

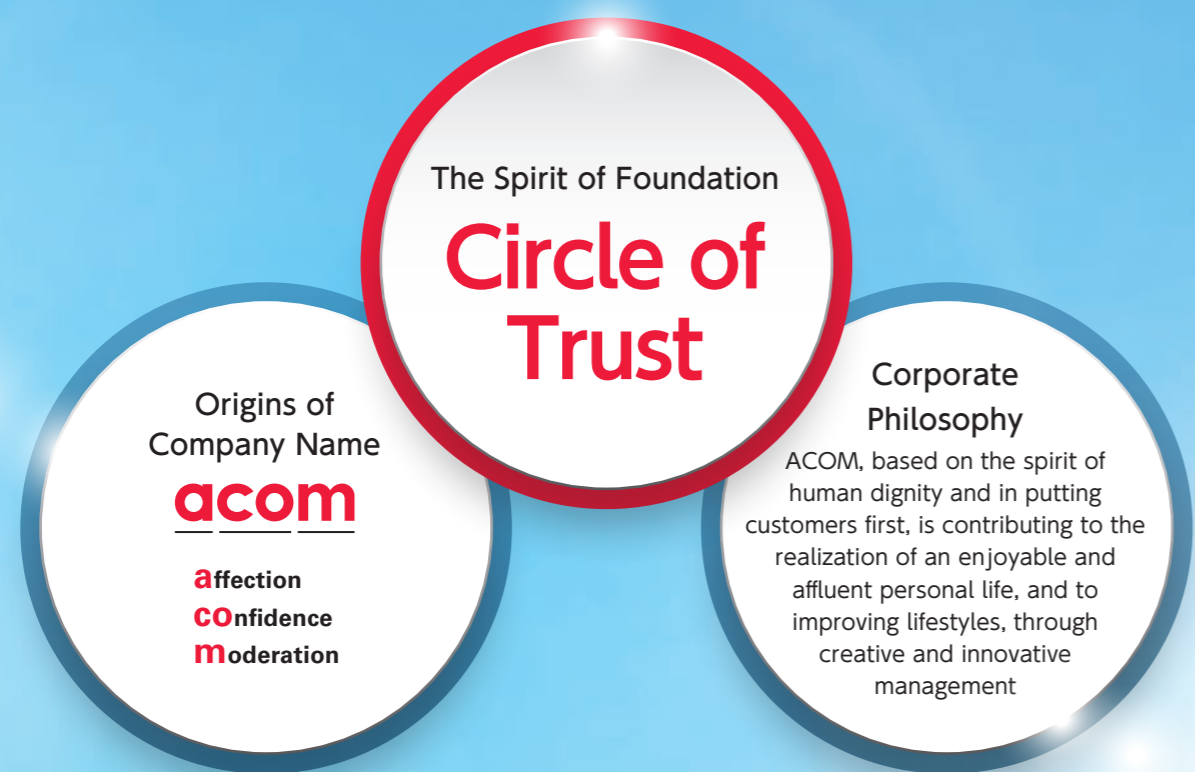
# Integrated Report 2024



Fiscal Year Ended March 2024



# ACOM Group Vision Structure



Vision

## Meeting the expectations of all our stakeholders



### Contents

The Progress of Creative and Innovative Management .....	03
ACOM Group's Presence .....	05
ACOM Group's Value Creation Process .....	07
Message from the President .....	09
Enhancing Management Capital .....	15
Value of Business .....	16
Feature: Employee Roundtable Discussion .....	17
Creating Economic Value and Financial Strategy (Message from the Director in Charge of Finance) .....	19
Progress in the Medium-term Management Plan .....	21
Sustainability .....	23
Promote Corporate Activities Based on Care for the Environment .....	27
Promote Diversity Based on The Spirit of Human Dignity .....	29
Provide Financial Services that Put Customers First .....	33
Loan and Credit Card Business .....	35
Guarantee Business .....	37
Overseas Financial Business .....	39
Pursue Creative and Innovative Management that Uses Digital Technology .....	41
Strengthen Corporate Governance .....	43
Corporate Governance .....	43
Risk Management .....	49
Compliance Activities .....	51
Message from the Chair of the Compliance Committee .....	51
Feature: Governance Discussion .....	52
Board of Directors .....	55
Financial Highlights/Non-financial Highlights .....	57
Key Financial Data for Eleven Years .....	59
Outline of ACOM .....	61

### Editorial Policy

ACOM publishes an integrated report to provide shareholders, investors, and other stakeholders with information on management policies, business strategies, and medium- and long-term value creation. In the editing of this report, we have referred to the IFRS Foundation's reporting framework and the Ministry of Economy, Trade and Industry's Guidance for Collaborative Value Creation.

### Period of this Report

This report pertains to the fiscal year ended March 2024 (April 1, 2023—March 31, 2024); however, it also contains some more recent information.

### Scope of this Report

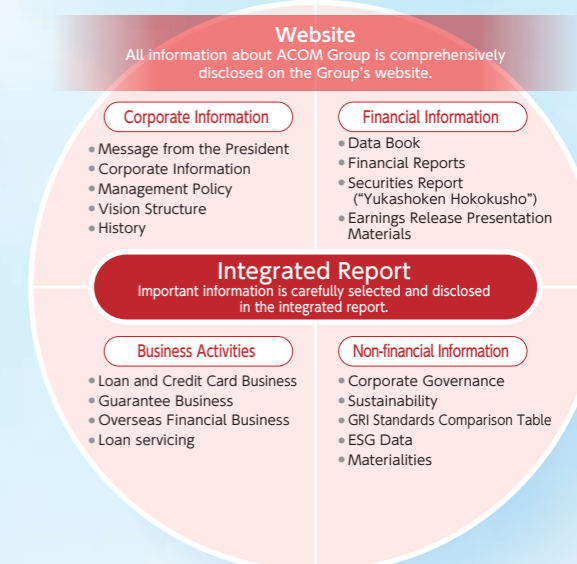
This report contains information on ACOM CO., LTD. and its consolidated companies. "ACOM" refers to ACOM CO., LTD. whereas "ACOM Group" refers to ACOM CO., LTD. and its group companies.

**Issue Date** September 2024

### Note on Forecasts

Performance forecasts contained within this report are based on the information available at the time of publishing. There are, however, multiple potential risks involved in our business development, and actual results may differ from forecast values due to various factors, not limited to those risks mentioned above.

### Disclosure Structure



Information is published as necessary on the website.  
<https://www.acom.co.jp/corp/english/>



# The Progress of Creative and Innovative Management

ACOM was founded as Maruito Gofuku Ten, a textiles business, in Kobe in 1936. The trade name "Maruito" was chosen because the harmony of warp and weft—elements of the kimono—represents mutual trust. "When one trusts another from the bottom of one's heart, that trust is reciprocated without fail." We wish to broaden such trust. These wishes are expressed in our spirit of foundation, "Circle of Trust." We have inherited this spirit and it has remained unbroken as the basis of our corporate philosophy throughout our history of continuous changes.

**1936**

Founded as a wholesale and retail textiles business under the name Maruito Gofuku Ten



**1960**

Started "Salary-Man Loan," a type of consumer finance business



**1979**

Began industry-first operation of 24-hour, 365-day service ATMs at the Ginza branch



**1978**

Foundation of ACOM

**1973**

Developed a 24-hour automatic cash dispenser



**1970**

Developed Japan's first automatic cash dispenser

**1994**

Started hosting ACOM Miru Concert Monogatari as a means of contributing to society

**1993**

Installed MUJINKUN, the first automatic contract machine in the industry



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

**1983**

Registered as a money-lender with the Kanto Local Finance Bureau in accordance with the Order for Enforcement of "Money-Lending Business Control and Regulations Law"

**1999**

Began Credit Card business, the first in the industry



**1996**

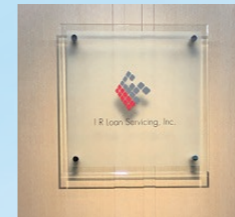
Established EASY BUY in Kingdom of Thailand



Listed ACOM stock on the First Section of the Tokyo Stock Exchange

**2001**

Invested capital in IR Loan Servicing, Inc. and advanced into the servicing business



**2004**

Reached an agreement with respect to a strategic business and capital alliance with MUFG



**2008**

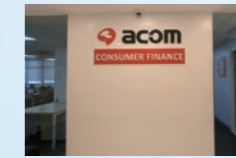
Became a consolidated subsidiary of MUFG

**2007**

Lowered the maximum lending interest rate to 18.0% at ACOM

**2017**

Established ACOM CONSUMER FINANCE CORPORATION in Republic of the Philippines



**2013**

Established MU Credit Guarantee



**2022**

Established the embedded finance company GeNiE Inc.

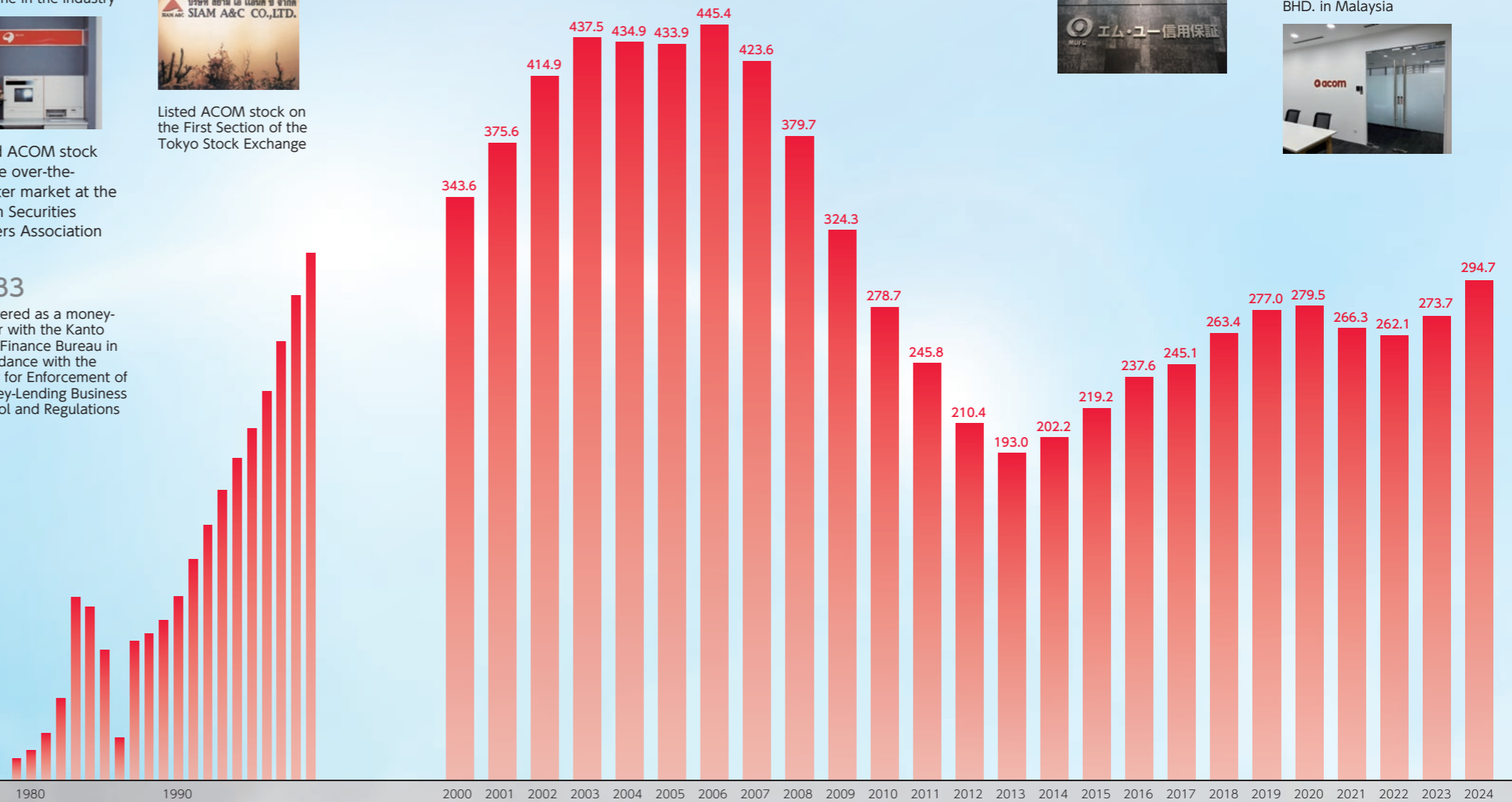


**2021**

Established ACOM (M) SDN. BHD. in Malaysia



Operating Revenue (Billions of yen)



Landmark events

Beginning of period of economic growth (1954-1973)

Enforcement of Money-Lending Business Control and Regulations Law

Main enforcement of Money Lending Business Act  
Foundation of Japan Financial Services Association

Full enforcement of Money Lending Business Act

Beginning of "Abenomics"

Japanese Bankers Association announced Mutual Agreements on Consumer Lending by Banks

Increasing impact from the COVID-19 pandemic (from the end of 2019)

# ACOM Group's Presence

ACOM Group is a leading company in the consumer finance industry, operating with a focus on its **three core businesses**.

We will keep on enhancing the strengths we have developed over the course of our nearly 90-year history and continue to meet the expectations of our stakeholders.

**Operating Revenue**  
**294.7** billion yen  
**Operating Profit**  
**86.3** billion yen

## Loan and Credit Card Business

This business chiefly provides unsecured small loans to individuals based on customers' credit.

**Operating Revenue**  
**156.0** billion yen  
**Operating Profit**  
**41.7** billion yen  
**Operating Revenue Share**  
**52.9%**



## Overseas Financial Business

This business provides unsecured small loans to individuals overseas, leveraging the experience and expertise of our Japanese businesses.

**Operating Revenue**  
**61.8** billion yen  
**Operating Profit**  
**22.3** billion yen  
**Operating Revenue Share**  
**21.0%**



## Operating Revenues by Business Segment

## Guarantee Business

This business provides credit guarantees, underwriting customers' repayment of loans taken out with our alliance partners.

**Operating Revenue**  
**70.7** billion yen  
**Operating Profit**  
**22.6** billion yen  
**Operating Revenue Share**  
**24.0%**



## Global Business Platform

### Kingdom of Thailand EASY BUY Public Company Limited

Investment ratio: 71.0%  
Incorporated: Sept. 1996  
Business Outline:  
Unsecured loan business,  
Installment loan business

### Malaysia ACOM (M) SDN. BHD.

Investment ratio: 100.0%  
Incorporated: July 2021  
Business Outline: Unsecured loan business

### Republic of the Philippines ACOM CONSUMER FINANCE CORPORATION

Investment ratio: 80.0%  
Incorporated: July 2017  
Business Outline:  
Unsecured loan business

## ACOM by the Numbers

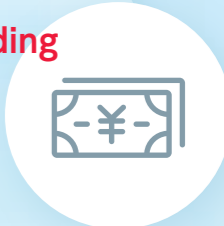
**Founded**  
**1936**

We were founded as a wholesale and retail textiles business in 1936.



**Receivables Outstanding**  
**2.5** trillion yen

Our receivables outstanding (consolidated) exceed 2.5 trillion yen.



**Share of Loans**  
**No.1**

We have a top share of the personal card loan market (non-bank category).



**Guarantee Partners**  
**58** companies

We have 58 companies who are guarantee partners, with guaranteed receivables exceeding 20.0 billion yen per company.



**Total Number of Users**  
**5.59** million

Our total number of users exceeds 5.50 million in Japan and overseas.

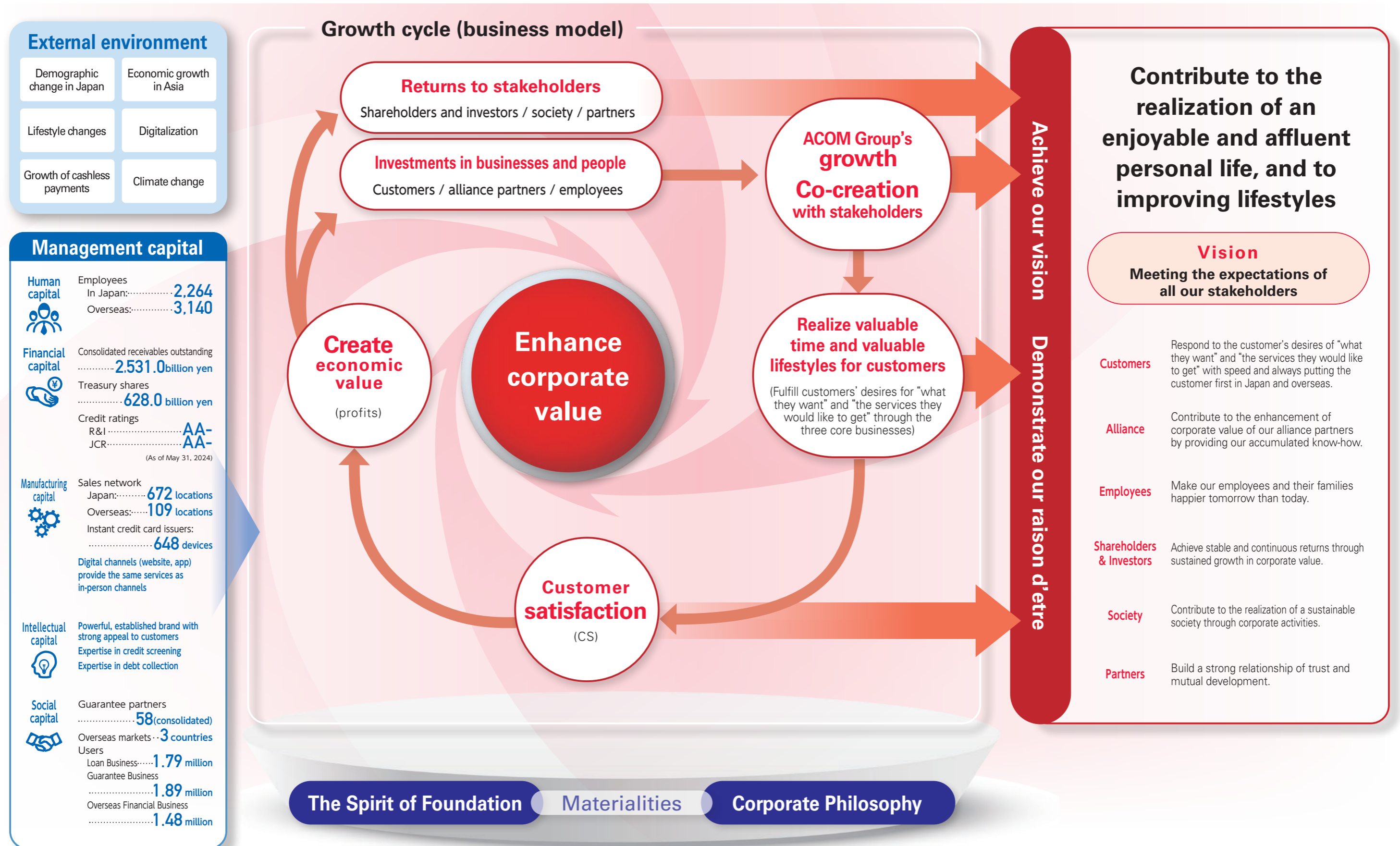


**Number of Group Employees**  
**5,404**

More than 5,000 Group employees are working as one to meet the expectations of all stakeholders.



# ACOM Group's Value Creation Process



# Practicing “Customers First” and Delivering Value to All Stakeholders

Masataka Kinoshita President & CEO

## The Importance of Putting “Customers First” for ACOM Group

Guided by its founding spirit—the Circle of Trust—ACOM Group is spiritually underpinned by three concepts laid out in its corporate philosophy: The Spirit of Human Dignity, Customers First, and Creative and Innovative Management. This forms the foundation of business activities through which we aim to contribute to the realization of an enjoyable and affluent personal life, and to improving lifestyles, for all of our stakeholders.

ACOM Group’s businesses have so far evolved in response to the major changes of the times and shifts in customer needs. In this process, the Group has made a point of emphasizing the Circle of Trust and always thinking and acting from the customer’s perspective. Our approach of conducting business while adhering to the customers first principle has not changed. We have stayed true to this approach throughout ACOM Group’s 88-year history.

Currently, ACOM Group has adopted the following vision for its customers: Respond to the customer’s desires of “what they want” and “the services they would like to get” with speed and always putting the customer first in Japan and overseas. In order to respond to customer needs, I believe that we must be able to provide services with three features: excellent services that only ACOM Group can deliver; services that customers want; and services that competitors are unable to provide. Furthermore, our employees, who are constantly thinking about our customers and can respond to their needs with speed, are the ones who can provide those services. I feel that it is crucial that employees build trusting relationships with customers by practicing the customers first principle. Based on these relationships, I believe that it is important that employees provide financial services that respond to the customer’s

desires of “what they want” and “the services they would like to get.”

A corporate culture that puts the customer first cannot be developed overnight. ACOM Group’s employees seek to understand customer needs at all times while carefully listening to the customers’ voices in order to discover new things. As part of these efforts, we keep a record of the content of conversations with customers in customer service logs, which are shared among employees. A service supplied to a customer, even if provided as a matter of course by a staff member, can have tremendous value for that customer. I believe that each piece of courteous and thoughtful feedback provided to staff members helps to improve the quality of customer care and services. That is why I would like to continue implementing these activities.

Efforts to spread this corporate culture throughout our organization are not limited to Japan. We currently conduct business in three countries other than Japan, namely Thailand, the Philippines, and Malaysia. More than 3,000 local staff members work for ACOM Group overseas. Employees who correctly understand ACOM’s corporate culture serve as top management at our three overseas sites. They strive to explain the importance of our customers first principle and to instill this approach in staff. Moreover, based on this Corporate Philosophy, we recognize employees who have performed admirably at our overseas subsidiaries in each country by awarding them with the title of MVP at ACOM Group meetings. We highlight outstanding personnel and, as a company, commend each individual. By doing so, we have been able to raise awareness among other employees about the quality of service they should try to deliver when interacting with customers.

## ACOM Group's Growth Cycle (Business Model)

ACOM Group sees the provision of financial services as its core business. However, the provision of these services is merely a means to an end. We are confident that the truly unique value we can provide to our customers lies in putting them first and responding to their desires in terms of "what they want" and "the services they would like to get" with speed.

ACOM Group's vision is to continuously meet the expectations of all its stakeholders, including customers, alliances, employees, shareholders and investors, society, and partners. In order to continuously meet those expectations, each ACOM Group company and employee must achieve growth. To achieve this growth, investment in both businesses and people is needed. This investment requires us to continuously generate profits. To continuously generate profits, ACOM Group must ensure that its stakeholders are satisfied. We call this process the growth cycle. Given that stakeholder expectations are constantly increasing, we believe that all ACOM Group companies and employees must continuously implement this growth cycle in order to meet stakeholder expectations. By establishing the growth cycle, and continuously implementing it, we are striving to realize ACOM Group's raison d'être: contribute to the realization of an enjoyable and affluent personal life, and to improving lifestyles.

Furthermore, when we think about customers, we consider more than just those in Japan. Japan's population, together with the populations of Thailand, the Philippines, and Malaysia, which we have already entered, totals around 340 million people. Given that the world's population is around 8.0 billion, ACOM Group's services reach only 4% of the population. I believe that if we enter three or four more new countries, and expand our services to even more people, we can achieve substantial growth.



## Changes in the Business Environment

We are starting to see positive developments in the business environment surrounding ACOM Group. In response to the COVID-19 pandemic, which broke out in 2020, consumers' desires for "what they want" and "the services they would like to get" rapidly decreased in areas such as leisure, travel, and dining. Customers new to using ACOM Group's services also declined significantly, and these conditions persisted for nearly three years. Japan's economy rapidly improved following the reclassification of COVID-19 to a Class 5 infectious disease, which is on par with the seasonal flu, in May 2023. Pent-up demand, or consumption demand that explodes when it is suddenly unleashed after being suppressed, emerged, resulting in a rapid recovery in demand for ACOM Group's services. At present, new customers have surged to 1.7 times the level

before the COVID-19 pandemic. However, we believe that the pent-up demand following the end of the COVID-19 pandemic is not the only driver of these favorable conditions. One reason why I believe that this is true is that the number of female customers has increased. In 2019, men and women accounted for 70% and 30%, respectively, of ACOM's customers. Currently, the share of women has increased to 35%. Our analysis suggests that the reason for this increase is that the number of customers who consider the option of splitting the cost of purchases with their "future selves," in order to meet their needs for "what they want" and "the services they would like to get," has increased. In other words, there has been an increase in the number of customers who consider the option of taking out a loan to make purchases for consumption purposes. We also believe that another factor contributing to our recent strong performance is that customers may now complete their transactions via smartphones and other devices, without the need to visit automated application booths or ATMs. This additional convenience has lowered the bar to utilizing loans.

## Progress on the Medium-term Management Plan

The Medium-term Management Plan, whose final year is the fiscal year ending March 2025, has been designated as a period for "laying the foundations for business field expansion, leading to dramatic progress in each area of business." With this plan, we are working toward 16 key themes over the medium term. The plan's second year is over, and progress has been generally steady. In terms of consolidated receivables outstanding, we met the Medium-term Management Plan's target for receivables outstanding of 2.5 trillion yen one year earlier than planned. In addition, we acquired 430,000 new customers. The number of new customers surpassed 400,000 for the first time in 21 years, since the fiscal year ended March 2003.

Furthermore, we would like to focus on several themes in the current fiscal year.

The first theme is the challenge of creating new business and services for growth in the next term. We are steadily preparing for embedded finance in order to drive business expansion in the Loan and Credit Card Business. In April 2022, we established GeNiE, Inc. as a consolidated subsidiary and commenced operations in June 2024. Our goal is to deliver new financial services by forming partnerships with a variety of enterprises that are supported by end users. We are confident that businesses that harness ACOM's credit and collection capabilities will be valuable. We will continue to work diligently in this area.

The second theme is expansion into new countries. In September 2023, we began operations in Malaysia. Due to issues such as local regulations, we had to require our customers to physically visit our office to enter into contracts after we began operations. However, we were able to secure a license for online transactions from the local authorities in January 2024. In March, we began providing an online contract service that is available entirely online. Through this service, customers can complete the entire contract process online instead of visiting our office. Looking ahead, we will establish a framework that will allow us to provide courteous and considerate services earlier than local banks and competitors in the same industry. In addition, as outlined in the Medium-term Management Plan, we will conduct additional research before deciding whether to expand into one more country. We will make an official announcement when we decide to enter this country.

## Developing Human Resources Who Serve Customers

Investing in human resources is essential to continuously creating corporate value. We will continue our efforts in the areas of human resources recruitment, training, and retention.

In the area of human resources recruitment, many students have a positive impression of our business activities to date and our current services. ACOM was ranked second in a popularity ranking of companies by industry among job-seeking college students\*. It is very encouraging that students have highly commended ACOM among numerous financial firms for various reasons, including ACOM Group's future prospects.

Meanwhile, we face some issues with human resources training. I would like to increase the number of employees who approach their daily work with an awareness of the issues and curiosity, as well as those who

\* Ranking by industry (credit, installment sales, leasing, and other financial category) in the Mynavi and Nikkei 2025 Graduate Employment Company Popularity Rankings (announced April 9, 2024).



willingly and bravely take on challenging tasks. In terms of women's success in the workplace, while this may be a common issue for many Japanese companies, I feel that one issue is that many female employees are hesitant to speak up proactively and voluntarily at work. The Woman Career Program, which we are currently implementing, is one step we are taking to address these types of issues. The program is solely for women and encourages them to change their mindset so that they may willingly speak up without hesitation in the workplace. Another project for supporting women's success in the workplace is the Women's Activity Working Group. In addition, we launched the ES Working Group, which aims to improve employees' job satisfaction regardless of gender, and it has carried out a series of discussions on this topic. We intend to continue enhancing these types of activities in order to ensure that talented human resources are not overlooked.

One important priority for human resources retention is to reshape our corporate culture into one that empowers employees to thrive. For example, in 2023, we launched a program called DRIVE. This program allows employees to propose new businesses that ACOM Group should develop in the future and puts into practice excellent proposals. Changing the corporate culture is, naturally, not an easy task. Although it may take two or three years, we will continue to take creative steps to ensure that employees can sense that ACOM Group has gradually evolved and can approach their work with great curiosity. Through these efforts, we have begun to see results, albeit at a gradual pace. Every year, an external research firm conducts an employee engagement survey, performing fixed-point observations. Engagement scores have remained high compared to companies of similar size, while gradually increasing. I believe that these scores show that the efforts of employees are beginning to bear fruit.

## Solving Sustainability Issues in a Manner Unique to ACOM Group

For ACOM Group, the sustainability of the environment, society, and the economy are extremely important. Globally, inequality in society has become increasingly severe, and conflicts are breaking out in various places around the world. The increasing severity of climate change and natural disasters cannot be ignored. To ensure the sustainability of ACOM Group's management, we believe that contributing to the sustainability of society is an important management priority. To that purpose, we have established the Basic Policy on Sustainability and identified materialities (key areas) and will work to solve these issues.

In addition to these sustainability initiatives, I believe that there is one sustainability priority that ACOM Group is uniquely qualified to take the lead in solving. This priority is to help people lead sustainable lives. As part of its business activities, ACOM Group can provide the necessary support for people to lead positive and vibrant lives. Through our business activities, we want customers to satisfy their desires for "what they want" and "the services they would like to get" and we hope that they can experience joy and happiness in their daily lives.

Meanwhile, financial education is an activity that we should conduct given the characteristics of ACOM's business. ACOM has been conducting financial education mainly for university and high school students in the interest of preventing them from becoming the victims of financial fraud. Going forward, we intend to continue working to improve financial literacy in society.

Furthermore, since 2021, we have been promoting the Challenge what you want to start! Project. This project aims to support a society in which everyone may take on the challenge of achieving their goals. We believe that these initiatives are part of our efforts to enrich people's lives while also supporting them in leading sustainable lives.

## Realizing Corporate Governance That Supports Sustainable Management

A strong governance framework is critical for carrying out sustainable management. We are strengthening corporate governance as a key management priority in order to meet the expectations of all of our stakeholders and establish even stronger trusting relationships. By demonstrating strong governance functions, we intend to ensure management's soundness, transparency, and efficiency and achieve sustained increases in



our shareholder value.

I believe that the primary goal of strengthening governance is to establish a system for not taking any wrong actions, while taking correct actions in correct ways. I feel that it can be difficult for people within the company alone to determine whether our own conduct is truly correct. For this reason, I always look forward to listening to the statements of the Outside Directors at Board of Directors meetings, and they have provided me with helpful advice.

As the share of women and the share of young people among our customers increase, I strongly feel the need to incorporate the perspectives of women and young people into management. To do this, we hold study sessions for the management team and senior management positions above the rank of deputy general manager on a regular basis, with guest instructors. The goal of these study sessions is to gather information.

Through these activities, we seek to enhance the depth of our discussions that encompass society and the financial sector as a whole in the Board of Directors and other forums.

## Meeting Stakeholder Expectations and Increasing Corporate Value

In the course of formulating the Medium-term Management Plan, whose final year is the fiscal year ending March 2025, ACOM Group has identified the stakeholders to whom it should provide value as customers, alliances, employees, shareholders and investors, society, and the partners who support its business. Furthermore, we have created a vision that outlines the kinds of value we will deliver to each type of stakeholder.

Naturally, I believe that value for stakeholders is something that each stakeholder determines for themselves, rather than something that we decide. We are focused on continuously meeting stakeholders' expectations to maintain their interest in ACOM Group, such as believing that "ACOM is convenient" and "it's exciting to work together at ACOM," and to ensure that they feel they are obtaining value.

We recognize that ACOM Group's financial services play an important and indispensable role in supporting the national economy. We will do our utmost to fulfill the social responsibility and mission demanded of our Loan and Credit Card Business, Guarantee Business, and Overseas Financial Business, so that we can satisfy the expectations of all stakeholders and become a company that grows alongside society. We look forward to your continued understanding and support.



# Enhancing Management Capital

	Competitive Advantages of This Capital	Issues	Measures to Enhance This Capital
<b>Human capital</b> 	<ul style="list-style-type: none"> <li>✓ Human resources who can realize our Corporate Philosophy</li> <li>✓ Employees centered on full-time employees provide service that put customers first</li> </ul>	<ul style="list-style-type: none"> <li>✓ Secure talented and promising human resources</li> <li>✓ Create work environments where employees can feel job satisfaction and work comfortably</li> </ul>	<ul style="list-style-type: none"> <li>✓ Promote the Digital Human Resource Development Program aimed at developing core personnel for advancing digital measures (P.30)</li> <li>✓ Conduct the Vision Ingraining Program, which fosters a sense of pride and mission in employees regarding their daily work (P.31)</li> </ul>
<b>Financial capital</b> 	<ul style="list-style-type: none"> <li>✓ Receivables outstanding of more than 2.5 trillion yen</li> <li>✓ Credit ratings AA-(R&amp;I) (JCR)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Expand market share</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provide a high-quality customer experience by optimizing human and digital aspects</li> </ul>
<b>Manufacturing capital</b> 	<ul style="list-style-type: none"> <li>✓ Digital channels provide the same services as in-person channels</li> <li>✓ Well-designed credit card issuing machines</li> </ul>	<ul style="list-style-type: none"> <li>✓ Channel strategy that adapts to current trends</li> </ul>	<ul style="list-style-type: none"> <li>✓ Improve the UI and UX of the digital channel according to customer needs</li> </ul>
<b>Intellectual capital</b> 	<ul style="list-style-type: none"> <li>✓ Japan's No.1 brand strength and customer appeal</li> <li>✓ Expertise in credit screening and debt collection</li> </ul>	<ul style="list-style-type: none"> <li>✓ Establish dominant brand strength by enhancing top-of-mind awareness</li> </ul>	<ul style="list-style-type: none"> <li>✓ Enhance brand strength by rebuilding perceptions through the promotion of a new brand message</li> </ul>
<b>Social capital</b> 	<ul style="list-style-type: none"> <li>✓ Guarantee partners 58 (consolidated)</li> <li>✓ Overseas markets 3 countries</li> </ul>	<ul style="list-style-type: none"> <li>✓ Expand business fields to strengthen profitability</li> </ul>	<ul style="list-style-type: none"> <li>✓ Expand guarantee partnerships with financial institutions and establish guarantee partnerships with companies</li> <li>✓ Expand into new countries</li> </ul>

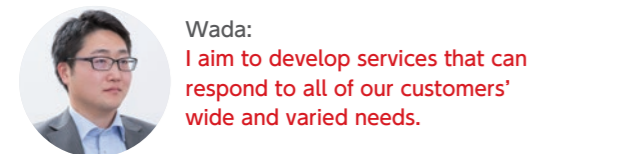
# Value of Business



	How Was This Strength Developed?	How Will This Strength Be Enhanced?
<b>Powerful brand image as a leading company</b>	<ul style="list-style-type: none"> <li>✓ Achieved the No.1 share in the consumer finance industry</li> <li>✓ Drove penetration of "ACOM for the first time" message through awareness advertising such as TV commercials</li> </ul>	<ul style="list-style-type: none"> <li>✓ Expand market share through measures to attract new customers and sales activities targeting existing customers</li> <li>✓ Enhance brand strength by rebuilding perceptions through the promotion of a new brand message</li> </ul>
<b>Ability to provide loans and swift screening powered by extensive data resources</b>	<ul style="list-style-type: none"> <li>✓ Established a credit screening model using the transaction data of more than 12 million people in Japan</li> </ul>	<ul style="list-style-type: none"> <li>✓ Develop human resources who can effectively use digital technology through such means as promoting the Digital Human Resource Development Program</li> </ul>
<b>Services and the ability to respond that go beyond customer expectations</b>	<ul style="list-style-type: none"> <li>✓ Pursued CS management for more than 30 years</li> <li>✓ Provided responses to customers through employees who have abundant knowledge based on experience in the loan business over many years</li> </ul>	<ul style="list-style-type: none"> <li>✓ Continuously improve customer service skills through the selection of senior customer service consultants, monitoring of customer service logs, and related activities</li> </ul>
<b>Counseling tailored to the individual (repayment consultations)</b>	<ul style="list-style-type: none"> <li>✓ A corporate culture that aims to rebuild the household and individual finances of each customer – a culture fostered through CS management</li> </ul>	<ul style="list-style-type: none"> <li>✓ Provide a high-quality customer experience by optimizing human and digital aspects (strive to increase operational efficiency through the use of digital technology and focus on repayment consultations that can only be provided by people)</li> </ul>
<b>Adaptability to change and a spirit of taking on challenges</b>	<ul style="list-style-type: none"> <li>✓ Took on the challenges of achieving industry firsts, such as automated application booths</li> <li>✓ Established a sales structure that adapts to the times (manned branches ▶ Contact Centers ▶ website)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Create opportunities for employees to willingly take on challenges such as the business contest DRIVE and Job Challenge (P.42)</li> </ul>

Feature:  
Employee Roundtable Discussion

Words of gratitude from our customers are a source of strength.  
We will continue to support our customers and deliver value.



**Wada:**  
I aim to develop services that can respond to all of our customers' wide and varied needs.

I work in a department that provides services and carries out projects for customers through our app. Although we don't directly interact with customers, when customers use our app and let us know they are satisfied with it by leaving comments, I feel that my work is meaningful and worthwhile. With some procedures that customers seek to complete, some customers feel stressed when they have no choice but to make a telephone call, send traditional mail, or visit an office. To alleviate the stress of these customers, we need to further increase what can be completed with digital technology.

On the other hand, some customers prefer analogue communication methods, such as traditional mail. As customer needs become increasingly diverse, my goal is to provide services that can respond to all of their needs.

The mission of my department is to fulfill customers' desires for "what they want" and "the services they would like to get." Looking ahead, I want to keep making every effort to earn many more words of praise from customers.



**Koda:**  
My work creates value for customers, and also leads to the creation of value for ACOM.

During the first six years since I joined ACOM, I worked in the System Planning Office. Now in my 7th year at ACOM, I am a member of the System Development Department and work in development. I feel the same way as Mr. Wada. When I receive customer feedback in the form of remarks like "The app is now much easier to view," "The app has become easier to use," and "It's this app that makes me glad I chose ACOM," I feel rewarded for my efforts over many years.

In the development department, I'm now working on the development of a website that customers can use to actually apply for loans, as well as a members' website that allows members to easily apply to borrow funds or make repayments. If we can keep the app in a state where it can be used without any problems, and run the system smoothly and steadily, I am confident that customers will find value in ACOM. If this value spreads to a large number of customers, I believe it will help to increase the value of ACOM as a company. On a daily basis, I believe that my efforts are leading to the creation of value for both customers and ACOM.



**Takeda:**  
There are still things that only people can do even in the digital age.

For nearly three years since I joined ACOM, I worked in the Counseling Center, where customers seek consultations on repayment. I was transferred to the Call Center in February 2024. Unlike Mr. Wada and Mr. Koda, I consulted directly with a variety of customers at the Counseling Center. I made a point of understanding the essence of customers' concerns and delivering customer care that gave them confidence and peace of mind. I also attempted to discern things like how customers were placed and their emotional state from their words and tone of voice during phone conversations. Sometimes customers experience defects in their magnetic card strips. For these customers, I have provided customer service that is sympathetic to their feelings. I am filled with joy when I receive words of thanks and other positive comments from them.

It is incredibly challenging to obtain information in a natural and comfortable way from customers who cannot be seen over the phone. However, I try to enhance my skills by being creative in my own way. While the number of areas that can be addressed with digital technology has been on the rise, there are still tasks that require human intervention. I'd like to make the most of my unique strengths, while always maintaining a supportive attitude toward customers.



**Okada:**  
I can contribute to customers' happiness and well-being through proposals that are supportive of customers and their families.

I am a member of the Call Center in the West Japan Business Promotion Department. Similar to Mr. Takeda, I've worked in the Credit Business Promotion Division since I joined ACOM, and I interact with customers on a daily basis. My happiest moment at work was when a customer told me, "Thanks to your help, Mr. Okada, it looks like I'll be able to make my repayments without too much difficulty." This was for a loan consultation. I could hear a small child's voice in the background of the phone call. I proposed a debt consolidation loan, which is a refinancing loan specifically designed to enable borrowers to create a manageable plan for fully repaying their debts. The customer was initially hesitant to use the loan product because it did not allow for additional borrowing. However, the customer accepted my proposal once they understood that it was a proposal that would support their family's future. That's when I realized that my own enthusiasm had resonated with the customer.

During conversations with customers, customers may become aware of their own misunderstandings about loans. Some conversations can provide customers with a new path forward. For these reasons, I believe that my work is very rewarding and worthwhile.



**Nishiyama:**  
Providing appropriate credit also lies in the customer's interest. Human skills hold the key to credit.

For three years since joining ACOM, I have worked in the Net Service Center, where we serve customers seeking to submit applications over the Internet. Mr. Okada discussed the importance of supporting customers. I strongly agree with him. At one time, I was interacting with a customer who required immediate access to funds. The customer was considering several companies, and wanted to execute a contract with the company that made the fastest loan decision. Although the customer's top priority was speed, I believed that it was important to build a trusting relationship through conversation. I made every effort to determine the reason for the customer's urgent need for funds, and the intended purpose of the funds from the conversation. I immediately became very close to the customer when I discovered that the funds were intended for his daughter's educational advancement. Although the customer said that ACOM was their second choice behind another company, the customer still chose ACOM for their loan. This outcome was the result of providing close support to the customer.

Getting to know customers deeply and providing appropriate credit ultimately lies in the customer's interest. To do so, we need information systems as well as something else – human skills. I believe that human skills hold the key to credit.



**Nagaoka:**  
I strive to accurately identify customer needs and propose optimal products.

Naturally, it is crucial to obtain information from conversations with customers.

Since I joined ACOM, I've been working at the Real Service Center, where I serve customers who visit automated application booths. Given the large numbers of customers who choose to conduct business over the Internet, I believe that customers who take the time to visit automated application booths are those whom I would encourage to consult with us.

I'd like to share an experience when a customer came to one of our locations looking for additional services. When I inquired about their situation, the customer stated that their child's educational bills had piled up, and they were slightly short on living expenses. After conveying those details to my supervisor, I conducted a screening. As a result, I found that we could issue a Mastercard with shopping features. I proposed that the customer apply for a credit card. I also informed the customer that they could easily access their credit card statements online or through our app. The customer was able to sign up for the credit card with confidence and was thrilled.

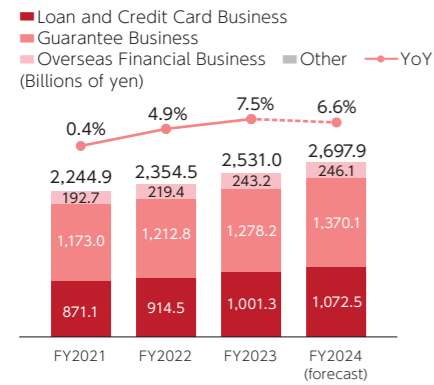
I believe that aiding people who are struggling because they lack a means of payment is one way ACOM can provide significant value to society. I would like to enhance my credit skills even further, so that many more customers may find value in ACOM.

## Strive to Achieve Sustained Growth and Ensure the Appropriate Return of Profits in Anticipation of the Next Medium-term Management Plan

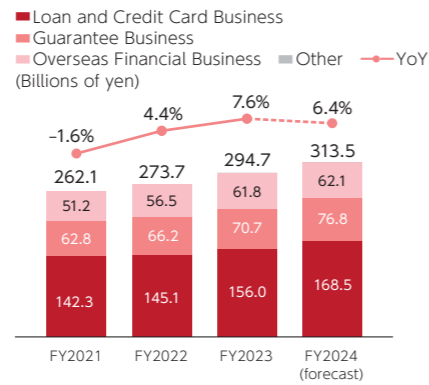
Kazuki Morishita Executive Managing Officer



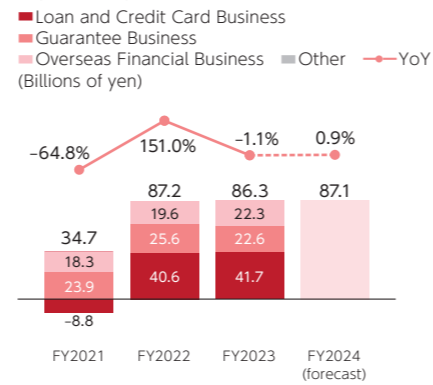
### Receivables Outstanding



### Operating Revenue



### Operating Profit



### Current Business Environment and Results for the Fiscal Year Ended March 2024

I'm pleased to report that our three core businesses, Loan and Credit Card Business, Guarantee Business, and Overseas Financial Business, all performed smoothly.

Under our Medium-term Management Plan, which began in the fiscal year ended March 2023, we targeted receivables outstanding of 2.5 trillion yen in the final fiscal year ending March 2025. Receivables outstanding reached 2,531.0 billion yen as of March 31, 2024, marking the achievement of the plan's final target one year ahead of schedule. This result was due to "pent-up-demand" following the COVID-19 pandemic, coupled with the foreign exchange impact of the weaker yen. Looking at the factors contributing to this smooth performance, I believe that individual consumer appetite, which had been suppressed during the COVID-19 pandemic over the last few years, has strengthened following the end of the pandemic. Moreover, we have ensured that ACOM's receivables outstanding have grown faster than the industry as a whole. One reason for this rapid growth is that we have built strong customer trust in ACOM's business. We are widely recognized in society for our key message of "ACOM for the first time." I believe that this widespread awareness has allowed our customers to apply for new loans for the first time with confidence and peace of mind. In addition, customers no longer need to visit an office to sign loan agreements as before, and they can now do so using smartphones and other devices. As a result, customer attitudes about personal card loans have been gradually changing, and the use of personal card loans by young people, particularly women, has been increasing. Of course, when customers apply for loans, we conduct strict screening as before. In addition, we always provide courteous and thoughtful loan repayment consultations to our customers.

In terms of our capital policy, we prioritize three indicators:

ROE, shareholders' equity ratio, and dividend payout ratio. We have been working to meet the targets outlined in the Medium-term Management Plan. We regularly monitor ROE as a management indicator for targeting even higher future investment efficiency. Under the Medium-term Management Plan, we are targeting an ROE of approximately 10%. With an ROE of 8.8% for the fiscal year ended March 2024, additional efforts are required to meet our target. We see the shareholders' equity ratio\* as an indicator of management stability as we seek to expand business advantageously. In the fiscal year ended March 2024, the shareholders' equity ratio was held to 23.3%, as the increase in receivables outstanding exceeded the increase in shareholders' equity due to the accumulation of profits. The shareholders' equity ratio has not yet reached our target of approximately 25%. We are targeting a dividend payout ratio of approximately 35%. The dividend payout ratio in the fiscal year ended March 2024 was 35.4%, which met our target level. I strongly feel that investors expect ACOM to maintain an even higher dividend payout ratio. For the fiscal year ending March 2025, we plan to pay an annual dividend of 14 yen per share, an increase of 2 yen, bringing the dividend payout ratio to 39.4%. We would like to achieve stable and consistent shareholder returns, in order to meet the expectations of investors.

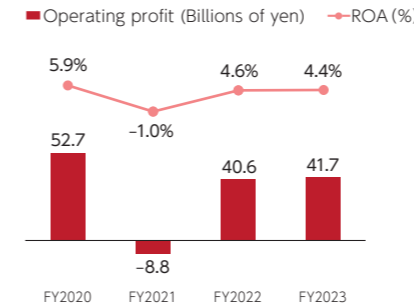
\* Shareholders' equity ratio: shareholders' equity ratio calculated by adding the guarantee balance to consolidated total assets

### Future Growth Strategy / Strengthening the Business Portfolio

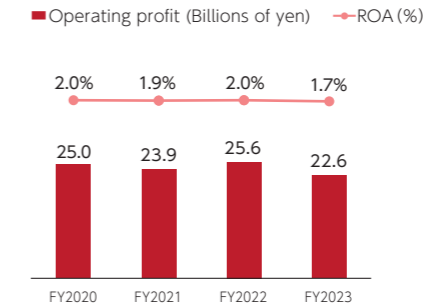
In addition to further enhancing existing businesses in our three core businesses, we are also taking on challenges in anticipation of new business expansion. For example, in the Loan and Credit Card Business, we are tackling the challenge of "Embedded Finance," in which financial services are embedded in a variety

### Operating Profit to Receivables Outstanding by Business (ROA)

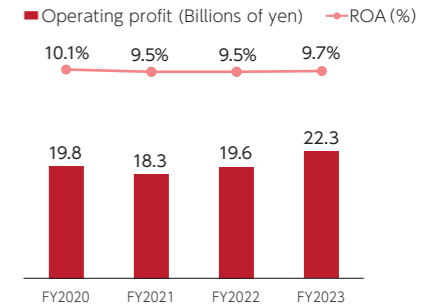
#### Loan and Credit Card Business



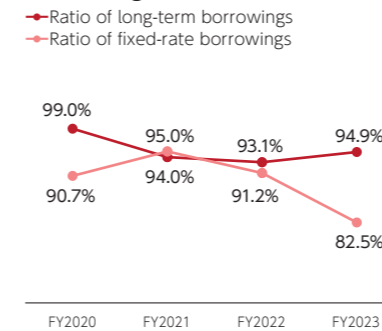
#### Guarantee Business



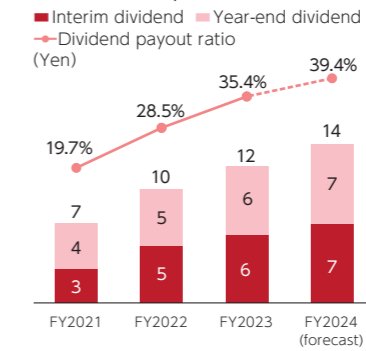
#### Overseas Financial Business



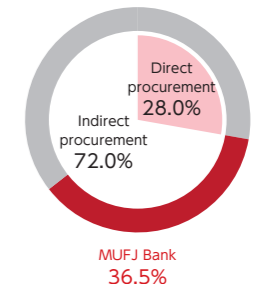
### Long-term and Fixed-rate Borrowing Ratio (Non-consolidated)



### Dividend per Share / Dividend Payout Ratio



### Composition of Lenders



of services available in society. In April 2022, we established GeNiE Inc. as a subsidiary, and it commenced business in June 2024. In the Guarantee Business, in addition to guarantee services provided to banks for unsecured personal loans, we have expanded our fields to guarantee services for the personal loans of companies newly entering the financial field. In the Overseas Financial Business, besides Thailand and the Philippines, we started business in Malaysia in September 2023.

In this manner, we seek to broaden and strengthen our whole business portfolio by expanding existing businesses and ambitiously developing new businesses in our three core businesses. We will steadily undertake each of these initiatives while leveraging our advantages such as the financial skills, knowledge, and expertise we have developed so far. In embedded finance, we will harness ACOM's credit and collection expertise. Furthermore, in the Overseas Financial Business, we will fortify our foundations as we make steady strides toward expanding our business areas.

### Basic Financial Strategy

With regard to procuring funds, we will continue to emphasize balancing direct procurement such as straight corporate bonds and commercial paper, borrowings from MUFG Bank, our main bank, and borrowings from other financial institutions, based on the premise of obtaining long-term financing at fixed interest rates. We have no intention of significantly changing this approach in the future. We strive to ensure transparency by submitting the composition of fund procurement to the Executive Officers' Meeting on a quarterly basis.

In terms of our capital policy, we have not changed our approach of optimizing shareholders' equity, increasing returns to shareholders, and improving ROE in a well-balanced manner, while prioritizing growth investments. In regard to optimizing shareholders' equity, we seek to actively invest in projects that

lead to the Company's growth with a view to maintaining a shareholders' equity ratio of 25%. In terms of increasing returns to shareholders, we will meet shareholder expectations by returning profits through dividends. In terms of improving ROE, we believe that we will need to increase our profitability further.

PBR has been gradually improving and has now exceeded 1.0x. Nevertheless, we still cannot claim that we have achieved a fair market valuation. Internally, we are proud of our active efforts to realize a sustainable society, including our initiatives to address environmental issues. However, I believe that we have not done enough to communicate our efforts broadly to society. It is said that as a company's ESG evaluation increases, the cost of shareholders' equity decreases. I believe that a major priority for the future is to curtail the cost of shareholders' equity by providing information to society in a thoughtful manner.

### Message to Stakeholders

Management and employees must work steadily on a daily basis to increase corporate value in order to earn the trust of customers. In addition, we must meet the expectations of shareholders by ensuring the appropriate return of profits. Both of these priorities are important. We intend to make thorough preparations to formulate our new Medium-term Management Plan, which will begin in the fiscal year ending March 2026, including targeting further improvement in the dividend payout ratio. In the next Medium-term Management Plan, I am eager to effectively communicate to all of our stakeholders that ACOM is a company that is capable of sustaining growth and continually increasing corporate value, while solving social issues.

I invite you to look forward to ACOM's sustained growth in the years to come.

# Progress in the Medium-term Management Plan

## Medium-term Management Plan (Fiscal Year Ended March 2023 to Fiscal Year Ending March 2025)

**Key Point** Viewed as a period to make strategic moves to expand our business domain for future growth in each of our businesses

- Targets**
- We are aiming to **surpass pre-COVID-19 levels** in each of the three core businesses through accommodating cashless payments and digital investments
  - We are targeting operations worth **2.5 trillion yen** across the three core businesses and the Embedded Finance Business
  - Aiming for **increased revenue and profit for three consecutive years**

### Receivables Outstanding

Against the backdrop of COVID-19 reclassified as a type 5-disease and various government policies, socioeconomic activities are normalizing and the economy continues to gradually recover.

As a result of promoting measures to precisely capture the funding needs of customers, new contracts and existing additional uses performed well, leading to steady expansion in Loan and Credit Card Business and the Guarantee Business. In the Overseas Financial Business, the balance was boosted by business expansion and the impact of a weaker yen. As a result, we achieved the target for the final year of the Medium-term Management Plan of 2.5 trillion yen a year ahead of time.

In the fiscal year ending March 2025, active fund demand continues through the first quarter and in the second quarter on we expect a gradual return to pre-COVID19 levels. We are planning on 2,697.9 billion yen, exceeding the target for the final year of the Medium-term Management Plan by approximately 180.0 billion yen.

### Operating Revenue

Driven primarily by the expansion in our three core businesses, operating revenue increased 7.6% year on year to 294.7 billion yen. In the fiscal year ending March 2025, we are projecting 313.5 billion yen, approximately 25.0 billion yen above the target for the final year of the Medium-term Management Plan.

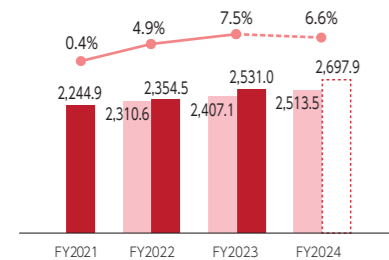
### Operating Profit

Operating profit fell by 1.1% year on year to 86.3 billion yen due to increases in advertising expenses and provision for bad debts against a backdrop of an increase in the number of new customers.

We have incurred expenses early, mainly advertising expenses and provision for bad debts, in this strong customer attraction phase, so in the fiscal year ending March 2025 as well, we expect operating profit to be below the target for the final year of the Medium-term Management Plan. We regard new customers as a financial base for securing future profits. For this reason, we see these expenses as upfront investments in the future, and though recently they have increased temporarily, we believe they will ultimately lead to increased profit.

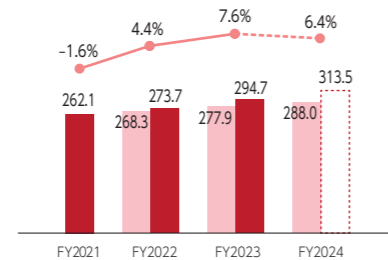
### Receivables Outstanding

■ Medium-term target ■ Actual  
□ Single-year plan ▲ YoY  
(Billions of yen)



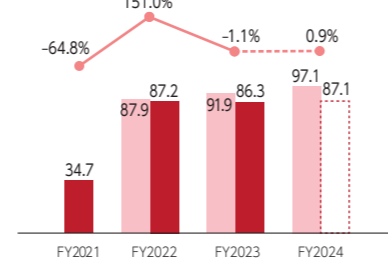
### Operating Revenue

■ Medium-term target ■ Actual  
□ Single-year plan ▲ YoY  
(Billions of yen)



### Operating Profit

■ Medium-term target ■ Actual  
□ Single-year plan ▲ YoY  
(Billions of yen)



**Our basic approach to capital policy** Continuously raise financial soundness and expand return to shareholders

**Basic approach to dividends** Expand return to shareholders on the basis of high profitability and appropriate capital adequacy

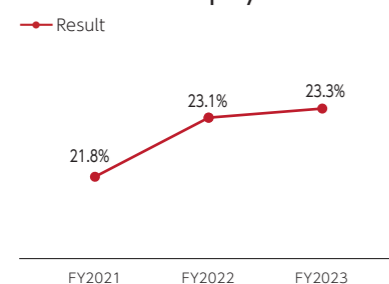
**Targets for March 2025** Shareholders' equity ratio\*1 **Approx. 25%** Dividend payout ratio **Approx. 35%** ROE **Approx. 10%**

**Shareholders' Equity Ratio\*1** ..... Gradually increasing to 23.3% toward the target of 25%

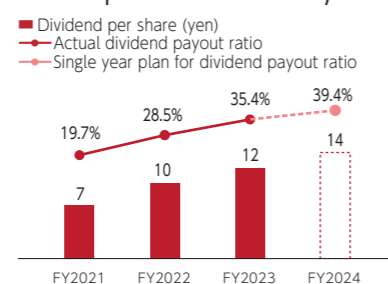
**Dividend per Share / Dividend Payout Ratio** ..... Increasing the dividend each term; payout ratio up to 35.4%

**ROE (Profitability)** ..... Continuing to focus on maintaining 10% ROE.

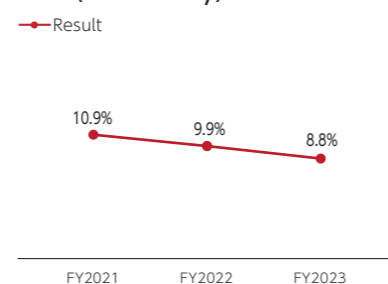
### Shareholders' Equity Ratio\*1



### Dividend per Share / Dividend Payout Ratio



### ROE (Profitability)



\*1 Shareholders' equity ratio, calculated by adding credit guarantee balance to consolidated total assets

## Overview and Progress in Key Themes for the Medium Term

Strategic Category	Key Themes for the Medium Term	Overview	FY2023 Progress
Business strategies	Foster a compliance culture	<ul style="list-style-type: none"> <li>Strengthen communication</li> <li>Promote no-harassment</li> </ul>	<ul style="list-style-type: none"> <li>Conducted evaluation from three perspectives: awareness, actions, and results. Compliance culture is evaluated as steadily being cultivated.</li> </ul>
	Enhance brand strength by rebuilding perceptions*2	<ul style="list-style-type: none"> <li>Carry out "Challenge What You Want to Start! Project"</li> <li>Streamline advertising strategies</li> </ul>	<ul style="list-style-type: none"> <li>Started the project with support programs for three challengers</li> <li>Improved cost per customer acquired</li> </ul>
	Provide high-quality customer experience through optimization of "human" and "digital" resources	<ul style="list-style-type: none"> <li>Create a function for submitting identification documents via web browser</li> <li>Examine separation of duties between human and digital resources</li> </ul>	<ul style="list-style-type: none"> <li>Revised the image submission screen and entry screen for workplace information on the application form <b>▶ P.41</b></li> <li>Released a provisioning function for registering the Mastercard issued by the Company with Apple Pay from our official app</li> </ul>
	Challenge to create new businesses and services for next growth	<ul style="list-style-type: none"> <li>Create the Embedded Finance Business</li> <li>Form a data utilization project</li> </ul>	<ul style="list-style-type: none"> <li>GeNiE Inc., a consolidated subsidiary, started the Embedded Finance Business in June 2024</li> <li>The data utilization project was institutionalized as the Digital Promotion Office in April 2023</li> </ul>
	Expand guarantee partnerships with financial institutions and establish guarantee partnerships with companies	<ul style="list-style-type: none"> <li>Continue negotiations with potential partners</li> <li>Acquire new partners outside of the banking industry</li> </ul>	<ul style="list-style-type: none"> <li>MU Credit Guarantee Co., LTD., a consolidated subsidiary, started a guarantee partnership with Minna Bank, Ltd. in February 2024</li> <li>Concluded alliance agreement for guarantee partnership with AEON Bank, Ltd. in May 2024</li> </ul>
	Further strengthen cooperation with existing guarantee partners	<ul style="list-style-type: none"> <li>Strengthen promotions through the use of joint advertising</li> <li>Revitalize cooperation with existing partners through UI/UX improvements</li> </ul>	<ul style="list-style-type: none"> <li>Utilized "joint-advertising" using shared advertising materials at multiple alliance partners</li> <li>Continued to conduct appropriate credit screening through in-depth communication with alliance partners</li> </ul>
	Expand into new countries	<ul style="list-style-type: none"> <li>Expand into markets with large populations</li> <li>Investigate entry/investment method and business for entry</li> </ul>	<ul style="list-style-type: none"> <li>ACOM (M), a consolidated subsidiary in Malaysia, started business operations in September 2023</li> <li>Continued explorations of countries for entry other than Malaysia <b>▶ P.33</b></li> </ul>
	Build our business base in countries where we already have a presence	<ul style="list-style-type: none"> <li>Explore market expansion measures (EASY BUY)</li> <li>Strengthen new application acquisition (ACF)*3</li> </ul>	<ul style="list-style-type: none"> <li>Achieved balance plan for EASY BUY in Thailand</li> <li>For ACF in the Philippines, launched outside sales activity base to attract new customers and strengthen recovery in January 2024</li> </ul>
	Optimize the debt protection system	<ul style="list-style-type: none"> <li>Reinforce partnership with IR Loan Servicing, Inc.</li> <li>Improve work environments</li> </ul>	<ul style="list-style-type: none"> <li>Carried out various measures generally as planned for organization, systems, and human resources (education)</li> </ul>
	Function strategies	Build system infrastructure that can respond flexibly and quickly to environmental changes	<ul style="list-style-type: none"> <li>Upgrade our core system</li> <li>Overhaul our information systems</li> </ul>
Establish human resource base by strengthening recruitment, training, and retention		<ul style="list-style-type: none"> <li>Continue to recruit talented personnel</li> <li>Promote diversity</li> </ul>	<ul style="list-style-type: none"> <li>Made progress generally in line with plans in all areas of recruitment, training, and retention</li> </ul>
Increase employee engagement through ingraining of vision		<ul style="list-style-type: none"> <li>Produce the Vision Book</li> <li>Implement effective training</li> </ul>	<ul style="list-style-type: none"> <li>Distributed the Vision Book and continued implementing the Vision Ingraining Program</li> </ul>
Strengthen and expand sustainability promotion system and initiatives		<ul style="list-style-type: none"> <li>Identify materiality (priority areas)</li> <li>Formulate the Environment Policy, enhance climate change initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Identified materiality <b>▶ P.25</b></li> <li>Introduced renewable energy</li> </ul>
Strengthen governance by upgrading risk management		<ul style="list-style-type: none"> <li>Foster and ingrain a risk-aware culture</li> <li>Clarify IT and information security management cycle</li> </ul>	<ul style="list-style-type: none"> <li>Fostered a risk-aware culture through internal study sessions and messages from Executive Officers</li> </ul>
Create a highly productive work environment by improving operational efficiency		<ul style="list-style-type: none"> <li>Expand utilization scope and increase development speed for RPA</li> <li>Promote paperless operation by eliminating unnecessary forms, converting documents to electronic formats and reviewing business processes</li> </ul>	<ul style="list-style-type: none"> <li>Reduced annual working hours by over 174,000 vs. target of 160,000 <b>▶ P.41</b></li> </ul>
Maintain stability and improve cost efficiency by optimizing procurement methods	<ul style="list-style-type: none"> <li>Maintain a balance in the composition of lenders</li> <li>Consider diversification of procurement methods in view of environmental changes</li> </ul>	<ul style="list-style-type: none"> <li>Obtained a rating of AA- for long-term bonds from Rating and Investment Information, Inc. (R&amp;I), an AA- rating for long term bonds and a J-1+ rating for commercial paper from the Japan Credit Rating Agency, Ltd. (JCR).</li> </ul>	

\*2 Perception: Consumers' impressions, as well as awareness, recognition and perception of companies and brands that become causal factors in purchasing decisions

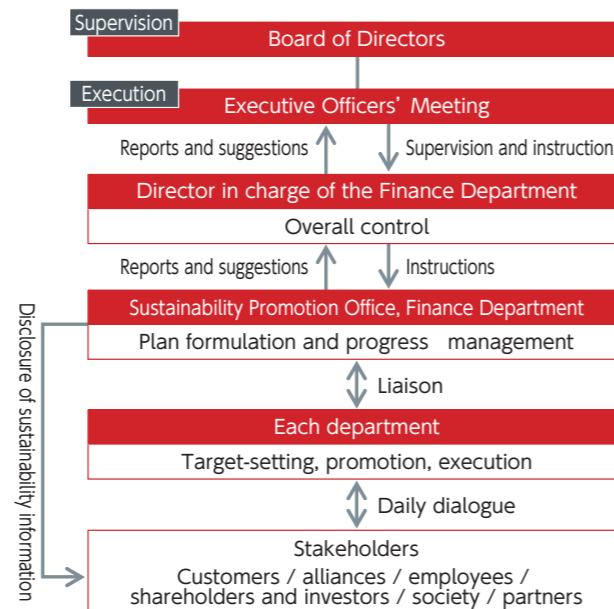
\*3 ACF: ACOM CONSUMER FINANCE CORPORATION

## Basic Policy on Sustainability

Under our founding spirit of “Circle of Trust,” we aim to both solve social issues and raise enterprise value, and realize a sustainable society, through our corporate philosophy of “The Spirit of Human Dignity,” “Customers First,” and “Creative and Innovative Management.”

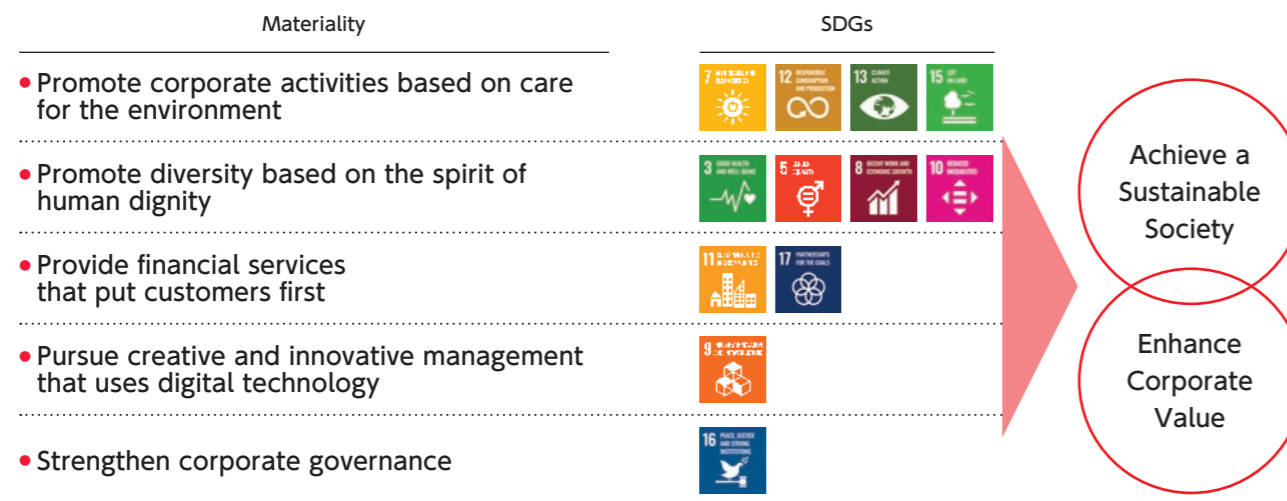
## Sustainability Promotion Organization

Under ACOM's sustainability promotion organization, Sustainability Promotion Office, which is part of the Finance Department, studies and formulates company-wide sustainability plans, while key matters are examined and decided by the Executive Officers' Meeting and the Board of Directors. The KPI and progress reports for identified materialities (priority areas) are reported to the Executive Officers' Meeting and the Board of Directors on a quarterly basis.



## Materialities (priority areas)

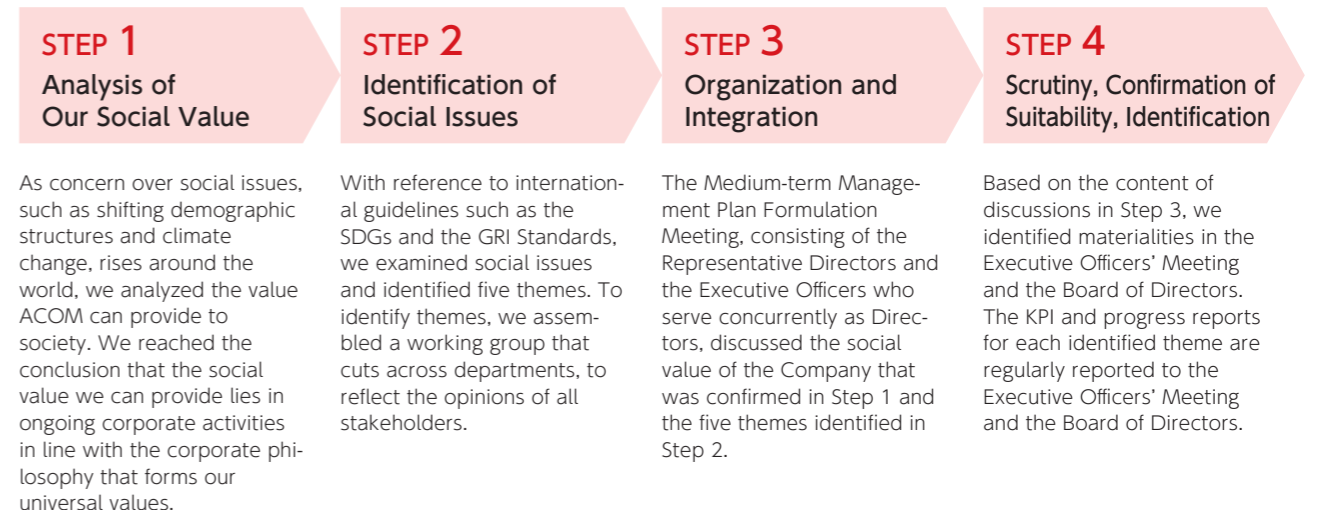
We have selected key areas for priority action, based on the corporate philosophy that embodies the universal values we must give the highest priority, and on the expectations of our stakeholders for our action on social issues. In the course of our corporate activities, we solve the issues that we are uniquely suited to solve, and contribute to progress in society.



## Materialities (priority areas)

<b>E</b>	<p><b>Promote corporate activities based on care for the environment</b></p>	<p>Environmental issues such as climate change have been worsening in recent years, and the situation demands that companies take action for the environment, including cutting CO<sub>2</sub> and other greenhouse gases. As a member of society, we will go beyond making effective use of limited resources and reducing environmental loads through our corporate activities, to actively tackle environmental conservation as part of our social contribution activities.</p>
<b>S</b>	<p><b>Promote diversity based on the spirit of human dignity</b></p> <p><b>Provide financial services that put customers first</b></p> <p><b>Pursue creative and innovative management that uses digital technology</b></p>	<p>The “spirit of human dignity” means that we have a constant sense of gratitude to all stakeholders, extending to shareholders and business partners as well as customers and employees, as we build relationships of mutual respect. We set respect for the fundamental human rights of all people as the foundation of our actions. By respecting, recognizing, and accepting each other’s differences in attributes such as gender, age, ability, marital status, and nationality, we promote making the most of the innate abilities of all people and allowing them to do their best.</p> <p>At the endpoints of the customer’s funding needs are ideas like “I want to get the goods I like” and “I want to use that service.” We provide safe and secure financial services that match those feelings in our customers. We recognize that ACOM Group’s financial services play an important role in supporting Asian economies, centered on ASEAN, as well as in Japan, and we carry out our social mission on that basis.</p> <p>As all of society moves forward with digitization, we need to generate new value by using data and digital technology to the full, rather than just reacting to change. We are the leading company in the consumer credit market, and we have always been innovating, with things like developing MUJINKUN, the first automated application booths in the industry, and starting our credit card business. We will go on delivering new value, with the mindset of “surpassing yesterday’s ACOM,” unbound by conventional concepts.</p>
<b>G</b>	<p><b>Strengthen corporate governance</b></p>	<p>We will strengthen corporate governance as a key management priority and ensure the soundness, transparency, and efficiency in management and achieve sustained increases in our shareholder value. We recognize that effective internal control systems are essential to creating an appropriate corporate governance framework. Based on this recognition, we are encouraging all members of our organization to join forces in building internal control systems and assuring their effectiveness, under the leadership of the management. At the same time, we are constantly evaluating, verifying, and improving the effectiveness of internal control systems already in place.</p>

## Materiality Identification Process



## Sustainability Targets and Achievements

Priority Areas	Major Initiatives	Targets and Initiative Direction	Initiative Achievements in the Fiscal Year Ended March 2024	Achievement Level	Related Key Medium-term Themes	SDGs
<b>E</b> Promote corporate activities based on care for the environment	Introduction of renewable energy	Switching to renewable energy sources for power consumption under direct contracts during the fiscal year ended March 2023	Switched all direct contracts with electric power companies by June 2022 (approx. 630 stores, 3 corporate locations) <b>▶ P.28</b>	○	Strengthen sustainability promotion system and expand the initiatives	   
	Efforts to achieve net-zero GHG emissions	Achieving net-zero GHG emissions in house by 2030	Electricity contracted by management companies is being gradually switched to renewable energy sources	○		
	Reduction of power consumption for ATMs, electric signboards, etc.	Energy use intensity: 1% year-on-year reduction	91.9% compared to the fiscal year ended March 2023	○		
	Continued implementation of "green purchasing," where items with the lowest possible environmental impact are selected and purchased	Considering environmental impact when purchasing goods and promoting the purchase of low-impact products	Continued implementation of preferential green purchasing in accordance with purchasing operation rules	○		
	Participation in community cleanup activities	Participating in cleanup activities held in the areas with ACOM locations	Participated in cleanup activities in Tokyo's Minato, Chiyoda, and Chuo wards, as well as Osaka City and Yokohama City (160 cumulative participants)	○		
	Implementation of forest conservation activities	Running "ACOM Forest" Forest Conservation Program	Held 11 times at activity sites in Kanagawa and Osaka prefectures (163 cumulative participants) <b>▶ P.27</b>	○		
<b>S</b> Promote diversity based on the spirit of human dignity	Creation of comfortable work environments (promotion of health and productivity management, consideration of diverse work styles)	Number of employees working long hours (over 80 hours of monthly overtime): 0 as of the end of the fiscal year ending March 2025	Two employees as of the end of the fiscal year ended March 2024	×	Establish human resource base by strengthening recruitment, training and retention	 
	Promotion of female employee empowerment (promotion of diversity)	Increasing the ratio of female managers	As of April 1, 2024, the ratio of female managers is 9.4% (Up 0.7 percentage points year on year; section manager or above) Held for the second time of "Woman Career Program" training for young female employees <b>▶ P.32</b>	○		
	Support for persons with disabilities	Ratio of employees with disabilities (upholding the statutory ratio)	2.65% as of the end of the fiscal year ended March 2024 (statutory ratio: 2.30%)	○		
	Implementation of the Vision Ingraining Program to improve engagement	Improving employee attitude survey scores	Up 0.9 percentage points compared to the fiscal year ended March 2023 <b>▶ P.31</b>	○		
	Implementation of "Challenge What You Want to Start! Project"	Implementing "Challenge What You Want to Start! Project" every year (total: three times)	Held for the second time. Total of 1,142 applicants (up 729 from the previous year); 3 were selected	○		
	Support for culture and the arts	Continuing to hold ACOM Miru Concert Monogatari	Held 13 times, with a cumulative total of 8,017 visitors and 202 employee volunteers	○		
<b>S</b> Provide financial services that put customers first	Promotion of CS management	Improvement of customer satisfaction (CS) mindset	Held the CS Awards in February 2024, viewed by all employees <b>▶ P.34</b> 3,030 CS experience cards submitted	○	Provide high-quality customer experience through optimization of human and digital resources	 
	Reflection of customer feedback	Ongoing implementation of improvement activities based on CS improvement cards	1,559 CS improvement cards submitted (36 adopted) Expanded repayment methods for products for sole proprietors Modified member website and application	○		
	Efficient and effective customer attraction	Ongoing implementation of customer feedback review meetings	Held a total of 12 customer feedback review meetings	○		
	Stimulation of local economies through the Guarantee Business	Loan and Credit Card Business outstanding balance: 908.5 billion yen at the end of the fiscal year ended March 2023, 946.8 billion yen at the end of the fiscal year ended March 2024, 984.2 billion yen at the end of the fiscal year ending March 2025, 260,000 new customers each fiscal year (780,000 total)	At the end of the fiscal year ended March 2024, 1,001.3 billion yen balance (+54.5 billion yen compared to plan), 430,000 new customers (+170,000 compared to plan) <b>▶ P.35</b>	○		
	Contribution to the Asian economy, especially ASEAN	Expanding new guarantee partnerships and revitalizing existing partnerships, resulting in consolidated guarantee outstanding balance of: 1,197.9 billion yen at the end of the fiscal year ended March 2023, 1,254.0 billion yen at the end of the fiscal year ended March 2024, and 1,319.4 billion yen at the end of the fiscal year ending March 2025	At the end of the fiscal year ended March 2024, 1,278.2 billion yen balance (+24.2 billion yen compared to plan) <b>▶ P.37</b>	○		
	Contribution to the Asian economy, especially ASEAN	Expanding into new countries	ACOM (M) , a subsidiary in Malaysia, opened in September <b>▶ P.33</b>	○		
<b>S</b> Pursue creative and innovative management that uses digital technology	Support for cashless payments	Supporting payment by smartphone	Released a function that makes it easy to register a credit card on a smartphone <b>▶ P.41</b>	○	Challenge to create new businesses and services for next growth	
	New business offering financial services in the "as-a-service model"	Launching new business during the fiscal year ended March 2023	Established GeNiE, Inc. in April 2022. Started system development in June 2023 after plans had been moved back	×		
<b>G</b> Strengthen corporate governance	Advancement of Corporate Governance Code compliance	Properly complying with the Corporate Governance Code	Disclosed compliance with the Corporate Governance Code in our Corporate Governance Report	○	Strengthen governance by upgrading risk management	
		Establishing organizations and meeting bodies	Implemented analysis and evaluation of the effectiveness of the Board of Directors <b>▶ P.48</b>	○		
	Risk management	Implementing company-wide activities to foster a risk-aware culture	Held internal study sessions and training sessions a total of 277 times, with participation by 2,078 employees	○		
		Practicing risk management based on risk ownership	Each of the Representative Directors and Executive Officers concurrently serving as Directors sent a "Risk Message" to all employees	○		
Compliance	Implementing measures to revitalize communication	Developed and implemented communication measures in all departments and offices	○			
	Promoting measures for ensuring no harassment company-wide	Held 37 harassment training sessions (with 1,309 participants) Regularly provided harassment-related information	○			

# Promote Corporate Activities Based on Care for the Environment

## • Expanding Cardless Transaction Functions

One way we reduce environmental impact through our products and services is our cardless transaction functions for card loans and credit cards.

Customers can use and repay their card loans without using a card by scanning the QR code displayed at Seven Bank ATMs with a smartphone. For credit cards, customers can issue virtual cards on our app and use them to enjoy e-commerce and other shopping. We also support Apple Pay® and Google Pay™, allowing customers to shop without a card through in-person channels as well. Furthermore, we offer other methods for cardless use and repayment, such as money transfers to a financial institution account in the customer's name, repayment via the Internet, and direct debit (automatic withdrawal). Customers can enjoy both card loans and credit cards without card issuance, helping to reduce plastic usage.



We will go on working to suppress the use of limited resources at the same time as we raise convenience for the customer.

## • Promoting Paperless Operation

By putting some of the documents we send to our customers into paperless (electronic) form, we suppress the use of limited resources at the same time as we increase convenience for the customer. Customers who want to receive issued documents in electronic form can download contract-related documents and transaction-related statements from the members' site.

Within the Company, we are working on switching to electronic forms for various application procedures, salary statements, in-house magazines, contracts agreed with business partners, and the like, reducing our use of resources. We are also promoting paperless operation of our various meeting bodies, for the sake of efficient meeting operation and environmental protection.

## • “ACOM Forest” Forest Conservation Program

We began our “ACOM Forest” conservation program in June 2022 for purposes such as cutting greenhouse gas emissions and preserving biodiversity. We have signed agreements with Kanagawa and Osaka prefectures, where our Contact Centers are located, using the Company forestry support system.

This activity contributes to the development and conservation of sound forests through work by employee volunteers. In Kanagawa, activities mainly include pruning branches\*1 and thinning trees\*2, and in Osaka, we are clearing underbrush\*3 and planting trees. In the fiscal year ended March 2024, we held the activity four times in Kanagawa and seven times in Osaka. A total of 163 employees and their family members participated.

Through this activity, we are developing and conserving the environment in Kanagawa and Osaka, as well as fostering environmental awareness among our employees.

	FY2022	FY2023
Kanagawa	2	4
Osaka	2	7

- \*1 Cutting off excess branches
- \*2 Cutting down some trees in areas of excess density to create adequate spacing
- \*3 Trimming weeds and bushes around planted saplings until they have grown



ACOM Forest (Kanagawa)



ACOM Forest (Osaka)



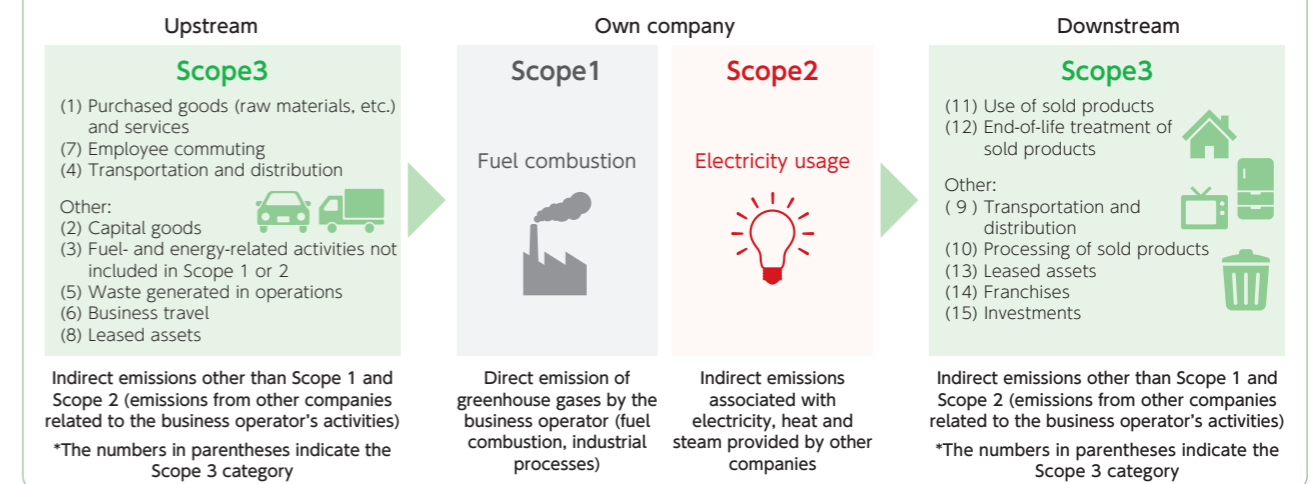
Forest conservation activity (clearing underbrush)

## • Efforts to Achieve Net-zero GHG Emissions

Since our operations do not use fuel and have no Scope 1 emissions, we focus on reducing Scope 2 emissions. By the end of June 2022, all electricity used by our outlets and locations (approximately 630 outlets and 3 corporate locations) that have direct contracts with electric power companies have switched to renewable energy. For those outlets and locations where the management company conducts electric power contracting, we are now gradually switching these to renewable energy as well.

In addition, in 2023 we began efforts to also calculate Scope 3 emissions.

Currently, with so much focus on global warming, not only countries and regions but also companies must reduce their greenhouse gas emissions, such as CO<sub>2</sub>. As a part of this, greenhouse gases emitted in the process of activities by companies and organizations are classified as Scope 1, 2 or 3. By calculating emissions for each scope, companies and organizations can grasp the greenhouse gas emissions of their own activities and, based on this, also think of effective ways to reduce them.



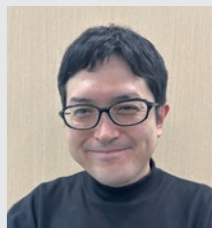
Source: Created based on <https://www.enecho.meti.go.jp/about/special/johoteiky/scope123.html> (in Japanese)



## Employee Interview

### Working to Calculate Scope 3

Yoshihiro Nakamura, Corporate Planning Department



#### Q What is the background to Scope 3 calculations?

MUFG was going to calculate and disclose Scope 3 emissions on a Group basis, so it started with a request to accomplish that.

MUFG is planning formal disclosures based on U.S. standards starting in the fiscal year ending March 2026, so this time the calculations are on a trial basis. None of MUFG's different companies had experience, so it was a first for all of us. Considerations began while wondering if it would really be possible to calculate on a Group basis.

#### Q In doing the calculations, what areas were a struggle?

Scope 3 is divided into 15 categories, and we had to search the financial statements for expenses and accounts corresponding to the categories. Following MUFG's formula, we converted those figures to CO<sub>2</sub>, but to make as precise a calculation as possible, we searched for detailed data. The job of compiling this data was difficult. Depending on the calculation item, we

were not able to judge based on expenses and accounts alone, so we confirmed the details on accounting applications, for example. Also, for some of the data, we were not able to calculate it based on financial statements alone, so, for example, for letters sent to customers it was necessary to determine the weight of each one, which was a struggle.

#### Q What challenges do you want to take on in the future?

In conducting this initiative, I found the thinking behind Scope 3 to be very interesting. Actually, I hadn't had much involvement in sustainability up until now, so engaging in these calculations sparked my interest in sustainability in society, and I got interested in the initiatives of countries and governments. I think it changed my own awareness of the issue.

Going forward, if I can be of some help related to the environment in particular to realize a sustainable society, I would like to be involved.

# Promote Diversity Based on the Spirit of Human Dignity

## Message from the Director in Charge of Human Resources

### Enhancing Human Capital to Realize Our Vision

Masashi Yoshiba Senior Executive Managing Officer



To achieve ACOM Group's vision of meeting the expectations of all our stakeholders, I think the company and each employee must continue to grow, and we are promoting measures to enhance human capital in line with the Policy on Human Resources Development and Policy on Internal Environment Development.

Providing support for the challenges that employees take on is essential if we are to develop a workforce that respects the capabilities, ideas, and values of a diverse range of individuals, and that can embody our corporate philosophy. One such example is the job challenge, in which employees can apply to switch departments to help realize an environment where diverse human resources work with vitality. The program allows employees to choose an opportunity to grow. In addition, as a means to train employees in specialized areas, we started developing human resources in the fiscal year ended March 2024 to play a role in promoting digital technologies. In the fiscal year ending March 2025, we are running a program that allows employees to acquire more advanced technical skills.

In addition, to build a strong foundation for human resources, raising job satisfaction is a must. One key theme in our Medium-term Management Plan is to "increase employee engagement through ingraining the vision." To do so, since the fiscal year ended March 2023, we have hosted the Vision Ingraining Program to enhance understanding of our vision among all employees. This program is for the purpose of linking the vision to everyday work and clarifying criteria for decision-making in daily behavior. I hope that giving meaning to their work will boost the sense among employees that they are contributing to society and the organization, and in turn lead to better job satisfaction.

Our personnel measures have also received wide acclaim from outside the Company. As part of the employee welfare recognition program Hataraku Yell, for example, we have received the highest rating for three consecutive years for our efforts to improve employee benefits. For employee engagement, we were honored in the large corporation category for the fifth consecutive year. We have put in new personnel programs and made reforms, but going forward we will continue to work to realize a personnel system that is even more appealing to employees.

We have also positioned human capital as a central pillar of our sustainability measures. In addition to promoting diversity based on The Spirit of Human Dignity—which is a key part of our corporate philosophy—we will strive to create workplace environments where employees can work in comfort and with thorough job satisfaction. In doing so, we will strive to contribute to enhanced corporate value.



#### Human resources who can embody the corporate philosophy

- 1 Secure excellent and promising human resources
- 2 Promote the growth of each individual employee
- 3 Increase engagement
- 4 Motivate to increase job satisfaction
- 5 Create comfortable workplace environments
- 6 Culture that supports the growth and challenges of all employees

[Policy on Human Resources Development] Aiming for the Company Group's sustainable growth, the Company will respect the abilities, ideas, values, etc. of diverse human resources and develop human resources who can embody its corporate philosophy.

[Policy on Internal Environment Development] Based on the Group's corporate philosophy of "The Spirit of Human Dignity," the Company will promote diversity and develop an internal environment in which employees can feel motivated and comfortable.

## 1 Secure excellent and promising human resources

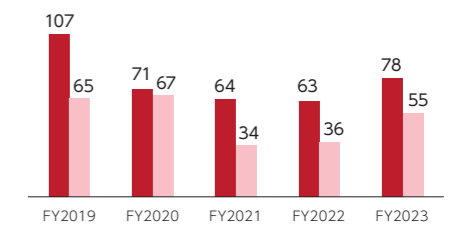
Under the situation where competition between companies is intensifying and changes in external conditions are accelerating, in order to implement "creative and innovative management" that the Company advocates in its corporate philosophy, and to continue to meet the expectations from stakeholders, it is necessary to create new value by respecting the abilities, ideas, and values of diverse human resources. Based on this thinking, we are promoting recruitment activities for new graduates and mid-career hires to secure the human resources necessary to execute our business strategy.

Regarding recruitment activities for new graduates, in the Mynavi and Nikkei 2025 Graduate Employment Company Popularity Rankings, we ranked second in the credit, leasing, and other financial category.

And, with regard to mid-career recruiting, we actively recruit people with specialized skills in order to speedily address business issues and further expand our business domains. Going forward, we will continue to secure diversity and work to raise our organizational strength.

New Graduate Hires / Mid-career Hires (people)

\*New graduate hires are the number entering the Company the next fiscal year  
■ New graduate hires ■ Mid-career hires



## 2 Promote the growth of each individual employee

With the increasing need for personnel with expertise in digital technologies due to the promotion of DX measures, the growth of employees is essential in order to continue to meet the expectations of stakeholders.

Since April 2023, we have provided the Digital Human Resource Development Program for employees selected based on a voluntary application process for the purpose of training personnel to play a role in promoting digital technologies. We hold basic digital training each half year to foster a digital mindset and for employees selected from the among those who have taken this training, we offer a skill acquisition training course to provide more advanced, specialized skills. In addition, with each training session, measures for digital promotion are considered and proposed to executives. We are working in collaboration with the Human Resources Department to implement a number of the recommended measures. Through systematic training programs, we will promote the training of core human resources for promoting digital technologies.



## 3 Increase engagement

Based on the Policy on Internal Environment Development and under our corporate philosophy, The Spirit of Human Dignity, we are promoting Diversity, Equity and Inclusion (DEI) and working to create workplace environments where employees can work in comfort and with thorough job satisfaction. Through implementing various policies, we are endeavoring to conduct fixed-point observation of engagement and to grasp issues and make improvements so that the performance of the organization and employees is maximized and corporate value increased.

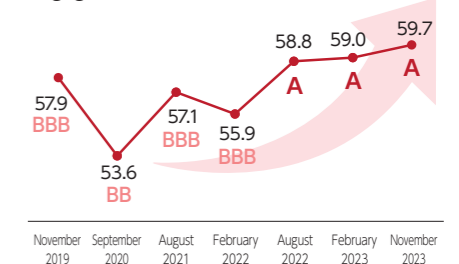
As for initiatives, we conduct an employee engagement survey\*1 provided by Link and Motivation Inc. Based on the survey results, items with a large gap between level of expectation and level of satisfaction are taken up as organizational issues and various improvements are made. As a result, our most recent engagement score was 59.7, good for an A ranking, our highest rank so far. In addition, in March 2024, companies with high engagement scores\*2 among those giving out the survey were honored at the Best Motivation Company Award 2024 (large corporation division) and we placed in the top ten for the fifth consecutive year. Going forward, we will continue working to increase engagement between employees and the organization.

\*1 A survey with 64 items in 16 categories that affect employee engagement that measures the level of expectation and level of satisfaction of employees to grasp that state of engagement in an organization.

\*2 Based on the levels of expectation and satisfaction of a company's employees, the extent of mutual understanding between employees and the company is quantitatively measured and a score is calculated.



Engagement Scores





#### 4 Motivate to increase job satisfaction

When formulating the Medium-term Management Plan (from the fiscal year ended March 2023 to the fiscal year ending March 2025), we revised the vision to better clarify our commitment to each stakeholder. The Vision Book was created and distributed to all employees in order to link the vision to their operations and to clarify the criteria for decision-making in daily behavior.

We conduct the Vision Ingraining Program, in which executives and employees carry out a dialogue about ACOM's vision. The purpose of this program is to inspire each and every employee to engage in their own work with a sense of pride, mission and ownership, while utilizing the Vision Book.

Previously, training was conducted with executives discussing the vision, but with the Vision Ingraining Program, what is emphasized is not the message from executives but dialogue at worksites. In the fiscal year ended March 2023, the first year of the program, executives served as facilitators and together with around 20 employees in each group, the Company's vision is linked to daily operations and action plans are created to realize the vision. In the

year ended March 2024, the action plans created the previous year were reviewed to give them significance for daily operations. Further, departments considered which stakeholders were being benefited by the work they were doing and what kinds of value were being delivered to them. Even more specific action plans were once again created to realize the vision. Going forward, each and every employee will aim to engage in their own work with a sense of pride, mission and ownership, and we will continue dialogue at worksites about the Company's vision.



#### 5 Create comfortable workplace environments

##### Promote health and productivity management

Recognizing that the physical and mental health of employees is tied to employee happiness and the Company's development, in October 2021 we enacted our Declaration of Health and Productivity Management and have been working to build an environment in which our employees can "work with happiness and vitality." In addition, the Human Resources Department Director, Human Resources Department, the Hygiene Committee, industrial physicians, ACOM Health Insurance Association, and other parties are cooperating to build a health and productivity management promotion system.

For the purpose of further promoting health and productivity management and publicizing the details of our health and productivity management initiatives internally and externally, we created the Health and Productivity Management Strategy Map in 2022 and made it available on our website.

For the third consecutive year, our efforts in this area were recognized and we were selected as a Certified KENKO Investment for Health Outstanding Organization jointly by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi under the Certified KENKO Investment for Health Outstanding Organizations Recognition Program.



##### Won the Superior Company Welfare Award for third consecutive year

The Spirit of Respect for Human Dignity is one aspect of our corporate philosophy, and we are eager to enhance our welfare plan to help each and every one of our employees to achieve their life plans.

For employees returning from childcare leave, we offer childcare leave return benefits to support the employee's reintegration, and aiming for flexible work styles, we began offering seven hour working slots, as we continue to institute new programs.

For the third straight year, we won the Superior Company Welfare (General) award which is conferred on five companies taking particularly outstanding actions in the Hataraku Yell program for commendation and certification of corporate welfare. ACOM's award was in recognition of its measures taken in welfare programs to address a range of issues, such as balancing work with childcare and nursing care and measures against early job turnover among newly hired graduates.



#### 6 Culture that supports the growth and challenges of all employees

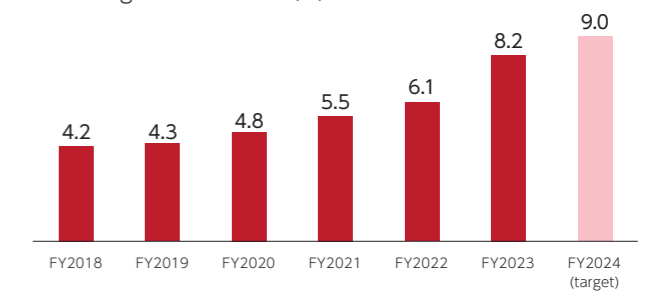
We are creating an environment where female employees can work with vitality. We have run the Women Career Program since the fiscal year ended March 2023, a training program that helps female employees take on challenges a step outside their comfort zones for autonomous career development. As of the current point in time, 32 women have participated in this program. Joining this program has led directly to further action, including 10 participants who have applied for selective training that is available for the purpose of developing future management candidates.

We have set a target of increasing the percentage of women in managerial positions\* to at least 9.0% by the end of the fiscal year March 2025.

\* Managerial position is section manager and above with subordinates



Ratio of Female Workers in Managerial Positions (%)



##### Interview

### Improved score in results of the organization's engagement survey; honored as Best Motivating Leader

Hidekazu Tanikawa

Credit Management Department, East Japan Management Center



#### Q What do you focus on daily as an organization leader?

Treating people like family. Whether scolding or praising an employee, I try to face the person like I would a family member.

The department I was in until the fiscal year ended March 2023 had around 20 employees. I tried to talk with each and every one daily and strove to create an environment where everyone felt free to speak their opinions. The people under me had a wide range of ages, from their twenties to their sixties, but I made communication important, so the distance between employees was narrow and I think the workplace allowed for lively discussions.

From this fiscal year, as a senior manager, to motivate all of the East Japan Management Center, Credit Management Department, I will constantly search for what it is that influences motivation and strive to have a workplace environment where every employee feels comfortable working.

#### Q What is the secret to motivation?

To sincerely engage with employees and produce results together. It is easy to have fun working, but even while having fun, I sincerely engage with employees and feel daily that the organization as a whole generating results.

The department I'm in now does debt collection work. We engage with customers every day and our results are tangible as numbers, which helps motivate employees. However, if results are not forthcoming, the atmosphere at the workplace darkens, and the pressure to achieve the results causes mistakes.

For this reason, I always have my antenna up between managers for employee needs. I work to keep tabs on everyone. In addition, through study sessions and the like, I try to offer advice and support personalized for each employee. As a result, employees working with a positive attitude have increased, and I feel the organization as a whole has changed to an environment where it is easy to consult with managers.

# Provide Financial Services that Put Customers First

## • Expanding into New Countries

ACOM (M), our consolidated subsidiary in Malaysia, began offering financing to individuals on September 1, 2023. With customers always at the starting point, ACOM is working to provide new forms of convenience and to be a global company that is used in markets in many more countries. Even in Malaysia, we believe we can contribute to the development of a sound consumer trust market. Malaysia has a high standard of

living throughout the country, and stable economic growth and a rising population are expected. Going forward, the market can be expected to have rampant demand for funds, and we are conducting business operations with the goal of single fiscal year profitability in around six years. We plan to translate expansion into Malaysia into further overseas development going forward.



## • Reflection of Customer Feedback

ACOM rigorously puts the customer first, which is part of our corporate philosophy, and to meet customer needs we strive to provide high quality service. We receive requests, complaints and expressions of dissatisfaction at our call centers and elsewhere, the content of which is grasped and analyzed to improve service on a daily basis. Here is an example of how service was improved in the fiscal year ended March 2024 based on actual customer feedback.

### Example

The unit when applying for a loan via bank transfer on the Internet or smart phone app was changed from 10,000 yen to 1,000 yen

When the cardless transaction function was added in October 2021, customers with cardless contracts increased and uses of transfer loans from the smartphone app came to increase. When applying for a transfer loan via the Internet or smartphone app, not being able to make loans in units of 1,000 yen was an issue, and we actually received feedback from customers saying that transfer loans were inconvenient to use because the money had to be received in units of 10,000 yen. Based on this feedback, an employee in the Credit Business Promotion Division made a proposal for improvement and since the fiscal year ended March 2024 it has been possible to receive loans in units of 1,000 yen.

## • Implementing Financial Education

Since 2013, we have been providing financial education lectures primarily for college and high school students, with the goal of protecting consumers' interests and developing a sound consumer finance market. The lectures seek to promote awareness and caution by introducing, among other issues, actual cases of financial trouble involving card loans, which are becoming more and more familiar to young people due to factors such as the widespread use of cashless payment systems.

The methods of financial crime have become increasingly sophisticated and complex in recent years, causing a broad range of financial problems particularly among young people. Such cases include business startup, side job, and part-time employment scams as well as investment fraud.

Under these conditions, the Japan Financial Services Association and four financial service providers, including ACOM, established the Consortium for Enhancing Financial Literacy in June 2023. The consortium was established based on the belief that the entire industry

must implement a cohesive response to strategically and effectively promote consumer protection measures. The objective of this consortium is to contribute to consumer protection through the improvement of financial literacy and the prevention of harm from financial trouble. The consortium conducts activities such as holding financial education programs and disseminating information on actual cases of financial trouble.

As a company in the card loan business, we will work to further expand these pro bono activities in the hope that students, who will be the leaders of the next generation, will learn the importance of money before entering the workforce so as not to fall into financial trouble.



## • Organizing the CS Award

We organize the CS Award once a year to further instill our founding spirit and corporate philosophy, and to foster a culture of practicing and improving customer service to gain the trust and satisfaction of our customers. The CS Award assesses and awards outstanding CS-related activities on a company-wide basis, sharing them widely throughout our organization.

CS Card Presentation	Presentations by employees selected as winners of the Award for Excellence and Superior Award in each of the CS Experience Cards*1 and Proposal Card on CS Improvements*2 categories
CS Response Presentation	Sharing of customer service logs where customer-facing department employees successfully practiced the principle of putting the customer first



\*1 CS Experience Cards: A system for sharing customer satisfaction/praise/etc., through work and examples of CS experienced in non-work contexts

\*2 Proposal Card on CS Improvements: A system facilitating proposals of various improvement measures based on customers' requests and dissatisfaction, as well as issues that arise through day-to-day business operations



### Interview

## Award for Excellence received at the CS Award 2023 (CS response presentation)

Nana Yamada Net Service Center, East Japan Business Promotion Department



### Q What do you strive to do in operations at the Net Service Center?

At the Net Service Center, which I'm affiliated with, we handle screening response and contract procedures for new customers applying over the Internet.

In receiving a new application, I strive every day to be an easy person for the customer to talk with. Also, with digital technology advancing, sympathizing with what the customer is feeling and imagining what he or she is feeling is something that can be done only when a human being is responding; it can't be done by a machine. I strive to respond in a way that gives the customer peace of mind.

When I hear "Thank you" from a customer or otherwise receive words of gratitude and when the customer remembers my name, I feel like I really helped that customer and feel a real sense of satisfaction.

### Q Tell us of a time when you really felt you were putting the customer first.

It was when we received an application from an elderly customer. Forms are now generally submitted through the Web or app, but there are many elderly customers for whom submission via the Internet is difficult. This particular customer tried numerous times to submit the application via the Internet, but it was just not possible. I had a day off the next day, but I was worried about this customer's state and I wanted to help, so I told an employee working the next day that there was a customer having trouble with the procedures and asked that the person be contacted to confirm the situation. The next day, the employee working that day contacted the person and solved the customer's problems so a contract could be concluded smoothly.

At a later date, I confirmed the conversion the customer had and the person told me how grateful they were for being contacted and that they were worried about not having anyone to consult with. I felt happy that as a team we were able to alleviate the customer's anxiety.

## Loan and Credit Card Business



### Overview

Our loan business comprises unsecured small loans to individuals based on credit. We have also had a solid foothold in the credit card sector, after being licensed to issue Mastercard® credit cards in July 1998.

In the Loan and Credit Card Business, we endeavor to incorporate the Five Ss into our operations: speedy, simple, secret, safe, and self-service.

As a leading company of the consumer finance industry, we endeavor not only to carry out our Five-S-based business model, but also to earn popular support through groundbreaking services and cement our position as the top brand in the non-bank sector.

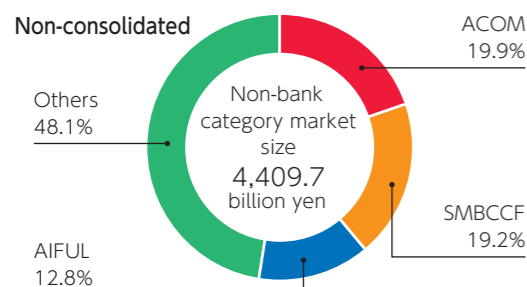
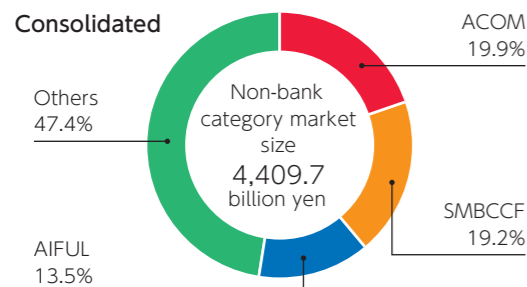
### Market Environment and Outlook

At the end of March 2024, the size of the market for personal card loans in the non-bank industry was approximately 4 trillion yen, of which ACOM had around a 20% share

While declining birthrate and aging population trends continue and the workforce shrinks, competition in the personal card loan market is continually intensifying as new players from other business types enter the market.

At present, the normalization of socioeconomic activities and the recovery of personal consumption in leisure, travel, dining, etc., has led to expansion in market scale, which had previously been contracting. In addition, the non-bank industry has continued to grow as customer attitudes toward personal card loans have gradually changed with the shift in the contract channel to the Internet. Given the current robust demand for funds, we anticipate annual growth of around 3%-4%.

### Market share (as of the end of March 2024)



\* The market size of the non-bank category represents receivables outstanding (including loans by deed) based on statistics issued by the Japan Financial Services Association.

### Strengths

The chief strength of the Loan and Credit Card Business is the wealth of data amassed through business with a cumulative total of more than 12 million customers. Machine learning enables us to analyze that data and develop the latest, most advanced screening insights and expertise. This is what makes our "instant screening" (a decision in as little as 20 minutes) possible, and with diverse channels for customers to sign up, such as automated application booths and, of course, the Internet, we are able to offer credit very swiftly.

What is more, our network of approximately 650 credit card issuing machines nationwide together with a virtual card function enables us to offer a degree of service that our competitors cannot, including same-day issue of credit cards in some cases.

### Medium-term Management Plan (FY2022 to FY2024)

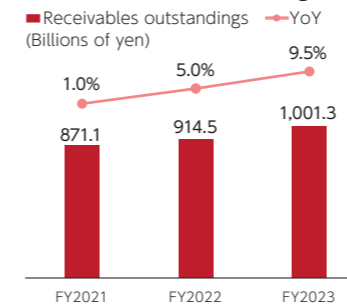
#### Targets

- Carry on accurately meeting customers' cashless needs, and using digital technologies to provide more convenient services

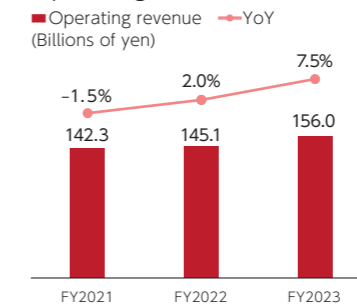
#### Key Themes for the Medium Term

- Enhancing brand strength by rebuilding perceptions
- Providing high-quality customer experience through optimization of human and digital resources
- Creating new business and services for next growth phase

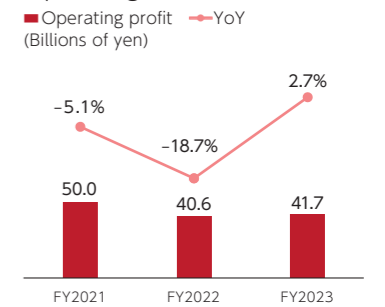
### Receivables Outstanding



### Operating Revenue



### Operating Profit



\* Data for the fiscal year ended March 2022 excludes interest repayment expenses

### Initiatives in the Fiscal Year Ended March 2024

In the Loan and Credit Card Business, we worked to strengthen our efforts to attract new customers, improve product and service functions, and maintain a sound loan portfolio.

In regard to increasing the attraction of new customers, we stepped up the promotion of our "ACOM for the first time" message through initiatives such as our Samurai Big 3 series of commercials, and by implementing the Challenge what you want to start! Project. Furthermore, with regard to improving product and service functions, we took steps to improve customer convenience, including the release of a provisioning function that allows users to register ACOM-issued Mastercard® credit cards on Apple Pay® from ACOM's official app myac. Another such step was the simplification of new application forms.

In addition to these marketing activities, we have remained committed to sustaining a sound loan portfolio and improving customer service quality. Initiatives have included improvements in screening accuracy, as well as workforce development efforts such as credit control training and customer service quality training.

### Achievements in the Fiscal Year Ended March 2024

In the fiscal year ended March 2024, receivables outstanding increased 9.5% to 1,001.3 billion yen due to the normalization of socioeconomic activities and a recovery in personal consumption such as leisure, travel, and dining, as well as active efforts to attract new customers and obtain income verification documents.

Operating revenue increased 7.5% YoY to 156.0 billion yen due to steady growth in receivables outstanding.

Operating profit increased 2.7% YoY to 41.7 billion yen, although operating expenses rose due to factors such as an increase in provision for bad debts accompanying business expansion and an increase in advertising expenses in connection with efforts to attract new customers.

### Plan for the Fiscal Year Ending March 2025

Receivables outstanding are forecast to increase 7.1% YoY to 1,072.5 billion yen based on the assumption that active demand for funds will continue through the first quarter, and gradually return to pre-pandemic levels from the second quarter onward.

Operating revenue is forecast to increase 8.0% YoY to 168.5 billion yen, mainly due to business expansion.

### Message from the Director



### Yuji Kinoshita

Executive Managing Officer

The fiscal year ending March 2025 is the final fiscal year of the Medium-term Management Plan. We have been working toward the plan's targets of accurately meeting customers' cashless needs and using digital technologies to provide more convenient services. As the culmination of our efforts, we are determined to provide new conveniences to our customers.

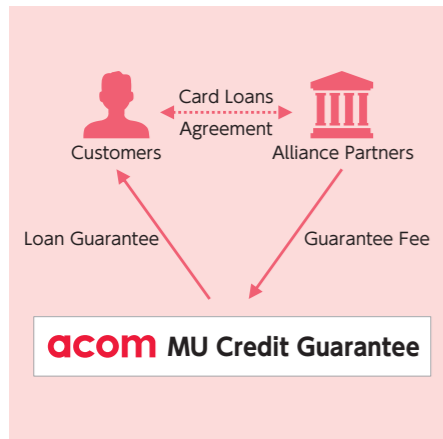
Because we closed all manned branches at the end of March 2023, we need to improve the convenience and self-operability of Internet services even more than before. To this end, we will seek to advance virtual card functions and smartphone payments, as well as upgrade the functionality of our website and smartphone app, while actively promoting systemization and robotic automation. Furthermore, we will use the resources freed up by digital technology to provide a high-quality

customer experience that can only be achieved with people. Through these efforts, we aim to deliver services on a par with those offered at manned branches by giving first priority to meeting a wide range of customer needs.

Moreover, since the fiscal year ended March 2024, we have been reviewing our marketing strategy utilizing outside expertise with the aim of attracting new customers and improving retention rates. In response to the market research findings, we have carried out extensive analyses and reviews of our strategies, which resulted in the formulation of a new branding strategy. We will simultaneously increase the support of first-time customers and the support of existing customers who use our services. In the process, we will realize a consistent brand across all of our user interfaces.

In addition to developing new frameworks that respond to customer needs, we will continue to establish an even stronger business model as a leading company. We will do so to fulfill customers' desires for "what they want" and "the services they would like to get" while providing them with peace of mind.

## Guarantee Business



### Overview

In this segment, we provide credit guarantees, underwriting customers' repayment of loans taken out with our alliance partners. In return, we receive fees based on the outstanding amounts. This is a cooperative business, in which we provide support tailored to each institution's requirements and work in tandem to achieve growth in loan products. ACOM Group's Guarantee Business is centered on ACOM and one of the Group's consolidated subsidiaries, MU Credit Guarantee.

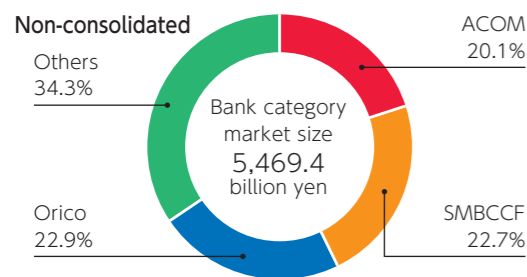
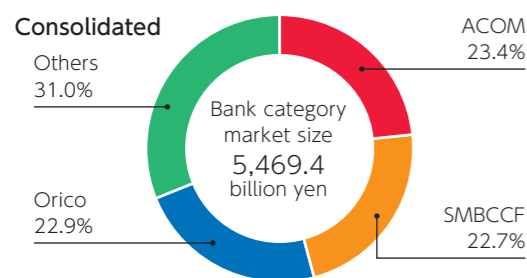
In May 2001, we initiated a credit guarantee partnership with a bank. Leveraging the wealth of expertise we had amassed through our loan business, we began providing credit guarantees for loans sold by the Hokkaido Bank. Since then, we have worked to broaden our network to include MUFG Bank, major regional banks and online banks. Local economies are beset by various issues, including a declining birthrate, aging population, and population outflow. By joining forces with each of our partners to grow their card loan products and meet the needs of customers in a wide range of regions, we are helping to stimulate local economies.

### Market Environment and Outlook

The market size of the bank category at the end of March 2024 was approximately 5.4 trillion yen, of which ACOM Group's share exceeded 20%.

At present, the market size continues to expand due to the normalization of socioeconomic activities and increased demand for funds for leisure, travel, dining, and other purposes. Given the current robust demand for funds, we anticipate annual market growth of around 5%.

### Market share (as of the end of March 2024)



\* The market size of the bank category represents the personal card loan receivables of domestic banks and shinkin banks based on statistics issued by the Bank of Japan.

### Strengths

Our basic strategy in this segment is to partner with one major regional bank in each of Japan's 47 prefectures. While this prevents cannibalization among regional financial institutions, it also enables us to maintain close partnerships with financial institutions. We offer detailed support that meets each financial institution's needs. These include market analysis insights, support for promotions, marketing ideas, and workflow optimization, thus helping to build a competitive advantage. With guaranteed receivables now exceeding 20 billion yen per bank, our guarantee business far out-scales those of rival guarantee companies.

In addition, we offer support by seconding expert employees from our loan business to offer technical guidance at partners' workplaces. To date, more than 200 ACOM employees have made a difference to our partners' loan product marketing efforts, where their telemarketing know-how and help with advertising have been highly rated.

### Medium-term Management Plan (FY2022 to FY2024)

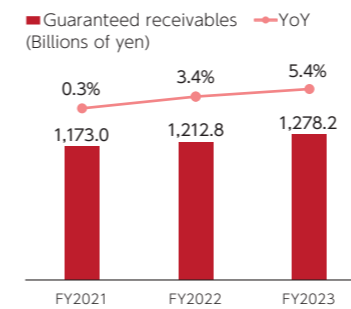
#### Targets

- Apply the accumulated expertise of ACOM Group, to become a guarantee company that helps to raise the enterprise value of its partner financial institutions

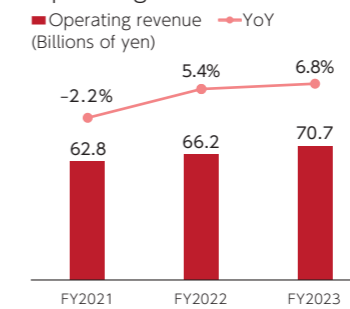
#### Key Themes for the Medium Term

- Expanding guarantee partnerships with financial institutions and establish guarantees partnerships with companies
- Further strengthening cooperation with existing guarantee partners

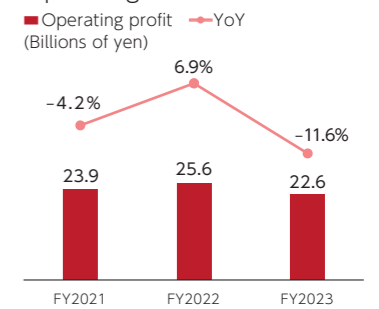
### Guaranteed Receivables



### Operating Revenue



### Operating Profit



### Initiatives in the Fiscal Year Ended March 2024

In the Guarantee Business, we have worked to build in-depth communication with our partners and continued to screen guarantees appropriately. In addition, we worked to help our partners better attract new customers by utilizing joint advertising, in which shared advertising materials are used by multiple partners, and to support various sales measures and business efficiency improvement through seconding employees to provide technical guidance.

Furthermore, following the guarantee partnership with LINE Credit Corporation in March 2023, we have continued to make efforts to develop new partners, including companies. In February 2024, our subsidiary MU Credit Guarantee started a guarantee partnership with Minna Bank, Ltd.

### Achievements in the Fiscal Year Ended March 2024

In the fiscal year ended March 2024, guaranteed receivables in the Guarantee Business increased 5.4% YoY to 1,278.2 billion yen. This was a result of efforts to strengthen ties with existing partners and focus on supporting sales promotion measures of business partners, as well as a recovery in personal consumption such as for leisure, travel, and dining.

Operating revenue increased 6.8% YoY to 70.7 billion yen due to business expansion and higher guarantee fee rates resulting from periodic reviews.

Operating profit decreased 11.6% YoY to 22.6 billion yen, due to an increase in operating expenses caused by an increase in provision for bad debts accompanying business expansion.

### Plan for the Fiscal Year Ending March 2025

Guaranteed receivables are forecasted to increase 7.2% YoY to 1,370.1 billion yen, based on the assumption of proactive sales activities by each of our partners and due to factors such as support for advertising, including joint advertising aimed at improving awareness of bank card loans.

Operating revenue is forecasted to increase 8.5% YoY to 76.8 billion yen due to an increase in guarantee fee rates resulting from periodic reviews, in addition to an increase in guaranteed receivables.

### Message from the Director



### Michihito Onodera

Senior Executive Managing Officer

Business conditions have been steadily recovering, albeit at a gradual pace, since the beginning of the fiscal year ending March 2025, in response to factors such as wage increases and the capture of

inbound tourism demand. As personal consumption continues to grow, the personal card loan market is currently expanding at an annual rate of 400.0 billion yen, reversing the contraction that had previously occurred due to the COVID-19 pandemic.

In the fiscal year ending March 2025, the final fiscal year of the Medium-term Management Plan, we will continue to address the plan's key themes. One of the key themes is to further strengthen cooperation with existing guarantee partners. For this theme, we will further strengthen support for various sales measures and business efficiency improvement through seconding employees to provide technical guidance. At the same time, we will generously provide our partners with ACOM Group's expertise, including improving the UI/UX of Web media, which account for most guarantee screenings,

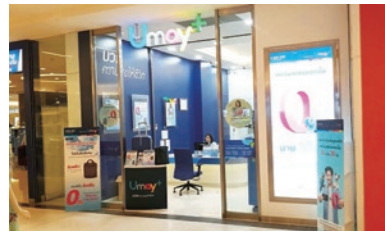
improving the contracting rate by introducing eKYC (electronic Know Your Customer, or electronic personal identity verification), and proposing effective advertising tools and content.

Another key theme of the plan is to establish guarantee partnerships with companies. In this area, we will accurately identify the recent trend of companies seeking to actively enter the financial market from different industries and business sectors, with the intention of strengthening and expanding the customer base of their group's business ecosystem. By watching this trend closely, we seek to pave the way for collaborations and partnerships.

By steadily identifying these initiatives and trends in business conditions as well as the recovery in demand for funds, we will work not only to achieve the Medium-term Management Plan's target for guaranteed receivables by the end of March 2025, but also to continuously contribute to increasing the corporate value of our alliance partners as their optimal business partner, as we continue to offer services that exceed their expectations.

We will continue to provide ACOM Group's expertise to our alliance partners and deliver services that exceed their expectations, with the goal of obtaining the No.1 market share on a non-consolidated basis and evolving into an overwhelmingly strong ACOM.

## Overseas Financial Business



### Overview

We established loan businesses in Thailand, the Philippines, and Malaysia with a view to capitalizing on the strong growth of the retail finance sector in the ASEAN region markets. Though ASEAN is experiencing rapid economic development, the region faces challenges; for instance, many in the region do not have bank accounts or credit cards and lack access to financial services. By providing services to a wide range of customers and meeting their needs, the Group has contributed to the development of the ASEAN economy. Businesses in this area have since grown to account for around 20% of ACOM Group's operating revenues.

In Thailand, we operate EASY BUY, a loan provider. Here, we leverage the experience and expertise of our Japanese businesses to offer unsecured personal loans under the Umay+ brand, and financing for installment sales under the EASY BUY brand. EASY BUY's high-quality services, underpinned by its customer-first philosophy, has earned the Company a solid base of customer support.

In the Philippines, which is experiencing rapid economic growth, we established ACOM CONSUMER FINANCE CORPORATION in July 2017 and began operations a year later.

Furthermore, in Malaysia, we established ACOM (M) SDN. BHD. in July 2021 and began operations in September 2023.

### Market Environment and Outlook

The Thai personal loan market was worth around 500 billion baht (approximately 2.0 trillion yen) as of the end of December 2023, of which, the non-bank sector market was worth around 300 billion baht (approximately 1.3 trillion yen). With a share in excess of 20% of the non-bank market, EASY BUY has established itself as the top brand in that sector.

In the fiscal year ending March 2025, real GDP growth is expected to increase. Therefore, we expect the non-bank market to continue showing positive growth.

The size of the unsecured personal loan market in the Philippines is approximately 450 billion pesos (approximately 1,100 billion yen). The range of banks handling unsecured loans for middle-income borrowers is limited, and there are only a few non-bank companies, so this market offers the prospect of future growth.

### Strengths

Our strengths are our experience and expertise, not only in the Japanese loan business, but also our more than two decades in the Thai personal loan industry, which has enabled us to win the top share of the local non-bank market.

That bedrock of hard-won expertise underpins our entry into new countries, and allows us to establish a solid operational base relatively smoothly.

### Medium-term Management Plan (FY2022 to FY2024)

#### Target

- Establish new revenue base toward adding 300 million people to the target market population

#### Key Themes for the Medium Term

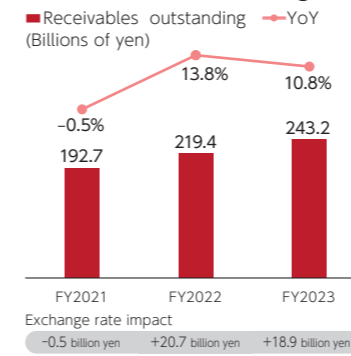
- Expanding into new countries
- Building our business base in countries where we already have a presence

**Thailand**  
**EASY BUY Public Company Limited**  
 Investment ratio: 71.0%  
 Established: Sept. 1996  
 Business lines: Unsecured loan business, Installment loan business

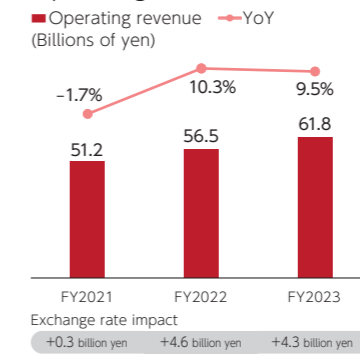
**The Philippines**  
**ACOM CONSUMER FINANCE CORPORATION**  
 Investment ratio: 80.0%  
 Established: July 2017  
 Business lines: Unsecured loan business

**Malaysia**  
**ACOM (M) SDN. BHD.**  
 Investment ratio: 100.0%  
 Established: July 2021  
 Business lines: Unsecured loan business

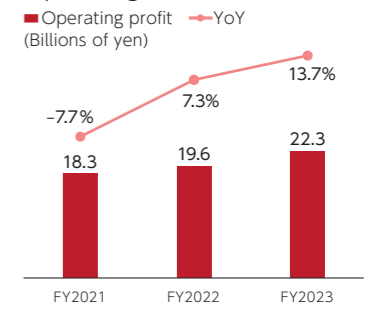
### Receivables Outstanding



### Operating Revenue



### Operating Profit



### Initiatives in the Fiscal Year Ended March 2024

Business activities in this area have been carried out both to expand the scale of relevant businesses and ensure appropriate credit in the Overseas Financial Business.

EASY BUY has established a top brand position in Thailand by aggressively developing the Umay+ brand with the goal of improving its brand image and expanding new customer attraction. In addition, EASY BUY worked to strengthen its service capabilities. These efforts included the release of the e-wallet payment service DREAM wallet, along with the issuance of virtual cards and use of mobile apps.

ACF has been working on improving the quality of receivables, through efforts such as promoting the acquisition of prime customers.

In Malaysia, ACOM (M) began operations in September 2023 and launched an online contract service that is available entirely online in March 2024. Furthermore, ACOM is also studying other Asian countries to explore the feasibility of business development there.

### Achievements in the Fiscal Year Ended March 2024

Receivables outstanding in the Overseas Financial Business increased 10.8% YoY to 243.2 billion yen, reflecting EASY BUY's business expansion, as well as the exchange rate impact from the weaker yen. On a local currency basis, EASY BUY's receivables outstanding increased 2.2% YoY to 58.1 billion baht while ACF's receivables outstanding decreased 13.5% YoY to 1.2 billion pesos.

Operating revenue increased 9.5% YoY to 61.8 billion yen, due to business expansion and the exchange rate impact from the weaker yen. Operating profit increased 13.7% YoY to 22.3 billion yen, as an increase in revenue from business expansion and the exchange rate impact covered an increase in costs.

### Plan for the Fiscal Year Ending March 2025

For EASY BUY, receivables outstanding are forecasted to increase 1.0% YoY to 58.7 billion baht, mainly due to an increase in the share of receivables affected by new lending regulations that entered force in September 2017. For ACF, receivables outstanding are forecasted to increase 8.7% YoY to 1.3 billion pesos, as the company plans to establish a regional business hub that will serve as a new sales base and promote sales activities more closely tied to the region, while working to optimize credit.

Operating revenue is projected to increase 0.3% YoY to 62.1 billion yen, due to the anticipated increases in the receivables outstanding of EASY BUY and ACF.

### Message from the Director



**Masaru Kuroda**  
 Executive Managing Officer

There are two key points in our plan for the Overseas Financial Business in the fiscal year ending 2025. The first is to aim for stable growth and to achieve profitability at an early stage at overseas subsidiaries including our subsidiary in Malaysia, which we have

newly entered. The second is to decide on the new country we will enter after Malaysia.

The first point is focused on our overseas subsidiaries. In Thailand, where EASY BUY conducts business, receivables past due have been increasing nationwide following the lifting of regulatory easing implemented during the COVID-19 pandemic. In this business environment, EASY BUY has been able to curtail the increase in receivables past due. We will work to establish a system to consistently maintain and enhance the quality of receivables, in order to avoid an additional increase in receivables past due in the future. Regarding ACF in the Philippines, in the fiscal year ended March 2024, we implemented stricter credit and increased our collection staff for the purpose of improving the receivables portfolio. In the fiscal year ending March 2025, we will strive to improve profitability by establishing a

regional business hub that will serve as a base for external sales activities in order to increase the efficiency of customer attraction, screening and collection operations. Finally, let me say a few words about ACOM (M) in Malaysia, where we began operations in the fiscal year ended March 2024. Following approval by the local authorities, we began an online contract service that is available entirely online in March 2024. We will establish a framework that will enable us to provide courteous and considerate services earlier than local banks and competitors in the same industry. This will be achieved by creating an efficient sales structure that manages online contracts from a single location.

The second point is to decide on the new country we will enter. We will continue to explore new countries to enter in Asia, with a focus on the ASEAN region. In order to address customer needs, which are evolving on a daily basis, and changes in service formats that can be provided, we will not confine ourselves to the approach of entering a country from scratch by setting up a company. We will flexibly explore our options, which include various methods of entering new countries.

The fiscal year ending March 2025 is the final fiscal year of the Medium-term Management Plan. This is also the fiscal year in which we will formulate the next Medium-term Management Plan. For this reason, we will do our utmost to make decisions that lead to the future development of the Overseas Financial Business.

## • Improving UI and UX

We are improving UI and UX in our digital channels to bring our customers even more convenience. In the fiscal year ended March 2024, we remained focused on improving our application forms for new customers as we did in the previous fiscal year.

We improved the screen for submitting personal identification documents (see the diagram to the right) and the screen for entering workplace data, with the goal of making application forms easier for customers to understand and use. Customers were leaving the application process at the workplace data entry screen because they did not have the necessary workplace information at hand when entering the data. In response, we updated a function that aids customers in entering workplace data. This change improved the ratio of customers leaving the application process at the workplace data entry page.



## • Operational Improvement Activities

At ACOM, we are continuously engaged in activities to improve our operational efficiency to ensure we can respond to environmental changes in each of our business and functional strategies and build a foundation for future growth. In addition to simplifying and abolishing operations, we are also making use of Excel functions, macros, and Power Query, and digital tools such as RPA systems. In the fiscal year ended March 2024, we were able to reduce more than 174,000 hours' worth of operations. We are using the freed-up time to hold study sessions that will help to improve employees' abilities and skills. This time is also

being used to explore additional operational improvement measures.

Furthermore, we began using generative AI internally in the fiscal year ended March 2024. The goal is to improve operational efficiency so that we can foster an environment in which employees can focus on more creative activities. We also expect to use generative AI in customer service operations. First, we are promoting the use of generative AI through activities such as ideathons\* and hands-on seminars, in order to instill its use in-house.

\* An ideathon is a term that combines the words "idea" and "marathon" to describe an event held to produce fresh ideas.

## • Expanding Smartphone Payments

In response to the growing demand for cashless payments, we began supporting compatibility with Apply Pay® in April 2022, and Google Pay™ in May 2022. Customers may now use ACOM credit cards by holding their smartphones over contactless payment terminals, instead of carrying their credit cards.

Furthermore, during the fiscal year ended March 2024, we released a function that enables customers to easily register their credit cards on their smartphones. Previously, customers had to complete procedures requiring more than 10 taps in the registration process, such as entering their card number, their name using the alphabet, and undergoing SMS verification. This registration process can now be completed with only three taps.



## • DRIVE Business Contest

To achieve our vision through creative and innovative management, and to build an organizational culture in which challenge is encouraged and mistakes are tolerated, at ACOM we began the DRIVE Business Contest in 2023 as a bottom-up contest.

The contest name DRIVE aims to inspire employees to drive their ambitions forward and reinvigorate ACOM Group's activities.

The first DRIVE contest was held in 2023. We accepted a wide range of submissions for this event, including measures that contribute to new businesses and the growth of existing businesses, as well as measures that contribute to ACOM Group's reform. Ten teams of applicants whose submissions passed the document screening process from among numerous submissions refined their submissions with support from external partners, before proceeding to the final judging session, which included a judging panel of officers including the president. During the final judging session, submissions were selected for the Grand Award, Excellence Award, and Special Award through a strict judging process. We plan to implement the projects selected for the Grand Award and Excellence Award, with a view to bringing each project to fruition.

Through the DRIVE Business Contest, we will continue to provide employees with opportunities to consider ACOM Group from a management-oriented, medium- to long-term perspective. We aim to foster a sense of ownership among employees so that we can build an organization that achieves creative and innovative management.



## Interview with Employees

### Reflections on Receiving the Grand Award in the DRIVE Business Contest

**Shuhei Egawa** Consolidation Team, Treasury Dept.  
**Akifumi Kinoshita** Treasury Dept.



#### Q Could you please tell us what made you want to submit your idea to the DRIVE Business Contest?

Under the rules of Japan's Banking Act, ACOM was previously limited to conducting only financial business. Following a 2021 amendment to the Banking Act, ACOM is now able to enter businesses other than financial services. We wanted to create a new business that everyone would be thrilled and excited about. Given that ACOM sometimes has a negative image in society as a result of our business in the consumer finance industry, we also wanted to dispel that image and transform ACOM into a company that people on the outside can fully accept. Based on these aspirations, we submitted our idea for a new business.

#### Q What were the best things about taking on this challenge?

Previously, we didn't have any opportunities to participate in formulating and proposing new businesses because we were engaged only in accounting and

tax-related work in our daily operations. For this reason, this business contest provided us with a fresh viewpoint, such as the opportunity to examine issues from perspectives that we had not previously considered. Moreover, we conducted interviews with employees and sought their input on operational matters during the process of considering new businesses. Nobody dismissed our ideas, and people gladly offered their advice. We were reminded of ACOM's collaborative corporate culture.

#### Q What are your aspirations for the future of the new business proposal you have submitted?

Given that we conducted market research and hypothesis verification over a short period of around three months prior to the business contest, we will need to perform more detailed market research and feasibility assessments to realize this project in the future. Based on the findings of those studies, we would like to properly determine whether we will be able to commercialize the project.

## Corporate Governance

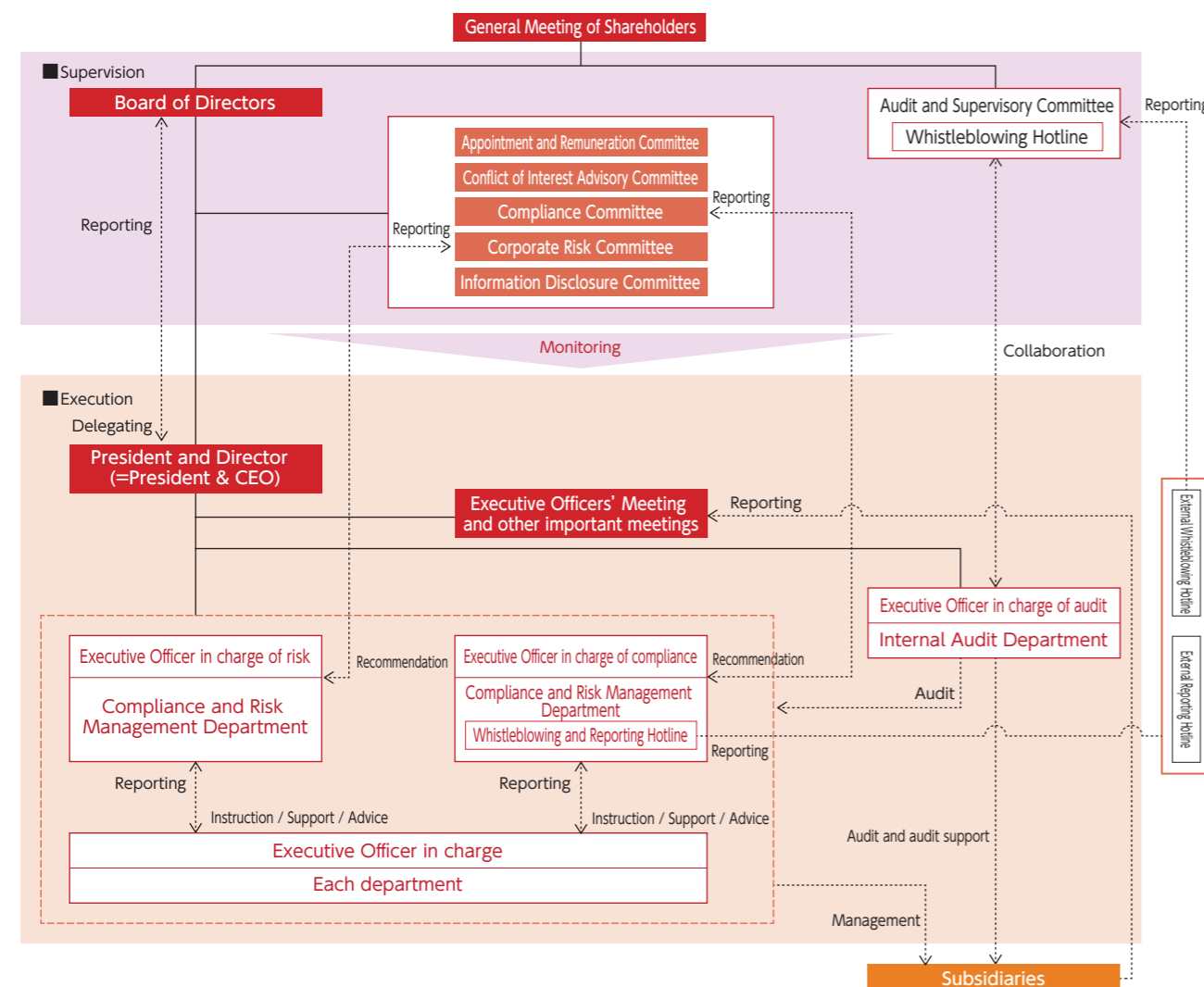
### Basic Approach

ACOM Group, guided by its founding spirit—the Circle of Trust, maintains an ongoing corporate philosophy, the spirit of human dignity, customers first, and creative and innovative management. Based on this commitment, we are seeking to deepen mutual trust between our stakeholders and ourselves and thus progress in partnership with society.

In order to meet the expectations of stakeholders and build stronger trust, we will strengthen corporate governance as a key management priority. To this end, we will take steps to enhance the soundness, transparency, and efficiency of our operations and

achieve sustained increases in our shareholder value. We recognize that effective internal control systems are essential to creating an appropriate corporate governance framework. Based on this recognition, we are encouraging all members of our organization to join forces in building internal control systems and assuring their effectiveness, under the leadership of the management. At the same time, we are constantly evaluating, verifying, and improving the effectiveness of internal control systems already in place.

### Corporate Governance Structure (As of June 28, 2024)



### The Board of Directors



Chair Masataka Kinoshita, President & CEO

Meeting frequency At least once every three months, in principle

Number of meetings in FY2023 12

#### Role

- ✓ The Board deliberates on and decides important business management matters, such as management strategies and business planning, and basic policies for building corporate governance and internal control systems, while ensuring objective and rational judgment.

- ✓ The Board delegates decision-making on matters related to the execution of business operations other than matters to be resolved at the Board of Directors to the President and Director, and monitors and supervises the execution of duties by thorough monitoring and other measures on delegated matters.

#### Main topics considered in FY2023

##### [Management strategies]

- ✓ Single-year management plan
- ✓ Revision of full-year business performance forecasts
- ✓ Interim and year-end dividends

##### [Business management]

- ✓ Basic policy on the creation of an internal control system
- ✓ Sophistication of risk management system

##### [Accounting and financial affairs]

- ✓ Financial statements
- ✓ Business reports

##### [Personnel]

- ✓ Selection of Directors' positions
- ✓ Directors' basic and performance-based remuneration as well as stock-based remuneration

### Audit and Supervisory Committee



Chair Toshihiko Yamashita, Director and Audit and Supervisory Committee Member (Outside Director)

Number of meetings in FY2023 15

#### Role

- ✓ Receives reports concerning important audit related matters, hold discussions, and pass resolutions

#### Key audit items

- ✓ Operation of Group governance structure
- ✓ Promotion of risk management structure and qualitative improvement measures
- ✓ Qualitative improvement measures for internal audits

- ✓ Response to legal violations, whistleblowing, unforeseen circumstances, and issues identified through internal audits
- ✓ Qualitative improvement measures for information disclosure
- ✓ Adequacy of loss on interest repayments and allowance for doubtful accounts

#### Key activities of Audit and Supervisory Committee Members

- ✓ Attendance at Board of Director meetings, committee meetings, and management-related meetings
- ✓ Exchange of opinions with Representative Directors, Directors, and Executive Officers
- ✓ Inspection of important approval documents, etc.
- ✓ Examination of operations and assets at head office, business sites, and subsidiaries based on audit plans

- ✓ Exchange of opinions with Representative Directors and Full-time Auditors at main subsidiaries
- ✓ Collaboration with Accounting Auditors, receipt of accounting audit reports, and exchange of opinions
- ✓ Collaboration with Internal Audit Department, receipt of internal audit reports, and exchange of opinions

### Committees

#### Appointment and Remuneration Committee



Chair Masataka Kinoshita, President & CEO

Meeting frequency 3 times per year, in principle

Number of meetings in FY2023 6

#### Role

- ✓ Reviews and proposes the appointment of candidates and remuneration for Directors (excluding Directors serving as Members of the Audit and Supervisory Committee) for resolution at the Board of Directors Meeting
- ✓ Checks the status of training for both management and management candidates, and provides the overview to the Board of Directors

#### Main topics considered in FY2023

- ✓ Director evaluations
- ✓ Director candidates and Representative Director candidates at subsidiaries
- ✓ Selection of Directors' positions

- ✓ Directors' basic and performance-based remuneration as well as stock-based remuneration
- ✓ Development of management team and management candidates

Legend ● Internal ● Outside ● Outside (female) ● Outside expert ● Non-Director

### Conflict of Interest Advisory Committee

**Chair** Toshihiko Yamashita, Director and Audit and Supervisory Committee Member (Outside Director)  
**Number of meetings in FY2023** 0

**Role**  
 ✓ Deliberates on material transactions, etc., where the interest of controlling shareholders conflicts with the interest of minority shareholders from the perspective of protecting the interests of minority shareholders, and makes recommendations to the Board of Directors, etc.

No meetings were held in the fiscal year ended March 2024 due to the fact that there were no material transactions, etc., where the interest of controlling shareholders conflicted with the interest of minority shareholders.

### Compliance Committee

**Chair** Michelle Tan, Director (Outside Director)  
**Meeting frequency** 4 times per year, in principle  
**Number of meetings in FY2023** 4

**Role**  
 ✓ Deliberates on compliance-related matters, and makes recommendations to the Board of Directors as necessary

**Key discussions at Compliance Committee**  
 ✓ Items related to formulation, revision or abolishment of ACOM Group Code of Ethics and Code of Conduct  
 ✓ Important items related to establishment and operation of compliance systems  
 ✓ Items related to formulation of basic plans  
 ✓ Items related to the correction of major compliance violations, actions for improvement and recurrence prevention measures  
 ✓ Important items related to other compliance issue

### Corporate Risk Committee

**Chair** Hiroshi Naruse, Deputy Chairman  
**Meeting frequency** Once every quarter, in principle  
**Number of meetings in FY2023** 5

**Role**  
 ✓ Discusses important items related to risk management and makes proposals and reports to the Board of Directors as deemed necessary  
 ✓ Monitors the status of risk management and other matters and reports the results to the Board of Directors

### Information Disclosure Committee

**Chair** Hiroshi Naruse, Deputy Chairman  
**Meeting frequency** Twice every quarter, in principle  
**Number of meetings in FY2023** 9

**Role**  
 ✓ To ensure accurate, timely and appropriate information disclosure, the Committee deliberates on matters such as statutory disclosure materials based on the Companies Act and Financial Instruments and Exchange Act, timely disclosure materials based on the Securities Listing Regulations, and matters related to the development of information disclosure systems.

### Executive Officers' Meeting and other important meetings

**Chair** Masataka Kinoshita, President & CEO  
**Meeting frequency** Three times a month, in principle

\* Audit and Supervisory Committee Members are permitted to attend the Executive Officers' Meeting and other important meetings, where they may express their opinions.

**Role**  
 ✓ In accordance with basic policies determined by the Board of Directors, discusses and makes decisions related to the execution of important business operations delegated by the Board of Directors to the President and Director  
 ✓ Deliberates on management policies and management plans in advance for resolution at the Board of Directors

### Director Appointment Process

At ACOM, to ensure that the Board of Directors can effectively fulfill its roles and responsibilities, we have outlined the Policy of the Composition of the Board of Directors as below.

In appointing Directors, in light of the management strategy and based on the Policy of the Composition of the Board of Directors, the Appointment and Remuneration Committee selects candidates, and resolutions are passed by the Board of Directors.

Candidates are appointed from among those who meet the following policies.

- In order to raise the effectiveness of management supervision, possess ample corporate management experience, a high level of knowledge, and advanced expertise.
- Be well-respected, of excellent character, and have high ethical standards.
- Be in good physical and mental health and able to perform their duties without any problems.
- Have never violated laws, regulations, or compliance standards (including harassment) or caused significant loss to the Company or any company or organization to which they have previously belonged.
- Have no ties to anti-social forces.

### Policy of the Composition of the Board of Directors

#### ● Balance of expertise, experience, and ability

The skills that our Directors should possess in particular are set out below, and we have established an appropriate balance of these skills overall.

Skill	Definition
Corporate Management and Planning	Either in-house (includes subsidiaries) or at another company, the individual has experience as a director or in the formulation and implementation of management strategies, and boasts a high level of relevant insight.
Business Management	The individual has experience in corporate governance or personnel management, and boasts a high level of relevant insight.
Execution of Business	The individual has experience in one of our core businesses—namely the Loan and Credit Card Business, the Guarantee Business, or the Overseas Financial Business—and boasts a high level of relevant insight.
System and Digital	The individual has experience with our system- and digital-related projects, and boasts a high level of relevant insight.
Finance and Accounting	The individual has experience in financial affairs and accounting and boasts a high level of relevant insight, or the individual is a certified public accountant and is well-versed in accounting with a high level of expertise.
Law, Compliance, and Risk Management	The individual has experience in corporate legal affairs, compliance, and risk management, and boasts a high level of relevant insight, or the individual is a qualified lawyer and is well-versed in law with a high level of expertise.

\* In principle, Directors who are Members of the Audit and Supervisory Committee will also have a wealth of knowledge in financial affairs and accounting, while Independent Outside Directors will have experience in management at other companies.

#### ● Diversity

The Board of Directors shall be comprised of a diverse range of individuals in terms of gender, international experience, professional background, and age, etc.

#### ● Scale

To speed up decision-making processes and to ensure effective mutual supervision of Director duties, the scale of the Board of Directors shall be relative to the range and size of the Company's business.

### Skills Matrix\*1

Name	Position	Age*2	Corporate Management and Planning	Business Management	Execution of Business	System and Digital	Finance and Accounting	Law, Compliance, and Risk Management	Member committees and attendance		
									Board of Directors	Appointment and Remuneration Committee	Audit and Supervisory Committee
Shigeyoshi Kinoshita	Chairman	75	●	●			●		12/12 (100%)	6/6 (100%)	
Hiroshi Naruse	Deputy Chairman	65	●			●		●	12/12 (100%)	6/6 (100%)	
Masataka Kinoshita	President & CEO	46	●		●	●			12/12 (100%)	6/6 (100%)	
Takashi Kiribuchi	Director and Deputy President	62	●			●	●		12/12 (100%)		
Tomomi Uchida	Senior Managing Director	62		●	●			●	12/12 (100%)		
Tadashi Yamamoto*3	Director	55	●	●				●	7/8 (87.5%)		
Michelle Tan*4	Director Independent Outside	62	●					●	—	—	—
Toshihiko Yamashita*3	Director, Member of the Audit and Supervisory Committee Independent Outside	68	●				●	●	8/8 (100%)	3/3 (100%)	11/11 (100%)
Akihiro Kiyooka*4	Director, Member of the Audit and Supervisory Committee	56	●				●	●	—	—	—
Takuji Akiyama	Director, Member of the Audit and Supervisory Committee Independent Outside	66		●			(Certified public accountant)	●	12/12 (100%)	6/6 (100%)	15/15 (100%)

\*1 The above is a list of up to three major skills marked that each director possesses. It does not represent all the skills that each director possesses.

\*2 The age shown above is as of the 47th Ordinary General Meeting of Shareholders (June 21, 2024).

\*3 Took office as director effective June 23, 2023.

\*4 Took office as director effective June 21, 2024.



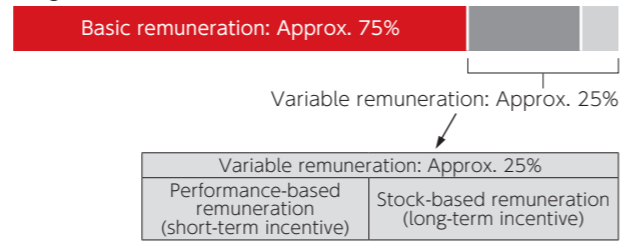
## Remuneration of Officers

Decision policies relating to the specifics of remuneration for individual Directors (excluding those who are Audit and Supervisory Committee Members) are decided by the Board of Directors. The benchmark for remuneration of Directors (excluding those who are Audit and Supervisory Committee Members) is the remuneration level at companies with the same business scale as the Company, and belonging to a related industry type or category, and the remuneration system is structured to adequately function as an incentive for continually improving corporate value. Remuneration for individual Directors is provided only monetarily. Remuneration for Representative Directors and Directors who serve concurrently as Executive Officers consists of basic remuneration, performance-based remuneration, and stock-based remuneration, while remuneration for other Directors consists only of basic remuneration. Basic remuneration is fixed remuneration paid every month, performance-based remuneration is variable remuneration paid once a year based on performance, and stock-based remuneration is variable remuneration paid upon retirement based on stock prices.

Regarding basic compensation for Directors (excluding those who are Audit and Supervisory Committee Members), the Appointment and Remuneration Committee reviews and proposes an amount suited to the Director's position and personal evaluation, etc., and a decision is made by the Board of Directors. For performance-based remuneration, the basic funds for distribution are calculated using profit attributable to owners of the parent as an index for comprehensively measuring the management performance, and then the Appointment and Remuneration Committee reviews and proposes an amount suited to the Director's position and personal evaluation, etc., and a decision is made by the Board of Directors. For stock-based remuneration, virtual stock is awarded annually and multiplied by the stock price three years later. In line with management conditions, the Appointment and Remuneration Committee discusses and proposes the amount of virtual stock, and the final decision is made by the Board of Directors.

The guideline for variable remuneration (performance-based and stock-based remuneration) as a percentage of total remuneration is roughly 25% (when performance-based remuneration and stock-based remuneration are the standard amount). Regarding the method of determining the amount of performance-based remuneration, the range of profit attributable to owners of the parent for the year which serves as the standard for basic funds for distribution is determined by the Appointment and Remuneration Committee while taking into account extraordinary income or losses and other special factors, and then the amount is determined by the Board of Directors by multiplying by a multiplier commensurate with the position specific distribution ratio and personal evaluation of the Director with the basic funds for distribution. Regarding the method of determining the amount of stock-based remuneration, the Appointment and Compensation Committee determines the number of virtual shares calculated based on the base amount set for each Director who concurrently serves as a Representative Director or an Executive Officer each year, and the Board of Directors decides on the allotment of those shares. The virtual shares are converted into points by multiplying them by the stock price three years later, and the points accumulated during the term of office are converted into a monetary amount and paid at the time of retirement.

Image



Also, a target for the performance-based remuneration index has not been set for the fiscal year ended March 2024, but in terms of track record, in the past there have been basic funds for distribution of 35 million yen for a range of 50-60 billion yen profit attributable to owners of the parent for the year serving as a basis.

Other specifics relating to remuneration of Directors are reviewed and proposed by the Appointment and Remuneration Committee, and decided by the Board of Directors. Also, the amounts of remuneration for Audit and Supervisory Committee Members are determined through discussion by the Audit and Supervisory Committee Members, taking into account the duties and responsibilities of Audit and Supervisory Committee Members.

The stock-based remuneration system (phantom stock) is intended to provide an incentive that will encourage management to demonstrate a healthy entrepreneurial spirit toward the Company's sustainable growth and improvement of its medium- to long-term corporate value, as well as to further promote value sharing with shareholders. The plan was decided upon at the Board of Directors meeting held on January 31, 2023, and began operation in June 2023.

The maximum limit on remuneration of Directors (excluding those who are Audit and Supervisory Committee Members) was resolved to be 400 million yen (not including salary for the employee portion) per year at the 40th General Meeting of Shareholders held on June 22, 2017, and the number of Directors (excluding those who were Audit and Supervisory Committee Members) at the conclusion of said General Meeting of Shareholders was six. Also, at that same General Meeting of Shareholders, the maximum limit on remuneration for Directors who are Audit and Supervisory Committee Members was resolved to be 100 million yen per year, and the number of Directors who were Audit and Supervisory Committee Members at the time of said General Meeting of Shareholders was four. As of March 31, 2024, the number of Directors was six (excluding Directors who were also Audit and Supervisory Committee Members), and the number of Directors who were also Audit and Supervisory Committee Members was three.

In deciding the individual remuneration for Directors for the fiscal year ended March 2024, the Appointment and Remuneration Committee conducts reviews and makes proposals based on factors such as the position and evaluation of the Director, within the scope of the remuneration limit approved at the General Meeting of Shareholders. A decision is then made by the Board of Directors while respecting the specifics of that proposal, and it is determined that the specifics follow the decision policy.

### Total amounts of remuneration of Directors

Category	Total amount of remuneration (million yen)	Total amount of remuneration by type (million yen)			Number of applicable officers
		Fixed remuneration	Performance-based remuneration	Non-monetary remuneration, etc.	
Directors (excluding Audit and Supervisory Committee Members and Outside Directors)	197	154	31	11	7
Audit and Supervisory Committee Members (excluding Outside Directors)	20	20	—	—	1
Outside officers	32	32	—	—	3
Total	250	207	31	11	11

## Training for Officers

We hold study sessions for officers in order to improve the skills of Directors and Executive Officers who are Director candidates and to improve the effectiveness of the Board of Directors. In the fiscal year ended March 2024, we held study sessions for officers on the following topics.

- ✓ Interest rates/monetary policy (once)
- ✓ Accounting standards (once)
- ✓ Cost of capital (once)
- ✓ DX (twice)
- ✓ Generative AI (twice)
- ✓ Marketing (once)
- ✓ Personnel strategy / human capital (twice)

## Evaluation of Effectiveness of Board of Directors

The Company distributes a questionnaire regarding the effectiveness of the Board of Directors to all Directors every year, and conducts analysis and evaluation on effectiveness of the Board of Directors based on the responses to the questionnaire. The Company addresses any issues identified based on responses to the questionnaire, and works to increase the effectiveness of the Board of Directors.

### Effectiveness Evaluation Process

1. Self-evaluation	Each Director responds to questionnaire
2. Overall evaluation	Board of Directors holds discussions about results of responses to questionnaire and issues identified
3. Disclosure of evaluation results	Disclose evaluation methodology and evaluation results in Corporate Governance Report

### Evaluation Results

The Company conducted the analysis and evaluation of the effectiveness of the Board of Directors this fiscal year. Consequently, the Company assessed that the Board of Directors fulfills each and all of its functions, including the formulation of management strategies and targets, resolving management challenges, supervising risk management and business executives. Thus, the Company concluded that the current Board of Directors functions sufficiently and is effective.

In addition, the Company finds that a certain amount of progress has been made in expanding useful information to deepen and revitalize discussions at the Board of Directors meetings, which was recognized as an issue in the previous year. However, the Company recognizes that it is necessary to continue to enhance the content of reports to strengthen the supervisory function and to enhance discussions to fulfill the functions of the Board of Directors.

Going forward, the Company operates the Board of Directors as described below, while the Company will regularly analyze and evaluate the effectiveness of the Board of Directors, and continue efforts to ensure enhanced effectiveness of the Board of Directors.

- (1) The Board of Directors will deliberate on and decide material business management matters, such as management strategies and business plans, while ensuring objective and rational decisions, and will also determine basic policies for corporate governance and building internal control systems, as it monitors and supervises the execution of business.
- (2) Material matters will be exhaustively selected as agenda items based on regulations for matters to be resolved at the Board of Directors meeting, as stipulated in the rules of the Board of Directors. The Board of Directors will discuss such selected material in timely and appropriate manner.
- (3) The Company will distribute materials to be used at Board of Directors meetings prior to the meeting, in order to ensure smooth and lively discussions. Explanations on the content will be provided in advance when deemed necessary.
- (4) The Board of Directors will receive periodic reports on the status of management, etc., and monitor the execution of business.

## IR Activities

We strive to have constructive dialogue with shareholders in order to contribute to the sustainable growth of the Company and the improvement of our medium- to long-term corporate value. Overseen by the Executive Officer in charge of the Finance Department, the Public & Investor Relations Office of the Finance Department cooperates daily with related departments to engage in dialogue with domestic and overseas investors through interim and fiscal year-end financial results briefings, domestic conferences, overseas IR roadshows, and individual interviews. Investor concerns and opinions obtained through dialogue are fed back to the Board of Directors and used to improve future corporate management and information disclosure.

### Status of IR Implementation in FY2023

Number of Dialogue with shareholders / investors	181
Number of briefings for institutional investors	6 (including for overseas investors)
Number of briefings for individual investors	3

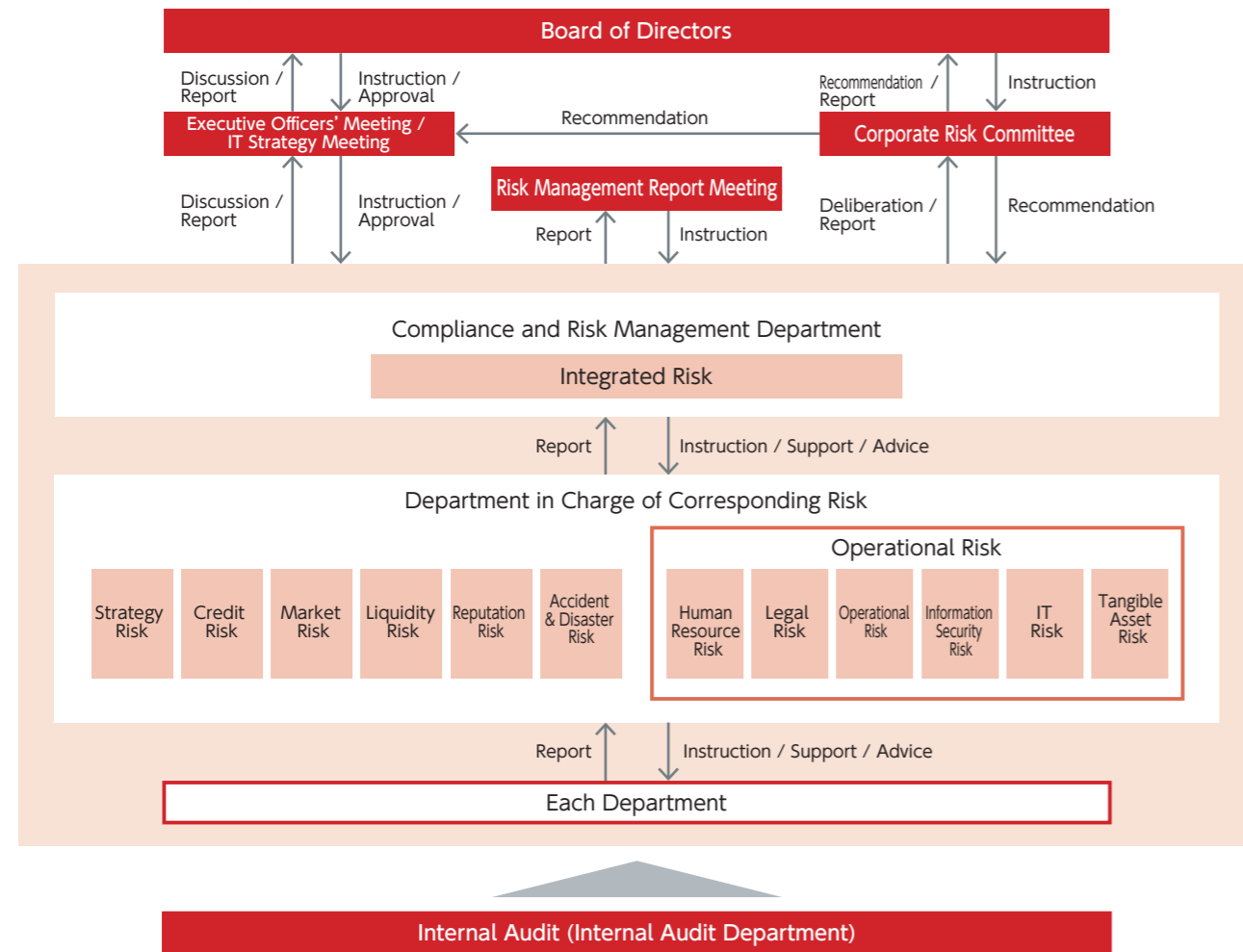


## Risk Management

### Risk Management System

The risks to be managed are becoming more complex and diverse as the management environment surrounding the Company changes. In this context, we are aware that one of our most vital management tasks is to build and reinforce a risk management system to fully recognize risks and make sure that management soundness is maintained, together with stable profitability, and growth potential. Our departments and sections in charge identify, evaluate, and control all the risks that are identified in the Risk Management Regulations as requiring management. Also, our Compliance and Risk Management Department provides integrated management of risks. Risk management activities in business execution are discussed and reported at Risk Management Report Meetings. The Corporate Risk Committee examines important matters concerning risk, monitors the risk management situation, and reports results and advice to the Board of Directors.

[Risk Management System Structure]



### Current Management Environment and Top Risks

We determine the severity of a risk scenario based on its probability and potential impact on our operations. Risks which are perceived by management to have the potential to exert a major impact on our business in our management environment, now and in the future, are picked as top risks. For these, we assess the elevation of risk levels, warning signs, and the like, and devise appropriate countermeasures to suppress or otherwise respond to risks.

We have constructed a system to respond swiftly when a risk emerges. In each term, the Corporate Risk Committee examines top risks, ahead of a resolution in the Executive Officers' Meeting.

#### [Examples of Our Business Environment]

- Entry and ascendance of entities from other sectors
- Increasingly sophisticated cyberattacks
- Rise in market interest rates

#### [Top Risks]

Risk event	Risk scenario	Risk countermeasure (Example)
Decline in business earnings	<ul style="list-style-type: none"> <li>• Declining earnings in the Loan and Credit Card Business, the Guarantee Business, or the Overseas Financial Business</li> <li>• Loss of competitive advantage due to the inability to provide customers with IT services that meet their needs</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement of product and service functions</li> <li>• Regularly manage and analyze business revenue compared to the plan, and make reports, including on the countermeasures, to the Risk Management Report Meeting and Corporate Risk Committee, etc.</li> </ul>
Increase in credit expenses	<ul style="list-style-type: none"> <li>• Increase in expenses relating to doubtful accounts in the Loan and Credit Card Business, the Guarantee Business, or the Overseas Financial Business</li> </ul>	<ul style="list-style-type: none"> <li>• Implement regular monitoring of customers' creditworthiness</li> </ul>
Situations which have impacts due to external factors	<ul style="list-style-type: none"> <li>• The occurrence of situations which have major impacts on the conduct of business, such as infectious diseases, natural disasters, and terrorism</li> </ul>	<ul style="list-style-type: none"> <li>• Establish a business continuity plan, and build a backup system, such as for call centers and mission critical systems</li> <li>• Secure the appropriate number of disaster stockpiles, and regularly implement training and drills, etc.</li> </ul>
IT risks	<ul style="list-style-type: none"> <li>• The occurrence of situations which can impact business continuity due to delays in the planning and development of key system projects</li> <li>• Customer information leakage and customer service stoppage due to cyberattack</li> <li>• The occurrence of situations which have major impacts on customer transactions, due to system failures</li> </ul>	<ul style="list-style-type: none"> <li>• Monitor in terms of system planning, development, and operation</li> <li>• Reallocate resources, establish systems and procedures in preparation for unforeseen situations, and address drills, etc.</li> </ul>
Increase in interest repayments	<ul style="list-style-type: none"> <li>• Transfers to the provision for loss on interest repayment due to higher than anticipated interest repayments</li> </ul>	<ul style="list-style-type: none"> <li>• Regarding loss on interest repayment, establish reference values for each quarter ahead of time, and manage as well as report on the gap between the actual loss on interest repayment and the reference values</li> </ul>
Conduct risks	<ul style="list-style-type: none"> <li>• Situations which have major impacts on stakeholders, from perspectives such as consumer protection and maintaining the soundness of markets</li> </ul>	<ul style="list-style-type: none"> <li>• Consumer awareness-raising activities for the purpose of customer protection, etc., stricter credit administration, and transaction monitoring</li> </ul>
Procurement of funds	<ul style="list-style-type: none"> <li>• Deterioration in financing due to rising market interest rates, worsening of financial situation due to decline in results, rating downgrades, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• After securing a certain amount of on-hand liquidity, fix financing interest rates, maintain long- and short-term financing ratios, level loan repayments, and diversify our financing methods</li> </ul>
Personnel shortages	<ul style="list-style-type: none"> <li>• Loss of competitive advantage due to personnel shortages</li> </ul>	<ul style="list-style-type: none"> <li>• Various personnel systems such as raising base salaries and introducing secondary and concurrent jobs, and enhanced employee benefits</li> <li>• Efforts to spread an understanding of the vision, and improve training systems such as selective training and digital talent development programs</li> <li>• Securing talented and promising personnel through new graduate and mid-career recruitment activities</li> </ul>

For details, please refer to the securities report.  
<https://pdf.irpocket.com/C8572/EyBn/gMC0/tBZL.pdf>

## Compliance Activities

The Company regards compliance as one of its most important management issues. The creation of "ACOM's Ethical Code for Business" (currently ACOM Group Code of Ethics and Code of Conduct) in 1998, established the Company as a forerunner in the industry and it has continued to focus on building and maintaining a robust compliance system.

### • Compliance System

The Compliance and Risk Management Department supervises compliance throughout the Company. The Compliance and Risk Management Department is in charge of the following: developing, reviewing, and following up on implementation plans related to compliance with relevant laws and regulations; establishing, updating, and disseminating our Compliance Handbook which summarizes laws and regulations employees must abide by; raising awareness by conducting various training courses; and responding to reports of information and inquiries made to the Ethics Hotline by executives and employees.

Additionally, Compliance Offices established within the Credit Business Promotion Division and the Credit Supervision Division collaborate with the Compliance Department in implementing a compliance system that allows for more on-site, task-focused compliance.

Furthermore, our Compliance Committee, which consists mainly of experts from outside the Company, operates according to a framework for deliberation of matters important for establishing and strengthening compliance. In this way, the Committee strives to ensure that the compliance system is effective.

As outlined above, The Company is engaged in a

continuous challenge to strengthen the structure of its corporate culture of compliance, as well as improve every employee's awareness.

### • Ethics Hotline (Whistleblowing)

The Company has established an Ethics Hotline as a contact point for executives and employees to report information regarding compliance violations or possible violation. The Ethics Hotline aims to prevent scandals and minimize the impact and damage caused by them through early detection of internal problems regarding compliance and appropriate corrective measures. The Ethics Hotline strictly prohibits acts of retaliation, as well as searching for and identifying anyone who has reported information or made an inquiry to the Hotline. Any information received is managed with strict security. We are working to improve the usefulness and reliability of the entire whistleblowing system, including the Ethics Hotline, so that it is easier for executives and employees to use.

### • Action to Strengthen Financial Crime Countermeasures

There are demands for financial institutions to adopt even more sophisticated countermeasures against money laundering and terrorist financing amid the increasing threat of organized crime, terrorism, etc., in the international community.

In order to respond to the current situation, The Company established a new Financial Crime Prevention Office in April 2019 that aims to construct a system to prevent our products and services from being used for illegal activities involving money laundering or financing of terrorists.

## Message from the Chair of the Compliance Committee

**Michelle Tan**, Director (Outside Director)

Michelle Tan was born in Australia and came to Japan in 1985. After working as a professor at Tezukayama University, Tan took on her current roles as chairman of the Japan Consumer Network and Director of the Ethical Business Research Institute. She became a Director at ACOM on June 21, 2024. Tan specializes in consumer policy and consumer protection.



The fiscal year ending March 2025 will be the final year of the Medium-term Management Plan. In the Medium-term Management Plan, the Company has promoted various activities with the key theme of fostering a compliance culture—that is, to ensure that behavior in line with ACOM Group Code of Ethics and Code of Conduct is the norm. The fiscal year ending March 2025 will be a year in which the achievements of this will be tested.

In the fiscal year ended March 2024, we focused on integrity training to develop compliance-oriented personnel who always do the right thing, harassment prevention training to realize a harassment-free workplace with good communication, and activities to prevent consumers from falling victim to financial crimes to protect consumers from crimes such as financial fraud. The Committee has improved the quality of these activities by fully understanding the

situation, such as by conducting detailed hearings on these activities, and providing appropriate advice and recommendations.

In the fiscal year ending March 2025, we will steadily carry out these activities and realize a harassment-free workplace and prevent any corporate misconduct by nurturing compliance-oriented personnel. In addition, preventing people from becoming a victim of financial crimes is the social responsibility of the entire consumer finance industry. As a leader in the industry, we will steadfastly fulfill this responsibility.

The Compliance Committee will continue to provide even more effective and useful advice and recommendations from the perspective of laws, business ethics, and consumers, and work to foster a compliance culture.

## Using an Advanced Governance System to Continue to Support Society in the Future with Consumer Finance Services



**Hiroshi Naruse**  
Deputy Chairman

**Toshihiko Yamashita**  
Director (Outside)  
Full-time Member of the Audit and Supervisory Committee

## What impressions do you have of ACOM Group's business?

**Naruse:** It is easy to think of commercial banks, trust banks, securities firms, and insurance companies as companies that fulfill financial functions, but what is not widely known is that adding consumer finance companies to this group actually brings together the financial functions in society in an effective way. ACOM Group's vision for customers is to respond to the customer's desire of "what they want" and "the services they would like to get" with speed and always putting the customers first in Japan and overseas." I think it is extremely important for us as a consumer finance company to understand this as our role and strive to realize it.

Also, thanks to the effect of TV commercials and other exposure, ACOM has good name recognition, but the fact that ACOM Group is an important player in consumer finance is surprisingly not well known. In fact, it seems that in Japan, the very function of consumer finance is not well understood. The next action that ACOM Group, which already has a high level of name recognition, should take is to ensure that a wide range of stakeholders correctly understand that ACOM Group is an important player in the consumer finance function that is indispensable to Japan.

**Yamashita:** It has been one year since I took office as an Outside Director of ACOM. As Deputy Chairman Naruse just spoke about, until a year ago, I knew the name ACOM, but I did not fully understand what kind of

business consumer finance companies specifically engage in. Of course, now I recognize that ACOM is an indispensable presence in driving the Japanese economy, providing necessary financial services quickly to people who need funds based on advanced screening capabilities. Through my experience over the past year, I feel that ACOM is worthy of being a leading company in the industry and that ACOM Group's corporate culture cultivated over its long history is wonderful. In the field of personal finance, the frequent occurrence of financial fraud has become a serious societal issue in recent years. However, at ACOM, the corporate philosophy of putting the customers first is ingrained in each employee who works with customers on the front lines, and I learned that it is not uncommon for them to notice the possibility of financial fraud in conversations with customers as a matter of course, and to prevent fraud victimization before it occurs by providing appropriate advice. Of course, the Company also recognizes and commends employees who take such actions, but even though it is a financial company, ACOM does not simply meet the financial needs of customers, but always prioritizes what is best for the customer. This has led to a corporate culture that values the idea of not lending money to people if it is not in their best interest based on ACOM Group Code of Ethics and Code of Conduct, and I found this to be a

very positive thing.

## What are the distinctive characteristics of ACOM Group's corporate governance system?

**Yamashita:** Seven years ago, ACOM transitioned to a company with an Audit and Supervisory Committee from a company with a board of corporate auditors, and with the earnest efforts that have been made since then, I believe that a robust governance system has already been established. In addition, various measures have been undertaken with an awareness of the Corporate Governance Code, which is soft law. I am both a Director and an Audit and Supervisory Committee Member, and I believe that the Audit and Supervisory Committee, as well as other committees, are being run very appropriately. However, I am a little concerned about the balance between "defense" and "offense" with respect to governance. The Company is very conscious of so-called "defensive governance," but I think it is important to think more about striking a balance between the two in order to convince stakeholders of the future growth that is unique to ACOM Group.

Internally, we often discuss Group governance, including overseas subsidiaries, but I am not too worried about this. I believe that ACOM Group's excellent business operations and corporate culture, including the corporate philosophy, which have been cultivated up until now, apply worldwide by carefully translating them into local terms and applying them to overseas markets.

**Naruse:** Looking at the overall trends in society, companies are being asked to strengthen the supervisory function of the board of directors and to separate supervision and execution. Amid this trend, it seems necessary to explain ACOM's governance system,

in which the Company President & CEO, who is the head of execution, serves as Chairman of the Board of Directors, to people outside the Company. Personally, I think that the fact that the President & CEO of ACOM Group, who knows the various historical circumstances, has supervisory authority as Chairman of the Board of Directors, actually leads to fulfilling the governance function at a high level. It is generally believed that companies should adopt a Western-style monitoring model where the supervisory function strongly influences the executive function, but in the case of ACOM Group, as with many other Japanese companies, I believe it is appropriate for the executive function to influence the supervisory function. If ACOM Group were to be influenced by societal trends and force itself to shift to a Western-style governance system, I believe that it may actually become more difficult for the supervisory function to work properly.

I serve as the Chair of the Information Disclosure Committee and the Risk Committee, and both of these committees comprise members with a wide range of expertise, so we always have very lively discussions. There is also a very high level of compliance awareness, and in 2007 we established a Compliance Committee made up of experts from outside the Company. I believe that one of the distinctive features of ACOM Group's governance system is its deeply-rooted philosophy of engaging in thorough discussions rather than just ending meetings with a pre-established harmony.

## How do you assess the effectiveness of the Board of Directors?

**Yamashita:** I feel that it has always been easy to speak up and share one's opinion at Board of Directors



meetings. President and Chairman of the Board, Masataka Kinoshita, is always trying to find ways to encourage Directors to speak up during the decision-making process. ACOM Group's Code of Conduct states that all members of the Group should listen to all opinions without interrupting others, and this is strictly adhered to as a golden rule in all meetings, including the Executive Officers' Meeting. The Board of Directors Meeting is no exception, and I believe that the fact that each Director's opinions are communicated without interruption leads to high-quality discussions. Generally speaking, at Japanese companies' board meetings there is a tendency for directors on the executive side to press the accelerator hard on business-related agenda items. If such a situation arises, my role as Outside Director is to appropriately reflect the opinions of minority shareholders and other stakeholders into the Board of Directors meeting from a position independent

from the Company's senior management team and controlling shareholders, and to be conscious of taking a somewhat detached perspective on things and, if necessary, make statements that serve to restrain the Company from simply thrusting forward unidirectionally.

The effectiveness of the Board of Directors' Meeting is monitored each year by having Directors respond to a questionnaire. I myself make various suggestions without any bias, and I believe that my suggestions are carefully considered and improvements are being made.

Furthermore, ACOM Group is making progress in its digital transformation (DX) efforts, with an increase in transactions being made via smartphones. Many of the people making these transactions are young people. It is important for the Board of Directors to hear the honest opinions of these young people, and I believe that creating a system whereby such information can be continuously delivered directly to the Board of Directors will lead to deeper discussions.

**Naruse:** As Chairman of the Board of Directors, President & CEO Masataka Kinoshita has demonstrated his abilities in both facilitation and communication, and he leads the Board of Directors with very strong leadership. I believe that his skills have increased the effectiveness of the Board of Directors and contributed to improving corporate value. As Director Yamashita mentioned, it is clear that is working hard to encourage all Directors to speak up.

It is important for the Board of Directors to possess



diversity. Precisely because we live in an age of increasing uncertainty, it is essential that each Director looks at an issue from various angles, drawing on their own knowledge and experience, speaks out from their own position, and evaluates individual matters only after a variety of opinions have been expressed. Directors should aim to make comments that will provide fresh insight to those who are making proposals, for example by expressing their own concerns or proposing alternative options. From June 2024, we will have a female Director who is a foreign national on the Board, and I am pleased to see the growing diversity of the Board of Directors.

## What kinds of role should play as ACOM looks to the future?

**Yamashita:** With Japan's economic growth slowing, I sometimes worry about what Japan will be like 30 years from now. At the very least, it is unlikely that the economic boom experienced during the bubble era will be repeated. I think that going forward, Japan needs to become a country that can realize growth firmly within Japan, rather than relying on growth overseas. When the yen was appreciating, there was a lot of movement to relocate production bases overseas, but if the yen is weak like it currently is, we may see an era in which the economy can once again be driven domestically and achieve growth. If such an era arrives, I believe that ACOM Group, a financial company that supports personal consumption and finance, will also enjoy significant business opportunities.

I feel that there is a lot that ACOM Group can do as an extension of current business. I hope that you will think about how ACOM Group, and how you yourself, can contribute to Japan's future, Japan's economic growth, and the enrichment of people's lives, and envision a bright future.

**Naruse:** I agree. The consumer finance function that ACOM Group fulfills can be described as a lubricant for Japan's growth and its economy. I believe that the function of driving the economy through consumption

will become increasingly important going forward. Based on our corporate philosophy, we have been playing a role in contributing to the realization of enjoyable and fulfilling personal lives and the improvement of lifestyle and culture, and this will not change in the future.

ACOM Group has established a subsidiary, GeNiE Inc., and is entering the new field of embedded finance. In addition, as digitalization progresses, we are actively making upfront investments to develop various services.

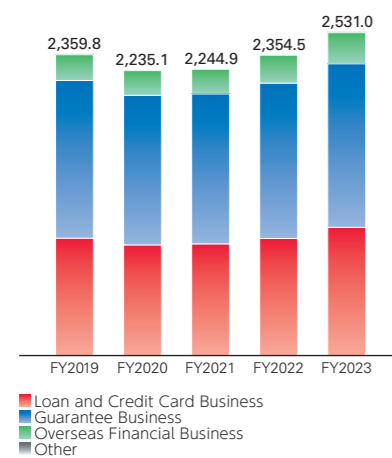
We are not just developing businesses for the future. As the leader in the industry, we are also focusing on financial education and working to increase the presence of the entire financial industry. In addition, we are also engaged in wonderful cultural activities that are not directly related to our business activities, such as the "Challenge What You Want to Start," which shines a light on and supports people who are trying to start something new.

The coming era will bring about a society that we cannot even imagine today, and we may encounter new business opportunities. I would like to see ACOM Group continue to provide consumer-oriented services and products with its innovative management and development capabilities, and continue to support society even amid changing times.

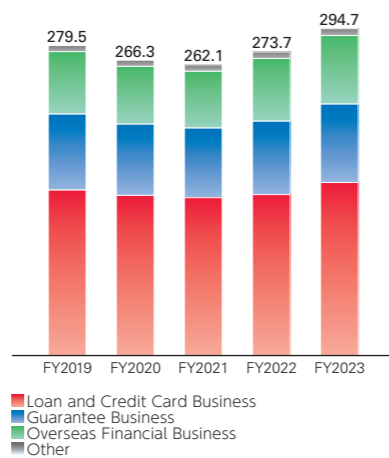


# Financial Highlights / Non-financial Highlights

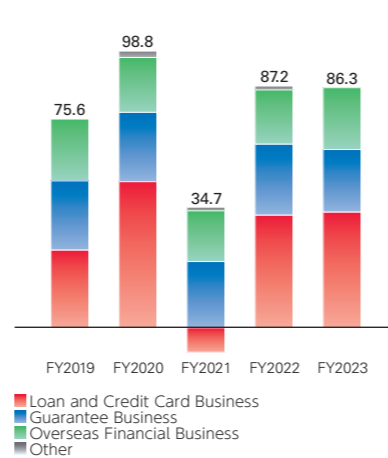
**Receivables Outstanding**  
(Billions of yen)



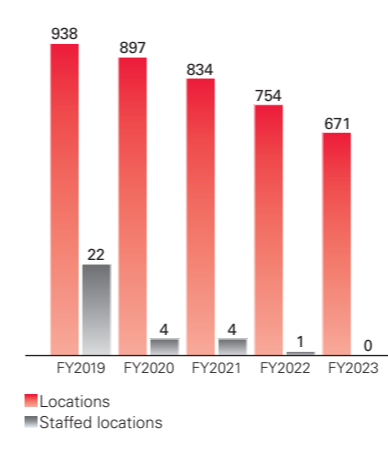
**Operating Revenue**  
(Billions of yen)



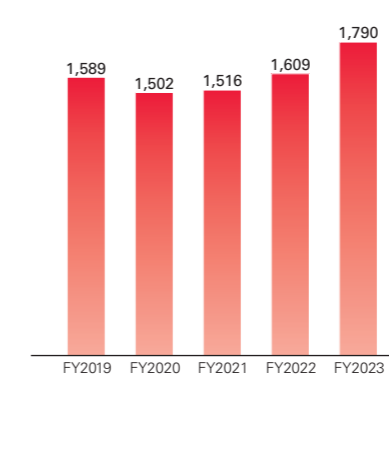
**Operating Profit**  
(Billions of yen)



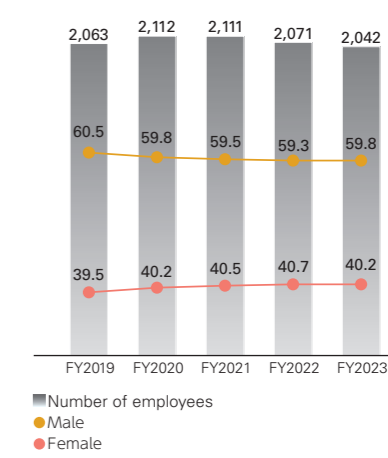
**Loan Business Locations**  
(Locations)



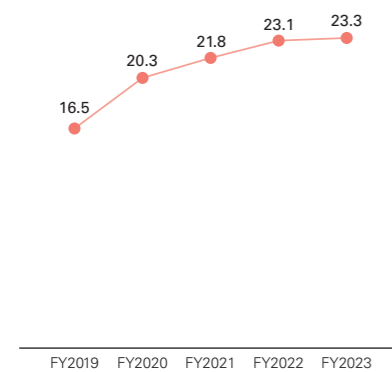
**Loan Business Customers**  
(Thousands of customers)



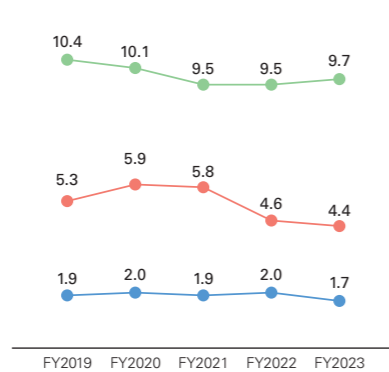
**Number of Employees**  
(Ratio of Male and Female Employees)  
(Persons)



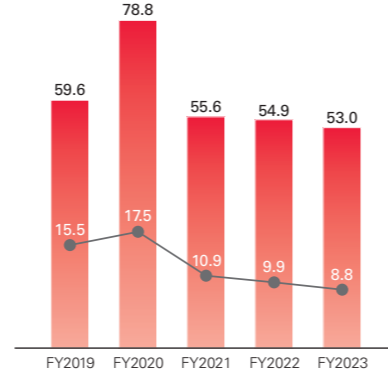
**Shareholders' Equity Ratio**  
(includes guaranteed receivables in total assets)  
(%)



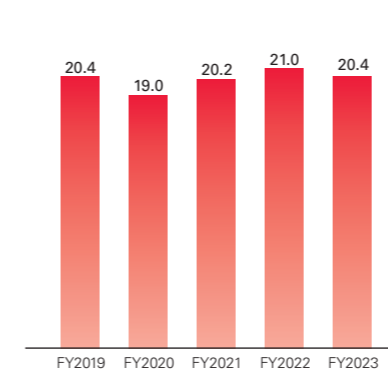
**Operating Profit to Receivables Outstanding (ROA)**  
(%)



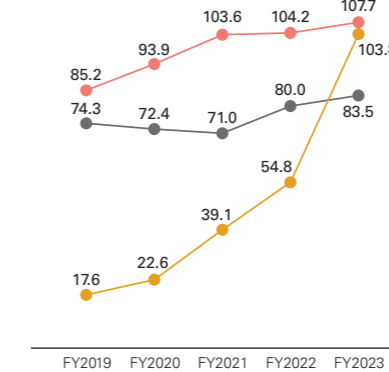
**Profit Attributable to Owners of Parent / ROE**  
(Billions of yen) (%)



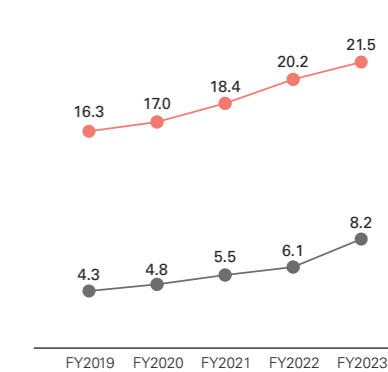
**Average Overtime Working Hours**  
(Hours)



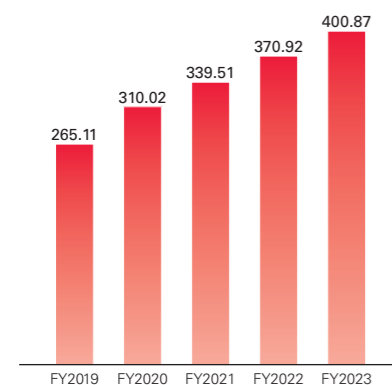
**Rate of Annual Paid Leave Taken / Rate of Childcare Leave**  
(Male and Female)  
(%)



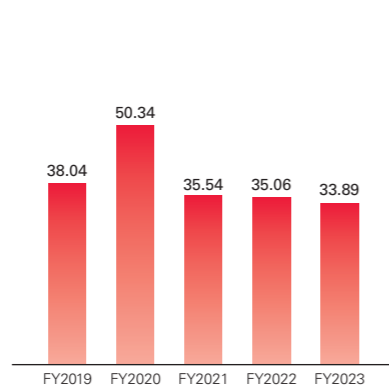
**Ratio of Female Managers above Assistant Manager / Ratio of Female Employees in Managerial Positions\***  
(%)



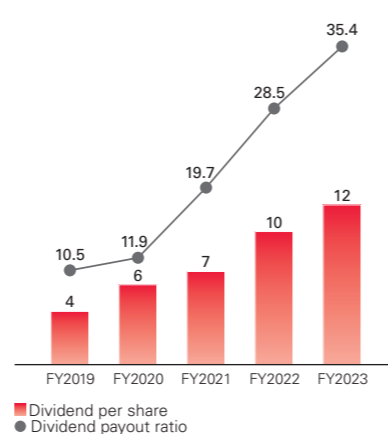
**Book-value per Share (BPS)**  
(Yen)



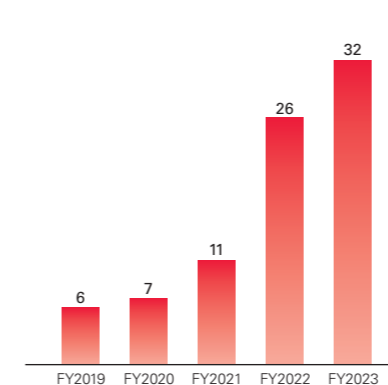
**Earnings per Share (EPS)**  
(Yen)



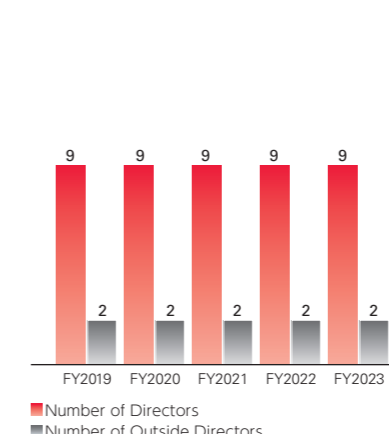
**Dividend per Share / Dividend Payout Ratio**  
(Yen, %)



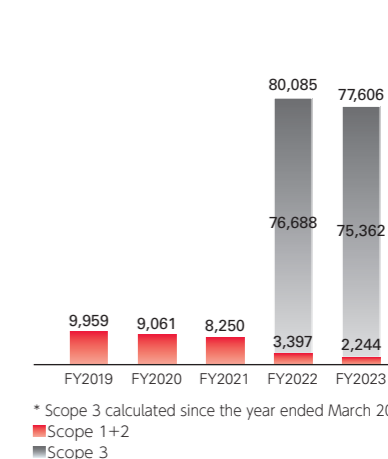
**Number of Financial Education Activities**  
(Times)



**Directors / Outside Directors**  
(Persons)



**CO<sub>2</sub> Emissions (Scope 1, 2 and 3)**  
(t-CO<sub>2</sub>)



# Key Financial Data for Eleven Years

(Millions of yen, %)

	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
<b>Consolidated Business Performance Summary</b>											
Operating revenue	202,240	219,289	237,683	245,148	263,453	277,069	279,510	266,316	262,155	273,793	<b>294,730</b>
Operating expenses	187,906	205,215	222,166	315,315	182,511	219,461	203,873	167,419	227,376	186,506	<b>208,383</b>
Operating profit	14,333	14,073	15,516	-70,166	80,942	57,607	75,636	98,896	34,779	87,287	<b>86,347</b>
Loan and Credit Card Business	-3,323	-8,364	-11,841	-93,373	46,864	11,804	28,056	52,725	-8,879	40,686	<b>41,771</b>
Guarantee Business	7,605	11,125	14,466	9,614	17,808	25,241	25,000	25,041	23,991	25,643	<b>22,673</b>
Overseas Financial Business	9,411	10,156	11,138	12,640	15,478	19,802	22,394	19,879	18,347	19,681	<b>22,374</b>
Profit attributable to owners of parent	10,632	12,864	14,598	-72,187	70,572	37,781	59,600	78,864	55,678	54,926	<b>53,091</b>
Ratio of net income to operating revenue	5.3	5.9	6.1	-29.4	26.8	13.6	21.3	29.6	21.2	20.1	<b>18.0</b>
Net cash provided by operating activities	-29,135	-38,249	-43,045	-37,451	-32,634	7,329	19,698	113,179	46,089	-1,318	<b>-36,759</b>
Net cash provided by investing activities	-9,342	-5,155	-2,368	-2,858	-1,711	-1,165	6,214	-4,566	-4,032	-2,692	<b>-6,178</b>
Net cash provided by financing activities	-21,392	13,503	6,589	58,863	21,259	-12,573	-24,339	-108,786	-50,162	-12,933	<b>57,163</b>
<b>Consolidated Balance Sheet Summary</b>											
Total assets	1,155,203	1,190,368	1,175,063	1,228,930	1,275,957	1,301,908	1,282,389	1,219,109	1,263,296	1,297,316	<b>1,417,403</b>
Net assets	306,726	328,315	338,132	267,226	344,437	381,501	442,496	515,128	563,963	619,837	<b>674,175</b>
Loan and Credit Card Business receivables outstanding	743,473	768,735	794,982	822,916	855,811	885,081	915,883	862,839	871,118	914,533	<b>1,001,325</b>
Guaranteed receivables	752,185	861,212	987,508	1,129,773	1,199,644	1,212,255	1,233,228	1,170,094	1,173,059	1,212,883	<b>1,278,261</b>
Overseas Financial Business receivables outstanding	163,427	195,472	192,068	191,845	221,107	227,387	201,524	193,709	192,784	219,473	<b>243,277</b>
<b>Financial Indices, etc.</b>											
Shareholders' equity ratio (includes guaranteed receivables in total assets)	15.4	15.2	15.0	10.6	13.0	14.2	16.5	20.3	21.8	23.1	<b>23.3</b>
Dividend per share (yen)	—	—	—	—	1	2	4	6	7	10	<b>12</b>
Dividend payout ratio	—	—	—	—	2.2	8.3	10.5	11.9	19.7	28.5	<b>35.4</b>
Book-value per share (BPS) (yen)	187.92	199.53	206.42	159.58	206.12	227.35	265.11	310.02	339.51	370.92	<b>400.87</b>
Earnings per share (EPS) (yen)	6.79	8.21	9.32	-46.08	45.05	24.12	38.04	50.34	35.54	35.06	<b>33.89</b>
Return on equity (ROE)	3.7	4.2	4.6	-25.2	24.6	11.1	15.5	17.5	10.9	9.9	<b>8.8</b>
Return on assets (ROA)	0.9	1.1	1.2	-6.0	5.6	2.9	4.6	6.3	4.5	4.3	<b>3.9</b>
Loan and Credit Card Business	-0.5% (5.7%)	-1.1% (5.5%)	-1.5% (5.7%)	-11.5% (6.2%)	5.6% (5.6%)	1.4% (5.9%)	3.1% (5.3%)	5.9% (5.9%)	-1.0% (5.8%)	4.6% (4.6%)	<b>4.4%</b> <b>(4.4%)</b>
Guarantee Business	1.1%	1.3%	1.5%	0.9%	1.5%	2.0%	1.9%	2.0%	1.9%	2.0%	<b>1.7%</b>
Overseas Financial Business	6.3%	5.7%	5.7%	6.6%	7.5%	8.8%	10.4%	10.1%	9.5%	9.5%	<b>9.7%</b>
Price book-value ratio (PBR)	1.76	2.09	2.75	2.79	2.30	1.74	1.66	1.66	0.94	0.86	<b>1.00</b>
Price earnings ratio (PER)	48.60	50.79	60.84	-9.66	10.52	16.38	11.54	10.23	8.98	9.10	<b>11.89</b>
<b>Non-financial Indices (Non-consolidated)</b>											
Number of employees	1,748	1,851	1,892	1,854	1,936	2,020	2,063	2,112	2,111	2,071	<b>2,042</b>
Ratio of female employees	31.4	33.3	35.8	35.7	38.7	39.2	39.5	40.2	40.5	40.7	<b>40.2</b>
Ratio of female managers above Assistant Manager	9.9	10.4	11.3	12.1	13.8	15.1	16.3	17.0	18.4	20.2	<b>21.5</b>
Average length of service	15.3	15.0	14.8	15.2	14.9	14.4	14.8	14.8	15.0	15.3	<b>15.5</b>
Voluntary retirement ratio	—	—	—	—	—	3.6	3.0	2.9	3.0	3.5	<b>3.3</b>
Percentage of employees with disabilities	1.91	2.11	2.14	2.52	2.39	2.37	2.27	2.33	2.35	2.65	<b>2.65</b>
Number of concertgoers to ACOM Miru Concert Monogatari	9,173	9,765	11,042	10,771	8,839	9,611	9,519	—	930	7,357	<b>8,017</b>
Number of participants in financial education classes	500	750	900	950	950	800	1,420	588	663	1,757	<b>2,263</b>
Number of participants in blood drives	58	199	253	428	463	371	305	102	392	473	<b>503</b>
Crude oil equivalent of energy use (total)	7,972	7,383	7,130	6,883	6,359	5,731	5,097	4,807	4,457	4,440	<b>3,360</b>

(Notes)

1. As of October 1, 2013, the Company executed a stock split where each share of its common stock was split into 10 shares. In association therewith, "Book-value per share" and "Earnings per share" were calculated supposing that the stock split was conducted at the beginning of the fiscal year ended March 2013.

2. Numbers in parentheses below "Return on assets" for the Loan and Credit Card Business indicate return on operating receivables (not including loss on interest repayment).

3. ACOM has applied the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018), etc., from the beginning of the beginning of the fiscal year ended March 2019. Accordingly, the figures in the balance sheet for the fiscal year ended March 2018 are after retrospective application of the relevant accounting standards.

4. Based on the Act on Rationalizing Energy Use and Shifting to Non-fossil Energy (Act on the Rational Use of Energy), ACOM compiled annual use of fuel, heat, and electricity and multiply the amounts by a conversion factor to calculate the calorific value in gigajoules (GJ). The Company totaled the calculated calorific value (GJ) and multiplied the total use calorific value by 0.0258 (crude oil equivalent factor) to calculate the amount of energy used in one year (crude oil equivalent).

# Company Information

## Outline of ACOM (As of March 31, 2024)

Company name	ACOM CO., LTD.
Head office	Tokyo Shiodome Building 1-9-1 Higashi-Shinbashi, Minato-ku, Tokyo
Established	April 2, 1936
Incorporated	October 23, 1978
Paid-in capital	63,832,520,000 yen
Number of employees	2,042 (non-consolidated), 5,404 (consolidated)
Business outline	Loan and Credit Card Business Guarantee Business Overseas Financial Business
Main financing bank	MUFG Bank, Ltd.

Affiliated associations Japan Financial Services Association  
Japan Consumer Credit Association  
Japan Business Federation (Keidanren)

Website More information about our company can be found on our website.



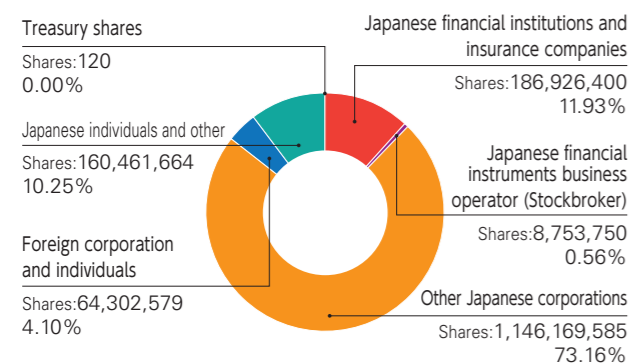
ACOM Corporate Profile <https://www.acom.co.jp/corp/english/>

## Stock Overview (As of March 31, 2024)

### Status of Shares

Number of shares authorized	5,321,974,000
Number of shares issued	1,566,614,098
Number of shareholders	16,539
Stock Exchange Listings	Tokyo Stock Exchange (Standard Market)
Stock code:	8572

### Ownership and Distribution of Our Shares by Category of Shareholders



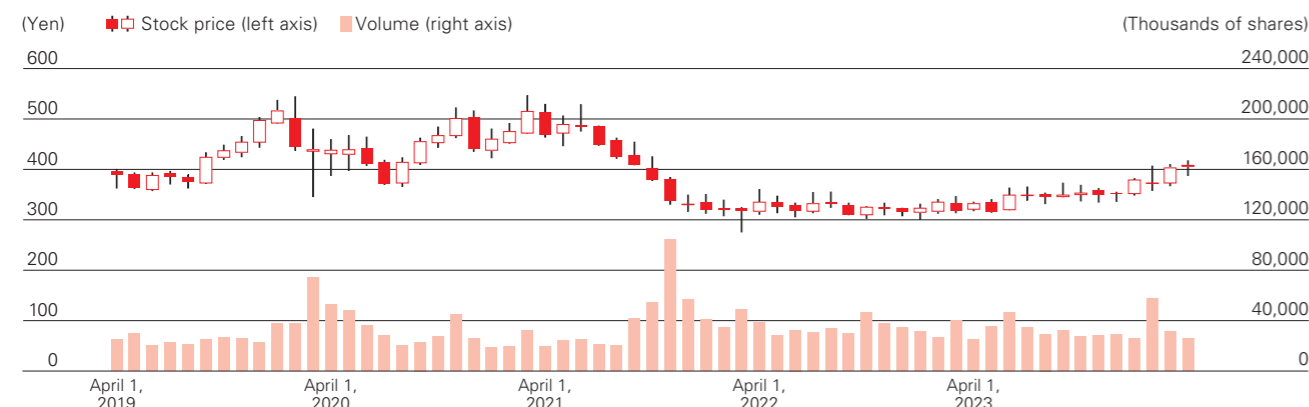
(Note) % is calculated by investment ratio.

### Major Shareholders (Top 10)

Shareholder name	Number of shares held (Thousands)	Percentage of ownership (%)
Mitsubishi UFJ Financial Group, Inc.	588,723	37.57
Maruito Shokusan Co., Ltd.	273,467	17.45
Maruito Co., Ltd.	125,533	8.01
The Master Trust Bank of Japan, Ltd. (Trust Account)	96,920	6.18
Foundation of Kinoshita Memorial Enterprise	92,192	5.88
Maruito Shoten Co., Ltd.	38,733	2.47
Mitsubishi UFJ Trust and Banking Corporation	31,572	2.01
Custody Bank of Japan, Ltd. (Trust Account 4)	27,352	1.74
ALOA SHOKUSAN G.K.	17,000	1.08
Custody Bank of Japan, Ltd. (Trust Account)	13,819	0.88

(Notes)  
1. For the number of shares held, the amount is rounded down to the nearest thousand.  
2. The percentage of ownership is calculated excluding treasury shares.

### Historical Stock Prices



	FY2019	FY2020	FY2021	FY2022	FY2023
Annual high	544	546	529	360	409
Annual low	346	366	276	301	315
Total shareholder return (%) (Indicator for comparison: TOPIX Total Return Index (%))	112.15 (90.50)	132.91 (128.63)	85.06 (131.18)	87.59 (138.81)	111.85 (196.19)

\*High and low stock prices are from the First Section of the Tokyo Stock Exchange up to April 3, 2022 and from the Standard Market of the Tokyo Stock Exchange since April 4, 2022.

## Subsidiary Information

### Consolidated Subsidiaries (As of March 31, 2024)

MU Credit Guarantee Co., LTD	
Business outline	Guarantee business
Incorporated	September 2013
Paid-in capital	¥300 million (ACOM ratio: 100.00%)
Head office	Sumitomo Fudosan Kandaizumicho Bldg 6F 1-9-2, Kanda Izumicho, Chiyoda-ku, Tokyo
URL	<a href="https://www.mucg.co.jp/">https://www.mucg.co.jp/</a>

IR Loan Servicing, Inc.	
Business outline	Loan servicing
Incorporated	June 2000
Paid-in capital	¥520 million (ACOM ratio: 100.00%)
Head office	Trusty Kojimachi Building, 3-4 Kojimachi, Chiyoda-ku, Tokyo
URL	<a href="https://www.irservicing.co.jp/">https://www.irservicing.co.jp/</a>

GeNiE Inc.	
Business outline	Embedded finance
Incorporated	April 2022
Paid-in capital	¥250 million (ACOM ratio: 100.00%)
Head office	Kyobashi Takaracho PREX 4-3-5 Hatchobori, Chuo-ku, Tokyo
URL	<a href="https://genie-ml.com/">https://genie-ml.com/</a>

EASY BUY Public Company Limited	
Business outline	Unsecured loan business and installment loan business (installment sales finance business) in Kingdom of Thailand
Incorporated	September 1996
Paid-in capital	6.0 billion Thai Baht (ACOM ratio: 71.00%)
Head office	Rasa Two, 8th-11th Floor No.1818, Phetchaburi Road, Makkasan, Ratchathewi, Bangkok 10400, Thailand
URL	<a href="https://www.easybuy.co.th/en">https://www.easybuy.co.th/en</a>

ACOM CONSUMER FINANCE CORPORATION	
Business outline	Unsecured loan business in Republic of the Philippines
Incorporated	July 2017
Paid-in capital	1.5 billion Philippine Pesos (ACOM ratio: 80.00%)
Head office	10th Floor, 45 San Miguel Building, 45 San Miguel Avenue, Ortigas Center, Pasig City 1605, Philippines
URL	<a href="https://www.acom.com.ph/">https://www.acom.com.ph/</a>

ACOM (M) SDN. BHD.	
Business outline	Unsecured loan business in Malaysia
Incorporated	July 2021
Paid-in capital	32 million RM (ACOM ratio: 100.00%)
Head office	D-07-06 & D-07-07, Menara Suezcap 1, KL Gateway No. 2, Jalan Kerinchi, Gerbang Kerinchi Lestari, Kuala Lumpur, Wilayah Persekutuan, Malaysia
URL	<a href="https://acom.com.my/en">https://acom.com.my/en</a>

### Equity-method Affiliate (As of March 31, 2024)

MU Communications Co., Ltd.	
Business outline	Subcontracting contact center operations/contract staff services
Incorporated	April 2007
Paid-in capital	¥1,020 million (ACOM ratio: 23.15%)
Head office	Hatsudai Daiya Building, 1-3-4 Honmachi, Shibuya-ku, Tokyo
URL	<a href="https://mucc.co.jp/">https://mucc.co.jp/</a>





## The cover

### 【Artwork name / Artist】

A Circle of Trust: Connecting and Expanding / KOTO

### 【Artist's comments on the artwork】

I designed an image of various people connecting to form a circle. The artwork illustrates an ever-expanding circle of trust among people. I would be delighted if the drawing conveyed a colorful and enjoyable mood to readers.◦

【Cooperation】  **Paralym Art**<sup>®</sup>  
障がい者アートを応援しています

Paralym Art aims to create a world in which people with disabilities use art to attain their dreams without depending on social security, by running social contribution projects which provide people with disabilities with ongoing support through cooperation between individuals and private companies.

Many people with disabilities face challenges including poverty, or a lack of understanding from people around regarding their participation in society. Systems for helping them to overcome such challenges are still inadequate.

Paralym Art serves as a bridge to have various companies and organizations use the artworks (pictures, designs, etc.) of artists with disabilities. Such usage broadcasts the abilities of these people with disabilities to society, and the social participation and economic independence of the artists are furthered by payments for the art made to them and to facilities for people with disabilities.

<https://paralymart.or.jp/association/>