

**Brief Statement of the Second Quarter Financial Results for the Fiscal Year Ending March 2022**  
**[Japanese GAAP (Consolidated)]**

November 9, 2021

**Forward-looking Statement**

The statements and figures contained in this Brief Statement of the Second Quarter Financial Results for the fiscal year ending March 2022 (the "Brief Statement") with respect to ACOM Group's plans and strategies and other statements that are not historical facts are based on information available at the date of announcement of this Brief Statement. However, there are some potential risk factors in the Group's business management. In particular, the plans formulated by the Company rest on the assumption that the stagnant economic activities on the impact of the spread of COVID-19 will gradually recover. Therefore, the actual results may differ significantly based the converges of COVID-19 infection.

The trend of requests for interest repayment is also highly uncertain, due to its sensitivity to changes in external environmental changes. The Group may have to make additional provision for loss on interest repayment.

Actual results may differ from forecast values due to various risk factors, not limited to those mentioned above.

Name of the company:	ACOM CO., LTD. ("ACOM" or "the Company")
Stock market:	First Section of Tokyo Stock Exchange
Code Number:	8572
Location of the head office:	Tokyo
URL:	<a href="https://www.acom.co.jp/corp/english/ir/">https://www.acom.co.jp/corp/english/ir/</a>
Position of the representative:	President & Chief Executive Officer
Name:	Masataka Kinoshita
Position of the person in charge:	Chief PR & IR Officer
Name:	Takashi Okamoto
Telephone Number:	(03) 5533-0861
Registration date of quarterly securities report:	November 12, 2021
Commencement date of dividend payment:	December 6, 2021
Quarterly material to supplement the financial results:	Applicable
Quarterly financial results conference:	Applicable (For domestic and foreign institutional investors and financial analysts)

Note: 1. All amounts under minimum units appearing in each of the tables have been disregarded throughout this brief statement and the annexed materials.

Note: 2. The figures in percentages show the year-on-year change from previous second quarter.

1. Consolidated Business Results for the Second Quarter Accounting Period (from April 1, 2021, to September 30, 2021)

(1) Consolidated Business Results (Accumulated)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent (Second Quarter)	
	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%	(Millions of yen)	yoy%
2Q for FY March 2022	131,423	-2.6	48,370	-11.2	48,868	-11.8	39,147	-10.0
2Q for FY March 2021	134,945	-3.1	54,499	7.3	55,410	10.5	43,505	-3.5

[Note] Comprehensive income

2Q for FY March 2022: 41,621million yen [-2.9%]

2Q for FY March 2021: 42,871 million yen [-17.1%]

	Basic Earnings per Share (Second Quarter)	Diluted Earnings per Share (Second Quarter)
	(Yen)	(Yen)
2Q for FY March 2022	24.99	—
2Q for FY March 2021	27.77	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Ratio of Shareholders' Equity
	(Millions of yen)	(Millions of yen)	%
2Q for FY March 2022	1,206,119	550,610	43.1
FY March 2021 (Annual)	1,219,109,	515,128	39.8

<Reference> Shareholders' Equity:

2Q for FY March 2022: 520,158million yen FY March 2021: 485,684 million yen

2. Dividend Status

	Dividend per Share (Yen)				
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Annual
FY March 2021	—	3.00	—	3.00	6.00
FY March 2022	—	3.00	—	—	—
FY March 2022 (Forecast)	—	—	—	3.00	6.00

<Note> Amendment to dividend forecast: None

3. Forecasts for the Fiscal Year Ending March 2022 (from April 1, 2021, to March 31, 2022)

(The figures in percentage show year-on-year change from the same prior periods.)

	Operating Revenue		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Basic Earnings per Share
	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Millions of yen)	%	(Yen)
Annual	260,700	-2.1	79,900	-19.2	80,100	-19.9	61,000	-22.7	38.94

<Note> Amendment to business results forecast: None

(Note)

(1) Change in Important Subsidiaries in the Six Months ended September 30, 2021: None

(Change in scope of consolidation)

(2) Adoption of Accounting Methods Used Specifically for Quarterly Consolidated Financial Statements: None

(3) Changes in Accounting Policy, Accounting Estimates and Restatement

A) Change in accounting policy due to revision of accounting standards, etc.: None

B) Changes other than A): None

C) Change in accounting estimates: None

D) Restatement: None

(4) Outstanding shares (common shares)

A) Number of shares outstanding (including treasury share)

Second Quarter of FY March 2022: 1,566,614,098 shares	FY March 2021:	1,596,282,800 shares
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B) Number of treasury share at the end of period

Second Quarter of FY March 2022: -	FY March 2021:	29,668,702 shares
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C) Number of average shares outstanding (accumulated quarterly consolidated period)

Second Quarter of FY March 2022: 1,566,614,098 shares	Second Quarter of FY March 2021:	1,566,614,131 shares
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(Note) Brief Statement of Quarterly financial results is not subject to quarterly review procedures.

(Note) Explanation regarding proper use of the business forecast and other notes

(Notes to Forward-looking Statement)

The statements about the future performance of ACOM are based on management's assumptions and beliefs in light of the information currently available to it. These statements do not guarantee our future performance: actual results may differ from those in the forward-looking statements as a result of various factors. Please refer to "(3) Qualitative Information on the Forecasts for the Consolidated Business Results" of "1. Quarterly Qualitative Information on Business Results" on page 3 for conditions which are basis of forecasts and notes for using the forecast.

(Accessing financial results materials and archive of financial results conference)

ACOM plans to broadcast on demand the second quarter financial results in our website on November 9, 2021 and will hold web conferencing for institutional investors and financial analysts in Japan and abroad. The materials used at the conference will be available at ACOM's website promptly after disclosure of financial results.

## Contents

1. Quarterly Qualitative Information on Business Results: .....	P2
(1) Qualitative Information on Business Results: .....	P2
(2) Qualitative Information on Financial Position: .....	P2
(3) Qualitative Information on the Forecasts for the Consolidated Business Results: .....	P3
2. Quarterly Consolidated Financial Statements and Major Notes: .....	P4
(1) Quarterly Consolidated Balance Sheet: .....	P4
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income: .....	P6
(3) Notes on Quarterly Consolidated Financial Statements: .....	P9
(Notes on Going-concern Assumption): .....	P9
(Notes in Case of any Significant Changes in the Amount of Shareholders' Equity): .....	P9
(Additional Information): .....	P9
(Significant Subsequent Events): .....	P9
3. [Reference] Quarterly Non-consolidated Financial Statements: .....	P10
(1) [Reference] Quarterly Non-consolidated Balance Sheet: .....	P10
(2) [Reference] Quarterly Non-consolidated Statement of Income: .....	P11

## 1. Quarterly Qualitative Information on Business Results

### (1) Qualitative Information on Business Results

During the six months ended September 30, 2021, the Japanese economy still remained under preventive measures against the spread of COVID-19 infection in order to sustain social and economic activities. While various measures, including vaccine rollout, were taken, economic conditions became harsh with measures such as the redeclaration of a state of emergency and the implementation of priority measures in some regions to prevent the spread of COVID-19 infection. Meanwhile, overseas economy remained harshly restrained due in part to the impact of limitations in activities, though situations differ from country to country.

In the nonbank business sector, the market is contracting as a result of a rapid decrease in consumer spending due to the impact of the spread of COVID-19 infection, but a gradual upturn is expected in the future as consumer sentiment has begun to show signs of recovery, buoyed in part by the effects of the various economic policies. Although requests for interest repayment are trending downward, future trends need to be closely monitored on an ongoing basis, as requests for interest repayment are susceptible to the impacts of changes in the external environment.

The Company Group upholds that it will “strive to become the leading company in the personal loan market which provides prime satisfaction to the utmost number of customers and win their trust in return” as its management vision, and that “with expeditious reactions to environmental changes, ACOM will strive for sustainable growth and increasing corporate value, while creating services which exceed customers’ expectations” as its medium-term management policy. The Company Group will continue to promote its operating activities in accordance with its management vision and medium-term management policy. In addition, even amid the spread of COVID-19 infection, the Company Group has continued its operating activities while paying due attention to the safety of customers and employees, and provided flexible and courteous support for repayment, etc.

Consolidated operating revenue for the six months ended September 30, 2021 decreased to 131,423 million yen (down 2.6% year-on-year). This is attributable to: the decreases in accounts receivable-operating loans and guaranteed receivables due to the spread of COVID-19 infection which led to decreases in interest on operating loans and revenue from credit guarantee. Operating expenses, on the other hand, increased to 83,052 million yen (up 3.2% year-on-year) mainly due to an increase in advertising expenses. The increase in advertising expenses was due to advertisements for gathering and acquiring new customers, which had been curtailed owing to the COVID-19 infection in the six months ended September 30, 2020, recovering to pre-pandemic levels. As a result, operating profit decreased to 48,370 million yen (down 11.2% year-on-year) and ordinary profit decreased to 48,868 million yen (down 11.8% year-on-year). Profit attributable to owners of parent decreased to 39,147 million yen (down 10.0% year-on-year).

### (2) Qualitative Information on Financial Position

Compared with the end of the prior fiscal year, total assets decreased by 12,990 million yen, whereas net assets increased by 35,482 million yen as of September 30, 2021. Details of changes in assets, liabilities and net assets are as follows:

#### (Assets)

Current assets decreased by 10,199 million yen and non-current assets decreased by 2,791 million yen. Consequently, total assets decreased by 12,990 million yen. The breakdown of major changes in current assets is as follows: cash and deposits (down 12,161 million yen), accounts receivable - operating loans (down 3,516 million yen) and accounts receivable - installment (up 3,934 million yen). The breakdown of major decreases in non-current assets is as follows: deferred tax assets (down 2,384 million yen). The combined total of allowance for doubtful accounts recorded under current assets and non-current assets decreased by 758 million yen.

#### (Liabilities)

With regard to the liabilities account, changes in current and non-current liabilities were a decrease of 8,472 million yen and a decrease of 40,001 million yen, respectively, resulting in a decrease of 48,473 million yen in total liabilities. The breakdown of major decreases in liabilities includes: the outstanding balance of funds procured mainly in the form of loans and bonds payable (down 29,141 million yen) and provision for loss on interest repayment (down 15,177 million yen).

#### (Net assets)

In terms of net assets, shareholders’ equity increased by 34,448 million yen mainly due to recording profit attributable to owners of parent under retained earnings, accumulated other comprehensive income increased by 26 million yen due in part to an increase in foreign currency translation adjustment, and non-controlling interests increased by 1,008 million yen. As a result, total net assets increased by 35,482 million yen, and the shareholders’ equity ratio increased by 3.3 percentage points to 43.1%.

Capital surplus and retained earnings decreased due to the cancellation of treasury shares conducted as of June 3, 2021. Details are described in “(3) Notes on Quarterly Consolidated Financial Statements” of “2. Quarterly

(3) Qualitative Information on the Forecasts for the Consolidated Business Results

As the Company has announced on May 13, 2021, it expects consolidated business results as follows: 260.7 billion yen of operating revenue; 80.1 billion yen of ordinary profit; and 61.0 billion yen of profit attributable to owners of parent.

Outlook above is forecast based on information available at the date of announcement of this brief statement. However, there are some potential risk factors in the Group’s business management. In particular, the plans formulated by the Company rest on the assumption that the stagnant economic activities on the impact of the spread of COVID-19 will gradually recover. Therefore, the actual results may differ significantly.

The trend of requests for interest repayment is also highly uncertain, due to its sensitivity to changes in external environmental changes. The Group may have to make additional provision for loss on interest repayment.

Actual results may differ from forecast values due to various risk factors, not limited to those mentioned above.

2. Quarterly Consolidated Financial Statements and Major Notes  
(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current second quarter (As of September 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	83,323	71,162
Accounts receivable - operating loans	977,152	973,635
Accounts receivable - installment	79,423	83,358
Purchased receivables	8,477	7,850
Raw materials and supplies	63	53
Other	82,334	83,819
Allowance for doubtful accounts	-77,428	-76,733
Total current assets	1,153,346	1,143,147
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	3,386	3,723
Equipment, net	7,640	7,550
Land	2,476	2,476
Other, net	496	343
Total property, plant and equipment	13,998	14,094
Intangible assets		
Goodwill	1,770	1,511
Software	4,984	5,340
Other	48	44
Total intangible assets	6,803	6,895
Investments and other assets		
Investment securities	1,207	1,226
Retirement benefit asset	5,618	5,350
Deferred tax assets	29,677	27,292
Guarantee deposits	4,990	4,780
Other	4,367	4,168
Allowance for doubtful accounts	-900	-836
Total investments and other assets	44,960	41,981
Total non-current assets	65,763	62,971
Total assets	1,219,109	1,206,119

(Millions of yen)

	Prior fiscal year (As of March 31, 2021)	Current second quarter (As of September 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	696	802
Short-term borrowings	15,992	18,298
Commercial papers	5,000	4,000
Current portion of long-term borrowings	69,416	63,653
Current portion of bonds payable	53,760	53,760
Income taxes payable	7,258	4,974
Provision for loss on guarantees	8,876	8,842
Asset retirement obligations	408	12
Deferred installment income	28	28
Other	13,833	12,427
<b>Total current liabilities</b>	<b>175,271</b>	<b>166,799</b>
Non-current liabilities		
Bonds payable	155,800	142,360
Long-term borrowings	309,431	298,188
Provision for loss on interest repayment	56,741	41,563
Retirement benefit liability	721	758
Asset retirement obligations	5,420	5,494
Other	596	344
<b>Total non-current liabilities</b>	<b>528,710</b>	<b>488,709</b>
<b>Total liabilities</b>	<b>703,981</b>	<b>655,508</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	63,832	63,832
Capital surplus	73,549	69,861
Retained earnings	362,991	381,332
Treasury shares	-19,794	-
<b>Total shareholders' equity</b>	<b>480,578</b>	<b>515,026</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	4,444	4,462
Remeasurements of defined benefit plans	661	669
<b>Total accumulated other comprehensive</b>	<b>5,105</b>	<b>5,131</b>
<b>Non-controlling interests</b>	<b>29,443</b>	<b>30,452</b>
<b>Total net assets</b>	<b>515,128</b>	<b>550,610</b>
<b>Total liabilities and net assets</b>	<b>1,219,109</b>	<b>1,206,119</b>



(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
Quarterly Consolidated Statement of Income  
Six months ended September 30

	(Millions of yen)	
	For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
<b>Operating revenue</b>		
Interest on operating loans	85,897	82,142
Credit card revenue	4,914	5,289
Per-item revenue	31	33
Revenue from credit guarantee	28,536	26,518
Collection from purchased receivables	1,805	2,182
Other financial revenue	1	39
Other operating revenue	13,760	15,216
<b>Total operating revenue</b>	<b>134,945</b>	<b>131,423</b>
<b>Operating expenses</b>		
Financial expenses	3,125	2,888
Cost of purchased receivables	727	845
Other operating expenses	76,593	79,317
<b>Total operating expenses</b>	<b>80,446</b>	<b>83,052</b>
<b>Operating profit</b>	<b>54,499</b>	<b>48,370</b>
<b>Non-operating income</b>		
Interest income	1	0
Dividend income	25	13
Share of profit of entities accounted for using equity method	24	19
Rental income from buildings	92	88
Subsidy income	689	363
Other	89	24
<b>Total non-operating income</b>	<b>923</b>	<b>510</b>
<b>Non-operating expenses</b>		
Interest expenses	8	4
Foreign exchange losses	-	4
Other	3	3
<b>Total non-operating expenses</b>	<b>12</b>	<b>13</b>
<b>Ordinary profit</b>	<b>55,410</b>	<b>48,868</b>

(Millions of yen)

	For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Extraordinary income		
Gain on sale of non-current assets	0	0
Total extraordinary income	0	0
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on retirement of non-current assets	41	80
Impairment loss	-	81
Other	0	1
Total extraordinary losses	42	164
Profit before income taxes	55,368	48,704
Income taxes-current	7,098	4,710
Income taxes-deferred	2,115	2,394
Total income taxes	9,214	7,104
Profit	46,154	41,599
Profit attributable to non-controlling interests	2,648	2,451
Profit attributable to owners of parent	43,505	39,147

Quarterly Consolidated Statement of Comprehensive Income  
Six months ended September 30

	(Millions of yen)	
	For the six months ended September 30, 2020 (From April 1, 2020 to September 30, 2020)	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Profit	46,154	41,599
Other comprehensive income		
Valuation difference on available-for-sale securities	-0	0
Foreign currency translation adjustment	-3,673	8
Remeasurements of defined benefit plans, net of tax	389	13
Total other comprehensive income	-3,283	21
Comprehensive income	42,871	41,621
Comprehensive income attributable to:		
Owners of parent	41,281	39,173
Non-controlling interests	1,589	2,447

### (3) Notes on Quarterly Consolidated Financial Statements

#### (Notes on Going-concern Assumption)

Not applicable

#### (Notes in Case of any Significant Changes in the Amount of Shareholders' Equity)

ACOM canceled treasury shares (29,668,702 shares) on June 3, 2021, based on the resolution at the Board of Directors Meeting held on May 20, 2021. During the six months ended September 30, 2021, capital surplus decreased to 69,861 million yen (down 3,687 million yen), retained earnings decreased to 381,332 million yen (down 16,106 million yen), treasury shares decreased by 19,794 million yen.

#### (Additional Information)

##### <Applying of Accounting Standard for Revenue Recognition>

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020) from the beginning of the three months ended June 30, 2021, which will not have any affect on Quarterly Consolidated Financial Statements.

##### <Applying of Accounting Standard for Fair Value Measurement>

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2021) from the beginning of the three months ended June 30, 2021, which will not have any affect on Quarterly Consolidated Financial Statements.

#### (Significant Subsequent Events)

The Company has established ACOM (M) SDN. BHD. on July 23, 2021, a wholly owned subsidiary in Malaysia, and resolved capital increase of the subsidiary in Malaysia at the Executive Officer's Meeting held on October 27, 2021.

Since its net assets, operating revenue, profit and retained earnings having no impact on Quarterly Consolidated Financial Statements, the subsidiary in Malaysia is excluded from consolidation during the six month ended on September 30, 2021.

##### 1. Purpose of Capital Increase

Considering the possibility of business development in Malaysia, the subsidiary plans to allocate it to the minimum capital necessary for the business license.

##### 2. Overview of the Subsidiary in Malaysia

- (1) Name: ACOM (M) SDN. BHD.
- (2) Business Outline: Providing money lending services and other related business
- (3) Amount of Capital Increase: 1,999,999RM (2,000,000RM after Capital Increase)
- (4) Share after Capital Increase: 100% by the Company
- (5) Date of Captail Payment: November, 2021

3. [Reference] Quarterly Non-consolidated Financial Statements

Quarterly financial statements are prepared in accordance with the "Regulations of Quarterly Financial Statements on Terms, Forms and Preparation Method" (Cabinet Office Ordinance No. 63, 2007).

(1) [Reference] Quarterly Non-consolidated Balance Sheet

	(Millions of yen)	
	Prior fiscal year (As of March 31, 2021)	Current first quarter (As of September 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	78,168	66,785
Accounts receivable - operating loans	784,051	780,524
Accounts receivable - installment	78,788	82,644
Raw materials and supplies	47	45
Right to reimbursement	51,591	53,795
Other	18,285	17,106
Allowance for doubtful accounts	-56,040	-58,300
Total current assets	954,892	942,601
Non-current assets		
Property, plant and equipment	13,354	13,135
Intangible assets	6,464	6,626
Investments and other assets		
Deferred tax assets	30,960	29,685
Prepaid pension costs	4,443	4,188
Other	25,633	25,205
Allowance for doubtful accounts	-860	-800
Total investments and other assets	60,176	58,279
Total non-current assets	79,995	78,041
Total assets	1,034,887	1,020,642
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	677	797
Commercial papers	5,000	4,000
Current portion of long-term borrowings	58,183	55,397
Current portion of bonds payable	40,000	40,000
Income taxes payable	4,317	3,034
Provision for loss on guarantees	8,140	8,080
Asset retirement obligations	306	12
Other	11,659	10,512
Total current liabilities	128,284	121,833
Non-current liabilities		
Bonds payable	130,000	120,000
Long-term borrowings	291,254	277,603
Provision for loss on interest repayment	56,741	41,563
Asset retirement obligations	5,267	5,263
Other	491	257
Total non-current liabilities	483,755	444,686
Total liabilities	612,039	566,520
<b>Net assets</b>		
Shareholders' equity		
Share capital	63,832	63,832
Capital surplus	76,010	72,322
Retained earnings	302,798	317,966
Treasury shares	-19,794	-
Total shareholders' equity	422,847	454,121
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	0	0
Total valuation and translation adjustments	0	0
Total net assets	422,847	454,121
Total liabilities and net assets	1,034,887	1,020,642

(2) [Reference] Quarterly Non-consolidated Statement of Income  
Six months ended September 30

(Millions of yen)

	For the six months ended September, 2020 (From April 1, 2020 to September 30, 2020)	For the six months ended September 30, 2021 (From April 1, 2021 to September 30, 2021)
Operating revenue		
Interest on operating loans	61,403	58,769
Credit card revenue	4,914	5,289
Revenue from credit guarantee	23,303	21,511
Other financial revenue	0	13
Other operating revenue	10,645	11,753
Total operating revenue	100,268	97,336
Operating expenses		
Financial expenses	1,994	1,745
Other operating expenses	57,163	60,639
Total operating expenses	59,158	62,384
Operating profit	41,109	34,951
Non-operating income		
Interest income	4	1
Dividend income	4,539	4,436
Other	871	434
Total non-operating income	5,415	4,872
Non-operating expenses		
Interest expenses	8	4
Foreign exchange losses	-	4
Other	3	3
Total non-operating expenses	11	12
Ordinary profit	46,514	39,811
Extraordinary losses		
Loss on retirement of non-current assets	39	78
Impairment loss	-	81
Other	0	1
Total extraordinary losses	39	162
Profit before income taxes	46,474	39,649
Income taxes-current	4,189	2,401
Income taxes-deferred	2,250	1,275
Total income taxes	6,439	3,676
Profit	40,034	35,973