

(TRANSLATION)

**Brief Statement of First Quarter Financial Results
for the Fiscal Year Ending March 2004 (Consolidated)**

July 24, 2003

Forward-looking Statement

The statements and figures contained in this Brief Statement of First Quarter Financial Results for the fiscal year ending March 2004 (the "Brief Statement") with respect to ACOM's plans and strategies and other statements that are not historical facts but are forward-looking statements about the future performance of ACOM are based on management's assumptions and beliefs in light of the information currently available to it and involve risks and uncertainties. Actual results may differ from those in the forward-looking statements as a result of various factors. Potential risks and uncertainties include, without limitation, general economic conditions in ACOM's market and changes in the size of the overall market for consumer loans, the rate of default by customers, the level of interest rates paid on ACOM's debt, and legal limits on interest rates charged by ACOM.

Name of the company: ACOM CO., LTD. ("ACOM" or the "Company")

Stock market: Tokyo Stock Exchange

Code Number: 8572

Location of the head office: Tokyo

URL <http://ir.acom.co.jp/>

Reference:

Position of the representative: President

Name: Shigeyoshi Kinoshita

Position of the person in charge: General Manager of Corporate Planning Department

Name: Yoshinori Matsubara

Telephone Number: (03) 3270 – 3423

1. Items Relating to the Preparation of Brief Statement of First Quarter Financial Results

Change in accounting policies : None

Change in Scope of Consolidation and Equity Method : None

Note: All amounts under minimum units appearing in each of the tables have been disregarded throughout this Brief Statement and the Annexed Materials.

2. Consolidated Business Results for the First Quarter Accounting Period (from April 1, 2003 to June 30, 2003)

(1) Consolidated Operating Results

	Operating Income		Operating Profit		Income Before Extraordinary Items		Net Income (First Quarter)	
	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%
6/03 (1 st Quarter)	109,443	—	27,217	—	26,945	—	14,538	—
6/02 (1 st Quarter)	—	—	—	—	—	—	—	—
3/03 (Annual)	437,572	5.5	146,695	(14.3)	144,244	(16.1)	75,096	(21.5)

	Net Income per Share (Yen)	Net Income per Share Diluted (Yen)
6/03 (1 st Quarter)	99.81	—
6/02 (1 st Quarter)	—	—
3/03 (Annual)	513.09	—

Note: The figures on the previous first quarter and the figures showing the increase/decrease from previous first quarter are omitted, because consolidated first quarter financial statements are prepared from this fiscal year.

[Qualitative Information on the Company's Consolidated Business Results]

In the 1st quarter of fiscal year ending March 2004, the Japanese economy continued in an adverse environment with uncertain business prospects. The uncertainty was because of sluggish consumer spending under worsening employment and income conditions and anxiety over the acceleration of deflation, although there are some signs of recovery in certain economic aspects such as revitalization of the stock market and improvement of companies' earnings. Also contributing to the relief of anxiety are the early end of the war against Iraq and calming of the outbreak of SARS, a new type of pneumonia.

Under these circumstances, ACOM Group formulated basic management policies such as thorough observance of business ethics (compliance), upgrade of credit quality, establishment of new sales system, and achievement of low-cost operations. Based on these policies the Group focused on strengthening its competitiveness in services in the loan business, which is our core operation, and establishing an organizational system that enables the Group to adapt to changes in the environment through measures such as introducing an executive officer system and reforming the organization of the Group.

As the result of these measures, ACOM's consolidated operating income in the 1st quarter of fiscal year ending March 2004 was 109,443 million yen, income before extraordinary items was 26,945 million yen, and net income for the quarter was 14,538 million yen.

(2) Consolidated Financial Status

	Total Assets (Millions of yen)	Shareholders' Equity (Millions of yen)	Ratio of Shareholders' Equity	Shareholders' Equity Per Share (Yen)
6/03 (1 st Quarter)	2,107,964	643,436	30.5%	4,481.97
6/02 (1 st Quarter)	—	—	—	—
3/03 (Annual)	2,183,414	644,431	29.5%	4,405.09

Note: The figures on the previous first quarter and the figures showing the increase/decrease from previous first quarter are omitted, because consolidated first quarter financial statements are prepared from this fiscal year.

[Consolidated Cash Flow Status]

(Millions of yen)

	From Operating Activities	From Investing Activities	From Financing Activities	Cash and Cash Equivalents At the End of Year
6/03 (1 st Quarter)	18,252	(2,445)	(65,328)	117,239
6/02 (1 st Quarter)	—	—	—	—
3/03 (Annual)	47,550	(8,191)	7,906	166,739

Note: The figures on the previous first quarter and the figures showing the increase/decrease from previous first quarter are omitted, because consolidated first quarter financial statements are prepared from this fiscal year.

[Qualitative Information on Changes of the Company's Consolidated Financial Position]

ACOM's consolidated cash and cash equivalent as of the end of the 1st quarter of fiscal year ending March 2004 decreased by 49,499 million yen from the end of fiscal year ended March 2003, to 117,239 million yen.

(Cash flow from operating activities)

As of the end of the 1st quarter of fiscal year ending March 2004, funds from operating activities increased by 18,252 million yen. Reasons for this increase include the facts that income before income taxes was 26,868 million yen, with the balance of loans outstanding in the financial business decreased by 9,931 million yen and the balance of installment sales receivables decreased by 5,654 million yen, and that income tax paid was 31,584 million yen.

(Cash flow from investing activities)

Funds from investing activities as of the end of the 1st quarter of fiscal year ending March 2004 decreased by 2,445 million yen. This decrease was mainly because of purchase of tangible fixed assets.

(Cash flow from financial activities)

Funds from financial activities as of the end of the 1st quarter of fiscal year ending March 2004 decreased by 65,328 million yen. This decrease was due to repayment of long-term debt that exceeded proceeds from long-term debt by 48,362 million yen, and the expenditure of 11,066 million yen for payments for purchase of treasury stocks.

3. Forecasts for the Fiscal Year Ending March 2004 (from April 1, 2003 to March 31, 2004)

[Qualitative Information on Prospects for Business Results]

The Company maintains its prospects at this point of time for fiscal year ending March 2004 business results as announced on April 30, 2003 because the business performance in the 1st quarter was mostly in line with the Company's plan, despite concerns over the increase of bad debt expenses due to personal bankruptcies and unemployment.

Annexed Materials
First Quarter Consolidated Income Statements

(Millions of yen)

Subject	Term	This first quarter consolidated accounting period From April 1, 2003 to June 30, 2003		Prior consolidated fiscal year From April 1, 2002 to March 31, 2003	
		Amount	Percentage	Amount	Percentage
			%		%
I. Operating income		109,443	100.0	437,572	100.0
II. Operating expenses		82,225	75.1	290,877	66.5
Operating profit		27,217	24.9	146,695	33.5
III. Non-operating income		489	0.4	1,380	0.3
IV. Non-operating expenses		761	0.7	3,831	0.8
Income before extraordinary items		26,945	24.6	144,244	33.0
V. Extraordinary income		5	0.0	5	0.0
VI. Extraordinary losses		83	0.1	9,836	2.3
Income before income taxes		26,868	24.5	134,414	30.7
Income taxes (corporation tax, inhabitants' tax and enterprise tax)		11,102	11.1	70,157	13.5
Deferred income taxes		1,068		(11,179)	
Gain (loss) on minority interests in consolidated subsidiaries		158	0.1	339	0.0
Net income		14,538	13.3	75,096	17.2

First Quarter Consolidated Balance Sheets

(Millions of yen)

Subject	Term	This first quarter consolidated accounting period (As of June 30, 2003)		Prior consolidated fiscal year (As of March 31, 2003)	
		Amount	Composition ratio	Amount	Composition ratio
			%		%
(Assets)					
I. Current assets		1,998,492	94.8	2,072,855	94.9
Cash and time deposits		85,565		86,966	
Loans receivable		1,650,402		1,660,256	
Installment receivables		274,224		279,798	
Deferred tax assets		39,469		40,264	
Short-term loans		35,597		81,028	
Other current assets		33,823		34,158	
Allowances for bad debts		(120,590)		(109,617)	
II. Fixed assets		108,167	5.1	109,158	5.0
Tangible fixed assets		55,785		56,412	
Intangible fixed assets		1,452		1,455	
Investments and other assets		50,929		51,290	
III. Deferred assets		1,303	0.1	1,400	0.1
Bond discount		1,303		1,400	
Total Assets		2,107,964	100.0	2,183,414	100.0
(Liabilities)					
I. Current liabilities		479,008	22.8	490,904	22.5
Short-term loans		14,760		29,413	
Current portion of long-term loans		348,564		318,761	
Current portion of bonds and notes		40,385		40,388	
Accrued income taxes		11,364		31,849	
Deferred income on installment sales		35,120		37,642	
Other current liabilities		28,812		32,848	
II. Fixed liabilities		984,829	46.7	1,047,614	48.0
Straight bonds		300,699		285,735	
Long-term loans		674,563		752,705	
Other fixed liabilities		9,567		9,173	
Total liabilities		1,463,837	69.5	1,538,519	70.5
(Minority interests in consolidated subsidiaries)					
Minority interests in consolidated subsidiaries		690	0.0	463	0.0
(Shareholders' equity)					
I. Common stock		17,282	0.8	17,282	0.8
II. Capital surplus		25,772	1.2	25,772	1.2
III. Eamed surplus		611,498	29.0	606,622	27.8
IV. Securities valuation adjustment		1,480	0.1	75	0.0
V. Foreign currency translation adjustments		(1,498)	(0.1)	(1,518)	(0.1)
VIII. Treasury stock		(11,098)	(0.5)	(3,803)	(0.2)
Total shareholders' equity		643,436	30.5	644,431	29.5
Total liabilities, minority interests, and shareholders' equity		2,107,964	100.0	2,183,414	100.0

First Quarter Consolidated Statements of Cash Flows

(Millions of yen)

Subject	Term	This first quarter consolidated accounting period From April 1, 2003 to June 30, 2003	Prior consolidated fiscal year From April 1, 2002 to March 31, 2003
		Amount	Amount
I. Cash flows from operating activities			
Income before income taxes		26,868	134,414
Depreciation and amortization		1,241	6,043
Increase in allowance for bad debts		11,441	31,572
Decrease (increase) in loans outstanding		9,931	(41,705)
Decrease (Increase) in installment sales receivables		5,654	(10,653)
(Decrease) increase in deferred income on installment sales		(2,531)	(1,740)
Other operating activities		(2,909)	10,636
Subtotal		49,696	128,566
Income taxes paid		(31,584)	(81,350)
Others		140	335
Cash used in operating activities		18,252	47,550
II. Cash flow from investing activities			
Purchase of tangible fixed assets		(723)	(4,389)
Other investment activities		(1,721)	(3,801)
Net cash provided by (used in) investing activities		(2,445)	(8,191)
III. Cash flow from financing activities			
Proceeds from short-term loans		10,360	86,232
Repayments of short-term loans		(25,074)	(75,830)
Proceeds from issue of straight bonds		24,834	35,580
Payments for redemption of straight bonds		(10,099)	(34,386)
Proceeds from long-term debt		28,036	342,220
Repayments of long-term debt		(76,399)	(333,086)
Payments for purchase of treasury stocks		(11,066)	(1)
Cash dividends paid by the parent company		(5,788)	(11,700)
Other financing activities		(131)	(1,120)
Net cash provided by financing activities		(65,328)	7,906
IV. Effect of exchange rate change on cash and cash equivalents		21	(689)
V. Increase (decrease) in cash and cash equivalents		(49,499)	46,576
VI. Cash and cash equivalents at the beginning of the year		166,739	120,163
VII. Cash and cash equivalents at the end of the period		117,239	166,739

Others

1. Consolidated actual results

(1) Operating income by segment

(Millions of yen)

Segment	Term	This first quarter consolidated accounting period From April 1, 2003 to June 30, 2003		Prior consolidated fiscal year From April 1, 2002 to March 31, 2003	
		Amount	Percentage	Amount	Percentage
Financial business		107,873	98.6%	431,671	98.7%
Loan business		98,758	90.2%	398,057	91.0%
Credit card business		1,423	1.3%	5,096	1.2%
Installment sales finance business		6,220	5.7%	25,725	5.9%
Guarantee business		944	0.9%	1,866	0.4%
Servicing business		527	0.5%	925	0.2%
Others		—	—	0	0.0%
Other business		1,569	1.4%	5,901	1.3%
Rental business		827	0.7%	3,629	0.8%
Others		742	0.7%	2,271	0.5%
Total		109,443	100.0%	437,572	100.0%

(2) Other statistics

1) Receivables outstanding

(Millions of yen)

Segment	Term	This first quarter consolidated accounting period From April 1, 2003 to June 30, 2003	Prior consolidated fiscal year From April 1, 2002 to March 31, 2003
		(As of June 30, 2003)	(As of March 31, 2003)
Loan business		1,650,402	1,660,256
Credit card business		43,603	41,850
Credit card		42,850	41,114
Others		753	735
Installment sales finance business		230,620	237,948
Servicing business		1,716	1,189
Total		1,926,343	1,941,244

2) Bad debts

(Millions of yen)

Category	Term	This first quarter consolidated accounting period From April 1, 2003 to June 30, 2003	Prior consolidated fiscal year From April 1, 2002 to March 31, 2003
		(As of June 30, 2003)	(As of March 31, 2003)
Loans to borrowers in bankruptcy or under reorganization		10,030	9,227
Loans in arrears		30,168	31,302
Loans past due for three months or more		1,889	1,139
Restructured loans		19,529	19,122
Total		61,618	60,791

(Category criteria of concerning situations of bad debts)

Loans to borrowers in bankruptcy or under reorganization

Loans to borrowers declared bankrupt, to borrowers under rehabilitation, to borrowers under reorganization, or other similar circumstances, which are part of loans of accrued interest

Loans in arrears

Other delinquent loans exclusive of accrued interest. This category excludes loans on which interest is being waived in support of business restructuring.

Loans past due for three months or more

Loans past due for three months or more that do not fall into the above two categories.

Restructured loans

Loans, other than those in the above three categories, in which favorable terms, such as the reduction of interest, have been granted with a view to promoting recovery of the loans.

3) Number of customer accounts

Segment	Term	This first quarter consolidated accounting period (As of June 30, 2003)	Prior consolidated fiscal year (As of March 31, 2003)
Loan business		3,157,678	3,161,304
Credit card business		1,002,011	1,021,131
Credit card		995,371	1,014,845
Others		6,640	6,286
Installment sales finance business		991,217	991,162
Servicing business		12,419	10,540
Rental business		4,890	14,519

Notes: The definition of number of customer accounts is as follows,

- (1) Loan business: Number of loan accounts with loan balance outstanding
- (2) Credit card business: Cardholder of ACOM MasterCard®
- (3) Installment sales finance business: Number of contracts with receivables outstanding
- (4) Servicing business: Number of accounts for purchased loans
- (5) Rental business: Number of users during the fiscal year

4) Other

Item	Term	This first quarter consolidated accounting period (As of June 30, 2003)	Prior consolidated fiscal year (As of March 31, 2003)
Number of outlets		1,772	1,762
Number of employees		6,277	6,111
Allowance for bad debts (Millions of yen)		123,992	112,549
Allowance for loss on debt guarantee (Millions of yen)		547	474
Bad debt write-offs (Millions of yen)		28,479	83,685

Note: The amount of allowance for bad debts counted in "Investment and other assets" on the balance sheets is included in "Allowance for bad debts" in the table above.

2. Non-consolidated financial Statements
(1) First Quarter Non-consolidated Balance Sheets

(Millions of yen)

Subject	Term	This first quarter consolidated accounting period (As of June 30, 2003)		Prior consolidated fiscal year (As of March 31, 2003)	
		Amount	Composition ratio	Amount	Composition ratio
			%		%
(Assets)					
I. Current assets		1,892,732	92.4	1,962,129	93.0
Cash and time deposits		72,700		70,602	
Loans receivable		1,642,098		1,652,890	
Installment receivables		190,961		194,369	
Deferred tax assets		38,234		38,998	
Short-term loans		35,047		80,328	
Other current assets		28,990		29,710	
Allowances for bad debts		(115,300)		(104,770)	
II. Fixed assets		156,032	7.6	147,880	7.0
Tangible fixed assets		41,711		42,763	
Intangible fixed assets		1,212		1,214	
Investments and other assets		113,108		103,901	
Total Assets		2,048,765	100.0	2,110,009	100.0
(Liabilities)					
I. Current liabilities		441,584	21.5	437,363	20.7
Short-term loans		3,500		3,500	
Current portion of long-term loans		337,490		308,791	
Current portion of bonds and notes		40,000		40,000	
Accrued income taxes		10,910		30,231	
Deferred income on installment sales		23,968		25,518	
Other current liabilities		25,716		29,321	
II. Fixed liabilities		962,418	47.0	1,027,260	48.7
Straight bonds		265,000		255,000	
Long-term loans		689,615		764,656	
Other fixed liabilities		7,802		7,603	
Total liabilities		1,404,003	68.5	1,464,623	69.4
(Shareholders' equity)					
I. Common stock		17,282	0.8	17,282	0.8
II. Capital surplus		25,772	1.3	25,772	1.2
III. Eamed surplus		611,350	29.8	606,083	28.8
IV. Securities valuation adjustment		1,454	0.1	51	0.0
V. Treasury stock		(11,098)	(0.5)	(3,803)	(0.2)
Total shareholders' equity		644,762	31.5	645,386	30.6
Total liabilities and shareholders' equity		2,048,765	100.0	2,110,009	100.0

(2) First Quarter Non-consolidated Income Statements

(Millions of yen)

Subject	Term	This first quarter consolidated accounting period From April 1, 2003 to June 30, 2003		Prior consolidated fiscal year From April 1, 2002 to March 31, 2003	
		Amount	Percentage	Amount	Percentage
			%		%
I. Operating income		103,737	100.0	419,258	100.0
II. Operating expenses		77,602	74.8	276,677	66.0
Operating profit		26,134	25.2	142,581	34.0
III. Non-operating income		654	0.6	2,118	0.5
IV. Non-operating expenses		46	0.0	197	0.0
Income before extraordinary items		26,743	25.8	144,502	34.5
V. Extraordinary income		5	0.0	5	0.0
VI. Extraordinary losses		101	0.1	9,925	2.4
Income before income taxes		26,648	25.7	134,582	32.1
Income taxes (corporation tax, inhabitants' tax and enterprise tax)		10,820	11.3	68,070	13.6
Deferred income taxes		898		(10,977)	
Net income		14,929	14.4	77,489	18.5
Retained earnings carried forward from the previous period		25,871		30,124	
Retirement of treasury shares		3,771		—	
Interim dividends		—		5,851	
Unappropriated retained earnings		37,030		101,762	