
Earnings Release Presentation

The Second Quarter Financial Results for the Fiscal Year Ending March 2022



ACOM CO., LTD.

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

November 9, 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 infection.
- Consumer sentiment seems gradually recover due to the progress of COVID-19 vaccination and the lift of declaration of state of emergency.

<Kingdom of Thailand (as of June 2021)>

- The restrictions on activities were tightened than before in Bangkok and 5 surrounding prefectures in late June 2021. Economic trend has been severe.

<Republic of the Philippines (as of June 2021)>

- Economic situation is severe due to the restrictions on activities resulting from community isolation imposed by the local government and the delay of COVID-19 vaccination.

Market and Competitive Environment

<Japan>

- The personal card loan market shrank due to the demands for funds subsequently remaining at a low level resulting from spread of COVID-19 infection.
- Expect the market to recover owing to the gradual increase in the demands for funds.
- 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 (as of June 2021)>

- Bank of Thailand issued an order to lower maximum interest rate from 28% to 25%, effective from August 1, 2020.
- Growth rate of non-bank market has increased 3.2% yoy, showing signs of recovery. Though, still need to pay close attention to future market trends since COVID-19 infection has been rapidly increasing.

<Republic of the Philippines (as of June 2021)>

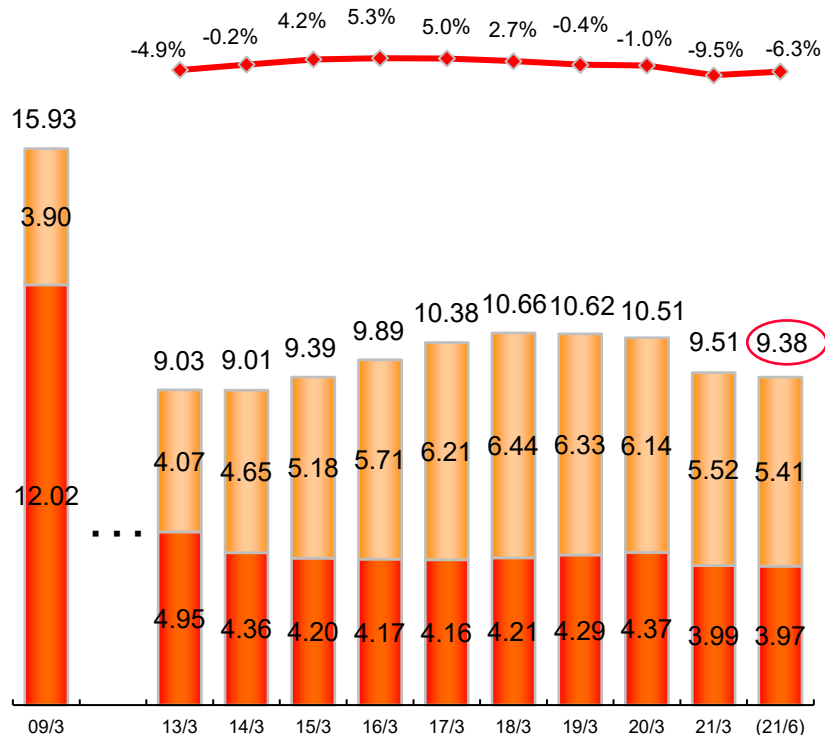
- Market size of personal unsecured loan has been increasing.
- Needs to pay close attention to future market trends since COVID-19 infection has been rapidly increasing.



Trend of Market Volume of Domestic Personal Card Loans

Domestic Personal Card Loan Market

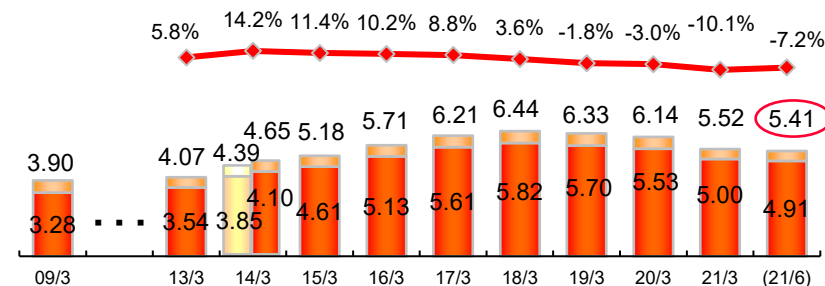
Nonbank Category Bank Category yoy (Trillions of yen)



ACOM's Share	14.4%	15.6%	16.2%	16.7%	17.2%	17.4%	17.7%	18.2%	18.9%	19.1%
Consolidated	16.4%	17.1%	17.7%	18.4%	18.8%	19.1%	19.7%	20.5%	20.8%	

Bank Category (*1)

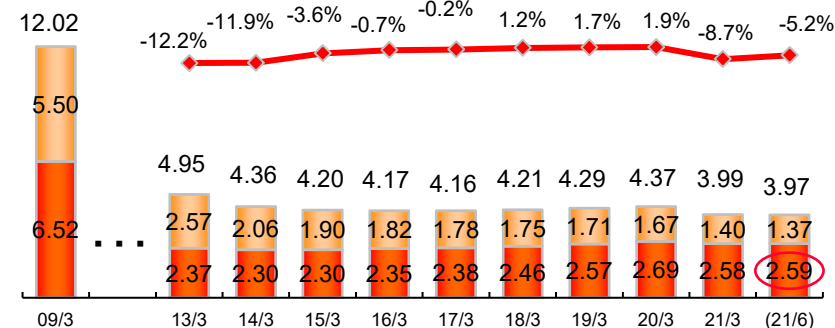
Domestic Banks Credit Unions yoy (Trillions of yen)



ACOM's Share	14.4%	14.6%	15.0%	15.5%	16.2%	16.4%	16.7%	17.4%	18.3%	18.6%
Consolidated	16.2%	16.6%	17.3%	18.2%	18.6%	19.1%	20.1%	21.2%	21.5%	

Nonbank Category (*2)

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



ACOM's Share	14.5%	16.6%	17.8%	18.4%	18.8%	19.0%	19.1%	19.2%	19.6%	19.7%
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*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 2021/6 is preliminary.



Financial Results Summary

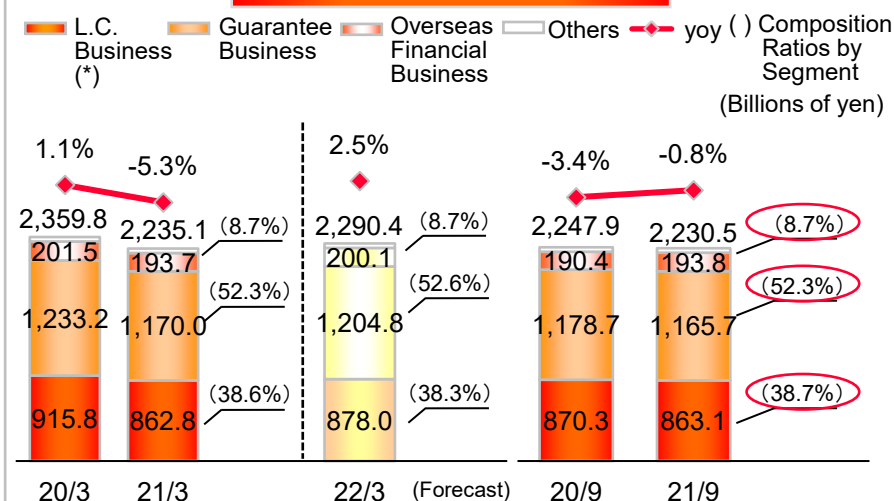
	A	B	C	D	E	F	G	H	I	J
	Consolidated					Non-consolidated				
(Millions of yen, %)	2021/9		2022/3			2021/9		2022/3		
<B/S>	Results	yoy (ytd)	Forecast(*)	yoy	Progress	Results	yoy (ytd)	Forecast(*)	yoy	Progress
1 Receivables Outstanding	2,230,593	-0.8 (-0.2)	2,290,400	2.5		1,869,728	-1.2 (-0.3)	1,917,100	2.2	
2 Loan & Credit Card Business	863,168	-0.8 (+0.0)	878,000	1.8		863,168	-0.8 (+0.0)	878,000	1.8	
3 Guarantee Business	1,165,748	-1.1 (-0.4)	1,204,800	3.0		1,006,560	-1.5 (-0.6)	1,039,100	2.6	
4 Overseas Financial Business	193,800	1.7 (+0.0)	200,100	3.3		-	-	-	-	
<P/L>										
5 Operating Revenue	131,423	-2.6	260,700	-2.1	50.4	97,336	-2.9	193,800	-2.1	50.2
6 Loan & Credit Card Business	71,428	-2.1	142,000	-1.7	50.3	71,428	-2.1	142,000	-1.7	50.3
7 Guarantee Business	31,137	-4.9	62,400	-2.9	49.9	25,860	-5.2	51,700	-3.3	50.0
8 Overseas Financial Business	25,925	-3.9	51,200	-1.8	50.6	-	-	-	-	-
9 Operating Expenses	83,052	3.2	180,800	8.0	45.9	62,384	5.5	135,000	8.8	46.2
10 Financial Expenses	2,888	-7.6	5,000	-14.8	57.8	1,745	-12.5	3,400	-11.5	51.3
11 Provision for Bad Debts	33,906	3.5	78,400	18.4	43.2	25,211	10.7	57,000	22.7	44.2
12 Provision for Loss on Interest Repayment	-	-	-	-	-	-	-	-	-	-
13 Other Operating Expenses	46,257	3.8	97,400	2.1	47.5	35,428	3.0	74,600	1.2	47.5
14 Operating Profit	48,370	-11.2	79,900	-19.2	60.5	34,951	-15.0	58,800	-20.5	59.4
15 Ordinary Profit	48,868	-11.8	80,100	-19.9	61.0	39,811	-14.4	64,800	-20.3	61.4
16 Profit Before Income Taxes	48,704	-12.0	79,900	-19.5	61.0	39,649	-14.7	64,600	-19.8	61.4
17 Profit	41,599	-9.9	64,800	-22.5	64.2	35,973	-10.1	55,400	-21.9	64.9
18 Profit Attributable to Owners of Parent	39,147	-10.0	61,000	-22.7	64.2	-	-	-	-	-

* There is no revision from the earnings forecast announced on May 10, 2017.

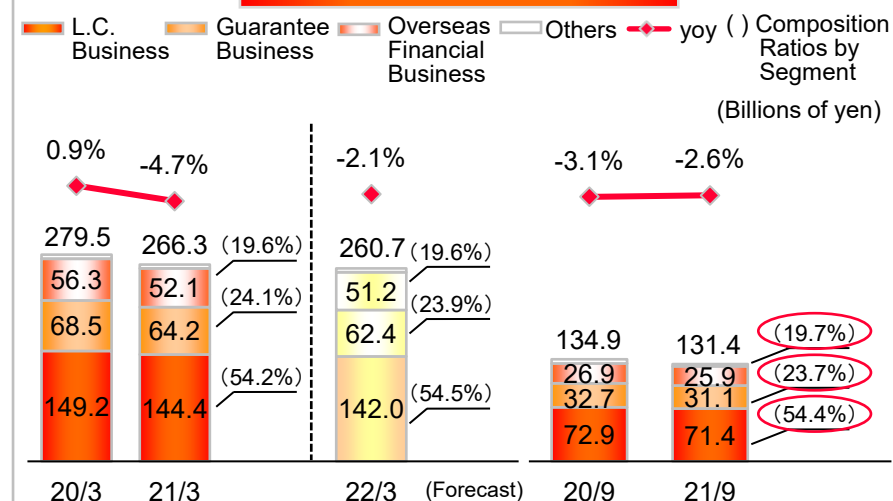


Composition Ratios by Reported Segment

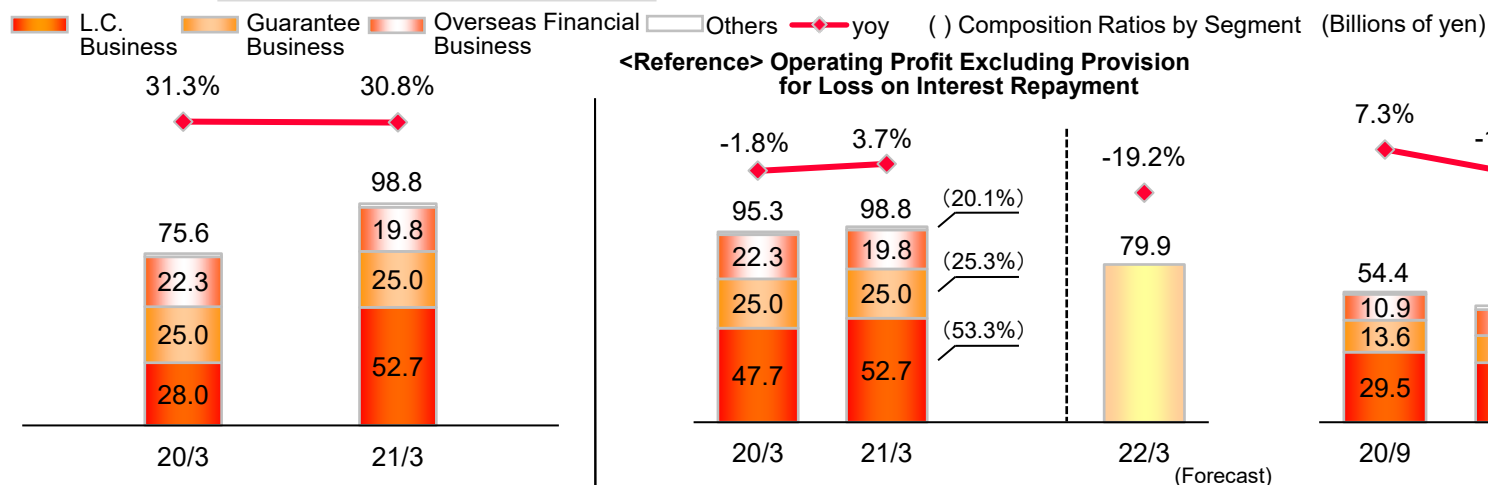
Receivables Outstanding



Operating Revenue



Operating Profit



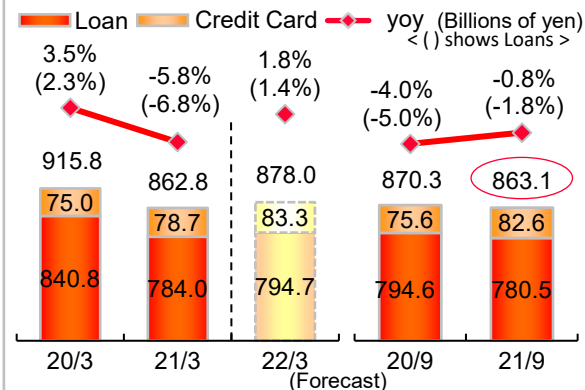
* "L.C. Business" stands for loan and credit card business.



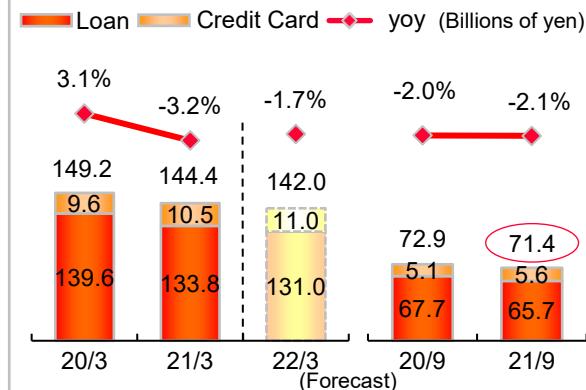
Loan and Credit Card Business (ACOM)

- **Receivables Outstanding** : Decreased by 0.8% yoy (+0.0% ytd) to 863.1 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 2.1% yoy to 71.4 billion yen due to decrease in interest on operating loans, etc.
- **Operating Profit** : Decreased by 14.9% yoy to 25.1 billion yen due to increase in provision for bad debt and advertising expenses.

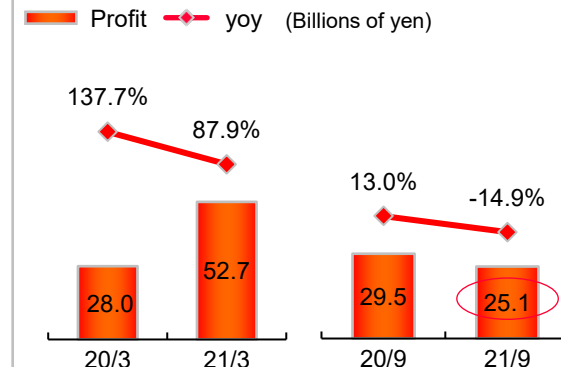
Receivables Outstanding



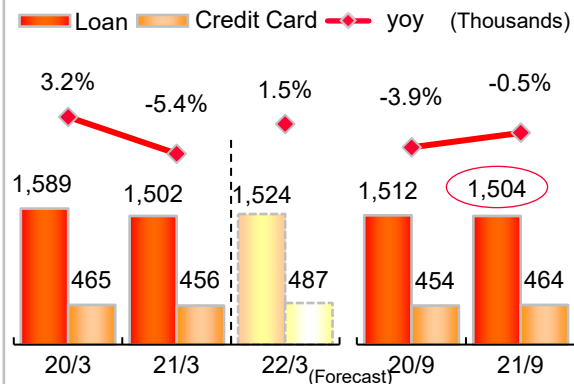
Operating Revenue



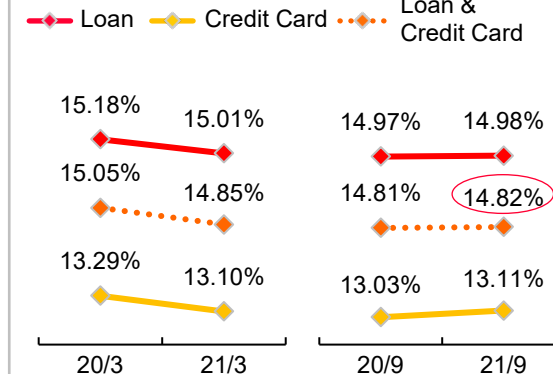
Operating Profit



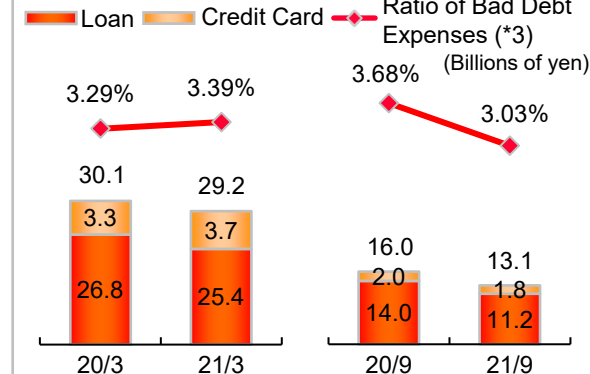
No. of Customer Accounts



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.

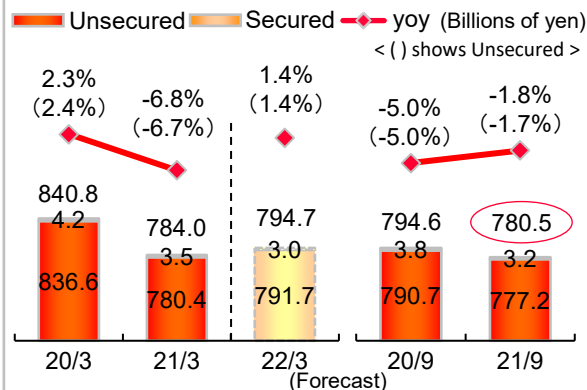
*3. The ratios of bad debt expenses for 20/9 and 21/9 are recalculated into annual basis.



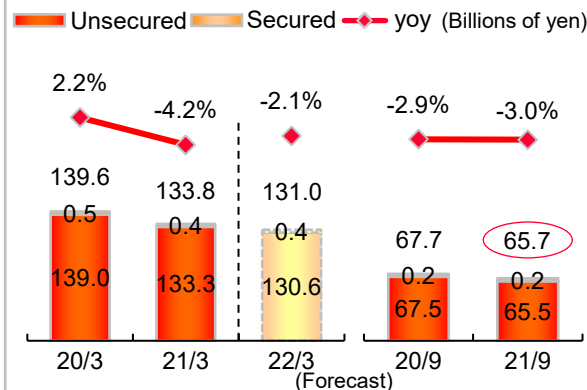
Loan Business (ACOM)

- **Receivables Outstanding** : Decreased by 1.8% yoy (-0.4% ytd) to 780.5 billion yen.
- **Operating Revenue** : Decreased by 3.0% yoy to 65.7 billion yen.
- **No. of New Customers** : Increased by 49.7% yoy to 112 thousands.

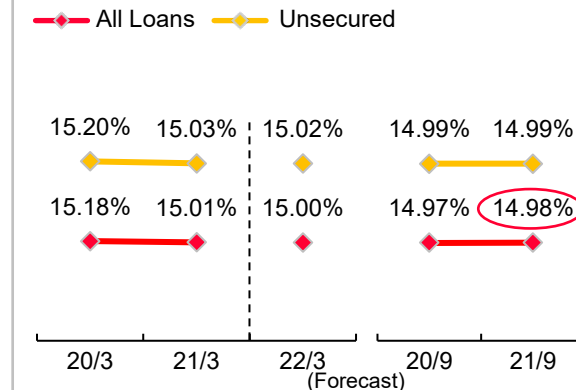
Receivables Outstanding



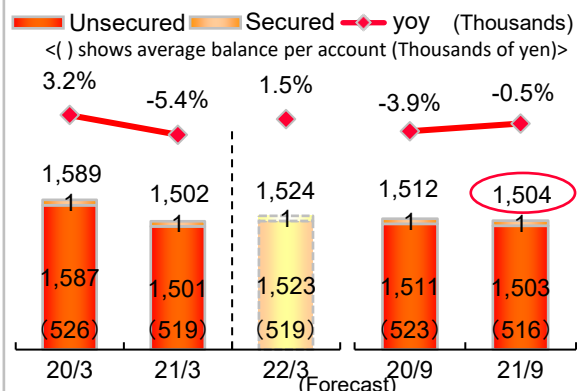
Operating Revenue



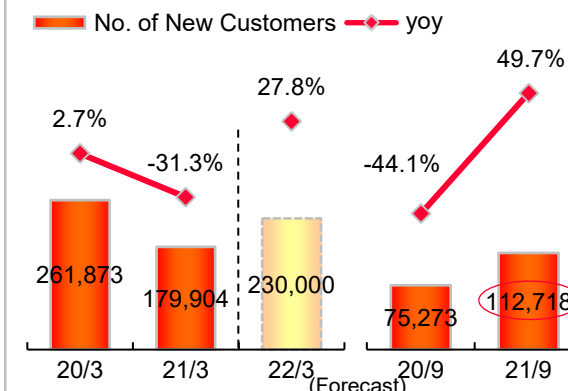
Average Loan Yield



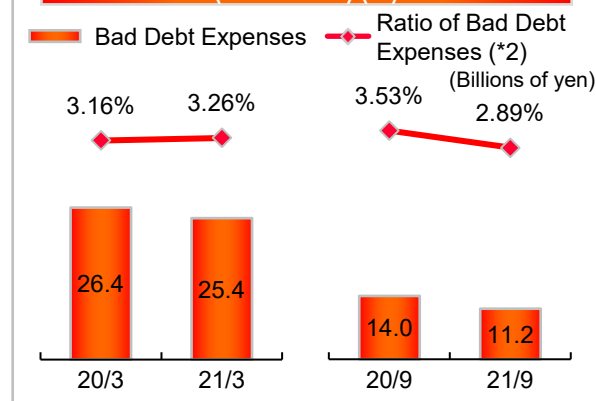
No. of Customer Accounts



No. of New Customers (Unsecured)



Amount and Ratio of Bad Debt Expenses (Unsecured) (*1)



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

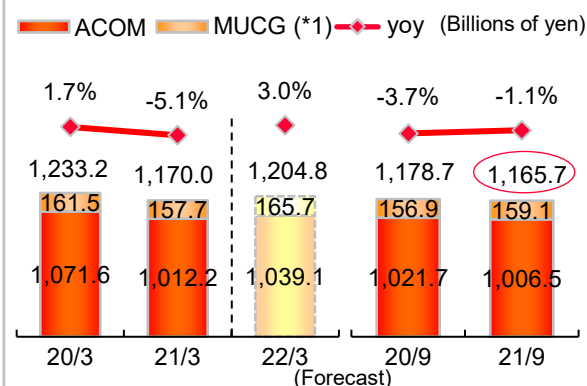
*2. The ratios of bad debt expenses for 20/9 and 21/9 are recalculated into annual basis.



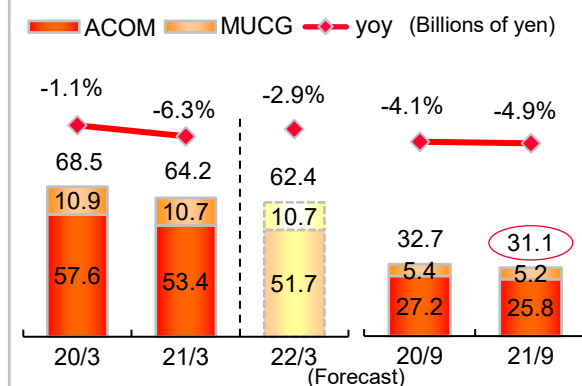
Guarantee Business (ACOM and MU Credit Guarantee)

- **Guaranteed Receivables** : Decreased by 1.1% yoy (-0.4% ytd) to 1,165.7 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 4.9% yoy to 31.1 billion yen due to decrease in revenue from Credit Guarantee.
- **Operating Profit** : Decreased by 15.1% yoy to 11.5 billion yen due to increase in provision for bad debts.

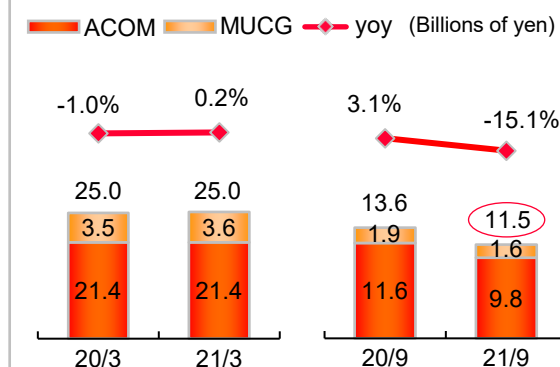
Guaranteed Receivables



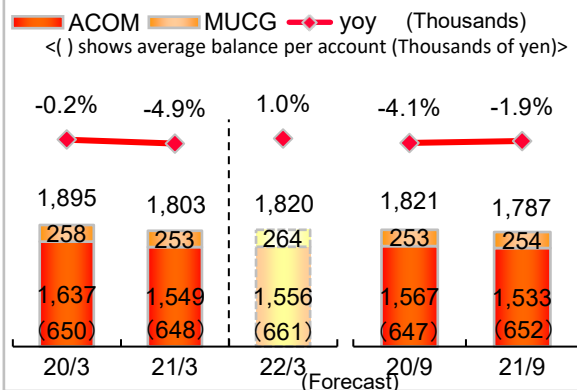
Operating Revenue



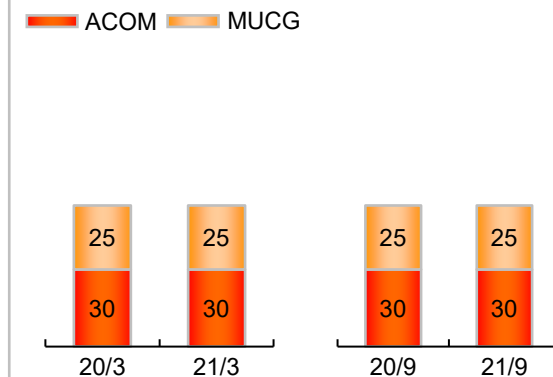
Operating Profit



No. of Customer Accounts

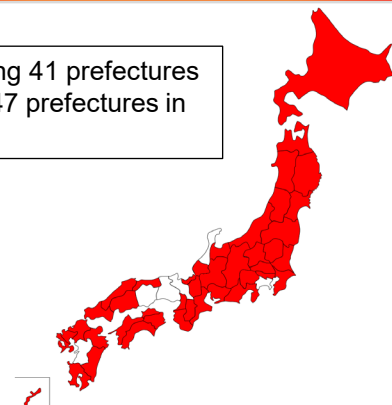


No. of Alliance Partners (*2)



Prefectures with Alliance Partners

Covering 41 prefectures out of 47 prefectures in Japan



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

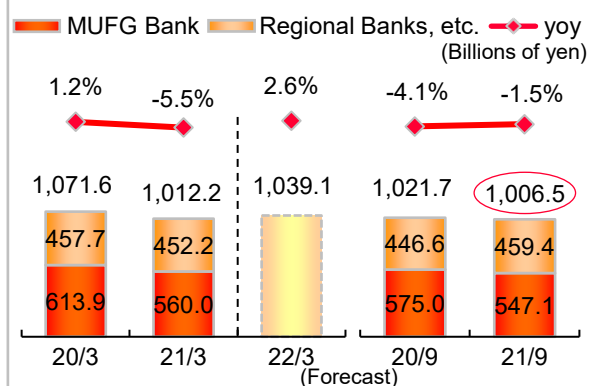
*2. ACOM and MUCG share three alliance partners.



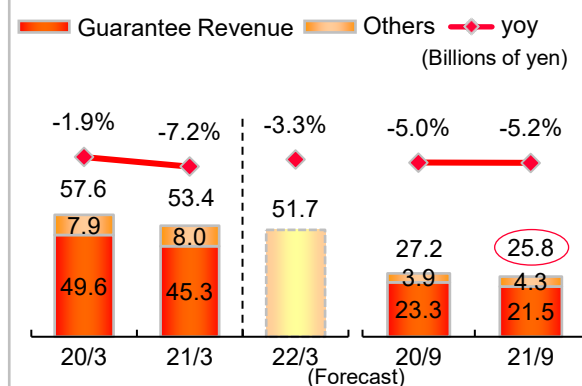
Guarantee Business (ACOM)

- **Guaranteed Receivables** : Decreased by 1.5% yoy (-0.6% ytd) to 1,006.5 billion yen.
- **Operating Revenue** : Decreased by 5.2% yoy to 25.8 billion yen.
- **Operating Profit** : Decreased by 15.1% yoy to 9.8 billion yen.

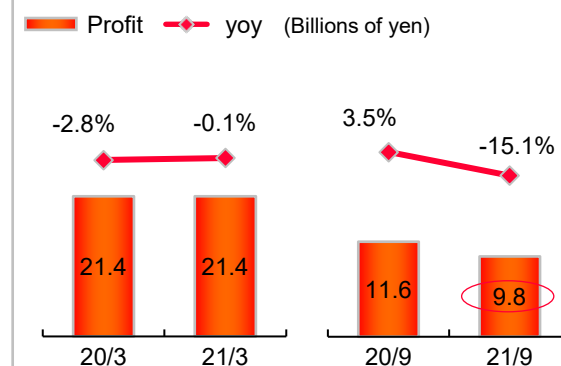
Guaranteed Receivables



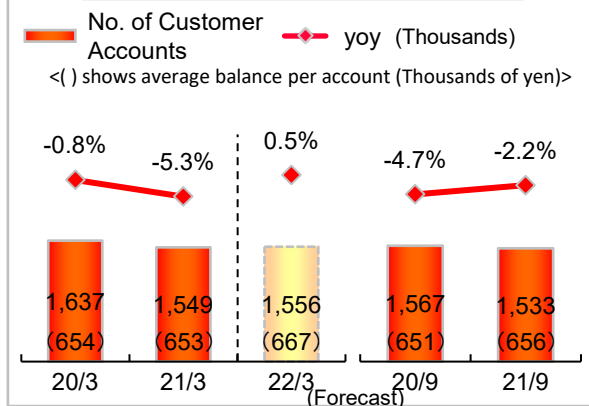
Operating Revenue



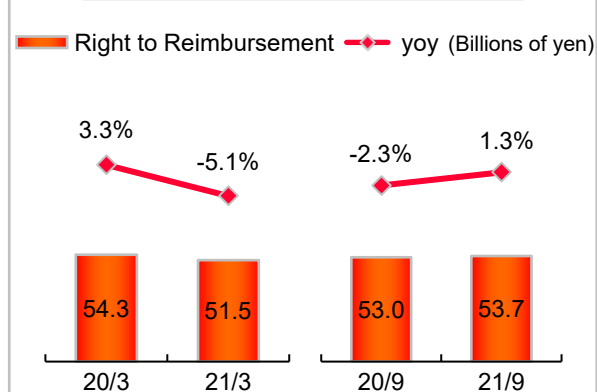
Operating Profit



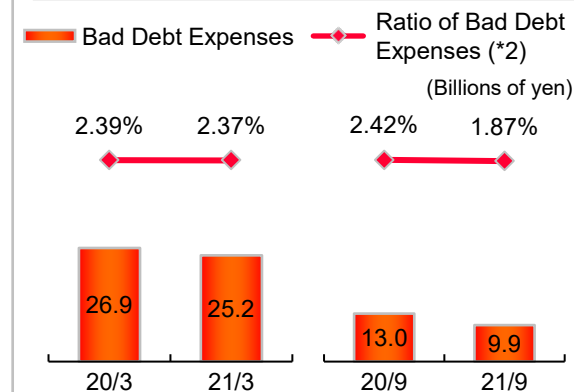
No. of Customer Accounts



Right to Reimbursement (*1)



Amount and Ratio of Bad Debt Expenses

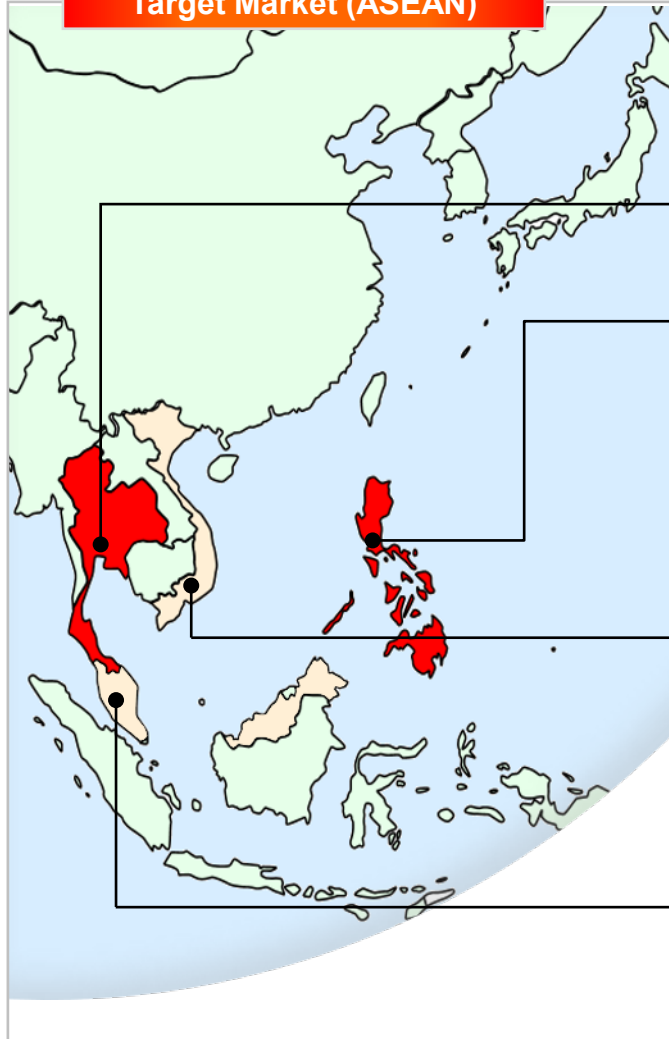


*1 Right to reimbursement is loans in which guarantee obligations have been performed by ACOM, but not yet written-off.

*2 The ratios of bad debt expenses for 20/9 and 21/9 are recalculated into annual basis.

Target Market in Overseas Financial Business

Target Market (ASEAN)



[Kingdom of Thailand]

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

- The COVID-19 infection has been rapidly increasing in July and August. Work volume has decreased led by partially stopping the operation in Easy Buy. Continue to watch its impact since the number of arrears and bad debt is expected to increase.

[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.
- B/S and P/L of 2Q progress are almost as planned.
- The outlook has been still uncertain due to the lockdown of the city in April and August. Continue to watch its impact.

Applying for license

[Socialist Republic of Vietnam]

[ACOM VIETNAM FINANCE COMPANY LIMITED]
 Location : Ho Chi Minh
 Capital : 600.0 billion dong
 (About 2.9 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.

Establishment of Corporation

[Malaysia]

[A C O M (M) S D N . B H D .]
 Location : Kuala Lumpur
 Capital : 2 million ringgit(*)
 (About 50 million yen)
 Equity stake : 100.00%

- Established the company in July 2021.
- Plans to apply for license in November 2021.

* Amount after increasing the capital.

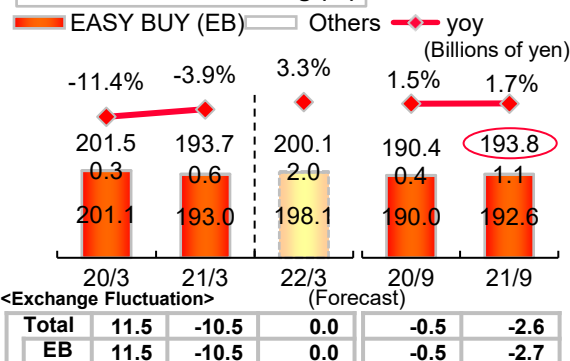


Overseas Financial Business

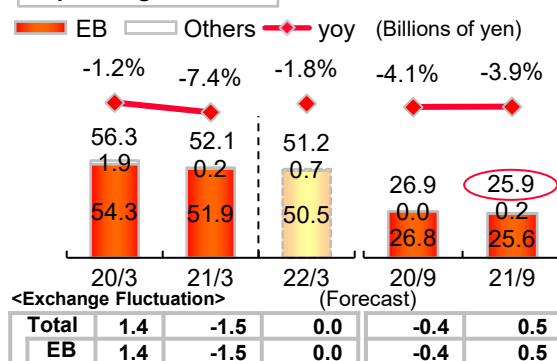
- **Receivables Outstanding (Consolidated)** : Increased by 1.7% yoy (+0.0% ytd) to 193.8 billion yen.
- **Operating Revenue (Consolidated)** : Decreased by 3.9% yoy to 25.9 billion yen due to lowered maximum interest rate at EASY BUY.
- **Operating Profit (Consolidated)** : Increased by 0.1% yoy to 10.9 billion yen owing to decrease in provision for bad debts at EASY BUY.

Overseas Financial Business (Yen Basis) (*1)

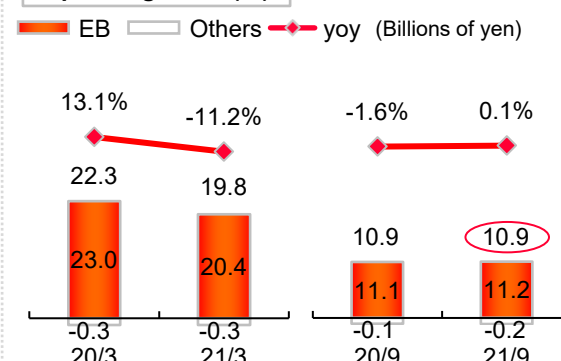
Receivables Outstanding (*2)



Operating Revenue

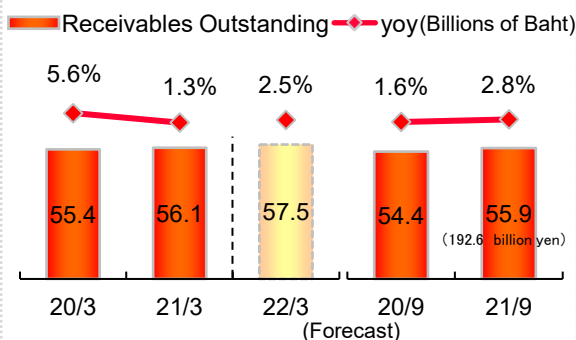


Operating Profit (*3)

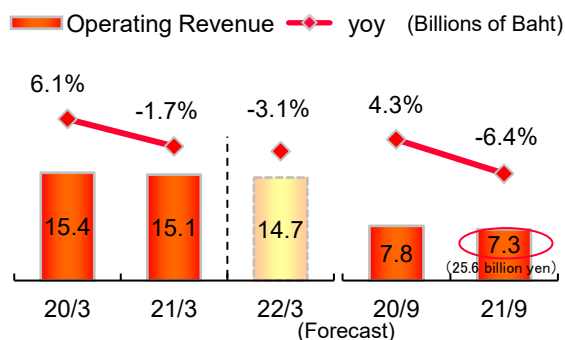


EASY BUY (Local Currencies Basis)

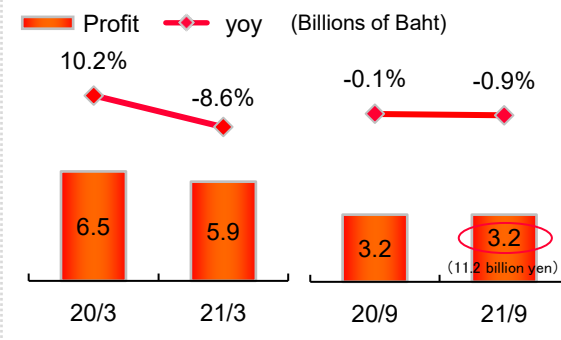
Receivables Outstanding (*2)



Operating Revenue



Operating Profit



*1. Exchange rates : Baht B/S: ¥3.49 (20/9), ¥3.44 (21/9), Forecast ¥3.44 (22/3) P/L: ¥3.43 (20/9), ¥3.50 (21/9), Forecast ¥3.42 (22/3)

Exchange fluctuation as of current 2Q: Baht (B/S yoy -¥0.05 P/L yoy +¥0.07)

*2. Receivables outstanding = "accounts receivable - operating loans" + "accounts receivable - installment"

*3. Operating profit shows segment income.



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

- No. of requests : Decreased by 10.3% yoy to 10.4 thousands.
- 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)

(%)

	2017/3		2018/3		2019/3		2020/3		2021/3			2022/3		
	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	60,700	-15.9	34,300	-43.5	27,100	-21.0	24,700	-8.9	22,100	-10.5	90	10,400	-10.3	85
Apr.	5,500	-15.4	3,600	-34.5	2,400	-33.3	2,200	-8.3	1,600	-27.3	76	1,800	12.5	85
May	5,600	1.8	3,400	-39.3	2,600	-23.5	2,100	-19.2	1,700	-19.0	94	1,600	-5.9	88
June	5,800	-9.4	3,400	-41.4	2,500	-26.5	2,300	-8.0	2,500	8.7	113	2,000	-20.0	90
July	4,900	-19.7	2,800	-42.9	2,400	-14.3	2,300	-4.2	2,100	-8.7	100	1,700	-19.0	85
Aug.	4,700	-11.3	2,500	-46.8	2,300	-8.0	1,900	-17.4	1,900	0.0	95	1,600	-15.8	76
Sept.	4,800	-27.3	2,800	-41.7	2,000	-28.6	2,000	0.0	1,800	-10.0	90	1,700	-5.6	85
Oct.	4,600	-31.3	2,700	-41.3	2,400	-11.1	2,200	-8.3	1,800	-18.2	81			
Nov.	4,900	-18.3	4,100	-16.3	2,200	-46.3	2,000	-9.1	1,700	-15.0	89			
Dec.	5,200	-10.3	2,300	-55.8	1,800	-21.7	1,900	5.6	1,700	-10.5	80			
Jan.	4,500	-4.3	2,000	-55.6	2,000	0.0	1,800	-10.0	1,400	-22.2	73			
Feb.	5,200	-16.1	2,200	-57.7	2,200	0.0	1,800	-18.2	1,800	0.0	100			
Mar.	5,000	-21.9	2,500	-50.0	2,300	-8.0	2,200	-4.3	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** : ¥15.1 billion was drawn down from ¥56.7 billion of provision. (¥13.5 billion for interest repayment + ¥1.6 billion for voluntary waiver of repayment)
- **Ending balance** : 41.5 billion yen remains as there was no addition made to provision for loss on interest repayment in 2Q. 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

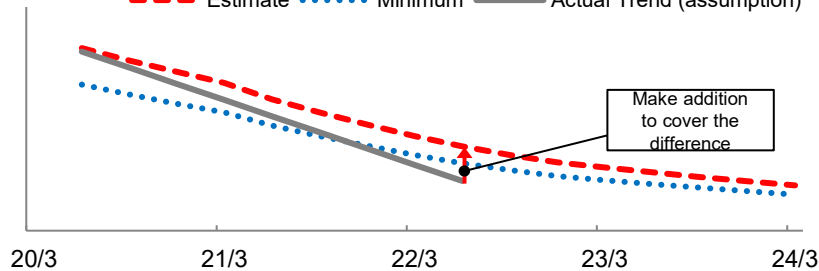
(Millions of yen, %)

	2017/3	2018/3	2019/3	2020/3	2021/3						2022/3			
					1Q	2Q	3Q	4Q	Total	yoy	1Q	2Q	Total	yoy
Provision Drawdown	68,828	60,831	41,248	34,400	6,854	7,385	8,447	8,170	30,858	-10.3	7,034	8,143	15,177	6.6
Interest Repayment	58,852	53,470	36,586	30,686	6,113	6,576	7,436	7,261	27,389	-10.7	6,257	7,312	13,569	6.9
Bad Debt Expenses (ACOM's voluntary waiver of repayments)	9,975	7,360	4,661	3,713	741	808	1,010	908	3,468	-6.6	777	831	1,608	3.8
Addition of Provision	143,728	-	39,479	19,700	-	-	-	-	-	-	-	-	-	-
Increase or Decrease in Provision	74,900	-60,831	-1,768	-14,700	-6,854	-7,385	-8,447	-8,170	-30,858	-	-7,034	-8,143	-15,177	-
Ending Balance of Provision	164,900	104,068	102,300	87,600	80,745	73,359	64,912	56,741	-35.2	-	49,707	41,563	-43.3	-

Image of Addition of Provision

< Ending balance of provision >

--- Estimate Minimum — Actual Trend (assumption)



Key Points for Provision

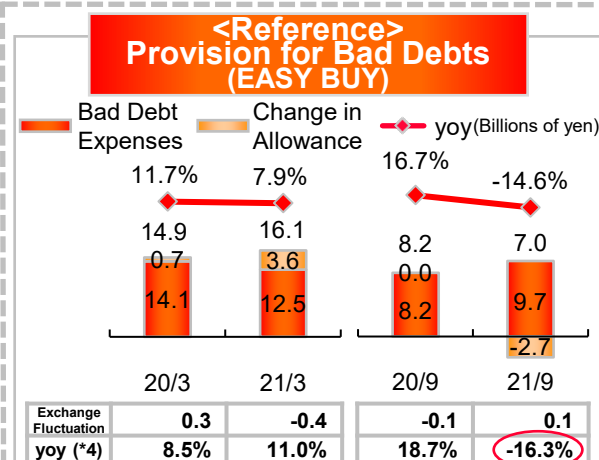
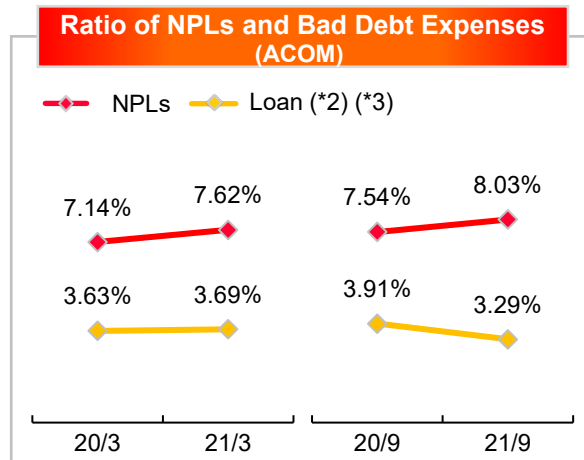
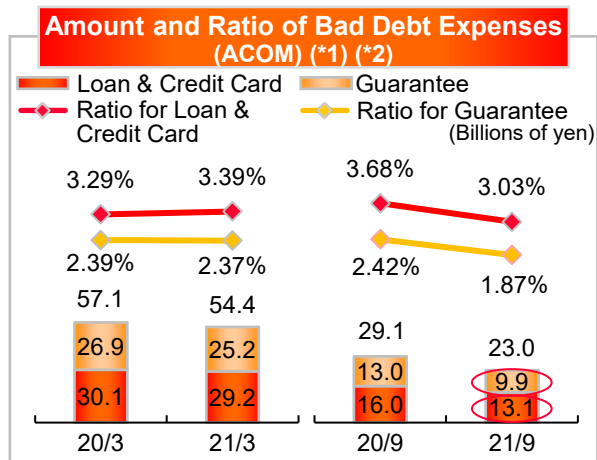
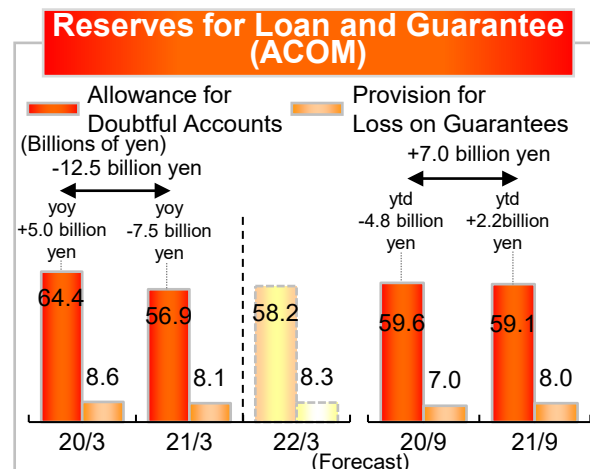
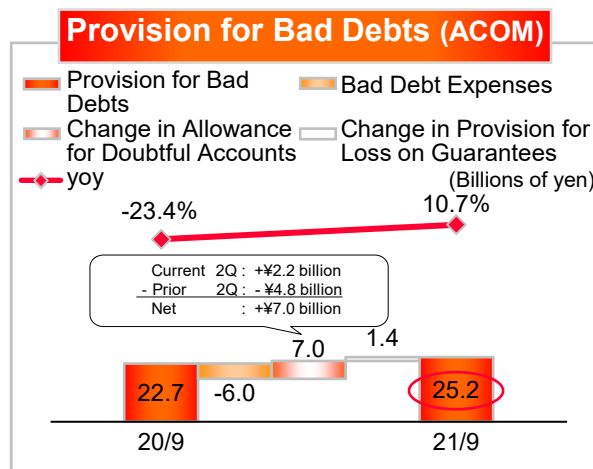
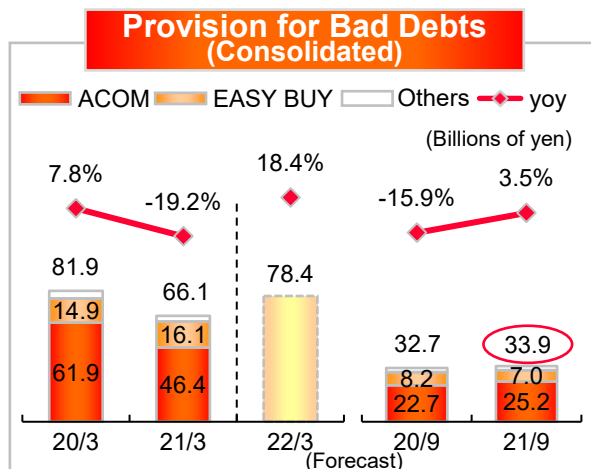
- ① When quarterly ending balance of provision falls below the minimum value of estimate, addition will be made to cover the difference between these.
- ② Reassess the necessity of changing estimation method for the provision;
 - when the quarterly ending balance of provision falls significantly below the minimum value of initial estimate.
 - at formulation of medium-term management plan every 3 years.

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



Provision for Bad Debts

- **Provision for Bad Debts (Consolidated)** : Increased by 3.5% yoy to 33.9 billion yen owing to decrease in ACOM.
- **Bad debt expenses (ACOM)** : Decreased by 6.0 billion yen yoy to 23.0 billion yen.
- **Non-performing Loans (ACOM)** : Increased by 49 basis points to 8.03%.



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

*2. The ratios of bad debt expenses for 20/9 and 21/9 are recalculated into annual basis.

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

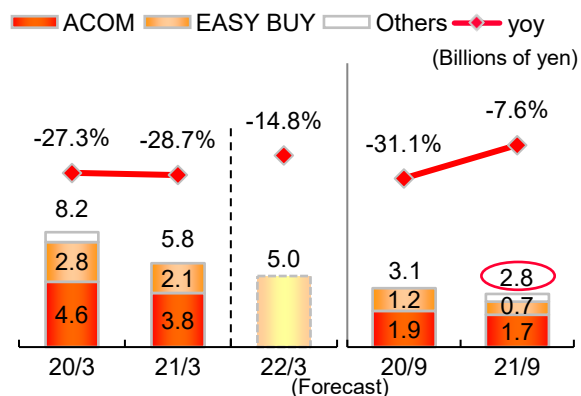
*4. "yoy" shows local currencies basis.



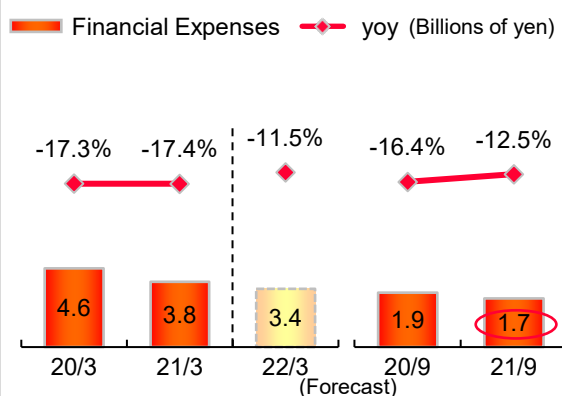
Financial Expenses

- **Financial Expenses (Consolidated)** : Decreased by 7.6% yoy to 2.8 billion yen.
- **Borrowings (ACOM)** : Decreased by 47.5 billion yen yoy to 497.0 billion yen.
- **Average Interest Rate (ACOM)** : 0.68%, equal to previous 2Q.

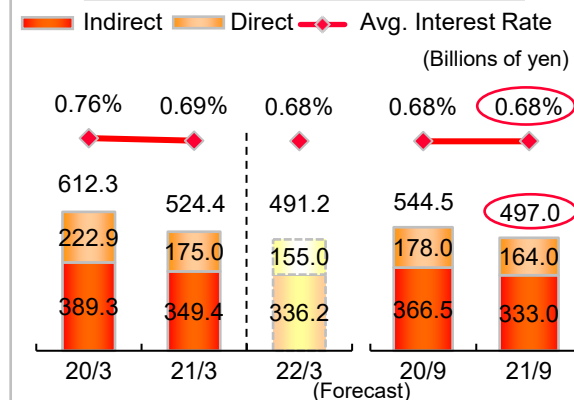
Financial Expenses (Consolidated)



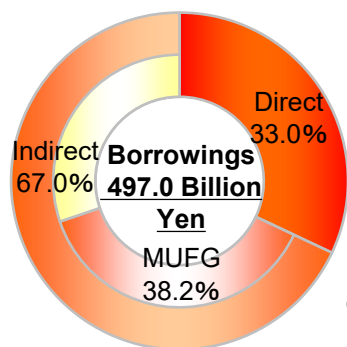
Financial Expenses (ACOM)



Borrowings (ACOM)



Composition Ratios by Funding Sources (ACOM)

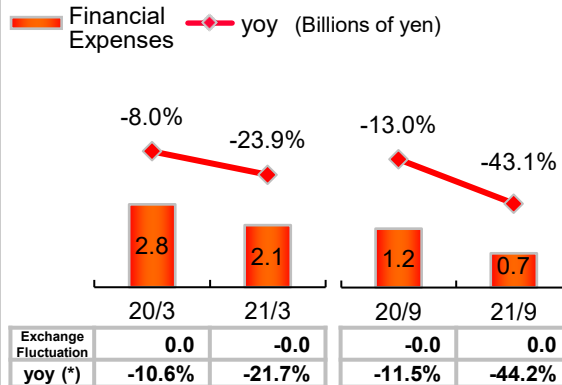


Ratio of Fixed Interest Rate 93.2%

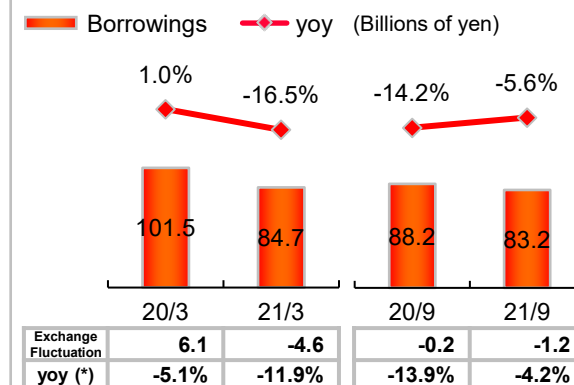
Ratio of Long-term 99.2%

Current portion of loans payable 99.3 billion yen

Financial Expenses (EASY BUY)



Borrowings (EASY BUY)



* "yoy" shows local currencies basis.



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.

Business Scale and Performance

- Receivables outstanding of 2Q decreased due to the demands for funds subsequently remaining at a low level from COVID-19 infection.
- For P/L, operating revenue is in progress as planned. Operating profit landed above what was planned owing to the decrease in amount of bad debt expenses.

Shareholder's Equity

- The total assets of 2Q decreased due to the decrease in receivables outstanding and guaranteed receivables from the COVID-19 infection.
- Resulted in 21.9% of shareholders' equity ratio, computed using the sum of consolidated total assets and guaranteed receivables.

Business Environment

- Though the declaration of state of emergency and implementation of priority measures were lifted in all prefectures on September 30, the outlook has been still uncertain due to the COVID-19 infection.
- The amount of drawdown increased from what was expected due to the proportion of litigation with high return unit price increasing.

Dividend Payments and Forecast

- We paid 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	
	Interim	Year-end	Interim	Year-end	Interim	Year-end
	¥2	¥2	¥3	¥3	¥3	¥3 (Forecast)
Dividend per Share	¥4 total		¥6 total		¥6 total (Forecast)	

<Reference>

Shareholders' Equity Ratio (*)	Consolidated	16.2%	16.5%	18.9%	20.3%	21.9%	—
	ACOM	16.5%	16.6%	19.2%	20.7%	22.4%	—

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

Reference Information

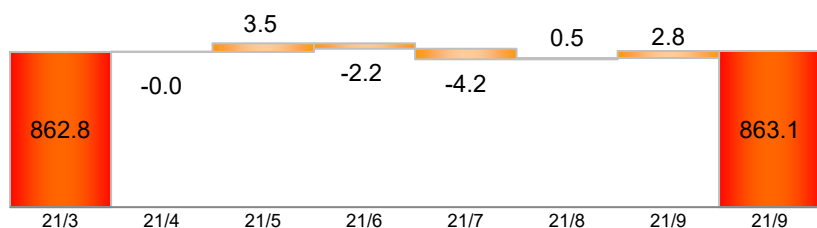


【Reference】 Impact from COVID-19 ~FY March 2022 ①~

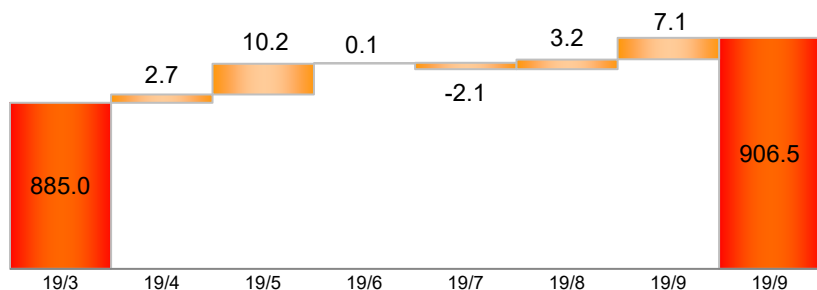
Loan and Credit Card Business: Receivables Outstanding

Receivables Outstanding Monthly Changes (Billions of yen)

FY March 2022



FY March 2020



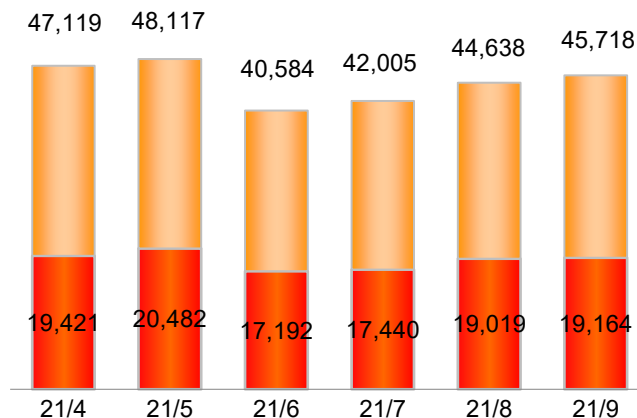
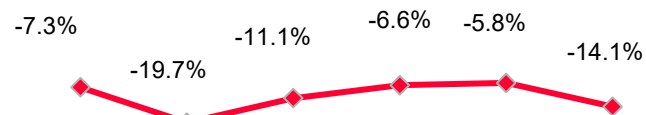
< monthly changes compared to 2020 >

Apr.	May	June	July	Aug.	Sept.
-2.7	-6.7	-2.4	-2.1	-2.7	-4.3

Loan Business: No. of Applicants and New Customers

No. of Applicants No. of New Customers

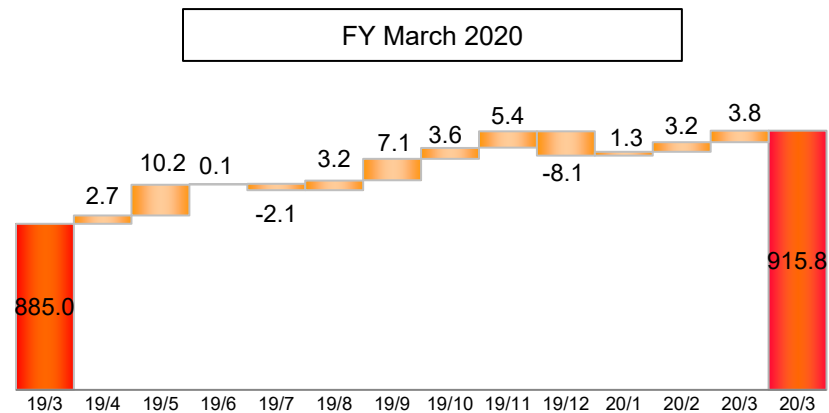
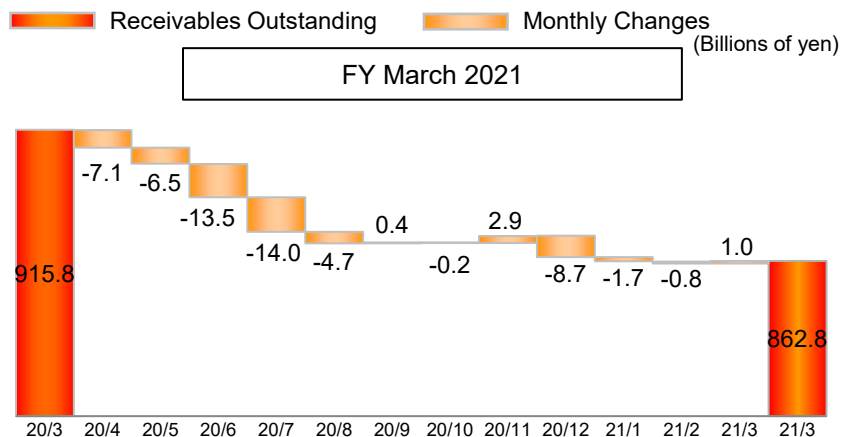
No. of Applicants compared to 2019





【Reference】Impact from COVID-19 ~FY March 2021 ①~

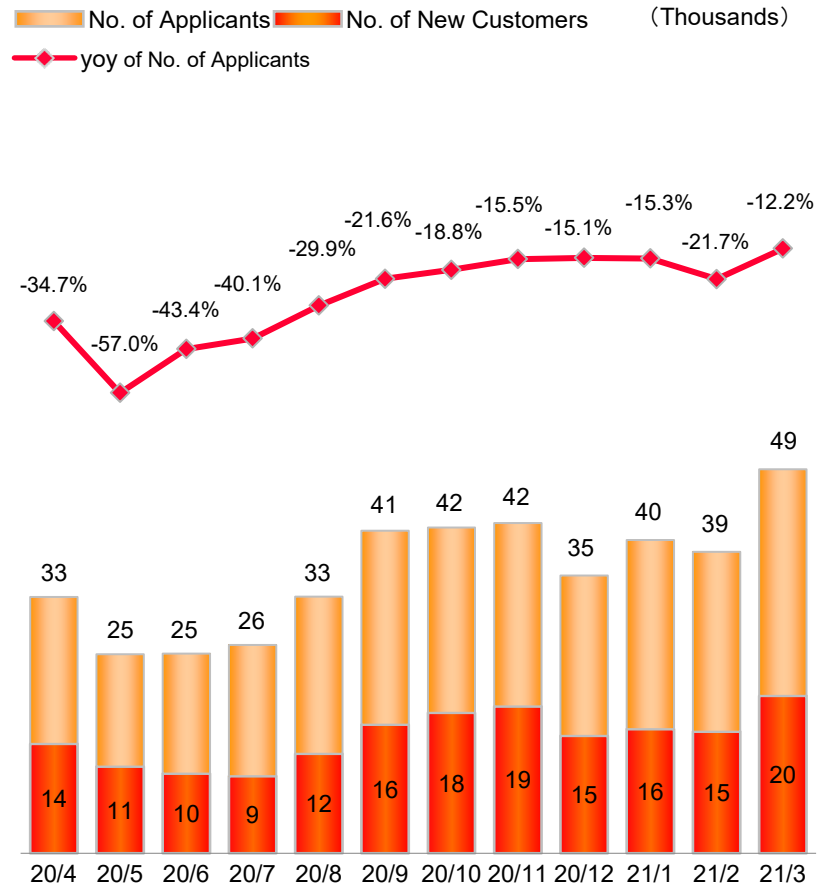
Loan and Credit Card Business: Receivables Outstanding



< 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



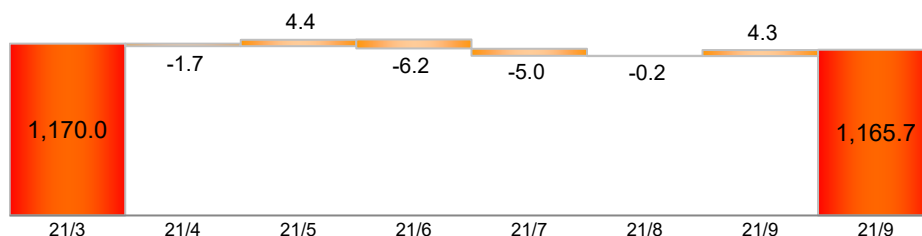


【Reference】 Impact from COVID-19 ~FY March 2022 ②~

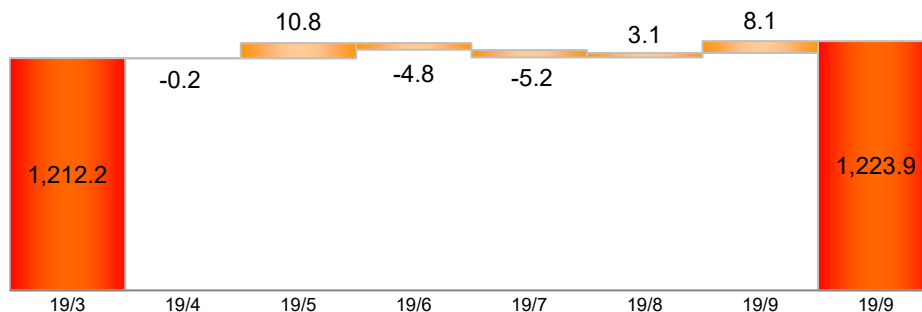
Guarantee Business: Receivables Outstanding (ACOM and MU Credit Guarantee)

Guaranteed Receivables Monthly Changes (Billions of yen)

FY March 2022



FY March 2020



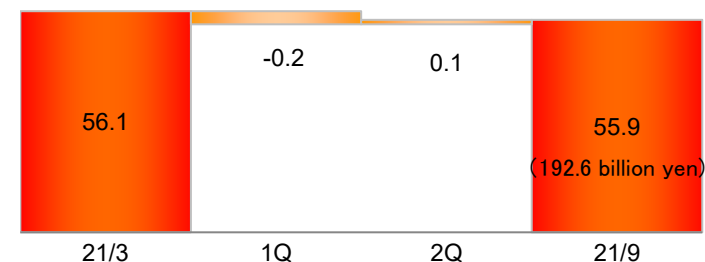
< monthly changes compared to 2020 >

Apr.	May	June	July	Aug.	Sept.
-1.4	-6.4	-1.3	0.2	-3.3	-3.7

Receivables Outstanding* (EASY BUY) 【Local Currencies Basis】

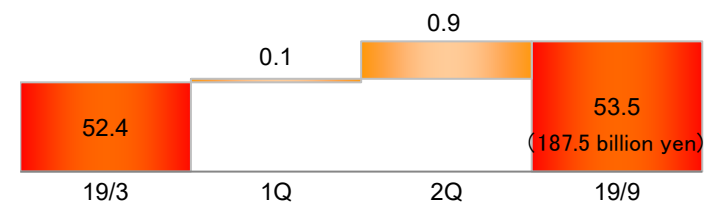
Receivables Outstanding Quarterly Changes (Billions of Baht)

FY March 2022



(192.6 billion yen)

FY March 2020



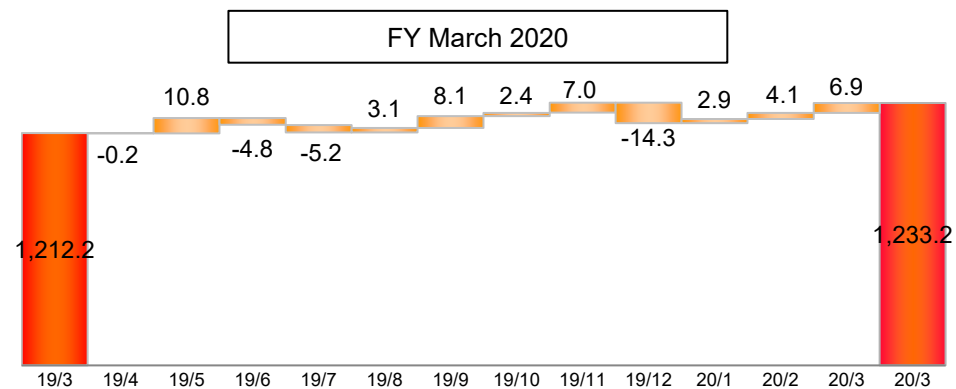
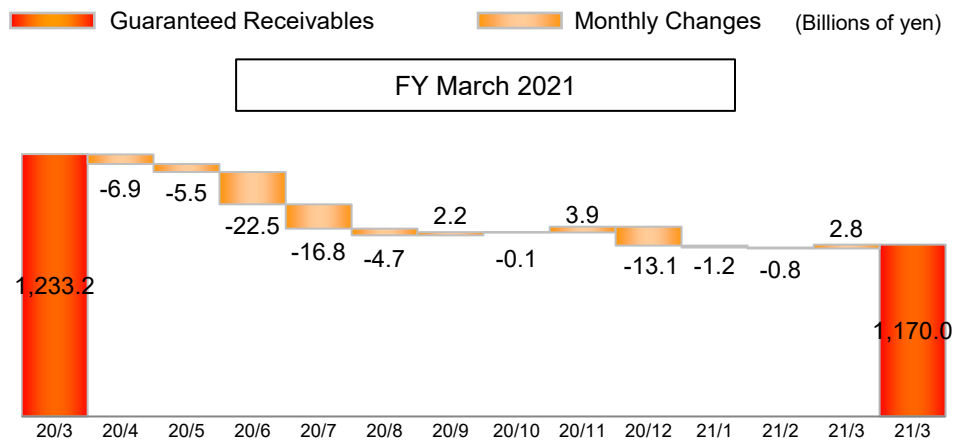
(187.5 billion yen)

*Receivables outstanding = “accounts receivable - operating loans” + “accounts receivable – installment”



【Reference】 Impact from COVID-19 ~FY March 2021 ②~

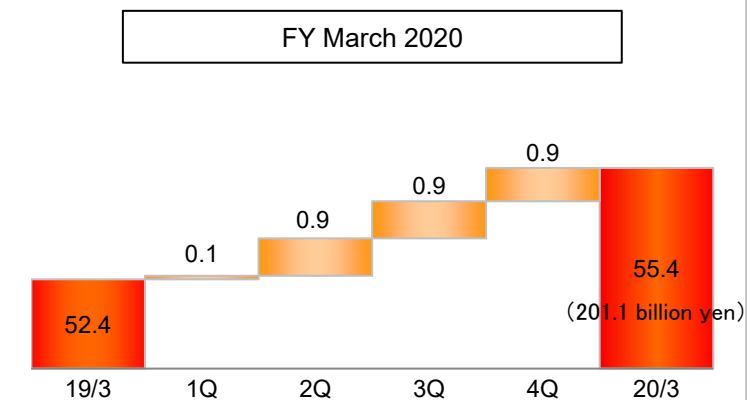
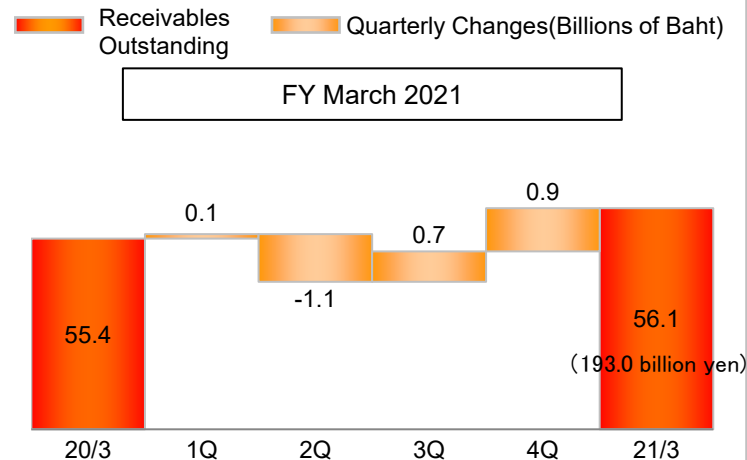
Guarantee Business: Receivables Outstanding (ACOM and MU Credit Guarantee)



< 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

Receivables Outstanding (EASY BUY) [Local Currencies Basis]





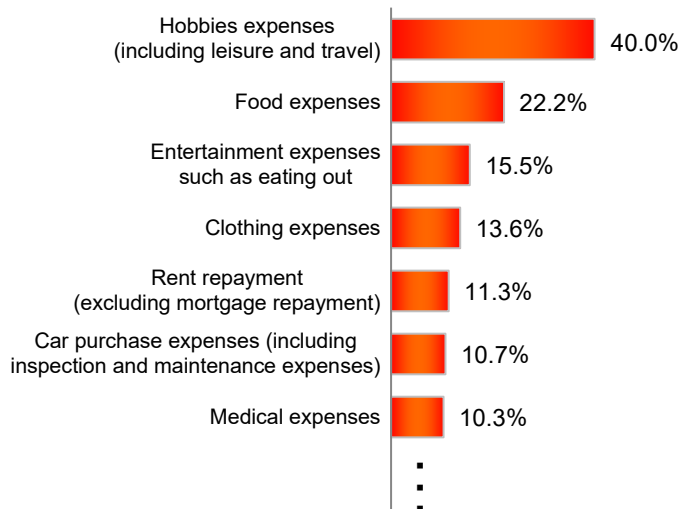
【Reference】Changes in Borrowing Behavior in COVID-19

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)

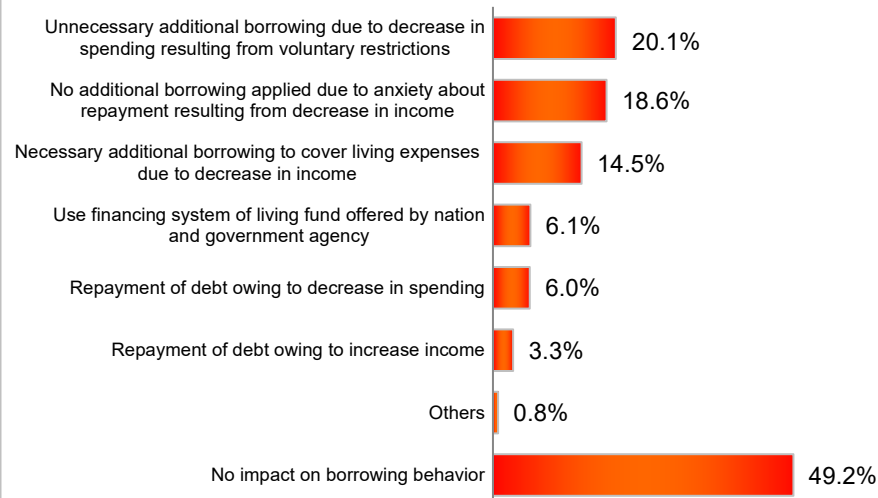
Survey target : Individuals with borrowing experiences (*2)
(Multiple answers / n=2,000)



*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 are keenly aware that maintaining a management environment and implementing initiatives aimed at addressing the challenges highlighted by the UN's Sustainable Development Goals and the Japanese government's policies for tackling those SDGs are vitally important. That is why we have identified six of those challenges for priority attention, and are working hard to help resolve them.

Consumer awareness and money management programs

- Financial education
- Greater leeway for discretion when considering requests for delayed repayment
- Protection of card users against unauthorized use of cards
- Encouraging vigilance against loan fraud
- Exchanging information with Consumer Affairs Centers, etc.

SDGs
Items



Diversity

- “Kurumin” certification for childcare support programs for employees
- Career building support
- Continued employment of those who reach mandatory retirement age
- Collecting used stamps, etc. to assist fundraising efforts of organizations supporting people with disabilities
- Inclusivity in entertainment through the ACOM Miru Concert Monogatari series of music-and-silhouette-theater shows, which are accessible to all, including with disabilities

SDGs
Items



Better employment practices

- Supporting employees balance work and family care commitments
- Flexible working styles
- Promotion of health and productivity management

SDGs
Items



Innovation

- Improved usability of digital channels
- Harnessing the potential of AI and big data to analyze data
- Robotic process automation



SDGs
Items



Invigoration of Local Communities

- ACOM Miru Concert Monogatari music-and-silhouette-theater shows
- ACOM Bluebird Fund (donations to welfare organizations and disaster-struck communities)
- Blood donation drive
- Stronger partnerships in Guarantee Business between the ACOM and financial institutions

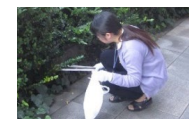


SDGs
Items



Environmental conservation

- More energy-efficient ATMs and electric signage, etc.
- Paperless operations
- Community clean-ups
- Green purchasing
- Forest conservation



SDGs
Items





[Reference] 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	-	-	-	-



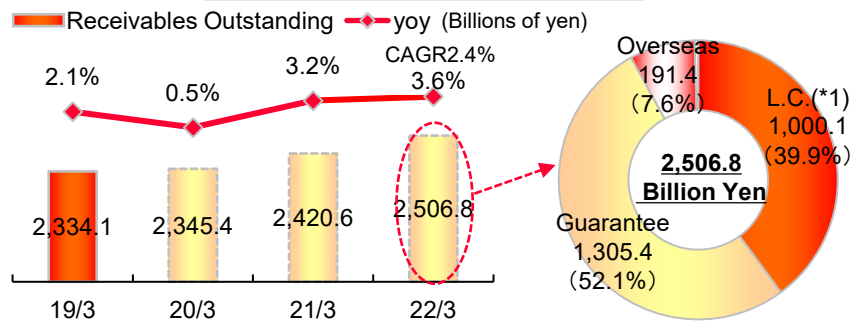
[Reference] Medium-term Management Policy and Key Themes

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	

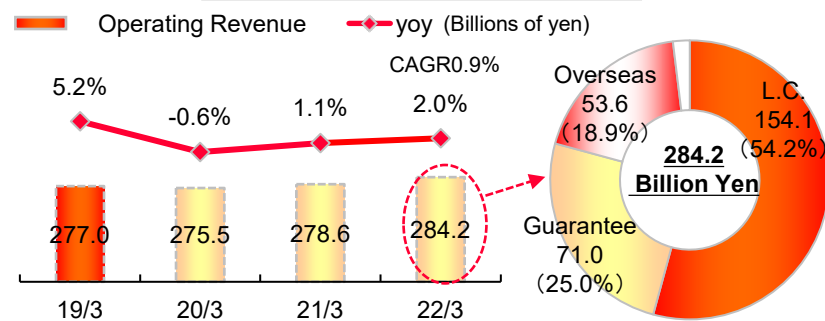
[Reference] Medium-term Management Plan (2020/3-2022/3) Business Scale and Performance

- 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

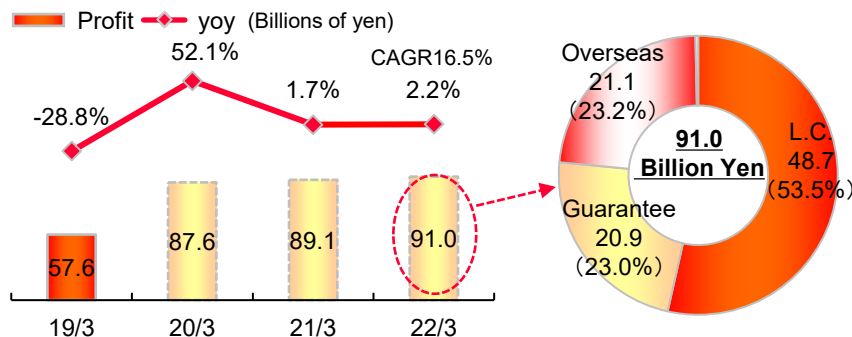
Receivables Outstanding



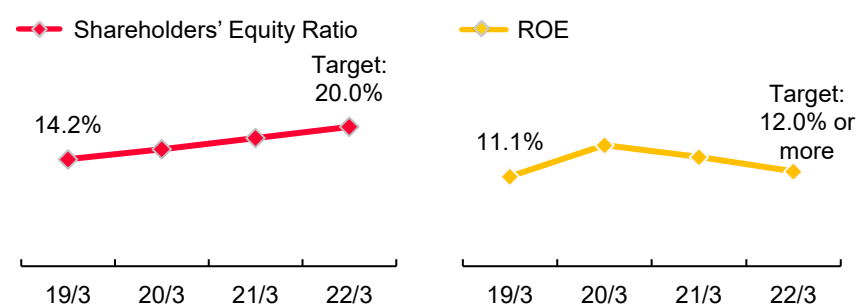
Operating Revenue



Operating Profit



Shareholders' Equity Ratio (*2)・ROE



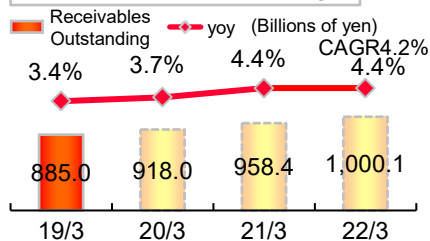
*1 "L.C." stands for loan and credit card business.

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

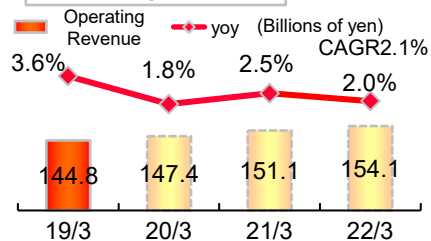
[Reference] Medium-term Management Plan (2020/3-2022/3) Business Scale and Performance by Business Segment

Loan and Credit Card Business

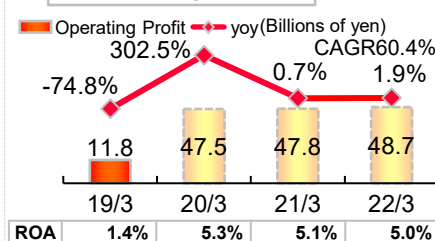
Receivables Outstanding



Operating Revenue



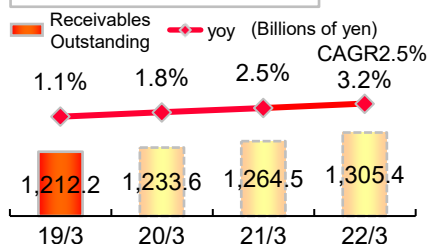
Operating Profit



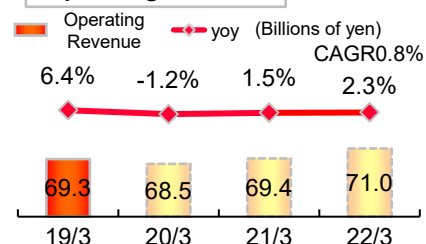
- Aim for receivables to exceed ¥1 trillion
- Targets: ¥154.1 billion of revenue and ¥48.7 billion of profit

Guarantee Business

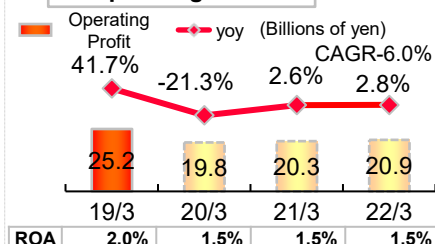
Guaranteed Receivables



Operating Revenue



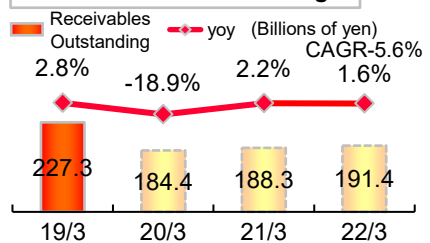
Operating Profit



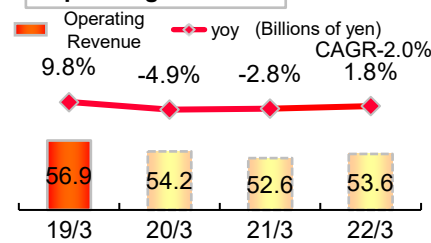
- Aim for receivables of ¥1.3 trillion.
- Targets: ¥71.0 billion of revenue and ¥20.9 billion of profit
- Revenue for FY 2020/3 would decrease due to decline in guarantee fee rate

Overseas Financial Business (*)

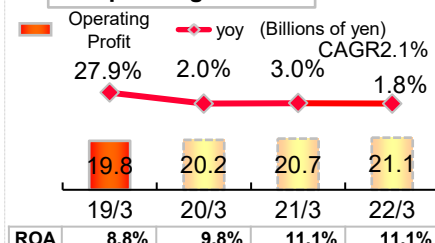
Receivables Outstanding



Operating Revenue



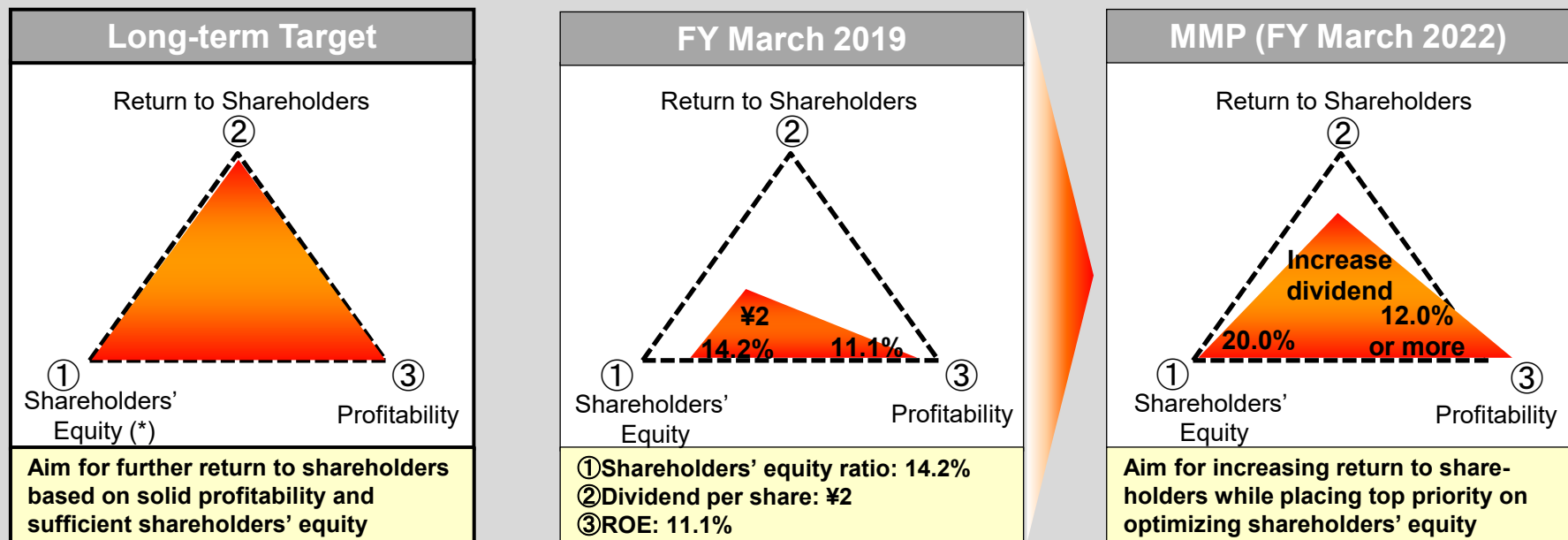
Operating Profit



- 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	¥3	¥3
	¥2 total			¥4 total		¥6 total		¥6 total	

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



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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. In particular, the plans formulated by the Company rest on the assumption that the stagnant economic activities on the impact of the spread of COVID-19 will gradually recover. Therefore, the actual results may differ significantly based the converges of COVID-19 infection.

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.