

# Earnings Release Presentation

---

Financial Results for the Fiscal Year Ended March 2024



May 13, 2024

## ■ 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](mailto:ir@acom.co.jp)

# 01

## **FY March 2024 Financial Results Summary**

Consolidated Financial Summary	4
Dividend Status	6
Loan and Credit Card Business	7
Guarantee Business	15
Overseas Financial Business	17
Human Resources	20
External Evaluation	21
Annual Forecast For the FY March 2025	23

# 02

## **FY March 2024 Supplemental information**

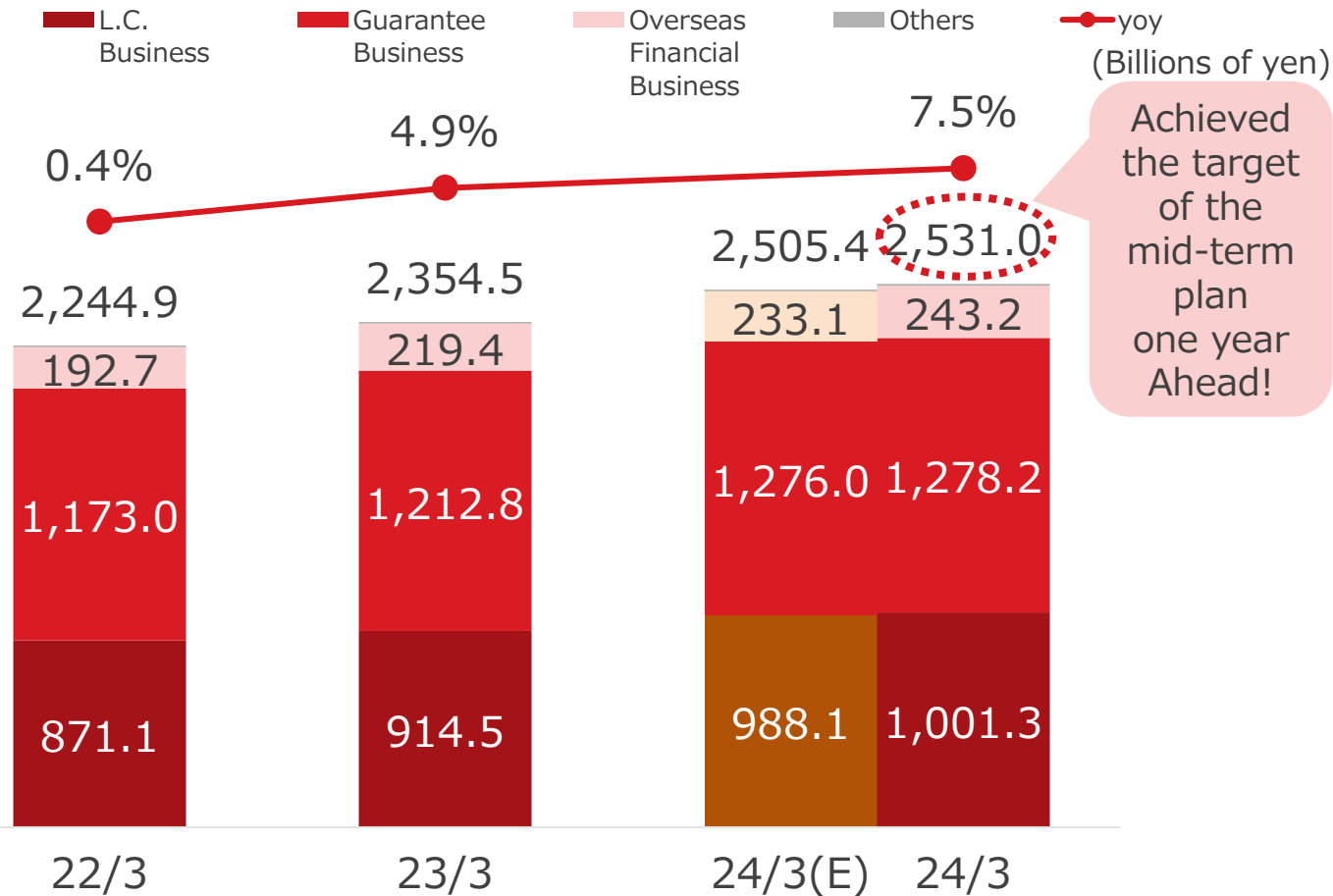
Loan and Credit Card Business	26
Guarantee Business	31
Overseas Financial Business	35
Interest Repayment	39
Provision for Bad Debts	41
Financial Expenses	43

## **Appendix**

Market Volume	46
Annual Forecast For the FY March 2025	48
Interest Repayment	50
Background to Borrowing	53
Yardstick of Return on Assets (ROA) by Business Segments	54
Vision and Mid-term Management Policy	55
Mid-term Management Plan	57

# Consolidated Financial Summary (Business Scale)

- Consolidated outstanding Balance increased by 1.0% compared to the Estimates (up 7.5% yoy) to ¥2,531.0 bn, owing to favorable trend in domestic borrowing by new and existing customers and the impact of the depreciation of yen against baht.
- Achieved the target of outstanding balance of ¥2.5 trillion in the mid-term plan one year ahead.



Consolidated Receivables Outstanding

**¥2,531.0bn**  
yoy + 7.5%  
compared to E + 1.0%

L.C. Business

**¥1,001.3bn**  
yoy + 9.5%  
compared to E + 1.3%

Guarantee Business

**¥1,278.2bn**  
yoy + 5.4%  
compared to E + 0.2%

Overseas Financial Business

**¥243.2bn**  
yoy + 10.8%  
compared to E + 4.4%

# Consolidated Financial Summary (Business Performance)

- Operating Revenue increased by 7.6% yoy (up 0.6% compared to E) to 294.7 bn, owing to the impact of the depreciation of yen in addition to the expansion of business scale.
- Operating Profit decreased by 1.1% yoy (up 2.2% compared to E) to ¥86.3 bn due to the increase of Provision for Bad Debts and advertising expenses.
- Profit attributable to owners of parent decreased by 3.3% yoy (up 0.4% compared to E) to ¥53.0 bn, mainly due to increase in income taxes-current.

## Operating Revenue

## Operating Profit

Consolidated	<b>¥294.7bn</b> yoy + 7.6% compared to E + 0.6%
L.C. Business	<b>¥156.0bn</b> yoy + 7.5% compared to E + 0.5%
Guarantee Business	<b>¥70.7bn</b> yoy + 6.8% compared to E - 0.2%
Overseas Financial Business	<b>¥61.8bn</b> yoy + 9.5% compared to E + 1.5%

Consolidated	<b>¥86.3bn</b> yoy - 1.1% compared to E + 2.2%
L.C. Business	<b>¥41.7bn</b> yoy + 2.7%
Guarantee Business	<b>¥22.6bn</b> yoy - 11.6%
Overseas Financial Business	<b>¥22.3bn</b> yoy + 13.7%
<b>Profit</b> Attributable to Owners of Parent	<b>¥53.0bn</b> ( yoy - 3.3% compared to E + 0.4% )

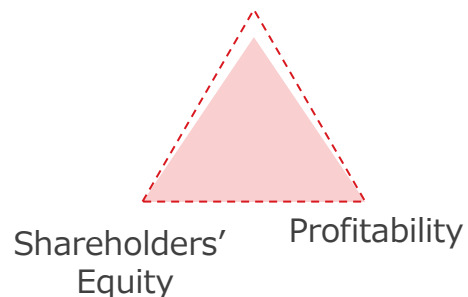
# Dividend Status

- **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

(Mid-Term Management Plan)

Return to Shareholders



ROE : around **10%**

Shareholders' Equity Ratio\*1 : around **25%**

Dividend per Share : Not decided  
: Aim for stable amount and Continuous payments of dividend

Dividend Pay-out Ratio : around **35%**

## FY March 2024

**Profitability**

ROE **8.8%**

Operating Revenue : ¥294.7 bn compared to E +0.6%

Operating Profit : ¥86.3 bn compared to E +2.2%

**Shareholders' equity**

Shareholders Equity Ratio\*1 **23.3%**

Progress towards the target 25%

**Return to Shareholders**

Interim Dividend **¥6** Year-end Dividend **¥6**

Business expansion exceeding our estimates and strong demands from new customers, Year-end dividend is ¥6\*2 per share and annual dividend is 12 per share as forecasted. Dividend payout ratio was 35.4%

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

\*2 The year-end dividend for the fiscal year ended March 31, 2024 is subject to approval at the annual shareholders' meeting to be held in June 2024.

# Loan and Credit Card Business | Business Environment

## External Environment

---



### The economy recovers gradually

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 policies, resulting in economic conditions showing signs of gradual recovery.

Economy in Japan is revitalized compared to pre-COVID-19.



### Strong demands 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.

## Operating Strategies

---



### Acquisition of new customers

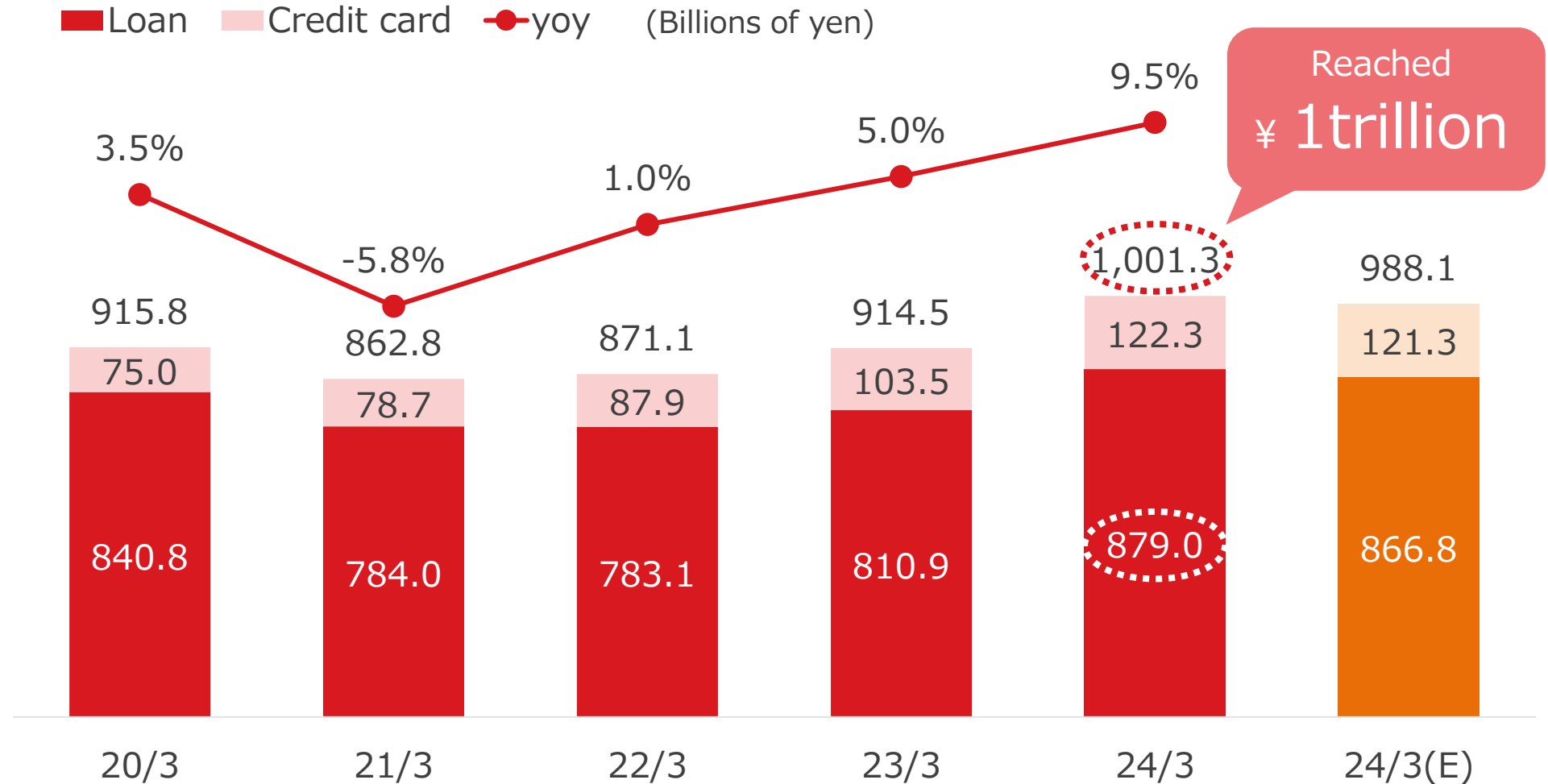
We invested efficiently in advertising while keeping acquisition costs low, resulting in favorable acquisitions of new customers.



### Sales to existing customers

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

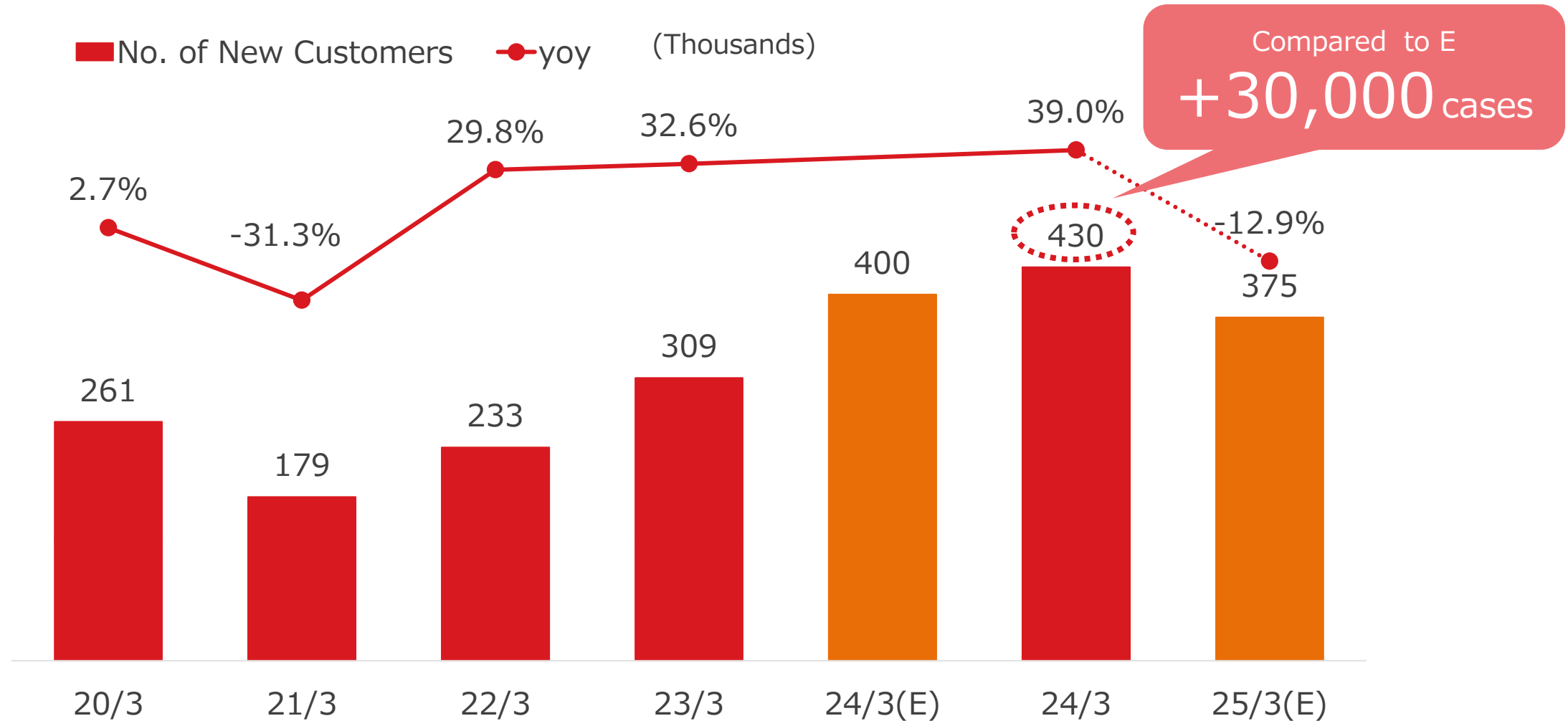
# Loan and Credit Card Business | Business Scale



Owing to strong demands for funds and various sales measures, both Loan and Credit card business expanded to a scale exceeding those before the COVID-19 disaster, and reached ¥1 trillion in outstanding balance.



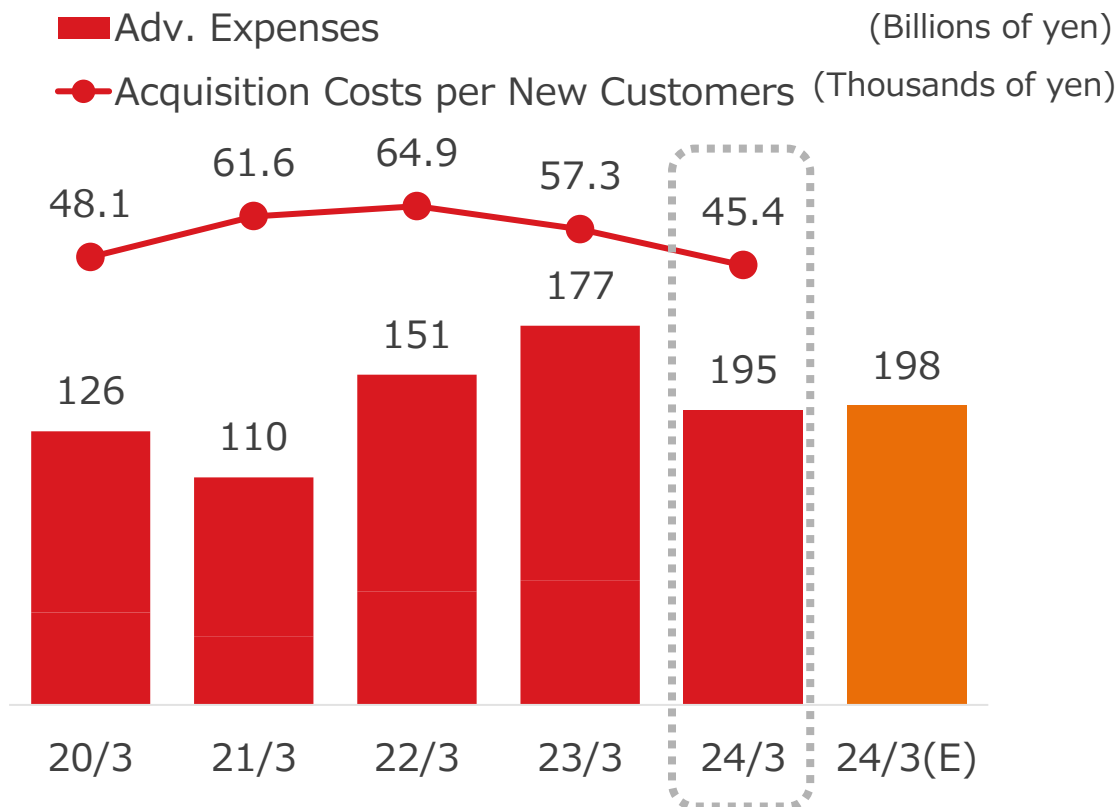
# Loan and Credit Card Business | No. of New Customers



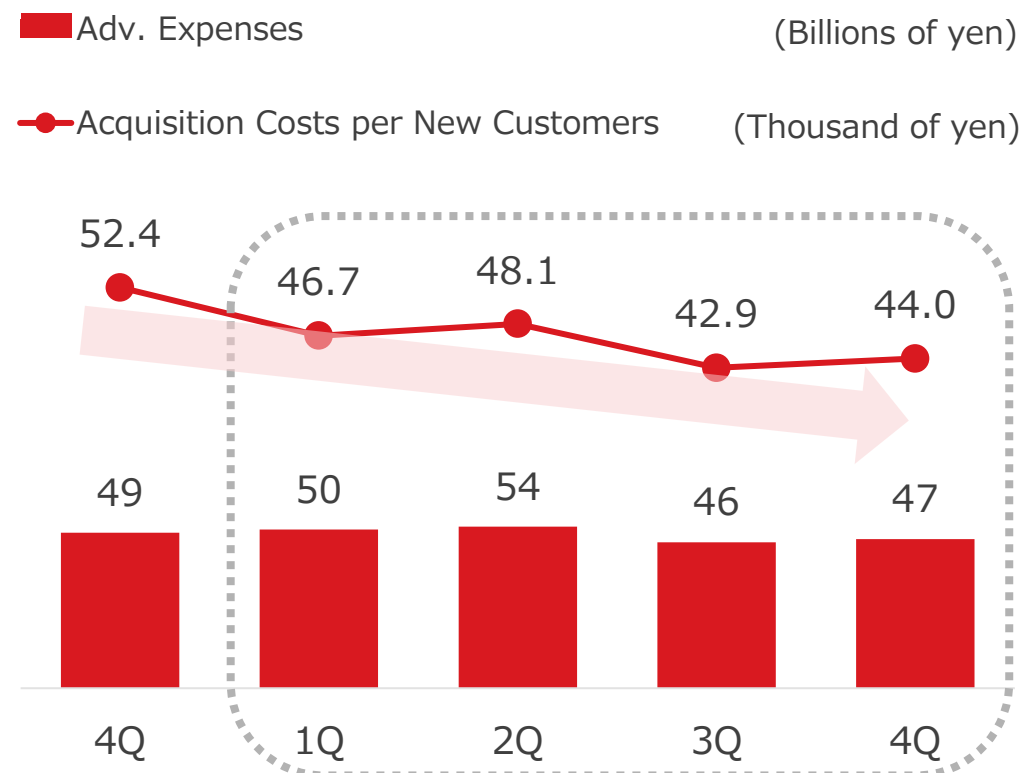
No. of New Customers reached 430 thousands. It exceeded the estimates of 400 thousands.

# Loan and Credit Card Business | Advertising Expenses(ACOM)

## Annual

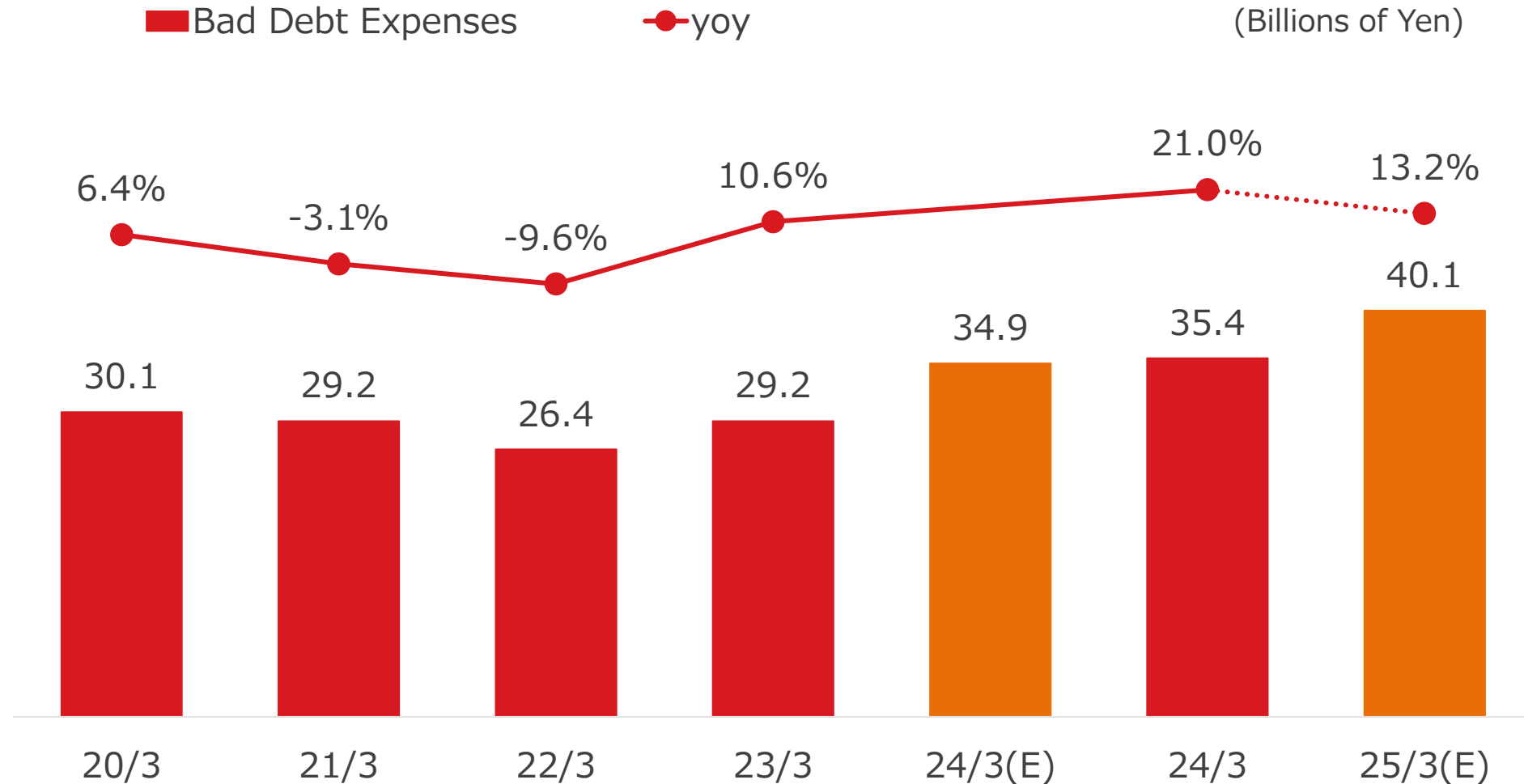


## Quarterly



Owing to advertising efficiently, advertising expenses were lower than estimates. Since new customers are the stable source of future revenue, we view advertising expenses as an upfront investment for the future.

# Loan and Credit Card Business | Bad Debt Expenses

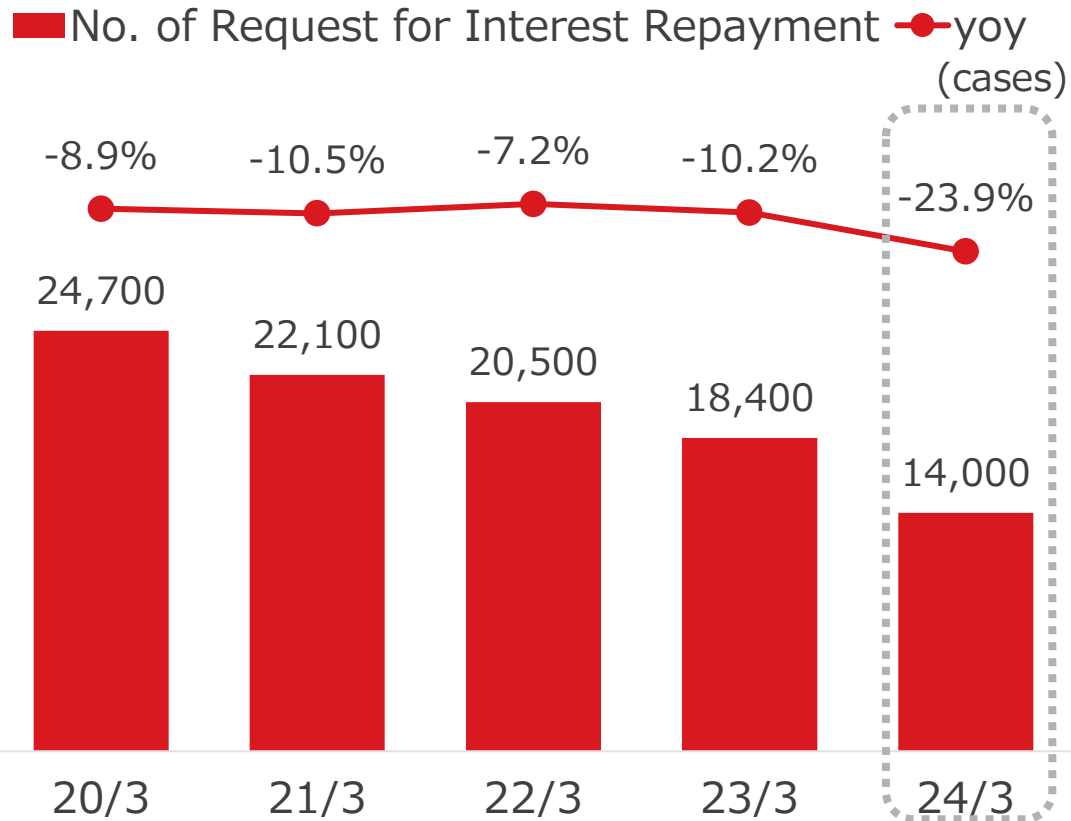


Bad Debt Expenses increased due to the expansion of business scale and increase of new customers.



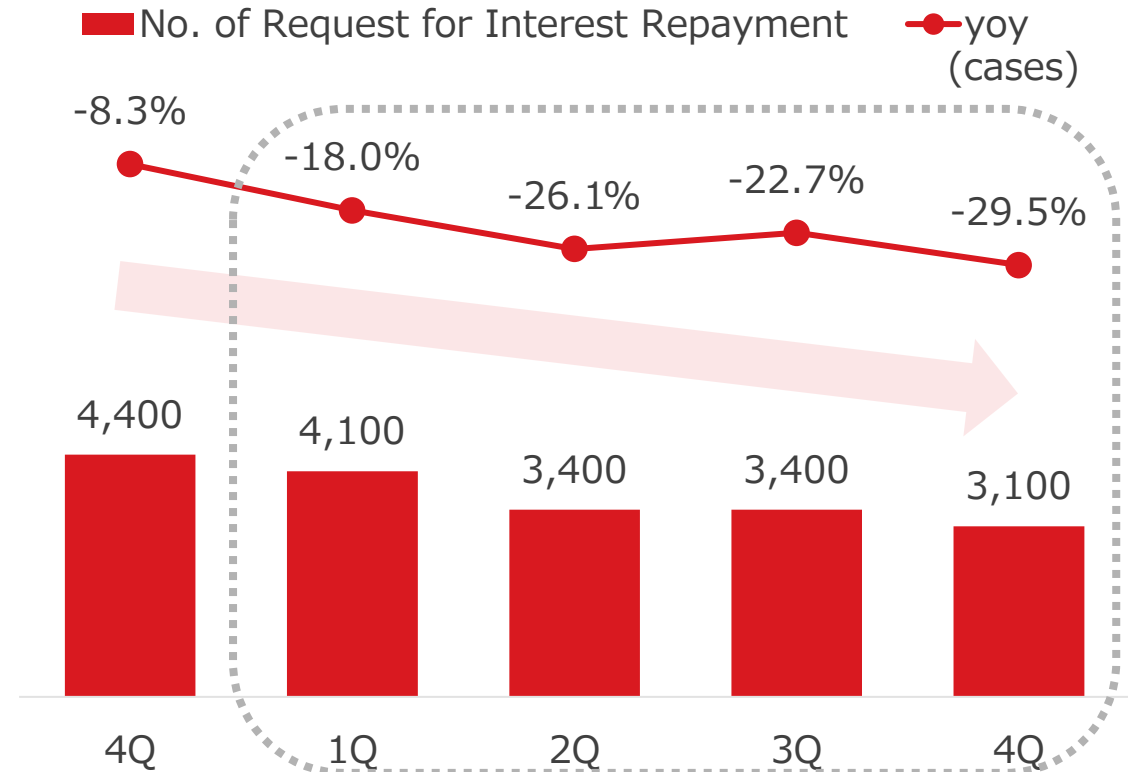
# Loan and Credit Card Business | No. of Requests for Interest Repayment

## Annual



Although the number of request for interest repayment expected to decrease by -15% yoy, it ended up at -23.9%.

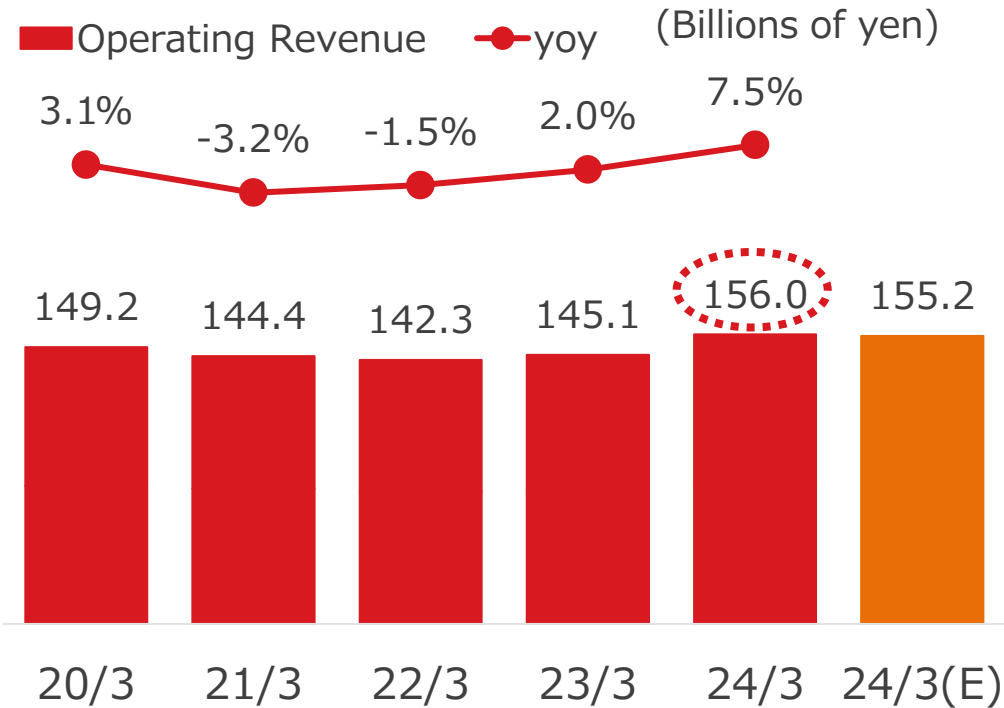
## Quarterly



The speed of decline accelerated in every quarter in FY March 2024.

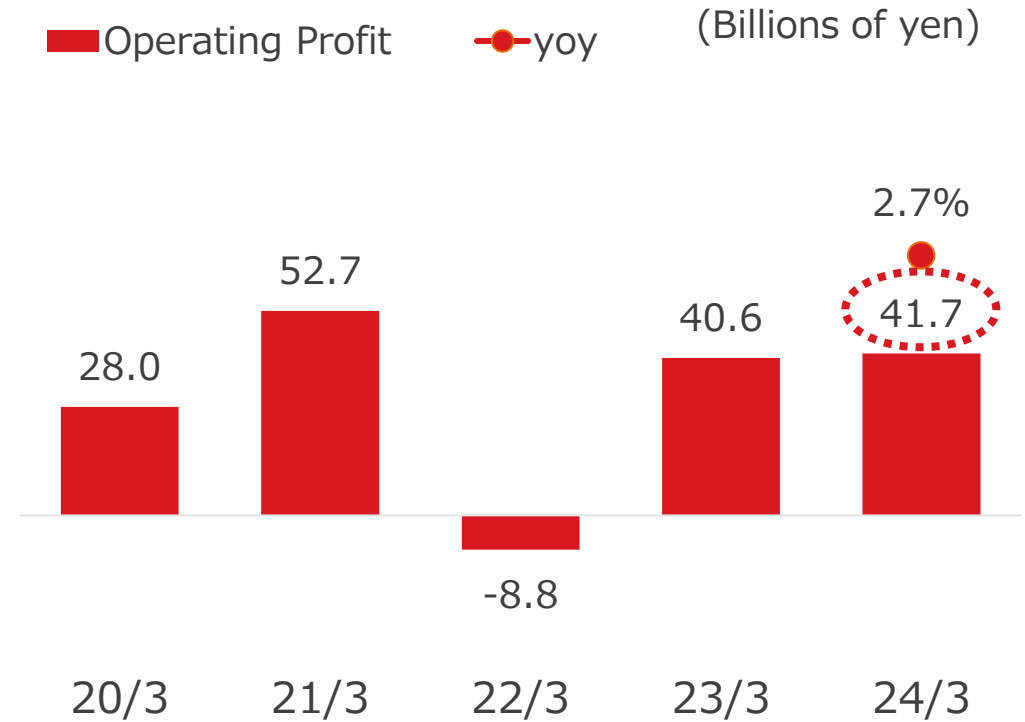
# Loan and Credit Card Business | Business Performance

## Operating Revenue



Operating Revenue exceeded those before COVID-19 disaster.

## Operating Profit



Operating Profit increased owing to the expansion of business scale.

# Loan and Credit Card Business | Embedded Finance

## New Business (Embedded Finance)

GeNiE



To promote the embedded finance,  
we develop a system  
utilizing existing packages.



### Establishment

- ✓ Established in April 2022
- ✓ Promoting business alliances



### Development of the system

- ✓ Started developing the system in June 2023
- ✓ On track for completion this summer
- ✓ Aiming to start the operations during the first half of 2024



### Start of the business

# Guarantee Business | New Alliance and Business Scale

## New Alliance with Banks

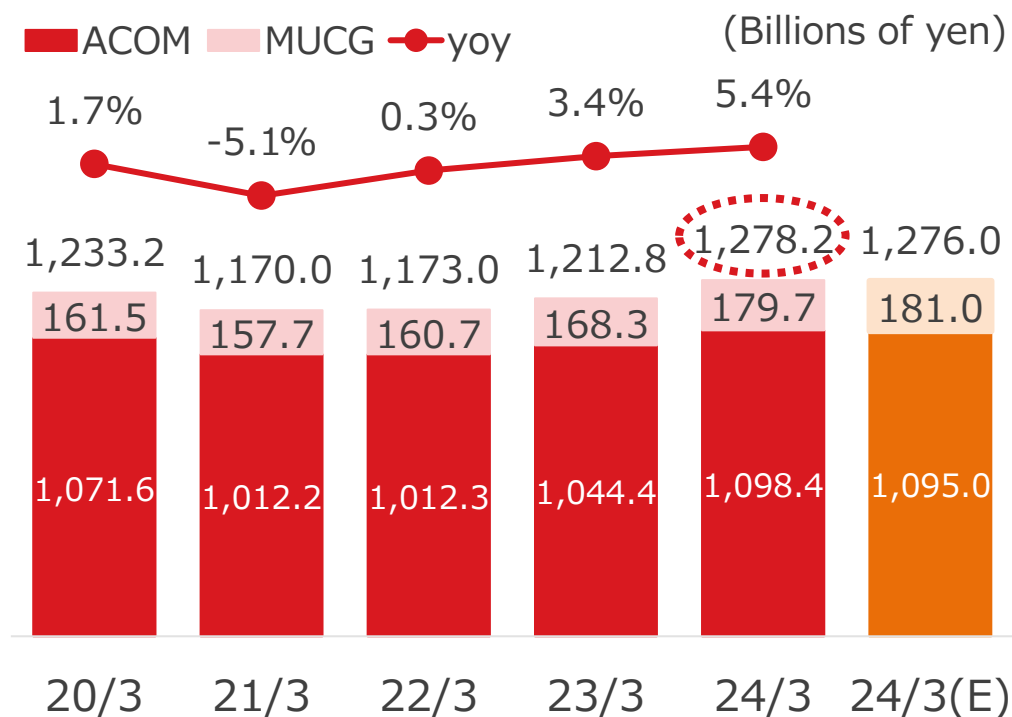
### III Minna no Ginko

MU Credit Guarantee Co., LTD., a consolidated subsidiary, and **Minna no Ginko**\* agreed on a guarantee business partnership.

### AEON Bank

**ACOM** and **AEON Bank** agreed on a business partnership in May 2024, planning to start a guarantee business in the next fiscal year or later.

## Guaranteed Receivables

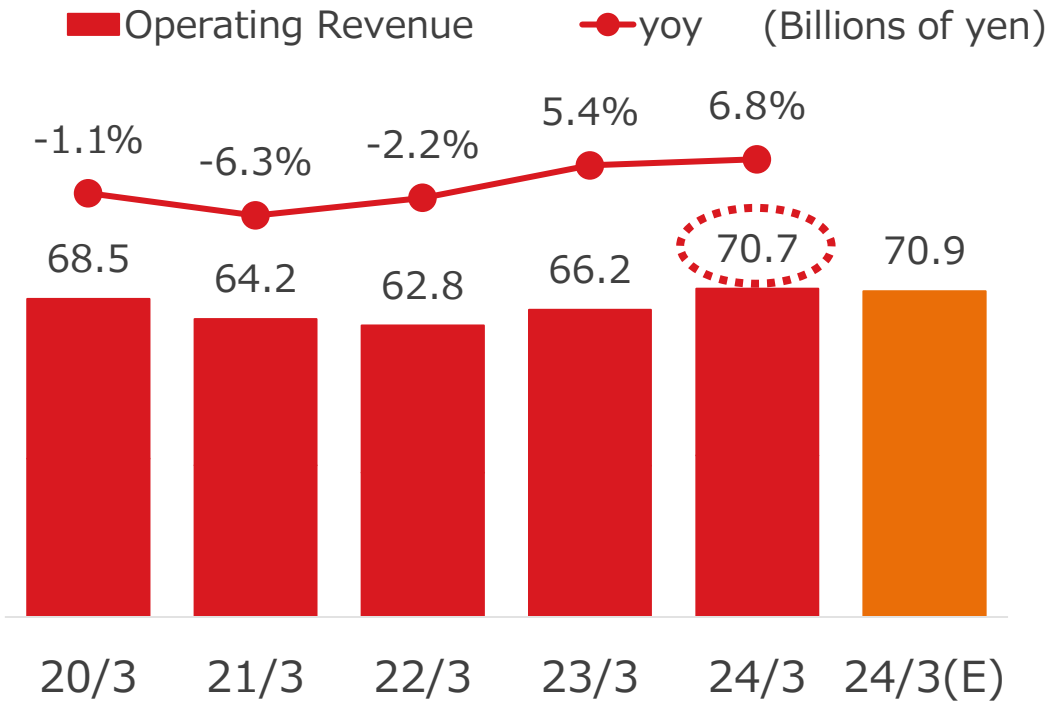


Guaranteed Receivables exceeded those pre-COVID-19 disaster.

\* Digital Bank under the Fukuoka Financial Group

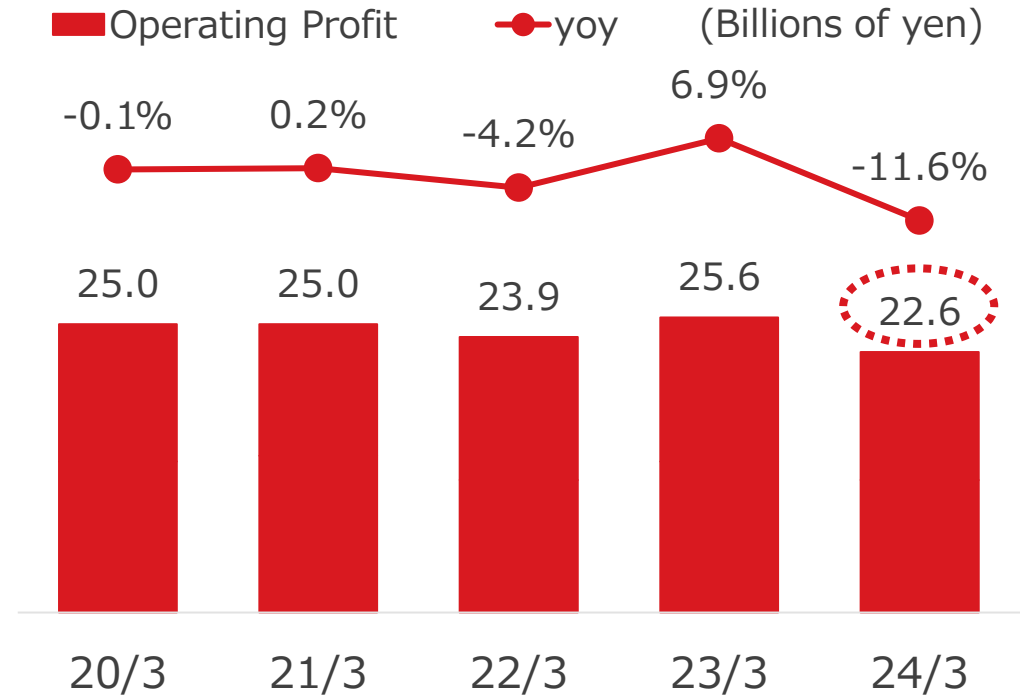
# Guarantee Business | Business Performance

## Operating Revenue



Operating Revenue increased and exceeded those before COVID-19 disaster, owing to the expansion of business scale and periodic review of guarantee fee rates.

## Operating Profit

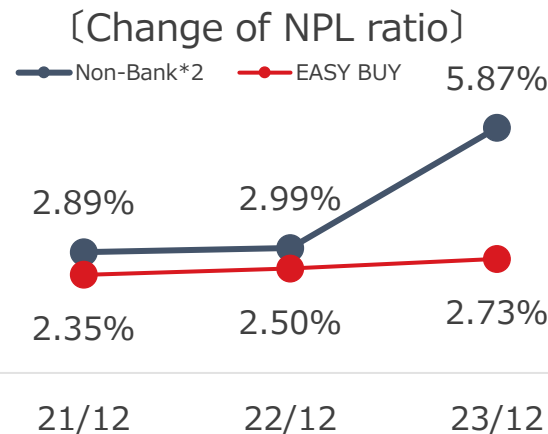


Operating Profit decreased due to increase of Bad Debt Expenses, resulting from business expansion and increase of new customers.

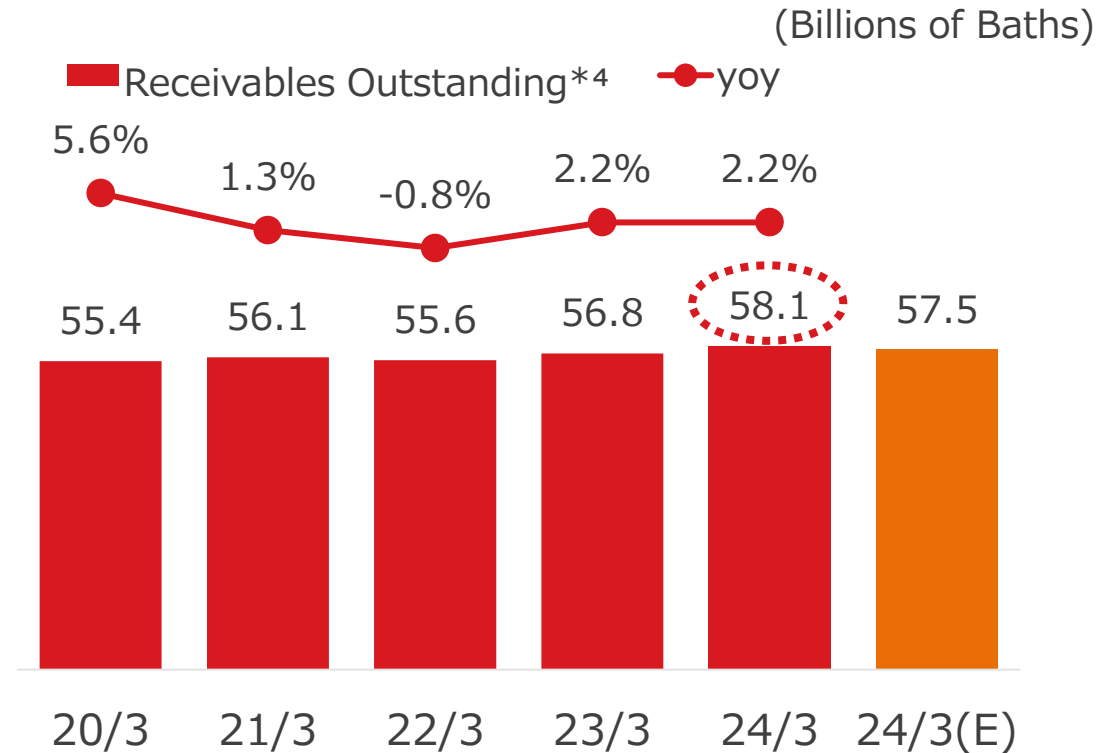


## External Environment

- 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.
- The measures<sup>\*1</sup> implemented by Bank of Thailand to help customers affected by COVID-19 ended at the end of 2022.
- Although NPL ratio of non-bank market is rising, EASY BUY has been able to control it. It's necessary to monitor the impact in the future.
- The number of applications might decrease due to the Responsible Lending Regulations<sup>\*3</sup> implemented by Bank of Thailand.



## Receivables Outstanding



Exceeded Estimates

\*1 Easing of Credit limits and remove of caps on the number of financial institutions from the list of borrowers

\*2 Statistic Data from Bank of Thailand

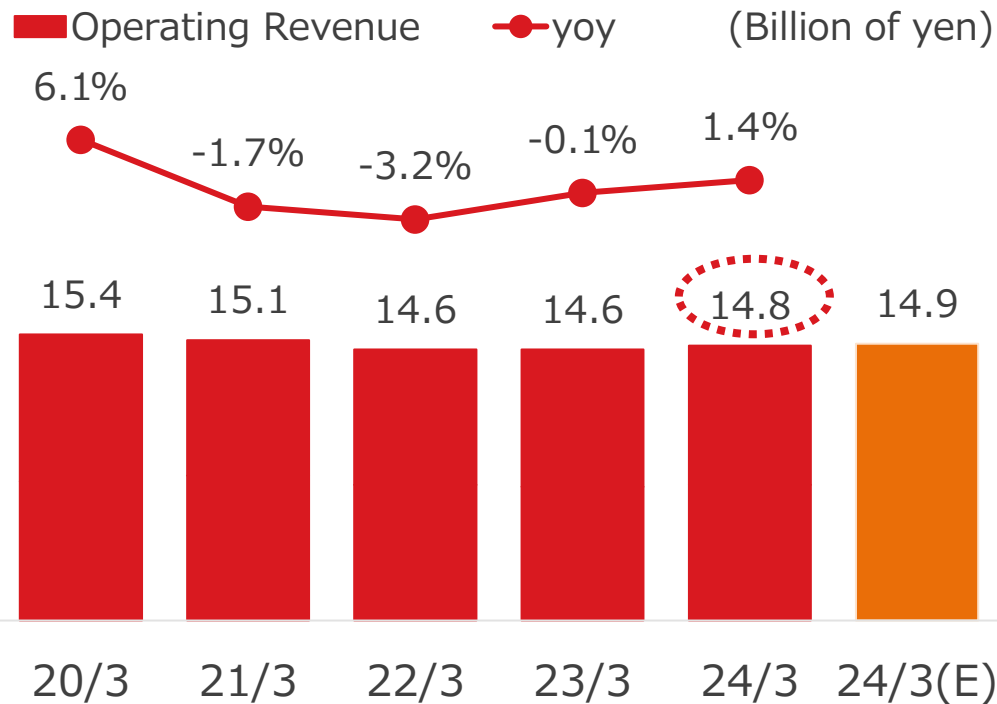
\*3 One of the measures to the household debt problem implemented by Bank of Thailand

\*4 Receivables Outstanding is the total of Loan and Installment Loan.

# Overseas Financial Business | Operating Profit

## Operating Revenue

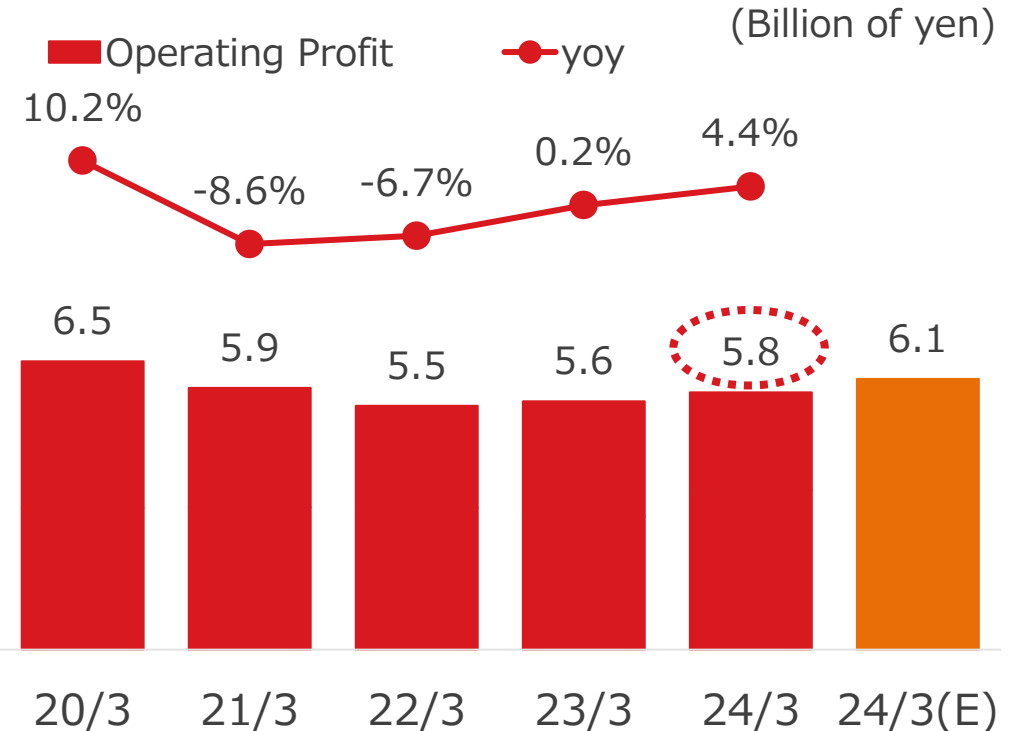
(Local Currency Basis)



Operating Revenue increased due to business expansion.

## Operating Profit

(Local Currency Basis)



Operating Profit increased due to decrease of Bad Debt Expenses.

# Overseas Financial Business | Other Countries

## Republic of Philippines

### ACOM CONSUMER FINANCE CORPORATION



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

Established a base of outside sales operation for acquiring new customers and strengthening collection in January 2024

## Malaysia

### ACOM (M) SDN.BHD.



Started business in Malaysia in September 2023  
Acquired a license for online contract in January 2024  
Started a service completed online from March 2024

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



# Human Resources

- Toward sustainable growth, we develop human resources who can embody our corporate philosophy, respecting diverse abilities, ideas and values.
- To improve engagement, we develop an internal environment where employees can feel "Job Satisfaction" and "Work in Comfort".

## Job Satisfaction

- **Vision Ingraining Program** in which each employee determines action plans to realize the Vision.
- **Increase of Salary base including regular increase "+5.2%"** for the second time after October 2022.

## Work in Comfort

- **"Allowance for employees return"** to work after childcare leave
- **"7 hours shift"** is newly established for more options of shorter working hours and flexible work style

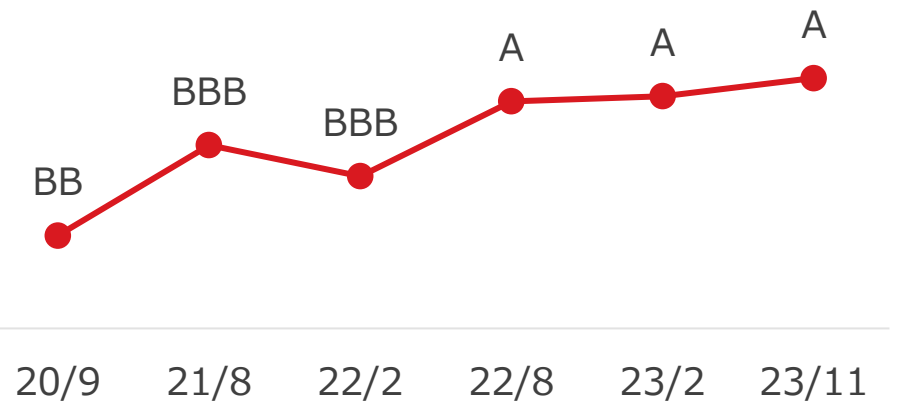
## Increased Engagement



In Employee Attitude Survey,  
Won Highest Engagement Score Ever!

The Highest Score Ever!

### Rating of Engagement\*



# External Evaluation



1	JCB Co., Ltd.
2	<b>ACOM CO., LTD.</b>
3	Rakuten Card Co., Ltd.
4	ORIX Corporation
5	Sumitomo Mitsui Card Company, Limited

## Hiring of New Graduates

Ranked highest ever by industry\* in a joint survey by My Navi and the Nikkei, ranking the most popular companies among 2025 graduates.



## Employee Engagement

Ranked in the top 10 in the large companies category in the Best Motivation Company Award in 5 consecutive years.



## Welfare

Got highest rating as Superior Company Welfare in 3 consecutive years in Welfare award and Certification system (Hataraku Yell). ACOM is the only company which received the award in the General category in 3 consecutive years.



## Health and Productivity Management

Recognized as a Superior Health Management Corporation, selected by Nippon Kenko Kaigi in 3 consecutive years.

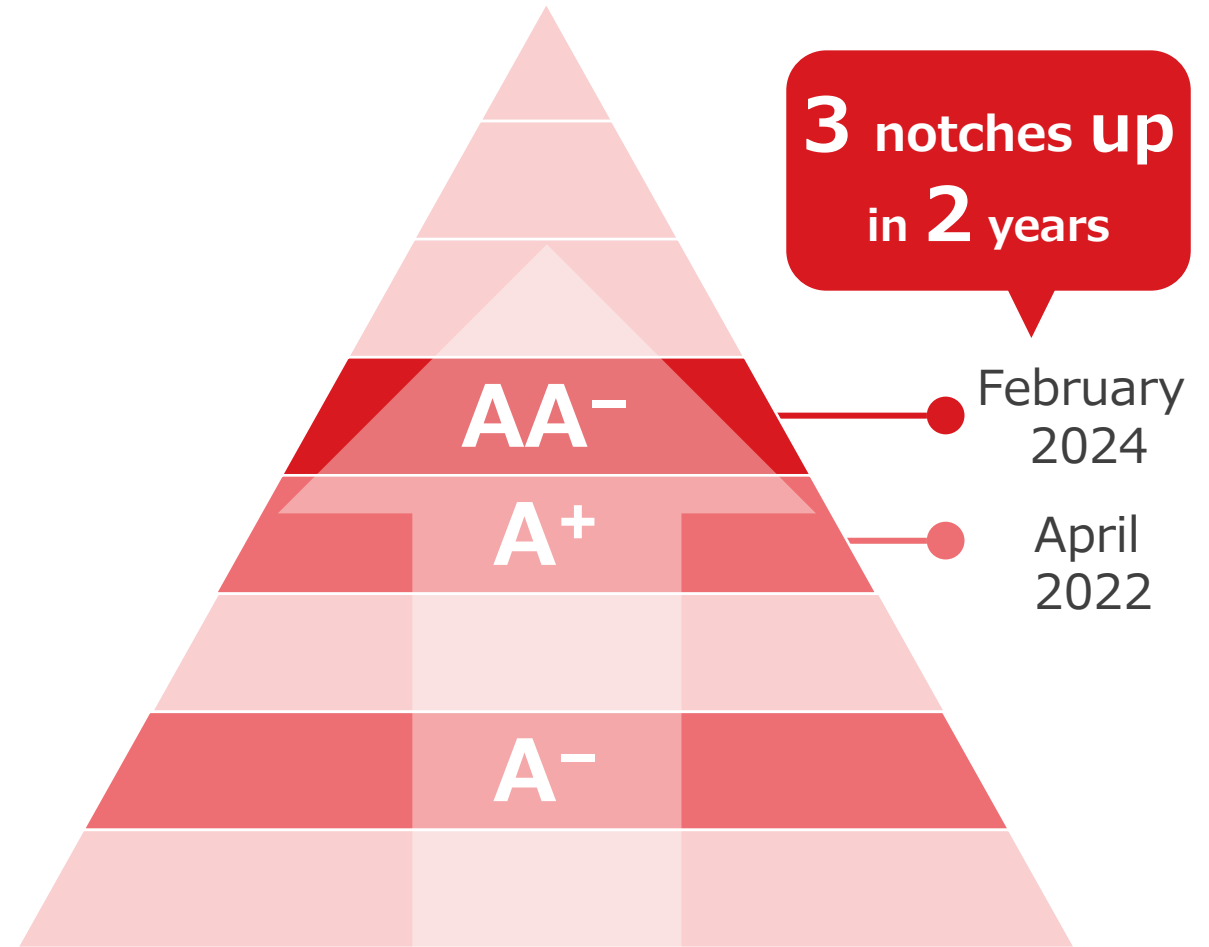
\* the "Credit, Consumer Credit, Leasing, and Other Finance sector

# External Evaluation

## Issuer Rating (R&I)



The Credit Rating obtained from R&I, Rating and Investment Information, Inc was upgraded by 2 notches in April, 2022 and by 1 notch in February 2024, for a total of 3 notches.



# Annual Forecast for the FY March 2025 | Business Scale

- In domestic business, the forecast assumes that current conditions will continue through 1Q and gradually return to those before COVID-19 disaster in the second quarter.
- Aiming consolidated balance of ¥2.69 trillion and 375 thousands of new customers.

## Receivables Outstanding

Consolidated

**¥2,697.9bn**  
(yoy + 6.6%)

L.C. Business

**¥1,072.5bn**  
(yoy + 7.1%)

Guarantee Business

**¥1,370.1bn**  
(yoy + 7.2%)

Overseas Financial  
Business

**¥246.1bn**  
(yoy + 1.2%)

## No. of New Customers

(Loan and Credit Card)

**375 thousands**  
(yoy - 12.9%)

## Advertising Expenses

**¥17.3 bn**  
(yoy - 11.5%)

# Annual Forecast for the FY March 2025 | Performance

- Operating Revenue is expected to increase by 6.4% yoy to ¥313.5 billion mainly with the expansion of business scale.
- Operating Profit is expected to increase by 0.9% yoy to ¥87.1 billion and profit attributable to owners of parent is expected to increase by 4.7% yoy to ¥55.6 billion.
- Interim dividend is ¥7 , year-end dividend is ¥7 and annual dividend is 14 yen per share as forecasted.

## Operating Revenue

## Operating Profit

## Dividends

Consolidated

**¥313.5bn**  
(yoy + 6.4%)

**¥87.1 bn**  
(yoy + 0.9%)

Interim : **¥7** } Total  
Year-end : **¥7** } **¥14**

L.C. Business

**¥168.5bn**  
(yoy + 8.0%)

**Profit**  
Attributable to  
Owners of Parent

**Dividend  
Payout  
Ratio**

Guarantee Business

**¥76.8bn**  
(yoy + 8.5%)

**¥55.6 bn**  
(yoy + 4.7%)

**39.4%**

Overseas Financial  
Business

**¥62.1bn**  
(yoy + 0.3%)



**Supplemental Information  
FY March 2024**

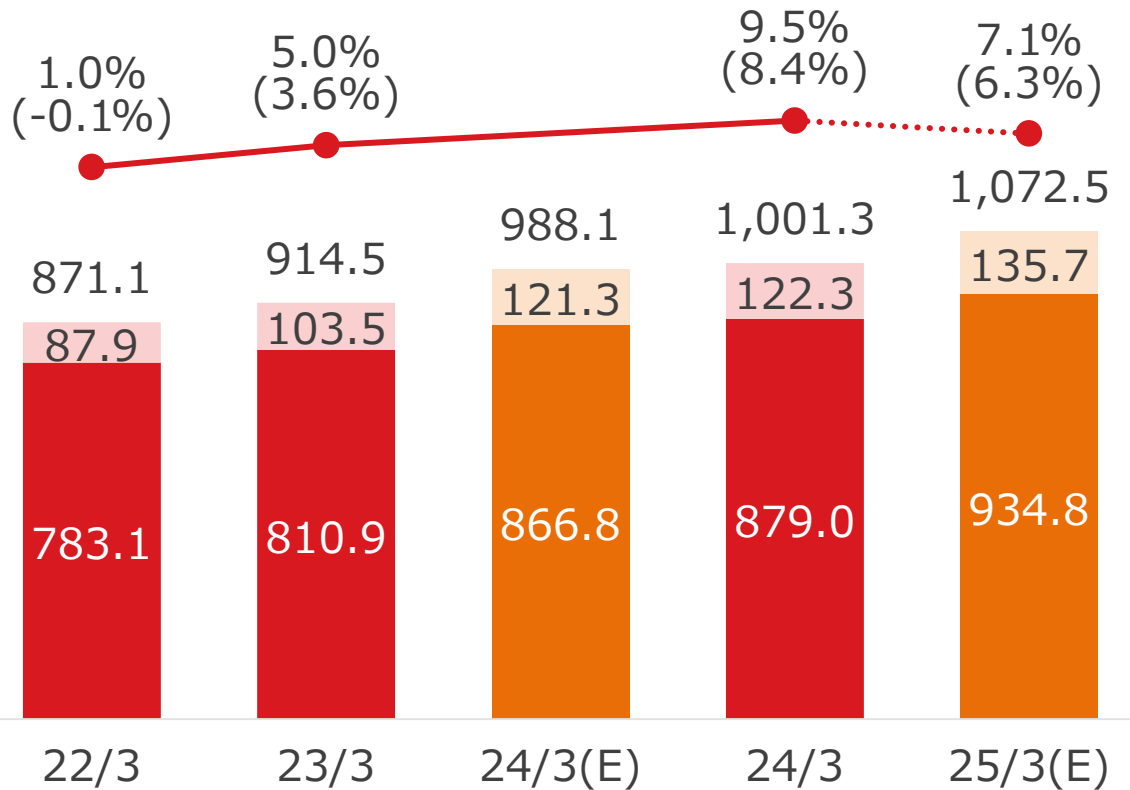
# Loan and Credit Card Business | Business Scale

- Receivables Outstanding increased by 9.5% yoy to ¥1,001.3 billion , owing to strong demands from new and existing customers.
- No. of customer accounts for loans increased by 11.2% yoy to 1,790 thousand.

## Receivables Outstanding

(Billions of yen)

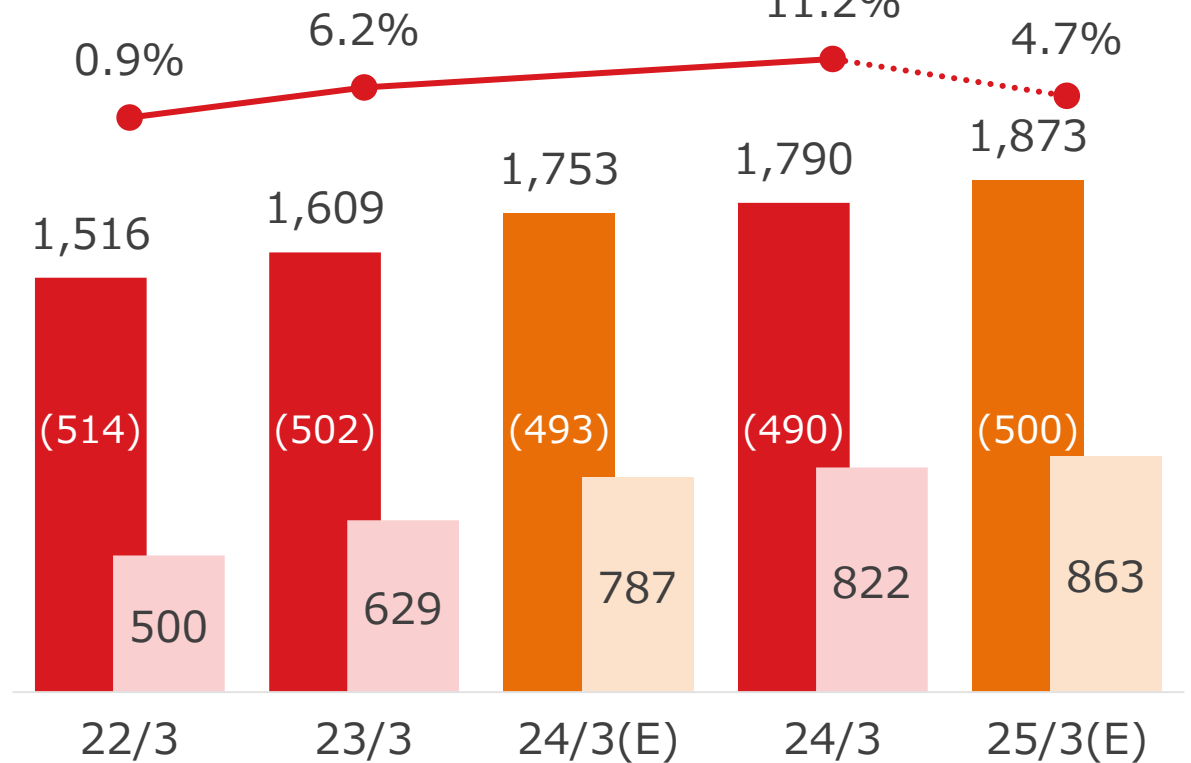
■ Loan ■ Credit Card ● yoy <() shows only Loans >



## Number of Customer Accounts\*

(Thousands)

■ Loan ■ Credit Card ● yoy <() shows average balance per account (Thousands of yen)>

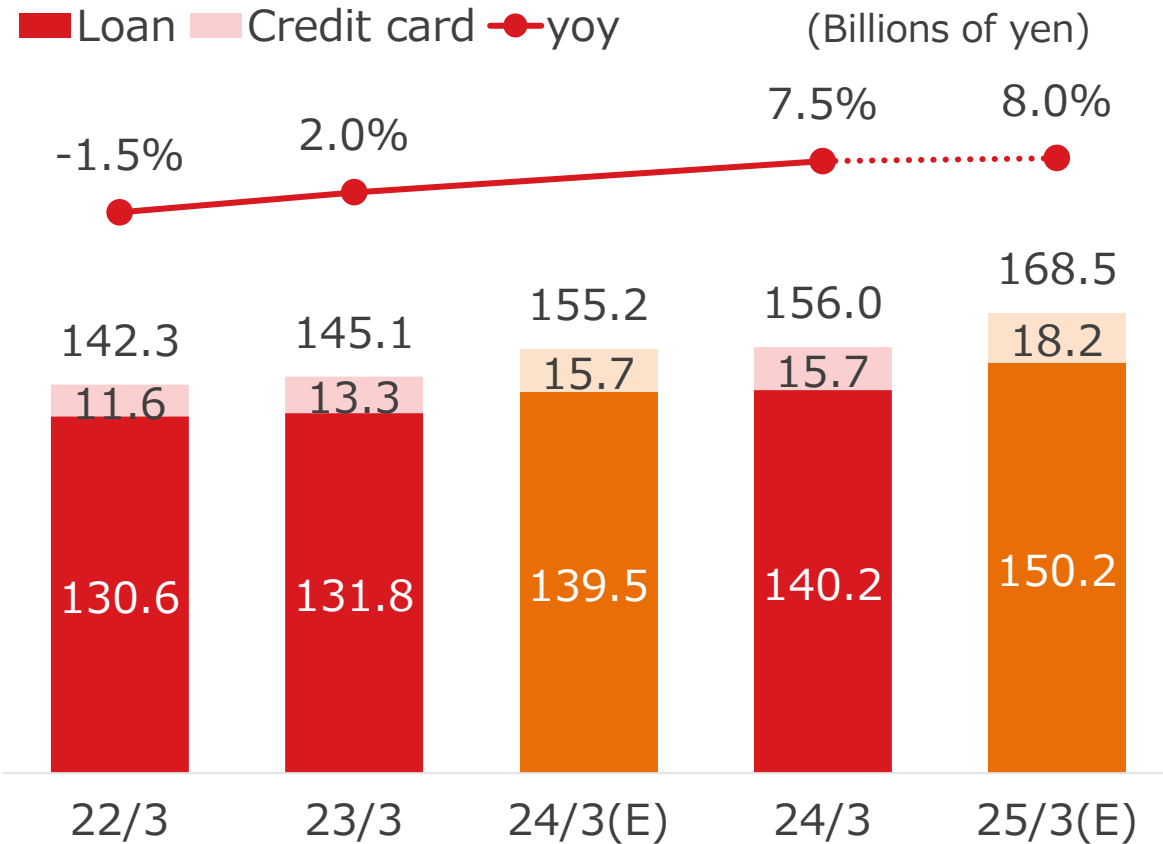


\* Credit Card Business : Number of cardholders

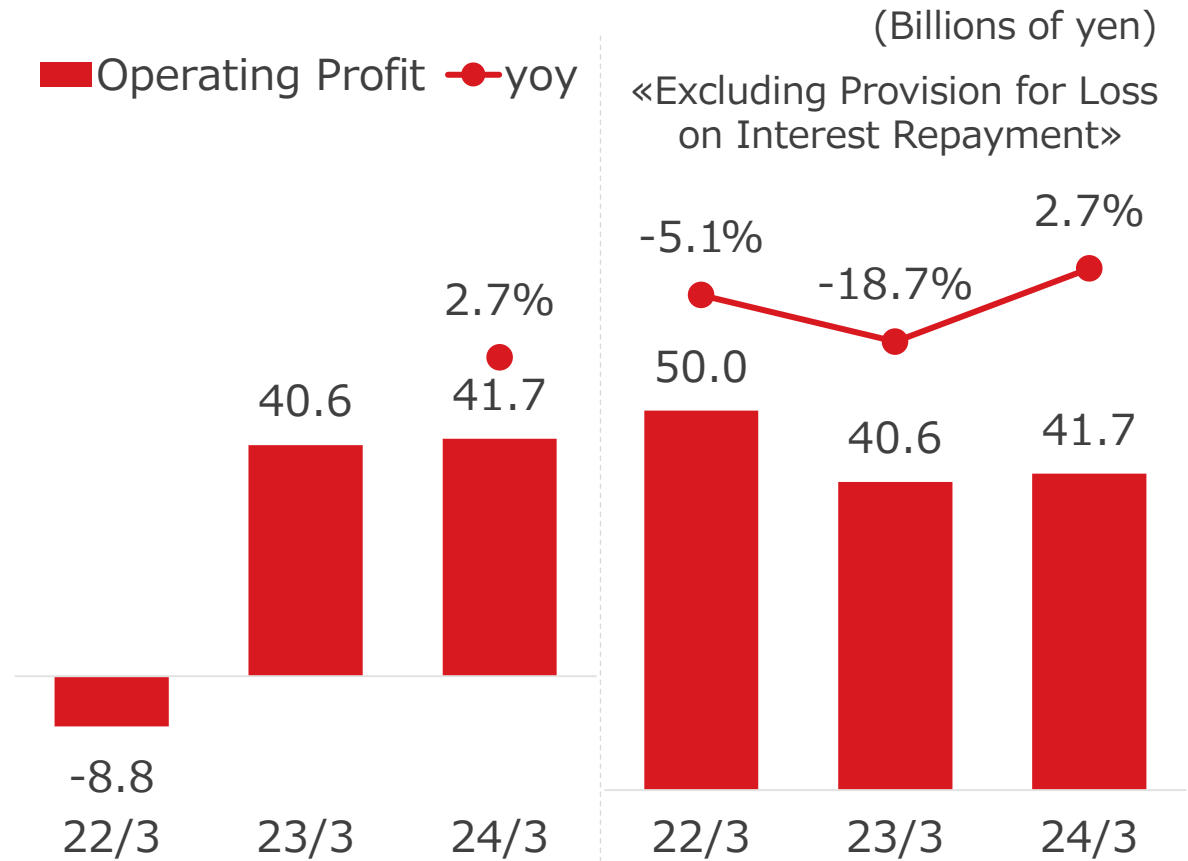
# Loan and Credit Card Business | Business Performance

- Operating Revenue increased by 7.5% yoy to ¥156.0 billion.
- Operating Profit increased by 2.7% yoy to ¥41.7 billion owing to the expansion of business scale.

## Operating Revenue



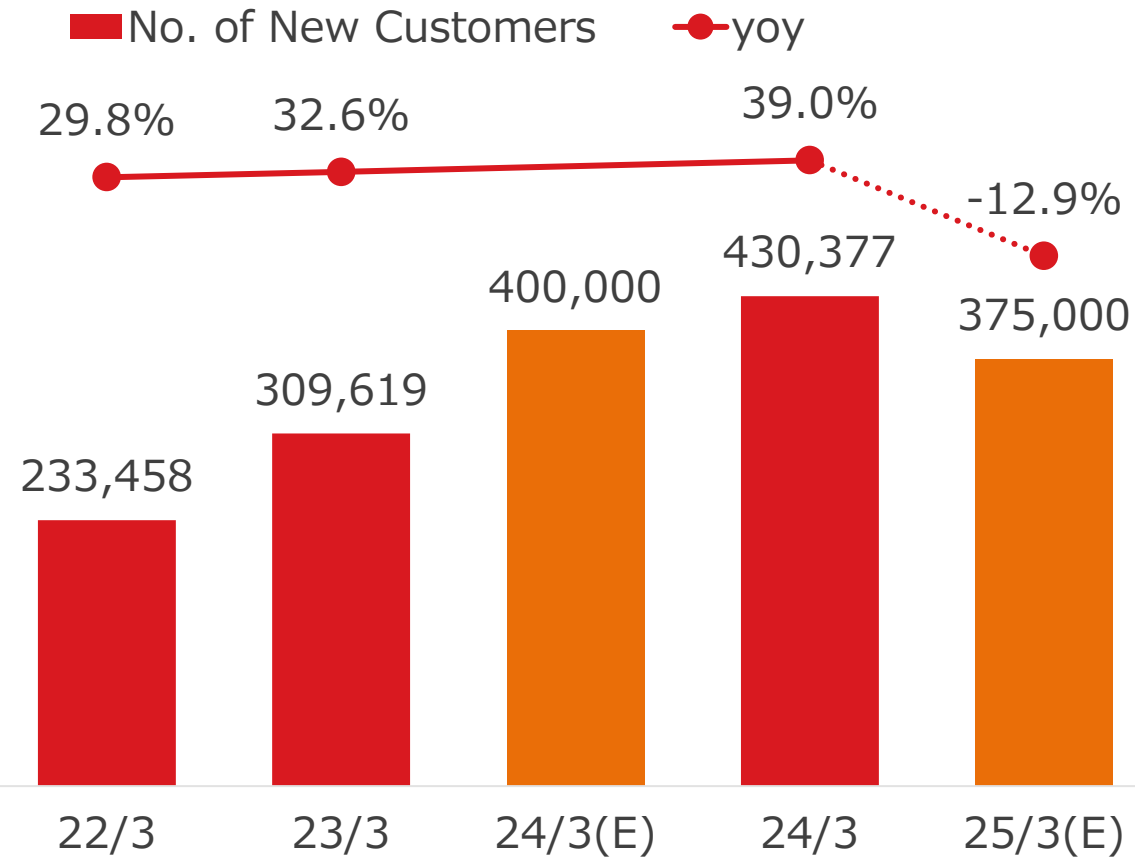
## Operating Profit



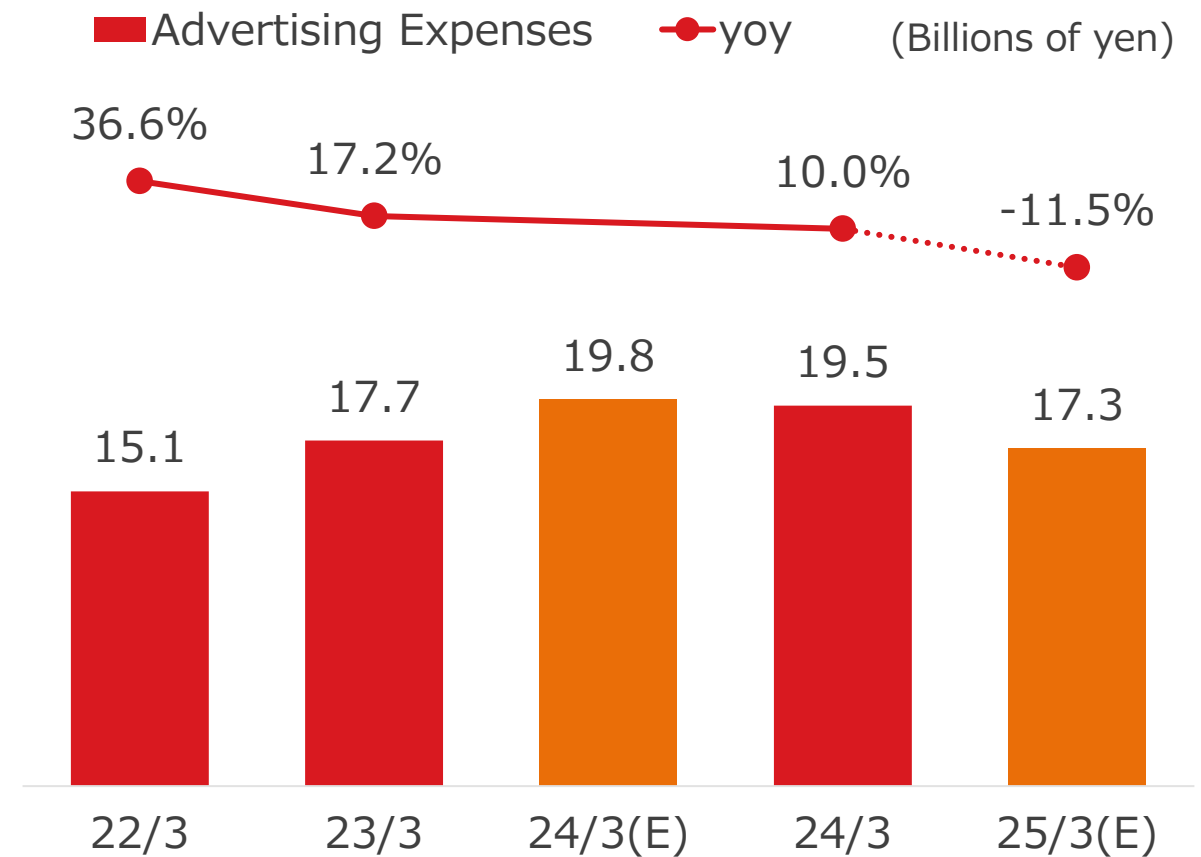
# Q Loan and Credit Card Business | No. of New Customers

- No. of New Customers increased by 39.0% yoy to 430,377 customers owing to recovery in demand for funds and active advertising campaign.
- For FY March 2025, 375 thousands customers are expected on the assumption that the current situation will continue through the 1Q and gradually return to the pre-COVID-19 disaster level from the 2Q.

## ■ Number of New Customers (Unsecured)



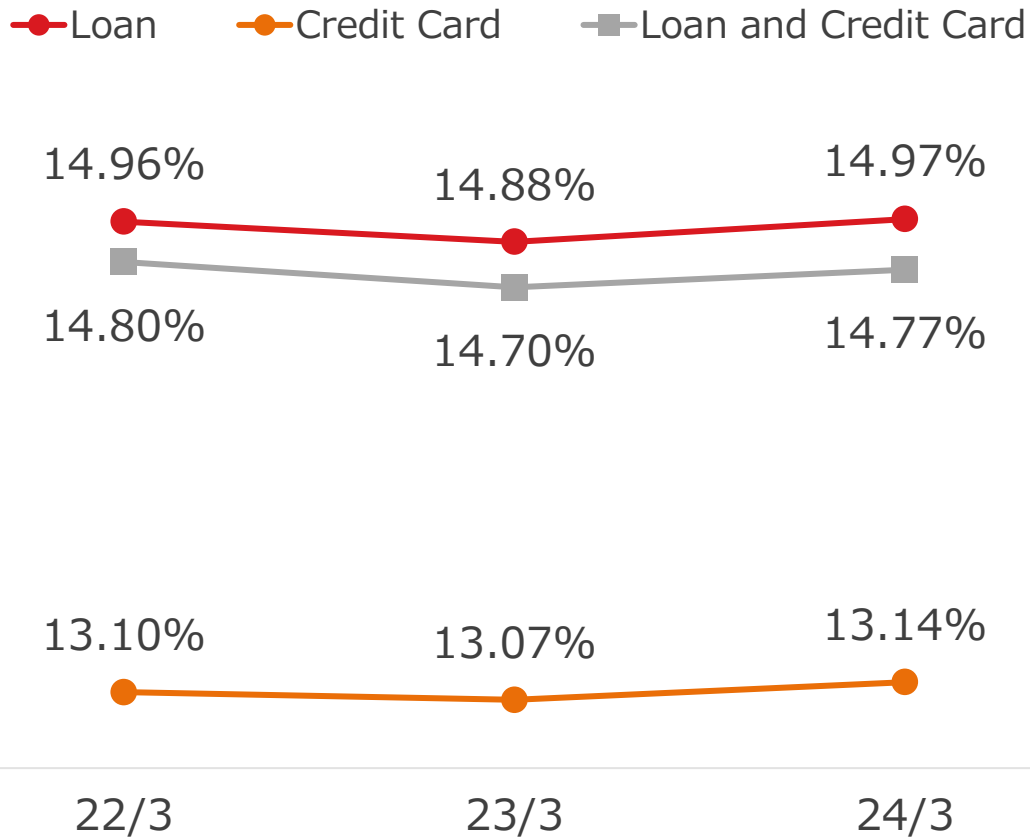
## ■ Advertising Expenses (ACOM)



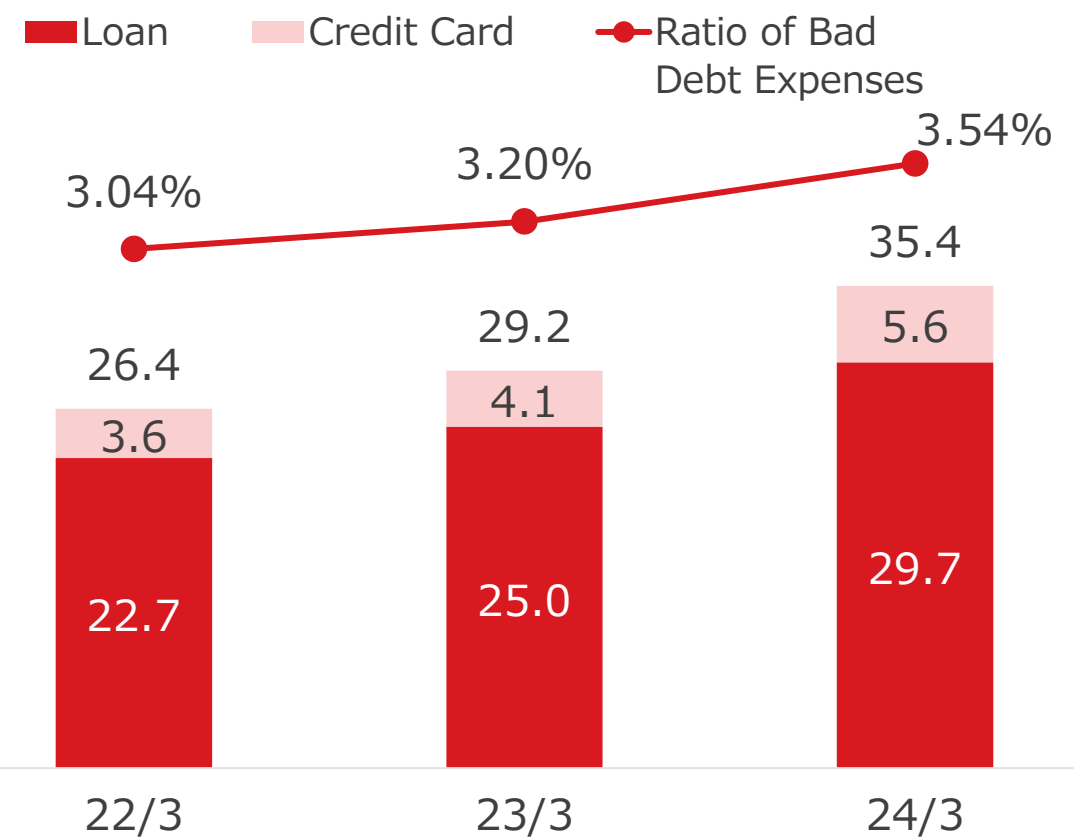
# Loan and Credit Card Business | Yield·Bad Debt Expenses

- Average Loan Yield in L.C. Business increased by 7 basis points yoy to 14.77%.
- Ratio of Bad Debt Expenses increased by 34 basis points yoy to 3.54% due to the expansion of business scale.

## ■ Average Loan Yield \*1



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



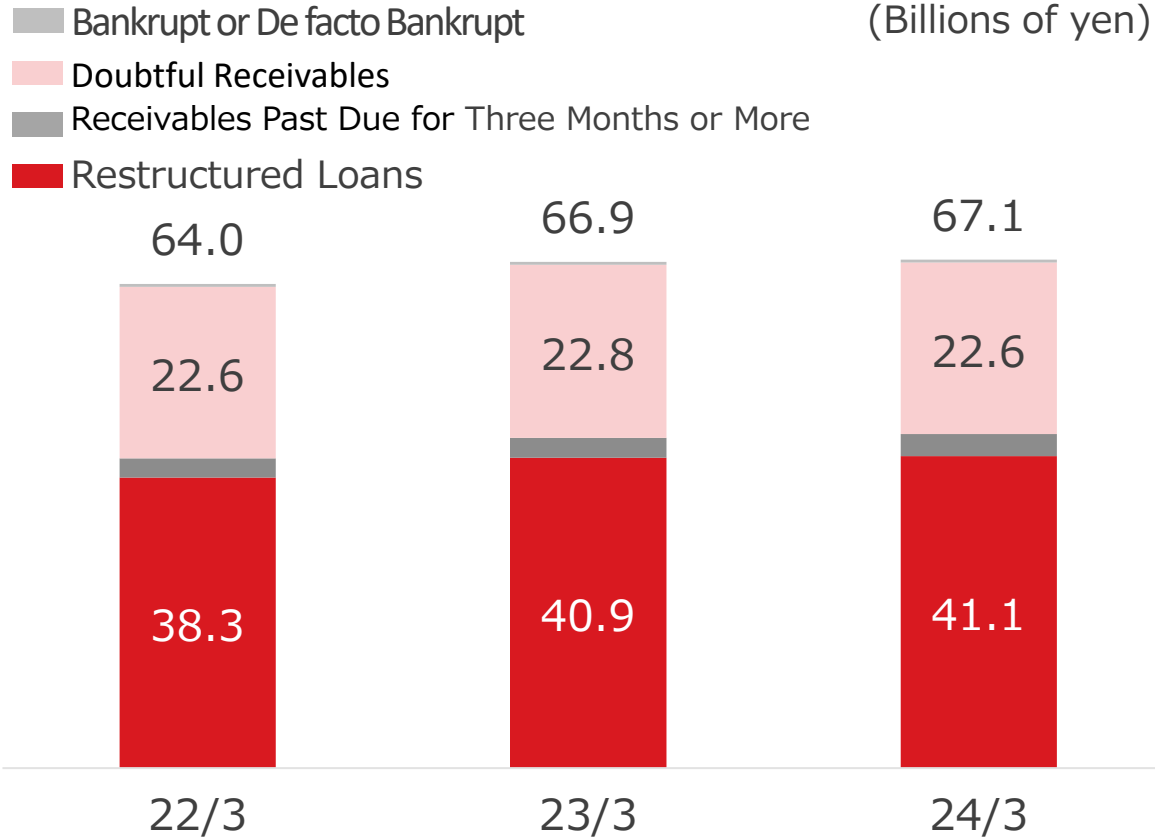
\*1 Average yield of credit card is calculated by receivables and fees of revolving.

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

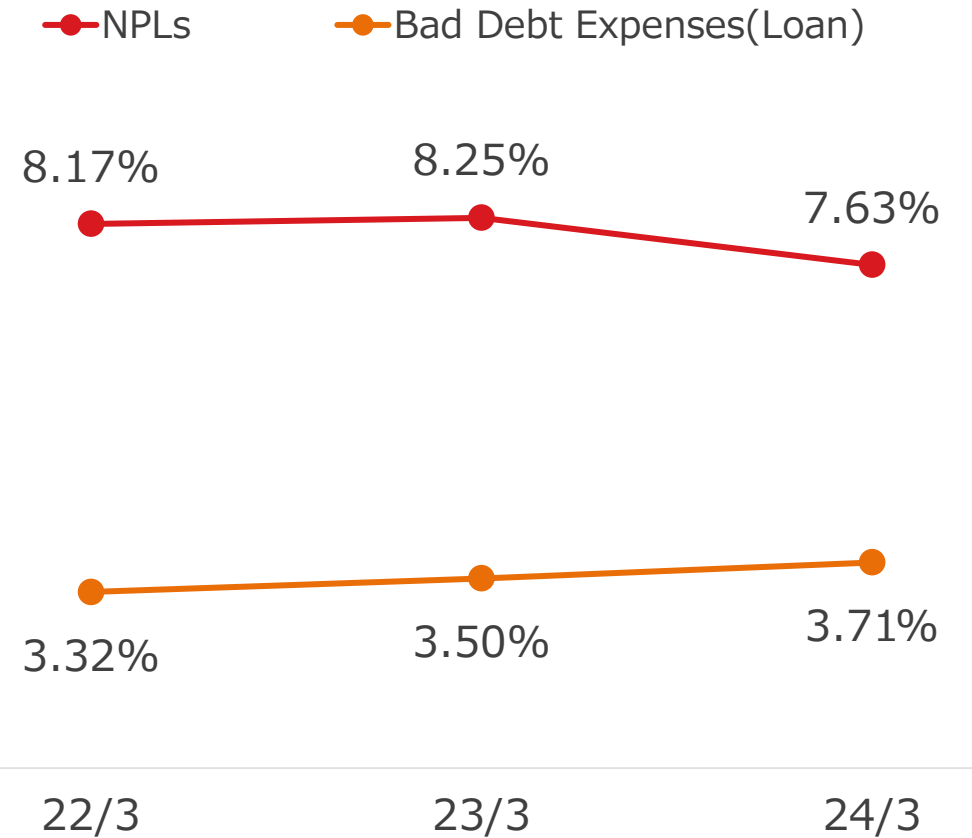
# Loan Business | Non-performing Loans

- Ratio of NPLs decreased by 62 basis points yoy to 7.63%.

## ■ Non-performing Loans



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

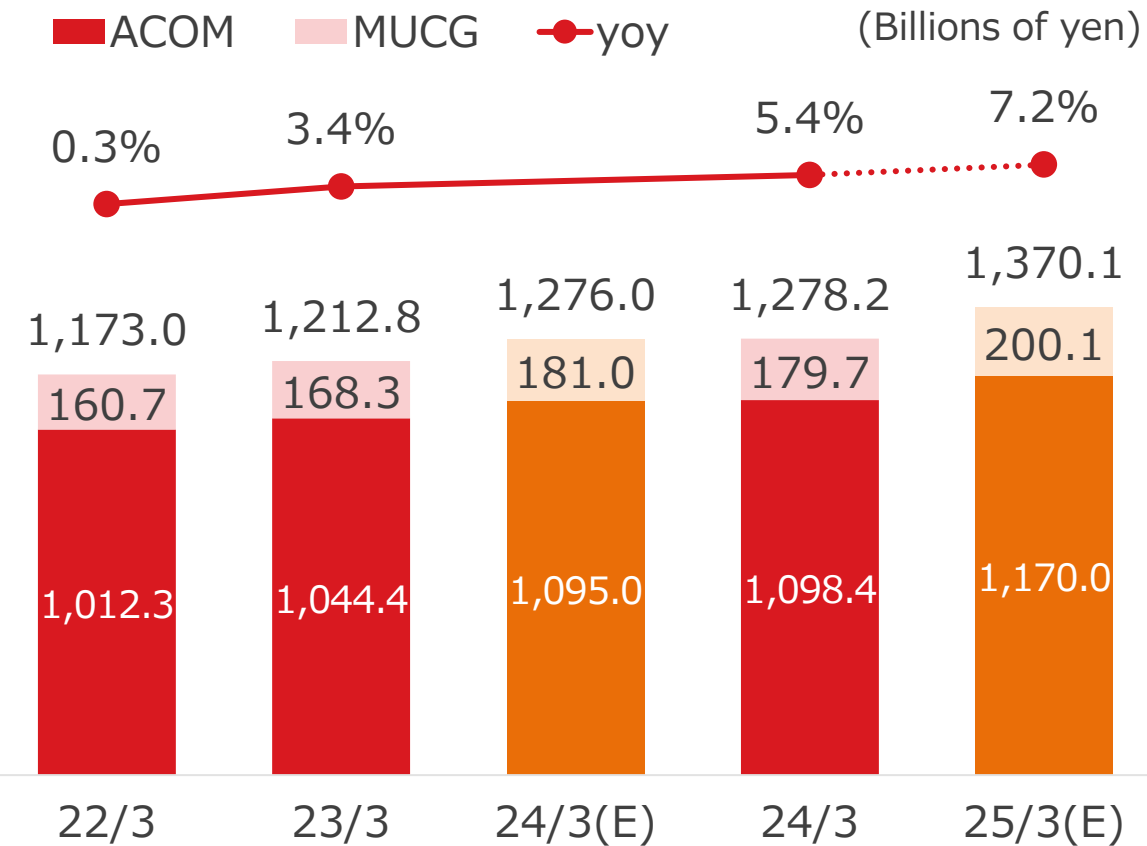


\* Ratio of bad Debt Expenses includes waiver of repayments accompanying requests for interest repayment.

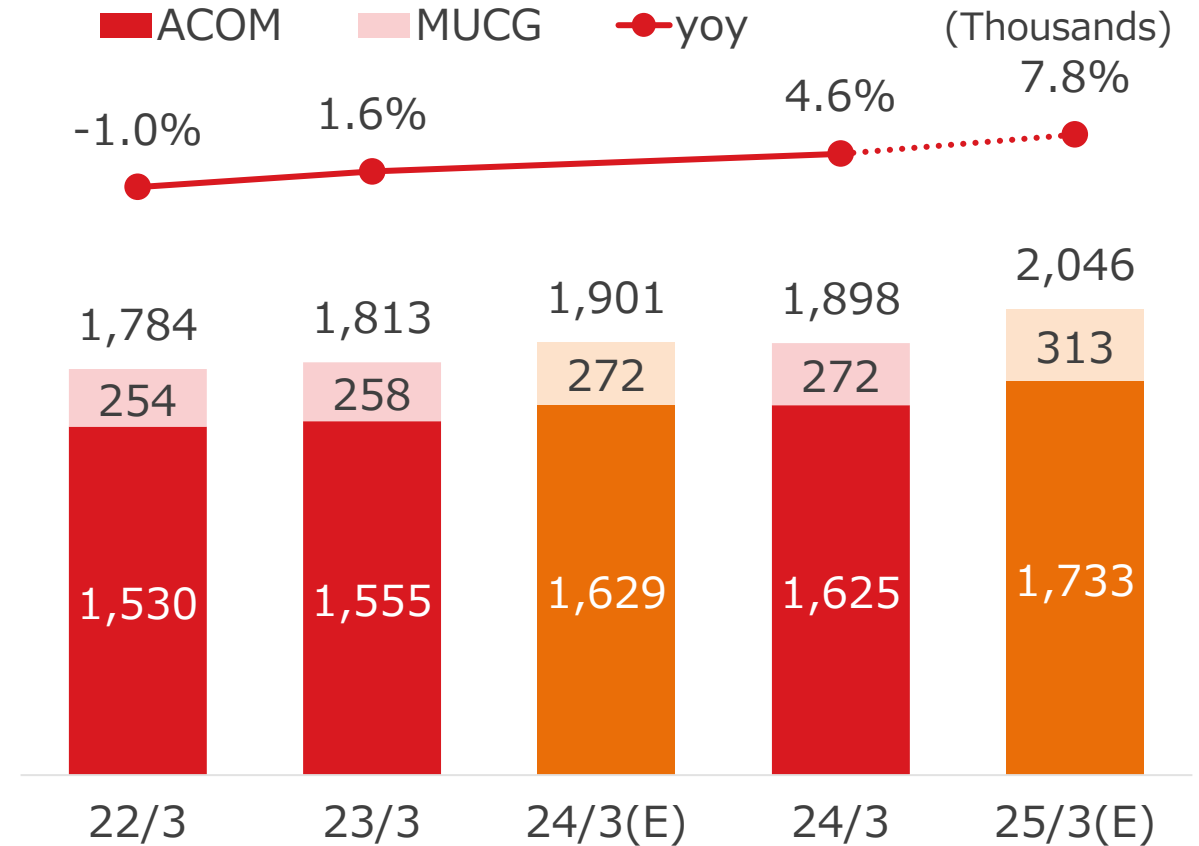
# Guarantee Business | Business Scale

- Guaranteed Receivables increased by 5.4% yoy to ¥1,278.2 billion owing to strong demands from new and existing customers.
- The number of accounts increased by 4.6% yoy to 1,898 thousands.

## Guaranteed Receivables



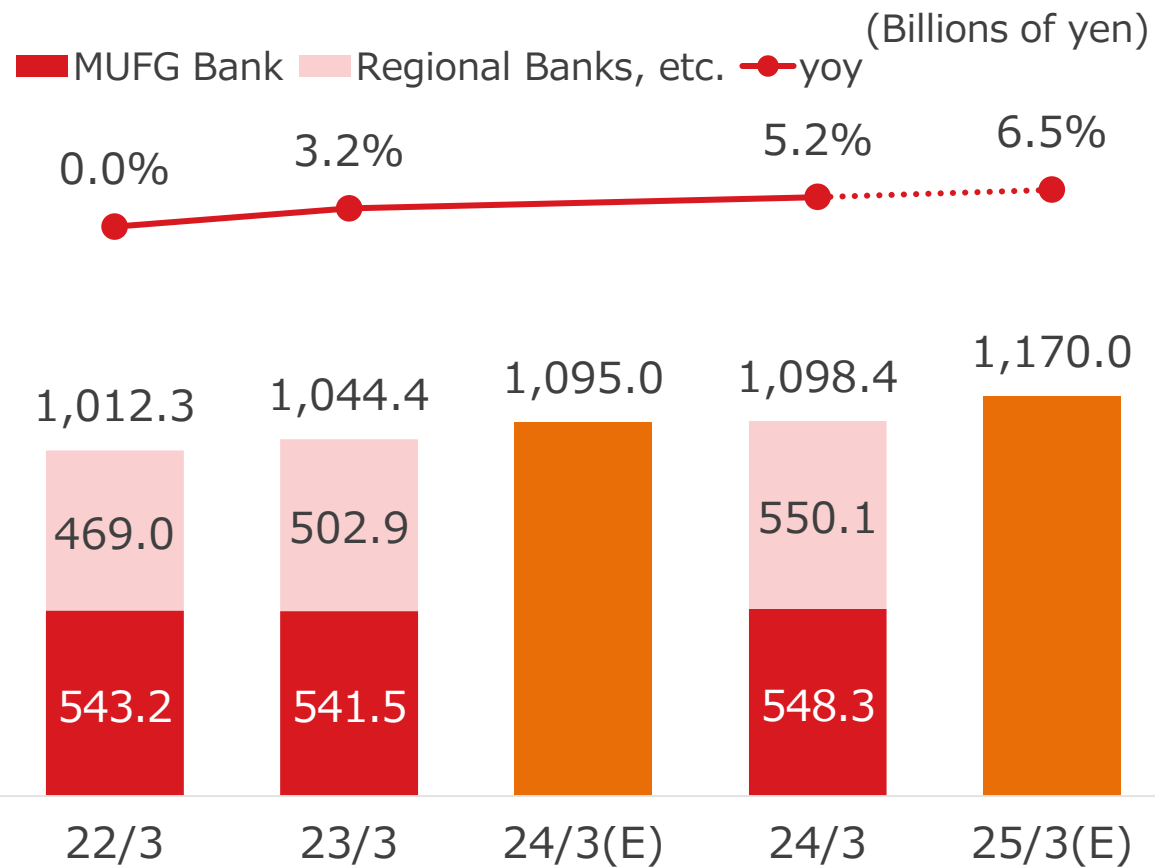
## Number of Customer Accounts



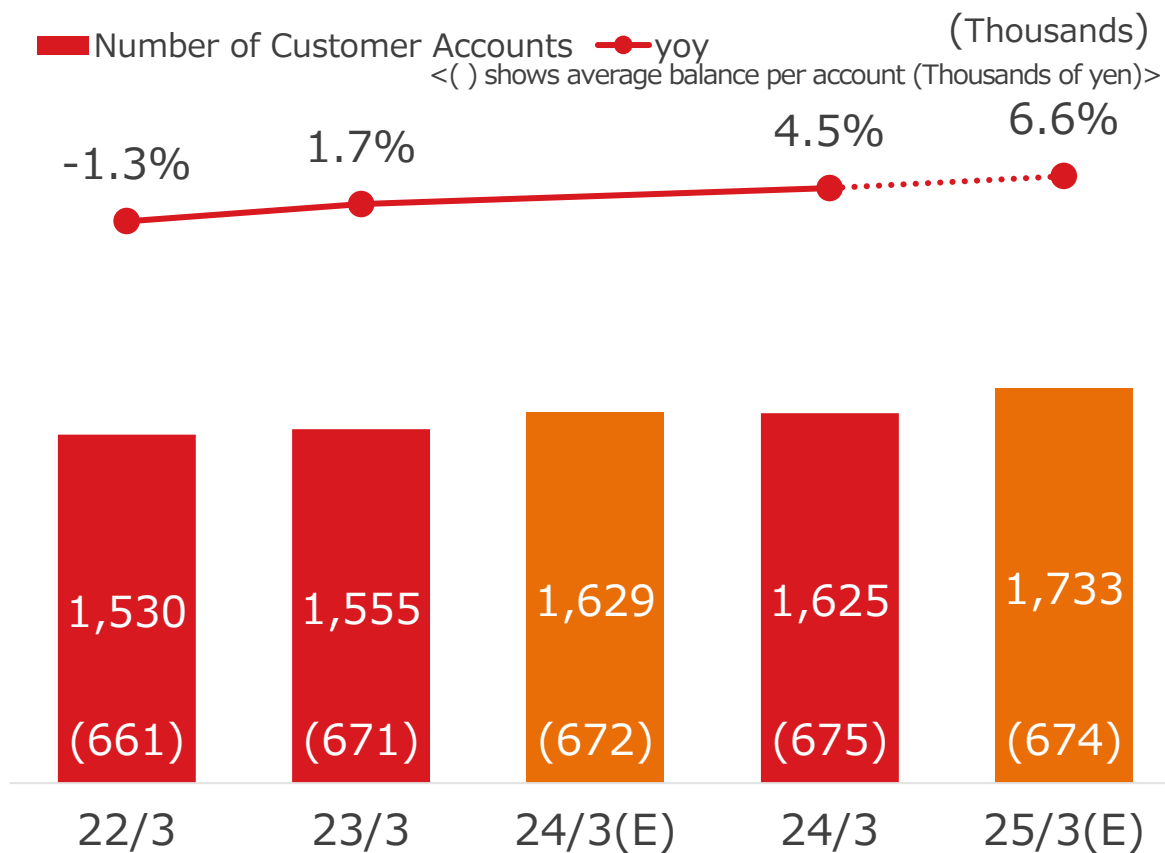
# Guarantee Business | Business Scale (ACOM)

- Guaranteed Receivables increased by 5.2% yoy to ¥1,098.4 billion.
- The number of accounts increased by 4.5% yoy to 1,625 thousand.

## Guaranteed Receivables



## Guaranteed Receivables

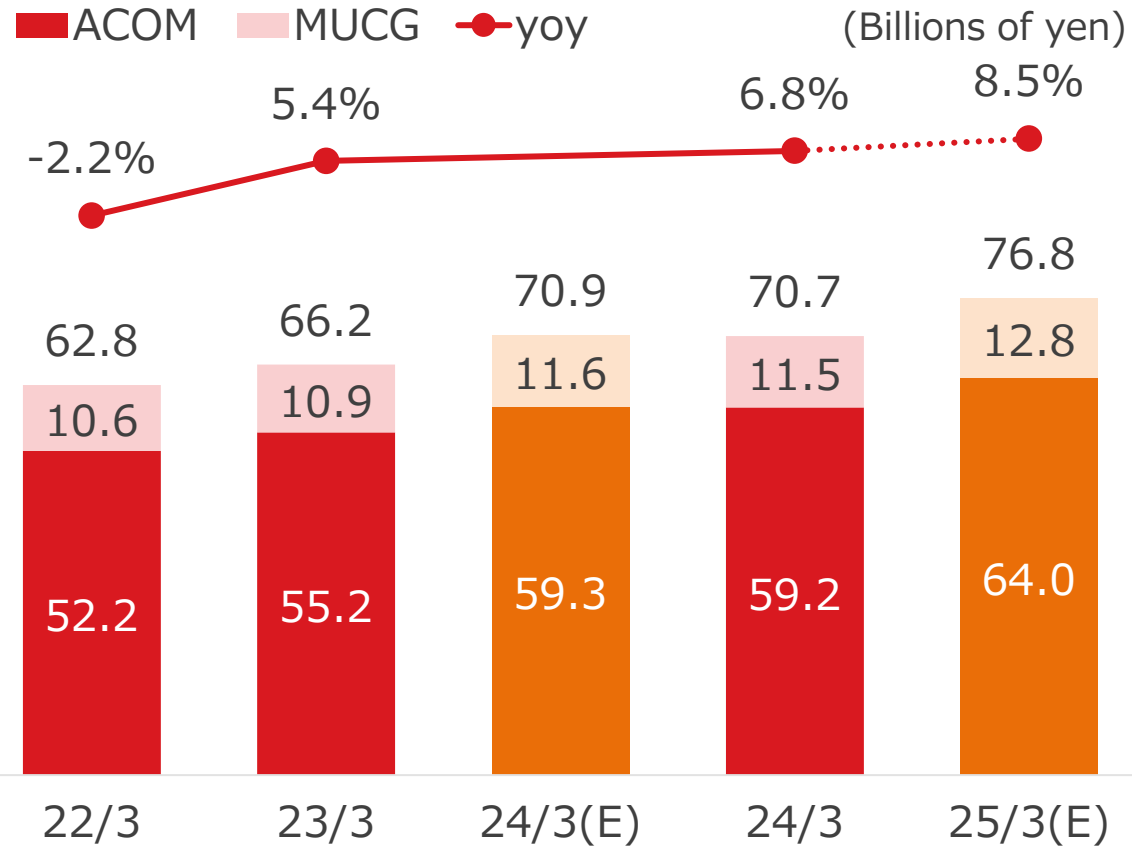




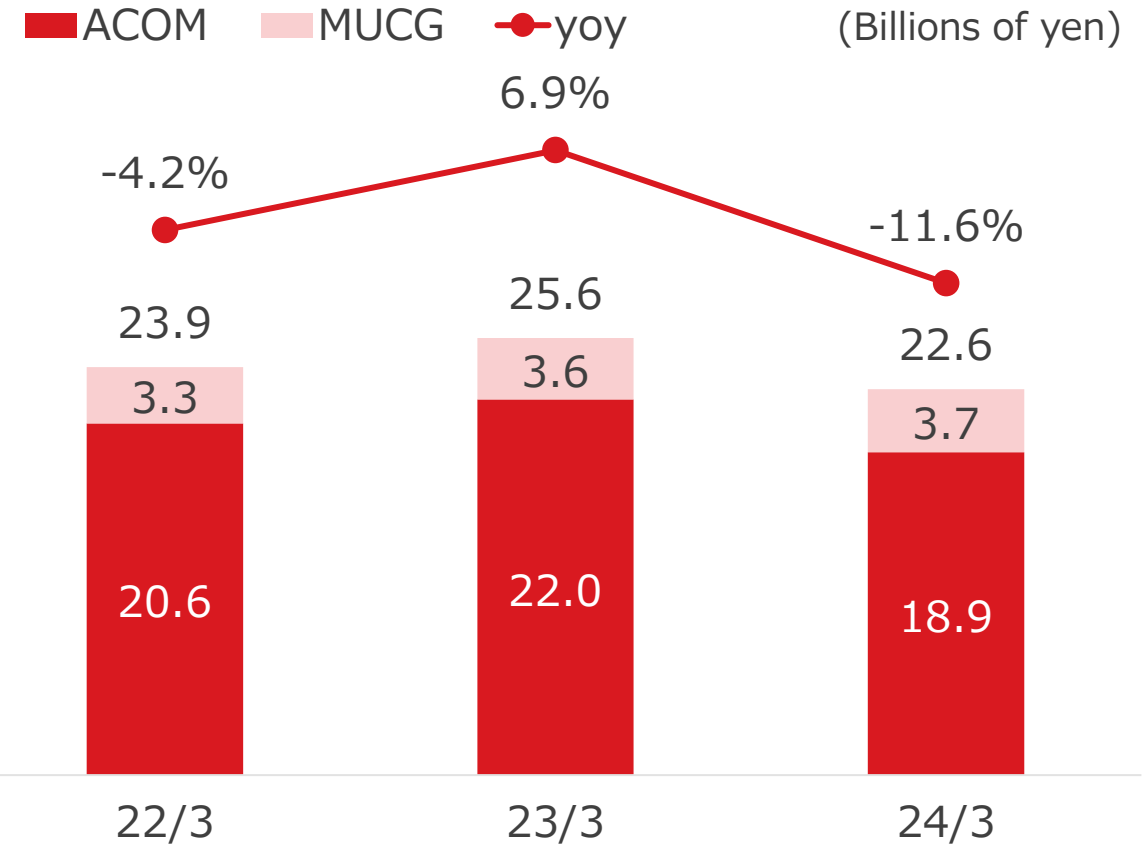
# Guarantee Business | Business Performance

- Operating Revenue increased by 6.8% yoy to ¥70.7 billion owing to the expansion of business scale and revision of guaranteed fee rates.
- Operating Profit decreased by 11.6% yoy to ¥22.6 billion due to an increase in Bad Debt Expenses.

## Operating Revenue



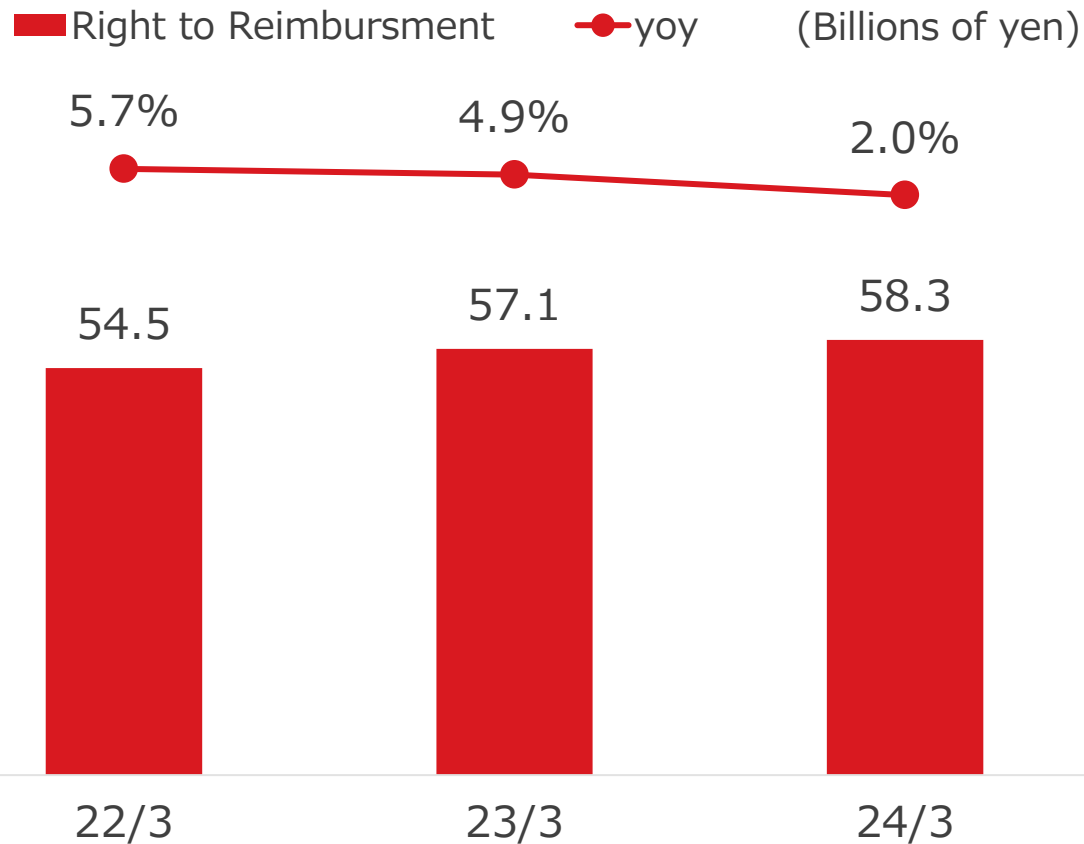
## Operating Profit



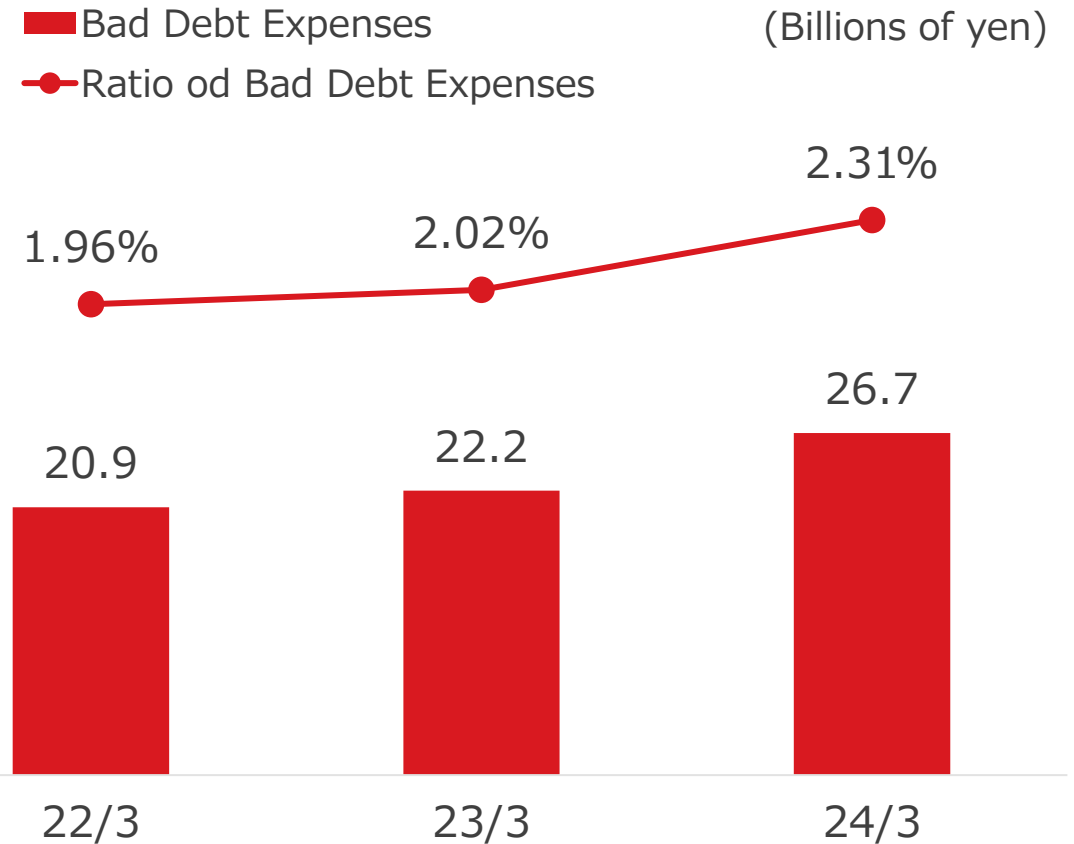
# Guarantee Business | Right to Reimbursement·Bad Debt Expenses (ACOM)

- Right to reimbursement increased by 2.0% yoy to ¥58.3 billion, mainly owing to the expansion of business scale.
- Ratio of Bad Debt Expenses increased by 29 basis points yoy to 2.31%.

## Right to Reimbursement \*

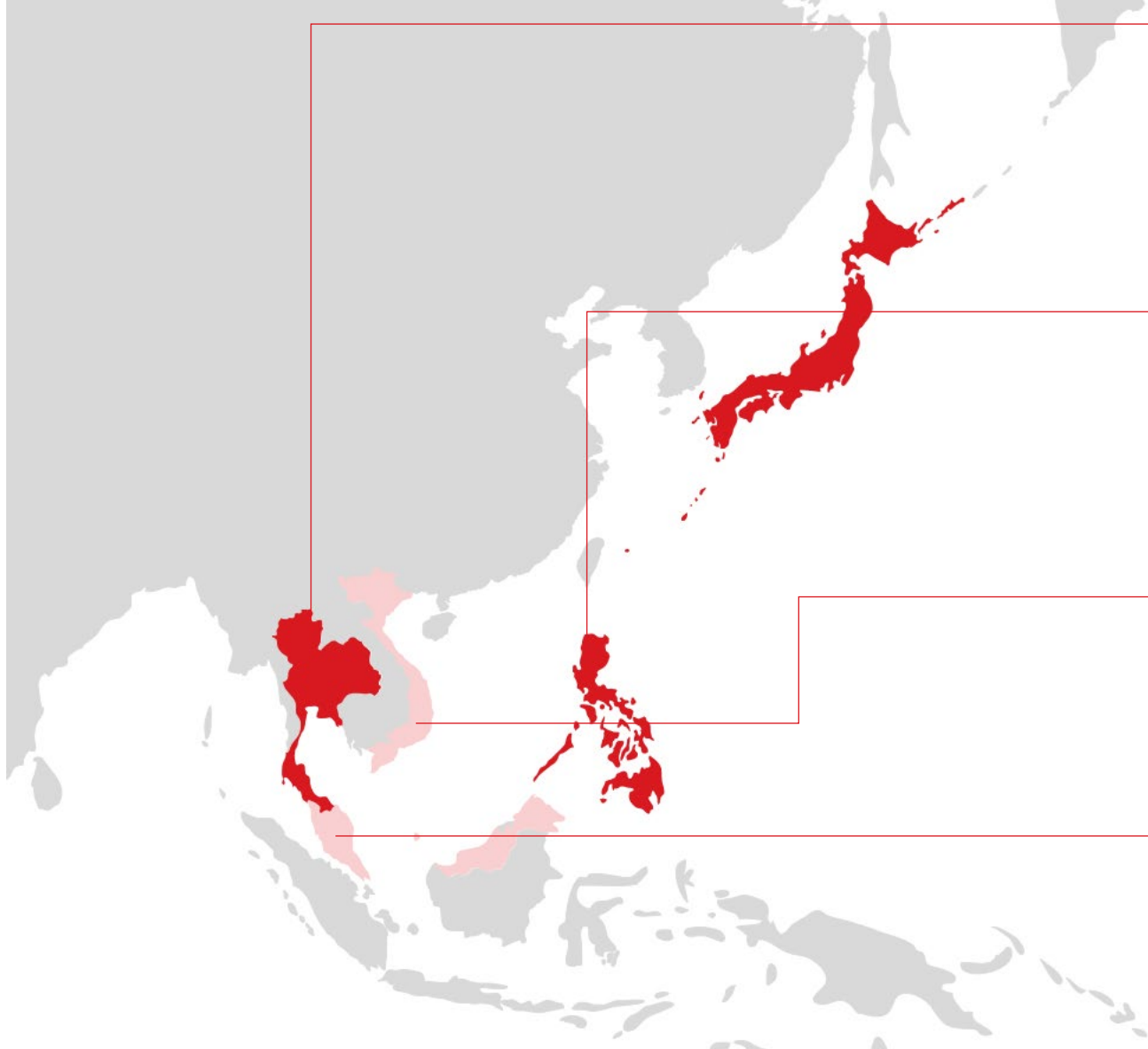


## Amount and Ratio of Bad Debt Expenses



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

# Target Market in Overseas Financial Business



## 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

## Socialist Republic of Vietnam

Applying for license

### ACOM VIETNAM FINANCE COMPANY LIMITED

Equity stake : 100.00%

Business Outline : Unsecured Loan

## Malaysia

### ACOM (M) SDN. BHD.

Equity stake : 100.00%

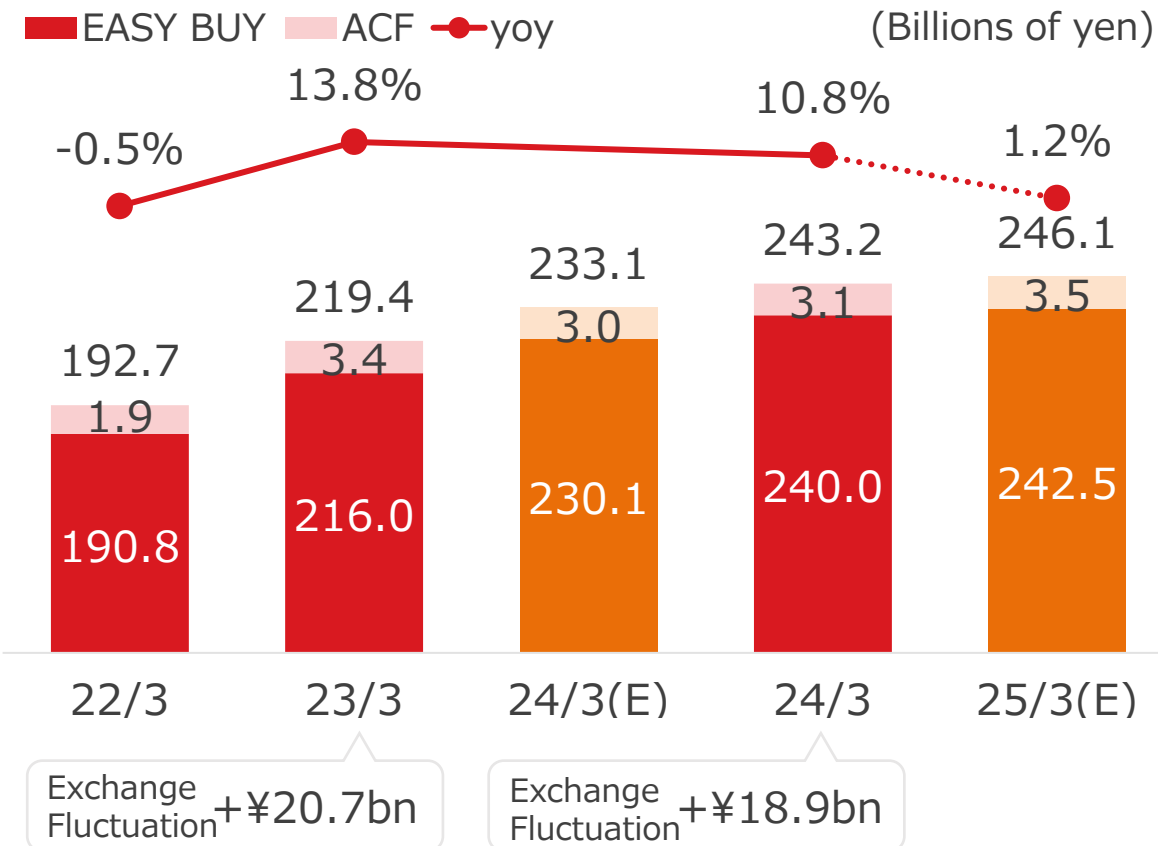
Incorporated : July 2021

Business Outline : Unsecured Loan

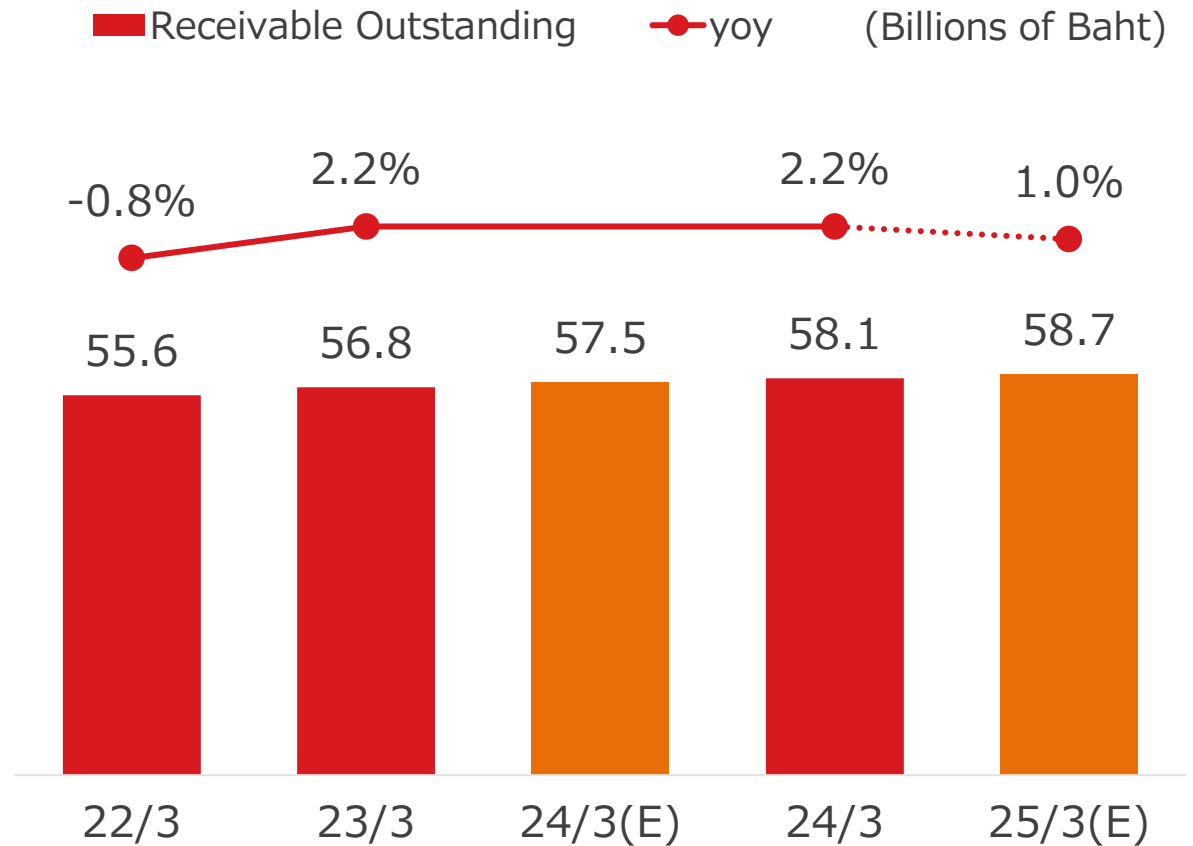
# Overseas Financial Business | Receivables Outstanding\*1

- Receivables Outstanding(Yen Basis) increased by 10.8% yoy to ¥243.2 billion owing to business expansion of EASY BUY and the impact of the depreciation of yen against baht.
- Receivables Outstanding(Local Currencies Basis) at EASY BUY in Thailand increased by 2.2% yoy to 58.1 billion baht.

## Overseas Financial Business(Yen Basis)\*2



## EASY BUY(Local Currencies Basis)



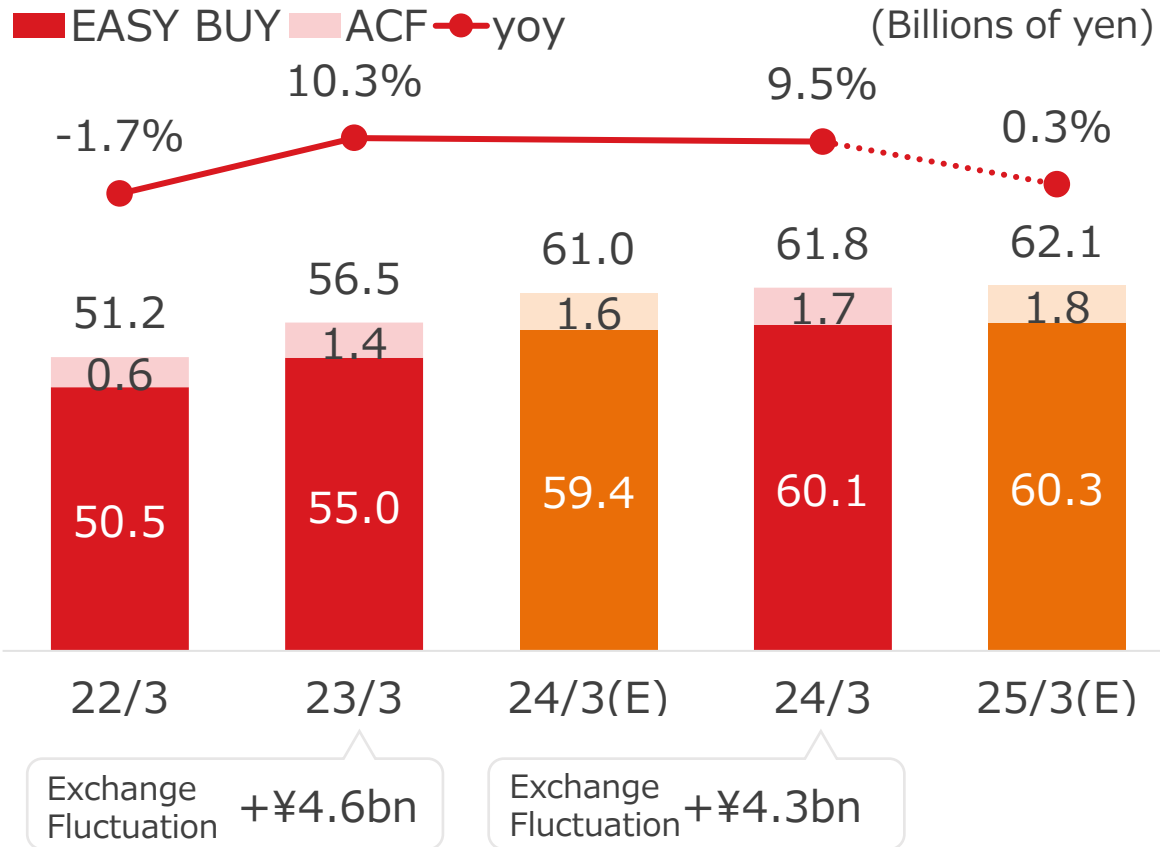
\*1 Receivables outstanding = "accounts receivable - operating loans" + "accounts receivable - installment"

\*2 Exchange rates : Baht ¥3.43(22/3), ¥3.80(23/3), ¥4.13(24/3), ¥4.13(Forecast) Exchange fluctuation : +¥0.33(24/3)

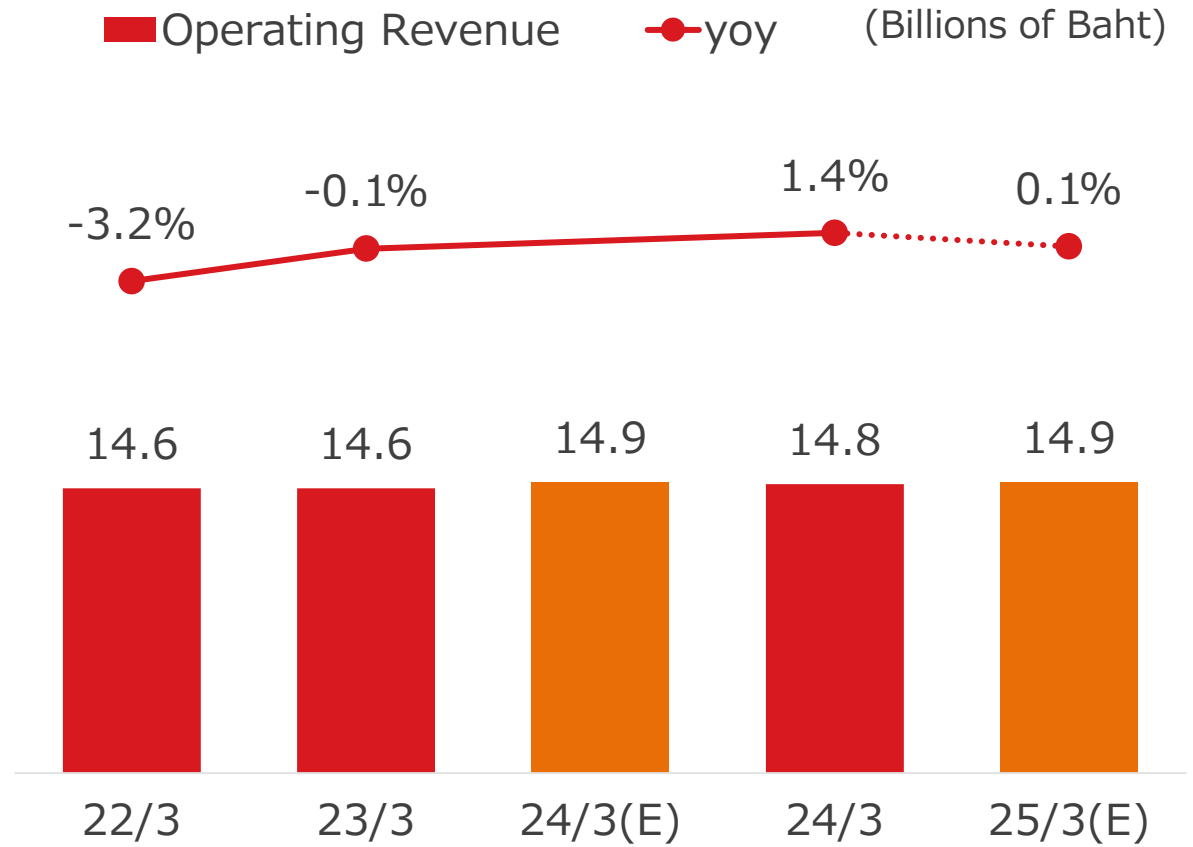
# Overseas Financial Business | Operating Revenue

- Operating Revenue(Yen Basis) increased by 9.5% yoy to ¥61.8 billion owing to business expansion of EASY BUY and the impact of the depreciation of yen against baht.
- Operating Revenue(Local Currencies Basis) increased by 1.4% yoy to 14.8 billion baht.

## Overseas Financial Business(Yen Basis)\*



## EASY BUY(Local Currencies Basis)

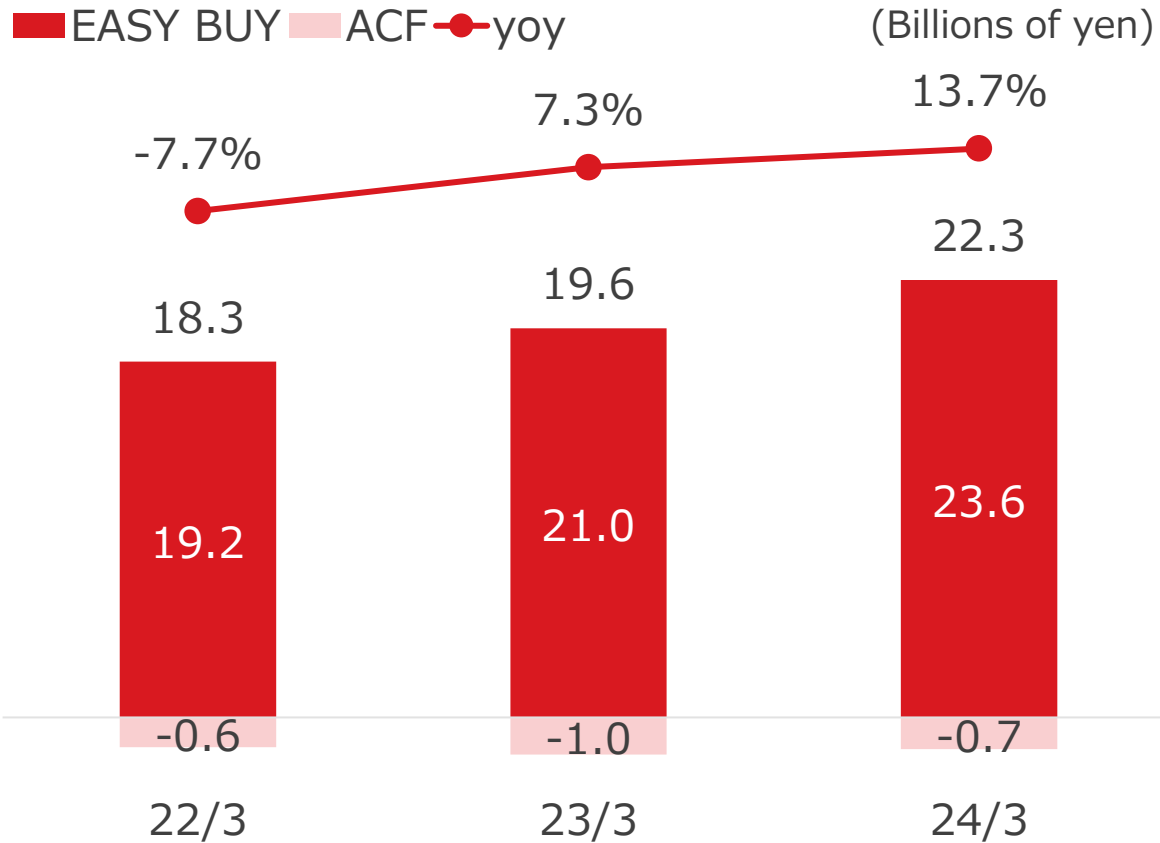


\* Exchange rates : Baht: ¥3.44 (22/3), ¥3.75(23/3), ¥4.04(24/3), ¥4.04 (Forecast) Exchange fluctuation : +¥0.29 (24/3)

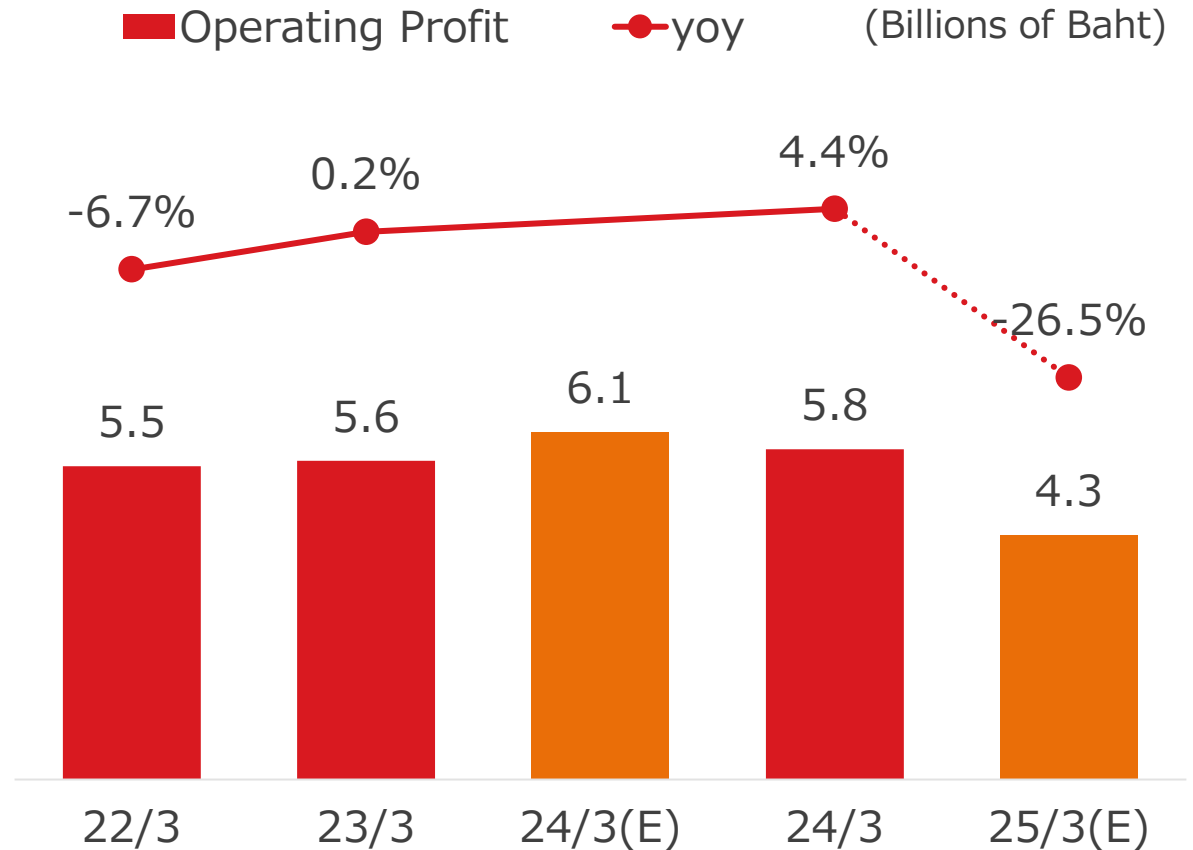
# Overseas Financial Business | Operating Profit

- Operating Profit(Yen Basis) increased by 13.7% yoy to ¥22.3 billion mainly owing to business expansion of EASY BUY and the impact of the depreciation of yen against baht.
- Operating Profit(Local Currencies Basis) increased by 4.4% yoy to 5.8 billion baht.

## Overseas Financial Business(Yen Basis)\*



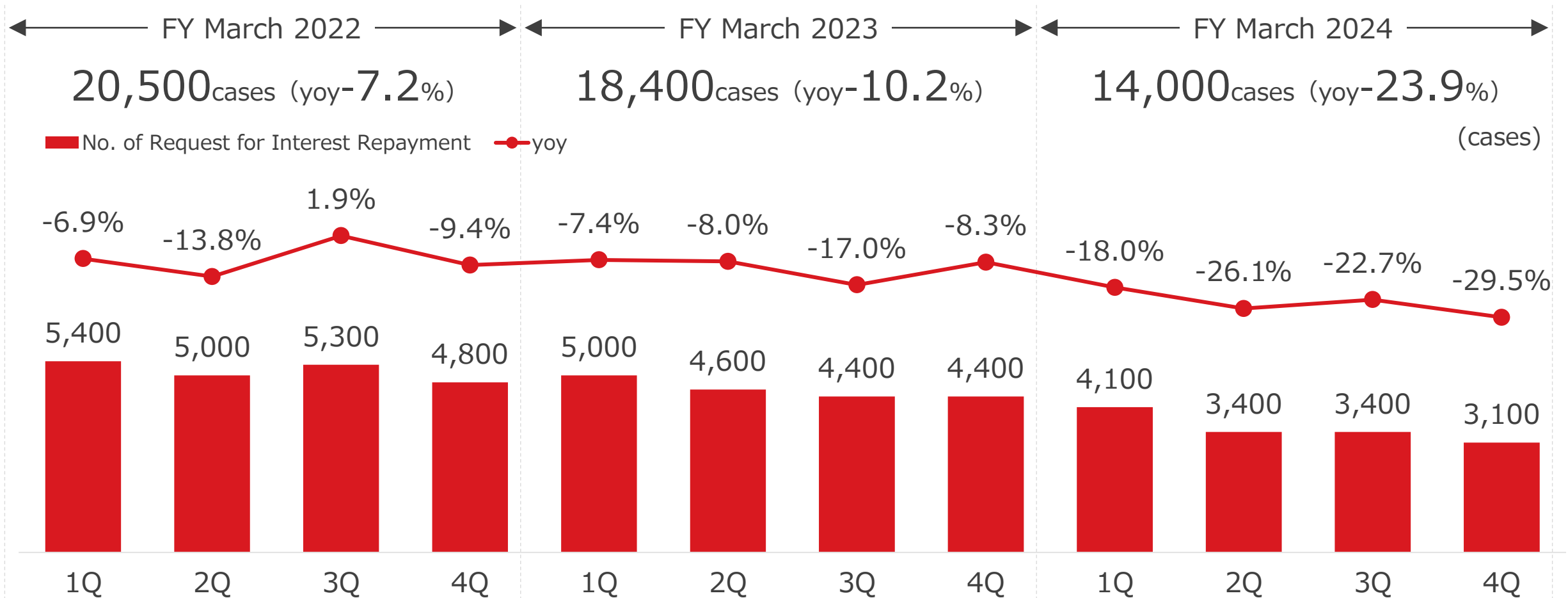
## EASY BUY(Local Currencies Basis)



\* Profit by Segment

# No. of Requests for Interest Repayment\*

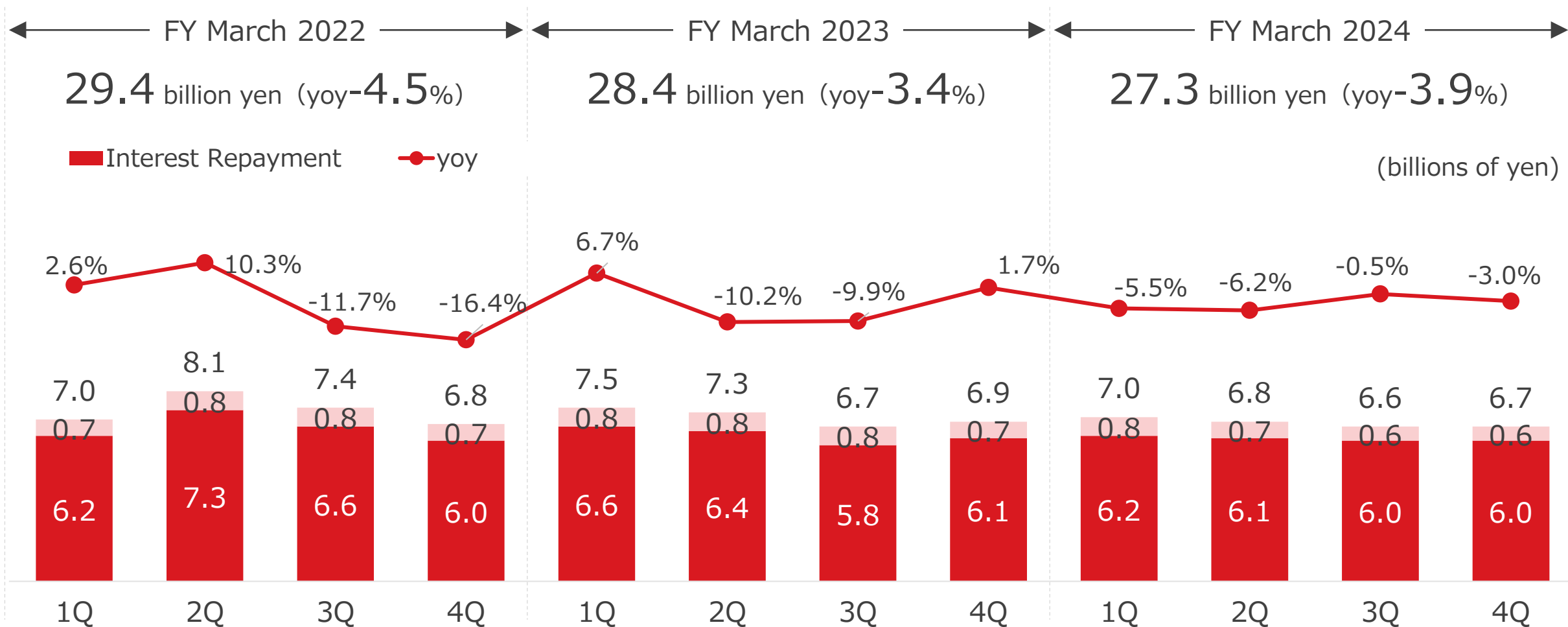
- The number of requests for FY March 2024 decreased by 23.9% yoy to 14 thousands.
- The number of requests for FY March 2025 is expected to decrease around 25% yoy.



\* 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 was ¥6.7 billion in 4Q, and ¥27.3 billion (down -3.9% yoy) in total in FY March 2024.
- There was no addition to provision in FY March 2024. Balance of provision is ¥30.3 billion.  
(Covers up to FY March 2026)
- Estimate amount of drawdown to decrease around 15% yoy in FY March 2025.

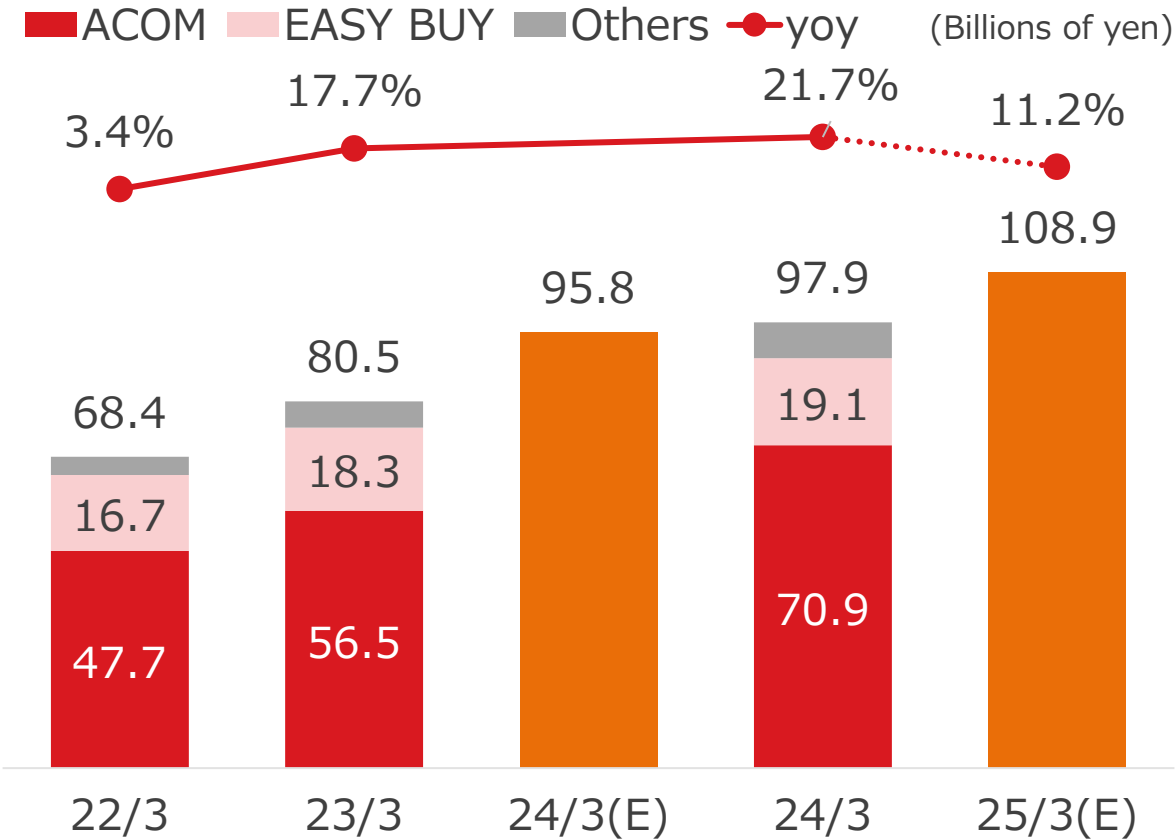




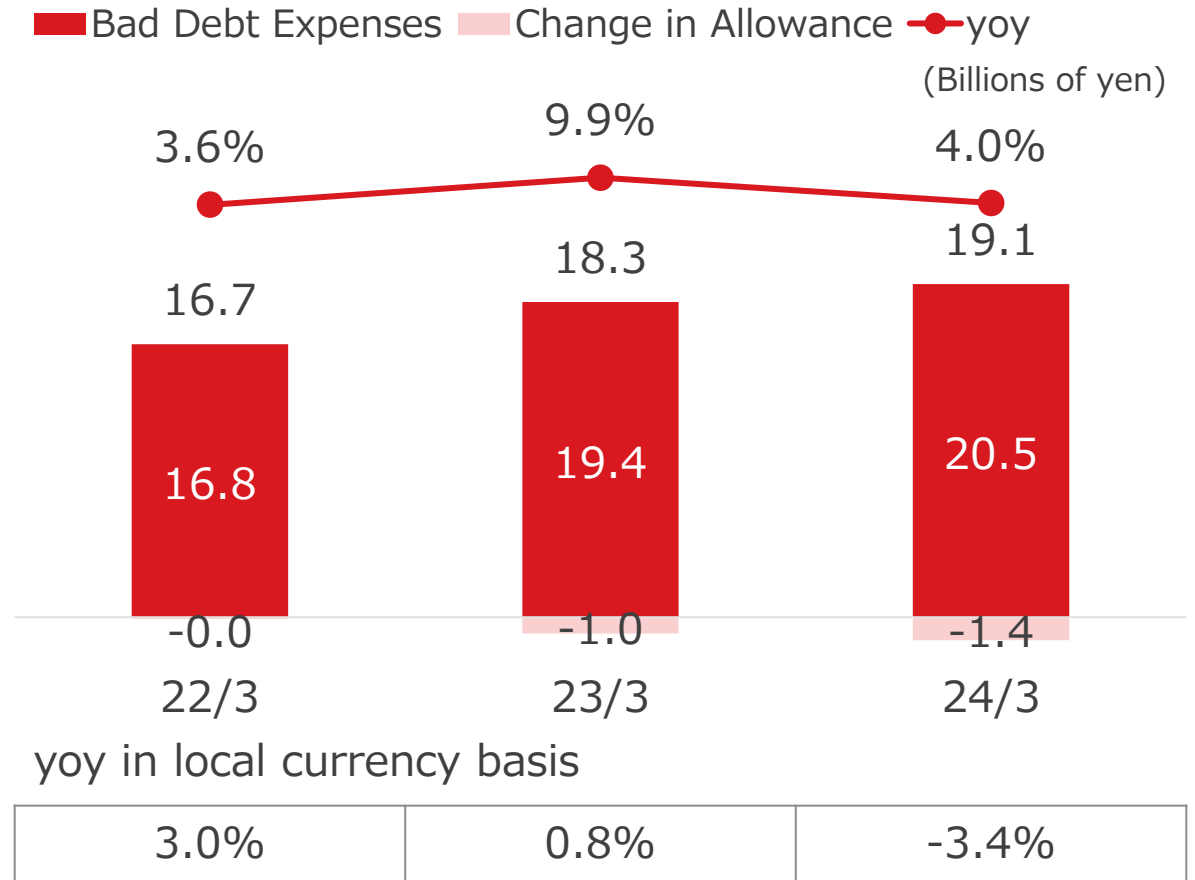
# Q Provision for Bad Debts

- Provision for Bad Debts (Consolidated) increased by 21.7% yoy to ¥97.9 billion due to an increase in ACOM.
- Provision for Bad Debts at EASY BUY increased by 4.0% yoy to ¥19.1 billion and decreased by 3.4% in local currency basis.

## ■ Provision for Bad Debts (Consolidated)



## ■ Provision for Bad Debts (EASY BUY)

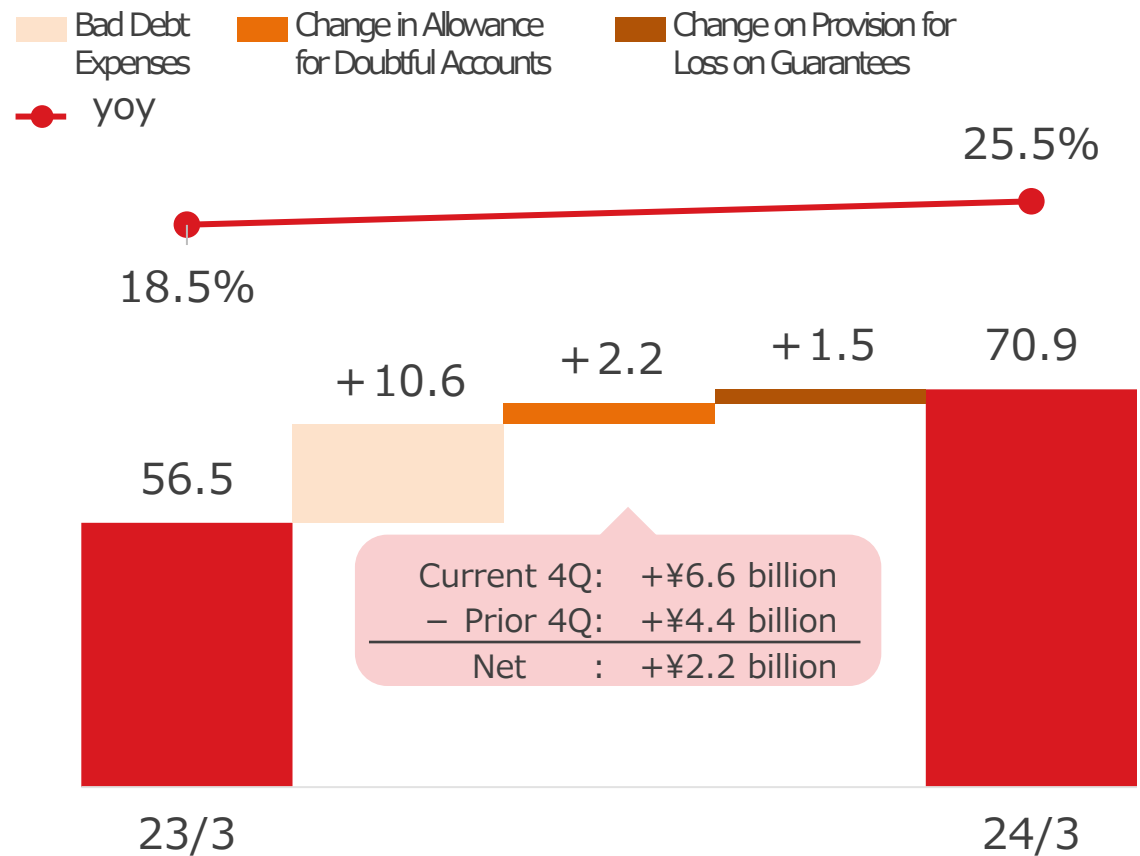


# Provision for Bad Debts (ACOM)

- Provision for Bad Debts increased by ¥14.4 billion yoy to ¥70.9 billion mainly due to the expansion of business scale.

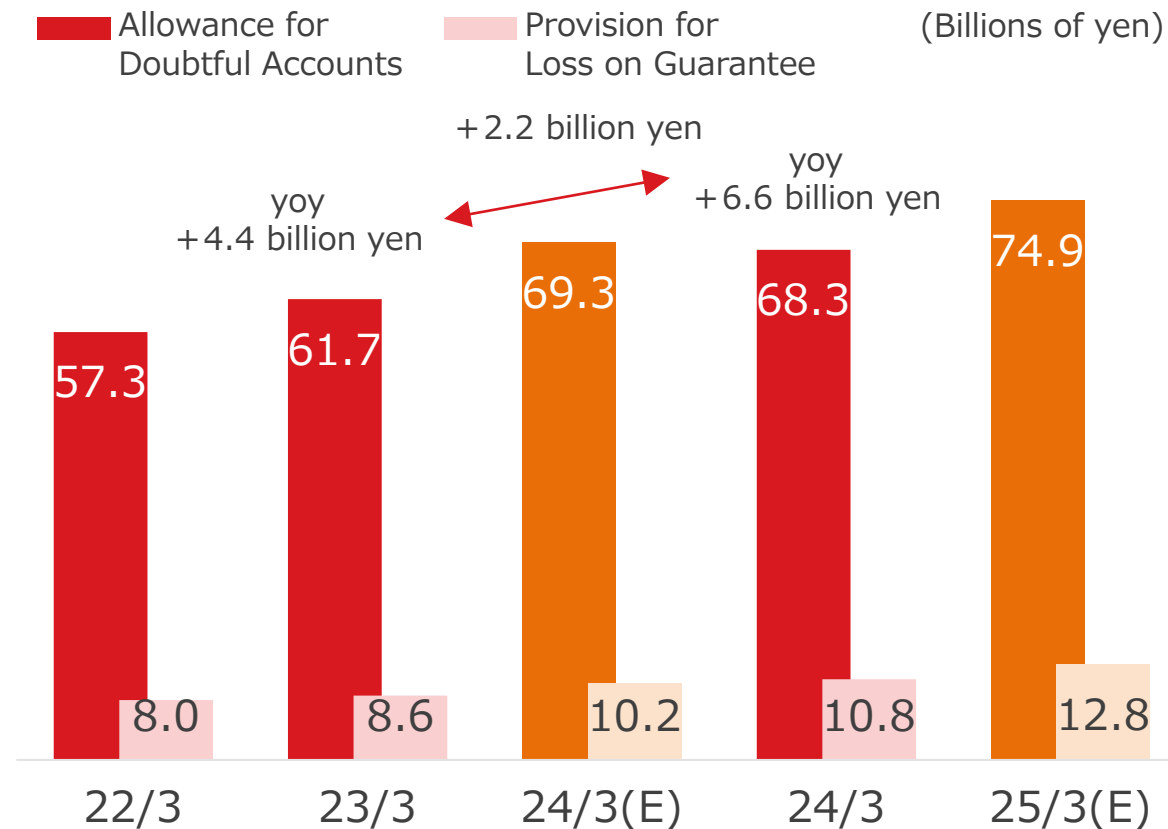
## Provision for Bad Debts

(Billions of yen)



## Reserves for Loan and Guarantee

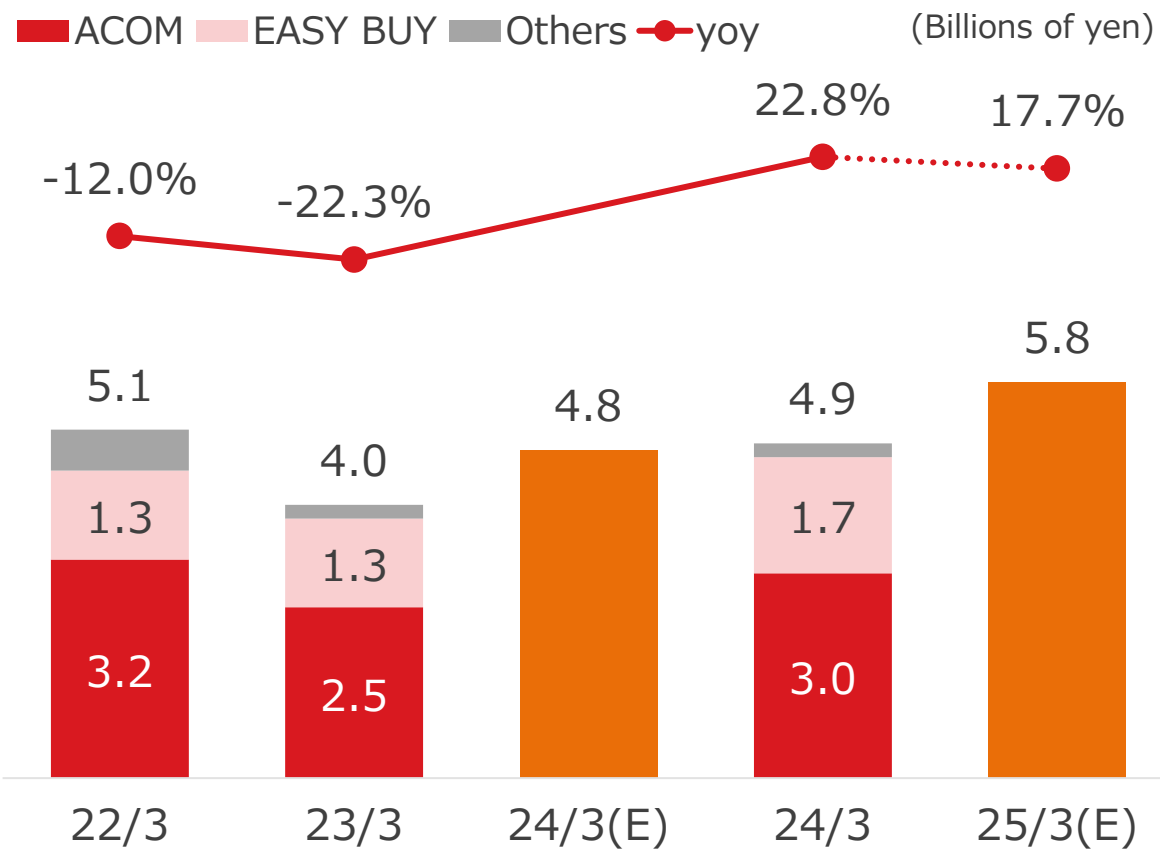
(Billions of yen)



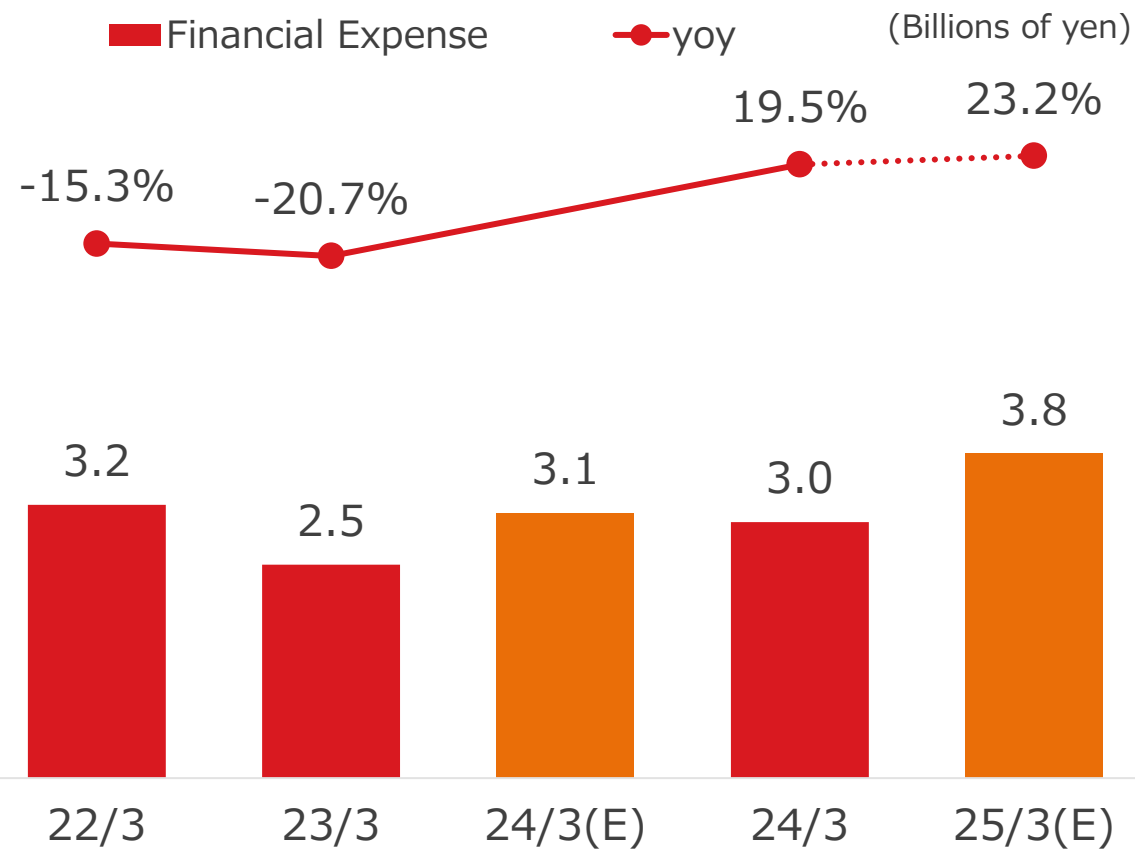
# Financial Expenses

- Financial Expenses (Consolidated) increased by 22.8% yoy to ¥4.9 billion.
- Financial Expenses (ACOM) increased by 19.5% yoy to ¥3.0 billion.

## Financial Expenses (Consolidated)



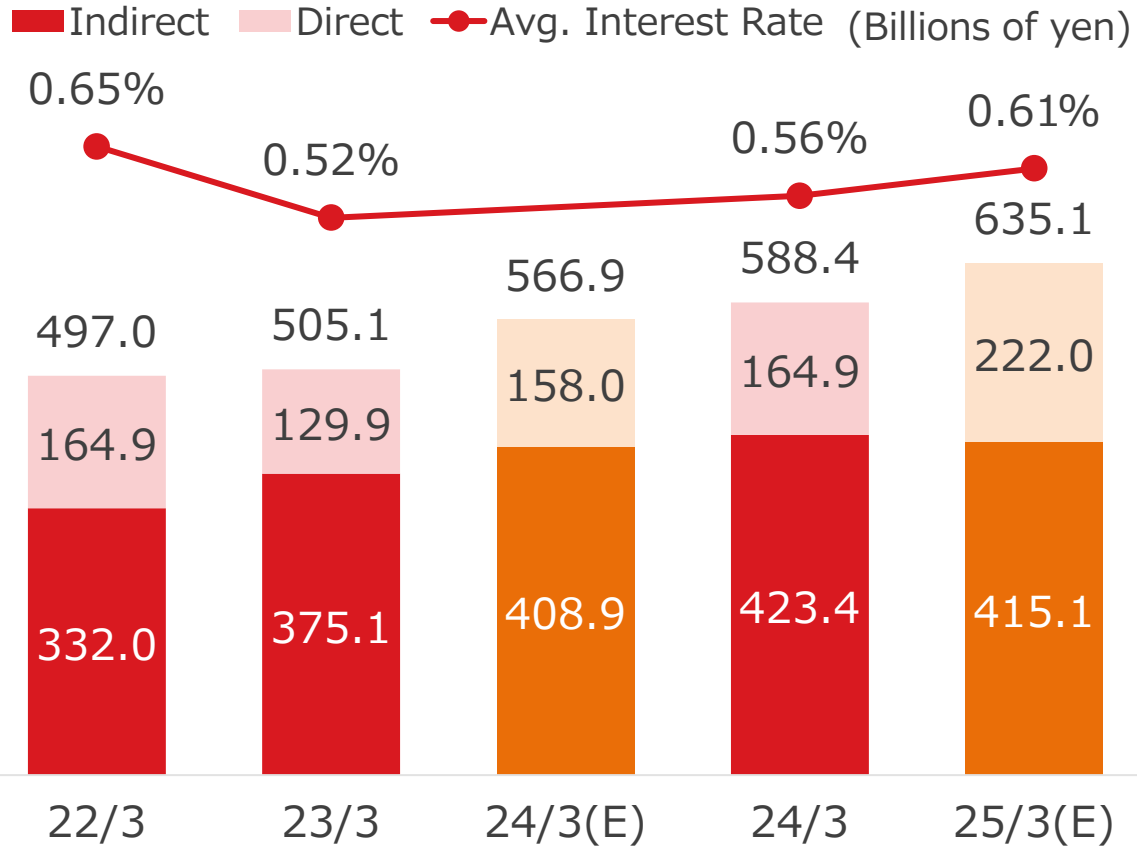
## Financial Expenses (ACOM)



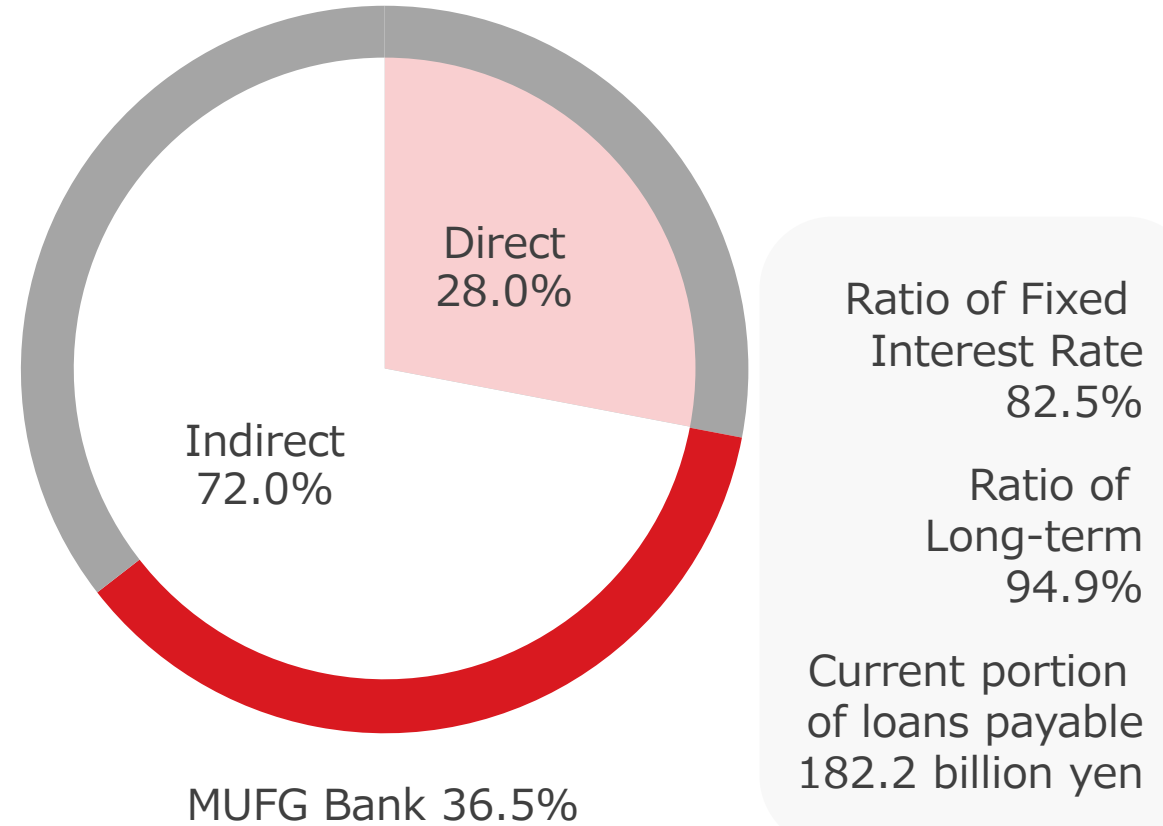
# Financial Expenses | Borrowings(ACOM)

- Borrowings increased by ¥83.2 billion yoy to ¥588.4 billion.
- Average Interest Rate increased by 4 bps yoy to 0.56%.

## Borrowings



## Composition Ratio by Funding Sources

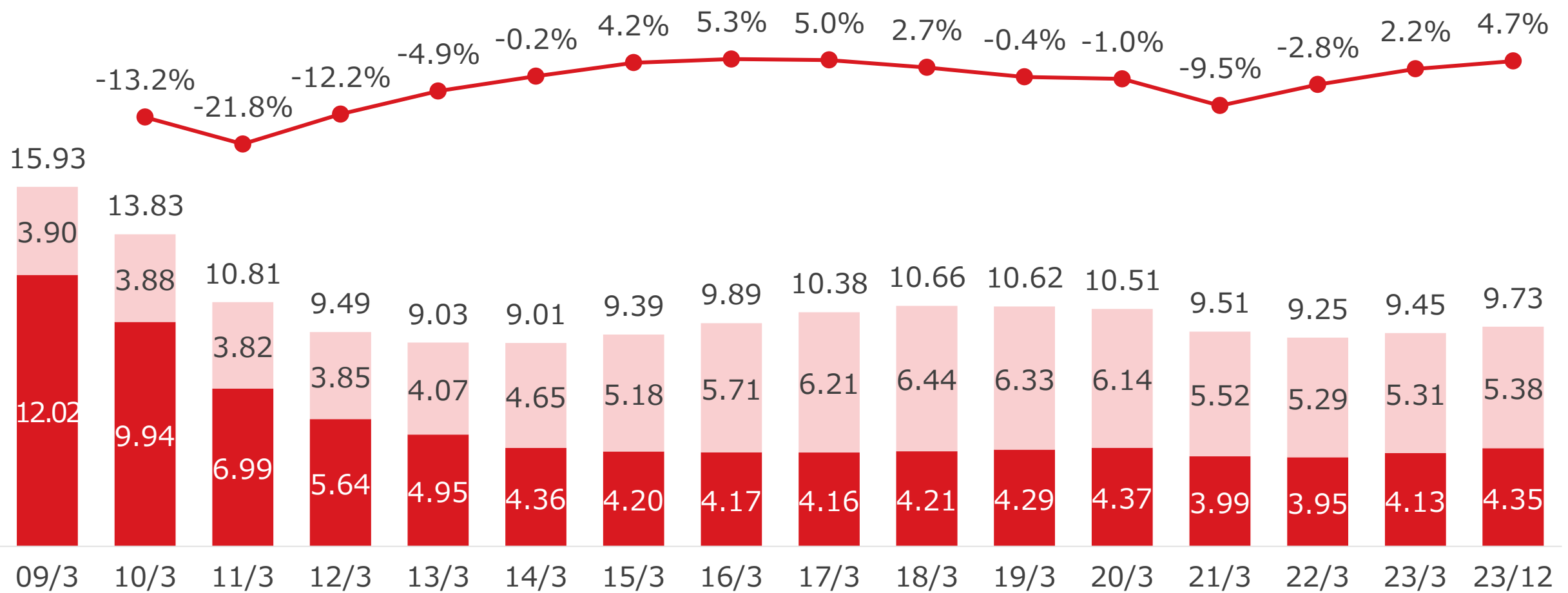


# Appendix

# Market Volume of Domestic Personal Card Loan

■ Nonbank\*1   ■ Bank\*2   ● yoy

(Trillions of yen)



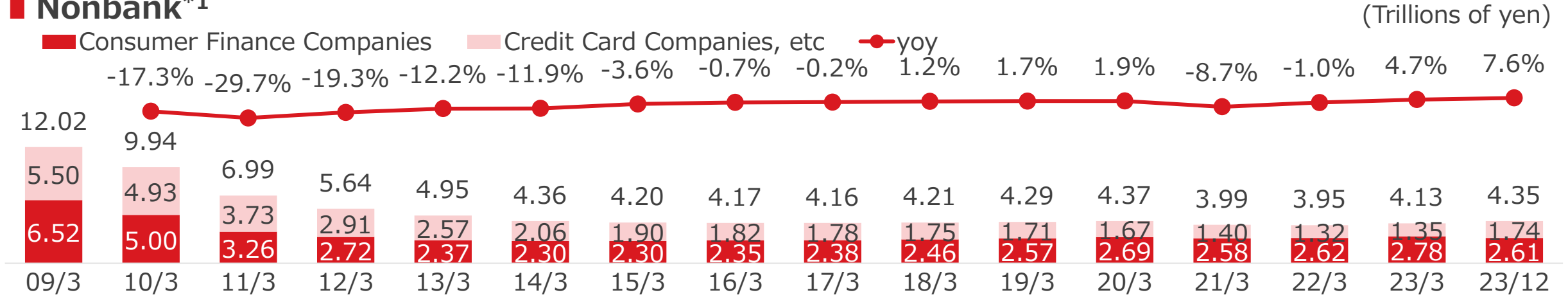
ACOM's Share	10.3%	12.4%	13.5%	14.4%	15.6%	16.2%	16.7%	17.2%	17.4%	17.7%	18.2%	18.9%	19.4%	19.6%	19.9%
Consolidated	16.4%	17.1%	17.7%	18.4%	18.8%	19.1%	19.7%	20.5%	21.1%	21.4%	21.7%				

\*1 Nonbank refers to receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2023/12 is preliminary

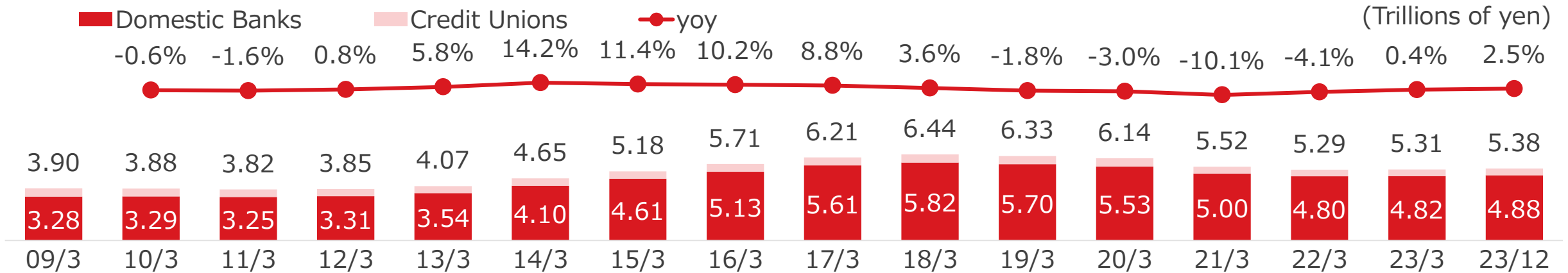
\*2 Bank refers to the volume of personal card loans provided by domestic banks and credit unions in statistics by The Bank of Japan

# Market Volume of Personal Card Loan by Business Type

## Nonbank\*1



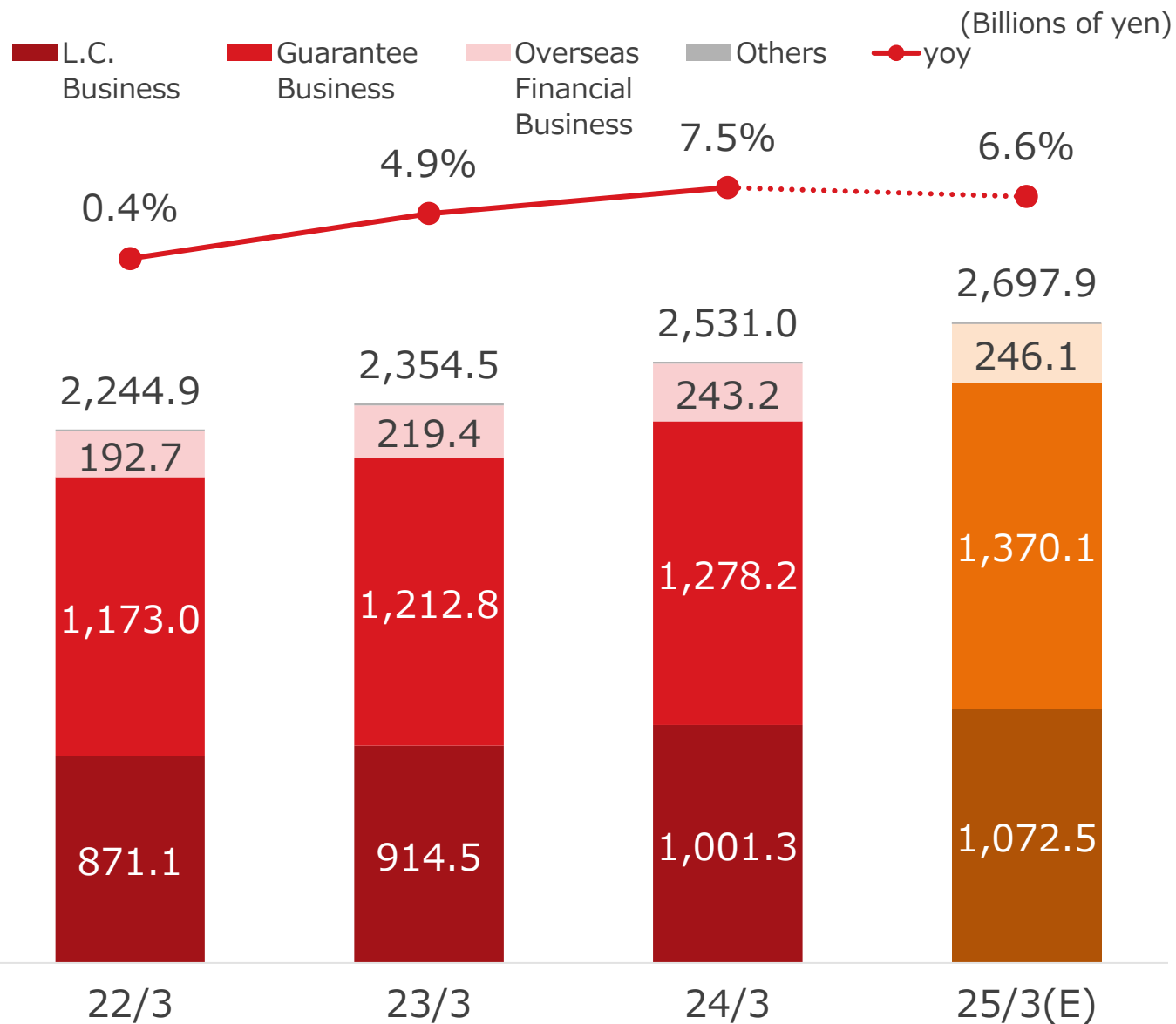
## Bank\*2



\*1 Nonbank refers to receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2023/12 is preliminary

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

# Annual Forecast for the FY March 2024(Business Scale)



Consolidated Receivables Outstanding

**¥2,697.9bn**  
(yoy + 6.5%)

L.C. Business

**¥1,072.5bn**  
(yoy + 7.1%)

Guarantee Business

**¥1,370.1bn**  
(yoy + 7.2%)

Overseas Financial Business

**¥246.1bn**  
(yoy + 1.2%)

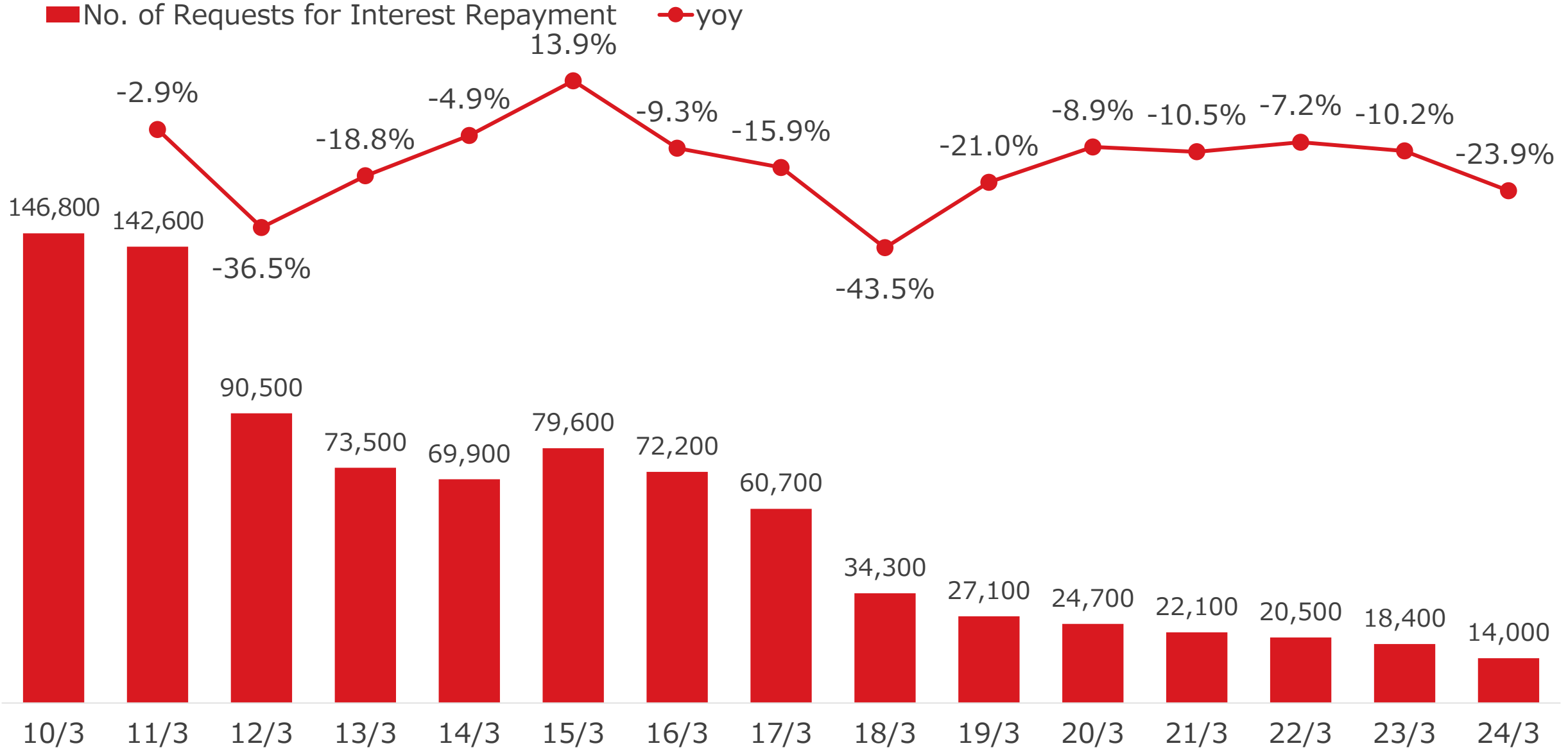




# Annual Forecast for the FY March 2025(Performance) (Millions of yen, %)

	2024/3		2025/3	
	Results	yoy	Forecast	yoy
1 Operating Revenue	294,730	7.6	313,500	6.4
2    Loan and Credit Card Business	156,036	7.5	168,500	8.0
3    Guarantee Business	70,787	6.8	76,800	8.5
4    Overseas Financial Business	61,892	9.5	62,100	0.3
5 Operating Expenses	208,383	11.7	226,400	8.6
6    Financial Expenses	4,927	22.8	5,800	17.7
7    Provision for Bad Debts	97,952	21.7	108,900	11.2
8    Provision for Loss on Interest Repayment	-	-	-	-
9    Other Operating Expenses	105,502	3.5	111,700	5.9
10 Operating Profit	86,347	-1.1	87,100	0.9
11 Ordinary Profit	86,715	-0.9	87,500	0.9
12 Profit Before Income Taxes	86,736	2.3	87,300	0.6
13 Profit	57,825	-2.8	59,400	2.7
14    Profit Attributable to Owners of Parent	53,091	-3.3	55,600	4.7

# Trend of No. of Requests for Interest Repayment

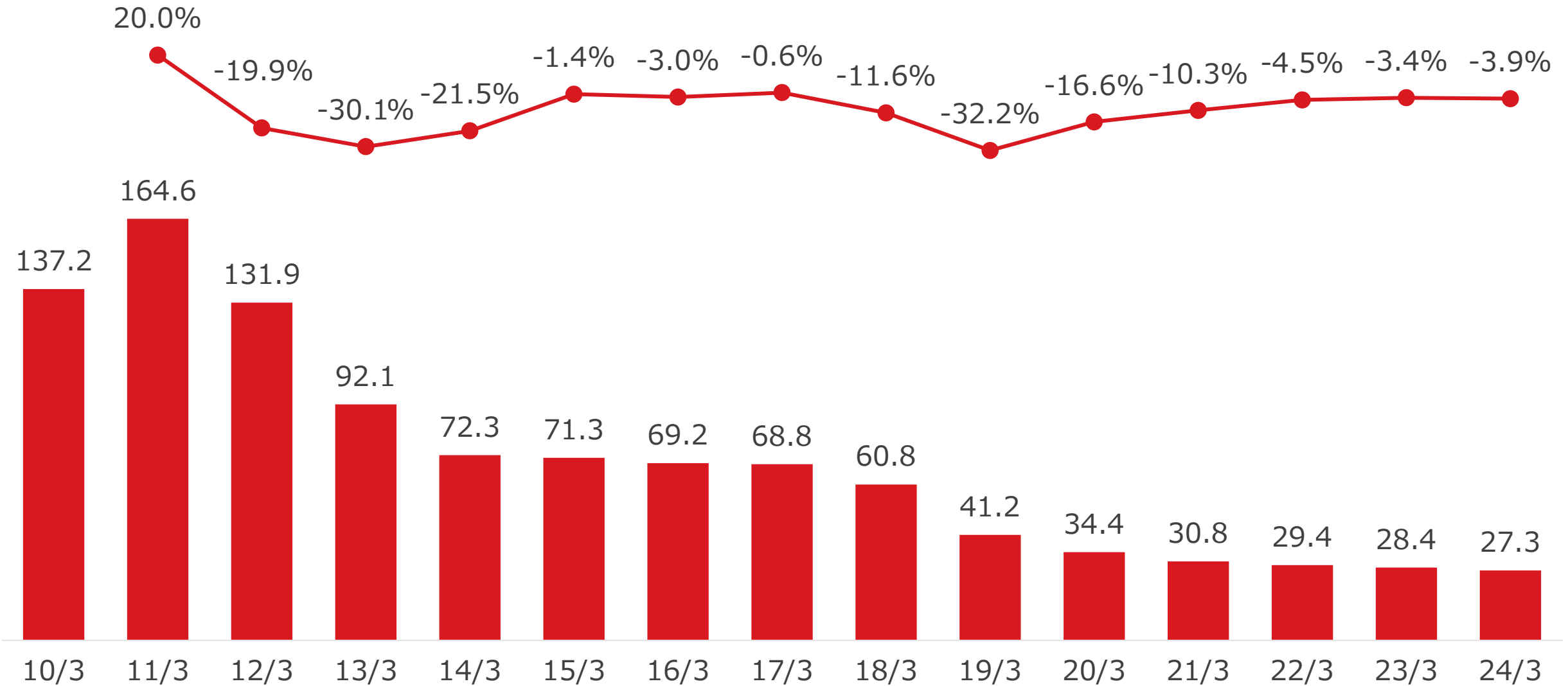


\* No. of requests which interest repayment occurs as a result of ACOM's recalculation based on the interest ceiling as specified in Interest Rate Restriction Act from claims which lawyers or judicial scriveners accept debt consolidation. (including reaccepted requests)

# Trend of Loss on Interest Repayment

■ Provision Drawdown ● yoy

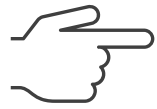
(Billions of yen)



# Key Points for Provision

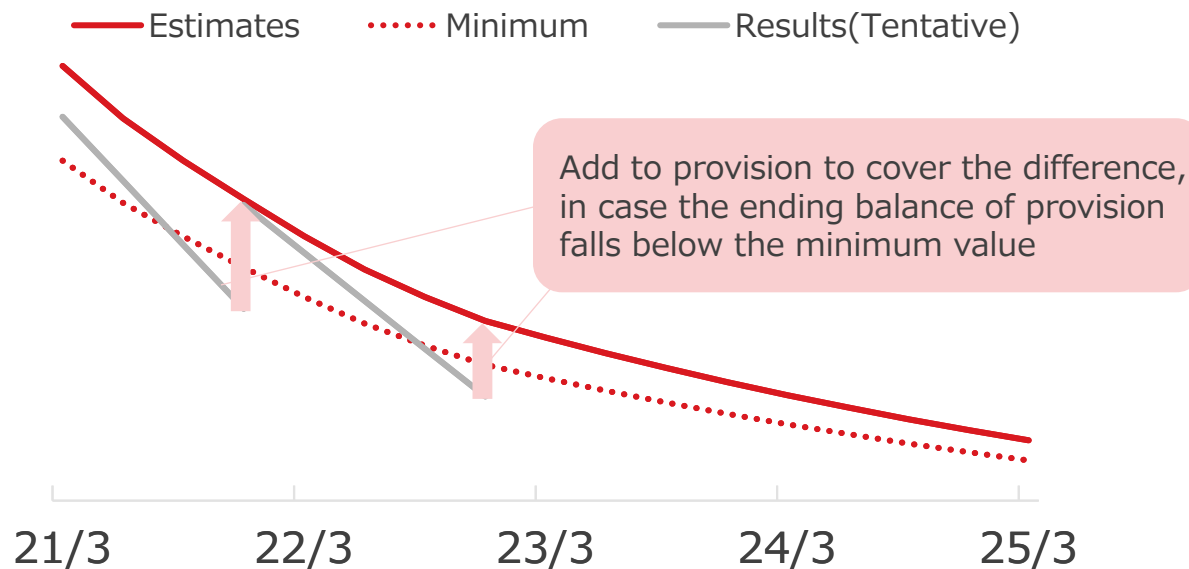
## Evaluation method of Provision for Loss on Interest Repayment

- 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

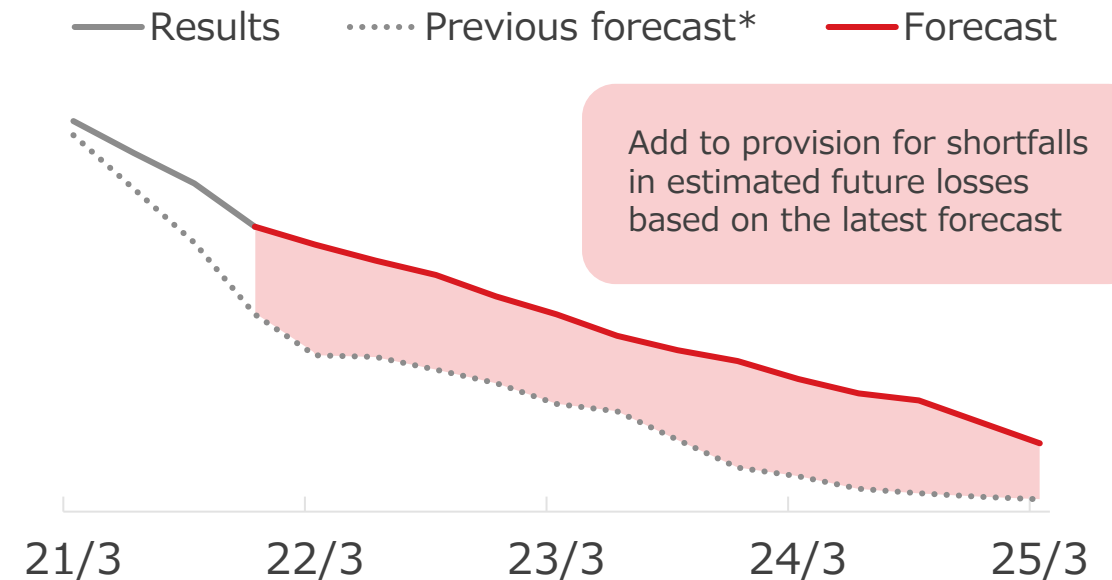


Determined that it was necessary to recalculate the future losses because actual results were lower than expected and the speed of decline slowed down considerably despite the assumption that the speed of decline in the number of requests for Interest Repayment would accelerate in the projections at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

### Method of addition to Provision (above①)



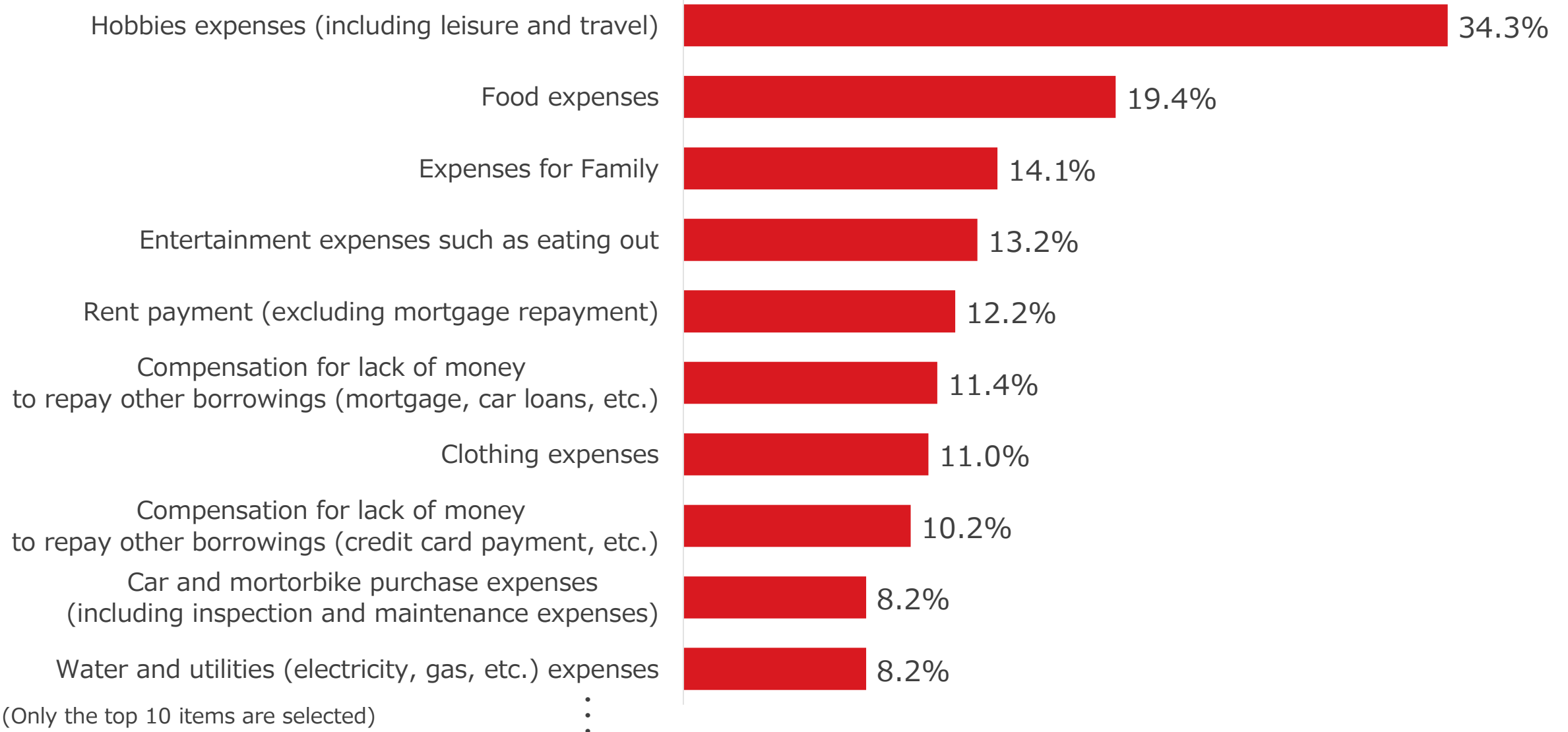
### Method of addition to Provision (above②)



\*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)

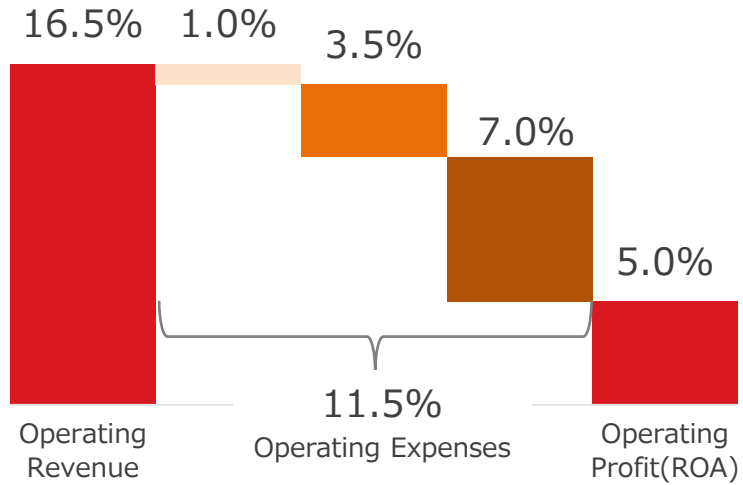


\*"The survey results report on borrowing awareness and borrowing behavior of fund demanders" dated October 31, 2023, by Japan Financial Services Association (JFSA).

# Yardstick of Return on Assets (ROA) by Business Segments

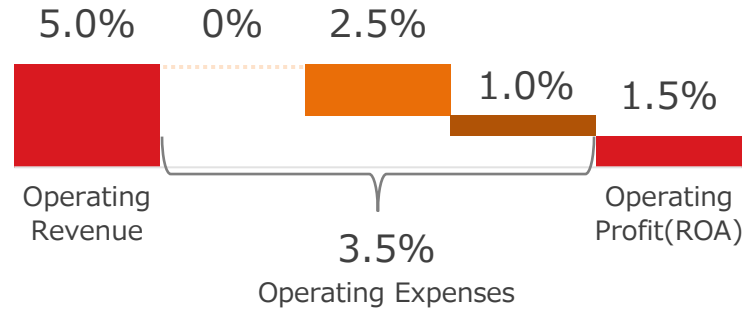
## L.C. Business

Financial Expenses Provision for Bad Debts Other Operating Expenses

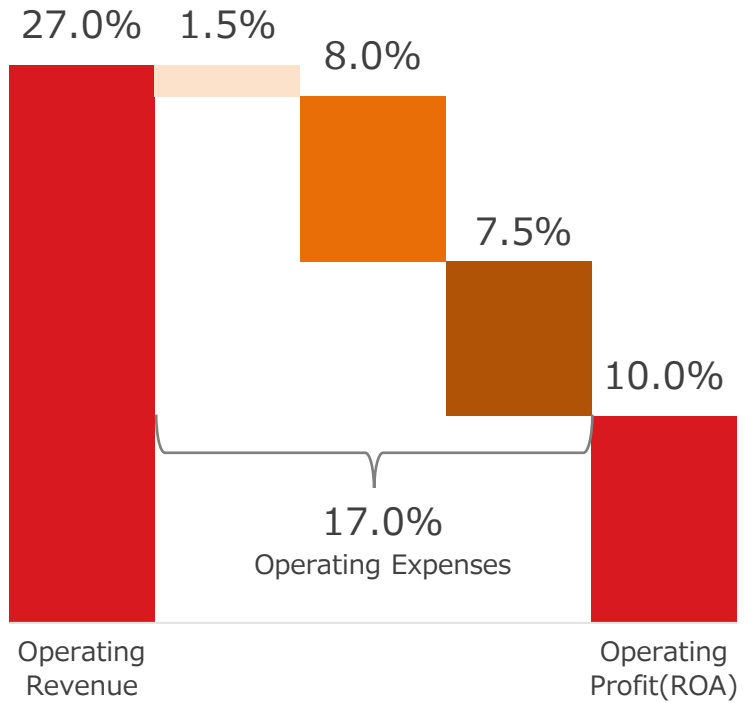


## Guarantee Business

Financial Expenses Provision for Bad Debts Other Operating Expenses



## Overseas Financial Business



# Vision

- 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

Employees

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.

## Employees

- 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.

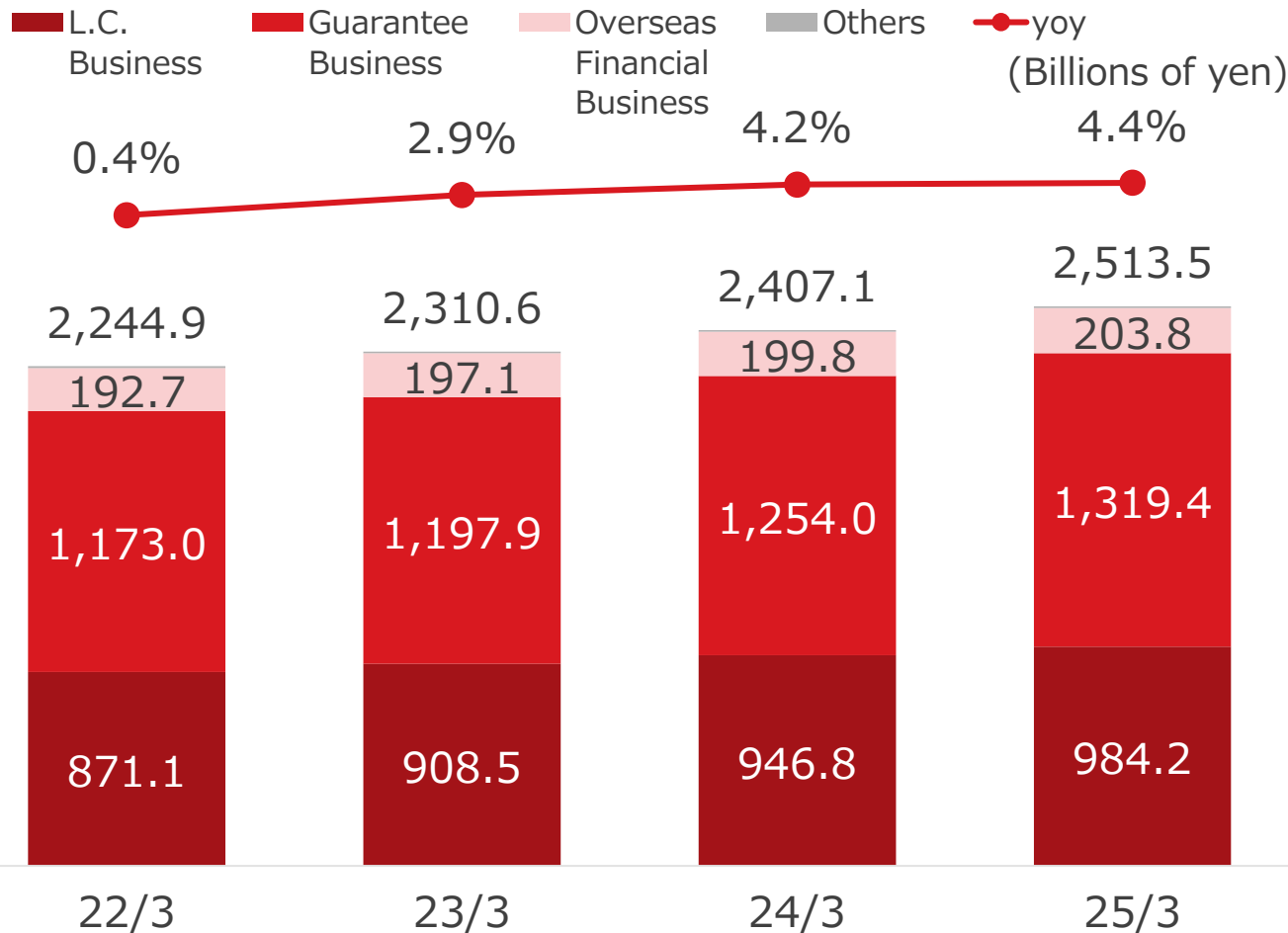
## Partners

- 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.



Consolidated  
Receivables  
Outstanding

**¥2,513.5bn**  
(CAGR 3.8%)

L.C. Business

**¥984.2bn**  
(CAGR 4.2%)

Guarantee  
Business

**¥1,319.4bn**  
(CAGR 4.0%)

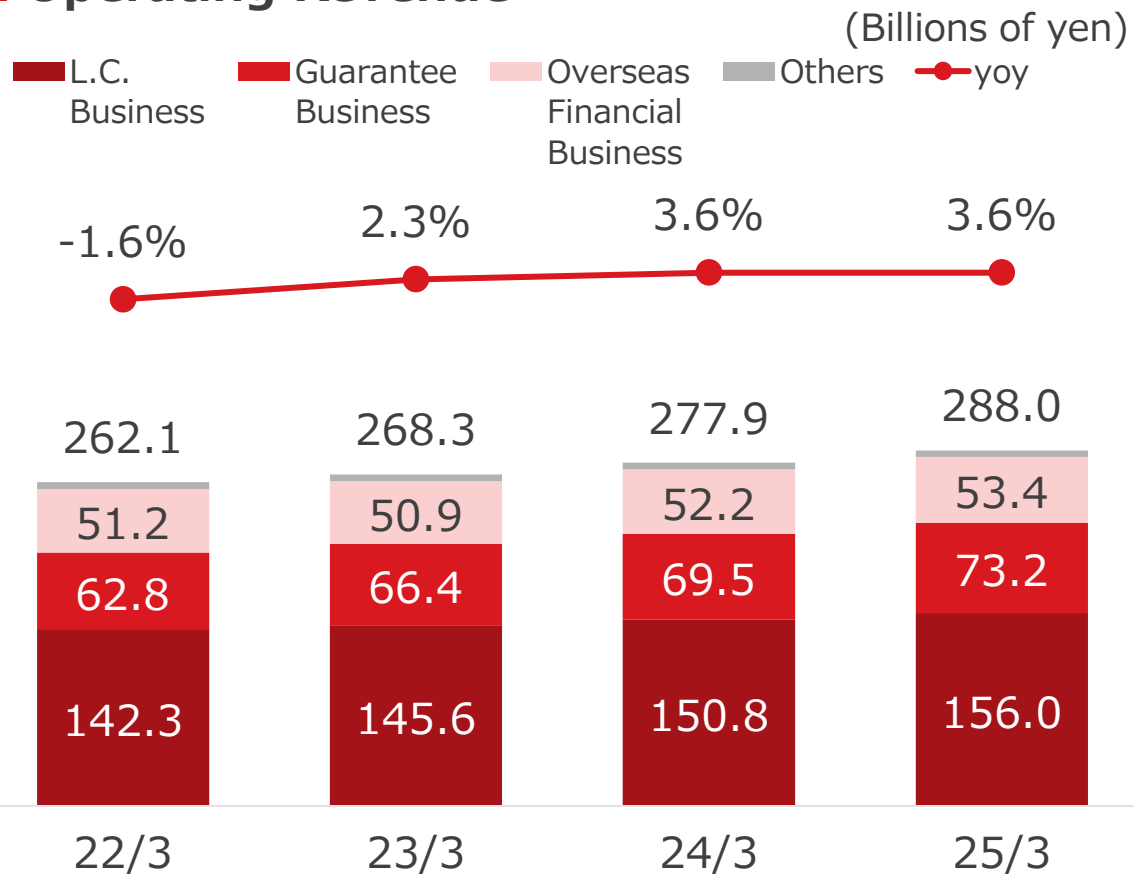
Overseas  
Financial  
Business

**¥203.8bn**  
(CAGR 1.9%)

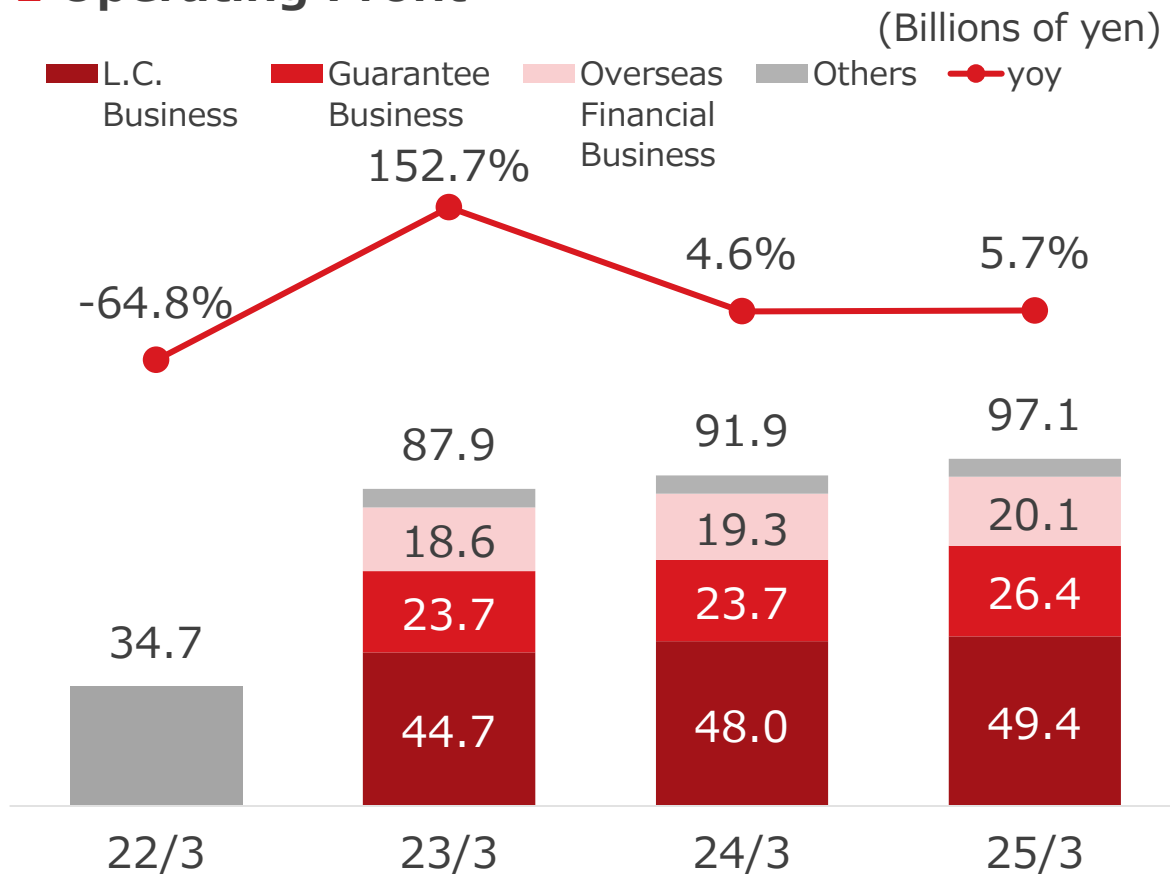
# Mid-Term Management Plan | Business Performance

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

## Operating Revenue



## Operating Profit



# Mid-Term Key Themes

Key Point of New Mid-Term Management Plan

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

All Basics

- Fostering a Compliance Culture

## Business Strategy

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

## Functional Strategy

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

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

# Q 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.



Providing various financial functions to a range of companies

We allow partners to incorporate financial functions in their own services without acquiring their own financial license

Customers can benefit from value-added, seamless financial services

# 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.

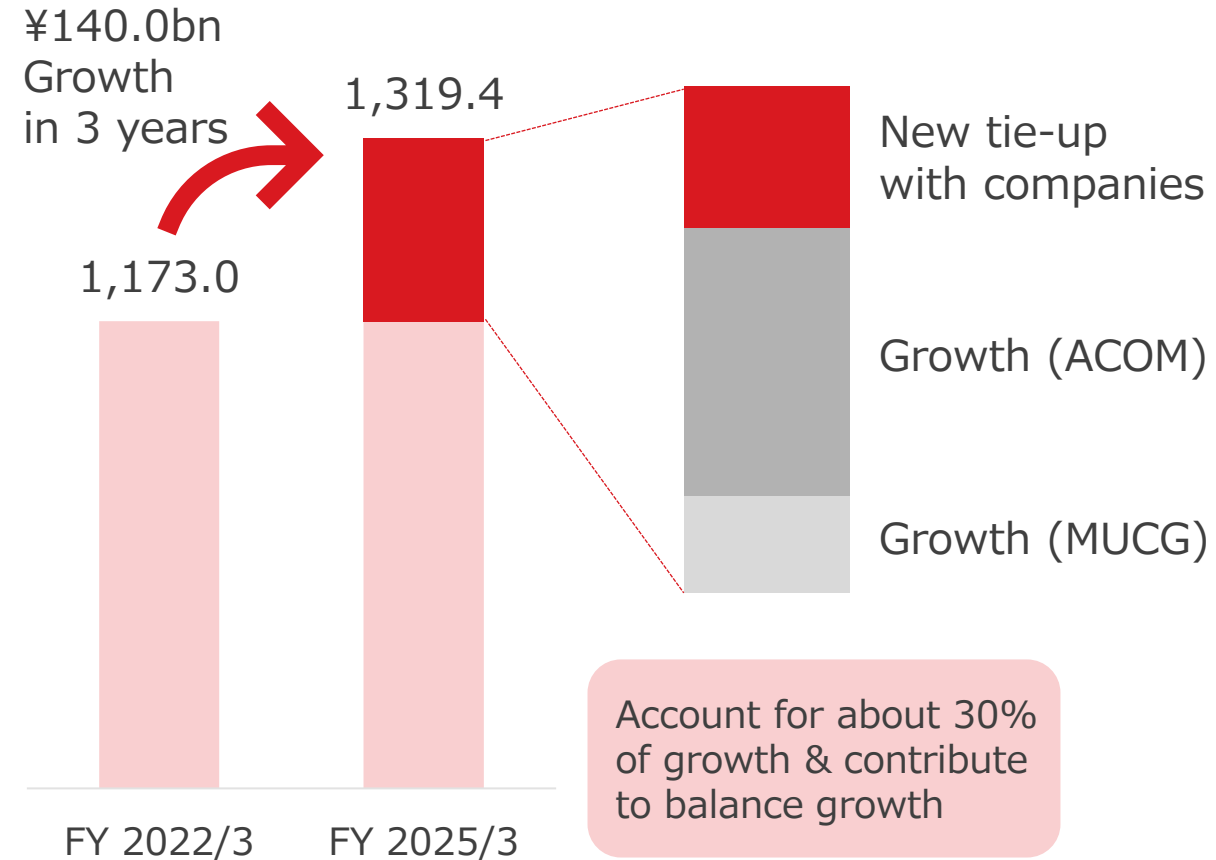
## ■ Guarantee Partnerships with Companies

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)

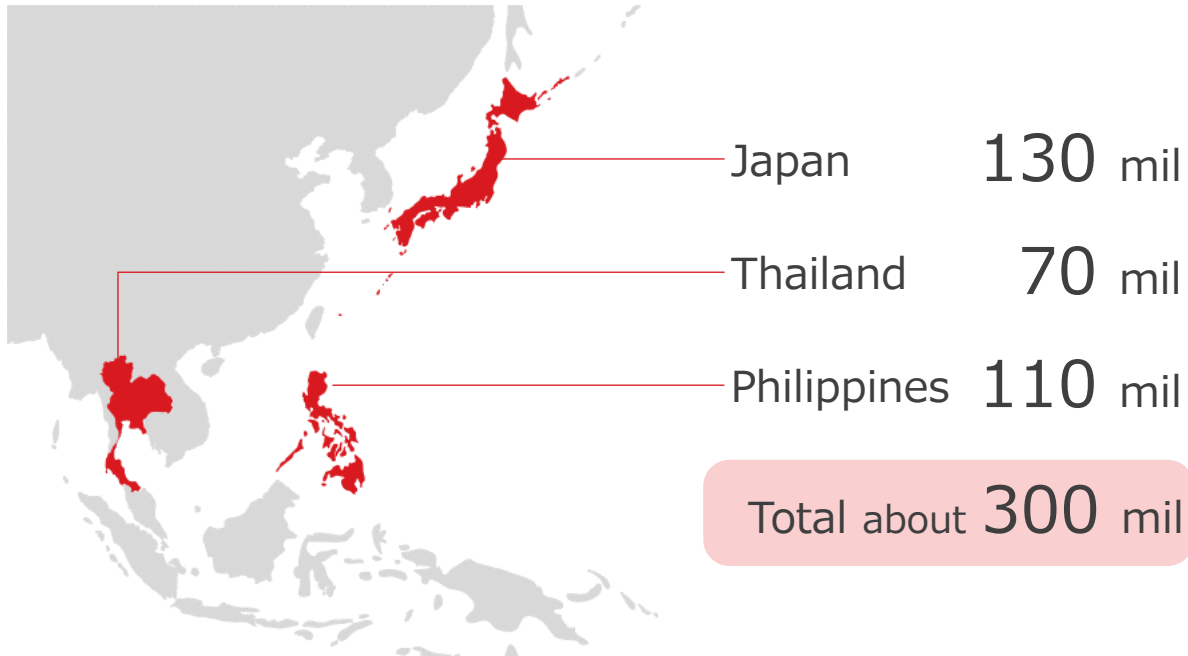
(Billions of yen)



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

- ACOM (M) SDN. BHD. in Malaysia started its business in September 2023 and online contracts from March 2024.
- 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



## Market Demography(Malaysia)



300 mil ▶ 600 mil

---

Total 7,900 mil



- 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



## Environmental conservation

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



## Pursuit of creative and innovative management utilizing digital

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



## Governance

- Corporate Governance
- Compliance



## 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 September 2022 to actively disclose information on our initiatives.

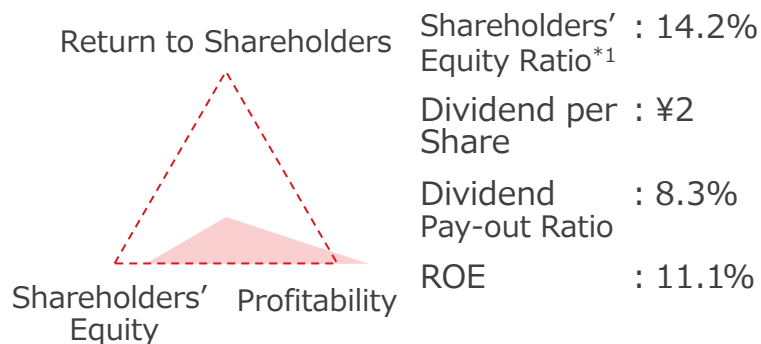


# Mid-Term Management Plan | Capital Policy

## Basic Policy on Capital Policy

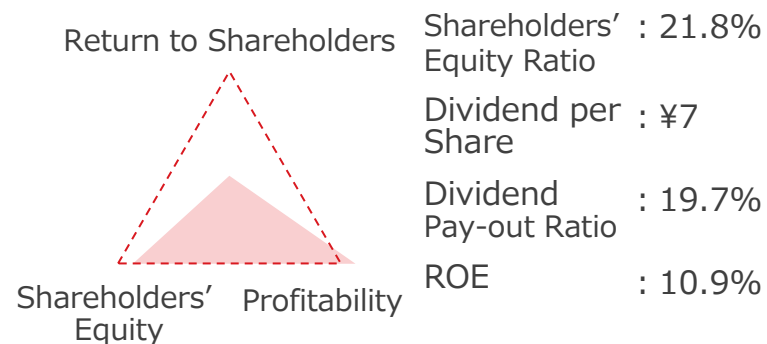
Maintain and improve financial soundness and increase shareholder returns

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



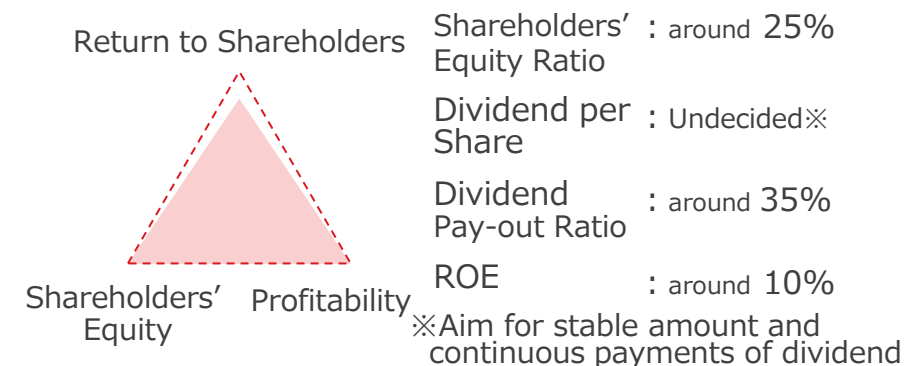
Expansion of capital adequacy is a top priority, Aiming to "resume dividend payments" once concerns about the future due to interest repayment claims are resolved.

### 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 2023		FY March 2024		▶	FY March 2025	
	Interim ¥5	Year-end ¥5	Interim ¥6	Year-end ¥6*2		Interim ¥7 (Estimate)	Year-end ¥7*2 (Estimate)
Dividend per Share							
	Total ¥10		Total ¥12			Total ¥14	
Dividend Pay-out Ratio	28.5%		35.4%			39.4%	

\*1 These values are computed using the sum of total assets and guaranteed receivables.

\*2 The year-end dividend for the fiscal year ended March 31, 2024 is subject to approval at the annual shareholders' meeting to be held in June 2024.

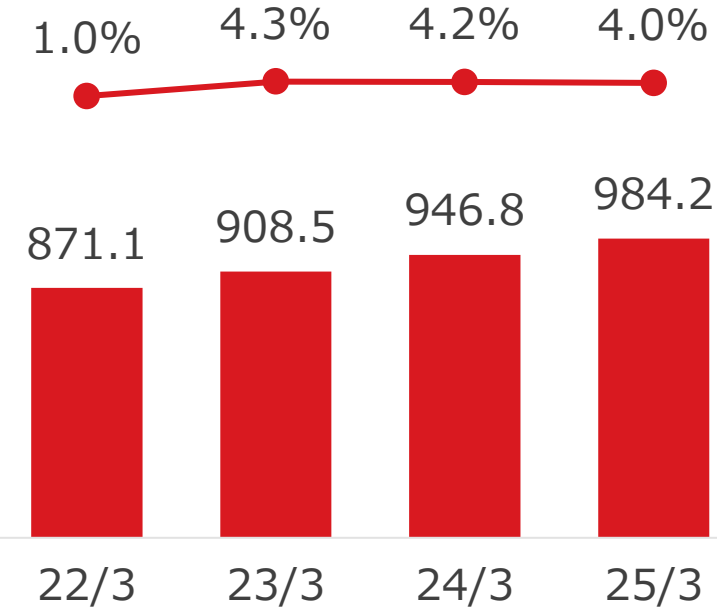
# Mid-Term Management Plan | Business Scale and Performance by Segments (L.C. Business)

- 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

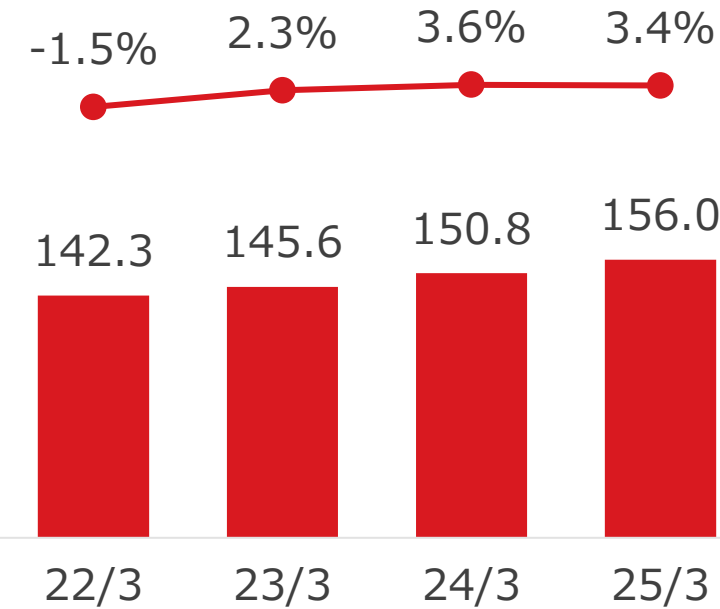


CAGR 4.2%

## Operating Revenue

(Billions of yen)

Operating Revenue ● yoy

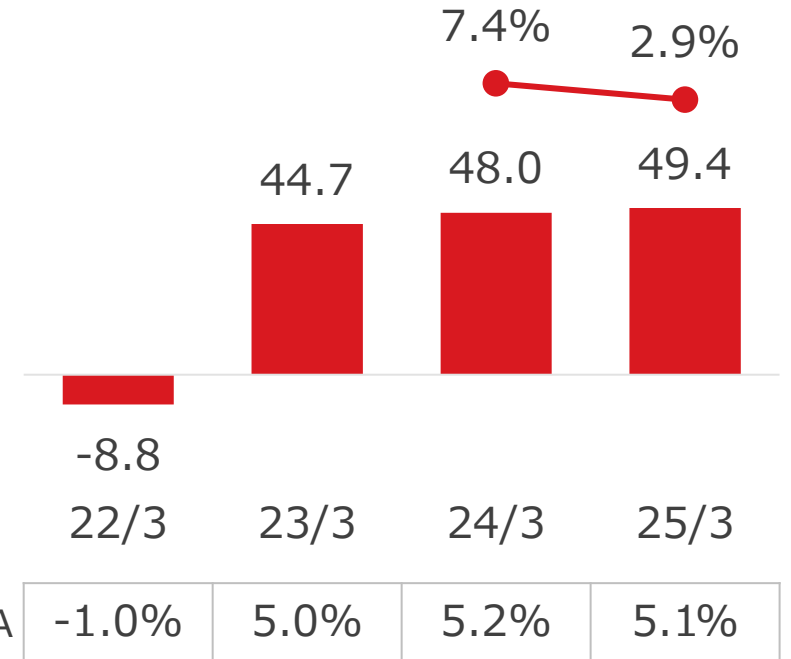


CAGR 3.1%

## Operating Profit

(Billions of yen)

Operating Profit ● yoy



CAGR - %

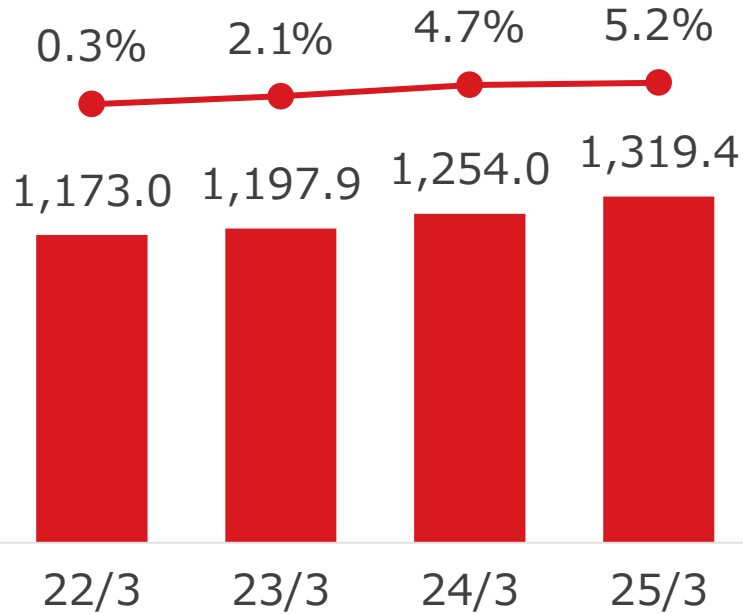
# Mid-Term Management Plan | Business Scale and Performance by Segments (Guarantee Business)

- 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.

## Guaranteed Receivables

(Billions of yen)

Guaranteed Receivables yoy

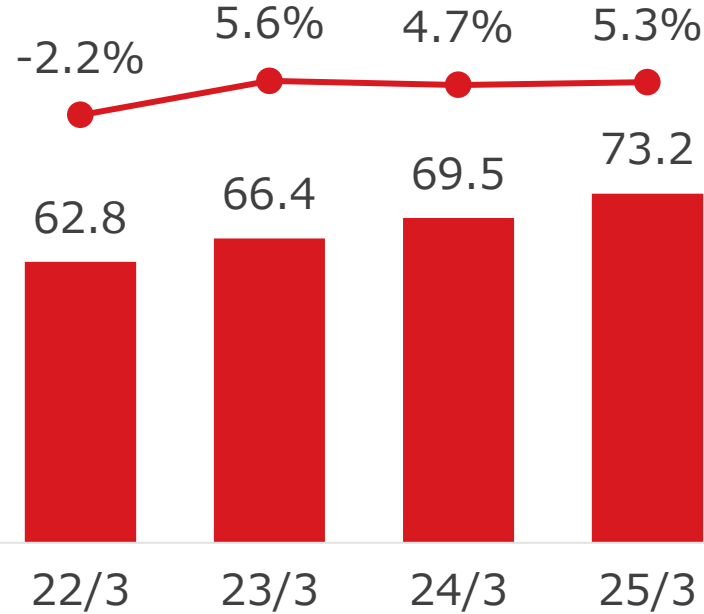


CAGR 4.0%

## Operating Revenue

(Billions of yen)

Operating Revenue yoy

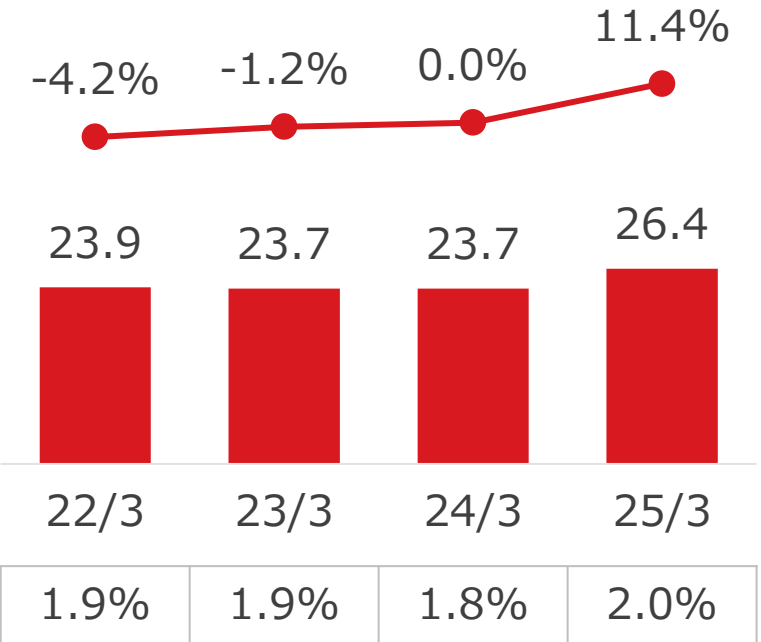


CAGR 5.2%

## Operating Profit

(Billions of yen)

Operating Profit yoy



CAGR 3.2%

ROA

22/3	23/3	24/3	25/3
1.9%	1.9%	1.8%	2.0%

# Mid-Term Management Plan | Business Scale and Performance by Segments (Overseas Financial Business)

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

## Receivables Outstanding

(Billions of yen)

Receivables Outstanding yoy

-0.5% 2.2% 1.4% 2.0%

192.7 197.1 199.8 203.8

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

CAGR 1.9%

## Operating Revenue

(Billions of yen)

Operating Revenue yoy

-1.7% -0.7% 2.6% 2.3%

51.2 50.9 52.2 53.4

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

CAGR 1.4%

## Operating Profit

(Billions of yen)

Operating Profit yoy

-7.7% 1.4% 3.8% 4.1%

18.3 18.6 19.3 20.1

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

9.5% 9.5% 9.7% 10.0%

CAGR 3.1%