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# The First Quarter Financial Results for Fiscal Year Ending March 2012

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**ACOM CO., LTD.**

**<http://www.acom.co.jp/ir/english>**

**July 28, 2011**



# Summary of First Quarter Financial Results

(Millions of yen)

	Consolidated					Non-consolidated				
	2010/6	2011/6		2012/3 (forecast)		2010/6	2011/6		2012/3 (forecast)	
	Results	Results	yoy (%)		yoy (%)	Results	Results	yoy (%)		yoy (%)
Operating Revenue (*1)	66,607	54,104	-18.8	204,300	-16.9	56,913	45,208	-20.6	167,500	-19.4
Loan Business	55,561	44,036	-20.7	160,600	-20.4	48,389	36,773	-24.0	132,100	-23.7
Guarantee Business	4,523	5,726	26.6	26,100	16.2	4,334	5,477	26.4	25,200	16.2
Loan Servicing Business	2,414	1,741	-27.9	7,200	-19.5	-	-	-	-	-
Other	4,109	2,601	-36.7	10,400	-17.3	4,190	2,958	-29.4	10,200	-20.7
Operating Expenses (*2)	44,463	35,809	-19.5	158,100	-63.3	36,594	29,242	-20.1	127,800	-67.9
Financial Expenses	5,591	5,856	4.7	24,300	7.8	4,284	4,563	6.5	18,800	8.4
Provision of Allowance for Doubtful Accounts	14,959	12,275	-17.9	60,200	-23.0	12,269	10,251	-16.4	49,800	-25.6
Provision for Loss on Interest Repayment	2,239	-	-	-	-	2,239	-	-	-	-
Other Operating Expenses	21,674	17,678	-18.4	73,600	-14.9	17,101	14,427	-15.6	59,200	-15.7
Operating Income	22,144	18,294	-17.4	46,200	-	20,318	15,965	-21.4	39,700	-
Ordinary Income	22,670	18,704	-17.5	47,000	-	20,990	16,594	-20.9	40,700	-
Extraordinary Income	100	94	-5.5	-	-	99	92	-7.7	-	-
Extraordinary Loss	14,270	274	-98.1	100	-99.4	14,160	265	-98.1	100	-99.4
Income Before Income Taxes	8,500	18,524	117.9	46,900	-	6,930	16,421	137.0	40,600	-
Income Taxes-deferred	842	1,214	44.2	-	-	1,020	1,223	19.9	-	-
Net Income	6,517	16,030	146.0	42,900	-	5,895	15,183	157.6	40,500	-

\*1 Numbers for non-consolidated are based on operating revenue by category

\*2 Operating expenses for non-consolidated include cost of goods sold



# Loan Business

● Receivables Outstanding, No. of Customer Accounts, No. of New Customers, Operating Revenue (Loan Business) (Millions of yen)

	2010/6	2011/6		2012/3 (Forecast)	
	Results	Results	yoy	(%)	yoy (%)
Receivables Outstanding	1,068,681	873,676	-195,005	-18.2	761,000 -15.7
No. of Customer Accounts	1,898,108	1,676,206	-221,902	-11.7	1,528,800 -10.7
No. of New Customers	35,203	39,856	4,653	13.2	140,000 9.0
Operating Revenue	50,436	38,706	-11,730	-23.3	138,700 -23.3

● Accounts Receivable-operating Loans by Interest Rate (Unsecured Loans for Consumers, Outstanding Basis)

%	2010/6	2011/3	2011/6	2012/3 (Forecast)
Over 18%	32.2	26.2	22.8	17.1
18% or less	67.8	73.8	77.2	82.9

● Average Loan Yield (Unsecured Loans for Consumers)

%	2010/6	2011/3	2011/6	2012/3 (Forecast)
Average Yield of FY	17.90	17.18	16.71	16.05
Average Yield for a Year	18.14	17.18	16.86	16.05

● Ratio of Customers in Breach of the Regulation of Total Borrowing Amount (No. of Customer Accounts Basis)

%	2010/6	2011/3	2011/6	2012/3 (Forecast)
Corresponding Ratio	58.0	47.9	45.7	-

● Ratio of Income Certificate Collection (No. of Customer Accounts Basis)

%	2010/6	2011/3	2011/6	2012/3 (Forecast)
Ratio of Collection	66.8	77.0	79.1	-

\* Ratio of customers in breach of the regulation:  
Population = all customer accounts

\* Definition of ratio of income certificate collection (Meet all conditions listed below)  
 1. Customers capable of further transactions, excluding homemakers and solo proprietors  
 2. Customers with borrowing balance over half million yen at ACOM, or over one million yen including other lenders  
 3. Customers with borrowing balance less than one third of their annual income

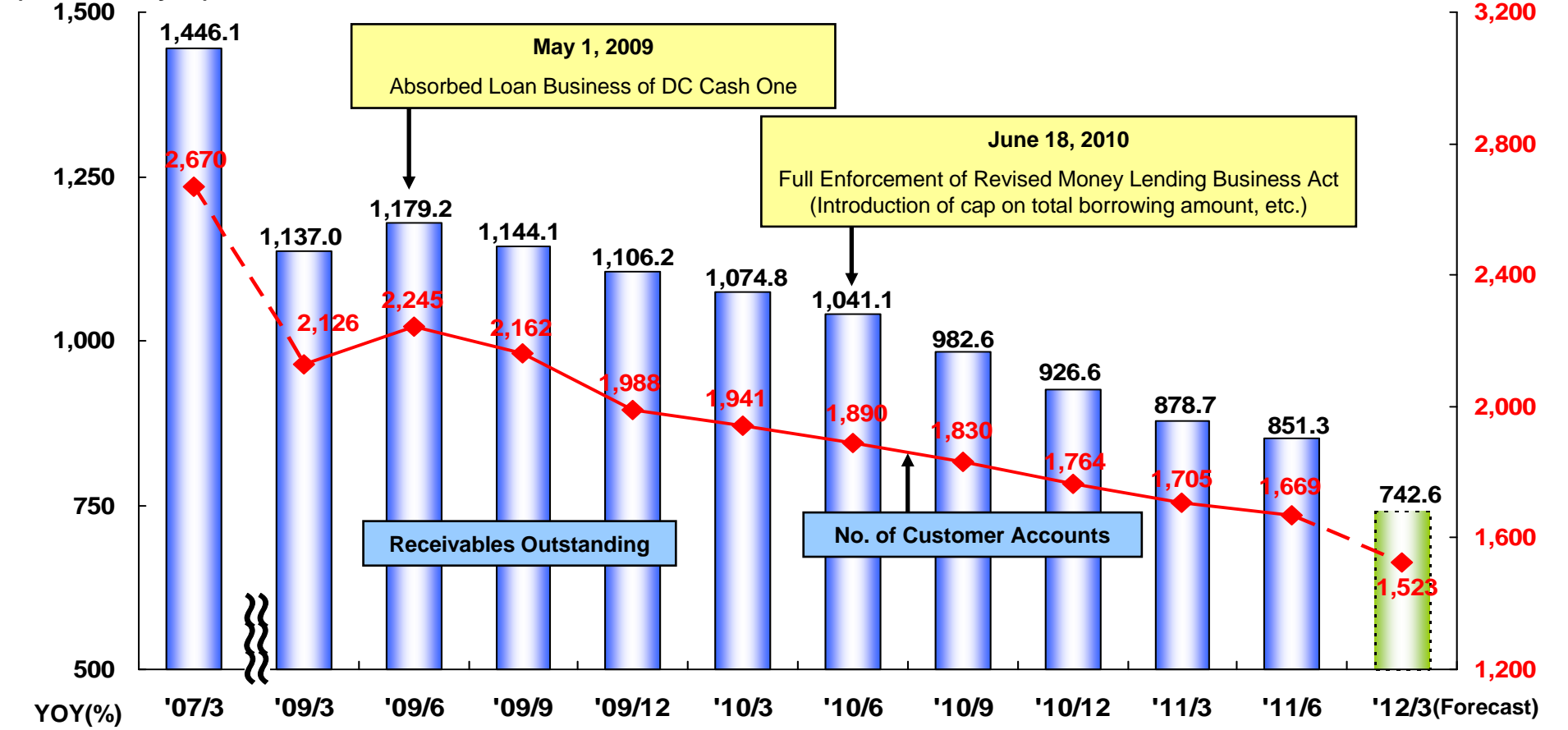


# Loan Business (ACOM) [Trend of Receivables Outstanding]

## ◆ Unsecured Loans for Consumers

(Billions of yen)

(Thousands)



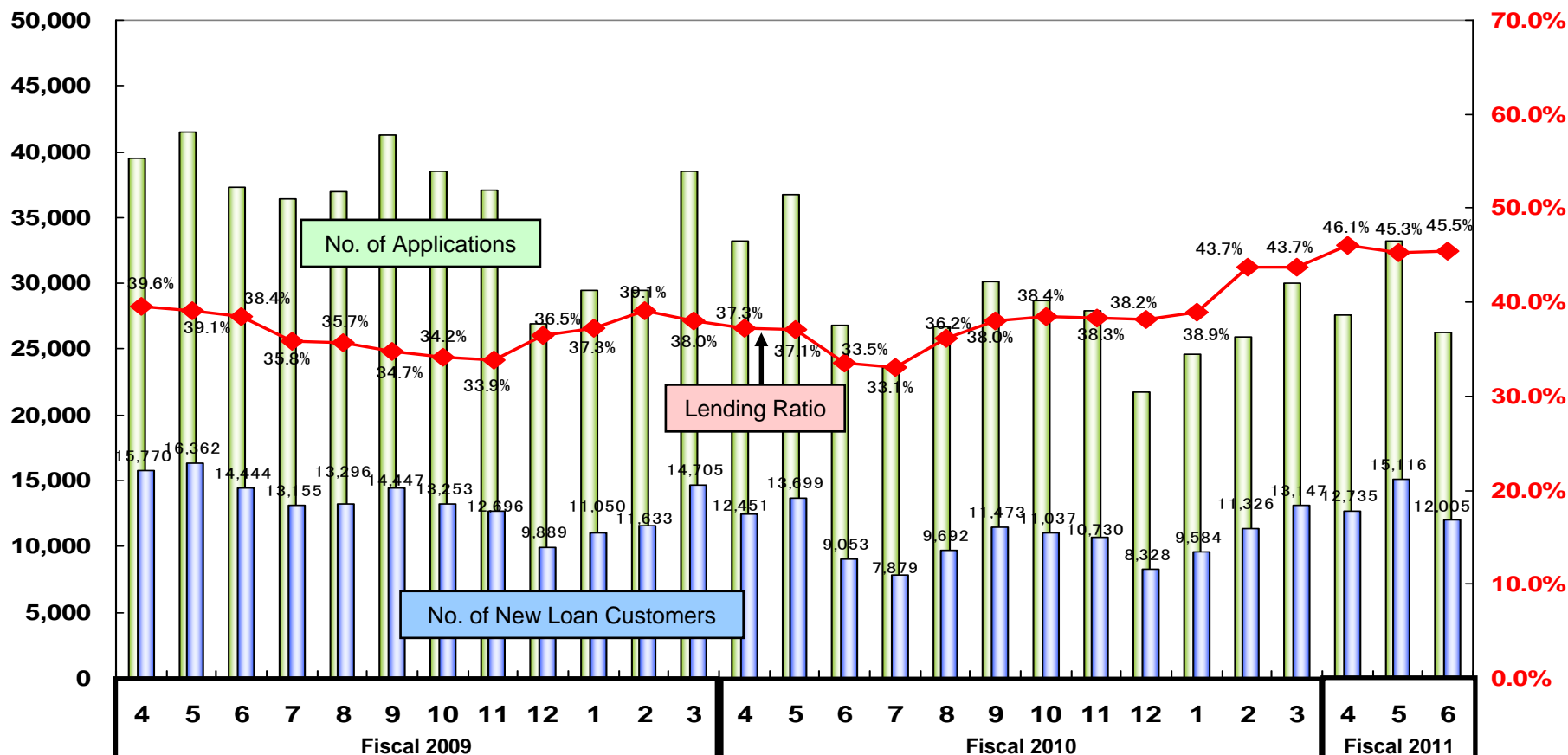
YOY(%)	'07/3	'09/3	'09/6	'09/9	'09/12	'10/3	'10/6	'10/9	'10/12	'11/3	'11/6	'12/3 (Forecast)
Loan Business	-6.2	-11.0	-4.9	-5.0	-5.1	-5.5	-11.7	-14.1	-16.2	-18.2	-18.2	-15.5
Exclude DCC1			-11.0	-11.1	-11.3	-11.6	[-3.1]	[-5.6]	[-5.7]	[-5.2]	[-3.1]	

\* The numbers in brackets indicate quarter-on-quarter changes



# Loan Business (ACOM) [Trend of No. of Applications, No. of New Loan Customers, and Lending Ratio]

## ◆ Unsecured Loans for Consumers



Quarterly	2009/6	2009/9	2009/12	2010/3	2010/6	2010/9	2010/12	2011/3	2011/6	2012/3 (forecast)
No. of New Customers	46,576	40,898	35,838	37,388	35,203	29,044	30,095	34,057	39,856	140,000

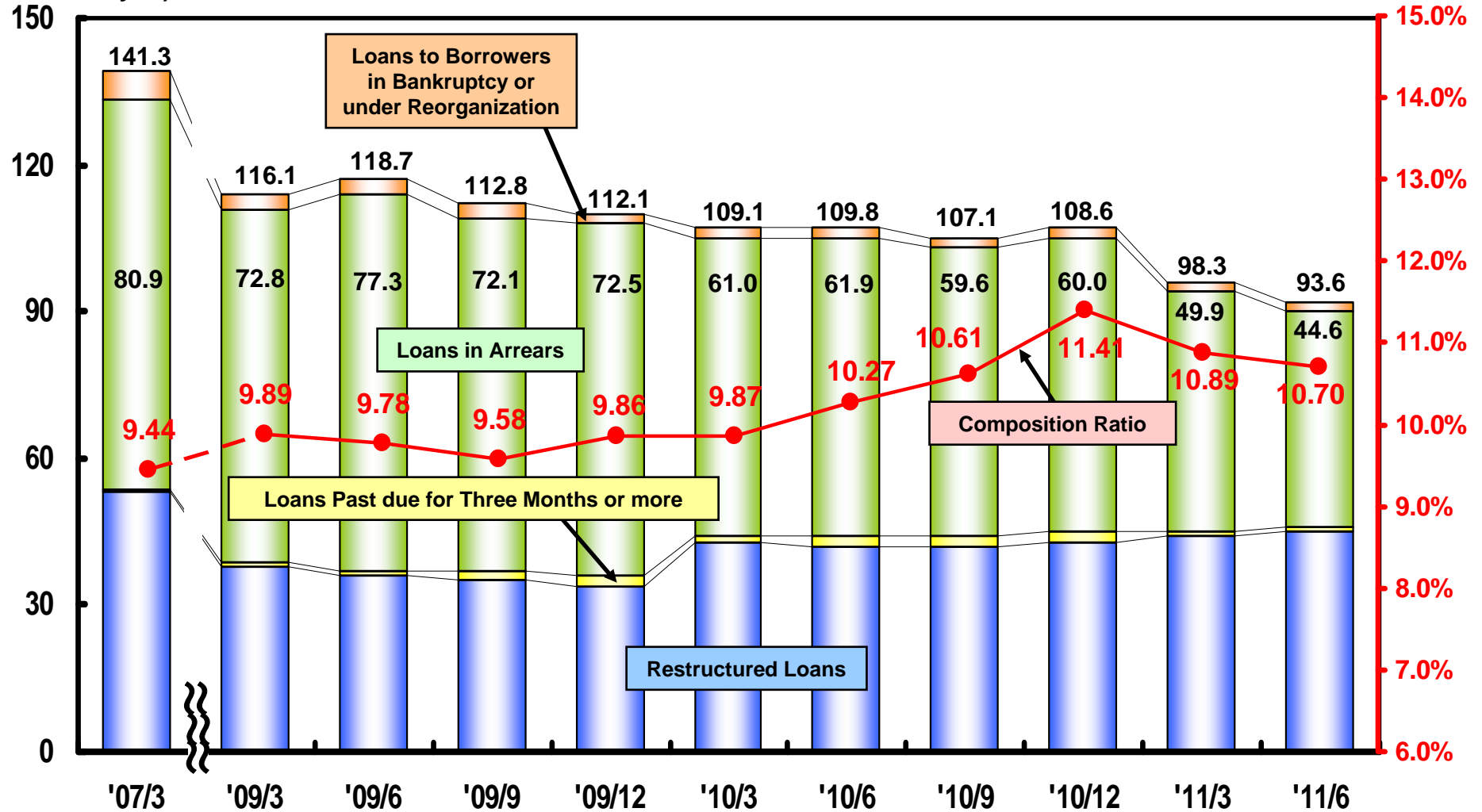
\* "No. of Applications" and "Lending Ratio" above do not include numbers for tie-up card



# Loan Business (ACOM) [Trend of Non-performing Loans]

## ◆ Non-performing Loans

(Billions on yen)





## Loan Business (ACOM) [Provision for Loss on Interest Repayment and Provision of Allowance for Doubtful Accounts]

### ◆ Provision for Loss on Interest Repayment

(Millions of yen)

	2011/3					2012/3	2012/3
	1Q	2Q	3Q	4Q	Total	1Q	(Forecast)
Provision for Loss on Interest Repayment	2,239	66,163	15,642	159,412	243,456	-	-
Interest Repayment	21,621	23,924	21,563	37,371	104,479	23,373	-
Interest Repayment (Cash out basis)	21,669	23,909	21,563	37,310	104,451	23,443	-
Bad Debts Expenses (ACOM's voluntary waiver of repayment)	11,318	13,738	14,380	20,740	60,176	10,909	-
Increase or Decrease in Provision for Loss on Interest Repayment	-30,700	28,500	-20,300	101,300	78,800	-34,283	-
<b>Provision for Loss on Interest Repayment</b>	<b>173,800</b>	<b>202,300</b>	<b>182,000</b>	<b>283,300</b>		<b>249,016</b>	-

### ◆ Provision of Allowance for Doubtful Accounts

(Millions of yen)

	2010/6	2010/9	2010/12	2011/3	2011/6	2012/3
						(Forecast)
Provision of Allowance for Doubtful Accounts	12,269	27,563	42,666	66,904	10,251	49,800
Bad Debts Expenses	17,219	32,769	49,219	63,037	14,848	59,400
Loss on Sales of Accounts Receivable-operating loans	-	914	1,381	3,071	-	1,500
Increase or Decrease in Allowance for Doubtful Accounts	-4,600	-5,700	-7,400	1,199	-4,496	-11,200
Increase or Decrease in Provision for Loss on Guarantees	-350	-420	-533	-403	-100	100
<b>Allowance for Doubtful Accounts</b>	<b>57,100</b>	<b>56,000</b>	<b>54,300</b>	<b>62,900</b>	<b>58,400</b>	<b>51,700</b>



## Loan Business (ACOM) [Trend of No. of Requests for Interest Repayment and Interest Repayment (Cash Out Basis) ]

### ◆ No. of Requests for Interest Repayment and Interest Repayment (Cash Out Basis) by Month

	(Millions of yen)								
	2010/3			2011/3			2012/3		
	No. of Requests for Interest Repayment	yoy (%)	Interest Repayment	No. of Requests for Interest Repayment	yoy (%)	Interest Repayment	No. of Requests for Interest Repayment	yoy (%)	Interest Repayment
Total	146,800	6.6	92,232	142,600	-2.9	104,451	-	-	-
Apr.	14,300	45.9	7,251	11,100	-22.4	6,935	10,100	-9.0	7,231
May	12,500	23.8	7,613	9,600	-23.2	7,565	8,900	-7.3	8,406
Jun.	14,100	38.2	12,194	10,800	-23.4	7,168	9,500	-12.0	7,805
Jul.	13,000	31.3	7,623	9,600	-26.2	7,683	-	-	-
Aug.	10,600	26.2	8,048	8,500	-19.8	7,986	-	-	-
Sept.	11,700	5.4	7,531	9,500	-18.8	8,240	-	-	-
Oct.	13,600	7.9	6,011	13,800	1.5	4,385	-	-	-
Nov.	11,200	-1.8	7,338	12,900	15.2	8,244	-	-	-
Dec.	12,300	-3.9	6,618	13,100	6.5	8,933	-	-	-
Jan.	9,400	-13.8	7,685	12,500	33.0	9,742	-	-	-
Feb.	11,400	-18.6	7,511	16,500	44.7	12,469	-	-	-
Mar.	12,700	-23.0	6,803	14,700	15.7	15,098	-	-	-

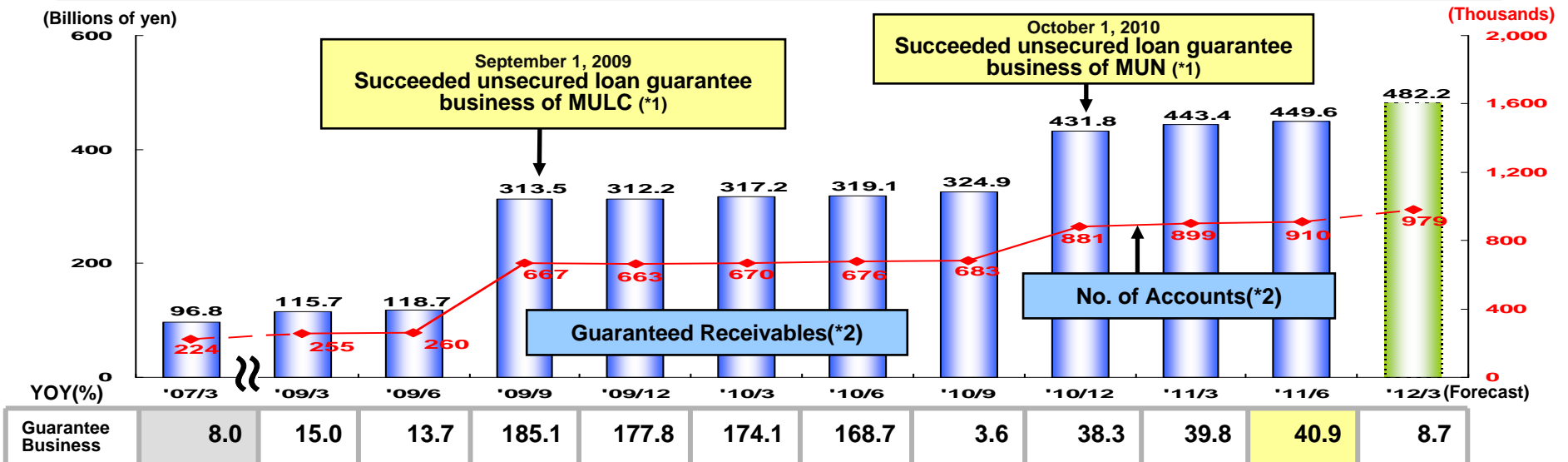
\* No. of requests which interest repayments occurs as a result of ACOM's recalculation based on the interest ceiling as specified in Interest Rate Restriction Act from claims which lawyers or judicial scriveners accept debt consolidation



# Guarantee Business

● Guaranteed Receivables, No. of Accounts with Outstanding Balance, Operating Revenue (Guarantee Business) (Millions of yen)

	2010/6 Results	2011/6		2012/3 (Forecast)		
		Results	yoy	(%)	yoy (%)	
Guaranteed Receivables	319,110	449,686	130,576	40.9	482,200	8.7
No. of Accounts with Outstanding Balance	676,260	910,990	234,730	34.7	979,300	8.8
Operating Revenue	4,523	5,726	1,203	26.6	26,100	16.2



## Affiliates (as of June 30, 2011)

- ✓ Hokkaido Bank, Hiroshima Bank, Suruga Bank, Juroku Bank, Aomori Bank, HACHIJUNI BANK, NISHI-NIPPON CITY BANK, NAGASAKI BANK, Nanto Bank, HOKURIKU BANK, Joyo Bank, Gunma Bank, Bank of Iwate, Bank of Tokyo-Mitsubishi UFJ, Yamagata Bank, Jibun Bank, Seven Bank, Iyo Bank, Daisan Bank (19 banks in total)

\*1. MULC: The Mitsubishi UFJ Home Loan Credit Co., Ltd. MUN: Mitsubishi UFJ NICOS Co., Ltd.

\*2. Guaranteed receivables and No. of Accounts are listed in consolidated basis (guaranteed by ACOM)



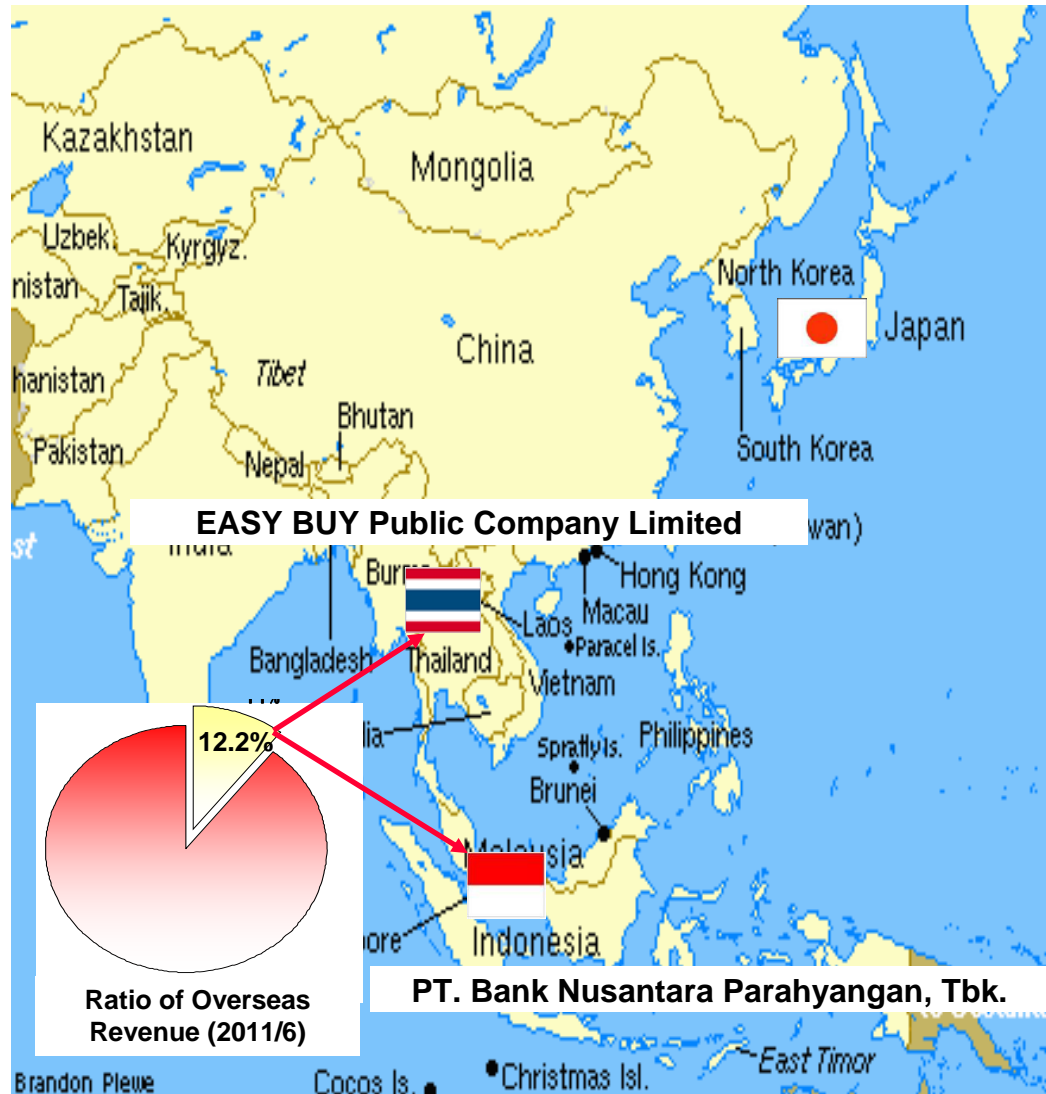
# Funds Procurements (ACOM)

(Millions of yen)

	2011/3			2011/6			2012/3 (Forecast)		
	Results	yoy (%)	C.R. (%)	Results	yoy (%)	C.R. (%)		yoy (%)	C.R. (%)
<b>Borrowings</b>	643,652	-8.8	100.0	627,549	-10.5	100.0	550,100	-14.5	100.0
Indirect	402,561	-13.2	62.5	370,121	-19.3	59.0	345,600	-14.1	62.8
Direct	241,090	-0.2	37.5	257,428	6.3	41.0	204,500	-15.2	37.2
Straight Bonds	202,840	-8.4	31.5	220,427	-0.8	35.1	-	-	-
Asset Based Lending	38,250	91.3	6.0	37,000	85.0	5.9	-	-	-
<b>Borrowings with Fixed Rate</b>	558,762	-11.4	86.8	561,671	-11.1	89.5	506,800	-9.3	92.1
<b>Average Nominal Interest Rate on Funds Procured during the Year (%)</b>	1.87			2.03			2.34		
<b>Term Average of Long-term Prime Rate (%)</b>	1.50			1.58			-		
<b>Amount to be paid within one year</b>	240,308			229,871			-		
<b>Cash and Cash Equivalents and Commitments Facilities</b>	254,024			252,707			-		
Cash and Deposits	89,032			87,715			-		
Short-term Loans Receivable	39,991			39,991			-		
Certificate of Deposits	25,000			25,000			-		
Commitment Facilities (Unused amount)	100,000			100,000			-		



# Overseas Business



## ◆ Kingdom of Thailand

### Loan and Hire Purchase Business

Based on sound credit screening measures, it has maintained the quality of its loan portfolio and proactively undertaken other sales activities

## ◆ Republic of Indonesia

### Banking Business

It has implemented various measures to expand its market, with a vision to become a nationwide bank that focuses on retail banking

### Operating Revenue in Overseas

Operating revenue for FY ended March 2011: 25,797 million yen [yoy 8.8%]

Operating revenue in the first quarter for FY ending March 2012: 6,592 million yen [yoy 6.0%]



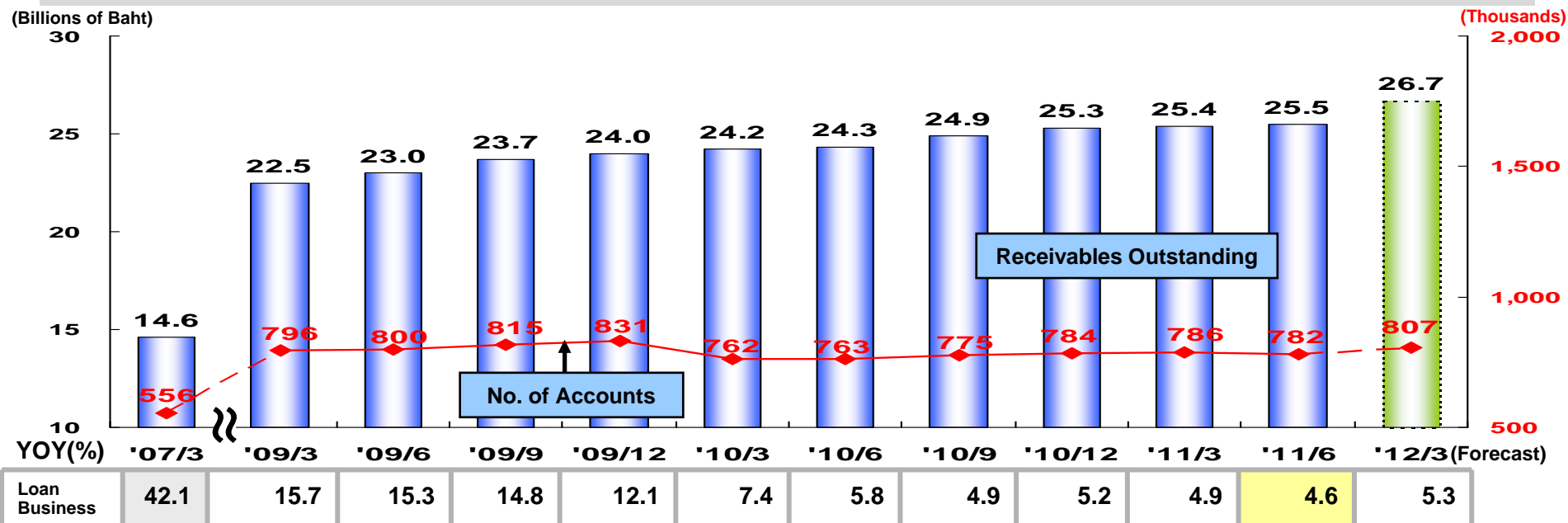
# Overseas Business (EASY BUY) [Loan Business]

● Receivables Outstanding, No. of Customer Accounts, and Operating Revenue (Loan Business)

(Millions of yen/baht)

		2010/6	2011/6		2012/3 (Forecast)		
		Results	Results	yoy	(%)		yoy (%)
Receivables Outstanding	¥	69,996	70,142	146	0.2	73,600	7.3
	Baht	24,389	(*1) 25,506	1,117	4.6	(*1) 26,764	5.3
No. of Customer Accounts		763,213	782,948	19,735	2.6	807,800	2.7
Operating Revenue	¥	5,125	5,330	205	4.0	21,900	3.9
	Baht	1,857	(*2) 1,974	117	6.3	(*1) 7,964	4.7

\*1 One baht=2.75 yen (spot exchange rate at the end of March 2011) \*2 One baht= 2.70 yen (average exchange rate from January to March 2011)





# Management Vision and Mid-term Outlook

## Management Vision

We aim to become the “leading company” which provides prime satisfactions to as many customers as possible and earns trust in the consumer finance industry.

### Mid-term Target

Achieve the position of company with top share in personal loan market

### Mid-term Objectives

- Strengthening compliance
- Enhance marketing capability to acquire customers
- Improve loan portfolio and fully practice risk control
- Nurture guarantee business to core business
- Expand group collectivity basis
- Realize proper cost structure
- Enhance nurturing our personnel for future growth

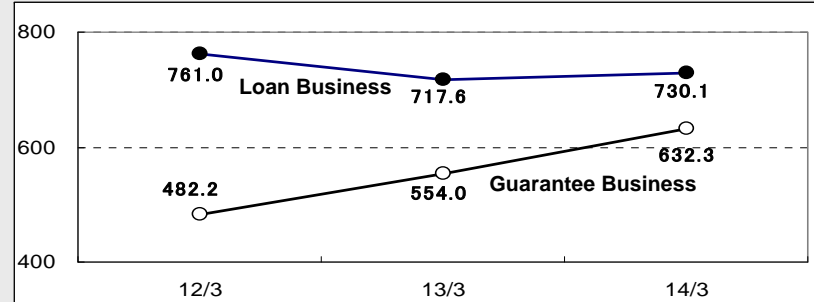
### Management Policy for this Fiscal Year

Aim to become the “company with top share” in personal loan market and achieve “the highest customer support,” and “the highest profitability.”

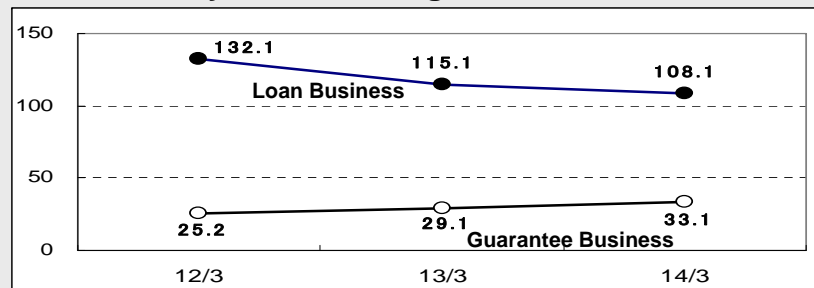
## ◆ Mid-term Outlook (ACOM)

(billions of yen)

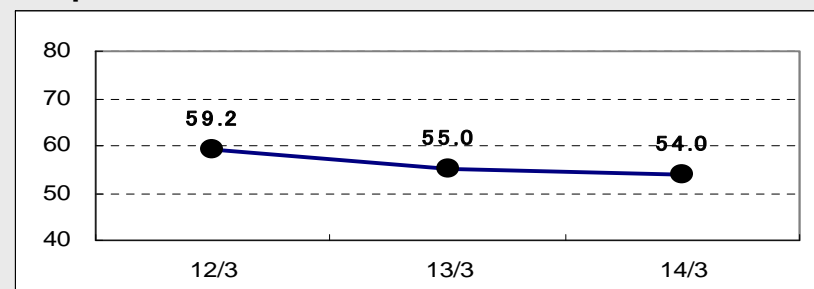
### ● Receivables Outstanding by Business Segment



### ● Revenue by Business Segment



### ● Operation Cost





## Reference

- ◆ **For further information and questions regarding this presentation material, please contact:  
Public & Investor Relations Office  
Treasury Department  
Tel: +81-3-5533-0861  
email: ir@acom.co.jp**
  
- ◆ **For updated company information, please refer to our website:  
<http://www.acom.co.jp/ir/english>**