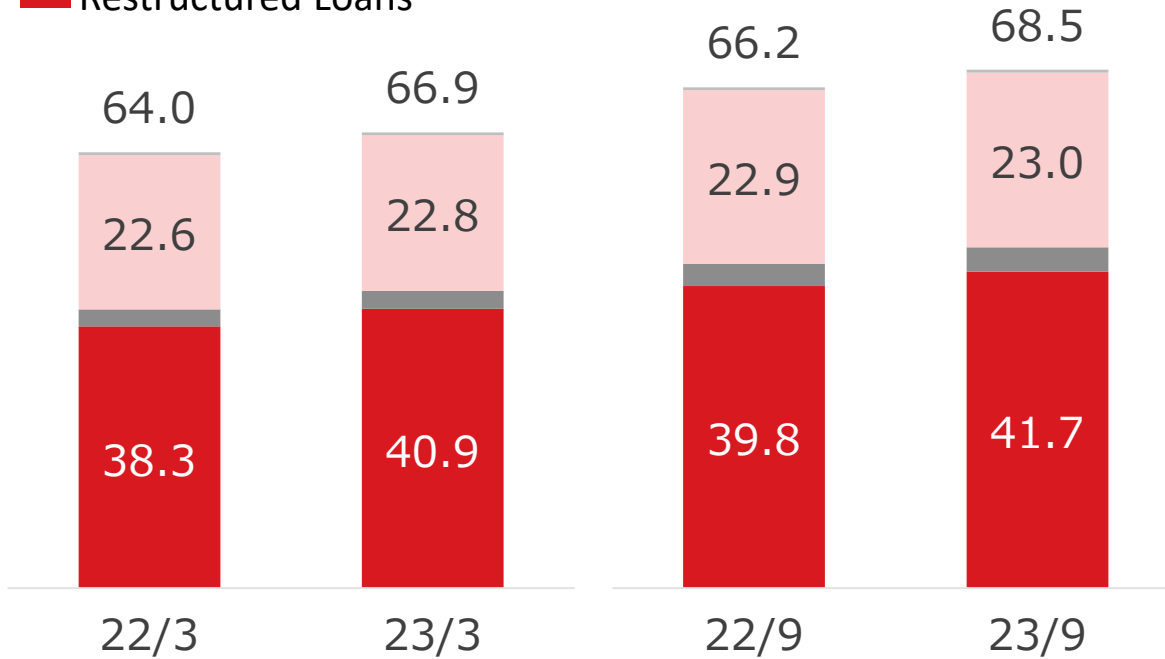
Loan Business | Non-performing Loans

- ¥68.5 billion for NPLs mainly due to an increase in restructured loans with low incidence of bad debt expenses.

■ Non-performing Loans

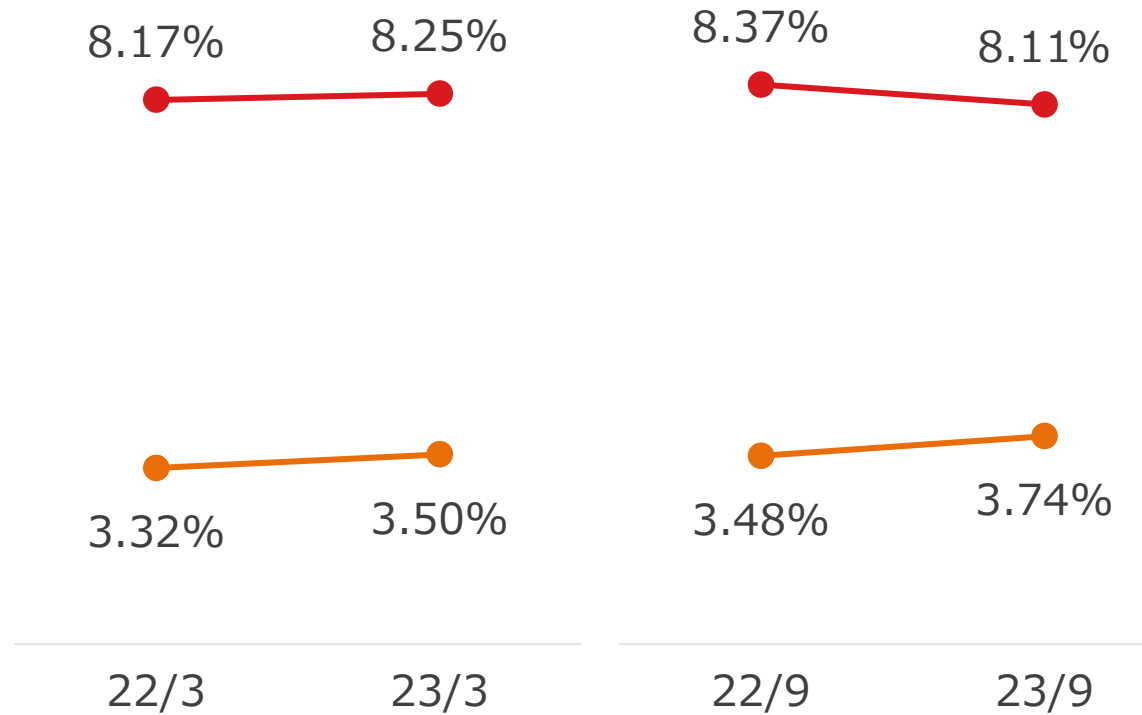
(Billions of yen)

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



■ Ratio of NPLs and Bad Debt Expenses*¹

- NPLs
- Bad Debt Expenses (Loan)*²



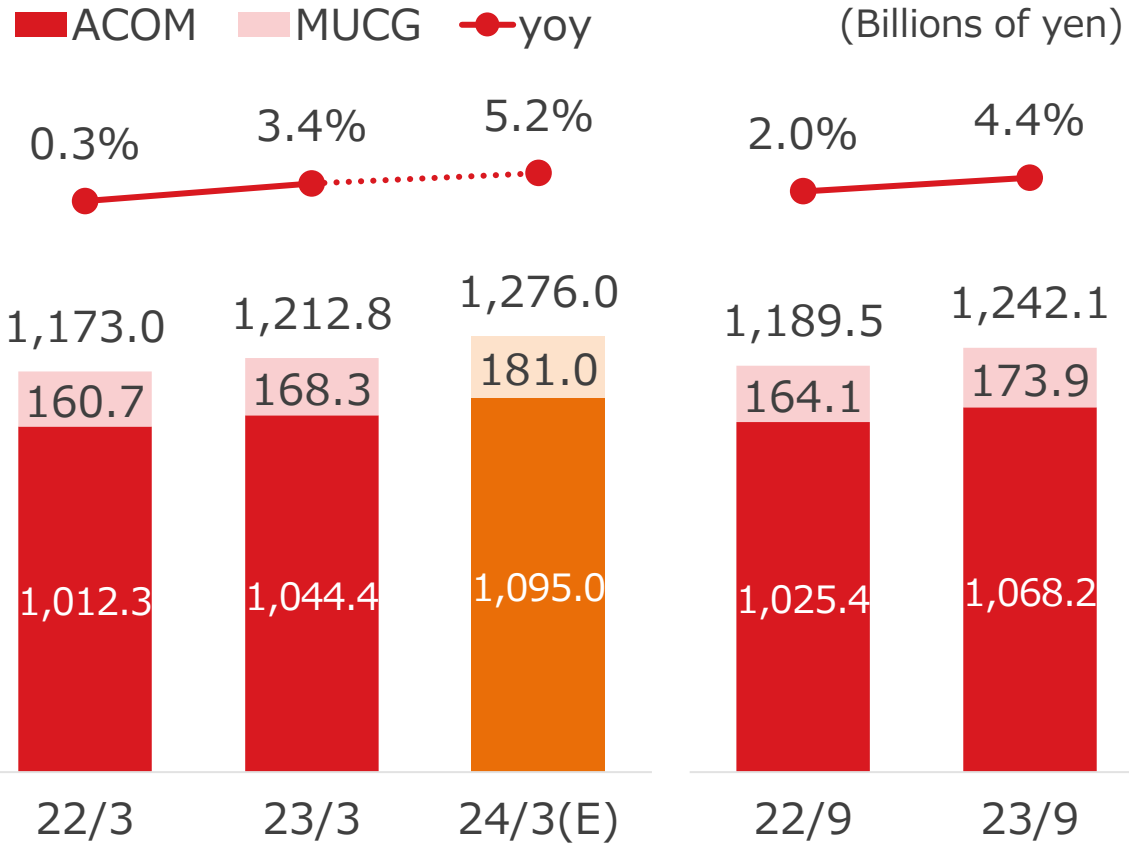
*¹ Ratio of bad Debt Expenses exclude waiver of repayments accompanying requests for interest repayment.

*² The ratios of bad debt expenses for 22/9 and 23/9 are recalculated into annual basis.

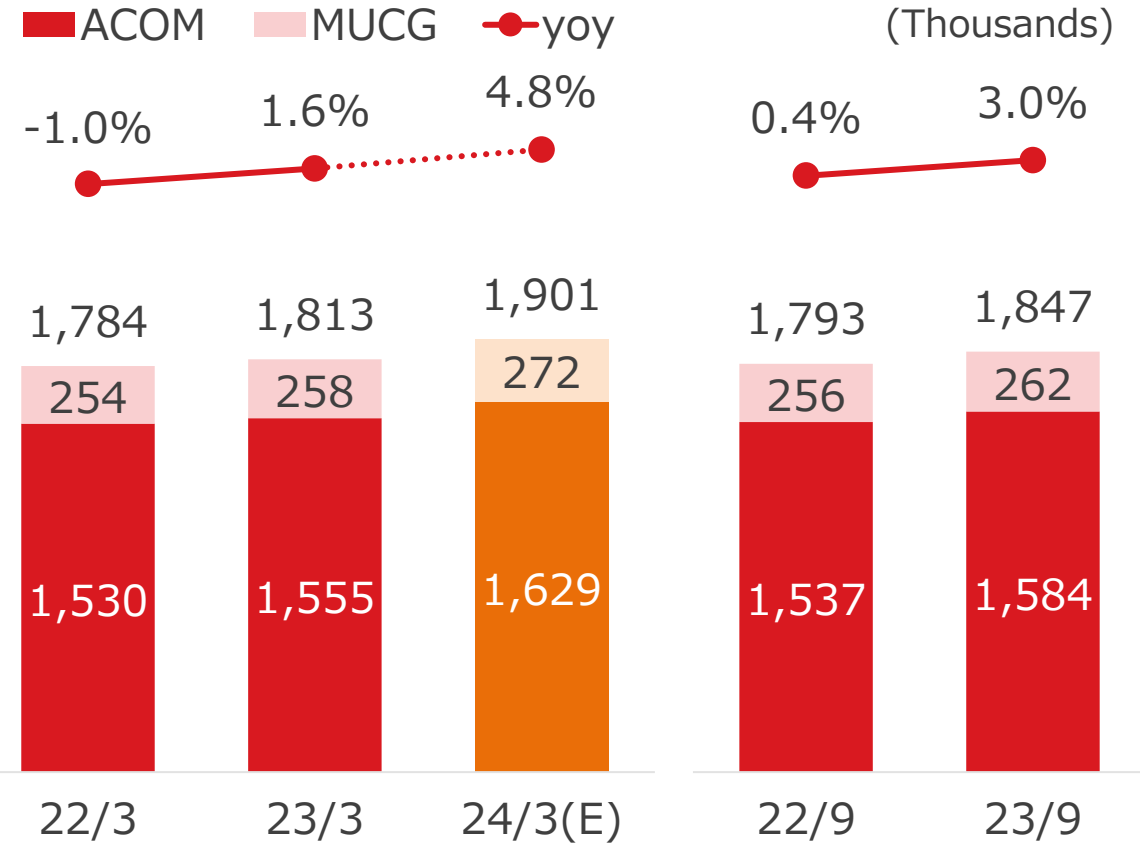
Guarantee Business | Business Scale

- Guaranteed Receivables increased by 4.4% yoy to ¥1,242.1 billion owing to favorable trend in borrowings by new and existing customers.
- The Number of Customer Accounts increased by 3.0% yoy to 1,847 thousands.

■ Guaranteed Receivables



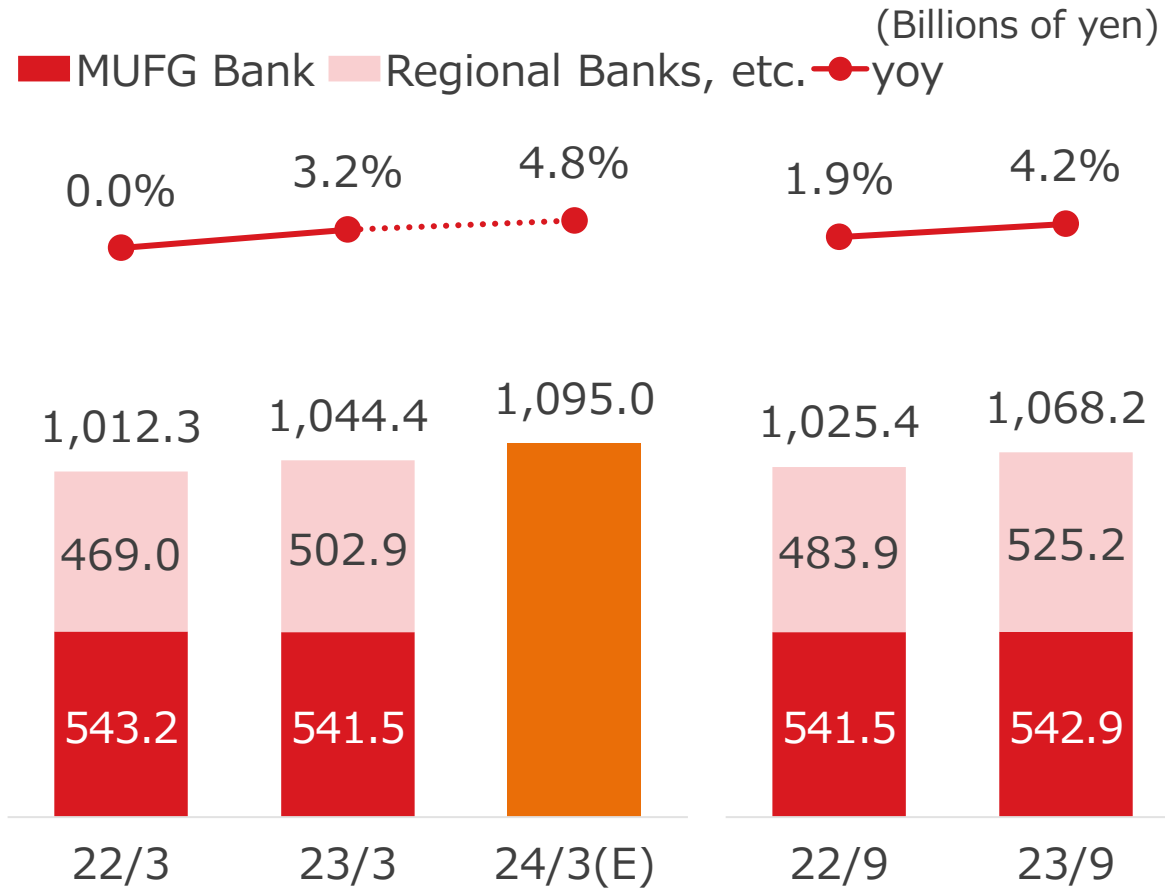
■ Number of Customer Accounts



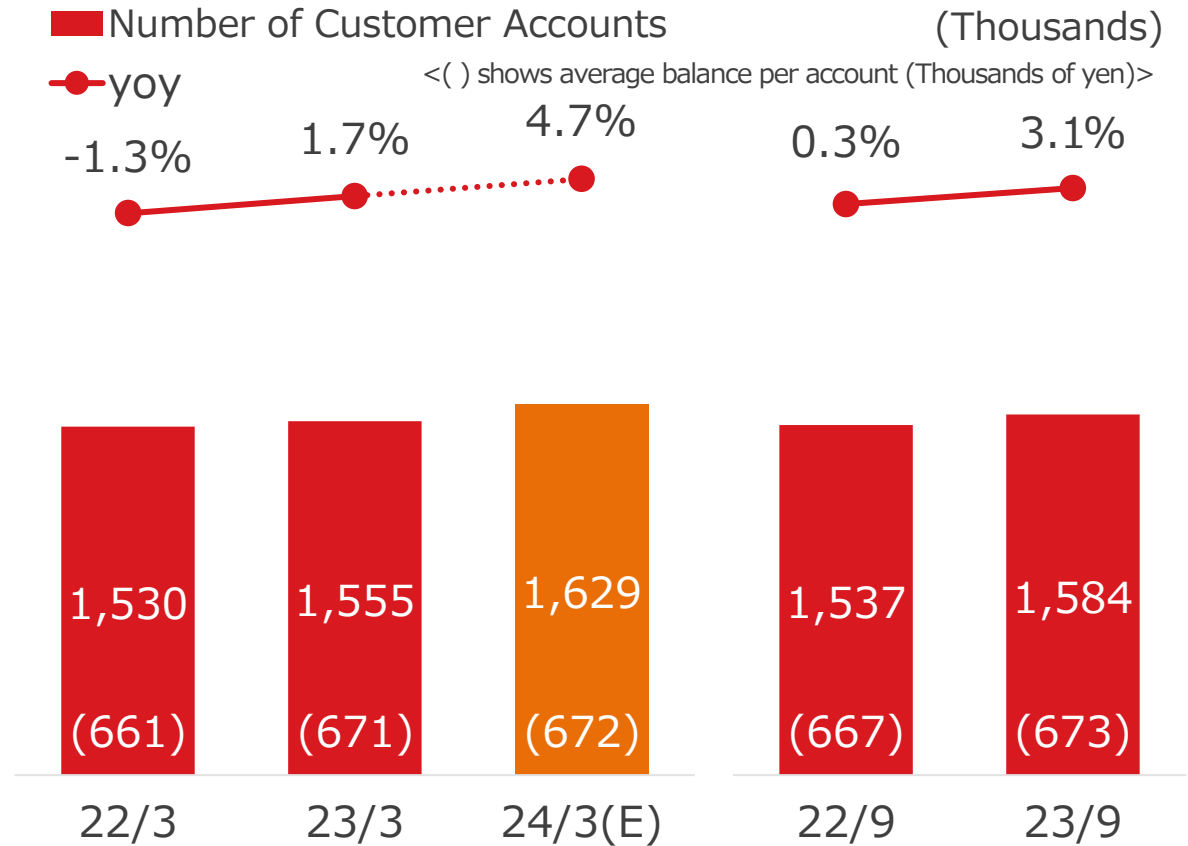
Guarantee Business | Business Scale (ACOM)

- Guaranteed Receivables for ACOM increased by 4.2% yoy to ¥1,068.2 billion.
- The Number of Customer Accounts increased by 3.1% yoy to 1,584 thousands.

■ Guaranteed Receivables



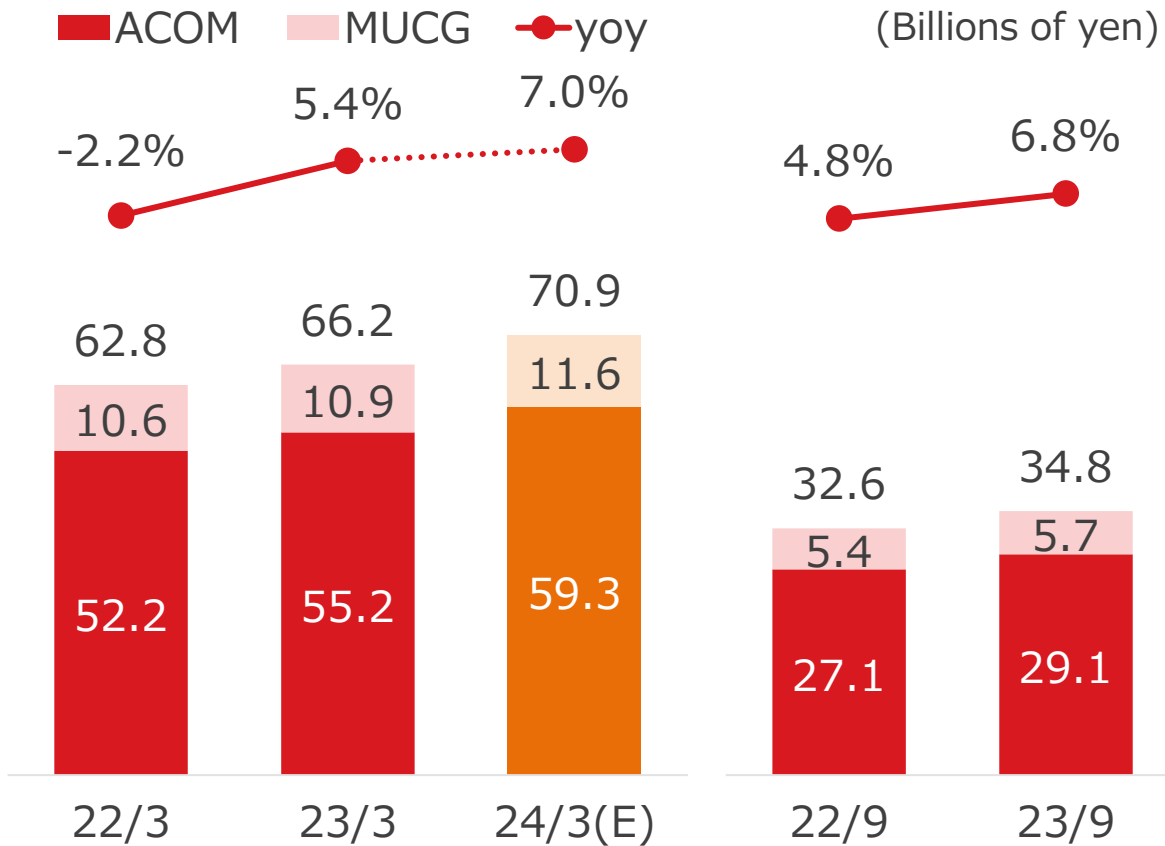
■ Number of Customer Accounts



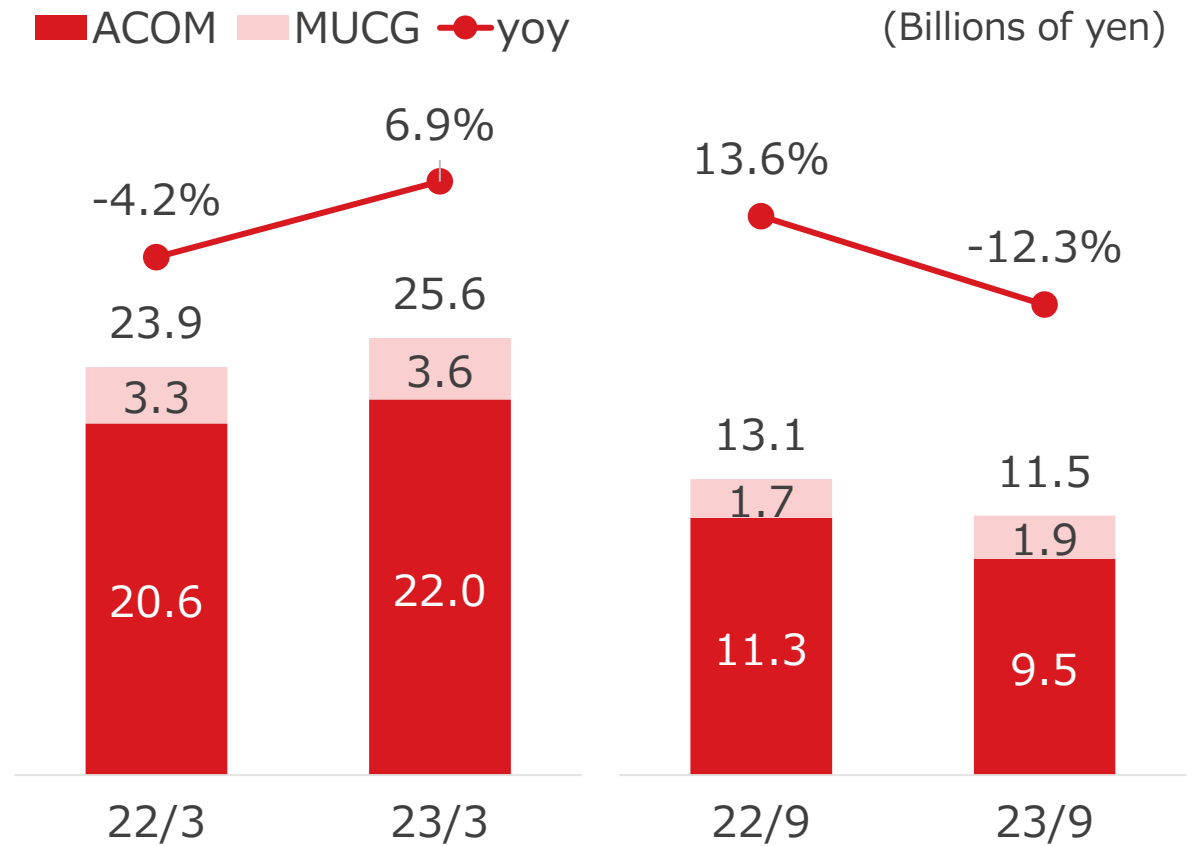
Guarantee Business | Business Performance

- Operating Revenue increased by 6.8% yoy to ¥34.8 billion owing to expansion of business scale and revision of guaranteed fee rates.
- Operating Profit decreased by 12.3% yoy to ¥11.5 billion due to an increase in provision for bad debts.

■ Operating Revenue



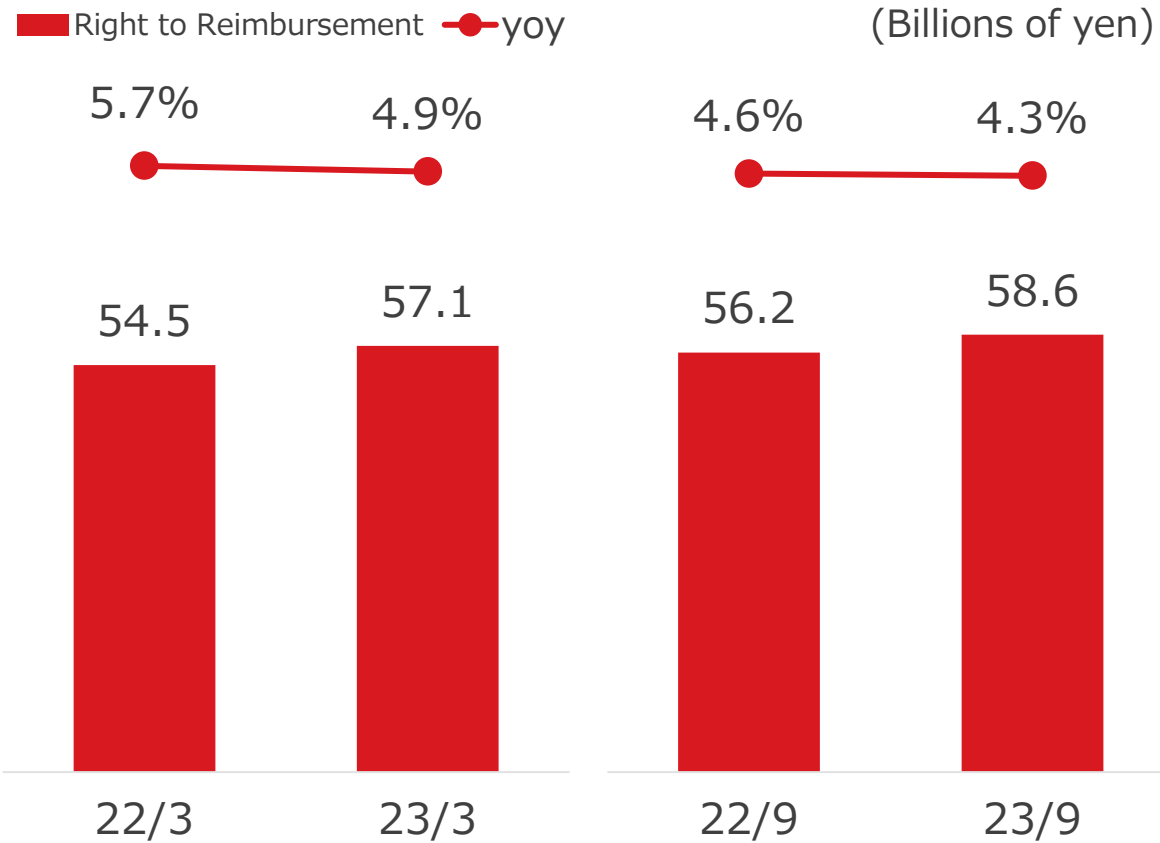
■ Operating Profit



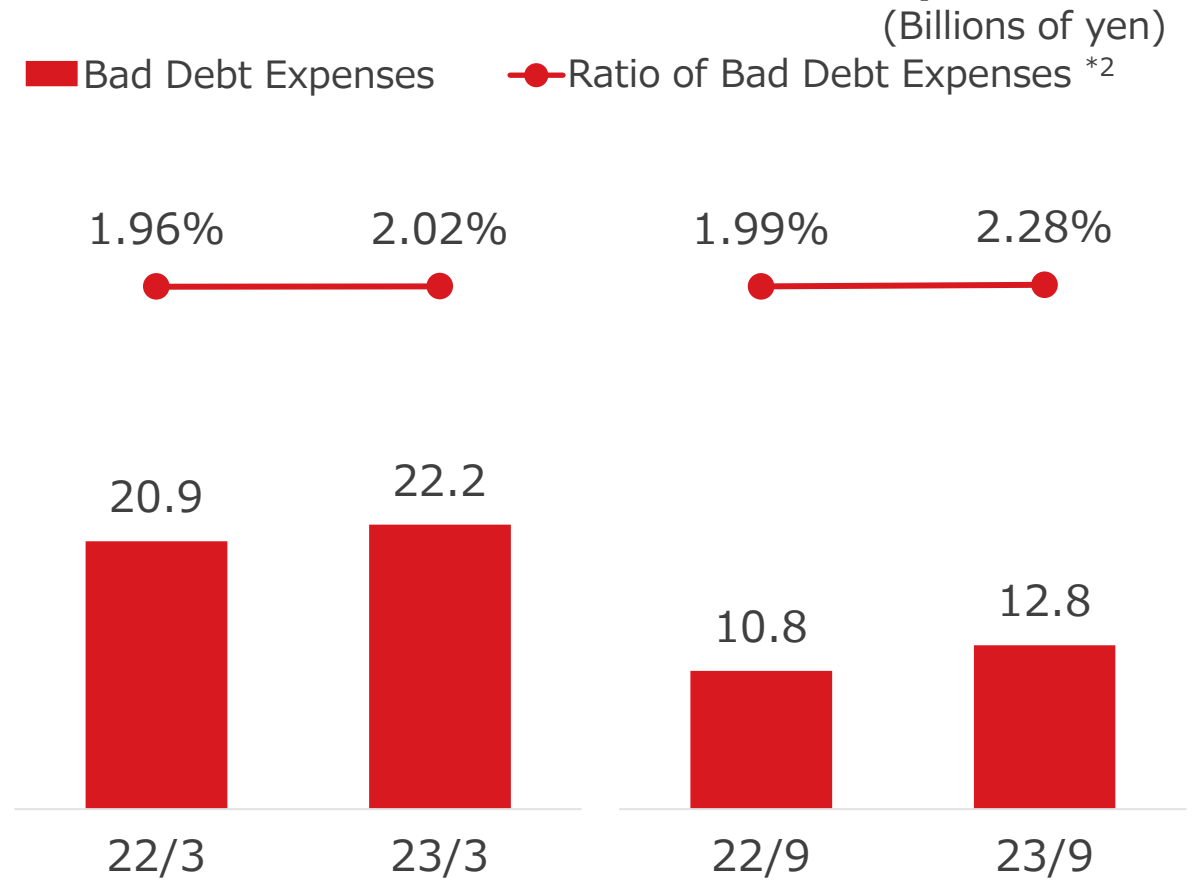
Q Guarantee Business | Right to Reimbursement・Bad Debt Expenses (ACOM)

- Right to Reimbursement increased by 4.3% yoy to ¥58.6 billion, mainly due to the expansion of business scale.
- Ratio of Bad Debt Expenses increased by 29 basis points yoy to 2.28%.

■ Right to Reimbursement *1



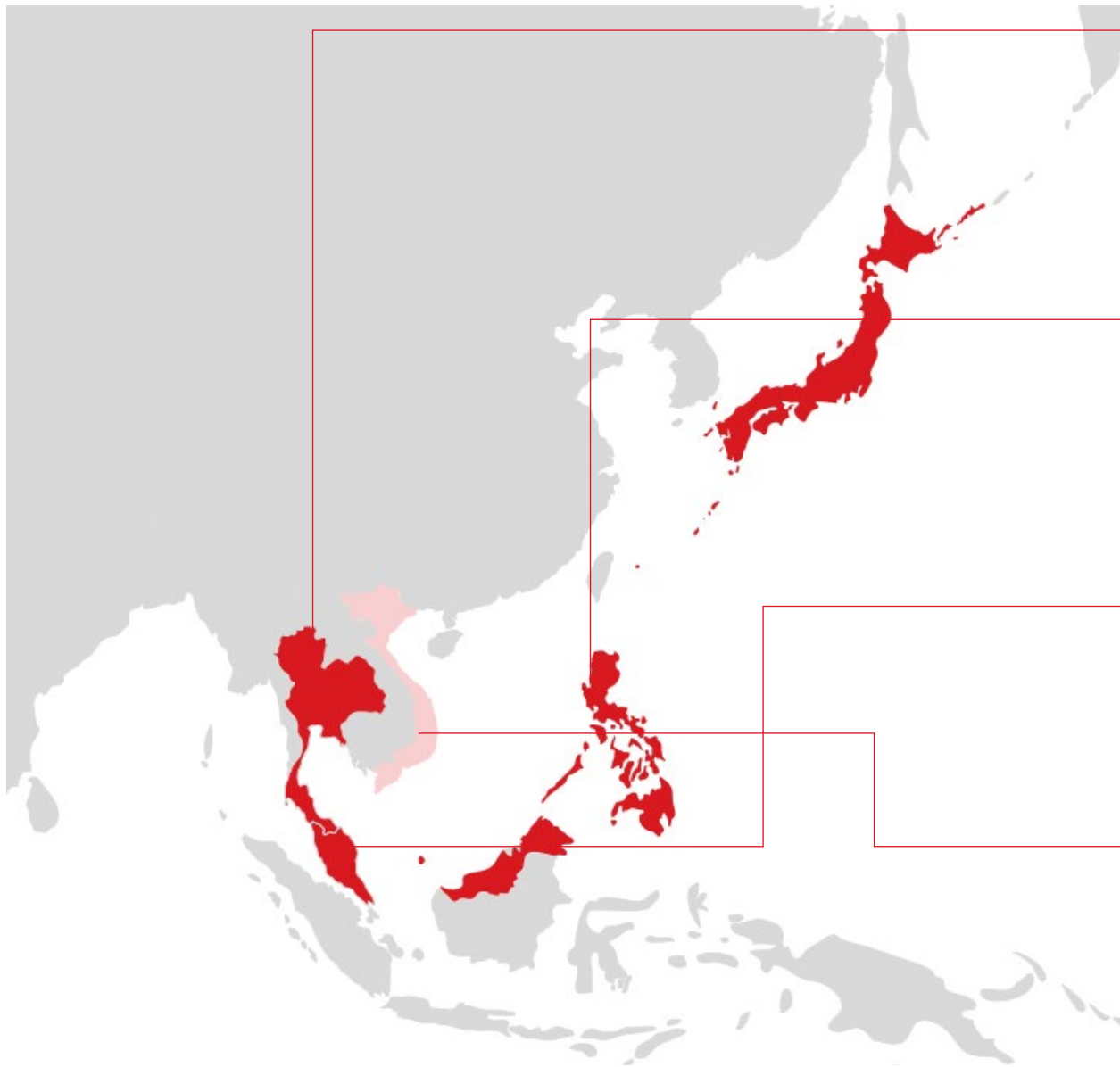
■ Amount and Ratio of Bad Debt Expenses



*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 22/9 and 23/9 are recalculated into annual basis

Overseas Financial Business | Target Market



Kingdom of Thailand

EASY BUY Public Company Limited

Equity stake : 71.00%

Incorporated : September 1996

Business Outline : Unsecured Loan, Installment Loan

Republic of the Philippines

ACOM CONSUMER FINANCE CORPORATION

Equity stake : 80.00%

Incorporated : July 2017

Business Outline : Unsecured Loan

Malaysia

ACOM (M) SDN. BHD.

Equity stake : 100.00%

Incorporated : July 2021

Business Outline : Unsecured Loan

Socialist Republic of Vietnam

ACOM VIETNAM FINANCE COMPANY LIMITED

Equity stake : 100.00%

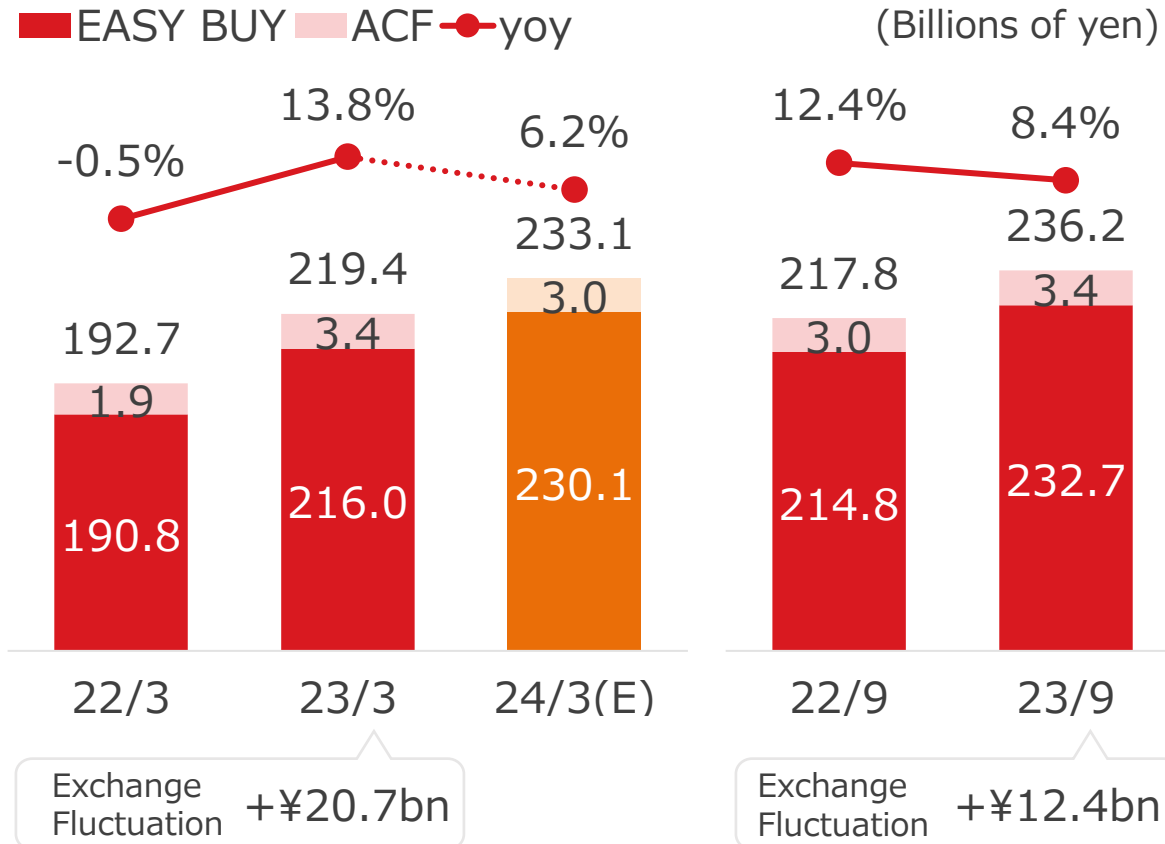
Business Outline : Unsecured Loan

Applying for license

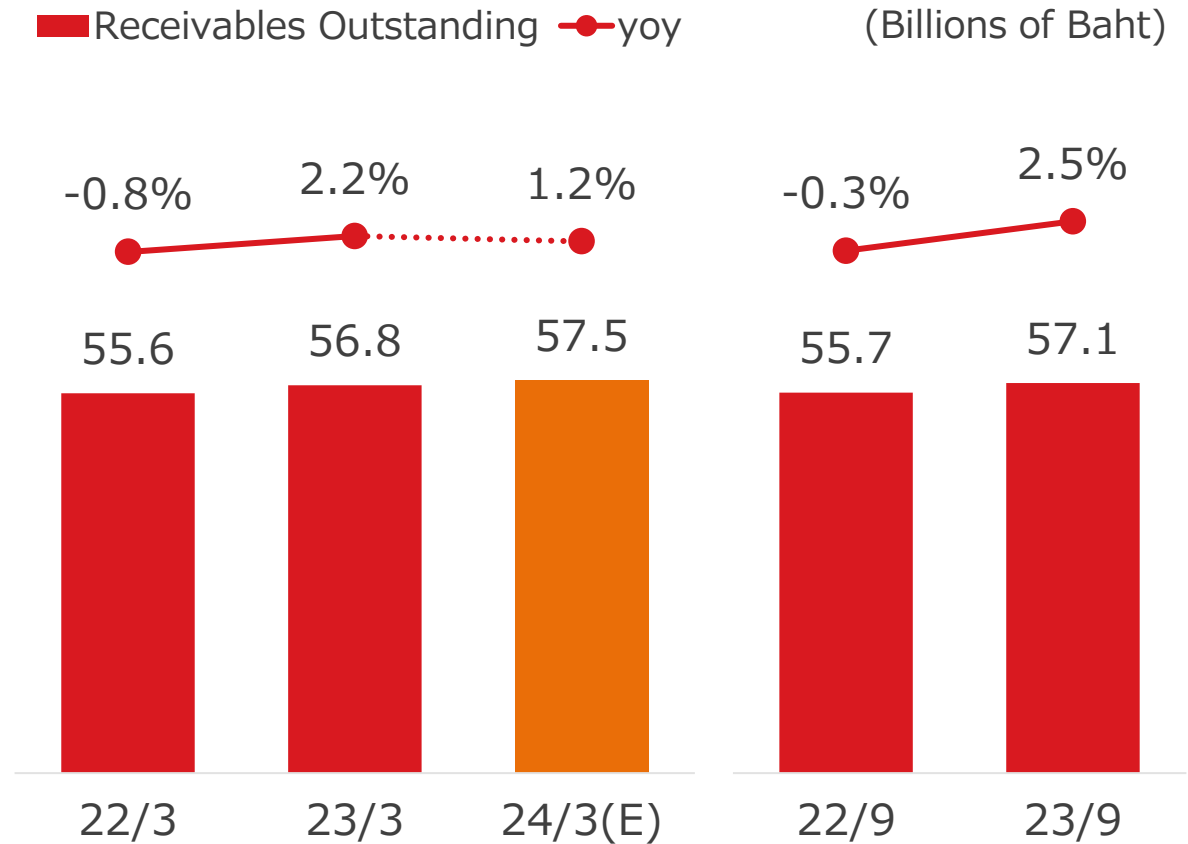
Overseas Financial Business | Receivables Outstanding*¹

- Receivables Outstanding (Yen Basis) increased by 8.4% yoy to ¥236.2 billion owing to the impact of the depreciation of yen against baht.
- Receivables Outstanding (Local Currencies Basis) at EASY BUY increased by 2.5% yoy to 57.1 billion baht.

■ Overseas Financial Business(Yen Basis)*²



■ EASY BUY(Local Currencies Basis)



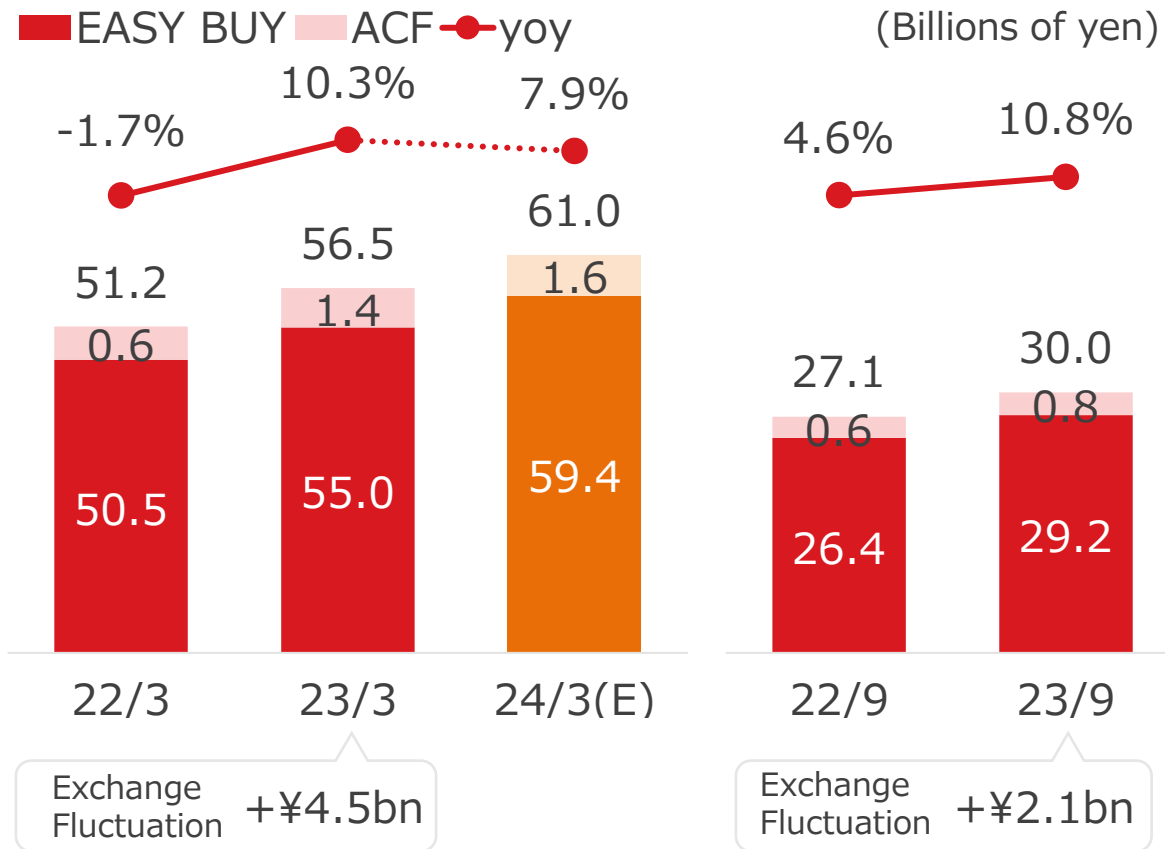
*1 Receivables Outstanding = "accounts receivable - operating loans" + "accounts receivable - installment"

*2 Exchange rates : Baht ¥3.85(22/9)、¥4.07(23/9)、¥4.00(estimate) Exchange fluctuation : +¥0.22

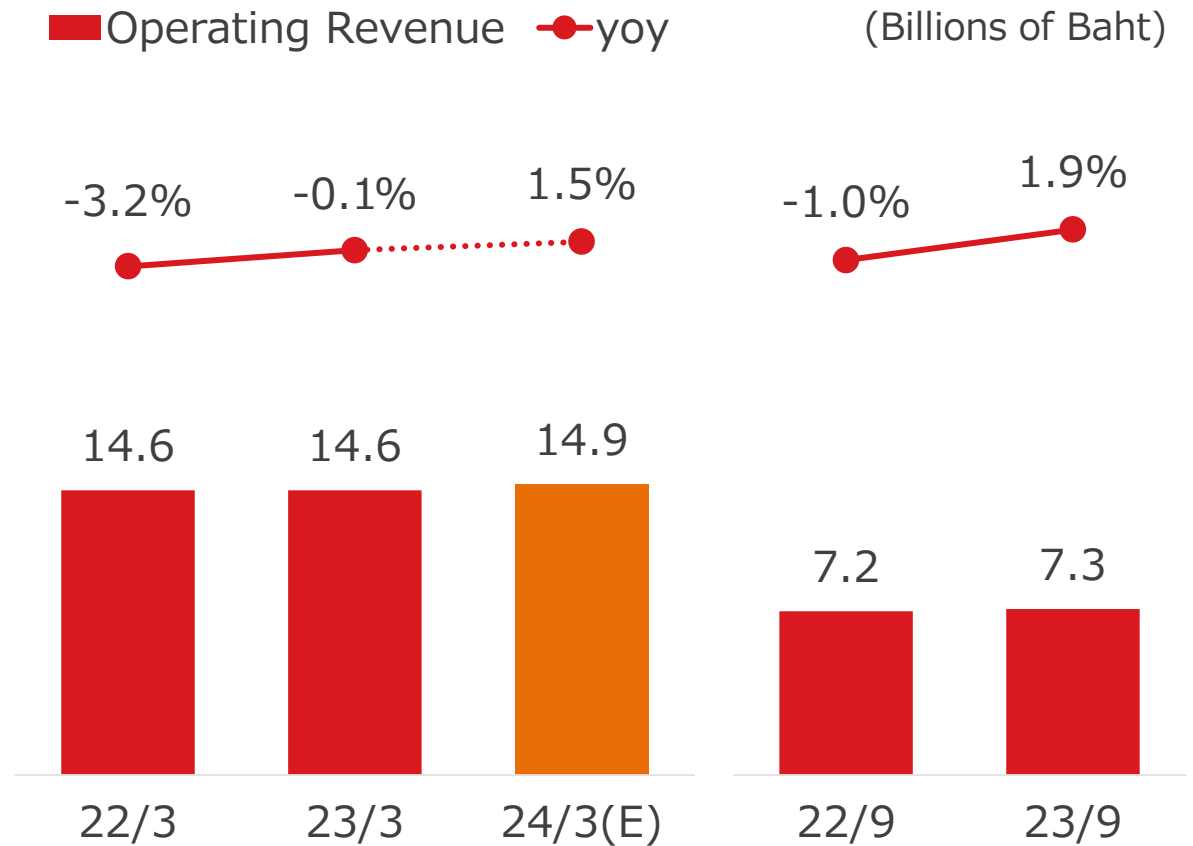
Overseas Financial Business | Operating Revenue

- Operating Revenue (Yen Basis) increased by 10.8% yoy to ¥30.0 billion owing to the expansion of business scale at EB and ACF, and the impact of the depreciation of yen.
- Operating Revenue (Local Currencies Basis) increased by 1.9% yoy to 7.3 billion baht.

■ Overseas Financial Business(Yen Basis)*1*2



■ EASY BUY(Local Currencies Basis)



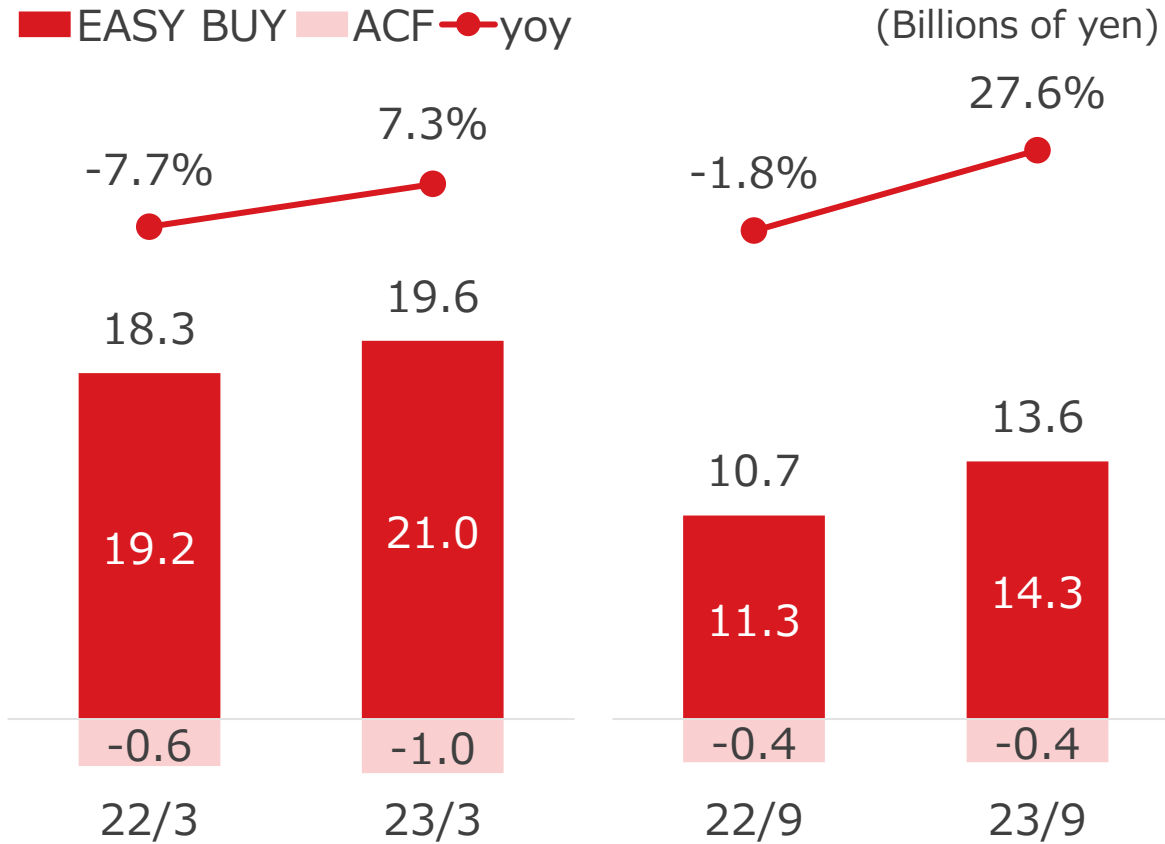
*1 Profit by segments

*2 Exchange rates : Baht ¥3.65(22/9)、¥3.95(23/9)、¥4.00(estimate) Exchange fluctuation : +¥0.30

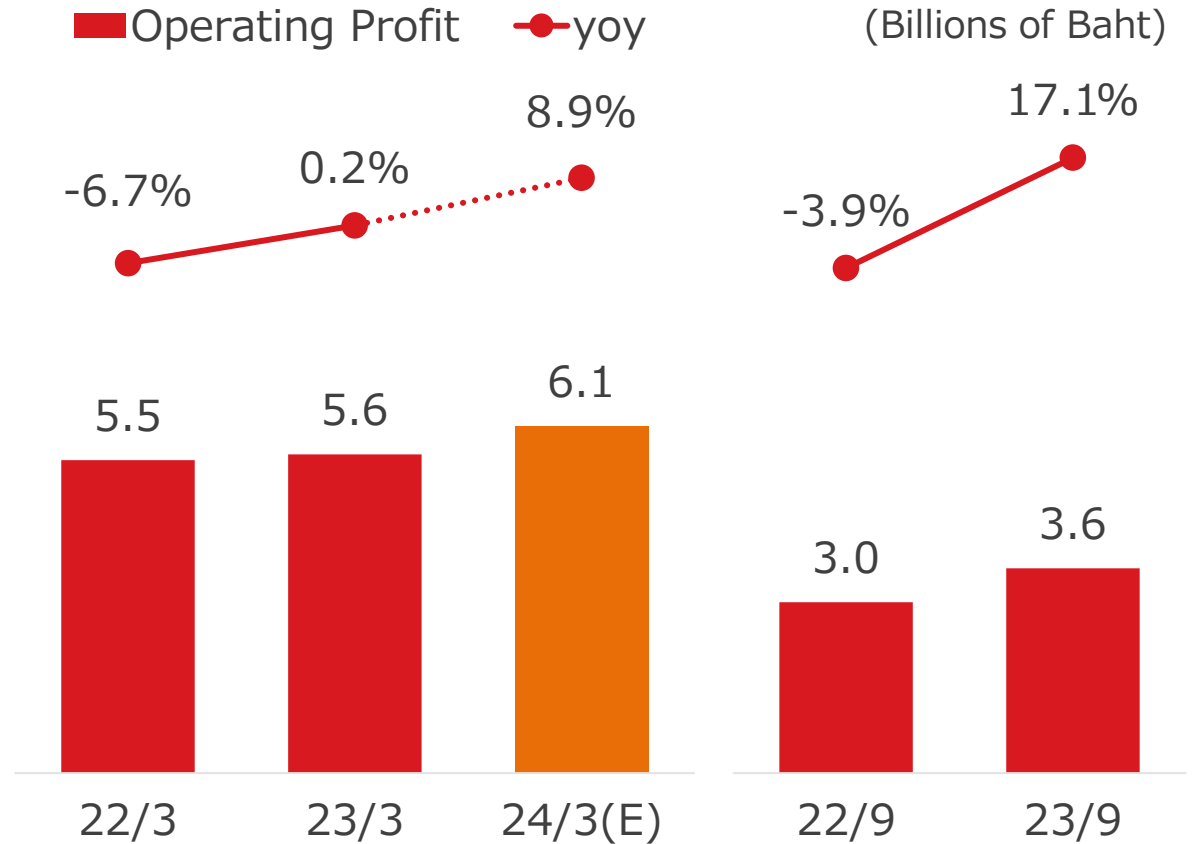
Overseas Financial Business | Operating Profit

- Operating Profit (Yen Basis) increased by 27.6% yoy to ¥13.6 billion.
- Operating Profit (Local Currencies Basis) increased by 17.1% yoy to 3.6 billion baht.

■ Overseas Financial Business(Yen Basis)*

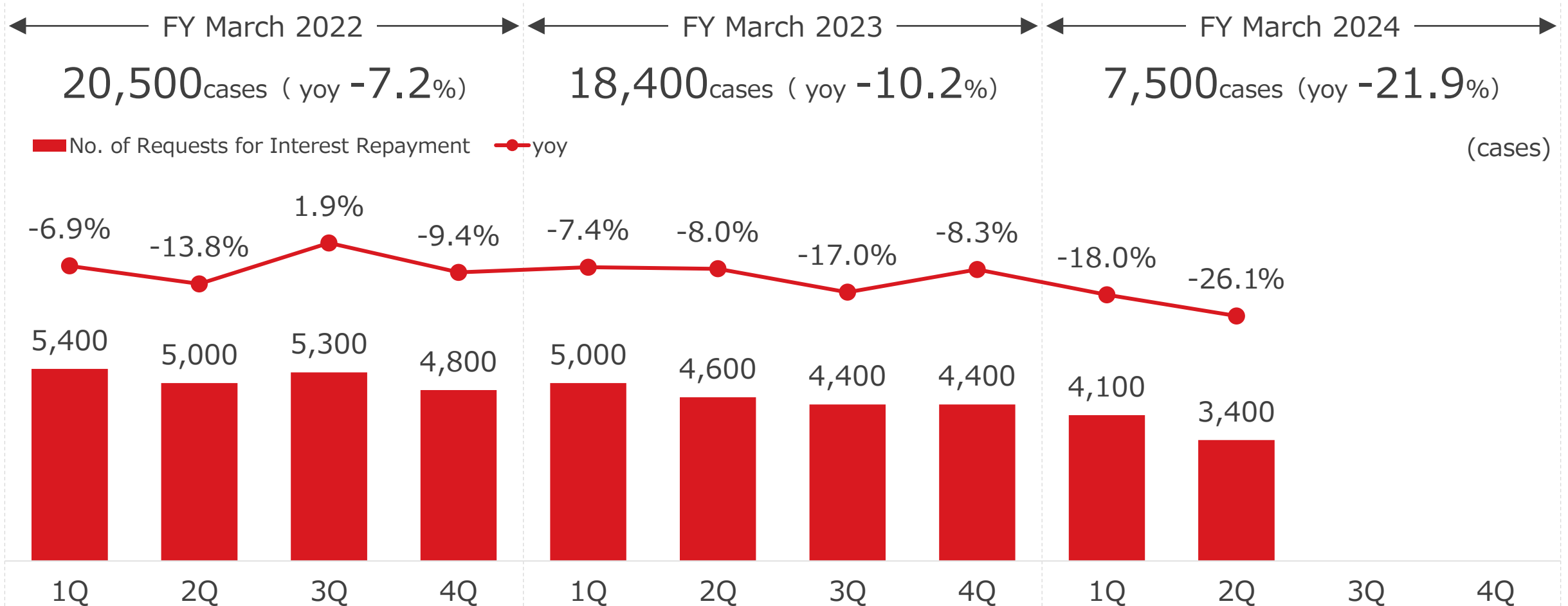


■ EASY BUY(Local Currencies Basis)



No. of Requests for Interest Repayment*

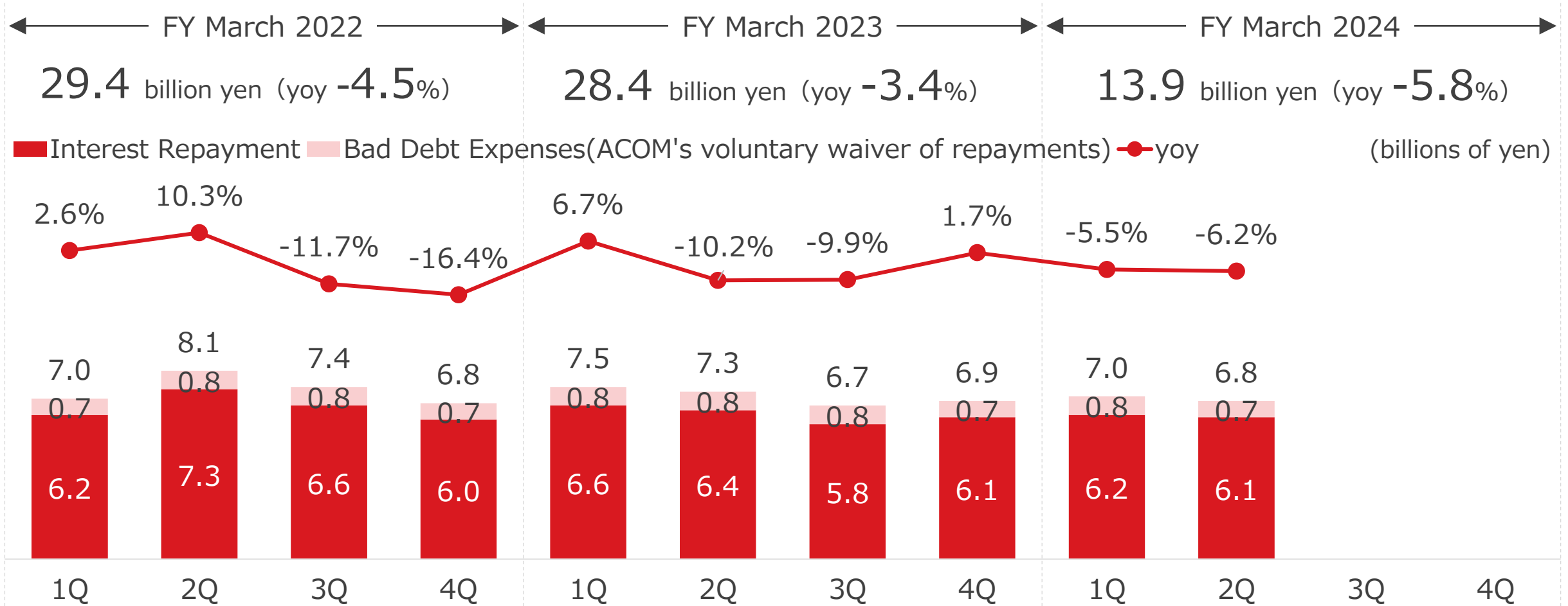
- The number of requests for 2Q decreased by 21.9% yoy to 7,500.
- The number of requests for FY March 2024 is expected to decrease around 15% yoy.



* 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

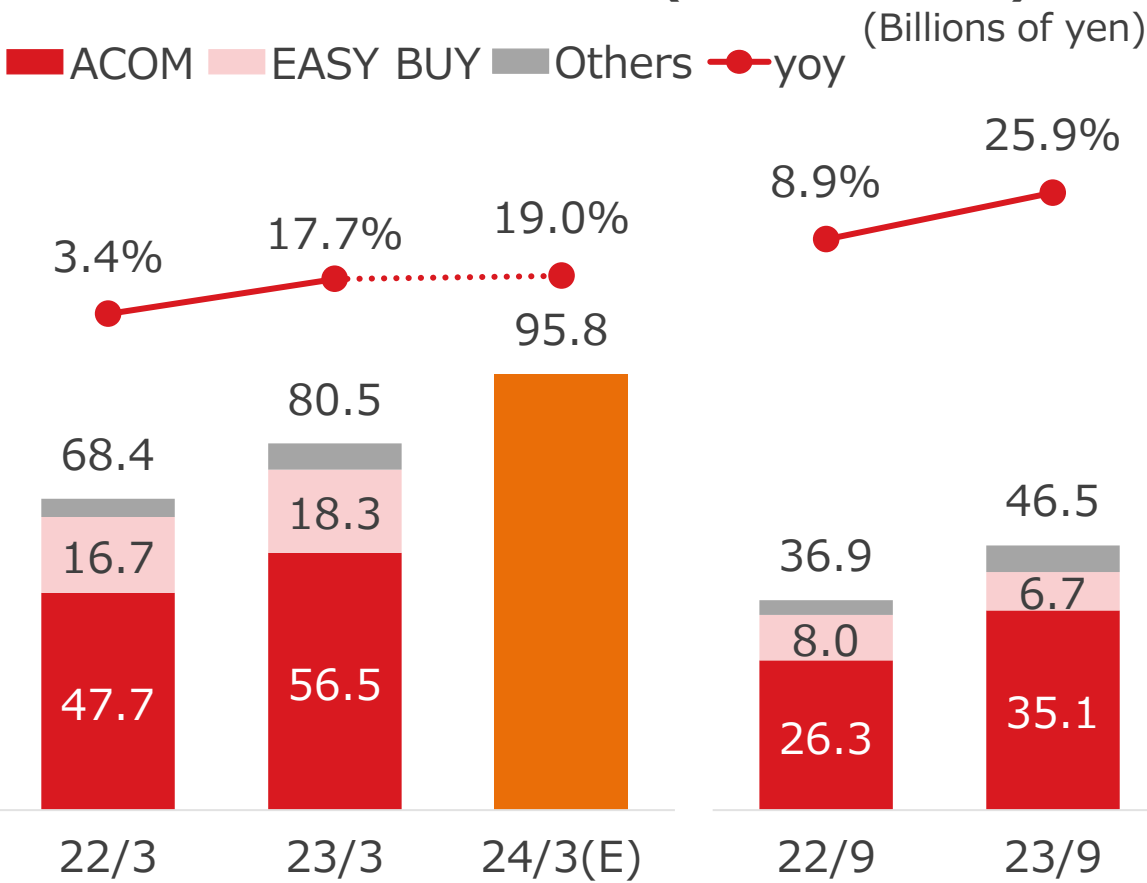
- Amount of drawdown up to 2Q was ¥13.9 billion (-5.8% yoy).
- There was no addition to provision in 2Q. Balance of provision is ¥43.7 billion. (Covers up to FY March 2026)
- Estimate amount of drawdown to decrease around 10% yoy in FY March 2024.



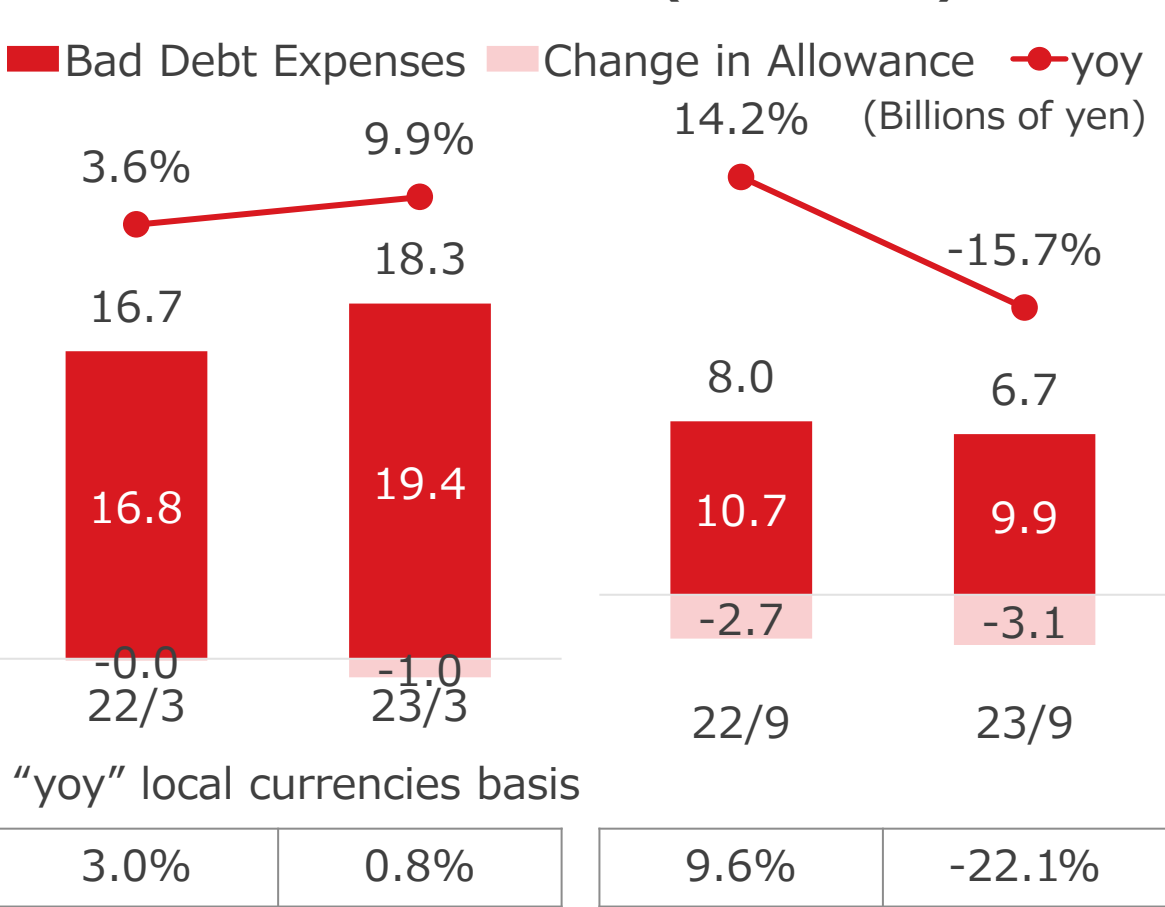
Q Provision for Bad Debts

- Provision for Bad Debts (Consolidated) increased by 25.9% yoy to ¥46.5 billion due to an increase in ACOM.
- Provision for Bad Debts at EASY BUY decreased by 15.7% yoy to ¥6.7 billion.

■ Provision for Bad Debts (Consolidated)



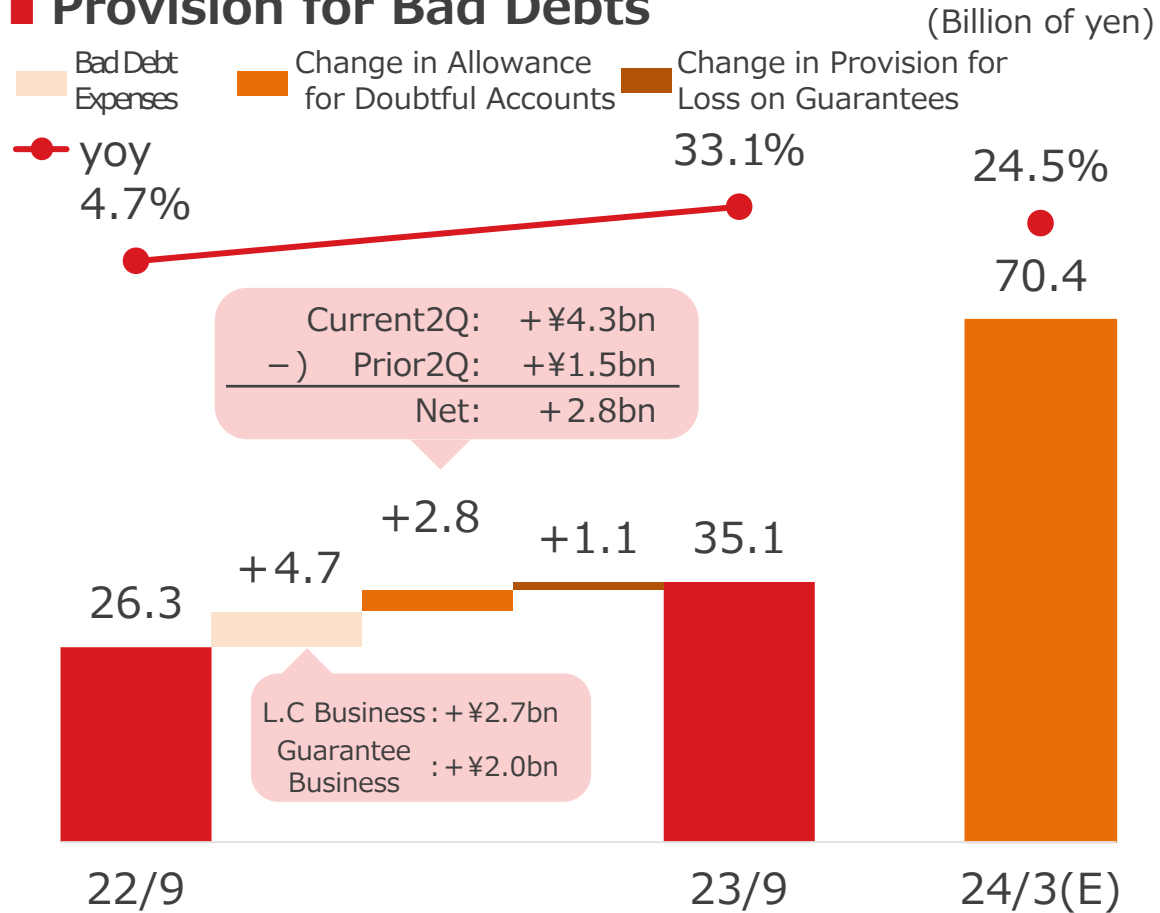
■ Provision for Bad Debts (EASY BUY)



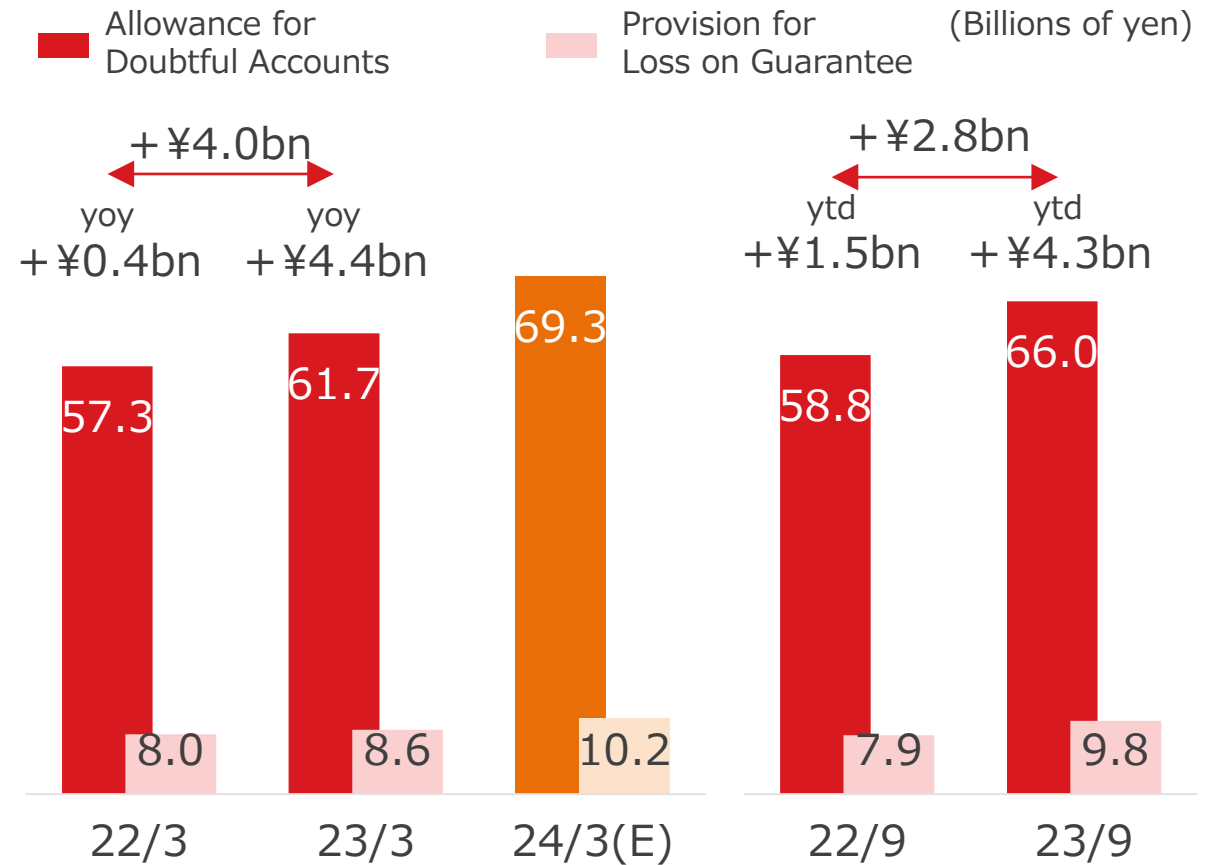
Provision for Bad Debts (ACOM)

- Provision for Bad Debts increased by 33.1% yoy to ¥35.1 billion, mainly due to the expansion of business scale.

■ Provision for Bad Debts



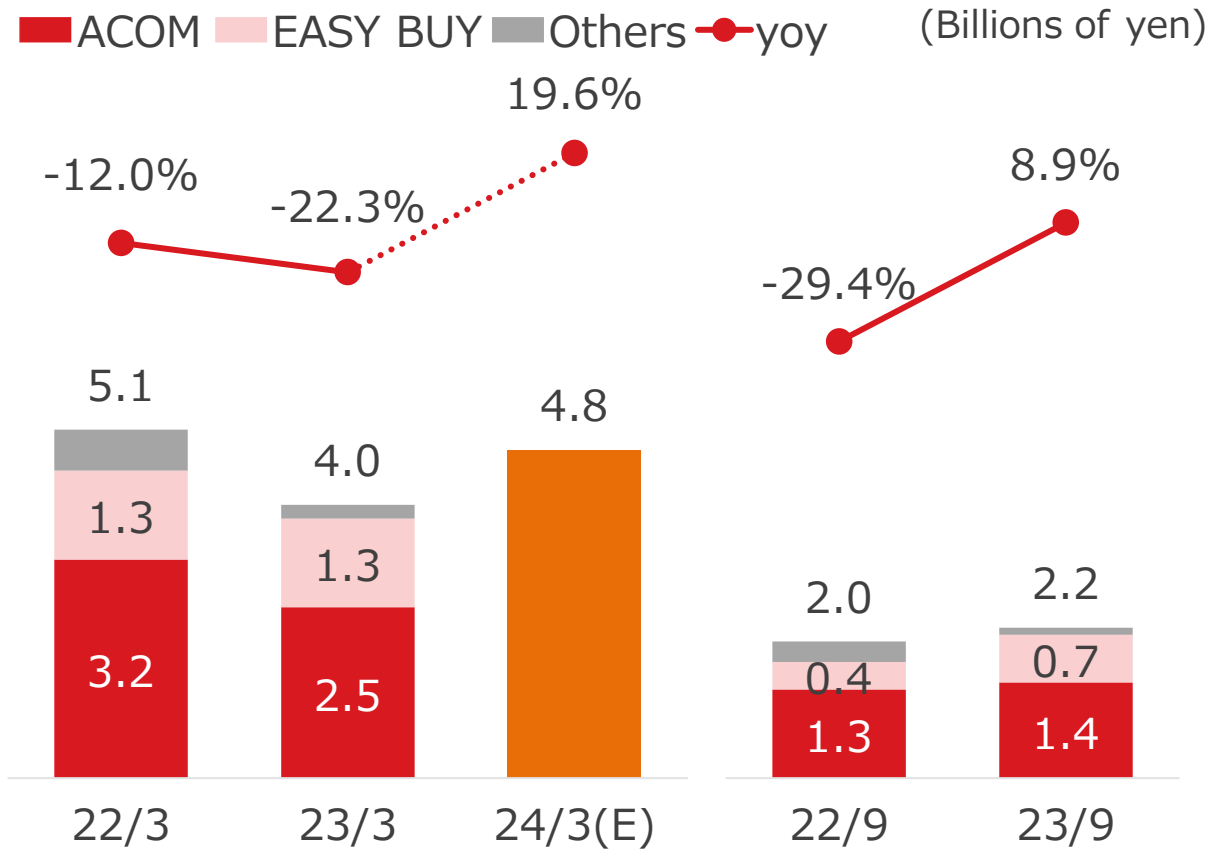
■ Reserves for Loan and Guarantee



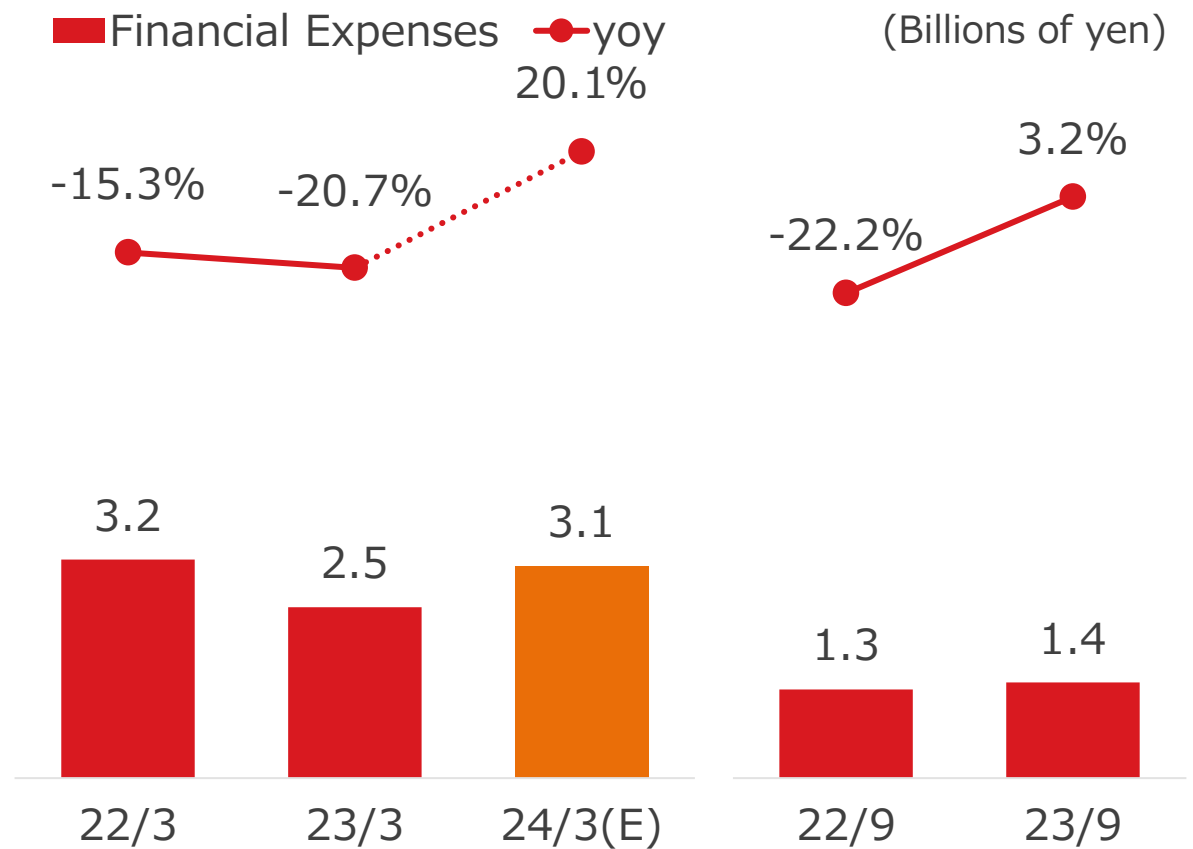
Financial Expenses

- Financial Expenses (Consolidated) increased by 8.9% yoy to ¥2.2 billion.

■ Financial Expenses (Consolidated)



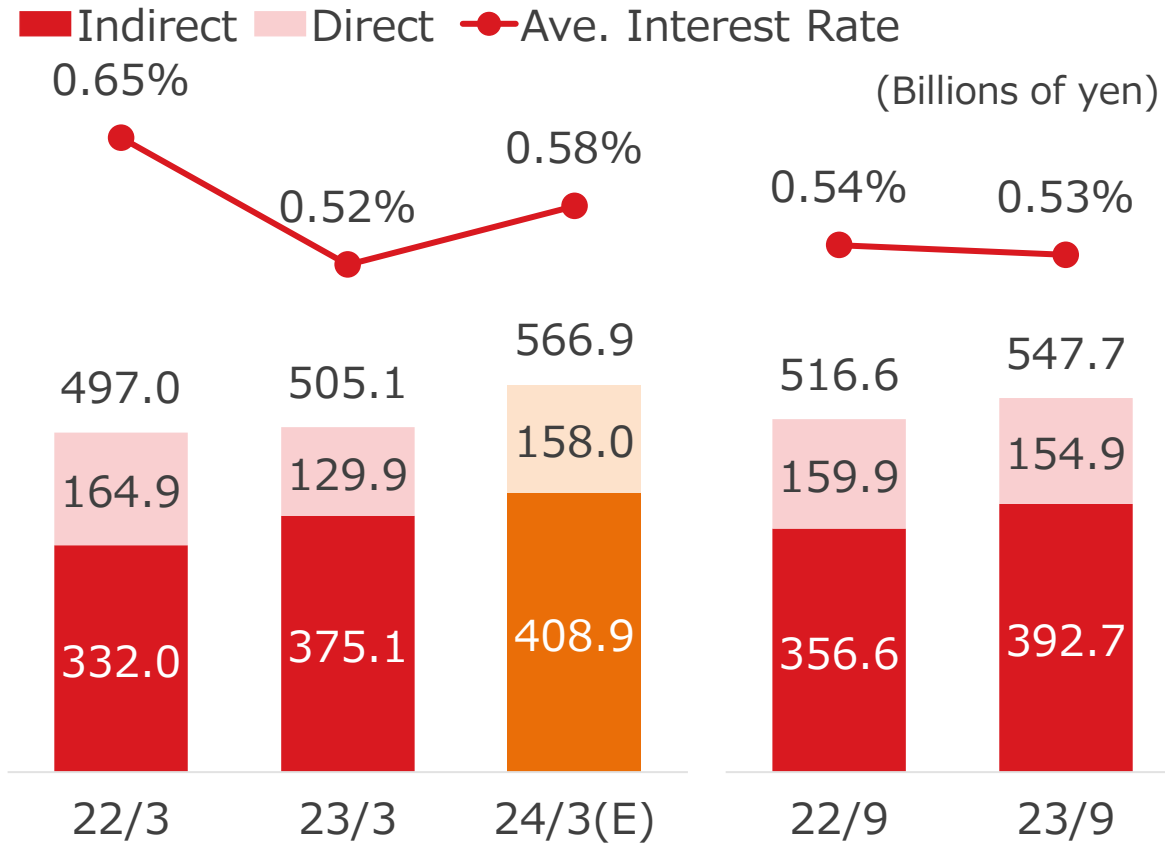
■ Financial Expenses (ACOM)



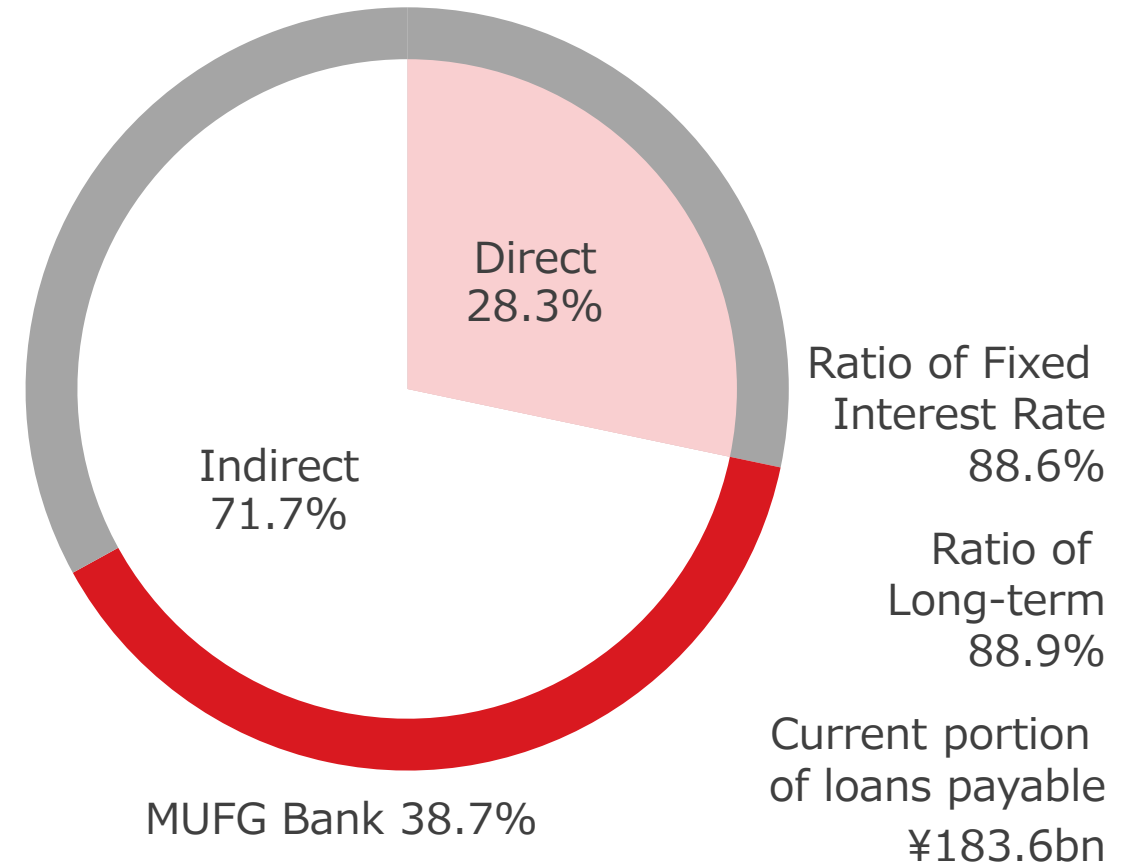
Financial Expenses | Borrowings (ACOM)

- Borrowings increased by ¥31.0 billion yoy to ¥547.7 billion.
- Average interest rate decreased by 1 basis point yoy to 0.53%, owing to refinancing.

■ Borrowings



■ Composition Ratio by Funding Sources



Appendix



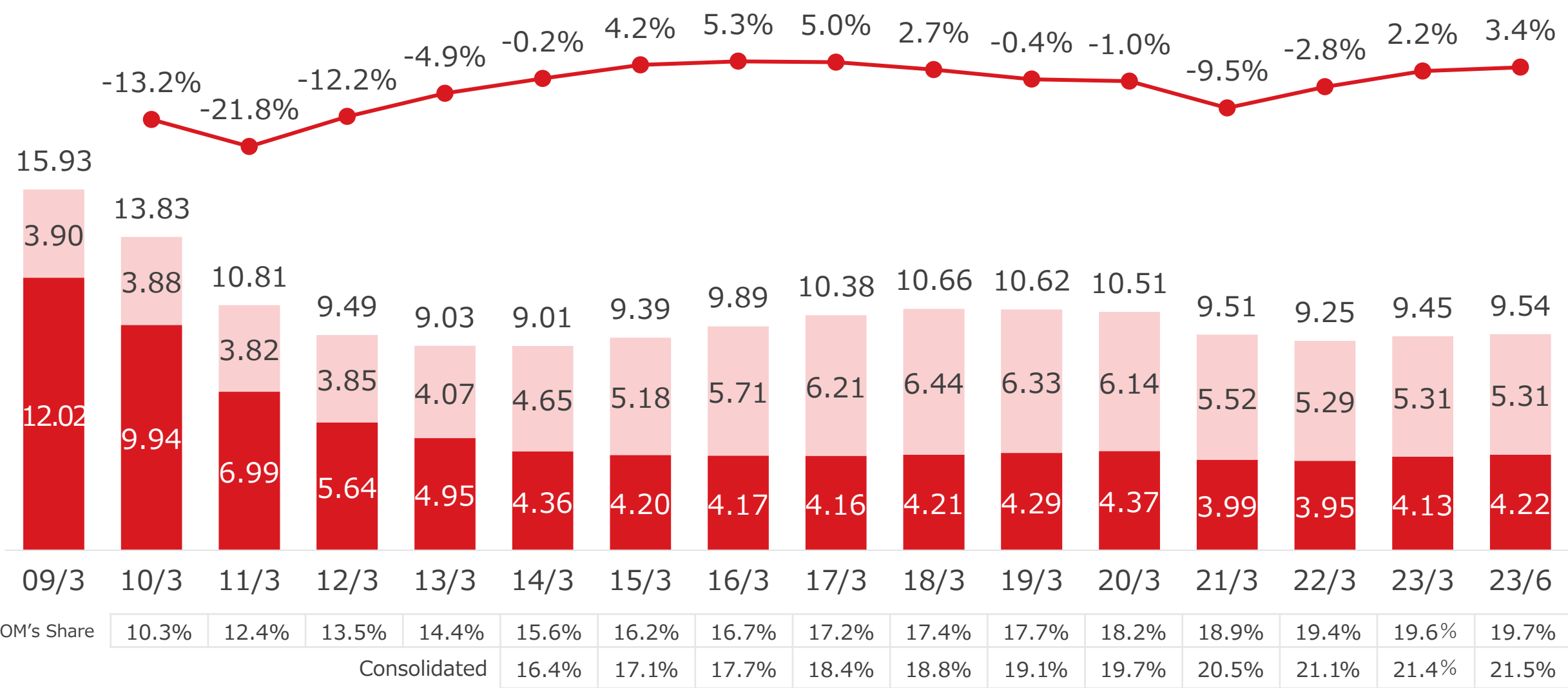
Consolidated Financial Summary (Business Performance)

(Millions of yen, %)

	2022/9 Results	2023/9 Results	yoy	2024/3 Estimates	yoy	Progress
1 Operating Revenue	135,068	144,299	6.8	293,100	7.1	49.2
2 Loan and Credit Card Business	72,208	76,332	5.7	155,200	6.9	49.2
3 Guarantee Business	32,619	34,841	6.8	70,900	7.0	49.1
4 Overseas Financial Business	27,112	30,047	10.8	61,000	7.9	49.3
5 Operating Expenses	86,269	100,081	16.0	208,600	11.8	48.0
6 Financial Expenses	2,038	2,219	8.9	4,800	19.6	46.2
7 Provision for Bad Debts	36,935	46,510	25.9	95,800	19.0	48.5
8 Provision for Loss on Interest Repayment	-	-	-	-	-	-
9 Other Operating Expenses	47,295	51,351	8.6	108,000	5.9	47.5
10 Operating Profit	48,798	44,218	-9.4	84,500	-3.2	52.3
11 Ordinary Profit	48,846	44,382	-9.1	84,800	-3.1	52.3
12 Profit Before Income Taxes	49,805	44,255	-11.1	84,500	-0.4	52.4
13 Profit	35,486	30,029	-15.4	58,600	-1.5	51.2
14 Profit Attributable to Owners of Parent	33,016	27,287	-17.4	52,900	-3.7	51.6

Market Volume of Domestic Personal Card Loan

■ Nonbank*1 ■ Bank*2 ● 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 2023/6 is preliminary

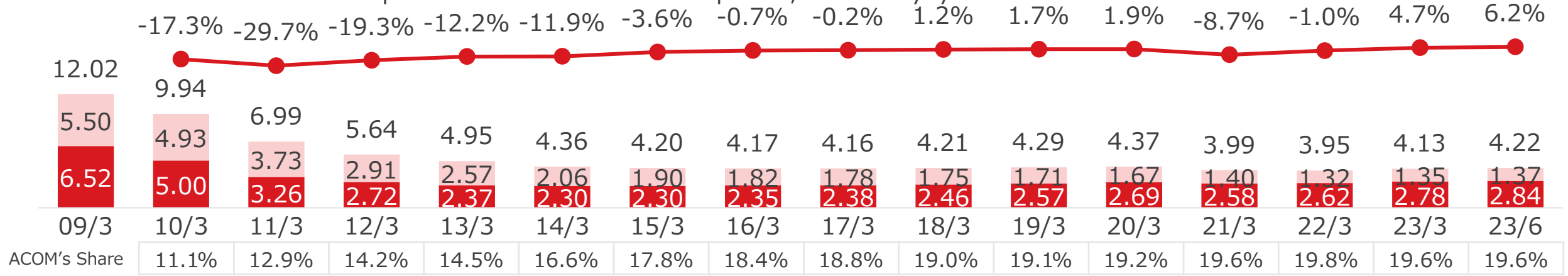
*2 Bank refers to the volume of personal card loans provided by domestic banks and credit unions in statistics by The Bank of Japan

Market Volume of Personal Card Loan by Business Type

■ Nonbank*1

(Trillions of yen)

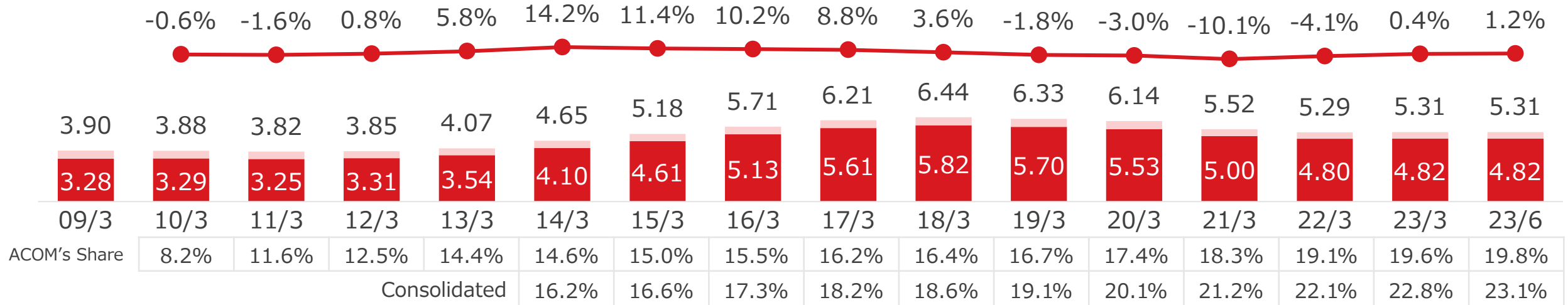
■ Consumer Finance Companies ■ Credit Card Companies, etc ● yoy



■ Bank*2

(Trillions of yen)

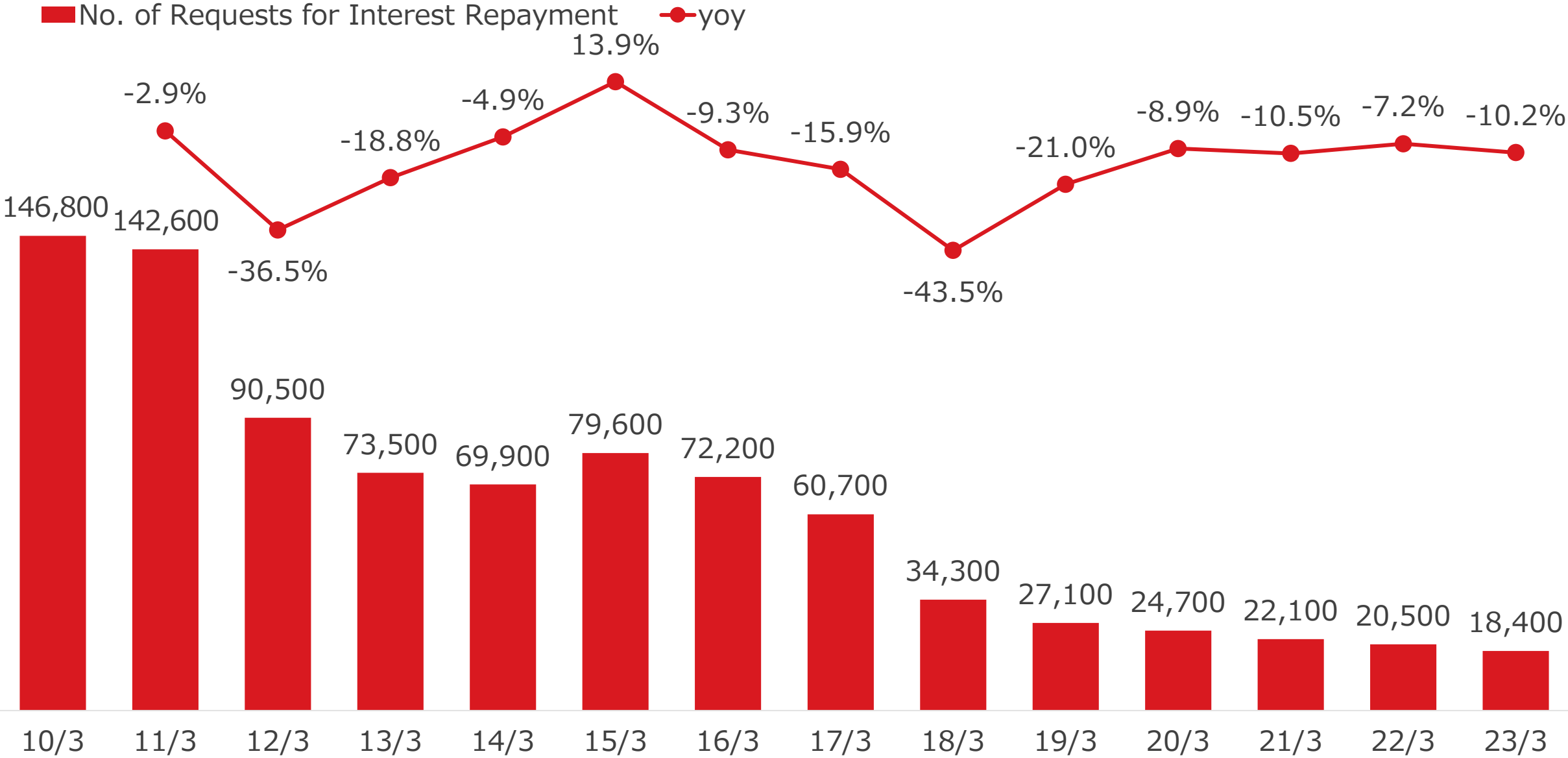
■ Domestic Banks ■ Credit Unions ● yoy



*1 Nonbank refers to receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2023/6 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

Trend of No. of Requests for Interest Repayment

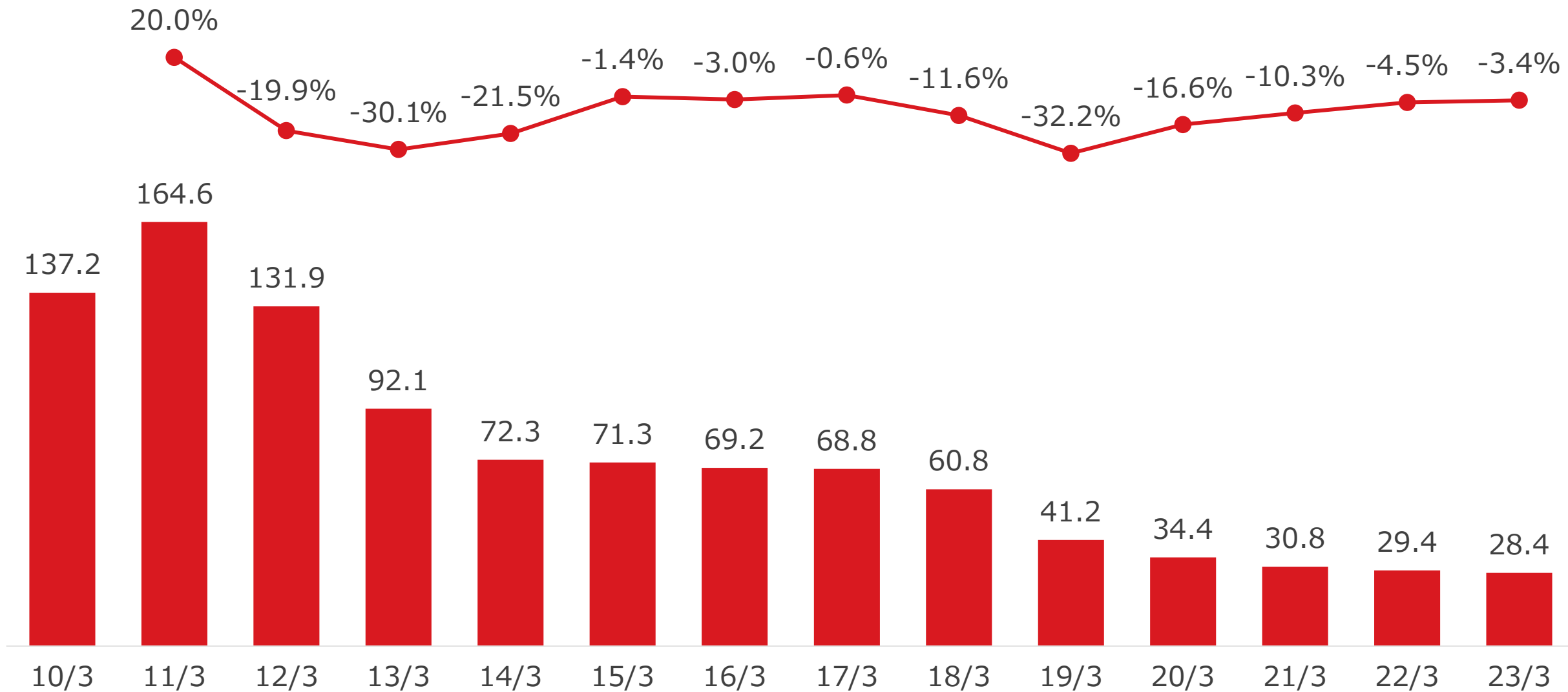


* No. of requests which interest repayment occurs as a result of ACOM’s recalculation based on the interest ceiling as specified in Interest Rate Restriction Act from claims which lawyers or judicial scriveners accept debt consolidation. (including reaccepted requests)

Trend of Loss on Interest Repayment

■ Provision Drawdown ● yoy

(Billions of yen)



Key Points for Provision

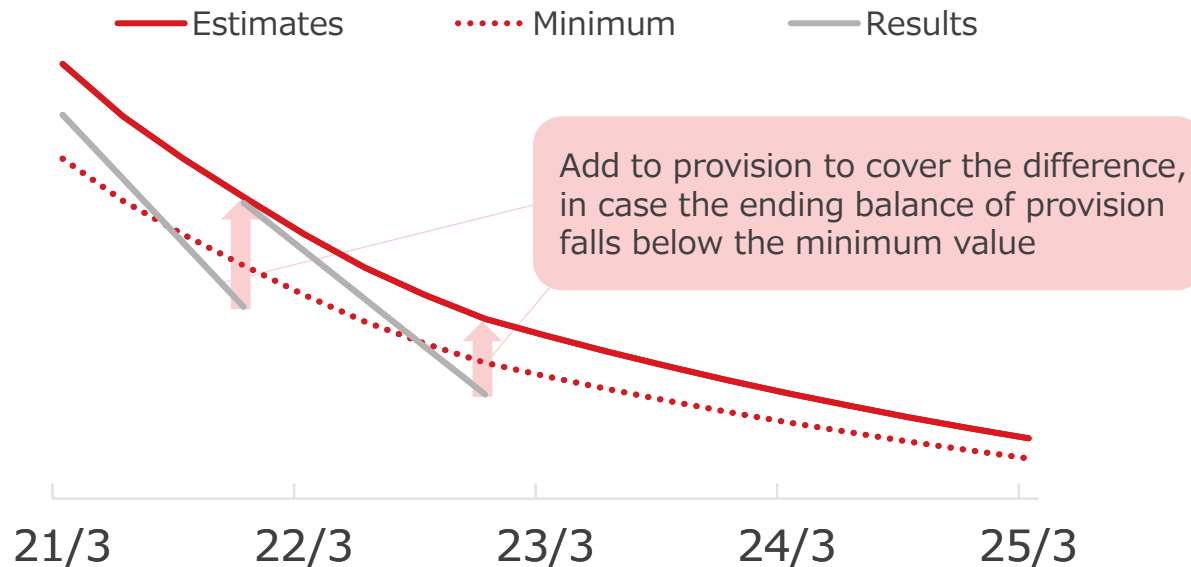
Evaluation method of Provision for Loss on Interest Repayment

- 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

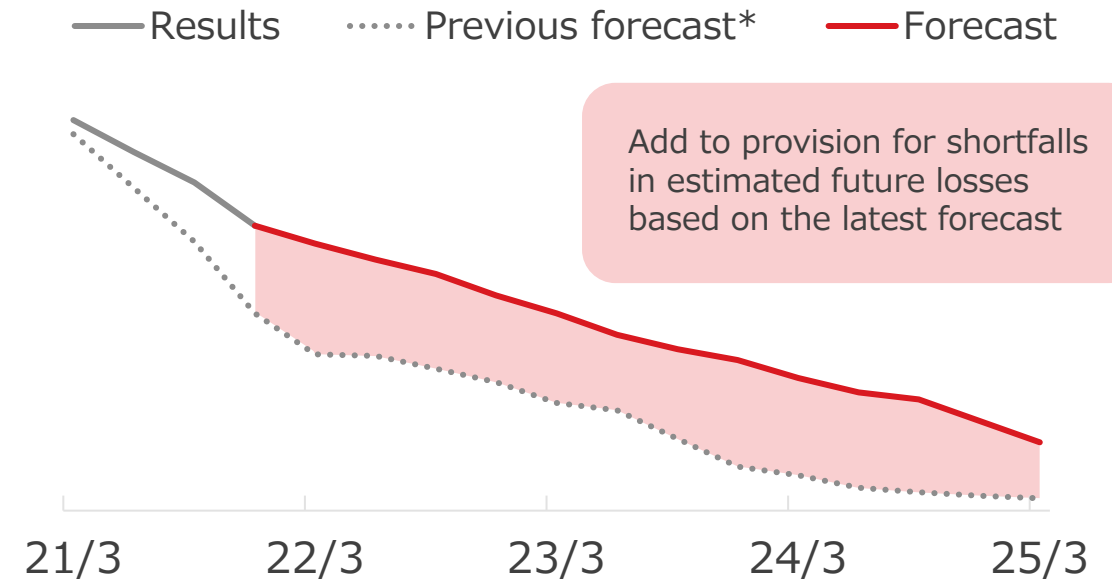


Determined that it was necessary to recalculate the future losses because actual results were lower than expected and the speed of decline slowed down considerably despite the assumption that the speed of decline in the number of requests for Interest Repayment would accelerate in the projections at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

■ Method of addition to Provision (above①)



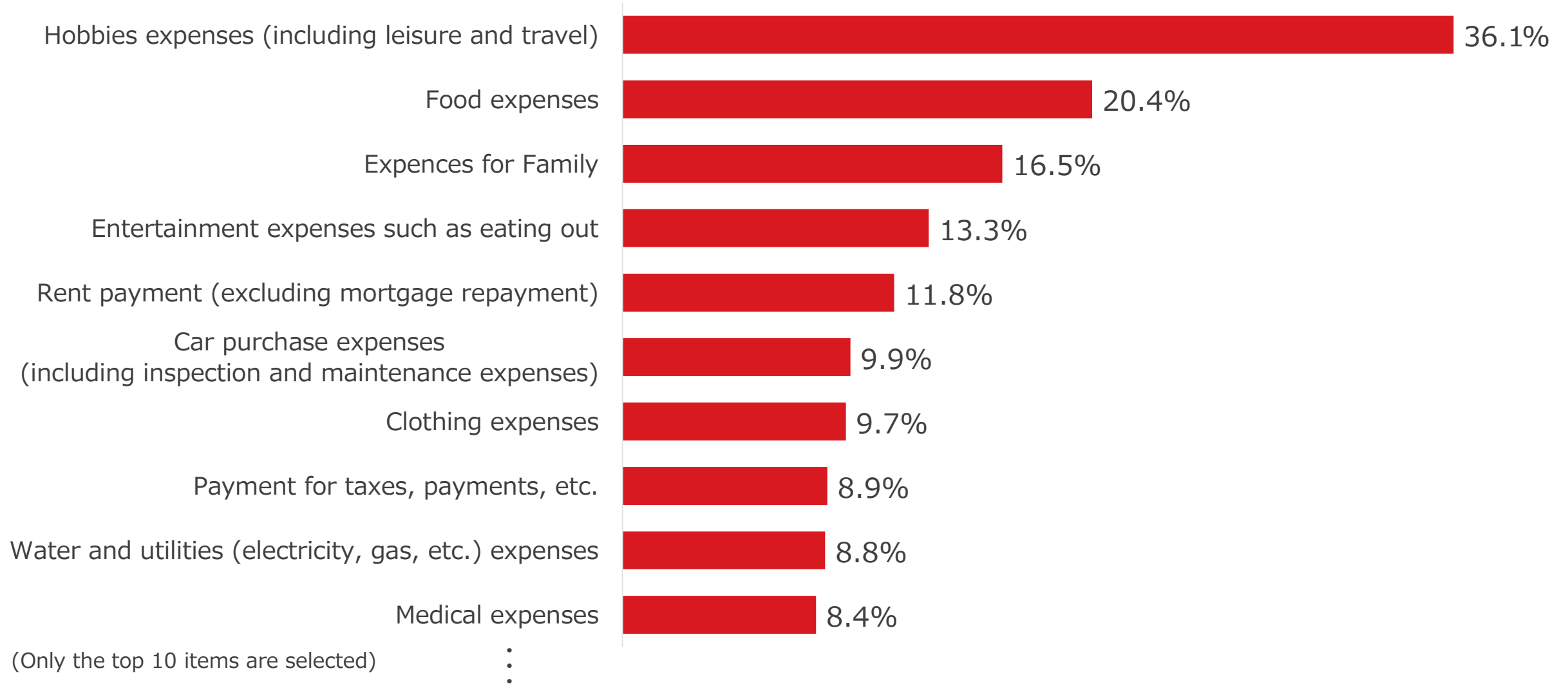
■ Method of addition to Provision (above②)



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

Background of Borrowing Behavior among Individuals

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



*"The survey results report on borrowing awareness and borrowing behavior of fund demanders" dated November 30, 2022, by Japan Financial Services Association (JFSA).

- 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

Shareholders/ Investors

Achieve stable and continuous returns through sustained growth in corporate value

Society

Contribute to the realization of a sustainable society through corporate activities

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.

Shareholders / Investors

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

Society

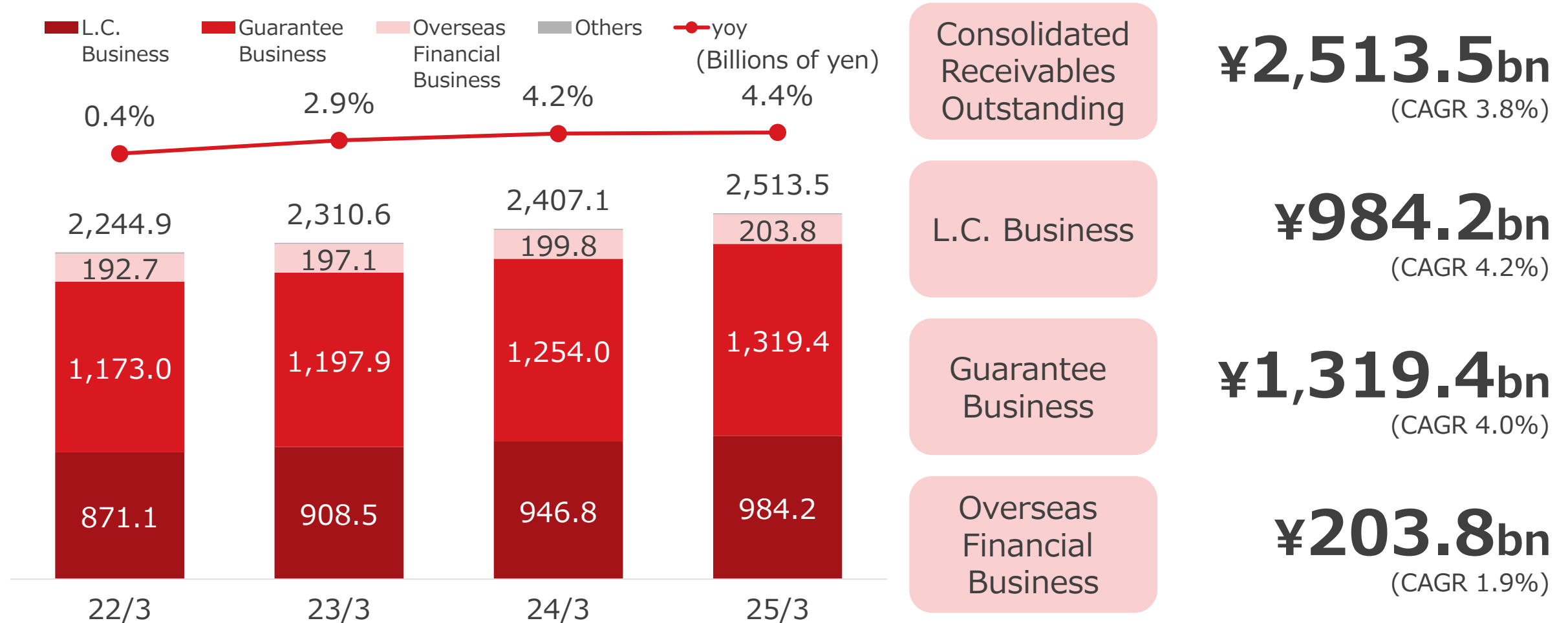
- As a member of society, actively work to resolve environmental and other social issues.

Partners

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

Mid-Term Management Plan | Business Scale

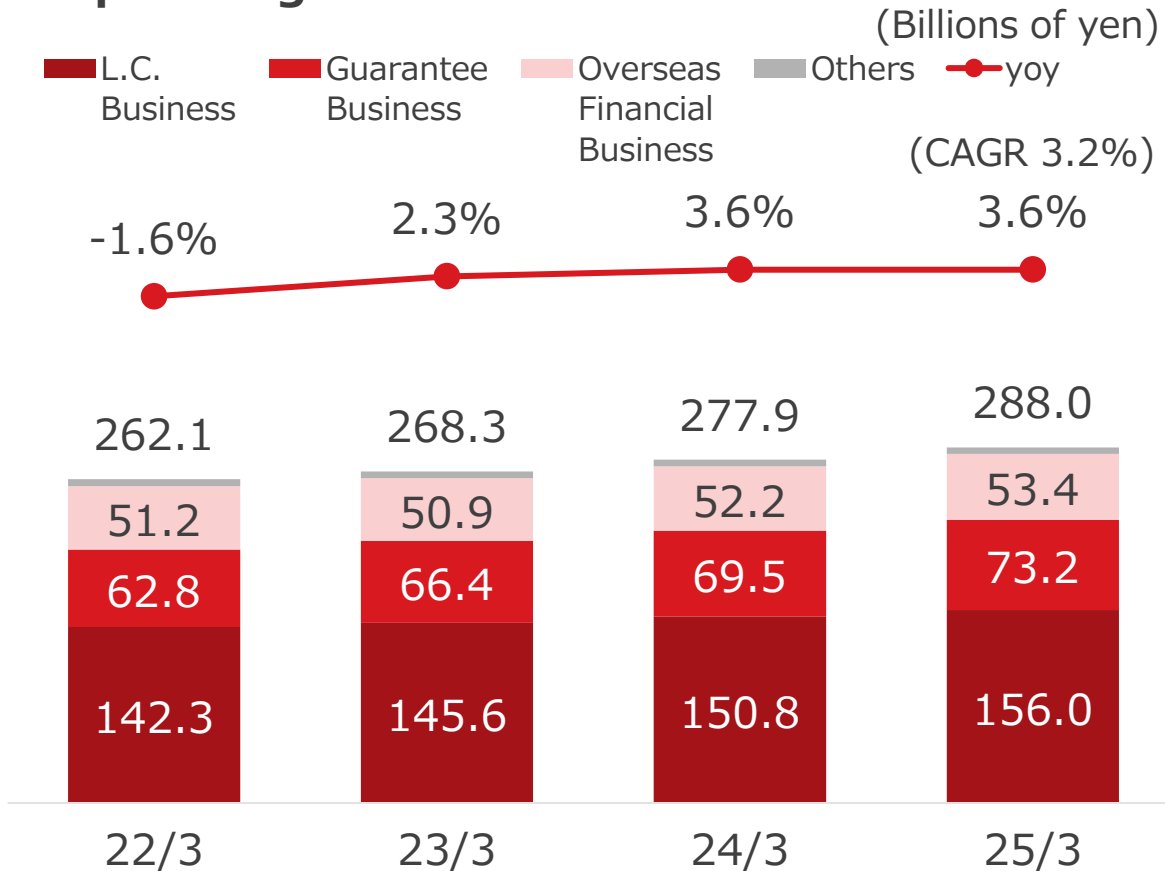
- Aiming to exceed the pre-COVID-19 scale in all 3 businesses through cashless payment support and digital investments.
- Aiming ¥2.5 trillion in total of 3 core businesses and Embedded finance business.



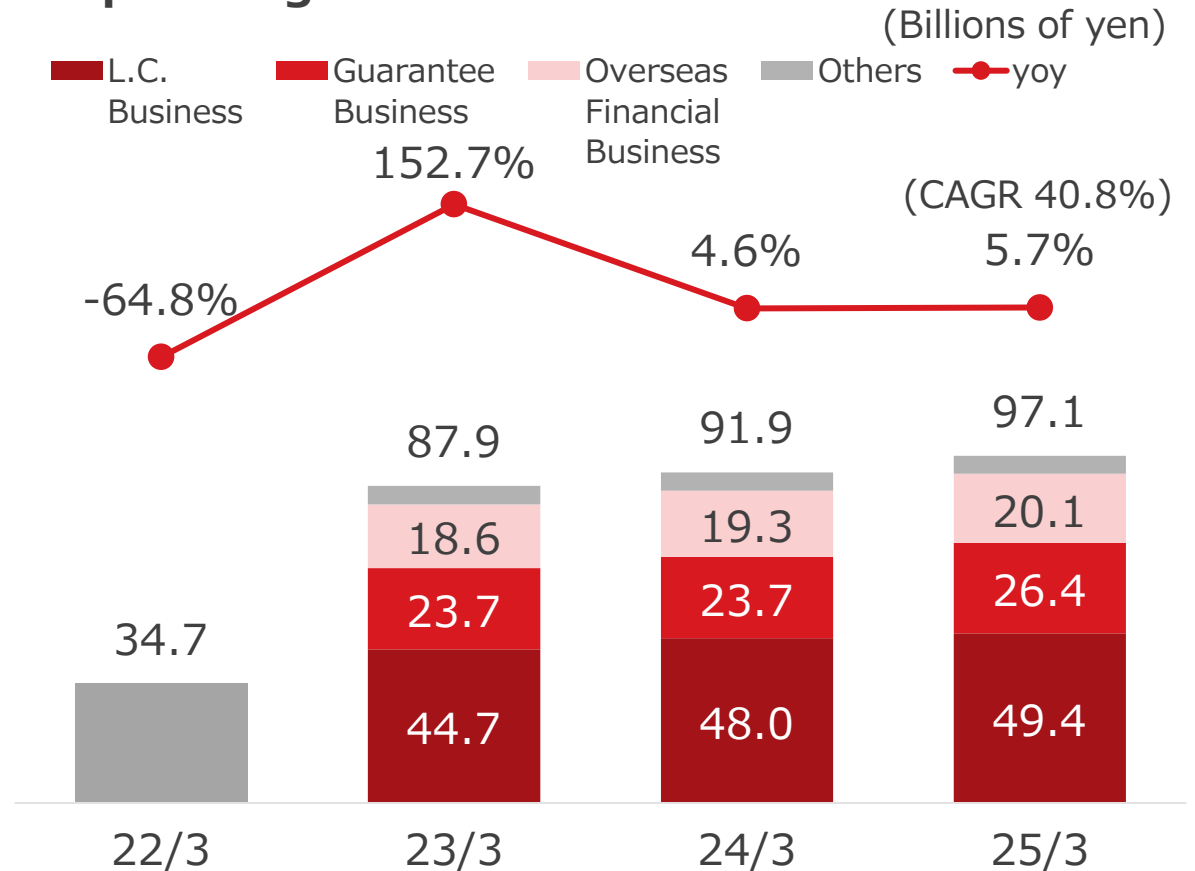
Mid-Term Management Plan | Business Performance

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

■ Operating Revenue



■ Operating Profit





Mid-Term Management Plan | Mid-Term Key Themes

Key Point of 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

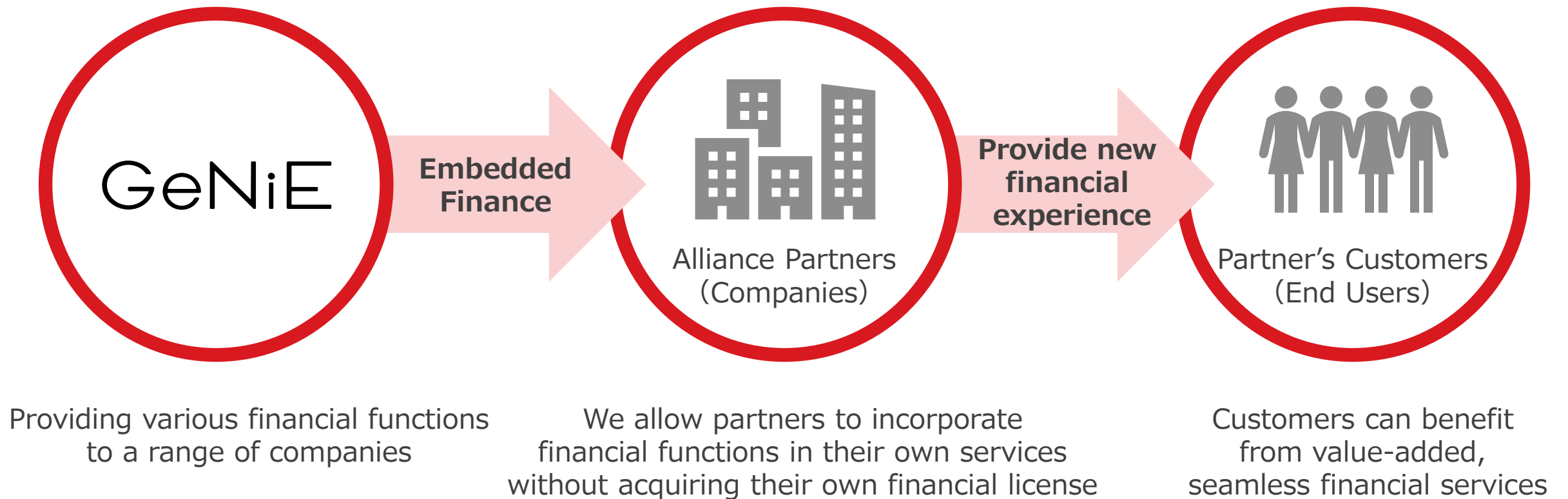
Functional Strategy

- 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.

Mid-Term Management Plan | Challenges to Create New Businesses & Services for Next Growth

- To start Embedded Finance Business, GeNiE Inc. was established in April 2022.
- By steadily implementing product building to provide a new financial experience and strengthening relationships with potential alliance partners, we will build a business foundation for launching Embedded Finance Business.



Q Mid-Term Management Plan | 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.

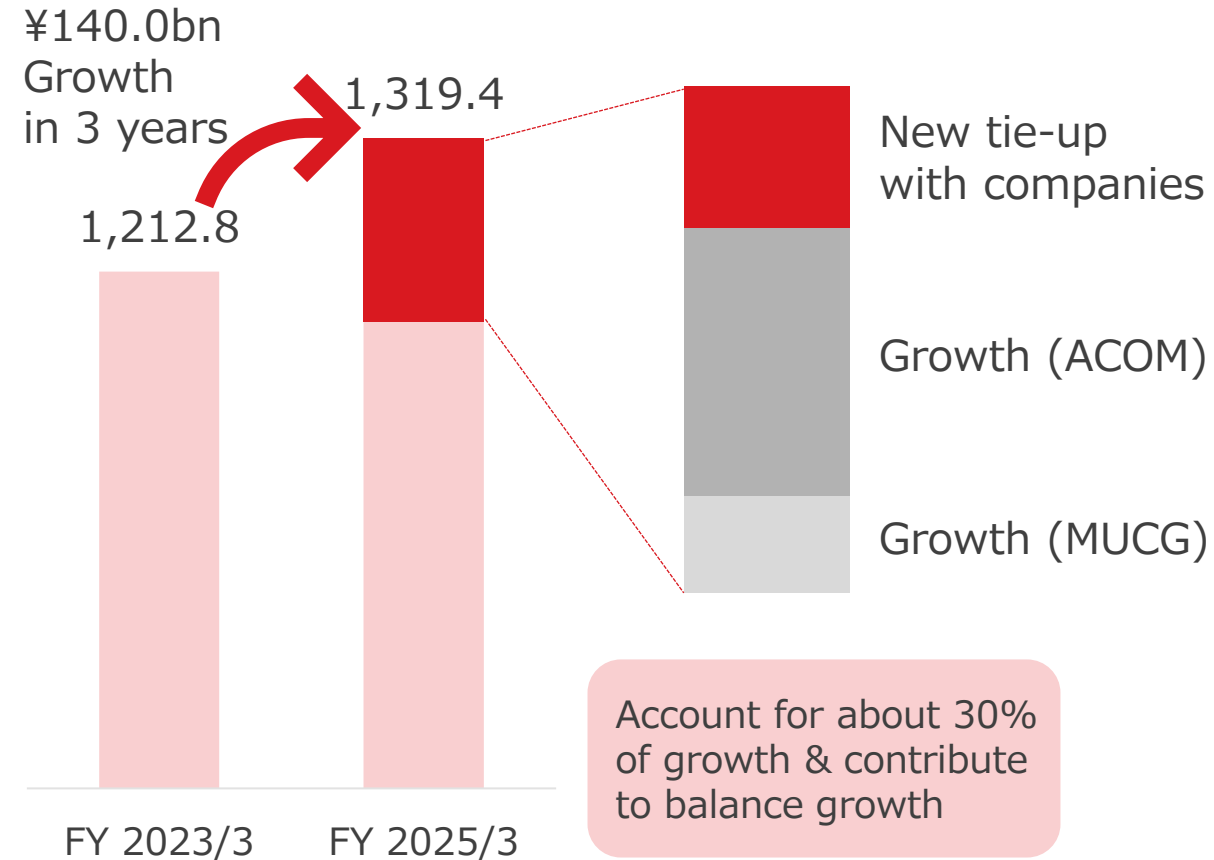
■ Guarantee Partnerships with Companies

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)

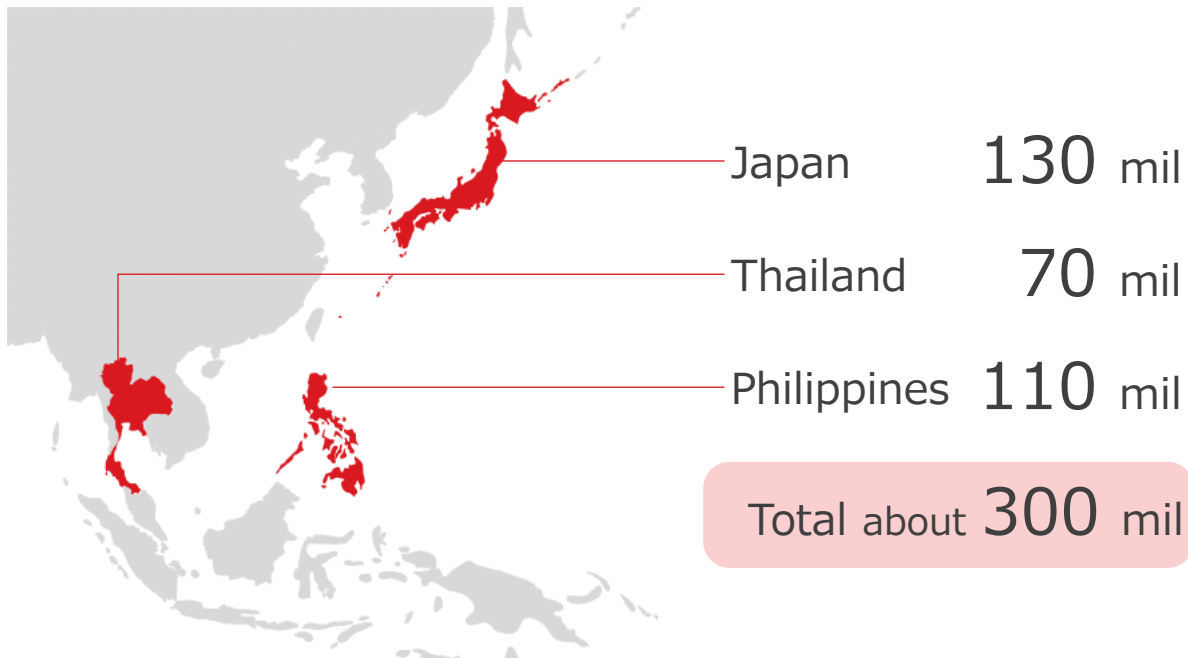
(Billions of yen)



Mid-Term Management Plan | Realization of Expansion into New Countries

- Our Subsidiary in Malaysia, established in July 2021, started business in September 2023.
- 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)



Applied for an online contract license, which will be launched once the license has been approved



Mid-Term Management Plan | 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

Mid-Term Management Plan | 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 launched a sustainability website in 2022 to actively disclose information on our initiatives.

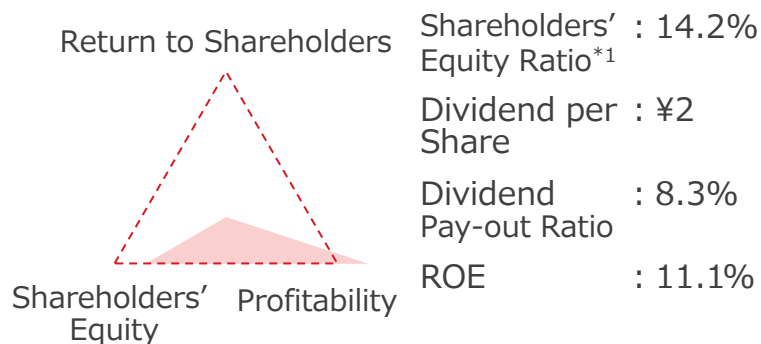
Mid-Term Management Plan | Capital Policy

Basic Policy on Capital Policy

Maintain and improve financial soundness and increase shareholder returns

Mid-Term Management Plan

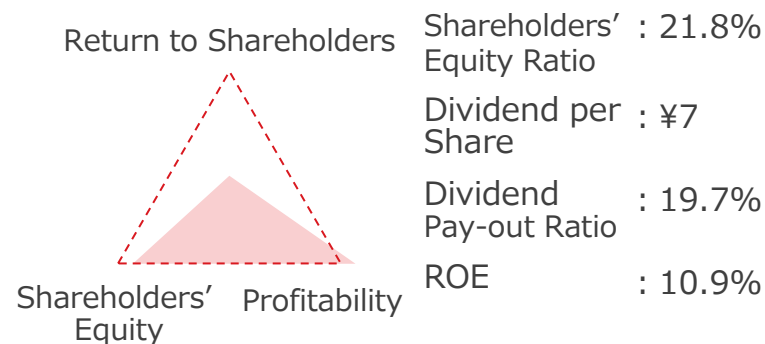
(FY March 2017~FY March 2019)



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

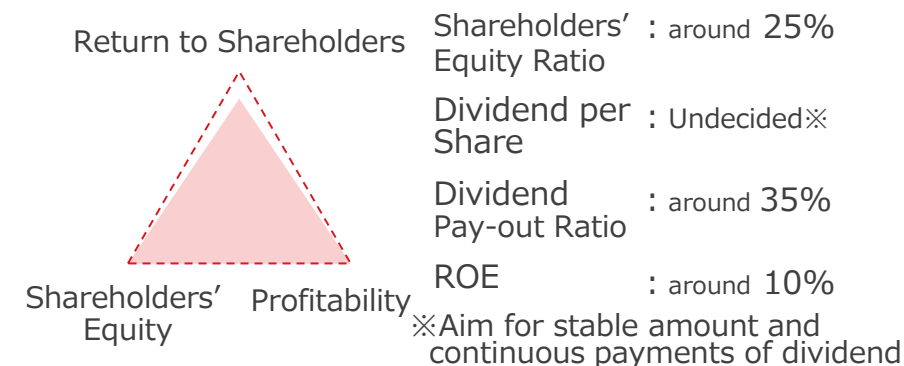
(FY March 2020~FY March 2022)



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 2022		FY March 2023	
Dividend per Share	Interim ¥3	Year-end ¥4	Interim ¥5	Year-end ¥5
	Total ¥7		Total ¥10	
Dividend Pay-out Ratio	19.7%		28.5%	



FY March 2024	
Interim ¥6	Year-end ¥6 (Estimate)
Total ¥12 (Estimate)	
35.5% (Estimate)	

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

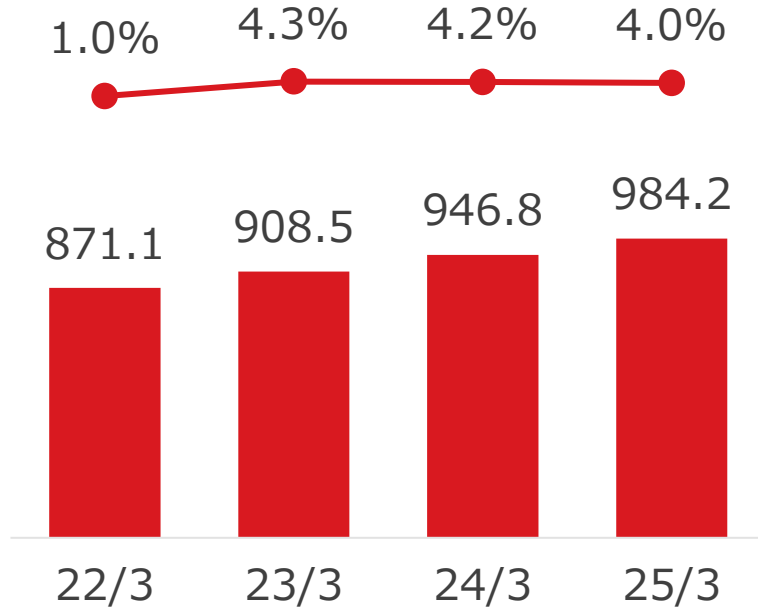
Q Mid-Term Management Plan | Business Scale and Performance by Segments (L.C. Business)

- 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

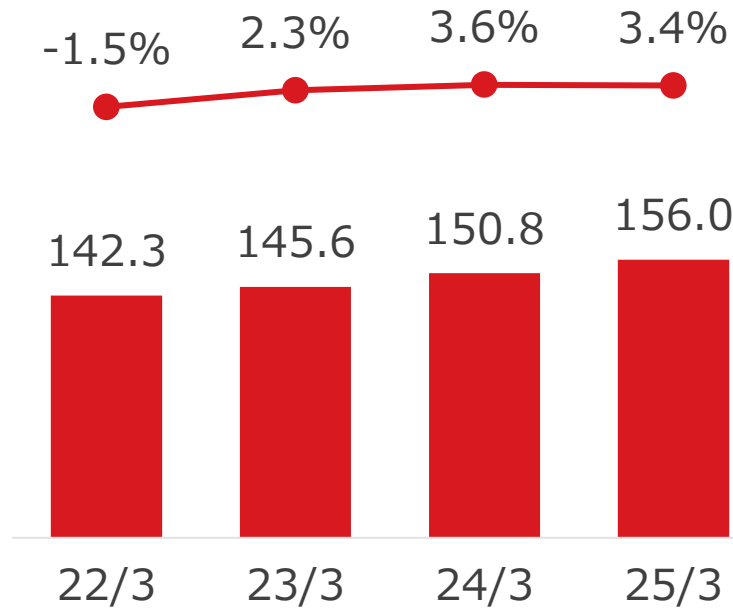


CAGR 4.2%

Operating Revenue

(Billions of yen)

■ Operating Revenue ● yoy

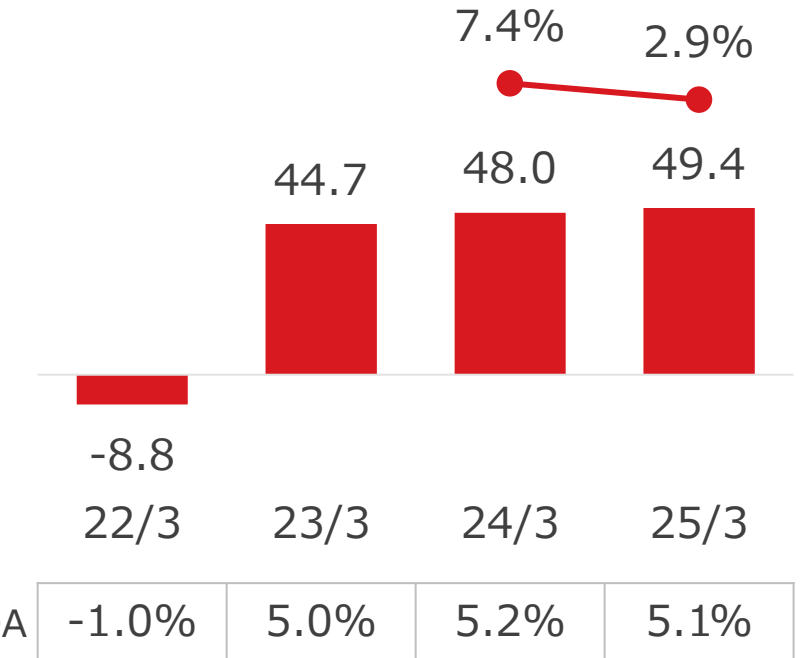


CAGR 3.1%

Operating Profit

(Billions of yen)

■ Operating Profit ● yoy

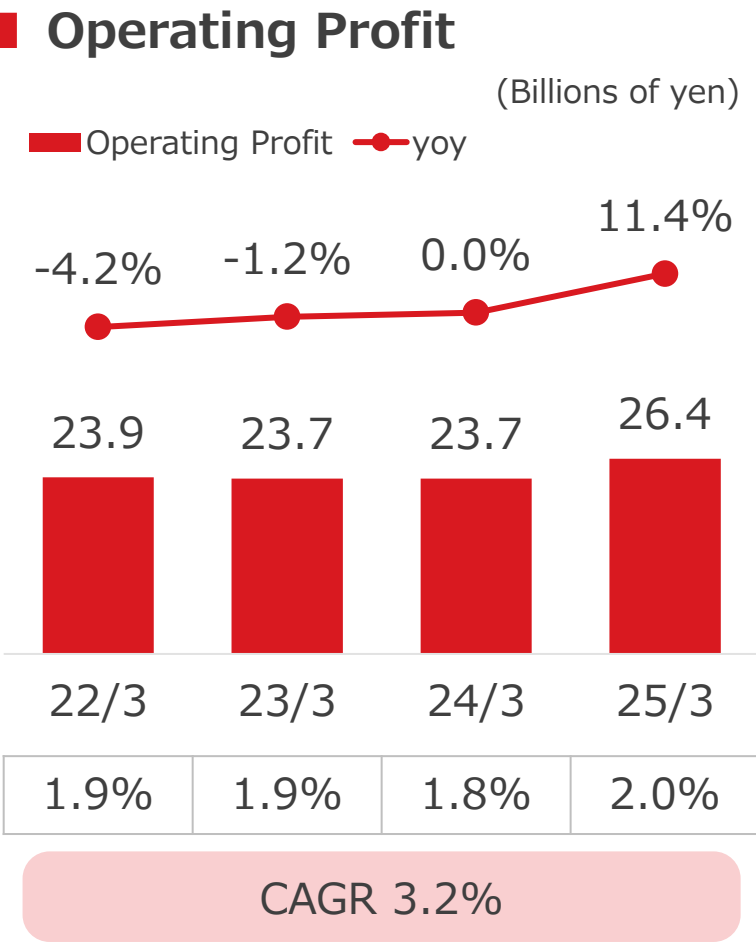
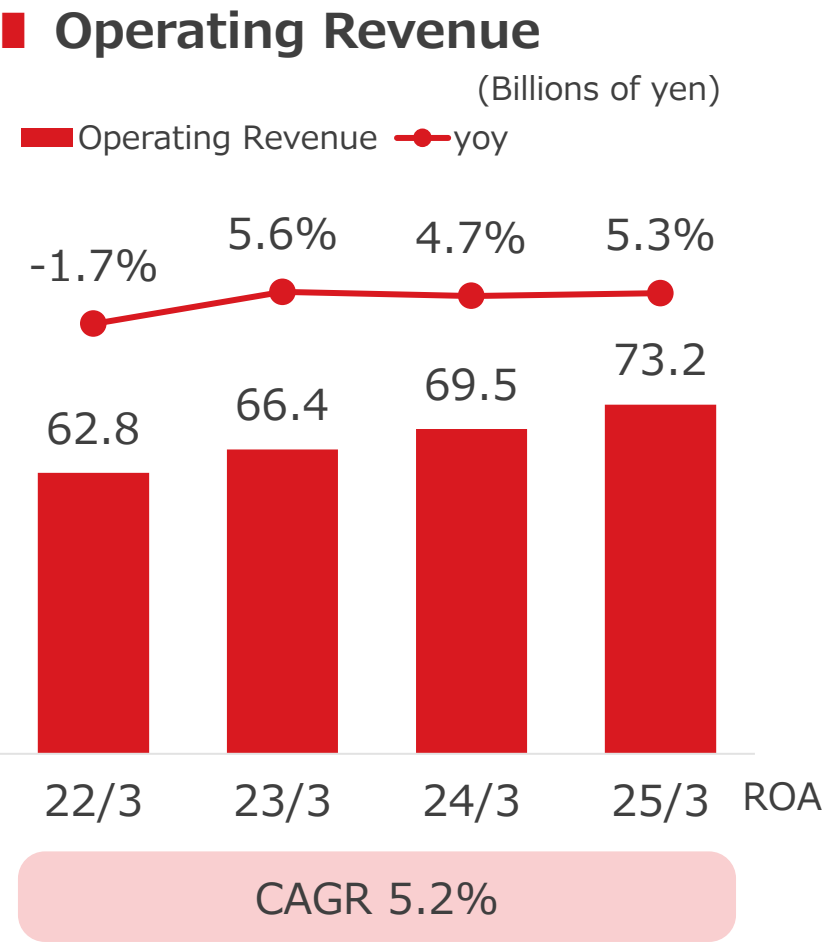
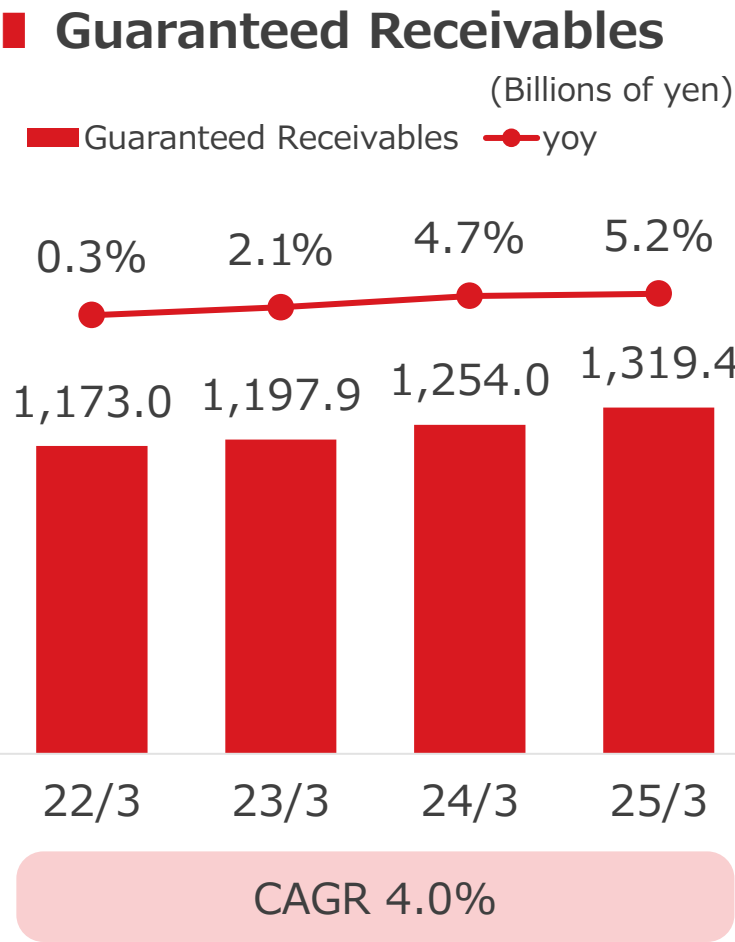


CAGR - %



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.





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.

