

# 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>

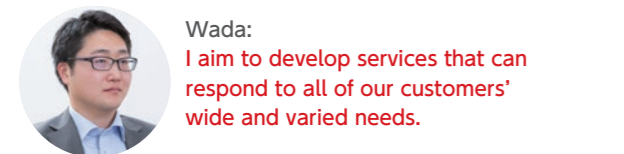
# Value of Business



	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.

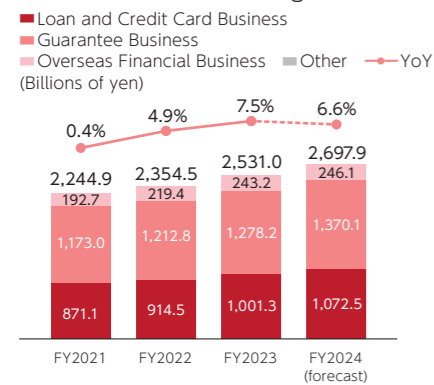
I believe that aiding people who are struggling because they lack a means of payment is one way ACOM can provide significant value to society. I would like to enhance my credit skills even further, so that many more customers may find value in ACOM.

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

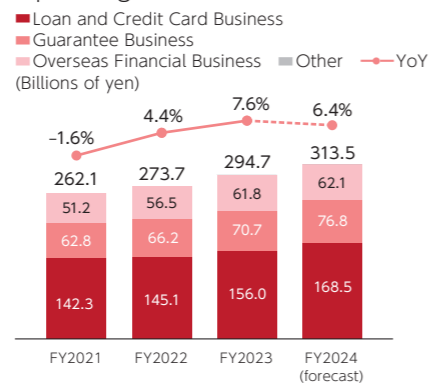
Kazuki Morishita Executive Managing Officer



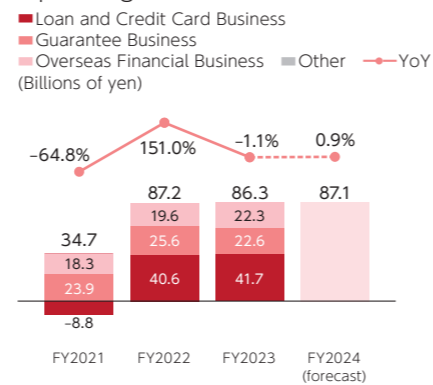
### Receivables Outstanding



### 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.

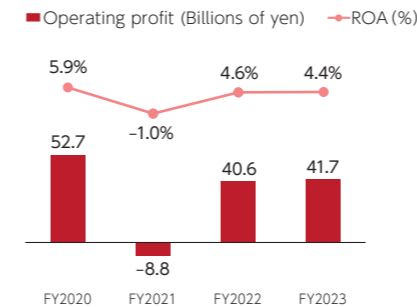
\* Shareholders' equity ratio: shareholders' equity ratio calculated by adding the guarantee balance to consolidated total assets

### Future Growth Strategy / Strengthening the Business Portfolio

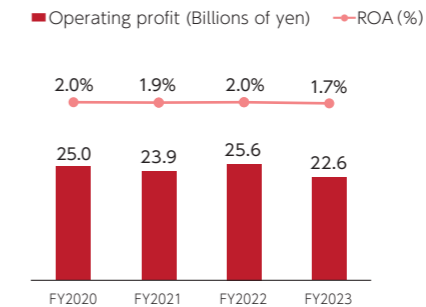
In addition to further enhancing existing businesses in our three core businesses, we are also taking on challenges in anticipation of new business expansion. For example, in the Loan and Credit Card Business, we are tackling the challenge of "Embedded Finance," in which financial services are embedded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

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

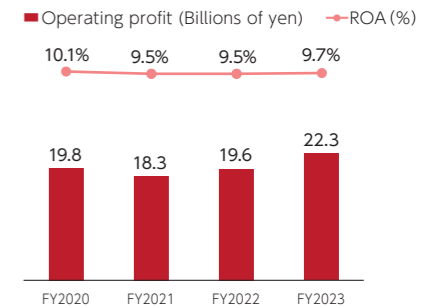
#### Loan and Credit Card Business



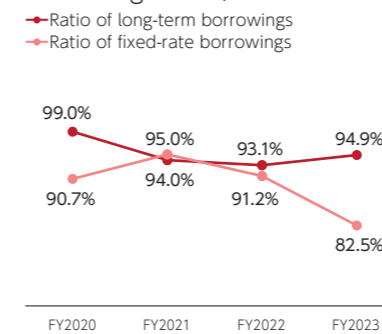
#### Guarantee Business



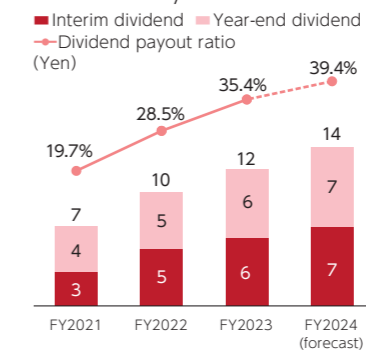
#### Overseas Financial Business



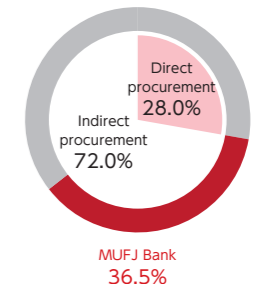
### Long-term and Fixed-rate Borrowing Ratio (Non-consolidated)



### 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.

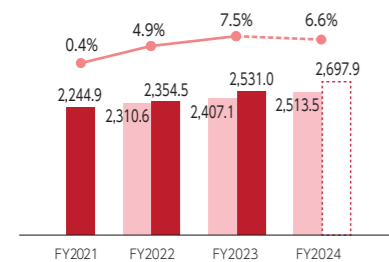
### Operating Profit

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.

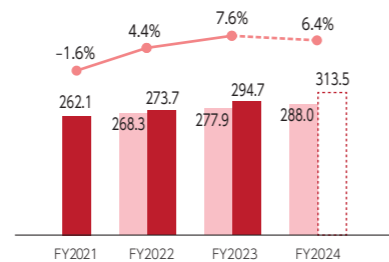
### Receivables Outstanding

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



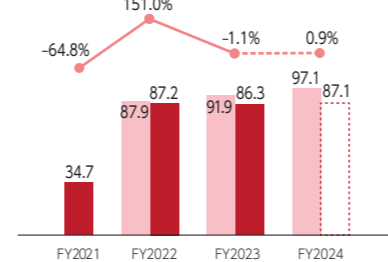
### Operating Revenue

■ 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

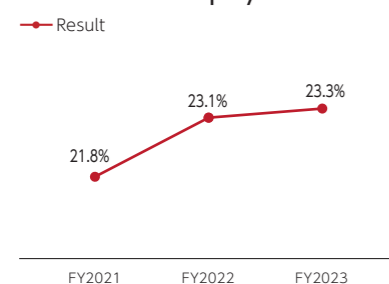
**Targets for March 2025** Shareholders' equity ratio\*1 **Approx. 25%** Dividend payout ratio **Approx. 35%** ROE **Approx. 10%**

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

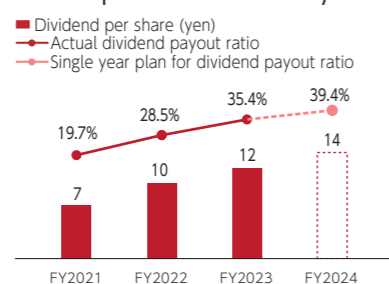
**Dividend per Share / Dividend Payout Ratio** ..... Increasing the dividend each term; payout ratio up to 35.4%

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

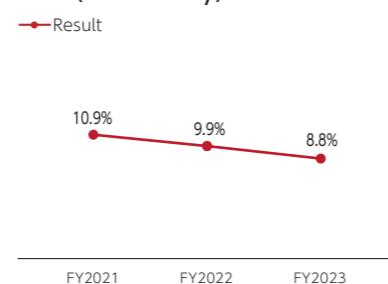
### Shareholders' Equity Ratio\*1



### 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