



Results for the Fiscal Year Ended February 20, 2007

Operating Data

	Consolidated		Non-Consolidated	
	Actual Results (Billions of yen)	Year-on-Year Change	Actual Results (Billions of yen)	Year-on-Year Change
Transaction volume	2,482.9	114%	2,180.2	112%
Operating revenues	173.4	120%	125.1	114%
Revenue from credit card shopping	39.7	126%	32.8	120%
Revenue from cash advances	100.6	116%	85.4	113%
Operating Income	41.0	102%	31.6	97%
Net income	20.5	97%	17.9	94%

Financial Data

	Consolidated		Non-Consolidated	
	Actual Results (Billions of yen)	Increase/ Decrease (Billions of yen)	Actual Results (Billions of yen)	Increase/ Decrease (Billions of yen)
Total Assets	834.2	144.8	637.0	92.7
Installment sales receivables	260.7	63.6	197.2	48.3
Operating loans receivables	507.1	67.7	385.5	35.6
Net assets	172.6	16.8	136.3	12.8
Shareholders' equity ratio	18.6%	- 1.5%	21.4%	- 1.3%

*Minority interests are deducted from the amount of increase or decrease in consolidated total assets.

Consolidated Cash Flows

	Fiscal Year Ended February 20, 2006 (Billions of yen)	Fiscal Year Ended February 20, 2007 (Billions of yen)
Cash and cash equivalents, beginning of year	16.6	16.4
Income before income taxes and minority interests	38.6	38.2
Increase in finance receivables	-1,228	-141.9
Other	246	39.4
Net cash used in operating activities	-59.6	-64.2
Net cash used in investing activities	-7.7	-10.0
Net cash provided by financing activities	66.9	79.6
Cash and cash equivalents, end of year	16.4	25.8

Dividends

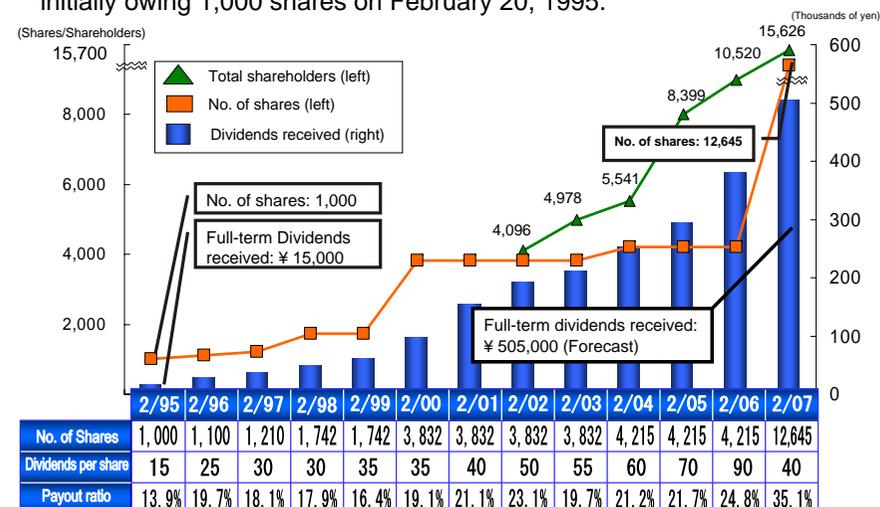
	Fiscal Year Ended Feb. 20, 2006 (Yen)	Fiscal Year Ended Feb. 20, 2007 (Yen)		Fiscal Year Ending Feb. 2008 Forecast Dividends (Yen)
		Forecast Dividends	Value of Dividends without Stock Split	
Interim dividend	35	15 (Actual Results)	[45]	15
Year-end dividend	55	25 (¥ 5 of commemorative dividend included)	[75]	20
Full-term dividend	90	40 (¥ 5 of commemorative dividend included)	[120]	35
Payout ratio	24.8%	35.1%		33.9%

* For purposes of comparison, figures in [] indicate what the dividend per share would have been without the 3-for-1 stock split on February 21, 2006 for shareholders as of February 20, 2006.

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Stock Splits and Dividends Received

▶ The graph below shows the shares and dividends received by a shareholder initially owing 1,000 shares on February 20, 1995.



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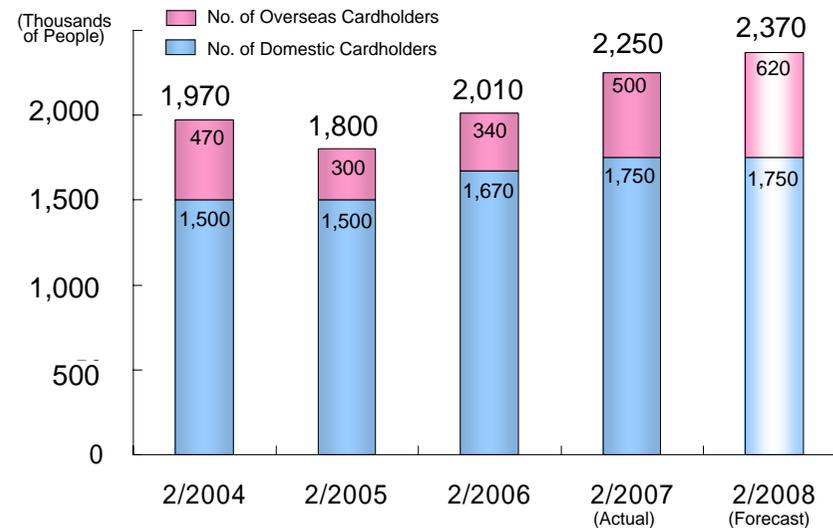
Total Cardholders (Consolidated)

	No. of Cardholders	Net increase
Japan	14,550,000	+850,000
Thailand	1,540,000	+140,000
Hong Kong	950,000	+70,000
Taiwan	110,000	+10,000
Malaysia	70,000	+40,000
Total	17,220,000	+1,110,000

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Number of Cardholders (Consolidated)

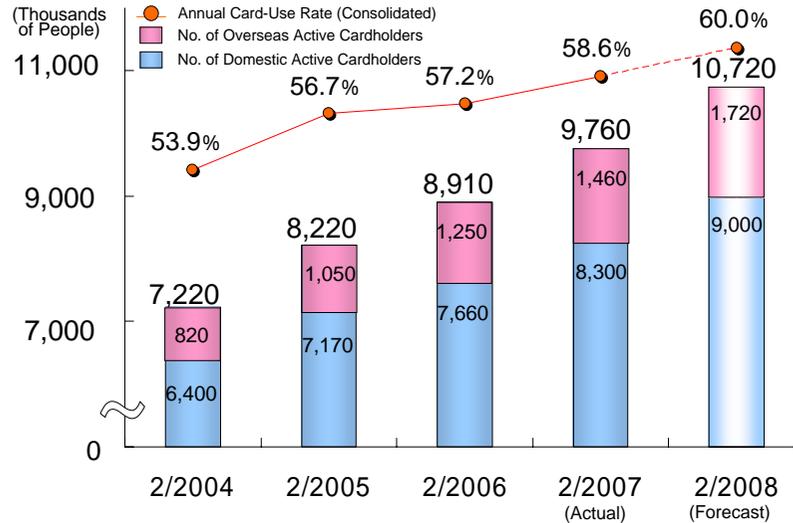
- ▶ The number of new sign-ups increased by 240,000 from the previous fiscal year to 2,250,000
- ▶ We plan to achieve 2,370,000 cardholders the fiscal year ending February 20, 2008



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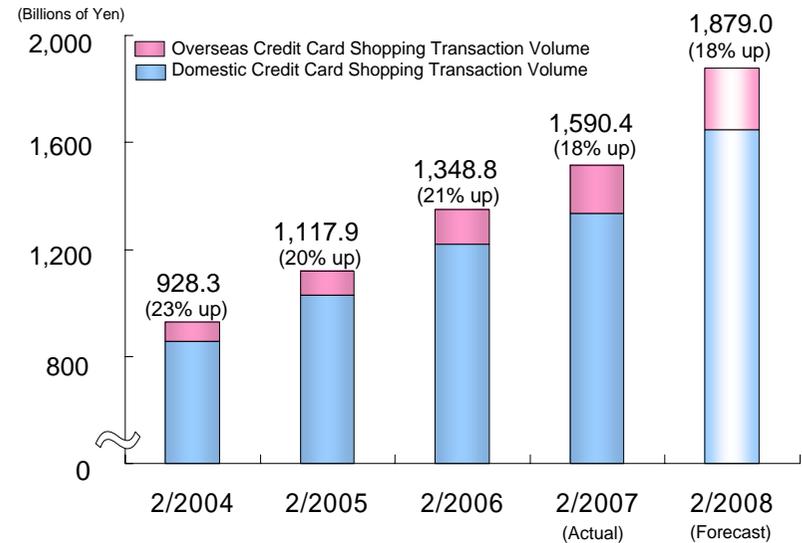
Increase in Active Cardholders (Consolidated)

- ▶ The number of active cardholders increased by 850,000 from the previous fiscal year to 9,760,000, and we plan to achieve 10,720,000, a net increase of 960,000 for the fiscal year ending February 20, 2008.
- ▶ Annual card-use rate increased by 1.4 points to 58.6%, and we expect 60.0%, up 1.4 points for the fiscal year ending February 20, 2008.



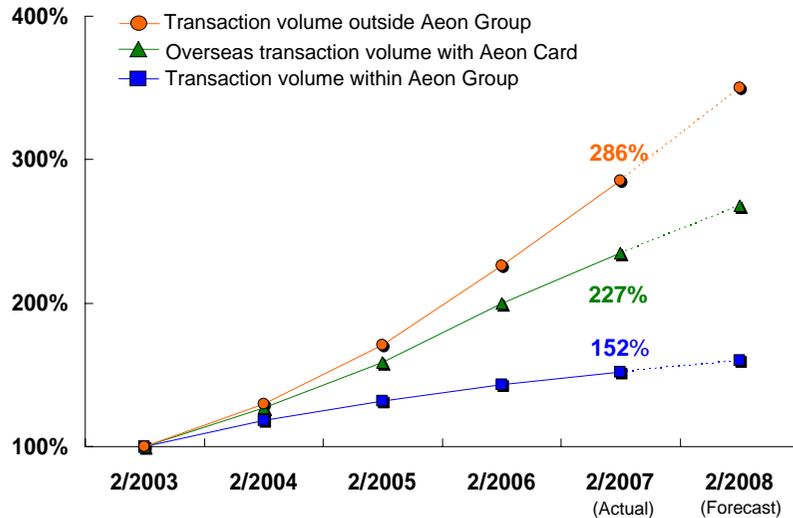
Credit Card Shopping Transaction Volume (Consolidated)

- ▶ Credit card shopping transaction volume was ¥ 1,590.4 billion (up 18% from the previous fiscal year)
- ▶ We plan to achieve ¥ 1,879 billion for the fiscal year ending February 20, 2008 (up 18% from the previous fiscal year)



Credit Card Shopping Transaction Volume (Consolidated)

- ▶ Transaction expanding outside Aeon Group



Allowance for Possible Credit Losses

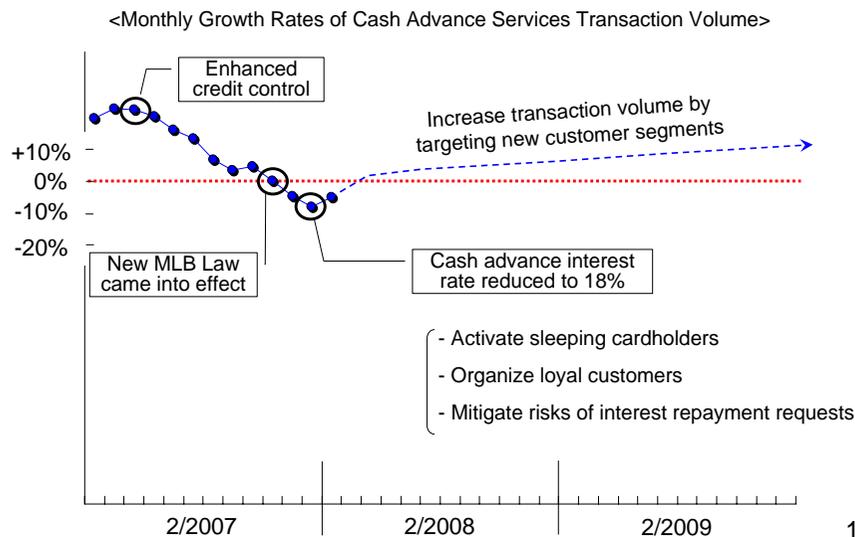
<Allowance for Possible Credit Losses>

(Billions of Yen)	FY Ended Feb. 20, 2006	FY Ended Feb. 20, 2007
Balance, beginning of year	16.2	22.6 [1.4]
Provision for allowance for possible credit losses	19.9	26.5
Write-off of credit losses	13.5	14.2
Balance, end of year	22.6	33.5
Allowance for losses on interest repayment, end of year	0.2	7.0
Total	22.9	40.5
Percentage of total finance receivables	4.09%	6.40%

<Breakdown of Allowance for Possible Credit Losses>

	FY Ended Feb. 20, 2007
Personal bankruptcies	All losses already written off
Loans over three months in arrears and loans subject to legal liquidation	27.8
General allowance for possible credit losses	5.7
Total	33.5

- ▶ Enhanced credit control for cardholders using cash advance services since the first half of the fiscal year ended February 20, 2007



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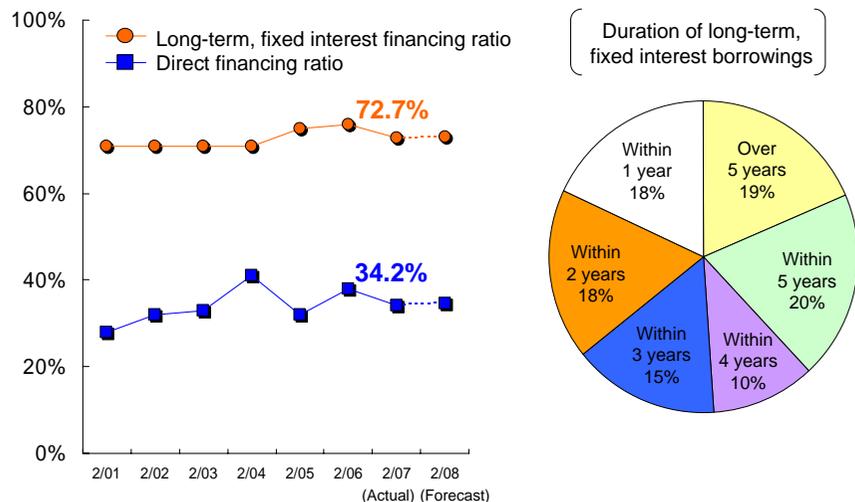
- ▶ Started to respond to the enforcement of New MLB Law ahead of schedule

Items	Measures
New loans	Cash advance interest rate has been reduced to 18.0% for all cardholders since March 11
Existing balance	Respond depending on the situation
Issuance of loan document	Upgrading systems
Issuance of receipt	
Regulation of total transaction volume	Controlled by computer-aided name identification
Collection	Credit advice time and frequency have been controlled by system
New source of income	 Cash advance Target new customer segments in response to interest rate reduction
	 New product Develop loan cards and purpose loans
	 New business Enhance electronic money, acquiring, and processing businesses

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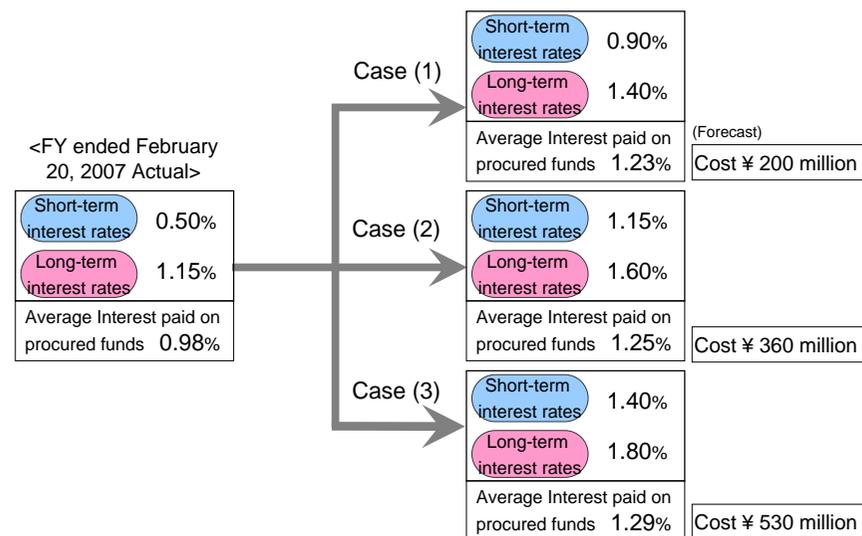
Fund procurement (1)

- ▶ Long-term, fixed interest financing ratio progressed over 70%
- ▶ Duration of long-term, fixed interest borrowings is 3 years and 1 month



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Fund procurement (2) (Impact on Interest Rate Fluctuations)



*Long-term interest rates are calculated based on 3-year and 5-year interest rate swaps.

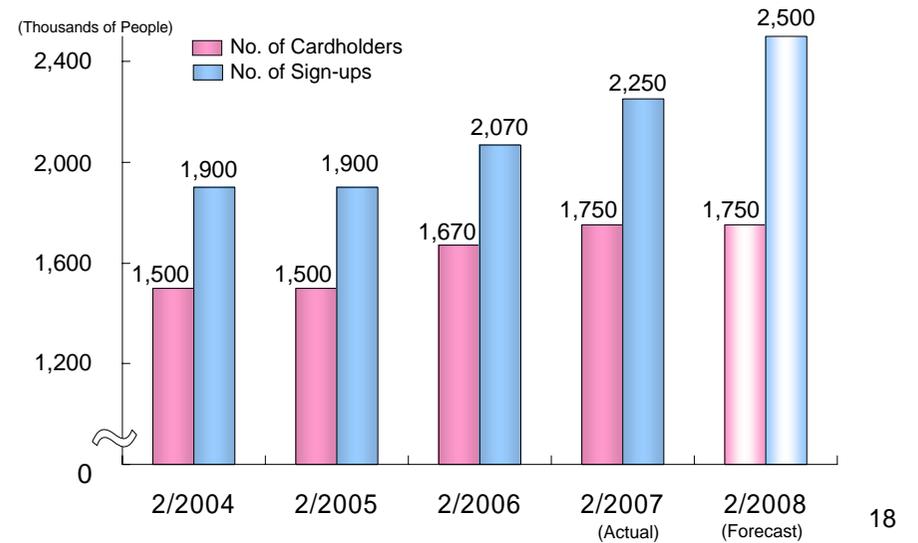
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Key Goals

Number of Cardholders Forecast (Non-Consolidated)

▶ We are targeting 2,500,000 sign-ups and 1,750,000 cardholders for the fiscal year ending February 20, 2008



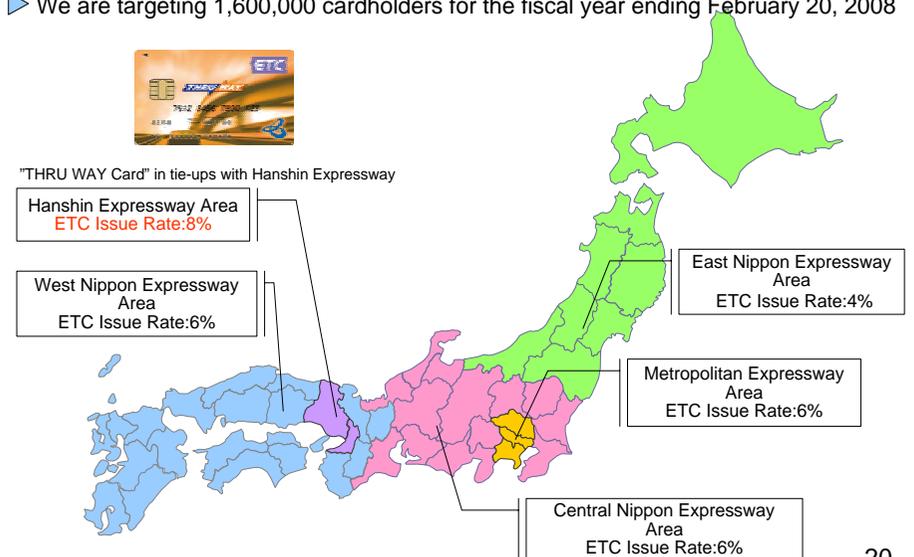
Targeting New Customer Segments

▶ Expand customer base in male, young, the greater Tokyo metropolitan area resident segments

	AEON Card 	Cosmo the Card Opus 	AEON iD 	AEON Suica Card 
Male	28%	64%	45%	42%
Young (In 20s/early 30s)	19%	27%	40%	31%
Greater Tokyo (Tokyo, Saitama, Chiba, Kanagawa)	17%	25%	38%	74%
Monthly Card-Use Rate	30%			

Expansion of ETC Cards

▶ ETC Card cardholders increased by 440,000 to 1,040,000
▶ We are targeting 1,600,000 cardholders for the fiscal year ending February 20, 2008



Expansion of Gold Cards

- ▶ The number of Gold Card cardholders increased by 120,000 to 450,000
- ▶ We are targeting 600,000 cardholders for the fiscal year ending February 20, 2008

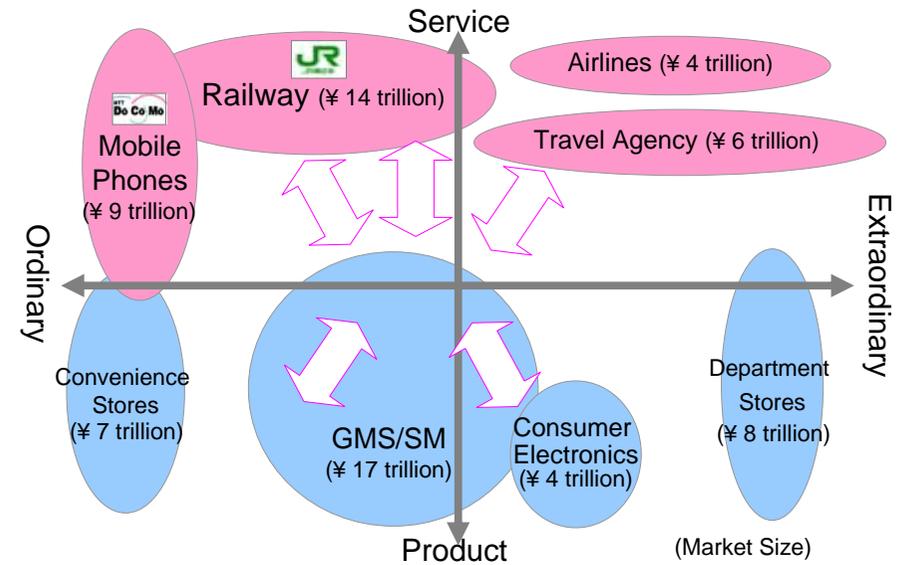
Newly-additional functions
- Settlement in small amount using Suica, AEON iD, and electronic money
- Expanded use by affiliated merchants and ETC Cards

Enhanced privileges
- Use of airport lounges
- Travel Accident Insurance Service (proceeds raised up to ¥50 million)
- Increase the number of AEON Lounges (to 100 offices)

Horizontal development to co-branded cards
Marketing the use of SATY and VIVRE Cards to cardholders who use the card in large amount

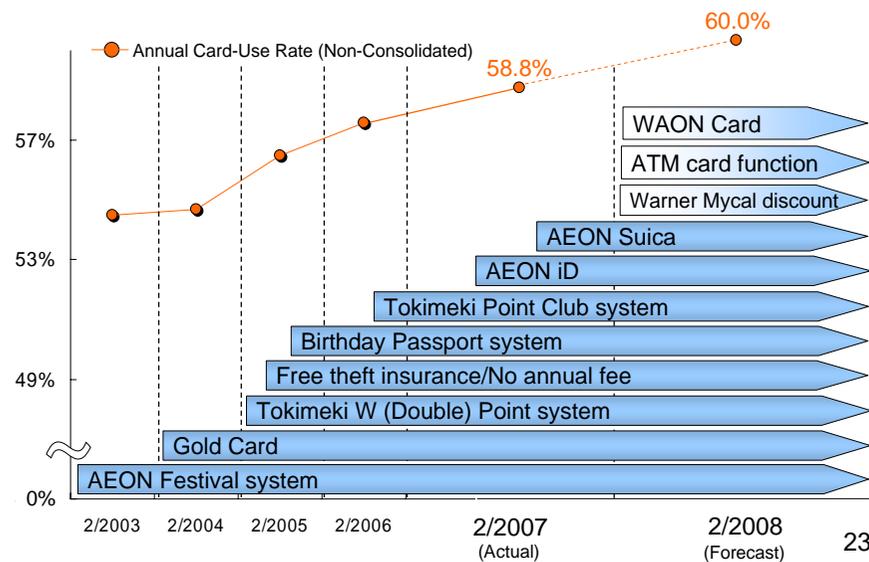


Development of New Co-Branded Cards



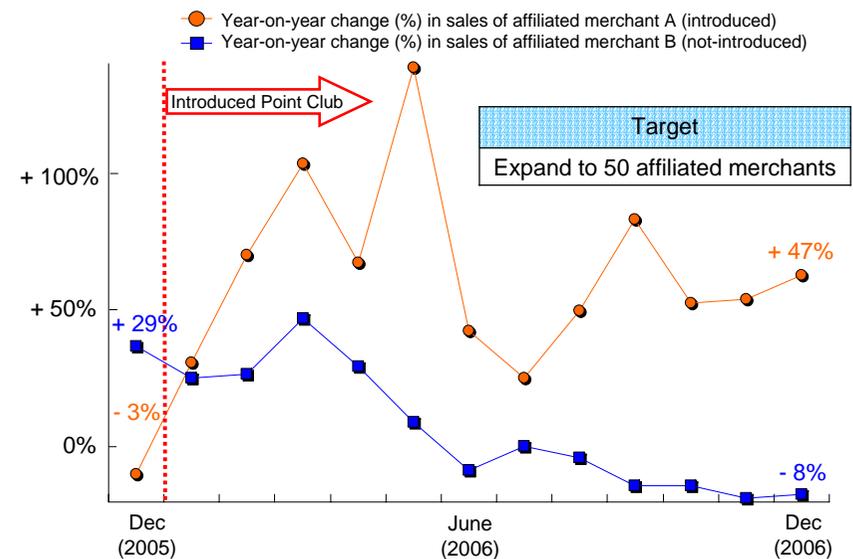
More Convenient, Valuable Cards

- ▶ Provide convenience for customers by enhancing special privileges



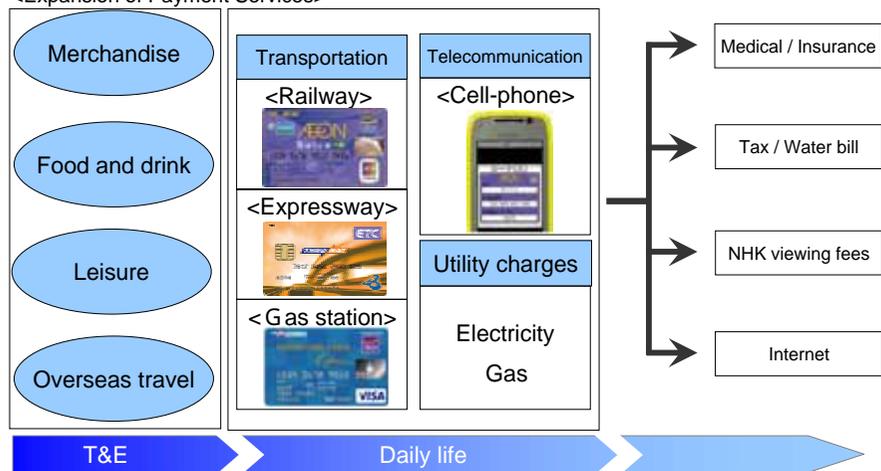
Impact of Tokimeki Point Club

- ▶ Sales of the Company's cards at travel agencies

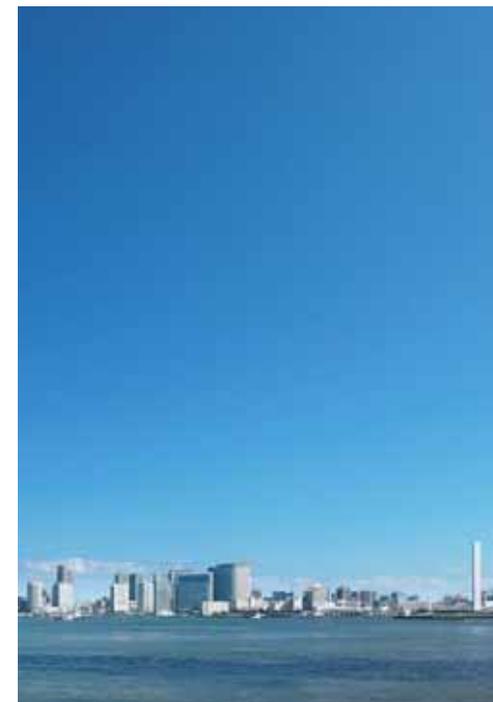


Expansion of Payment Services

- ▶ After starting monthly utility bill payments, monthly use amount will increase because credit cards can be used as main cards
 - ▶ Credit card settlement will increase in services of utility bill payments this fiscal year
- <Expansion of Payment Services>



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Development of New Source of Income

Card Loan Business

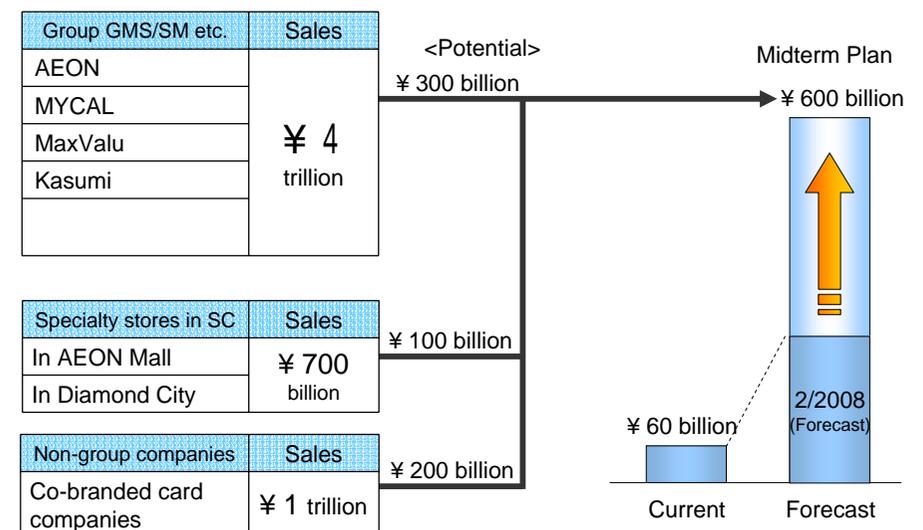
- ▶ Start to accept applications via mobile phones (April)
- ▶ Meet the sudden finance needs at various stages of life such as marriage, childbirth, and entrance into school

	Interest Rate	Credit Limit
	18.0%	¥ 0.5 million
	14.8%	¥ 1 million
AEON Value Card VIP	9.8%	¥ 2 million
Credit Guarantee Business		¥ 3 million

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Acquiring Business

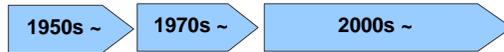
- ▶ Take in acquiring business of group and develop as a source of income



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Electronic Money Business (1)

- ▶ Respond to new settlement methods and develop new businesses

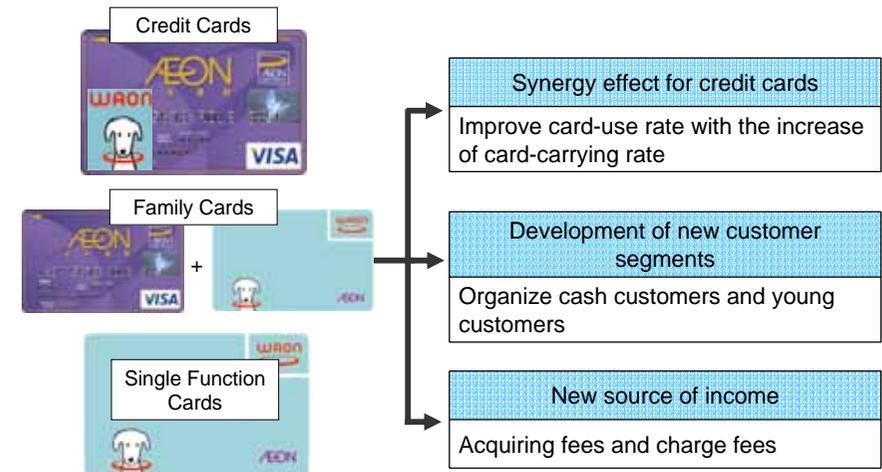


		Cash	Shopping Credit	Credit Card	Debit Card	Suica/iD
Customer's View	Versatility		x		x	
	Safety	x	-			
	Speed	x	x			
	Point Program		-			
	Cleanliness	x	-			
Company's View	Cost		x			
	Use of Information	x				
	Profitability	-				

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Electronic Money Business (2)

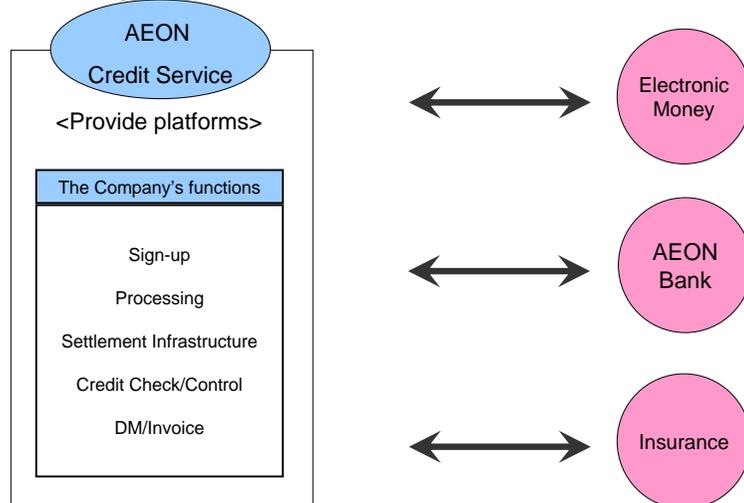
- ▶ Start "WAON," a unique electronic money business
- ▶ Develop transactions of small payment as a new source of income
- ▶ Start issuing in the form of single function card, credit cards, and family cards



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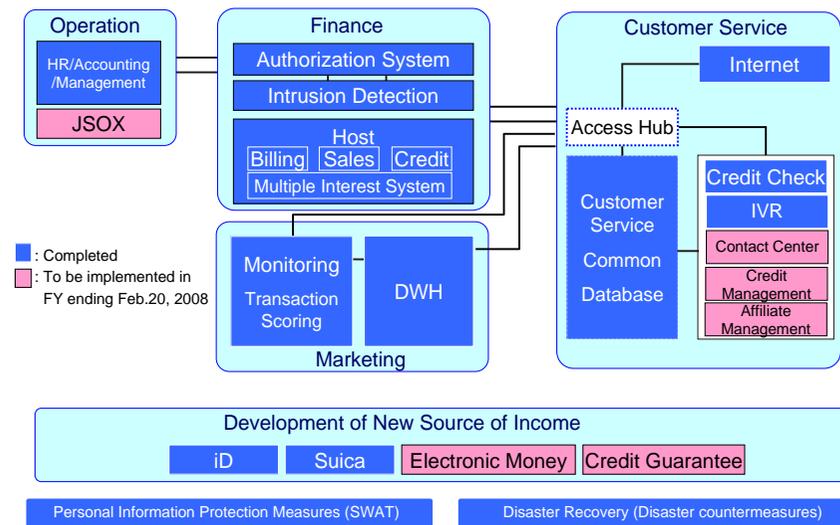
New Financial Services Business

- ▶ Develop new sources of income through bank agency business and structural change of insurance business



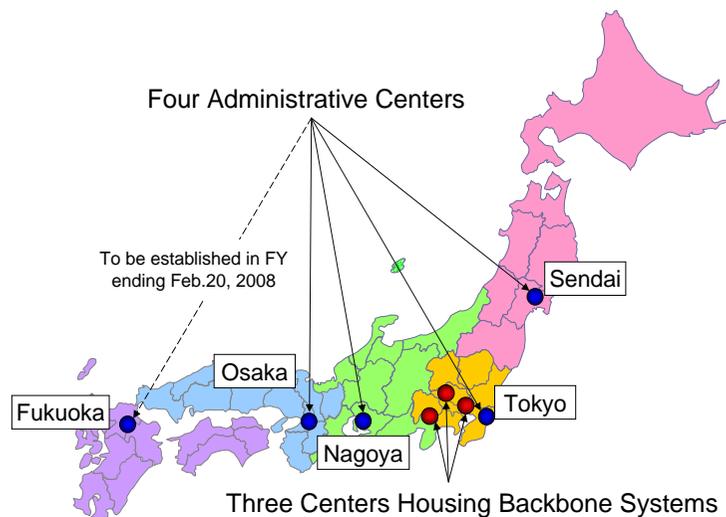
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System Implementation



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- ▶ Enhance the response to increased volume of credit check and credit management



- ▶ Outline of operations in the fiscal year ended February 20, 2007

- Continued to achieve sales and profit increase while insurance industry remains stagnant

	Operating Revenues	Y-on-Y Change (%)	Operating Income	Y-on-Y Change (%)
Fiscal Year ended February 20, 2007	¥ 1.07 billion	0%	¥ 0.57 billion	3%

- ▶ Key goals for the fiscal year ending February 20, 2008

- Consolidate insurance businesses of group companies
- Expand investment for business structural change

	Operating Revenues	Y-on-Y Change (%)	Operating Income	Y-on-Y Change (%)
Fiscal Year ending February 20, 2008	¥ 1.22 billion	13%	¥ 0.66 billion	16%

- ▶ Outline of operations in the fiscal year ended February 20, 2007

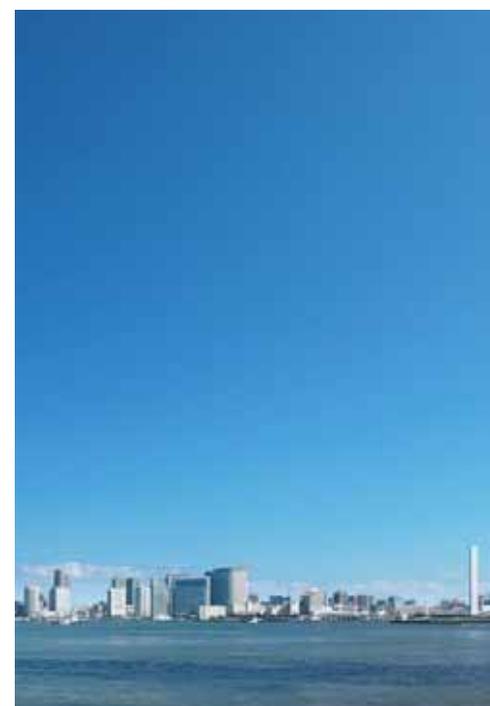
- Acquired collection businesses from 12 companies including power and gas companies
- Expanded service areas of the market test for the collection of national pension premiums to a total of 9 areas
- Doubled the number of contact center seats to 300 in response to expansion of business

	Operating Revenues	Y-on-Y Change (%)	Operating Income	Y-on-Y Change (%)
Fiscal Year ended February 20, 2007	¥ 1.66 billion	31%	¥ 0.47 billion	22%

- ▶ Key goals for the fiscal year ending February 20, 2008

- Open sales office in Sendai
- Establish the internal system for IPO

	Operating Revenues	Y-on-Y Change (%)	Operating Income	Y-on-Y Change (%)
Fiscal Year ending February 20, 2008	¥ 2.42 billion	46%	¥ 0.73 billion	55%

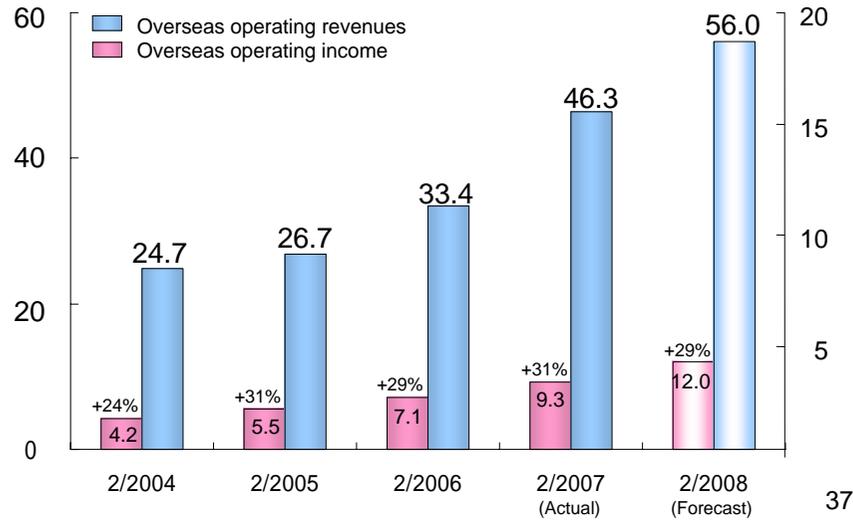


Expansion of Overseas Operations

Expansion of Overseas Operations

- ▶ Due to steady growth of consolidated subsidiaries, both operating revenues and operating income increased
- ▶ Overseas operations increased to 27% of consolidated operating revenues

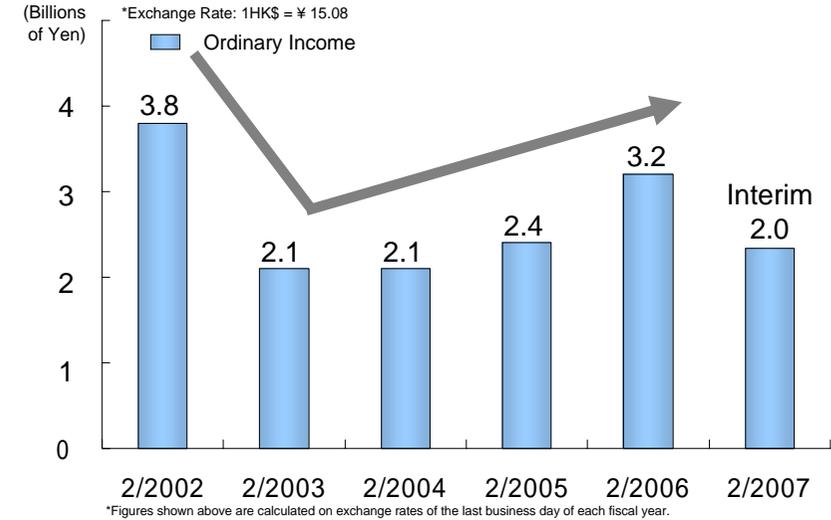
(Billions of Yen)



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Recovery of Performance in Hong Kong

- ▶ Stable operation development through restructuring of business foundations
- ▶ Transaction volume : ¥ 94.6 billion (Y-on-Y change 16%)
- ▶ Operating revenues : ¥ 17.3 billion (Y-on-Y change 31%)



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New Business Development in Thailand

- ▶ Adopted best practice in Japan and started new business development in full swing
- ▶ Transaction volume : ¥ 170.4 billion (Y-on-Y change 10%)
- ▶ Operating revenues : ¥ 24.5 billion (Y-on-Y change 19%)

* Exchange Rate: 1 Baht = ¥ 3.17

<Established life insurance agency>



<Started leasing business>



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Operations in Malaysia (Results for FY ended Feb. 20, 2007)

- ▶ Transaction volume : ¥ 20.7 billion (Y-on-Y change 100%)
- ▶ Operating revenues : ¥ 4.5 billion (Y-on-Y change 70%)
- ▶ Ordinary income : ¥ 0.8 billion (Y-on-Y change 43%)

* Exchange Rate: 1 Ringgit = ¥ 32.29

<Became the first non-bank to issue ATM cards>



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- ▶ Transaction volume : ¥ 30.1 billion (Y-on-Y change 45%)
- ▶ Operating revenues : ¥ 6.3 billion (Y-on-Y change 40%)
- ▶ Ordinary income : ¥ 1.3 billion (Y-on-Y change 52%)

Plan for IPO

* Exchange Rate: 1 Ringgit = ¥ 32.29

<Expand sales network from 24 to 30 branch offices>



- ▶ Outline of operations in the fiscal year ended February 20, 2007

- Issued four-type cards, such as Two Tigers Card used in 15 affiliated merchants, mainly in Taipei
- Raised the number of cardholders to 110,000
- Expanded affiliated merchant network to 5,000 stores
- Return to profitability in terms of monthly results



- ▶ Key goals for the fiscal year ending February 20, 2008

- Raise the number of cardholders to 150,000
- Expand affiliated merchant network to 6,000 stores
- Return to profitability in terms of yearly results



- ▶ Outline of operations in the fiscal year ended February 20, 2007

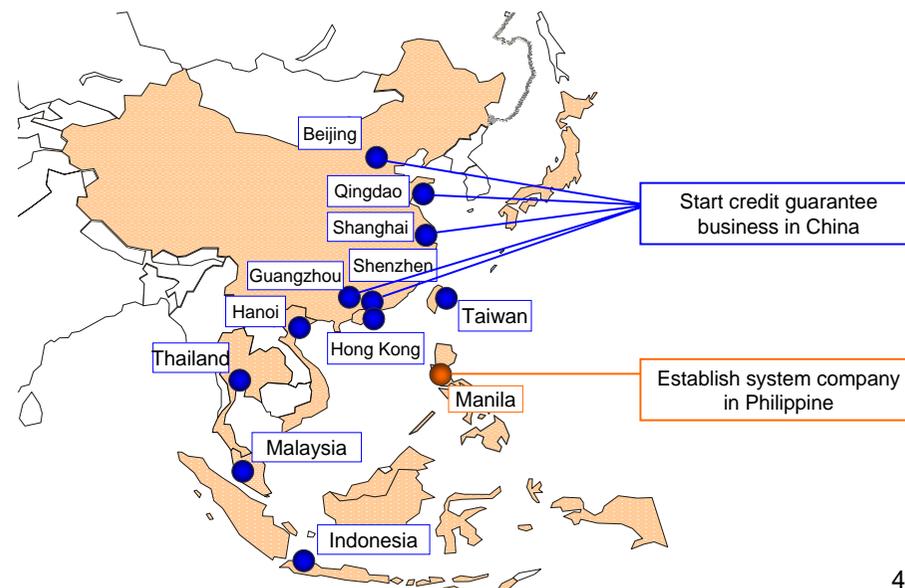
- Launched hire purchase operations of consumer electronics and furniture
- Expanded affiliated merchant network to 500 stores

<Reception desk at shopping mall located in suburban area >



- ▶ Key goals for the fiscal year ending February 20, 2008

- Expand affiliated merchant network to 1,300 stores
- Issue new member cards for cardholders with good credit records



(Billions of Yen)

	Consolidated		Non-Consolidated	
	Forecast	YoY Change (%)	Forecast	YoY Change (%)
Transaction volume	2,850.0	15%	2,500.0	15%
Operating revenues	185.0	7%	130.0	4%
Operating income	41.0	0%	27.6	-9%
Ordinary income	41.2	0%	28.6	-10%
Net income	20.7	1%	16.2	-9%

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