

FACT BOOK 2018

For the Nine Months Ended December 31, 2017

Third Quarter Report

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Remarks :

- 1 : All numbers posted are rounded off to the nearest figure.
- 2 : YOY (%) represents the growth ratio compared with the results in the same period of the previous year.
- 3 : The consolidated figure may be affected by fluctuation of exchange rates since the figure is converted to Japanese Yen in every financial closing.
- 4 : The figure of domestic (P7-11) is an estimated figure before the elimination of intra-company transactions. Included in domestic is the figure of AEON Financial Service, the holding company.



イオンフィナンシャルサービス
AEON Financial Service

Stock Code : 8570

Consolidated Financial Summary

Balance Sheet

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	Change	Results	Change	Results	Change
Cash and deposits	¥526,561	¥81,692	¥561,175	¥26,519	¥534,656	¥89,788
Call loans	—	—	—	△30,000	30,000	30,000
Monetary claims bought	4,168	△883	5,334	1,388	3,945	△1,106
Securities	226,625	15,493	188,658	18,023	170,635	△40,496
Loans and bills discounted	1,750,982	76,985	2,111,911	247,007	1,864,904	190,906
Accounts receivable-installment	1,257,124	234,736	1,454,455	272,261	1,182,193	159,806
Lease receivables and investment assets	6,434	1,029	8,497	1,393	7,103	1,698
Other assets	156,490	31,896	186,889	31,729	155,160	30,566
Property, plant and equipment	36,686	155	34,974	△3,255	38,229	1,699
Intangible assets	84,950	7,787	87,965	911	87,053	9,890
Goodwill	24,198	△1,398	22,355	△1,376	23,732	△1,865
Other intangible assets	60,751	9,185	65,610	2,288	63,321	11,755
Deferred tax assets	21,695	1,262	24,318	△689	25,007	4,574
Customer's liabilities for acceptances and guarantees	146,935	△26,506	115,833	△22,895	138,729	△34,712
Allowance for doubtful accounts	△52,393	△2,934	△54,482	△4,125	△50,356	△897
Total assets	4,166,261	420,715	4,725,532	538,269	4,187,263	441,717
Deposits	2,475,051	322,123	2,975,358	433,267	2,542,090	389,162
Accounts payable-trade	245,038	71,469	263,422	74,056	189,365	15,796
Commercial papers	40,000	△28,000	53,500	15,500	38,000	△30,000
Borrowed money	535,788	△201	545,986	31,040	514,946	△21,042
Bonds payable	132,391	10,316	126,388	△13,732	140,120	18,045
Convertible bond-type bonds with subscription rights to shares	30,000	29,950	29,998	△2	30,000	29,950
Other liabilities	154,502	1,656	163,093	△796	163,890	11,044
Provision for bonuses	1,891	△936	2,237	△1,006	3,243	415
Net defined benefit liability	3,468	△61	3,533	118	3,415	△115
Provision for point card certificates	14,618	2,162	14,903	385	14,518	2,062
Provision for loss on interest repayment	1,763	△2,443	2,293	△1,513	3,806	△399
Provision for contingent loss	—	—	—	△565	565	565
Other provisions	284	△111	267	△91	359	△37
Deferred tax liabilities	2,546	202	2,779	△261	3,041	696
Acceptances and guarantees	146,935	△26,506	115,833	△22,895	138,729	△34,712
Total liabilities	3,784,280	379,620	4,299,596	513,502	3,786,093	381,433
Capital stock	45,698	15,256	45,698	—	45,698	15,256
Capital surplus	121,486	15,256	119,939	△1,271	121,211	14,981
Retained earnings	189,820	12,054	214,631	11,229	203,401	25,635
Treasury stock	△25,100	41	△25,064	36	△25,100	40
Total shareholders' equity	331,904	42,608	355,204	9,994	345,210	55,914
Valuation difference on available-for-sale securities	5,041	△848	5,825	932	4,893	△996
Deferred gains or losses on hedges	△2,482	1,031	△2,209	34	△2,244	1,270
Foreign currency translation adjustments	△2,930	△3,052	1,803	3,039	△1,235	△1,358
Remeasurements of defined benefit plans	△525	82	△363	77	△440	166
Total other comprehensive income	△897	△2,787	5,056	4,084	972	△917
Subscription rights to shares	112	1	122	9	112	1
Non-controlling interests	50,861	1,271	65,552	10,677	54,875	5,286
Total net assets	381,980	41,094	425,936	24,766	401,170	60,283
Total liabilities and net assets	4,166,261	420,715	4,725,532	538,269	4,187,263	441,717

Consolidated Financial Summary

Statement of Income

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	YOY	Results	YOY	Results	YOY
Ordinary income	¥274,510	3.6%	¥296,695	8.1%	¥375,166	4.3%
Interest income	104,488	0.8%	115,698	10.7%	140,240	1.0%
Interest on loans and discounts	102,864	1.1%	114,022	10.8%	138,169	1.3%
Cash advances	61,333	3.5%	66,284	8.1%	82,361	3.8%
Other loans	41,531	△2.3%	47,738	14.9%	55,808	△2.0%
Other interest income	1,623	△12.6%	1,675	3.2%	2,070	△16.1%
Fees and commissions	145,007	4.9%	158,625	9.4%	194,641	5.2%
Credit card purchase contracts	76,869	1.0%	86,222	12.2%	104,204	1.5%
Hire purchase contracts	24,811	△0.7%	27,974	12.7%	33,439	0.7%
Processing agency service fee	11,680	2.8%	10,497	△10.1%	15,124	△1.3%
Other fees and commissions	31,646	22.9%	33,931	7.2%	41,873	23.7%
Other operating income	17,626	61.0%	14,997	△14.9%	28,621	44.9%
Other ordinary income	7,388	△39.2%	7,373	△0.2%	11,663	△27.1%
Ordinary expenses	232,233	4.3%	251,962	8.5%	313,559	4.4%
Interest expenses	14,297	△11.0%	14,430	0.9%	18,996	△10.8%
Fees and commissions payments	19,165	5.5%	24,413	27.4%	26,372	6.9%
Other operating expenses	2,416	231.1%	2,595	7.4%	3,452	140.2%
General and administrative expenses	160,461	5.3%	172,917	7.8%	214,431	5.3%
Other ordinary expenses	35,891	1.5%	37,605	4.8%	50,306	2.0%
Ordinary profit	42,277	0.1%	44,733	5.8%	61,606	3.7%
Extraordinary income	1	34.5%	1,436	—	105	△91.8%
Gain on disposal of non-current assets	1	34.5%	2	26.5%	105	△91.8%
Gain on transfer from business divestitures	—	—	1,433	—	—	—
Extraordinary loss	213	△80.7%	471	120.7%	2,046	45.0%
Loss on disposal of non-current assets	175	△82.9%	171	△2.0%	1,297	△0.6%
Business restructuring expenses	—	—	217	—	—	—
Provision for contingent loss	—	—	—	—	565	—
Other extraordinary loss	38	△50.7%	82	113.8%	183	72.0%
Profit before income taxes	42,065	2.3%	45,697	8.6%	59,665	0.7%
Total income taxes	10,667	△4.9%	12,564	17.8%	12,065	△18.4%
Income taxes-current	11,774	8.6%	12,318	4.6%	15,920	4.8%
Income taxes-deferred	△1,107	—	246	—	△3,854	850.3%
Profit	31,398	5.0%	33,132	5.5%	47,599	7.1%
Profit attributable to non-controlling interests	5,525	△13.3%	7,221	30.7%	8,145	△6.1%
Profit attributable to owners of parent	25,873	9.9%	25,911	0.1%	39,454	10.3%

※ 1 5,486 million yen out of the original amount stated in "Other ordinary income" in the first nine months of Fiscal Year 2016 has been reclassified as "Fees and commissions" amounting to 5,174 million yen and "Other operating income" amounting to 312 million yen, while 179 million yen out of the original amount stated in "General and administrative expenses" in the first nine months of Fiscal Year 2016 has been reclassified into "Other operating expenses."

※ 2 7,524 million yen out of the original amount stated in "Other ordinary income" in Fiscal Year 2016 has been reclassified as "Fees and commissions" amounting to 7,129 million yen and "Other operating income" amounting to 394 million yen, while 226 million yen out of the original amount stated in "General and administrative expenses" in Fiscal Year 2016 has been reclassified into "Other operating expenses."

Consolidated Financial Summary

Transaction Volume

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	YOY	Results	YOY	Results	YOY
Credit card purchase contracts	¥3,499,268	9.0%	¥3,864,445	10.4%	¥4,711,676	9.2%
Hire purchase contracts	231,558	8.0%	241,009	4.1%	315,497	6.5%
Cash advances	357,575	1.4%	381,852	6.8%	475,851	1.3%

Operating Expenses

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	YOY	Results	YOY	Results	YOY
Advertising and promotion	¥32,904	△0.7%	¥37,723	14.6%	¥44,884	1.5%
Bad debt allowance	35,064	△0.3%	36,249	3.4%	46,245	1.4%
Provision of allowance for doubtful accounts	33,386	1.3%	34,775	4.2%	44,046	3.2%
Bad debts expenses	1,677	△23.4%	1,474	△12.2%	2,199	△25.1%
Personnel expenses	47,081	3.7%	49,814	5.8%	62,874	4.1%
Administrative expenses	71,405	10.6%	79,284	11.0%	98,232	8.4%
Equipment expenses	23,779	8.6%	26,154	10.0%	32,140	10.3%
General expenses	5,283	△7.6%	5,709	8.1%	6,733	△10.0%
Financial expenses	16,714	△0.5%	17,025	1.9%	22,448	△1.3%
Total ordinary expenses	232,233	4.3%	251,962	8.5%	313,559	4.4%

- ※ 1 179 million yen out of the original amount stated in "Administrative expenses" in the first nine months of Fiscal Year 2016 has been reclassified into "Financial expenses."
- ※ 2 226 million yen out of the original amount stated in "Administrative expenses" in Fiscal Year 2016 has been reclassified into "Financial expenses."

Consolidated Financial Summary

Consolidated Finance Receivables

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	Change	Results	Change	Results	Change
Total loans and bills discounted	¥1,750,982	¥76,985	¥2,111,911	¥247,007	¥1,864,904	¥190,906
Cash advances	505,499	24,714	540,366	28,255	512,111	31,327
Other loans	1,245,483	52,270	1,571,544	218,752	1,352,792	159,579
Total accounts receivable-installment	1,257,124	234,736	1,454,455	272,261	1,182,193	159,806
Credit card purchase contracts	804,167	116,665	906,865	173,077	733,788	46,286
Hire purchase contracts	452,957	118,071	547,590	99,184	448,405	113,519
Lease receivables and investment assets	6,434	1,029	8,497	1,393	7,103	1,698
Customer's liabilities for acceptances and guarantees	146,935	△26,506	115,833	△22,895	138,729	△34,712
Total operating receivables	3,161,476	286,244	3,690,698	497,767	3,192,930	317,698

(Securitized Receivables)

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results		Results		Results	
Total loans and bills discounted	¥890,744		¥1,036,180		¥892,530	
Cash advances	—		—		—	
Other loans	890,744		1,036,180		892,530	
Total accounts receivable-installment	281,837		320,634		341,787	
Credit card purchase contracts	227,100		229,000		245,200	
Hire purchase contracts	54,737		91,634		96,587	
Total securitized receivables	1,172,582		1,356,814		1,234,318	

(Finance Receivables Including Securitized Receivables)

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	Change	Results	Change	Results	Change
Total loans and bills discounted	¥2,641,727	¥277,282	¥3,148,091	¥390,657	¥2,757,434	¥392,989
Cash advances	505,499	22,522	540,366	28,255	512,111	29,134
Other loans	2,136,228	254,760	2,607,724	362,402	2,245,322	363,854
Total accounts receivable-installment	1,538,961	224,575	1,775,089	251,108	1,523,981	209,595
Credit card purchase contracts	1,031,267	107,641	1,135,865	156,877	978,988	55,362
Hire purchase contracts	507,694	116,934	639,224	94,230	544,993	154,233
Lease receivables and investment assets	6,434	1,029	8,497	1,393	7,103	1,698
Customer's liabilities for acceptances and guarantees	146,935	△26,506	115,833	△22,895	138,729	△34,712
Total operating receivables	4,334,059	476,381	5,047,513	620,264	4,427,249	569,571

Consolidated Financial Summary

Interest-Bearing Debt

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	Change	Results	Change	Results	Change
Short-term loans payable	¥194,884	¥31,033	¥175,332	¥△8,769	¥184,102	¥20,252
Long-term loans payable	340,904	△31,234	370,654	39,809	330,844	△41,294
Commercial papers	40,000	△28,000	53,500	15,500	38,000	△30,000
Bonds payable	132,391	10,316	126,388	△13,732	140,120	18,045
Convertible bond-type bonds with subscription right to shares	30,000	29,950	29,998	△2	30,000	29,950
Lease obligations	30,259	△4,296	32,399	△3,569	35,968	1,412
Total interest-bearing debt	768,438	7,768	788,272	29,236	759,036	△1,633

Allowance for Possible Credit Losses

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results		Results		Results	
Opening balance	¥49,458		¥50,356		¥49,458	
Provision of allowance for doubtful accounts (YOY)	35,064 △0.3%		36,249 3.4%		46,245 1.4%	
Written-off amount (YOY)	32,130 △0.1%		32,123 △0.0%		45,348 △0.3%	
Ending balance (Change)	52,393 5.9%		54,482 8.2%		50,356 1.8%	

Ending balance/Total finance receivables	1.7%	1.5%	1.6%
If including securitized debt	1.2%	1.1%	1.1%

Written-off amount/Total finance receivables ※	1.4%	1.2%	1.4%
If including securitized debt ※	1.0%	0.8%	1.0%

※The ratio represents the modulated rate for one-year basis.

Operating Segment Performance

(Unit : Millions of Yen)

		Domestic						Global								Adjustments	Consolidated statements appropriation	
		(Reference ※ 1)		Retail		Solutions		(Reference ※ 1)		China Area		Mekong Area		Malay Area		Results	Results	YOY
		Domestic Total	YOY	Results	YOY	Results	YOY	Global Total	YOY	Results	YOY	Results	YOY	Results	YOY			
Ordinary income		205,584	7.4%	131,440	5.9%	126,312	5.7%	90,363	11.2%	14,489	3.6%	46,198	11.4%	29,675	14.9%	△51,422	296,695	8.1%
Interest income		67,075	9.0%	66,666	9.2%	777	△32.6%	48,544	13.3%	8,181	4.3%	34,089	12.1%	6,272	36.0%	△288	115,698	10.7%
Fees and commissions		120,621	9.5%	53,728	7.1%	115,261	7.2%	37,810	9.5%	5,774	10.3%	10,645	7.3%	21,390	10.4%	△48,175	158,625	9.4%
Credit card purchase contracts		73,285	12.5%	26,655	8.3%	45,779	10.5%	12,936	10.3%	5,397	12.9%	5,787	9.4%	1,752	5.6%	850	86,222	12.2%
Hire purchase contracts		9,436	25.4%	1,831	418.2%	8,344	14.8%	18,280	8.5%	0	△98.8%	1,854	△12.5%	16,426	11.5%	△482	27,974	12.7%
Other operating income		14,997	△14.9%	8,511	△19.5%	9,845	△6.1%	—	—	—	—	—	—	—	—	△3,360	14,997	△14.9%
Other ordinary income		2,889	37.4%	2,534	6.3%	427	15.6%	4,008	2.4%	533	△40.9%	1,463	26.0%	2,012	8.8%	402	7,373	△0.2%
Ordinary expenses		181,031	8.9%	124,783	8.5%	105,860	7.0%	70,279	7.1%	9,922	△5.8%	37,715	6.7%	22,642	14.5%	△48,961	251,962	8.5%
Interest expenses		3,134	△14.5%	2,527	△17.7%	784	1.6%	10,802	8.8%	935	△2.3%	5,115	6.8%	4,751	13.6%	315	14,430	0.9%
Fees and commissions payments		19,987	25.9%	55,872	6.5%	13,394	25.9%	4,191	23.0%	776	4.7%	1,655	32.9%	1,743	23.5%	△49,030	24,413	27.4%
Other operating expenses		2,157	3.2%	541	19.2%	1,615	△1.3%	186	△14.8%	1	△86.4%	188	△6.2%	△4	△253.8%	251	2,595	7.4%
General and administrative expenses		140,316	7.3%	65,207	10.6%	75,192	4.3%	33,075	9.8%	5,646	△1.6%	19,102	14.0%	8,341	9.2%	△573	172,917	7.8%
Other ordinary expenses		15,435	11.4%	633	625.1%	14,874	7.2%	22,023	0.2%	2,560	△16.9%	11,652	△5.6%	7,809	19.4%	74	37,605	4.8%
Ordinary profit		24,552	△2.5%	6,657	△26.9%	20,452	△0.3%	20,084	28.4%	4,567	32.5%	8,482	38.1%	7,033	16.1%	△2,460	44,733	5.8%

	Results	Change	Results	Change	Results	Change	Results	Change	Results	Change	Results	Change	Results	Change	Results	Results	Change
Loans and bills discounted	1,822,104	204,533	1,828,998	198,026	68,240	14,980	294,628	42,446	43,644	△538	200,551	32,461	50,432	10,523	△79,956	2,111,911	247,007
Accounts receivable-installment	1,203,987	240,588	861,697	215,219	350,062	27,701	244,890	33,782	32,913	1,465	58,137	13,148	153,838	19,169	△2,194	1,454,455	272,261
Credit card purchase contracts	810,340	157,233	711,581	144,616	101,460	12,617	96,524	15,844	32,913	1,465	47,454	12,733	16,156	1,644	△2,700	906,865	173,077
Hire purchase contracts	393,646	83,355	150,115	70,602	248,602	15,083	148,365	17,938	—	△0	10,682	414	137,682	17,524	506	547,590	99,184
Balance of interest-bearing debt	2,975,373	433,064	2,983,870	438,704	—	—	—	—	—	—	—	—	—	—	△8,512	2,975,358	433,267
Deposits	254,199	△15,165	48,020	△9,878	286,665	2,279	421,444	37,786	40,524	△2,555	213,829	29,751	167,091	10,590	32,142	788,272	29,236

	Results	Results	Results	Results	Results	Results	Results	Results	Results
① Average interest rate on loans and bills discounted	5.1%	5.0%	0.9%	23.6%	24.7%	24.6%	18.5%	—	7.6%
② Funding interest concerning loans and bills discounted	0.1%	0.1%	0.4%	3.6%	3.0%	3.4%	3.9%	—	0.5%
③ Interest rate spread ①-②	5.0%	4.9%	0.6%	20.1%	21.7%	21.2%	14.6%	—	7.1%

※ 1 The figures provided under “Domestic Total” and “Global Total” are after the elimination of transactions between segments belonging to each business.

※ 2 The interest rate is calculated from the average of beginning of the term and end of the term.

※ 3 The funding interest include the balance on interest-bearing debt.

Financial Summary in Domestic

Balance Sheet

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	Change	Results	Change	Results	Change
Cash and deposits	¥497,717	¥78,133	¥524,276	¥19,187	¥505,088	¥85,505
Call loans	—	—	—	△30,000	30,000	30,000
Monetary claims bought	4,168	△883	5,334	1,388	3,945	△1,106
Securities	213,633	15,506	175,763	18,117	157,645	△40,481
Loans and bills discounted	1,507,826	72,119	1,822,282	204,560	1,617,722	182,014
Accounts receivable-installment	1,045,638	229,412	1,203,987	240,588	963,398	147,172
Lease receivables and investment assets	6,434	1,029	8,497	1,393	7,103	1,698
Other assets	118,289	30,421	157,897	39,725	118,171	30,303
Property, plant and equipment	28,707	1,713	30,140	707	29,433	2,438
Intangible assets	80,011	8,817	83,862	1,481	82,380	11,187
Deferred tax assets	18,169	1,528	20,312	△1,146	21,459	4,817
Customer's liabilities for acceptances and guarantees	146,935	△26,506	115,833	△22,895	138,729	△34,712
Allowance for doubtful accounts	△36,899	△2,474	△38,381	△2,800	△35,580	△1,155
Total assets	3,630,632	408,816	4,109,806	470,308	3,639,497	417,681
Deposits	2,475,051	322,123	2,975,358	433,267	2,542,090	389,162
Commercial papers	40,000	△28,000	53,500	15,500	38,000	△30,000
Borrowed money	192,000	750	161,350	△14,116	175,466	△15,784
Bonds payable	90,000	—	90,000	—	90,000	—
Convertible bond-type bonds with subscription rights to shares	30,000	29,950	29,998	△2	30,000	29,950
Accounts payable-trade	241,683	71,489	259,976	74,281	185,695	15,500
Other liabilities	137,375	2,314	134,229	△10,465	144,695	9,633
Provision for bonuses	912	△1,207	1,069	△1,229	2,299	180
Net defined benefit liability	3,097	△108	2,970	9	2,960	△245
Provision for point card certificates	14,618	2,162	14,903	385	14,518	2,062
Provision for loss on interest repayment	1,763	△2,443	2,293	△1,513	3,806	△399
Provision for contingent loss	—	—	—	△565	565	565
Other provision	284	△111	267	△91	359	△37
Deferred tax liabilities	2,141	185	2,545	△174	2,719	763
Acceptances and guarantees	146,935	△26,506	115,833	△22,895	138,729	△34,712
Total liabilities	3,375,865	370,598	3,844,296	472,390	3,371,905	366,639
Total net assets	254,767	38,217	265,509	△2,082	267,592	51,042
Total liabilities and equity	3,630,632	408,816	4,109,806	470,308	3,639,497	417,681

Financial Summary in Domestic

Transaction Volume

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	YOY	Results	YOY	Results	YOY
Credit card purchase contracts	¥3,357,448	9.8%	¥3,691,901	10.0%	¥4,515,763	10.0%
Hire purchase contracts	170,601	19.9%	181,181	6.2%	234,607	16.6%
Cash advances	282,829	4.5%	291,910	3.2%	376,220	4.3%
Total e-money contracts	1,648,844	3.9%	1,492,830	△9.5%	2,138,891	0.4%

Statement of Income

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	YOY	Results	YOY	Results	YOY
Ordinary income	¥194,628	11.0%	¥208,932	7.3%	¥267,010	11.3%
Interest income	64,084	9.1%	69,753	8.8%	86,461	11.0%
Interest on loans and discounts	60,116	10.5%	65,589	9.1%	80,262	10.0%
Cash advances	47,336	8.8%	50,434	6.5%	63,217	8.2%
Other loans	12,780	17.5%	15,155	18.6%	17,044	17.0%
Other interest income	3,967	△9.0%	4,164	4.9%	6,199	25.3%
Fees and commissions	110,155	8.1%	120,608	9.5%	147,646	8.4%
Credit card purchase contracts	65,139	3.6%	73,285	12.5%	88,127	4.4%
Affiliated merchants	50,120	8.6%	55,124	10.0%	67,322	8.6%
Revolving credit	13,693	△11.3%	16,665	21.7%	19,026	△8.2%
Other	1,325	4.2%	1,495	12.8%	1,778	4.7%
Hire purchase contracts	7,527	12.2%	9,436	25.4%	10,144	13.6%
Processing agency service fees	11,680	2.8%	10,497	△10.1%	15,124	△1.3%
Other fees and commissions	25,807	23.2%	27,388	6.1%	34,249	24.7%
Other operating income	17,626	69.0%	14,997	△14.9%	28,621	44.9%
Other ordinary income	2,762	△34.6%	3,573	29.4%	4,280	△29.1%
Ordinary expenses	165,178	11.4%	180,734	9.4%	223,732	10.8%
Interest expenses	4,077	△15.8%	3,455	△15.2%	5,271	△16.3%
Fees and commissions payments	16,117	10.9%	20,323	26.1%	22,034	12.1%
Other operating expenses	2,265	402.0%	2,315	2.2%	3,169	195.0%
General and administrative expenses	128,856	9.7%	139,202	8.0%	172,218	9.8%
Other ordinary expenses	13,860	25.4%	15,436	11.4%	21,039	16.6%
Ordinary profit	29,450	9.3%	28,198	△4.3%	43,277	14.1%

※ 1 3,773 million yen out of the original amount stated in "Other ordinary income" in the first nine months of Fiscal Year 2016 has been reclassified as "Fees and commissions" amounting to 3,461 million yen and "Other operating income" amounting to 312 million yen, while 179 million yen out of the original amount stated in "General and administrative expenses" in the first nine months of Fiscal Year 2016 has been reclassified into "Other operating expenses."

※ 2 5,411 million yen out of the original amount stated in "Other ordinary income" in Fiscal Year 2016 has been reclassified as "Fees and commissions" amounting to 5,016 million yen and "Other operating income" amounting to 394 million yen, while 226 million yen out of the original amount stated in "General and administrative expenses" in Fiscal Year 2016 has been reclassified into "Other operating expenses."

Financial Summary in Domestic

Ordinary Expenses

(Unit : Millions of Yen)

	2016／12		2017／12		2017／3	
	Results	YOY	Results	YOY	Results	YOY
Advertising and promotion	¥29,599	3.6%	¥33,417	12.9%	¥40,450	6.4%
Bad debt allowance	13,039	19.6%	14,105	8.2%	16,986	18.1%
Provision of allowance for doubtful accounts	12,986	19.5%	14,020	8.0%	16,878	19.0%
Bad debts expenses	53	49.2%	85	60.8%	107	△45.3%
Personnel expenses	34,261	8.5%	35,967	5.0%	45,817	8.5%
Administrative expenses	61,203	14.5%	67,791	10.8%	84,382	11.9%
Equipment expenses	17,027	18.0%	19,663	15.5%	23,039	19.7%
General expenses	3,704	△9.1%	4,016	8.4%	4,615	△12.9%
Financial expenses	6,343	19.8%	5,771	△9.0%	8,440	14.4%
Total ordinary expenses	165,178	11.4%	180,734	9.4%	223,732	10.8%

※ 1 179 million yen out of the original amount stated in "Administrative expenses" in the first nine months of Fiscal Year 2016 has been reclassified into "Financial expenses."

※ 2 226 million yen out of the original amount stated in "Administrative expenses" in Fiscal Year 2016 has been reclassified into "Financial expenses."

Financial Summary in Domestic

Finance Receivables

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	Change	Results	Change	Results	Change
Total loans and bills discounted	¥1,507,826	¥72,119	¥1,822,282	¥204,560	¥1,617,722	¥182,014
Cash advances	426,007	20,444	446,746	15,085	431,661	26,097
Other loans	1,081,819	51,675	1,375,536	189,474	1,186,061	155,917
Total accounts receivable-installment	1,045,638	229,412	1,203,987	240,588	963,398	147,172
Credit card purchase contracts	724,425	114,614	810,340	157,233	653,107	43,296
Revolving and installments payment credit card purchase	128,330	22,818	143,984	29,813	114,170	8,658
Hire purchase contracts	321,213	114,797	393,646	83,355	310,290	103,875
Lease receivables and investment assets	6,434	1,029	8,497	1,393	7,103	1,698
Customer's liabilities for acceptances and guarantees	146,935	△26,506	115,833	△22,895	138,729	△34,712
Total operating receivables	2,706,835	276,054	3,150,601	423,647	2,726,953	296,172

(Securitized Receivables)

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results		Results		Results	
Total loans and bills discounted	¥890,744		¥1,036,180		¥892,530	
Cash advances	—		—		—	
Other loans	890,744		1,036,180		892,530	
Total accounts receivable-installment	281,837		320,634		341,787	
Credit card purchase contracts	227,100		229,000		245,200	
Revolving payment credit card purchase	97,100		99,000		115,200	
Hire purchase contracts	54,737		91,634		96,587	
Total securitized receivables	1,172,582		1,356,814		1,234,318	

(Finance Receivables Including Securitized Receivables)

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	Change	Results	Change	Results	Change
Total loans and bills discounted	¥2,398,571	¥274,609	¥2,858,463	¥348,210	¥2,510,252	¥386,290
Cash advances	426,007	20,444	446,746	15,085	431,661	26,097
Other loans	1,972,564	254,165	2,411,716	333,124	2,078,591	360,192
Housing Loans※	1,345,817	189,705	1,535,229	127,227	1,408,002	251,890
Total accounts receivable-installment	1,327,475	220,175	1,524,621	219,435	1,305,186	197,885
Credit card purchase contracts	951,525	106,514	1,039,340	141,033	898,307	53,296
Revolving and installments payment credit card purchase	225,430	14,718	242,984	13,613	229,370	18,658
Hire purchase contracts	375,950	113,660	485,280	78,402	406,878	144,588
Lease receivables and investment assets	6,434	1,029	8,497	1,393	7,103	1,698
Customer's liabilities for acceptances and guarantees	146,935	△26,506	115,833	△22,895	138,729	△34,712
Total operating receivables	3,879,417	469,307	4,507,416	546,144	3,961,271	551,162

※Housing loans receivables are the figures of AEON Bank.

Financial Summary in Domestic

Interest-Bearing Debt

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	Change	Results	Change	Results	Change
Short-term loans payable	¥154,600	¥33,350	¥132,400	¥△19,450	¥151,850	¥30,600
Long-term loans payable	37,400	△32,600	28,950	5,334	23,616	△46,384
Commercial Papers	40,000	△28,000	53,500	15,500	38,000	△30,000
Bonds payable	90,000	—	90,000	—	90,000	—
Convertible bond-type bonds with subscription right to shares	30,000	29,950	29,998	△2	30,000	29,950
Lease obligations	30,224	△4,305	32,349	△3,549	35,898	1,368
Total interest-bearing debt	382,224	△1,605	367,197	△2,167	369,364	△14,465

Allowance for Possible Credit Losses

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results		Results		Results	
Opening balance	¥22,934		¥24,733		¥22,934	
Provision of allowance for doubtful accounts (YOY)	11,017 16.1%		11,490 4.3%		14,675 17.6%	
Written-off amount (YOY)	8,770 14.7%		9,874 12.6%		12,875 16.0%	
Ending balance (Change)	25,181 9.8%		26,349 6.5%		24,733 7.8%	

Ending balance/Total finance receivables	2.2%	2.1%	2.3%
If including securitized debt	1.8%	1.8%	1.9%

Written-off amount/Total finance receivables ※	1.0%	1.0%	1.2%
If including securitized debt ※	0.8%	0.9%	1.0%

※The ratio represents the modulated rate for one-year basis.

Key Operating Data

Number of Cardholders

(Unit : Ten thousand)

	2016/12		2017/12		2017/3	
	Results	Change	Results	Change	Results	Change
Number of cardholders	3,861	139	4,025	131	3,894	172
Number of credit cardholders in domestic	2,669	81	2,758	66	2,692	104

※The number of Family Card members is included in the number of credit cardholders in domestic.

(Unit : Ten thousand)

	2016/12		2017/12		2017/3	
	Results	Change	Results	Change	Results	Change
WAON cardholders	6,280	610	6,860	410	6,450	780

Number of Active Cardholders in Domestic

(Unit : Ten thousand)

	2016/12		2017/12		2017/3	
	Results	Change	Results	Change	Results	Change
Active cardholders ※ 1	1,653	60	1,698	37	1,661	68
Card-use rate (%) ※ 2	66.7%	—	66.0%	—	66.3%	—

※ 1 "Active cardholders" means the number of cardholders who have used their cards at least once within the previous 12 months.

※ 2 Card-use rate = Active cardholders/Average number of cardholders in Domestic excluding Family Card members (2017/1 and 2017/12) × 100.

Results of AEON Bank

(Unit : Millions of Yen)

	2016/12		2017/12		2017/3	
	Results	Change	Results	Change	Results	Change
Balance of Deposits	¥2,484,905	¥331,206	¥2,985,736	¥440,117	¥2,545,618	¥391,919
Ordinary deposits	1,282,235	566,022	1,924,505	479,573	1,444,931	728,718
Time deposits	1,200,186	△236,893	1,058,604	△38,553	1,097,158	△339,920
Other deposits	2,483	2,076	2,626	△902	3,528	3,121
Balance of loans and bills discounted	1,493,443	71,630	1,828,295	198,248	1,630,046	208,233

(Unit : Ten thousand)

Number of accounts	539	46	592	37	555	62
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Number of branches	135	3	139	4	135	3
Number of ATMs	5,805	75	6,092	237	5,855	125