

ACOM Announces Results for the FY01

May 1st, 2002 – ACOM CO., LTD. ('ACOM' or 'the Company') and its consolidated subsidiaries announced the consolidated financial results for the Fiscal 2001 ended March 31, 2002. The financial records are prepared in accordance with accounting principles and practices generally accepted in Japan.

Fiscal 2001 Results Summary

- ◆ Consolidated operating income for FY01 increased 10.4% YoY to ¥414.9 billion. Consolidated net income increased 17.5% YoY to ¥95.6 billion.
- ◆ The balance of loan receivables increased 8.1% YoY to ¥1,616.8 billion.
- ◆ Three new businesses (loan guarantees, non-bank JV, and servicing) showed a steady progress.
- ◆ Provision for bad debts exceeded the Company's estimate which was revised at the interim period

Financial Results

Operating Income:

Consolidated operating income increased 10.4% YoY to ¥414,918 million in FY01. Most of this increase was attributed to a solid loans outstanding growth and below-plan declines in the average loan interest rate.

Operating Expenses:

Consolidated operating expenses increased 13.1% YoY to ¥243,669 million in FY01 caused by a rise in loan default costs and investments in computer systems for guarantee business and computer system development for building CRM.

Operating Profit:

Consolidated operating profit increased 6.8% YoY to ¥171,248 million in FY01. The weak growth rate compared to previous FY was mainly due to a rise in provision for bad debts.

Income before Extraordinary Items:

Consolidated income before extraordinary items increased 6.9% YoY to ¥171,836 million in FY01.

Net Income:

Consolidated net income increased 17.5% YoY to ¥95,637 million in FY01. This strong increase was mainly due to reductions in the founder family's private shareholdings below 50% eliminating the Company's obligation to pay taxes on undistributed income.

Consolidated Financial Summary (Yen in Millions)

	Fiscal 2001	Fiscal 2000	YoY Change	YoY %
Operating Income	414,918	375,674	39,243	10.4%
Operating Profit	171,248	160,310	10,938	6.8%
Income Before Extraordinary Items	171,836	160,811	11,024	6.9%
Net Income	95,637	81,369	14,267	17.5%

A comprehensive financial statement can be downloaded through ACOM's web sites and Bloomberg terminals:

<http://ir.acom.co.jp/> (for English)

<http://www.acom.co.jp/ir/> (for Japanese)

ACOM <GO> (for Bloomberg terminals)

Operating Highlights

During the Fiscal 2001, Japan's economy deteriorated influenced by the weak US economy. As expected, rising unemployment and growing personal bankruptcies started to impact upon consumer finance business, leading to an increase in overdue loans and bad debt write-offs. In response to this, the Company has endeavored to ensure an appropriate credit screening of customers and to enhance customer counseling services. The Company also continued with its strategy of offsetting an anticipated weaker loan-balance growth by diversifying its business portfolio through its credit cards, installment sales finance, as well as three new business entities (guarantees, servicing and a non-bank joint-venture with BOTM) launched during the Fiscal 2001.

Unsecured Consumer Loan Business

During FY01 efforts were made to improve customer service for the consumer loans, ACOM's core operation. The Company expanded its sales channels with the Internet and mobile phone, with MUJINKUN automated loan application machines and with an increased number of CD/ATM tie-ups. ACOM also continued to improve operational productivity and collection efficiency through consolidating call-center, product counseling, loan monitoring and credit screening functions at four regional centers. Despite severe market environments, these efforts enabled the Company to acquire 442,165 new customers during FY01, almost the same level as previous FY. ACOM also achieved an 8.5 % YoY increase in the balance of loan receivables to ¥1,547,850 million.

Credit Card Business

ACOM continued to promote sales of ACOM MasterCard® by issuing cards to existing loan customers. The Company also began to issue co-branded cards with three companies, including the international Internet telephone company Sofia International Co., Ltd. Another development made was providing a new service "AC Road Service 24" with ACOM MasterCard®, which was done in tie-up with Japan Road Service (JRS). As a result, 251,609 cardholders were added during FY01 totaling 1,004,118 at the

end of March 2002. Revolving shopping receivables sharply increased 72.0% YoY to ¥2,773 million.

Installment Sales Finance Business

Sales achieved by member vendors were lower due to stagnant personal consumption. In order to counteract these lower sales and maintain sales volume, new member vendors were recruited. As a result of this, the business showed 7.1% growth in receivables.

Loan Guarantee Business

In May 2001 ACOM began providing loan guarantee services to financial institutions. The Company screens applications for and guarantees consumer loans originated by banks. Combining ACOM's credit evaluation expertise with brand power and sales channels these regional banks have, the Company so far achieved 6 tie-ups; Hokkaido Bank, Ltd. (May 2001), Hiroshima Bank, Ltd. (August 2001), Suruga Bank, Ltd. (September 2001), Juroku Bank, Ltd. (October 2001), Tokyo-Mitsubishi Cash One Ltd. (March 2002), and Aomori Bank, Ltd. (April 2002). The business made a steady progress and at the end of March 2002 the number of accounts with outstanding balance totaled 32,432 and the amount of guaranteed receivables, about ¥9.5 billion.

Tokyo-Mitsubishi Cash One

The operation of Tokyo-Mitsubishi Cash One, ACOM's non-bank joint venture with Bank of Tokyo-Mitsubishi, Ltd., Mitsubishi Trust and Banking Corporation, DC CARD CO., LTD., and JACCS CO., LTD. started on March 4, 2002. ACOM provides the venture with most of the credit evaluation and collection skills, as well as a loan guarantee service. The venture targets customers who are reluctant to borrow from consumer finance companies for image reasons regardless of age and income.

Servicing Business

ACOM entered into the servicing business through investment in IR Loan Servicing, Inc., (owned 60% by ACOM and 40% by Lisa Partners) in July 2001 aiming to generate profits from purchased or consigned specified monetary claims against individuals and corporates from financial institutions. In April 2002, IR Loan Servicing acquired CMBS Special Servicing and Unsecured Claims Special Servicing ratings from Fitch Ratings. At the end of March 2002, balances of purchased loans and consignment loans were ¥120 billion and ¥600 billion.

Business Outlook

The present severe state of economic affairs, characterized by stagnant personal consumption, concerns over lower corporate profitability affected by structural reforms and continued deflation, is likely to plague Japan throughout the current business term. The consumer credit market will face serious challenges due to a falling hiring, a rising unemployment and a threat of fierce competition coming from a full-scale participation by non-consumer finance companies.

To successfully navigate these dangerous waters, ACOM will fully utilize human resources, expertise in credit screening and inspection know-how, as well as management resources such as sales infrastructure of branches, MUJINKUN terminals and ATM networks. ACOM will also be striving to further strengthen the quality of its management, expand its service capabilities and establish a stable profit base.



Diversification of Funds Procurement

ACOM continues to boost its fund procurement through the issuance of straight bonds with fixed and low interest rates. The direct funding rate rose by 2.7 percentage points to 27% at the end of March 2002 from 24.3% a year ago. Diversification of fund procurement is contributing to lower funding costs. The average interest rate on funds procured during FY01 declined by 0.24 percentage points to 2.13% compared with 2.37% for FY00.

Measures against Rising Credit Risks

Considering the economic condition in Japan, it is more likely credit risks will increase across the industry for the next one to two years. ACOM endeavors to maintain growth through measures such as careful credit screening, reductions in operating expenses by centralizing all telephone-based services including contacts to overdue loan customers. The Company also steps up efforts to retain blue chip customers, as well as attracting new customers.

Financial Outlook for the Full FY02

The Company expects for the full Fiscal 2002, consolidated operating income of ¥443,200 (up 6.8% YoY) million, consolidated operating profit of ¥179,200 million (up 4.6% YoY), consolidated income before extraordinary items of ¥176,700 million (up 2.8% YoY) and consolidated net income of ¥97,300 million (up 1.7% YoY).

Company Information

Established in 1978, ACOM CO., LTD is the second largest consumer finance firm in Japan with over 3 million customers with an outstanding balance and ¥1,616 billion in loans outstanding as of March 31st 2002. The Company has a nationwide network of 521 staffed and 1,240 unstaffed outlets, 1,751 MUJINKUN machines and 49,777 CDs and ATMs including tie-ups with partners.

Web Site: <http://ir.acom.co.jp>

CONTACT IN JAPAN: ACOM CO., LTD., Ayako Endo, Investor Relations Office,
ayendou@acom.co.jp, Tel No: 81/3/3270-3423, Fax No: 81/3/3270-1742

Forward-Looking Statements

These financial results contain statements that constitute forward-looking statements under the U.S. Securities Act of 1933 and the U.S. Securities Exchange Act of 1934. These statements appear in a number of places in this presentation and include statements regarding our intent, belief or current and future expectations or those of our management with respect to our non-consolidated and consolidated results of operations and financial condition. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors. The information contained in this presentation identifies important factors that could cause actual results to differ from those anticipated in such forward-looking statements.