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# Earnings Release Presentation

The First Quarter Financial Results for the Fiscal Year Ending March 2020

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**ACOM CO., LTD.**

**<https://www.acom.co.jp/corp/english/ir/>**

**July 29, 2019**



# Financial Results Summary

(Millions of yen, %)										
<B/S>	Consolidated					Non-consolidated				
	2019/6		2020/3			2019/6		2020/3		
	Results	yoy	Forecasts	yoy	Progress	Results	yoy	Forecasts	yoy	Progress
Receivables Outstanding	2,309,248	0.7	2,345,400	0.5		1,959,825	2.0	1,989,200	2.3	
Loan & Credit Card Business	898,254	3.8	918,000	3.7		898,254	3.8	918,000	3.7	
Guarantee Business	1,217,952	1.3	1,233,600	1.8	-	1,061,571	0.5	1,071,200	1.2	-
Overseas Financial Business	183,665	-14.3	184,400	-18.9		-	-	-	-	
<P/L>										
Operating Revenue	69,735	2.5	275,500	-0.6	25.3	50,933	1.4	205,200	0.8	24.8
Loan & Credit Card Business	37,025	2.9	147,400	1.8	25.1	37,025	2.9	147,400	1.8	25.1
Guarantee Business	16,595	-1.3	68,500	-1.2	24.2	13,890	-2.2	57,700	-1.8	24.1
Overseas Financial Business	14,836	7.2	54,200	-4.9	27.4	-	-	-	-	-
Operating Expenses	44,776	-0.5	187,900	-14.4	23.8	32,744	-0.9	141,500	-16.8	23.1
Financial Expenses	2,640	-10.3	8,500	-24.8	31.1	1,194	-17.7	4,800	-14.6	24.9
Provision for Bad Debts	19,455	-0.1	82,800	9.0	23.5	14,856	0.1	63,700	11.9	23.3
Provision for Loss on Interest Repayment	-	-	-	-	-	-	-	-	-	-
Other Operating Expenses	22,680	0.5	96,600	4.2	23.5	16,693	-0.2	73,000	7.4	22.9
Operating Profit	24,959	8.2	87,600	52.1	28.5	18,188	5.8	63,700	89.4	28.6
Ordinary Profit	24,231	4.4	87,900	51.0	27.6	23,452	13.0	69,000	84.1	34.0
Profit Before Income Taxes	31,732	36.7	95,100	71.9	33.4	34,266	65.3	78,700	127.7	43.5
Profit	27,200	35.1	80,300	88.8	33.9	29,454	54.7	70,300	134.9	41.9
Profit Attributable to Owners of Parent(*)	26,670	40.6	75,500	99.8	35.3	-	-	-	-	-

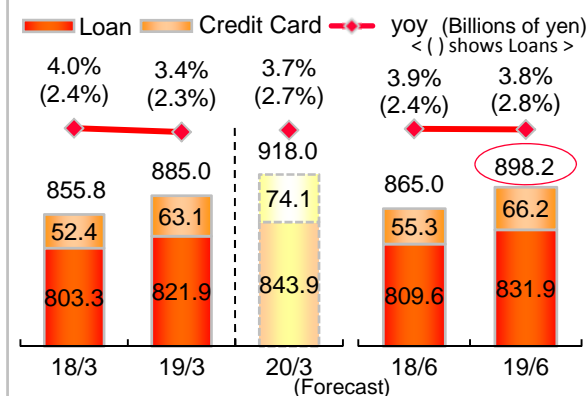
\* We recorded gain on sales of stocks in 1Q owing to merger of BNP. The amount for consolidated and non-consolidated bases are ¥7.4 billion and ¥9.8 billion, respectively.



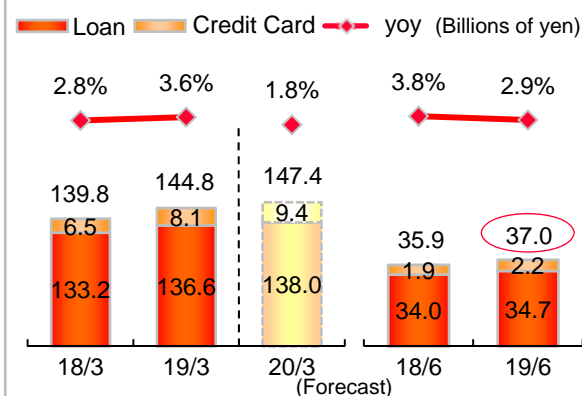
# Loan and Credit Card Business (ACOM)

- **Receivables Outstanding** : Increased by 3.8% yoy to 898.2 billion yen.
- **Operating Revenue** : Increased by 2.9% yoy to 37.0 billion yen owing to increases in interest on operating loans and credit card revenue.
- **Operating Profit** : Increased by 2.7% yoy to 12.9 billion yen.

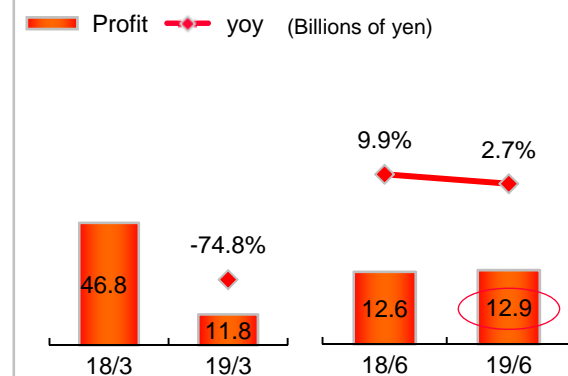
## Receivables Outstanding



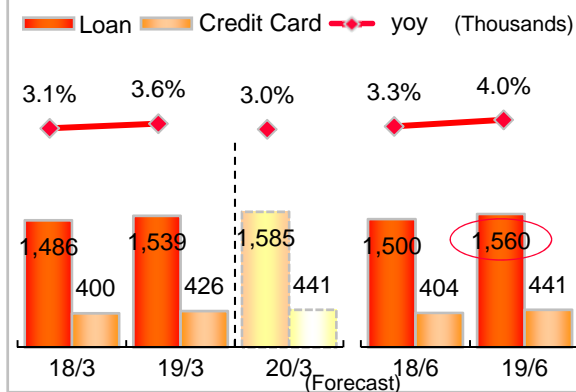
## Operating Revenue



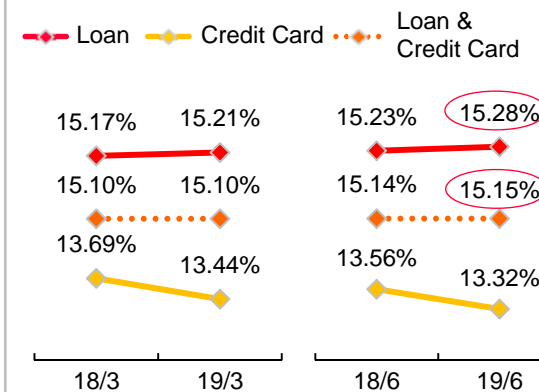
## Operating Profit



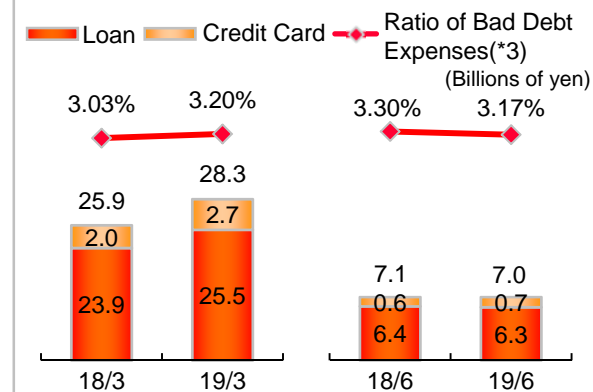
## No. of Customer Accounts



## Average Yield(\*1)



## Amount and Ratio of Bad Debt Expenses(\*2)



\*1. Average yield of credit card is calculated by receivables and fees of revolving.

\*2. Amount and ratio of bad debt expenses exclude waiver of repayments accompanying requests for interest repayment.

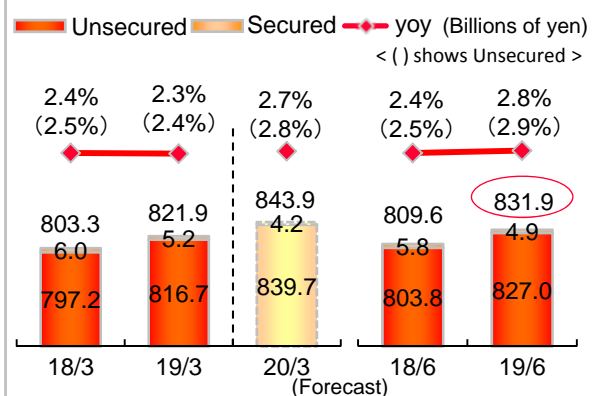
\*3. The ratios of bad debt expenses for 18/6 and 19/6 are recalculated into annual basis.



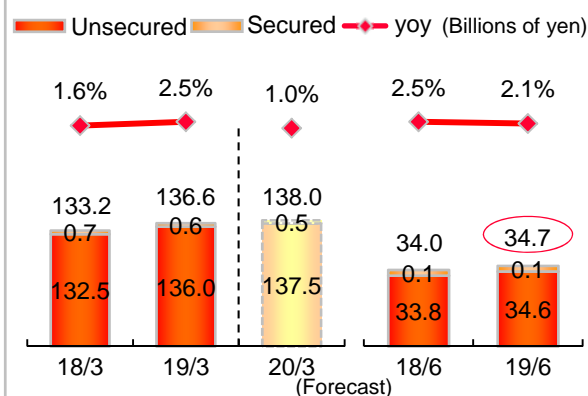
# Loan Business (ACOM)

- **Receivables Outstanding** : Increased by 2.8% yoy to 831.9 billion yen.
- **Operating Revenue** : Increased by 2.1% yoy to 34.7 billion yen owing to scale expansions.
- **No. of New Customers** : Increased by 11.8% yoy to 71 thousands, making a smooth progress.

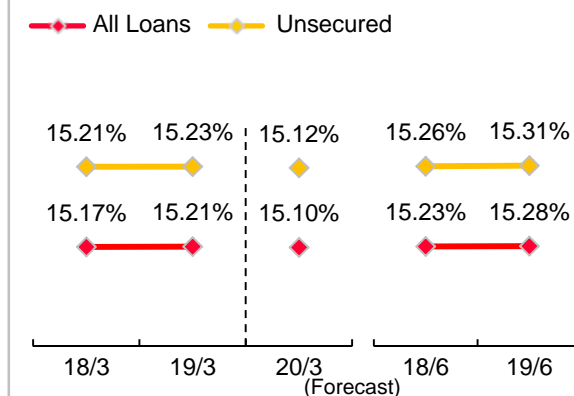
## Receivables Outstanding



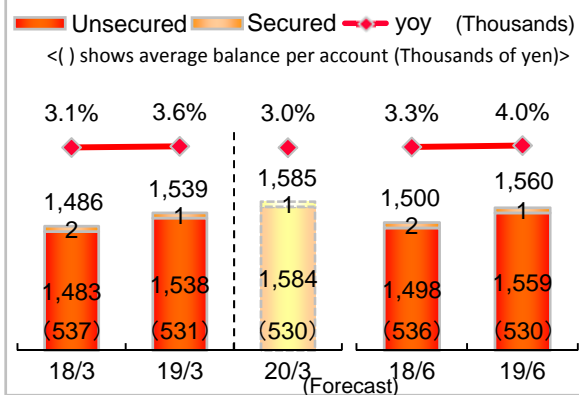
## Operating Revenue



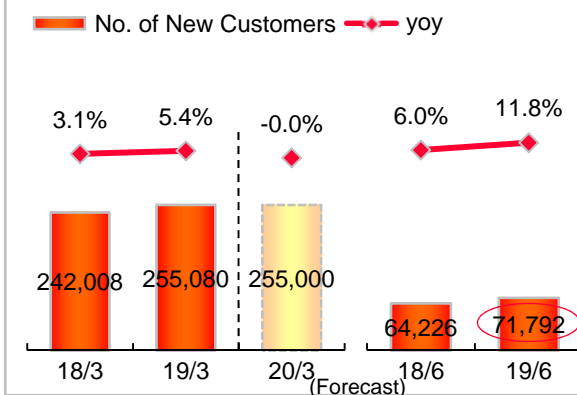
## Average Loan Yield



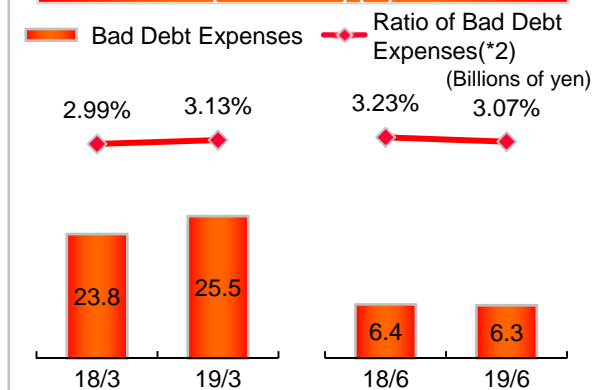
## No. of Customer Accounts



## No. of New Customers (Unsecured)



## Amount and Ratio of Bad Debt Expenses (Unsecured) (\*1)



\*1. Amount and ratio of bad debt expenses exclude waiver of repayments accompanying interest repayment.

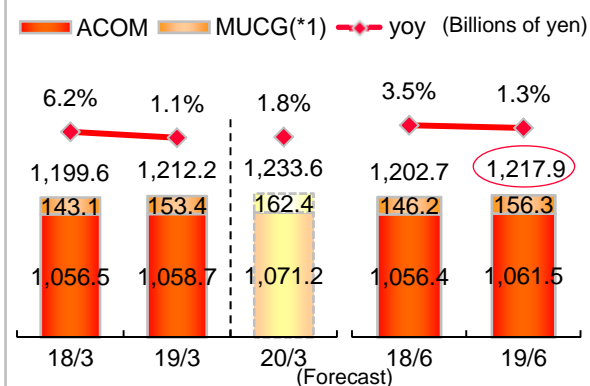
\*2. The ratios of bad debt expenses for 18/6 and 19/6 are recalculated into annual basis.



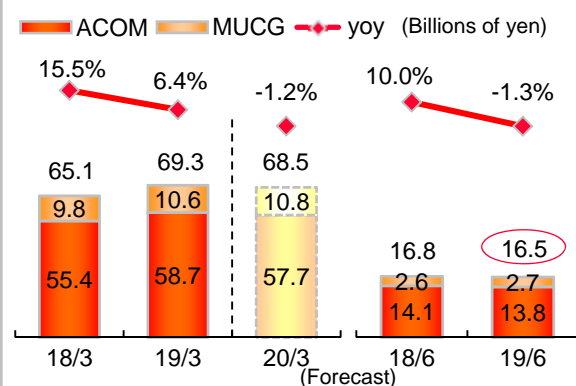
# Guarantee Business (ACOM and MU Credit Guarantee)

- **Guaranteed Receivables** : Increased by 1.3% yoy to 1,217.9 billion yen.
- **Operating Revenue** : Decreased by 1.3% yoy to 16.5 billion yen due to revision of guarantee fees.
- **Operating Profit** : Increased by 16.4% yoy to 6.2 billion yen owing to decrease in provision for bad debts.

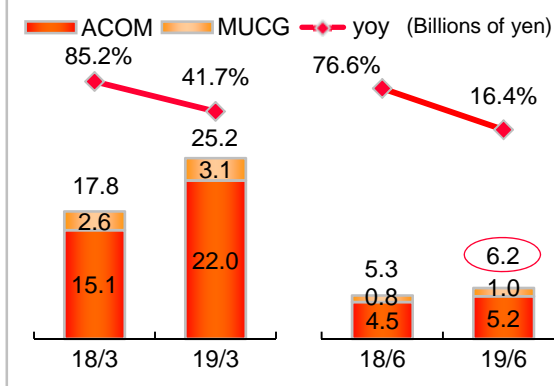
## Guaranteed Receivables



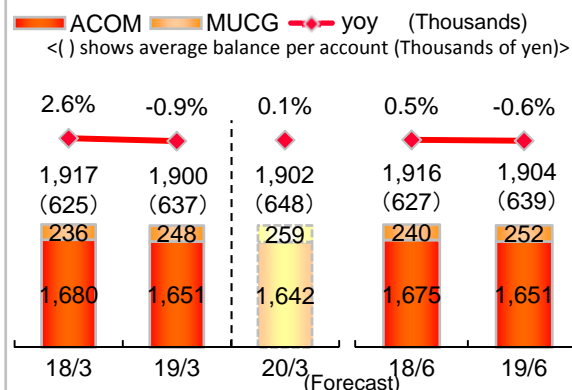
## Operating Revenue



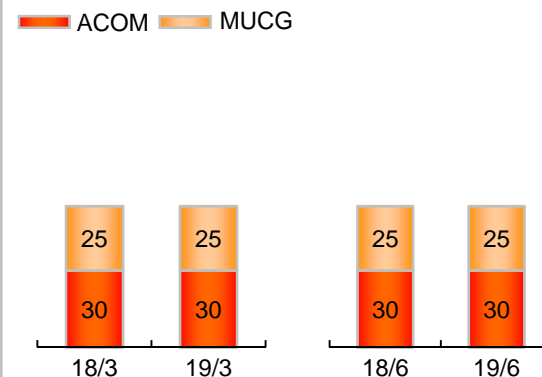
## Operating Profit



## No. of Customer Accounts

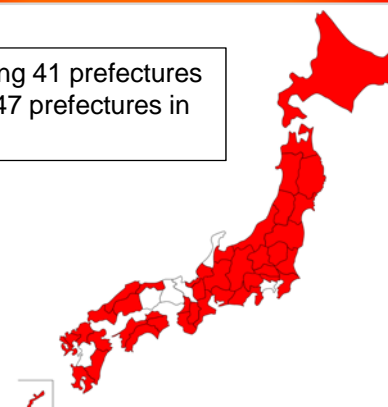


## No. of Alliance Partners(\*2)



## Prefectures with Alliance Partners

Covering 41 prefectures out of 47 prefectures in Japan



\*1. "MUCG" stands for MU Credit Guarantee Co., LTD.

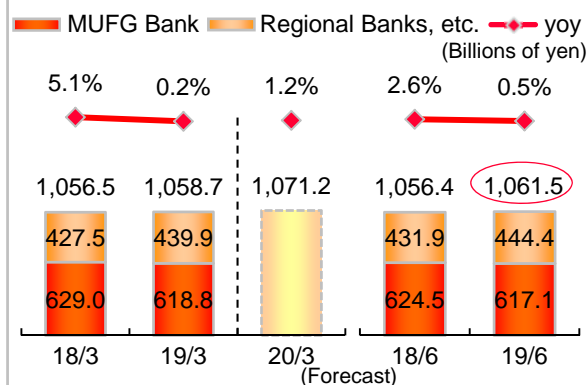
\*2. ACOM and MUCG share three alliance partners.



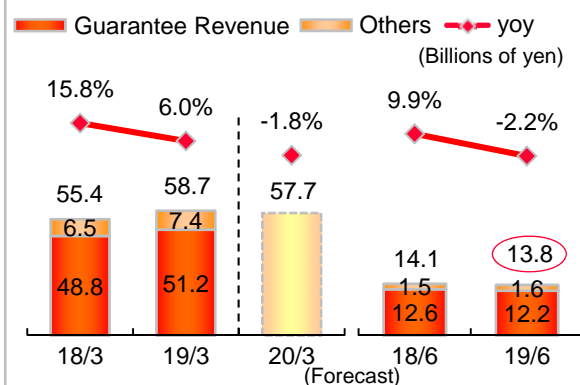
# Guarantee Business (ACOM)

- **Guaranteed Receivables** : Increased by 0.5% yoy to 1,061.5 billion yen.
- **Operating Revenue** : Decreased by 2.2% yoy to 13.8 billion yen.
- **Operating Profit** : Increased by 14.6% yoy to 5.2 billion yen.

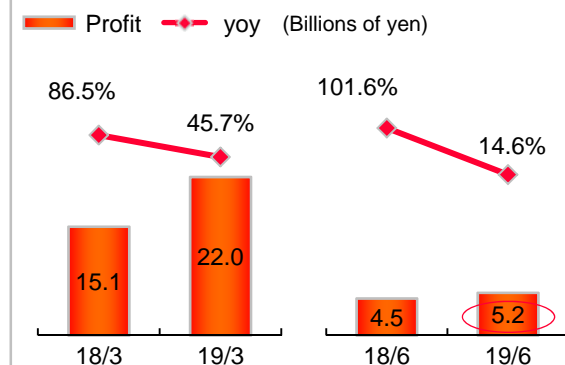
## Guaranteed Receivables



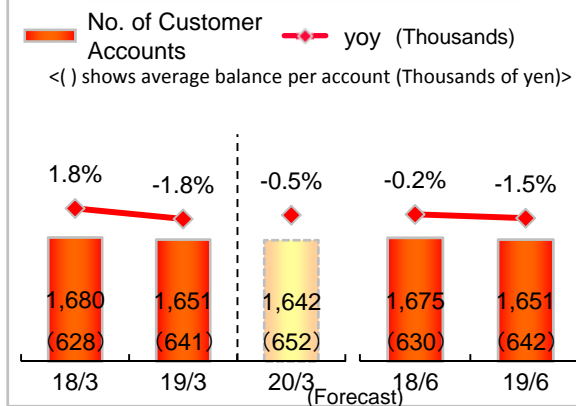
## Operating Revenue



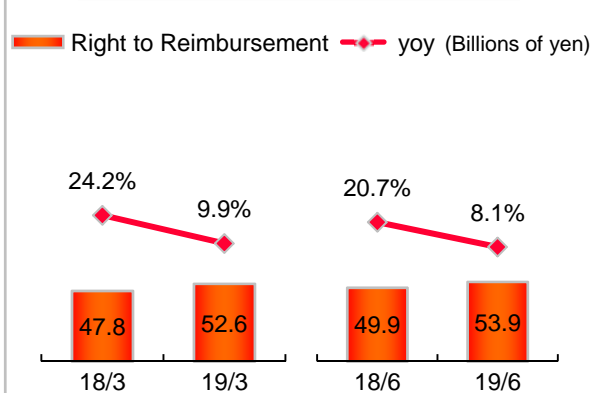
## Operating Profit



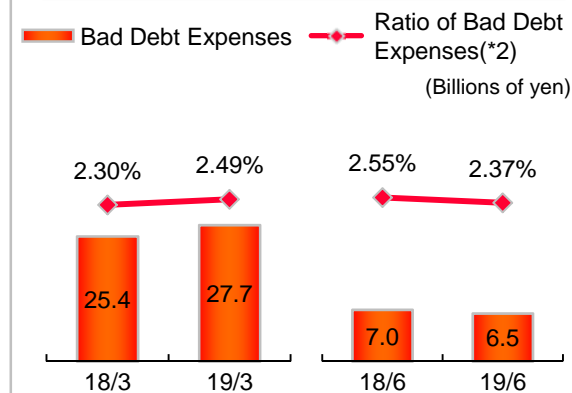
## No. of Customer Accounts



## Right to Reimbursement(\*1)



## Amount and Ratio of Bad Debt Expenses



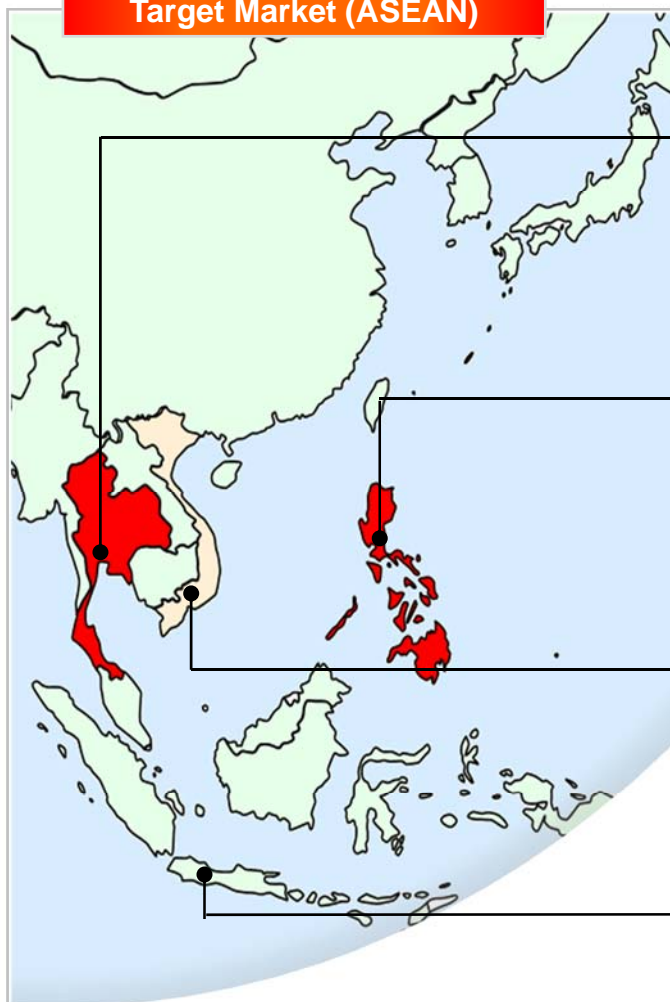
\*1 Right to reimbursement is loans in which guarantee obligations have been performed by ACOM, but not yet written-off.

\*2 The ratios of bad debt expenses for 18/6 and 19/6 are recalculated into annual basis.



# Target Market in Overseas Financial Business

## Target Market (ASEAN)



### [Kingdom of Thailand]

[EASY BUY Public Company Limited]

Equity stake : 71.00%  
Incorporated : September 1996  
Business Outline : Unsecured Loan,  
Installment Loan

- Carried out business proactively while putting primary emphasis on improving soundness of loan portfolio.
- Revenue and profit both increased owing to scale expansion.

### [Republic of the Philippines]

[ACOM CONSUMER FINANCE CORPORATION]

Equity stake : 80.00%  
Incorporated : July 2017  
Business Outline : Unsecured Loan

- Commenced the business at Metro Manila in July 2018.
- Opened the second and third outlet in November and December 2018, respectively.
- Opened the fourth and fifth outlet in February and April 2019, respectively.

### Applying for license

### [Socialist Republic of Vietnam]

[ACOM VIETNAM FINANCE COMPANY LIMITED]

Location : Ho Chi Minh  
Capital : 600.0 billion dong  
(About 2.8 billion yen)  
Equity stake : 100%

- Applied for license for company establishment in May 2014.
- Reapplied for license in June 2016.
- Plans to commence business at the earliest date upon completion of screening procedures.

### Deconsolidation

### [Republic of Indonesia]

[PT. Bank Nusantara Parahyangan, Tbk.]

Equity stake : 67.59%⇒0.00%  
Incorporated : January 1972  
(became subsidiary in 2007)  
Business Outline : Banking

- Conducted merger where PT Bank Danamon Indonesia, Tbk. is the surviving bank in May 2019.

\*See p.19 for details.

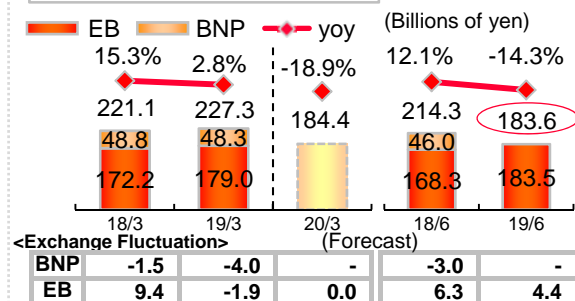




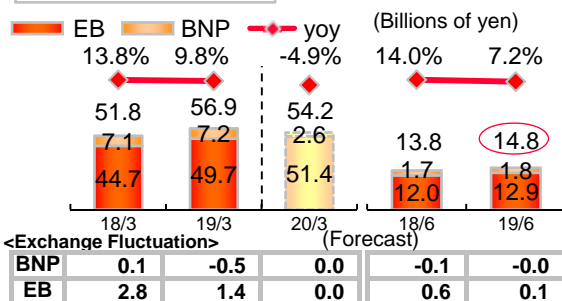
# Overseas Financial Business (EASY BUY (EB) and Bank BNP (BNP))

## Overseas Financial Business (Yen Basis)(\*1)

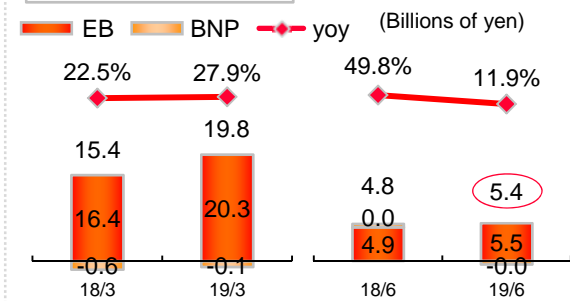
### Receivables Outstanding(\*2)



### Operating Revenue

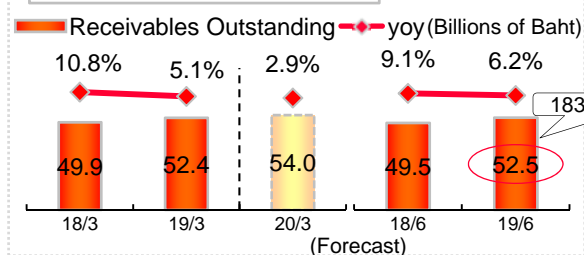


### Operating Profit(\*3)

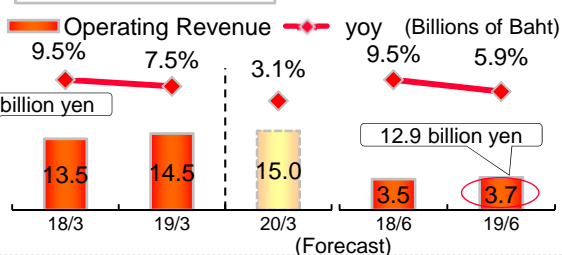


## EASY BUY (Local Currencies Basis)

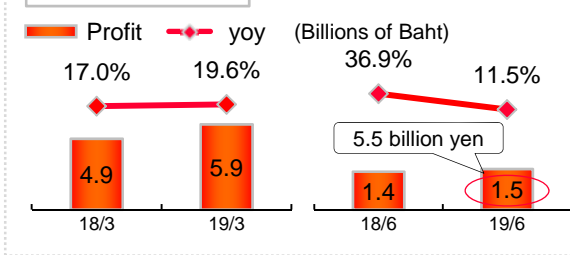
### Receivables Outstanding(\*4)



### Operating Revenue

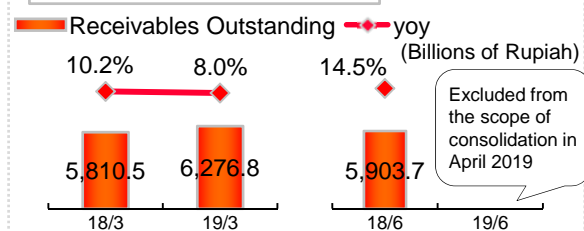


### Operating Profit

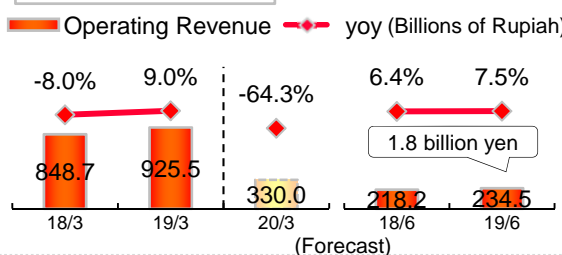


## Bank BNP (Local Currencies Basis)

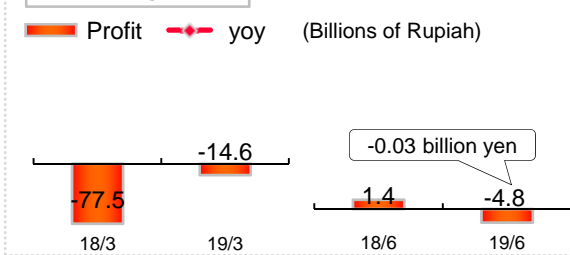
### Receivables Outstanding



### Operating Revenue



### Operating Profit



\*1. Exchange rates : Baht B/S: ¥3.40 (18/3), ¥3.49 (19/3), forecast ¥3.41 (19/12) P/L: ¥3.44 (18/3), ¥3.49 (19/3), forecast ¥3.42 (19/12)  
 (on local closing dates) Rupiah P/L: ¥0.0080 (18/3), ¥0.0078 (19/3), forecast ¥0.0078 (19/12)  
 Exchange fluctuation as of current 1Q: Baht (B/S yoy +¥0.09 P/L yoy +¥0.05), Rupiah (P/L yoy -¥0.0002)  
 \*2. Receivables outstanding = accounts receivable - operating loans + accounts receivable - installment + loans receivables of banking business  
 \*3. Operating profit shows segment income. \*4. Receivables outstanding = accounts receivable - operating loans + accounts receivable - installment





## Trend of No. of Requests for Interest Repayment (ACOM)

- No. of requests : Decreased by 12.0% yoy to 6.6 thousands which was inline with the initial forecast.
- Estimation : The number of requests for FY March 2020 is expected to decrease by 20% yoy.

● Monthly Number of Requests for Interest Repayment (*1) (*2)															(%)	
	2015/3		2016/3		2017/3		2018/3		2019/3				2020/3			
	No. of Requests	yoy	No. of Requests	yoy	No. of Requests	yoy	No. of Requests	yoy	No. of Requests	yoy	Per business day	No. of Requests	yoy	Per business day		
Total	79,600	13.9	72,200	-9.3	60,700	-15.9	34,300	-43.5	27,100	-21.0	111	6,600	-12.0	111		
Apr.	6,500	-3.0	6,500	0.0	5,500	-15.4	3,600	-34.5	2,400	-33.3	-27.9	120	2,200	-8.3	110	
May	6,200	0.0	5,500	-11.3	5,600	1.8	3,400	-39.3	2,600	-23.5		123	2,100	-19.2	-12.0	110
June	6,600	17.9	6,400	-3.0	5,800	-9.4	3,400	-41.4	2,500	-26.5		119	2,300	-8.0		115
July	7,100	16.4	6,100	-14.1	4,900	-19.7	2,800	-42.9	2,400	-14.3	-17.3	114				
Aug.	5,900	28.3	5,300	-10.2	4,700	-11.3	2,500	-46.8	2,300	-8.0		100				
Sept.	7,800	32.2	6,600	-15.4	4,800	-27.3	2,800	-41.7	2,000	-28.6		111				
Oct.	7,500	17.2	6,700	-10.7	4,600	-31.3	2,700	-41.3	2,400	-11.1	-29.7	109				
Nov.	6,000	7.1	6,000	0.0	4,900	-18.3	4,100	-16.3	2,200	-46.3		104				
Dec.	6,300	14.5	5,800	-7.9	5,200	-10.3	2,300	-55.8	1,800	-21.7		94				
Jan.	4,900	-2.0	4,700	-4.1	4,500	-4.3	2,000	-55.6	2,000	0.0	-3.0	105				
Feb.	6,900	16.9	6,200	-10.1	5,200	-16.1	2,200	-57.7	2,200	0.0		115				
Mar.	7,900	23.4	6,400	-19.0	5,000	-21.9	2,500	-50.0	2,300	-8.0		115				

\*1. No. of requests 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.

\*2. Number of requests for interest repayment includes reaccepted requests.



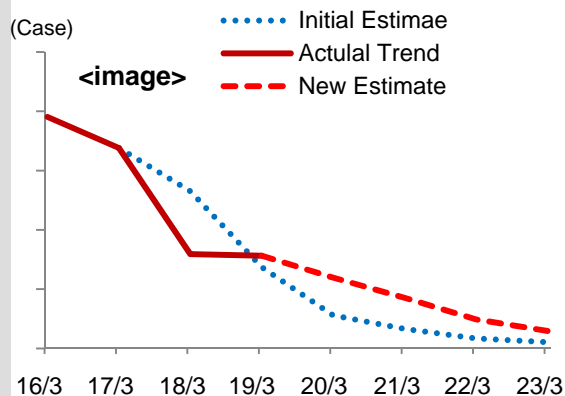
# Trend of Loss on Interest Repayment (ACOM)

## ● Provision for Loss on Interest Repayment

(Millions of yen, %)

	2015/3	2016/3	2017/3	2018/3	2019/3						2020/3	
					1Q	2Q	3Q	4Q	Total	yoy	1Q	yoy
Provision Drawdown	71,359	69,238	68,828	60,831	9,844	11,030	10,448	9,923	41,248	-32.2	8,058	-18.1
Interest Repayment	58,803	57,600	58,852	53,470	8,738	9,803	9,198	8,846	36,586	-31.6	7,210	-17.5
<Reference> Cash-out basis	59,183	57,147	58,917	53,014	9,808	9,378	9,778	8,841	37,807	-28.7	7,073	-27.9
Bad Debt Expenses (ACOM's voluntary waiver of repayments)	12,556	11,637	9,975	7,360	1,105	1,227	1,250	1,077	4,661	-36.7	847	-23.4
Addition of Provision	49,859	56,638	143,728	-	-	-	-	39,479	39,479	-	-	-
Increase or Decrease in Provision	-21,500	-12,600	74,900	-60,831	-9,844	-11,030	-10,448	29,555	-1,768	-	-8,058	-
Ending Balance of Provision	102,600	90,000	164,900	104,068	94,224	83,193	72,744	102,300	-1.7	-	94,241	0.0

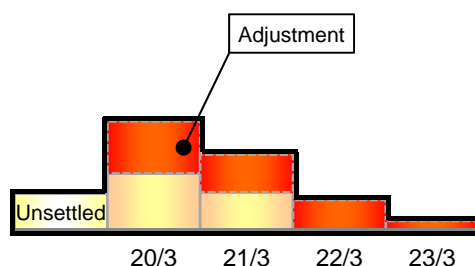
### Estimate of Number of Requests (FY March 2019)



### Ending Balance of Provision

<FY March 2020 Initial estimate: ¥102.3 billion>

<image>



### Key Points for Provision

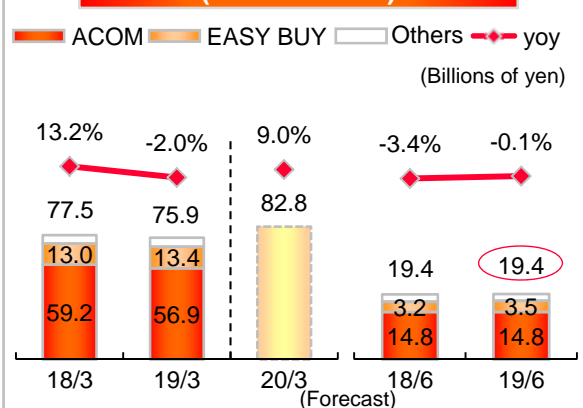
- ① ¥8.0 billion yen was drawn down from ¥102.3 billion yen of provision.  
• ¥7.2 billion for interest repayment + ¥0.8 billion for voluntary waiver of repayment
- ② There is no addition made to provision for loss on interest repayment in 1Q
- ③ Ending balance is ¥94.2 billion  
(covers next four years to FY March 2023.)
- ④ Estimate amount of drawdown to decrease by 15 to 20% in FY March 2020



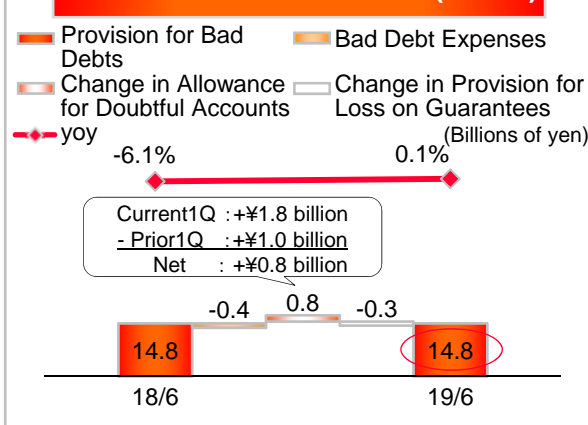
# Provision for Bad Debts

- **Provision for Bad Debts (Consolidated)**: Decreased by 0.1% yoy to 19.4 billion yen owing to decrease in bad debt expenses.
- **Bad debt expenses (ACOM)**: Decreased by 0.4 billion yen yoy to 13.6 billion yen owing to the recent slowdown in the growth of guaranteed receivables.
- **Non-performing Loans (ACOM)**: With regard to loan business, the ratio of NPLs remained stable at value of 7.04%.

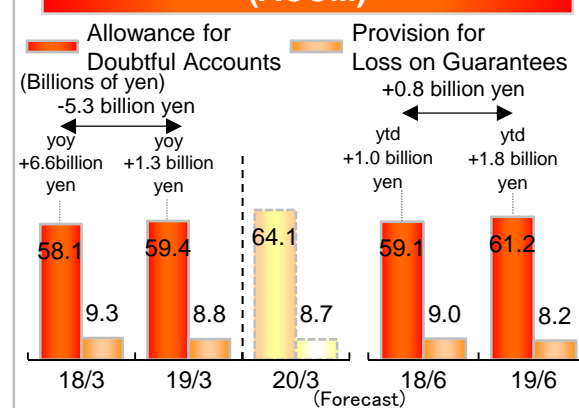
## Provision for Bad Debts (Consolidated)



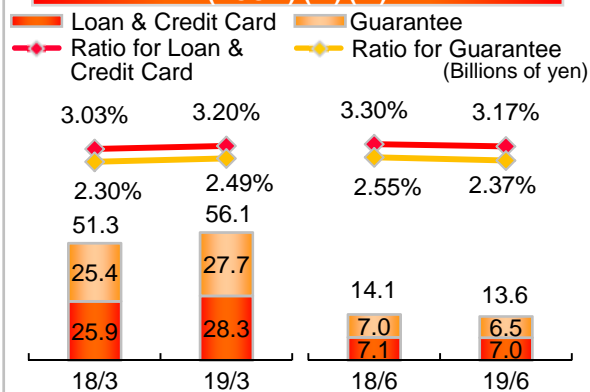
## Provision for Bad Debts (ACOM)



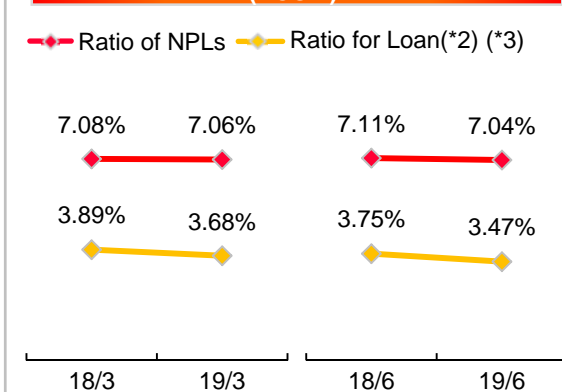
## Reserves for Loan and Guarantee (ACOM)



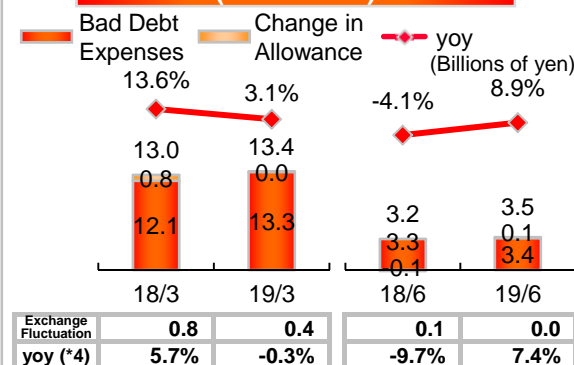
## Amount and Ratio of Bad Debt Expenses (ACOM) (\*1) (\*2)



## NPLs and Ratio of Bad Debt Expenses (ACOM)



## <Reference> Provision for Bad Debts (EASY BUY)



\*1. Amount and ratio of bad debt expenses exclude waiver of repayments accompanying requests for interest repayment.

\*2. The ratios of bad debt expenses for 18/6 and 19/6 are recalculated into annual basis.

\*3. Ratio of bad debt expenses includes waiver of repayments accompanying requests for interest repayment.

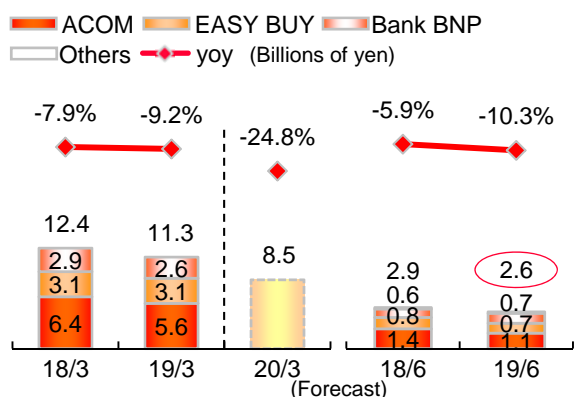
\*4. "yoy" shows local currencies basis.



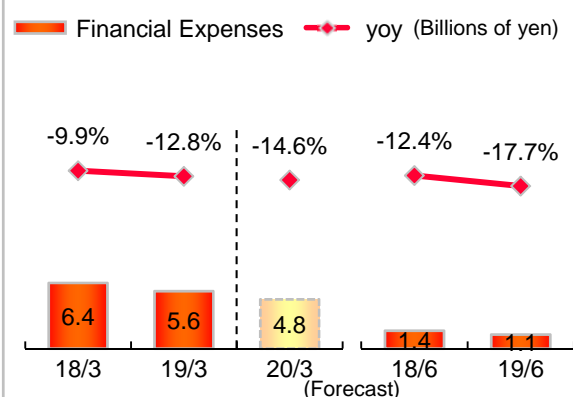
# Financial Expenses

- **Financial Expenses (Consolidated)** : Decreased by 10.3% yoy to 2.6 billion yen owing to improvements in funding environment of ACOM.
- **Borrowings (ACOM)** : Decreased by 7.8 billion yen yoy to 614.1 billion yen.
- **Average Interest Rate (ACOM)** : Decreased by 16 basis points to 0.77% owing to further replacements of borrowings in improving funding environment.

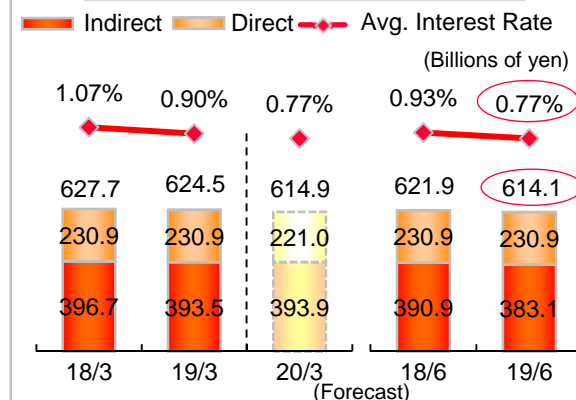
## Financial Expenses (Consolidated)



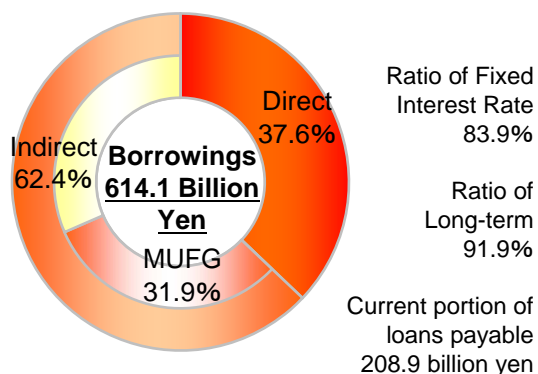
## Financial Expenses (ACOM)



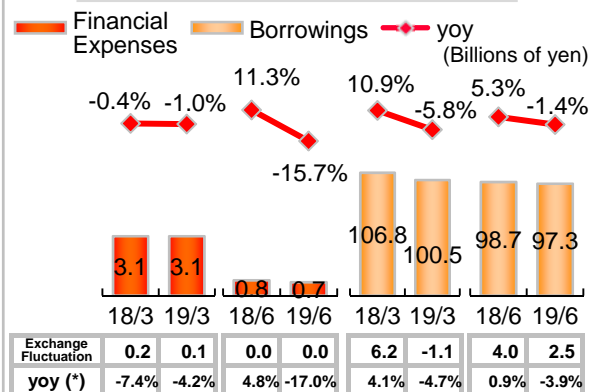
## Borrowings (ACOM)



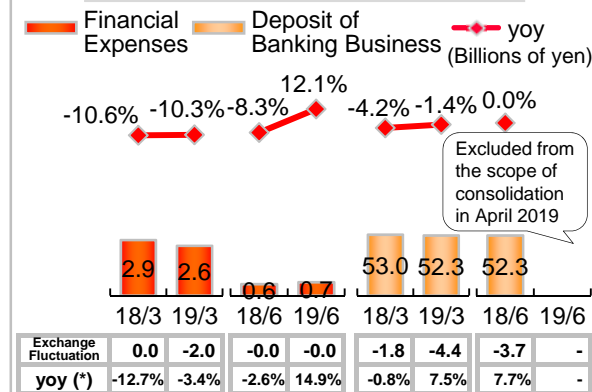
## Composition Ratios by Funding Sources (ACOM)



## <Reference> EASY BUY



## <Reference> Bank BNP



\* "yoy" shows local currencies basis.

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# Reference Information

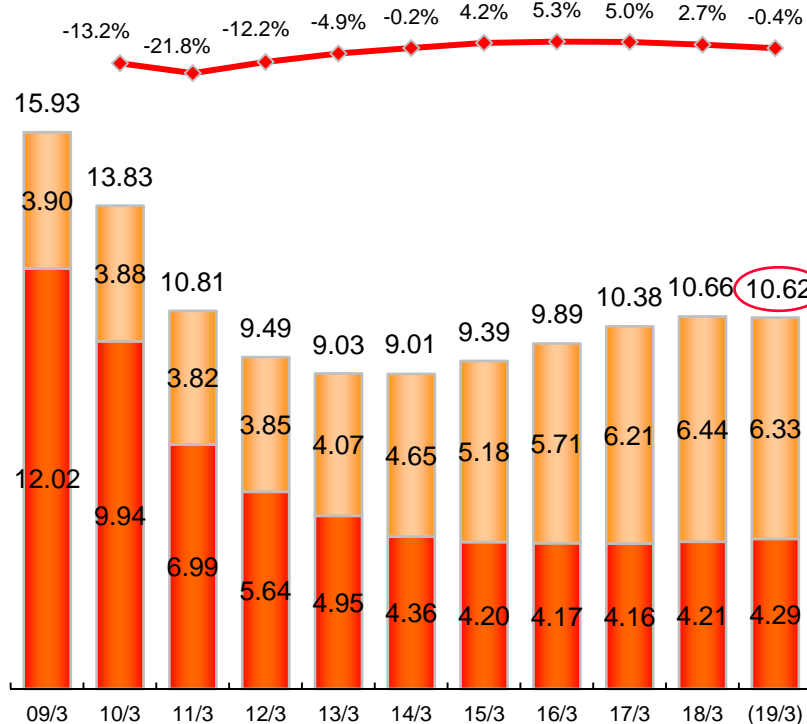
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## [Reference] Trend of Market Volume of Domestic Personal Card Loans

### Domestic Personal Card Loan Market

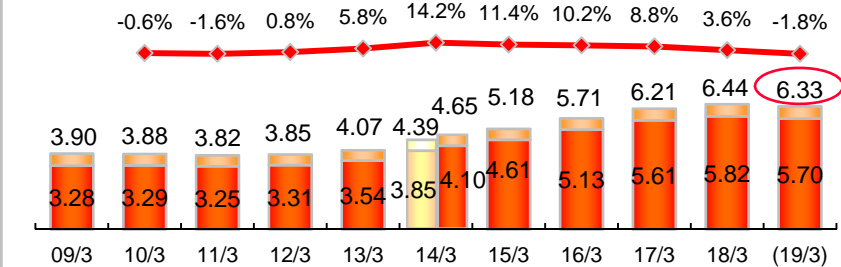
Nonbank Category Bank Category yoy (Trillions of yen)



ACOM's Share	10.3%	12.4%	13.5%	14.4%	15.6%	16.2%	16.7%	17.2%	17.4%	17.7%
Consolidated			16.4%	17.1%	17.7%	18.4%	18.8%	19.1%		

### Bank Category(\*1)

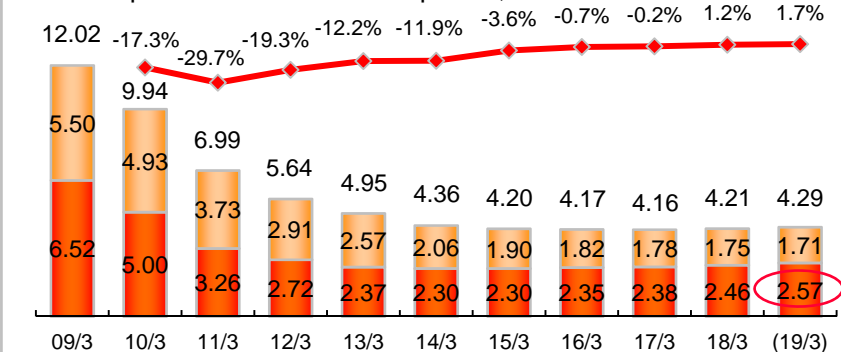
Domestic Banks Credit Unions yoy (Trillions of yen)



ACOM's Share	8.2%	11.6%	12.5%	14.4%	14.6%	15.0%	15.5%	16.2%	16.4%	16.7%
Consolidated			16.2%	16.6%	17.3%	18.2%	18.6%	19.1%		

### Nonbank Category(\*2)

Consumer Finance Companies Credit Card Companies, etc. yoy (Trillions of yen)



ACOM's Share	11.1%	12.9%	14.2%	14.5%	16.6%	17.8%	18.4%	18.8%	19.0%	19.1%
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\*1. Bank category refers to the volume of personal card loans provided by domestic banks and credit unions in statistics by The Bank of Japan.

(Correction on statistics by The Bank of Japan, announced on August 10, 2015, led to increase of 260 billion yen for receivables of bank category in FY March 2014.)

\*2. Nonbank category is receivables outstanding (include loan on deeds) in statistics by Japan Financial Services Association (JFSA). JFSA's figure for 2019/3 is preliminary.



# [Reference] Summary of Segment Income

## ● Operating Revenue and Segment Income

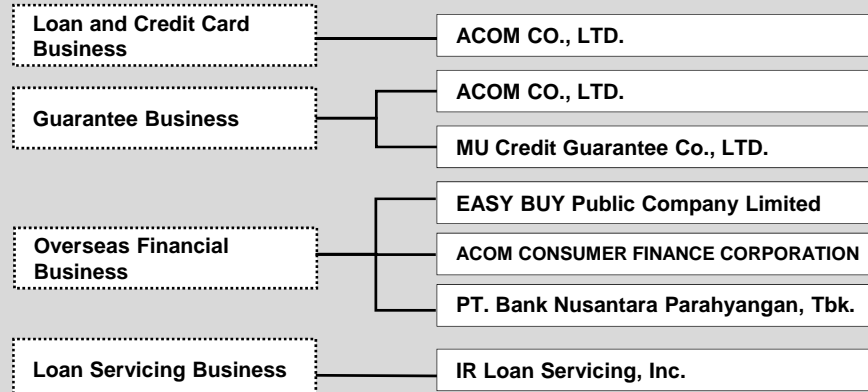
(Millions of yen, %)

	Loan and Credit Card Business		Guarantee Business		Overseas Financial Business		Loan Servicing Business		Subtotal		Others	Total
		yoy		yoy		yoy		yoy		yoy		
Operating Revenue	37,025	2.9	16,595	-1.3	14,836	7.2	1,277	-8.8	69,735	2.5	17	69,752
Revenue from External Customers	37,025	2.9	16,595	-1.3	14,836	7.2	1,277	-8.8	69,735	2.5	0	69,735
Revenue from Transactions with Other Operating Segments	-	-	-	-	-	-	-	-	-	-	17	17
Operating Expenses	24,029	3.0	10,319	-9.7	9,421	4.7	1,043	-19.3	44,814	-0.5	-	44,814
Segment Income	12,995	2.7	6,276	16.4	5,415	11.9	233	116.6	24,921	8.4	17	24,938

## ● Difference between Segment and Consolidated Operating Profit

Income	Amount	yoy
Segment Income	24,921	8.4
Income of "Others" Category	17	-56.2
Elimination of Intersegment Transactions	3	-74.8
Adjustments due to Unification of Accounting Treatment between Parent Company and Subsidiary	17	2.6
Consolidated Operating Profit	24,959	8.2

## <Reference>

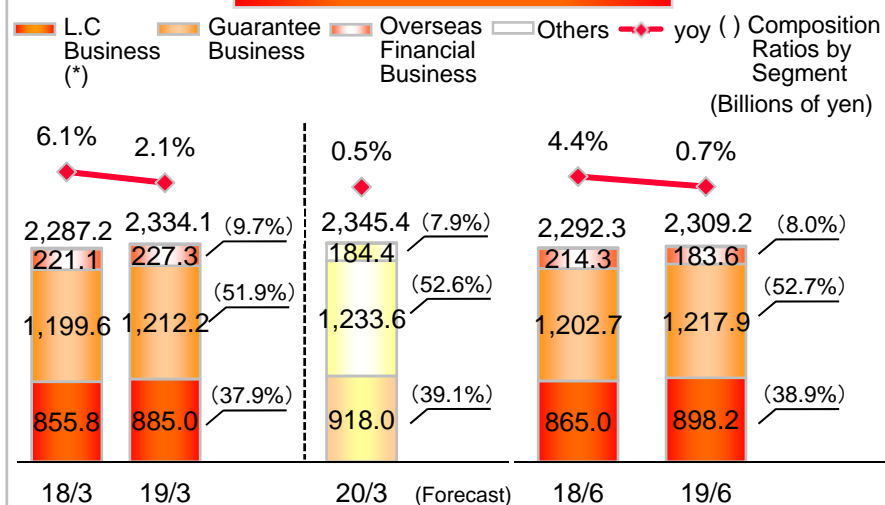




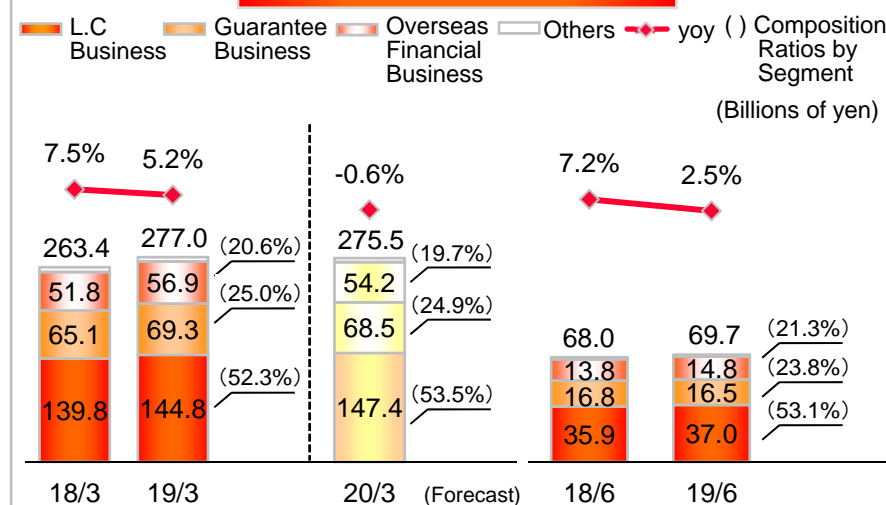


# [Reference] Composition Ratios by Reported Segment

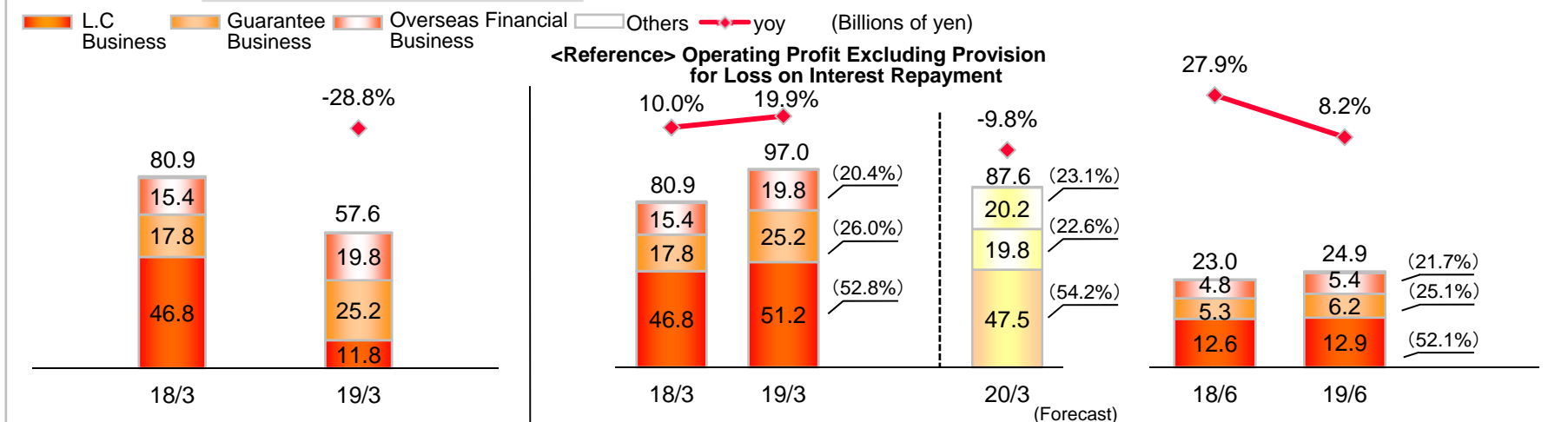
## Receivables Outstanding



## Operating Revenue



## Operating Profit



\* "L. C Business" stands for loan and credit card business.



## [Reference] Annual Forecast for the FY March 2020

(Millions of yen, %)								
	Consolidated				Non-consolidated			
	2019/3		2020/3		2019/3		2020/3	
<B/S>	Results	yoy	Forecasts	yoy	Results	yoy	Forecasts	yoy
Receivables Outstanding	2,334,192	2.1	2,345,400	0.5	1,943,841	1.6	1,989,200	2.3
Loan & Credit Card Business	885,081	3.4	918,000	3.7	885,081	3.4	918,000	3.7
Guarantee Business	1,212,255	1.1	1,233,600	1.8	1,058,760	0.2	1,071,200	1.2
Overseas Financial Business(*1)	227,387	2.8	184,400	-18.9	-	-	-	-
<P/L>								
Operating Revenue	277,069	5.2	275,500	-0.6	203,636	4.3	205,200	0.8
Loan & Credit Card Business	144,826	3.6	147,400	1.8	144,829	3.6	147,400	1.8
Guarantee Business	69,341	6.4	68,500	-1.2	58,729	6.0	57,700	-1.8
Overseas Financial Business(*1)	56,984	9.8	54,200	-4.9	-	-	-	-
Operating Expenses	219,461	20.2	187,900	-14.4	170,000	27.3	141,500	-16.8
Financial Expenses	11,310	-9.2	8,500	-24.8	5,619	-12.8	4,800	-14.6
Provision for Bad Debts	75,989	-2.0	82,800	9.0	56,907	-4.0	63,700	11.9
Provision for Loss on Interest Repayment	39,479	-	-	-	39,479	-	-	-
Other Operating Expenses	92,681	0.2	96,600	4.2	67,994	0.2	73,000	7.4
Operating Profit	57,607	-28.8	87,600	52.1	33,635	-45.5	63,700	89.4
Ordinary Profit	58,205	-28.8	87,900	51.0	37,472	-42.8	69,000	84.1
Profit Before Income Taxes(*2)	55,334	-31.8	95,100	71.9	34,568	-46.8	78,700	127.7
Profit	42,523	-42.7	80,300	88.8	29,927	-52.6	70,300	134.9
Profit Attributable to Owners of Parent	37,781	-46.5	75,500	99.8	-	-	-	-

\*1. BNP was excluded from the scope of consolidation in April 2019. Therefore, its receivables is excluded from the forecast. However, its 4 months performance is included in Profit and Loss Statement.

\*2. Estimate extraordinary income attributable to merger of BNP. The amount for consolidated and non-consolidated bases are ¥7.3 billion and ¥9.8 billion, respectively.



## [Reference] Dividend Status

### Basic Policy on Dividend Payment

- Aim for enhanced return to shareholders through stable and continuous profit distribution, taking the business environment surrounding the company, shareholders' equity and our own business performance into consideration.

### Progress of FY March 2019

- **Business Performance**  
Operating revenue for FY 2019/3 made smooth progress due to scale expansions in 3 core businesses.
- **Business Environment**  
Made addition to provision for loss on interest repayment as recent decline in number of requests is slowing down, taking market environment and trend of interest repayment into consideration.
- **Shareholders' Equity Ratio**  
The value computed using the sum of consolidated total assets and guaranteed receivables was 14.2%, below target 20%.

### Dividend Payments and Forecast

- Resumed dividend payment for the first time in 8 fiscal years in FY 2018/3. We expect to pay 2 yen in FY 2019/3. We expect to pay 4 yen in FY 2020/3.

	FY 2018/3 (Results)		FY 2019/3 (Results)		FY 2020/3 (Forecasts)	
	Interim	Year-end	Interim	Year-end	Interim	Year-end
Dividend per Share	-	¥1	¥1	¥1	¥2	¥2
	¥1 total		¥2 total		¥4 total	

#### <Reference>

Shareholders' Equity Ratio(*)	Consolidated	11.8%	13.0%	14.4%	14.2%	—	—
	ACOM	12.3%	13.5%	15.0%	14.6%	—	17.4%

\* These values are computed using the sum of total assets and guaranteed receivables.



## [Reference] Merger of Consolidated Subsidiary

### Schedule

#### January 2019

Announced the merger plan of ACOM's consolidated subsidiary Bank BNP (dissolving bank) and Bank Danamon whose shares were held by MUFG Bank at 40.0% at the time.

#### March 2019

The Board of Directors Meeting at ACOM resolved to cast affirmative votes for the merger plan of Bank BNP and Bank Danamon. ACOM also resolved to accept cash offer from MUFG Bank regarding shares of Bank BNP to sell all holding shares of Bank BNP.

#### May 2019

Effective May 1, Bank BNP (dissolving bank) and Bank Danamon (surviving bank) completed merger.

### Purpose of Merger

MUFG Group aims to establish a foundation of retail commercial business in the largest market of Southeast Asia. In addition, the Group expects various synergistic effects such as providing comprehensive services of Bank Danamon to Bank BNP's customers at Bandung.

### Impacts of Merger

Extraordinary income resulting from sales of Bank BNP's shares will be included in FY March 2020, in accordance with accounting standards. This is because the transfer of shareholders' right took place in April.

#### <1Q result for FY March 2020>

Gain on sales of stocks

Consolidated income : ¥7.4 billion

Non-consolidated income : ¥9.9 billion

### Outline of Bank BNP

Company Name: PT. Bank Nusantara Parahyangan, Tbk.

Business Outline: Banking business in Indonesia

Equity Owned: 67.59%

Receivables Outstanding: ¥48.3 billion

Operating Revenue: ¥7.2 billion

<As of March 31, 2019>



## [Reference] Medium-term Management Policy and Key Themes

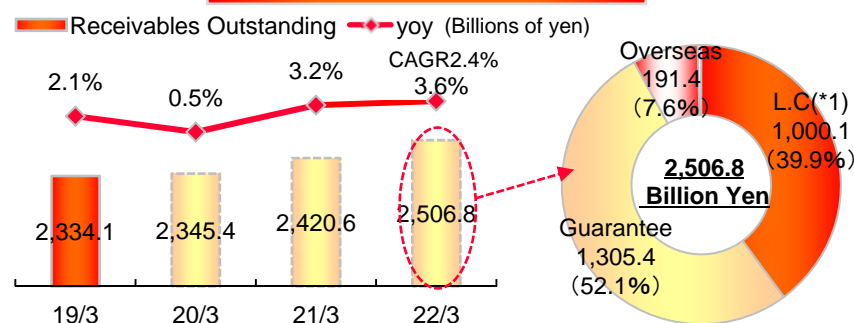
Foundation Spirit	Circle of Trust	
Origins of Company Name	<u>A</u> ffection <u>C</u> onfidence <u>M</u> oderation	
Corporate Philosophy	ACOM, based on the spirit of human dignity and in putting customers first, is contributing to the realization of an enjoyable and affluent personal life, and to improving lifestyle, through creative and innovative management.	
Management Vision	Be the “leading company” which provides prime satisfactions to utmost number of customers and win their trust in return	
Key Business Domains	Domestic	Loan and credit card business and guarantee business
	Overseas	Loan business in ASEAN
Medium-term Management Policy	With expeditious reactions to environmental changes, ACOM will strive for sustainable growth and increasing corporate value, while creating services which exceed customers' expectations.	
Medium-term Key Themes		Business Strategy
① Foster compliance culture ② Establish human resources basis through recruitment, education and retention ③ Enhance customer acquisition through sophistication of screening and promotion ④ Provide supreme customer experience by enhancing customer-reception quality and promoting digitalization ⑤ Continuous scale expansion in loan and credit card business ⑥ Further enhancing alliances in guarantee business ⑦ Expanding basis of overseas financial business ⑧ Achieve optimum credit preservation ⑨ Establish IT structure capable of responding to environmental changes ⑩ Establish organization with high quality and productivity through operational reforms	Loan and credit card business	➤ Provide product/services accommodating to changes in customer needs ➤ Credit and promotion strategies for stable customer acquisition
	Guarantee business	➤ Enhance alliances with existing partners ➤ Enhance profitability ➤ Increase new guarantee alliance partners
	Overseas financial business	➤ Research activities in ASEAN and surrounding region ➤ Enhance management structure of existing subsidiaries
	Functional Strategy	
	Digital / IT	➤ “Lending and payment” services in cashless environment ➤ Creating supreme customer experience via hyper-instant screening ➤ Promote renovation of core system
	Operational reforms	➤ Maintenance of operational reform promoting structure ➤ Company-wide implementation of RPA



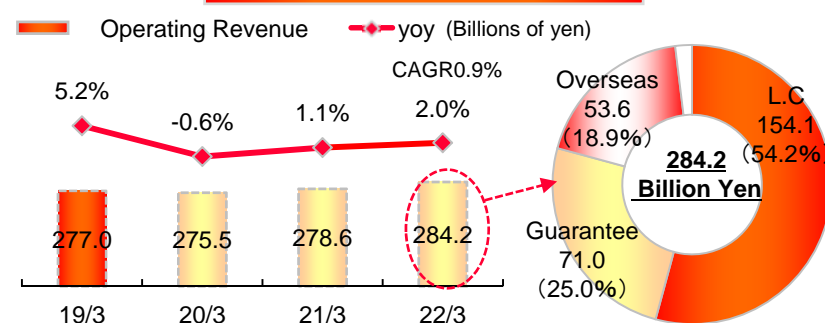
## [Reference] Medium-term Management Plan (2020/3-2022/3) Business Scale and Performance

- Strive for receivables of ¥2.5 trillion through digital investments to 3 core businesses and consecutive growth in both revenue and profit
  - FY 2020/3: Receivables would remain almost flat due to BNP impact. Revenue would decrease due to BNP and decline in guarantee fee rate
  - FY 2021/3: Business scale would grow smoothly while revenue and profit would increase owing to scale expansion
  - FY 2022/3: Business scale would continue smooth expansion while growth rate of revenue would rise from further business expansion

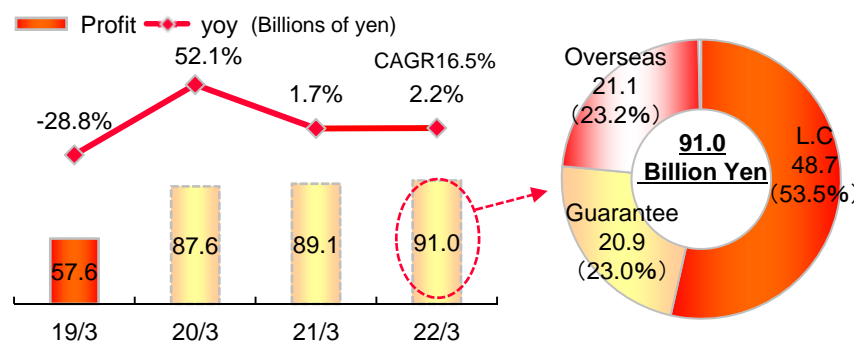
### Receivables Outstanding



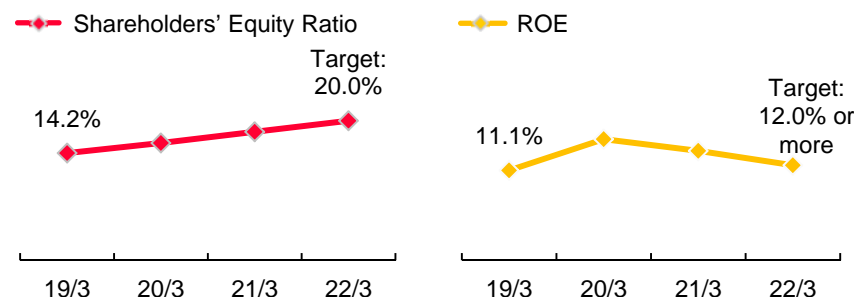
### Operating Revenue



### Operating Profit



### Shareholders' Equity Ratio (\*2)・ROE



\*1 "L.C" stands for loan and credit card business.

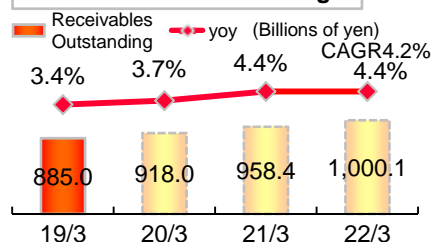
\*2 These values are computed using the sum of total assets and guaranteed receivables.



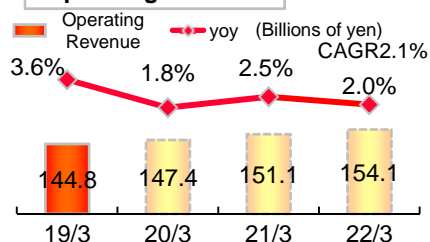
# [Reference] Medium-term Management Plan (2020/3-2022/3) Business Scale and Performance by Business Segment

## Loan and Credit Card Business

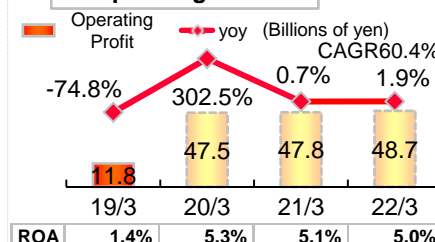
### Receivables Outstanding



### Operating Revenue



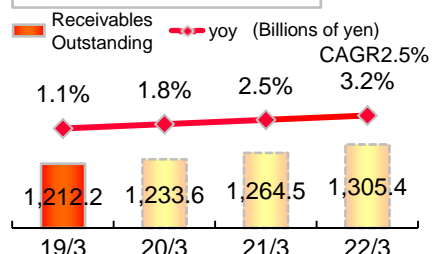
### Operating Profit



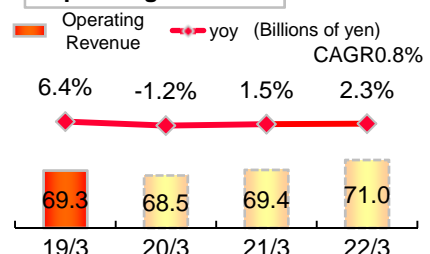
- Aim for receivables to exceed ¥1 trillion
- Targets: ¥154.1 billion of revenue and ¥48.7 billion of profit

## Guarantee Business

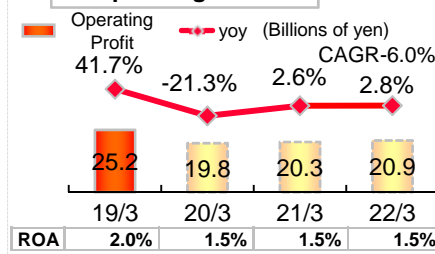
### Guaranteed Receivables



### Operating Revenue



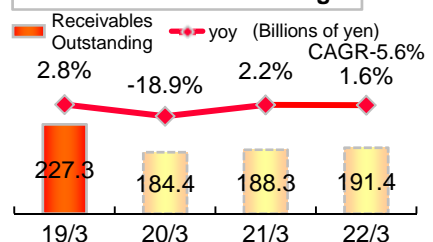
### Operating Profit



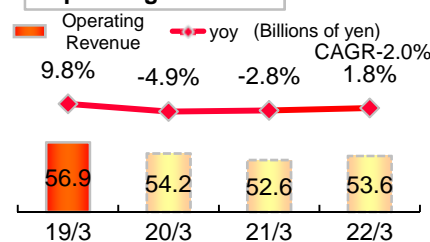
- Aim for receivables of ¥1.3 trillion.
- Targets: ¥71.0 billion of revenue and ¥20.9 billion of profit
- Revenue for FY 2020/3 will decrease due to decline in guarantee fee rate

## Overseas Financial Business(\*)

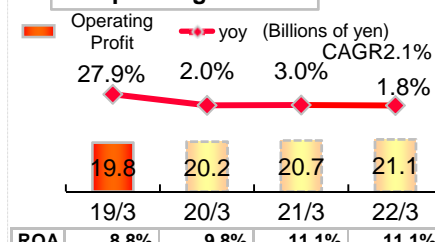
### Receivables Outstanding



### Operating Revenue



### Operating Profit



- Aim for receivables of ¥191.4 billion.
- Targets: ¥53.6 billion of revenue and ¥21.1 billion of profit
- BNP exclusion will cause receivables and revenue to decrease in FY 2020/3

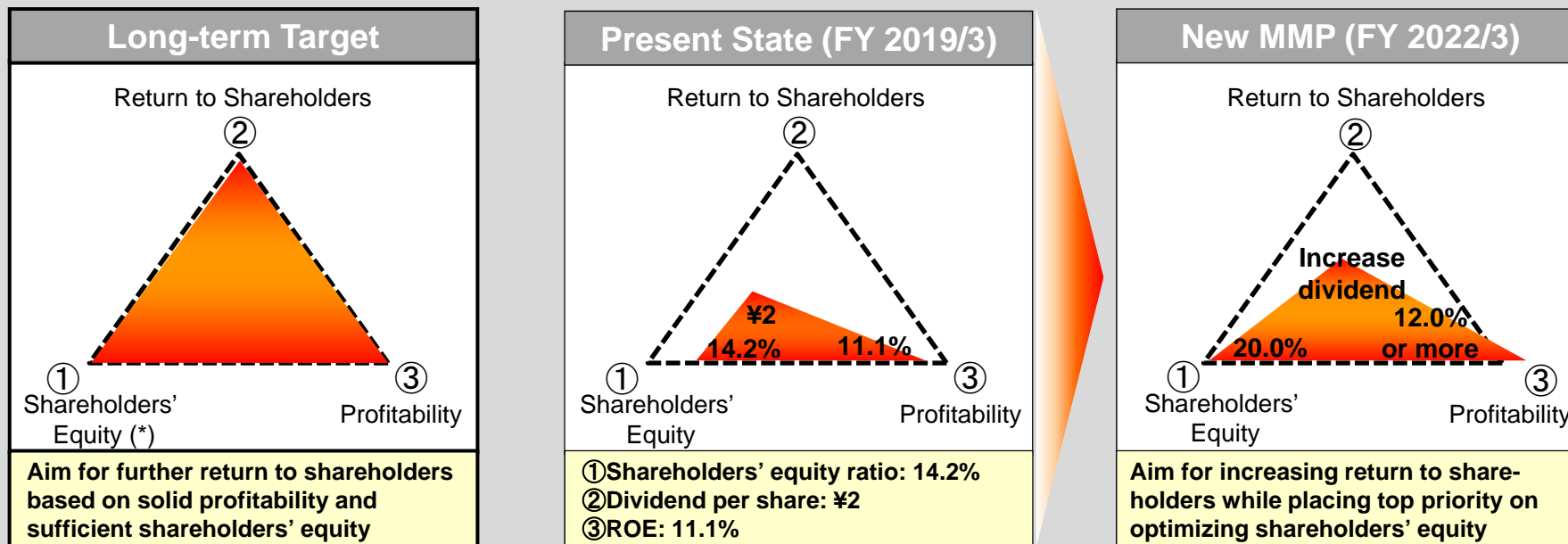
\* BNP was excluded from the scope of consolidation in April 2019. Therefore, its receivables is excluded from the forecast. However, its 4 months performance is included in P/L.






## [Reference] Capital Policy

### Basic Capital Policy



### Basic Policy on Dividend Payment

- Aim for enhanced return to shareholders through stable and continuous profit distribution, taking the business environment surrounding the company, shareholders' equity and our own business performance into consideration.

	FY 2019/3 (Results)		FY 2020/3 (Forecasts)			FY 2021/3 FY 2022/3
	Interim	Year-end	Interim	Year-end		
Dividend per Share	¥1	¥1	¥2	¥2		Aim for increasing dividend
	¥2 total		¥4 total			

\* These values are computed using the sum of total assets and guaranteed receivables.



Reference:  
Public & Investor Relations Office  
Tel: +81-3-5533-0861  
E-mail: [ir@acom.co.jp](mailto:ir@acom.co.jp)

### Disclaimer

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.

Therefore, actual results may differ from those in the forward-looking statements due to various factors.

Potential risks and uncertainties include, but not limited to, 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.