

Quarterly Securities Report

(The third quarter of the 47th fiscal year)

ACOM CO., LTD.

Quarterly Securities Report

This document has been outputted and printed by adding a table of contents and page numbers to the data contained in the quarterly securities report which has been submitted through the usage of Electronic Disclosure for Investors' NETwork (EDINET) that is stipulated in Article 27-30-2 of the Financial Instruments and Exchange Act of Japan.

This document is a translation of the Third Quarter Securities Report (original text: Japanese) submitted to the Prime Minister pursuant to Article 24-4-7 of the Financial Instruments and Exchange Act. It does not bear any responsibility pertaining to the aforementioned Financial Instruments and Exchange Act regarding the content of the English text. We recommend that the determination of the authenticity of the content be based on the Japanese text of the Third Quarter Securities Report.

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[Document Submitted] Quarterly Securities Report (“Shihanki-Hokokusho”)

[Article of the Applicable Law Requiring Submission of This Document] Article 24-4-7, Paragraph 1 of the Financial Instruments and Exchange Act of Japan

[Submitted to] Director, Kanto Local Finance Bureau

[Date of Submission] February 13, 2024

[Quarterly Accounting Period] Third Quarter of the 47th Fiscal Year (from October 1, 2023 to December 31, 2023)

[Company Name] ACOM Kabushiki-Kaisha

[Company Name in English] ACOM CO., LTD. (the “Company” or the “Filing Company”)

[Position and Name of Representative] Masataka Kinoshita, President & CEO

[Location of Head Office] 9-1, Higashi-Shimbashi 1-chome, Minato-ku, Tokyo

[Phone No.] 03-6865-0001 (main)

[Contact for Communications] Akifumi Kinoshita, Executive Officer, Chief General Manager of Treasury Department

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[Phone No.] 03-6865-0001 (main)

[Contact for Communications] Akifumi Kinoshita, Executive Officer, Chief General Manager of Treasury Department

[Place Where Available for Public Inspection] Tokyo Stock Exchange, Inc.
(2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I Information on the Company

I. Overview of the Company

1. Key Financial Data and Trends

(Millions of yen, unless otherwise stated)

Fiscal period	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023	46th fiscal year
Period of account	From April 1, 2022 to December 31, 2022	From April 1, 2023 to December 31, 2023	From April 1, 2022 to March 31, 2023
Operating revenue	204,060	218,986	273,793
Ordinary profit	70,766	67,013	87,485
Profit attributable to owners of parent	44,333	41,717	54,926
Comprehensive income	60,520	55,892	71,409
Net assets	608,949	657,023	619,837
Total assets	1,293,746	1,390,350	1,297,316
Basic earnings per share (yen)	28.30	26.63	35.06
Diluted earnings per share (yen)	—	—	—
Shareholders' equity ratio (%)	44.14	44.09	44.79

Fiscal period	For the third quarter of the 46th fiscal year	For the third quarter of the 47th fiscal year
Period of account	From October 1, 2022 to December 31, 2022	From October 1, 2023 to December 31, 2023
Basic earnings per share (yen)	7.22	9.21

- (Notes) 1. Key financial data and trends of the Filing Company are not stated since the Filing Company has prepared its interim consolidated financial statements.
2. "Diluted earnings per share" is not shown since there was no dilutive security.

2. Description of Business

During the nine months ended December 31, 2023, there was no material change in the businesses conducted by the Company Group (the Company and its subsidiaries and associates).

There was no change in the status of the Company's major subsidiaries and associates either.

II. Business Overview

1. Risks Related to Business

There were no significant events or conditions which may cast significant doubt about the going-concern assumption, or other events having material impact on the Company's operations, during the nine months ended December 31, 2023.

There were no significant changes to the "Risks Related to Business" described in the Securities Report for the prior fiscal year.

2. Analyses of Consolidated Business Results, Financial Position and Cash Flows by the Corporate Managers

(1) Analysis of business results

During the nine months ended December 31, 2023, Japanese socio-economic activities are returning to normal against a backdrop of COVID-19 being classified as a Category V Infectious Disease and various government policies, resulting in economic conditions showing signs of gradual recovery. However, there are some risks that could push down Japan's economic momentum, such as a slowdown in global economy coupled with growing tension in the international situation and prolonged monetary tightening in response to high global inflation. The impact of those factors on consumer spending and financial markets needs to be closely monitored.

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

In the nonbank business sector in Japan, the demand for funds is in good conditions while future trends need to be closely monitored, as does the Japanese economy. Although requests for interest repayment are decreasing, future trends need to be closely monitored on an ongoing basis, as requests for interest repayment are susceptible to the impacts of changes in the external environment.

In such an environment, the Company Group formulated a medium-term management plan beginning in the fiscal year ended March 31, 2023. Based on this plan, the Company Group has articulated its commitment to each of its stakeholders in the "vision," and has set forth a medium-term policy to promote initiatives to realize this vision in the next three years. ACOM (M) SDN. BHD., our subsidiary established in Malaysia, started its personal loan business in September 2023. Even amid changes in the external environment, the Company Group will continue to promote its operating activities in accordance with its vision and medium-term policy.

Consolidated operating revenue for the nine months ended December 31, 2023, increased to 218,986 million yen (up 7.3% year-on-year). This is attributable to: the increases in interest on operating loans due to an increase in accounts receivable - operating loans and the impact of depreciation of the yen. Operating expenses also increased to 152,118 million yen (up 14.0% year-on-year) due to an increase in provision for bad debts associated with the expansion of business scale and an increase in advertising expenses associated with strengthening attracting new customers. As a result, operating profit decreased to 66,867 million yen (down 5.3% year-on-year). Ordinary profit also decreased to 67,013 million yen (down 5.3% year-on-year). Profit attributable to owners of parent decreased to 41,717 million yen (down 5.9% year-on-year).

Business results for each segment are as follows:

1) Loan and credit card business

In the domestic loans business, new loans and additional use increased due to the impact of a recovery in personal consumption. Accordingly, accounts receivable - operating loans totaled 858,709 million yen as of December 31, 2023 (up 7.9% year-on-year, up 5.9% from the prior fiscal year-end). In the credit card business, accounts receivable - installment amounted to 117,775 million yen (up 18.6% year-on-year, up 13.7% from the prior fiscal year-end) primarily due to higher transaction volumes.

As a result, the segment's operating revenue stood at 116,195 million yen (up 6.6% year-on-year) for the nine months ended December 31, 2023, due in part to increases in interest on operating loans and revenue from credit card business generated by higher accounts receivable - operating loans and accounts receivable - installment. However, operating profit decreased to 31,743 million yen (down 7.2% year-on-year) after an increase in provision for bad debts caused by business expansion and an increase in advertising expenses caused by efforts to attract new customers resulted in an increase in operating expenses.

2) Guarantee business

The guarantee business also benefitted from the recovery in personal consumption in the same way that the loan and credit card business did. Due to the recovery, the total balance of guaranteed receivables in the guarantee operation of the Company and MU Credit Guarantee Co., LTD. was 1,251,845 million yen as of December 31, 2023 (up 4.8% year-on-year, up 3.2% from the prior fiscal year-end).

As a result, the segment's operating revenue totaled 52,447 million yen (up 6.9% year-on-year) for the nine months ended December 31, 2023, primarily owing to an increase in guarantee income attributable to an increase in the balance of guaranteed receivables and guarantee fee rates. However, operating profit totaled 17,685 million yen (down 10.4% year-on-year) following an increase in operating expenses attributable to an increase in provision for bad debts caused by business expansion.

3) Overseas financial business

In the overseas financial business, accounts receivable - operating loans generated by EASY BUY Public Company Limited (hereinafter, "EASY BUY") in the Kingdom of Thailand totaled 234,919 million yen (up 9.9% year-on-year, up 9.1% from the prior fiscal year-end) as of December 31, 2023, due to signs of economic recovery on the back of growth in consumer spending, as well as an increase from the impact of the depreciation of Japanese yen.

The segment's operating revenue amounted to 45,822 million yen (up 10.2% year-on-year) for the nine months ended December 31, 2023, primarily due to the impact of the depreciation of the yen. Operating profit totaled 18,023 million yen (up 15.5% year-on-year).

4) Loan servicing business

In the loan servicing business, with the servicer market continuing to shrink, the Company Group worked to enhance its sales and collection capabilities such as focusing on strengthening relationships with existing business partners and sophisticating collection methods.

As a result, the segment's operating revenue totaled 4,369 million yen (up 4.3% year-on-year) for the nine months ended December 31, 2023, owing to an increase in the proceeds from purchased receivables. Operating profit totaled 1,107 million yen (up 5.8% year-on-year).

(2) Analysis of financial position

Compared with the end of the prior fiscal year, total assets increased by 93,033 million yen and net assets increased by 37,185 million yen as of December 31, 2023. Details of changes in assets, liabilities and net assets are as follows:

(Assets)

Current assets increased by 100,386 million yen and non-current assets decreased by 7,352 million yen. Consequently, total assets increased by 93,033 million yen. The breakdown of major increases in current assets is as follows: accounts receivable - operating loans (up 67,375 million yen) and accounts receivable - installment (up 14,183 million yen). The factors of an increase in accounts receivable - operating loans include foreign exchange impacts. The increases in accounts receivable - operating loans and accounts receivable - installment led to an increase of 7,540 million yen in allowance for doubtful accounts. The breakdown of major decreases in non-current assets is as follows: deferred tax assets due in part to a reversal of provision for loss on interest repayment (down 8,863 million yen).

(Liabilities)

With regard to the liabilities account, changes in current and non-current liabilities were an increase of 57,079 million yen and a decrease of 1,232 million yen, respectively, resulting in an increase of 55,847 million yen in total liabilities. The breakdown of major changes in liabilities includes the outstanding balance of funds procured mainly in the form of loans and bonds payable (up 76,612 million yen) and provision for loss on interest repayment (down 20,636 million yen).

(Net assets)

In terms of net assets, shareholders' equity increased by 24,484 million yen due to an increase in retained earnings. The breakdown of major changes in retained earnings includes an increase due to the recording of profit attributable to owners of parent (41,717 million yen) and a decrease due to the payment of dividends (17,232 million yen). Moreover, accumulated other comprehensive income increased by 7,412 million yen due in part to an increase in foreign currency translation adjustment, and non-controlling interests increased

by 5,288 million yen. As a result, total net assets increased by 37,185 million yen, and the shareholders' equity ratio decreased by 0.7 percentage points to 44.1%.

(3) Business and financial issues to address

In the nine months ended December 31, 2023, the Company saw no significant change in business and financial issues to address and no new issue presented itself that the Company needed to address.

(4) Research and development activities

Not applicable

3. Material Business Agreements, etc.

During the current third quarter, no material business agreement, etc. was finalized or concluded.

III. Information on the Filing Company

1. Information on the Company's Shares

(1) Total number of shares, etc.

1) Total number of shares

Class	Total number of shares authorized to be issued
Common stock	5,321,974,000
Total	5,321,974,000

2) Total number of shares issued

Class	As of the end of the current third quarter (December 31, 2023)	As of the submission date (February 13, 2024)	Stock exchange on which the Company is listed	Description
Common stock	1,566,614,098	1,566,614,098	Standard Market of the Tokyo Stock Exchange	These are the Company's standard shares with no restricted rights. One unit of stock constitutes 100 common shares.
Total	1,566,614,098	1,566,614,098	—	—

(2) Status of the stock acquisition rights

1) Details of stock option plans

Not applicable

2) Other stock acquisition rights

Not applicable

(3) Status in the exercise of bonds with stock acquisition rights with exercise price amendment

Not applicable

(4) Changes in the total number of shares issued and the amount of share capital and other

(Millions of yen, unless otherwise stated)

Period	Changes in the total number of shares issued (Thousands of shares)	Balance of the total number of shares issued (Thousands of shares)	Changes in share capital	Balance of share capital	Changes in legal capital surplus	Balance of legal capital surplus
From October 1, 2023, to December 31, 2023	—	1,566,614	—	63,832	—	72,322

(5) Major shareholders

Not applicable since the current quarter was the third quarter.

(6) Status of voting rights

Details of registered shareholders as of December 31, 2023, have not yet been confirmed, and therefore we are unable to present the status of voting rights on that date. The information regarding voting rights presented below relates to the shareholders registered as of September 30, 2023.

1) Issued shares

As of September 30, 2023

Classification	Number of shares (Shares)	Number of voting rights (Units)	Details
Shares without voting rights	—	—	—
Shares with limited voting rights (treasury shares, etc.)	—	—	—
Shares with limited voting rights (others)	—	—	—
Shares with full voting rights (treasury shares, etc.)	—	—	—
Shares with full voting rights (others)	Common stock 1,566,578,700	15,665,787	—
Shares less than one unit	Common stock 35,398	—	—
Total number of shares issued	1,566,614,098	—	—
Total voting rights held by all shareholders	—	15,665,787	—

(Notes) 1. The number of shares of common stock in the “Shares with full voting rights (others)” box includes 3,000 shares (30 units of voting rights) held by Japan Securities Depository Center, Inc.

2. The number of shares of common stock in the “Shares less than one unit” box includes 50 treasury shares held by the Company.

2) Treasury shares, etc.

As of September 30, 2023

Shareholder	Address of shareholder	Number of shares held under own name (Shares)	Number of shares held under the names of others (Shares)	Total (Shares)	Percentage of shares held to the total number of issued shares (%)
(Treasury shares) ACOM CO., LTD.	9-1, Higashi-Shimbashi 1-chome, Minato-ku, Tokyo	—	—	—	—
Total	—	—	—	—	—

2. Directors and Audit and Supervisory Committee Members

There was no change in Directors and Audit and Supervisory Committee members for the nine months ended December 31, 2023 after the filing date of the securities report for the prior fiscal year.

IV. Financial Information

1. Basis of preparation of the interim consolidated financial statements

The interim consolidated financial statements of the Company are prepared in accordance with the “Regulations Concerning the Terminology, Forms and Preparation of Interim Consolidated Financial Statements” (Cabinet Office Ordinance No. 64, 2007) and the “Ordinance on Reorganization of Accounting Methods for Special Finance Corporations, etc.” (Ordinance of General Administrative Agency of the Cabinet/the Finance Ministry No. 32 of 1999).

2. Audit and review reports

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, the Company’s interim consolidated financial statements for the current third quarter (from October 1, 2023 to December 31, 2023) and for the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023) were reviewed by Deloitte Touche Tohmatsu LLC.

1. Interim Consolidated Financial Statements
(1) Interim Consolidated Balance Sheet

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current third quarter (As of December 31, 2023)
Assets		
Current assets		
Cash and deposits	57,666	77,610
Accounts receivable - operating loans	*2 1,029,728	*2 1,097,103
Accounts receivable - installment	104,295	118,479
Purchased receivables	7,630	8,279
Other	*2 89,590	*2 95,363
Allowance for doubtful accounts	(83,418)	(90,959)
Total current assets	1,205,491	1,305,877
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,168	2,915
Equipment, net	4,272	4,031
Other, net	115	1,358
Total property, plant and equipment	7,556	8,305
Intangible assets		
Goodwill	734	345
Software	6,829	7,599
Other	43	32
Total intangible assets	7,606	7,977
Investments and other assets		
Investment securities	1,396	1,410
Retirement benefit asset	5,906	6,325
Deferred tax assets	61,637	52,773
Guarantee deposits	4,572	4,204
Other	*2 3,817	*2 4,083
Allowance for doubtful accounts	(667)	(607)
Total investments and other assets	76,661	68,189
Total non-current assets	91,824	84,472
Total assets	1,297,316	1,390,350

(Millions of yen)

	Prior fiscal year (As of March 31, 2023)	Current third quarter (As of December 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	344	787
Short-term borrowings	18,528	21,911
Commercial papers	34,998	49,996
Current portion of long-term borrowings	104,381	124,516
Current portion of bonds payable	32,600	52,495
Income taxes payable	6,644	6,294
Provision for loss on guarantees	*1 9,612	*1 10,987
Asset retirement obligations	709	25
Deferred installment income	26	23
Other	14,644	12,532
Total current liabilities	222,491	279,570
Non-current liabilities		
Bonds payable	91,660	106,043
Long-term borrowings	298,857	302,674
Provision for loss on interest repayment	57,723	37,087
Retirement benefit liability	789	921
Asset retirement obligations	5,653	5,650
Other	303	1,378
Total non-current liabilities	454,987	453,755
Total liabilities	677,478	733,326
Net assets		
Shareholders' equity		
Share capital	63,832	63,832
Capital surplus	69,861	69,861
Retained earnings	433,990	458,474
Treasury shares	(0)	(0)
Total shareholders' equity	567,683	592,168
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	12,943	20,351
Remeasurements of defined benefit plans	459	464
Total accumulated other comprehensive income	13,403	20,815
Non-controlling interests	38,750	44,039
Total net assets	619,837	657,023
Total liabilities and net assets	1,297,316	1,390,350

(2) Interim Consolidated Statement of Income and
Interim Consolidated Statement of Comprehensive Income
(Interim Consolidated Statement of Income)
Nine months ended December 31

(Millions of yen)

	For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Operating revenue		
Interest on operating loans	126,062	135,073
Revenue from credit card business	9,135	10,807
Revenue from installment sales finance business	49	50
Revenue from credit guarantee	42,183	45,558
Proceeds from purchased receivables	3,343	3,461
Other financial revenue	*1 207	*1 172
Other operating revenue	23,079	23,862
Total operating revenue	204,060	218,986
Operating expenses		
Financial expenses	*2 3,014	*2 3,482
Cost of purchased receivables	1,169	1,310
Other operating expenses	129,230	147,326
Total operating expenses	133,414	152,118
Operating profit	70,646	66,867
Non-operating income		
Interest income	1	0
Dividend income	25	29
Share of profit of entities accounted for using equity method	20	14
Rental income from buildings	139	141
Other	60	48
Total non-operating income	248	234
Non-operating expenses		
Interest expenses	1	0
Foreign exchange losses	114	73
Other	12	15
Total non-operating expenses	127	89
Ordinary profit	70,766	67,013

(Millions of yen)

	For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Extraordinary income		
Gain on sale of non-current assets	1,117	1
Gain on sale of investment securities	—	0
Total extraordinary income	1,117	1
Extraordinary losses		
Loss on sale of non-current assets	67	0
Loss on retirement of non-current assets	175	193
Impairment loss	*3 3,523	—
Other	2	1
Total extraordinary losses	3,769	196
Profit before income taxes	68,114	66,818
Income taxes – current	9,213	12,171
Income taxes – deferred	10,976	9,161
Total income taxes	20,189	21,333
Profit	47,925	45,484
Profit attributable to non-controlling interests	3,591	3,767
Profit attributable to owners of parent	44,333	41,717

(Interim Consolidated Statement of Comprehensive Income)
Nine months ended December 31

(Millions of yen)

	For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Profit	47,925	45,484
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Foreign currency translation adjustment	12,649	10,401
Remeasurements of defined benefit plans, net of tax	(54)	5
Total other comprehensive income	12,595	10,407
Comprehensive income	60,520	55,892
Comprehensive income attributable to		
Owners of parent	53,272	49,130
Non-controlling interests	7,247	6,762

[Notes]

(Notes to Interim Consolidated Balance Sheet)

*1. Contingent liabilities

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2023)	Current third quarter (As of December 31, 2023)
Outstanding guarantee obligation in the guarantee business	1,212,883	1,251,845
Provision for loss on guarantees	9,612	10,987
Net	1,203,270	1,240,858

*2. Status of non-performing loans

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2023)	Current third quarter (As of December 31, 2023)
Bankrupt or De facto Bankrupt	442	454
Doubtful receivables	23,236	23,554
Receivables past due for three months or more	6,648	7,731
Restructured receivables	41,183	41,701
Performing loans (*)	970,206	1,036,773
Total	1,041,717	1,110,215

* Accrued interest (prior fiscal year: 11,736 million yen, three months to December 31, 2023: 12,880 million yen) is included in Performing loans.

- (Notes)
1. Bankrupt or De facto Bankrupt are loans to borrowers who have fallen into bankruptcy due to declared bankrupt, rehabilitation and reorganization, or other similar circumstances.
 2. Doubtful receivables are other than the above, where the borrower has not yet entered into bankruptcy, but the financial condition and business performance of the borrower have deteriorated and it is highly probable that the principal of the loan will not be collected and interest will not be received in accordance with the contract.
 3. Receivables past due for three months or more are loans other than the above that are overdue by 3 months or more.
 4. Restructured receivables are loans other than the above three categories in which favorable terms, such as the reduction or waiving of interest, have been granted with a view to promoting recovery of the loans.
 5. Performing loans are classified as other than the above as there are no particular problems with the borrower's financial condition or business performance.

(Notes to Interim Consolidated Statement of Income)

*1. Major items of other financial revenue

	(Millions of yen)	
	For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Interest on deposits	0	12
Interest on securities	0	0
Foreign exchange gains	104	72
Gain on valuation of derivatives	102	87

*2. Major items of financial expenses

	(Millions of yen)	
	For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Interest expenses	1,674	1,946
Interest on bonds	938	903
Amortization of bond issuance costs	4	225

*3. The following losses on impairment of non-current assets are recorded.

For the nine months ended December 31, 2022 (from April 1, 2022, to December 31, 2022)

(1) Assets recognized as having suffered impairment

Location	Usage	Type
Shinagawa-ku, Tokyo	Idle assets (paintings)	Equipment

(2) Method of grouping assets

The smallest units the Company Group has adopted for the grouping of assets are as below:

(a) For the domestic loan and credit card business and guarantee business: each business

(b) For other financial businesses: each company

(c) For the overseas financial business: each company

For leasehold estate, property to be sold, and idle assets, the smallest units are the individual assets themselves. The headquarters and other facilities are treated as common assets because they do not generate their own cash flows.

(3) Process through which impairment loss was recognized

Due to the relocation of the head office, some business assets (equipment) were designated as idle assets as the future uses have not been determined. Their book value was reduced to the recoverable amount and the amount of reduction was recognized as an impairment loss.

(4) Amount of impairment loss

	(Millions of yen)
Equipment	3,523

(5) Calculation method of recoverable amount

The recoverable amount of idle assets is measured by the net selling price and evaluated by the appraisal value.

For the nine months ended December 31, 2023 (from April 1, 2023, to December 31, 2023)

Not applicable

4. Basis for classification of financial revenue and financial expenses on interim consolidated statement of income is as follows:

(1) Financial revenue stated as operating revenue

Includes all financial revenue earned by the Company and its consolidated subsidiaries which engaged in the financial service business, excluding dividends and interest on investment securities, etc.

(2) Financial expenses stated as operating expenses

Include all financial expenses spent by the Company and its consolidated subsidiaries which engaged in the financial service business, excluding interest expenses, etc. which have no relationship to operating revenue.

(Notes to Interim Consolidated Statement of Cash Flows)

Interim Consolidated Statement of Cash Flows has not been prepared for the nine months ended December 31, 2023. The amounts of depreciation (including amortization of intangible assets except goodwill) and amortization of goodwill for the nine months are as follows.

	(Millions of yen)	
	For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Depreciation	2,632	2,513
Amortization of goodwill	388	388

(Notes to Shareholders' Equity)

For the nine months ended December 31, 2022 (from April 1, 2022, to December 31, 2022)

1. Dividends paid

Resolution	Class of shares	Total amount (Millions of yen)	Dividend per share (yen)	Record date	Effective date	Sources of dividend
Ordinary General Meeting of Shareholders held on June 24, 2022	Common stock	6,266	4.00	March 31, 2022	June 27, 2022	Retained earnings
Board of Directors Meeting held on November 8, 2022	Common stock	7,833	5.00	September 30, 2022	December 5, 2022	Retained earnings

2. Dividends whose record date fell in the nine months ended December 31, 2022, but whose effective date was after December 31, 2022

Not applicable

For the nine months ended December 31, 2023 (from April 1, 2023, to December 31, 2023)

1. Dividends paid

Resolution	Class of shares	Total amount (Millions of yen)	Dividend per share (yen)	Record date	Effective date	Sources of dividend
Ordinary General Meeting of Shareholders held on June 23, 2023	Common stock	7,833	5.00	March 31, 2023	June 26, 2023	Retained earnings
Board of Directors Meeting held on November 9, 2023	Common stock	9,399	6.00	September 30, 2023	December 1, 2023	Retained earnings

2. Dividends whose record date fell in the nine months ended December 31, 2023, but whose effective date was after December 31, 2023

Not applicable

(Segments of an Enterprise and Related Information)
[Segment information]

I. For the nine months ended December 31, 2022 (From April 1, 2022, to December 31, 2022)

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

(Millions of yen)

	Reported segments					Others (Note 1)	Total
	Loan and credit card business	Guarantee business	Overseas financial business	Loan servicing business	Subtotal		
Operating revenue							
Operating revenue from external customers	109,020	49,068	41,678	4,188	203,956	104	204,060
Revenues from financial instruments transactions	106,432	47,627	41,261	4,184	199,505	104	199,610
Fees and commissions (Note 2)	2,587	1,440	417	4	4,450	—	4,450
Revenues from transactions with other operating segments	—	—	(99)	—	(99)	54	(45)
Total	109,020	49,068	41,578	4,188	203,856	158	204,015
Segment profit	34,205	19,732	15,610	1,047	70,596	158	70,754

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

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

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

Profit	Amount (Millions of yen)
Total reported segments	70,596
Profit of “Others” category	158
Elimination of intersegment transactions	6
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	(114)
Operating profit in interim consolidated statement of income	70,646

3. Information about impairment loss on non-current assets or goodwill, etc. of each reported segment
(Significant impairment loss on non-current assets)

The Company recognized an impairment loss on idle assets that are not allocated to any reported segments.
The amount of such impairment loss was 3,523 million yen for the nine months ended December 31, 2022.

II. For the nine months ended December 31, 2023 (from April 1, 2023, to December 31, 2023)

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

(Millions of yen)

	Reported segments					Others (Note 1)	Total
	Loan and credit card business	Guarantee business	Overseas financial business	Loan servicing business	Subtotal		
Operating revenue							
Operating revenue from external customers	116,188	52,447	45,908	4,369	218,914	72	218,986
Revenues from financial instruments transactions	113,376	51,179	45,504	4,366	214,427	72	214,499
Fees and commissions (Note 2)	2,812	1,267	403	3	4,486	—	4,486
Revenues from transactions with other operating segments	7	—	(86)	—	(78)	53	(25)
Total	116,195	52,447	45,822	4,369	218,835	125	218,960
Segment profit	31,743	17,685	18,023	1,107	68,560	125	68,686

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

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

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

Profit	Amount (Millions of yen)
Total reported segments	68,560
Profit of “Others” category	125
Elimination of intersegment transactions	4
Adjustment due to unification of accounting treatment between parent company and subsidiaries, etc.	(1,823)
Operating profit in interim consolidated statement of income	66,867

3. Information about impairment loss on non-current assets or goodwill, etc. of each reported segment

Not applicable

(Revenue Recognition)

Information on the disaggregation of revenues from contracts with customers is described in [Notes] (Segments of an Enterprise and Related Information).

(Per Share Information)

The amount and basis for calculation of basic earnings per share are as follows:

(Millions of yen, unless otherwise stated)

Item	For the nine months ended December 31, 2022 (From April 1, 2022 to December 31, 2022)	For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)
Basic earnings per share	28.30 yen	26.63 yen
(Basis for calculation)		
Profit attributable to owners of parent	44,333	41,717
Profit not attributable to common shareholders	—	—
Profit attributable to owners of parent in relation to common stock	44,333	41,717
Weighted average number of common stock during the quarter	1,566,614,048 shares	1,566,614,048 shares

(Note) Diluted earnings per share is not stated because there is no dilutive security.

2. Others

The Board of Directors meeting, held on November 9, 2023, made resolutions on interim dividend as follows:

- 1) Total amount of interim dividend: 9,399 million yen
- 2) Interim dividend per share: 6.00 yen
- 3) Effective date for demanding payment and commencement date of payment: December 1, 2023

(Note) Dividend was paid to the final registered shareholders as of September 30, 2023.

Part II Information on Guarantors for the Filing Company

Not applicable

(TRANSLATION)

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

February 6, 2024

To the Board of Directors of
ACOM CO., LTD.:

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant:

Masanori Matsuzaki

Designated Engagement Partner,
Certified Public Accountant:

Hiroshi Tajima

Accountant's Conclusion

Pursuant to the first paragraph of Article 193-2 of the Financial Instruments and Exchange Act, we have reviewed the interim consolidated financial statements of ACOM CO., LTD. and its consolidated subsidiaries (the "Group") included in the Financial Section, namely, the interim consolidated balance sheet as of December 31, 2023, and the interim consolidated statement of income and interim consolidated statement of comprehensive income for the nine-month period then ended, and the related notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023, and its consolidated financial performance for the nine-month period then ended in accordance with accounting principles for interim consolidated financial statements generally accepted in Japan.

Basis for Accountant's Conclusion

We conducted our review in accordance with quarterly review standards generally accepted in Japan. Our responsibility under those standards is further described in the Accountant's Responsibility for the Review of the Interim Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as accountants. We believe that we have obtained the evidence to provide a basis for our review conclusion.

Responsibilities of Management and the Audit and Supervisory Committee for the Interim Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the interim consolidated financial statements in accordance with accounting principles for interim consolidated financial statements generally accepted in Japan, and for such internal control as management determines is necessary to enable the

preparation of interim consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the interim consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles for interim consolidated financial statements generally accepted in Japan.

The Audit and Supervisory Committee is responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Accountant's Responsibility for the Review of the Interim Consolidated Financial Statements

Our objective is to issue an accountant's report that includes our conclusion.

As part of a review in accordance with quarterly review standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the review. We also:

- Make inquiries, primarily of management and persons responsible for financial and accounting matters, and apply analytical and other quarterly review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan.
- Conclude whether nothing has come to our attention, based on the evidence obtained, related to going concern that causes us to believe that the interim consolidated financial statements are not fairly presented, in all material respects, in accordance with accounting principles for interim consolidated financial statements generally accepted in Japan, if we conclude that a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our accountant's report to the related disclosures in the interim consolidated financial statements or, if such disclosures are inadequate, to modify our conclusion. Our conclusions are based on the evidence obtained up to the date of our accountant's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether nothing has come to our attention that causes us to believe that the overall presentation and disclosures of the interim consolidated financial statements are not in accordance with accounting principles for interim consolidated financial statements generally accepted in Japan, as well as the overall presentation, structure and content of the interim consolidated financial statements, including the disclosures, and whether nothing has come to our attention that causes us to believe that the interim consolidated financial statements do not represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain evidence regarding the financial information of the entities or business activities within the Group to express a conclusion on the interim consolidated financial statements. We are responsible for the direction, supervision and performance of the review of the interim consolidated financial statements. We remain solely responsible for our conclusion.

We communicate with the Audit and Supervisory Committee regarding the planned scope and timing of the review and significant findings that we identify during our review.

We also provide the Audit and Supervisory Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Notes to the Readers of Independent Accountant's Review Report

This is an English translation of the independent accountant's review report as required by the Financial Instruments and Exchange Act of Japan for the conveniences of the reader.