April 24, 2020

Revision of Business Forecasts for the Fiscal Year Ended March 2020

Based on its recent business performance, ACOM CO., LTD. ("ACOM") announces to revise its earnings forecasts for the Fiscal Year ended March 2020 (From April 1, 2019, to March 31, 2020), previously released on May 14, 2019.

1. Revision of the Earnings Forecasts for the Fiscal Year Ended March 2020
(From April 1, 2019, to March 31, 2020)

(1) Consolidated (Millions of yen, %)

	Operating Revenue	Operating Profit	Ordinary Profit	Profit Attributable to Owners of Parent	Basic Earnings per Share (yen)
Previous Forecast (A)	275,500	87,600	87,900	75,500	48.19
Revised Forecast (B)	279,500	75,600	75,100	59,600	38.04
Difference (B - A)	4,000	-12,000	-12,800	-15,900	
Percentage Change (%)	1.5	-13.7	-14.6	-21.1	
(Reference) FY March 2019 Results	277,069	57,607	58,205	37,781	24.12

(2) Non-consolidated (Millions of yen, %)

	Operating Revenue	Operating Profit	Ordinary Profit	Profit	Basic Earnings per Share (yen)
Previous Forecast (A)	205,200	63,700	69,000	70,300	44.87
Revised Forecast (B)	206,900	49,200	56,300	53,600	34.21
Difference (B - A)	1,700	-14,500	-12,700	-16,700	
Percentage Change (%)	0.8	-22.8	-18.4	-23.8	
(Reference) FY March 2019 Results	203,636	33,635	37,472	29,927	19.10

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2. Reasons for the Revision

(1) Consolidated Earnings Forecast

ACOM revises its forecast on operating revenue to 279.5 billion yen (4.0 billion yen above the previous forecast) as interest on operating loans and gain on bad debts recovered exceeded projections.

With respect to operating expenses, we expect value of 203.9 billion yen (16.0 billion yen above the previous forecast) although operating expenses (financial expenses, provision for bad debts and other operating expenses) were within planned values. We decided to make addition of 19.7 billion yen to provision for loss on interest repayment after reassessing the estimated amount to be requested in the future, taking the annual number of requests, current market environment and trend of requests.

Owing to factors mentioned above, we expect operating income of 75.6 billion yen (down by 12.0 billion yen from the previous forecast), ordinary income of 75.1 billion yen (down by 12.8 billion yen from the previous forecast), and profit attributable to owners of parent of 59.6 billion yen (down by 15.9 billion yen from the previous forecast).

The balance of provision for loss on interest repayment at the end of the fiscal year ended March 2020 is expected to be 87.6 billion yen.

(2) Non-consolidated Earnings Forecast

ACOM revises its forecast on operating revenue to 206.9 billion yen (1.7 billion yen above the previous forecast) as interest on operating loans and gain on bad debts recovered exceeded projections.

With respect to operating expenses, we expect value of 157.7 billion yen (16.2 billion yen above the previous forecast) although operating expenses (financial expenses, provision for bad debts and other operating expenses) were within planned values. We decided to make addition of 19.7 billion yen to provision for loss on interest repayment after reassessing the estimated amount to be requested in the future, taking the annual number of requests, current market environment and trend of requests.

Owing to factors mentioned above, we expect operating income of 49.2 billion yen (down by 14.5 billion yen from the previous forecast), ordinary income of 56.3 billion yen (down by 12.7 billion yen from the previous forecast), and profit of 53.6 billion yen (down by 16.7 billion yen from the previous forecast).

*The above-mentioned earnings forecasts have been made based on information available on the date of this release. The final financial results may vary according to various factors.

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