

Interim Report 2006

Six months ended September 30, 2005



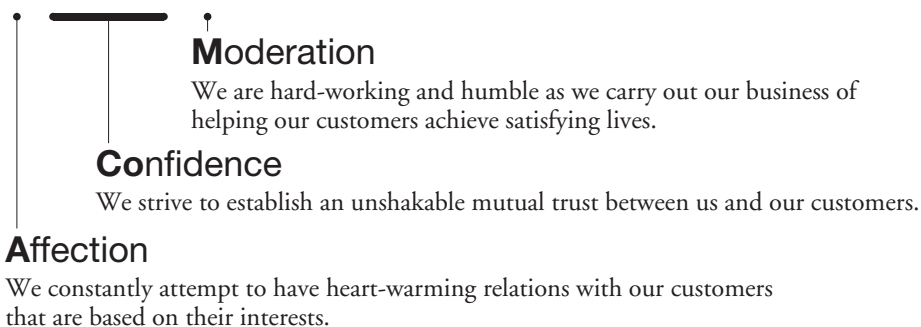
acom

Corporate Philosophy

Based on our twin mottos of “respecting other people” and “putting the customer first,” we will continue to pursue an innovative and creative style of corporate management aimed at helping our customers realize happier and more fulfilling personal lives.

In 1936, ACOM was founded on the ideal of “extending the feeling of confidence from person to person.” Since then, we have always sought to develop our business by establishing an unshakable mutual trust between us and our customers.

acom ACOM is an acronym created from the following three words:



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1. Forward-Looking Statements

The figures contained in this interim annual report with respect to ACOM's plans and strategies and other statements that are not historical facts are forward-looking statements about the future performance of ACOM. These are based on management's assumptions and beliefs in light of information currently available to management and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. Potential risks and uncertainties include, without limitation, general economic conditions in ACOM's market and changes in the size of the overall market for consumer loans, the rate of default by customers, the level of interest rates paid on ACOM's debt and legal limits on interest rates charged by ACOM.

2. All amounts are truncated to the nearest expressed unit.

3. Percentage figures are a result of rounding.

At a Glance

From a consumer finance company to a comprehensive financial services provider

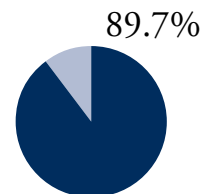
Segment Overview and Market Position

Composition of Operating Income
(Six months ended September 30, 2005)

Loan Business

Our loan business, centering on unsecured loans for consumers, accounted for 89.7% of the ACOM Group's consolidated operating income in the interim period ended September 30, 2005. ACOM has amassed advanced credit screening know-how, based on data on more than 8 million customers it has served in the past. It is utilizing this know-how through various channels, including branch offices, automatic contract machines, the Internet, and mobile phone. We are also expanding our network of more compact QUICK MUJIN automatic loan application machines and extending the operating hours of our branch offices, in order to further improve services for our customers. In addition, consolidated subsidiary DC Cash One Ltd. and Thai subsidiary EASY BUY Public Company Limited continue to steadily expand their operations.

According to the 2005 edition of Consumer Credit Statistics of Japan (published by the Japan Consumer Credit Industry Association), the domestic consumer finance market is currently worth ¥10 trillion in terms of loan receivables outstanding. With a share of around 16%, the ACOM Group is one of the leading players in this market.



Diversified Financial Services

Credit Card Business

In 1998, ACOM acquired principal membership of MasterCard International and entered the credit card business in the following year with the issue of the ACOM MasterCard®.

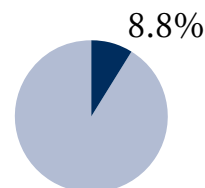
In this business, we are promoting credit card issuance via immediate card-issuing machines linked to our network of MUJINKUN automatic contract machines. We are also focusing on credit card alliances with large-scale retail chains and other companies with strong customer-attraction power. At September 30, 2005, we had 29 affiliated cards with 29 partners and an alliance cardholder base in excess of 0.6 million, equivalent to around half of total cardholders of 1.22 million.

According to the Consumer Credit Statistics of Japan, the Japanese credit card market is worth around ¥26.5 trillion in terms of total credit extended. Our share of the market is estimated at around 0.2%.

Installment Sales Finance Business

In this segment, ACOM specializes in installment sales finance services to facilitate the purchase of individual items. Under our system, we have agreements with affiliated retailers. When a customer wishes to purchase a high-priced item, we pay the retailer in advance, and the customer reimburses us in subsequent installments.

According to the Consumer Credit Statistics of Japan, the Japanese market is estimated to be worth around ¥10 trillion, and the ACOM Group's share is just over 1%. In Asia, where there is significant growth potential, we are expanding our hire purchase business through EASY BUY, our consolidated subsidiary in Thailand.



Guarantee Business

ACOM provides guarantees on unsecured personal loans via alliances with financial institutions, centering on prominent regional banks. By combining the brand power and sales channels offered by banks with ACOM's credit screening and collection know-how related to unsecured consumer loans, we are able to provide guarantee arrangements tailored to the needs of alliance partners, covering everything from product planning to loan collection. At September 30, 2005, we had tie-ups with 12 banks and one corporation, and our balance of guaranteed loans receivable continues to increase.

Loan Servicing Business

ACOM entered the loan servicing business by taking an equity stake in IR Loan Servicing, Inc. In this segment, we are developing a comprehensive range of offerings, centering on loan purchase services and loan collection agency services, and also including clerical agency services, outplacement services, and corporate restructuring support services. Our total principal of consigned and purchased receivables surpassed ¥2 trillion after only three years and two months in the business. With such remarkable growth, we are now cementing our presence as a mainstay player in the industry. Our plan is to merge IR Loan Servicing with DC Servicer company., Ltd., which recently became a subsidiary. By bringing together the know-how and capabilities of those two companies, we can look forward to further progress in the future. According to the Ministry of Justice, the national balance of receivables in this business at the end of fiscal 2003 was ¥102 trillion.

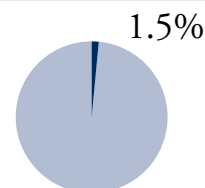
Other Businesses

Rental Business

This business involves renting out leisure equipment and goods used in daily life. We also provide support for event planning.

Other Businesses

Other activities of the ACOM Group include provision of advertising agency services, insurance agency services, and real-estate-related services.



Financial Highlights

ACOM CO., LTD. and Subsidiaries

	Millions of Yen				
	2002/3	2003/3	2004/3	2005/3	2005/9 Interim
Profit and loss related					
Operating income	414,918	437,572	434,968	433,965	222,182
Operating expenses	243,669	290,877	314,577	289,604	143,390
Bad-debt-related expenses *1	72,047	115,671	140,505	108,453	50,851
Operating expenses excluding bad-debt-related expenses	171,622	175,206	174,072	181,151	92,539
Operating profit	171,248	146,695	120,391	144,361	78,792
Net income	95,637	75,096	70,319	81,533	46,351
Cash flow related					
Net cash provided by (used in) operating activities	(46,554)	47,550	164,158	141,014	41,548
Net cash provided by (used in) investing activities	(5,590)	(8,191)	(5,398)	(17,350)	(43,678)
Net cash provided by (used in) financing activities	67,639	7,906	(166,105)	(136,508)	(51,375)
Free cash flow	(52,144)	39,359	158,760	123,664	(2,130)
Balance sheet related					
Total assets	2,166,865	2,183,414	2,075,389	2,077,334	2,081,360
Receivables outstanding *2	1,888,265	1,940,055	1,851,454	1,856,962	1,856,041
Total amount of bad debts	44,516	60,791	80,259	83,961	94,815
Allowance for bad debts	81,064	112,549	135,350	130,532	125,477
Total shareholders' equity	582,737	644,431	697,166	863,760	905,547
Per share					
	Yen				
Net income, basic	653.18	513.08	487.77	516.23	294.29
Total shareholders' equity	3,983.61	4,405.08	4,855.98	5,456.39	5,762.61
Cash dividends	80	80	80	100	70
Financial ratios					
Profitability					
Operating profit margin	41.3%	33.5%	27.7%	33.3%	
ROE *4	17.6%	12.2%	10.5%	10.4%	
Efficiency					
Operating efficiency *3	9.5%	9.2%	9.2%	9.8%	
ROA ¹ (net income to total assets) *4	4.7%	3.5%	3.3%	3.9%	
ROA ² (net income to receivables outstanding) *4	5.3%	3.9%	3.7%	4.4%	
Stability (non-consolidated)					
Bad debt ratio (gross basis) *5	2.7%	3.7%	4.9%	5.1%	
Bad debt coverage ratio *6	177.8%	178.0%	162.2%	150.7%	

Notes: 1. The amount of bad-debt-related expenses is the sum of bad debt write-offs, additional allowance for bad debts, and additional allowance for loss on debt guarantees.

2. Receivables outstanding indicates the sum of receivables outstanding of loan business, credit card business, and installment sales finance business.

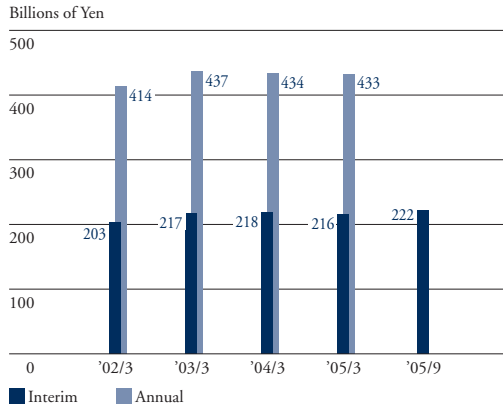
3. Operating efficiency = Operating expenses excluding bad-debt-related expenses / Average of beginning and end of term receivables outstanding

4. ROE and ROA are calculated using the simple average of beginning and end of term balance sheet figures.

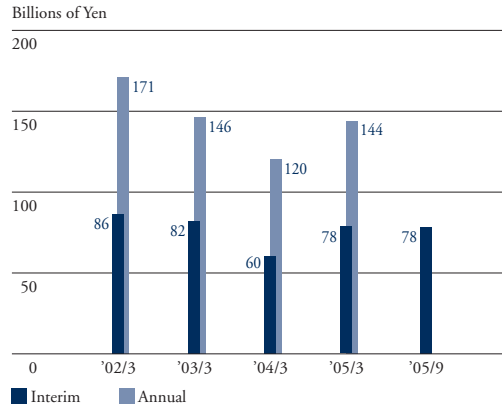
5. Bad debt ratio (gross basis) = Total amount of bad debts / (Receivables outstanding + Loans to borrowers in bankruptcy or under reorganization)

6. Bad debt coverage ratio = Allowance for bad debts / Total amount of bad debts

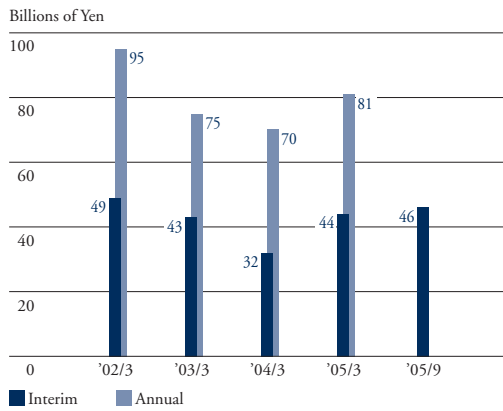
Operating Income



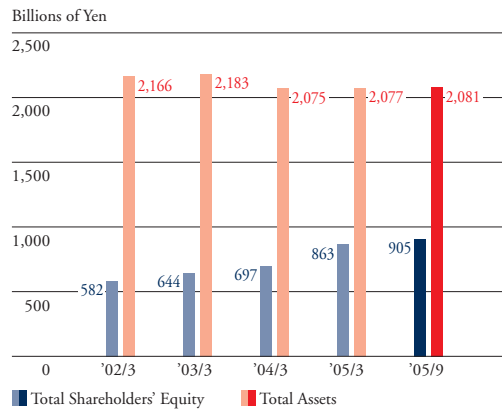
Operating Profit



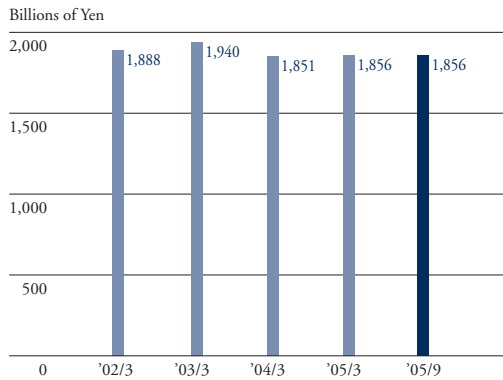
Net Income



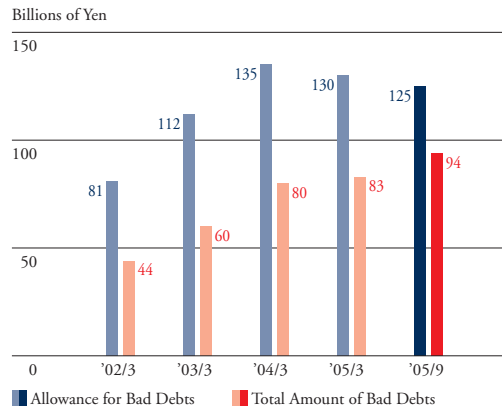
Total Shareholders' Equity and Total Assets



Receivables Outstanding



Allowance for Bad Debts and Total Amount of Bad Debts



Message from the Management

Fiscal 2005 Interim Period in Review

Intensified Competition Despite Macroeconomic Upturn

In the interim period under review—the six months ended September 30, 2005—the general recovery trend in the Japanese economy strengthened, highlighted by an improved employment environment amid high corporate earnings. However, the effects of this improvement have not yet fully benefited household budgets, and the propensity of individuals to use credit to “bring forward future earnings to enrich today’s lifestyle” has not taken hold.

On the other hand, the environment surrounding the consumer finance market is characterized by diversification of consumer needs, the aging of society with fewer children being born, and the proactive development of consumer finance services by financial institutions. In addition, companies from the IT and other sectors are entering the industry, further intensifying competition.

In response, ACOM expedited efforts to reinforce its management in the loan and installment sales finance businesses, and sought to expand its diversified financial services, in order to make ACOM a true winner in the retail finance market.

Both Revenue and Earnings Higher for First Time Since Fiscal 2001

In the interim term, consolidated operating income amounted to ¥222.1 billion, up 2.6% from the previous corresponding period. Operating

profit edged up 0.2%, to ¥78.7 billion, and net income climbed 3.9%, to ¥46.3 billion. It was the first time since fiscal 2001 that ACOM has reported year-on-year increases in both income and profit. Moreover, these results exceeded our initial forecasts, albeit slightly.

Reasons for the increase in operating income included the transformation of DC Cash One Ltd. (hereinafter DC Cash One) into a consolidated subsidiary in January 2005 (adding ¥5.3 billion to operating income); a solid performance by our consolidated subsidiary in Thailand, EASY BUY Public Company Limited (hereinafter EASY BUY), which continues to generate high growth (¥3.7 billion); and improved income posted by IR Loan Servicing, Inc. (¥1.2 billion). We believe that our performance reflects the success of our “Group management” approach—focusing on our megabank alliance, development of business in Asia, and expansion of diversified financial services.

Two factors boosting operating profit was ¥1.2 billion fall in financial expenses and a ¥600 million decline in bad-debt-related expenses, which resulted from our emphasis on improving the quality of credit, as well as the low-interest-rate fund-procurement environment.

On a non-consolidated basis, operating income edged down 0.9%, to ¥200.3 billion, due to depressed conditions in our core loan business. However, operating profit remained mostly unchanged, at ¥76.1 billion, due to our focus on raising the quality of credit. Interim net income grew 1.4%.

Initial Forecasts and Results for FY2005 Interim Period

	Billions of Yen							
	Consolidated				Non-Consolidated			
	Initial Forecasts	Actual	Difference	YoY %	Initial Forecasts	Actual	Difference	YoY %
Operating income . . .	219.9	222.1	+2.2	2.6	199.2	200.3	+1.1	-0.9
Operating profit	74.0	78.7	+4.7	0.2	72.7	76.1	+3.4	0.0
Net income	44.2	46.3	+2.1	3.9	43.8	45.7	+1.9	1.4

Results, Strategies, and Full-Year Forecasts, by Segment

Loan Business (Non-Consolidated): Carve Future Path While Reinforcing Current Position

In the finance business, where product differentiation is difficult to achieve, the key to winning lies in our ability to build a robust cost structure and a high level of creditworthiness. Recognizing this fact, the parent company is working to further solidify its management base through qualitative improvements in both the structure and credit of its loan business.

In the interim period under review, we continued striving to raise the quality of credit and create an efficient operating framework. With respect to upgrading credit quality, we achieved a 4.8% year-on-year reduction in bad-debt-related expenses by enhancing and more rigor-

ously controlling our loan portfolio through improved credit screening. At the same time, we undertook high-precision customer segment analysis to reinforce our credit screening capabilities. We also used our data analysis capabilities, which make full use of IT, to expand credit to preferred customers. As a result, the average balance of unsecured loans for consumers at interim term-end was ¥4 thousand higher than the previous fiscal year-end. Moreover, the balance of loan receivables outstanding was 0.3% higher—representing a turnaround, albeit slight, and an end of declines since the year to March 2003. ACOM already boasts a top-class level of credit quality in the industry. Going forward, we will further improve credit quality in order to solidify our competitive edge and raise creditworthiness. In doing so, we will fortify our rev-

enue base by increasing the number of new loan customers and stabilizing interest rates at low levels for fund-procurement purposes.

On the operating side, we are continuing to strengthen our service capabilities and pursue low-cost operations. During the interim period, we actively introduced QUICK MUJIN machines—more compact versions of our MUJINKUN automatic contract machines—which require only 6–7% of the cost of setting up a staffed outlet. We also extended the operating hours of our unstaffed outlets. While the number of new loan customers for the period was somewhat low vis-à-vis our full-year projection, we are confident of achieving our initial forecast through our efforts to upgrade outlets and otherwise reinforce our service channels.

Loan Business (Affiliates): Target Two Brand Strategies and Cultivate Growth Markets

In Japan, ACOM dispatched personnel and fully utilized its know-how in other areas to help expand DC Cash One's service channels. As a result, DC Cash One's balance of loan receivables outstanding at interim term-end stood at ¥68.1 billion, up 37.8% from a year earlier, and the average balance of unsecured loans for consumers was ¥416 thousand, up 10.1%. In the second half of the current fiscal year, we will further expand DC Cash One's channels, including through reciprocal agency arrangements with the parent company. By taking full advantage of our two brands (ACOM and DC Cash One), we will seek to improve services to customers and secure greater demand for unsecured loans, with the aim of increasing the loan receivables outstanding of the entire ACOM Group.

Overseas, EASY BUY, our consolidated subsidiary in Thailand, continues to expand its business. In the three-year period to March 2005, the balance of EASY BUY's loan receivables outstanding surged 11.5-fold, benefiting from a favorable economy, as well as a broad channel network, ACOM's advanced know-how related to credit screening, and excellent fund-procurement capabilities, with guarantees provided by ACOM. EASY BUY's growth continued unabated in the interim period, with the term-end balance of loan receivables outstanding surging 47.9% year-on-year, to ¥20.5 billion. We look forward to further growth in the future.

Diversified Financial Services: Focus on Cultivating New Customer Segments

By deploying the skills and expertise we have amassed in the unsecured loan business, we can target more diverse income opportunities in our

Revised Targets for FY2005



Shigeyoshi Kinoshita
President & Chief Executive Officer

related businesses, such as credit cards, installment sales finance, and guarantees. Equally important, we can approach new customer segments not possible with our consumer finance brand.

In the credit card business, we will endeavor to strengthen credit card tie-ups with large-scale retail chains and other companies with strong customer-attraction power. We already have around 600,000 holders of affiliated cards, representing a 30.8% increase compared with the previous interim period.

In the guarantee business, we have alliances with regional banks and one corporation. Through this alliance strategy, we are reinforcing our base of preferred customers. For example, the number of loans guaranteed by the ACOM Group at the end of the interim period was 367 thousand, up 16.8% from a year earlier.

In the installment sales finance business, we are seeking to attract new alliance partners, focusing on large retailers, and canceling contracts with partners whose profits have declined significantly.

In the rapidly growing loan servicing business, in October 2005 ACOM purchased a 100% stake in DC Servicer company, Ltd., a wholly owned subsidiary of DC Card Co., Ltd., an equity-method affiliate. Going forward, we will merge DC Servicer with our existing wholly owned subsidiary, IR Loan Servicing, Inc., as we target further significant progress in the loan servicing business.

Full-Year Forecast Generally Reflects Initial Projection

Based on the aforementioned operating conditions and the progress of our business strategies, we have set the following targets for the year to March 2006: consolidated operating income of ¥442.1 billion (up 1.9% year-on-year), operating profit of ¥144.5 billion (up 0.1%), and net income of ¥86.3 billion (up 5.8%). We expect to achieve these targets, which mostly reflect our initial forecasts, made at the beginning of the current fiscal year.

	Billions of Yen					
	Consolidated			Non-Consolidated		
	Initial Forecasts	Revised Targets	Difference	Initial Forecasts	Revised Targets	Difference
Operating income	440.9	442.1	+1.2	397.0	397.0	0.0
Operating expenses	295.9	297.6	+1.7	256.2	256.4	+0.2
Operating profit	145.0	144.5	-0.5	140.8	140.6	-0.2
Net income	86.3	86.3	0.0	84.7	84.8	+0.1

Future Growth Strategies

ACOM to Play a Central Role in Consumer Finance Business of MUFG

Since forming a business and capital alliance with the former Mitsubishi Tokyo Financial Group, Inc. (hereinafter MTFG) in March 2004, ACOM has sought to realize a strategic partnership that takes full advantage of its own skills and know-how related to the consumer loan business, together with MTFG's formidable brand power.

In October 2005, MTFG merged with UFJ Holdings, Inc., to form Mitsubishi UFJ Financial Group, Inc. (hereinafter MUFG), one of the world's largest financial groups. While the benefits of the aforementioned alliance will become most evident in the next fiscal year and beyond, ACOM's central role as the consumer finance arm of MUFG remains unchanged. Indeed, we now believe that the potential of our alliance partnership will become even greater compared with March 2004, when we first tied up with MTFG. Moreover, we look forward to building a close-knit relationship with MUFG. For the time being, we will concentrate on addressing opportunities as they arise, with the intention of generating earnings in the near future.

Ongoing Emphasis on Business Development in Asia

As mentioned earlier, both the loan and hire purchase businesses of EASY BUY are growing solidly. Given that real GDP in Thailand has grown more than 6% for two consecutive years, we expect EASY BUY'S business to continue growing in the future. The ACOM Group has continued its own research into the potential of using EASY BUY as a springboard for expansion into surrounding Asian markets. Going forward, we will take advantage of the respective strengths of ACOM and MUFG as we consider strategies for broadening our consumer finance business in Asia.

Meanwhile, we are promoting our consulting services in conjunction with the unsecured card loan business of the Taiwanese "mega-bank" Chinatrust Commercial Bank. In September 2005, we established the PKU-ACOM Financial Information Research Center in a joint collaboration with Peking University. The aim of the Center is to conduct research into consumer credit and financial information systems in the Chinese market. These actions reflect our belief that the potential for growth in Asia will continue to increase.

Capital Strategy and Shareholder Return Policy

Capital Strategy: Maintain Shareholders' Equity Ratio above 40% for Time Being

Owing to our stable and growing earnings and increased capital in conjunction with the MTFG alliance, the consolidated shareholders' equity ratio for the interim period under review was 43.5%.

Going forward, our basic policy is to maintain the shareholders' equity ratio (including guaranteed loans receivable) at above 30%, based on consideration of our operating stability and capital efficiency. In the nearer term, however, we will endeavor to keep the figure at a higher level, above 40%, given our capital requirements to fund future growth strategies.

Shareholder Return Policy: Maintain Shareholder Return Ratio Above 30%

Based on the aforementioned capital strategy, we have set a dividend policy that targets a shareholder return ratio of 30% or higher on a non-consolidated basis. ("Shareholder return ratio" refers to the sum of dividends paid and share buybacks as a percentage of net income.)

For the fiscal year ending March 2006, we plan to raise return to shareholders even further than the previous fiscal year. For the interim period under review, we have declared a dividend of ¥70.0 per share, because we achieved practically all of our performance targets. Since we also expect to reach our full-year targets, we plan to pay a similar year-

end dividend of ¥70.0, resulting in full-year dividends of ¥140.0 per share, up ¥40.0 from the previous year.

In June 2005, the Company outlaid ¥9.2 billion to buy back 1,312,460 shares of treasury stock. Therefore, we forecast a shareholder return ratio of 36.8% for the current fiscal year.

The ACOM Group will pursue three key strategies as it proceeds on a clear path to sustained top-line growth. First, we will use our two-brand strategy focusing on an increasingly sophisticated credit screening model and customer attraction power to promote our core loan business. Second, we will expand diversified financial services. Third, we will strengthen the alliance between MUFG and companies in the ACOM Group.

We look forward to your ongoing understanding and support in these endeavors.



Shigeyoshi Kinoshita
President & Chief Executive Officer
ACOM CO., LTD.

Review and Analysis of Consolidated Results

Overall Performance

In the first half of fiscal 2005—the six months ended September 30, 2005—consolidated operating income amounted to ¥222.1 billion, up 2.6% from the previous corresponding period. Factors for this increase included (1) the inclusion of DC Cash One Ltd. (hereinafter DC Cash One) into the scope of consolidation from the current fiscal year (adding ¥5.3 billion to operating income); (2) sharp growth in the business of EASY BUY Public Company Limited (hereinafter EASY BUY), a consolidated subsidiary in Thailand (¥3.7 billion); and (3) improved income posted by IR Loan Servicing, Inc. (¥1.2 billion). Clearly, the ACOM Group's top-line growth strategy—focusing on the business alliance with the former Mitsubishi Tokyo Financial Group, Inc. (now Mitsubishi UFJ Financial Group, Inc.), cultivation of Asian markets, and expansion of diversified financial services outside of

unsecured loans—is beginning to generate tangible results.

Operating profit for the period showed slight growth, edging up 0.2%, to ¥78.7 billion, but interim net income rose 3.9%, to ¥46.3 billion. In the previous interim period, when DC Cash One was an equity-method affiliate, the Group posted a net loss in affiliates by the equity method. In the period under review, however, DC Cash One became a consolidated subsidiary and did not post a net loss. This was a major reason for the difference in the growth rates for operating profit and net income. The growth in net income (3.9%) exceeded that of operating income (2.6%). This was due to declines in financial expenses and bad-debt-related expenses (both part of operating expenses), as well as the absence of two items incurred in the previous interim period (stock issuance expenses and impairment loss, both included in other expenses).

Results by Segment

Operating Income and Receivables Outstanding

Operating income from our core loan business increased 2.9% year-on-year, to ¥199.3 billion. Receivables outstanding at interim term-end amounted to ¥1,697.9 billion, up 4.3% from a year earlier. However, non-consolidated operating income from ACOM's loan business edged down 0.7%, to ¥188.8 billion, and receivables outstanding dipped 0.5%, to ¥1,606.7 billion. This was mainly because of ACOM's strong priority on improving the quality of its credit, as well as a year-on-year reduction in average loan yield on unsecured consumer loans of 10 basis points, due to the Company's adoption of interest incentives for preferred customers.

However, total non-consolidated receivables outstanding grew ¥5.0 billion, from ¥1,601.7 billion. We believe this reflects the success of measures to expand credit to preferred customers. Meanwhile, EASY BUY, a consolidated subsidiary in Thailand, continues to report strong growth in its unsecured loan business. In the interim period under review, that company posted a 45.1% increase in operating income, to ¥5.0 billion, and a 47.9% jump in receivables outstanding, to ¥20.5 billion.

In the credit card business, operating income rose 4.5%, to ¥3.2 billion, and receivables outstanding edged up 0.3%, to ¥49.1 billion. The number of cardholders grew 2.5% during the six-month period, to 1,226 thousand, owing to our promotion of ACOM MasterCard®, provided by immediate card-issuing machines linked to our MUJINKUN automatic contract machines. This segment also benefited from our focus on credit card alliances

with large-scale retail chains and other companies with strong customer-attraction power.

In the installment sales finance business, operating income declined 12.6%, to ¥7.7 billion, and receivables outstanding fell 25.3%, to ¥108.9 billion. These results reflected the priority we placed on improving the quality of credit by carefully screening potential alliance partners and canceling contracts with those deemed to be high-risk.

In the guarantee business, operating income declined 14.2%, to ¥3.0 billion. This decline was mainly due to the elimination of consolidated transactions between DC Cash One and the parent company (including offsetting of the parent company's loan guarantee income with DC Cash One's loan guarantee expenses) from the statements of income, stemming from DC Cash One's inclusion in the scope of consolidation. In reality, however, our guarantee business, in which ACOM utilizes its formidable credit screening capabilities, is on an expansion path. As evidence of this trend, non-consolidated operating income from the guarantee business jumped 30.1%, to ¥4.5 billion, in the interim period under review.

In the loan servicing business, operating income climbed 32.0%, to ¥5.3 billion, and receivables outstanding surged 119.5%, to ¥15.9 billion. Collections of purchased receivables also showed solid growth, rising 33.4%, to ¥4.9 billion.

In the rental business, operating income rose 23.4%, to ¥2.1 billion, benefiting from economic recovery. Operating income from other businesses fell 18.0%, to ¥1.3 billion.

Operating Income by Segment

	Millions of Yen			
	FY2005 (Interim)	YoY Change	FY2004	FY2003
Loan Business	199,358	2.9%	387,348	391,259
Credit Card Business	3,265	4.5%	6,311	5,876
Installment Sales Finance Business	7,759	-12.6%	16,622	22,738
Guarantee Business	3,013	-14.2%	7,627	5,037
Loan Servicing Business	5,323	32.0%	8,762	2,786
Rental Business	2,119	23.4%	3,781	3,527
Other Businesses	1,343	-18.0%	3,511	3,742

Receivables Outstanding by Segment

	Millions of Yen			
	FY2005 (Interim)	YoY Change	FY2004	FY2003
Loan Business	1,697,962	4.3%	1,680,184	1,623,154
Credit Card Business	49,129	0.3%	49,399	46,731
Installment Sales Finance Business	108,949	-25.3%	127,378	181,567
Loan Servicing Business	15,930	119.5%	12,723	6,082

Operating Expenses

In the interim period under review, total operating expenses amounted to ¥143.3 billion, up 3.9% from the previous corresponding period. The increase was due mainly to a ¥4.4 billion expense associated with the transformation of DC Cash One into a consolidated subsidiary. By contrast, financial expenses declined 10.9%, to ¥10.4 billion, and bad-debt-related expenses were down 1.3%, to ¥50.8 billion. The decline in financial expenses, while partly the result of the ongoing trend of low interest rates, underscored the success of two financial strategies: (1) reduce interest-bearing liabilities, centering on long-term debt, and (2) increase the proportion of direct borrowings, which constitute a low-cost, stable method of fund procurement.

On a non-consolidated basis, financial expenses declined 18.2%, to ¥9.2 billion, and bad-debt-related expenses decreased 4.8%, to ¥46.7 billion. Major factors in the decline in bad-debt-related expenses included a fall in the rate of generation of bad debt write-offs for unsecured consumer loans in the past year, resulting in a decline in general allowance for bad debts. These factors resulted from various measures taken, including establishment of a system in which our counselors follow up on customers with loans in arrears. By contrast, we reported an increase in advertising

and promotional expenses of ¥0.6 billion, stemming from higher television commercial outlays, including a new series of commercials. Commissions to banks and other entities also rose ¥0.3 billion due to expanded transaction volume of our Cash Dispenser and ATM alliance network.

Other Income (Expenses)

Total other income, net, amounted to ¥780 million, representing a ¥2.9 billion improvement on the previous corresponding period. This was largely due to the absence of the net loss in affiliates by the equity method (¥1.0 billion in the previous interim term), due to the inclusion of DC Cash One in the scope of consolidation. Other factors included a net gain in affiliates by the equity method, owing to the inclusion of DC Card Co., Ltd. in the scope of equity-method application in the current fiscal year, as well as the absence of two items reported in the previous interim period: stock issuance expenses and impairment loss. In addition, in September 2005, the Company sold all of its stake in CHAILEASE ACOM FINANCE CO., LTD., an equity-method affiliate engaged in the hire purchase business in Taiwan, to CHAILEASE FINANCE CO., LTD., a joint venture partner.

Financial Position

Balance Sheets

At September 30, 2005, consolidated total assets stood at ¥2,081.3 billion, up ¥4.0 billion from March 31. During the interim period, total shareholders' equity rose ¥41.7 billion, to ¥905.5 billion, and the shareholders' equity ratio climbed 1.9 points, to 43.5%.

In the assets column, total current assets declined ¥55.6 billion, property and equipment, net, declined ¥1.7 billion, and total investments and other assets increased ¥61.4 billion. With respect to current assets, the Company posted a ¥17.7 billion increase in loans receivable, but also reported an ¥18.8 billion decline in notes and accounts receivable. Moreover, deferred tax assets were down ¥10.3 billion, due to a decline in the excessive amount of allowance for bad debts. Regarding investments and other assets, investments in securities rose ¥64.7 billion, due mainly to ACOM's acquisition of a 14.9% stake in OMC Card, Inc. (hereinafter OMC Card), in August and September 2005. The aim of this purchase is to create a more cooperative relationship with OMC Card.

On the liabilities side, total current liabilities rose ¥27.0 billion, while total long-term liabilities fell ¥64.8 billion. As a result, total liabilities declined ¥37.8 billion. With respect to current liabilities, the Company posted an increase of ¥48.4 billion in short-term loans and a decrease of ¥8.8 billion in current portion of long-term debt. In addition, accrued income taxes fell ¥5.8 billion. Regarding long-term liabilities, long-term debt declined ¥73.5 billion, but deferred tax liabilities rose ¥8.8 billion, owing largely to an increase in the

market value of marketable securities held by the Company.

In the shareholders' equity section, retained earnings and net unrealized gains on other securities rose ¥37.6 billion and ¥12.2 billion, respectively. Due to share buybacks by the Company, treasury stock increased ¥8.0 billion.

Cash Flows

At September 30, 2005, cash and cash equivalents totaled ¥92.6 billion, down ¥53.2 billion from March 31.

For the interim period, net cash provided by operating activities amounted to ¥41.5 billion, down ¥26.6 billion from the previous corresponding period. The decline stemmed mainly from changes in two items—an increase in loans receivable and a decrease in notes and accounts receivable—which together led to a ¥27.0 billion year-on-year increase in cash outflow. This was despite income before income taxes of ¥79.5 billion (up ¥3.0 billion year-on-year).

Net cash used in investing activities totaled ¥43.6 billion, up ¥39.6 billion from the previous interim period. This was due mainly to an increase of ¥45.6 billion in purchase of investments in securities related to the aforementioned acquisition of a stake in OMC Card.

Net cash used in financing activities was ¥51.3 billion, down ¥21.5 billion. This change stemmed mainly from the Company's reduction of interest-bearing liabilities, centering on long-term debt.

Cash Flows

	Millions of Yen			
	FY2005 (Interim)	YoY Change	FY2004	FY2003
Net Cash Provided by Operating Activities	41,548	(26,680)	141,014	164,158
Net Cash Used in Investing Activities	(43,678)	(39,627)	(17,350)	(5,398)
Net Cash Used in Financing Activities	(51,375)	21,589	(136,508)	(166,105)

Interim Consolidated Balance Sheets (Unaudited)

ACOM CO., LTD. and Subsidiaries

September 30	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Assets			
Current assets:			
Cash and cash equivalents	¥ 92,661	¥ 150,131	\$ 818,632
Time deposits	15	63	132
Marketable securities	1,367	1,071	12,077
Loans receivable	1,697,962	1,628,157	15,000,989
Notes and accounts receivable	158,518	195,303	1,400,459
Inventories	21,966	13,579	194,063
Deferred tax assets	29,445	36,999	260,137
Other current assets	24,846	25,236	219,507
Allowance for bad debts	(122,712)	(127,373)	(1,084,124)
Total current assets	1,904,071	1,923,168	16,821,901
Property and equipment:			
Land	16,999	18,528	150,181
Buildings and structures	43,179	42,849	381,473
Equipment	35,300	36,962	311,865
	95,479	98,340	843,528
Accumulated depreciation	(45,177)	(45,100)	(399,125)
Property and equipment, net	50,301	53,240	444,394
Investments and other assets:			
Investments in securities	96,152	27,793	849,474
Investments in affiliates	9,375	2,952	82,825
Telephone rights and other intangible assets	1,381	1,387	12,200
Rental deposits	10,389	10,229	91,783
Prepaid pension expenses	292	561	2,579
Deferred tax assets	1,065	1,026	9,408
Other	11,095	12,636	98,021
Allowance for bad debts	(2,764)	(2,545)	(24,419)
Total investments and other assets	126,987	54,042	1,121,892
Total assets	¥ 2,081,360	¥ 2,030,451	\$ 18,388,196

September 30	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	¥ 104,600	¥ 9,708	\$ 924,109
Current portion of long-term debt	333,012	318,508	2,942,062
Accounts payable	4,631	3,708	40,913
Accrued income taxes	22,712	21,760	200,653
Deferred tax liabilities	0	0	0
Deferred income on installment sales	15,796	19,080	139,552
Allowance for loss on debt guarantees	1,524	2,540	13,464
Other current liabilities	14,809	12,187	130,833
Total current liabilities	497,086	387,494	4,391,607
Long-term liabilities:			
Long-term debt	656,651	801,835	5,801,316
Allowance for employees' retirement benefits	289	285	2,553
Allowance for directors' and corporate auditors' retirement benefits	803	790	7,094
Deferred tax liabilities	11,995	1,296	105,972
Other long-term liabilities	4,200	4,645	37,105
Total long-term liabilities	673,940	808,852	5,954,059
Minority interests in consolidated subsidiaries	4,785	1,278	42,274
Commitments and contingent liabilities			
Shareholders' equity:			
Common stock:			
Authorized: 532,197,400 shares at September 30, 2005 and 2004			
Issued: 159,628,280 shares at September 30, 2005 and 2004	63,832	63,832	563,936
Capital surplus	76,121	76,458	672,506
Retained earnings	767,777	700,365	6,783,081
Net unrealized gains on other securities	18,655	5,067	164,811
Foreign currency translation adjustments	(1,962)	(2,097)	(17,333)
Treasury stock, at cost:			
2,486,241 shares and 1,332,693 shares at September 30,			
2005 and 2004, respectively			
	(18,877)	(10,801)	(166,772)
Total shareholders' equity	905,547	832,825	8,000,238
Total liabilities and shareholders' equity	¥ 2,081,360	¥ 2,030,451	\$ 18,388,196

Interim Consolidated Statements of Income (Unaudited)

ACOM CO., LTD. and Subsidiaries

Six-month periods ended September 30	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Operating income:			
Interest on loans receivable	¥ 195,781	¥ 190,214	\$ 1,729,666
Fees from credit card business	3,144	3,064	27,776
Fees from installment sales financing	7,291	8,508	64,413
Fees from credit guarantees	2,530	3,168	22,351
Collection of purchased receivables	4,936	3,699	43,608
Other financial income	15	27	132
Sales	3,809	3,674	33,651
Other operating income	4,673	4,293	41,284
Total operating income	222,182	216,650	1,962,911
Operating expenses:			
Financial expenses	10,472	11,753	92,517
Cost of purchased receivables	2,732	2,606	24,136
Cost of sales	2,448	2,300	21,627
General and administrative expenses	76,885	69,816	679,256
Provision for bad debts	50,064	49,748	442,300
Provision for loss on debt guarantees	786	1,779	6,944
Total operating expenses	143,390	138,004	1,266,808
Operating profit	78,792	78,645	696,103
Other income (expenses):			
Other interest and dividend income	308	285	2,721
Other interest expenses	(3)	(8)	(26)
Net gain (loss) in affiliates by the equity method	251	(1,037)	2,217
Net loss on sale or disposal of fixed assets	(487)	(498)	(4,302)
Gain on sale of investments in affiliates	177	—	1,563
Gain (loss) on sale of investments in securities	0	(38)	0
Loss on revaluation of investments in securities	—	(267)	—
Loss on liquidation of investments in trusted real property	—	(78)	—
Impairment loss	—	(456)	—
Other, net	534	(67)	4,717
Total other income (expenses), net	780	(2,167)	6,891
Income before income taxes	79,572	76,478	702,994
Income taxes:			
Current	22,078	21,245	195,052
Deferred	11,057	10,240	97,685
Total income taxes	33,135	31,485	292,737
Minority interests in earnings of consolidated subsidiaries	86	385	759
Net income	¥ 46,351	¥ 44,606	\$ 409,497
	Yen		U.S. Dollars
Amounts per share:			
Net income:			
Basic	¥ 294.29	¥ 283.32	\$ 2.59
Diluted	294.14	283.19	2.59
Cash dividends	70.00	45.00	0.61

Interim Consolidated Statements of Shareholders' Equity (Unaudited)

ACOM CO., LTD. and Subsidiaries

	Thousands	Millions of Yen					
	Number of shares of common stock	Common stock	Capital surplus	Retained earnings	Net unrealized gains on other securities	Foreign currency translation adjustments	Treasury stock
Balance at March 31, 2004	145,628	¥ 17,282	¥ 25,772	¥ 661,536	¥ 5,823	¥ (2,150)	¥ (11,099)
Net income	—	—	—	44,606	—	—	—
Cash dividends	—	—	—	(5,742)	—	—	—
Bonuses to directors	—	—	—	(35)	—	—	—
Net unrealized losses							
on other securities	—	—	—	—	(755)	—	—
Foreign currency							
Translation adjustments	—	—	—	—	—	52	—
Issuance of new shares							
of common stock	14,000	46,550	46,550	—	—	—	—
Acquisition of treasury stock	—	—	—	—	—	—	(6,999)
Sale of treasury stock	—	—	4,135	—	—	—	7,297
Balance at September 30, 2004	159,628	¥63,832	¥76,458	¥ 700,365	¥ 5,067	¥ (2,097)	¥ (10,801)
Balance at March 31, 2005	159,628	¥63,832	¥76,458	¥ 730,168	¥ 6,392	¥ (2,290)	¥ (10,801)
Net income	—	—	—	46,351	—	—	—
Cash dividends	—	—	—	(8,706)	—	—	—
Bonuses to directors	—	—	—	(36)	—	—	—
Net unrealized gains							
on other securities	—	—	—	—	12,263	—	—
Foreign currency							
Translation adjustments	—	—	—	—	—	328	—
Acquisition of treasury stock	—	—	—	—	—	—	(9,196)
Sale of treasury stock	—	—	(336)	—	—	—	1,120
Balance at September 30, 2005	159,628	¥ 63,832	¥ 76,121	¥ 767,777	¥ 18,655	¥ (1,962)	¥ (18,877)

	Thousands of U.S. Dollars					
	Common stock	Capital surplus	Retained earnings	Net unrealized gains on other securities	Foreign currency translation adjustments	Treasury stock
Balance at March 31, 2005	\$ 563,936	\$ 675,483	\$ 6,450,817	\$ 56,471	\$ (20,231)	\$ (95,423)
Net income	—	—	409,497	—	—	—
Cash dividends	—	—	(76,914)	—	—	—
Bonuses to directors	—	—	(318)	—	—	—
Net unrealized gains on other securities	—	—	—	108,339	—	—
Foreign currency translation adjustments	—	—	—	—	2,897	—
Acquisition of treasury stock	—	—	—	—	—	(81,243)
Sale of treasury stock	—	(2,968)	—	—	—	9,894
Balance at September 30, 2005	\$ 563,936	\$ 672,506	\$ 6,783,081	\$ 164,811	\$ (17,333)	\$ (166,772)

Interim Consolidated Statements of Cash Flows (Unaudited)

ACOM CO., LTD. and Subsidiaries

Six-month periods ended September 30	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Operating activities			
Income before income taxes	¥ 79,572	¥ 76,478	\$ 702,994
Adjustments:			
Depreciation and amortization	2,277	2,486	20,116
Impairment loss	—	456	—
Decrease in allowance for bad debts	(4,830)	(5,393)	(42,671)
(Decrease) increase in allowance for loss on debt guarantees	(34)	675	(300)
Increase in allowance for employees' retirement benefits	32	6	282
Decrease in allowance for directors' and corporate auditors' retirement benefits	(44)	(187)	(388)
Non-operating interest and dividend income	(308)	(285)	(2,721)
Non-operating interest expenses	3	8	26
Net (gain) loss in affiliates by the equity method	(251)	1,037	(2,217)
Net loss on sale or disposal of fixed assets	487	498	4,302
Stock issuance expenses	—	474	—
Bond issuance expenses	193	—	1,705
(Gain) loss on sale of investments in securities	(0)	38	(0)
Loss on revaluation of investments in securities	—	267	—
Gain on sale of investments in affiliates	(177)	—	(1,563)
Loss on liquidation of investments in trusted real property	—	78	—
Changes in operating assets and liabilities:			
Increase in loans receivable	(17,778)	(5,231)	(157,063)
Decrease in notes and accounts receivable	18,821	33,321	166,277
Increase in marketable securities held by investment partnership subsidiaries	(165)	—	(1,457)
Increase in inventories	(3,269)	(1,216)	(28,880)
Decrease (increase) in other current assets	139	(770)	1,228
Decrease in accounts payable	(1,449)	(1,505)	(12,801)
Decrease in deferred income on installment sales	(2,035)	(6,571)	(17,978)
Decrease in other current liabilities	(2,969)	(1,754)	(26,230)
Bonuses paid to directors	(36)	(35)	(318)
Other, net	879	1,602	7,765
Subtotal	69,057	94,479	610,098
Non-operating interest and dividends received	355	303	3,136
Non-operating interest paid	(4)	(8)	(35)
Income taxes paid	(27,859)	(26,545)	(246,125)
Net cash provided by operating activities	41,548	68,229	367,064

(Continued)

Six-month periods ended September 30	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Investing activities			
Decrease in time deposits and marketable securities	¥ 35	¥ 52	\$ 309
Proceeds from sale of property and equipment	791	5	6,988
Purchases of property and equipment	(1,793)	(3,987)	(15,840)
Proceeds from maturity or sale of investments in securities	426	92	3,763
Purchase of investments in securities	(45,630)	(1)	(403,127)
Proceeds from sale of shares of an affiliate	519	76	4,585
Decrease (increase) in other investments	1,972	(288)	17,422
Net cash used in investing activities	(43,678)	(4,050)	(385,882)
Financing activities			
Proceeds from long-term debt	74,327	18,680	656,656
Payments of principal of long-term debt	(156,912)	(170,957)	(1,386,270)
Increase (decrease) in short-term loans	48,429	(11,906)	427,855
Proceeds from issuance of new shares of common stock of the Company	—	92,625	—
Net (acquisition of) proceeds from sale of treasury stock of the Company	(8,423)	4,416	(74,414)
Cash dividends paid by the Company	(8,705)	(5,741)	(76,906)
Cash dividends paid by a subsidiary to minority shareholders	—	(27)	—
Other, net	(91)	(56)	(803)
Net cash used in financing activities	(51,375)	(72,965)	(453,882)
Effect of exchange rate changes on cash and cash equivalents	246	44	2,173
Net decrease in cash and cash equivalents	(53,258)	(8,742)	(470,518)
Cash and cash equivalents at beginning of the period	145,920	158,873	1,289,159
Cash and cash equivalents at end of the period	¥ 92,661	¥ 150,131	\$ 818,632

Interim Non-Consolidated Balance Sheets

(Unaudited)

ACOM CO., LTD.

September 30	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Assets			
Current assets:			
Cash and cash equivalents	¥ 75,604	¥ 139,922	\$ 667,938
Marketable securities	86	516	759
Loans receivable	1,606,799	1,614,243	14,195,591
Accounts receivable	105,374	137,633	930,947
Merchandise	5,721	5,861	50,543
Prepaid expenses	2,951	4,409	26,071
Accrued income	12,154	12,050	107,376
Short-term loans to a subsidiary	—	1,010	—
Deferred tax assets	27,261	35,645	240,842
Other current assets	8,516	6,376	75,236
Allowance for bad debts	(114,240)	(121,160)	(1,009,276)
Total current assets	1,730,230	1,836,509	15,286,067
Property and equipment:			
Land	6,550	7,984	57,867
Buildings and structures	40,331	40,223	356,312
Equipment	34,035	36,084	300,689
	80,918	84,293	714,886
Accumulated depreciation	(44,322)	(44,962)	(391,571)
Property and equipment, net	36,595	39,330	323,305
Investments and other assets:			
Investments in securities	94,547	26,629	835,294
Investments in and advances to subsidiaries and affiliates	64,606	53,439	570,774
Telephone rights and other intangible assets	1,139	1,147	10,062
Rental deposits	10,518	10,437	92,923
Prepaid pension expenses	285	550	2,517
Deferred tax assets	—	2,102	—
Other	10,759	11,519	95,052
Allowance for bad debts	(2,760)	(2,540)	(24,383)
Total investments and other assets	179,096	103,287	1,582,259
Total assets	¥ 1,945,922	¥ 1,979,128	\$ 17,191,642

September 30	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	¥ 67,000	¥ 2,500	\$ 591,925
Current portion of long-term debt	315,862	308,071	2,790,546
Accounts payable	1,151	1,260	10,168
Accrued income taxes	20,958	20,899	185,157
Accrued expenses	11,421	10,092	100,901
Deferred income on installment sales	7,007	12,503	61,904
Allowance for loss on debt guarantees	2,990	2,540	26,415
Other current liabilities	1,414	1,139	12,492
Total current liabilities	427,805	359,007	3,779,529
Long-term liabilities:			
Long-term debt	604,435	785,975	5,340,003
Allowance for directors' and corporate auditors' retirement benefits	705	688	6,228
Deferred tax liabilities	7,509	—	66,339
Other long-term liabilities	2,737	3,246	24,180
Total long-term liabilities	615,387	789,909	5,436,761
Commitments and contingent liabilities			
Shareholders' equity:			
Common stock:			
Authorized: 532,197,400 shares at September 30, 2005 and 2004			
Issued: 159,628,280 shares at September 30, 2005 and 2004	63,832	63,832	563,936
Capital surplus	76,121	76,458	672,506
Legal reserve	4,320	4,320	38,165
Retained earnings	759,120	691,343	6,706,599
Net unrealized gains on other securities	18,210	5,057	160,879
Less: Treasury stock, at cost:			
2,486,241 shares and 1,332,693 shares			
at September 30, 2005 and 2004, respectively	(18,877)	(10,801)	(166,772)
Total shareholders' equity	902,728	830,210	7,975,333
Total liabilities and shareholders' equity	¥ 1,945,922	¥ 1,979,128	\$ 17,191,642

Interim Non-Consolidated Statements of Income (Unaudited)

ACOM CO., LTD.

Six-month periods ended September 30	Millions of Yen		Thousands of U.S. Dollars
	2005	2004	2005
Operating income:			
Interest on loans receivable	¥ 185,502	¥ 186,804	\$ 1,638,855
Fees from credit card business	3,109	3,019	27,467
Fees from installment sales financing	3,132	5,221	27,670
Fees from credit guarantees	4,113	3,168	36,337
Other financial income	14	26	123
Sales	—	18	—
Other operating income	4,440	3,948	39,226
Total operating income	200,312	202,207	1,769,696
Operating expenses:			
Financial expenses	9,296	11,364	82,127
Cost of sales	—	17	—
General and administrative expenses	68,126	65,611	601,872
Provision for bad debts	45,061	47,329	398,100
Provision for loss on debt guarantees	1,687	1,779	14,904
Total operating expenses	124,171	126,102	1,097,013
Operating profit	76,140	76,104	672,674
Other income (expenses):			
Other interest and dividend income	560	682	4,947
Net loss on sale or disposal of fixed assets	(506)	(512)	(4,470)
Gain on sale of investments in affiliates	286	—	2,526
Loss (gain) on sale of investments in securities	—	(38)	—
Loss on revaluation of investments in securities	—	(267)	—
Impairment loss	—	(167)	—
Other, net	288	(137)	2,544
Total other income (expenses), net	628	(441)	5,548
Income before income taxes	76,768	75,663	678,222
Income taxes:			
Current	20,380	20,400	180,051
Deferred	10,631	10,148	93,921
Total income taxes	31,011	30,548	273,972
Net income	¥ 45,757	¥ 45,115	\$ 404,249
Amounts per share:			
Net income:			
Basic	¥ 290.52	¥ 286.54	\$ 2.56
Diluted	290.37	286.41	2.56
Cash dividends	70.00	45.00	0.61

Interim Non-Consolidated Statements of Shareholders' Equity (Unaudited)

ACOM CO., LTD.

	Thousands	Millions of Yen					
	Number of shares of common stock	Common stock	Capital surplus	Legal reserve	Retained earnings	Net unrealized gains on other securities	Treasury stock
Balance at March 31, 2004	145,628	¥ 17,282	¥ 25,772	¥ 4,320	¥ 652,006	¥ 5,799	¥ (11,099)
Net income	—	—	—	—	45,115	—	—
Cash dividends	—	—	—	—	(5,742)	—	—
Bonuses to directors	—	—	—	—	(35)	—	—
Net unrealized losses							
on other securities	—	—	—	—	—	(741)	—
Issuance of new shares							
of common stock	14,000	46,550	46,550	—	—	—	—
Acquisition of treasury stock	—	—	—	—	—	—	(6,999)
Sale of treasury stock	—	—	4,135	—	—	—	7,297
Balance at September 30, 2004	159,628	¥ 63,832	¥ 76,458	¥ 4,320	¥ 691,343	¥ 5,057	¥ (10,801)
Balance at March 31, 2005	159,628	¥ 63,832	¥ 76,458	¥ 4,320	¥ 722,106	¥ 6,384	¥ (10,801)
Net income	—	—	—	—	45,757	—	—
Cash dividends	—	—	—	—	(8,706)	—	—
Bonuses to directors	—	—	—	—	(36)	—	—
Net unrealized gains							
on other securities	—	—	—	—	—	11,825	—
Acquisition of treasury stock	—	—	—	—	—	—	(9,196)
Sale of treasury stock	—	—	(336)	—	—	—	1,120
Balance at September 30, 2005	159,628	¥ 63,832	¥ 76,121	¥ 4,320	¥ 759,120	¥ 18,210	¥ (18,877)

	Thousands of U.S. Dollars					
	Common stock	Capital surplus	Legal reserve	Retained earnings	Net unrealized gains on other securities	Treasury stock
Balance at March 31, 2005	\$ 563,936	\$ 675,483	\$ 38,165	\$ 6,379,591	\$ 56,400	\$ (95,423)
Net income	—	—	—	404,249	—	—
Cash dividends	—	—	—	(76,914)	—	—
Bonuses to directors	—	—	—	(318)	—	—
Net unrealized gains on other securities	—	—	—	—	104,470	—
Acquisition of treasury stock	—	—	—	—	—	(81,243)
Sale of treasury stock	—	(2,968)	—	—	—	9,894
Balance at September 30, 2005	\$ 563,936	\$ 672,506	\$ 38,165	\$ 6,706,599	\$ 160,879	\$ (166,772)

The ACOM Group (As of September 30, 2005)

Consolidated Subsidiaries

DC Cash One Ltd. Nihonbashi Plaza Bldg. 3-4 Nihonbashi 2-chome Chuo-ku, Tokyo, Japan Telephone: (03) 5299-6600	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Unsecured loan business August 2001 ¥14,341 million 54.73% ¥5,388 million
JCK CREDIT CO., LTD. Nishi-Shinjuku Kimuraya Bldg. 5-25, Nishi-Shinjuku 7-chome Shinjuku-ku, Tokyo, Japan Telephone: (03) 5338-1321	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Installment sales finance and loan business October 1984 ¥500 million 100.00% ¥1,372 million
IR Loan Servicing, Inc. Trusty Koujimachi Bldg. 4 Koujimachi 3-chome, Chiyoda-ku, Tokyo, Japan Telephone: (03) 5215-6511	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Loan servicing business June 2000 ¥500 million 80.00% ¥5,371 million
RELATES CO., LTD. Tokyo Dia Building No.3 28-25, Shinkawa 1-chome Chuo-ku, Tokyo, Japan Telephone: (03) 3523-6641	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Entrusted call center functions business from banks January 2005 ¥300 million 100.00% ¥416 million
AC Ventures Co., Ltd. 1-1, Marunouchi 2-chome Chiyoda-ku, Tokyo, Japan Telephone: (03) 3834-2121 (Ueno office)	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Development, investment, promotion and support of venture companies March 2005 ¥100 million 100.00% ¥131 million
ACOM RENTAL CO., LTD. ACOM Shinbashi Bldg. 11-1, Shinbashi 3-chome, Minato-ku, Tokyo, Japan Telephone: (03) 5401-0044	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Comprehensive rental business October 1999 ¥300 million 100.00% ¥2,133 million
JLA INCORPORATED Osaka Ekimae Dai 4 Bldg. 11-4, Umeda 1-chome, Kita-ku, Osaka, Japan Telephone: (06) 6347-1281	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Advertising agency, interior design and construction of service outlets May 1972 ¥45 million 100.00% ¥10,863 million
AJAST Ltd. ACOM Fujimi Bldg. 15-11, Fujimi 2-chome, Chiyoda-ku, Tokyo, Japan Telephone: (03) 3221-9408	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Insurance agency business February 1992 ¥4 million 25.00%, (75.00%) *1 ¥47 million
ACOM ESTATE CO., LTD. Iidabashi Bldg. 10-10, Iidabashi 2-chome, Chiyoda-ku, Tokyo, Japan Telephone: (03) 3221-6950	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Real estate management business March 1996 ¥7,540 million 100.00% ¥660 million
ABS CO., LTD. Wizem Bldg, 3-3, Ueno 3-chome Taito-ku, Tokyo, Japan Telephone: (03) 3834-9215	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Maintenance of buildings and other properties October 1997 ¥30 million 0.00% (100.00%) *1 ¥749 million

AB PARTNER CO., LTD. ACOM Fujimi Bldg. 15-11, Fujimi 2-chome, Chiyoda-ku, Tokyo, Japan Telephone: (03) 3234-9301	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Entrusted back-office (clerical work) services November 2000 ¥300 million 100.00% ¥1,615 million
EASY BUY Public Company Limited *2 952 Ramaland Building, 11th,13th Floor, Rama IV Road, Kwaeng Suriyawongse, Khet Bangrak, Bangkok, Thailand	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Hire purchase and unsecured loan business in Thailand September 1996 THB 200 million 49.00% *3 ¥8,230 million *6
ACOM FUNDING CO., LTD. c/o M&C Corporate Services Limited PO BOX 309GT, Uglan House, South Church Street, Grand Cayman, Cayman Islands, British West Indies	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Financial services for ACOM (Special Purpose Company) July 2002 US\$1,000 100.00% ¥2 million *6
ACOM PACIFIC, INC. 1008 Pacific New Building, 238 Archbishop F.C. Flores Street, Hagatna, Guam	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	— *5 July 1993 US\$10 thousand 100.00% ¥1 million *6
ACOM (U.S.A.) INC. 229 South State Street, Dover, Kent County DE, U.S.A.	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	— *4 December 1986 US\$17 million 100.00% — *6
ACOM INTERNATIONAL, INC. 229 South State Street, Dover, Kent County DE, U.S.A.	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	— *4 December 1986 US\$17 million 100.00% — *6
<i>Equity-Method Affiliate</i>		
DC Card Co., Ltd. Shibuya Mitsubishi Bldg. 3-2, Dougenzaka 1-chome Shibuya-ku, Tokyo, Japan Telephone: (03) 3464-6611	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company: FY05 Interim Operating Income:	Credit card, loan, loan guarantee, and contraction for automated fund transfer, etc. December 1967 ¥7,600 million 20.33% —

*Notes: 1. Figures in parentheses indicate indirect ownership by ACOM CO., LTD.

2. SIAM A&C CO., LTD. changed its corporate name to EASY BUY Public Company Limited on April 1, 2005.

3. The Company treats any entity deemed as being substantially controlled by the Company as a consolidated subsidiary, even if it is less-than-majority owned.

4. ACOM (U.S.A.) INC. and ACOM INTERNATIONAL, INC. suspended their operations. Therefore, summaries of their businesses are omitted, and their future business structures are under consideration.

5. ACOM PACIFIC, INC. operated and maintained ACOM's health resorts in Guam (U.S.A.). However, it sold the health resorts on September 7, 2005, and completed its objective, therefore, the business outline is omitted in the table above.

6. For the six months ended June 2005.

Board of Directors (As of October 1, 2005)

Directors

Chairman

Kyosuke Kinoshita

Deputy Chairman

Yuji Ohashi

President

Shigeyoshi Kinoshita

Senior Managing Directors

Masayoshi Tatsuta

Shigeo Mikami

Managing Directors

Kazuhiro Shimada

Shigeru Akaki

Junya Fukuda

Osamu Moriya

Satoru Tomimatsu

Director

Tatsunori Imagawa (Outside)

Statutory Auditors

Koichi Shimizu (Independent)

Tatsuaki Murata

Satoshi Ito (Independent)

Norikatsu Takahashi (Independent)

Executive Officers

President & Chief Executive Officer

Shigeyoshi Kinoshita

Senior Executive Managing Officers

Masayoshi Tatsuta

General Affairs Department

Credit Supervision Department No. 1

Credit Supervision Department No. 2

Shigeo Mikami

Treasury Department

Public Relations Department

Executive Managing Officers

Kazuhiro Shimada

Corporate Planning Department

Corporate Management Department

Affiliated Enterprises & Business Development Department

Overseas Business Development Department

Retail Strategy Planning Office

Guarantee Business Department

Shigeru Akaki

Human Resources Department

Customer Relations Department

Business Ethics Office

Employment Counseling Office

Junya Fukuda

Operation Risk Management Department

System Development & Administration Department

Osamu Moriya

Internal Audit Department

Legal Department

Satoru Tomimatsu

Advertising Department

Business Planning Department

Business Promotion Department

Business Promotion Department No. 1

Business Promotion Department No. 2

Business Promotion Department No. 3

Business Promotion Department No. 4

Credit Card/Installment Business Department

Executive Officers

Kouichi Izumimoto

Zenichi Hioki

Syozo Tanaka

Kiyoshi Tachiki

Kenji Ando

Shigeru Sato

Masahiko Shinshita

Tsukasa Ashizuka

Etsuro Tabuchi

Kazuo Fukumoto

Corporate Information (As of September 30, 2005)

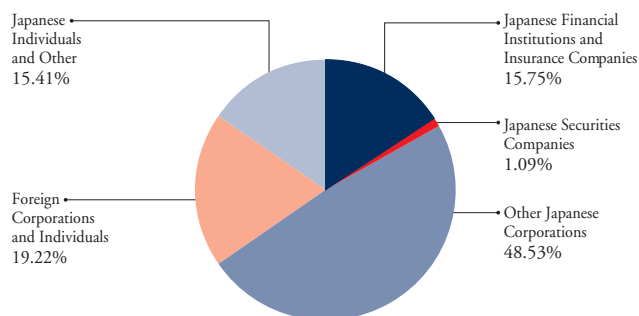
Company Name ACOM CO., LTD.
Incorporated October 23, 1978
Established April 2, 1936
Paid-in Capital ¥63,832 million
Business Outline Loan, Credit Card, Installment Sales
 Finance, and Guarantee

Number of Employees 4,067
Head Office 1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8307, Japan
Independent Auditors SHIN NIHON & CO.
 (Member firm of ERNST & YOUNG INTERNATIONAL)

Principal Shareholders

Name	Number of shares held	% of total shares in issue
Maruito Shokusan Co., Ltd.	27,346,755	17.13
Mitsubishi Tokyo Financial Group, Inc.	20,732,340	12.99
Maruito Co., Ltd.	12,553,343	7.86
Kinoshita Memorial Foundation	9,219,232	5.78
Master Trust Bank of Japan, Ltd. (Trust Accounts)	4,483,030	2.81
Japan Trustee Services Bank, Ltd. (Trust Accounts)	4,231,780	2.65
Maruito Shoten Co., Ltd.	3,873,320	2.43
State Street Bank and Trust Company 505103	3,362,101	2.11
Kyosuke Kinoshita	3,240,321	2.03
Katsuhiro Kinoshita	3,230,368	2.02

Breakdown of Shareholders



Other Information

Transfer Agent
 Mitsubishi UFJ Trust and Banking Corporation

Stock Listing
 First Section of Tokyo Stock Exchange

Number of Stock Issued
 159,628,280

Number of Shareholders
 6,397

American Depositary Receipts
 Ratio (ADR:ODR): 4:1
 Exchange: OTC (Over-the-Counter)
 Symbol: ACMUY
 CUSIP: 004845202
 Depository: The Bank of New York
 101 Barclay Street, 22W, NEW YORK, NY 10286, U.S.A.
 Telephone: (212) 815-2042
 U.S. toll free: 888-269-2377 (888-BNY-ADRS)
 URL: <http://www.adrbny.com>

For further information, please contact;

Investor Relations Office

Meiji Yasuda Seimei Bldg. (8th Floor), 1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8307, Japan
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