
Earnings Release Conference

The 2nd Quarter for the Fiscal Year Ending March 2010



ACOM CO., LTD.

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

November 6, 2009



Conference Schedule

Title	Presenter	Approx. Duration	Page No.
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3. Outlook for the FY March 2010			8
4. Business Alliance with MUFG in Progress			9
5. Group Management Reform, Strengthening Business Management Policy			10-
1. Financial Results Summary (Non-consolidated)	Takashi Kiribuchi Chief IR Officer & Chief General Manager of Public Relations Department	20min.	14
2. Analysis on Major Figures (Non-consolidated)			15-
Question & Answer Session		30min.	

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 Highlights

The 2nd Quarter for the Fiscal Year Ending March 2010

- (1) Business Environment and Prime Objectives
- (2) Financial Results Summary
- (3) Business Performance of Three Core Businesses
(Loan, Guarantee and Loan Servicing Businesses)
- (4) Outlook for the Fiscal Year March 2010
- (5) Business Alliance with MUFG Group in Progress
- (6) Group Management Reform, Strengthening Business
Management Policy

Shigeyoshi Kinoshita
President & CEO



Drastic Changing Environment

Macro and Industrial Environment

- ✓ Significant decrease in corporate earnings and sharp deterioration in the job market
- ✓ Requests for interest repayment staying at high level
- ✓ Shrinking of consumer finance market due to restrictions on maximum interest rate and borrowing amount



Prime Objectives

- ✓ Securing customers of loan business and earning basis
- ✓ Taking precise measures in response to the revised Money Lending Business Act
- ✓ Promoting the cost structure reform
- ✓ Promoting our business alliance with the MUFG Group
- ✓ Development in Asian market



Financial Results Summary

(Millions of yen, %)

The Second Quarter for the FY Ending March 2010 (Cumulative)	Consolidated		Non-consolidated	
	Results		Results	
		yoy (%)		yoy (%)
Operating Revenue	141,722	-15.9	121,409	-11.1
Loan Business	124,337	-13.8	110,302	-11.3
Credit Card Business	2,075	-15.9	1,852	-16.8
Installment Sales Finance Business	2,065	-20.8	-	-
Guarantee Business	5,251	-8.1	5,313	-9.3
Loan Servicing Business	6,118	-27.0	-	-
Other Businesses	58	-95.3	3,941	-3.7
Banking Business	1,815	7.7	-	-
Operating Expenses	133,652	-2.7	115,125	6.1
Financial Expenses	11,160	3.4	8,347	13.0
Provision of Allowance for Doubtful Accounts *	61,094	45.9	55,721	55.3
Provision for Loss on Interest Repayment	8,705	-55.6	8,705	-55.6
Other Operating Expenses	52,693	-19.2	42,351	-7.3
Operating Income	8,069	-74.0	6,283	-77.6
Ordinary Income	9,227	-71.2	7,214	-75.4
Net Income	2,440	-90.6	2,122	-89.9

* "yoy" of provision of allowance for doubtful accounts was calculated based on total amount of provision of allowance for doubtful accounts and loss on sales of accounts receivable-operating loans of 2nd quarter for FY March 2009.



Loan Business

◆ Receivables Outstanding, No. of Customer Accounts, and No. of New Loan Customer

(Millions of yen / baht, %)

		Results	yoy (%)	ytd (%)	2010/3 (Estimate)	
ACOM	Receivables Outstanding	1,176,080	-5.3	0.4	1,113,600	
	Number of Customer Accounts	2,170,800	-3.4	1.7	1,972,300	
	Number of New Loan Customers	87,474	-3.2	-	169,000	
	Operating Revenue	113,718	-11.0	-	219,300	
EASY BUY	Receivables Outstanding	¥	67,092	2.1	14.3	67,200
		Baht	(*1) 23,791	14.8	5.4	(*3) 25,075
	Number of Customer Accounts	815,801	20.5	2.4	860,300	
	Operating Revenue	¥	9,555	-2.1	-	19,000
		Baht	(*2) 3,500	19.0	-	(*3) 7,090

*1 One baht=2.82 yen (spot exchange rates as of the end of June 2009)

*3 One baht=2.68 yen (spot exchange rates as of the end of September 2009)

*2 One baht=2.73 yen (average exchange rates from January to June 2009)

◆ Accounts Receivable-operating Loans by Interest Rate (Unsecured Loans) and Average Loan Yield

%	2009/3	2009/9	2010/3 (Estimate)	%	2009/3	2009/6	2009/9	2010/3 (Estimate)
Over 18%	49.4	42.4	32.3	Average Yield for FY	19.32	18.99	18.67	18.37
18% or Less	50.6	57.6	67.7	Average Yield for a Year	19.32	19.14	18.87	18.37

◆ Interest Repayments and Voluntary Waiver of Repayments (ACOM)

(Billions of yen)

	1Q	2Q	2 nd Half (Estimate)	Previous Forecast	Revised Forecast	Provision for Loss on Interest Repayment
Interest repayments and voluntary waiver of repayments	39.2	34.6	71.2	132.0	145.0	31.6



Guarantee and Loan Servicing Businesses

(Millions of yen,%)

		Results	yoy (%)	ytd (%)	2010/3 (Estimate)	
Guarantee Business	ACOM (*1)	Guaranteed Receivables	313,536	185.1	170.9	313,800
		No. of Accounts with Outstanding Balance	667,158	170.1	161.4	657,000
		Operating Revenue	5,251	28.2	-	14,100
Loan Servicing Business	IR Loan Servicing	Receivables Outstanding	18,353	-28.2	-12.3	17,300
		No. of Customer Accounts	289,896	17.8	13.3	-
		Operating Revenue	6,118	-27.0	-	11,300
		Collection of Purchased Receivables	5,835	-27.0	-	-

Guarantee Business Partners (*2)

- ✓ Hokkaido Bank, Hiroshima Bank, Suruga Bank, Juroku Bank, Aomori Bank, HACHIJUNI BANK, NISHI-NIPPON CITY BANK, NAGASAKI BANK, Nanto Bank, HOKURIKU BANK, Joyo Bank, Gunma Bank, Bank of Iwate, Bank of Tokyo-Mitsubishi UFJ, Yamagata Bank, Jibun Bank (Total 16 Banks)

*1 Each amount is listed in consolidated basis (Loan business of DC Cash One guaranteed by ACOM is not included).

*2 ACOM plans to commence the guarantee business in tie-up with Seven Bank, Ltd. from January 25, 2010.



Outlook for the Fiscal Year March 2010

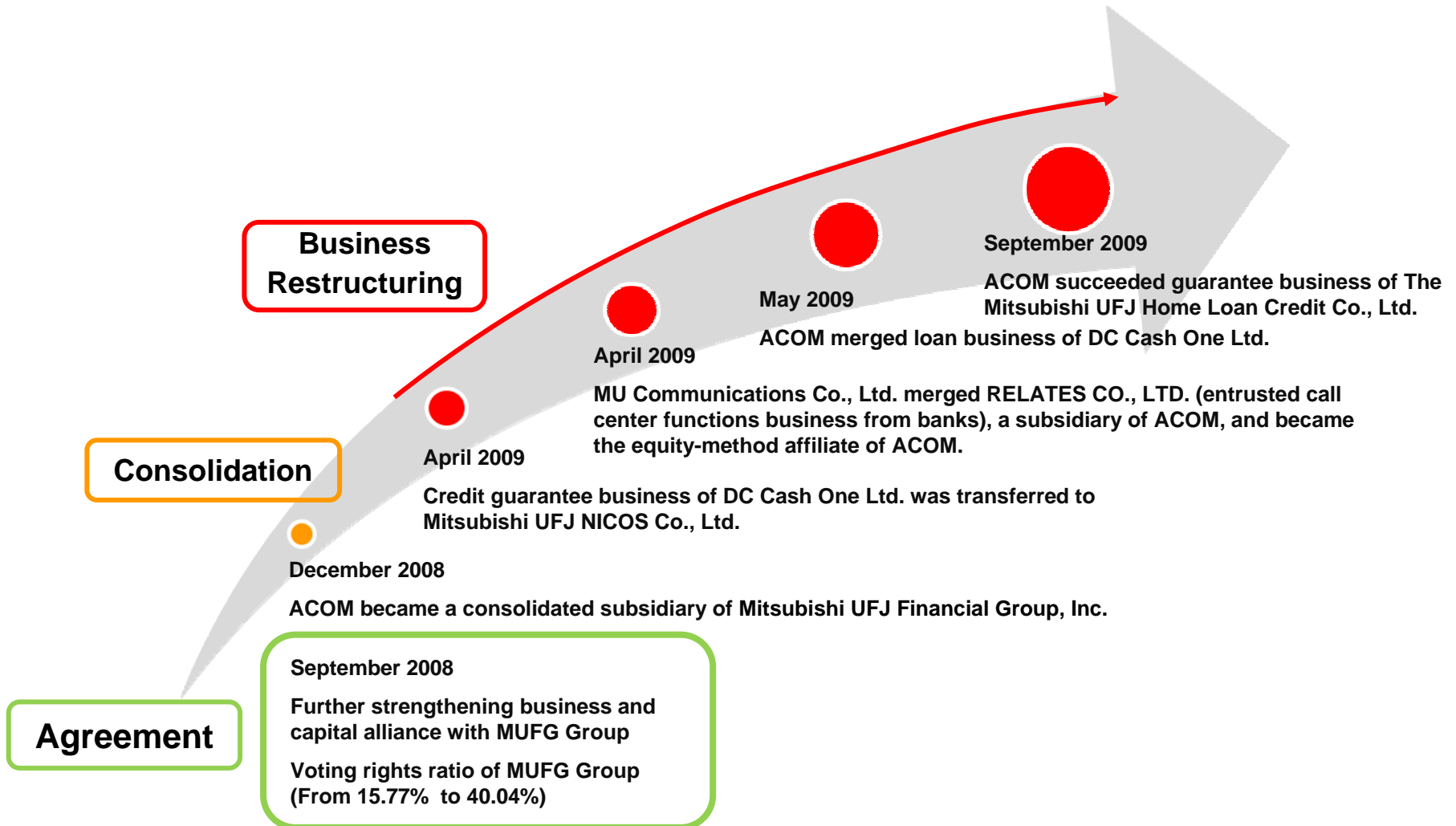
(millions of yen,%)

Fiscal Year March 2010	Consolidated				Non-consolidated			
	Previous Forecast	Revised Forecast	yoy (%)	Difference	Previous Forecast	Revised Forecast	yoy (%)	Deference
Operating Revenue	260,400	276,400	-14.8	16,000	221,700	237,600	-9.4	15,900
Operating Expenses	228,200	267,900	-8.8	39,700	191,600	231,300	-1.7	39,700
Financial Expenses	23,800	23,200	4.5	-600	18,000	17,600	19.9	-400
Provision of Allowance for Doubtful Accounts	96,300	105,300	19.8	9,000	85,800	94,400	23.8	8,600
Provision for Loss on Interest Repayment	-	31,600	-39.4	31,600	-	31,600	-39.4	31,600
Operating Income	32,200	8,500	-72.3	-23,700	30,100	6,300	-76.6	-23,800
Ordinary Income	32,900	10,100	-69.1	-22,800	31,200	7,600	-73.9	-23,600
Net Income	32,200	-11,400	-	-43,600	30,200	-11,900	-	-42,100

		2006/3	2007/3	2008/3	2009/3	2010/3 (Estimate)
Consolidated	EPS (Yen)	416.69	-2,786.19	225.24	86.91	-72.67
	Shareholder's Equity Ratio	44.0%	22.2%	24.9%	27.7%	-
Non-consolidated	EPS (Yen)	407.52	-2,795.68	213.23	107.69	-75.86
	Dividend (Yen)	140	100	100	70	10
	Interim (2 nd Quarter)	70	70	50	50	5
	Year-end	70	30	50	20	5
	Shareholder's Equity Ratio	47.1%	23.8%	27.9%	30.9%	31.4%

Business Alliance with MUFG in Progress

◆ Alliance Strategy with MUFG Group is Steadily Progressing

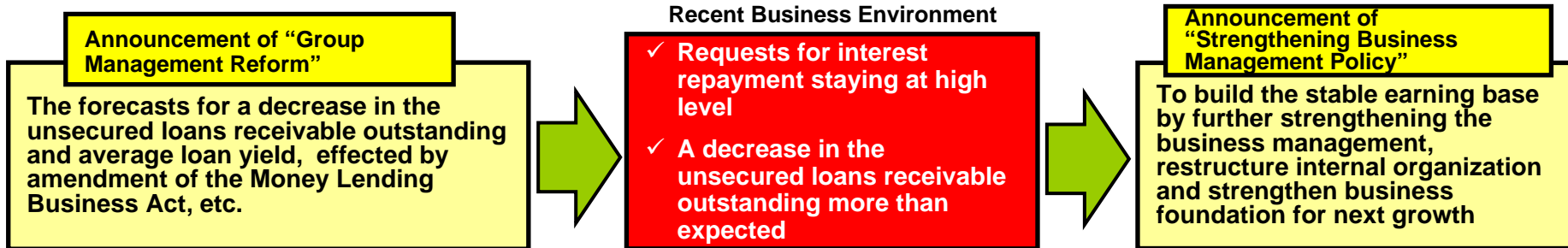
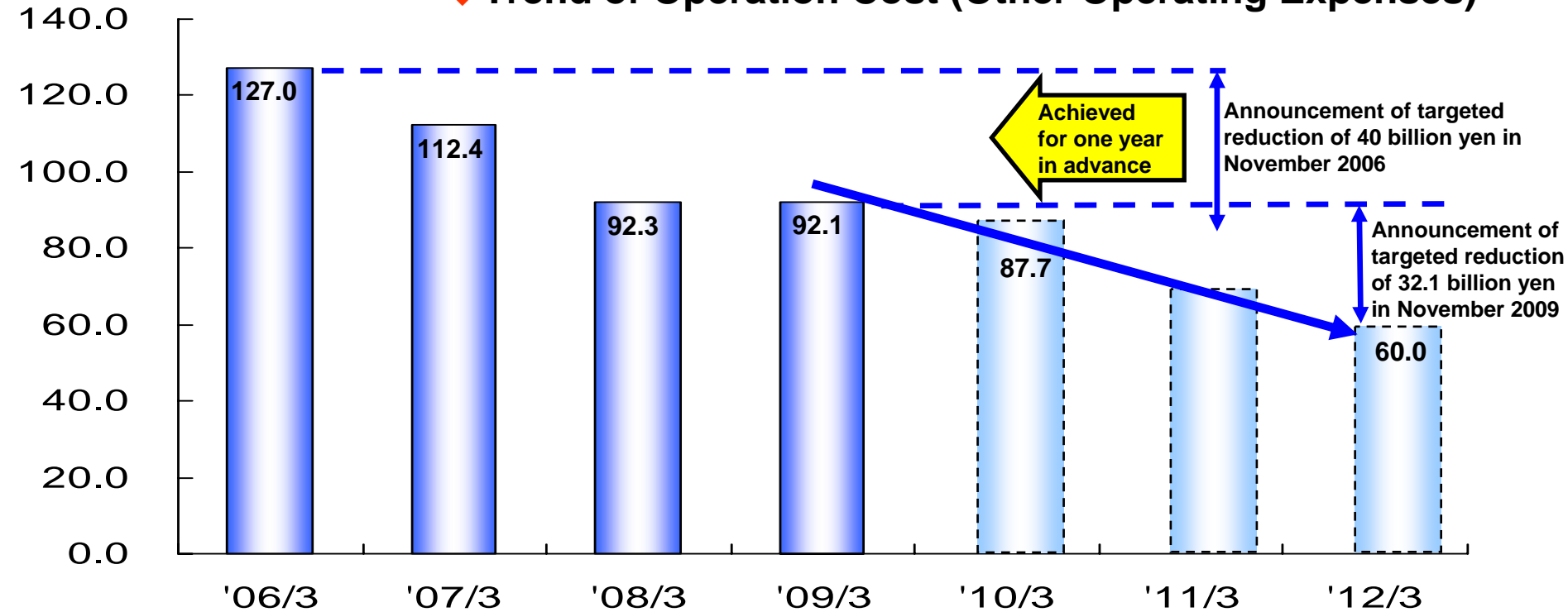




Group Management Reform, Strengthening Business Management Policy

◆ Trend of Operation Cost (Other Operating Expenses)

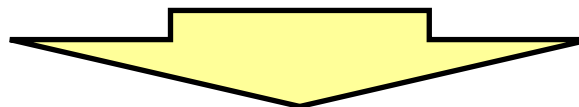
(Billions of yen)





Summary of Strengthening Business Management Policy

	2009/3	2009/9	Contents	Performance Goals (2012/3)
Restructuring Business Outlet				Administrative expenses: Decrease of 3.1 billion yen
Staffed Outlets	118 outlets	118 outlets	45 outlets	
Unstaffed Outlets	1,489 outlets	1,448 Outlets	1,200 outlets	
Concentrated Operating centers	4 locations	4 locations	Integrated into 2 locations	
Improvement of Personnel Efficiency				Personal expenses: Decrease of 8.6 billion yen
Recruitment of Voluntary Retirement	General employees: 2,636	General employees: 2,756 (Temporary transferred employees: 285)	Decrease to 2,089 employees by recruiting of voluntary retirement (550 employees) and restructuring business outlets	
Restructuring of Business Outlets				
Streamlining Head Office Functions				
Further Reduction of Other Operation Cost				Computer expenses: Decrease of 7.9 billion yen Advertising expenses: Decrease of 4.2 billion yen Other: Decrease of 8.3 billion yen
Computer Expenses	21.9 billion yen	Further cost reduction by drastic revision focusing on cost effectiveness		
Advertising Expenses	8.6 billion yen			
Other	25.6 billion yen			
Total	56.1 billion yen			
Total amount in reduction of operation cost by the strengthening business management policy				Decrease of 32.1 billion yen



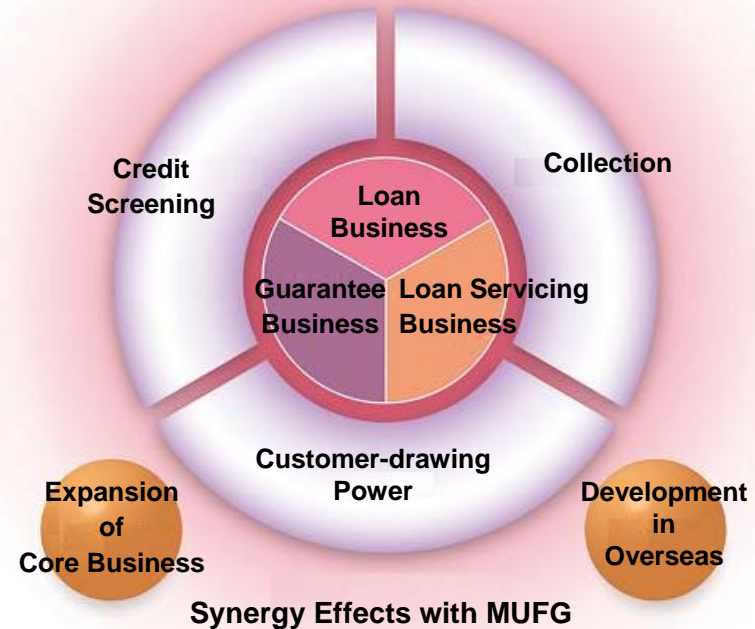
Operation Cost for Fiscal Year March 2012: 60 billion yen



Moving toward an Entirely New ACOM

◆ Restructuring Internal Organization and Strengthening Business Foundation for Next Growth

ACOM is concentrating its management resources in three areas – its mainstay unsecured loan business and its other core guarantee and loan servicing businesses – and will commit to build the stable earning base by further strengthening the business management, restructure internal organization and strengthen business foundation for next growth



Financial Results Highlights

The 2nd Quarter for the Fiscal Year Ending March 2010

- (1) Financial Results Summary (ACOM)
- (2) Analysis on Major Figures (ACOM)

Takashi Kiribuchi
Chief IR Officer and Chief General Manager of
Public Relations Department



Financial Results Summary (ACOM)

(Millions of yen, %)

	2009/3	2009/9		2010/3 (Estimate)		Difference
			yoy (%)		yoy (%)	
Operating Revenue	262,120	121,409	-11.1	237,600	-9.4	15,900
Operating Expenses	235,223	115,125	6.1	231,300	-1.7	39,700
Financial Expenses	14,675	8,347	13.0	17,600	19.9	-400
Provision of Allowance for Doubtful Accounts *	76,276	55,721	55.3	94,400	23.8	8,600
Provision for Loss on Interest Repayment	52,157	8,705	-55.6	31,600	-39.4	31,600
Other Operating Expenses	92,113	42,351	-7.3	87,700	-4.8	-100
Operating Income	26,896	6,283	-77.6	6,300	-76.6	-23,800
Ordinary Income	29,165	7,214	-75.4	7,600	-73.9	-23,600
Extraordinary Income	5,180	2,068	214.5	2,000	-61.4	2,000
Extraordinary Loss	4,852	393	-22.3	14,700	203.0	13,900
Net Income	16,928	2,122	-89.9	-11,900	-	-42,100

* "yoy" of provision of allowance for doubtful accounts was calculated based on total amount of provision of allowance for doubtful accounts and loss on sales of accounts receivable-operating loans of 2nd quarter for FY March 2009.



Analysis for Operating Revenue Downward (ACOM)

(Millions of yen, %)

	2009/9			2010/3 (Estimate)		Difference
	Results	yoy	%		yoy (%)	
Operating Revenue	121,409	-15,157	-11.1	237,600	-9.4	15,900
Interest on Operating Loans	110,302	-14,087	-11.3	212,800	-10.7	10,500
Average Loan Yield (Unsecured Loans for Consumers)	18.67%	-	-0.89 p.p.	18.37	-0.95p.p.	0.96p.p.
Receivables Outstanding (Unsecured Loans for Consumers)	1,144,130	-60,083	-5.0	1,085,700	-4.5	-2,700

Primary Factors

■ Results

- ✓ Decrease in interest on operating loans due to decrease in receivables outstanding and average loan yield



Analysis for Operating Expenses Upward (ACOM)

(Millions of yen, %)

	2009/9			2010/3 (Estimate)		Difference
	Results	yoy	%		yoy (%)	
Operating Expenses	115,125	6,573	6.1	231,300	-1.7	39,700
Financial Expenses	8,347	961	13.0	17,600	19.9	-400
Provision of Allowance for Doubtful Accounts *	55,721	19,838	55.3	94,400	23.8	8,600
Provision for Loss on Interest Repayment	8,705	-10,885	-55.6	31,600	-39.4	31,600
Personal Expenses	12,210	49	0.4	24,200	1.3	0
Advertising Expenses	3,754	-611	-14.0	6,600	-23.7	-200
Administrative Expenses	5,537	-544	-9.0	11,600	-3.3	0
Computer Expenses	8,771	-1,657	-15.9	20,300	-7.5	0
Fees	6,912	-119	-1.7	13,100	-8.8	100
Depreciation	758	-108	-12.5	1,500	-14.4	0
Other, etc.	4,406	-347	-7.3	10,400	9.4	0

Primary Factor

- Results for This Second Quarter
 - ✓ Increase in provision of allowance for doubtful accounts
- Outlook for FY March 2010
 - ✓ Increase in provision of allowance for doubtful accounts and provision for loss on interest repayment

* "yoy" of provision of allowance for doubtful accounts was calculated based on total amount of provision of allowance for doubtful accounts and loss on sales of accounts receivable-operating loans of 2nd quarter for FY March 2009.



Analysis for Net Income Downward (ACOM)

(Millions of yen, %)

	2009/9			2010/3 (Estimate)		Difference
	Results	yoy	%		yoy (%)	
Operating Income	6,283	-21,730	-77.6	6,300	-76.6	-23,800
Ordinary Income	7,214	-22,130	-75.4	7,600	-73.9	-23,600
Extraordinary Income	2,068	1,410	214.5	2,000	-61.4	2,000
Extraordinary Loss	393	-112	-22.3	14,700	203.0	13,900
Income Taxes-deferred	6,716	-1,652	-19.7	6,700	-46.1	6,700
Net Income	2,122	-18,938	-89.9	-11,900	-	-42,100

Primary Factor

- Outlook for the FY March 2010
- ✓ Booking of extraordinary loss from “Management restructuring expenses”



Provision for Loss on Interest Repayment and Provision of Allowance for Doubtful Accounts (ACOM)

◆ Provision for Loss on Interest Repayment

(Millions of yen)

	2009/3	2010/3			Previous Forecast	2010/3 (Estimate)
		1Q	2Q	Cumulative		
Provision for Loss on Interest Repayment	52,157	738	7,967	8,705	-	31,600
Interest Repayment	86,203	26,291	22,536	48,827	-	-
(Reference) Interest Repayment (Cash Out Basis)	84,953	27,059	23,201	50,260	-	-
Bad Debt Expenses (ACOM's Voluntary Waiver of Repayments)	57,354	12,947	12,130	25,077	-	-
Increase or Decrease in Provision for Loss on Interest Repayment	-91,400	-38,500	-26,700	-65,200	-132,000	-113,400
Provision for Loss on Interest Repayment	283,400	244,900	218,200	151,400	151,400	170,000

◆ Provision of Allowance for Doubtful Accounts

(Millions of yen)

	2008/9	2008/12	2009/3	2009/6	2009/9	2010/3 (Estimate)
Provision of Allowance for Doubtful Accounts	35,883	58,281	76,276	26,713	55,721	94,400
Bad Debts Expenses	47,424	69,942	92,451	24,142	49,621	88,100
Loss on Sales of Accounts Receivable-operating Loans	2,658	4,678	8,271	1,260	3,131	3,200
Increase or Decrease in Allowance for Accounts Receivable-operating Loans	-13,979	-16,079	-24,347	3,000	4,699	5,000
Increase or Decrease in Provision for Loss on Guarantee	-220	-260	-100	-1,690	-1,731	-1,900

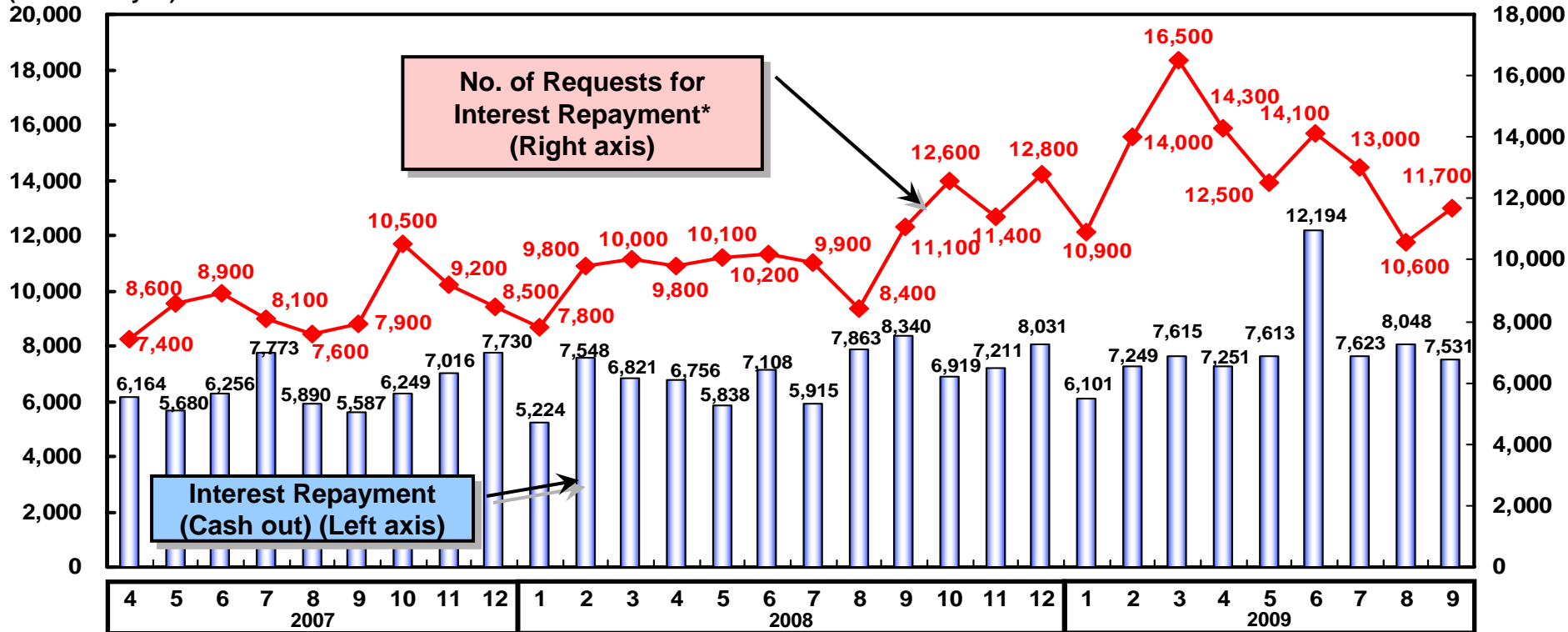
*As provision of allowance for doubtful accounts contains loss on sales of accounts receivable-operating loans since the Fiscal Year Ended March 2009, provision of allowance for doubtful accounts of 2nd and 3rd quarter for the Fiscal Year Ended March 2009 contains loss on sales of accounts receivable-operating loans.



Trend of No. of Requests for Interest Repayment and Interest Repayment (Cash Out) (ACOM)

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

(Millions of yen)



(Millions of yen)									
2008/3				2009/3				2010/3	
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
18,100	19,250	20,995	19,593	19,702	22,121	22,162	20,966	27,059	23,201

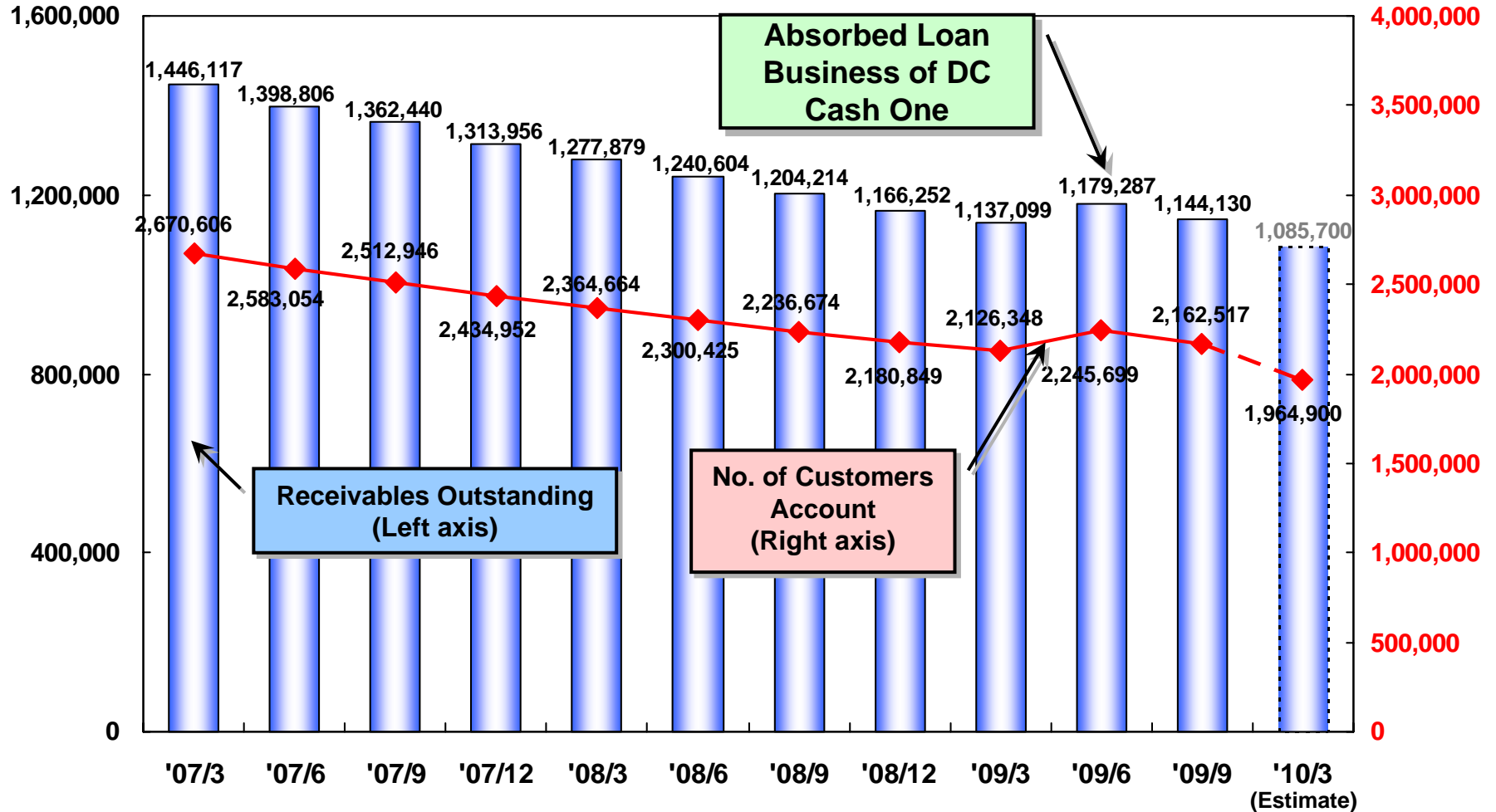
* No. of claims which interest repayment occurs as a result of ACOM's recalculation based on the interest ceiling as specified in Interest Rate Restriction Act from claims which lawyers or judicial scriveners accept debt consolidation



Trend of Receivables Outstanding and No. of Customer Accounts of Loan Business (ACOM)

◆ Unsecured Loans for Consumers

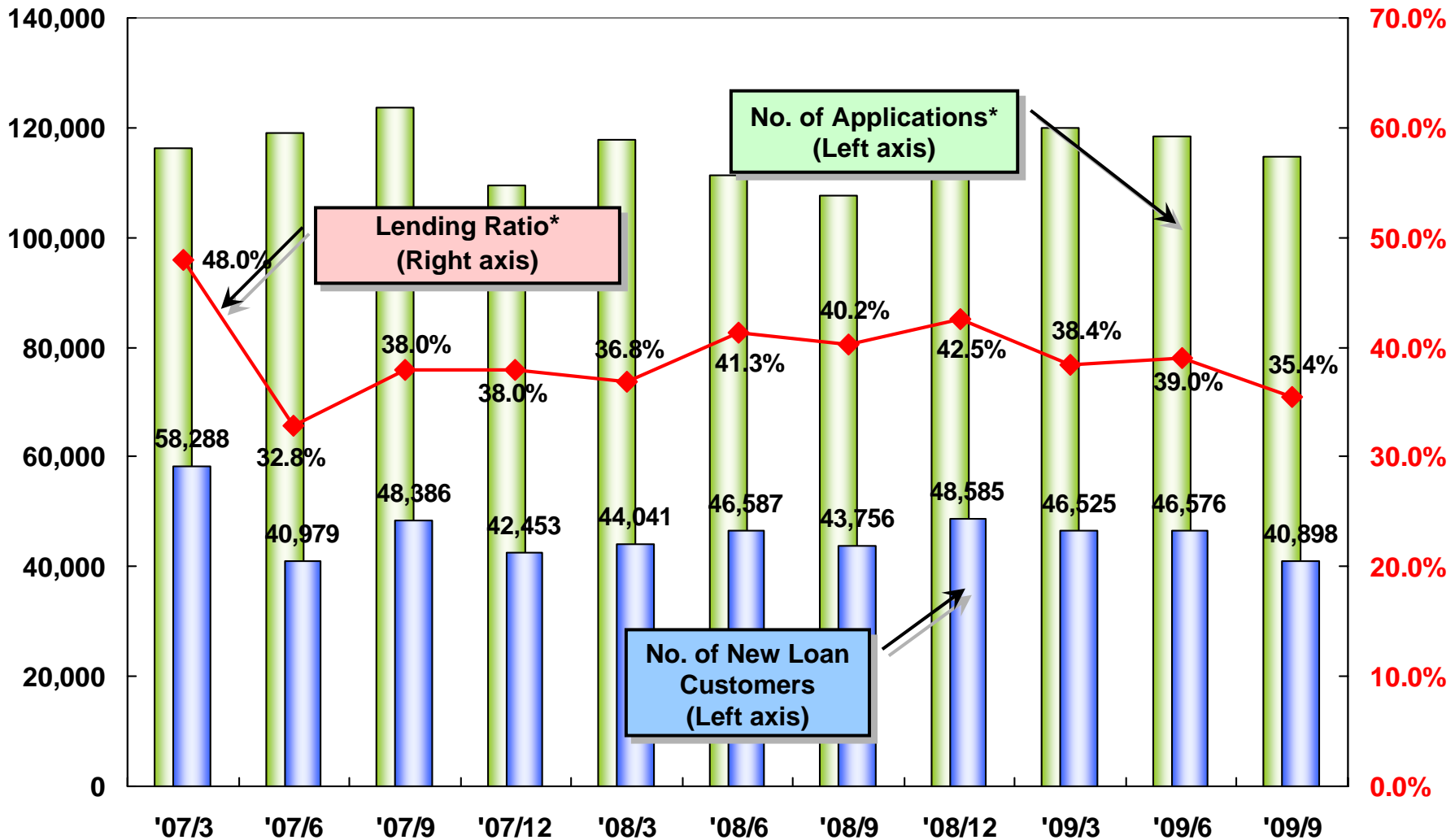
(Millions of yen)





Trend of Lending Ratio, No. of Applications, and No. of New Loan Customers of Loan Business by Quarter (ACOM)

◆ Unsecured Loans for Consumers



* No. of applications and new loan customers for tie-up card are excluded from “No. of Applications” and “Lending Ratio” above.



Trend of Loans Receivable Outstanding by Interest Rate and Average Loan Yield (ACOM)

◆ Unsecured Loans for Consumers (Outstanding Basis)

(Millions of yen, %)

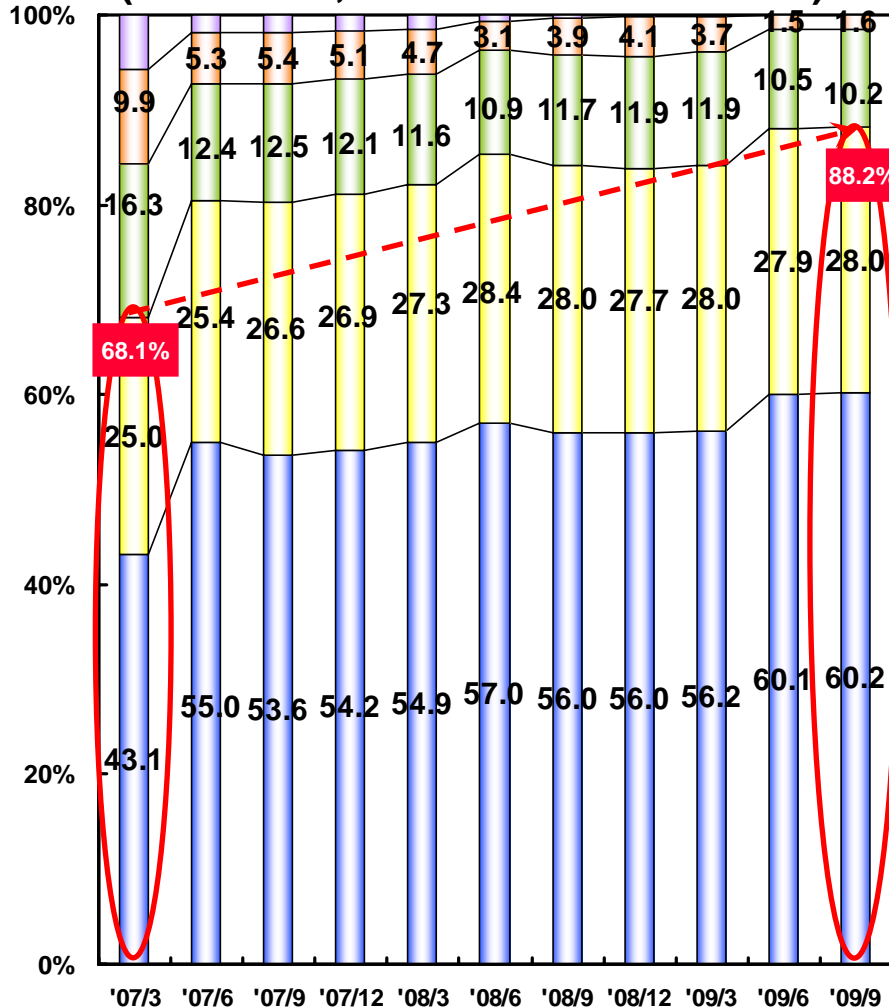
	2009/3		2009/9		2010/3 (Estimate)	
		C.R.		C.R.		C.R.
Loans Receivable Outstanding	1,137,099	100.0	1,144,130	100.0	1,085,700	100.0
Over 18.000%	562,043	49.4	484,950	42.4	350,200	32.3
18.000% or less	575,056	50.6	659,180	57.6	735,500	67.7
Over 15.000% to 18.000%	268,823	23.7	320,825	28.0	359,800	33.1
Over 12.000% to 15.000%	253,699	22.3	286,716	25.1	324,700	29.9
12.000% or less	52,533	4.6	51,638	4.5	51,000	4.7
Average Loan Yield for Fiscal Year (%)	19.32		18.67		18.37	
Average Loan Yield for the Year (%)	19.32		18.87		18.37	

“C.R.” indicates composition ratio

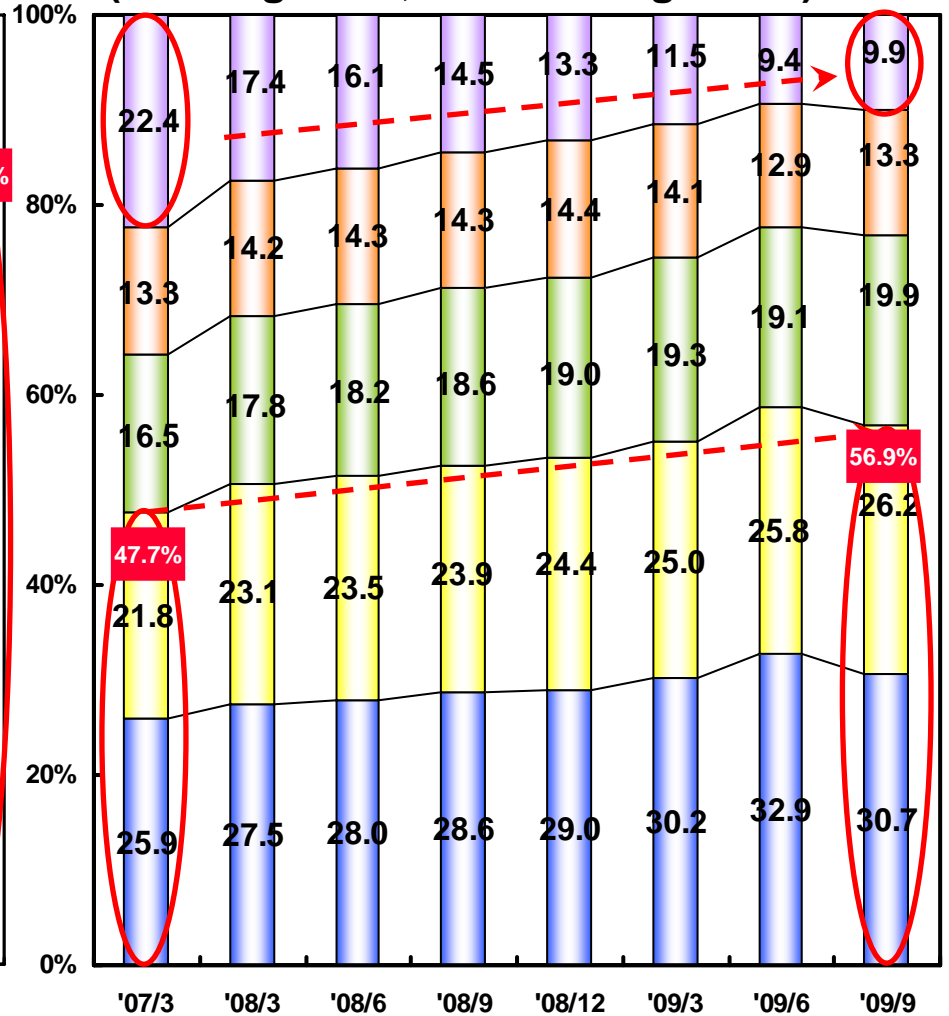


Trend of Composition Ratio of Loans Receivable Outstanding by Number of Other Lenders (ACOM)

◆ Unsecured Loans for Consumers (New Loan, No. of Accounts Basis)



◆ Unsecured Loans for Consumers (Existing Loan, Outstanding Basis)

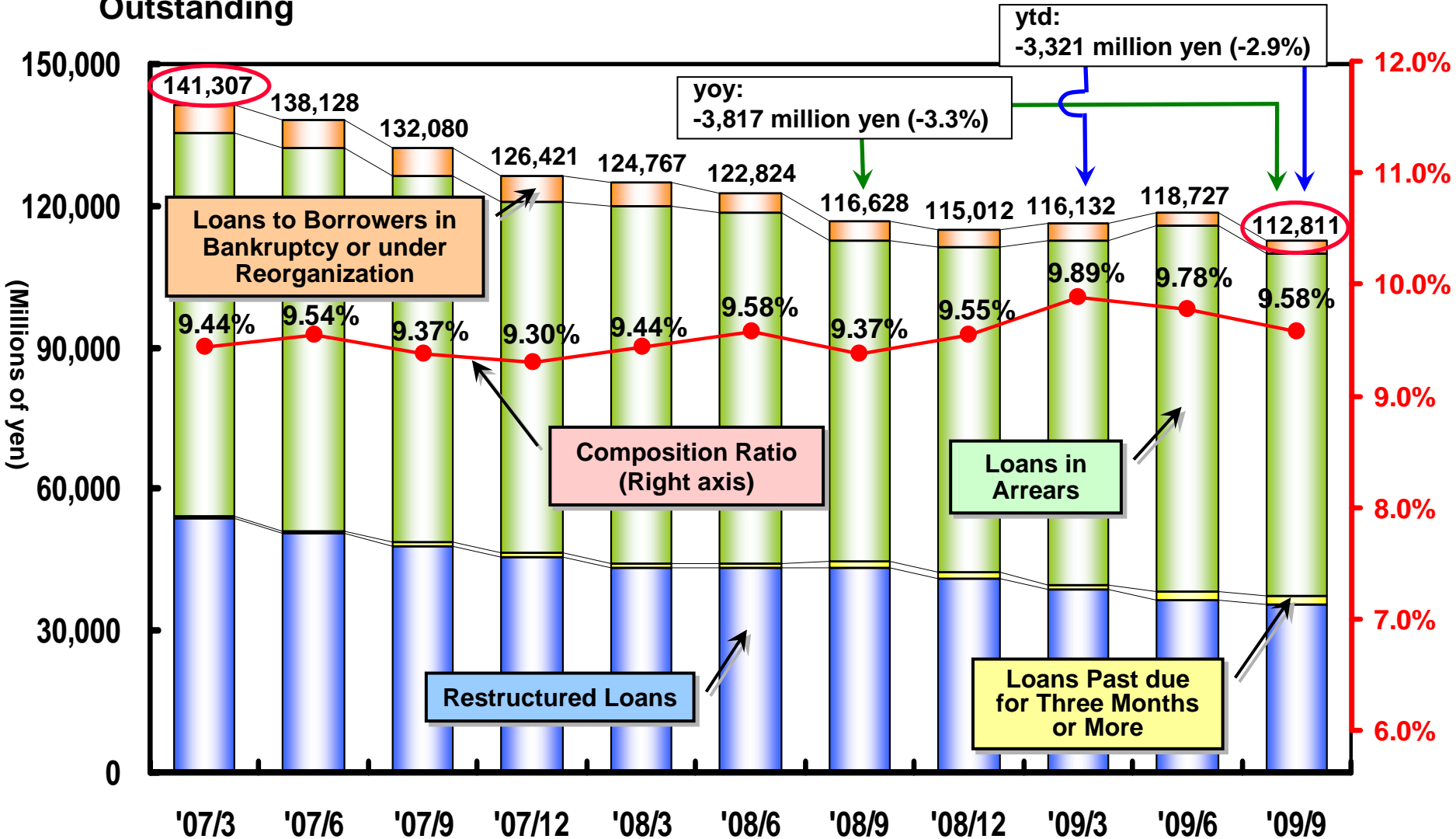


No other lenders	One other lender	Two other lenders
Three other lenders	4 or more other lenders	



Non-performing Loans (ACOM)

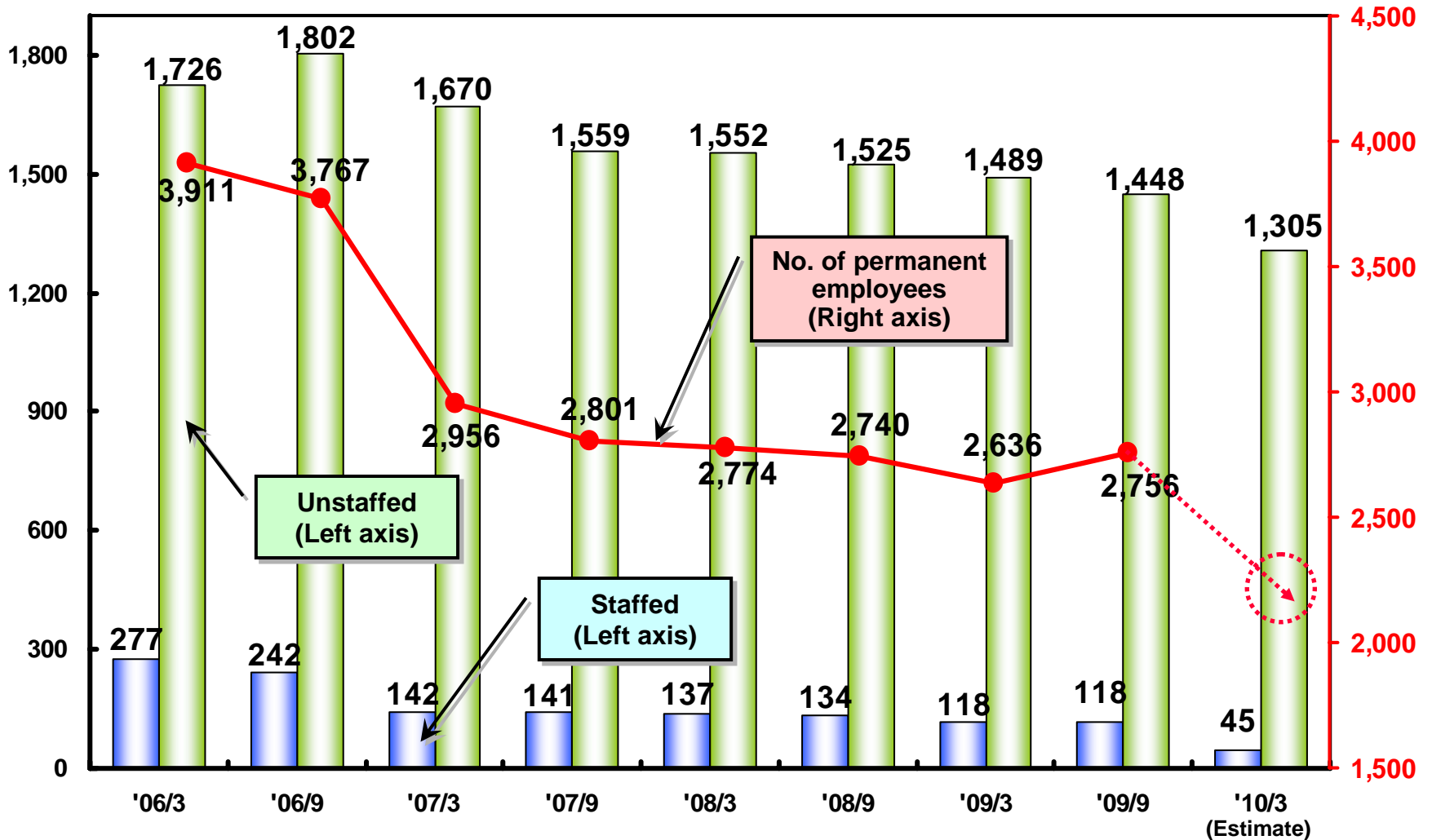
◆ Changes in Non-performing Loans and Composition Ratio to Loans Receivable Outstanding





No. of Loan Business Outlets and Permanent Employees (ACOM)

◆ Changes in the No. of Loan Business Outlets and Permanent Employees





Funds Procurement (ACOM)

(Millions of yen, %)

	2009/3		2009/9		2010/3 (Estimate)				
	C.R.	yoy	C.R.	yoy	C.R.	yoy (%)			
Borrowings	680,734	100.0	-93,673	762,463	100.0	47,346	720,600	100.0	5.9
Indirect	445,734	65.5	-68,673	507,463	66.6	27,346	485,600	67.4	8.9
Direct	235,000	34.5	-25,000	255,000	33.4	20,000	235,000	32.6	0.0
Straight Bonds	235,000	34.5	-25,000	235,000	30.8	0	-	-	-
Asset Based Lending	-	-	-	20,000	2.6	20,000	-	-	-
Fixed	612,400	90.0	-105,472	679,450	89.1	45,614	673,800	93.5	10.0
Average Nominal Interest Rate on Funds Procured during the Year (%)	1.79		1.75		2.08				
Term Average of Long-term Prime Rate (%)	2.31		2.05		-				
Amount to be paid within one year	184,644		222,675		-				
Cash and Cash Equivalents and Commitment Facilities	210,890		236,016		-				
Cash and Deposits	69,895		81,026		-				
Short-term Loans Receivable	14,995		34,990		-				
Certificate of Deposit	26,000		20,000		-				
Commitment Facilities (unused amount)	100,000		100,000		-				



Assumptions on the Forecast for the Fiscal Year Ending March 2010 (ACOM)

1. Average Nominal Interest Rate	2.08%
2. Average Loan Yield (Unsecured Loans for Consumers)	18.16% 18.37%
3. Financial Expenses	17,600 million yen
4. Provision of Allowance for Doubtful Accounts	94,400 million yen
5. Provision for Loss on Interest Repayment	31,600 million yen
6. Other Operating Expenses	87,700 million yen
7. Allowance for Doubtful Accounts	89,000 million yen
8. Provision for Loss on Interest Repayment (Balance)	170,000 million yen



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

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

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