Business Outline

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May 2026

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*Abbreviation used in this presentation : “Act Regulating the Receipt of Contributions, Receipt of Deposits and Interest Rates” → “Investment Law”

1. About Consumer Credit Services

（1）Classification of Consumer Credit

（2）History of Consumer Finance Business

（3）Trends in the Non-bank Sector during a Turbulent Era

（4）Changes in the Maximum Interest Rates

（5）Phased Enforcement of “Amended Money-Lending Business Act” and Key Regulations

（6）Interest Repayment Claims

（7）Trend in the No. of Registered Money-Lenders

（8）Market Volume of Domestic Personal Card Loan

1－(1) Classification of Consumer Credit

Non-bank

- Financial institutions in Japan can be broadly divided into public and private institutions.
  Among private institutions, there is a further distinction between those that accept deposits and those that do not.
  The former includes banks and similar institutions, while the latter comprises various types of businesses referred to as Non-bank.
- Non-bank refers to an institution that provides loans to individuals and corporations without accepting deposits.
  This category includes a wide range of businesses such as consumer finance companies, consumer credit companies, credit card companies, and leasing companies.

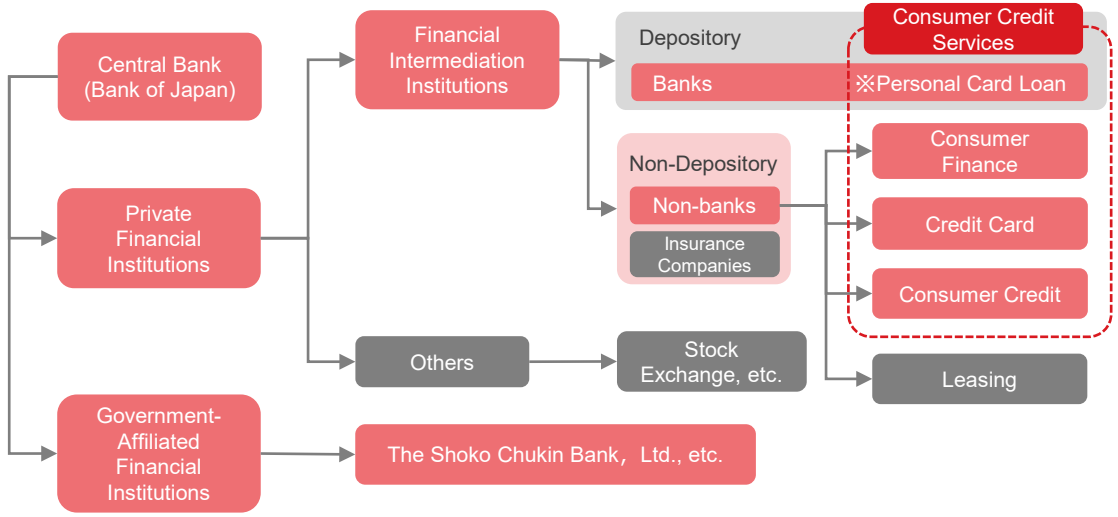
Consumer Credit Services

- Consumer credit industry refers to business that provide loan and credit services primarily to individual customers.
- Consumer credit industry can be broadly divided into two categories: (1) ”sales credit,” in which payments are made on behalf of customers when they purchase goods or services, and (2) “consumer finance,” in which funds are lent directly to customers. However, both set credit limits based on individual creditworthiness.

Consumer Finance Company

- Consumer finance includes loans secured by deposits or movable property offered by private financial institutions, but excluding these, the term refers to “consumer loans”.
- “Unsecured consumer loan company" or “consumer finance company" represent one category within the broader field of consumer loans.

Classification of Consumer Credit



Reference : Definition of Consumer Credit Services

✓ **Definition of Consumer Finance Company**
A company whose consumer loan balances account for 50% or more of its total loan balances. Unsecured consumer loans (excluding housing loans) must also constitute the largest portion of its consumer loan balances.

✓ **Definition of Credit Card Company**
A company that is a member of the Japan Credit Card Association, an industry group established by bank-affiliated credit card companies. Regardless of whether a company is registered as a consumer credit company, membership in this association takes precedence.

✓ **Definition of Consumer Credit Company**
A company registered with the Ministry of Economy, Trade and Industry (METI) as either an installment sales finance company or credit card company.

Source：TAPALS white paper

1－(2) History of Consumer Finance Business

Early Period

Growth Period

Turbulent Period

1． 1950-1975 The Birth and Growth of the Consumer Finance Business		
1. Sales Credit in the Formative Years	Sales Credit Business	1951: Establishment of Nippon Shinpan (present, "Mitsubishi UFJ NICOS Co., Ltd.“)
	Credit Card Business	1960: Foundation of Diners Club Japan
2. The Birth of Consumer Finance Business	Degeneration of Pawnbroking	1955~ : An era of mass production / mass consumption
	Salary-Man Loan	Providing unsecured loan based on individual creditworthiness
3. Foundation of Industry Association	Lender’s Exchange	1972: Foundation of Lenders’ Exchange in Osaka
2． 1975-1985 Intensifying Competition and Increasing Public Criticism		
1. Market Entry by Foreign-Affiliated Non-banks and Companies from Other Industries	The Arrival of the “Black Ships”	1977-1980: More than 10 companies in America entered the industry
2. Social Problems and Regulations of Law	Enactment of the Two Money-Lending Laws	1983: Enacted “Money-Lending Business Control and Regulations Law” and “Amended Investment Law”
3． 1985-1992 History of Industry Restructuring		
1. Period of Consolidation and Selection	Downturn	No. of Lenders decreased from 230,000 in 1983 to 33,000 in 1984
	Revision of Business Foundation	Disposal of Non-performing loans and more.
2. Bubble Economy and Expansion of Retail Market	Bubble Economy	The company specializes exclusively in the consumer finance business.
4． 1993-2004 Going Public and Entering a New Era		
1. Surpassed 10 million Users（1990s）	Automatic Contract Machine	1993: installed the first automatic contract machine in the industry
	Initial Public Offering	1993-1997: The five major companies are listed on the first section of the Tokyo Stock Exchange
2. Market Changing（2000-2004）	Entering into the credit card business , Trends in cooperation and acquisitions and more	
5． 2000-2006 Consumer Finance Industry in the 21st Century		
1. The Law on Measures against Loan Sharks has been Enacted	2003: Partially Amending Money-Lending Business Control and Regulations Law and Investment Law were Enacted	
2. Movements in the Reform of the Money-Lending System	2005: Council on the money-lending system and related Issues December 2006: Enforcement of “Amended Money-Lending Business Act”	
6． 2006-2016		
Upheaval in the Non-bank Sector	Refer to “Trends in the Non-bank Sector during a Turbulent Era” (page.6)	

Source：TAPALS white paper

ACOM Timeline

March 1960
Acom’s predecessor, Maruito Gofuku Ten, started its financial business

October 1978
The Birth of ACOM

September 1993
Listed ACOM stock on the over-the-counter market at Japan Securities Dealers Association

September 1996
Listed ACOM stock on the first section of the Tokyo Stock Exchange.

December 2008
ACOM became a consolidated subsidiary of MUFG

April 2022
Shift to Standard Market of the Tokyo Stock Exchange

1 – (3) Trends in the Non-bank Sector during a Turbulent Era

2000s

January 2006	**Supreme Court Decision on Interest Repayment Claims**
December 2006	**Promulgation of Money-Lending Business Act**
January 2007	AIFUL announced subsidiary merger and related measures
August 2007	GE Consumer Finance Reaffirms Its Withdrawal from the Consumer Finance Business under the Lake Brand
June 2007	ACOM lowered the maximum lending interest rates of unsecured consumer loans to 18.0%
July 2007	PROMISE Announced TOB for Sanyo Shinpan; Becomes a wholly owned subsidiary in December
August 2007	AIFUL lowered the maximum lending interest rates of unsecured consumer loans to 20.0%
September 2007	CREDIA CO., LTD. filed for Civil Rehabilitation Act
December 2007	PROMISE lowered the maximum lending interest rates of unsecured consumer loans to 17.8%
September 2008	ACOM announced strengthening of Its business and capital alliance with MUFG
September 2009	AIFUL applied for Turnaround ADR

2010s

June 2010	**Full Enforcement of Money-Lending Business Act**
September 2010	Takefuji filed for Corporate Reorganization Act
September 2011	SMFG Announced Full Acquisition of PROMISE as a wholly owned subsidiary
September 2012	AEON Credit Service announced management integration with AEON Bank
September 2012	Mitsubishi Tokyo UFJ Bank (present, MUFG Bank) and SMBC Consumer Finance Announced the Termination of their joint venture on Mobit
December 2015	ACOM acquired all shares of MU Credit Guarantee Co., LTD.

No. of Registered Money-Lenders

March 2006	
No. of Money-Lenders	14,236
Outstanding balance exceeding ¥50 billion	27

March 2010	
No. of Money-Lenders	4,057
Outstanding balance exceeding ¥50 billion	11

March 2025	
No. of Money-Lenders	1,473
Outstanding balance exceeding ¥50 billion*	6

The figures of over ¥50 billion in outstanding balance are as of the end of March 2025.

1－(4) Changes in the Maximum Interest Rates

Legal and Regulatory Environment Surrounding Money-Lenders

- The maximum interest rates stipulated by “Interest Rate Restriction Act” and “Investment Law” have been revised repeatedly in response to changing social and economic conditions.
- While both laws coexisted, lenders were able to operate within Gray Zone Interest Rates, provided certain conditions*.

Interest Rate Restriction Act（May 1954）

The new of Interest Rate Restriction Act enacted to replace the former Interest Rate Restriction Act.

Investment Law (June 1954)

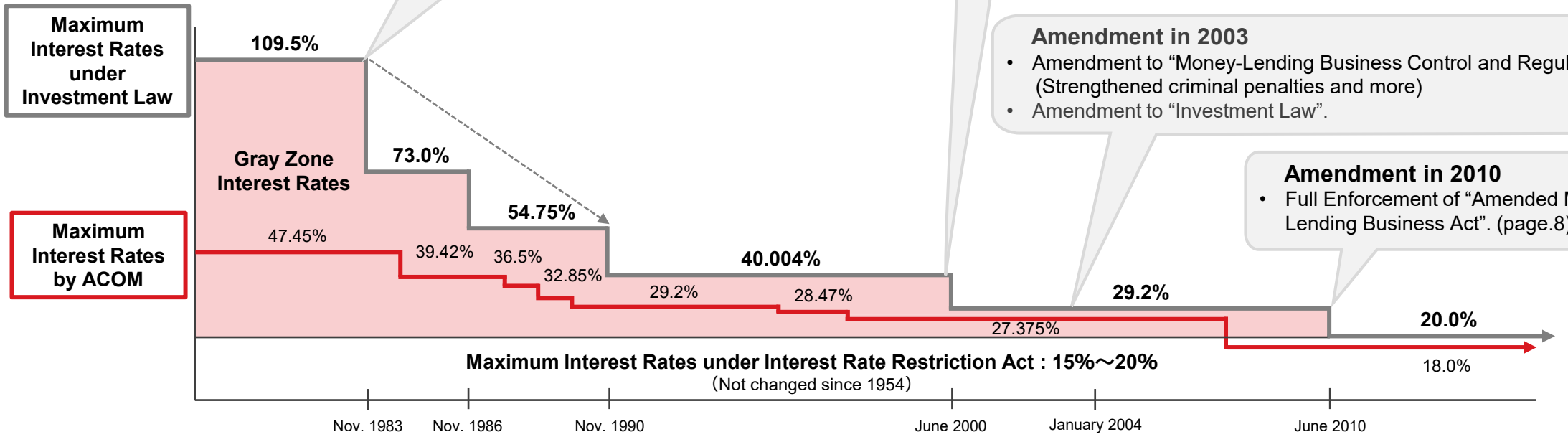
1. Restriction on acceptance of capital contributions and prohibition of deposits.
2. Prohibition of unsecured loans by officers and employees of financial institutions.
3. Penalties for high-interest lending rates and restrictions on brokerage fees for money lending.
4. Criminal penalties for contracts or receipt of interest exceeding an annual rate of 109.5%.

Amendment in 1983
- **Enactment of “Money-Lending Business Control and Regulations Law”.**
- Amendment to “Investment Law”.
  (Gradual reduction of the maximum interest rates to 40.004%)

Amendment in 1999
- Amendment to “Money-Lending Business Control and Regulations Law”.
  (Obligation to provide written documents to guarantors and more)
- Amendment to “Investment Law”. (Reduction of the maximum interest rates to 29.2%)

Amendment in 2003
- Amendment to “Money-Lending Business Control and Regulations Law”.
  (Strengthened criminal penalties and more)
- Amendment to “Investment Law”.

Amendment in 2010
- Full Enforcement of “Amended Money-Lending Business Act”. (page.8)



Certain conditions: Repayment must be voluntary, and contract and receipt documents must be properly issued, among others. (page.9) [Source: Financial Services Agency of Japan]

1－(5) Phased Enforcement of “Amended Money-Lending Business Act” and Key Regulations

Phased Enforcement of “Money-Lending Business Act”

Promulgated on December 20, 2006

Article 1 Enforced on January 20, 2007

- Strengthened punishment

Article 2 Enforced on December 19, 2007 (Main Enforcement)

- Full enforcement
- **Establishment of the Japan Money Lenders’ Association**
- **Tightened of “Conduct Regulations”**
- and more

Article 3 Enforced on June 18, 2009

- **Stricter net asset requirements**
- Designated Credit Information Center System (Credit Information Center (CIC), etc.)

Article 4 Enforced on June 18, 2010 (Full Enforcement)

- **Reduction of the maximum interest rates**
- **Restriction on Total Borrowing Amount**
- **Obligation to provide pre-contract documentation**
- and more

Regulations on Advertising Content

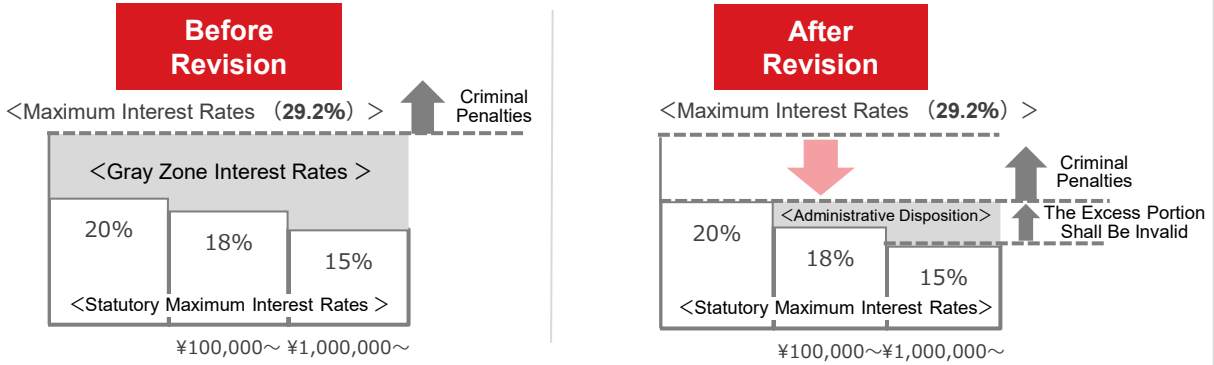
✓ The Japan Money Lenders’ Association has established self regulatory rules regarding advertising frequency, the prevention of excessive lending, and other related matters.

Restrictions on Total Lending Amount

✓ **In principle, lending that exceeds the borrower’s repayment capacity is prohibited, including loans that lead to the total outstanding loan balance exceeding one third of the borrower’s annual income.**

Interest Rate Regulation

✓ **Reduction of the Maximum Interest Rates from 29.2% to 20.0%**



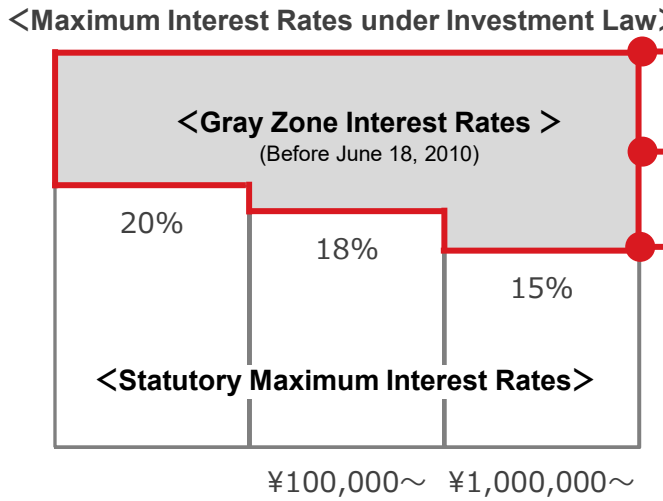
Other Regulations（Phased Enforcement）

✓ Conduct Regulations → Strengthened restrictions of debt collection and mandatory pre-contract documentation, etc.

✓ Registration Regulations→ Net assets of ¥50 million or more is required.

1 – (6) Interest Repayment Claims

Gray Zone Interest Rates



Investment Law

✓ Under the Investment Law, entering into a contract or receiving interest that exceeds the legally prescribed maximum rates is punishable by imprisonment for up to three years, a fine of up to 3 million yen, or both.

Money-Lending Business Control and Regulations Law

✓ Under the Interest Rate Restriction Act, if certain requirements are met, interest payments exceeding the statutory maximum interest rates may be deemed valid repayment of interest.

Requirements to be deemed valid repayment of interest:
1.The loan is extended by a registered money-lender.
2.The repayment constitutes interest or damages.
3.The repayment is made voluntarily.
4.A contract document prescribed in Article 17 was delivered at the time of lending.
5.A receipt document prescribed in Article 18 was delivered at the time of repayment.

Interest Rate Restriction Act

✓ When a debtor voluntarily pays interest exceeding the maximum rates stipulated by the Interest Rate Restriction Act, the debtor is not entitled to claim a refund of the excess amount.

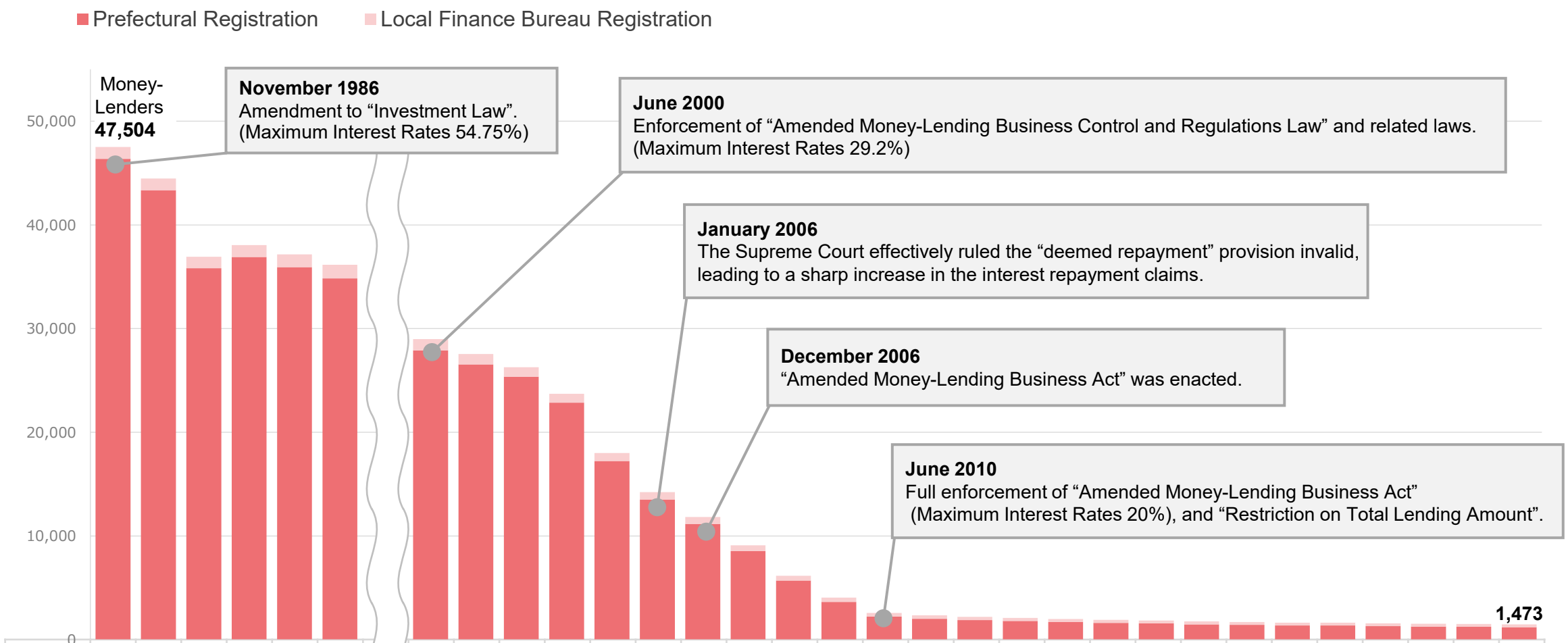
Supreme Court Decision

Supreme Court of Japan, Second Petty Bench, Decision on January 13, 2006

Under an acceleration clause*, a borrower's payment of interest exceeding the statutory limit cannot be regarded as a voluntary payment and therefore cannot be treated as a valid payment of interest.

*Acceleration clause refers to the debtor's right, under a loan agreement, not to be required to perform (i.e., repay the debt) until the agreed due date.

1－(7)Trend in the No. of Registered Money-Lenders

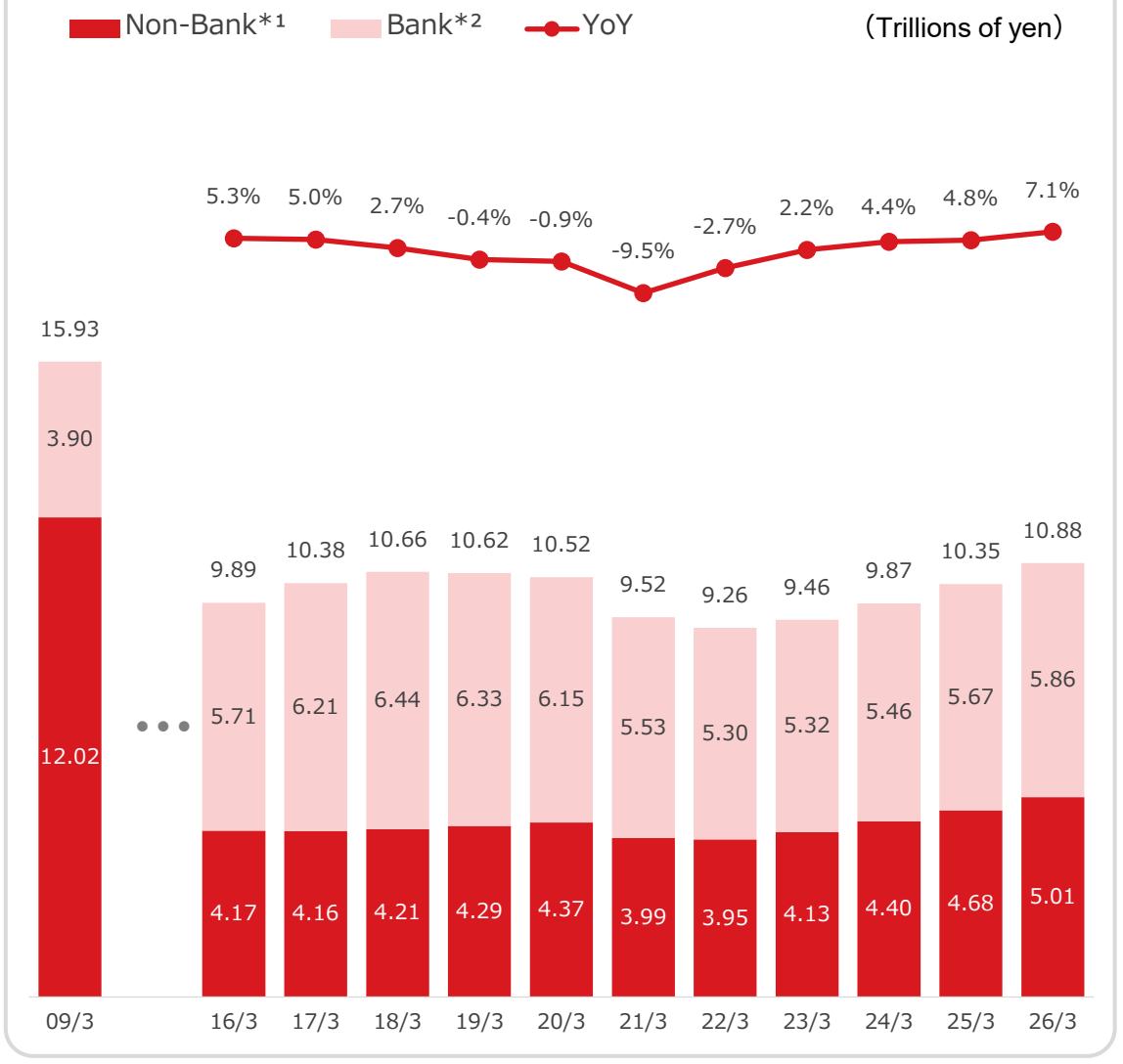


	‘86	‘87	‘88	‘89	‘90	‘91	‘01	‘02	‘03	‘04	‘05	‘06	‘07	‘08	‘09	‘10	‘11	‘12	‘13	‘14	‘15	‘16	‘17	‘18	‘19	‘20	‘21	‘22	‘23	‘24	‘25
Prefecture	46,357	43,352	35,821	36,898	35,934	34,841	27,896	26,551	25,352	22,869	17,243	13,534	11,168	8,535	5,705	3,648	2,240	2,020	1,902	1,811	1,712	1,634	1,580	1,485	1,435	1,372	1,367	1,312	1,280	1,251	1,219
Local Finance Bureaus	1,147	1,119	1,114	1,150	1,229	1,305	1,090	1,000	929	839	762	702	664	580	473	409	349	330	315	302	299	292	285	285	281	275	271	268	268	264	254
Total	47,504	44,471	36,935	38,048	37,163	36,146	28,986	27,551	26,281	23,708	18,005	14,236	11,832	9,115	6,178	4,057	2,589	2,350	2,217	2,113	2,011	1,926	1,865	1,770	1,716	1,647	1,638	1,580	1,548	1,515	1,473

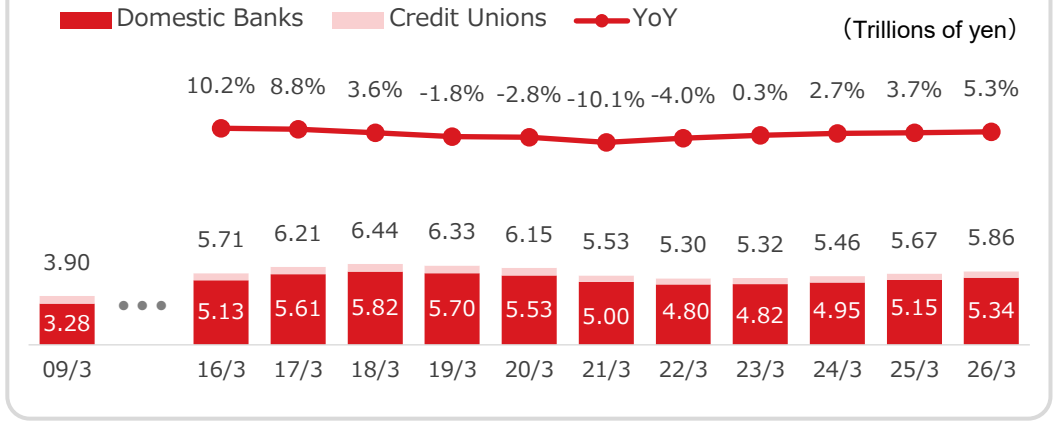
Source：Financial Services Agency (The number of registered companies is as of the end of March each year)

1－(8) Market Volume of Domestic Personal Card Loan

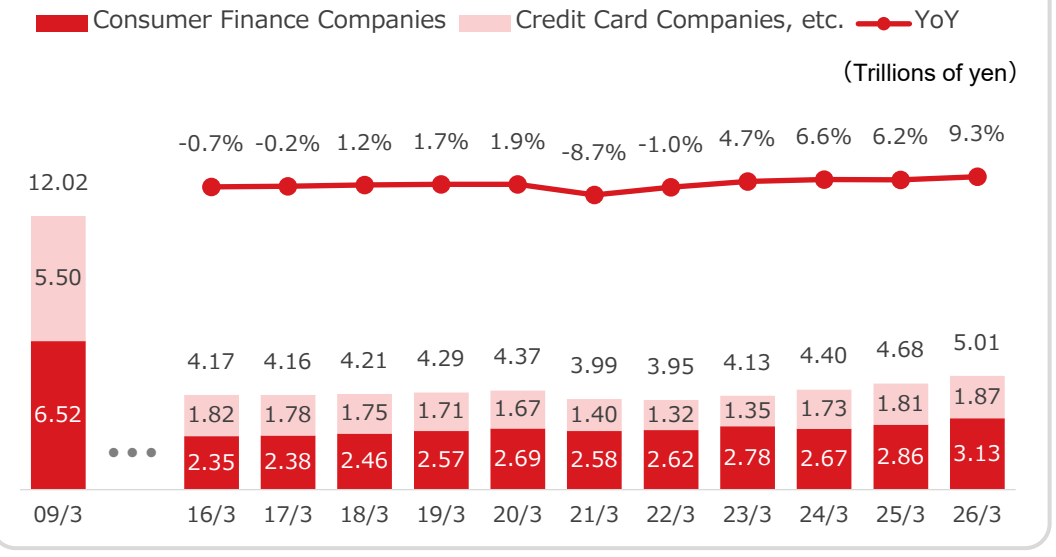
Market Volume of Domestic Personal Card Loan



Bank*2



Non-Bank*1



*1 Nonbank refers to receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figures for March 2026 are preliminary
*2 Bank refers to the balance of personal card loans provided by domestic banks and credit unions in statistics by the Bank of Japan

2. Business Overview

（1）Operation flow of Loan Business

（2）Operation flow of Guarantee Business

（3）Main Consolidated Subsidiary

2－(1)Operation Flow of Loan Business

Providing small, unsecured cash loans to individuals based on their creditworthiness

- Offer consistent service quality through a nationwide branch network and an enhanced web platform
- Expand operations into ASEAN countries (Thailand, the Philippines, Malaysia) by leveraging domestic loan business expertise

As of March 31, 2026

Composition Ratio: Direct 35.7% / Indirect 64.3% (MUFG 31.2%)

No. of Outlets： Unstaffed 501 (Automatic Contract Machine 503)

Application Ratio： Web (about 95%) / Stores (about 5%)

Loan approval rate: ： 38.9%

Ave. first-time loan amount ：¥180,000

Ave. Transaction period： 5～6 years (including full payment period)

Ave. loan amount per customer： ¥500,000

Main Process

Funding → **Advertising** → **Accepting Applications** → **Credit Screening** → **Contract** → **Deposits and Withdrawals** → **Full Repayment** / **Write-off** → **Reborrowing** / **Recovery of Written-Off Claims**

Ad. cost per new acquisition ： about ¥48,000

Advertising media rate： Web (about 86%) / TV, etc. (about 14%)

Time from application to screening result :

Unstaffed stores / Web } Minimum 20 minutes

Deposit and Withdrawal Channels :

ACOM's ATM: 498

Partner's ATM: 94,993

Ratio of Bad Debt Expenses： 3.35%

2 – (2)Operation Flow of Guarantee Business

Providing credit guarantees to customers using loan products provided by financial institutions in alliance

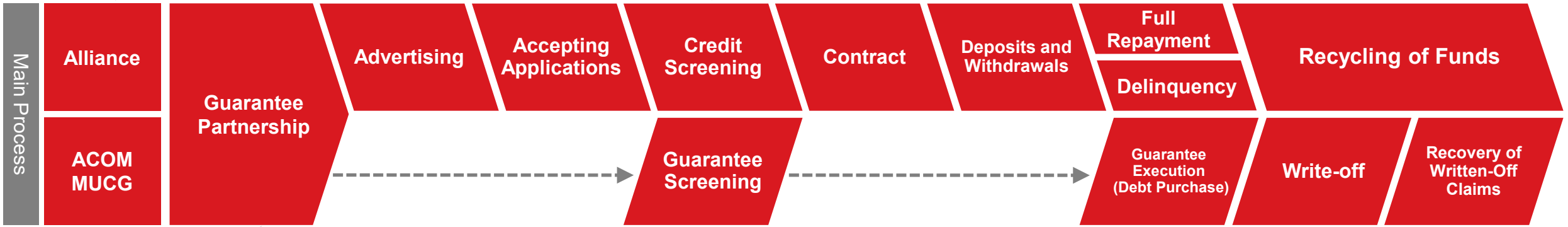
- Two companies within the ACOM Group – ACOM and its consolidated subsidiary MU Credit Guarantee Co., LTD. – conduct guarantee business.
- ACOM has broadened its alliance network, based on expertise it has garnered in the loan business.
- Alliance strategy： To strengthen collaboration with partner banks, we partnered with one bank per prefecture as a general rule.

As of March 31, 2026

No. of Alliance Partners： ACOM : 36
MUCG : 27

Introduce a “Fully online system”*

Ave. loan amount per customer*2 ： ¥685,000



Providing customized guarantee schemes tailored to the needs of our partners.
・Sales promotion support ・Credit management support
・Credit screening system ・Dispatch human resources

Balance of Right to Reimbursement*2： ¥62.4 billion

Ratio of Bad Debt Expenses*2： 2.42%

*1 Fully online system: A system that enables the entire process—from application to contract conclusion—to be completed online.
*2 Average loan amount per customer, balance of right to reimbursement, and the ratio of bad debt expenses are based on ACOM’s non-consolidated performance.

2－(3)Consolidated Subsidiaries

As of March 31, 2026

MU Credit Guarantee Co., LTD.（Equity owned by Acom： 100%）	
Business outline	Guarantee Business
Incorporated	September 2013（Paid-in capital：¥300 million）
IR Loan Servicing, Inc. （Equity owned by Acom： 100%）	
Business outline	Loan Servicing Business
Incorporated	June 2000（Paid-in capital：¥520 million）
GeNiE Inc.（Equity owned by Acom： 100%）	
Business outline	Unsecured Loan Business
Incorporated	April 2022（Paid-in capital：¥250 million）
EASY BUY Public Company Limited （Equity Share： ACOM 71%、GCT 25%、Bangkok Bank 4%）	
Business outline	Unsecured loan business and installment loan business (installment sales finance business) in Kingdom of Thailand
Incorporated	September 1996（Paid-in capital：6,000 million Thai Baht）
ACOM CONSUMER FINANCE CORPORATION （Equity Share： ACOM：80%, ITOCHU Corporation：20%）	
Business outline	Unsecured Loan Business in Republic of the Philippines
Incorporated	July 2017（Paid-in capital：3,000 million Philippine Pesos）
ACOM (M) SDN. BHD. （Equity owned by Acom： 100%）	
Business outline	Unsecured Loan Business in Malaysia
Incorporated	July 2021（Paid-in capital：200 million RM）

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