

Results for the Fiscal Year Ended February 20, 2008



Operating Data



(Billions of yen)

| | Consolidated | | | |
|--------------------|----------------|---------------------|-------------|--------------|
| | Actual Results | Year-on-Year Change | Forecast | Differences |
| Transaction volume | 2,756.7 | 111% | 2,850.0 | - 93.2 |
| Operating revenues | 181.0 | 104% | 185.0 | - 3.9 |
| Operating income | 32.8 | 80% | 41.0 | - 8.1 |
| Ordinary income | 33.0 | 81% | 41.2 | - 8.1 |
| Net income | 17.6 | 86% | 20.7 | - 3.0 |

| | Non-Consolidated | | | |
|--------------------|------------------|---------------------|-------------|--------------|
| | Actual Results | Year-on-Year Change | Forecast | Differences |
| Transaction volume | 2,411.2 | 111% | 2,500.0 | - 88.7 |
| Operating revenues | 121.5 | 97% | 130.0 | - 8.4 |
| Operating income | 19.6 | 65% | 27.6 | - 7.9 |
| Ordinary income | 22.2 | 70% | 28.6 | - 6.3 |
| Net income | 14.1 | 79% | 16.2 | - 2.0 |

2

Financial Data



(Billions of yen)

| | Consolidated | | Non-Consolidated | |
|-------------------------------|----------------|------------------------|------------------|------------------------|
| | Actual Results | Change during the Year | Actual Results | Change during the Year |
| Total Assets | 862.0 | 27.8 | 653.7 | 16.6 |
| Installment sales receivables | 287.3 | 26.5 | 217.9 | 20.7 |
| Operating loans receivables | 514.3 | 7.2 | 393.3 | 7.7 |
| Net assets | 183.3 | 10.7 | 142.6 | 6.2 |
| Shareholders' equity ratio | 18.9% | 0.3% | 21.8% | 0.4% |

3

Dividends



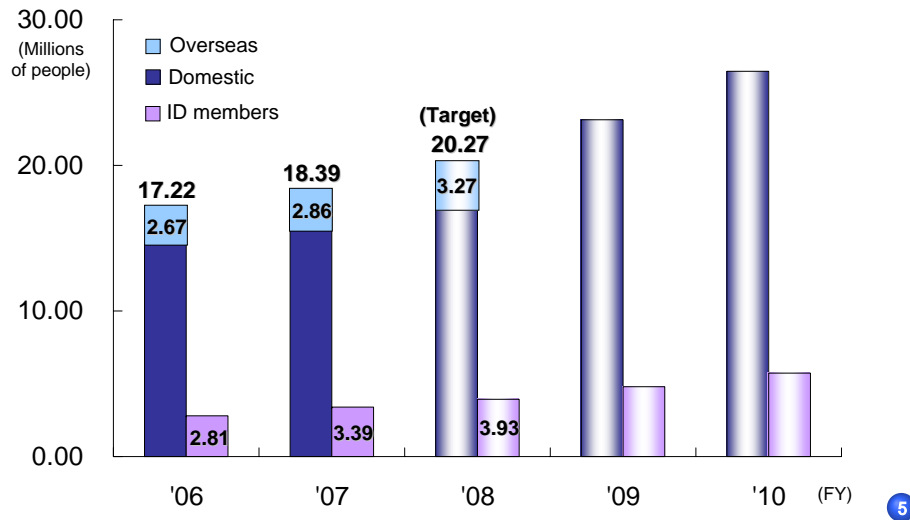
(Yen)

| | Fiscal Year Ended Feb. 20, 2007 (Actual Results) | Fiscal Year Ended Feb. 20, 2008 | Fiscal Year Ended Feb. 20, 2009 (Forecast) |
|---------------------------|--|------------------------------------|--|
| Interim dividend | 15 | 15 | 15 |
| Year-end dividend | 20 | 25 | 25 |
| Commemorative dividend | 5 | - | - |
| Full-term dividend | 35 | 40 | 40 |
| Commemorative dividend | 5 | - | - |
| Consolidated payout ratio | 30.5% | 35.5% | 40.0% |

4

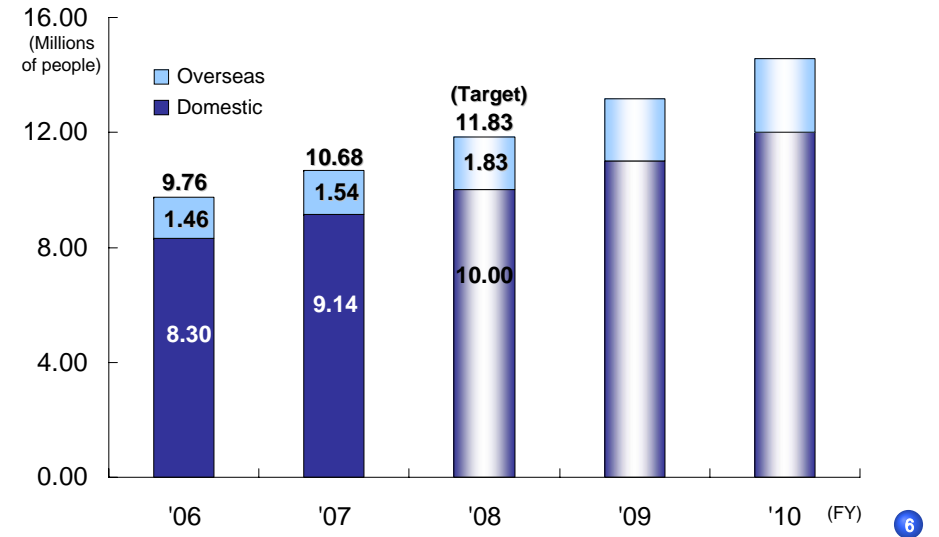
Number of Consolidated Effective Cardholders AEON CREDIT SERVICE CO., LTD.

The numbers of consolidated and non-consolidated effective cardholders increased to 18.39 million (up 1.17m) and 15.53 million (up 0.98m), respectively.



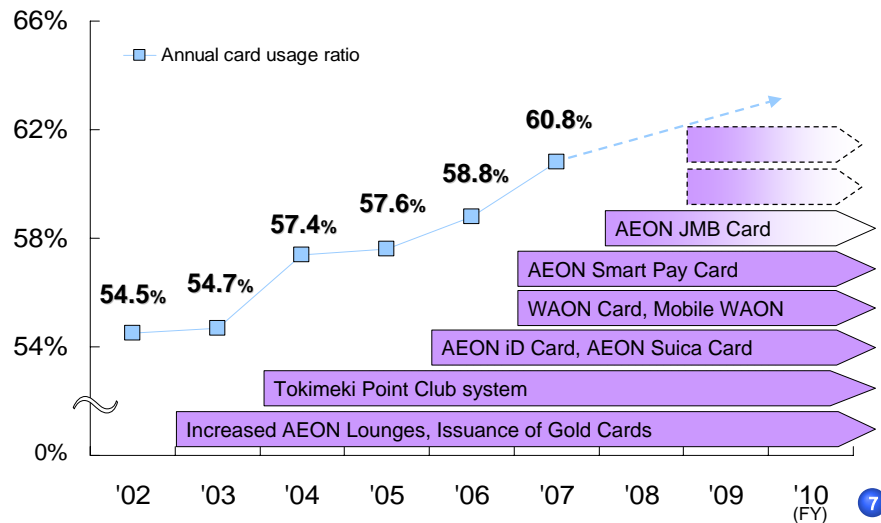
Number of Consolidated Active Cardholders AEON CREDIT SERVICE CO., LTD.

The numbers of consolidated and non-consolidated active cardholders increased to 10.68 million (up 0.92m) and 9.14 million (up 0.84m), respectively.



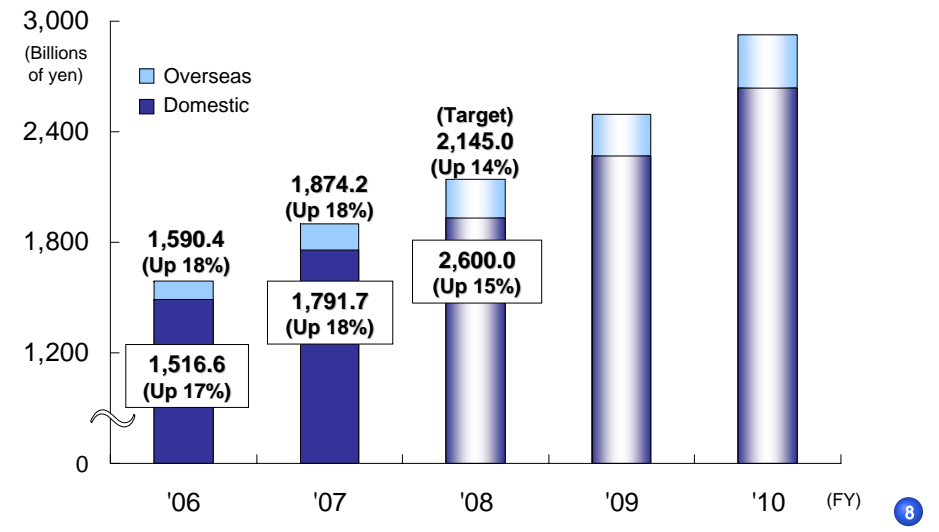
Increase in Annual Card Usage Ratio AEON CREDIT SERVICE CO., LTD.

The annual card usage ratio increased to 60.8%, up 2.0 points year-on-year, through the continued enhancement of card functions and privileges.



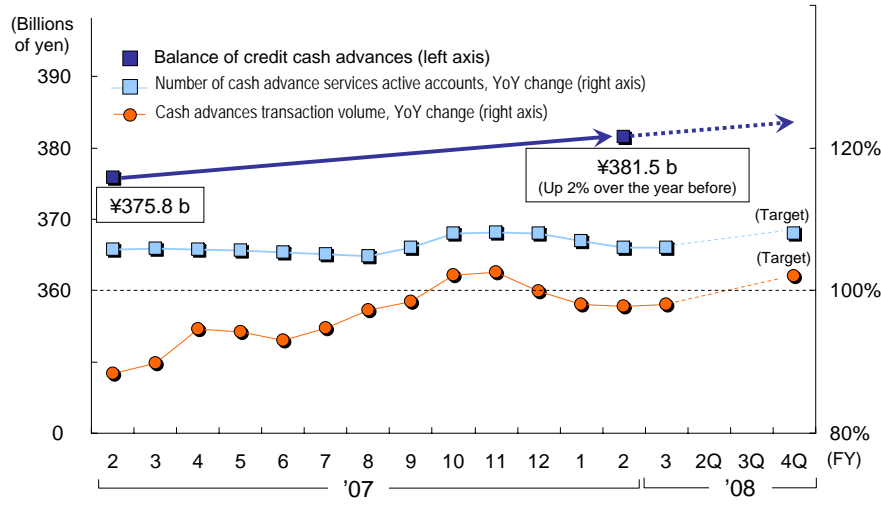
Credit Card Shopping Transaction Volume AEON CREDIT SERVICE CO., LTD.

The credit card shopping transaction volume continued to grow significantly to reach ¥1,874.2 billion (up 18% YoY), thanks to the increase in the numbers of effective and active card holders.



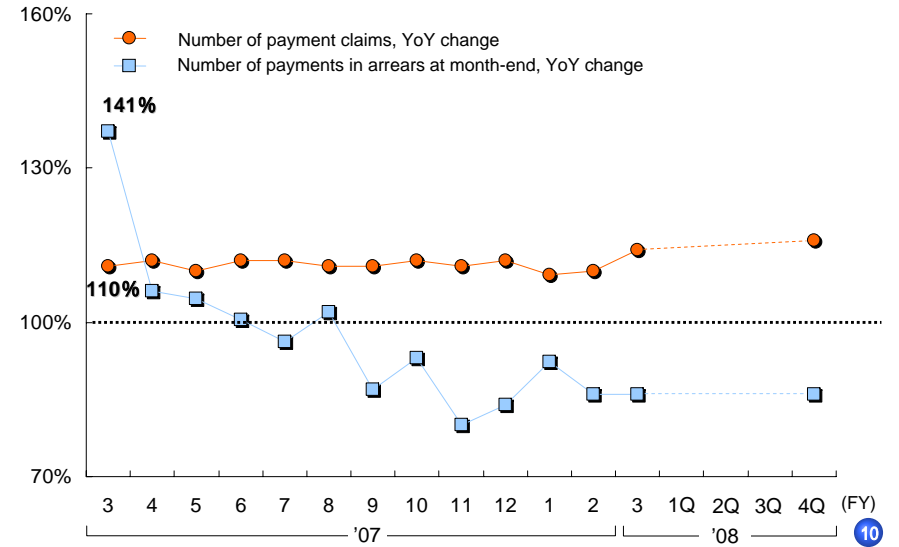
Cash Advance Services (Non-Consolidated)

The balance of credit card cash advances reached ¥381.5 billion (102%, YoY change) after the number of cash advance services active accounts had steadily increased.



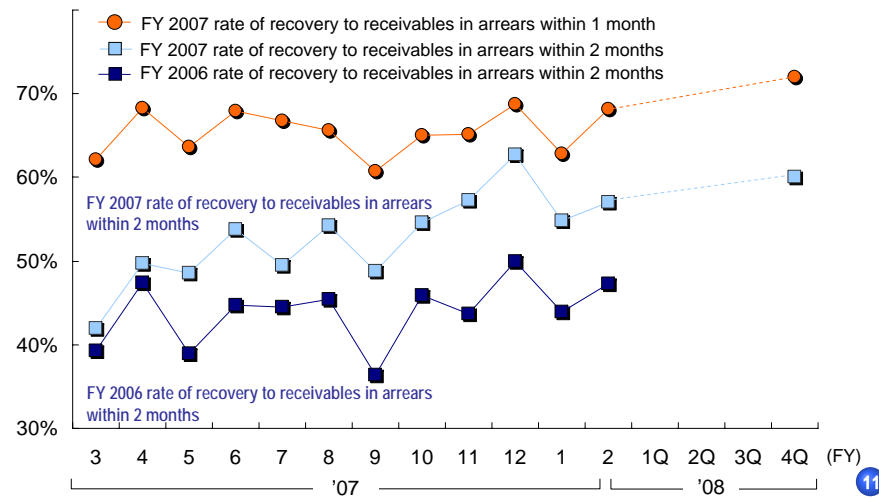
Numbers of Payment Claims and Payments in Arrears at Month-End

While the number of payment claims increased 13% YoY every month, the number of payments in arrears at month-end declined every month.



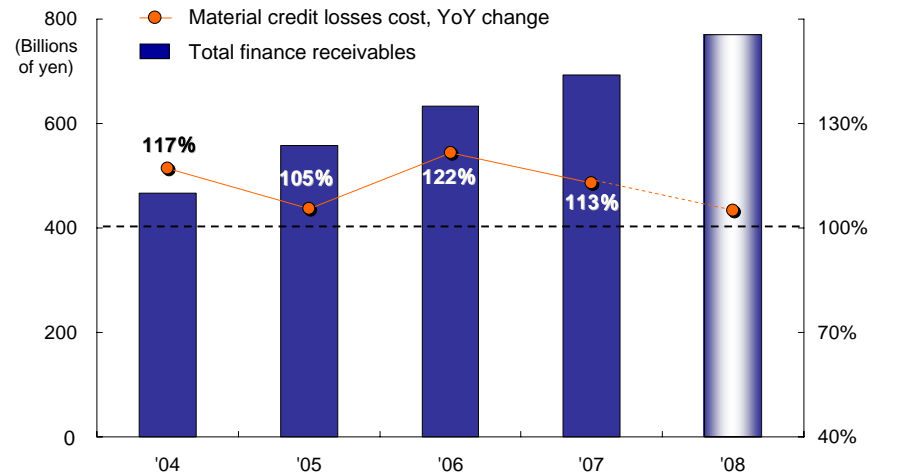
Rate of Recovery to Receivables in Arrears

The rate of recovery to receivables in arrears steadily rose after the receivables management had been reinforced since the beginning of the year.



Material Credit Losses Cost

While the total receivables steadily rose, the growth rate of the material credit losses cost fell.



Allowance for Possible Credit Losses

(Billions of yen)

<Allowance for Possible Credit Losses>

| | FY Ended Feb. 20, 2007 | FY Ended Feb. 20, 2008 |
|--|---------------------------|---------------------------|
| Balance, beginning of year | 22.6 *1 (1.4) | 33.5 |
| Provision for allowance for possible credit losses | 26.5 | 26.8 |
| Write-off of credit losses | 14.2 | 19.1 |
| Balance, end of year | 33.5 | 42.6 *2 (1.4) |

<Breakdown of Allowance for Possible Credit Losses>

| | FY Ended Feb. 20, 2008 |
|---|--------------------------------|
| Personal bankruptcies | All losses already written off |
| Receivables over three months in arrears and receivables subject to legal liquidation | 35.6 |
| General allowance for possible credit losses | 7.0 |
| Total | 42.6 |

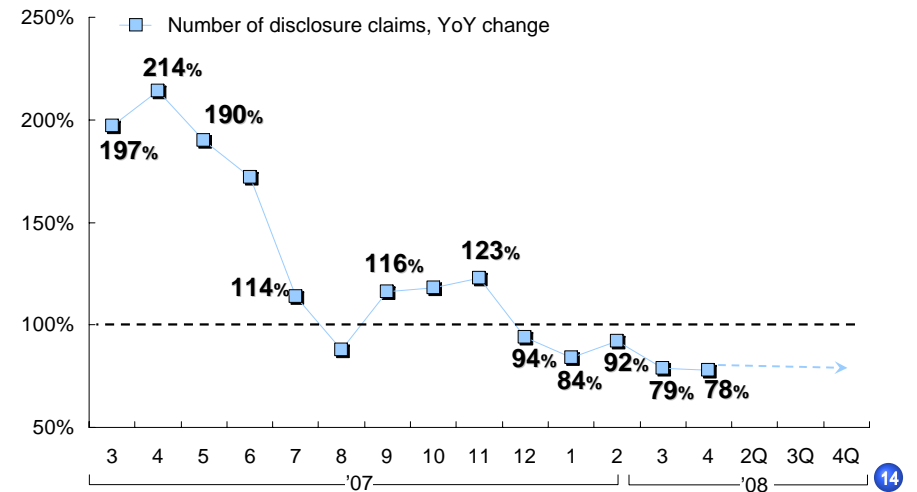
*1: Includes the ¥1.4 billion transferred to the end-of-year allowance for losses on excess interest repayment.

*2: Includes the balance of allowance for possible credit losses of ¥1.4 billion taken over after the merger of ACS Finance.

13

Number of Disclosure Claims for Excess Interest Repayment

The number of disclosure claims for excess interest repayment has been on a decline after peaking in last April, and lower than the year-on-year level since last December. It is expected to continue to decline also in FY 2008.



Allowance for Losses on Excess Interest Repayment

<Allowance for Losses on Excess Interest Repayment> (Billions of yen)

| | FY Ended Feb. 20, 2007 | FY Ended Feb. 20, 2008 |
|---|---------------------------|---------------------------|
| Balance, beginning of year | 0.2 *2 | 6.9 |
| Provision for allowance for losses on excess interest repayment | 7.1 *1 | 6.4 |
| Sums refunded and appropriation of interest to principal | -1.8 | -4.9 |
| Balance, end of year | 6.9 | 8.5 |

*1: Includes extraordinary losses of ¥2.4 billion.

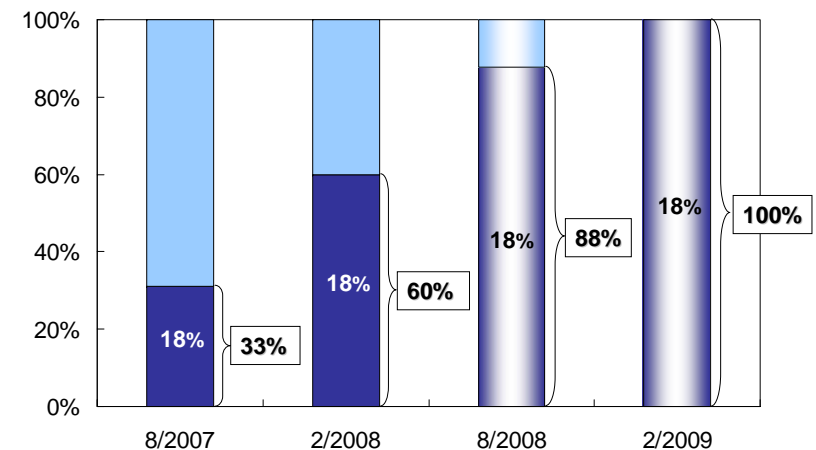
*2: Includes the ¥1.4 billion transferred from the beginning-of-year allowance for possible credit losses.

15

"Response to New Money Lending Business Law"

(1) Transition to a New Interest Rate

The transition to the interest rate of 18% will be completed in this fiscal year.



16

| Items | Specific Responses |
|--|--|
| Issuance of loan document | Already dealt with using monthly statements |
| Acceptance of book inspection claims | Accepted in all branches and sales offices |
| Repayment period | Around two years as specified before |
| Collection | Call frequency/time already controlled by the computer system |
| Acquisition of income verification | Acquired from potential customers seeking loans of over ¥500 thousand. |
| Financial services supervisor program | Implementation of focused training |
| Inquiry to a credit information agency | A system now under development for full implementation |
| Setting credit lines | |

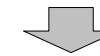
17

Favorable fund procurement conditions taking advantage of high ratings

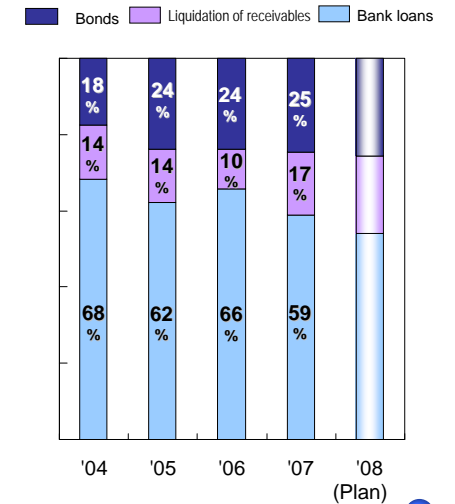
| | R & I | JCR | S & P |
|----------|-------|-----|-------|
| Domestic | A + | A + | A - |

Plan to continue maintaining the long-term borrowing ratio of 70% also in FY 2008.
Plan to raise the direct financing ratio

| | Long-term borrowing ratio | Receivables liquidation line |
|---------|---------------------------|------------------------------|
| FY 2007 | 70% | ¥80 billion |



| | Long-term borrowing ratio | Receivables liquidation line |
|---------|---------------------------|------------------------------|
| FY 2008 | 70% | ¥160 billion |



18

FY 2008





Major Targets of Implementation

Strengthen the Major Businesses

1. Targeting New Customer Segments
2. Enhancing the Co-Branded Card Strategy
3. Promoting Gold Cards
4. Promoting Revolving Repayment

1. Targeting New Customer Segments

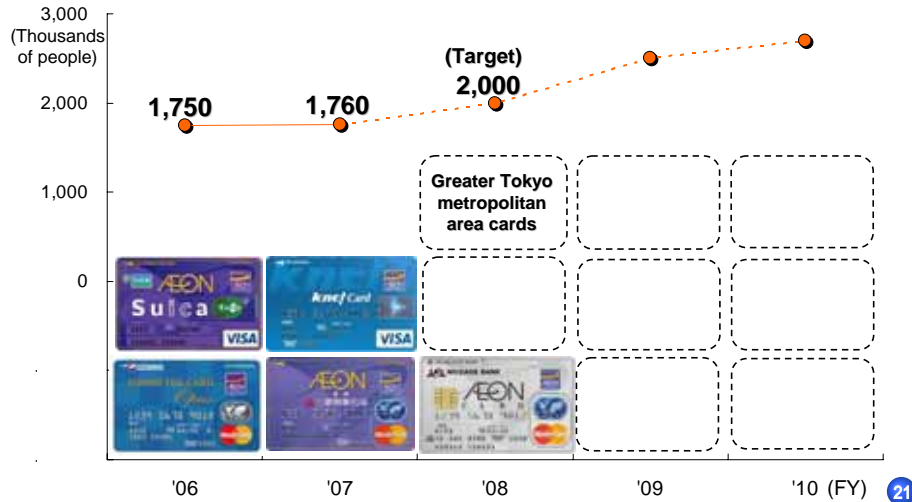
Accelerate the issuance of co-branded cards targeting male, young, and the greater Tokyo metropolitan area resident segments

| | AEON Card | Cosmo Card | AEON Suica Card | AEON JMB Card |
|----------------|---|---|---|---|
| Actual Results |  |  |  |  |
| Male | 24% | 62% | 42% | 43% |
| Twenties | 6% | 15% | 15% | 19% |
| Greater Tokyo | 16% | 25% | 68% | 41% |

20

2. Enhancing the Co-Branded Card Strategy

To expand new customer segments, enhance the branded-card strategy with a target of increasing the number of annual sign-ups from 1,750 to 2,000 thousand.



3. Promoting Gold Cards

Further enhance the privileges of the annual fee-free Gold Card holders
Plan to increase the number of Gold Card holders by 230 thousand to 800 thousand in FY 2008.

<AEON Lounge>



Increase from 95 to 110 lounges

<Airport Lounge>



Open lounges in Tokyo International, Central Japan International, and Kansai International airports

<AEON Suica Card>



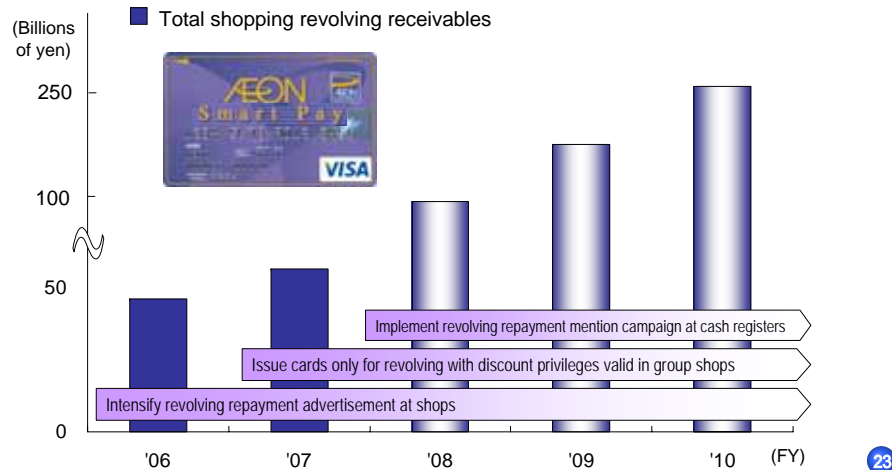
<AEON JMB Card>



22

4. Promoting Revolving Repayment

Further promote the revolving repayment through the efforts of the entire group to compensate the decline in the cash advances revenues












Establish New Sources of Revenues

1. Expanding the Electronic Money Business
2. Fully developing the Gift Card Business
3. Further developing the Bank Agency Business
4. Enhancing the Internet Business
5. Strengthening the Insurance Agency Business
6. Strengthening the Servicer Business

1-(1) Expanding the Electronic Money Business AEON CREDIT SERVICE CO., LTD.

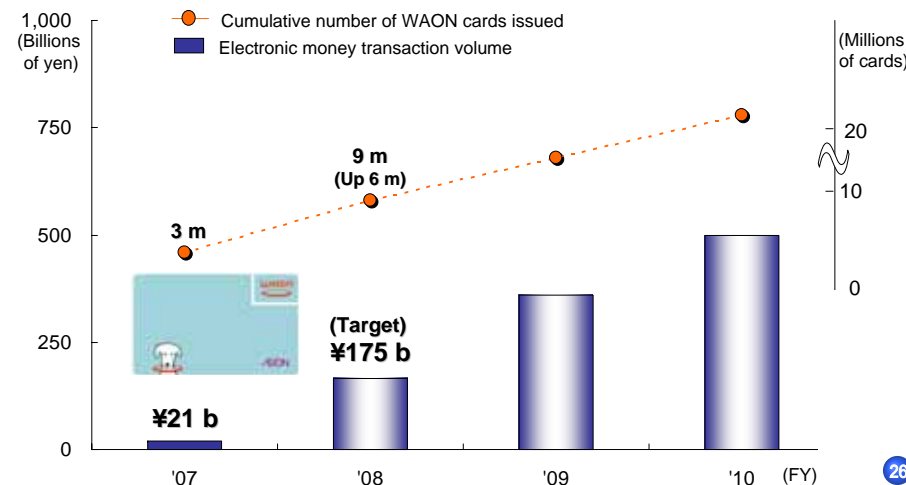
In March, we started to develop this business across Japan. Development outside the group such as the partnership with Japan Airlines (JAL) will be accelerated.

| | FY 2007 | | FY 2008 | | FY 2009 |
|-----------------------------|---|--|---|--|---|
| | First Phase | | Second Phase | | Third Phase |
| Issuing WAON |  AEON and us |  AEON Bank |  AEON JMB |  Mitsui Sumitomo WAON |  |
| Affiliated merchants | Within group Kanto region | | Outside group Convenience stores Fast food chains Supermarkets | | Local development Administrative institutions Public offices |
| Acquiring |  iD and Suica |  PASMO |  ICOCA |  External electronic money | |

25

1-(2) Expanding the Electronic Money Business AEON CREDIT SERVICE CO., LTD.

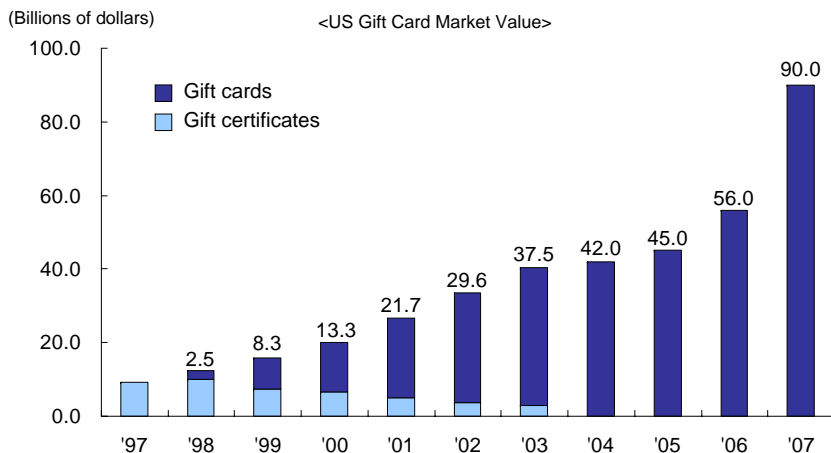
Plan to increase the cumulative number of the WAON cards issued by 6 million to 9 million and the electronic money transaction volume to ¥175 billion.



26

US Gift Card Market AEON CREDIT SERVICE CO., LTD.

The US gift card market value has expanded seven times since 2000.



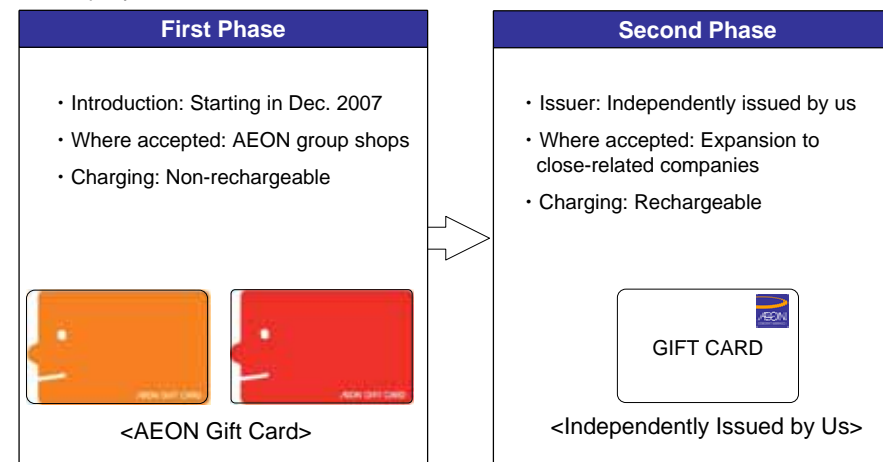
* The numbers represent the total value of gift cards issued. Note that data on the gift certificates issued in 2004 and after were not available.

* This graph was prepared by us according to "Faulkner & Gray research."

27

2. Fully Developing the Gift Card Business AEON CREDIT SERVICE CO., LTD.

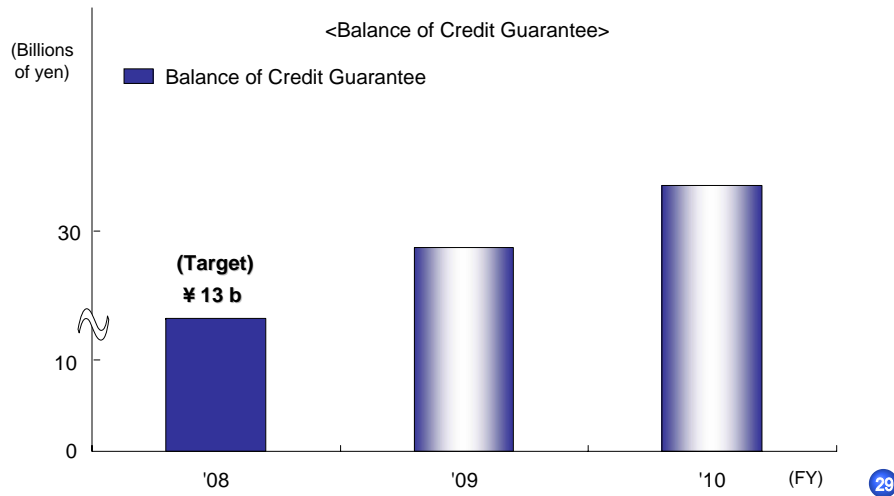
Start to fully develop the gift card business taking advantage of being a distribution-related company



28





3. Further developing the Bank Agency Business AEON CREDIT SERVICE CO., LTD.

Start bank account openings and the credit guarantee business for bank loans
Plan to issue super cash cards with integrated credit and account



4. Enhancing the Internet Business AEON CREDIT SERVICE CO., LTD.

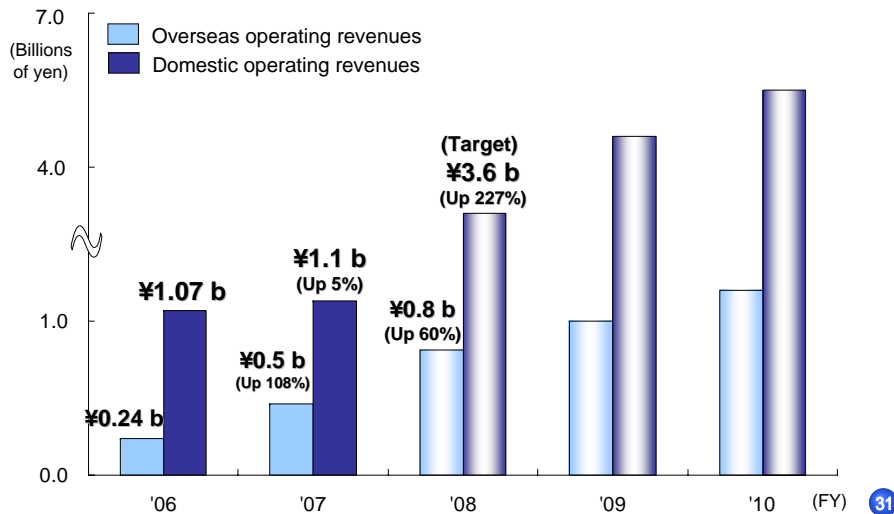
Enhance the Internet business through the expansion of the settlement functions in AEON REGI

| | To FY 2006 | FY 2007 | FY 2008 | FY 2009 |
|--|---|---|---|---|
| | First Phase | Second Phase | Third Phase | Fourth Phase |
| <ul style="list-style-type: none"> • Credit • Payment from convenience stores • Bank transfer • Cash on delivery |  |  |  | <div style="border: 1px dashed black; padding: 5px;"> <Traffic related> </div> <div style="border: 1px dashed black; padding: 5px; margin-top: 10px;"> <Independent> </div> |
| | |  | | |

30

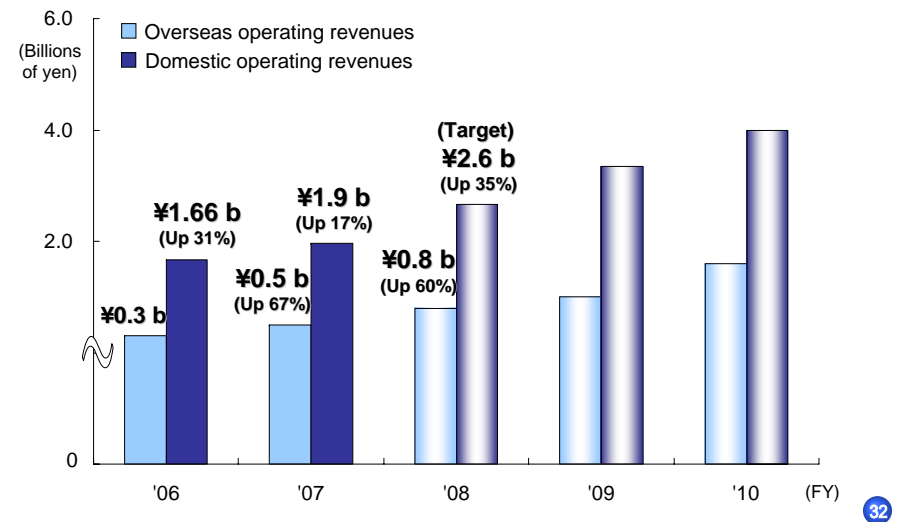
5. Strengthening the Insurance Agency Business AEON CREDIT SERVICE CO., LTD.

In addition to the operations on the web and promotion using direct mails, we will open 16 insurance shops (60 shops in total) to expand the revenues.



6. Strengthening the Servicer Business AEON CREDIT SERVICE CO., LTD.

Plan to achieve operating revenues of ¥2.6 billion in the domestic servicer business (Up 35% YoY) and ¥0.8 billion in the overseas servicer business (Up 60%) in this fiscal year

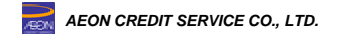


Expand Overseas Operations

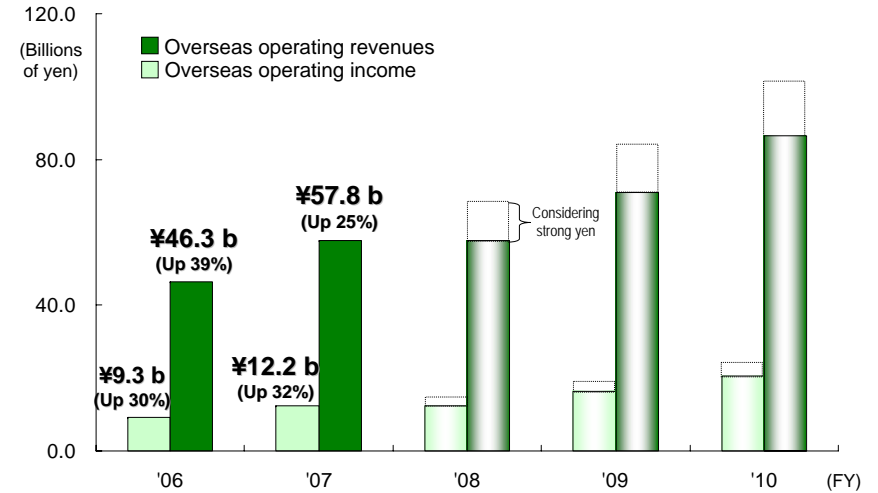
1. Thailand
2. Hong Kong
3. Malaysia
4. Taiwan
5. Indonesia
6. China
7. Expansion of Overseas Operations



Results of Overseas Operations



In FY 2007, the overseas operations achieved operating revenues of ¥57.8 billion (Up 25% YoY) and operating income of ¥12.2 billion (Up 32% YoY).



34

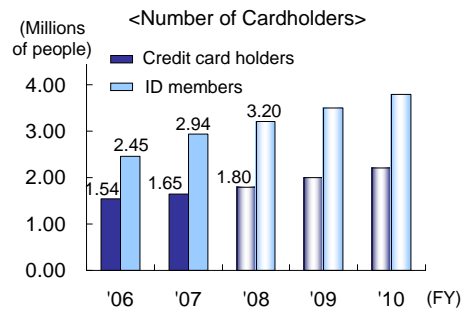
1. Operations in Thailand



Summary of FY ended in Feb. 2008

- Set up servicer company and life insurance agency, expanding the peripheral-to-credit business
- Increased the number of cardholders to 1.65 million

| | Result | YoY Change | Yen Equivalent |
|--------------------|--------------------|------------|------------------|
| Operating Revenues | 9,262 million baht | 117% | 33.8 billion yen |



35

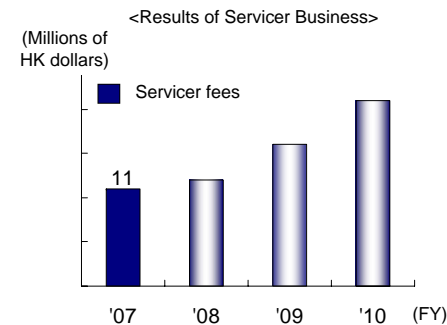
2. Operations in Hong Kong



Summary of FY ended in Feb. 2008

- 20th anniversary of the local company
- Completed the transfer of back office operations to China
- Enhanced the servicer and insurance agency businesses

| | Result | YoY Change | Yen Equivalent |
|--------------------|--------------------------|------------|------------------|
| Operating Revenues | 1,204 million HK dollars | 105% | 17.9 billion yen |



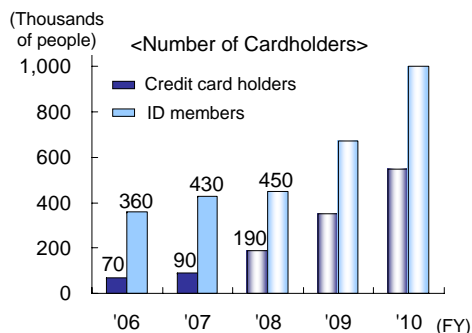
36

3. Operations in Malaysia

Summary of FY ended in Feb. 2008

- Listed on the local stock exchange
- Issued bonds in accordance with the Islamic financing principles
- Started to issue Gold Cards and ETC Cards (Touch & Go)

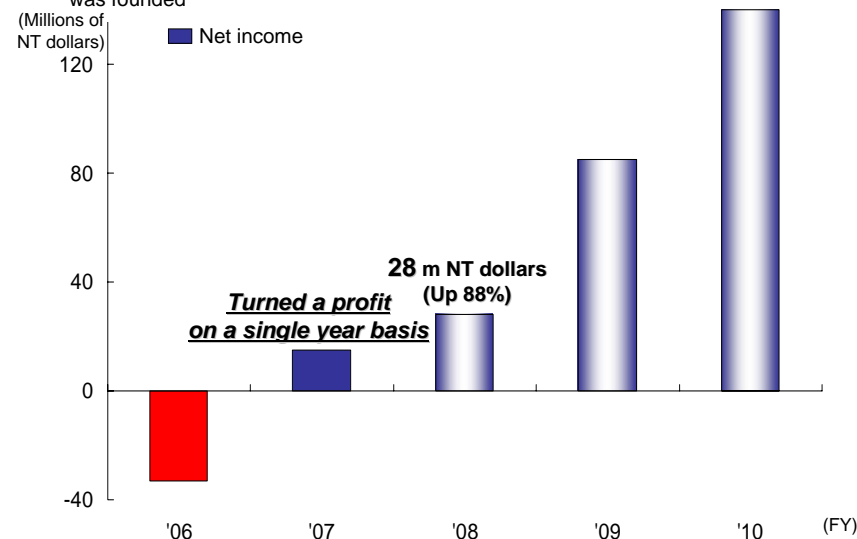
| | Actual Result | YoY Change | Yen Equivalent |
|--------------------|---------------------|------------|-----------------|
| Operating Revenues | 187 million ringgit | 133% | 6.4 billion yen |



37

4. Operations in Taiwan

Turned a profit on a single year basis for the first time in 6 years since the card company was founded



38

5. Operations in Indonesia

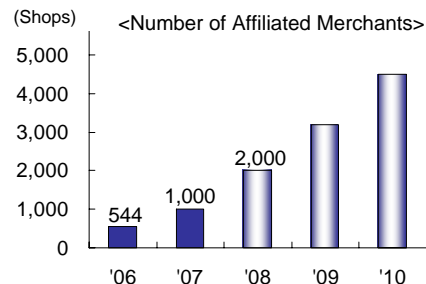
Summary of FY ended in Feb. 2008

- Started to issue Express Cards
- Started two-wheeler hire-purchase
- Increased the number of hire purchase affiliated merchants



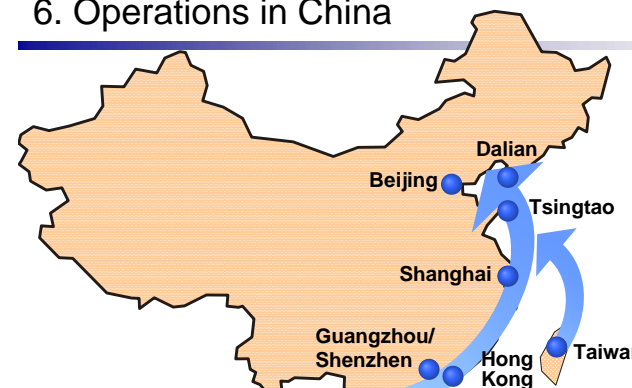
Medium-Term Plan

| | Operations Development Plan |
|---------|---|
| FY 2008 | Establish operational base in Jakarta |
| FY 2009 | Start to issue credit cards |
| FY 2010 | Increase the number of cardholders to 100,000 |



39

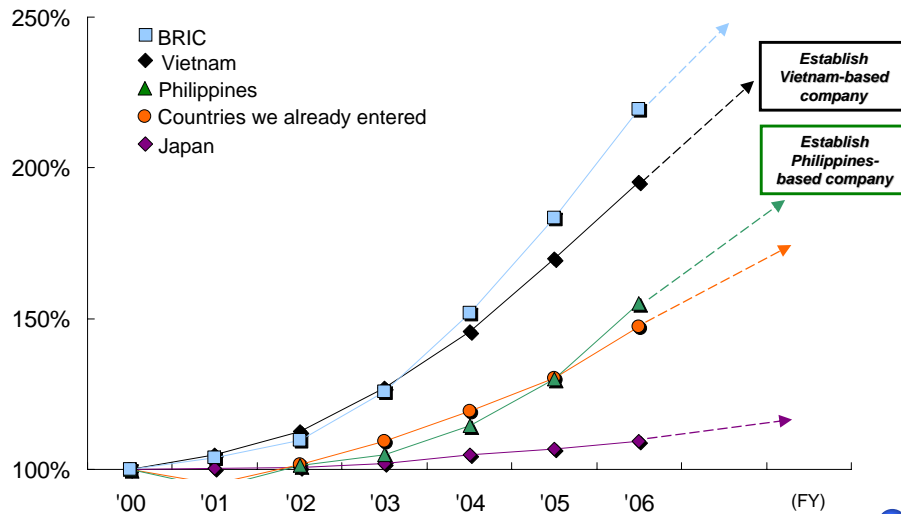
6. Operations in China



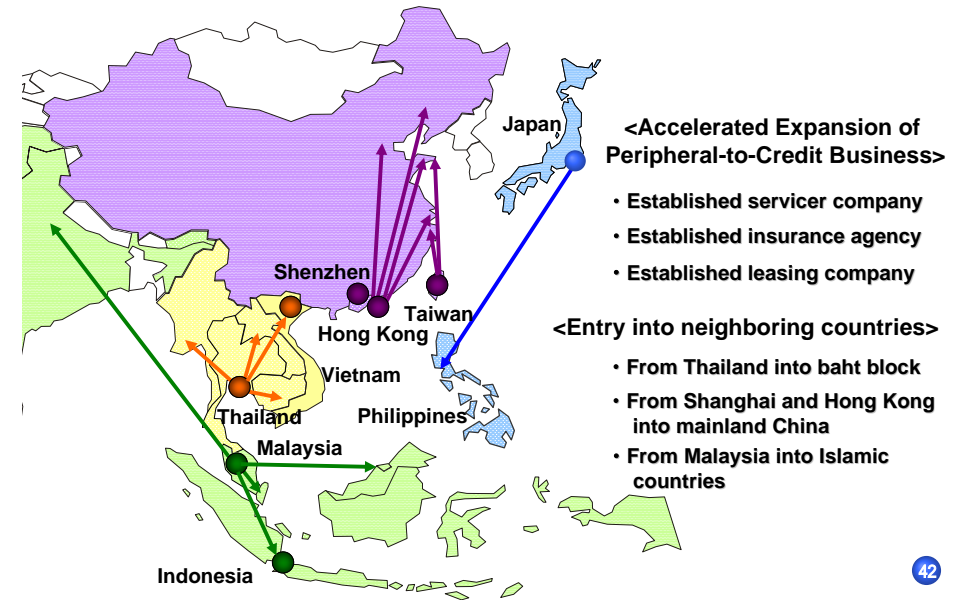
| From FY 2000 | From FY 2007 | From FY 2008 | Credit card |
|--|------------------|--------------|-------------|
| Call, receivables management, and credit control | Credit guarantee | House card | Credit card |
| | | | |

40

<GDP Growth Rate (Index: FY 2000 = 100)>



* Prepared by us according to data from Japan External Trade Organization (JETRO)



(Billions of yen)

| | Consolidated | | Non-Consolidated | |
|--------------------|--------------|------------|------------------|------------|
| | Forecast | YoY Change | Forecast | YoY Change |
| Transaction volume | 3,110.0 | 113% | 2,760.0 | 114% |
| Operating revenues | 185.8 | 103% | 125.5 | 103% |
| Operating income | 33.0 | 100% | 20.0 | 102% |
| Ordinary income | 33.1 | 100% | 22.3 | 100% |
| Net income | 15.7 | 89% | 13.7 | 97% |

Statements contained in this report with respect to the Company's management strategies, business policies and results forecasts are forward-looking statements about the future performance of the Company, which are based on the assumptions and beliefs in light of the information currently available. These forward-looking statements involve various uncertain factors including known and unknown risks such as economic trends, industry competition, market demand, exchange rates, tax and other systems that may cause the Company's actual results, performance or achievements to differ materially from the expectations expressed herein.