

## Financial Results for 3<sup>rd</sup> Quarter for FY2013

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Accretive Co., Ltd.

Tokyo Stock Exchange 1st Section  
Code : 8423

## Overview of 3<sup>rd</sup> Quarter Results for FY2013

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## Overview of 3<sup>rd</sup> Quarter Results for FY2013

# 1. Overview of 3<sup>rd</sup> Quarter Results for FY2013

## 【 Summary of Consolidated Income Statement 】

( Unit: Millions of Yen )

	2011.3 3Q	2012.3 3Q	2013.3 3Q	Change	yoy % Change	(Reference) 2013.3 Forecast	Point
Factoring(trading volume)	86,484	101,893	104,219	2,325	2.3%	-	Manufacturer demand increased.
<b>Operating Revenue</b>	<b>1,649</b>	<b>1,940</b>	<b>2,091</b>	<b>151</b>	<b>7.8%</b>	<b>2,889</b>	Income from outsourcing and other revenues have grown.
Factoring Revenue	1,170	1,312	1,253	-59	-4.5%	-	Gains on construction and real estate shares have dropped.
Outsourcing Revenue	478	627	699	72	11.6%	-	New contracts and expansion of existing contracts have contributed to higher revenues.
Other Revenue	0	0	138	138	-	-	Subsidiaries have seen increased revenue from their insurance agency business.
Interest Expense-cost	260	237	227	-10	-4.3%	-	Fund-raising methods have diversified. Efficient use of funds contributed to a drop in interest-expense costs.
Interest Expense-cost Ratio	15.8%	12.3%	10.9%	-	-	-	
SG&A Costs	1,033	1,027	1,220	193	18.8%	-	Fees for arranging syndicated loan agreements were listed in accounts. In the preceding year, syndicate loan agreements were executed in 4Q; this year they were executed in 3Q, hence the rise in 3Q costs this year.
SGA Ratio	62.6%	52.9%	58.4%	-	-	-	
<b>Operating Income</b>	<b>355</b>	<b>674</b>	<b>643</b>	<b>-31</b>	<b>-4.7%</b>	<b>882</b>	Increased SG&A costs saw operating income and net income down in 3Q compared with the same period last year.
Operating Income Margin	21.5%	34.8%	30.8%	-	-	30.5%	
<b>Ordinary Income</b>	<b>387</b>	<b>701</b>	<b>729</b>	<b>28</b>	<b>4.0%</b>	<b>900</b>	
Ordinary Income Margin	23.5%	36.2%	34.9%	-	-	31.2%	We do not forecast any change in these figures for the whole year.
<b>Net Income</b>	<b>-2,312</b>	<b>646</b>	<b>620</b>	<b>-26</b>	<b>-4.0%</b>	<b>824</b>	
Net Income Margin	-140.2%	33.3%	29.7%	-	-	28.5%	

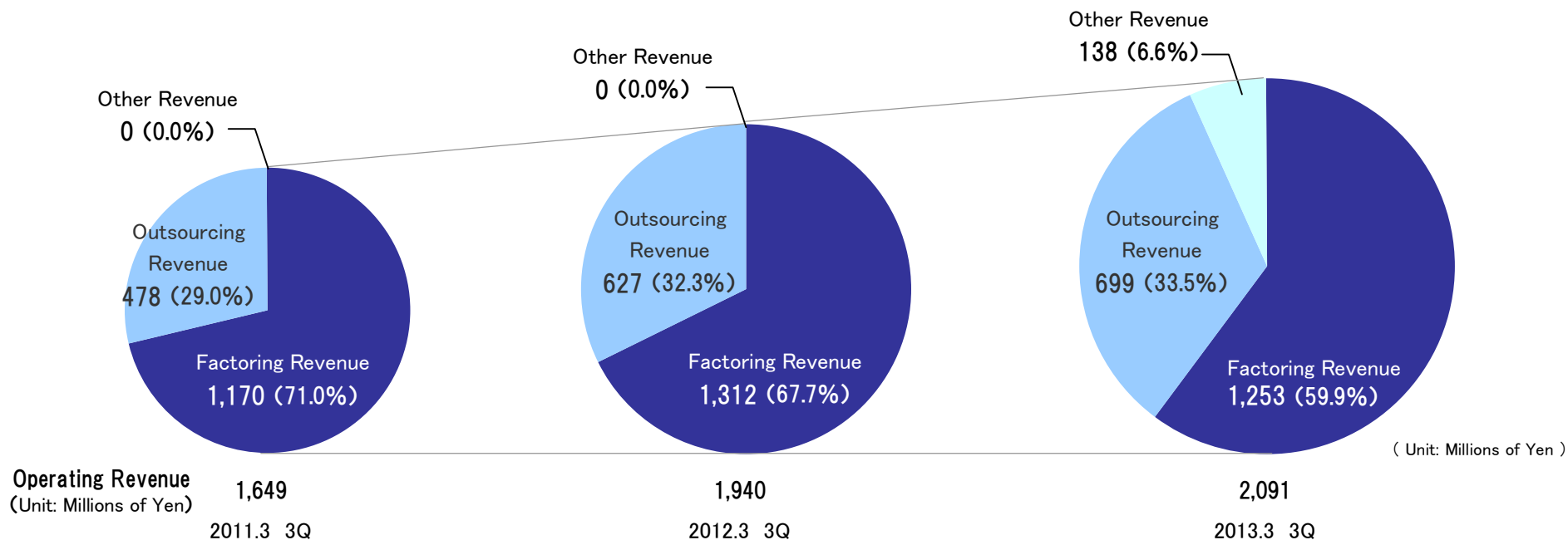
## 【 Summary of Consolidated Balance Sheet 】

( Unit: Millions of Yen )

	2011.3	2012.3	2013.3 3Q	Change	yoy % Change
<b>Total Assets</b>	<b>16,921</b>	<b>17,300</b>	<b>18,457</b>	<b>1,157</b>	<b>6.7%</b>
<b>Debt</b>	<b>15,624</b>	<b>15,284</b>	<b>15,822</b>	<b>538</b>	<b>3.5%</b>
<b>Shareholders' Equity</b>	<b>1,297</b>	<b>2,015</b>	<b>2,634</b>	<b>619</b>	<b>30.7%</b>

## 2. Operating Revenue; Structure of Earnings

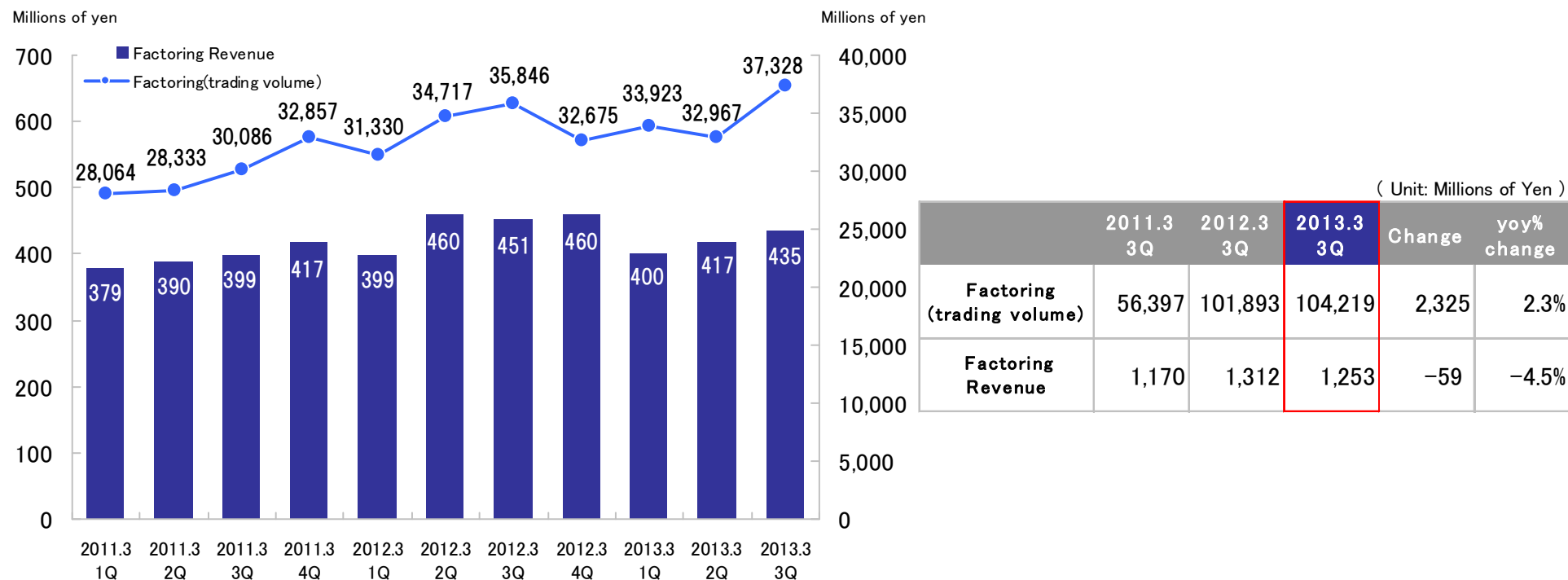
### Operating Revenue; Structure of Earnings



➤ The percentage of operating revenue comprising revenue from factoring has dropped, while the percentages occupied by other revenue, primarily comprising revenue from outsourcing revenue and insurance agent services, have increased.

### 3. Factoring Volume and Factoring Service Related Operating Revenue

#### Trends in Factoring Volume and Factoring Service Related Operating Revenue



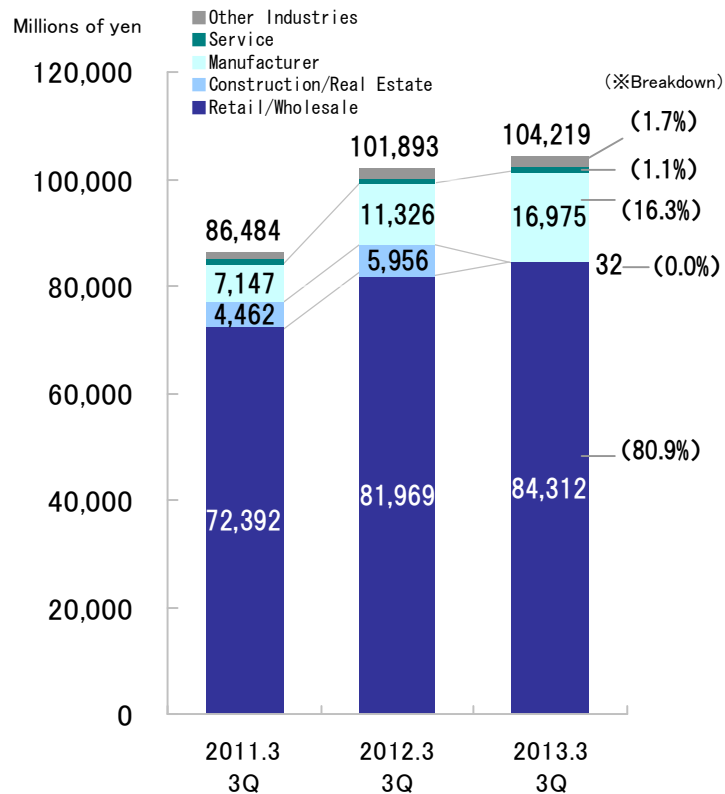
( Unit: Millions of Yen )

	2011.3 3Q	2012.3 3Q	2013.3 3Q	Change	yoy% change
Factoring (trading volume)	56,397	101,893	104,219	2,325	2.3%
Factoring Revenue	1,170	1,312	1,253	-59	-4.5%

- Factoring volume up 2.3% and factoring revenue down 4.5%, respectively, year-on-year.
- Compared with 2Q, increased manufacturer demand and greater use of factoring in the lead-up to the end of the year led to an increase in volume.
- Factoring revenue from construction and real estate shares, which were up last year on the back of post-earthquake rebuilding efforts, decreased.

# 4. Factoring (trading volume) Types of Industry

## Factoring (trading volume) Types of Industry



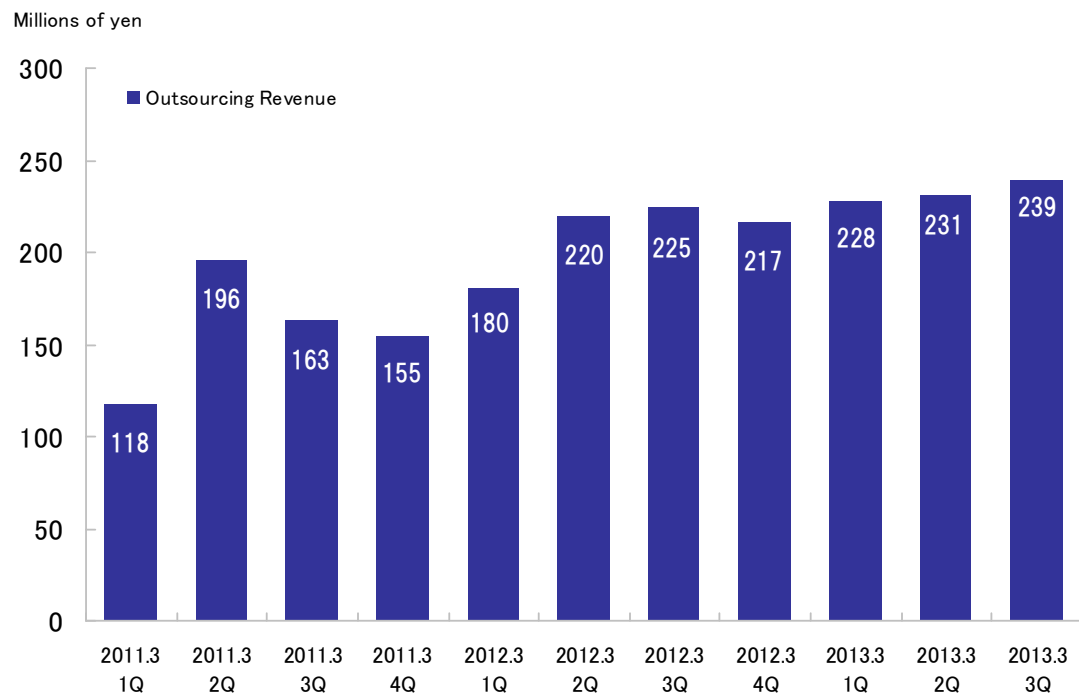
(Unit: Millions of Yen)

	2011.3 3Q		2012.3 3Q		2013.3 3Q		Change	yoy % Change
	Breakdown		Breakdown		Breakdown			
<b>Factoring (trading volume)</b>	86,484	100.0%	101,893	100.0%	104,219	100.0%	2,325	2.3%
<b>Retail/Wholesale</b>	72,392	83.7%	81,969	80.4%	84,312	80.9%	2,342	2.9%
<b>Construction/Real Estate</b>	4,462	5.2%	5,956	5.8%	32	0.0%	-5,923	0.5%
<b>Manufacturer</b>	7,147	8.3%	11,326	11.1%	16,975	16.3%	5,648	49.9%
<b>Service</b>	1,294	1.5%	1,089	1.1%	1,164	1.1%	74	6.8%
<b>Other Industries</b>	1,188	1.4%	1,551	1.5%	1,734	1.7%	183	11.8%

- Manufacturer factoring showed a dramatic 49.9% rise y-o-y, while construction and real estate factoring decreased owing to a reduction in clients.
- As a result, overall factoring volume remained about the same.

# 5. Outsourcing Service Revenue

## Trends in Outsourcing Service Revenue



(Unit: Millions of Yen)

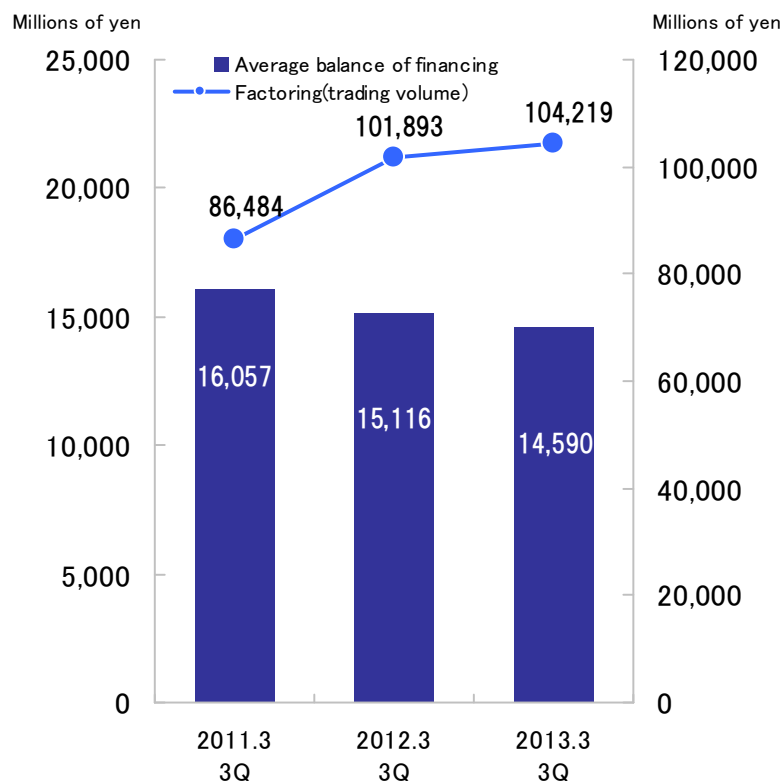
	2011.3 3Q	2012.3 3Q	2013.3 3Q	Change	yoy % Change
Operating Revenue	1,649	1,940	2,091	151	7.8%
Factoring Revenue	1,170	1,312	1,253	-59	-4.5%
Outsourcing Revenue	478	627	699	72	11.6%
Outsourcing Revenue Ratio	29.0%	32.3%	33.5%	-	-
Other Revenue	0	0	138	138	-

- Outsourcing services increased in conjunction with new outsourcing contracts earned by new clients and expanding operations of existing clients.
- As a result, outsourcing revenue increased to 11.6% y-o-y.



## 6. Interest Expense–Cost

### Trends in Average balance of financing



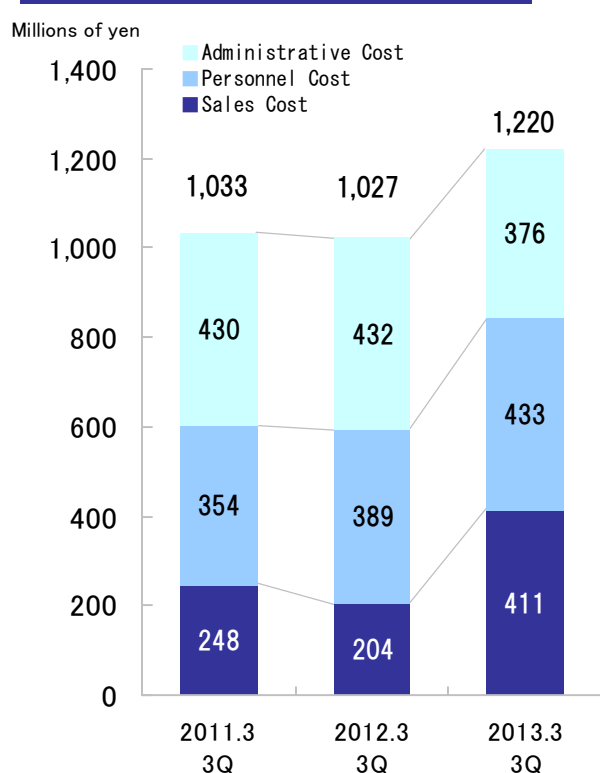
(Unit: Millions of Yen)

	2011.3 3Q	2012.3 3Q	2013.3 3Q	Change	yoy % Change
Factoring (trading volume)	86,484	101,893	104,219	2,325	2.3%
Operating Revenue	1,649	1,940	2,091	151	7.8%
Interest Expense–cost	260	237	227	–10	–4.3%
Bank Loan Balance	15,357	16,690	14,954	–1,736	–10.4%
Average balance of financing	16,057	15,116	14,590	–526	–3.5%
Interest Expense–cost/ Operating Revenue	15.8%	12.3%	11.7%	–	–

- More diverse fund–raising methods have driven more efficient use of funds.
- Consequently, the percentage of operating revenue occupied by interest expense–cost has come steadily down.

# 7. SG&A Costs

## Trends in SG&A Costs



(Unit: Millions of Yen)

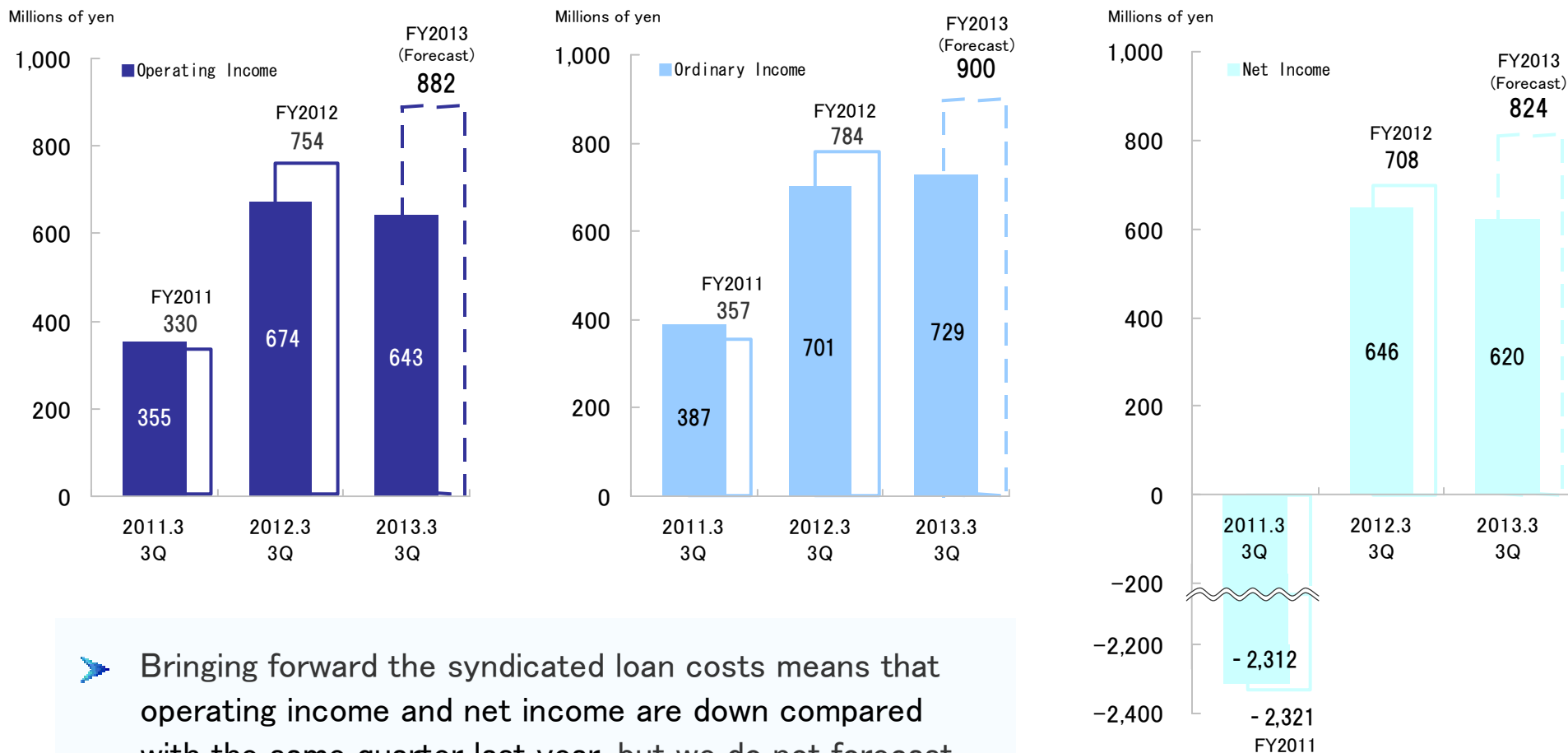
	2011.3 3Q		2012.3 3Q		2013.3 3Q		Change	yoy % change
	Value	/Operating Revenue	Value	/Operating Revenue	Value	/Operating Revenue		
<b>Operating Revenue</b>	1,649	100.0%	1,940	100.0%	2,091	100.0%	151	7.8%
<b>Interest Expense-Cost</b>	260	15.8%	237	12.3%	227	10.9%	-10	-4.3%
<b>SG&amp;A Cost</b>	1,033	62.6%	1,027	52.9%	1,220	58.4%	193	18.8%
<b>Sales Cost</b>	430	26.1%	432	22.3%	376	18.0%	-56	-13.1%
<b>Personnel cost</b>	354	21.5%	389	20.1%	433	20.7%	43	11.2%
<b>Administrative Cost</b>	248	15.1%	204	10.5%	411	19.7%	206	100.9%
<b>Operating Income</b>	355	21.5%	674	34.8%	643	30.8%	-31	-4.7%
<b>Full - Time Employees</b>	55	-	62	-	68	-	6	-8.8%
<b>Part-time Workers</b>	136	-	144	-	153	-	9	-5.9%

- Syndicated loan agreements\* scheduled for 4Q were brought forward to 3Q, and the listing of fees for arranging the loans was brought forward.
- This pushed administration costs upwards and caused a significant increase in SG&A costs.

\*Syndicated loan agreements: Executed on December 28, 2012; amount: 13 billion yen; 7 participating financial institutions

# 8. Operating Income, Ordinary Income, Net Income

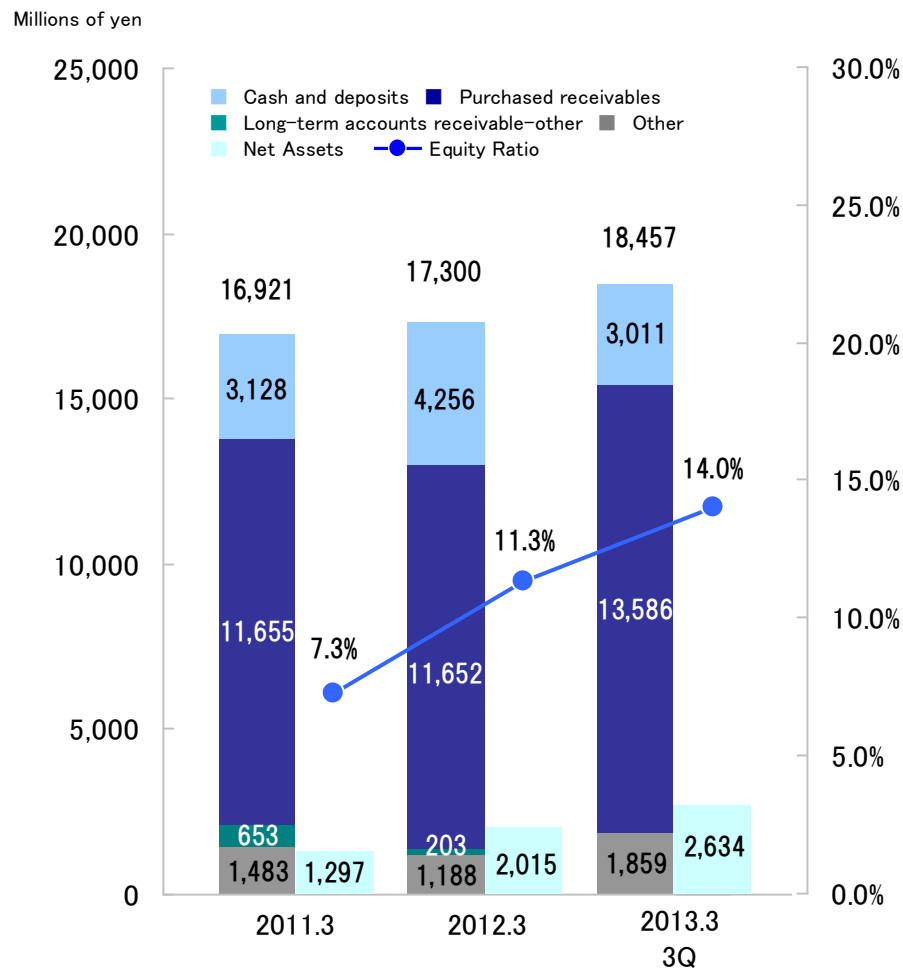
## Trends in Operating Income, Ordinary Income and Net Income



➤ Bringing forward the syndicated loan costs means that operating income and net income are down compared with the same quarter last year, but we do not forecast any change in these figures for the year overall.

# 9. Summary of Consolidated Balance Sheet

## Trends in Total Assets and Shareholder's Equity



(Unit: Millions of Yen)

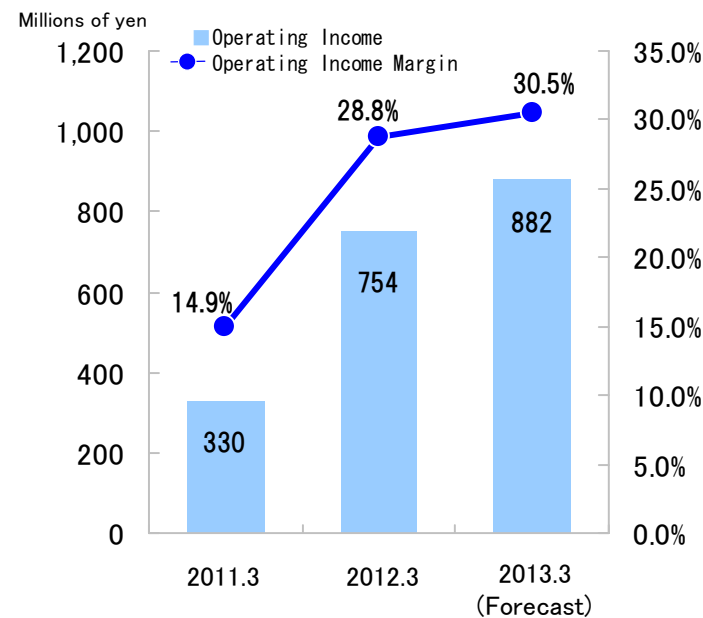
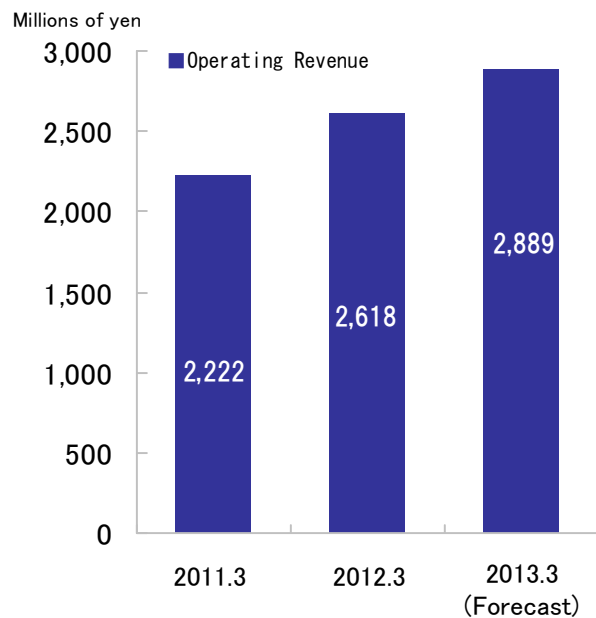
	2011.3	2012.3	2012.3 3Q	Change	yoy % Change
Total Assets	16,921	17,300	18,457	1,157	6.7%
Total Net Assets	1,297	2,015	2,634	619	30.7%
Equity Ratio	7.3%	11.3%	14.0%	-	-

- Balance of purchased receivables was up at the end of the quarter.
- Accrual of revenue has resulted in an increase in total net assets.
- Equity ratio climbed to 14.0%.

## Business Plan for Year Ending March 2013

(Unit: Millions of Yen)

	2011.3	2012.3	2013.3 (Forecast)	Change	yoy % Change
<b>Operating Revenue</b>	2,222	2,618	2,889	271	10.4%
<b>Operating Income</b>	330	754	882	128	17.0%
<b>Ordinary Income</b>	357	784	900	115	14.8%
<b>Net Income</b>	-2,321	708	824	115	16.4%
<b>Operating Income Margin</b>	14.9%	28.8%	30.5%	-	-



## Note Concerning the Future Outlook

This document contains statements regarding future business performance. These statements do not guarantee future business results and do entail risk and uncertainty.

Please be aware that changing preconditions for the business climate may lead to unforeseen changes in the company's business results.

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