

# ***Interim Report 2008***

*Six months ended September 30, 2007*

**ACOM CO., LTD.**

# 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 people to people.”  
Since then, we have always sought to develop our business  
by establishing an unshakable mutual trust between us and our customers.

ACOM is an acronym created from  
the following three words:

## acom

### Affection

We constantly attempt to have  
heart-warming relations  
with our customers that are based on  
their interests.

### Moderation

We are hard-working and humble  
as we carry out our business of  
helping our customers achieve satisfying lives.

### Confidence

We strive to establish an unshakable  
mutual trust between us and our customers.

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## Notes:

### 1. Forward-Looking Statements

The figures contained in this interim 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 which are based on management's assumptions and belief in light of the information currently available to it and involve risks and uncertainties and actual results may differ from those in the forward-looking statements as a result of various facts. 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 fluctuations in number of cases of claims from and the amount paid to customers who claim us to reimburse the portion of interest in excess of the interest ceiling as specified in the Interest Rate Restriction Law, the level of interest rates paid on the 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, 2007)

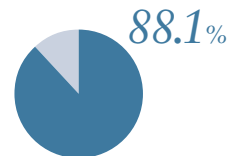
## Loan Business

The loan business, centering on unsecured loans for consumers, is the ACOM Group's core business, accounting for 88.1% of consolidated operating income in the interim period ended September 30, 2007. ACOM has acquired advanced credit screening expertise based on data from more than 8.5 million customers it has served in the past. We are utilizing this expertise to provide services through various channels, including our automatic contract machines, the internet, and mobile phones.

Moving quickly to address new laws governing the maximum interest rate on loans, ACOM is working hard to meet the expectations of new customers and attract a segment of low-risk borrowers.

Meanwhile, two subsidiaries in this business continue to steadily expand their businesses: DC Cash One Ltd. amid difficult circumstances and EASY BUY Public Company Limited (hereinafter EASY BUY), our subsidiary in Thailand, which reported a double-digit rise in the balance of loans receivable.

According to the 2007 edition of Consumer Credit Statistics of Japan (published by the Japan Consumer Credit Industry Association), the domestic consumer loan market is currently approximately ¥10 trillion in terms of loans receivable outstanding. With a share of around 16%, ACOM is one of the leading players in this market.



## Diversified Financial Services

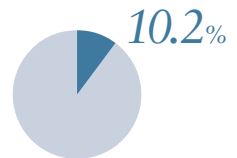
### Guarantee Business

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 expertise related to unsecured consumer loans, from product planning to loan collection we are able to provide guarantee arrangements tailored to the needs of alliance partners. As of September 30, 2007, the ACOM Group had tie-ups with 14 banks. Its balance of guaranteed loans receivable has continued to increase, reaching ¥113.3 billion at interim period-end.

### 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. Given the constraints of the Interest Rate Restriction Law, however, it has become difficult to generate ample profits from the issue of alliance cards. For this reason, we will place greater emphasis on promoting ACOM MasterCard® to our loan customers. As of September 30, 2007, there were 1,015 thousand holders of cards issued by the ACOM Group.



### Installment Sales Finance Business

In this segment, the ACOM Group specializes in installment sales finance services to facilitate the purchase of items through agreements we have 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 Consumer Credit Statistics of Japan, the market for this service in Japan is estimated to be around ¥10 trillion, and the ACOM Group's share is just under 1%. In Asia, where there is significant growth potential, we are expanding our hire purchase (installment sales finance) business through EASY BUY, our subsidiary in Thailand.

On April 1, 2007, our domestic installment sales finance business was reorganized into a new company, AFRESH CREDIT CO., LTD., which combines the entire ACOM Group's business foundation and expertise related to installment sales finance. In this way, we are working to build a new base for our installment sales finance business.

### Loan Servicing Business

ACOM entered the loan servicing business by taking an equity stake in IR Loan Servicing, Inc. In addition to the purchase of loans and debt collection services, IR Loan Servicing is developing a comprehensive loan servicing business, including loan-servicing-related clerical work outsourcing services, temporary staffing services, and corporate revitalization services. We are now cementing a presence as a mainstay player in the industry. According to the Ministry of Justice, the balance of receivables in this market at the end of December 2006 was ¥193 trillion.

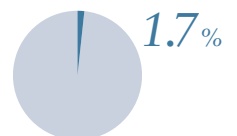
## Other Businesses

### Rental Business

The ACOM Group operates a business in the renting out of goods used in daily life and leisure equipment, and also provides support for event planning.

### Other Businesses

Other activities of the ACOM Group include life and non-life insurance agency services and real-estate-related activities.



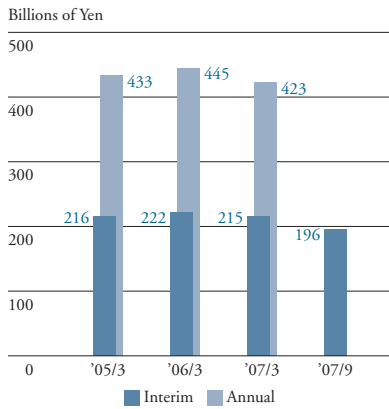
# Financial Highlights

ACOM CO., LTD. and Subsidiaries

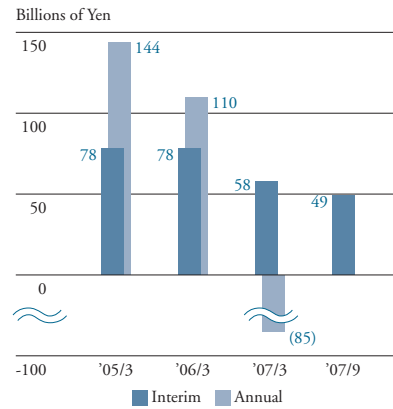
	Millions of Yen				
	2005/3	2006/3	2006/9	2007/3	2007/9
<b>Profit and Loss Related:</b>					
Operating Income	¥ 433,965	¥ 445,431	¥ 215,880	¥ 423,652	¥ 196,654
Operating Expenses	289,604	335,039	157,668	508,755	147,255
Bad-debt-related Expenses <sup>*1</sup>	108,453	117,125	56,551	137,595	66,493
Interest-repayment-related Expenses <sup>*2</sup>	—	37,228	13,155	200,147	0
Other Operating Expenses	181,151	180,685	87,962	171,013	80,762
Operating Profit (Loss)	144,361	110,392	58,211	(85,102)	49,398
Net Income (Loss)	81,533	65,595	(282,140)	(437,972)	24,845
<b>Cash Flow Related:</b>					
Net Cash Provided by Operating Activities	141,014	100,226	51,812	99,944	67,068
Net Cash Provided by (Used in) Investing Activities	(17,350)	(44,973)	353	308	10,174
Net Cash Used in Financing Activities	(136,508)	(104,389)	(54,330)	(53,464)	(69,410)
Free Cash Flow	123,664	55,253	52,165	100,252	77,242
<b>Balance Sheet Related:</b>					
Total Assets	2,077,334	2,106,681	2,065,535	2,031,829	1,919,254
Receivables Outstanding <sup>*3</sup>	1,856,962	1,834,628	1,806,460	1,734,139	1,655,356
Total Amount of Bad Debts	83,961	114,371	137,112	149,453	142,826
Allowance for Bad Debts	130,532	131,620	106,042	128,798	132,026
Allowance for Loss on Interest Repayments	—	—	357,500	490,000	424,033
Net Assets <sup>*4</sup>	863,760	927,722	614,660	450,073	463,728
Yen					
<b>Per Share:</b>					
Net Income (Loss), Basic	¥ 516.23	¥ 416.69	¥ (1,794.86)	¥ (2,786.19)	¥ 158.05
Net Assets <sup>*4</sup>	5,456.39	5,901.69	3,910.19	2,863.16	2,950.03
Cash Dividends	100 <sup>*8</sup>	140 <sup>*8</sup>	70	100 <sup>*8</sup>	50
%					
<b>Financial Ratios:</b>					
<b>Profitability</b>					
Operating Profit Margin	33.3	24.8	—	(20.1)	—
ROE <sup>*5</sup>	10.4	7.3	—	(63.6)	—
<b>Efficiency</b>					
ROA1 (Net Income to Total Assets) <sup>*5</sup>	3.9	3.1	—	(21.2)	—
ROA2 (Net Income to Receivables Outstanding) <sup>*5</sup>	4.4	3.6	—	(24.5)	—
<b>Stability (Non-consolidated)</b>					
Ratio of Shareholders' Equity	41.6	44.0	—	22.2	—
Bad Debt Ratio (Gross Basis)[Non-consolidated] <sup>*6</sup>	5.1	6.9	—	9.4	—
Bad Debt Coverage Ratio[Non-consolidated] <sup>*7</sup>	150.7	112.0	—	85.6	—

- Notes: 1. The amount of bad-debt-related expenses is the sum of bad debt write-offs, increase or decrease in allowance for bad debts, and increase or decrease in allowance for loss on debt guarantees.
2. Interest-repayment-related expenses indicates the sum of interest repayments and bad debt write-offs carried by ACOM's voluntary waiver of repayments, and increase or decrease in allowance for loss on interest repayments.
3. Receivables outstanding indicates the sum of receivables outstanding of the loan business, credit card business, and installment sales finance business.
4. Net assets excludes minority interests in consolidated subsidiaries.
5. ROE and ROA are calculated using the simple average of beginning and end of term balance sheet figures.
6. Bad debt ratio (Gross basis) = Total amount of bad debts / Receivables outstanding plus Loans to borrowers in bankruptcy or under reorganization
7. Bad debt coverage ratio = Allowance for bad debts / Total amount of bad debts
8. Annual cash dividends per share

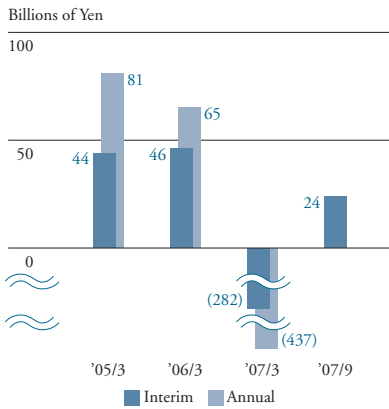
### Operating Income



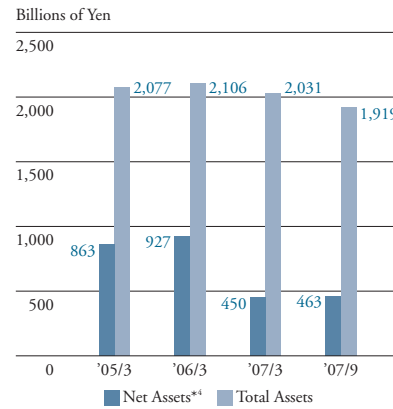
### Operating Profit



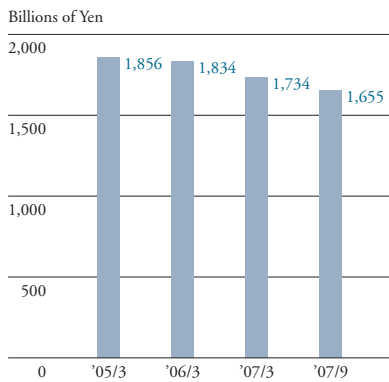
### Net Income (Loss)



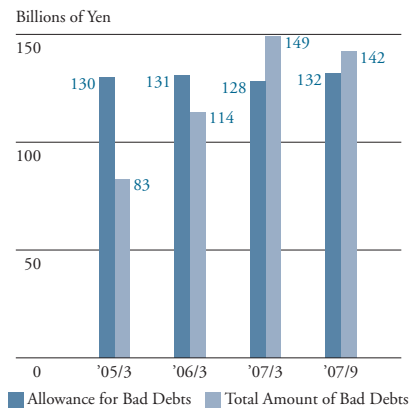
### Net Assets and Total Assets



### Receivables Outstanding



### Allowance for Bad Debts and Total Amount of Bad Debts



# Message from the Management



Shigeyoshi Kinoshita President & CEO

## Interim Period in Review

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Since the beginning of fiscal 2007, business conditions surrounding the ACOM Group have grown increasingly difficult for a number of reasons. These include heightened requests among borrowers for interest repayments, a reduction in the maximum interest rate on loans, and the incremental enactment of the Money-Lending Business Law, which incorporates regulations governing overall lending volumes. Other factors include stepped-up corporate reorganization within the consumer credit industry and intensified competition from other segments of the financial services market.

Facing these challenges, the ACOM Group posted consolidated operating income of ¥196.6 billion, down ¥19.2 billion, or 8.9%, from the previous corresponding period. The primary reason was a decrease in interest on loans receivable from the parent company's core loan business, due to declines in the loans receivable and loan yields. Meanwhile, operating expenses fell ¥10.4 billion, or 6.6%, to ¥147.2 billion, as the parent company made no further provisions for loss on interest repay-

ments and reduced general and administrative expenses. Because the magnitude of the decline in operating expenses was less than that of operating income, operating profit fell ¥8.8 billion, or 15.1%, to ¥49.3 billion. Interim net income amounted to ¥24.8 billion, due to a ¥16.7 billion loss on revaluation and liquidation of investments in securities and ¥9.0 billion for prior income taxes.

On a non-consolidated basis, operating income declined 12.8%, to ¥166.5 billion, for the same reasons that affected consolidated operating income. Compared with its initial forecasts, in this regard, interest on loans receivable was up ¥4.9 billion, while bad-debt-related expenses were down ¥8.5 billion, and other operating expenses were down ¥3.1 billion. Accordingly, non-consolidated operating profit totaled ¥47.2 billion, or ¥18.1 billion higher than the initial forecast. However, interim net income, totaling ¥25.8 billion, was ¥3.3 billion lower than the initial forecast, due to a loss on revaluation and liquidation of investments in securities and prior income taxes.

## Write-Offs of Allowance for Loss on Interest Repayments

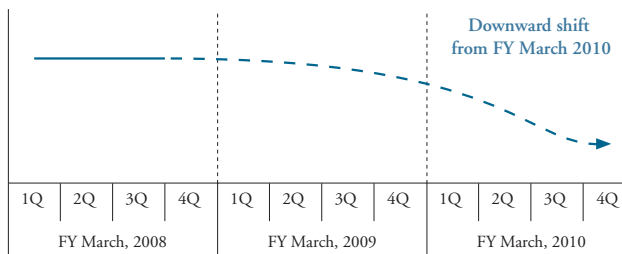
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In the previous fiscal year, the Group made a ¥490 billion allowance for loss on interest repayments. At that time, we predicted that interest repayments would be at a high level until the fiscal year ending March 2009, then loans subject to interest repayment claims would decline from the following year. Another factor in the projected downturn is a reorganization

of our loan portfolio. In addition, a write-off of the allowance for loss on interest repayments in the current fiscal year was also taken into consideration when the allowance was established. Moreover, the Group's independent auditor has judged that the allowance for loss on interest repayments at the end of the interim period under review was at an appropriate level.

At the beginning of the current fiscal year, the Group projected that interest repayments and bad debt write-offs with interest repayment claims would together total ¥137.5 billion for the year. At the end of the first quarter, the amount had reached around 25% of our projection, growing to 48% at the end of the interim period under review—almost exactly reflecting our forecast. In the second half of the period, as well, we believe that interest repayments will remain at current levels, and thus will be kept within our initial projections. Therefore, we have no plans to increase the allowance in the current fiscal year.

### *Estimate on the number of requests for interest repayments*



## Progress of Group Management Reformation

The ACOM Group has moved quickly to meet the provisions of the revised Money-Lending Business Law. The parent company has already reorganized its unsecured loan products, all of which now fall below the maximum permitted interest rate under the Interest Rate Restriction Law. We are seeking to build a low-cost business model that can generate consolidated operating profit of ¥50 billion or more per year, even if the average yield on unsecured loans falls to the 16-17% range. To this end, we are making Groupwide efforts to cut “other operating expenses” (operating expenses apart from financial expenses, bad-debt-related expenses and interest-repayment-related expenses). Specifically, we are targeting a ¥40 billion or more reduction in general and administrative expenses compared with the fiscal year ended March 2006, centering on cuts in personnel, advertising, and

computer-related expenses.

In the fiscal year ending March 2007, we achieved a ¥14.5 billion reduction in such expenses, and we plan to cut a further ¥17.9 billion in the current fiscal year, for a combined total of ¥32.4 billion.

By the year ending March 2011, we are confident of making further cost reductions of at least ¥11.0 billion (compared with the year ended March 2006) through the introduction of new core systems and additional efficiency improvements.

In the year ending March 2011, therefore, we are targeting ¥87 billion in other operating expenses, down ¥40 billion from the year ended March 2006. At this stage, our program to reduce operating costs is progressing at a faster pace than initially envisaged.

## Progress in Growth Strategies

### *Rebuilding Our Loan Business Model*

We are continuing to rebuild our loan business model to meet the requirements of the revised Money-Lending Business Law. For example, we are promoting new financial products that conform to the Interest Rate Restriction Law, which came into effect on June 18, 2007. In addition to targeting new customers, we are actively encouraging high-quality existing customers, identified through data analysis, to switch to our new products. In the interim period under review, we provided low-interest loan products to around 200,000 new and existing customers, generating about ¥110 billion in loan receivables in the new interest rate range. As a result, the balance of loans yielding between 15% and 18% accounted for 20.1% of total loans receivable at interim term-end. Nevertheless, we have revised our fiscal year-end target to 40.3%, down from our initial goal of 46.6%. This is due to

time lags between making proposals and actually changing contracts, which has caused some delays in switchovers to new products compared with our initial projection.

In April 2007, we adopted more stringent lending criteria in advance of launching our new low-interest loan products. Given interest rate regulations under the Interest Rate Restriction Law, we can no longer accept risky loan applications, and for this reason the lending ratio has fallen sharply, to the 30% range at one stage. However, this recovered to around 40% in August and September. Contributing to this turnaround is our credit screening system for consumer loans, which represents one of ACOM’s key strengths. Other factors include our meticulous risk evaluation procedures, which have enabled us to identify new customers from segments that at first glance appeared too risky. In addition, we have enjoyed an increase in new loan applications from high-quality customers.

### *Expanding Our Business Alliance with MUFG*

One of our future growth strategies is to attract high-quality customers by swiftly fostering ACOM's image as a company that offers relief, confidence, and low prices in its loan business. At the same time, we are reinforcing our alliance with the Mitsubishi UFJ Financial Group, Inc. (MUFG); using our strengths to expand other businesses, such as the loan guarantee business; and tapping overseas markets.

To cite a recent example, we have begun providing guarantees for BANQUIC, a new card loan product launched by the Bank of Tokyo-

Mitsubishi UFJ, Ltd. (BTMU) on November 5, 2007. In addition, we are preparing to enter the business of credit guarantees for small business loans. Overseas, we are focusing on rapidly growing Asian markets, such as Thailand, where we are expanding our business. Together with BTMU, meanwhile, we have agreed to acquire shares in PT. BANK NUSANTARA PARAHYANGAN Tbk, a bank in Indonesia. We hope to commence operations under the new arrangement in January 2008 after receiving approvals from the financial authorities.

We look forward to stepping up the strategic alliance between MUFG and the ACOM Group in the future.

## Full-Year Outlook; Shareholder Return

Given our performance in the interim period under review and the progress of operational reforms being undertaken, we have made the following forecasts for the year ending March 2008. On a consolidated basis, we project operating income of ¥373.5 billion (down ¥50.1 billion, or 11.8%), operating profit of ¥66.8 billion, and net income of ¥39.1 billion. On a non-consolidated basis, we forecast operating income of ¥309.1 billion (down ¥61.6 billion, or 16.6%), operating profit of ¥63.7 billion, and net income of ¥40.1 billion.

With respect to appropriation of earnings, our policy is to actively and continuously return profits to shareholders through dividends, while taking into consideration recent economic and financial conditions and our business performance. At the same time, we are working to restore the shareholders' equity ratio to our target, which is in the mid-30-percent

range. Based on this policy, we declared an interim dividend of ¥50.00 and plan to declare a year-end dividend of ¥50.00, bringing total annual dividends to ¥100.00 per share.

### *Full-Year Forecasts for FY2007*

	Billions of Yen			
	Consolidated		Non-Consolidated	
	Forecast	YoY Change (%)	Forecast	YoY Change (%)
Operating income . .	¥ 373.5	-11.8	¥ 309.1	-16.6
Operating profit . . .	66.8	—	63.7	—
Net loss . . . . .	39.1	—	40.1	—

## Toward a “New ACOM”

Going forward, the ACOM Group will strive to implement its committed management reformation, while generating solid earnings from its domestic unsecured loan business, its core income source. At the same time, we will nurture our diversified financial services, such as the guarantee business, and pursue new initiatives via our alliance with MUFG. In these ways, we will return the Group to a path of growth and underpin the emergence of a “new ACOM.” In addition, we will take the initiative to

ensure proper legal and ethical compliance and build a reputation as a company that offers relief, confidence, and low prices. Serving as a “Best Partner for Life” for our customers, we will embrace various measures to ensure the sound development of Japan's consumer credit market.

On behalf of the ACOM Group, I look forward to your unwavering support and guidance as we tackle the challenges of the future.



Shigeyoshi Kinoshita  
President & Chief Executive Officer

# Review and Analysis of Consolidated Results

## Overall Performance

In the first half of fiscal 2007—the six months ended September 30, 2007—consolidated operating income amounted to ¥196.6 billion, down ¥19.2 billion, or 8.9%, from the previous corresponding period. There were several reasons for the decline. For a start, the average yield over the period on unsecured consumer loans extended by the parent company fell to 21.54%, down 105 basis points from the previous corresponding period. Other factors included a ¥156.7 billion, or 10.3%,

decline in the balance of receivables outstanding, to ¥1,362.4 billion.

Operating expenses fell 6.6%, to ¥147.2 billion, owing mainly to declines in general and administrative expenses, as well the absence of provision for loss on interest repayments during the period. As a result, operating profit decreased 15.1%, to ¥49.3 billion. The Group also posted a ¥16.7 billion loss on revaluation and liquidation of investments in securities. Accordingly, interim net income amounted to ¥24.8 billion.

## Results by Segment

### *Loan Business*

At September 30, 2007, consolidated receivables outstanding in the ACOM Group's core loan business amounted to ¥1,561.4 billion, down ¥70.8 billion from March 31, 2007. Consequently, interest on loans receivable fell to ¥169.4 billion, down 9.9% from the previous corresponding period. As a result, operating income from the loan business declined 9.5%, to ¥173.2 billion.

On a non-consolidated basis, receivables outstanding in the loan business totaled ¥1,406.9 billion, down 10.5% from a year earlier. Operating income fell 12.5% year-on-year, to ¥157.5 billion. Responding to a reduction in the maximum lending rate, since April 2007 the parent company has drastically modified its criteria for new unsecured consumer loan contracts. As a result, the number of new customer accounts during the interim period fell to 89 thousand down 40.7%.

By contrast, consolidated subsidiary DC Cash One Ltd. (hereinafter DC

Cash One), which already conforms to the interest rate requirements of the Interest Rate Restriction Law, took full advantage of its affiliation with the Mitsubishi UFJ Financial Group, Inc. to post moderate growth. DC Cash One's operating income climbed 6.9%, to ¥6.8 billion, and its receivables outstanding grew 3.7%, to ¥82.9 billion. Due to the negative public image of the consumer finance industry, as well as intensified competition stemming from successive interest rate reductions, however, the number of new customer accounts of DC Cash One fell 33.4%, to 13,932.

On a more positive note, EASY BUY Public Company Limited (hereinafter EASY BUY), a consolidated subsidiary in Thailand, posted dramatic growth in its unsecured loan business, with the balance of receivables outstanding and operating income both up more than 70% year-on-year. This was despite the introduction of legislation in July 2005 reducing the maximum interest rate on loans to 28%, which prompted EASY BUY to place top priority on improving the quality of credit.

### *ACOM Group's Loan Business*

Loan Business	Millions of Yen					
	Operating Income		Receivables Outstanding		Number of Customer Accounts	
	FY2007 (Interim)	YoY Change (%)	FY2007 (Interim)	YoY Change (%)	FY2007 (Interim)	YoY Change (%)
ACOM CO., LTD. ....	¥ 157,545	-12.5	¥ 1,406,946	-10.5	¥ 2,523,758	-10.1
DC Cash One Ltd. ....	6,892	6.9	82,993	3.7	182,721	1.7
EASY BUY Public Company Limited .....	8,836	74.1	65,406	77.5	612,316	31.3
Total .....	173,275	-9.5	1,561,499	-7.7	3,334,656	-3.7

### *Credit Card Business*

In the credit card business, operating income declined 9.4%, to ¥2.8 billion, and the balance of receivables outstanding fell 11.5%, to ¥41.7 billion. Although we will continue promoting ACOM MasterCard®, particularly to our loan customers, we are now taking steps to discontinue cards issued in alliance with other parties, following a review of alliance card contracts, card usage ratio, and other factors.

### *Installment Sales Finance Business*

On April 1, 2007, we merged the installment sales finance business of the parent company with JCK CREDIT CO., LTD., a wholly owned subsidiary, leading to the birth of a new company, called AFRESH CREDIT CO., LTD. Under the new arrangement, we are continuing to step up management of existing affiliated merchants while strengthening credit management and sales promotional activities. Consolidated operating income in this segment declined 19.0%, to ¥4.1 billion, and the balance of installment receivables fell 22.1%, to ¥52.1 billion.

### *Guarantee Business*

In the guarantee business, we place high priority on expanding our business scope and raising profitability. To this end, we are reinforcing our alliance with RELATES CO., LTD., a wholly owned subsidiary, with a view to expanding consulting services for our guarantee alliance partners and attracting new ones. During the interim period, we reorganized the

business execution system of DC Cash One in order to raise efficiency and strengthen its collection capabilities. As a result, the interim term-end balance of guaranteed receivables amounted to ¥113.3 billion, up 14.7% year-on-year. Segment operating income (including commissions from guarantee services) climbed 20.5%, to ¥5.1 billion.

### *Loan Servicing Business*

Conditions in the loan servicing business are becoming more and more difficult, due to such factors as intensified competition, the high price of purchasing receivables, and the increasing number of secured loans, which require a longer collection period. In response, consolidated subsidiary IR Loan Servicing, Inc., which spearheads the Group's activities in this business, implemented organizational reforms in its servicing division, placing strong emphasis on boosting profitability and financial soundness. As a result, total collection of purchased receivables rose 9.0%, to ¥7.5 billion, and the balance of purchased receivables jumped 30.6%, to ¥27.3 billion. Operating income in this segment rose 8.4%, to ¥7.8 billion.

### *Other Businesses*

In the period under review, consolidated operating income from the rental business edged up 0.4%, to ¥2.1 billion, while operating income from other businesses dropped 49.5%, to ¥1.1 billion. On April 1, 2007, we established a new company, called JLA INCORPORATED, through the merger of three subsidiaries engaged mainly in office design and fit-outs, real estate-related activities, and integrated building maintenance.

### *Operating Income by Segment*

	Millions of Yen			
	FY2007 (Interim)	YoY Change (%)	FY2006	FY2006 (Interim)
Loan Business	¥ 173,275	-9.5	¥ 374,590	¥ 191,567
Credit Card Business	2,831	-9.4	6,128	3,125
Installment Sales Finance Business	4,198	-19.0	10,106	5,185
Guarantee Business	5,169	20.5	9,244	4,289
Loan Servicing Business	7,832	8.4	13,827	7,226
Rental Business	2,174	0.4	4,489	2,167
Other Businesses	1,171	-49.5	5,265	2,318

### *Receivables Outstanding by Segment*

	Millions of Yen			
	FY2007 (Interim)	YoY Change (%)	FY2006	FY2006 (Interim)
Loan Business	¥ 1,561,499	-7.7	¥ 1,632,310	¥ 1,692,422
Credit Card Business	41,710	-11.5	44,842	47,111
Installment Sales Finance Business	52,146	-22.1	56,986	66,926
Loan Servicing Business	27,301	30.6	25,788	20,898

### *Operating Expenses*

In the interim period under review, consolidated operating expenses amounted to ¥147.2 billion, down 6.6% from the previous corresponding period. Within this amount, financial expenses rose 4.5%, to ¥10.5 billion, due to a slight increase in the average interest rate on funds procured during the year at the parent company, to 1.93%, compared with 1.84% in the previous corresponding period. The sum of provision for bad debts and provision for loss on debt guarantees increased 17.6%, to ¥66.4 billion. By contrast, general and administrative expenses including

that for personnel, branches and computer-related expenses declined, and there was no special provision for loss on interest repayments, hence the decrease in total operating expenses.

### *Other Income (Expenses)*

Total other expenses, net, amounted to ¥12.9 billion. This was due to a ¥16.7 billion loss on revaluation and liquidation of investments in securities.

## Financial Position

### *Balance Sheets*

At September 30, 2007, consolidated total assets amounted to ¥1,919.2 billion, down ¥112.5 billion from March 31, 2007. Shareholders' equity grew ¥13.6 billion, boosting the shareholders' equity ratio by 2.0 points, to 24.2%. A detailed breakdown of assets, liabilities, and net assets is given below.

Total current assets declined ¥73.5 billion from the end of the previous year. Major factors included a ¥70.8 billion, or 4.3%, decrease in loans receivable and an ¥8.1 billion, or 7.9%, fall in notes and accounts receivable.

Property and equipment, net, edged down ¥1.6 billion, and total investments and other assets fell ¥37.4 billion. The primary factor in the decline of total investments and other assets was a ¥37.4 billion, or 36.0%, drop in the sum of investments in securities and investments in an affiliate.

In the liabilities column, total current liabilities edged down ¥1.1 billion, or 0.3%, while total long-term liabilities declined ¥125.5 billion, or 10.5%. Major factors included a ¥42.8 billion fall in short-term loans and a ¥57.2 billion drop in long-term debt, as well as a ¥65.9 billion decline in the allowance for loss on interest repayments.

Total net assets climbed ¥14.1 billion over the interim period. This was due mainly to an ¥18.7 billion rise in shareholders' equity stemming from an increased earned surplus, as well as a ¥6.2 billion decrease in net unrealized gains on other securities.

### *Cash Flows*

At September 30, 2007, cash and cash equivalents stood at ¥154.4 billion, up ¥8.0 billion from March 31, 2007. Details of cash flows for the period are given below.

Net cash provided by operating activities amounted to ¥67.0 billion, up ¥15.2 billion from the previous corresponding period. Major factors included ¥36.4 billion in income before income taxes, a ¥65.9 billion decrease in allowance for loss on interest repayments, a ¥16.7 billion loss on revaluation and liquidation of investments in securities, a ¥3.4 billion net gain on sale of investments in securities, a ¥77.8 billion decrease in loans receivable, and a ¥10.0 billion decrease in notes and accounts receivable.

Net cash provided by investing activities totaled ¥10.1 billion, up ¥9.8 billion from the previous corresponding period. This was due mainly to ¥8.8 billion in proceeds from maturity or sale of investments in securities.

Net cash used in financing activities was ¥69.4 billion, up ¥15.0 billion. This was mainly due to the fact that debt-related outflows (such as repayment of loans and redemption of bonds) exceeded debt-related inflows (such as proceeds from loans and bond issues) by ¥64.5 billion. Cash dividends paid by the Company, totaling ¥4.7 billion, were another factor.

### *Cash Flows*

	Millions of Yen			
	FY2007 (Interim)	YoY Change	FY2006	FY2006 (Interim)
Net Cash Provided by Operating Activities	¥ 67,068	¥ 15,255	¥ 99,944	¥ 51,812
Net Cash Provided by Investing Activities	10,174	9,821	308	353
Net Cash Used in Financing Activities	(69,410)	(15,079)	(53,464)	(54,330)

# Interim Consolidated Balance Sheets

## (Unaudited)

ACOM CO., LTD. and Subsidiaries

September 30	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents . . . . .	¥ 154,438	¥ 96,646	\$ 1,337,936
Time deposits . . . . .	600	—	5,197
Marketable securities . . . . .	4,468	3,222	38,707
Loans receivable . . . . .	1,561,499	1,692,422	13,527,670
Notes and accounts receivable . . . . .	94,064	114,349	814,900
Purchased receivables . . . . .	27,301	20,898	236,515
Inventories . . . . .	2,715	4,149	23,520
Deferred tax assets . . . . .	61,196	45,579	530,156
Other current assets . . . . .	29,018	24,641	251,390
Allowance for bad debts . . . . .	(130,051)	(103,838)	(1,126,665)
<b>Total current assets</b> . . . . .	<b>1,805,249</b>	<b>1,898,070</b>	<b>15,639,339</b>
<b>Property and equipment:</b>			
Land . . . . .	16,819	16,937	145,707
Buildings and structures . . . . .	41,050	43,767	355,626
Equipment . . . . .	37,211	37,316	322,368
	<b>95,081</b>	<b>98,020</b>	<b>823,711</b>
Accumulated depreciation . . . . .	(47,497)	(47,253)	(411,478)
<b>Property and equipment, net</b> . . . . .	<b>47,584</b>	<b>50,766</b>	<b>412,232</b>
<b>Investments and other assets:</b>			
Investments in securities . . . . .	47,062	83,985	407,710
Investment in an affiliate . . . . .	—	10,218	—
Telephone rights and other intangible assets . . . . .	1,204	1,240	10,430
Rental deposits . . . . .	9,392	10,379	81,365
Prepaid pension expenses . . . . .	2,484	1,257	21,519
Deferred tax assets . . . . .	1,146	1,292	9,928
Other . . . . .	7,105	10,528	61,552
Allowance for bad debts . . . . .	(1,975)	(2,203)	(17,109)
<b>Total investments and other assets</b> . . . . .	<b>66,420</b>	<b>116,698</b>	<b>575,413</b>
<b>Total assets</b> . . . . .	<b>¥ 1,919,254</b>	<b>¥ 2,065,535</b>	<b>\$ 16,626,994</b>

\* The translation of yen amounts into U.S. dollar amounts has been made, solely for convenience, at the rate of ¥115.43=US\$1.00, the exchange rate prevailing on September 28, 2007, from page 10 to 19.

September 30	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
<b>Liabilities and net assets</b>			
<b>Current liabilities:</b>			
Short-term loans . . . . .	¥ 70,896	¥ 106,752	\$ 614,190
Current portion of long-term debt . . . . .	270,725	248,485	2,345,360
Accounts payable . . . . .	1,922	3,233	16,650
Accrued income taxes . . . . .	4,738	23,549	41,046
Deferred income on installment sales . . . . .	6,764	8,987	58,598
Allowance for loss on debt guarantees . . . . .	2,238	1,895	19,388
Other current liabilities . . . . .	16,598	16,750	143,792
<b>Total current liabilities</b> . . . . .	<b>373,884</b>	<b>409,653</b>	<b>3,239,053</b>
<b>Long-term liabilities:</b>			
Long-term debt . . . . .	632,986	658,196	5,483,721
Allowance for employees' retirement benefits . . . . .	154	295	1,334
Allowance for directors' and corporate auditors' retirement benefits . . . . .	730	862	6,324
Deferred tax liabilities . . . . .	12,558	13,397	108,793
Allowance for loss on interest repayments . . . . .	424,033	357,500	3,673,507
Other long-term liabilities . . . . .	3,579	3,659	31,005
<b>Total long-term liabilities</b> . . . . .	<b>1,074,043</b>	<b>1,033,912</b>	<b>9,304,712</b>
<b>Total liabilities</b> . . . . .	<b>1,447,928</b>	<b>1,443,565</b>	<b>12,543,775</b>
<b>Commitments and contingent liabilities</b>			
<b>Net assets:</b>			
<b>Shareholders' equity:</b>			
Paid-in capital of common stock:			
Authorized: 532,197,400 shares at September 30, 2007 and 2006			
Issued: 159,628,280 shares at September 30, 2007 and 2006 . . . . .	63,832	63,832	552,993
Capital surplus . . . . .	76,010	76,010	658,494
Earned surplus . . . . .	334,752	482,842	2,900,043
Treasury stock, at cost			
2,433,775 shares and 2,433,943 shares at September 30, 2007 and 2006, respectively . . .	(18,507)	(18,508)	(160,330)
<b>Total shareholders' equity</b> . . . . .	<b>456,088</b>	<b>604,177</b>	<b>3,951,208</b>
<b>Valuation and translation adjustments:</b>			
Net unrealized gains on other securities . . . . .	7,040	11,993	60,989
Deferred losses on hedges . . . . .	—	(3)	—
Foreign currency translation adjustments . . . . .	599	(1,507)	5,189
<b>Total valuation and translation adjustments</b> . . . . .	<b>7,639</b>	<b>10,482</b>	<b>66,178</b>
<b>Minority interests in consolidated subsidiaries</b> . . . . .	<b>7,597</b>	<b>7,309</b>	<b>65,814</b>
<b>Total net assets</b> . . . . .	<b>471,325</b>	<b>621,969</b>	<b>4,083,210</b>
<b>Total liabilities and net assets</b> . . . . .	<b>¥ 1,919,254</b>	<b>¥ 2,065,535</b>	<b>\$ 16,626,994</b>

# Interim Consolidated Statements of Operations

## (Unaudited)

ACOM CO., LTD. and Subsidiaries

Six-month periods ended September 30	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
<b>Operating income:</b>			
Interest on loans receivable	¥ 169,477	¥ 188,184	\$ 1,468,223
Fees from credit card business	2,661	2,992	23,052
Fees from installment sales financing	3,354	4,496	29,056
Fees from credit guarantees	3,315	2,903	28,718
Collection of purchased receivables	7,599	6,973	65,832
Other financial income	235	30	2,035
Sales	3,853	4,838	33,379
Other operating income	6,157	5,461	53,339
<b>Total operating income</b>	<b>196,654</b>	<b>215,880</b>	<b>1,703,664</b>
<b>Operating expenses:</b>			
Financial expenses	10,588	10,136	91,726
Cost of purchased receivables	4,901	4,287	42,458
Cost of sales	2,377	3,321	20,592
General and administrative expenses	62,894	70,215	544,867
Provision for bad debts	65,001	55,260	563,120
Provision for loss on debt guarantees	1,492	1,290	12,925
Provision for loss on interest repayments	—	13,155	—
<b>Total operating expenses</b>	<b>147,255</b>	<b>157,668</b>	<b>1,275,708</b>
<b>Operating profit</b>	<b>49,398</b>	<b>58,211</b>	<b>427,947</b>
<b>Other income (expenses):</b>			
Other interest and dividend income	613	721	5,310
Equity in earnings of an affiliate	—	465	—
Net loss on sale or disposal of property and equipment	(578)	(312)	(5,007)
Net gain on sale of investments in securities	3,471	184	30,070
Loss on revaluation and liquidation of investments in securities	(16,766)	(33)	(145,248)
Special provision for loss on interest repayments	—	(317,061)	—
Other, net	345	601	2,988
<b>Total other expenses, net</b>	<b>(12,915)</b>	<b>(315,434)</b>	<b>(111,885)</b>
<b>Income (loss) before income taxes</b>	<b>36,483</b>	<b>(257,223)</b>	<b>316,061</b>
<b>Income taxes</b>			
Current	629	23,063	5,449
Prior	9,060	—	78,489
Deferred	1,710	1,739	14,814
<b>Total income taxes</b>	<b>11,400</b>	<b>24,802</b>	<b>98,761</b>
<b>Minority interests in earnings of consolidated subsidiaries</b>	<b>237</b>	<b>115</b>	<b>2,053</b>
<b>Net income (loss)</b>	<b>¥ 24,845</b>	<b>¥ (282,140)</b>	<b>\$ 215,238</b>
	Yen		U.S. Dollars
<b>Amounts per share:</b>			
Net income (loss):			
Basic	¥ 158.05	¥ (1,794.86)	\$ 1.36
Diluted	158.05	—	1.36
Cash dividends	50.00	70.00	0.43

# Interim Consolidated Statements of Changes in Net Assets

## (Unaudited)

ACOM CO., LTD. and Subsidiaries

	Thousands		Millions of Yen			
	Number of shares of common stock	Paid-in capital of common stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
<b>Balance at March 31, 2006</b> . . . . .	159,628	¥ 63,832	¥ 76,020	¥ 776,021	¥ (18,538)	¥ 897,334
Net loss . . . . .	—	—	—	(282,140)	—	(282,140)
Cash dividends . . . . .	—	—	—	(11,003)	—	(11,003)
Bonuses to directors . . . . .	—	—	—	(34)	—	(34)
Acquisition of treasury stock . . . . .	—	—	—	—	(0)	(0)
Exercise of stock options . . . . .	—	—	(9)	—	30	21
Other change during the period . . . . .	—	—	—	—	—	—
<b>Balance at September 30, 2006</b> . . . . .	159,628	¥ 63,832	¥ 76,010	¥ 482,842	¥ (18,508)	¥ 604,177
<b>Balance at March 31, 2007</b> . . . . .	159,628	¥ 63,832	¥ 76,010	¥ 316,007	¥ (18,508)	¥ 437,342
Net income . . . . .	—	—	—	24,845	—	24,845
Cash dividends . . . . .	—	—	—	(4,715)	—	(4,715)
Acquisition of treasury stock . . . . .	—	—	—	—	(0)	(0)
Exercise of stock options . . . . .	—	—	(0)	—	1	0
Exclusion from consolidation of an affiliate . . . . .	—	—	—	(1,384)	—	(1,384)
Other change during the period . . . . .	—	—	—	—	—	—
<b>Balance at September 30, 2007</b> . . . . .	159,628	¥ 63,832	¥ 76,010	¥ 334,752	¥ (18,507)	¥ 456,088

Thousands of U.S. Dollars

<b>Balance at March 31, 2007</b> . . . . .	\$ 552,993	\$ 658,494	\$ 2,737,650	\$ (160,339)	\$ 3,788,807
Net income . . . . .	—	—	215,238	—	215,238
Cash dividends . . . . .	—	—	(40,847)	—	(40,847)
Acquisition of treasury stock . . . . .	—	—	—	(0)	(0)
Exercise of stock options . . . . .	—	(0)	—	8	0
Exclusion from consolidation of an affiliate . . . . .	—	—	(11,989)	—	(11,989)
Other change during the period . . . . .	—	—	—	—	—
<b>Balance at September 30, 2007</b> . . . . .	\$ 552,993	\$ 658,494	\$ 2,900,043	\$ (160,330)	\$ 3,951,208

Millions of Yen

	Net unrealized gains on other securities	Deferred losses on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments	Minority interests in consolidated subsidiaries	Total net assets
<b>Balance at March 31, 2006</b> . . . . .	¥ 31,886	¥ —	¥ (1,498)	¥ 30,387	¥ 4,873	¥ 932,595
Net loss . . . . .	—	—	—	—	—	(282,140)
Cash dividends . . . . .	—	—	—	—	—	(11,003)
Bonuses to directors . . . . .	—	—	—	—	—	(34)
Acquisition of treasury stock . . . . .	—	—	—	—	—	(0)
Exercise of stock options . . . . .	—	—	—	—	—	21
Other change during the period . . . . .	(19,892)	(3)	(8)	(19,904)	2,436	(17,468)
<b>Balance at September 30, 2006</b> . . . . .	¥ 11,993	¥ (3)	¥ (1,507)	¥ 10,482	¥ 7,309	¥ 621,969
<b>Balance at March 31, 2007</b> . . . . .	¥ 13,338	¥ (0)	¥ (607)	¥ 12,730	¥ 7,091	¥ 457,165
Net income . . . . .	—	—	—	—	—	24,845
Cash dividends . . . . .	—	—	—	—	—	(4,715)
Acquisition of treasury stock . . . . .	—	—	—	—	—	(0)
Exercise of stock options . . . . .	—	—	—	—	—	0
Exclusion from consolidation of an affiliate . . . . .	—	—	—	—	—	(1,384)
Other change during the period . . . . .	(6,298)	0	1,207	(5,090)	505	(4,585)
<b>Balance at September 30, 2007</b> . . . . .	¥ 7,040	¥ —	¥ 599	¥ 7,639	¥ 7,597	¥ 471,325

Thousands of U.S. Dollars

<b>Balance at March 31, 2007</b> . . . . .	\$ 115,550	\$ (0)	\$ (5,258)	\$ 110,283	\$ 61,431	\$ 3,960,538
Net income . . . . .	—	—	—	—	—	215,238
Cash dividends . . . . .	—	—	—	—	—	(40,847)
Acquisition of treasury stock . . . . .	—	—	—	—	—	(0)
Exercise of stock options . . . . .	—	—	—	—	—	0
Exclusion from consolidation of an affiliate . . . . .	—	—	—	—	—	(11,989)
Other change during the period . . . . .	(54,561)	0	10,456	(44,095)	4,374	(39,721)
<b>Balance at September 30, 2007</b> . . . . .	\$ 60,989	\$ —	\$ 5,189	\$ 66,178	\$ 65,814	\$ 4,083,210

# 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
	2007	2006	2007
<b>Operating activities:</b>			
Income (loss) before income taxes . . . . .	¥ 36,483	¥ (257,223)	\$ 316,061
Adjustments:			
Depreciation and amortization . . . . .	1,879	2,112	16,278
Increase (decrease) in allowance for bad debts . . . . .	2,618	(25,850)	22,680
Increase in allowance for loss on debt guarantees . . . . .	276	248	2,391
(Decrease) increase in allowance for loss on interest repayments . . . . .	(65,966)	333,800	(571,480)
Increase (decrease) in allowance for employees' retirement benefits . . . . .	35	(31)	303
(Decrease) increase in allowance for directors' and corporate auditors' retirement benefits . . . . .	(100)	10	(866)
Other interest and dividend income . . . . .	(613)	(721)	(5,310)
Equity in earnings of an affiliate . . . . .	—	(465)	—
Net loss on sale or disposal of property and equipment . . . . .	578	312	5,007
Bond issuance expenses . . . . .	183	40	1,585
Net gain on sale of investments in securities . . . . .	(3,471)	(184)	(30,070)
Loss on revaluation and liquidation of investments in securities . . . . .	16,766	33	145,248
Changes in operating assets and liabilities:			
Increase in operational investment securities . . . . .	(281)	(260)	(2,434)
Decrease in loans receivable . . . . .	77,838	12,296	674,330
Decrease in notes and accounts receivable . . . . .	10,008	18,596	86,701
Increase in purchased receivables . . . . .	(1,512)	(3,474)	(13,098)
Increase in inventories . . . . .	(346)	(58)	(2,997)
Increase in other current assets . . . . .	(1,578)	(334)	(13,670)
(Increase) decrease in prepaid pension expenses . . . . .	(173)	410	(1,498)
Decrease in accounts payable . . . . .	(2,185)	(1,553)	(18,929)
Decrease in deferred income on installment sales . . . . .	(1,147)	(2,732)	(9,936)
(Decrease) increase in other current liabilities . . . . .	(3,442)	2,425	(29,818)
Bonuses paid to directors . . . . .	—	(34)	—
Other, net . . . . .	228	(503)	1,975
Subtotal . . . . .	66,077	76,858	572,442
Other interest and dividends received . . . . .	620	772	5,371
Other interest paid . . . . .	—	(0)	—
Income taxes paid . . . . .	(5,751)	(25,818)	(49,822)
Income taxes refunded . . . . .	6,123	—	53,045
<b>Net cash provided by operating activities . . . . .</b>	<b>67,068</b>	<b>51,812</b>	<b>581,027</b>

(Continued)

Six-month periods ended September 30	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
<b>Investing activities</b>			
(Increase) decrease in time deposits and marketable securities . . . . .	¥ (600)	¥ 576	\$ (5,197)
Proceeds from sale of property and equipment . . . . .	62	58	537
Purchases of property and equipment . . . . .	(714)	(1,197)	(6,185)
Proceeds from maturity or sale of investments in securities . . . . .	8,859	994	76,747
Purchases of investments in securities . . . . .	(0)	(257)	(0)
Decrease in other investments . . . . .	2,568	178	22,247
<b>Net cash provided by investing activities</b> . . . . .	<b>10,174</b>	<b>353</b>	<b>88,139</b>
<b>Financing activities</b>			
Proceeds from long-term debt . . . . .	93,516	90,593	810,153
Payments of principal of long-term debt . . . . .	(113,437)	(138,244)	(982,734)
(Decrease) increase in short-term loans . . . . .	(44,597)	4,341	(386,355)
Cash dividends paid by the Company . . . . .	(4,715)	(11,009)	(40,847)
Other, net . . . . .	(178)	(12)	(1,542)
<b>Net cash used in financing activities</b> . . . . .	<b>(69,410)</b>	<b>(54,330)</b>	<b>(601,316)</b>
Effect of exchange rate changes on cash and cash equivalents . . . . .	221	(38)	1,914
Increase (decrease) in cash and cash equivalents . . . . .	8,054	(2,203)	69,773
Cash and cash equivalents at beginning of the period . . . . .	146,383	97,399	1,268,153
Increase in cash and cash equivalents due to inclusion of newly consolidated subsidiaries at beginning of the period . . . . .	—	1,450	—
<b>Cash and cash equivalents at end of the period</b> . . . . .	<b>¥ 154,438</b>	<b>¥ 96,646</b>	<b>\$ 1,337,936</b>

# Interim Non-Consolidated Balance Sheets

(Unaudited)

ACOM CO., LTD.

September 30	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents . . . . .	¥ 138,911	¥ 79,246	\$ 1,203,421
Marketable securities . . . . .	545	28	4,721
Loans receivable . . . . .	1,406,946	1,571,342	12,188,737
Accounts receivable . . . . .	41,174	84,739	356,701
Merchandise . . . . .	1,717	3,721	14,874
Prepaid expenses . . . . .	1,352	2,242	11,712
Accrued income . . . . .	10,829	11,808	93,814
Deferred tax assets . . . . .	58,348	42,990	505,483
Other current assets . . . . .	16,630	10,698	144,069
Allowance for bad debts . . . . .	(119,760)	(96,206)	(1,037,511)
<b>Total current assets</b> . . . . .	<b>1,556,695</b>	<b>1,710,611</b>	<b>13,486,052</b>
<b>Property and equipment:</b>			
Land . . . . .	6,413	6,488	55,557
Buildings and structures . . . . .	37,146	40,740	321,805
Equipment . . . . .	33,922	35,676	293,875
	77,483	82,905	671,255
Accumulated depreciation . . . . .	(44,393)	(45,573)	(384,588)
<b>Property and equipment, net</b> . . . . .	<b>33,089</b>	<b>37,331</b>	<b>286,658</b>
<b>Investments and other assets:</b>			
Investments in securities . . . . .	46,904	83,944	406,341
Investments in and advances to subsidiaries and an affiliate . . . . .	71,420	53,981	618,729
Telephone rights and other intangible assets . . . . .	947	991	8,204
Rental deposits . . . . .	9,230	10,316	79,961
Prepaid pension expenses . . . . .	2,438	1,237	21,121
Other . . . . .	6,480	9,985	56,137
Allowance for bad debts . . . . .	(1,940)	(2,200)	(16,806)
<b>Total investments and other assets</b> . . . . .	<b>135,481</b>	<b>158,256</b>	<b>1,173,707</b>
<b>Total assets</b> . . . . .	<b>¥ 1,725,266</b>	<b>¥ 1,906,199</b>	<b>\$ 14,946,426</b>

September 30	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
<b>Liabilities and net assets</b>			
<b>Current liabilities:</b>			
Short-term loans	¥ —	¥ 60,000	\$ —
Current portion of long-term debt	235,989	217,685	2,044,433
Accounts payable	477	1,068	4,132
Accrued income taxes	4,174	22,800	36,160
Accrued expenses	9,452	10,812	81,885
Deferred income on installment sales	—	4,574	—
Allowance for loss on debt guarantees	3,650	3,810	31,620
Other current liabilities	3,378	3,504	29,264
<b>Total current liabilities</b>	<b>257,121</b>	<b>324,256</b>	<b>2,227,505</b>
<b>Long-term liabilities:</b>			
Long-term debt	584,597	603,467	5,064,515
Allowance for directors' and corporate auditors' retirement benefits	655	733	5,674
Allowance for loss on interest repayments	424,033	357,500	3,673,507
Deferred tax liabilities	4,807	7,954	41,644
Other long-term liabilities	27	2,294	233
<b>Total long-term liabilities</b>	<b>1,014,120</b>	<b>971,949</b>	<b>8,785,584</b>
<b>Total liabilities</b>	<b>1,271,241</b>	<b>1,296,205</b>	<b>11,013,090</b>
<b>Commitments and contingent liabilities</b>			
<b>Net assets:</b>			
<b>Shareholders' equity:</b>			
Paid-in capital of common stock:			
Authorized: 532,197,400 shares at September 30, 2007 and 2006			
Issued: 159,628,280 shares at September 30, 2007 and 2006	63,832	63,832	552,993
Capital surplus:			
Capital legal reserve	72,322	72,322	626,544
Net gain on sale of treasury stock	3,687	3,688	31,941
<b>Total capital surplus</b>	<b>76,010</b>	<b>76,010</b>	<b>658,494</b>
Earned surplus:			
Earned legal reserve	4,320	4,320	37,425
Retained earnings	321,363	472,735	2,784,050
<b>Total earned surplus</b>	<b>325,684</b>	<b>477,056</b>	<b>2,821,484</b>
Treasury stock, at cost			
2,433,775 shares and 2,433,943 shares at September 30, 2007 and 2006, respectively	(18,507)	(18,508)	(160,330)
<b>Total shareholders' equity</b>	<b>447,020</b>	<b>598,391</b>	<b>3,872,650</b>
<b>Valuation and translation adjustments:</b>			
Net unrealized gains on other securities	7,004	11,602	60,677
<b>Total net assets</b>	<b>454,024</b>	<b>609,994</b>	<b>3,933,327</b>
<b>Total liabilities and net assets</b>	<b>¥ 1,725,266</b>	<b>¥ 1,906,199</b>	<b>\$ 14,946,426</b>

# Interim Non-Consolidated Statements of Operations

(Unaudited)

ACOM CO., LTD.

Six-month periods ended September 30	Millions of Yen		Thousands of U.S. Dollars
	2007	2006	2007
<b>Operating income:</b>			
Interest on loans receivable	¥ 154,323	¥ 177,020	\$ 1,336,940
Fees from credit card business	2,624	2,955	22,732
Fees from installment sales financing	—	1,913	—
Fees from credit guarantees	5,046	4,780	43,714
Other financial income	230	27	1,992
Sales	171	—	1,481
Other operating income	4,131	4,209	35,787
<b>Total operating income</b>	<b>166,528</b>	<b>190,906</b>	<b>1,442,675</b>
<b>Operating expenses:</b>			
Financial expenses	8,207	8,511	71,099
Cost of sales	246	—	2,131
General and administrative expenses	50,467	60,102	437,208
Provision for bad debts	57,772	49,713	500,493
Provision for loss on debt guarantees	2,593	2,630	22,463
Provision for loss on interest repayments	—	13,155	—
<b>Total operating expenses</b>	<b>119,285</b>	<b>134,113</b>	<b>1,033,396</b>
<b>Operating profit</b>	<b>47,242</b>	<b>56,793</b>	<b>409,269</b>
<b>Other income (expenses):</b>			
Other interest and dividend income	988	919	8,559
Net loss on sale or disposal of property and equipment	(601)	(342)	(5,206)
Net gain on sale of investments in securities	3,471	198	30,070
Loss on revaluation and liquidation of investments in securities	(16,766)	(23)	(145,248)
Special provision for loss on interest repayments	—	(317,061)	—
Other, net	499	666	4,322
<b>Total other expenses, net</b>	<b>(12,408)</b>	<b>(315,642)</b>	<b>(107,493)</b>
<b>Income (loss) before income taxes</b>	<b>34,834</b>	<b>(258,849)</b>	<b>301,775</b>
<b>Income taxes:</b>			
Current	65	22,330	563
Prior	9,060	—	78,489
Deferred	(148)	1,563	(1,282)
<b>Total income taxes</b>	<b>8,976</b>	<b>23,893</b>	<b>77,761</b>
<b>Net income (loss)</b>	<b>¥ 25,857</b>	<b>¥ (282,742)</b>	<b>\$ 224,005</b>
		Yen	U.S. Dollars
<b>Amounts per share:</b>			
Net income (loss) – basic	¥ 164.49	¥ (1,798.69)	\$ 1.42
Cash dividends	50.00	70.00	0.43

# Interim Non-Consolidated Statements of Changes in Net Assets

## (Unaudited)

ACOM CO., LTD.

	Thousands		Millions of Yen				
	Number of shares of common stock	Paid-in capital of common stock	Capital surplus			Earned surplus	
			Capital legal reserve	Net gain on sale of treasury stock	Total capital surplus	Earned legal reserve	Retained earnings
<b>Balance at March 31, 2006</b>	159,628	¥ 63,832	¥ 72,322	¥ 3,697	¥ 76,020	¥ 4,320	¥ 766,515
Net loss	—	—	—	—	—	—	(282,742)
Cash dividends	—	—	—	—	—	—	(11,003)
Bonuses to directors	—	—	—	—	—	—	(34)
Acquisition of treasury stock	—	—	—	—	—	—	—
Sale of treasury stock	—	—	—	(9)	(9)	—	—
Other change during the period	—	—	—	—	—	—	—
<b>Balance at September 30, 2006</b>	159,628	¥ 63,832	¥ 72,322	¥ 3,688	¥ 76,010	¥ 4,320	¥ 472,735
<b>Balance at March 31, 2007</b>	159,628	¥ 63,832	¥ 72,322	¥ 3,688	¥ 76,010	¥ 4,320	¥ 305,010
Net income	—	—	—	—	—	—	25,857
Cash dividends	—	—	—	—	—	—	(4,715)
Acquisition of treasury stock	—	—	—	—	—	—	—
Exercise of stock options	—	—	—	(0)	(0)	—	—
Effect of business divestiture	—	—	—	—	—	—	(4,788)
Other change during the period	—	—	—	—	—	—	—
<b>Balance at September 30, 2007</b>	159,628	¥ 63,832	¥ 72,322	¥ 3,687	¥ 76,010	¥ 4,320	¥ 321,363

	Thousands of U.S. Dollars					
<b>Balance at March 31, 2007</b>	\$ 552,993	\$ 626,544	\$ 31,950	\$ 658,494	\$ 37,425	\$ 2,642,380
Net income	—	—	—	—	—	224,005
Cash dividends	—	—	—	—	—	(40,847)
Acquisition of treasury stock	—	—	—	—	—	—
Exercise of stock options	—	—	(0)	(0)	—	—
Effect of business divestiture	—	—	—	—	—	(41,479)
Other change during the period	—	—	—	—	—	—
<b>Balance at September 30, 2007</b>	\$ 552,993	\$ 626,544	\$ 31,941	\$ 658,494	\$ 37,425	\$ 2,784,050

	Millions of Yen				
	Total earned surplus	Treasury stock	Total shareholders' equity	Net unrealized gains on other securities	Total net assets
<b>Balance at March 31, 2006</b>	¥ 770,836	¥ (18,538)	¥ 892,150	¥ 31,258	¥ 923,408
Net loss	(282,742)	—	(282,742)	—	(282,742)
Cash dividends	(11,003)	—	(11,003)	—	(11,003)
Bonuses to directors	(34)	—	(34)	—	(34)
Acquisition of treasury stock	—	(0)	(0)	—	(0)
Sale of treasury stock	—	30	21	—	21
Other change during the period	—	—	—	(19,655)	(19,655)
<b>Balance at September 30, 2006</b>	¥ 477,056	¥ (18,508)	¥ 598,391	¥ 11,602	¥ 609,994
<b>Balance at March 31, 2007</b>	¥ 309,331	¥ (18,508)	¥ 430,666	¥ 13,131	¥ 443,797
Net income	25,857	—	25,857	—	25,857
Cash dividends	(4,715)	—	(4,715)	—	(4,715)
Acquisition of treasury stock	—	(0)	(0)	—	(0)
Exercise of stock options	—	1	0	—	0
Effect of business divestiture	(4,788)	—	(4,788)	—	(4,788)
Other change during the period	—	—	—	(6,127)	(6,127)
<b>Balance at September 30, 2007</b>	¥ 325,684	¥ (18,507)	¥ 447,020	¥ 7,004	¥ 454,024

	Thousands of U.S. Dollars				
<b>Balance at March 31, 2007</b>	\$ 2,679,814	\$ (160,339)	\$ 3,730,971	\$ 113,757	\$ 3,844,728
Net income	224,005	—	224,005	—	224,005
Cash dividends	(40,847)	—	(40,847)	—	(40,847)
Acquisition of treasury stock	—	(0)	(0)	—	(0)
Exercise of stock options	—	8	0	—	0
Effect of business divestiture	(41,479)	—	(41,479)	—	(41,479)
Other change during the period	—	—	—	(53,079)	(53,079)
<b>Balance at September 30, 2007</b>	\$ 2,821,484	\$ (160,330)	\$ 3,872,650	\$ 60,677	\$ 3,933,327

# The ACOM Group

## Consolidated Subsidiaries

<b>DC Cash One Ltd.</b> Nihonbashi Plaza Bldg. 3-4, Nihonbashi 2-chome, Chuo-ku, Tokyo, Japan	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company:	Unsecured loan and credit guarantee business Aug. 2001 ¥14,341 million 54.73%
<b>AFRESH CREDIT CO., LTD.*1</b> ACOM Iidabashi Bldg. 10-10, Iidabashi 2-chome, Chiyoda-ku, Tokyo, Japan	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company:	Installment sales finance business Nov. 1971 ¥500 million 100.00%
<b>IR Loan Servicing, Inc.</b> Trusty Koujimachi Bldg. 4, Koujimachi 3-chome, Chiyoda-ku, Tokyo, Japan	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company:	Loan servicing business Jun. 2000 ¥520 million 80.00%
<b>RELATES CO., LTD.</b> Tokyo Dia Building No.3 28-25, Shinkawa 1-chome, Chuo-ku, Tokyo, Japan	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company:	Entrusted with call center functions of banks, etc. Mar. 1998 ¥300 million 100.00%
<b>AC Ventures Co., Ltd.</b> ACOM Shinbashi Renga-dori Bldg. 14-4, Shinbashi 2-chome, Minato-ku, Tokyo, Japan	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company:	Development, investment, promotion and support of venture companies Apr. 1996 ¥100 million 100.00%

<b>ACOM RENTAL CO., LTD.</b> ACOM Shinbashi Bldg. 11-1, Shinbashi 3-chome, Minato-ku, Tokyo, Japan	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company:	Comprehensive rental business Oct. 1999 ¥320 million 100.00%
<b>JLA INCORPORATED</b> *2 ACOM Iidabashi Bldg. 10-10, Iidabashi 2-chome, Chiyoda-ku, Tokyo, Japan	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company:	Interior design, construction of service outlets, and maintenance of buildings and other properties Mar. 1996 ¥7,540 million 100.00%
<b>A B PARTNER CO., LTD.</b> ACOM Fujimi Bldg. 15-11, Fujimi 2-chome, Chiyoda-ku, Tokyo, Japan	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company:	Entrusted back-office (clerical work) services and insurance agency business Nov. 2000 ¥300 million 95.00%
<b>EASY BUY Public Company Limited</b> 11th, 13th Floor, Ramaland Building 952 Rama IV Road, Suriyawongse, Bangrak, Bangkok 10500, Thailand.	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company:	Unsecured loan business and hire purchase business in Thailand Sep. 1996 THB 200 million 49.00% *3
<b>ACOM (U.S.A.) INC.</b> 229 South State Street, Dover, Kent County DE, U.S.A.	Principal Business: Incorporated: Paid-in Capital: Equity Owned by the Company:	— *4 Dec. 1986 US\$34 million 100.00%

\*Notes: 1. ACOM CO., LTD. has split up its installment sales finance business, and JCK CREDIT CO., LTD. succeeded to the business as well as changed the name to AFRESH CREDIT CO., LTD. on April 1, 2007.

2. ACOM ESTATE CO., LTD. merged with JLA INCORPORATED as well as ABS CO., LTD. and changed its corporate name into JLA INCORPORATED on April 1, 2007.

3. The Company treated 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. suspended its operation; therefore, outline of its business is omitted above.

5. Due to the merger with UFJ NICOS Co., Ltd., DC Card Co., Ltd. is no longer equity-method affiliate of ACOM CO., LTD.; for a reason of drop in possessed proportion of right to vote.

6. AC Ventures Sixth Investment Partnership was established on July 25, 2007 as an investment partnership.

# Board of Directors

As of September 30, 2007

## Directors

Chairman

**Kyosuke Kinoshita**

Deputy Chairman

**Yuji Ohashi**

President

**Shigeyoshi Kinoshita**

Senior Managing Director

**Kazuhiro Shimada**

Managing Director

**Shigeru Akaki**

**Junya Fukuda**

**Osamu Moriya**

**Satoru Tomimatsu**

**Kiyoshi Tachiki**

**Shozo Tanaka**

Director

**Katsunori Nagayasu** (Outside)

## Statutory Auditors

**Tatsuaki Murata**

**Satoshi Ito** (Independent)

**Minoru Ikeda** (Independent)

**Norikatsu Takahashi** (Independent)

## Executive Officers

Chief Executive Officer

**Shigeyoshi Kinoshita**

Senior Executive Managing Officer

**Kazuhiro Shimada**

Corporate Planning Department

Overseas Business Development

Department

Credit Administration Department

Executive Managing Officer

**Shigeru Akaki**

Human Resources Department

General Affairs Department

Corporate Management Department

**Junya Fukuda**

System Development &

Administration Department

Customer Relations Department

**Osamu Moriya**

Internal Audit Department

Compliance Department

Employment Counseling Office

**Satoru Tomimatsu**

Head of Credit Business Promotion Division

Advertising Department

Credit Business Branch Operations Department

ACM Operation Department

Call Center Department

Credit Counseling Department

Affinity Card Promotion Department

Credit Business Management Department

Compliance for Credit Business Promotion Office

**Kiyoshi Tachiki**

Credit Marketing Department

Business Process Planning Department

Guarantee Business Department

**Shozo Tanaka**

Head of Credit Supervision Division

Credit Supervision Department I

Credit Supervision Department II

Compliance for Credit Supervision Office

**Shigeru Sato**

Treasury Department

Public Relations Department

Executive Officer

**Masahiko Shinshita**

**Tsukasa Ashizuka**

**Etsuro Tabuchi**

**Kazuo Fukumoto**

**Akihiko Hyodo**

**Tatsuo Taki**

# Corporate Information

As of September 30, 2007

<b>Company Name</b>	ACOM CO., LTD.	<b>Number of Employees</b>	2,801
<b>Incorporated</b>	October 23, 1978	<b>Head Office</b>	1-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8307, Japan
<b>Established</b>	April 2, 1936	<b>Independent Auditors</b>	ERNST & YOUNG SHINNIHON
<b>Paid-in Capital</b>	¥63,832 million		
<b>Business Outline</b>	Loan, Credit Card, and Guarantee		

# Investor Information

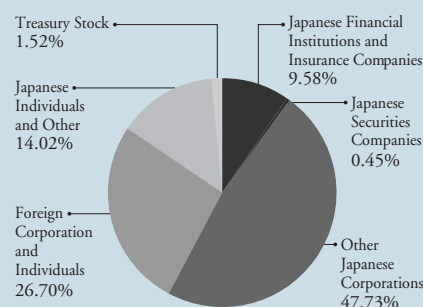
As of September 30, 2007

## Principal Shareholders

Name	Number of shares held	% of ownership of voting right
Maruito Shokusan Co., Ltd. ....	27,346,755	17.40
Mitsubishi UFJ Financial Group, Inc. ....	20,732,340	13.19
Hero & Co.* .....	18,824,701	11.98
Maruito Co., Ltd. ....	12,553,343	7.99
Kinoshita Memorial Foundation .....	9,219,232	5.86
State Street Bank and Trust Company .....	4,366,989	2.78
Maruito Shoten Co., Ltd. ....	3,873,320	2.46
Kyosuke Kinoshita .....	3,240,321	2.06
Katsuhiko Kinoshita .....	3,230,368	2.06
Shigeyoshi Kinoshita .....	3,220,164	2.05

\*Hero & Co. is a nominee of The Bank of New York, which is a depository and transfer agent for American Depositary Receipts (ADR).

## Breakdown of Shareholders



## ADR (American Depositary Receipts) Information

**Type:** Sponsored Level-1 Program  
**ADR Ratio:** 4ADRs : 1 Ordinary Share  
**Symbol:** ACMUY  
**CUSIP:** 004845202  
**Market:** The U.S. OTC (Over-the-Counter) Market

### Depository Bank:

**The Bank of New York**  
 101 Barclay Street, 22W, NEW YORK,  
 NY 10286, U.S.A.  
 TEL: 1-212-815-2042  
 Toll-free number from the United States:  
 888-269-2377 (888-BNY-ADRS)  
 URL: <http://www.adrbny.com>

## Other Data

**Transfer Agent:**  
 Mitsubishi UFJ Trust and Banking Corporation

**Stock Listing:**  
 First Section of Tokyo Stock Exchange

**General Shareholders' Meeting:**  
 June 27, 2007

**Number of Stock Issued:**  
 159,628,280

**Number of Shareholders:**  
 12,579

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  
 E-mail: [ir@acom.co.jp](mailto:ir@acom.co.jp)

