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Company name:	JACCS CO., LTD.
Name of representative:	Ryo Murakami, President (Code No.: 8584 Prime Market of the Tokyo Stock Exchange)
Inquiries:	Akihito Suehiro, Director and Managing Executive Officer (TEL: +81-3-5448-1311)

Notice Concerning Formulation of Medium-Term Business Plan

JACCS CO., LTD (“the Company”) hereby announces that it has formulated the 15th Three-Year Medium-Term Business Plan with FY2025 as the first fiscal year and approved it by resolution at the Board of Directors meeting held today. The details are as follows.

1. Background to the formulation of the medium-term business plan

Under “MOVE 70,” the current three-year medium-term business plan, the Company and its subsidiaries (the “JACCS Group”) described how it should look in three years’ time based on four key policies, and focused on the execution of initiatives to realize the outcomes described.

As a result, the JACCS Group outperformed the plan from the first fiscal year, and by the second fiscal year, the progress was smooth overall including record-high profit. However, after the Bank of Japan lifted its negative interest-rate policy at the Monetary Policy Meeting held in March 2024, interest rates rose for the first time in 17 years. This impacted the Company’s financing, and the business environment underwent changes, such as increasing financial expenses. Therefore, in order to secure appropriate levels of income, the Company revised transaction conditions with member stores, mostly for the credit card business, and carried out initiatives for business restructuring. Moreover, the Company faced the pressure of an extremely difficult business environment for its overseas businesses due to the prolonged slump in the markets in Vietnam and Indonesia, and the Company was forced to downwardly revise forecasts of financial results in August 2024.

Amid such circumstances, the Company entered into a capital and business alliance agreement through third-party allotment with MUFG Bank, Ltd. after taking into account the business environment and issues impacting the JACCS Group. For details, please refer to “Notice Regarding Execution of Capital and Business Alliance and Issuance of New Shares Through Third-Party Allotment” also released today.

Adjusting to this, the Company has formulated a medium-term management plan targeting the three years from FY2025 to FY2027, which is oriented toward rebuilding the management structure and returning the JACCS Group to growth. The JACCS Group will engage all employees in initiatives with the aligned purpose to become a strong corporate group that is trusted and relied upon by all its stakeholders and realize sustained growth.

2. Overview of the medium-term business plan

Under this medium-term business plan, based on the capital and business alliance agreement with MUFG Bank, Ltd., the JACCS Group has set forth three focus strategies as the themes to follow in three years of taking on the challenge of “transformation” and “renewed growth” through expansion of collaboration with Mitsubishi UFJ Financial Group, Inc. and its subsidiaries (collectively, “MUFG Group”). By steadily implementing these strategies, we will carry out initiatives to achieve renewed growth and enhanced corporate value for the JACCS Group.

15th Three-Year Medium-Term Business Plan, “Do next!” (FY2025 - FY2027)



(1) Themes of the medium-term business plan

Three years of taking on the challenge of “transformation” and “renewed growth” through expansion of collaboration with MUFG Group

* About the plan’s name: “Do next!”

Embedded in the expression “Do next!” is the idea that in line with the Company proceeding toward its next step amid a dramatically changing environment, each individual employee will be proactively holding an awareness of their next objective.

(2) Three focus strategies

- 1) Accelerate the growth strategy through collaboration with MUFG Group and M&A
- 2) Promote radical business restructuring through shifting to a paradigm of “From Quantity to Quality”
- 3) Secure financial soundness and improve capital efficiency through advancement of ALM

(3) Numerical plan

(Billions of yen)

Consolidated	FY2025	FY2026	FY2027
Operating revenue	191.5	199.0	204.5
Ordinary profit	20.0	25.0	31.0
Profit attributable to owners of parent	15.5	18.0	23.0

(4) Dividend policy

The basic dividend policy of the Company is to make it a management priority to provide stable and continuous dividends to the shareholders and to strengthen the Company’s competitiveness and enhance shareholder value through expanding internal reserves and ensuring the effective utilization of capital. Under this basic policy, the dividend policy for this medium-term business plan is to aim for a dividend on equity ratio (DOE) of 3.0% or a dividend payout ratio of 40%, whichever is higher.

(5) Overview

Please refer to the material on the next page.

Details on the medium-term business plan will be provided at the IR briefing scheduled for May 20, 2025, and the materials for that presentation will be posted on the Company’s website on the same day.

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Overview of the 15th Three-Year Medium-Term Business Plan

15th Medium-Term Business Plan (2025-2027)

Theme

Three years of taking on the challenge of “transformation” and “renewed growth” through expansion of collaboration with MUFG Group

Focus strategies

- Grow and expand in the environmental field
 - Housing related (solar power generation, storage batteries, and zero-energy housing (ZEH))
 - Automobile related (xEV)
- Grow and expand in the guarantee field
 - Rent guarantees/personal loan guarantees
- Overseas business

Growth Strategy

ERM

Control the balance of earnings, capital and risk

Business Restructuring

Focus strategies

- Reallocate management resources to growth and focus areas and rebuild the office network
- Shift from the previous strategy in the credit card business
- Reorganize the center-system organization and promote cost structural reforms

Direction of development with MUFG Group

- Joint development of new businesses utilizing the digital financial services of MUFG Group, and expansion of investment and M&A
- Creation of cross-selling that combines the customer base and business partners (member stores, etc.) of MUFG Group
- Growth and expansion of the overseas business utilizing the global network of MUFG Group

Direction of development with MUFG Group

- Rebuild the system infrastructure that support the growth strategy
- Joint development of credit screening models utilizing AI and strengthening of security measures
- Increase in productivity and operational efficiency through sharing of operational know-how and promotion of digitization

Focus strategies

- Strengthen asset control
- Expand alliance partner loans with MUFG Group

Direction of development with MUFG Group

- Stabilization of financing
- Strengthening of financial base (equity ratio and credit rating)

Strengthen the management structure to support the above strategies

Sustainability management

Human capital management

- Strengthen personnel exchanges with MUFG Group

DX strategies

- Share know-how related to DX