

Earnings Release Presentation

The First Quarter Financial Results for the Fiscal Year Ending March 2023



July 28, 2022

■ 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.

■ Notations

L.C. Business	Loan and Credit Card Business
MUCG	MU Credit Guarantee Co., LTD.
yoy	year on year percentage point
ytd	year to date percentage point
E	estimates
EB、EASY BUY	EASY BUY Public Company Limited
ACF	ACOM CONSUMER FINANCE CORPORATION

■ Reference

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Business Environment

Japan

- Although personal consumption is showing signs of recovery, economic trends remain challenging due to soaring energy prices and other factors.
- The size of the personal card loan market had been shrinking due to the continued slump in personal consumption caused by the spread of the Covid-19 infection. However, it has been picking up recently.

Thailand

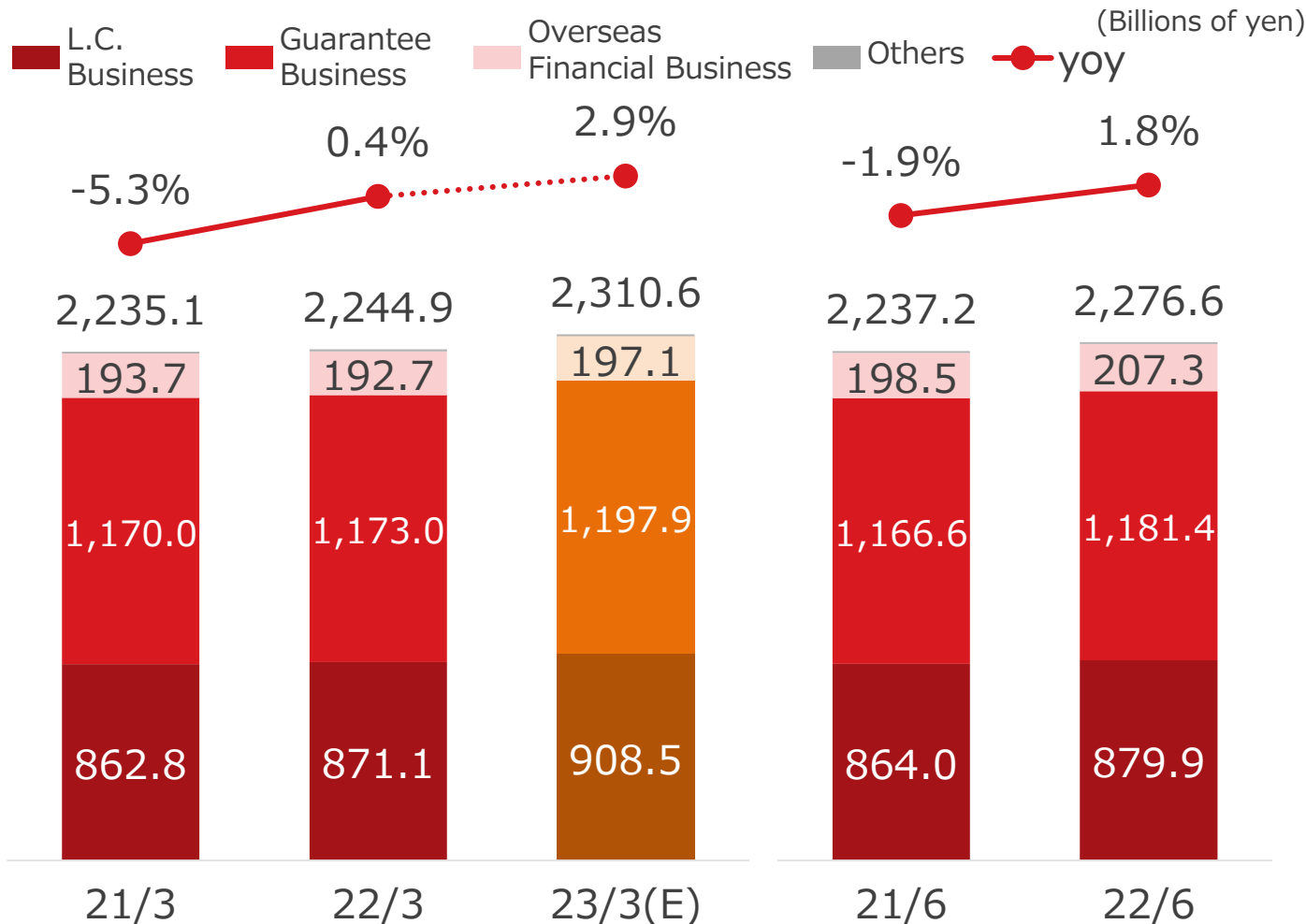
- Covid-19 spread rapidly from July to August 2021. Subsequently, the number of infections gradually decreased which lifted the curfew entirely in December and restrictions on activities were greatly eased.
- Due to the outbreak of the Omicron strain, the number of infections surged in January 2022 and peaked again in March.
- The number of infected people has continued to decrease since April. Resumed accepting tourists.

Philippines

- After peaking out in September 2021, the number of Covid-19 infections surged again in January 2022 with the emergence of the Omicron strain.
- Number of infections has remained low since February.

Consolidated Financial Summary (Business Scale)

- Consolidated Receivables Outstanding increased by 1.8% yoy to ¥2,276.6 billion owing to a recovery in domestic consumer spending and the impact of a depreciation of the yen against the baht



Consolidated Receivables Outstanding

¥2,276.6bn
(yoy + 1.8%)

L.C. Business

¥879.9bn
(yoy + 1.8%)

Guarantee Business

¥1,181.4bn
(yoy + 1.3%)

Overseas Financial Business

¥207.3bn
(yoy + 4.4%)



Consolidated Financial Summary (Business Performance)

(Millions of yen, %)

	2021/6 Results	2022/6 Results	yoy	2023/3 Forecast	yoy	Progress (%)
1 Operating Revenue	65,467	66,514	1.6	268,300	2.3	24.8
2 Loan and Credit Card Business	35,735	36,035	0.8	145,600	2.3	24.7
3 Guarantee Business	15,241	15,956	4.7	66,400	5.6	24.0
4 Overseas Financial Business	12,952	13,006	0.4	50,900	-0.7	25.6
5 Operating Expenses	40,411	41,120	1.8	180,400	-20.7	22.8
6 Financial Expenses	1,567	1,025	-34.6	4,300	-16.7	23.8
7 Provision for Bad Debts	16,216	16,655	2.7	76,300	11.5	21.8
8 Provision for Loss on Interest Repayment	-	-	-	-	-	-
9 Other Operating Expenses	22,628	23,439	3.6	99,800	5.2	23.5
10 Operating Profit	25,055	25,394	1.4	87,900	152.7	28.9
11 Ordinary Profit	25,145	25,387	1.0	88,200	148.9	28.8
12 Profit Before Income Taxes	25,112	25,340	0.9	89,000	163.9	28.5
13 Profit	21,213	18,042	-14.9	66,500	11.2	27.1
14 Profit Attributable to Owners of Parent	19,921	16,594	-16.7	62,400	12.1	26.6

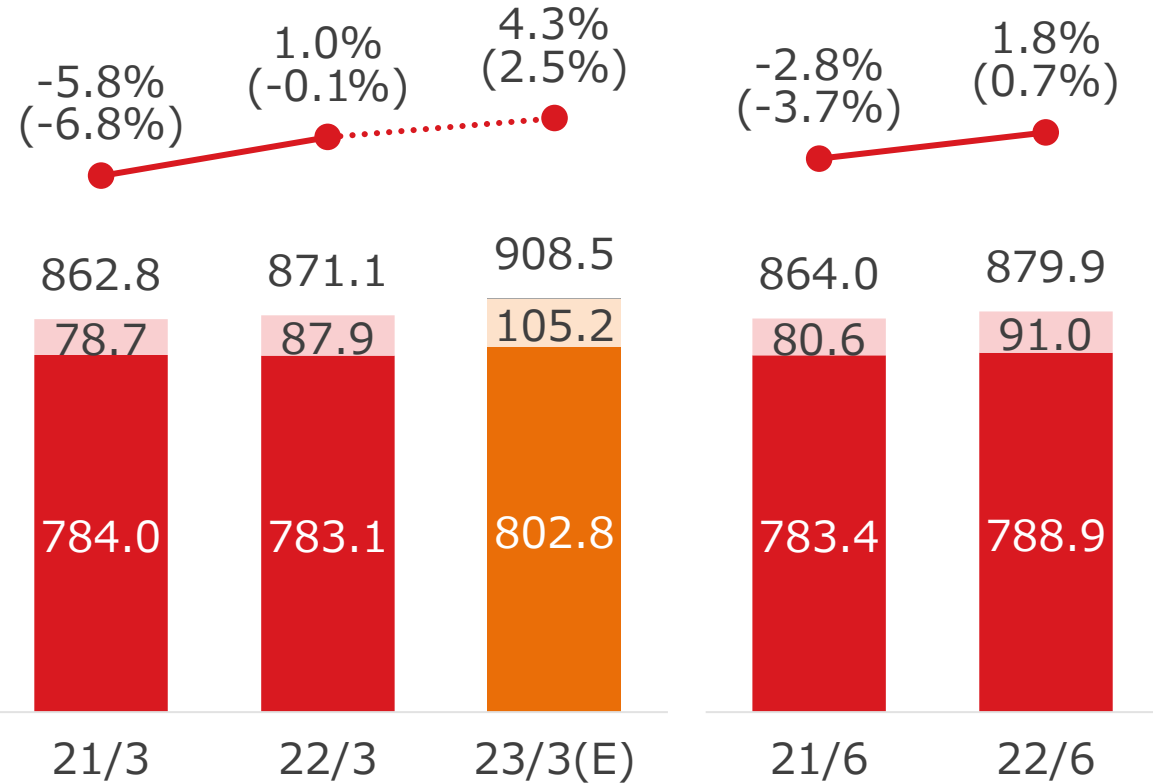
Q Loan and Credit Card Business | Business Scale

- Receivables Outstanding increased by 1.8% to ¥879.9 billion, owing to the recovery of consumer consumption such as leisure, travel, eating out, etc.
- Number of Customer Accounts increased by 1.6% yoy to 1,528 thousands

Receivables Outstanding

(Billions of yen)

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

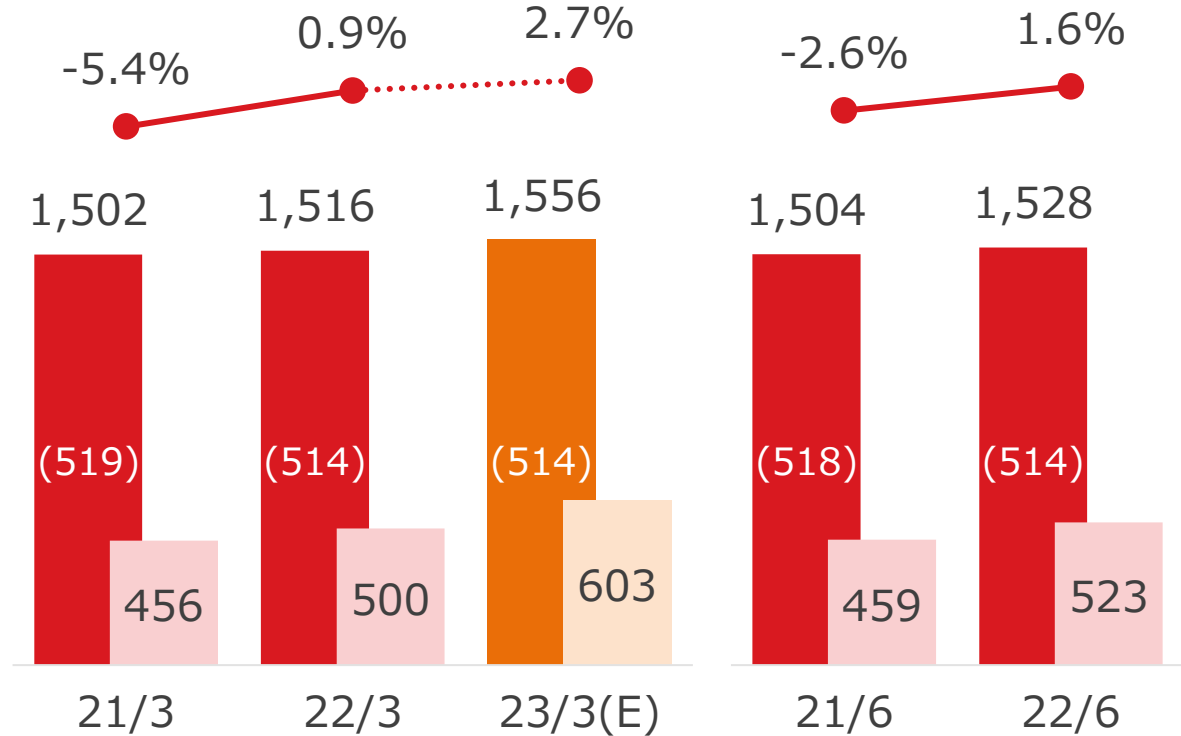


Number of Customer Accounts*

(Thousands)

■ Loan ■ Credit Card ● yoy

<() shows average balance per account (Thousands of yen)>

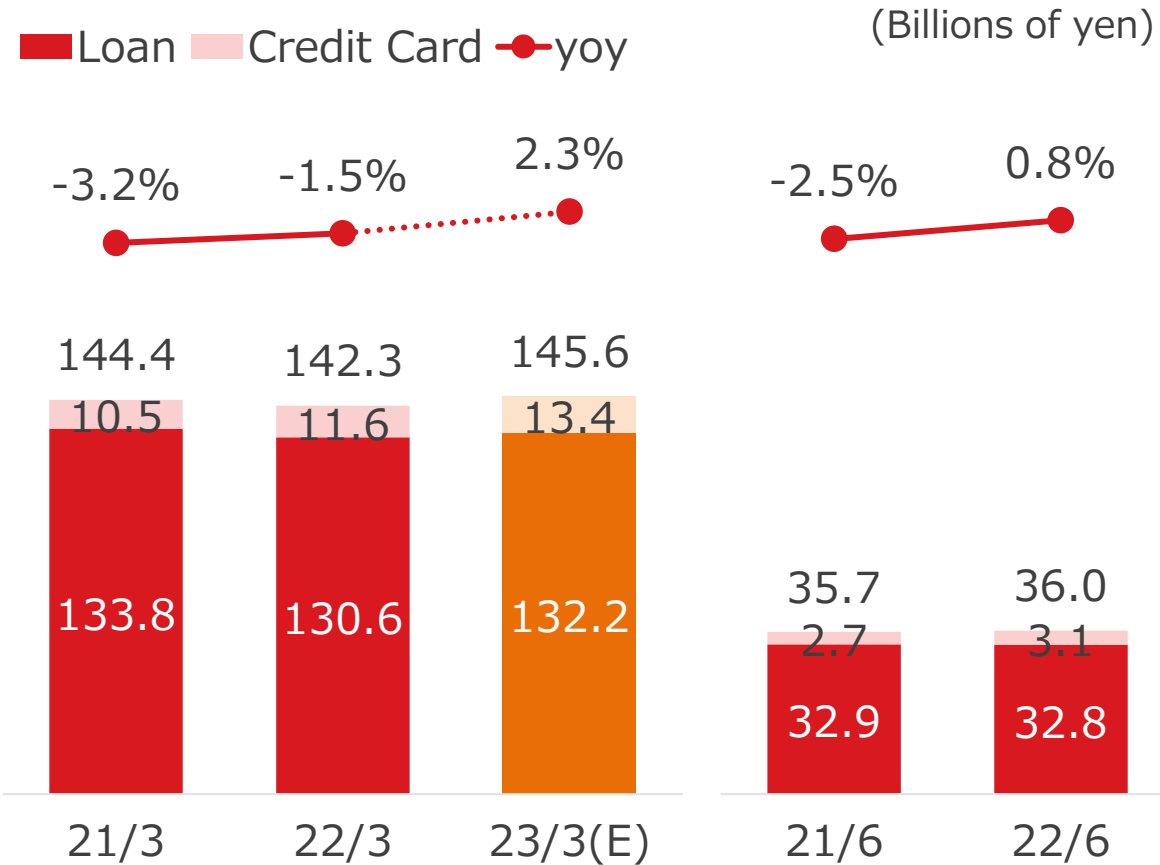


* Credit Card Business : Number of cardholders

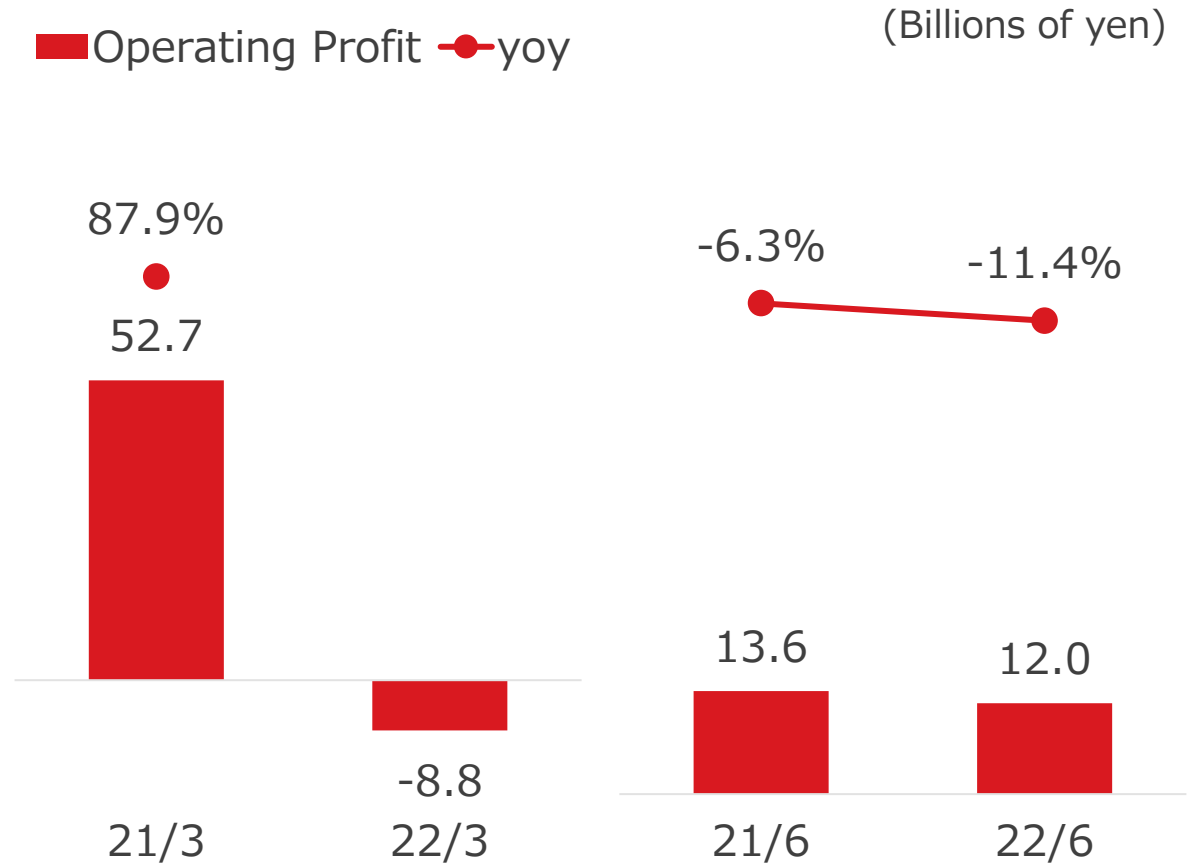
Q Loan and Credit Card Business | Business Performance

- Operating Revenue increased by 0.8% yoy to ¥36.0 billion.
- Operating Profit decreased by 11.4% yoy to ¥12.0 billion due to increase in Provision for Bad Debts and Advertising Expenses.

■ Operating Revenue



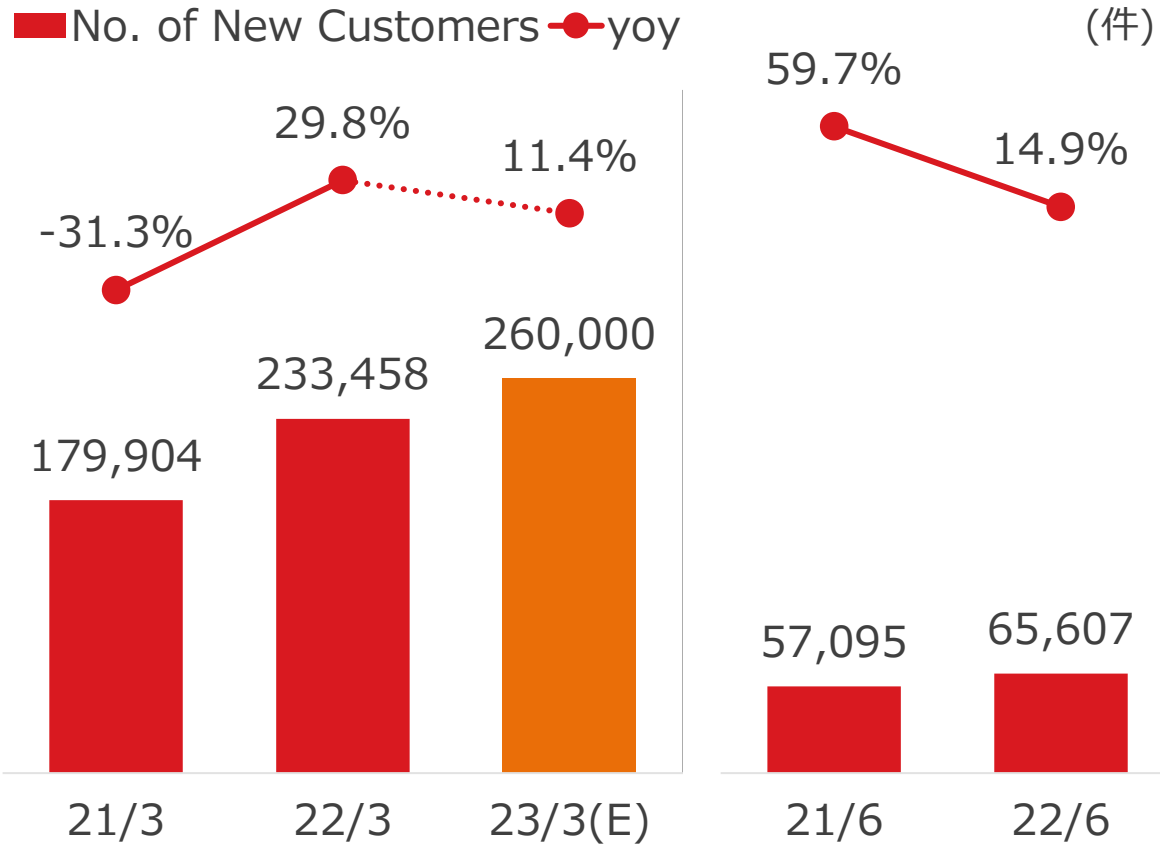
■ Operating Profit



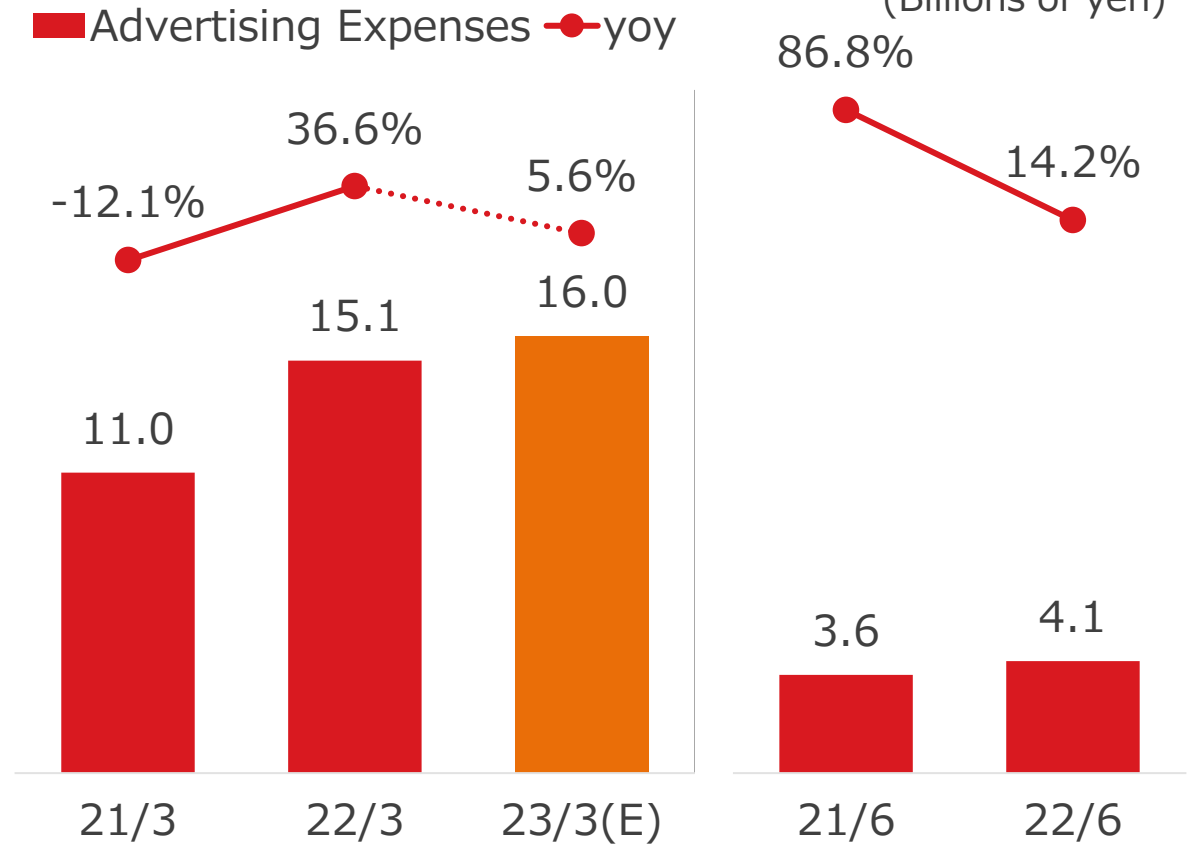
Loan and Credit Card Business | No. of New Customers

- Increased by 14.9% yoy to 65,607.
- Steady progress toward the 260,000, a plan for the fiscal year ending March 31, 2023.

■ Number of New Customers (Unsecured)



■ Advertising Expenses (ACOM)

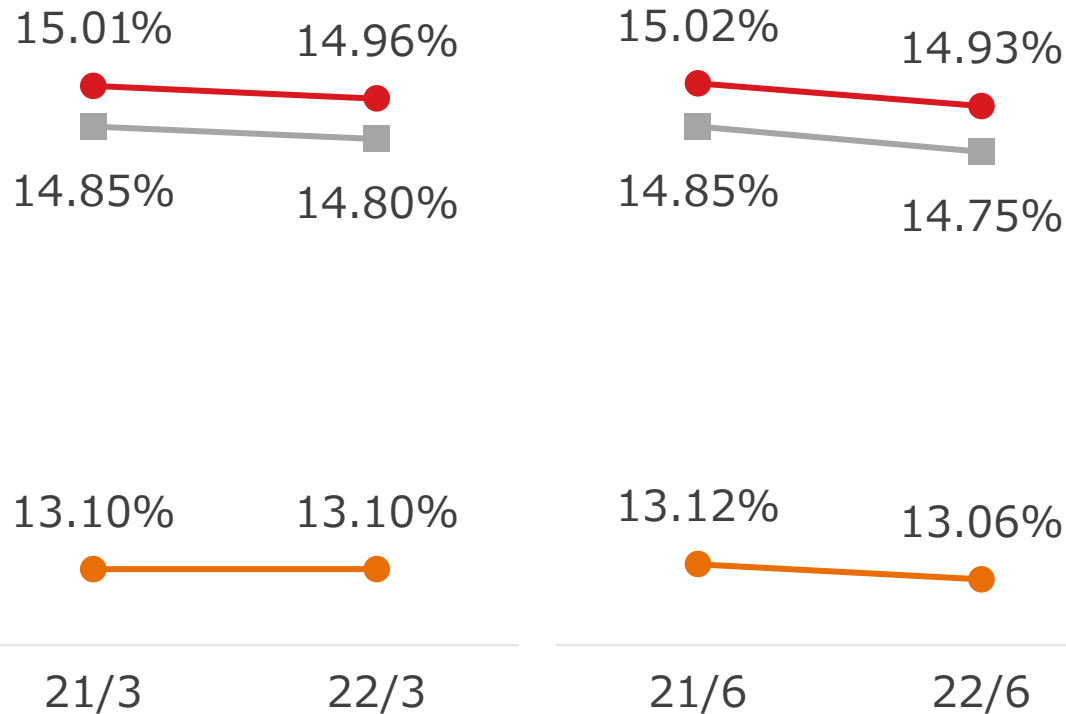


Loan and Credit Card Business | Yield·Bad Debt Expenses

- Average Loan Yield for Loan and Credit Card business decreased by 10 basis points yoy to 14.75%.
- Ratio of Bad Debt Expenses increased by 14 basis points yoy to 3.11% mainly from the expansion of business scale.

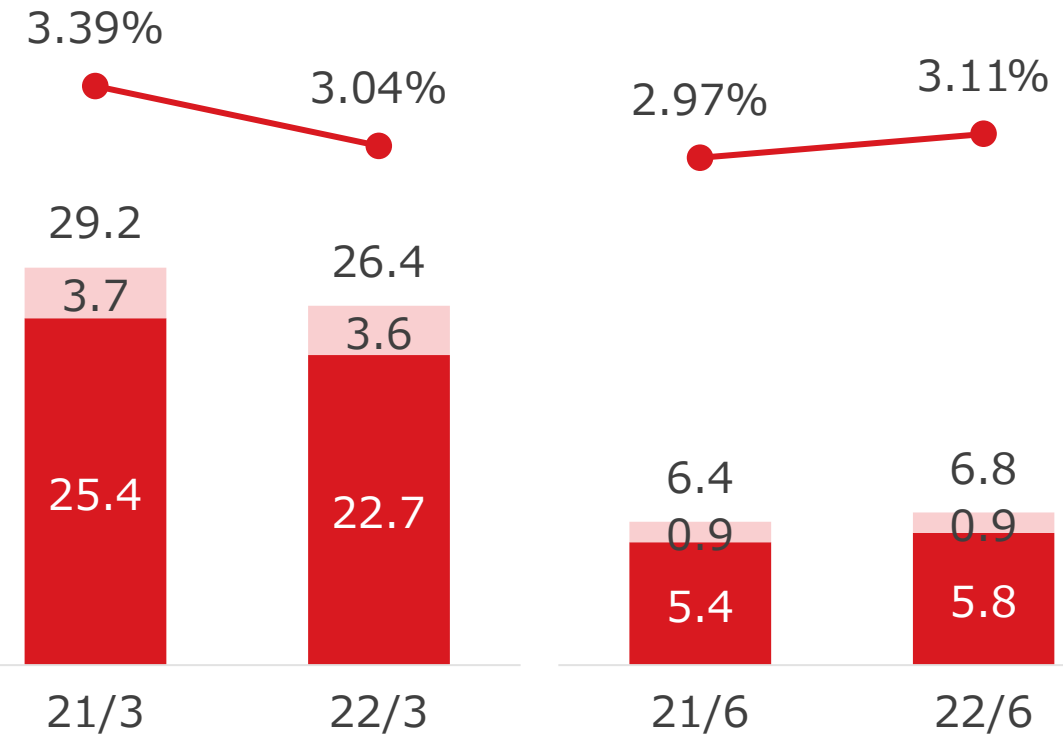
■ Average Loan Yield*1

● Loan ● Credit Card ■ Loan and Credit Card



■ Amount and Ratio of Bad Debt Expenses*2

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



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

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

*3 The ratios of bad debt expenses for 21/6 and 22/6 are recalculated into annual basis.

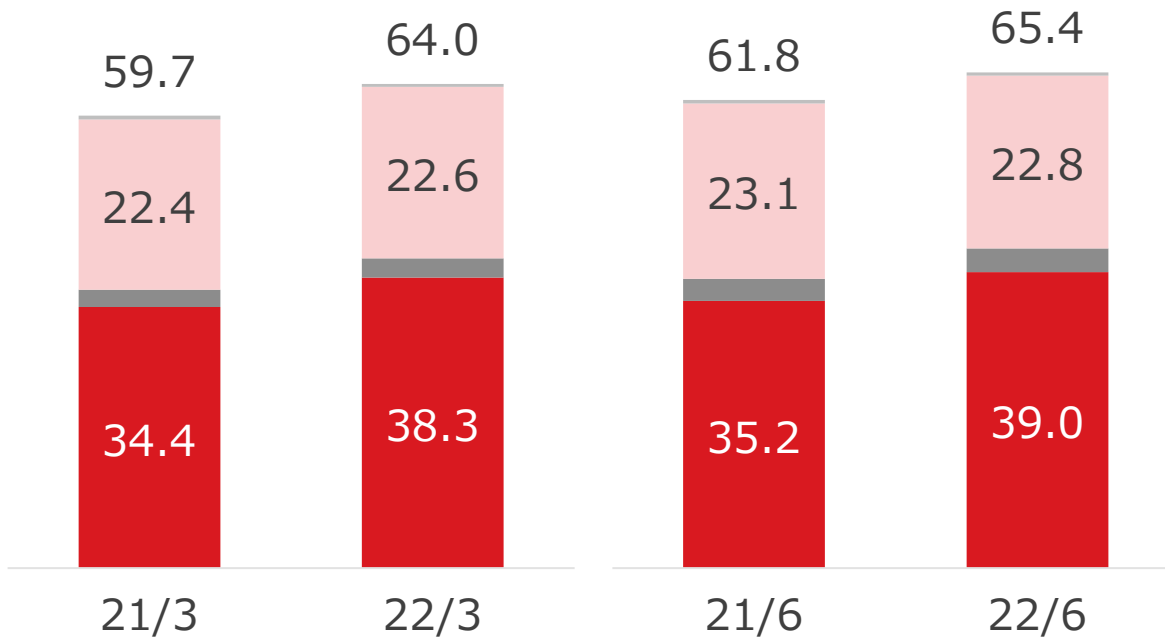
Loan Business | Non-performing Loans

- NPLs increased to ¥65.4 billion, mainly due to an increase in restructured loans with low ratio of bad debt expenses.

■ Non-performing Loans

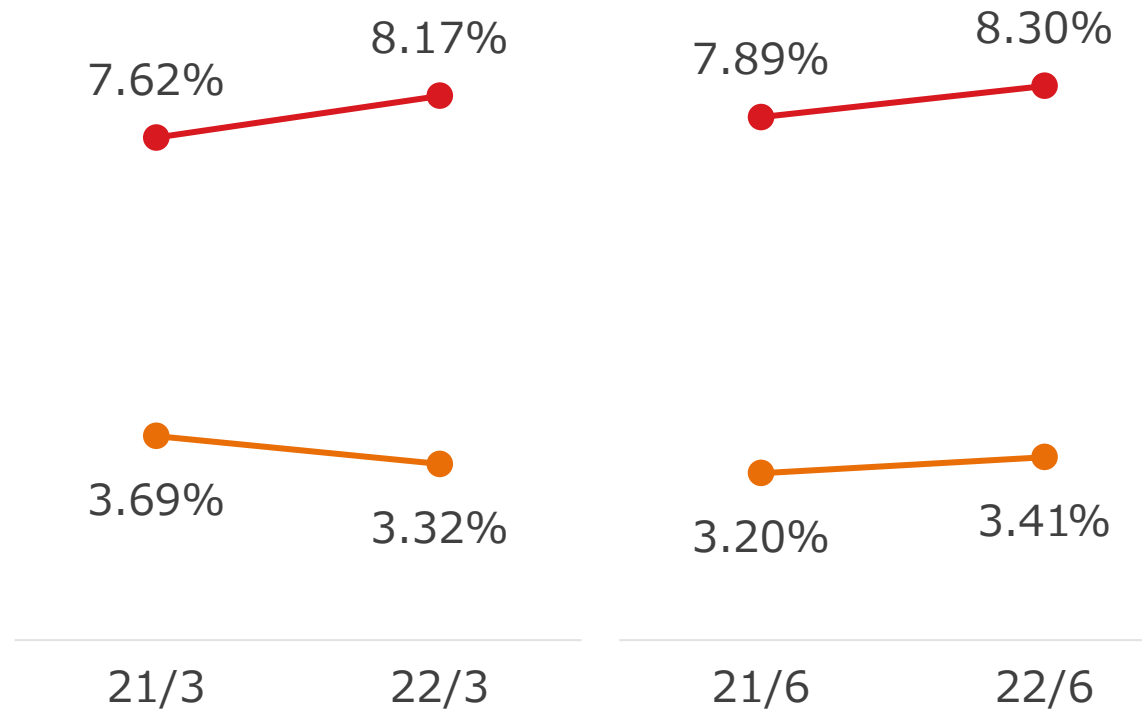
(Billions of yen)

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



■ Ratio of NPLs and Bad Debt Expenses*1*2

- NPLs
- Bad Debt Expenses (Loan)



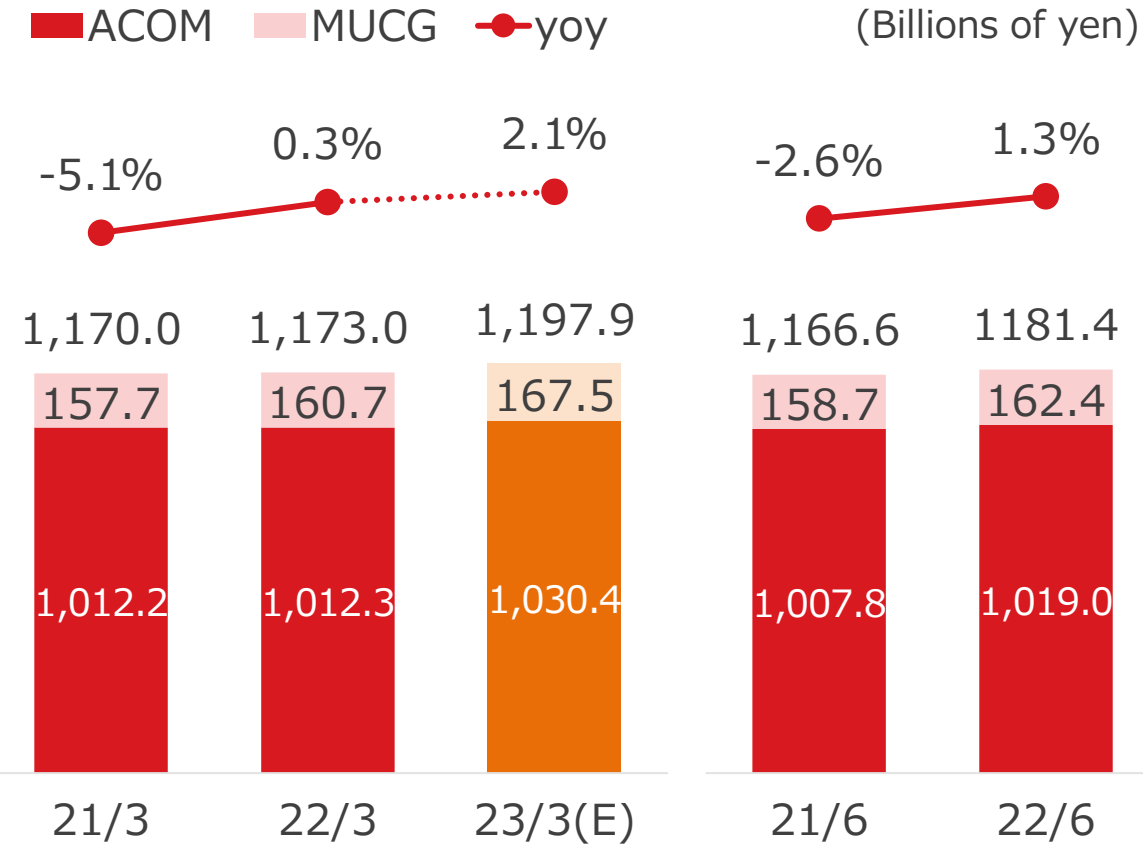
*1 Ratio of bad Debt Expenses exclude waiver of repayments accompanying requests for interest repayment.

*2 The ratios of bad debt expenses for 21/6 and 22/6 are recalculated into annual basis.

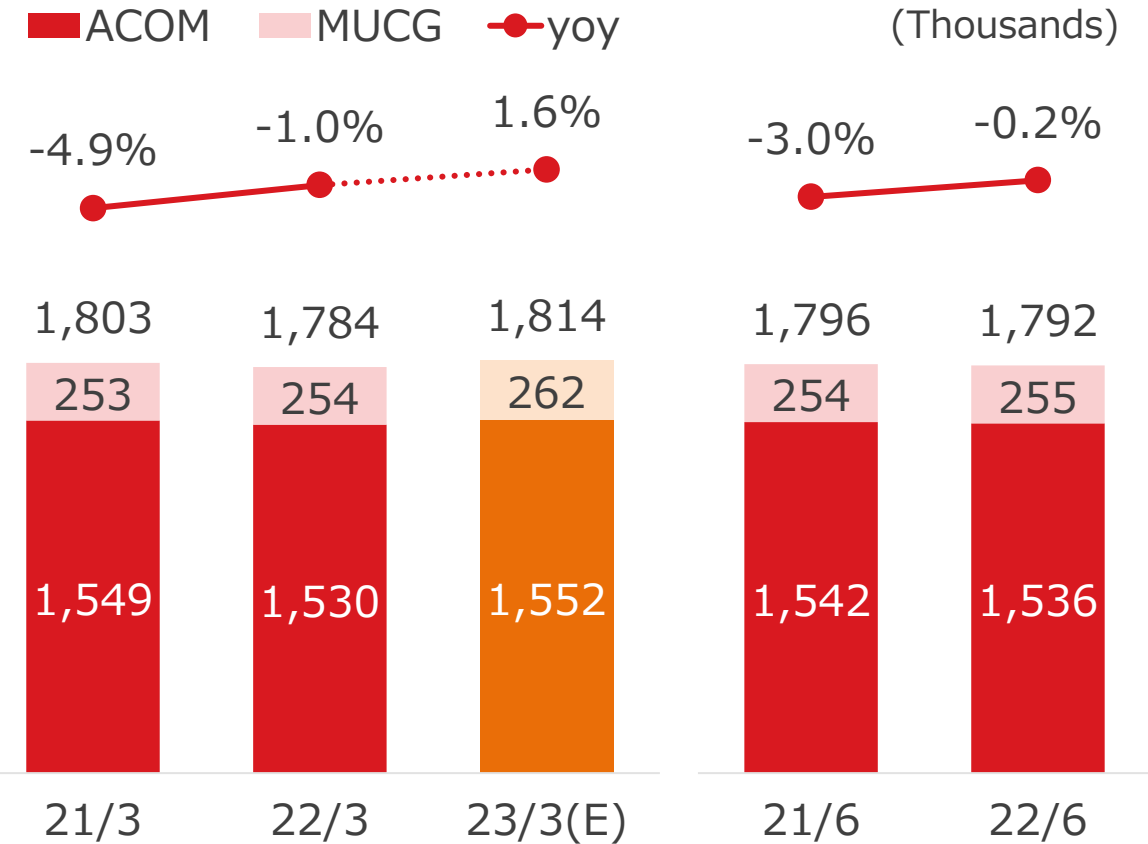
Guarantee Business | Business Scale

- With signs of recovery in demands in funds such as leisure, travel, eating out, etc., Guranteed Receivables increased 1.3% yoy to ¥1,181.4 billion.
- The Number of Customer Accounts decreased by 0.2% yoy to 1,792.

Guaranteed Receivables



Number of Customer Accounts

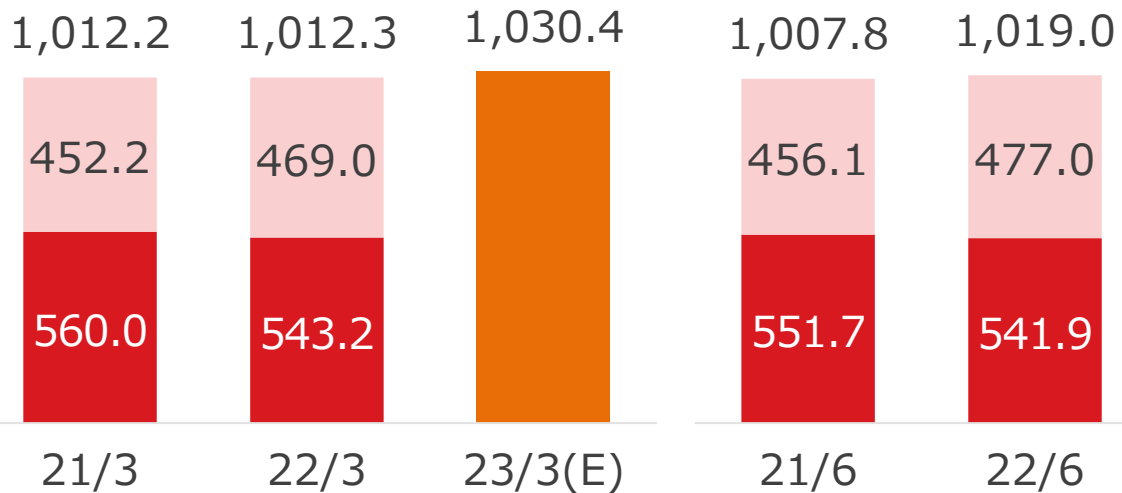
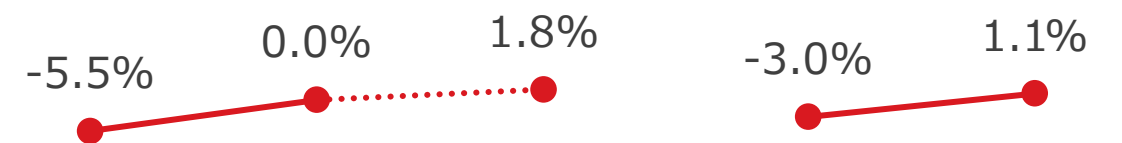


Guarantee Business | Business Scale (ACOM)

- Guaranteed Receivables for ACOM increased by 1.1% yoy to 1,019.0 billion.
- The Number of Customer Accounts decreased by 0.4% yoy to 1,536.

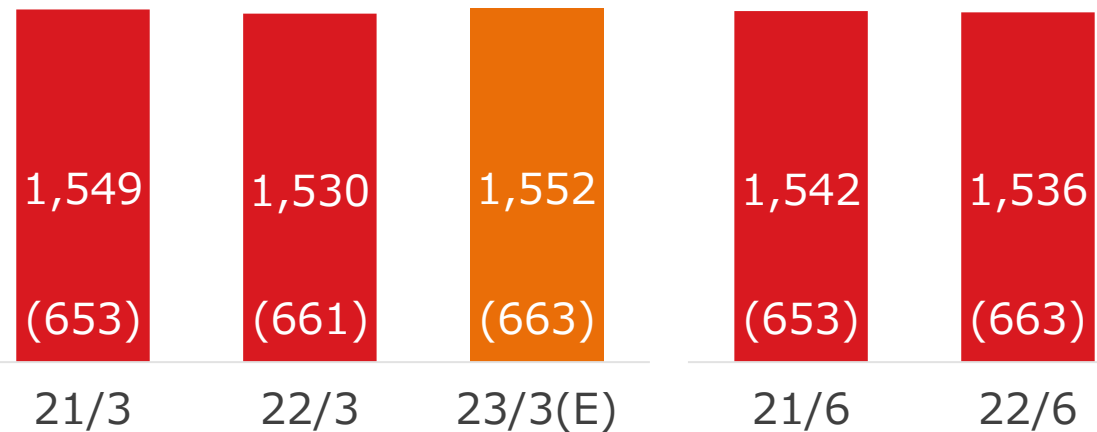
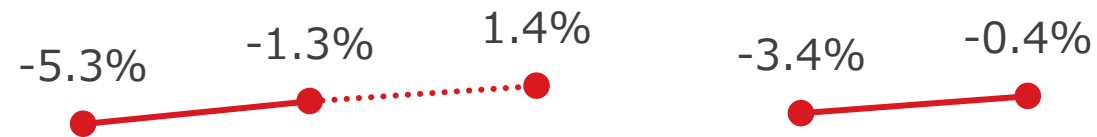
Guaranteed Receivables

(Billions of yen)
 ■ MUFG Bank ■ Regional Banks, etc. ● yoy



Number of Customer Accounts

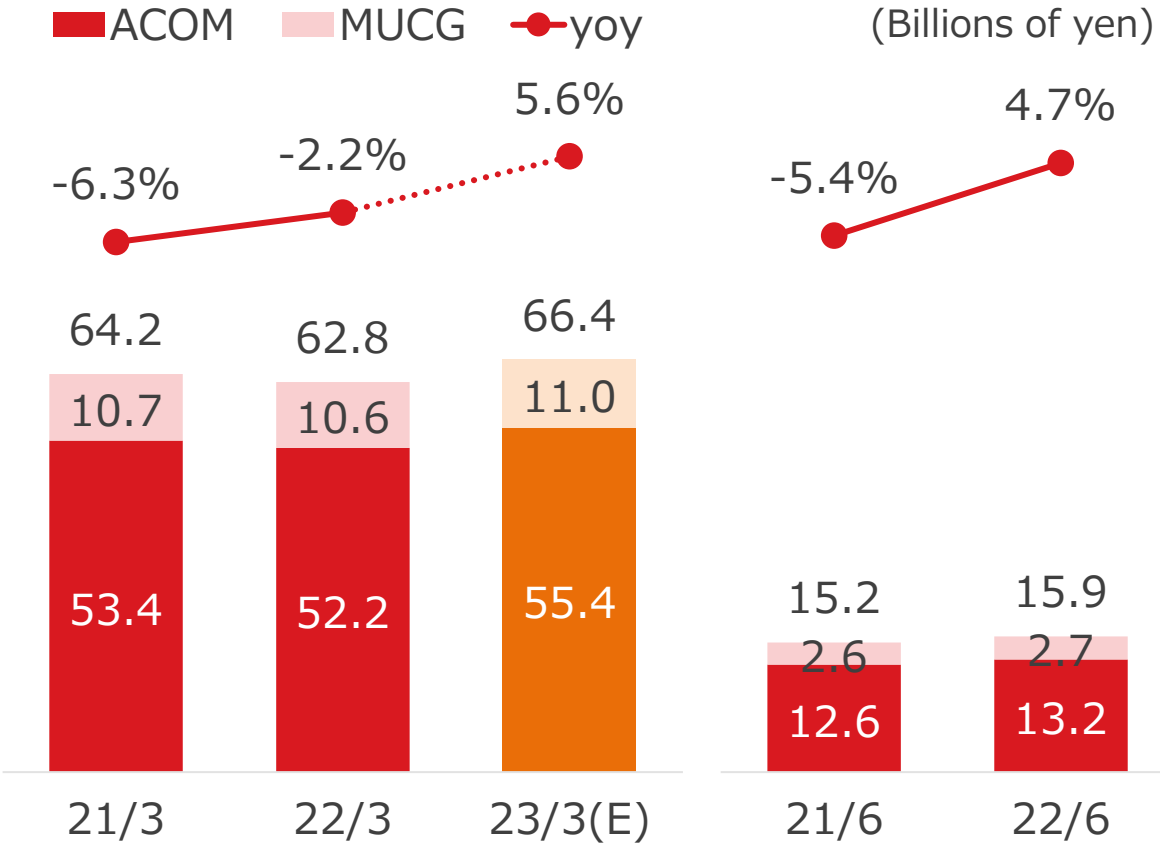
(Thousands)
 ■ Number of Customer Accounts ● yoy
 <() shows average balance per account (Thousands of yen)>



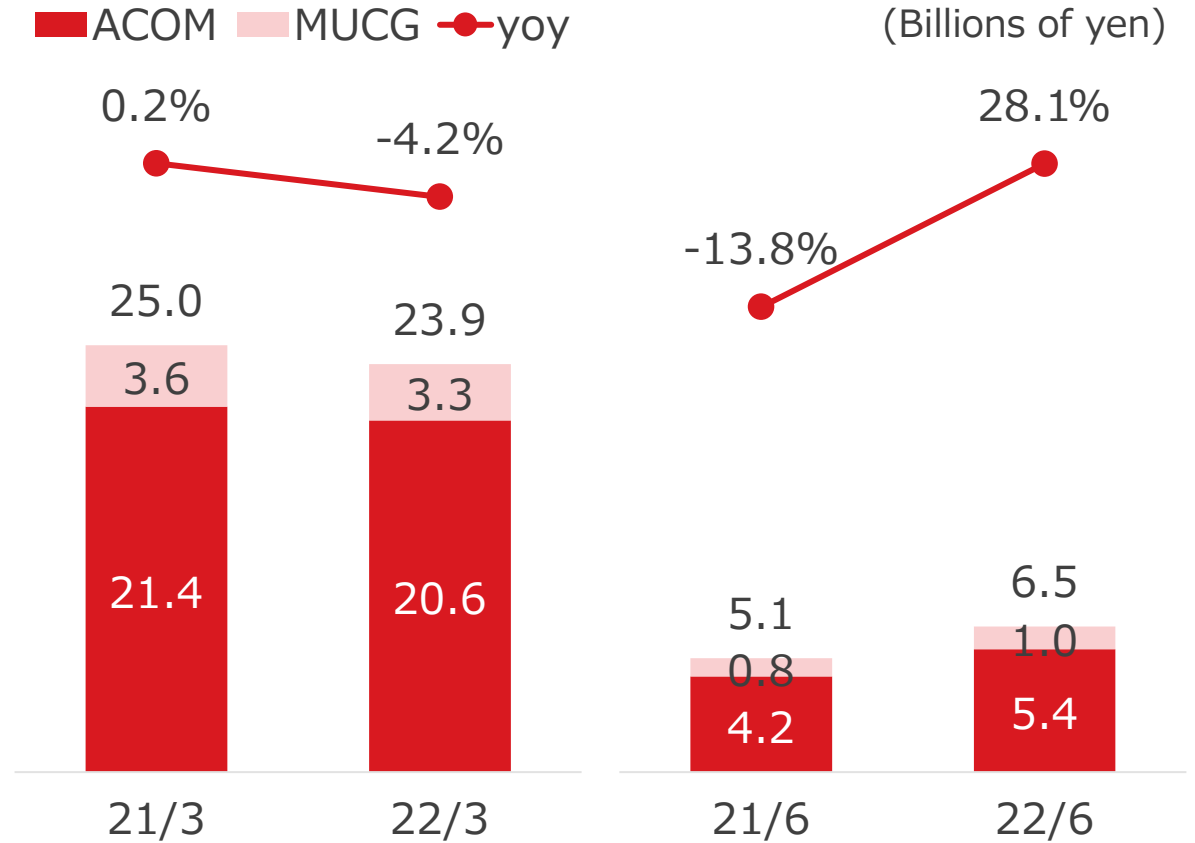
Guarantee Business | Business Performance

- Operating Revenue increased by 4.7% yoy to ¥15.9 billion owing to expansion in business scale and also revision of guaranteed fee rates.
- Since Provision for Bad Debts were suppressed, operating profit increased by 28.1% yoy to ¥6.5 billion.

Operating Revenue



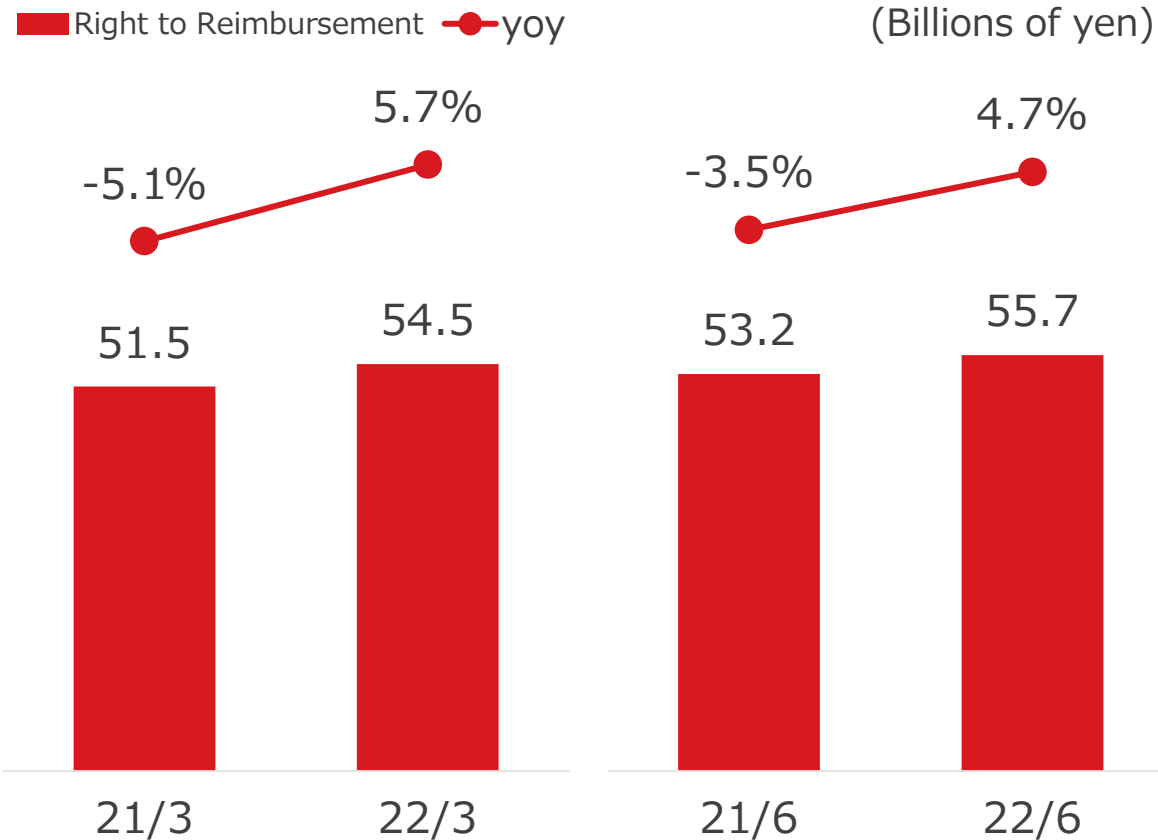
Operating Profit



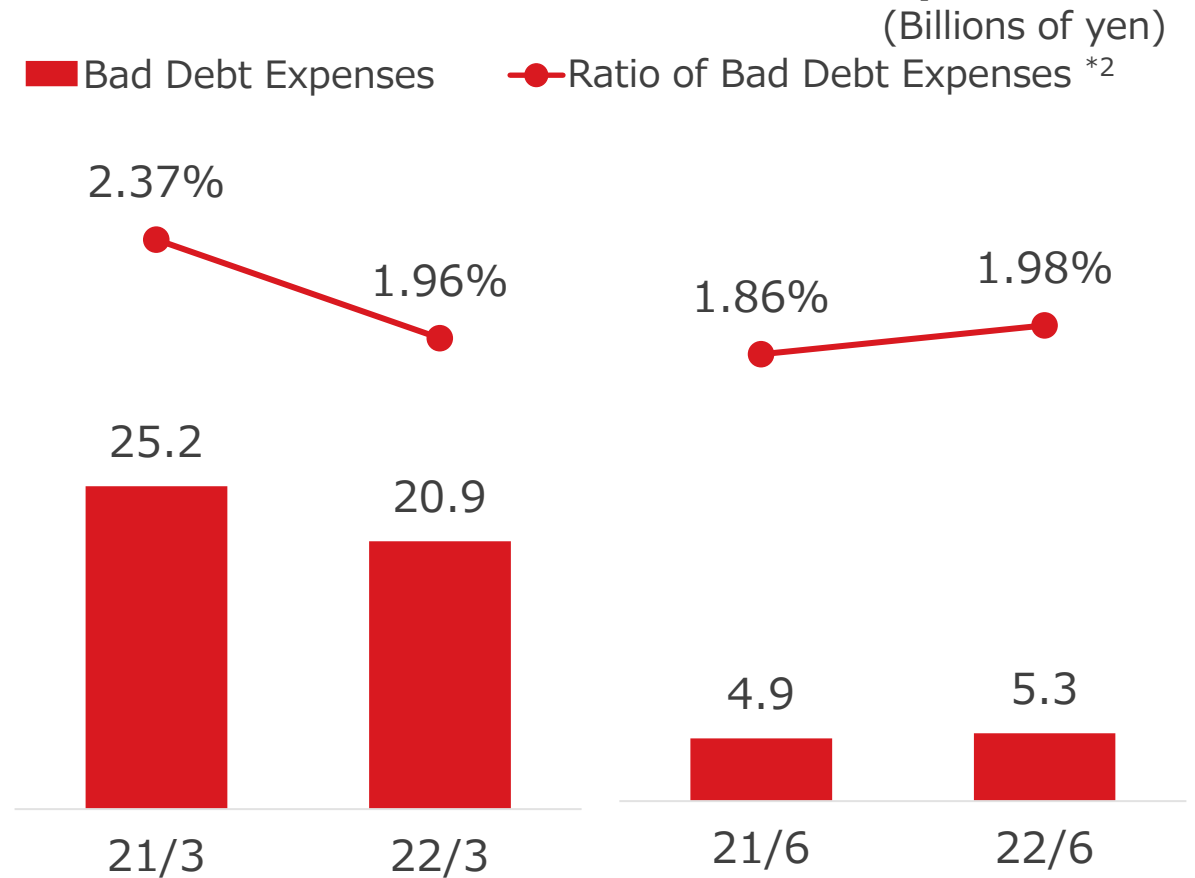
Guarantee Business | Right to Reimbursement·Bad Debt Expenses (ACOM)

- Right to reimbursement increased by 4.7% yoy to ¥55.7 billion, mainly due to an increase in the fulfillment of guarantees from some of our alliance partners.
- Ratio of bad debt expenses increased by 12 basis points yoy to 1.98%.

Right to Reimbursement *1



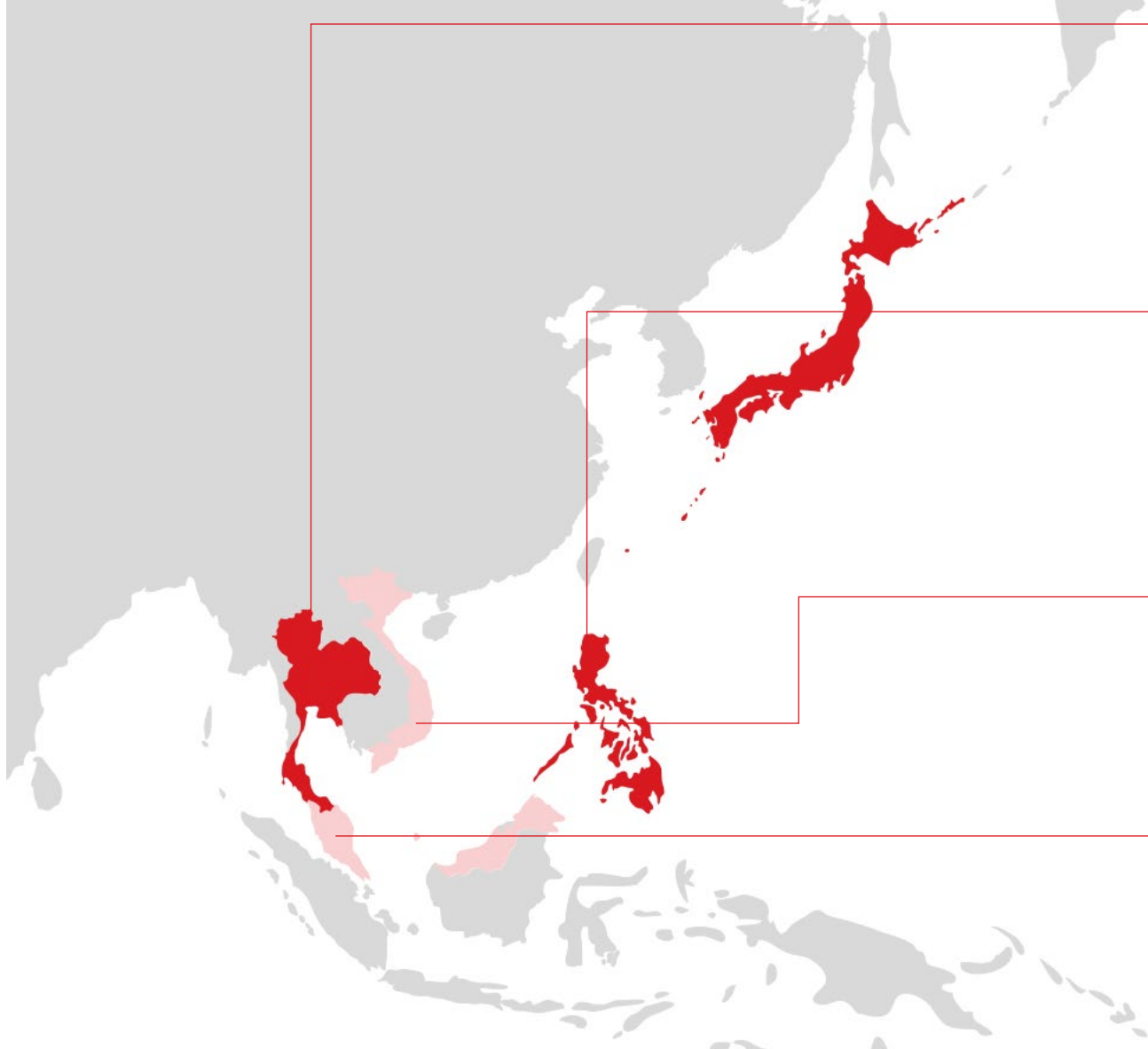
Amount and Ratio of Bad Debt Expenses



*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 21/6 and 22/6 are recalculated into annual basis

Target Market in Overseas Financial Business



Kingdom of Thailand

EASY BUY Public Company Limited

Equity stake : 71.00%

Incorporated : September 1996

Business Outline : Unsecured Loan, Installment Loan

Republic of the Philippines

ACOM CONSUMER FINANCE CORPORATION

Equity stake : 80.00%

Incorporated : July 2017

Business Outline : Unsecured Loan

Socialist Republic of Vietnam

Applying for license

ACOM VIETNAM FINANCE COMPANY LIMITED

Equity stake : 100.00%

Capital : 600.0 billion dong

Malaysia

Applying for license

ACOM (M) SDN. BHD.

Equity stake : 100.00%

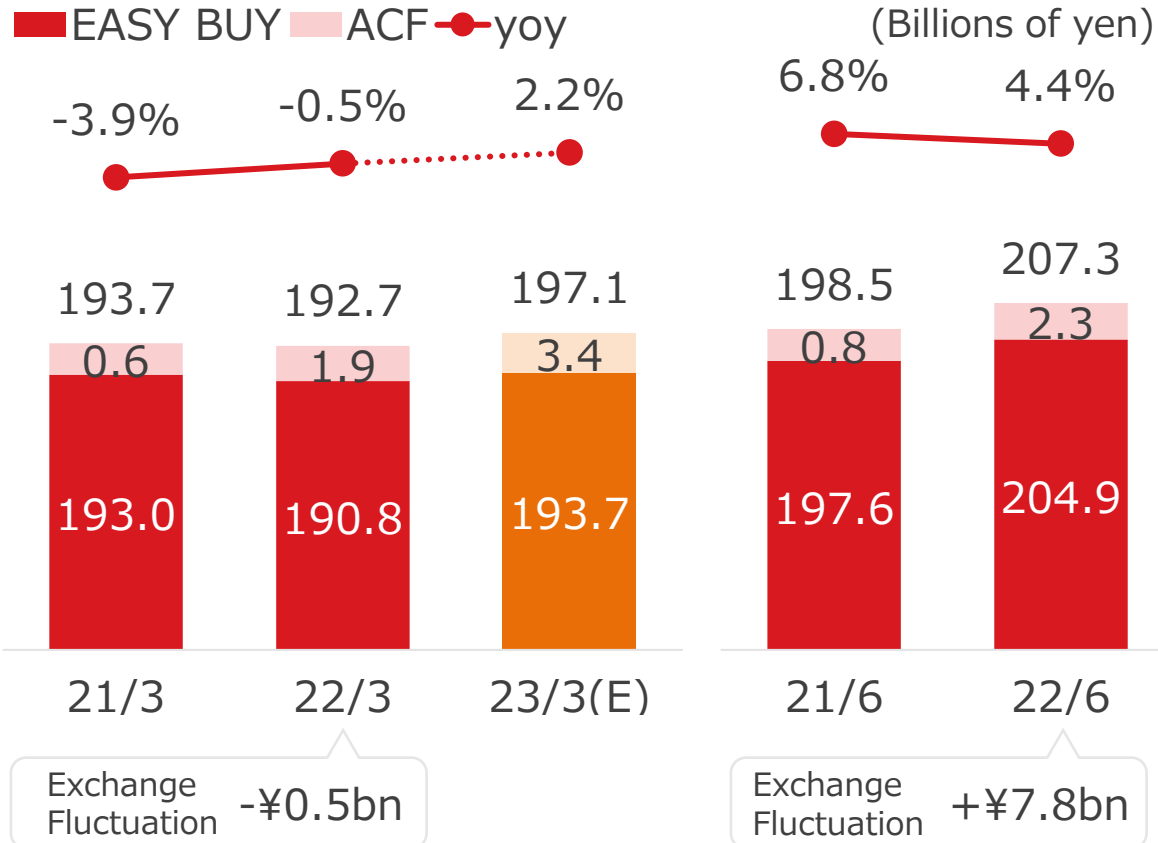
Capital : 2 million ringgit

Incorporated : July 2021

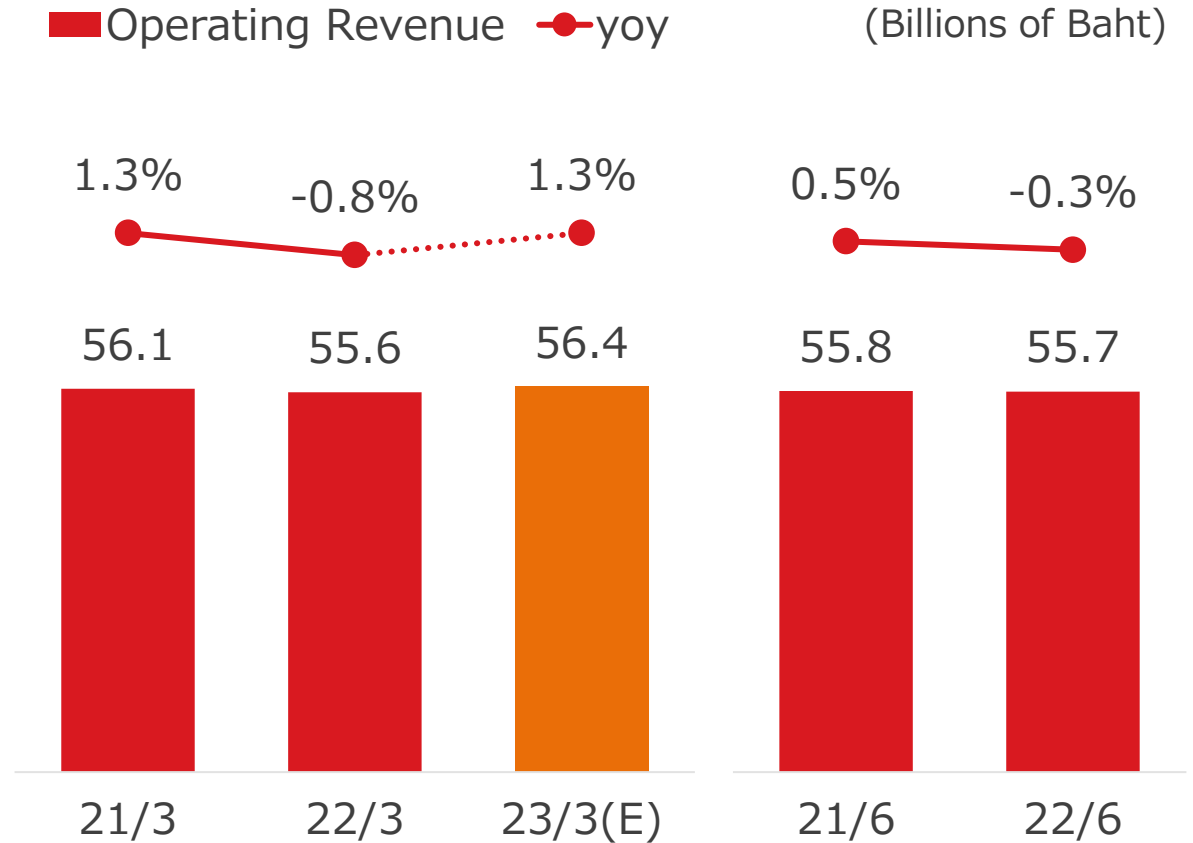
Overseas Financial Business | Receivables Outstanding*1

- Receivables outstanding(yen basis) increased by 4.4% yoy to ¥207.3 billion, influenced by the impact of a depreciation of the yen against the baht.
- Receivables outstanding in local currency basis for EASY BUY decreased by 0.3% yoy to 55.7 billion baht.

Overseas Financial Business(Yen Basis)*2



EASY BUY(Local Currencies Basis)



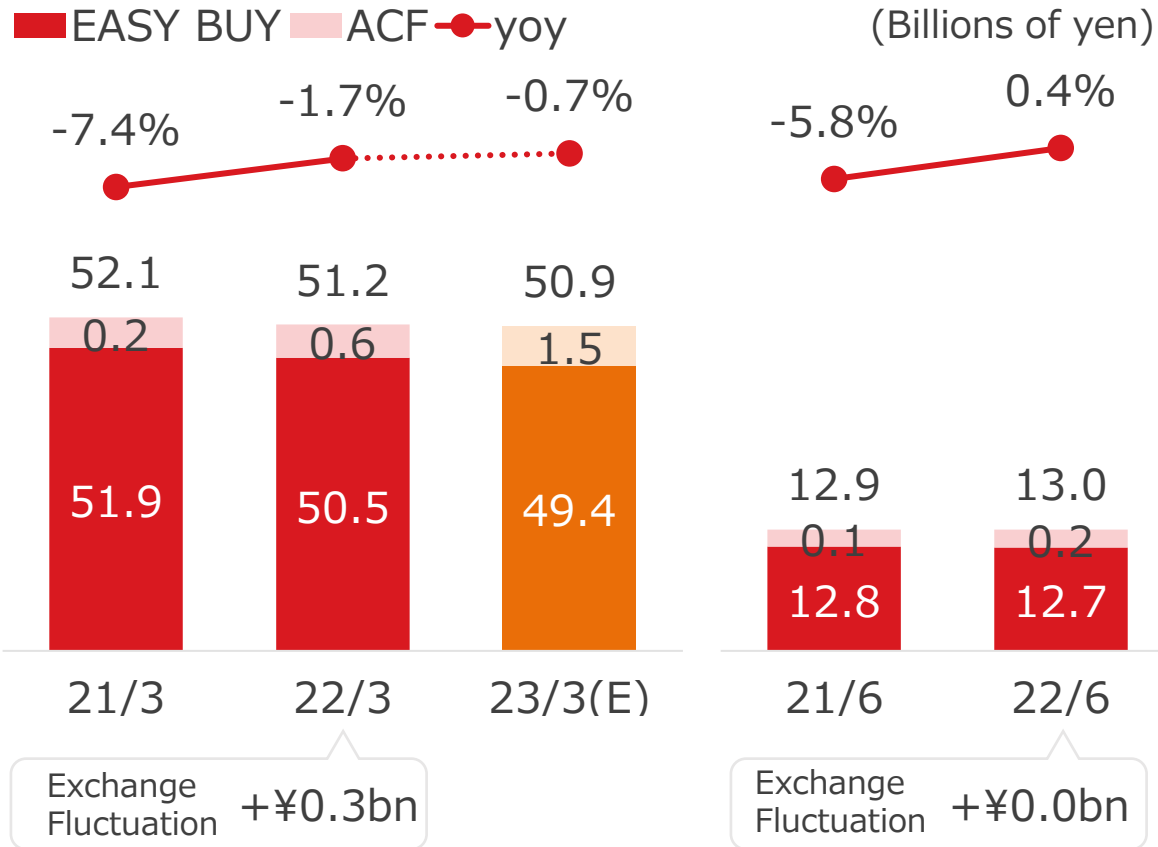
*1 Receivables outstanding = "accounts receivable - operating loans" + "accounts receivable - installment"

*2 Exchange rates : Baht ¥3.54(21/6)、¥3.68(22/6)、Exchange fluctuation : +¥0.14

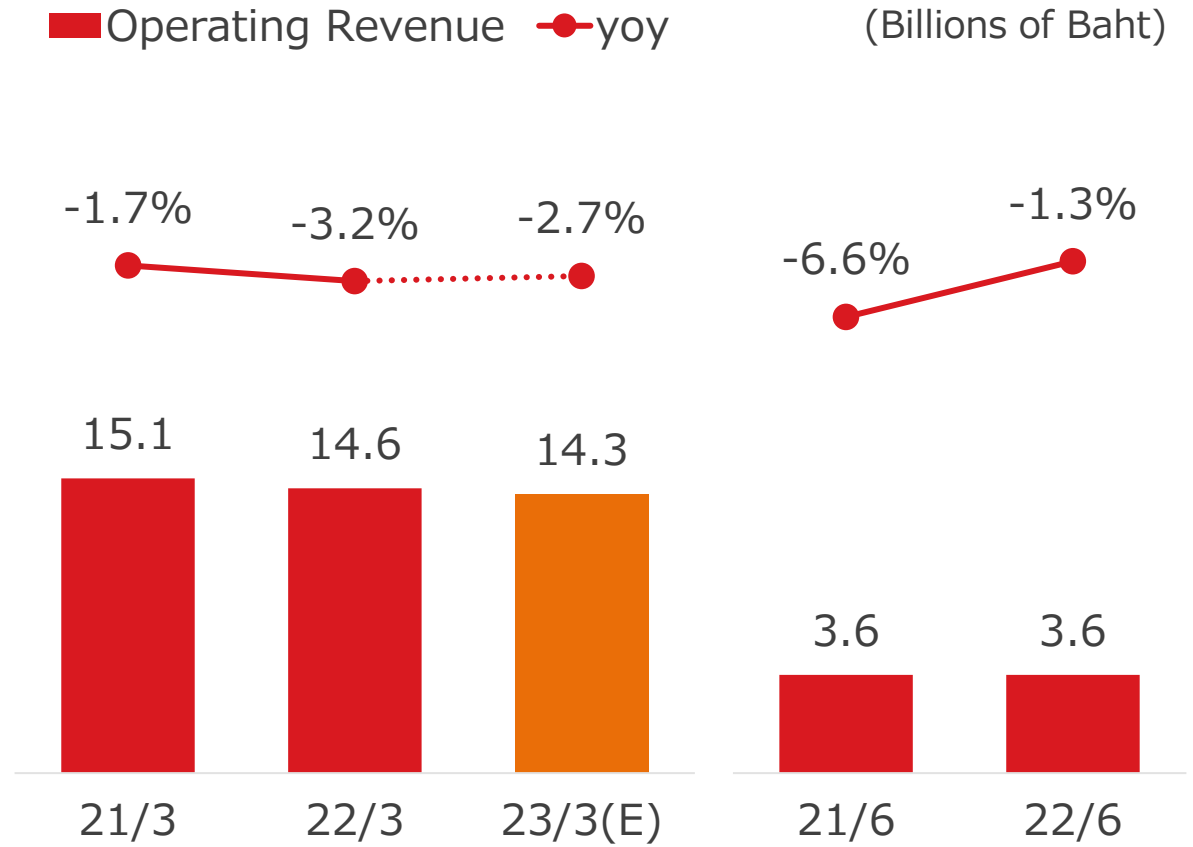
Overseas Financial Business | Operating Revenue

- Operating revenue increased by 0.4% to ¥13.0 billion.
- For EASY BUY, operating revenue in local currency basis decreased by 1.3% to 3.6 billion baht, due to the decrease in collection fees from receivables past-due.

Overseas Financial Business(Yen Basis)*1*2



EASY BUY(Local Currencies Basis)



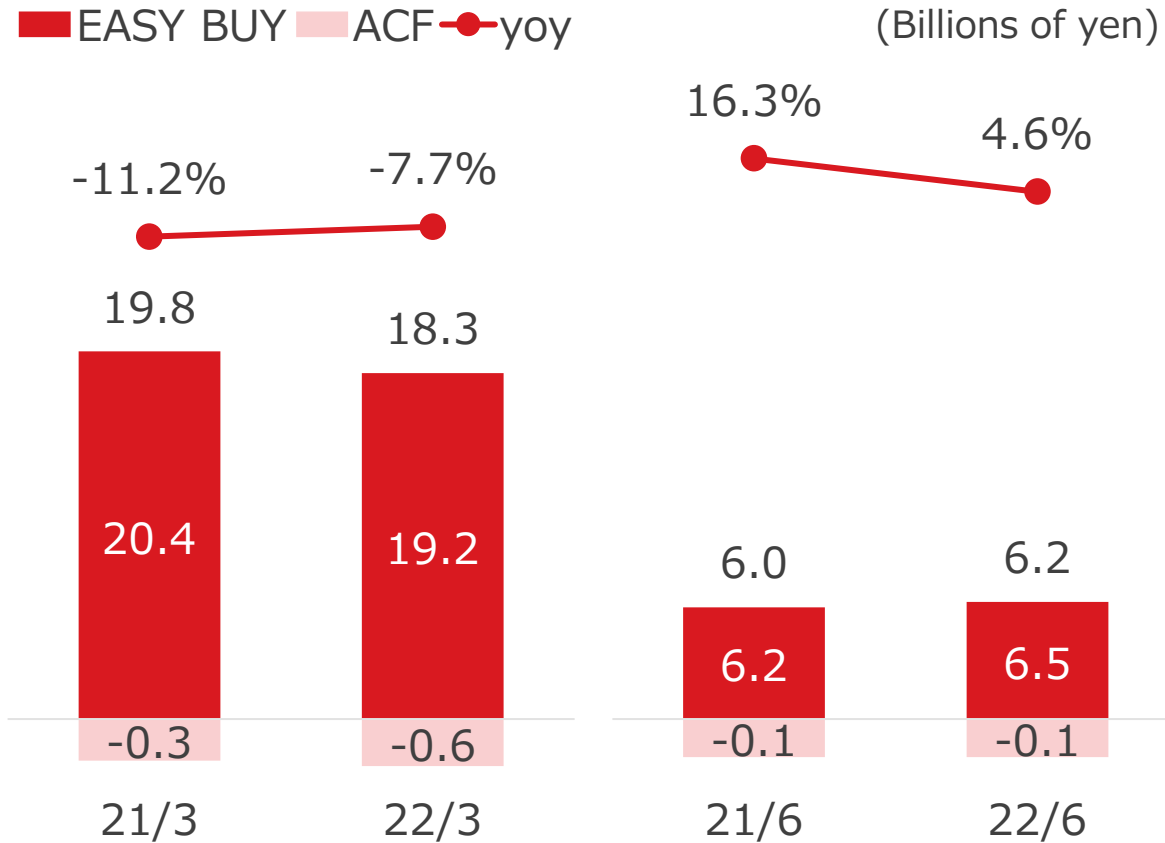
*1 Profit by segments

*2 Exchange rates : Baht ¥3.50(21/6)、¥3.52(22/6)、Exchange fluctuation : +¥0.02

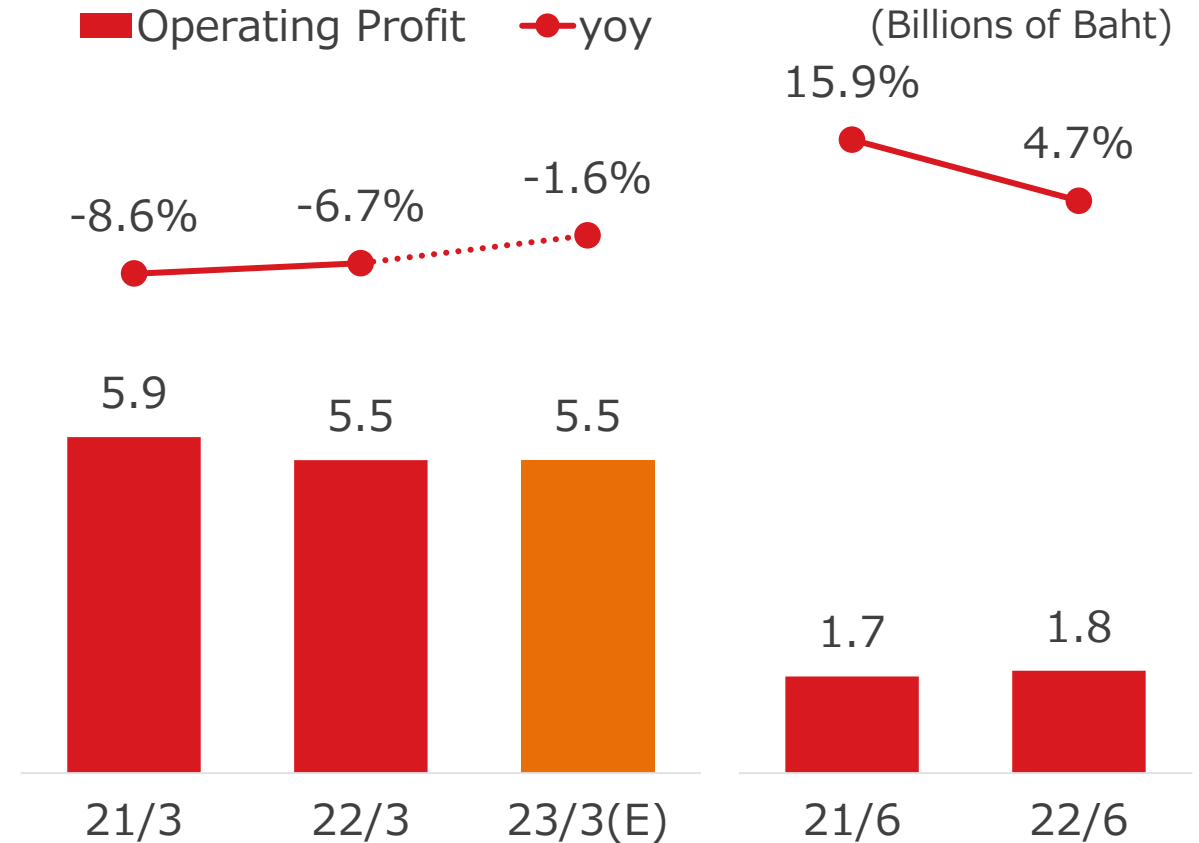
Overseas Financial Business | Operating Profit

- Operating profit increased by 4.7% yoy to 1.8 billion baht owing to the decrease in provision for bad debts.

Overseas Financial Business(Yen Basis)*



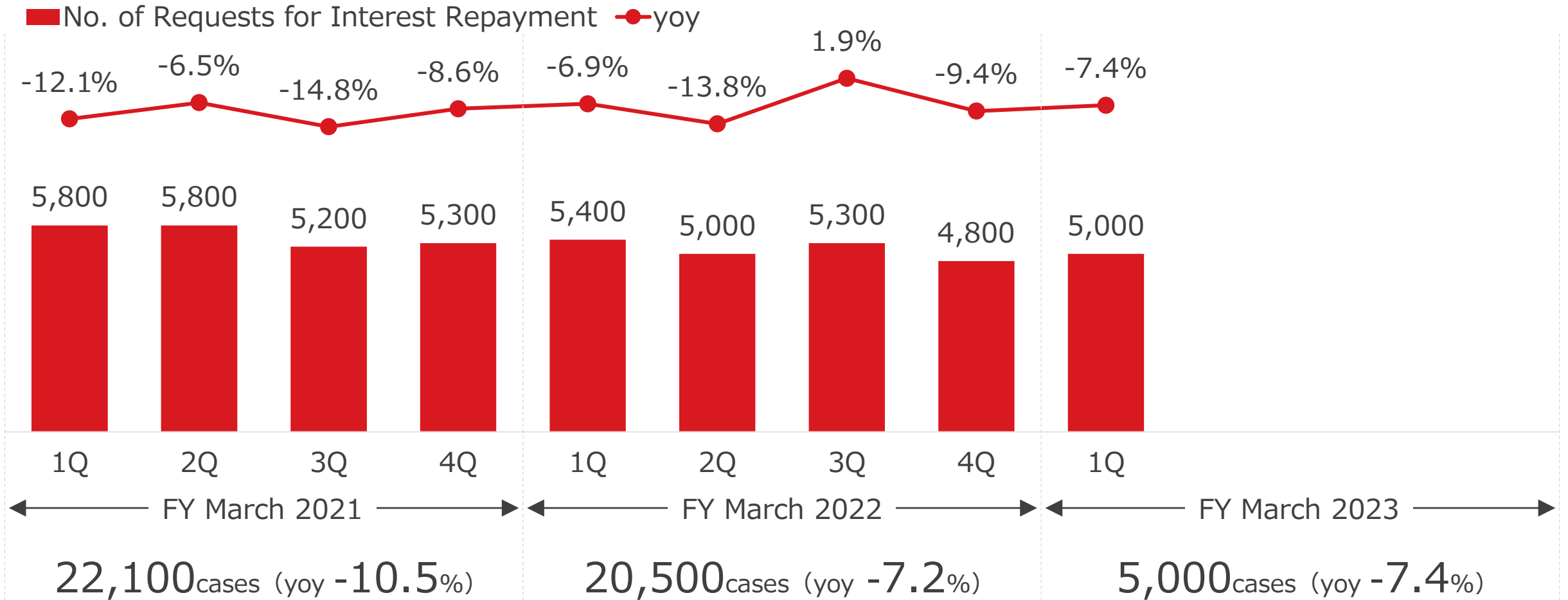
EASY BUY(Local Currencies Basis)



*Profit by segment

No. of Requests for Interest Repayment*

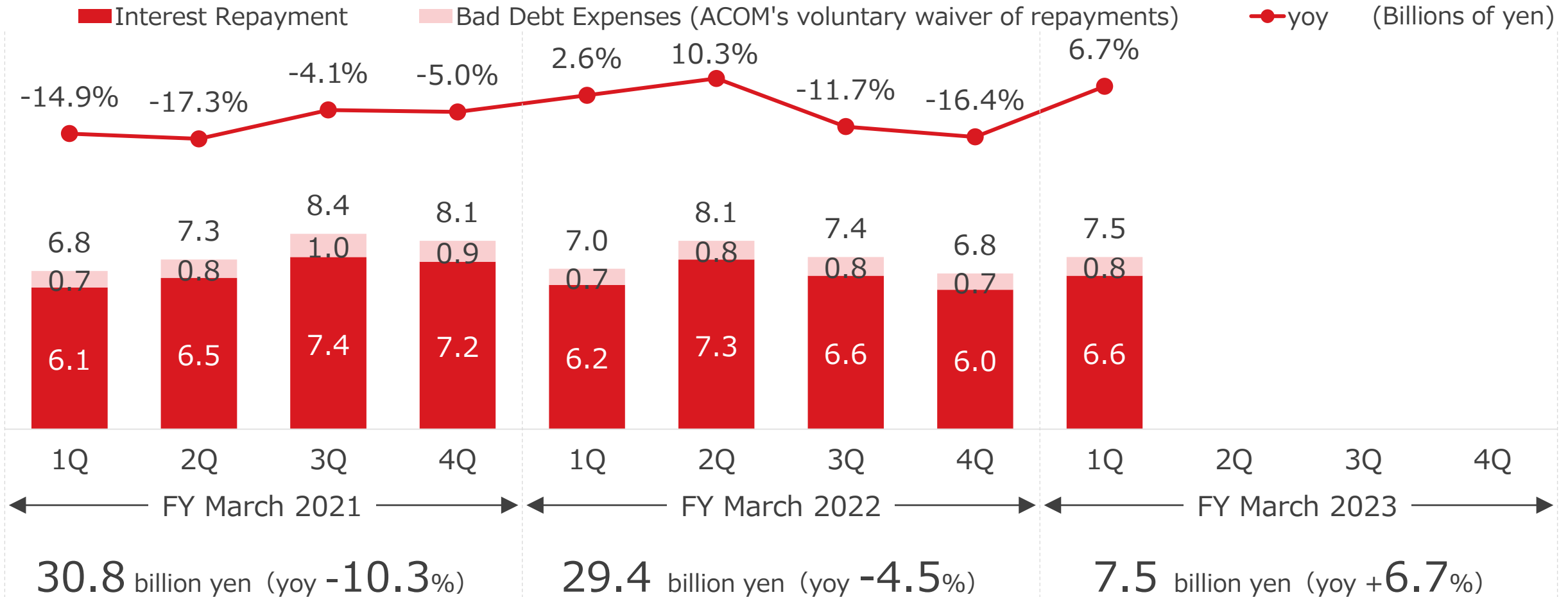
- The number of requests for 1Q decreased by 7.4% yoy to 5,000.
- The number of requests for FY March 2023 is expected to decrease around 10% yoy.



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

Loss on Interest Repayment

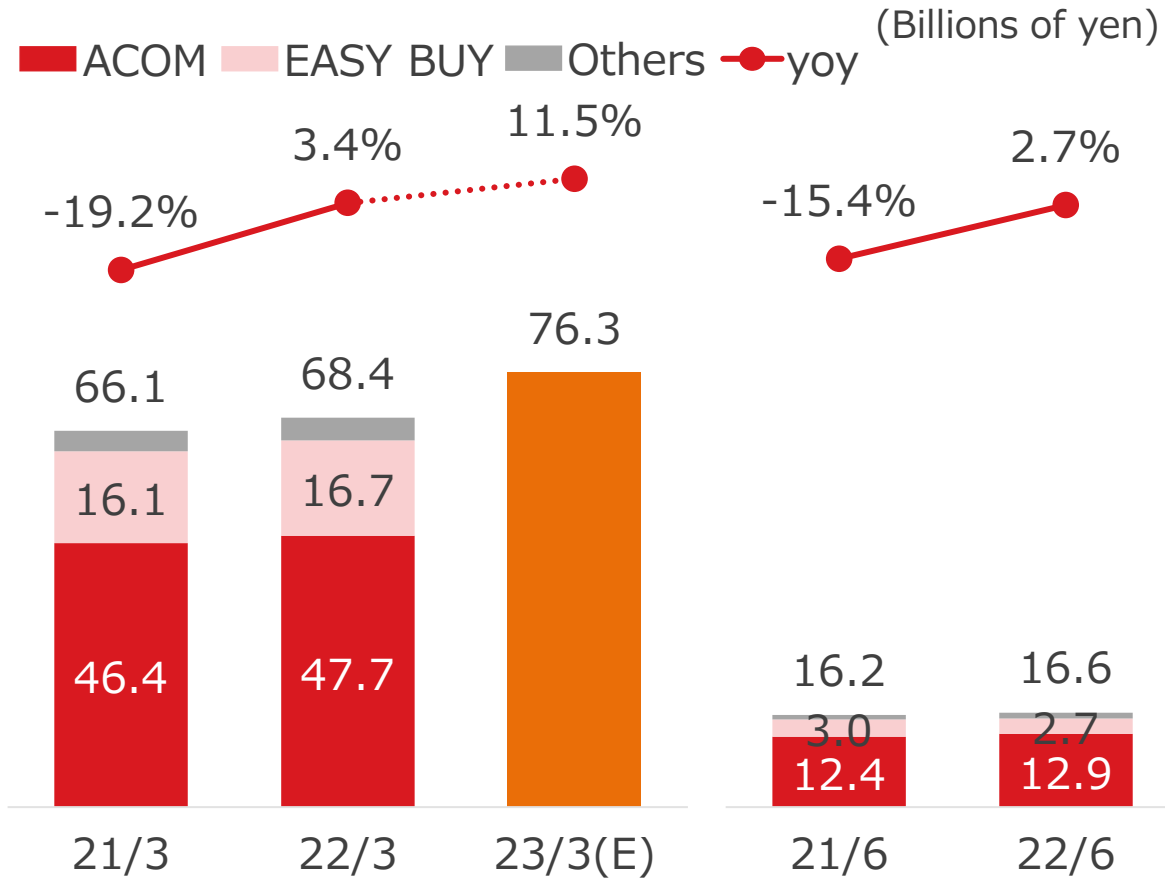
- Amount of drawdown in 1Q was ¥7.5billion(+6.7% yoy).
- There was no addition to provision in 1Q. Balance of provision is ¥78.6 billion.
(Covers up to FY March 2026)
- Estimate amount of drawdown to decrease around 5% yoy in FY March 2023.



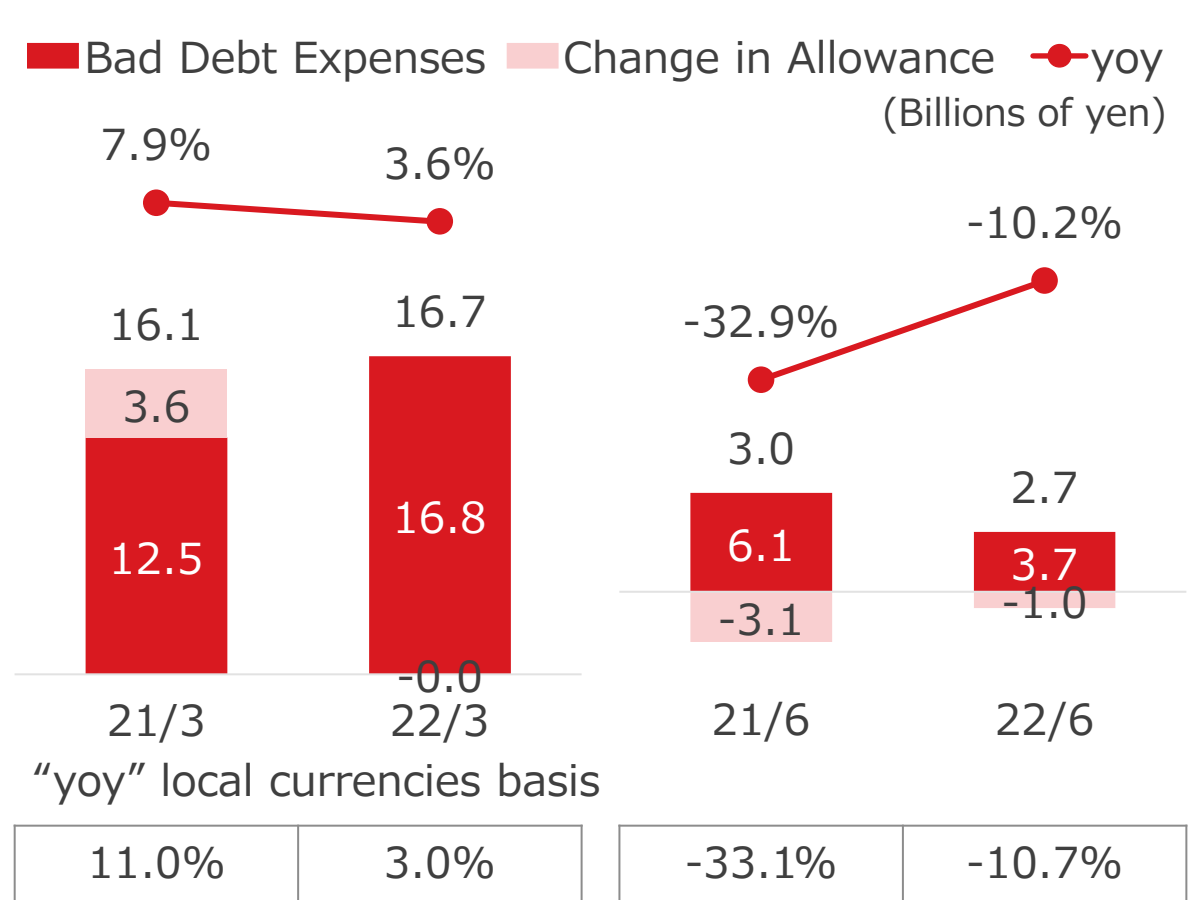
Q Provision for Bad Debts

- Provision for Bad Debts (Consolidated) increased by 2.7% yoy to ¥16.6 billion due to an increase in ACOM.
- For EASY BUY, it decreased by 10.2% yoy to ¥2.7 billion.

■ Provision for Bad Debts (Consolidated)



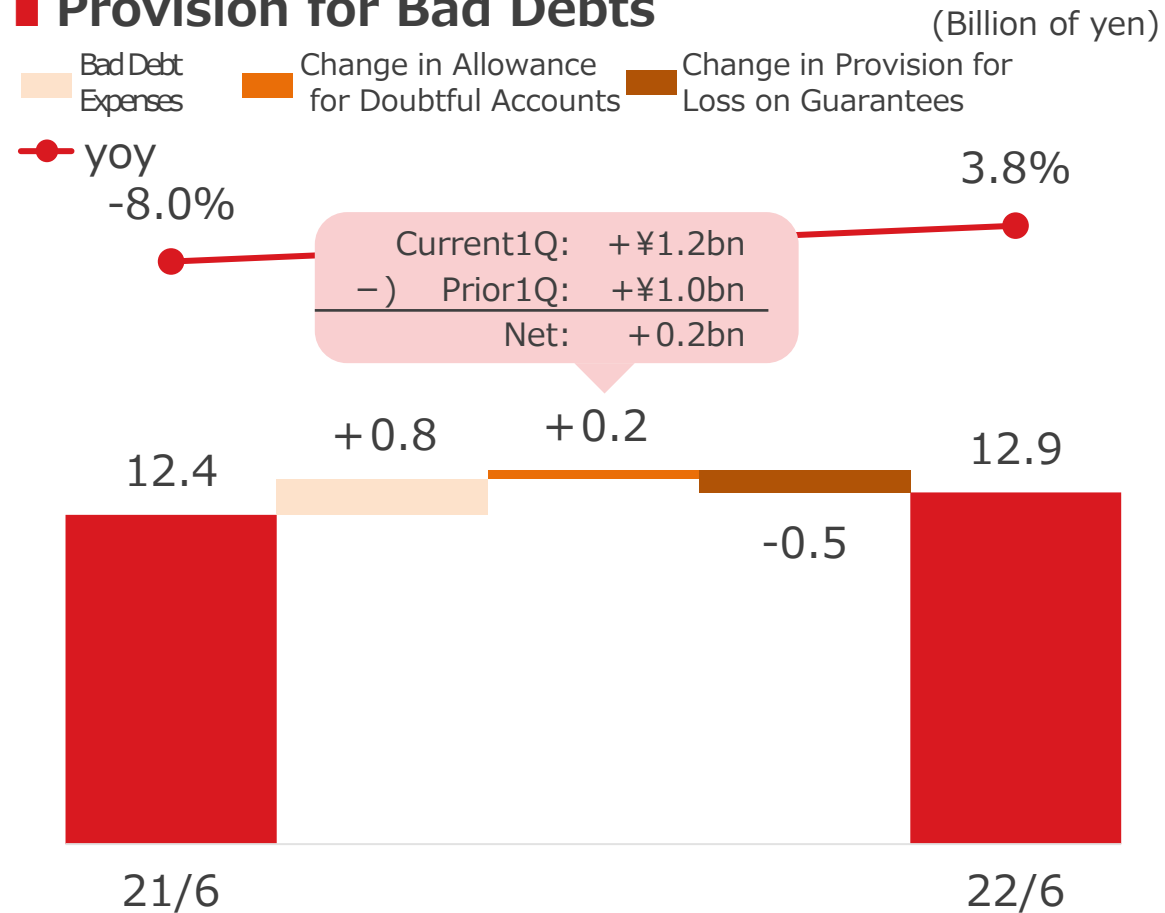
■ Provision for Bad Debts (EASY BUY)



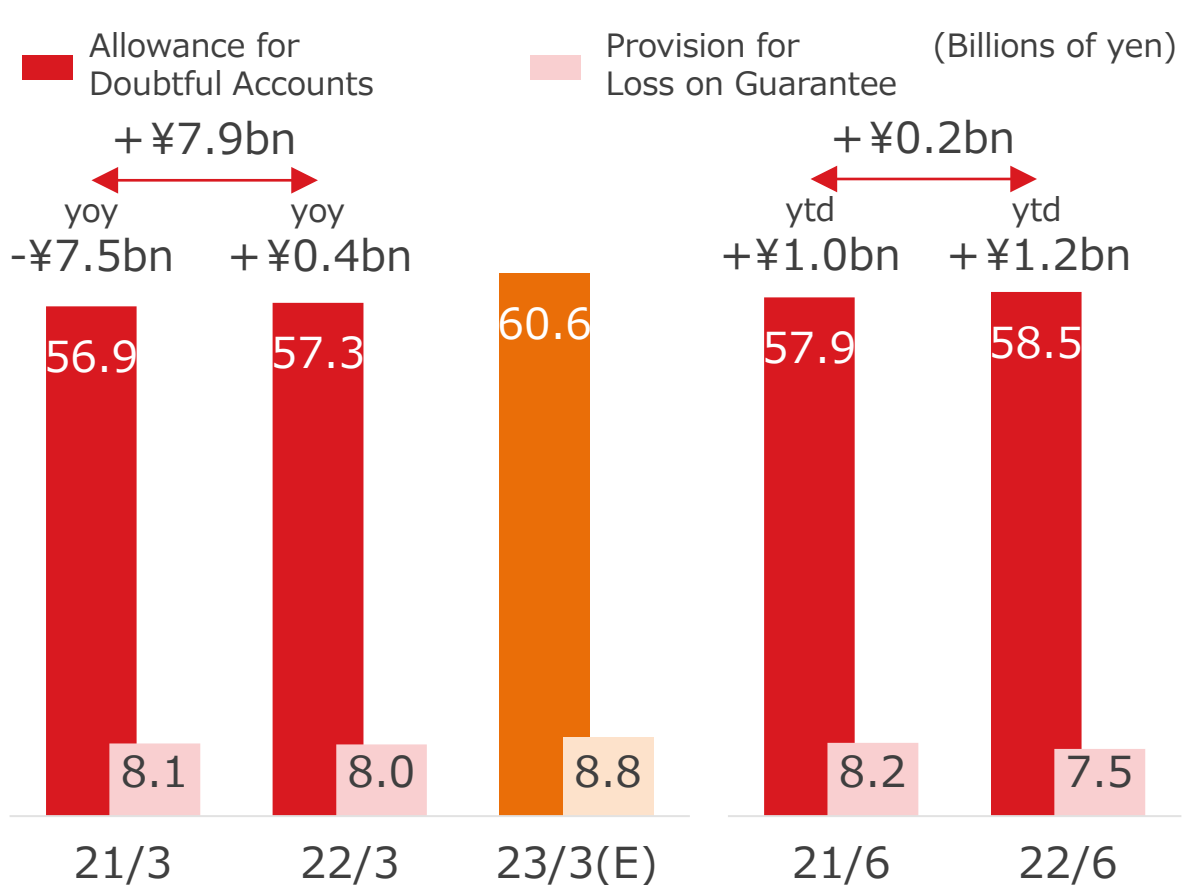
Provision for Bad Debts (ACOM)

- Provision for Bad Debts increased 3.8% yoy to ¥12.9 billion, mainly due to the expansion of business scale.

Provision for Bad Debts



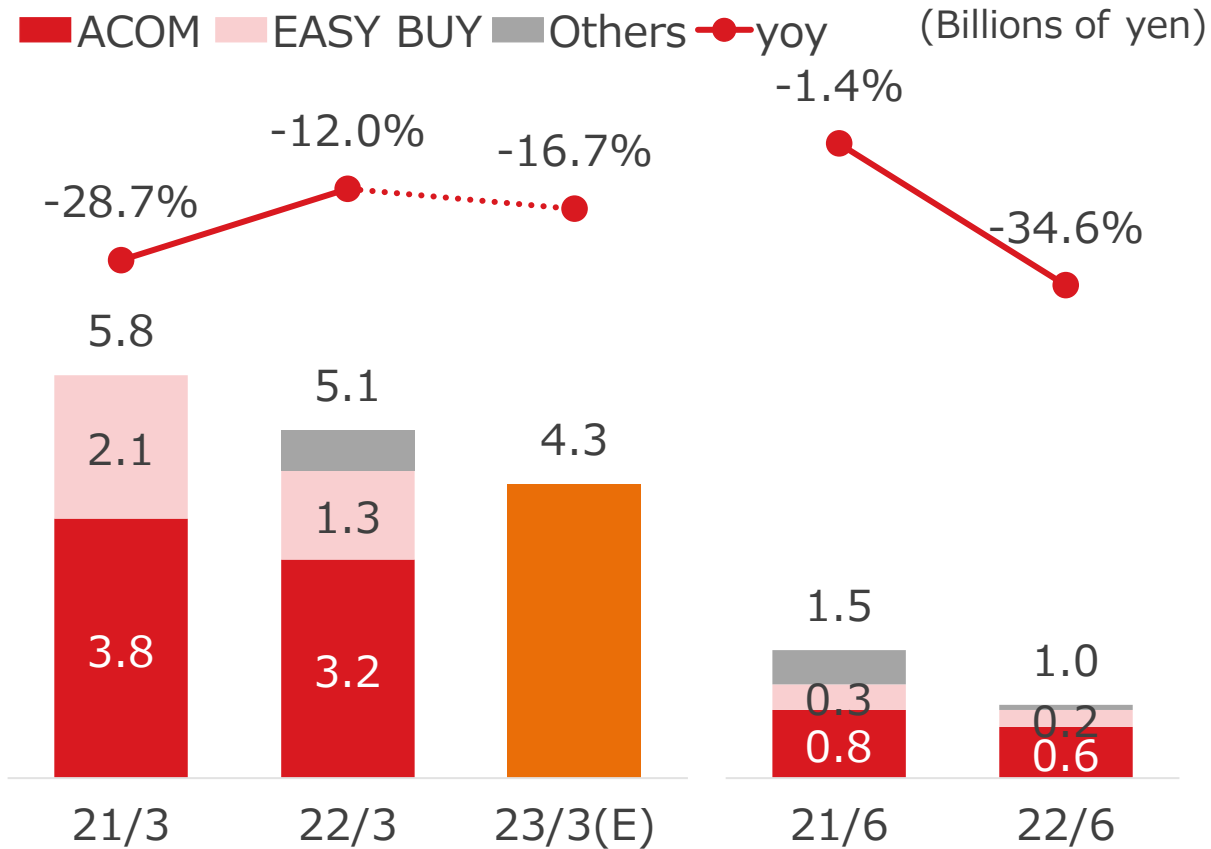
Reserves for Loan and Guarantee



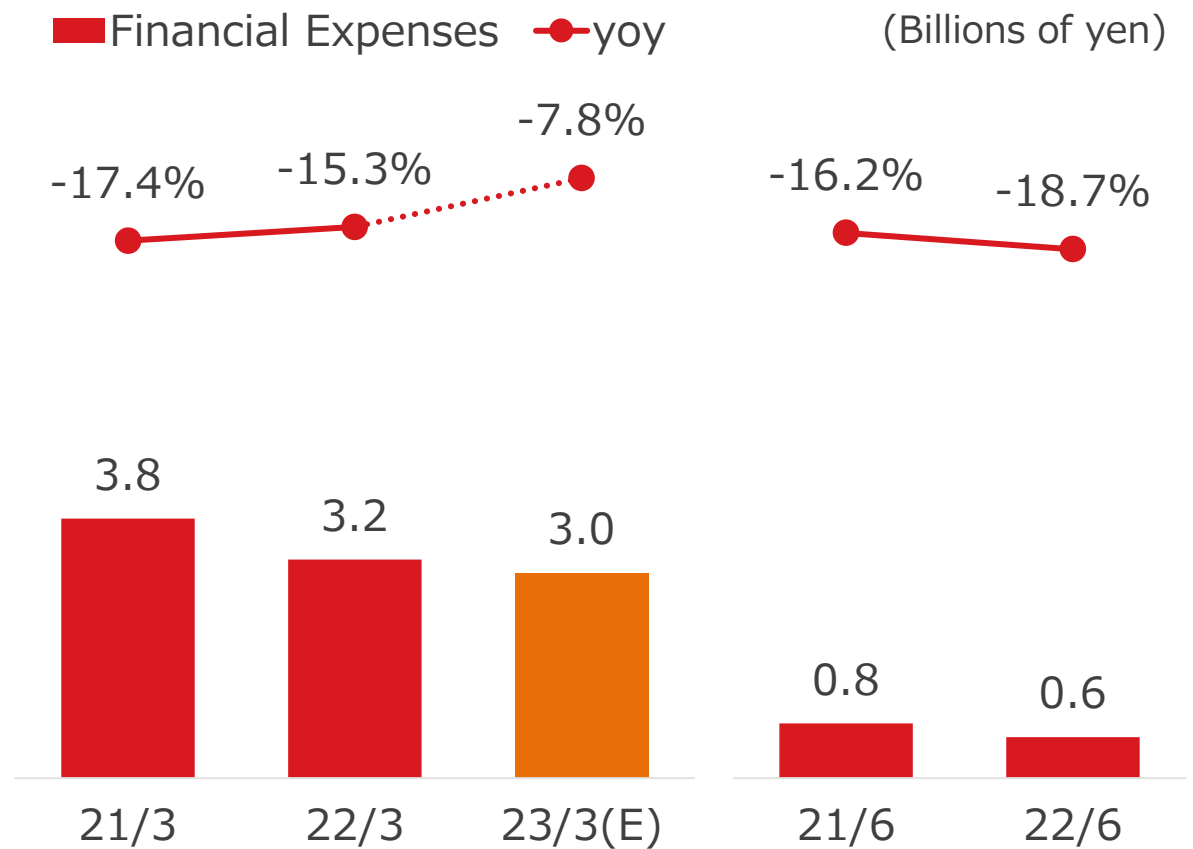
Financial Expenses

- Financial expenses (consolidated) decreased by 34.6% yoy to ¥1.0 billion, affected from decrease in ACOM and EASY BUY.

Financial Expenses (Consolidated)



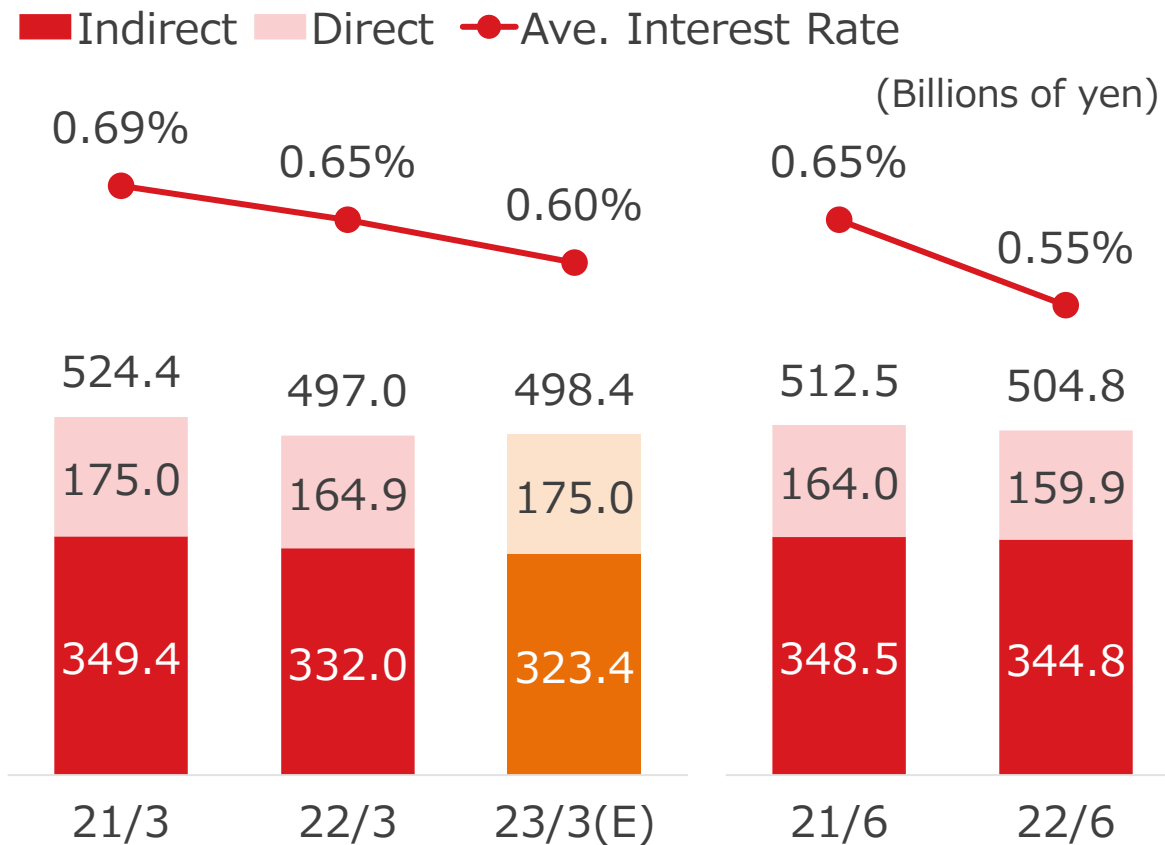
Financial Expenses (ACOM)



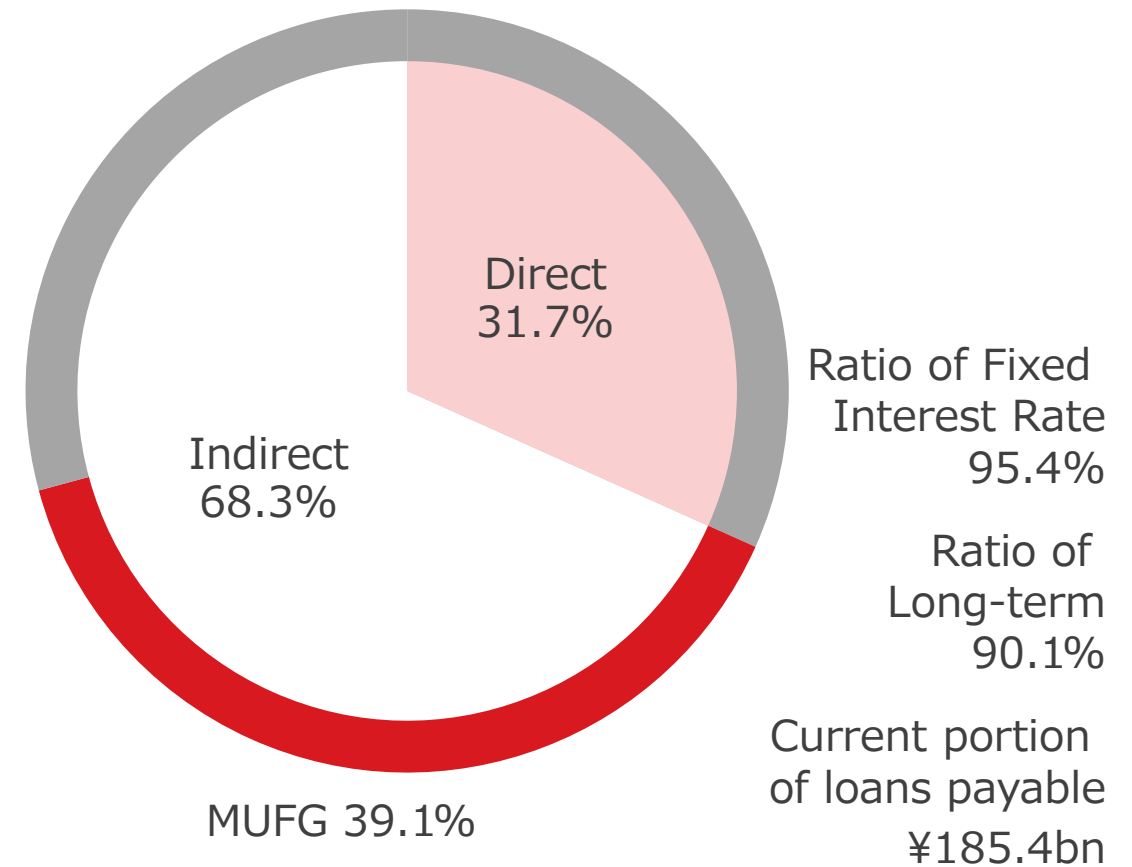
Financial Expenses | Borrowings(ACOM)

- Borrowings decreased by ¥7.6 billion yoy to ¥504.8 billion.
- Average interest rate decreased by 10 basis points yoy to 0.55%, owing to refinancing.

■ Borrowings



■ Composition Ratio by Funding Sources

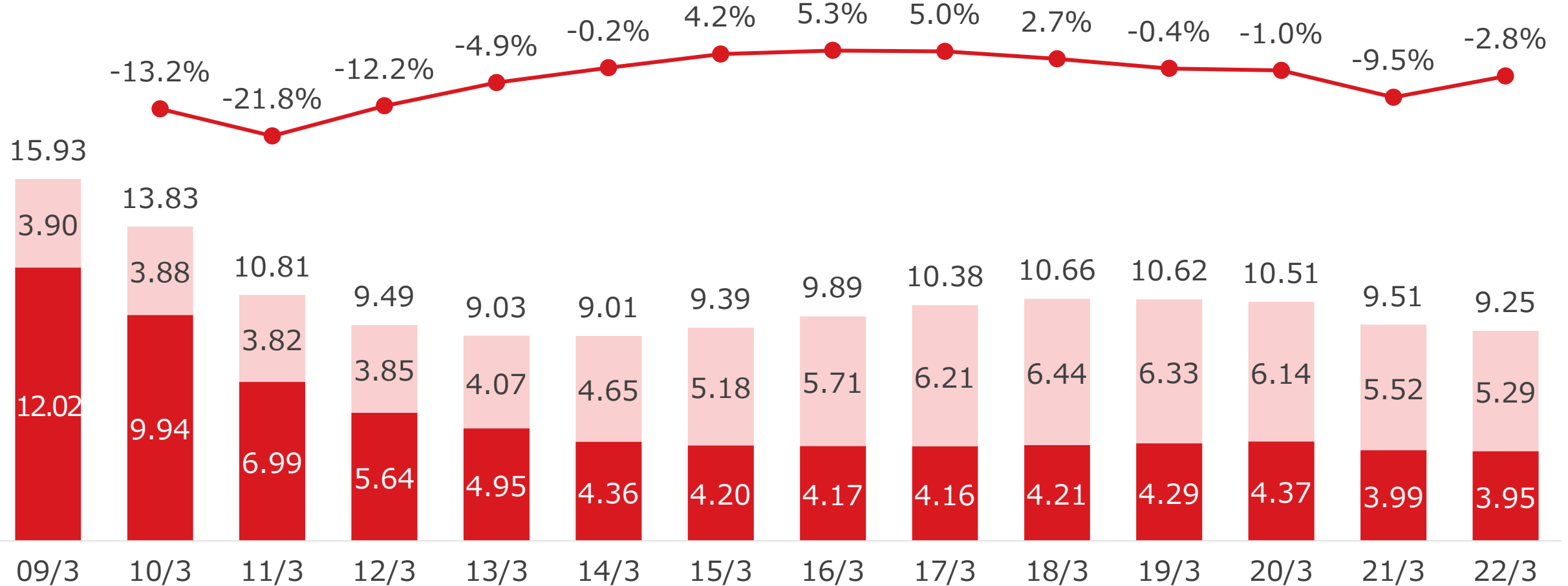


Appendix

Market Volume of Domestic Personal Card Loan

■ Nonbank*1 ■ Bank*2 ● yoy

(Trillions of yen)



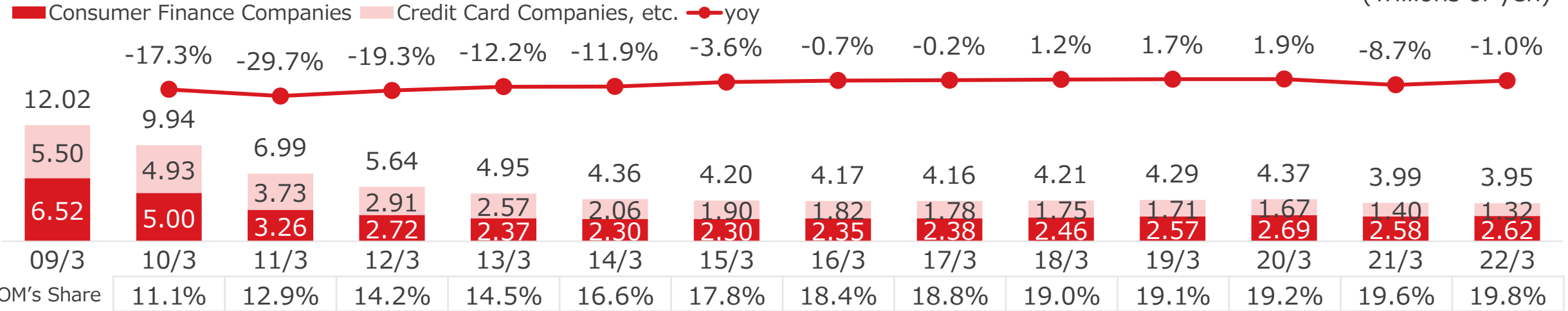
ACOM's Share	10.3%	12.4%	13.5%	14.4%	15.6%	16.2%	16.7%	17.2%	17.4%	17.7%	18.2%	18.9%	19.4%
Consolidated					16.4%	17.1%	17.7%	18.4%	18.8%	19.1%	19.7%	20.5%	21.1%

*1 Nonbank refers to receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2022/3 is preliminary

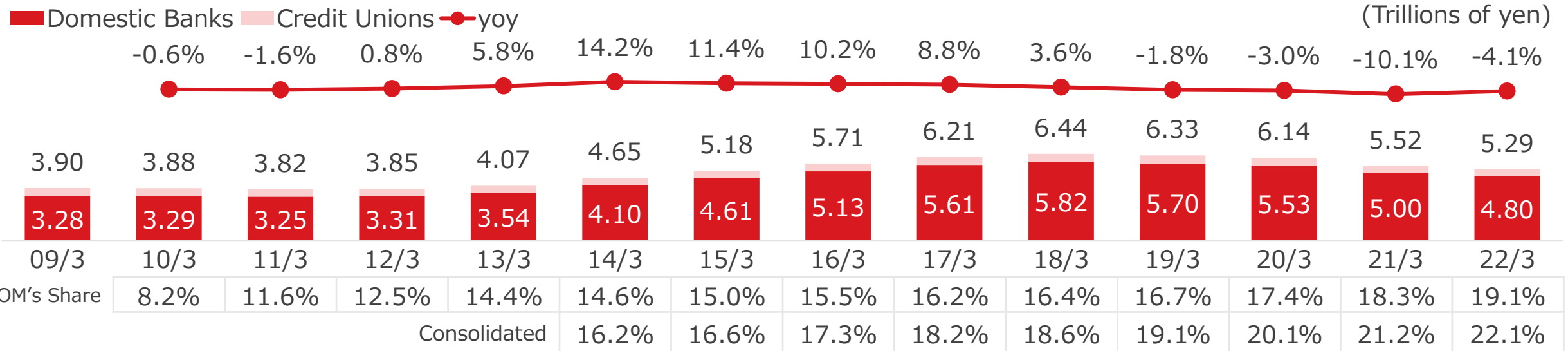
*2 Bank refers to the volume of personal card loans provided by domestic banks and credit unions in statistics by The Bank of Japan

Market Volume of Personal Card Loan by Business Type

Nonbank*1



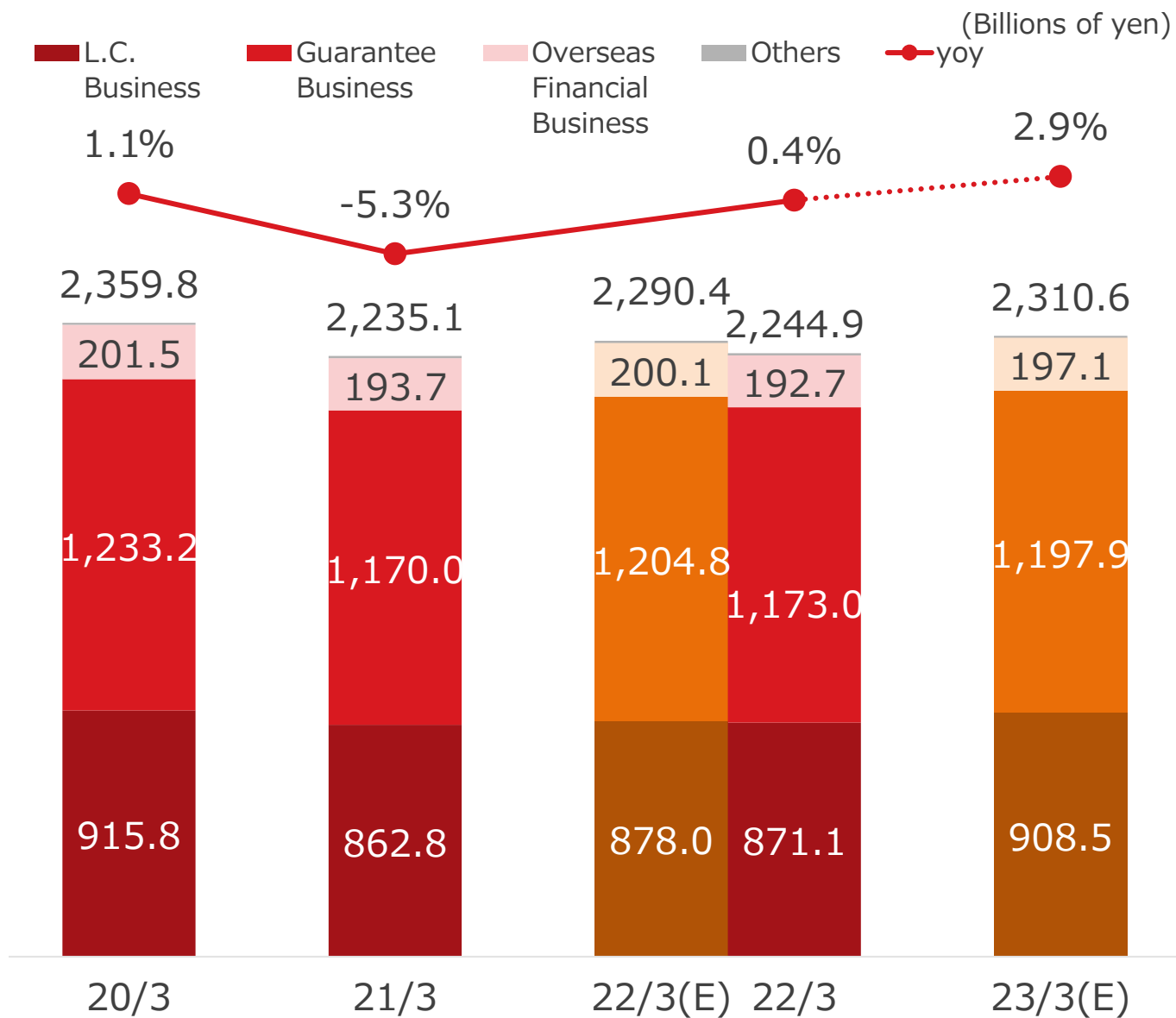
Bank*2



*1 Nonbank refers to receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2022/3 is preliminary

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

Annual Forecast for the FY March 2023(Business Scale)



Consolidated Receivables Outstanding

¥2,310.6bn
(yoy + 2.9%)

L.C. Business

¥908.5bn
(yoy + 4.3%)

Guarantee Business

¥1,197.9bn
(yoy + 2.1%)

Overseas Financial Business

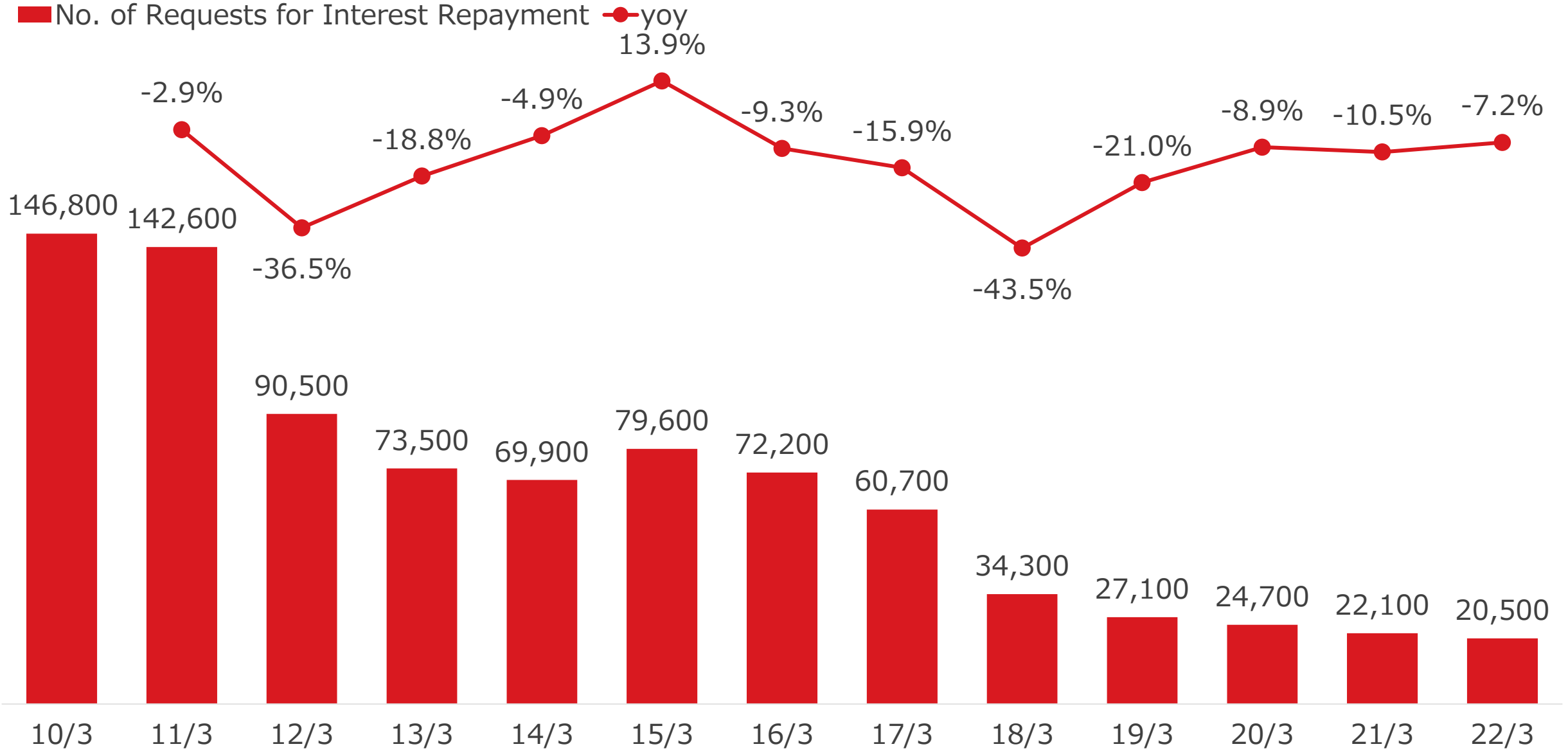
¥197.1bn
(yoy + 2.2%)



Annual Forecast for the FY March 2023(Performance) (Millions of yen, %)

	2022/3		2023/3	
	Results	yoy	Forecast	yoy
1 Operating Revenue	262,155	-1.6	268,300	2.3
2 Loan and Credit Card Business	142,302	-1.5	145,600	2.3
3 Guarantee Business	62,861	-2.2	66,400	5.6
4 Overseas Financial Business	51,239	-1.7	50,900	-0.7
5 Operating Expenses	227,376	35.8	180,400	-20.7
6 Financial Expenses	5,165	-12.0	4,300	-16.7
7 Provision for Bad Debts	68,437	3.4	76,300	11.5
8 Provision for Loss on Interest Repayment	58,923	-	-	-
9 Other Operating Expenses	94,850	-0.5	99,800	5.2
10 Operating Profit	34,779	-64.8	87,900	152.7
11 Ordinary Profit	35,441	-64.6	88,200	148.9
12 Profit Before Income Taxes	33,726	-66.0	89,000	163.9
13 Profit	59,810	-28.5	66,500	11.2
14 Profit Attributable to Owners of Parent	55,678	-29.4	62,400	12.1

Trend of No. of Requests for Interest Repayment

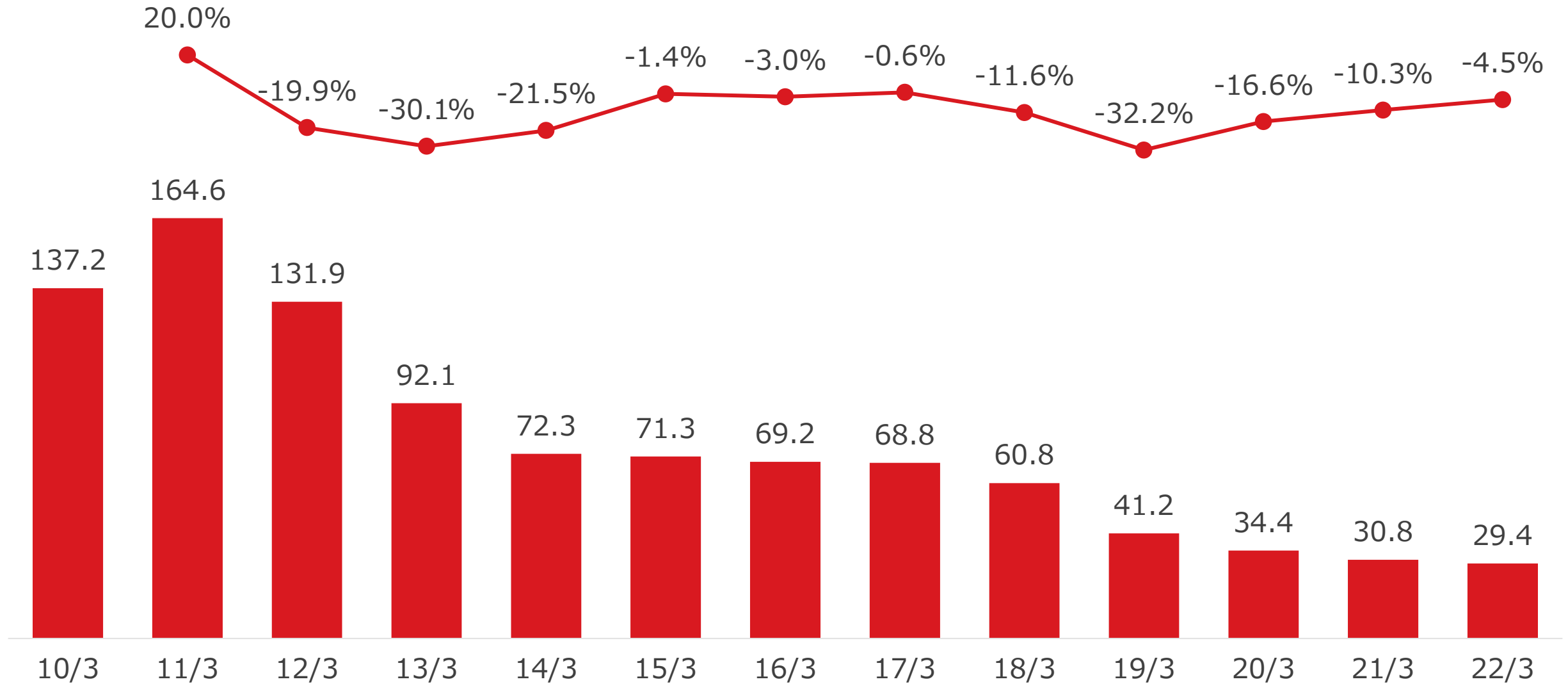


*. No. of requests which interest repayment occurs as a result of ACOM's recalculation based on the interest ceiling as specified in Interest Rate Restriction Act from claims which lawyers or judicial scriveners accept debt consolidation. (including reaccepted requests)

Trend of Loss on Interest Repayment

■ Provision Drawdown ● yoy

(Billions of yen)



Q Evaluation Method for Provision

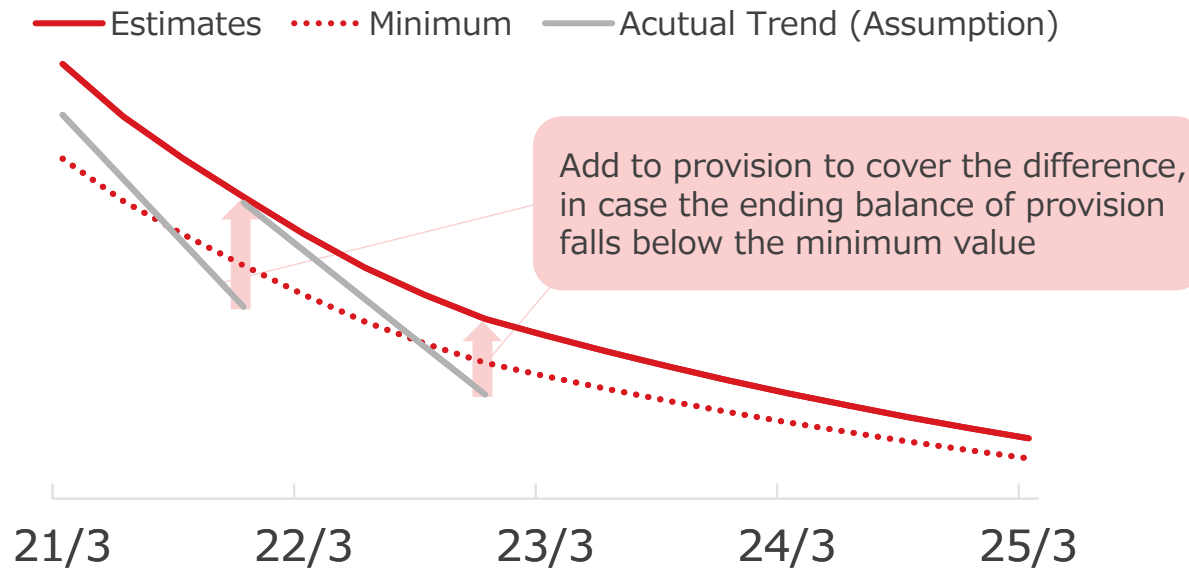
Evaluation method of Provision for Loss on Interest Repayment

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

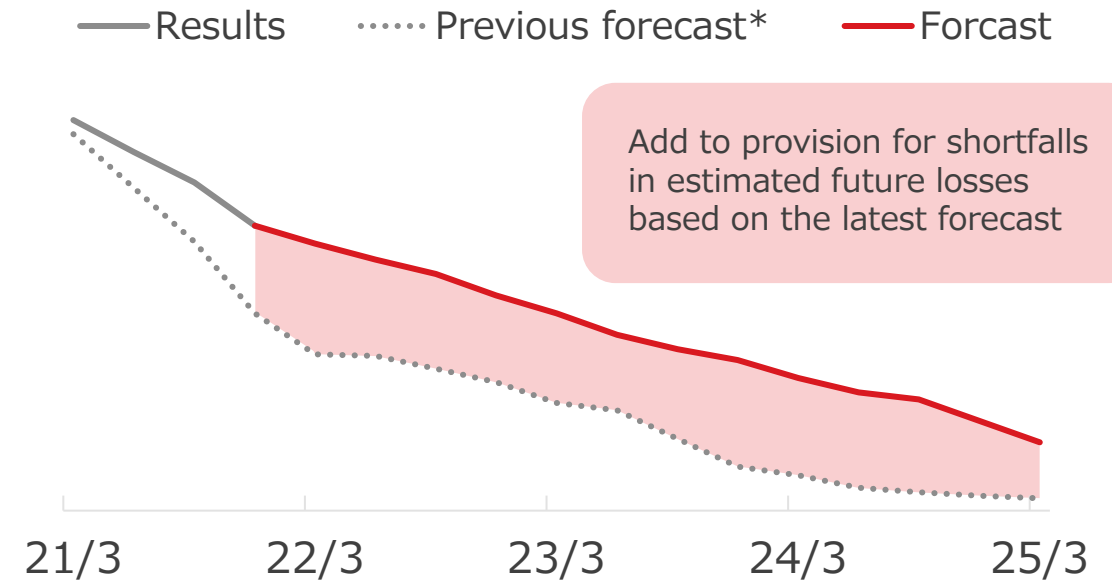


Determined that it was necessary to recalculate the future losses because actual results were lower than expected and the speed of decline slowed down considerably despite the assumption that the speed of decline in the number of requests for Interest Repayment would accelerate in the projections at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

■ Method of addition to Provision (above①)



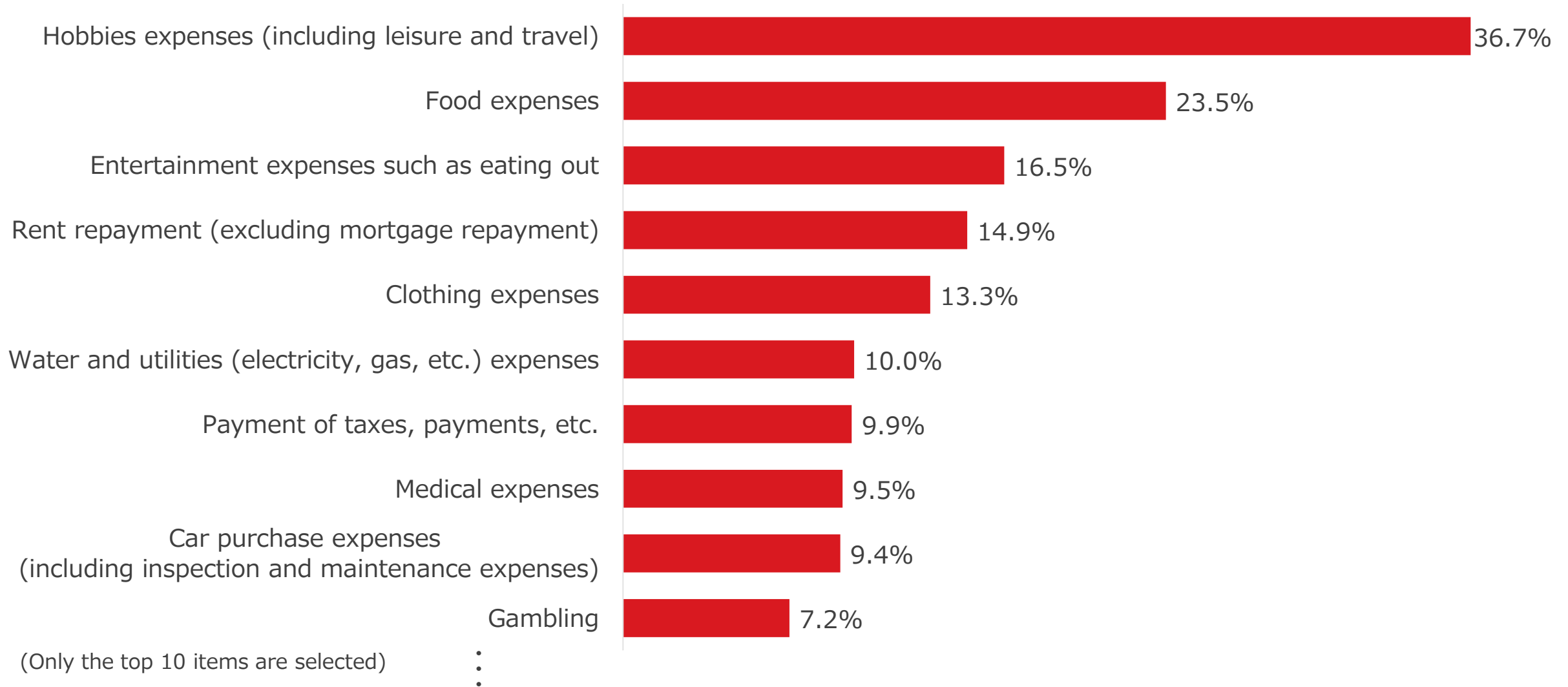
■ Method of addition to Provision (above②)



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

Background of Borrowing Behavior among Individuals

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



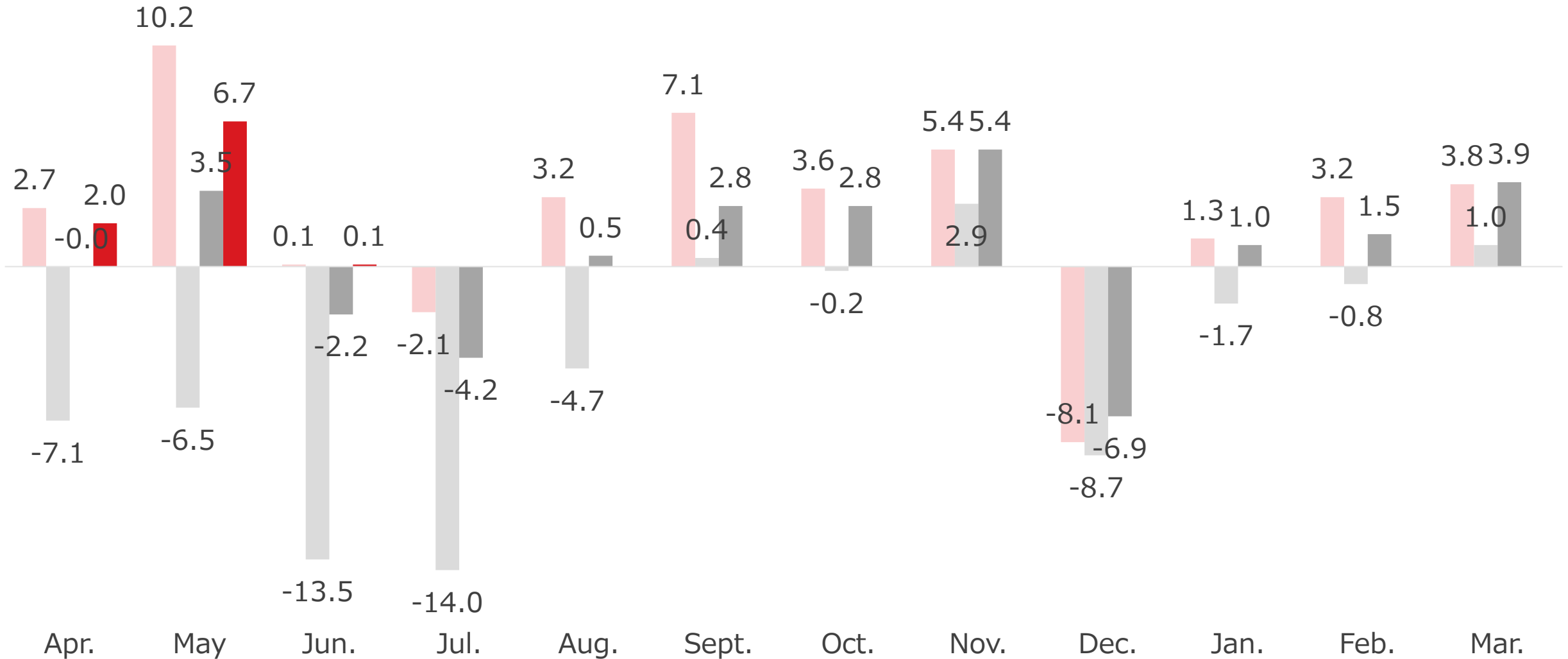
* Excerpted "survey results report on borrowing awareness and borrowing behavior of fund demanders" dated March 18, 2022 surveyed by Japan Financial Services Association (JFSA)

Impact from COVID-19

Monthly Changes in Loan and Credit Card Business: Receivables Outstanding

(Billions of yen)

FY March 2020 FY March 2021 FY March 2022 FY March 2023



Vision

- Clarify what the ACOM Group wants to be based on the "founding spirit," "origin of the company name," and "corporate philosophy," which are the universal values and beliefs of the ACOM Group.
- Define specifically what we promise to each stakeholder as our "Vision".

Meeting the expectations of all stakeholders

Customers

Responding to the customer's desire of "what they want" and "the services they would like to get" with speed and mind of customers first in Japan and overseas

Alliance

Contribute to the enhancement of corporate value of our alliance partners by providing our accumulated know-how

Employee

Make our employees and their families happier tomorrow than today

Shareholders/
Investors

Achieve stable and continuous returns through sustained growth in corporate value

Society

Contribute to the realization of a sustainable society through corporate activities

Partners

Build a strong relationship of trust and mutual development

Mid-Term Policy | what we will do in the next 3 years to realize our “Vision”

Customers

- Provide more comfortable services with speed through a superior UI that utilizes digital technology.
- As a leading company, we will continue to be easy to consult with and dependable.

Alliance

- Work with our alliance partners to accurately understand customer needs and provide better services.
- Promote alliances not only with financial institutions but also with other companies that require the expertise of the ACOM Group.

Employee

- Foster an open corporate culture that is free from discrimination and harassment and that recognizes diverse values.
- Mutually support each other's actions toward growth and create a workplace where people can feel pride and satisfaction in their work.

Shareholders / Investors

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

Society

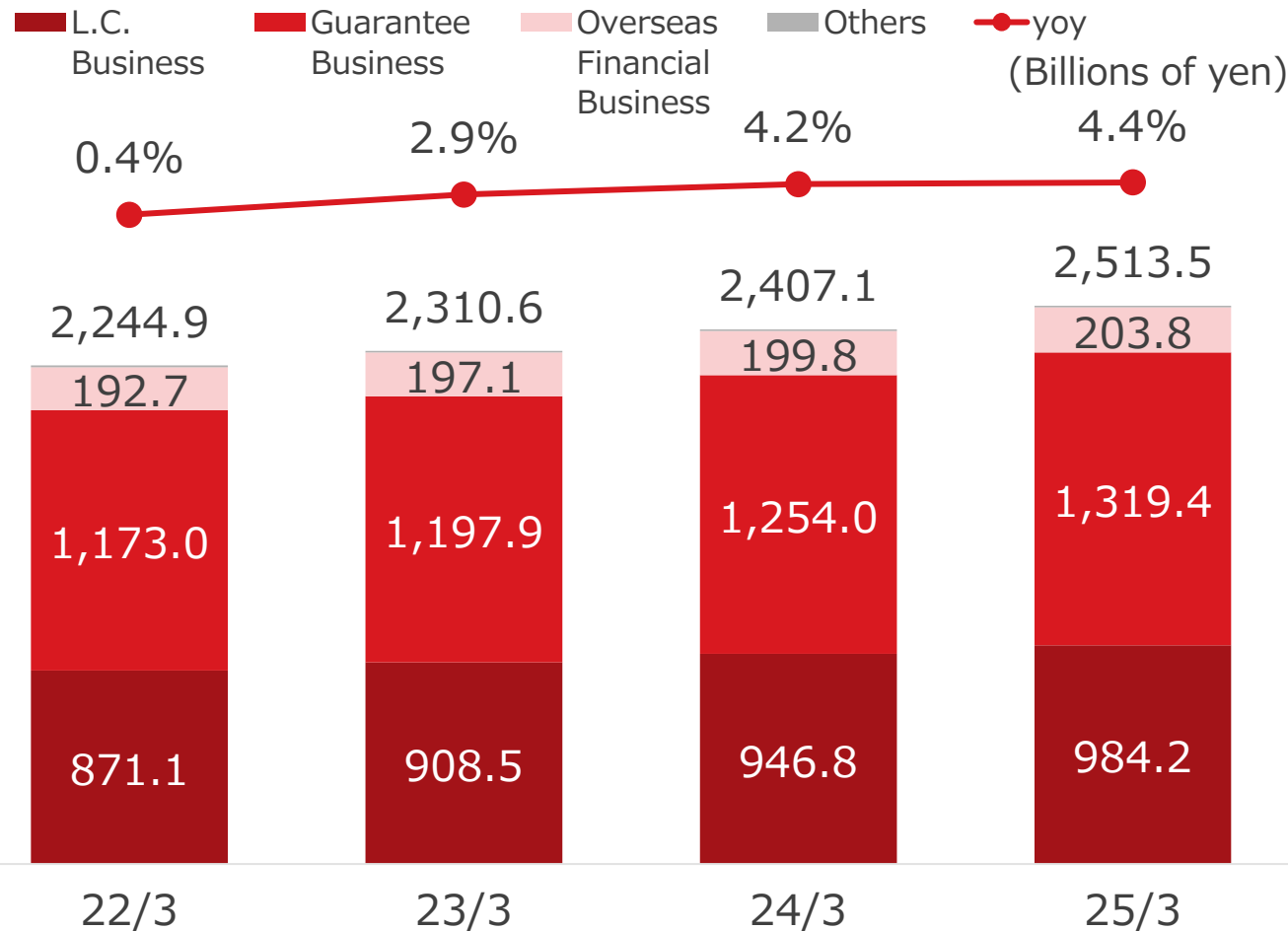
- As a member of society, actively work to resolve environmental and other social issues.

Partners

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

Mid-Term Management Plan | Business Scale

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



Consolidated
Receivables
Outstanding

¥2,513.5bn
(CAGR 3.8%)

L.C. Business

¥984.2bn
(CAGR 4.2%)

Guarantee
Business

¥1,319.4bn
(CAGR 4.0%)

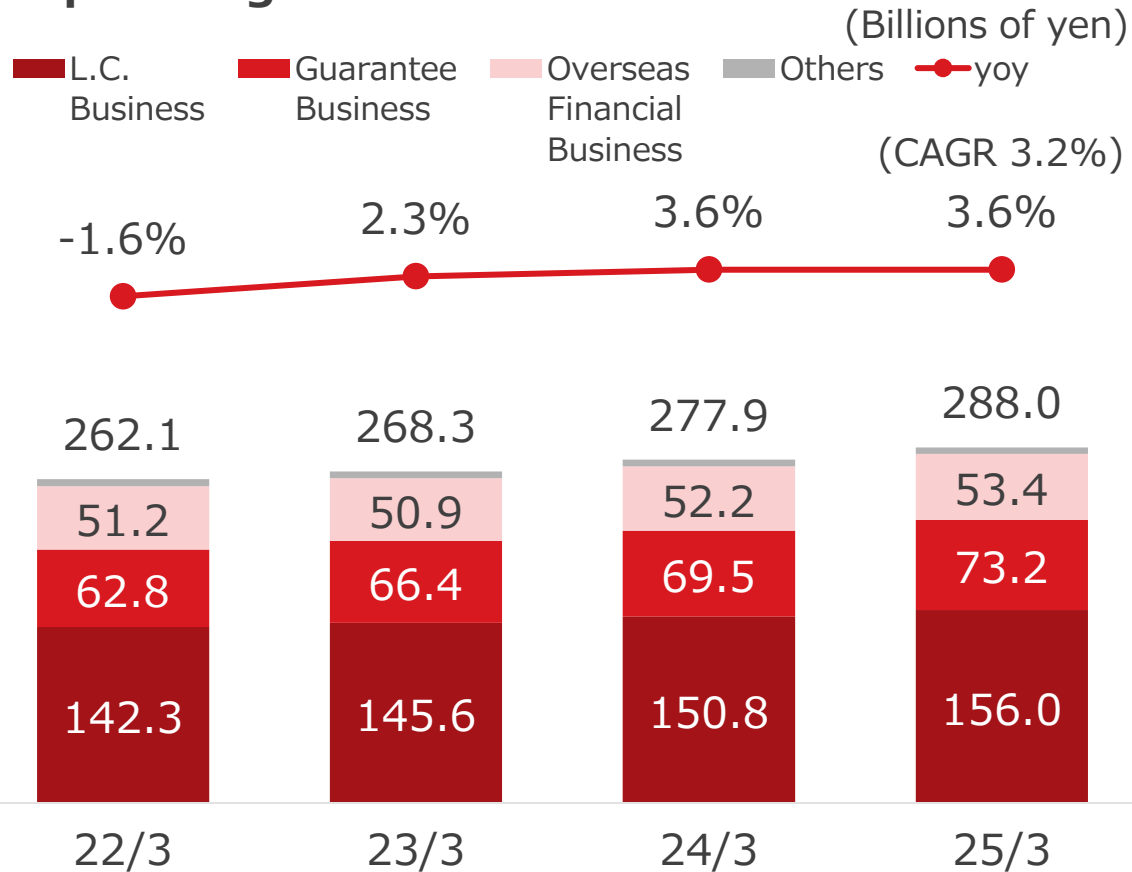
Overseas
Financial
Business

¥203.8bn
(CAGR 1.9%)

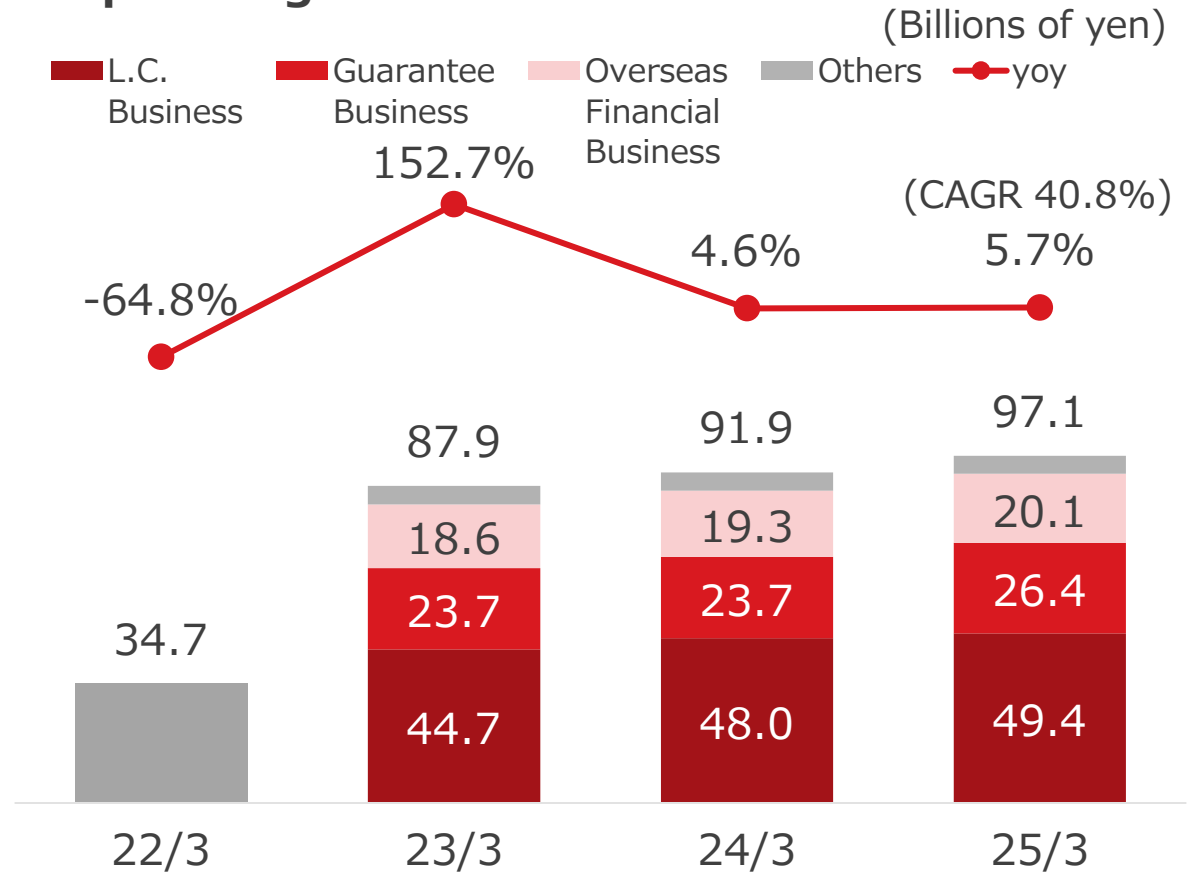
Mid-Term Management Plan | Business Performance

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

Operating Revenue



Operating Profit



Mid-Term Key Themes

Key Point of Mid-Term Management Plan

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

All Basics

- Fostering a Compliance Culture

Business Strategy

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

Functional Strategy

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

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

Challenges to Create New Businesses & Services for Next Growth

- To start Embedded Finance Business, GeNiE Inc. was established in April 2022.
- Aim to create a new service by combining "Credit as a Service" platform of Crezit Holdings, Inc. with our credit and collection expertise.



Various financial functions are provided to companies

Without a financial license, it enables to incorporate financial functions into your own services

Customers can enjoy value-added, seamless financial services

Realization of Guarantee Partnerships with Companies

- Guarantee business tie-up with a company that has many users and is entering card loan business.
- Of the ¥140.0 billion in balance growth over the three years of the mid-term plan, about 30% will come from new alliances with partner companies.

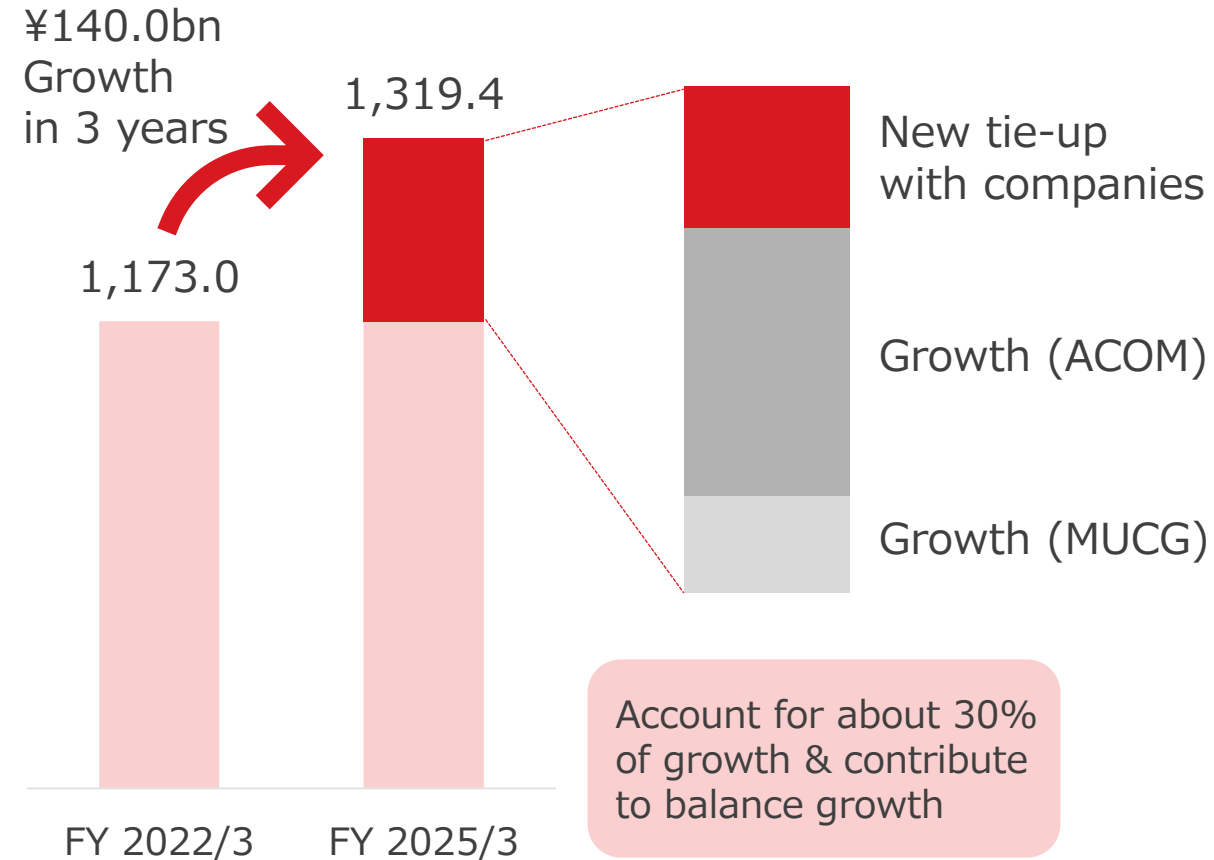
■ Guarantee Partnerships with Companies

Aim to realize guarantee partnerships with companies during the mid-term management plan period, although the partners in Guarantee business have been limited to financial institutions



■ Guarantee Balance (Plan)

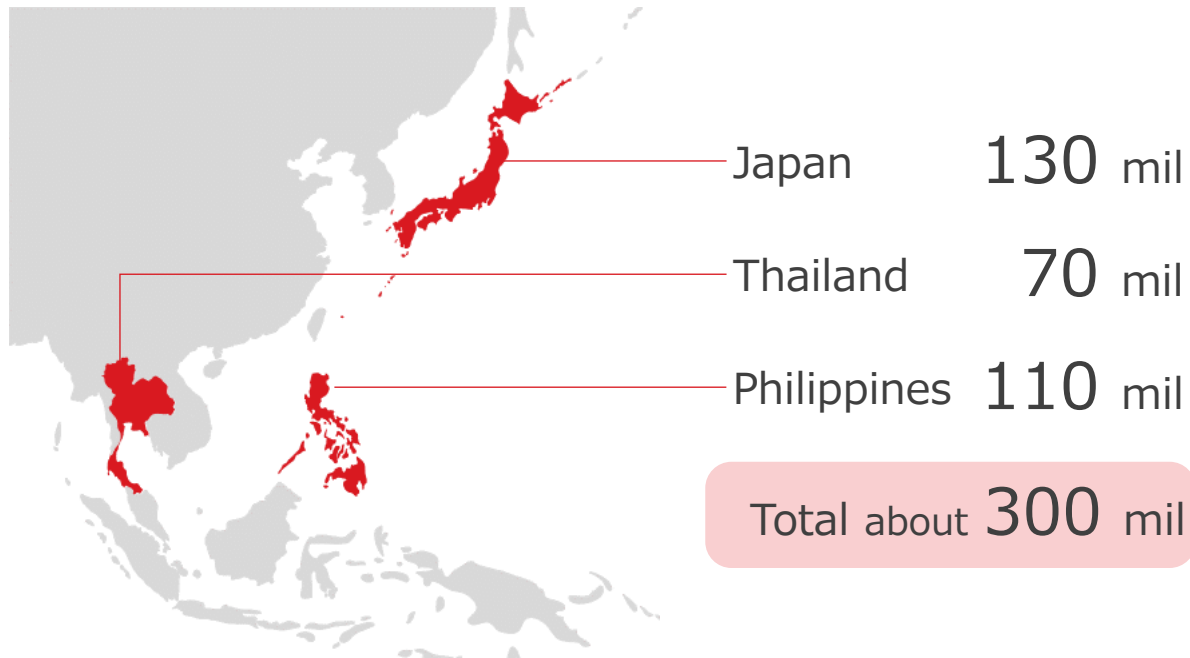
(Billions of yen)



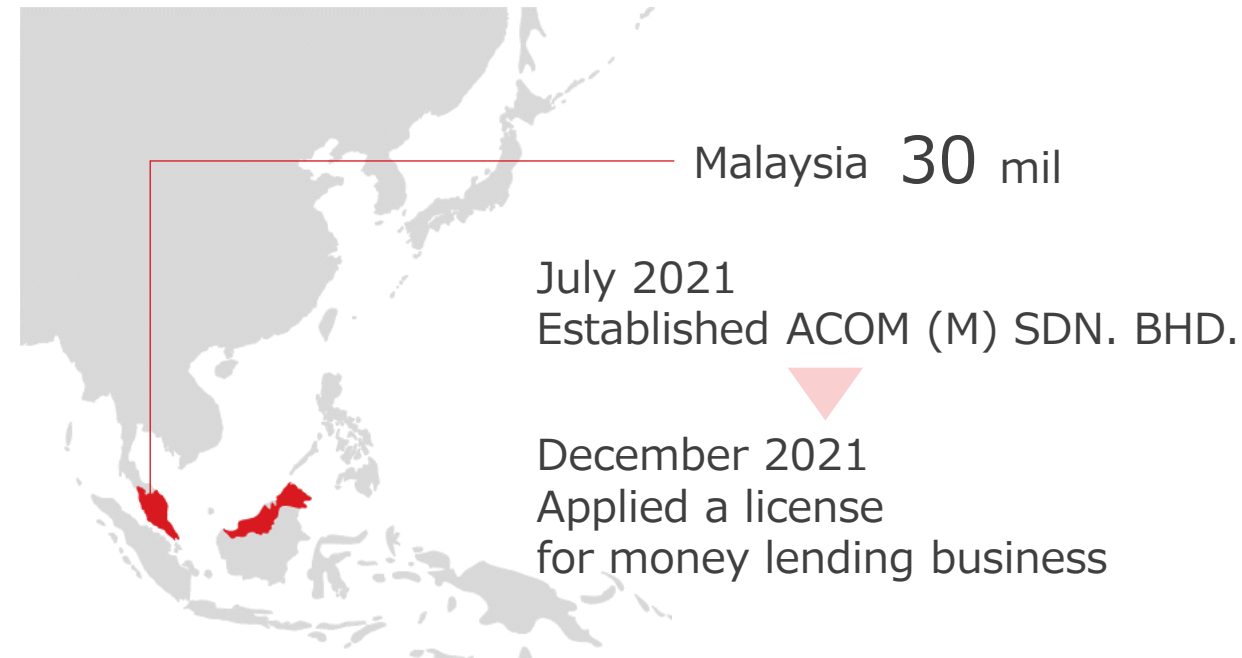
Realization of Expansion into New Countries

- Subsidiary in Malaysia, applying for a license in Dec. 2021, is preparing to start business from 2023 onward.
- Continue research activities, including the possibility of expanding into non-ASEAN regions.
- Aim to enter at least one more country in addition to Malaysia during the mid-term management plan period, with a view to adding to the market population of 300 million people in the future.

Market Demography



Market Demography(Malaysia)



300 mil ▶ 600 mil
Total 7,900 mil

Preparing to start business
once the license is approved

Reinforcement of the System to Promote Sustainability

- Basic Policy on Sustainability is newly formulated with the aim of both solving social issues and enhancing corporate value.
- Materiality is identified based on stakeholders' expectations of our universal values of "The Spirit of Human Dignity," "Customers First," and "Creative and Innovative Management" in our corporate philosophy, as well as our efforts to address social issues.

Basic Policy on Sustainability

Based on our founding spirit of "Circle of Trust," and through our corporate philosophy of "The Spirit of Human Dignity," "Customers First," and "Creative and Innovative Management," we aim to solve social issues and enhance corporate value, thereby contributing to the realization of a sustainable society.

Materiality

- Promote environment-friendly corporate activities
- Promote diversity based on **"The Spirit of Human Dignity"**
- Provide financial services that put the **customers first**
- Pursue **creative and innovative management** utilizing digital technology
- Strengthen governance



Solve social issues

Enhance corporate value

Sustainability Initiatives

Offer of financial service to pursue “Customers first”

- Invigoration of local economy through Guarantee Business
- Contribution to the economic development of the ASEAN region through Overseas Financial Business



Environmental conservation

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



Pursuit of creative and innovative management utilizing digital

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



Governance

- Corporate Governance
- Compliance



Diversity based on the spirit of human dignity

- Enhancement of employees' engagement
- Health Management Promotion
- “ACOM Miru Concert Monogatari,” music-and-silhouette-theater show, enjoyable for all ages, genders and handicaps.



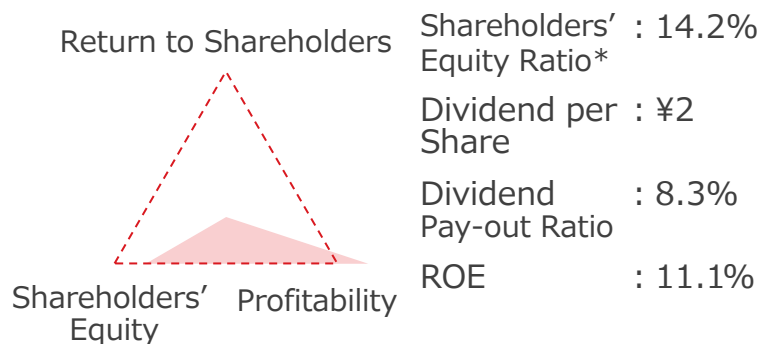
▶ We plan to launch a sustainability website by the end of 2022 to actively disclose information on our initiatives.

Mid-Term Management Plan | Capital Policy

Basic Policy on Capital Policy

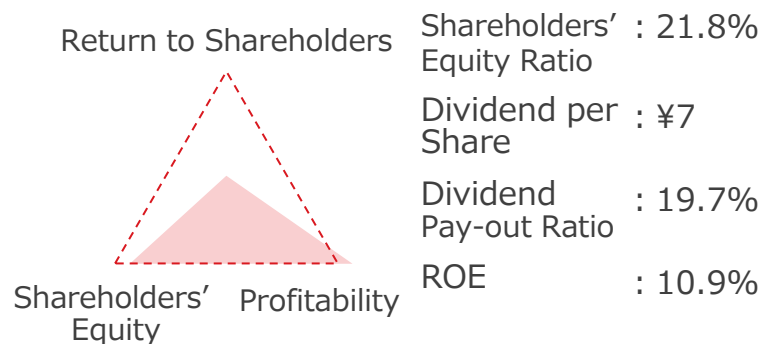
Maintain and improve financial soundness and increase shareholder returns

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



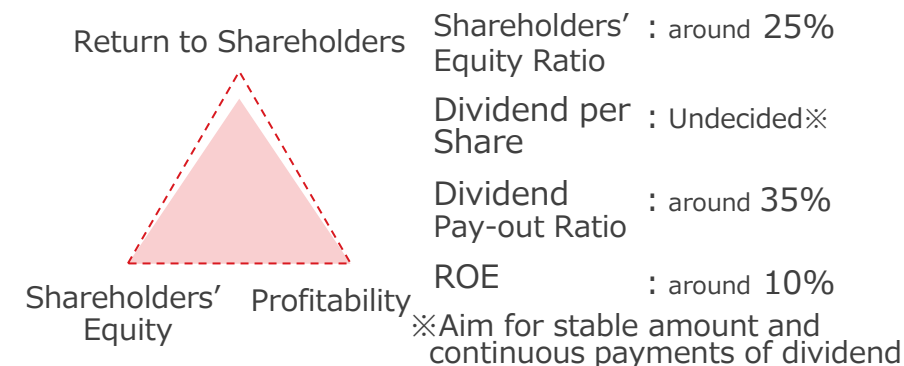
Expansion of capital adequacy is a top priority, Aiming to "resume dividend payments" once concerns about the future due to interest repayment claims are resolved.

Mid-Term Management Plan (FY March 2020~FY March 2022)



Place the highest priority on optimizing shareholders' equity while increasing shareholder returns

Current Mid-Term Management Plan (FY March 2023~FY March 2025)



Maintain and improve financial soundness and increase shareholder returns

Basic Policy on Dividend Payment

Expand shareholder returns based on high profitability and appropriate capital adequacy

	FY March 2021		FY March 2022	
	Interim ¥3	Year-end ¥3	Interim ¥3	Year-end ¥4
Dividend per Share	Total ¥6		Total ¥7	
Dividend Pay-out Ratio	11.9%		19.7%	



FY March 2023	
Interim ¥5 (Forecast)	Year-end ¥5 (Forecast)
Total ¥10(Forecast)	
25.1%	

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

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

- Focus on attracting new customers efficiently by accurately and speedily grasping the rapidly changing digital environment.
- Expand business with existing customers and quickly recover business that shrank due to COVID-19.
- Aim for ¥984.2 billion in receivables outstanding including Embedded Finance Business.

Receivables Outstanding

(Billions of yen)

Receivables Outstanding ● yoy

1.0% 4.3% 4.2% 4.0%

871.1 908.5 946.8 984.2

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

CAGR 4.2%

Operating Revenue

(Billions of yen)

Operating Revenue ● yoy

-1.5% 2.3% 3.6% 3.4%

142.3 145.6 150.8 156.0

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

CAGR 3.1%

Operating Profit

(Billions of yen)

Operating Profit ● yoy

7.4% 2.9%

44.7 48.0 49.4

-8.8 22/3 23/3 24/3 25/3

ROA -1.0% 5.0% 5.2% 5.1%

CAGR - %

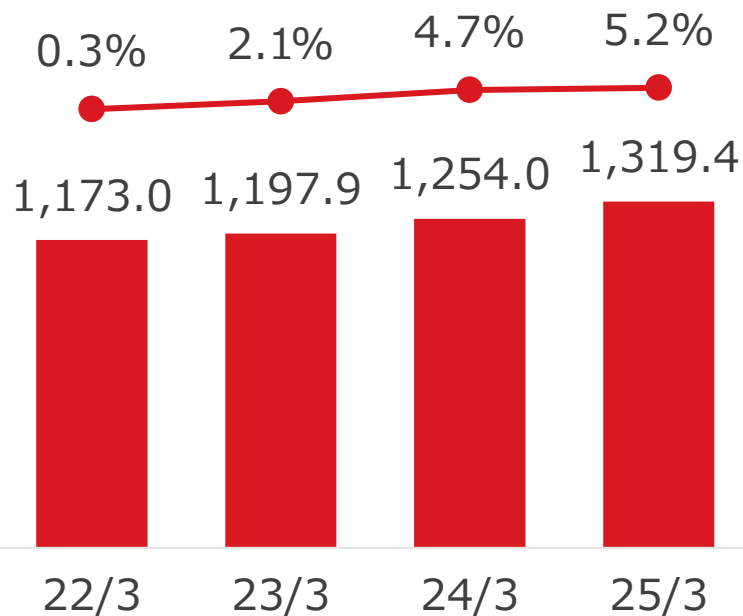
Mid-Term Management Plan | Business Scale and Performance by Segments (Guarantee Business)

- Focus on expanding business scale by guaranteed alliance with business companies and new alliance with financial institutions, and on attracting more customers in existing alliances.
- Aiming for consolidated guaranteed receivables of ¥1.3 trillion.

Guaranteed Receivables

(Billions of yen)

Guaranteed Receivables yoy

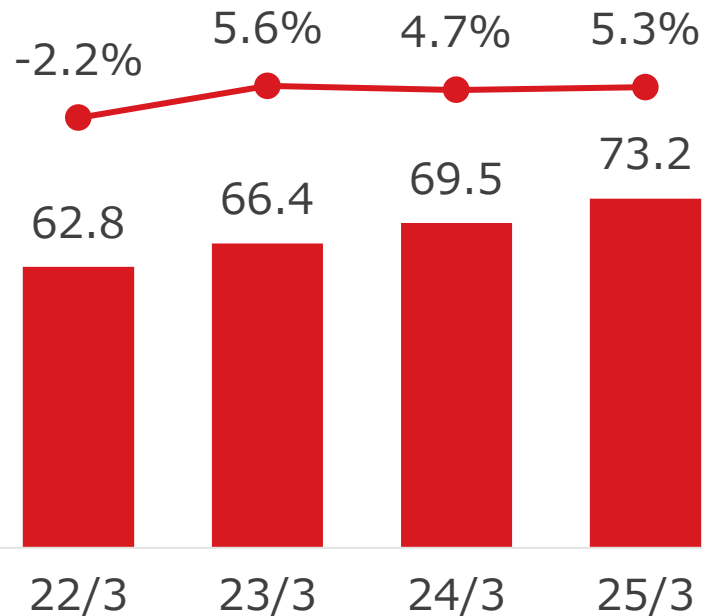


CAGR 4.0%

Operating Revenue

(Billions of yen)

Operating Revenue yoy

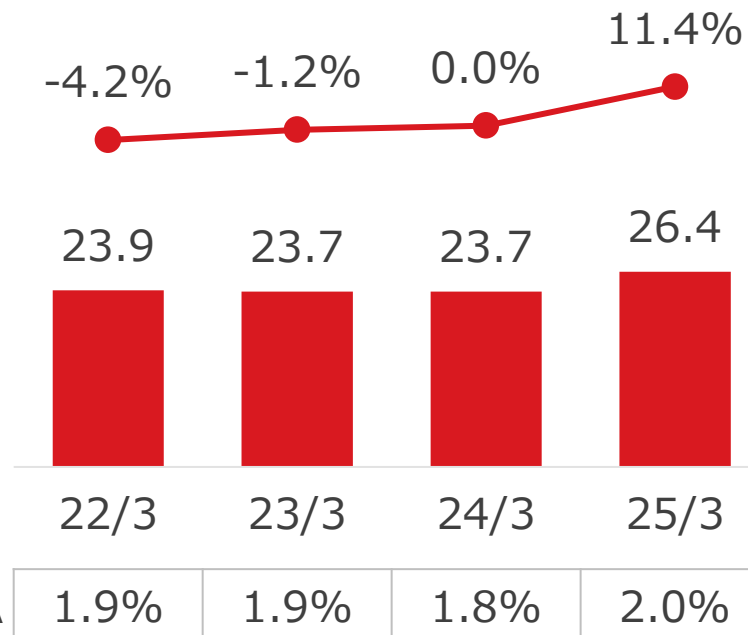


CAGR 5.2%

Operating Profit

(Billions of yen)

Operating Profit yoy



CAGR 3.2%

ROA

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

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

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

Receivables Outstanding

(Billions of yen)

Receivables Outstanding yoy

-0.5% 2.2% 1.4% 2.0%

192.7 197.1 199.8 203.8

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

CAGR 1.9%

Operating Revenue

(Billions of yen)

Operating Revenue yoy

-1.7% -0.7% 2.6% 2.3%

51.2 50.9 52.2 53.4

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

CAGR 1.4%

Operating Profit

(Billions of yen)

Operating Profit yoy

-7.7% 1.4% 3.8% 4.1%

18.3 18.6 19.3 20.1

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

9.5% 9.5% 9.7% 10.0%

CAGR 3.1%