
Earnings Release Presentation

Fiscal Year Ended March 2021



ACOM CO., LTD.

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

May 13, 2021



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Business Environment

Macro Environment

<Japan>

- Economic trend has been harshly restrained due to sustained social and economic activities while taking preventive measures against COVID-19 infections.
- COVID-19 vaccination has been started. However, the outlook has been uncertain due to the second declaration of state of emergency.

<Kingdom of Thailand>

- Economic trend has been harshly restrained due to restrictions on activities caused by extending declaration of state of emergency.

<Republic of the Philippines>

- Economic situation is severe. The restrictions on activities resulting from community isolation imposed by the local government had drastic impact on economy, as shown by drop in economic growth rate to record low.

Market and Competitive Environment

<Japan>

- The personal card loan market shrank due to drop in consumer spending resulting from spread of COVID-19 infection.
- There was a slowdown of recovery speed in demand for funds due to cancellation of various government's campaigns and the second declaration of state of emergency.
- Requests for interest repayment have been in steady decreasing trend. However, we will keep monitoring the trend, noting its susceptibility to external environmental changes.

<Kingdom of Thailand>

- Personal loan market turned to decreasing trend due to drop in consumer spending resulting from spread of COVID-19 infection.
- Bank of Thailand issued an order to lower maximum interest rate from 28% to 25%, effective from August 1, 2020.

<Republic of the Philippines>

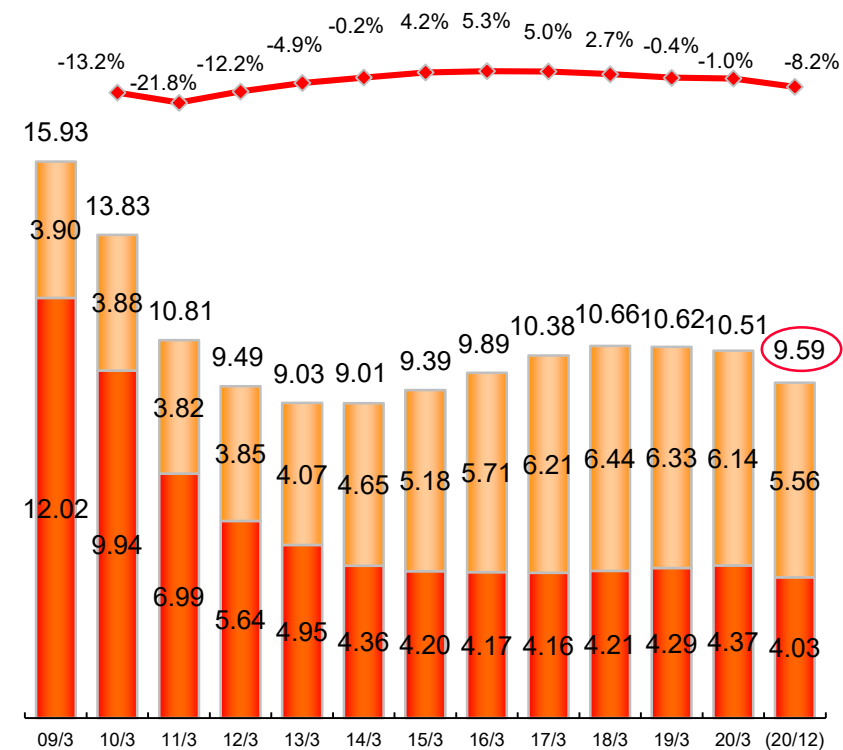
- Strict restrictions on economic and movement have been implemented mainly in Metro Manila.



Trend of Market Volume of Domestic Personal Card Loans

Domestic Personal Card Loan Market

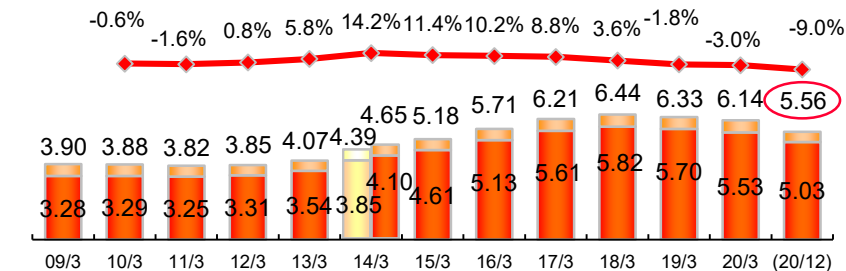
Nonbank Category Bank Category yoy (Trillions of yen)



| | | | | | | | | | | | | |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 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% | 18.7% |
| Consolidated | | | 16.4% | 17.1% | 17.7% | 18.4% | 18.8% | 19.1% | 19.7% | 20.4% | | |

Bank Category (*1)

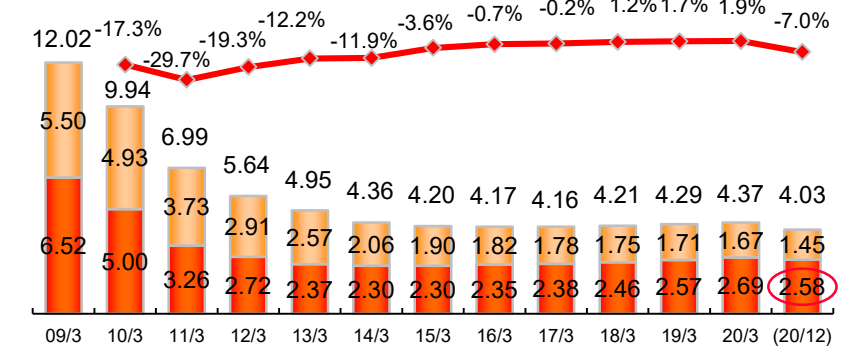
Domestic Banks Credit Unions yoy (Trillions of yen)



| | | | | | | | | | | | | |
|--------------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| ACOM's Share | 8.2% | 11.6% | 12.5% | 14.4% | 14.6% | 15.0% | 15.5% | 16.2% | 16.4% | 16.7% | 17.4% | 18.2% |
| Consolidated | | | 16.2% | 16.6% | 17.3% | 18.2% | 18.6% | 19.1% | 20.1% | 21.0% | | |

Nonbank Category (*2)

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



| | | | | | | | | | | | | |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| ACOM's Share | 11.1% | 12.9% | 14.2% | 14.5% | 16.6% | 17.8% | 18.4% | 18.8% | 19.0% | 19.1% | 19.2% | 19.5% |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|

*1. Bank category refers to the volume of personal card loans provided by domestic banks and credit unions in statistics by The Bank of Japan.
(Correction on statistics by The Bank of Japan, announced on August 10, 2015, led to increase of 260 billion yen for receivables of bank category in FY March 2014.)

*2. Nonbank category is receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2020/12 is preliminary.



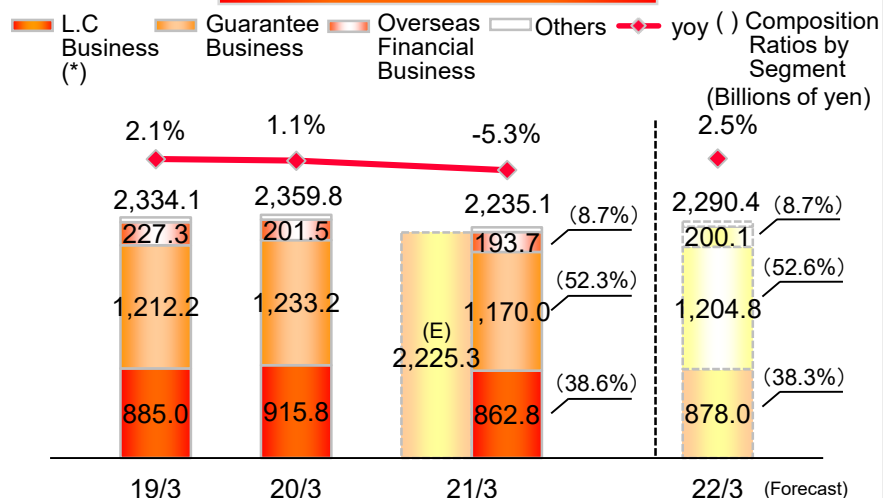
Financial Results Summary

| | A | B | C | D | E | F | G | H | I | J |
|---|--------------|-------|-----------|-------|----------------------|------------------|-------|-----------|-------|----------------------|
| | Consolidated | | | | | Non-consolidated | | | | |
| (Millions of yen, %) | 2020/3 | | 2021/3 | | | 2020/3 | | 2021/3 | | |
| <B/S> | Results | yoy | Results | yoy | Compared to forecast | Results | yoy | Results | yoy | Compared to forecast |
| 1 Receivables Outstanding | 2,359,855 | 1.1 | 2,235,147 | -5.3 | 100.4 | 1,987,523 | 2.2 | 1,875,137 | -5.7 | 100.1 |
| 2 Loan & Credit Card Business | 915,883 | 3.5 | 862,839 | -5.8 | 99.5 | 915,883 | 3.5 | 862,839 | -5.8 | 99.5 |
| 3 Guarantee Business | 1,233,228 | 1.7 | 1,170,094 | -5.1 | 100.7 | 1,071,640 | 1.2 | 1,012,297 | -5.5 | 100.6 |
| 4 Overseas Financial Business | 201,524 | -11.4 | 193,709 | -3.9 | 103.1 | - | - | - | - | - |
| 5 EASY BUY | 201,186 | 12.4 | 193,045 | -4.0 | 103.1 | - | - | - | - | - |
| <P/L> | | | | | | | | | | |
| 6 Operating Revenue | 279,510 | 0.9 | 266,316 | -4.7 | 101.3 | 206,968 | 1.6 | 197,986 | -4.3 | 100.6 |
| 7 Loan & Credit Card Business | 149,266 | 3.1 | 144,417 | -3.2 | 100.6 | 149,266 | 3.1 | 144,417 | -3.2 | 100.6 |
| 8 Guarantee Business | 68,569 | -1.1 | 64,245 | -6.3 | 100.7 | 57,630 | -1.9 | 53,478 | -7.2 | 100.7 |
| 9 Overseas Financial Business | 56,314 | -1.2 | 52,136 | -7.4 | 103.0 | - | - | - | - | - |
| 10 EASY BUY | 54,332 | 9.2 | 51,901 | -4.5 | 103.0 | - | - | - | - | - |
| 11 Operating Expenses | 203,873 | -7.1 | 167,419 | -17.9 | 96.5 | 157,694 | -7.2 | 124,047 | -21.3 | 94.5 |
| 12 Financial Expenses | 8,228 | -27.3 | 5,870 | -28.7 | 97.8 | 4,648 | -17.3 | 3,841 | -17.4 | 98.5 |
| 13 Provision for Bad Debts | 81,916 | 7.8 | 66,198 | -19.2 | 91.8 | 61,950 | 8.9 | 46,472 | -25.0 | 87.2 |
| 14 Provision for Loss on Interest Repayment | 19,700 | -50.1 | - | - | - | 19,700 | -50.1 | - | - | - |
| 15 Other Operating Expenses | 94,028 | 1.5 | 95,350 | 1.4 | 99.9 | 71,394 | 5.0 | 73,733 | 3.3 | 99.5 |
| 16 Operating Profit | 75,636 | 31.3 | 98,896 | 30.8 | 110.5 | 49,273 | 46.5 | 73,938 | 50.1 | 112.9 |
| 17 Ordinary Profit | 75,104 | 29.0 | 100,014 | 33.2 | 110.5 | 56,352 | 50.4 | 81,254 | 44.2 | 112.2 |
| 18 Profit Before Income Taxes | 80,011 | 44.6 | 99,297 | 24.1 | 110.0 | 64,136 | 85.5 | 80,542 | 25.6 | 111.6 |
| 19 Profit | 64,020 | 50.6 | 83,643 | 30.7 | 111.5 | 53,673 | 79.3 | 70,915 | 32.1 | 111.5 |
| 20 Profit Attributable to Owners of Parent | 59,600 | 57.8 | 78,864 | 32.3 | 112.2 | - | - | - | - | - |

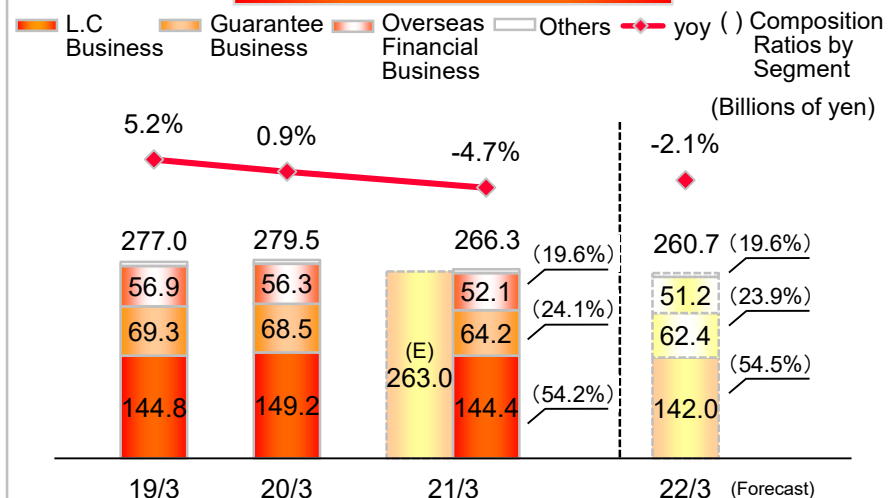


Composition Ratios by Reported Segment

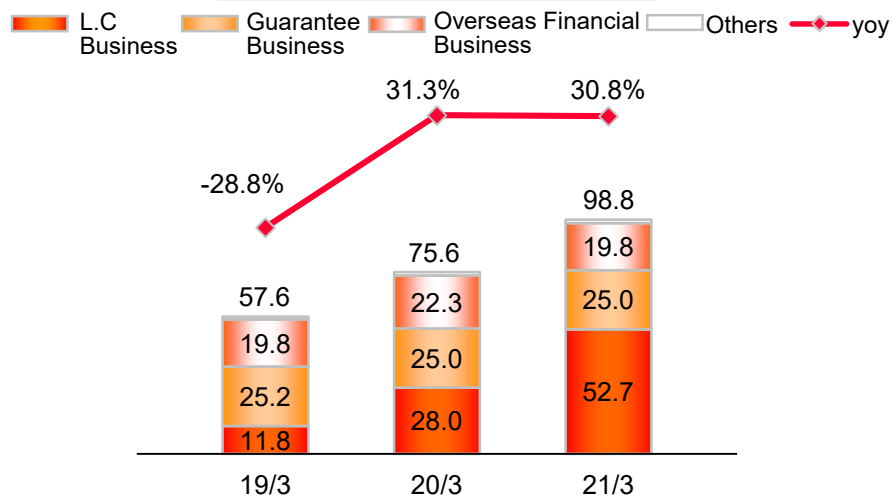
Receivables Outstanding



Operating Revenue

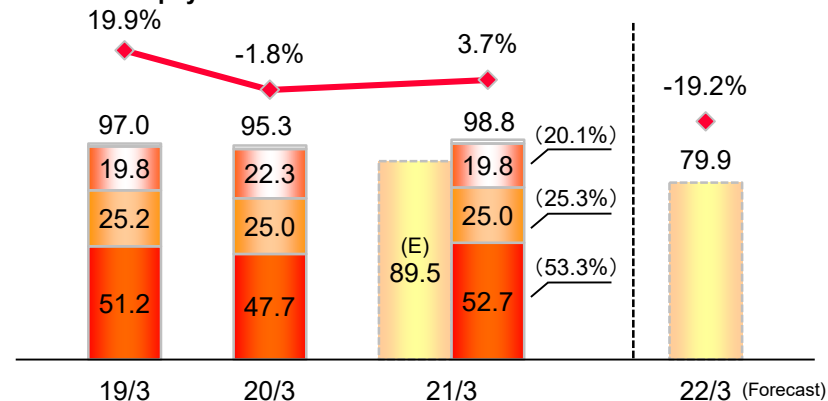


Operating Profit



() Composition Ratios by Segment (Billions of yen)

<Reference> Operating Profit Excluding Provision for Loss on Interest Repayment



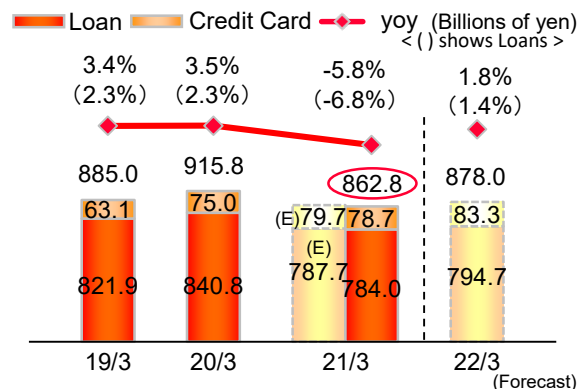
* "L. C Business" stands for loan and credit card business.



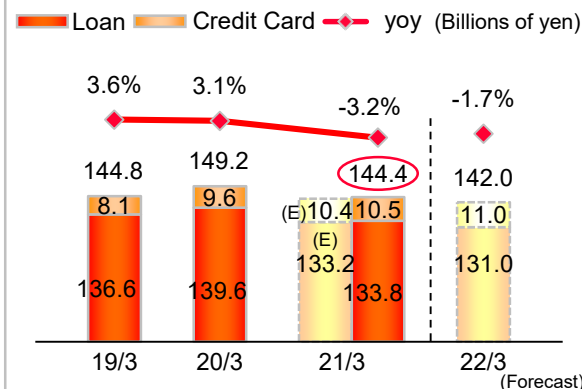
Loan and Credit Card Business (ACOM)

- **Receivables Outstanding** : Decreased by 5.8% yoy to 862.8 billion yen due to decline in the demand for funds mainly associated with voluntary restrictions in customer activities outside the home.
- **Operating Revenue** : Decreased by 3.2% yoy to 144.4 billion yen due to decrease in interest on operating loans.
- **Operating Profit** : Increased by 87.9% yoy to 52.7 billion yen. However, it was increase of 10.4% yoy if provision for loss on interest repayment was excluded.

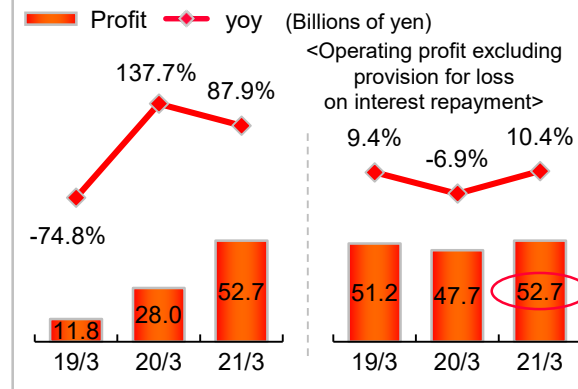
Receivables Outstanding



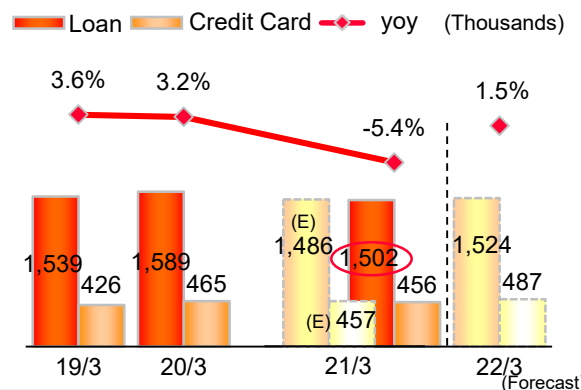
Operating Revenue



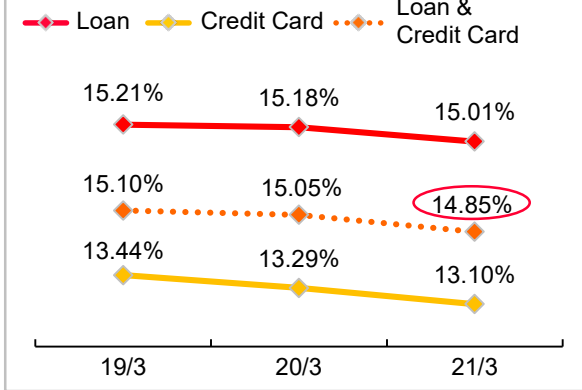
Operating Profit



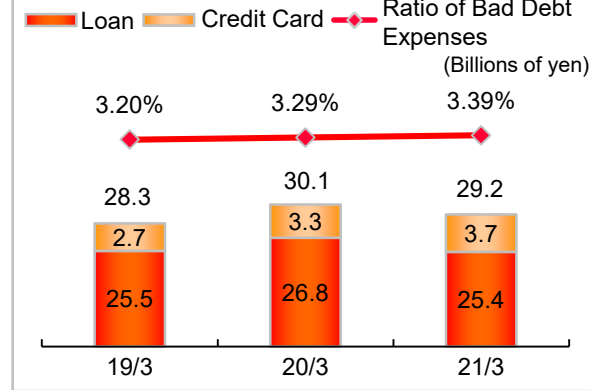
No. of Customer Accounts



Average Yield (*1)



Amount and Ratio of Bad Debt Expenses (*2)



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

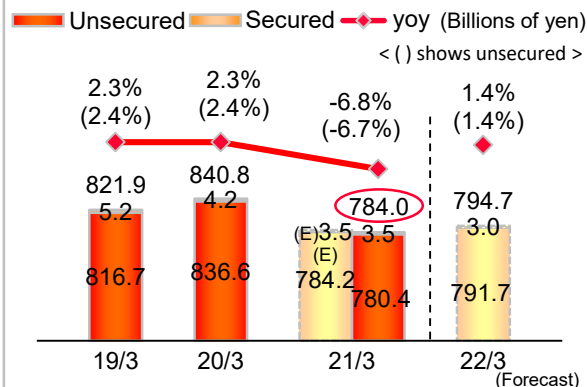
*2. Amount and ratio of bad debt expenses exclude waiver of repayments accompanying requests for interest repayment.



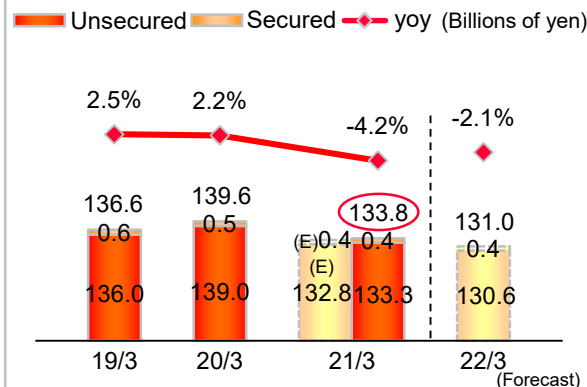
Loan Business (ACOM)

- **Receivables Outstanding** : Decreased by 6.8% yoy to 784.0 billion yen.
- **Operating Revenue** : Decreased by 4.2% yoy to 133.8 billion yen.
- **No. of New Customers** : Decreased by 31.3% yoy to 179 thousands.

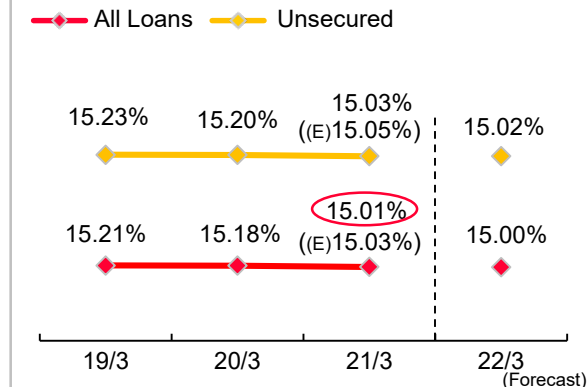
Receivables Outstanding



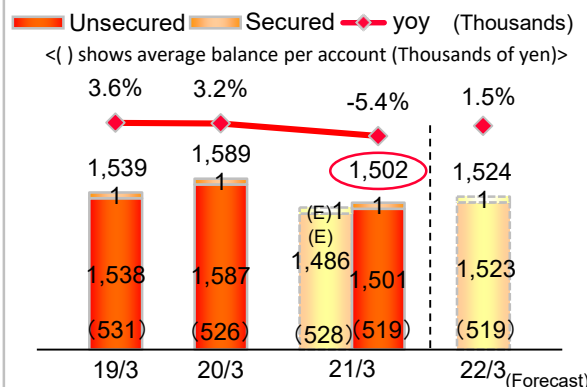
Operating Revenue



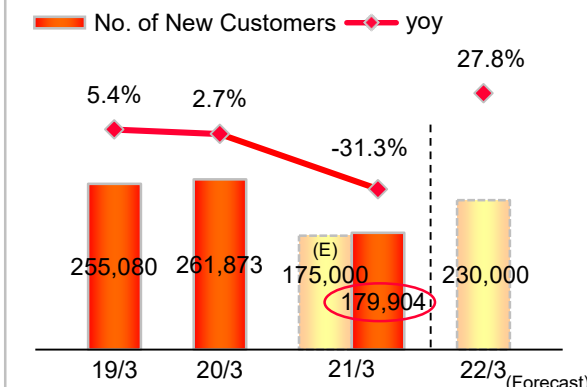
Average Loan Yield



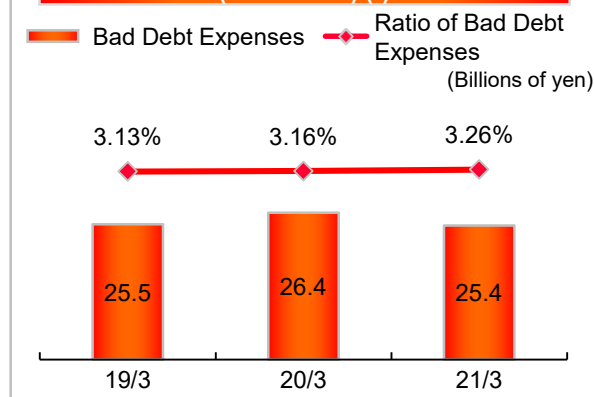
No. of Customer Accounts



No. of New Customers (Unsecured)



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

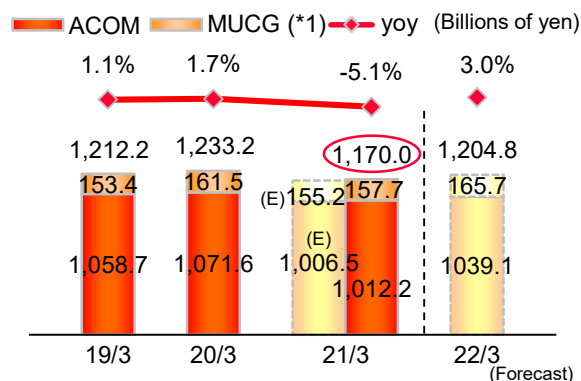


* Amount and ratio of bad debt expenses exclude waiver of repayments accompanying interest repayment.

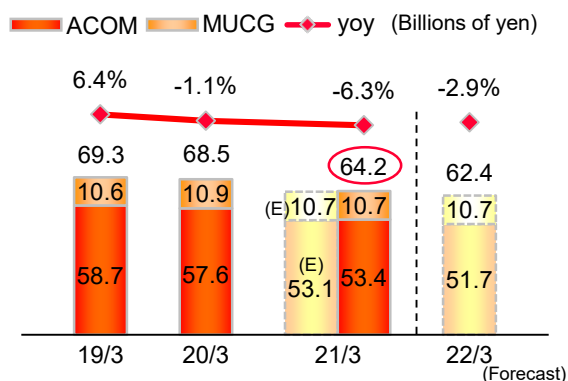
Guarantee Business (ACOM and MU Credit Guarantee)

- **Guaranteed Receivables** : Decreased by 5.1% yoy to 1,170.0 billion yen due to decline in the demand for funds mainly associated with voluntary restrictions in customer activities outside the home.
- **Operating Revenue** : Decreased by 6.3% yoy to 64.2 billion yen due to decrease in guaranteed receivables.
- **Operating Profit** : Increased by 0.2% yoy to 25.0 billion yen.

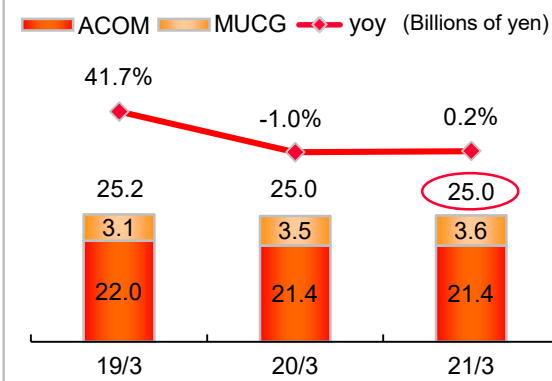
Guaranteed Receivables



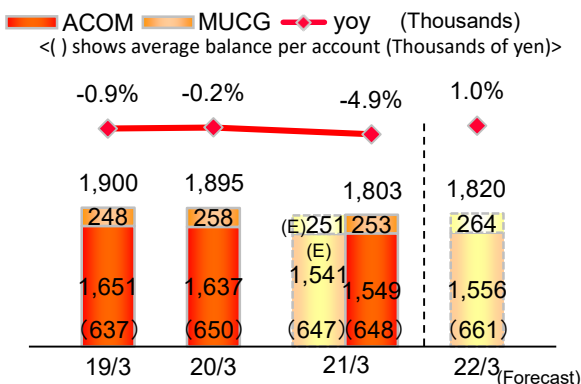
Operating Revenue



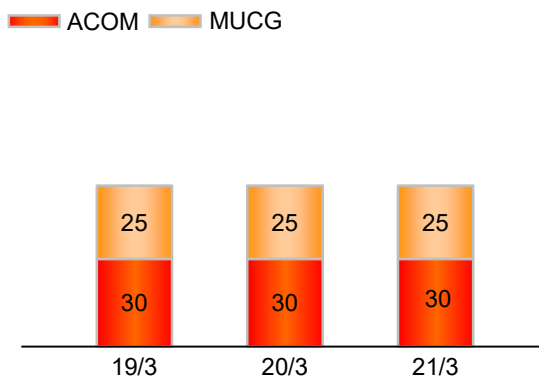
Operating Profit



No. of Customer Accounts

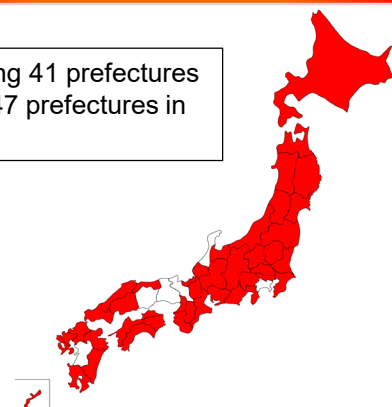


No. of Alliance Partners (*2)



Prefectures with Alliance Partners

Covering 41 prefectures out of 47 prefectures in Japan



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

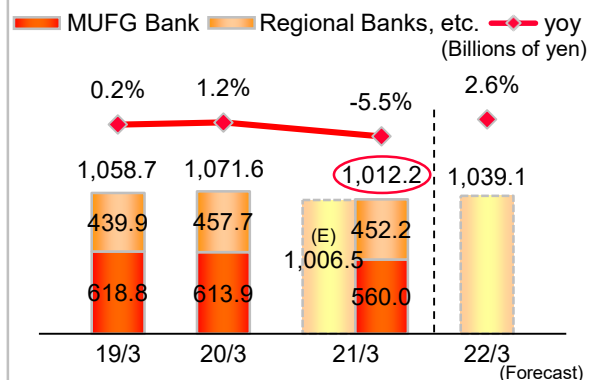
*2. ACOM and MUCG share three alliance partners.



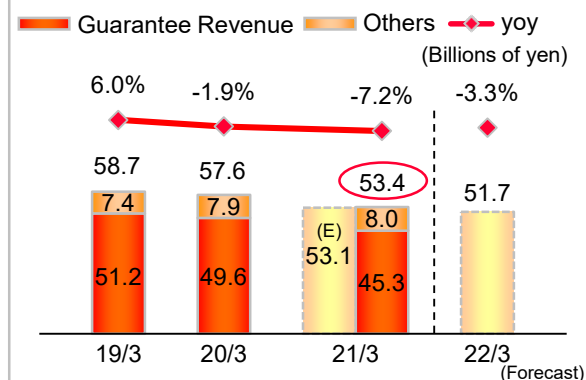
Guarantee Business (ACOM)

- **Guaranteed Receivables** : Decreased by 5.5% yoy to 1,012.2 billion yen.
- **Operating Revenue** : Decreased by 7.2% yoy to 53.4 billion yen.
- **Operating Profit** : Decreased by 0.1% yoy to 21.4 billion yen.

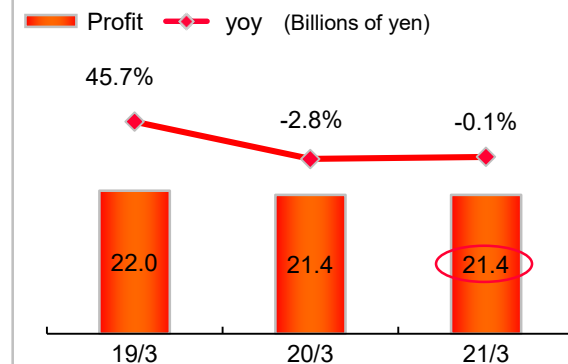
Guaranteed Receivables



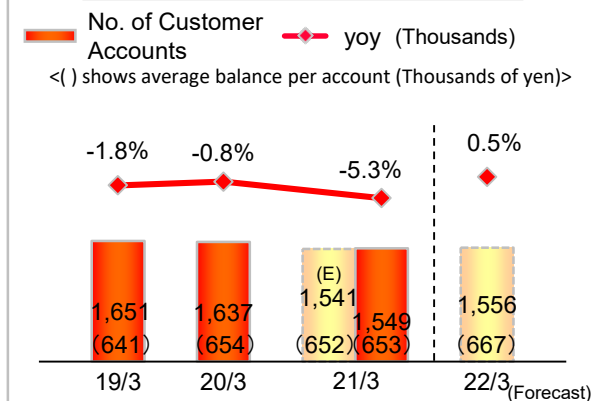
Operating Revenue



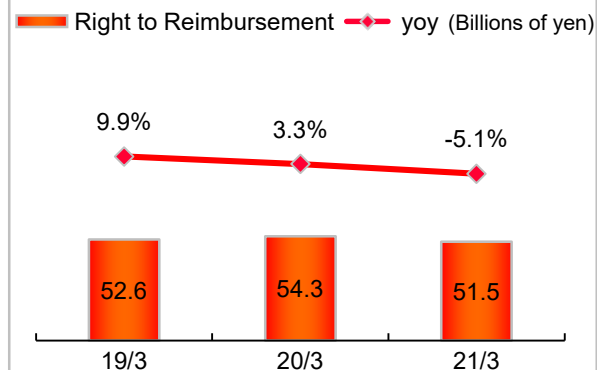
Operating Profit



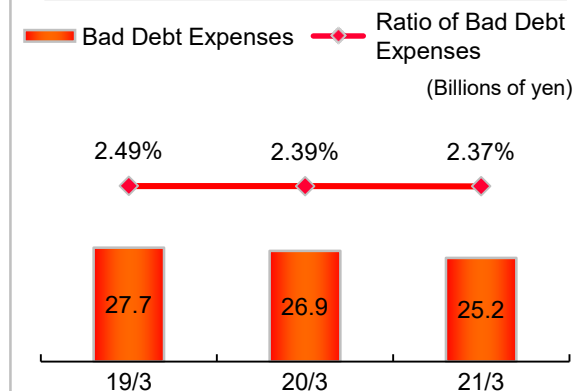
No. of Customer Accounts



Right to Reimbursement (*)



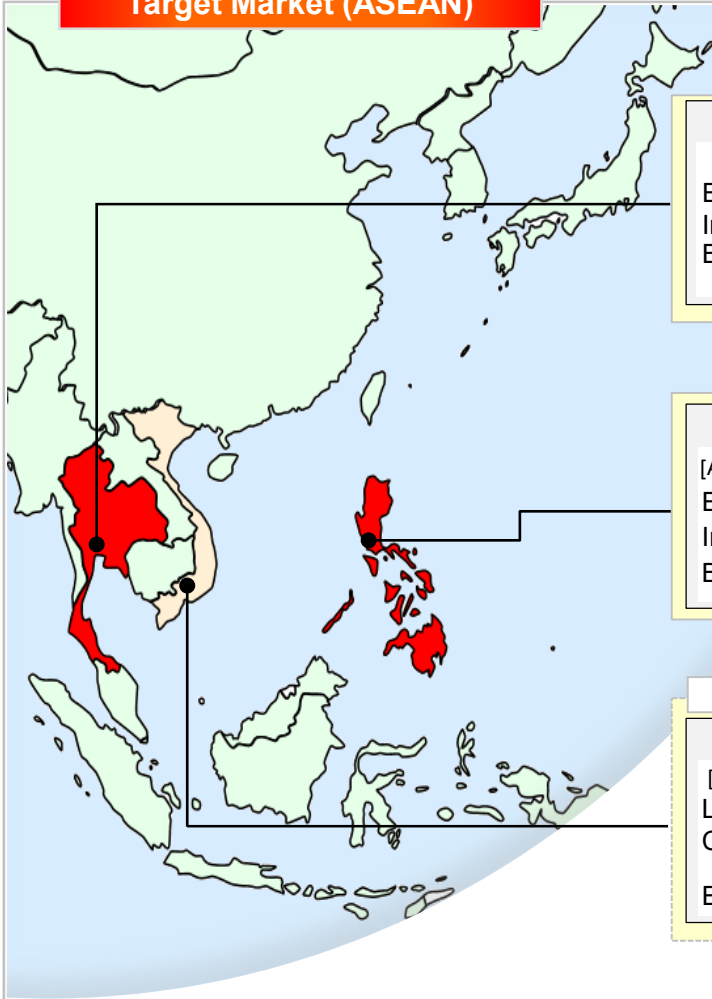
Amount and Ratio of Bad Debt Expenses



* 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

Target Market (ASEAN)



[Kingdom of Thailand]

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

- Continue monitoring impact from spread of COVID-19.
- Maximum interest rate was lowered from 28% to 25% from last August 1. Continue monitoring impact on earnings.

[Republic of the Philippines]

[ACOM CONSUMER FINANCE CORPORATION]
Equity stake : 80.00%
Incorporated : July 2017
Business Outline : Unsecured Loan

- Commenced the business in July 2018.
- Continue monitoring impact from spread of COVID-19.
- "Bayanihan 2 Law" was enforced as a measure to support economic recovery on last September 15. Implemented 60-day repayment grace in last October.

Applying for license

[Socialist Republic of Vietnam]

[ACOM VIETNAM FINANCE COMPANY LIMITED]
Location : Ho Chi Minh
Capital : 600.0 billion dong
(About 2.7 billion yen)
Equity stake : 100%

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

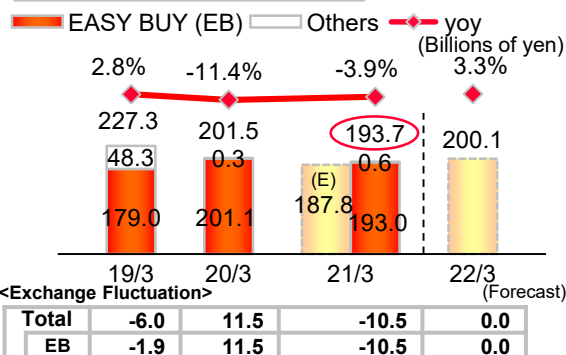


Overseas Financial Business

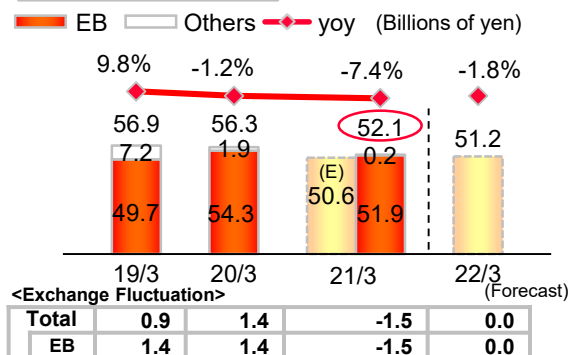
- **Receivables Outstanding (Consolidated)** : Decreased by 3.9% yoy to 193.7 billion yen due to exchange fluctuation.
- **Operating Revenue (Consolidated)** : Decreased by 7.4% yoy to 52.1 billion yen.
- **Operating Profit (Consolidated)** : Decreased by 11.2% yoy to 19.8 billion yen as we could not cover decrease in operating revenue with operating expenses compression.

Overseas Financial Business (Yen Basis) (*1)

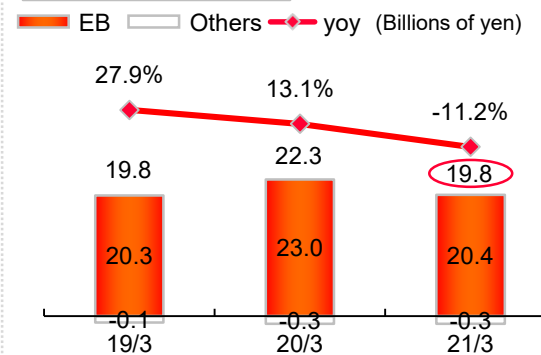
Receivables Outstanding (*2)



Operating Revenue

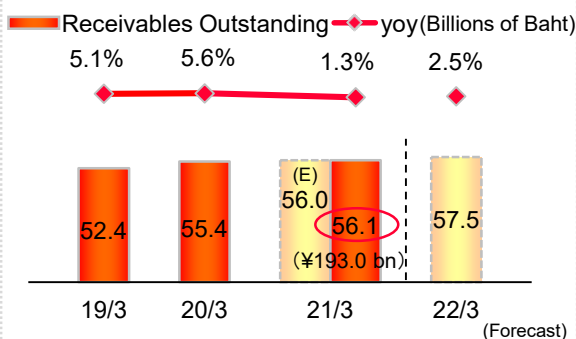


Operating Profit (*3)

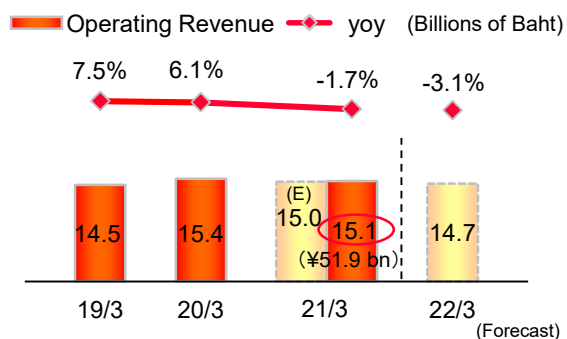


EASY BUY (Local Currencies Basis)

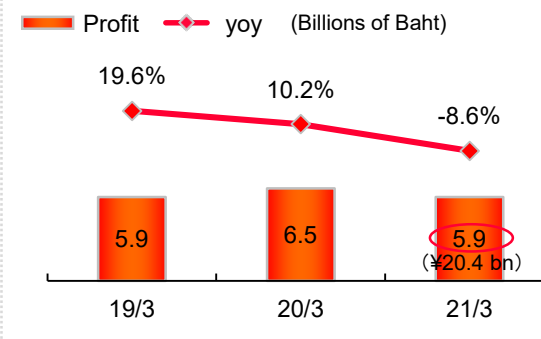
Receivables Outstanding (*4)



Operating Revenue



Operating Profit



*1. Exchange rates : Baht B/S: ¥3.41 (19/3), ¥3.63 (20/3), ¥3.44 (21/3), Forecast ¥3.44 (22/3) P/L: ¥3.42 (19/3), ¥3.52 (20/3), ¥3.42 (21/3), Forecast ¥3.42 (22/3)

Exchange fluctuation as of current 4Q: Baht (B/S yoy -¥0.19 P/L yoy -¥0.10)

*2. Receivables outstanding = accounts receivable - operating loans + accounts receivable - installment + loans receivables of banking business

*3. Operating profit shows segment income. *4. Receivables outstanding = accounts receivable - operating loans + accounts receivable - installment



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

- No. of requests : Decreased by 10.5% yoy to 22.1 thousands, falling short of initial estimate of yoy decrease by 20%.
- Estimation : The number of requests for FY March 2022 is expected to decrease by 10% to 15% yoy.

● Monthly Number of Requests for Interest Repayment (*1) (*2)

(%)

| | 2016/3 | | 2017/3 | | 2018/3 | | 2019/3 | | 2020/3 | | | 2021/3 | | |
|-------|-----------------|-------|-----------------|-------|-----------------|-------|-----------------|-------|-----------------|-------|------------------|-----------------|-------|------------------|
| | No. of Requests | yoy | No. of Requests | yoy | No. of Requests | yoy | No. of Requests | yoy | No. of Requests | yoy | Per business day | No. of Requests | yoy | Per business day |
| Total | 72,200 | -9.3 | 60,700 | -15.9 | 34,300 | -43.5 | 27,100 | -21.0 | 24,700 | -8.9 | 102 | 22,100 | -10.5 | 90 |
| Apr. | 6,500 | 0.0 | 5,500 | -15.4 | 3,600 | -34.5 | 2,400 | -33.3 | 2,200 | -8.3 | 110 | 1,600 | -27.3 | 76 |
| May | 5,500 | -11.3 | 5,600 | 1.8 | 3,400 | -39.3 | 2,600 | -23.5 | 2,100 | -19.2 | 110 | 1,700 | -19.0 | 94 |
| June | 6,400 | -3.0 | 5,800 | -9.4 | 3,400 | -41.4 | 2,500 | -26.5 | 2,300 | -8.0 | 115 | 2,500 | 8.7 | 113 |
| July | 6,100 | -14.1 | 4,900 | -19.7 | 2,800 | -42.9 | 2,400 | -14.3 | 2,300 | -4.2 | 104 | 2,100 | -8.7 | 100 |
| Aug. | 5,300 | -10.2 | 4,700 | -11.3 | 2,500 | -46.8 | 2,300 | -8.0 | 1,900 | -17.4 | 90 | 1,900 | 0.0 | 95 |
| Sept. | 6,600 | -15.4 | 4,800 | -27.3 | 2,800 | -41.7 | 2,000 | -28.6 | 2,000 | 0.0 | 105 | 1,800 | -10.0 | 90 |
| Oct. | 6,700 | -10.7 | 4,600 | -31.3 | 2,700 | -41.3 | 2,400 | -11.1 | 2,200 | -8.3 | 104 | 1,800 | -18.2 | 81 |
| Nov. | 6,000 | 0.0 | 4,900 | -18.3 | 4,100 | -16.3 | 2,200 | -46.3 | 2,000 | -9.1 | 100 | 1,700 | -15.0 | 89 |
| Dec. | 5,800 | -7.9 | 5,200 | -10.3 | 2,300 | -55.8 | 1,800 | -21.7 | 1,900 | 5.6 | 95 | 1,700 | -10.5 | 80 |
| Jan. | 4,700 | -4.1 | 4,500 | -4.3 | 2,000 | -55.6 | 2,000 | 0.0 | 1,800 | -10.0 | 94 | 1,400 | -22.2 | 73 |
| Feb. | 6,200 | -10.1 | 5,200 | -16.1 | 2,200 | -57.7 | 2,200 | 0.0 | 1,800 | -18.2 | 100 | 1,800 | 0.0 | 100 |
| Mar. | 6,400 | -19.0 | 5,000 | -21.9 | 2,500 | -50.0 | 2,300 | -8.0 | 2,200 | -4.3 | 104 | 2,100 | -4.5 | 91 |

*1. 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.

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

Trend of Loss on Interest Repayment (ACOM)

- **Provision drawdown** : ¥30.8 billion was drawn down from ¥87.6 billion of provision. (¥27.3 billion for interest repayment + ¥3.4 billion for voluntary waiver of repayment)
- **Ending balance** : 56.7billion yen remains as there was no addition made to provision for loss on interest repayment in 4Q. Covers up to FY March 2024.
- **Estimation** : Estimate amount of drawdown to decrease by 20% yoy in FY March 2022.

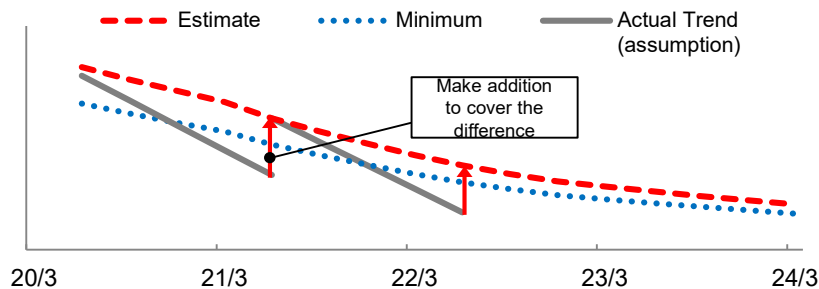
● Provision for Loss on Interest Repayment

(Millions of yen, %)

| | 2017/3 | 2018/3 | 2019/3 | 2020/3 | | | | | | 2021/3 | | | | | |
|---|---------|---------|---------|--------|--------|--------|--------|---------|-------|--------|--------|--------|--------|---------|-------|
| | | | | 1Q | 2Q | 3Q | 4Q | Total | yoy | 1Q | 2Q | 3Q | 4Q | Total | yoy |
| Provision Drawdown | 68,828 | 60,831 | 41,248 | 8,058 | 8,933 | 8,805 | 8,603 | 34,400 | -16.6 | 6,854 | 7,385 | 8,447 | 8,170 | 30,858 | -10.3 |
| Interest Repayment | 58,852 | 53,470 | 36,586 | 7,210 | 7,975 | 7,802 | 7,697 | 30,686 | -16.1 | 6,113 | 6,576 | 7,436 | 7,261 | 27,389 | -10.7 |
| Bad Debt Expenses (ACOM's voluntary waiver of repayments) | 9,975 | 7,360 | 4,661 | 847 | 958 | 1,002 | 905 | 3,713 | -20.3 | 741 | 808 | 1,010 | 908 | 3,468 | -6.6 |
| Addition of Provision | 143,728 | - | 39,479 | - | - | - | 19,700 | 19,700 | -50.1 | - | - | - | - | - | - |
| Increase or Decrease in Provision | 74,900 | -60,831 | -1,768 | -8,058 | -8,933 | -8,805 | 11,097 | -14,700 | - | -6,854 | -7,385 | -8,447 | -8,170 | -30,858 | - |
| Ending Balance of Provision | 164,900 | 104,068 | 102,300 | 94,241 | 85,307 | 76,502 | 87,600 | -14.4 | - | 80,745 | 73,359 | 64,912 | 56,741 | -35.2 | - |

Image of Addition of Provision

< Ending balance of provision >



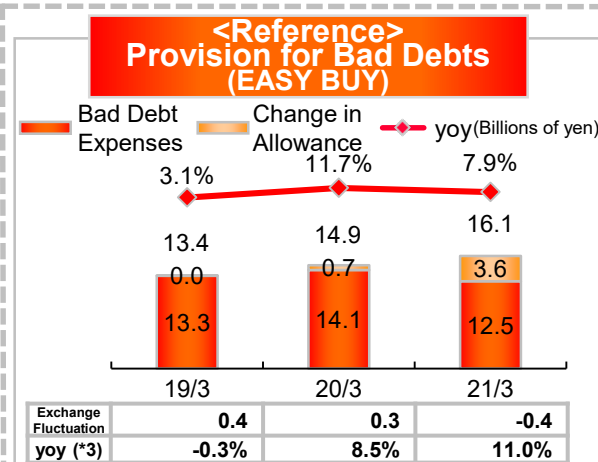
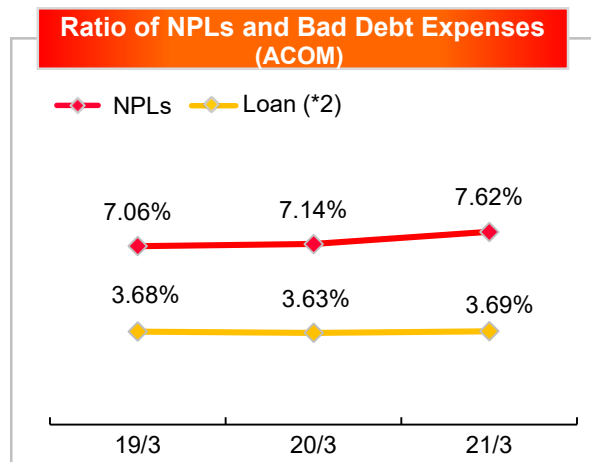
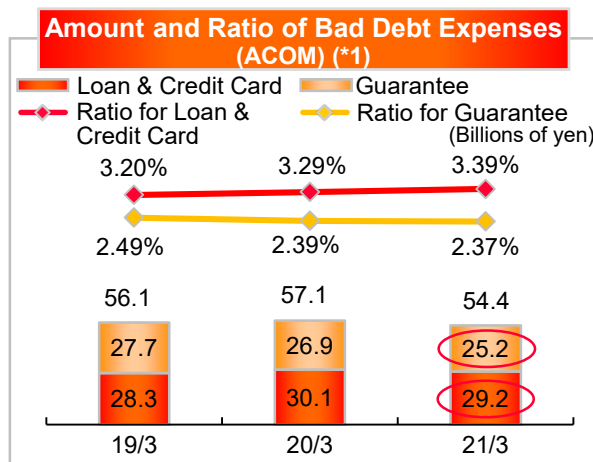
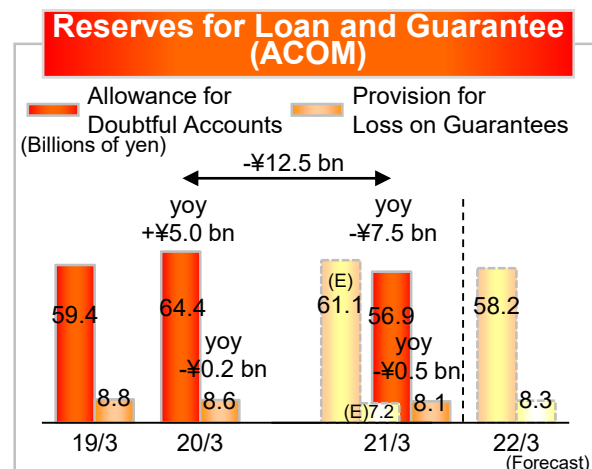
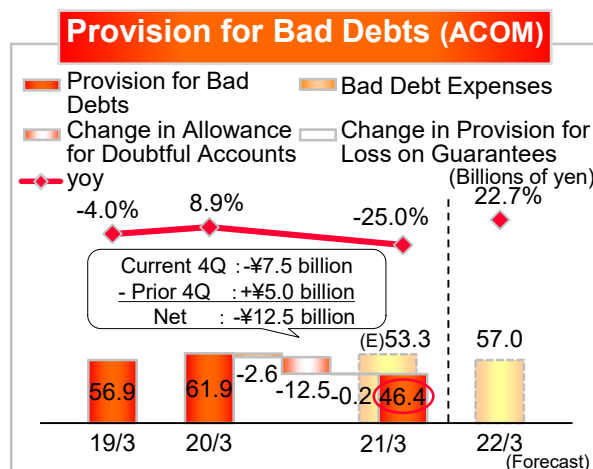
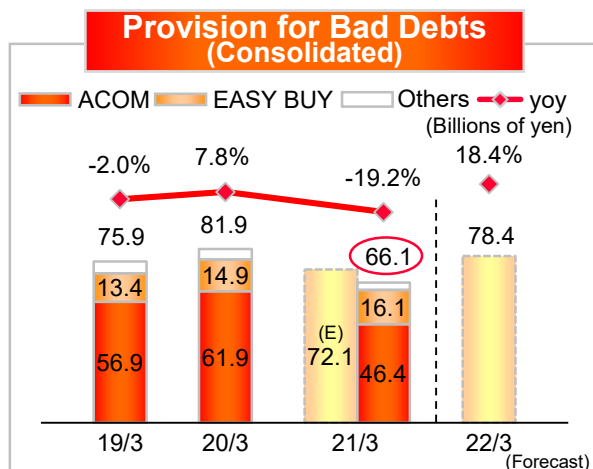
Key Points for Provision

- 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.



Provision for Bad Debts

- **Provision for Bad Debts (Consolidated)** : Decreased by 19.2% yoy to 66.1 billion yen owing to decrease in change in allowance for doubtful accounts in ACOM.
- **Bad debt expenses (ACOM)** : Decreased by 2.6 billion yen yoy to 54.4 billion yen.
- **Non-performing Loans (ACOM)** : Increased by 48 basis points to 7.62%.



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

*2. Ratio of bad debt expenses includes waiver of repayments accompanying requests for interest repayment.

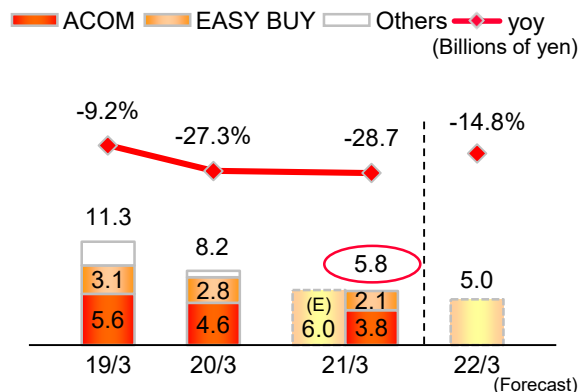
*3. "yoy" shows local currencies basis.



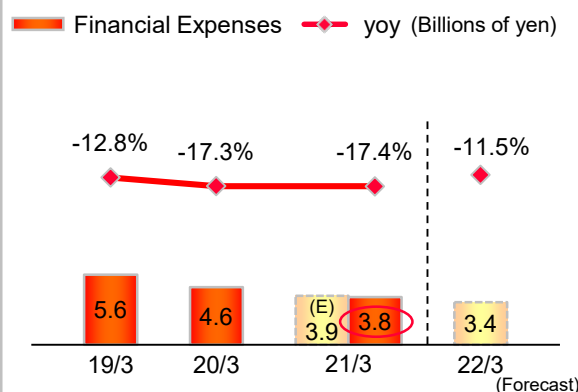
Financial Expenses

- **Financial Expenses (Consolidated)** : Decreased by 28.7% yoy to 5.8 billion yen mainly owing to decrease in ACOM.
- **Borrowings (ACOM)** : Decreased by 87.9 billion yen yoy to 524.4 billion yen.
- **Average Interest Rate (ACOM)** : Decreased by 7 basis points to 0.69% owing to further replacements of borrowings in low interest rate environment.

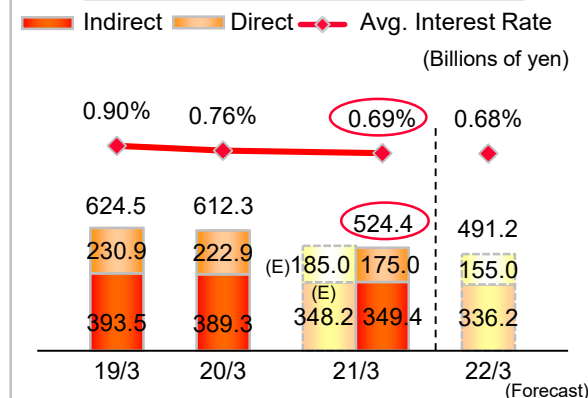
Financial Expenses (Consolidated)



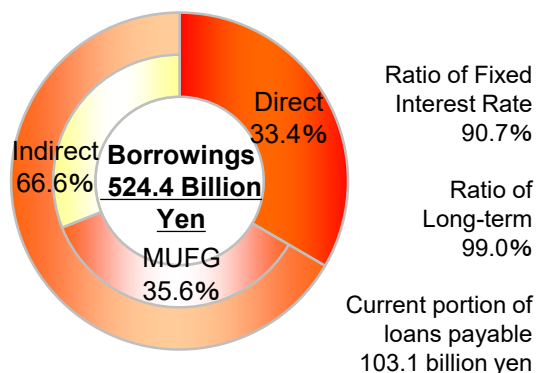
Financial Expenses (ACOM)



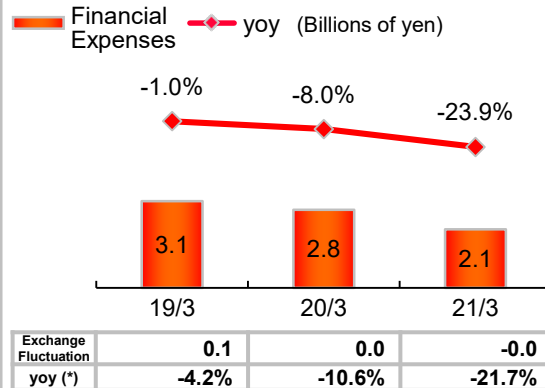
Borrowings (ACOM)



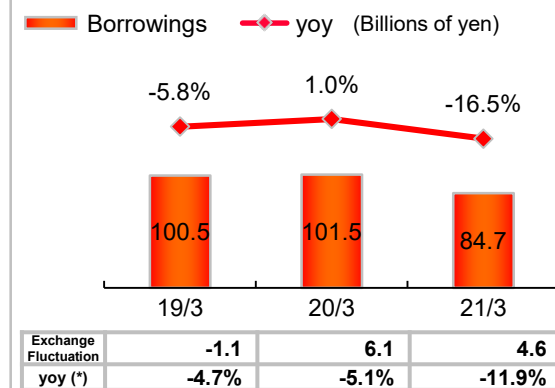
Composition Ratios by Funding Sources (ACOM)



Financial Expenses (EASY BUY)



Borrowings (EASY BUY)



* "yoy" shows local currencies basis.



Annual Forecast for the FY March 2022

| | A | B | C | D | E | F | G | H |
|---|--------------|-------|-----------|-------|------------------|-------|-----------|-------|
| | Consolidated | | | | Non-consolidated | | | |
| (Millions of yen, %) | 2021/3 | | 2022/3 | | 2021/3 | | 2022/3 | |
| <B/S> | Results | yoy | Forecast | yoy | Results | yoy | Forecast | yoy |
| 1 Receivables Outstanding | 2,235,147 | -5.3 | 2,290,400 | 2.5 | 1,875,137 | -5.7 | 1,917,100 | 2.2 |
| 2 Loan & Credit Card Business | 862,839 | -5.8 | 878,000 | 1.8 | 862,839 | -5.8 | 878,000 | 1.8 |
| 3 Guarantee Business | 1,170,094 | -5.1 | 1,204,800 | 3.0 | 1,012,297 | -5.5 | 1,039,100 | 2.6 |
| 4 Overseas Financial Business | 193,709 | -3.9 | 200,100 | 3.3 | - | - | - | - |
| <P/L> | | | | | | | | |
| 5 Operating Revenue | 266,316 | -4.7 | 260,700 | -2.1 | 197,986 | -4.3 | 193,800 | -2.1 |
| 6 Loan & Credit Card Business | 144,417 | -3.2 | 142,000 | -1.7 | 144,417 | -3.2 | 142,000 | -1.7 |
| 7 Guarantee Business | 64,245 | -6.3 | 62,400 | -2.9 | 53,478 | -7.2 | 51,700 | -3.3 |
| 8 Overseas Financial Business | 52,136 | -7.4 | 51,200 | -1.8 | - | - | - | - |
| 9 Operating Expenses | 167,419 | -17.9 | 180,800 | 8.0 | 124,047 | -21.3 | 135,000 | 8.8 |
| 10 Financial Expenses | 5,870 | -28.7 | 5,000 | -14.8 | 3,841 | -17.4 | 3,400 | -11.5 |
| 11 Provision for Bad Debts | 66,198 | -19.2 | 78,400 | 18.4 | 46,472 | -25.0 | 57,000 | 22.7 |
| 12 Provision for Loss on Interest Repayment | - | - | - | - | - | - | - | - |
| 13 Other Operating Expenses | 95,350 | 1.4 | 97,400 | 2.1 | 73,733 | 3.3 | 74,600 | 1.2 |
| 14 Operating Profit | 98,896 | 30.8 | 79,900 | -19.2 | 73,938 | 50.1 | 58,800 | -20.5 |
| 15 Ordinary Profit | 100,014 | 33.2 | 80,100 | -19.9 | 81,254 | 44.2 | 64,800 | -20.3 |
| 16 Profit Before Income Taxes | 99,297 | 24.1 | 79,900 | -19.5 | 80,542 | 25.6 | 64,600 | -19.8 |
| 17 Profit | 83,643 | 30.7 | 64,800 | -22.5 | 70,915 | 32.1 | 55,400 | -21.9 |
| 18 Profit Attributable to Owners of Parent | 78,864 | 32.3 | 61,000 | -22.7 | - | - | - | - |



Dividend Status

Basic Policy on Dividend Payment

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

| | FY March 2021 (Results) | FY March 2022 (Forecast) |
|--------------------------------|---|--|
| Business Scale and Performance | Operating revenue decreased mainly due to decrease in receivable outstanding led by spread of COVID-19. Operating profit increased owing to decrease in provision for bad debts and no addition to provision for loss on interest repayment. | We expect receivables outstanding to shift back to gradual increasing trend. However, we expect decrease in operating revenue and operating profit due to increase in provision for bad debts. |
| Shareholders' Equity | We resulted in 20.3% of shareholders' equity ratio, computed using the sum of consolidated total assets and guaranteed receivables, owing to decreases in receivables outstanding and guaranteed receivables. | We will result in over 20% of shareholders' equity ratio, computed using the sum of consolidated total assets and guaranteed receivables, while receivables outstanding increases. |
| Business Environment | The amount of drawdown decreased as initially expected. However, we will need to keep monitoring the trend. | The outlook has been more uncertain due to spread of COVID-19. |

Dividend Payments and Forecast

- We will pay 6 yen in FY March 2021. We expect to pay 6 yen in FY March 2022.

| | | FY March 2020 (Results) | | FY March 2021 (Results) | | FY March 2022 (Forecast) | |
|---------------------------------|--------------|-------------------------|----------|-------------------------|----------|--------------------------|----------|
| | | Interim | Year-end | Interim | Year-end | Interim | Year-end |
| Dividend per Share | | ¥2 | ¥2 | ¥3 | ¥3 (*1) | ¥3 | ¥3 |
| | | ¥4 total | | ¥6 total | | ¥6 total | |
| <Reference> | | | | | | | |
| Shareholders' Equity Ratio (*2) | Consolidated | 16.2% | 16.5% | 18.9% | 20.3% | — | — |
| | ACOM | 16.5% | 16.6% | 19.2% | 20.7% | — | 22.8% |

*1. Year-end dividend for the fiscal year ended March 2021 assumes approval at the general meeting of shareholders scheduled in June 2021.

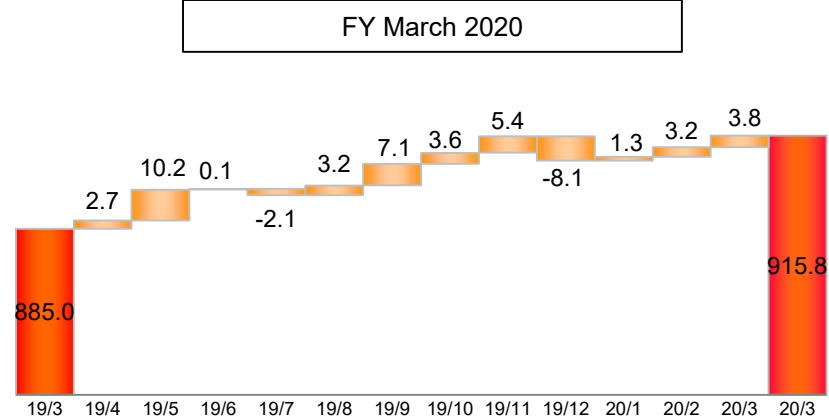
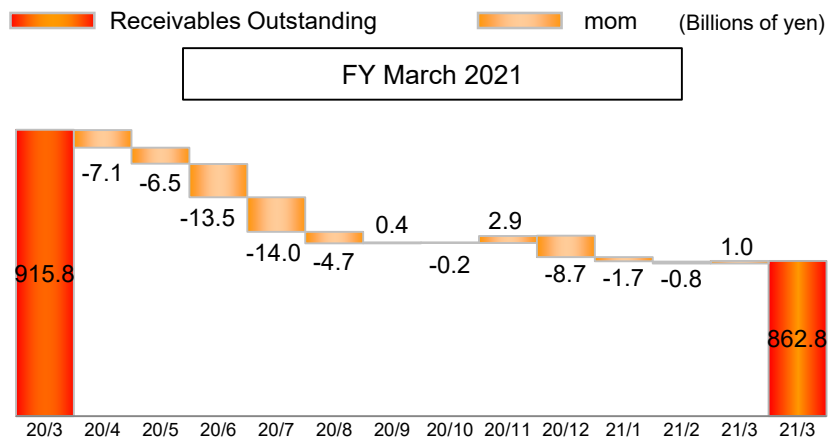
*2. These values are computed using the sum of total assets and guaranteed receivables.

Reference Information



【Reference】 Impact from COVID-19 ①

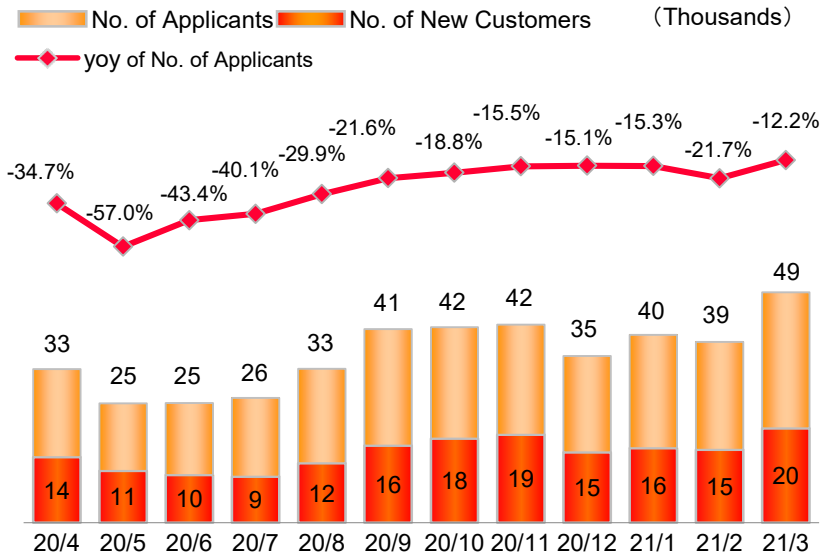
Loan and Credit Card Business: Receivables Outstanding



< yoy of monthly changes >

| Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
|------|-------|-------|-------|------|-------|------|------|------|------|------|------|
| -9.9 | -16.8 | -13.7 | -11.8 | -7.9 | -6.6 | -3.9 | -2.4 | -0.5 | -3.0 | -4.0 | -2.7 |

Loan Business: No. of Applicants and New Customers



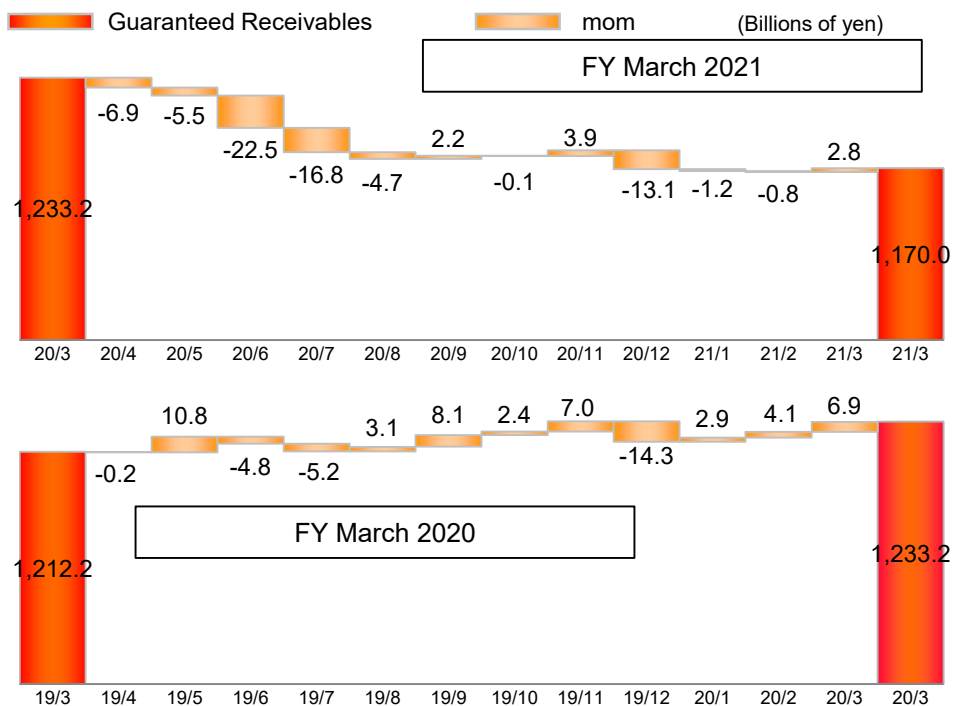
Key Points for Loan and Credit Card Business

- The demand for funds declined largely due to the first declaration of state of emergency. The impact remained however there was a recovery trend in demand for funds.
- The number of infected people has been increasing so that the government issued the third declaration of state of emergency on April 25. We will continue monitoring impact from spread of COVID-19.
- We will continue flexible and courteous support for repayment.



【Reference】Impact from COVID-19 ②

Guarantee Business: Receivables Outstanding (ACOM and MU Credit Guarantee)



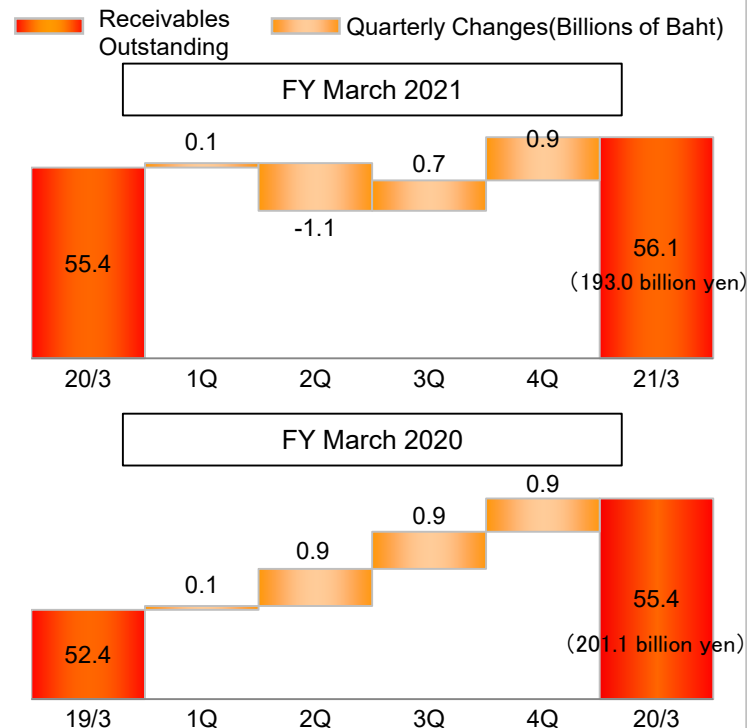
< yoy of monthly changes >

| Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. |
|------|-------|-------|-------|------|-------|------|------|------|------|------|------|
| -6.6 | -16.4 | -17.6 | -11.6 | -7.9 | -5.9 | -2.6 | -3.1 | 1.2 | -4.2 | -4.9 | -4.1 |

Key Points for Guarantee Business

- There was a slowdown of recovery speed in demand for funds in 4Q.
- We will continue monitoring impact from spread of COVID-19 including a declaration of state of emergency.

Receivables Outstanding (EASY BUY) 【Local Currencies Basis】



Key Points for Overseas Financial Business

- Operation in Kingdom of Thailand accounts for the majority of receivables in overseas business performance. Though Regulations have been continued due to the declaration of state of emergency the local government issued, EASY BUY's outlets operate as usual. There was a recovery trend in No. of Applicants and New Customers.
- Business scale increased on local currencies basis and accomplished the forecast.



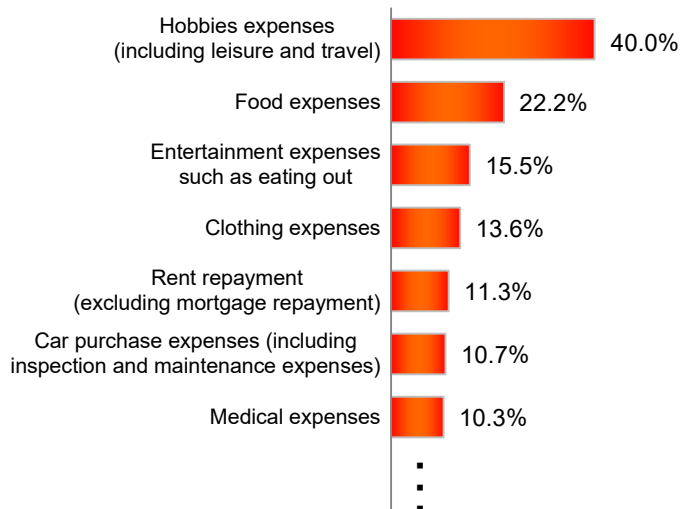
【Reference】Changes in Borrowing Behavior in COVID-19

Impact on Money Lenders led by COVID-19

- Demand for funds such as “Hobbies expenses (including leisure and travel)” and “Entertainment expenses such as eating out” has declined due to voluntary restrictions in activities outside the home led by COVID-19.
- While almost half of answerers did not change their borrowing behavior, more than half changed the behavior, such as “restraint of additional borrowing” and “repayment of debt”, because their spending decreased due to self-restraint from going out.

Purpose of the Loan (*1)

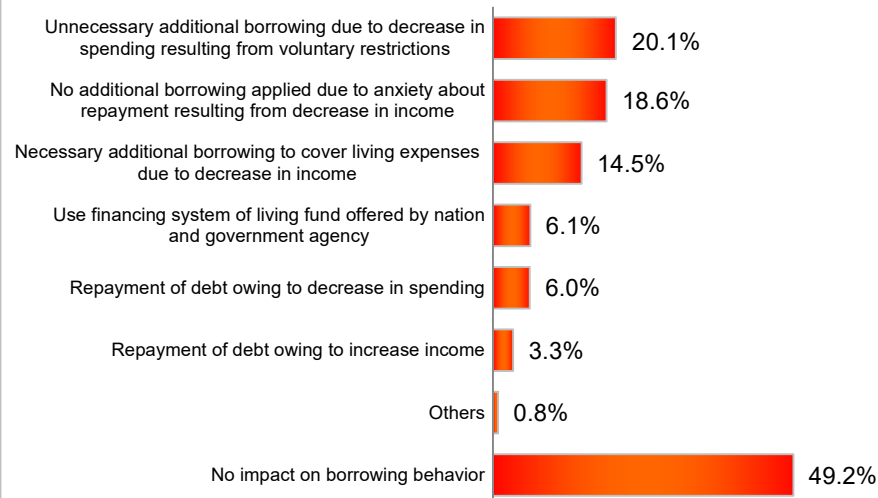
Survey target : Individuals with borrowing experiences (*2)
(Multiple answers / n=2,000)



*Omitted for values below 10%

Impact on Borrowing Behavior led by COVID-19 (*1)

Survey target: Among individuals with borrowing experiences, those who answered that they had the impact at present (or may have in the future) on their social life due to COVID-19 (Multiple answers / n=1,554)



※1. Excerpted "survey results report on borrowing awareness and borrowing behavior of fund demanders" dated November 30, 2020 surveyed by Japan Financial Services Association (JFSA).

※2. Survey on the way of using money when applying for borrowing in last three years for individuals with borrowing experiences.

[Reference] Priority Issues and SDGs Items

We have identified 6 social issues that we should prioritize in order to address the social issues identified in the (United Nations) SDGs and the Japanese government's SDGs Implementation Guiding Principles, etc., while taking into account the business environment and the importance of addressing social issues, and are working to resolve these issues.

Consumer Awareness and Money Management Programs

- Financial Education at Universities
- Our Stance toward Financial Crime



SDGs
Items



Promoting Diversity

- Supporting Next-generation Education Programs
- Promoting Women's Participation
- Supporting Career Enhancement
- Providing Career Opportunities to Persons with Disabilities
- Continued Employment of Retirees
- Used Stamp Collection
- Supporting Persons with Disabilities through ACOM Miru Concert Monogatari

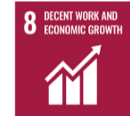
SDGs
Items



Promote Work-Style Reform

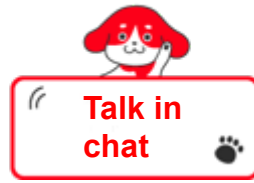
- Supporting a Balance Between Work, Child-rearing and Nursing
- Supporting Flexible Working Styles
- Promoting Annual Health Check-ups
- Caring for Mental Health
- Measures to Prevent Excessive Work

SDGs
Items



Promote Innovation

- Enhanced Online Services
- Improving Online Application Form



SDGs
Items



Regional Vitalization

- ACOM Miru Concert Monogatari
- ACOM Bluebird Fund
- Blood Donation Drive
- Strengthening Partnerships with Financial Institutions in Alliance



SDGs
Items



Promote Environment Conservation Activities

- Reducing Electricity Consumption of ATMs and Illumination Signboards
- Shifting to Paperless Operations
- Participating in Local Cleaning Projects



SDGs
Items





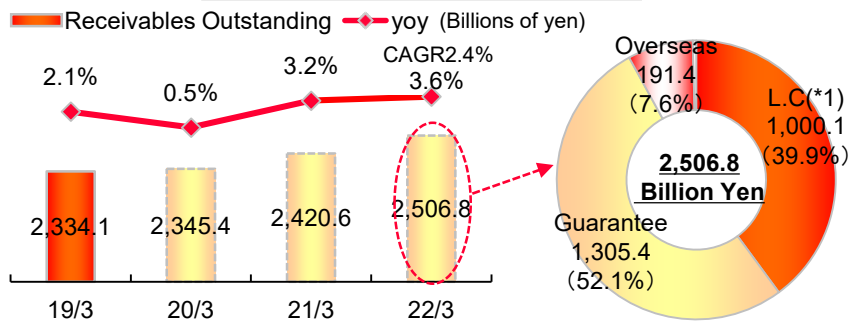
[Reference] Medium-term Management Policy and Key Themes

| | | |
|--|---|---|
| Foundation Spirit | Circle of Trust | |
| Origins of Company Name | <u>A</u> ffection <u>C</u> onfidence <u>M</u> oderation | |
| Corporate Philosophy | ACOM, based on the spirit of human dignity and in putting customers first, is contributing to the realization of an enjoyable and affluent personal life, and to improving lifestyle, through creative and innovative management. | |
| Management Vision | Be the “leading company” which provides prime satisfactions to utmost number of customers and win their trust in return | |
| Key Business Domains | Domestic | Loan & credit card business and guarantee business |
| | Overseas | Loan business in ASEAN |
| Medium-term Management Policy | With expeditious reactions to environmental changes, ACOM will strive for sustainable growth and increasing corporate value, while creating services which exceed customers' expectations. | |
| Medium-term Key Themes | | Business Strategy |
| ① Foster compliance culture ② Establish human resources basis through recruitment, education and retention ③ Enhance customer acquisition through sophistication of screening and promotion ④ Provide supreme customer experience by enhancing customer-reception quality and promoting digitalization ⑤ Continuous scale expansion in loan and credit card business ⑥ Further enhancing alliances in guarantee business ⑦ Expanding basis of overseas financial business ⑧ Achieve optimum credit preservation ⑨ Establish IT structure capable of responding to environmental changes ⑩ Establish organization with high quality and productivity through operational reforms | Loan and credit card business | ➤ Provide product/services accommodating to changes in customer needs ➤ Credit and promotion strategies for stable customer acquisition |
| | Guarantee business | ➤ Enhance alliances with existing partners ➤ Enhance profitability ➤ Increase new guarantee alliance partners |
| | Overseas financial business | ➤ Research activities in ASEAN and surrounding region ➤ Enhance management structure of existing subsidiaries |
| | Functional Strategy | |
| | Digital / IT | ➤ “Lending and payment” services in cashless environment ➤ Creating supreme customer experience via hyper-instant screening ➤ Promote renovation of core system |
| | | ➤ Maintenance of operational reform promoting structure ➤ Company-wide implementation of RPA |
| | Operational reforms | |
| | | |
| | | |
| | | |

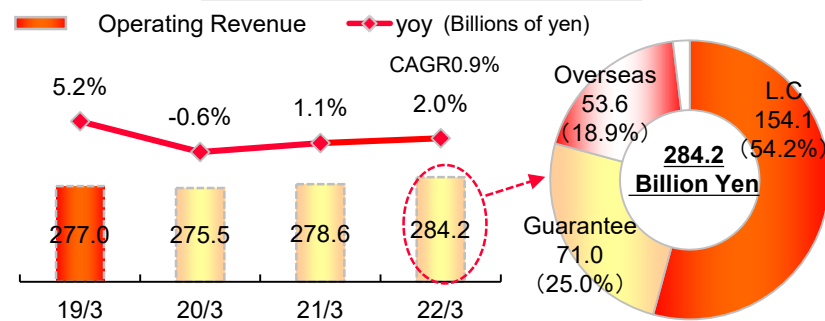
[Reference] Medium-term Management Plan (2020/3-2022/3) Business Scale and Performance

- Strive for receivables of ¥2.5 trillion through digital investments to 3 core businesses and consecutive growth in both revenue and profit
 - FY 2020/3: Receivables would remain almost flat due to Bank BNP impact. Revenue would decrease due to Bank BNP and decline in guarantee fee rate
 - FY 2021/3: Business scale would grow smoothly while revenue and profit would increase owing to scale expansion
 - FY 2022/3: Business scale would continue smooth expansion while growth rate of revenue would rise from further business expansion

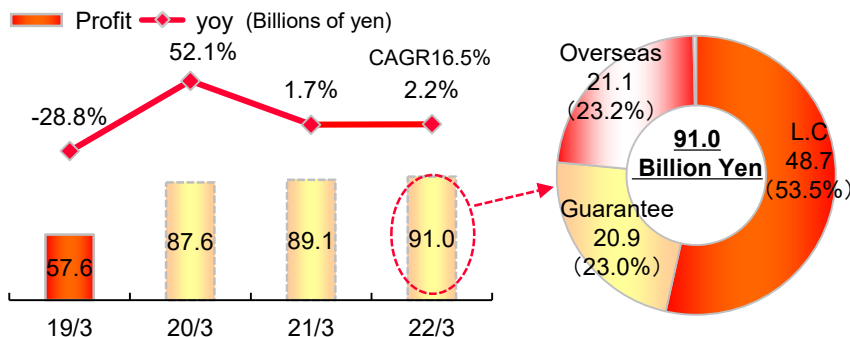
Receivables Outstanding



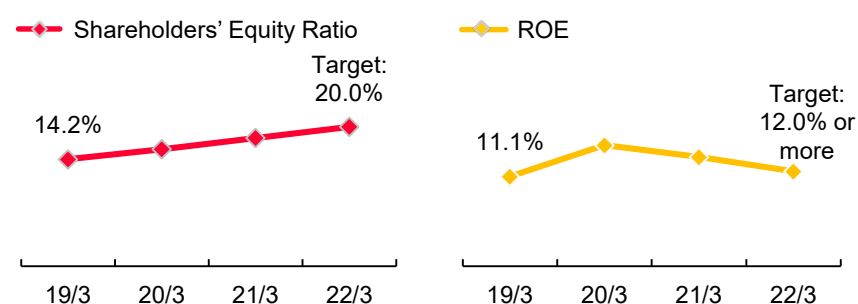
Operating Revenue



Operating Profit



Shareholders' Equity Ratio (*2)・ROE



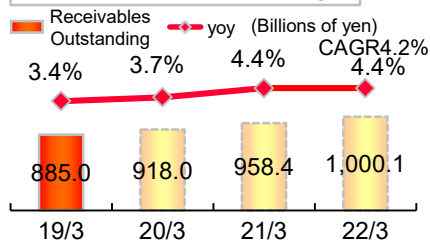
*1 "L.C" stands for loan and credit card business.

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

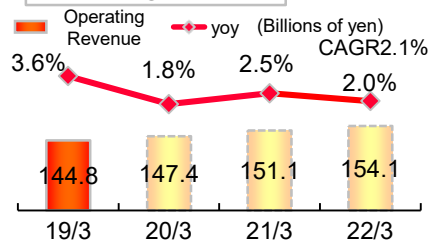
[Reference] Medium-term Management Plan (2020/3-2022/3) Business Scale and Performance by Business Segment

Loan and Credit Card Business

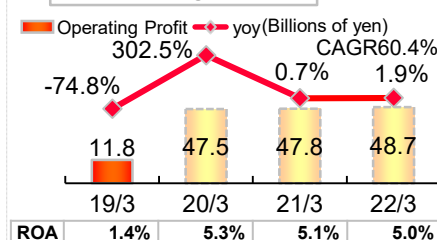
Receivables Outstanding



Operating Revenue



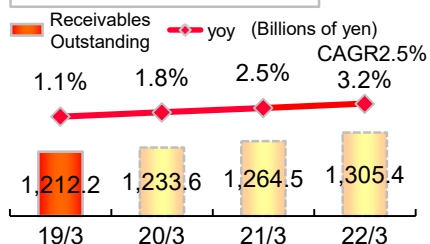
Operating Profit



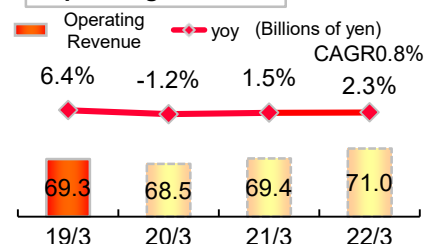
- Aim for receivables to exceed ¥1 trillion
- Targets: ¥154.1 billion of revenue and ¥48.7 billion of profit

Guarantee Business

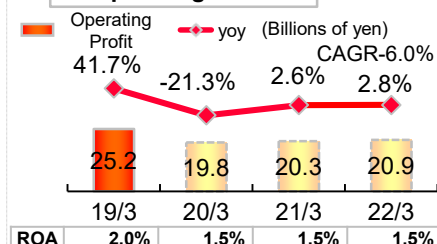
Guaranteed Receivables



Operating Revenue



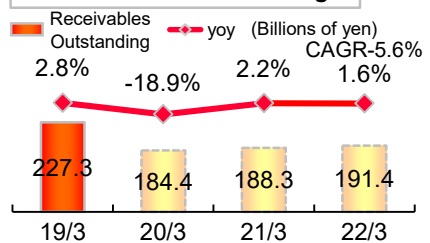
Operating Profit



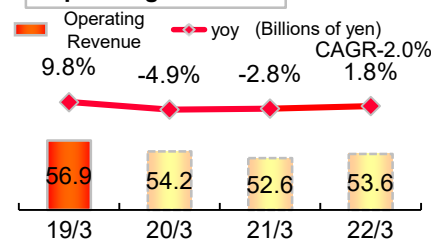
- Aim for receivables of ¥1.3 trillion.
- Targets: ¥71.0 billion of revenue and ¥20.9 billion of profit
- Revenue for FY 2020/3 would decrease due to decline in guarantee fee rate

Overseas Financial Business (*)

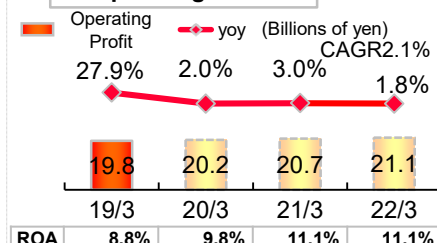
Receivables Outstanding



Operating Revenue



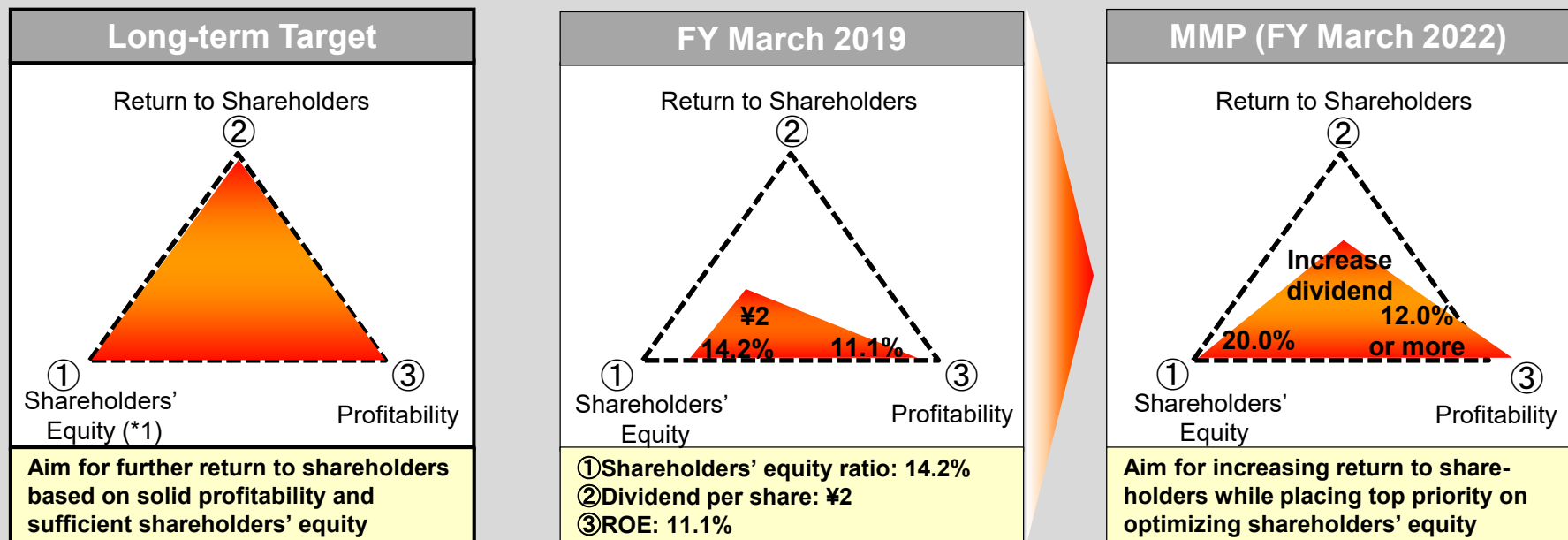
Operating Profit



- Aim for receivables of ¥191.4 billion.
- Targets: ¥53.6 billion of revenue and ¥21.1 billion of profit
- Bank BNP exclusion would cause receivables and revenue to decrease in FY 2020/3

* Bank BNP was excluded from the scope of consolidation in April 2019. With regard to estimates for 2020/3, Bank BNP's receivables is excluded, but its 4 months performance is included in P/L.

Basic Capital Policy



Basic Policy on Dividend Payment

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

| | FY March 2019 (Results) | | | FY March 2020 (Results) | | FY March 2021 (Results) | | FY March 2022 (Forecast) | |
|--------------------|-------------------------|----------|--|-------------------------|----------|-------------------------|----------|--------------------------|----------|
| | Interim | Year-end | | Interim | Year-end | Interim | Year-end | Interim | Year-end |
| Dividend per Share | ¥1 | ¥1 | | ¥2 | ¥2 | ¥3 | ¥3 (*2) | ¥3 | ¥3 |
| | ¥2 total | | | ¥4 total | | ¥6 total | | ¥6 total | |

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

*2. Year-end dividend for the fiscal year ended March 2021 assumes approval at the general meeting of shareholders scheduled in June 2021.



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Disclaimer

The figures contained in this presentation material with respect to ACOM's plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of ACOM which are based on management's assumptions and belief in light of the information currently available to it and involve risks and uncertainties.

Therefore, actual results may differ from those in the forward-looking statements due to various factors.

Potential risks and uncertainties include, but not limited to, general economic conditions in ACOM's market and changes in the size of the overall market for consumer loans, the rate of default by customers, the fluctuations in number of cases of claims from and the amount paid to customers who claim us to reimburse the portion of interest in excess of the interest ceiling as specified in the Interest-Rate Restriction Law, the level of interest rates paid on the ACOM's debt and legal limits on interest rates charged by ACOM.