
Earnings Release Conference

1st Half of Fiscal Year Ending March 2008



ACOM CO., LTD.

<http://www.acom.co.jp/ir/englilsh>

November 9, 2007

Conference Schedule

November 9, 2007

Title	Presenter	Approx. Duration	Page No.
1. Summary of Financial Results	Shigeyoshi Kinoshita President & CEO	20 min.	8-
2. Key Points			10-
3. Outlook and Policy for FY 2008			22-
1. Interest-repayment-related & Bad-debt-related Expenses (ACOM)	Takashi Kiribuchi Chief IR Officer & Chief General Manager of Public Relations Department	20 min.	26-
2. Analysis on Non-consolidated Factors			27-
Question & Answer Session		30 min.	

The figures contained in this presentation material 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 due to 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.

Financial Results Highlight

1st Half of Fiscal Year Ending March 2008

- 1. Summary of Financial Results**
- 2. Key Points**
- 3. Outlook and Policy for FY 2008**

Shigeyoshi Kinoshita
President & CEO

Drastically Changing Environment

◆ Understanding on Current Environment

Macro and Industrial Environment

- ✓ The number of requests for interest repayments reaching a plateau
- ✓ Revision in law (reduction of the interest rate and regulation on total loan balance)
- ✓ Mergers of companies offering similar services to ours and restructuring in the consumer credit market, including corporate reorganizations
- ✓ Intensifying competition within the industry

Management Policy of the ACOM Group for this Fiscal Year

- ✓ Establishment of firm compliance structure
- ✓ Actualization of putting customers first and establishment of socially-oriented corporate brand
- ✓ Reinforcement of cost competitiveness through transformation of business model
- ✓ Improvement of service through enhancement of management structure
- ✓ Strengthening our ability to attract new customers and improvement of asset quality
- ✓ Nurturance of professionals

Revision in Money-lending Business Law (Schedule of enforcement)

◆ Proclamation of Revised Money-lending Business Restriction Law on December 20, 2006

**1st
Enforcement
(2007.01.20)**

◆ **Raise penalties for unregistered business**

**2nd
Enforcement
(2007.12.19)**

- ◆ **Change the name of Law**
 - Main enforcement
- ◆ **Governmental authorization required to establish money-lending business association**
 - Self-regulatory rules
 - Rules regarding complaints and counseling
- ◆ **Revision of governmental ordinance**
 - Rectification of industry
 - Inhibit excessive lending

**3rd
Enforcement
Within 1 ½ years
after proclamation**

- ◆ **Establish examination system for loan office managers**
- ◆ **Establish system of certified credit bureau**

**4th
Enforcement
Within 2 ½ years
after proclamation**

- ◆ **Reduction of interest rate (Capital Subscription Law)**
- ◆ **Regulation on total loan balance**
- ◆ **Obligation to confirm borrower's ability to make repayments**
- ◆ **Abolishment of minashi payment**
- ◆ **Obligate issuance of documents in advance**

Key Points

- ✓ ***Group Management Reformation***
 - Cost reduction is making a smooth progress
- ✓ ***Measures in Loan Business***
 - Transition of lending rate as result of tightening of credit screening model
 - Shift into new interest rates
- ✓ ***The Allowance for Loss on Interest Repayments***
 - Further provision is not necessary
- ✓ ***Strategic Business Alliance with MUFG***
 - “BANQUIC,” “PT. BANK NUSANTARA PARAHYANGAN Tbk.”



1. Summary of Financial Results

2. Key Points

(1) Group Management Reformation

(2) Measures in Loan Business

(3) The Allowance for Loss on Interest Repayments

(4) Strategic Business Alliance with MUFG

3. Outlook and Policy for FY March 2008

Financial Results Summary

(Millions of yen, %)

2007/9	Consolidated			Non-consolidated		
	Results	YOY	2008/3 (Forecast)	Results	YOY	2008/3 (Forecast)
Operating Income	196,654	(8.9)	373,500	166,528	(12.8)	309,100
Operating Expenses	147,255	(6.6)	306,700	119,285	(11.1)	245,400
Operating Profit	49,398	(15.1)	66,800	47,242	(16.8)	63,700
Income before Extraordinary Items	50,460	(15.9)	68,800	48,790	(16.4)	66,700
Net Income	24,845	-	39,100	25,857	-	40,100

Primary Factors

- ✓ Operating income: Increase in interest on loans receivable (+4.9 billion yen compared to non-consolidated forecast).
- ✓ Operating expenses: Decrease in bad-debt-related expenses (-8.5 billion yen compared to non-consolidated forecast).
- ✓ Operating expenses: Decreases in other operating expenses as result of management reformation (-3.1 billion yen compared to non-consolidated forecast).
- ✓ Recording of impairment loss in securities and prior fiscal year corporate taxes, etc. lead to decrease in net income (-3.3 billion yen compared to non-consolidated forecast).



1. Summary of Financial Results

2. Key Points

(1) Group Management Reformation

(2) Measures in Loan Business

(3) The Allowance for Loss on Interest
Repayments

(4) Strategic Business Alliance with MUFG

3. Outlook and Policy for FY March 2008

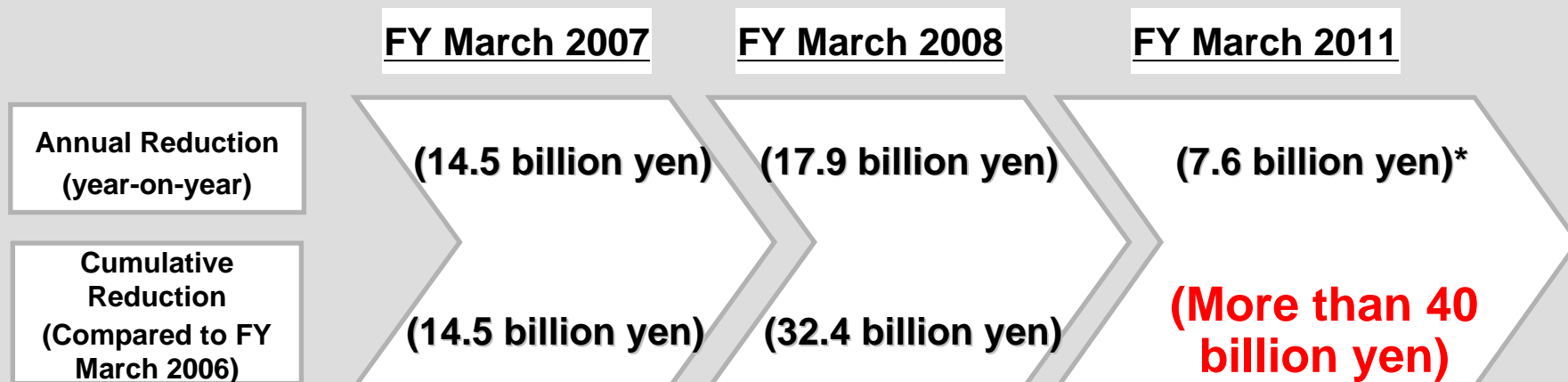
Group Management Reformation

◆ Cost reduction is making a smooth progress

Aiming for consolidated operating income around 50 billion yen, assuming average yield in unsecured loans of 16% level.

Reduction of “Other Operating Expenses” excluding Financial, Bad-debt-related, and Interest-repayment-related Expenses

✓ Aiming for reduction of 40 billion yen



*Consists of reduction of 6 billion yen by rationalization of system construction and 1.6 billion yen in other operating expenses.



1. Summary of Financial Results

2. Key Points

(1) Group Management Reformation

(2) Measures in Loan Business

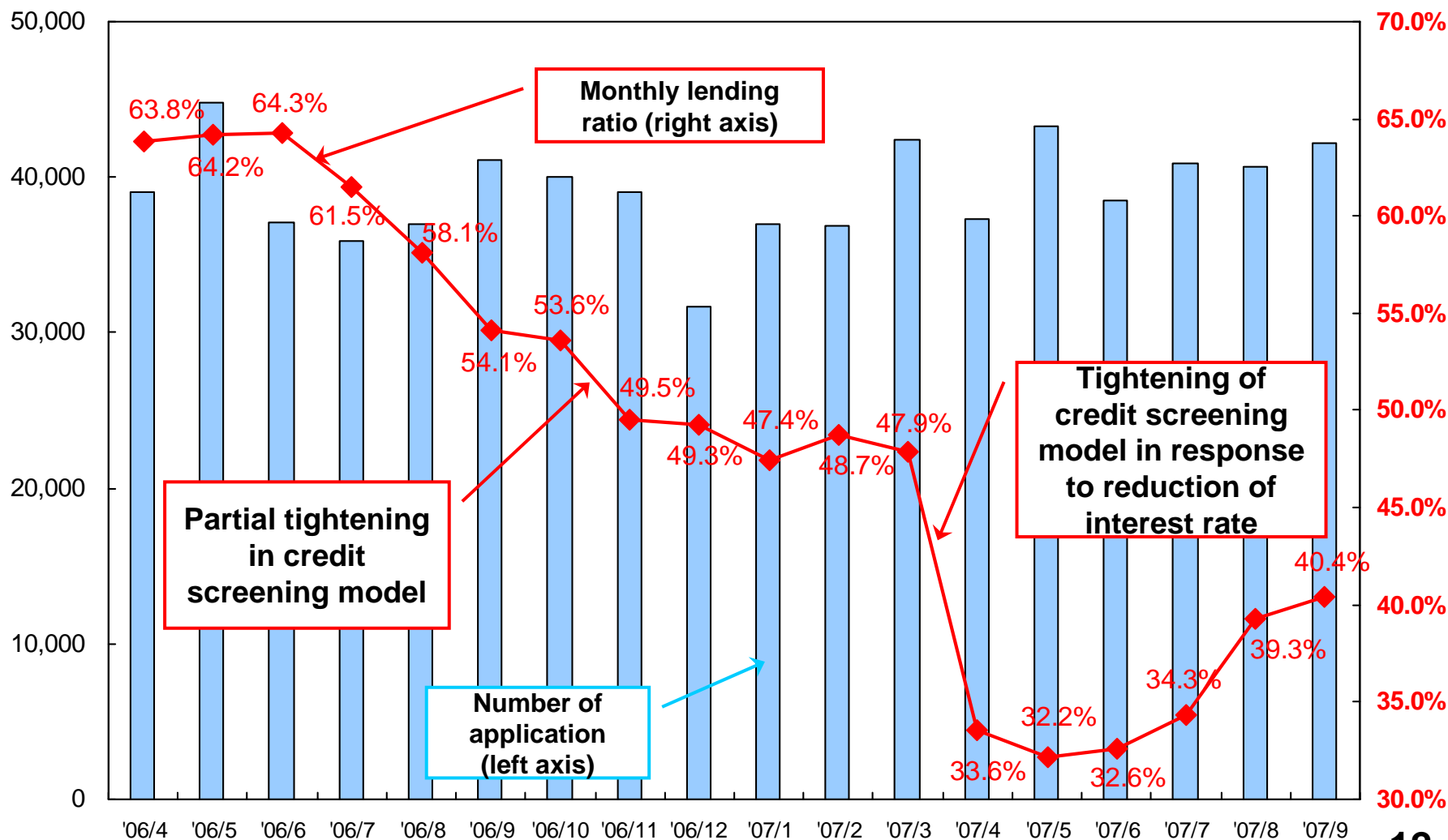
(3) The Allowance for Loss on Interest
Repayments

(4) Strategic Business Alliance with MUFG

3. Outlook and Policy for FY March 2008

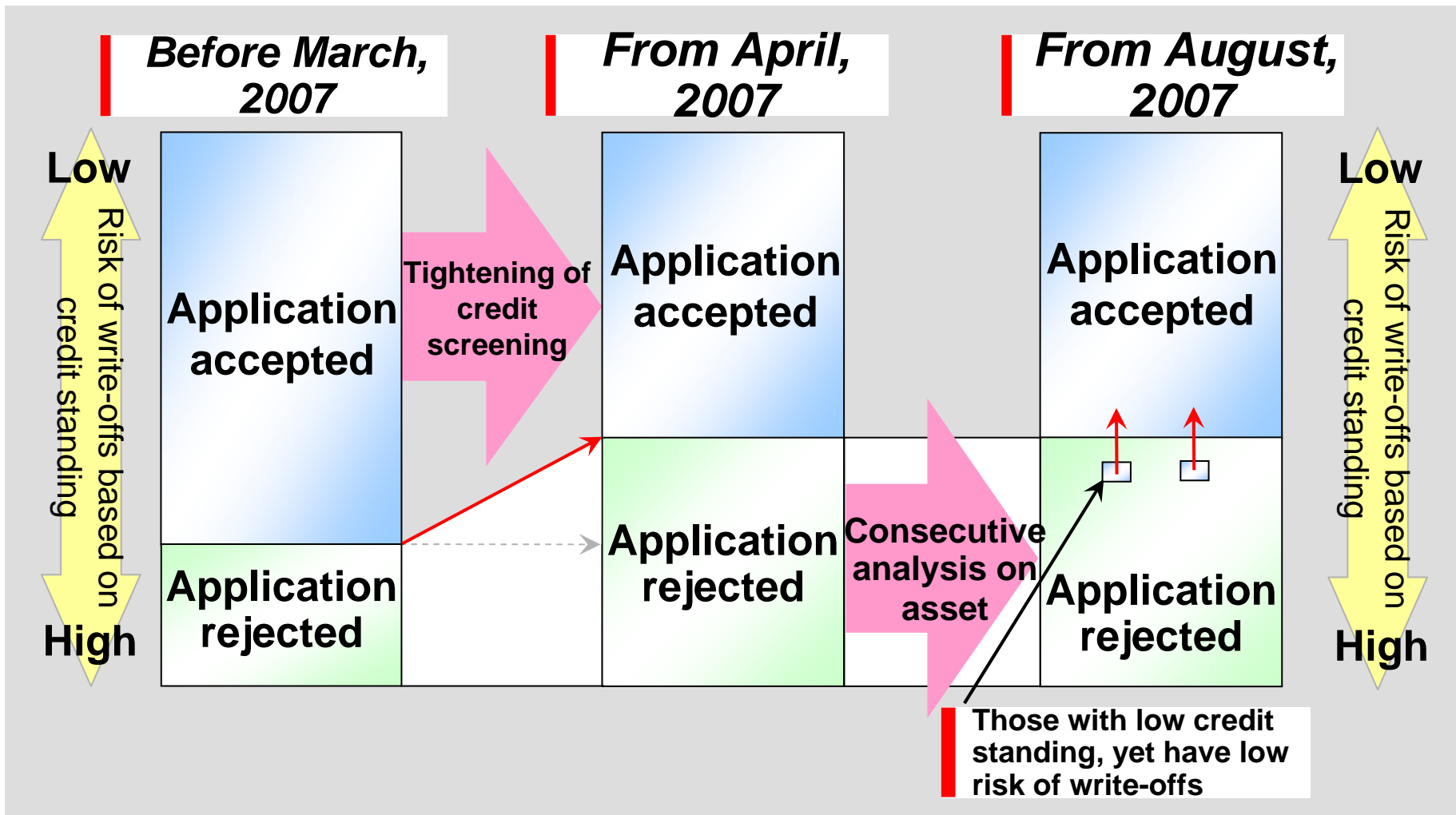
Loan Business: transitions of lending ratio (ACOM)

◆ Unsecured Consumer Loans



Loan Business: Tightening of credit screening model (ACOM)

◆ Changes in Credit Screening Model

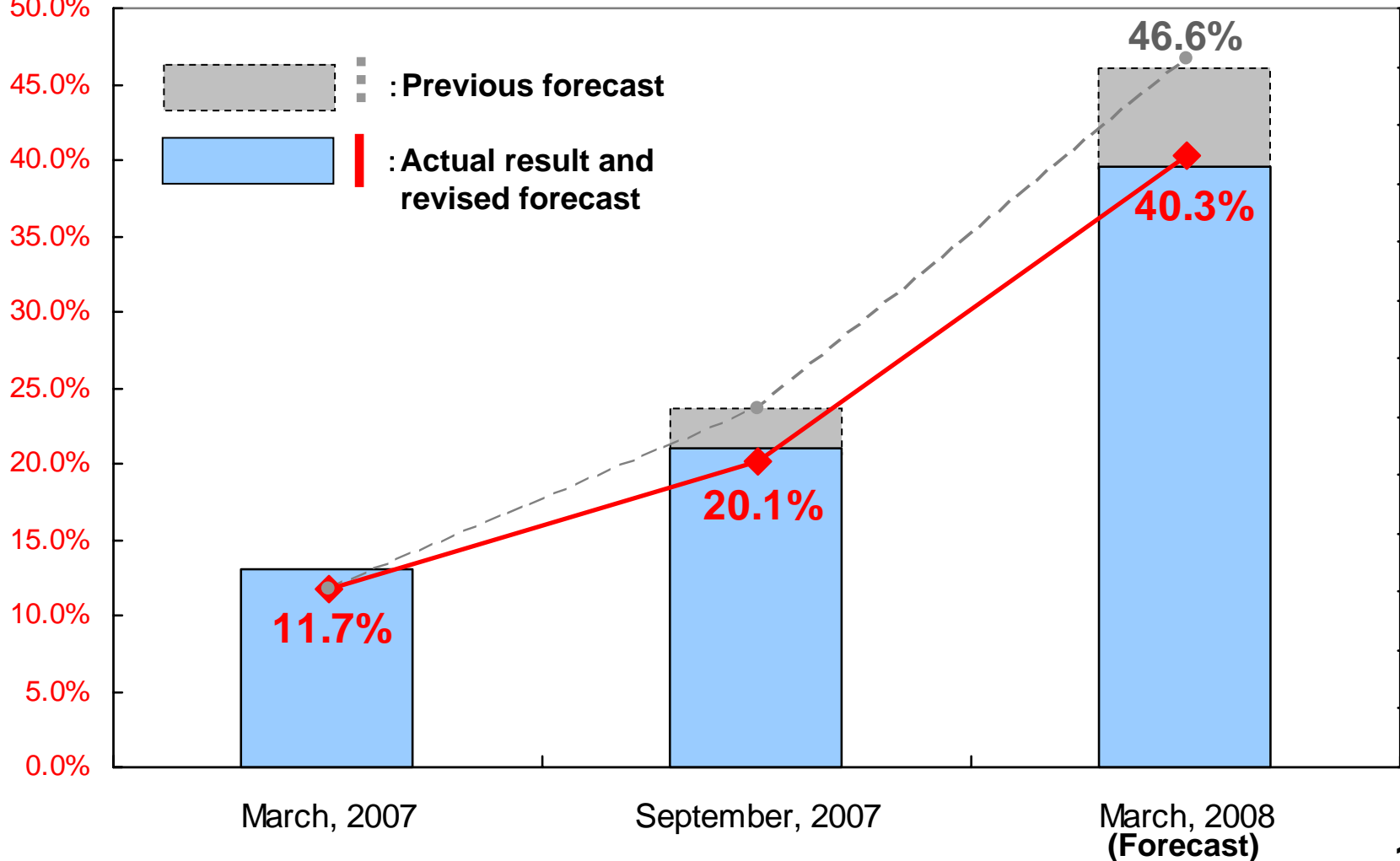


Loan Business: Percentage of loans outstanding with interest rate between 15 to 18% (ACOM)



Composition Ratio
50.0%

◆ Results and forecast of percentage of loans outstanding with interest rate between 15 to 18%





1. Summary of Financial Results

2. Key Points

(1) Group Management Reformation

(2) Measures in Loan Business

(3) The Allowance for Loss on Interest Repayments

(4) Strategic Business Alliance with MUFG

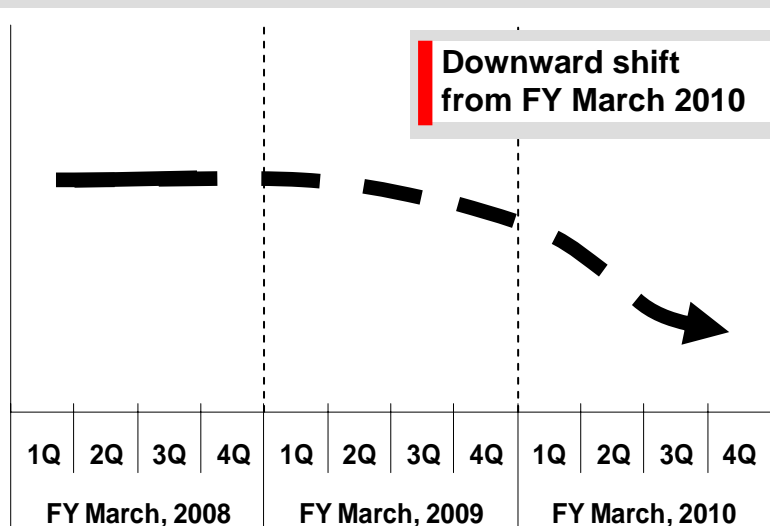
3. Outlook and Policy for FY March 2008

Situation of the Allowance for Loss on Interest Repayments

◆ ACOM's View on Allowance for loss on interest repayments

- ✓ Requests for interest repayments: Estimates the number to remain in plateau in FY March 2008, and to be on decrease from the FY March 2010.
- ✓ Results of interest repayments in this interim accounting period: Reached plateau at a high level as expected
- ✓ Remaining balance of the allowance at the end of this interim accounting period: Auditors deemed the balance to be sufficient, hence further provision is not necessary.

Estimate on the number of requests for interest repayments



Change of allowance on loss for interest repayments

	2007/3	2007/9	2008/3 (Forecast)
Allowance for loss on interest repayments (billions of yen)	490	424	352.4



1. Summary of Financial Results

2. Key Points

(1) Group Management Reformation

(2) Measures in Loan Business

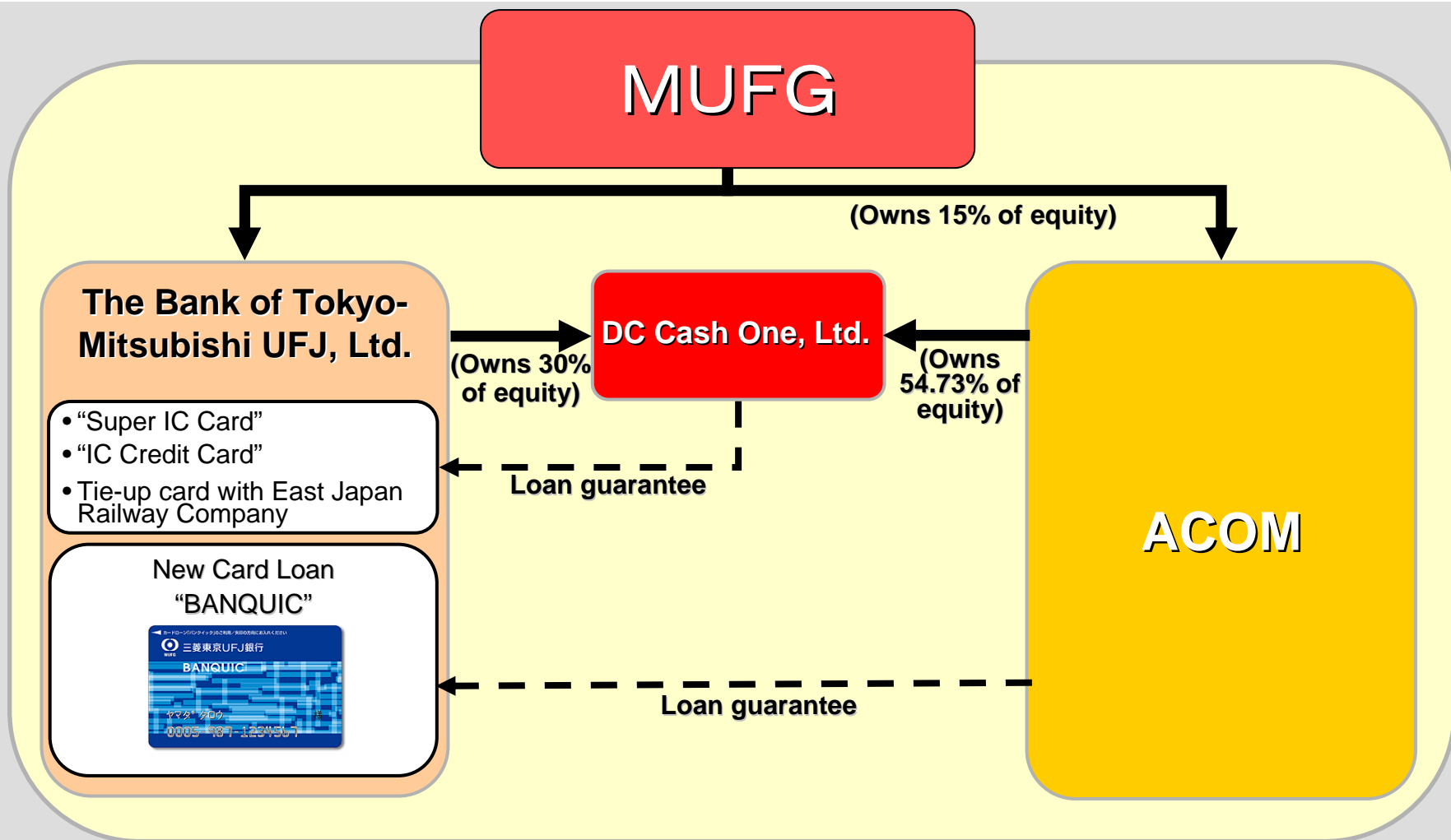
(3) The Allowance for Loss on Interest
Repayments

(4) Strategic Business Alliance with MUFG

3. Outlook and Policy for FY March 2008

ACOM's Position within the MUFG Group

◆ Development of consumer finance with ACOM as axis



Progress in Strategic Business Alliance with MUFG

	2004/ 3/23	2004/4 ~2005/3	2005/4 ~2006/3	2006/4 ~2007/3	2007/4 ~2008/3
1. Entrusting Loan Guarantee Business	Announcement of comprehensive agreement on strategic business alliance		●“Super IC Card” (February, DCC1)	●“IC Credit Card” provided by former UFJ branches (August, DCC1)	●BTMU’s new card loan “BANQUIC” (November)
2. Entrusting Loan Guarantee Business for Small Business			With prospect of deregulation on credit guarantee companies within bank groups, the possibility of loan guarantee for small business was under examination.		●Plan of commercialization after revision in enforcement regulations of Banking Law
3. Guarantee and Servicing Business with Corporate and Financial Institutions			●Commenced tie-up of personal loan guarantee with 3 regional banks ●Integrated DC Servicer company., Ltd.		
4. Promotion of Mutual Use of Network and Infrastructure			Currently examining the possibility, with prospect of system integration in The Bank of Tokyo-Mitsubishi UJF, Ltd. (formerly The Bank of Tokyo-Mitsubishi, Ltd. and UFJ Bank Limited)		
5. Cooperation in Consumer Finance Business in Asia					●Signed transfer contracts of shares of BNP* (November)

*BNP = PT. BANK NUSANTARA PARAHYANGAN Tbk. (Indonesian Bank)

Progress in Business Alliance with MUFG

◆ Alliance with The Bank of Tokyo-Mitsubishi UFJ, Ltd.

PT. BANK NUSANTARA PARAHYANGAN Tbk. (BNP)

- ✓ Expect buyout of BNP will be completed duly by the end of December, 2007 and commencement of business under new structure is scheduled in January, 2008.



Bank of Tokyo-Mitsubishi UFJ





1. Summary of Financial Results

2. Key Points

(1) Group Management Reformation

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(3) The Allowance for Loss on Interest Repayments

(4) Strategic Business Alliance with MUFG

3. Outlook and Policy for FY March 2008

Outlook for FY Ending March, 2008

(Millions of yen)

	Consolidated			Non-consolidated		
	Previous Forecast	Revised Forecast	Difference	Previous Forecast	Revised Forecast	Difference
Operating Income	368,300	373,500	5,200	303,200	309,100	5,900
Operating Expenses	318,900	306,700	(12,200)	258,200	245,400	(12,800)
Financial Expenses	23,300	21,900	(1,400)	18,000	17,000	(1,000)
Bad-debt-related Expenses	156,000	140,500	(15,500)	142,300	125,400	(16,900)
Operating Profit	49,400	66,800	17,400	45,000	63,700	18,700
Income before Extraordinary Items	51,600	68,800	17,200	48,000	66,700	18,700
Net Income	47,000	39,100	(7,900)	45,600	40,100	(5,500)

Primary Factors behind the Difference

- ✓ Increase in operating income resulting from delay of transferring existing customers into new interest rates.
- ✓ Decrease in operating expenses : Bad-debt-related expenses fell below the forecast
- ✓ Loss on revaluation of investments in marketable securities and prior fiscal year corporate taxes, etc. pushed net income downward.

Basic Policy on Profit Distribution and Dividends for Current FY

◆ **Basic Policy on Profit Distribution**

Goal of Return to Shareholders

- ✓ **Targeting recovery of shareholder's equity ratio into 30% level, ACOM simultaneously aims at maintaining no less than 30% net income ratio against the total amount of treasury stock purchased, plus the dividend payments thereon in this fiscal year.**

◆ **Financial Statements and Past Results and Forecast of Dividends**

(Yen, %)

	04/3 Results	05/3 Results	06/3 Results	07/3 Results	08/3 (Forecast)
EPS (ACOM)	455.36	525.54	407.52	(2,795.68)	255.10
Dividend (yen)	80.0	100.0	140.0	100.0	100.0
Interim	40.0	45.0	70.0	70.0	50.0(result)
Annual	40.0	55.0	70.0	30.0	50.0
Shareholder's Equity Ratio (ACOM)	34.4%	44.2%	47.1%	23.8%	28.0%

ACOM will become brand new ACOM



ACOM will become a corporate group which will pay further attention to sociality such as consumer protection. Through provision of financial service which is less expensive, yet provide relief and confidence, ACOM will attempt to make significant contribution to healthy development of consumer credit industry. Please look forward to witnessing brand new ACOM in the future.

Financial Results for Interim Accounting Period & Outlook for FY Ending March 2008

Takashi Kiribuchi

Chief IR Officer & Chief General Manager of
Public Relations Department

Interest-repayment-related & Bad-debt-related Expenses (ACOM)



DATA BOOK Page 7 & 13

◆ Interest-repayment-related Expenses

(Millions of yen, %)

	2007/3		2007/9			Compared to the forecast	2008/3 (Forecast)
	4Q	Total	1Q	2Q	Total		
Interest-repayment-related Expenses	186,992	200,147	0	0	0	-	0
Interest Repayments	18,206	42,266	18,460	17,937	36,397	-	-
(Reference) Interest Repayments (Cash Out Basis)	18,018	40,233	18,100	19,250	37,353	-	-
Bad Debt Write-offs (ACOM's Voluntary Waiver of Repayments)	14,177	41,880	15,745	13,824	29,569	-	-
Increase or Decrease in Allowance for Loss on Interest Repayments	154,608	116,000	(34,205)	(31,761)	(65,966)	48.0	(137,567)
Allowance for Loss on Interest Repayments	490,000		455,794	424,033		-	352,433

◆ Bad-debt-related Expenses

(Millions of yen, %)

	2007/3	2007/9	2008/3		Difference
			Previous Forecast	Revised Forecast	
Bad-debt-related Expenses	129,056	60,365	142,300	125,400	(16,900)
Bad Debt Write-offs	97,097	57,949	106,100	116,700	10,600
Increase or Decrease in Allowance for Bad Debts	31,618	2,436	35,500	8,300	(27,200)
Increase or Decrease in Allowance for Loss on Debt Guarantees	340	(20)	700	400	(300)

Analysis on Non-consolidated Factors

(Millions of yen)	2007/3	2007/9			2008/3	
			YOY	%	(Forecast)	YTD (%)
Operating Income	370,769	166,528	(24,378)	(12.8)	309,100	(16.6)
Operating Expenses	459,762	119,285	(14,827)	(11.1)	245,400	(46.6)
Financial Expenses	16,928	8,207	(304)	(3.6)	17,000	0.4
Bad-debt-related Expenses	129,056	60,365	8,021	15.3	125,400	(2.8)
Interest-repayment-related Expenses	200,147	0	(13,155)	(100.0)	0	(100.0)
Other Operating Expenses	112,406	50,467	(9,635)	(16.0)	102,700	(8.6)
Operating Profit	(88,992)	47,242	(9,550)	(16.8)	63,700	-
Non-operating Income	3,046	1,693	54	3.3	3,200	5.1
Non-operating Expenses	236	145	82	131.5	200	(15.3)
Income before Extraordinary Items	(86,183)	48,790	(9,578)	(16.4)	66,700	-
Extraordinary Income	269	3,496	3,253	-	3,500	-
Extraordinary Losses	350,835	17,453	(300,008)	(94.5)	17,900	(94.9)
Income before Income Taxes	(436,749)	34,834	293,683	-	52,300	-
Net Income	(439,463)	25,857	308,600	-	40,100	-

Operating Expenses (ACOM)

(Millions of yen)	2007/3	2007/9			2008/3 (Forecast)	YOY (%)
			YOY	%		
Operating Expenses	459,762	119,285	(14,827)	(11.1)	245,400	(46.6)
Financial Expenses	16,928	8,207	(304)	(3.6)	17,000	0.4
Cost of Sales	1,223	246	246	-	300	(75.5)
Bad-debt-related Expenses	129,056	60,365	8,021	15.3	125,400	(2.8)
Bad Debt Write-offs	97,097	57,949	15,081	35.2	116,700	20.2
Increase or Decrease in Allowance for Bad Debts	31,618	2,436	(6,559)	(72.9)	8,300	(73.7)
Increase or Decrease in Allowance for Loss on Debt Guarantees	340	(20)	(500)	(104.2)	400	17.6
Interest-repayment-related Expenses	200,147	0	(13,155)	(100.0)	0	(100.0)
Interest Repayments	42,266	36,397	22,766	167.0	-	-
Bad Debt Write-offs (ACOM's Voluntary Waiver of Repayments)	41,880	29,569	13,544	84.5	-	-
Increase or Decrease in Allowance for Loss on Interest Repayments	116,000	(65,966)	-	-	(137,567)	-
Other Operating Expenses	112,406	50,467	(9,635)	(16.0)	102,700	(8.6)

Other Operating Expenses (ACOM) DATA BOOK Page 7

(Millions of yen)	2006/3	2007/9		2008/3 (Forecast)	YOY	Compared to FY March 2006	
			YOY				%
Other Operating Expenses	126,914	50,467	(9,635)	(16.0)	102,700	(9,706)	(24,214)
Personnel Costs	34,823	11,409	(4,876)	(29.9)	23,300	(7,142)	(11,523)
Advertising and Promotional Expenses	16,087	5,626	205	3.8	10,000	(875)	(6,087)
Administrative Expenses	14,694	6,187	(1,127)	(15.4)	12,400	(1,722)	(2,294)
Expenses for Computer Operation and Development	19,255	9,028	(1,001)	(10.0)	19,800	(466)	545
Fees	16,672	7,700	(983)	(11.3)	16,100	(1,196)	(572)
Insurance Expenses	7,580	0	(3,610)	(100.0)	0	(3,744)	(7,580)
Depreciation Expenses	2,524	998	(193)	(16.2)	2,000	(394)	(524)
Taxes and Other Public Charges	6,106	2,480	(437)	(15.0)	4,700	(930)	(1,406)
Enterprise Tax (Pro forma standard taxation)	940	200	(270)	(57.4)	500	(125)	(440)
Market Development Expenses	-	-	-	-	500	500	500
Primary Expenses	-	-	-	-	-	-	-
Others	8,229	6,835	2,659	63.7	13,400	6,392	5,171

Amount of "other operating expenses" except loss on sales of loans receivable

Other Operating Expenses	126,914	46,182	(13,920)	(23.2)	94,415	(17,991)	(32,499)
Loss on sales of Loans Receivable	-	4,285	-	-	8,285	-	-

Unsecured Loans Receivable Outstanding for Consumers by Interest Rate (ACOM)

◆ Unsecured Loans for Consumers (Based on Receivable Outstanding)

(Millions of yen)

	2007/3		2007/9		2008/3 (Forecast)	
		%		%		%
Loans Receivable Outstanding	1,446,117	100.0	1,362,440	100.0	1,274,500	100.0
28.470% and Higher	20,506	1.4	18,351	1.3	11,100	0.9
27.375%	537,612	37.2	465,258	34.1	192,300	15.1
25.000 – 26.500%	289,512	20.0	244,091	17.9	218,300	17.1
20.000 – 24.820%	278,943	19.3	229,603	16.9	215,100	16.9
18.250 – 19.000%	83,666	5.8	70,775	5.2	66,400	5.2
15.000 – 18.000%	169,235	11.7	273,618	20.1	513,900	40.3
Less than 15.000%	66,641	4.6	60,740	4.5	57,400	4.5
Average Loan Yields (%)	22.25		21.54		20.55	

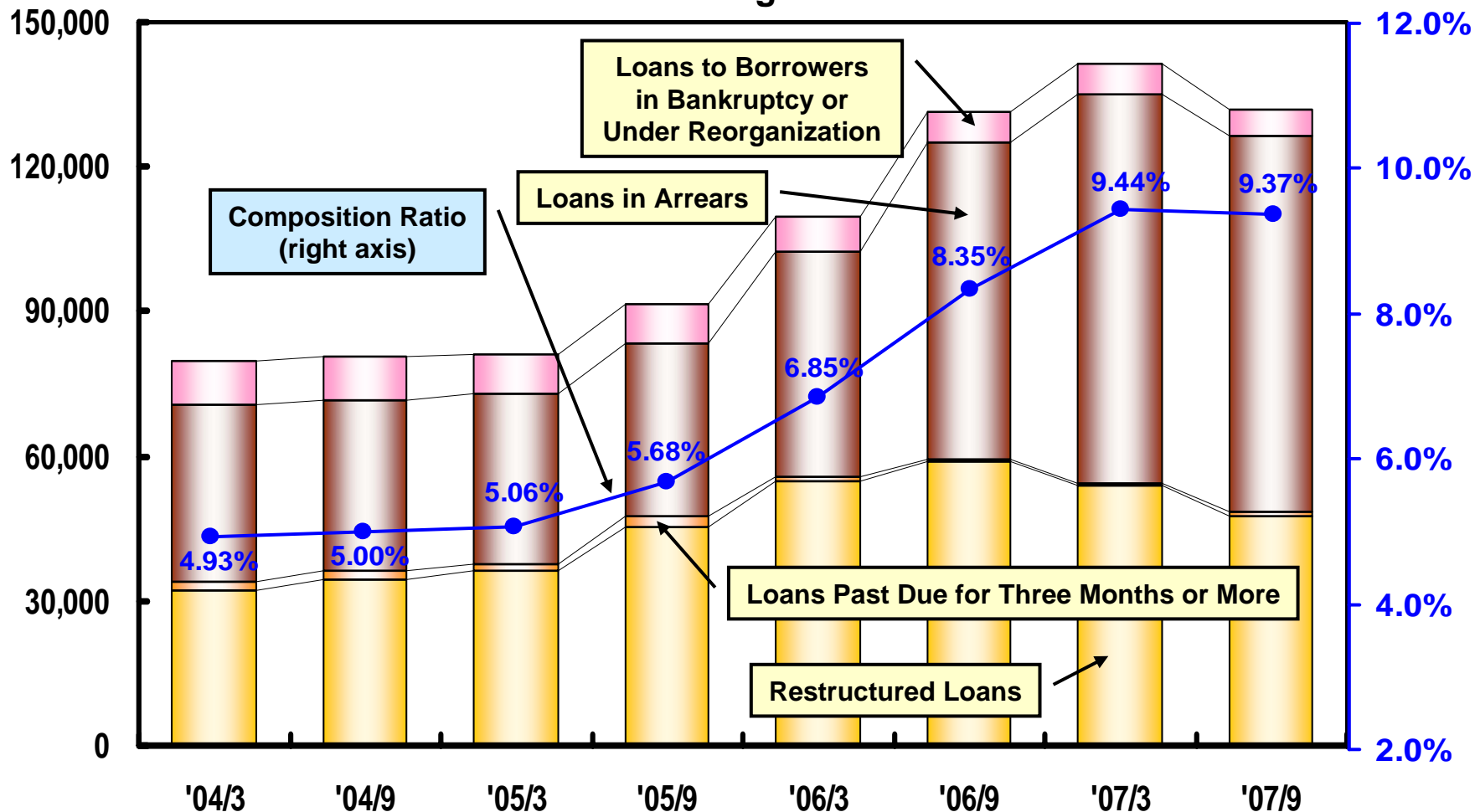
Loan Business (ACOM)

2007/9	Results	YOY (%)	YTD (%)	2008/3 (Forecast)	YOY (%)
Unsecured Loans for Consumers					
Receivables Outstanding (Millions of yen)	1,362,440	(10.3)	(5.8)	1,274,500	(11.9)
Number of Customer Accounts	2,512,946	(10.1)	(5.9)	2,345,300	(12.2)
Number of New Loan Customers	89,365	(40.7)	-	186,000	(30.8)
Lending Ratio (%)	35.4	(25.6 p.p.)	-	-	-

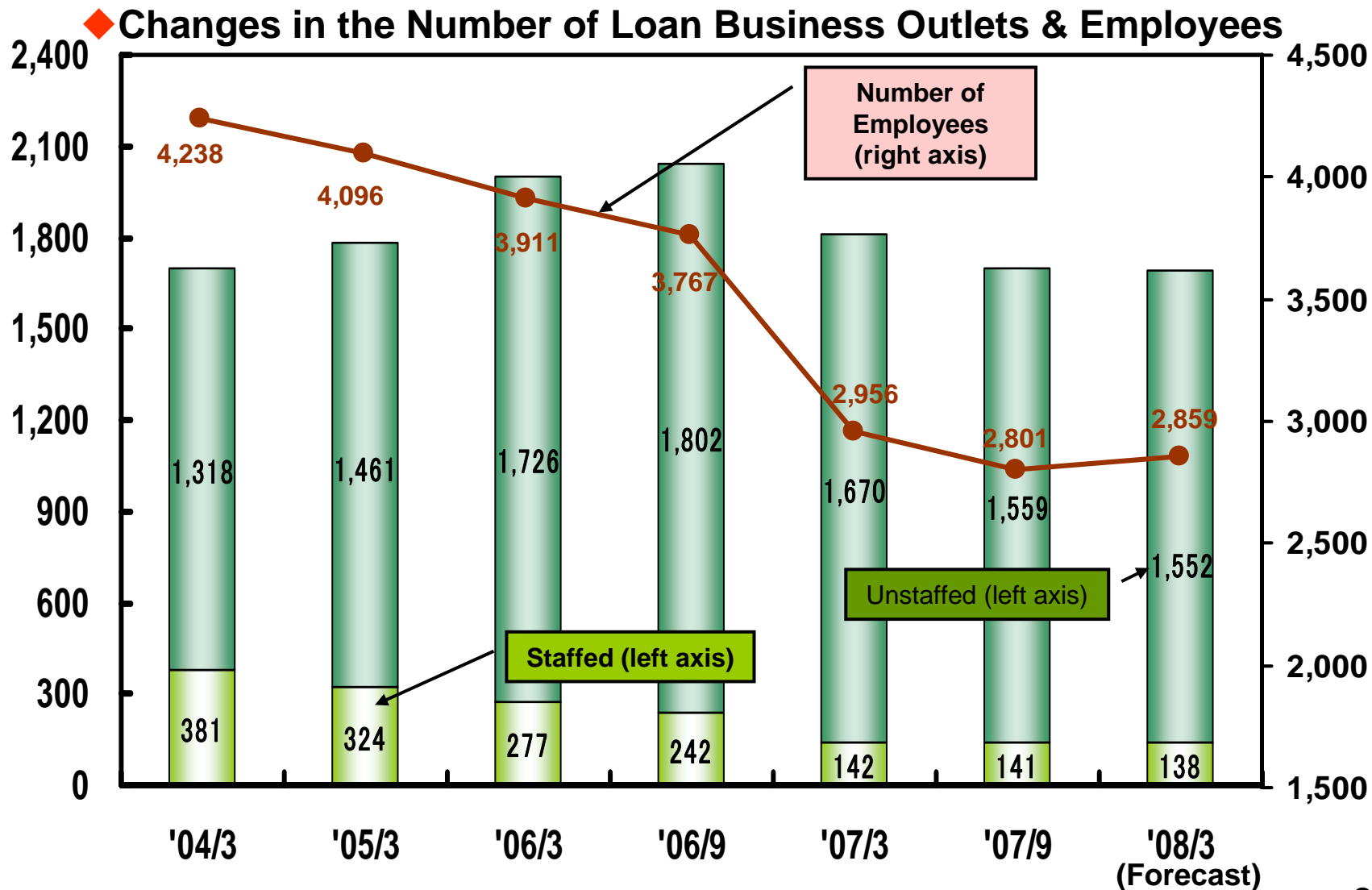
Bad Debts (ACOM)

◆ Semi-annual Changes in Bad Debts & Composition Ratio to Loans Receivable Outstanding

(Millions of yen)



Number of Loan Business Outlets & Employees (ACOM)



Credit Card/Installment Sales Finance Business

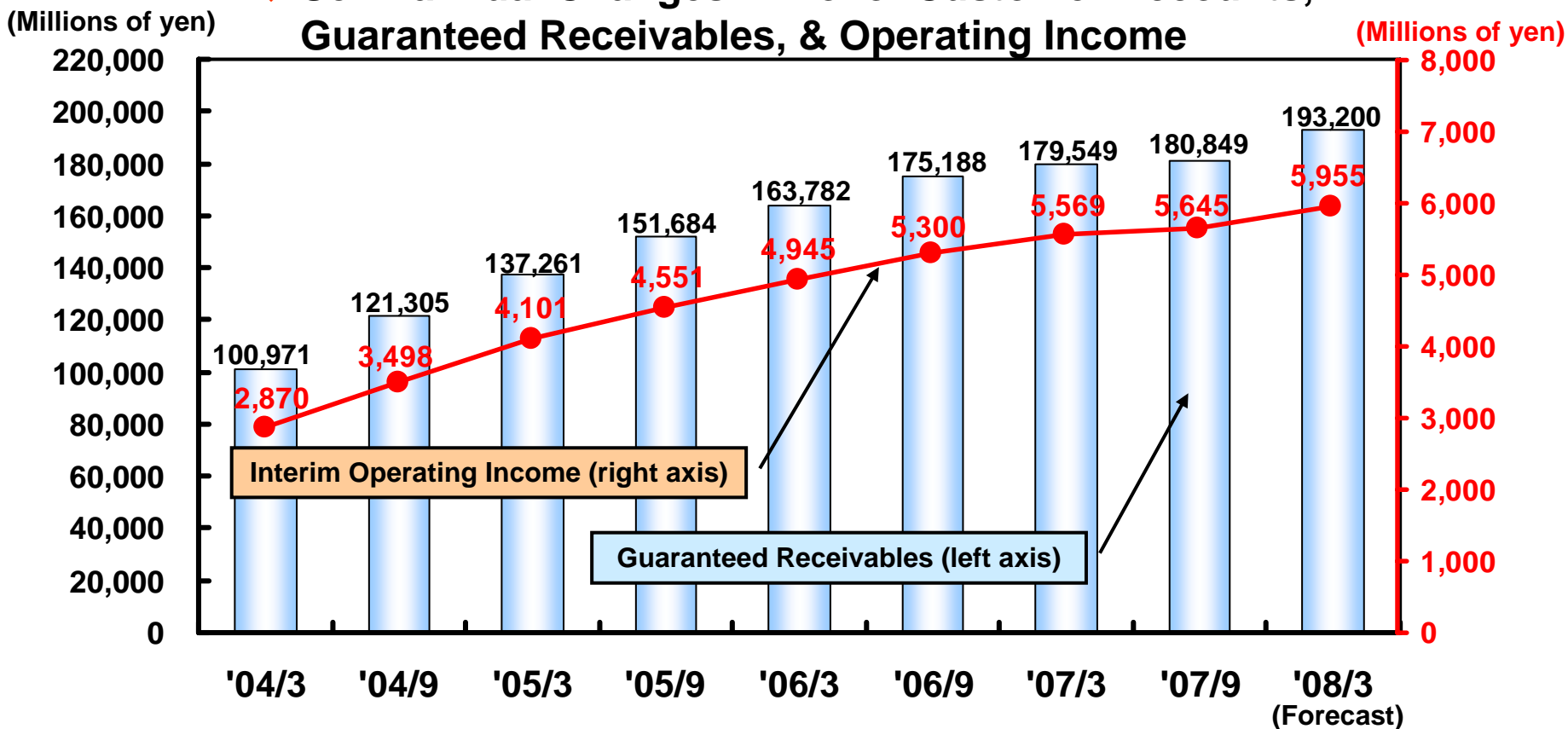
DATA BOOK Page 4 & 15

2007/9	Results	YOY (%)	YTD (%)	2008/3 (Forecast)
Credit Card Business (ACOM)				
Number of Cardholders	1,015,694	(21.0)	(13.6)	814,800
Tie-up Card	602,083	(22.3)	(16.6)	-
Card Shopping Receivables (Millions of yen)	41,174	(11.5)	(7.0)	37,400
Revolving Receivables	37,949	(10.1)	(6.7)	-
Installment Sales Finance Business (AFRESH CREDIT)				
Number of Customer Accounts	179,743	136.1	210.8(*)	165,500
Installment Receivables (Millions of yen)	37,034	187.3	289.7(*)	34,100

Note: The reason why those numbers sharply increased is that installment sales finance business of ACOM was succeeded on April 1, 2007.

Guarantee Business (ACOM)

◆ Semi-annual Changes in No. of Customer Accounts, Guaranteed Receivables, & Operating Income

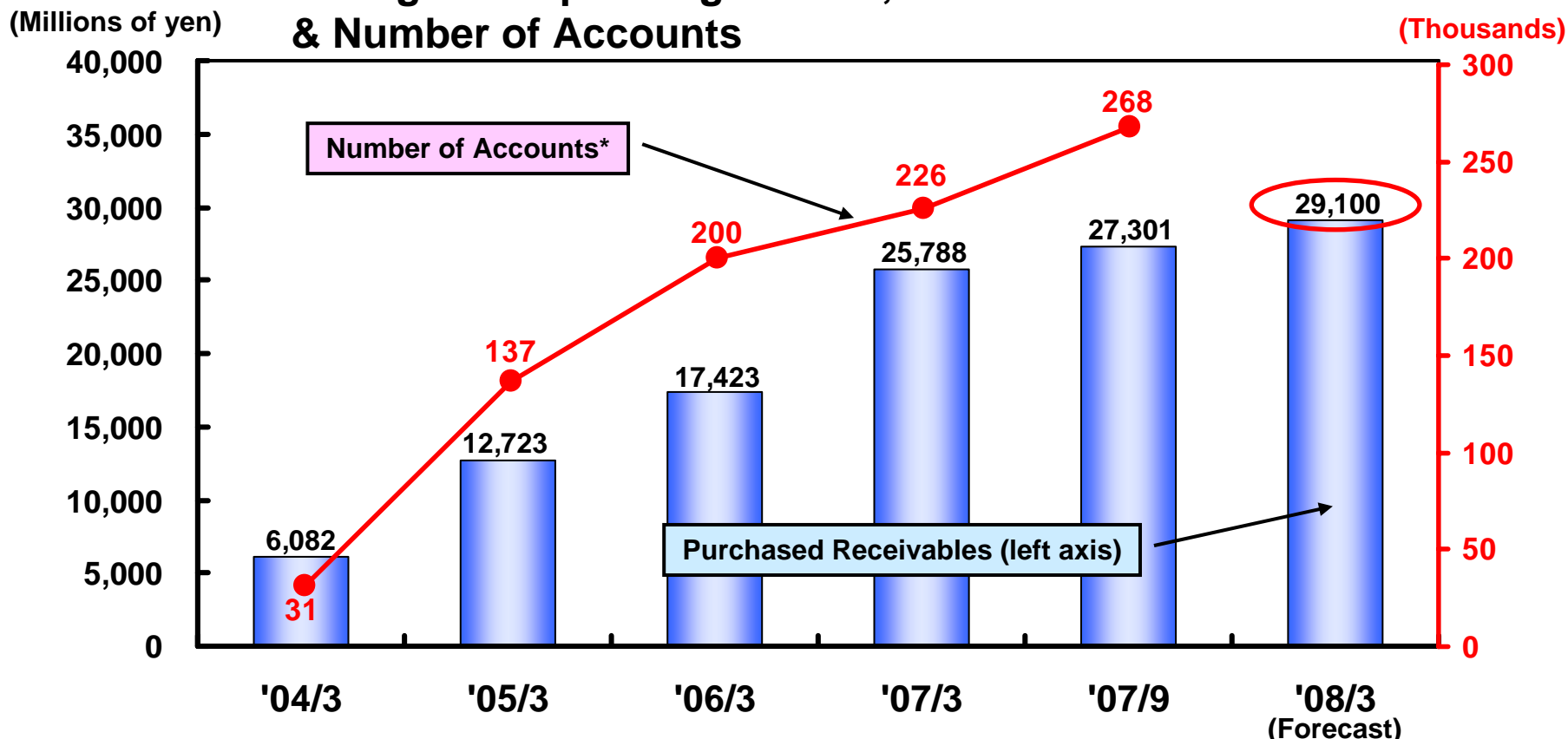


No. of Accounts	'04/3	'04/9	'05/3	'05/9	'06/3	'06/9	'07/3	'07/9	'08/3 (Forecast)
	269,977	314,879	345,573	367,680	387,173	403,403	407,585	408,068	427,000

Tie-up partners : Hokkaido Bank, Hiroshima Bank, Suruga Bank, Juroku Bank, Aomori Bank, Nishi-nippon City Bank, Hachijuni Bank, Nagasaki Bank, Nanto Bank, Hokuriku Bank, Joyo Bank, Gunma Bank, Iwate Bank, DC Cash One (13 regional banks and one corporate: As of September 2007)

Loan Servicing Business (IR Loan Servicing, Inc.)

◆ Changes in Operating Income, Purchased Receivables & Number of Accounts



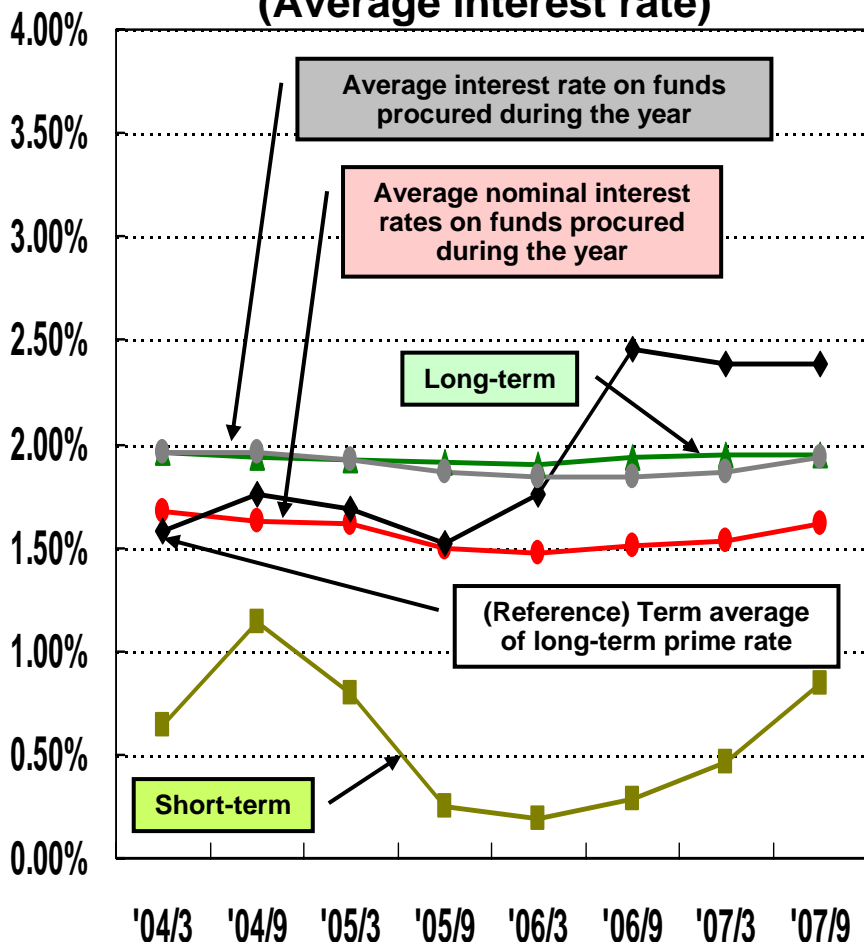
Operating Income (Millions of yen)	2,786	8,762	14,117	13,827	7,832 (Interim)	19,000 (Forecast)
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* Number of accounts with outstanding balance

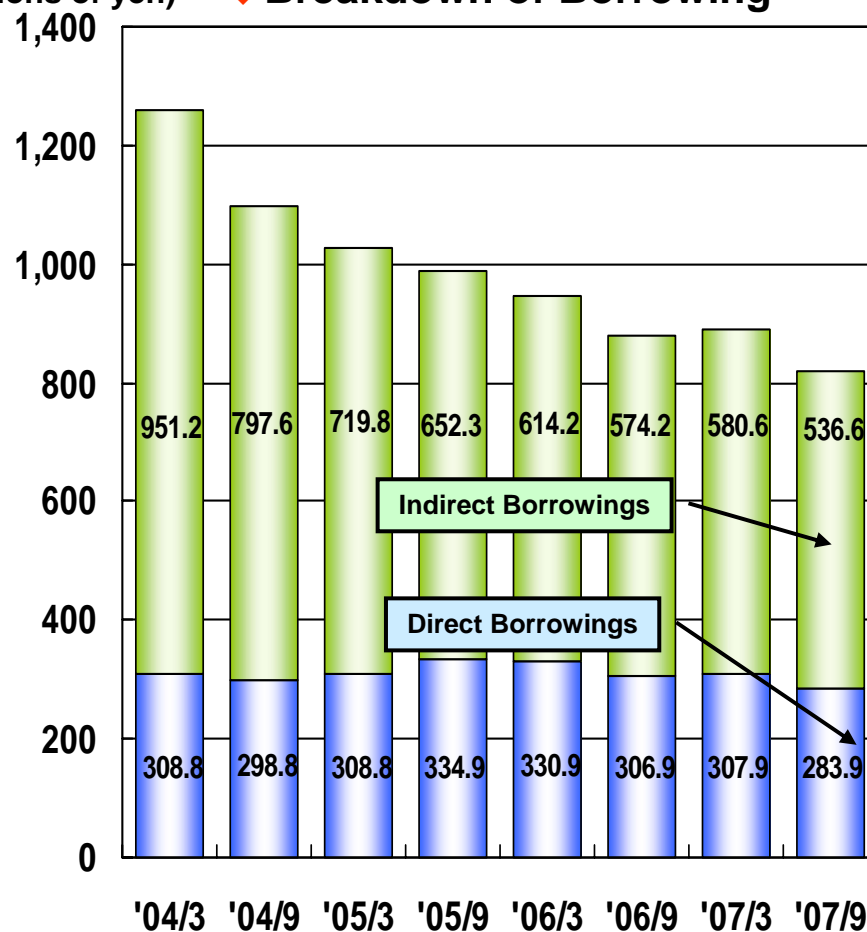
2007/9	Results	YOY (%)	YTD (%)	2008/3 (Forecast)
Receivables Outstanding (Millions of yen)	82,993	3.7	0.4	84,000
Number of Customer Accounts	182,721	1.7	(0.1)	181,500
Average Balance of Loans per Account (Thousands of yen)	454	+9 (Thousands of yen)	+2 (Thousands of yen)	462
Number of New Loan Customers	13,932	(33.4)	-	28,300
Guaranteed Receivables (Millions of yen)	15,461	-	-	22,100

Funds Procurement (ACOM)

◆ Interest Rates on Funds Procured (Average interest rate)



(Billions of yen) ◆ Breakdown of Borrowing



Note1: Financial expenses pertaining to derivatives have been excluded from the calculation of average nominal interest rate on funds procured during the year.

Note2: Bonds issue expenses etc. have been included in the calculation of average interest rate on funds procured during the year.

Assumptions on the Outlook (ACOM)

1.Outlook for the Long-term Prime Rate	2.65%
2.Average Nominal Interest Rate	1.68%
3.Average Loan Yield	20.26%
(Unsecured Loans for Consumers	20.55%)
4.Financial Expenses	17,000 M yen
5.Bad-debt-related Expenses	125,400 M yen
6.Interest-repayment-related Expenses	0 M yen
7.Other Operating Expenses	102,700 M yen

Question and Answer

Reference

- ◆ For further information and questions regarding this presentation, please contact:

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- ◆ For updated company information, please refer to our website:

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