
Third Quarter Financial Results for FY 2005

ACOM CO., LTD.

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Highlights of Q3 Financial Results

	Consolidated		Non-consolidated	
	Actual	Change yoy	Actual	Change yoy
	M	%	M	%
◆ Operating Income	336,123	3.1	300,503	-1.1
◆ Operating Profit	110,970	-3.7	106,928	-3.9
◆ Income Before Extraordinary Items	113,046	-1.1	108,530	-3.4
◆ Net Income	65,515	-0.4	64,428	-2.7

Note: M = Millions of yen

Q3 Actual Results (Consolidated)

	<u>2004/12</u> (Millions of yen)	<u>2005/12</u> (Millions of yen) (yoy%)	
Operating Income	326,025	336,123	3.1
Operating Expenses	210,798	225,152	6.8
Financial Expenses	17,258	15,590	-9.7
Operating Profit	115,227	110,970	-3.7
Non-operating Income	1,124	2,200	95.7
Non-operating Expenses	1,993	124	-93.8
Income Before Extraordinary Items	114,358	113,046	-1.1
Income Before Income Taxes	112,923	112,517	-0.4
Net Income	65,795	65,515	-0.4

1. DC Cash One Ltd.
- Counted on consolidated P/L from this FY

2. EASY BUY & IR Loan Servicing
- Operating income increased

1. DC Cash One Ltd.
- Operating expenses: 6.4 billion yen (Adjusted for consolidation)

2. IR Loan Servicing, Inc.
- Cost of purchased receivables: Increased by 2.5 billion yen

3. ACOM CO., LTD.
- Operating Expenses excluding financial expenses & bad debts related expenses: Increased by 4.4 billion yen

1. DC Card Co., Ltd., etc.
- Gain on investment in equity-method: 432 million yen

2. IR Loan Servicing, Inc.
- Gain on investment in corporate restructuring fund with regional banks: 379 million yen

3. OMC Card, Inc.
- Dividends: 216 million yen

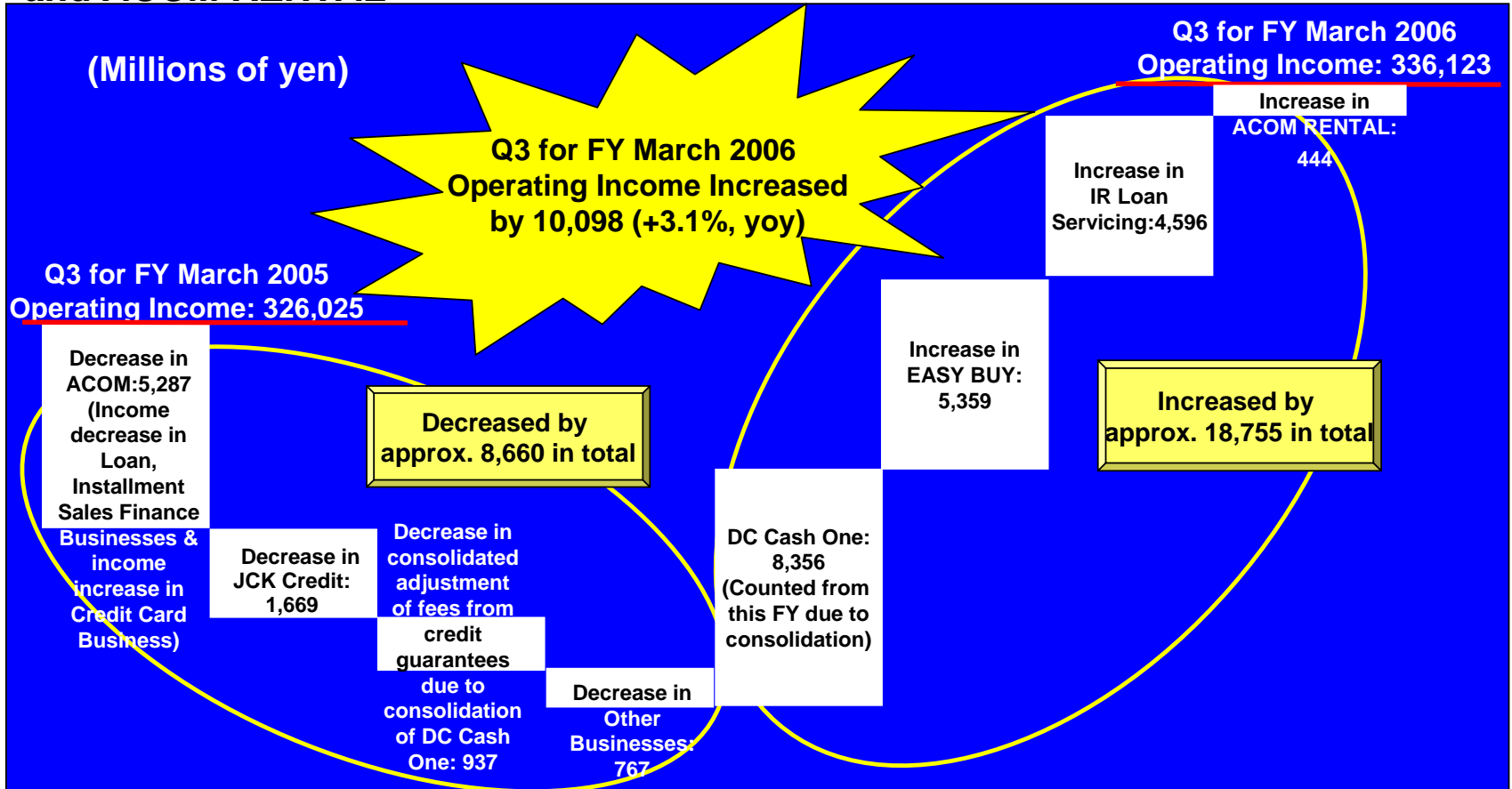
1. DC Cash One Ltd.
Loss on investment in equity-method: 1,419 million yen

2. Expenses for stock issue to MTFG: 474 million yen

Q3 Analysis of Income Increase (Consolidated) DATA BOOK: Page2

◆ Major Cause:

“Consolidation of DCC1”, “Income Increases in EASY BUY, IR Loan Servicing and ACOM RENTAL”



Q3 Actual Results (Non-consolidated)

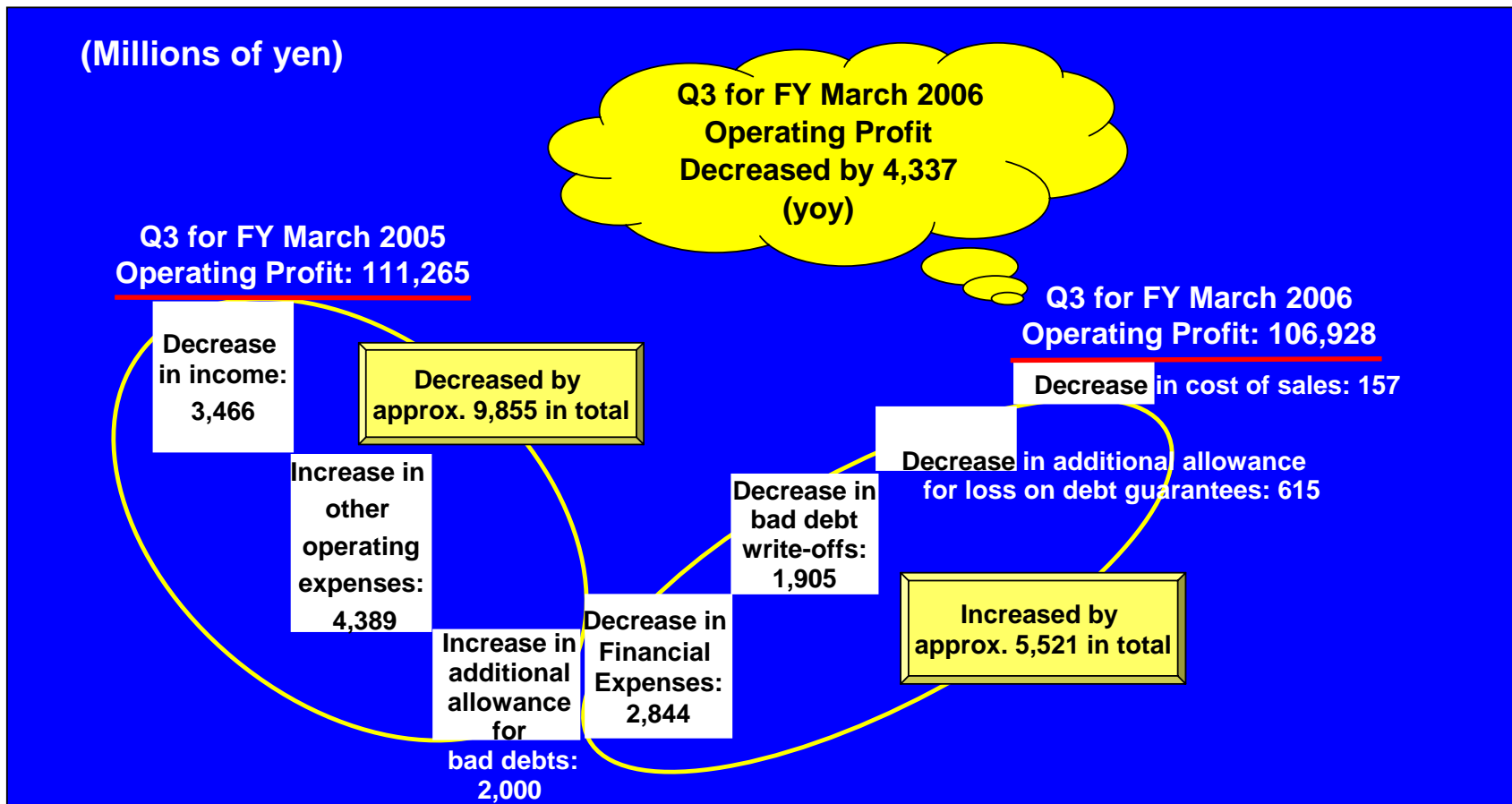
	<u>2004/12</u>	<u>2005/12</u>	
	(Millions of yen)	(Millions of yen)	(yoy%)
Operating Income	303,969	300,503	-1.1
Operating Expenses	192,704	193,574	0.5
Financial Expenses	16,628	13,784	-17.1
Bad Debts Related Expenses	77,136	76,617	-0.7
Other Operating Expenses	98,782	103,171	4.4
Operating Profit	111,265	106,928	-3.9
Non-operating Income	1,647	1,751	6.3
Non-operating Expenses	576	149	-74.0
Income Before Extraordinary Items	112,335	108,530	-3.4
Income Before Income Taxes	111,165	108,075	-2.8
Net Income	66,196	64,428	-2.7

1. Fees from Credit Guarantees: - Increased by 1,470 million yen
2. Interest on Loans Receivable: - Decreased by 2,528 million yen
3. Fees from Installment Sales Financing: - Decreased by 2,961 million yen

1. Financial Expenses: - Decreased by 2,844 million yen
2. Bad Debts Write-offs: - Decreased by 1,905 million yen
3. Additional Allowance for Bad Debts: - Increased by 2,000 million yen

Q3 Analysis of Profit Decrease (Non-consolidated) DATA BOOK: Page4

◆ Major Cause: Decrease in “Operating Income”, Increase in “Additional Allowance for Bad Debts” & “Other Operating Expenses”



Key Points in Q3 (Non-consolidated)

◆ Unsecured Consumer Loan

1. Receivables Outstanding:
-0.4% (ytd & yoy)

2. Number of Customer Accounts:
-1.1% (ytd), -1.5% (yoy)

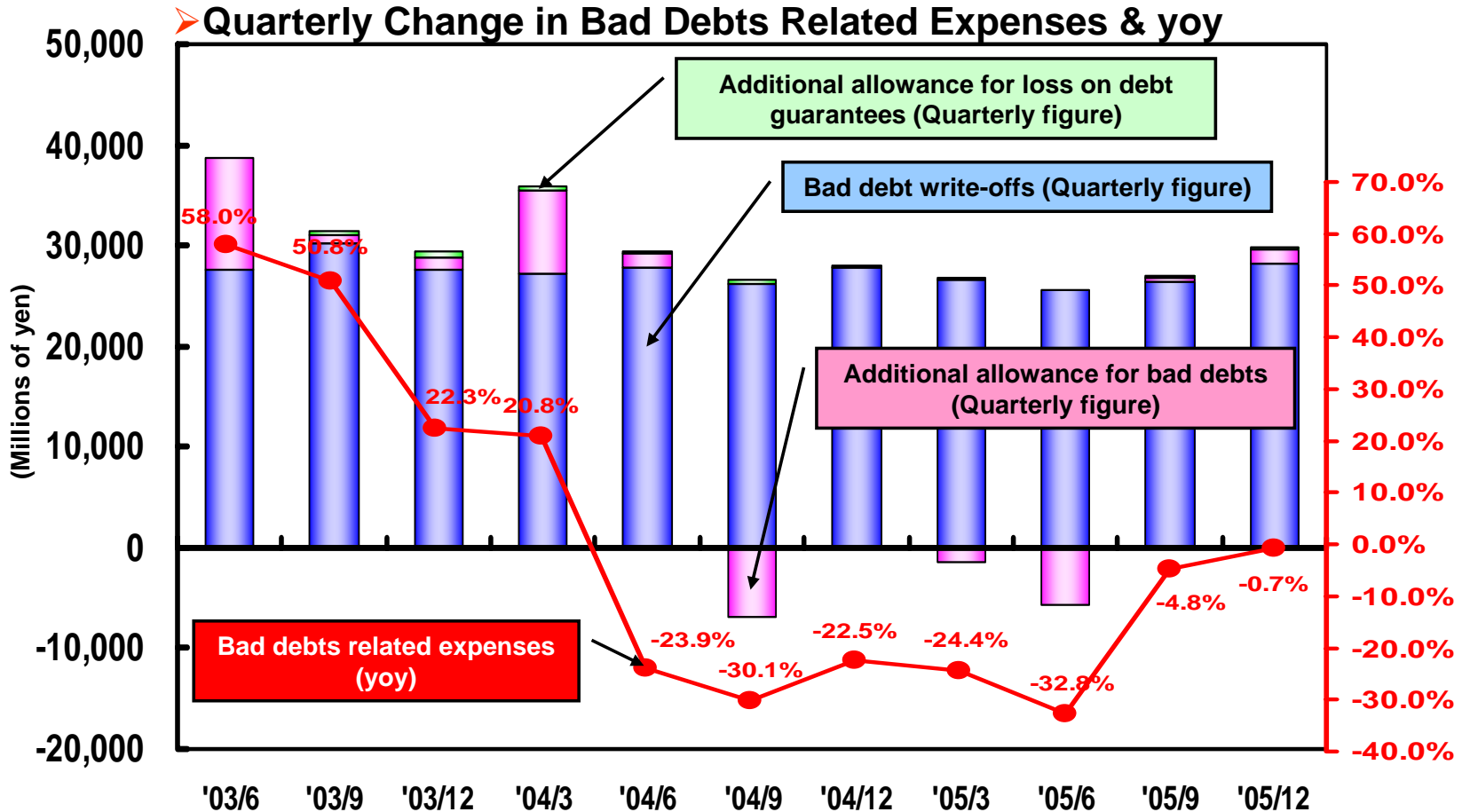
3. Number of New Loan Customers:
-4.0% (yoy)

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- **Expansion of Service Channels**
 - **QUICK MUJIN Machine:**
24-hour operation (commencement in February 2005)
 - **Infiltration of New Television CM**
 - **Strengthening of Cooperation with DC Cash One**

4. Average Loan Yield:
-14bp (ytd), -15bp (yoy)

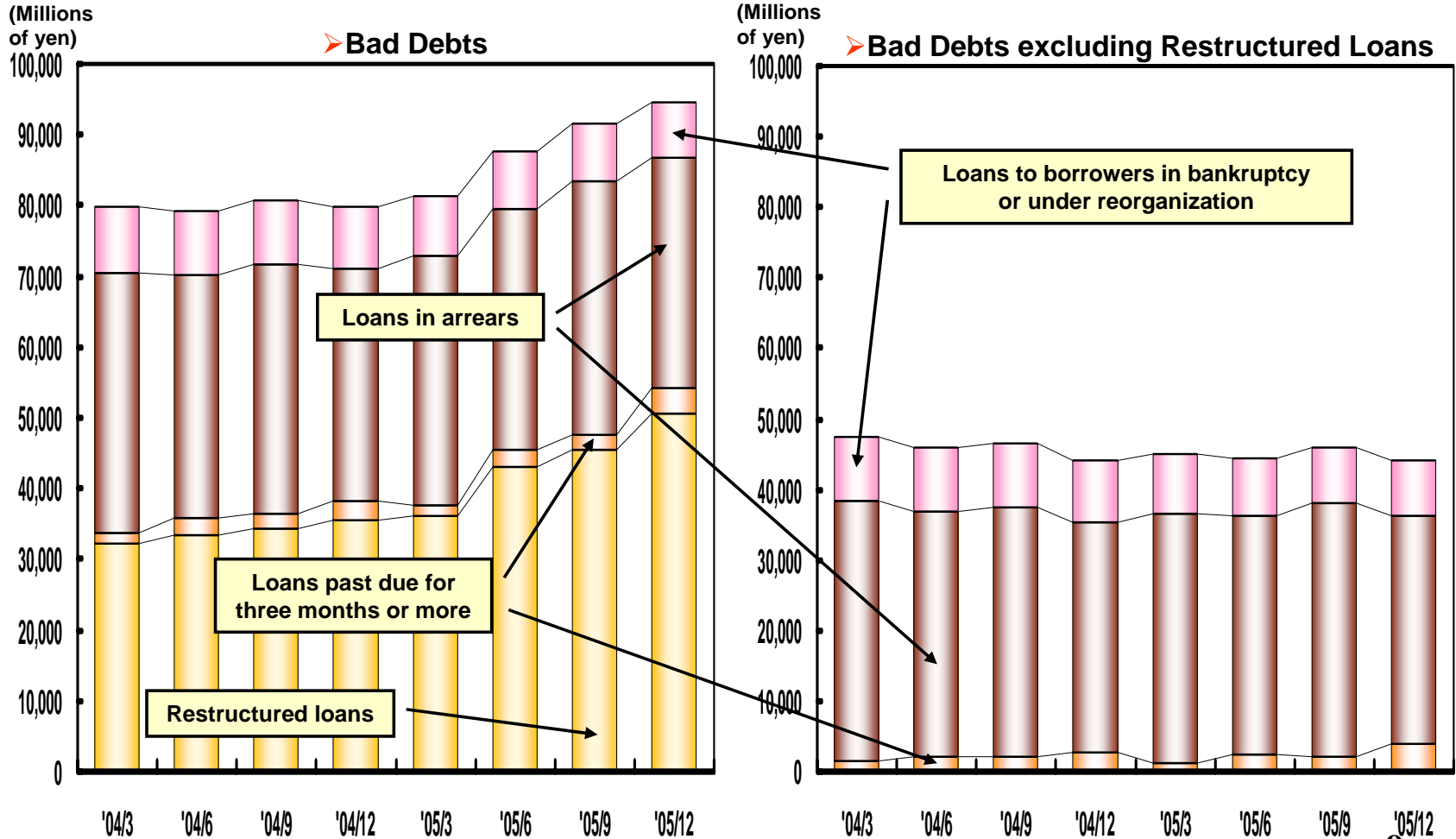
Key Points in Q3 (Non-consolidated)

◆ Bad Debts Related Expenses



Key Points in Q3 (Non-consolidated)

◆ Quarterly Change in Bad Debts



Key Points in Q3 (Diversified Financial Businesses)

DATA BOOK: Page8&10

◆ Credit Card Business

◇ Ratio of Bad Debt Write-offs

2004/3	2005/3	2005/12	2006/3(Outlook)
10.32%	8.98%	6.01%	7.90%

◆ Guarantee Business

◇ Tie-up Partners

- Joyo bank, Gunma Bank (commenced from October 3, 2005)
- Iwate Bank (commenced from November 15, 2005)
- Planning to announce the tie-ups with 2-3 new partners

- Tie-up Partners: 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, Iwate Bank, DC Cash One (13 regional banks and one corporate :as of December, 2005)

Alliance Scheme with MUFG: In Progress

	➤ Tie-up Business Outline	➤ Target Figure	➤ Commencement Date (Scheduled)
DC Cash One	<ul style="list-style-type: none"> ● Guarantee services for Super IC Card “Tokyo-Mitsubishi UFJ-VISA” of The Bank of Tokyo-Mitsubishi UFJ, Ltd. 	<ul style="list-style-type: none"> ◆ Target number of cards issued for this FY: Around several hundred thousand ◆ FY ending March 2009: Approx. 300 billion yen of guaranteed loans receivable (announced by MTFG on October 29, 2004) 	February 1, 2006
ACOM	<ul style="list-style-type: none"> ● Transferring a part of DC Card’s guarantee services 	Loan guarantee receivables to be shifted: approx. 130 billion yen	In 1H of next FY
	<ul style="list-style-type: none"> ● Guarantee services for new unsecured consumer loan product of The Bank of Tokyo-Mitsubishi UFJ, Ltd. 	Target loan guarantee receivables for upcoming three years: 100-200 billion yen (announced by MTFG on October 29, 2004)	In next FY

◆ Update

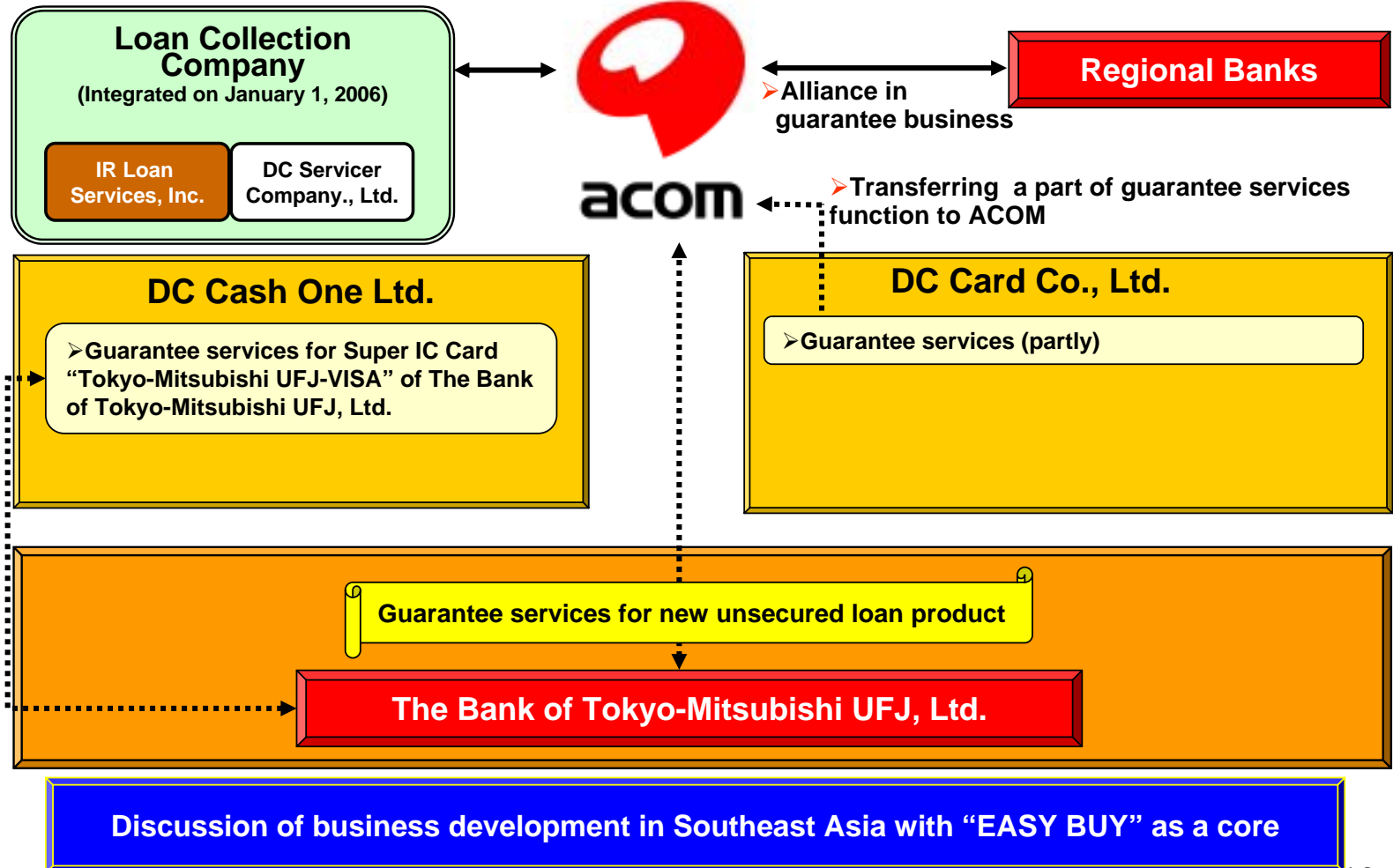
DC Cash One	<ul style="list-style-type: none"> ● The installment of contract & application function to MUFG Group’s comprehensive ACM ➤ Top prioritized tasks of DC Cash One are to extend its receivable outstanding of unsecured loans by the collaboration with ACOM and to strengthen its guarantee business operation 	Postponed
	<ul style="list-style-type: none"> ● DC Card’s call center function ➤ Merger of UFJ NICOS Co., Ltd. and DC Card., Ltd. 	Studying

◆ Other alliance scheme is under review for bigger picture due to inauguration of new bank

◆ The outline will be clear in the 1H of next fiscal year.

Alliance Scheme with MUFG: Capital Diagram

◆ Expansion of the Scope of Alliance



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/>