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

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**ACOM CO., LTD.**

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

**February 1, 2012**



# Summary of Third Quarter Financial Results

(Millions of yen)

	Consolidated					Non-consolidated				
	2010/12	2011/12		2012/3 (Forecast)		2010/12	2011/12		2012/3 (Forecast)	
	Results	Results	yoy (%)		yoy (%)	Results	Results	yoy (%)		yoy (%)
Operating Revenue (*1)	189,434	160,243	-15.4	204,300	-16.9	160,698	132,376	-17.6	167,500	-19.4
Loan Business	156,470	129,173	-17.4	160,600	-20.4	135,025	106,452	-21.2	132,100	-23.7
Guarantee Business	16,135	17,181	6.5	26,100	16.2	15,545	16,423	5.6	25,200	16.2
Loan Servicing Business	6,970	5,926	-15.0	7,200	-19.5	-	-	-	-	-
Other Businesses	9,856	7,959	-19.2	10,400	-17.3	10,126	9,500	-6.2	10,200	-20.7
Operating Expenses (*2)	215,022	111,911	-48.0	158,100	-63.3	190,950	90,342	-52.7	127,800	-67.9
Financial Expenses	16,571	18,249	10.1	24,300	7.8	12,644	13,656	8.0	18,800	8.4
Provision of Allowance for Doubtful Accounts	51,065	40,061	-21.5	60,200	-23.0	42,666	33,686	-21.0	49,800	-25.6
Provision for Loss on Interest Repayment	84,044	-	-	-	-	84,044	-	-	-	-
Other Operating Expenses	63,342	53,601	-15.4	73,600	-14.9	50,894	42,999	-15.5	59,200	-15.7
Operating Income	-25,587	48,331	-	46,200	-	-30,251	42,034	-	39,700	-
Ordinary Income	-24,556	49,439	-	47,000	-	-29,195	43,237	-	40,700	-
Extraordinary Income	331	748	126.0	-	-	326	678	108.0	-	-
Extraordinary Loss	14,564	980	-93.3	100	-99.4	13,994	944	-93.3	100	-99.4
Income Before Income Taxes	-38,789	49,207	-	46,900	-	-42,863	42,971	-	40,600	-
Income Taxes-deferred	620	3,936	534.2	-	-	954	3,401	256.2	-	-
Net Income	-42,107	42,112	-	42,900	-	-43,872	39,520	-	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 (ACOM)

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

	2010/12 Results	2011/12		2012/3 (Forecast)	
		Results	yoy	(%)	yoy (%)
Receivables Outstanding	951,316	818,632	-132,684	-13.9	761,000 -15.7
No. of Customer Accounts	1,770,965	1,601,051	-169,914	-9.6	1,528,800 -10.7
No. of New Customers	94,342	112,156	17,814	18.9	140,000 9.0
Operating Revenue	140,855	112,906	-27,949	-19.8	138,700 -23.3

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

%	2010/12	2011/3	2011/12	2012/3 (Forecast)
Over 18%	28.6	26.2	18.3	17.1
18% or less	71.4	73.8	81.7	82.9

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

%	2010/12	2011/3	2011/12	2012/3 (Forecast)
Corresponding Ratio	52.1	47.9	40.0	-

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

● Average Loan Yield (Unsecured Consumer Loans)

%	2010/12	2011/3	2011/12	2012/3 (Forecast)
Average Yield of FY	17.31	17.18	16.50	16.05
Average Yield for a Year	17.50	17.18	16.51	16.05

● Ratio of Income Certificate Collection (Unsecured Consumer Loans, No. of Customer Accounts Basis)

%	2010/12	2011/3	2011/12	2012/3 (Forecast)
Ratio of Collection	72.7	77.0	82.5	-

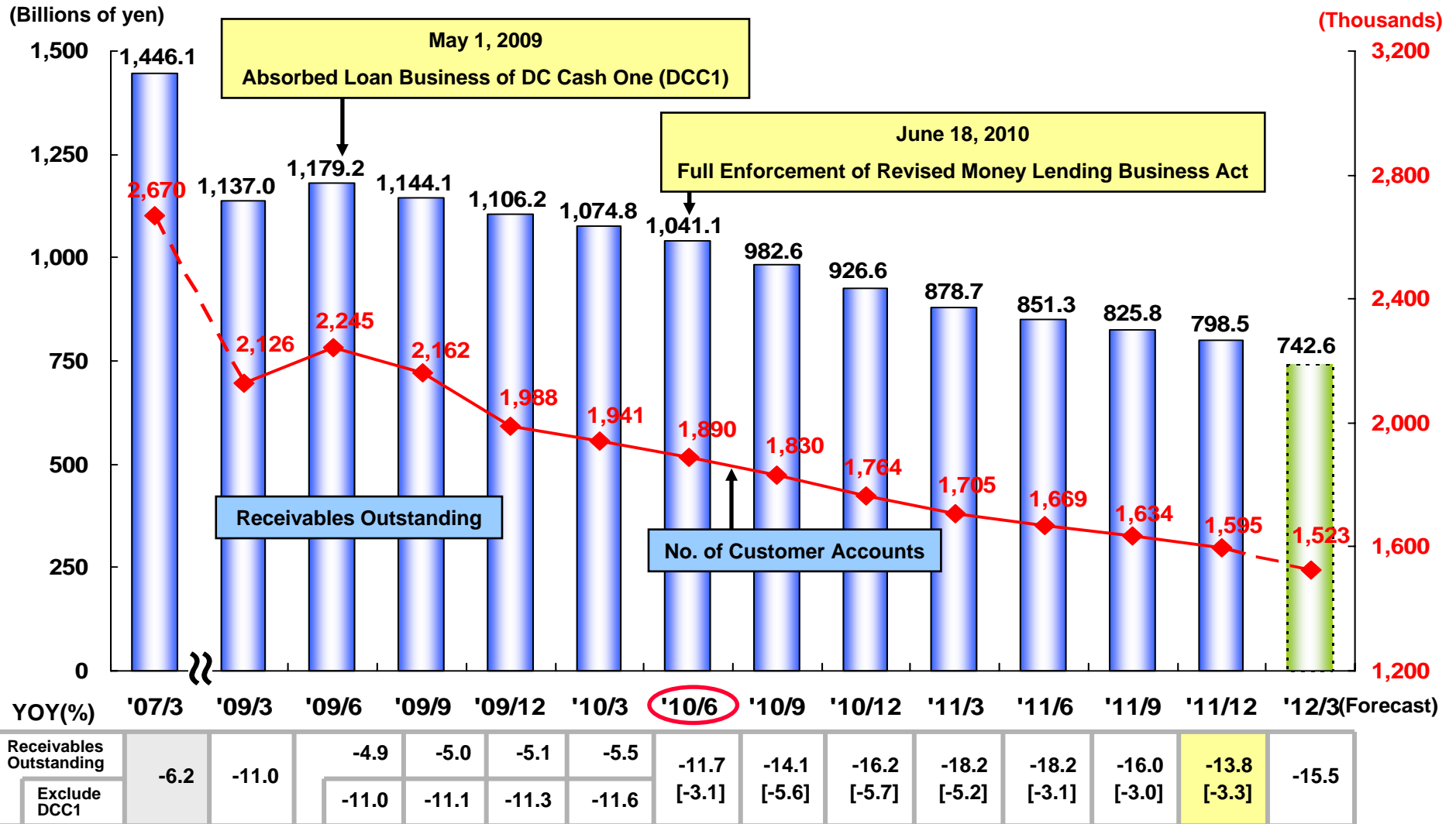
\* Definition of ratio of income certificate collection (Meet all conditions listed below)

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 Consumer Loans

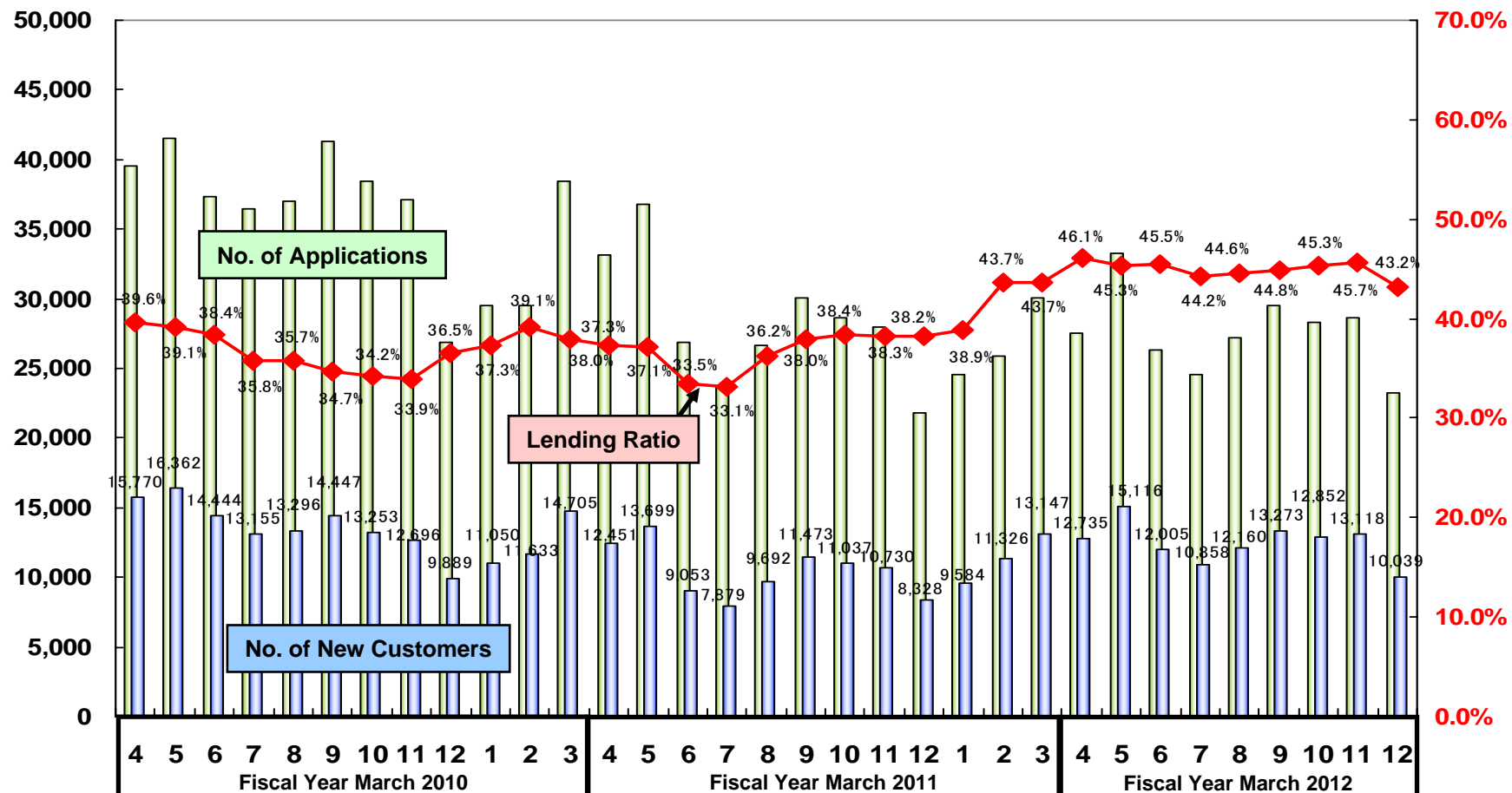


\* The numbers in brackets indicate quarter-on-quarter changes



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

## ◆ Unsecured Consumer Loans



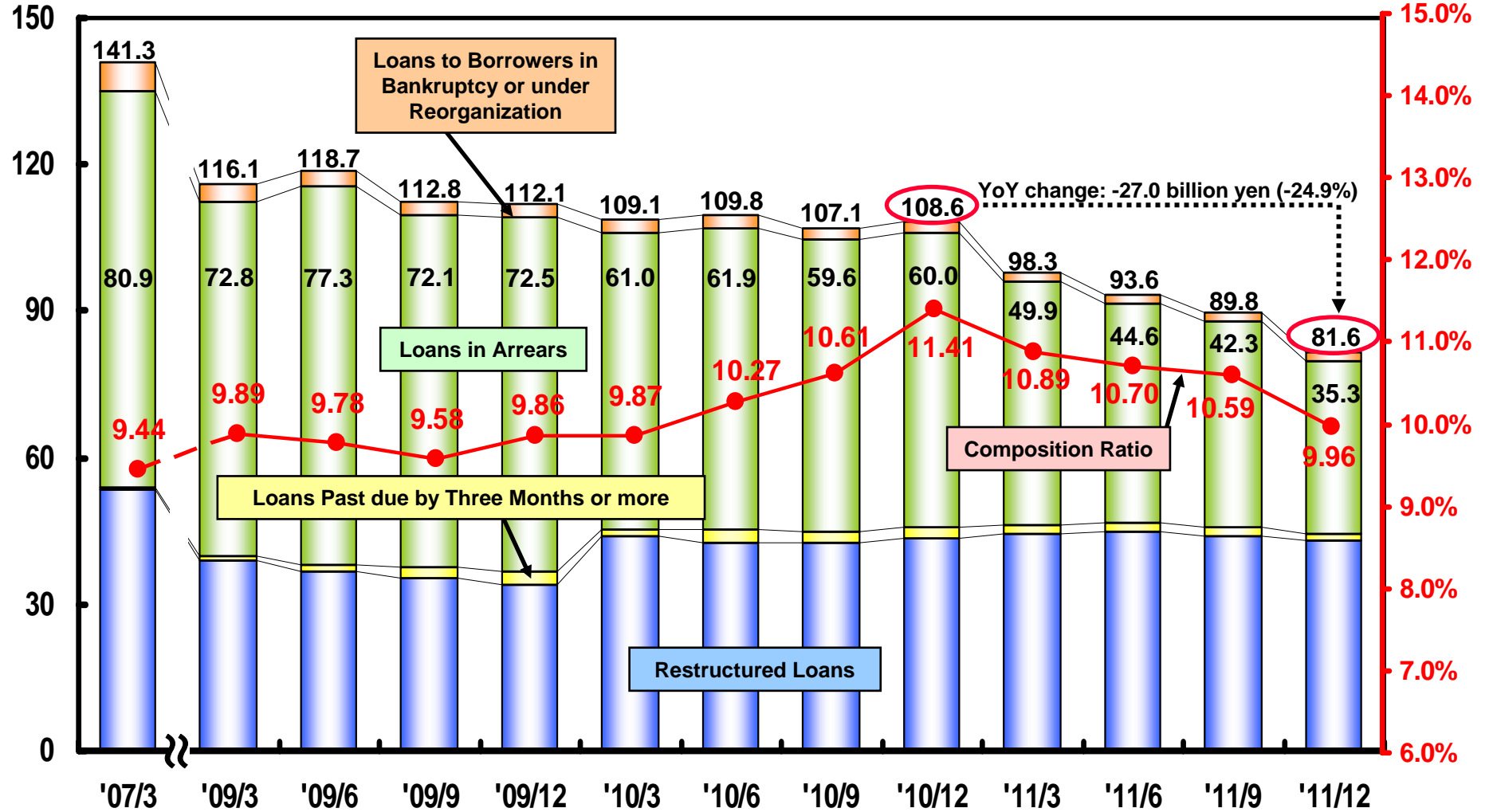
\* "No. of Applications" and "Lending Ratio" above do not include numbers for tie-up card



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

## ◆ Non-performing Loans

(Billions of 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 (Forecast)
	1Q	2Q	3Q	4Q	Total	1Q	2Q	3Q	Total	
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	23,524	22,235	69,133	-
Interest Repayment (Cash-out basis)	21,669	23,909	21,563	37,310	104,451	23,443	22,783	21,699	67,926	-
Bad Debts Expenses (ACOM's voluntary waiver of repayment)	11,318	13,738	14,380	20,740	60,176	10,909	8,879	8,581	28,370	-
Increase or Decrease in Provision for Loss on Interest Repayment	-30,700	28,500	-20,300	101,300	78,800	-34,283	-32,404	-30,817	-97,504	-
<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>	<b>216,612</b>	<b>185,795</b>			-

### ◆ Provision of Allowance for Doubtful Accounts

(Millions of yen)

	2010/6	2010/9	2010/12	2011/3	2011/6	2011/9	2011/12	2012/3 (Forecast)
Provision of Allowance for Doubtful Accounts	12,269	27,563	42,666	66,904	10,251	23,197	33,686	49,800
Bad Debts Expenses	17,219	32,769	49,219	63,037	14,848	28,533	40,084	59,400
Loss on Sales of Accounts Receivable-operating Loans	-	914	1,381	3,071	-	661	661	1,500
Increase or Decrease in Allowance for Doubtful Accounts	-4,600	-5,700	-7,400	1,199	-4,496	-5,696	-6,398	-11,200
Increase or Decrease in Provision for Loss on Guarantees	-350	-420	-533	-403	-100	-300	-660	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>57,200</b>	<b>56,500</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 (\*1) 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 (%)	Per Business Day (*2)	Interest Repayment
<b>Total</b>	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	505	7,231
May	12,500	23.8	7,613	9,600	-23.2	7,565	8,900	-7.3	468	8,406
June	14,100	38.2	12,194	10,800	-23.4	7,168	9,500	-12.0	432	7,805
July	13,000	31.3	7,623	9,600	-26.2	7,683	7,300	-24.0	365	7,675
Aug.	10,600	26.2	8,048	8,500	-19.8	7,986	7,500	-11.8	326	7,607
Sept.	11,700	5.4	7,531	9,500	-18.8	8,240	7,400	-22.1	370	7,500
Oct.	13,600	7.9	6,011	13,800	1.5	4,385	7,300	-47.1	365	6,839
Nov.	11,200	-1.8	7,338	12,900	15.2	8,244	7,100	-45.0	355	6,848
Dec.	12,300	-3.9	6,618	13,100	6.5	8,933	6,200	-52.7	295	8,011
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	-	-	-	-

\*1 No. of requests which interest repayment occurs as a result of ACOM's recalculation based on the interest ceiling as specified in Interest Rate Restriction Act from claims which lawyers or judicial scriveners accept debt consolidation

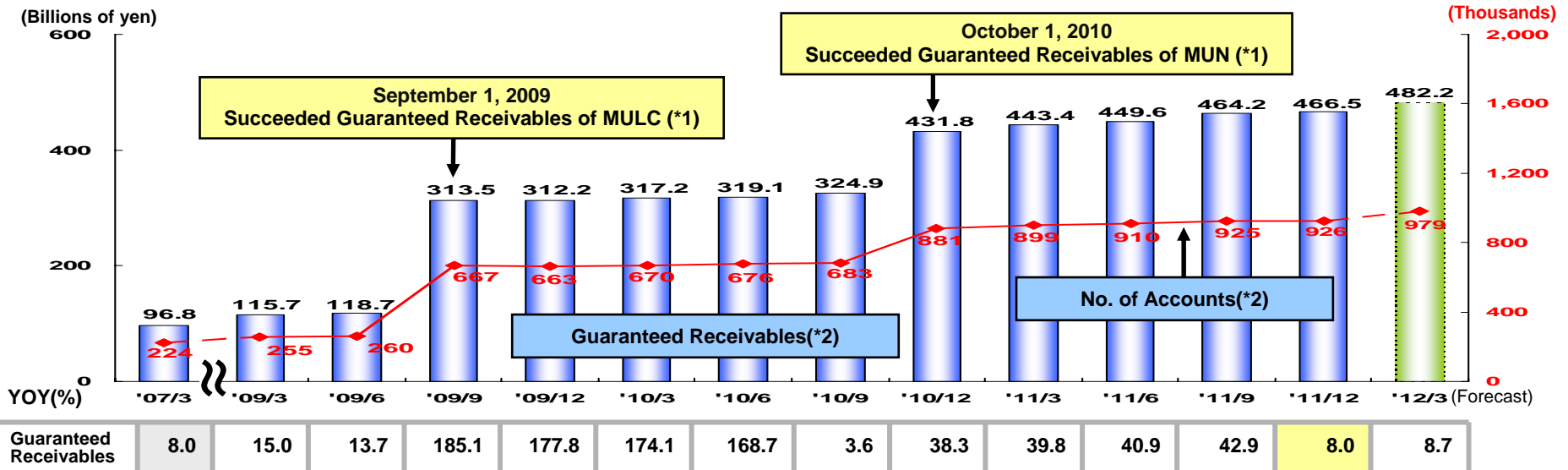
\*2 No. of requests for interest repayment divided by the No. of ACOM's business days in the month



# Guarantee Business

● Guaranteed Receivables, No. of Accounts with Outstanding Receivables, Operating Revenue and Operating Income (Millions of yen)

	2010/12	2011/12		2012/3 (Forecast)		
	Results	Results	yoy	(%)	yoy (%)	
Guaranteed Receivables	431,861	466,585	34,724	8.0	482,200	8.7
No. of Accounts with Outstanding Receivables	881,363	926,176	44,813	5.1	979,300	8.8
Operating Revenue	16,135	17,181	1,045	6.5	26,100	16.2
Operating Income	4,117	5,832	1,715	41.7	-	-



## 21 Affiliates (as of December 31, 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, Hyakujushi Bank, Miyazaki Bank

\*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			2011/12				2012/3(Forecast)		
	Results	yoy (%)	C.R. (%)	Results	yoy (%)	ytd (%)	C.R. (%)		yoy (%)	C.R. (%)
<b>Borrowings</b>	643,652	-8.8	100.0	640,704	-1.6	-0.5	100.0	550,100	-14.5	100.0
Indirect	402,561	-13.2	62.5	380,753	-9.8	-5.4	59.4	345,600	-14.1	62.8
Direct	241,090	-0.2	37.5	259,951	13.3	7.8	40.6	204,500	-15.2	37.2
Straight Bonds	202,840	-8.4	31.5	225,450	6.4	11.1	35.2	-	-	-
Asset Based Lending	38,250	91.3	6.0	34,501	97.1	-9.8	5.4	-	-	-
<b>Borrowings with Fixed Rate</b>	558,762	-11.4	86.8	583,568	0.8	4.4	91.1	506,800	-9.3	92.1
<b>Average Nominal Interest Rate on Funds Procured during the Year (%)</b>	1.87			2.10				2.34		
<b>Term Average of Long-term Prime Rate (%)</b>	1.50			1.47				-		
<b>Amount to be paid within one year</b>	240,308			285,795				-		
<b>Cash and Cash Equivalents and Commitments Facilities</b>	254,024			302,753				-		
Cash and Deposits	89,032			95,763				-		
Short-term Loans Receivable (Reverse repurchase agreement)	39,991			74,990				-		
Certificate of Deposits	25,000			32,000				-		
Commitment Facilities (Unused Amount)	100,000			100,000				-		



# Overseas Business

(Millions of yen/baht, Billions of rupiah)

		2010/12 Results	2011/12		2012/3 (Forecast)			
			Results	yoy	(%)	yoy (%)		
EASY BUY (Kingdom of Thailand)	Loan Business	Receivables Outstanding	69,920 [25,333]	66,196 [26,908]	-3,724 [1,575]	-5.3 [6.2]	73,600 [26,764]	7.3 [5.3]
		No. of Customer Accounts	784,057	823,653	39,596	5.1	807,800	2.7
		Operating Revenue	15,614 [5,637]	16,266 [6,115]	652 [478]	4.2 [8.5]	21,900 [7,964]	3.9 [4.7]
	Installment Sales	Receivables Outstanding	1,155 [418]	804 [327]	-350 [-91]	-30.3 [-21.9]	800 [291]	-19.1 [-20.5]
		No. of Customer Accounts	32,398	25,064	-7,334	-22.6	22,700	-22.7
		Operating Revenue	414 [149]	272 [102]	-141 [-47]	-34.2 [-31.5]	200 [73]	-62.0 [-61.6]
Bank BNP (Republic of Indonesia)	Banking Business	Receivables Outstanding	30,145 [3,173.2]	39,504 [4,489.1]	9,359 [1,315.9]	31.0 [41.5]	38,400 [4,000.0]	15.0 [10.2]
		No. of Customer Accounts	6,091	12,330	6,239	102.4	-	-
		Operating Revenue	2,986 [301.6]	4,123 [438.7]	1,137 [137.0]	38.1 [45.4]	5,800 [604.1]	38.3 [41.2]
Total Overseas Business	Operating Revenue	19,015	20,663	1,648	8.7	27,900	8.1	
	Operating Income	2,817	4,698	1,881	66.8	-	-	

\* Bank BNP: PT. Bank Nusantara Parahyangan, Tbk.

\* Amounts in brackets are the amounts in local currencies



## Business Alliance and Business Succession by Company Split between ACOM and Jibun Bank

ACOM and Jibun Bank agreed that Jibun Bank will succeed a part of ACOM's card loan business by measure of company split, in addition to formation of business alliance to contribute to further improvements in customer services and sound development of consumer finance market. (Announced on January 20, 2012)

### Business Alliance

#### Overview

- Combine expertise of both parties and conduct joint researches to invent progressive loan products and services which precisely respond to customer needs
- ACOM will provide its expertise in consumer finance business and human resources to Jibun Bank

#### Aim

- Achieve mutual business expansion through provision of loan products and services which precisely respond to customer needs
- Achieve mutual increase in revenue by cooperating in promotion of card loan business of Jibun Bank

### Business Succession

#### Overview

- Jibun Bank will succeed a part of ACOM's card loan business, provided under brand name "Cash One", by measure of company split
- Jibun Bank will entrust guarantee business of this card loan business to ACOM

#### Outline

- Conclusion of Agreement: January 20, 2012
- Scheduled Date of Succession: May 12, 2012
- Receivables Outstanding to be succeeded: Approximately 45.0 billion yen (estimate, stand at 49.5 billion yen as of September 30, 2011)
- Consideration to be Paid to ACOM: Approximately 48.0 billion yen (estimated amount of receivable + 2.9 billion yen)



# 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

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

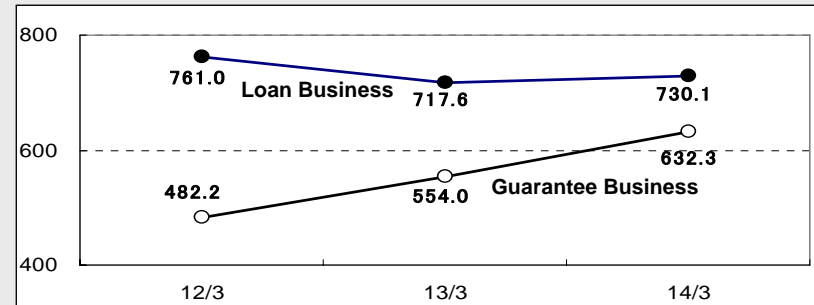
### Management Policy for this Fiscal Year

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

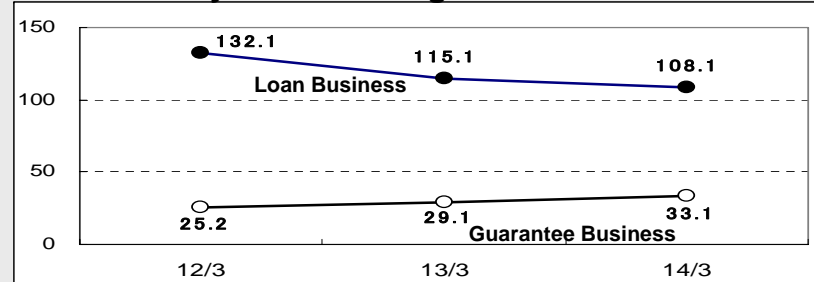
## ◆ Mid-term Outlook (ACOM)

(Billions of yen)

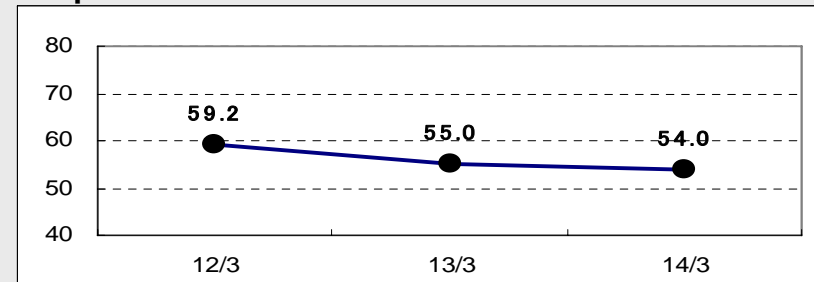
### ● Receivables Outstanding by Business Segment



### ● Revenue by Business Segment



### ● Operation Cost



\* Revenues in Mid-term Outlook are based on those by category



**Reference:  
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