

## Results for the Fiscal Year Ended February 20, 2009



## Operating Data



(Billions of yen)

Consolidated	Actual Results	Year-on-Year Change	Forecast	Differences
Transaction volume	3,074.0	112%	3,110.0	- 35.9
Operating revenues	176.0	97%	185.8	- 9.7
Operating income	26.6	81%	33.0	- 6.3
Ordinary income	26.8	81%	33.1	- 6.2
Net income	14.7	84%	15.7	- 0.9

Non-Consolidated	Actual Results	Year-on-Year Change	Forecast	Differences
Transaction volume	2,742.4	114%	2,760.0	- 17.5
Operating revenues	117.2	96%	125.5	- 8.2
Operating income	14.0	72%	20.0	- 5.9
Ordinary income	16.2	73%	22.3	- 6.0
Net income	12.1	86%	13.7	- 1.5

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## Financial Data



(Billions of yen)

	Consolidated		Non-Consolidated	
	Actual Results	Change during the Year	Actual Results	Change during the Year
Total Assets	854.1	- 7.8	660.9	+ 7.2
Including securitized receivables	997.3	+ 38.3	790.9	+ 30.2
Installment sales receivables	258.7	- 28.6	195.9	- 22.0
Including securitized receivables	395.7	+ 23.5	329.1	+ 35.0
Operating loans receivables	483.5	- 30.8	375.3	- 18.0
Including securitized receivables	501.6	- 31.0	384.0	- 14.2
Net Assets	181.9	- 1.4	145.0	+ 2.4
Shareholders' equity ratio	19.0%	0.1%	21.9%	0.1%

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## Dividends



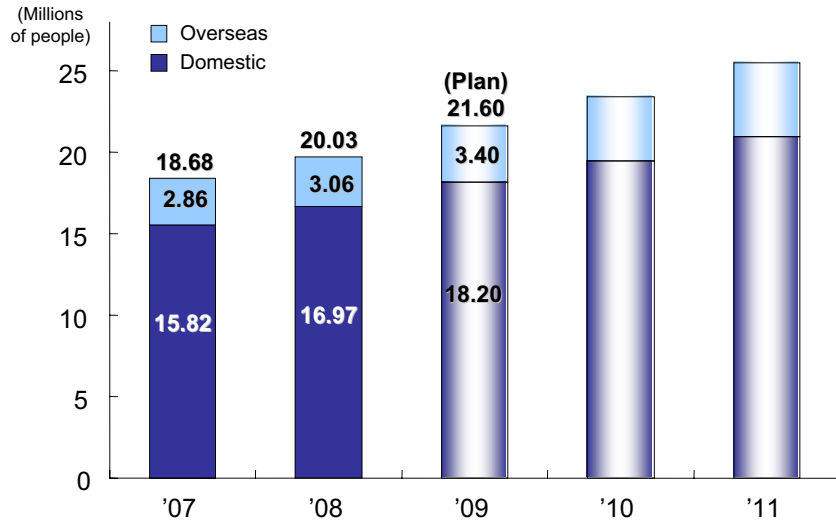
(Yen)

	FY2008	FY2009 (Forecast)
Interim dividend	15	15
Term-end dividend	25	25
Full-term dividend	40	40

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## Number of Cardholders (Consolidated)

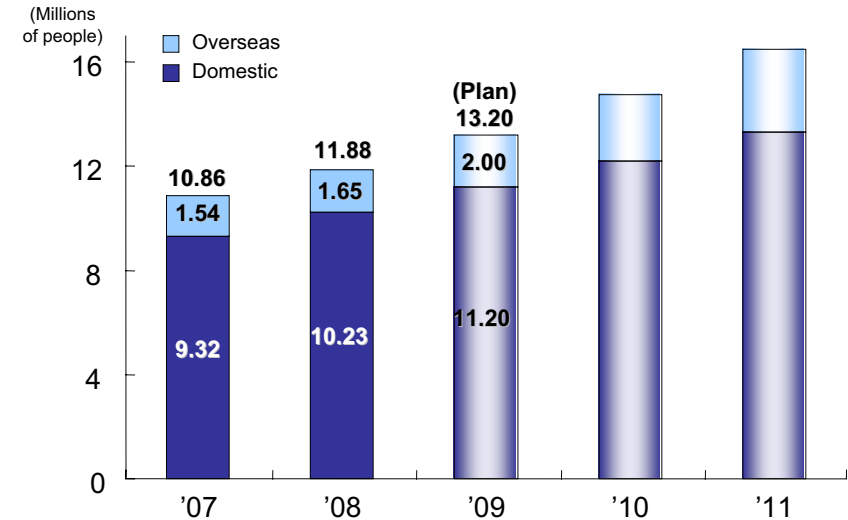
- The numbers of consolidated and non-consolidated cardholders increased to 20.03 million (up 1.35 m from the beginning of the year) and 16.97 million (up 1.15 m), respectively.



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## Number of Active Cardholders (Consolidated)

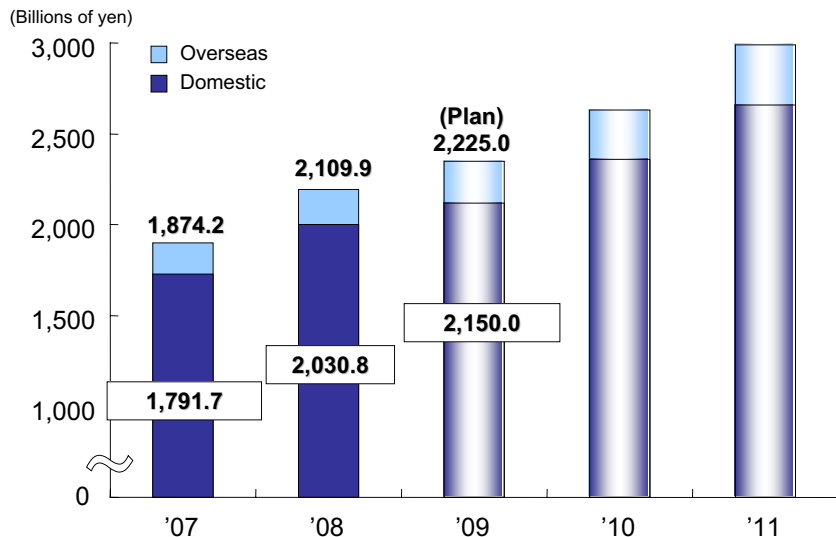
- The numbers of consolidated and non-consolidated active cardholders increased to 11.88 million (up 1.02 m from the beginning of the year) and 10.23 million (up 0.91 m), respectively.



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## Credit Card Shopping Transaction Volume

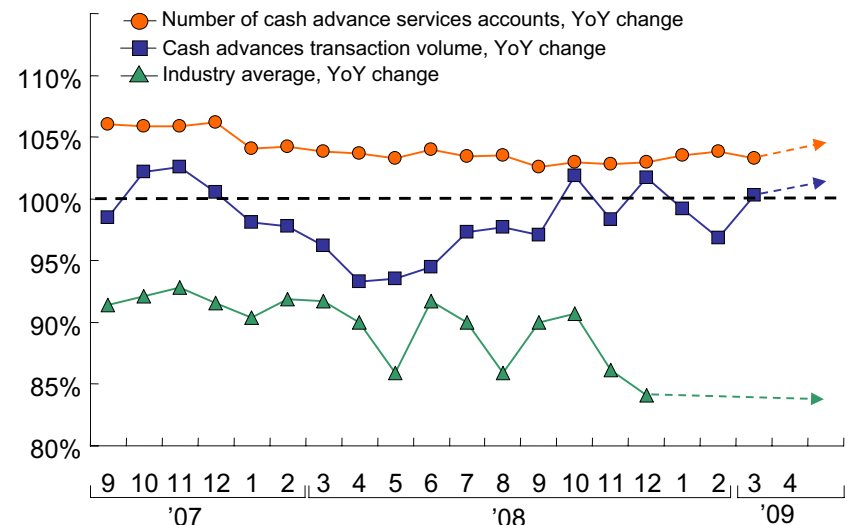
- The consolidated and non-consolidated credit card shopping transaction volume reached ¥2,109.9 billion (up 13% YoY) and ¥2,030.8 billion (up 13% YoY), respectively.



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## Cash Advances Transaction Volume (Non-Consolidated)

- A steady increase in new cardholders has led to a rise in the number of cash advance services accounts, bringing the transaction volume on track toward recovery.

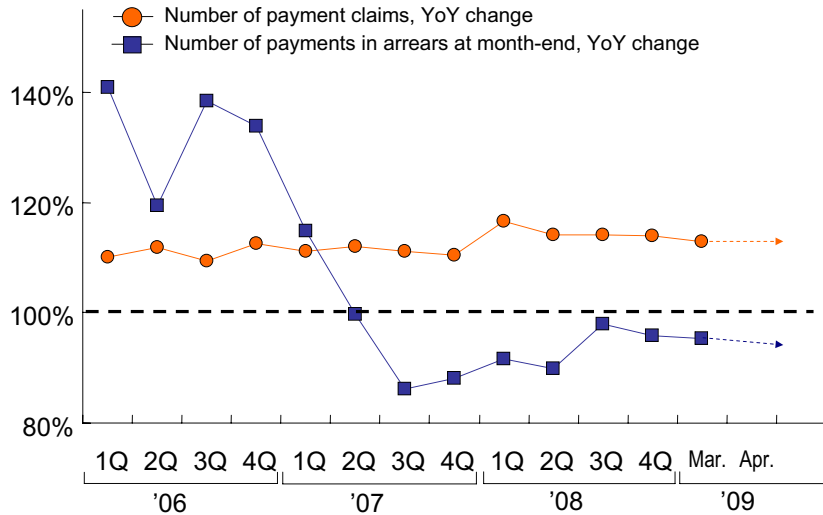


\* Source of the industry average data: Japan Consumer Credit Industry Association

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## Numbers of Payment Claims and Payments Arrears at Month End

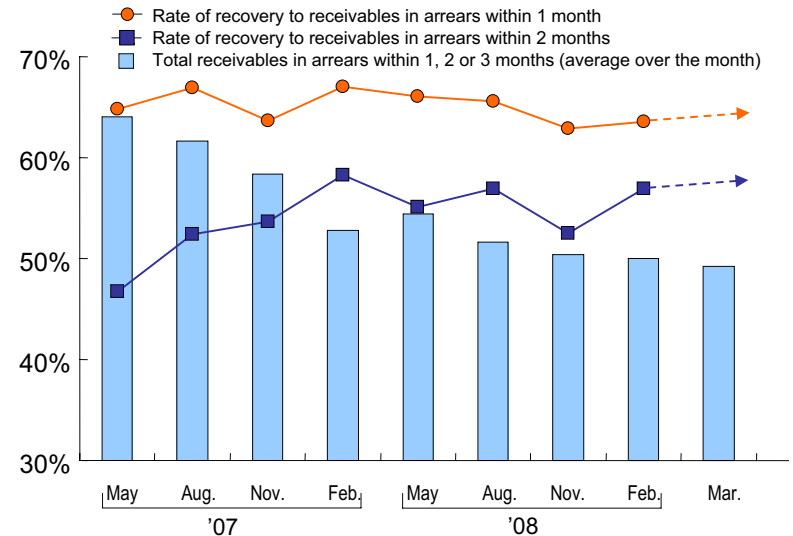
- While the number of payment claims increased about 14% YoY, the number of payments in arrears continued to show a negative increase on YoY basis.



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## Rate of Recovery to Receivables in Arrears and Total Receivables in Arrears

- An improved rate of recovery before month end has sent the total receivables in arrears on the decline.



\* The balance for March 2009 is a single month value.

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## Allowance for Possible Credit Losses

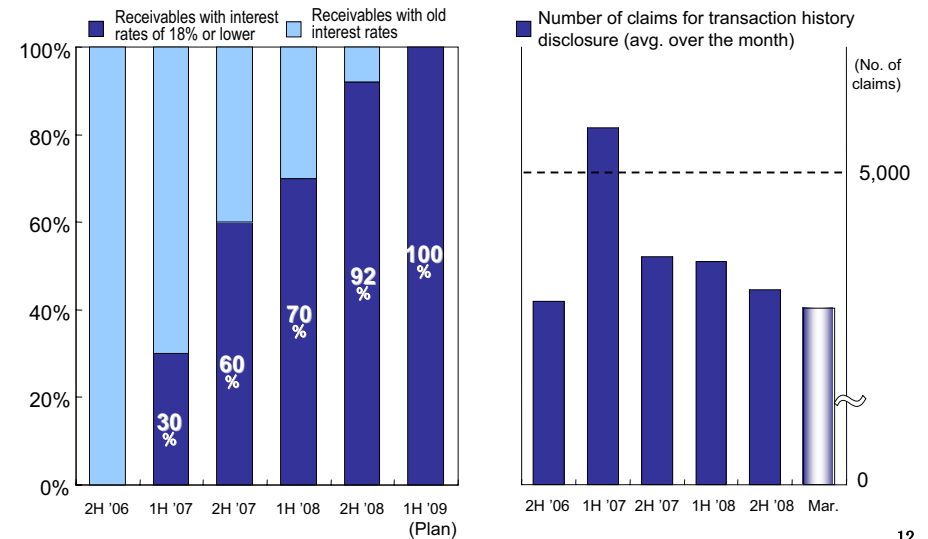
(Billions of yen)

	FY2007	FY2008		FY2008
Allowance for possible credit losses balance, beginning of year	34.9	42.6	Allowance for personal bankruptcies	All losses written off
Provision for possible credit losses	26.8	24.7	Receivables in arrears over three months and subject to special attention	38.0
Write-off of credit losses	19.1	21.7	General allowance for possible credit losses	7.6
Allowance for possible credit losses balance, end of year	42.6	45.6	Total	45.6
Allowance ratio, end of year	6.2%	6.4%		

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## Receivables by Interest Rate and Number of Claims for Transaction History Disclosure

- At the end of FY2008, 92% of the total receivables completed the transition to interest rates of 18% or lower.



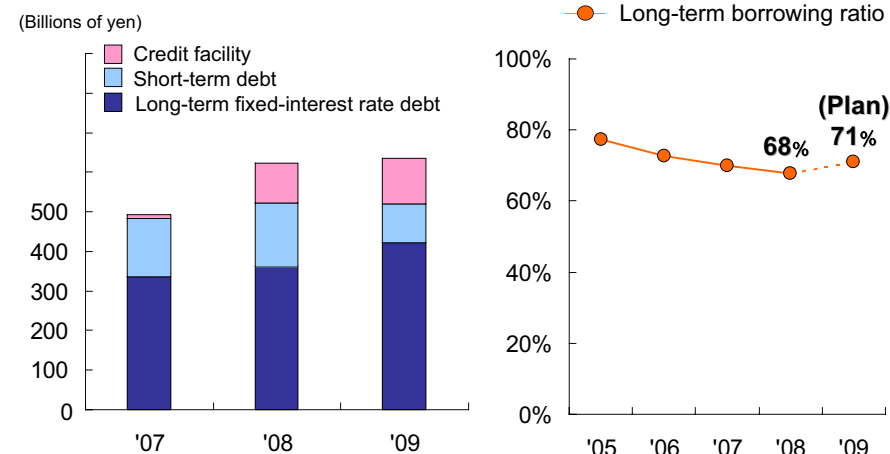
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- We increased allowance for losses on excess interest repayment by ¥3.4 billion yen over the year to ¥11.9 billion.

(Billions of yen)

	FY2007		FY2008	
Allowance for losses on excess interest repayment balance, beginning of year	6.9		8.5	
Provision for allowance for losses on excess interest repayment	6.4		9.7	
Amount of excess interest repayment made (Sums refunded and appropriation of interest to principal)	-4.9		-6.3	
	1H 2.0	2H 2.9	1H 3.1	2H 3.2
Allowance for losses on excess interest repayment balance, end of year	8.5		11.9	

- We secured an extended credit facility of ¥200 billion, increased from ¥10 billion, to ensure stable funding.
- The long-term borrowing ratio was 68% and the average funding cost (for both short and long terms) was 1.33% (up 12 bps YoY).

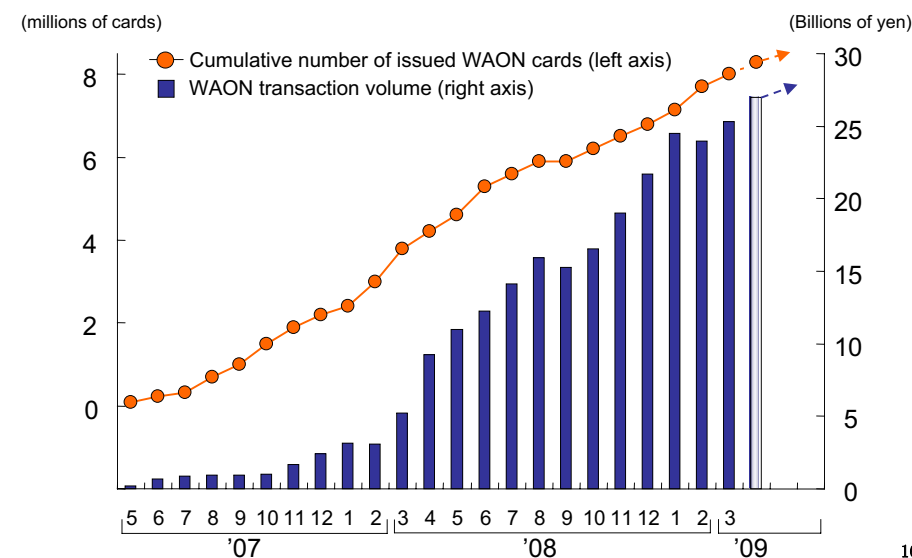


## FY 2009 Major Targets of Implementation

### I. Promote the Earnings Structure Reform











1. Expanding the Electronic Money Business
2. Reinforcing the Gift Card Business
3. Reinforcing the Bank Agency Business
4. Expanding the Credit Guarantee Business
5. Promoting the Processing Business
6. Promoting the Internet Business
7. Promoting the CRM Business
8. AEON Insurance Services
9. ACS Credit Management

- The cumulative number of issued WAON cards reached 7.7 million, up 4.7 million YoY.



### 1-②. Expanding the Electronic Money Business

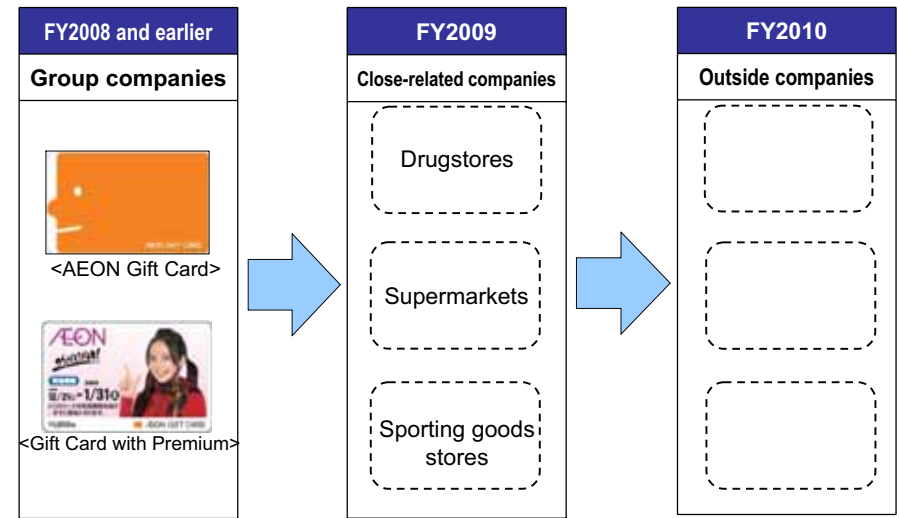
- A fast-food chain outside the group and a convenience store chain will start accepting WAON cards.

	FY2007	FY2008	FY2009
	Within group		Strengthen partnerships with outside companies
WAON co-branded cards			
Major affiliated merchants	 	 	  

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### 2. Reinforcing the Gift Card Business

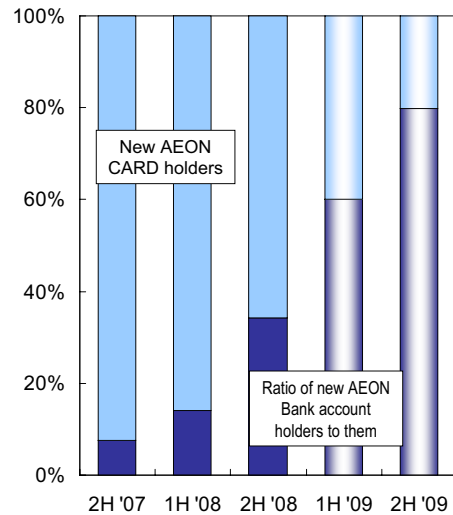
- Expand the partnership target range to cover close-related and outside companies as well as group companies



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### 3-①. Reinforcing the Bank Agency Business (Promoting Bank Account Sign-Up Efforts)

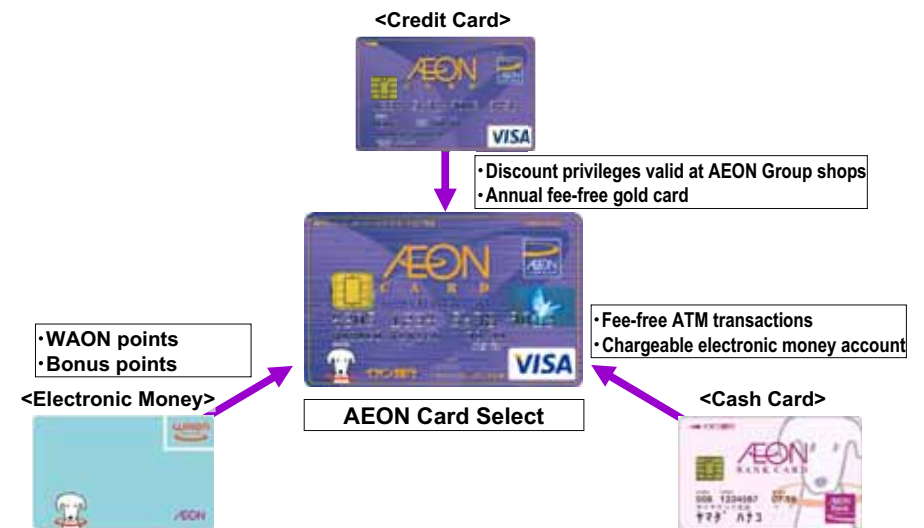
- Raise the number of accounts through more intense sign-up efforts not only at shops but also at in-store bank branches
- In the first half of FY2009, aim at the AEON Card-bank account simultaneous application ratio of 60%



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### 3-②. Started Issuing AEON Card Select

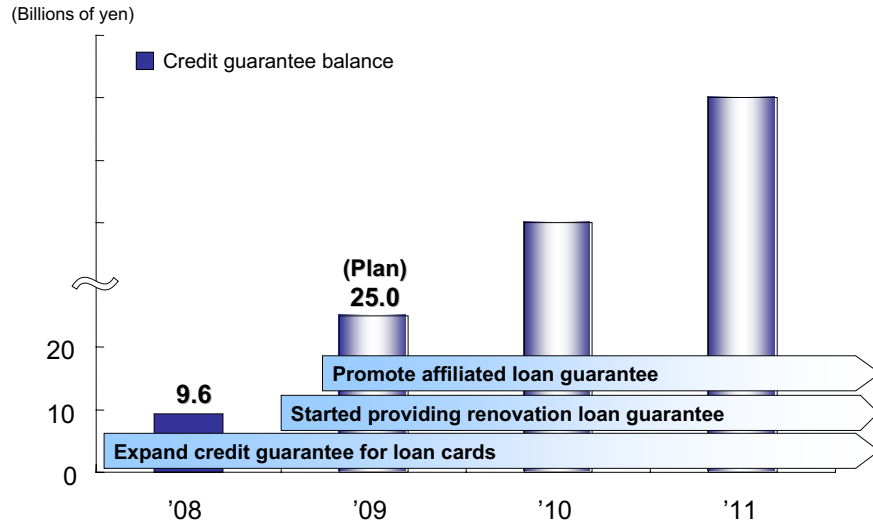
- Intensify sign-up efforts for "AEON Card Select" with premiums and features of AEON Card, AEON Bank Card, and WAON integrated into it



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## 4. Expanding the Credit Guarantee Business

- Plan to achieve the credit guarantee balance of ¥25 billion through enhanced collaboration with AEON Bank



\* Including securitized receivables

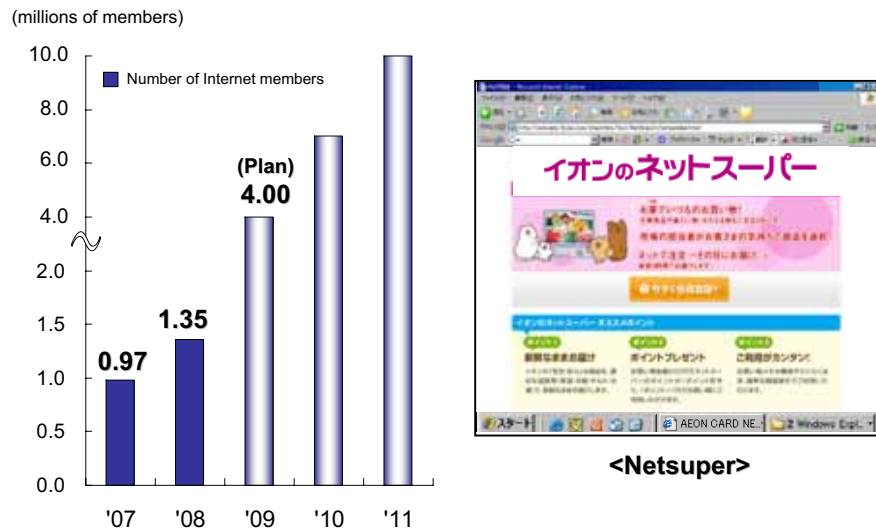
## 5. Promoting the Processing Business

- Accept the processing business from group companies utilizing our business infrastructure

	FY2008		FY2009	
	1H	2H	1H	2H
Solicitation/Screening	Sign-up efforts	Card loan	Cash card	
Card Issuance	Group ID Card	WAON	Cash card	
Call center	WAON	Residential mortgage guide	Bank inquiry	Insurance product guide
Receivables management	Pension/utility fees		Card loan receivables	
Archiving applications	Computerization		Account application	

## 6. Promoting the Internet Business

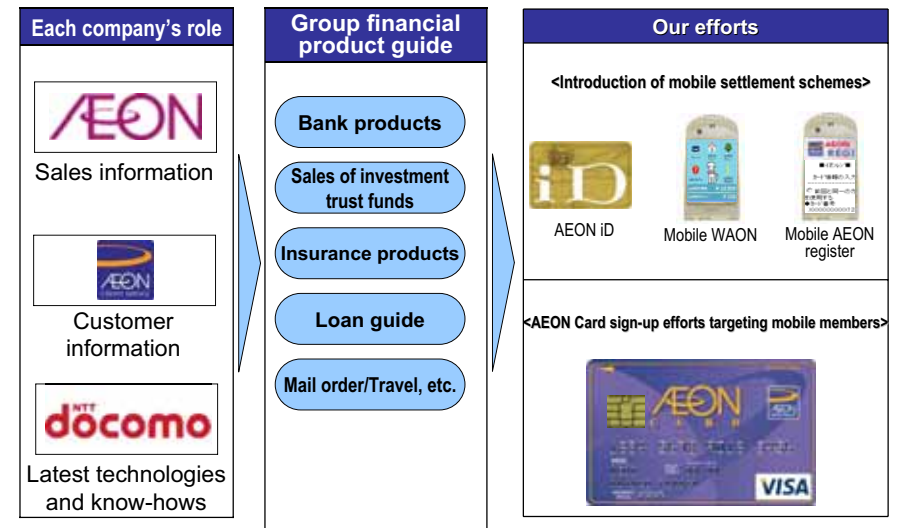
- Increase the number of Internet members to 4 million (up 2.65 m YoY) and enhance the online settlement features



## 7. Promoting the CRM Business

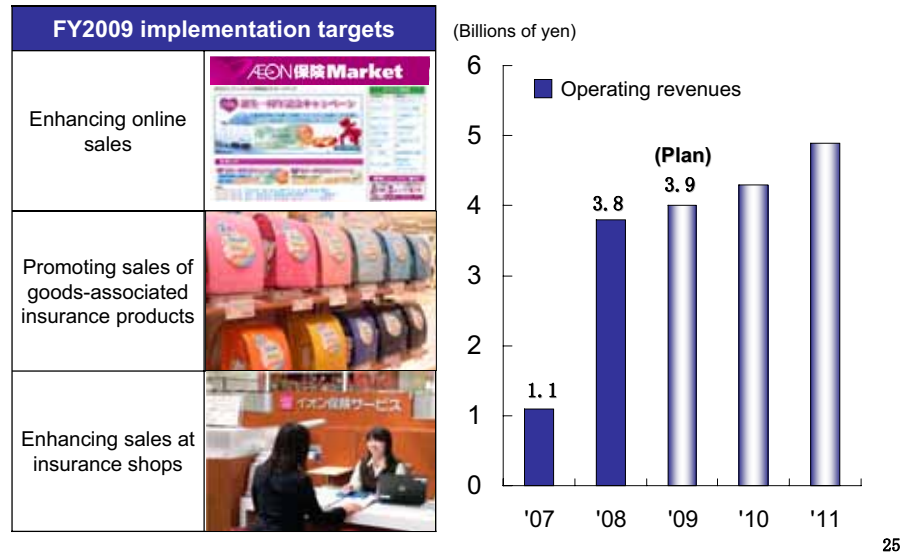
(Increasing the Number of Mobile Members)

- Promote the CRM business utilizing the mobile system with NTT DOCOMO
- Encourage the introduction of mobile settlement schemes and AEON Card sign-up efforts targeting mobile members



## 8. AEON Insurance Services

- Enhancing the sales of goods-associated insurance products while promoting online insurance product sales

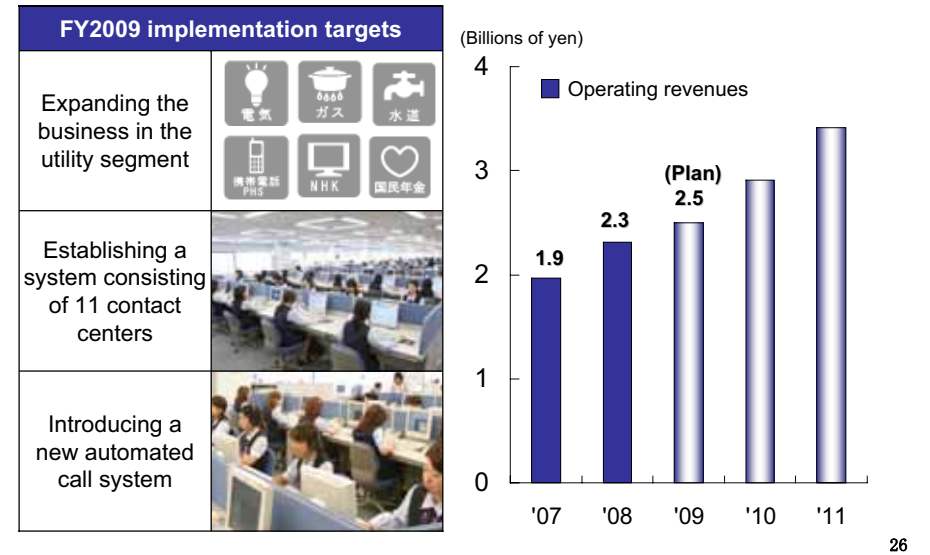


## II. Improving the Competitiveness of Our Credit Card Business

- Intensifying Card Sign-Up Efforts at New Operational Bases
- Enhancing Card Privileges and Features
- Intensifying the Efforts to Promote Revolving Repayment
- Dealing with Legal Change
- System Development Plan

## 9. ACS Credit Management

- Plan to achieve operating revenues of ¥2.5 billion (up 9% YoY) by expanding the business in the public offices and utility segments.








## 1. Intensifying Card Sign-Up Efforts at New Operational Bases

- Increase the numbers of credit card and bank account sign-ups through the development of new operational bases



## 1-②. Exploring New Customer Segments

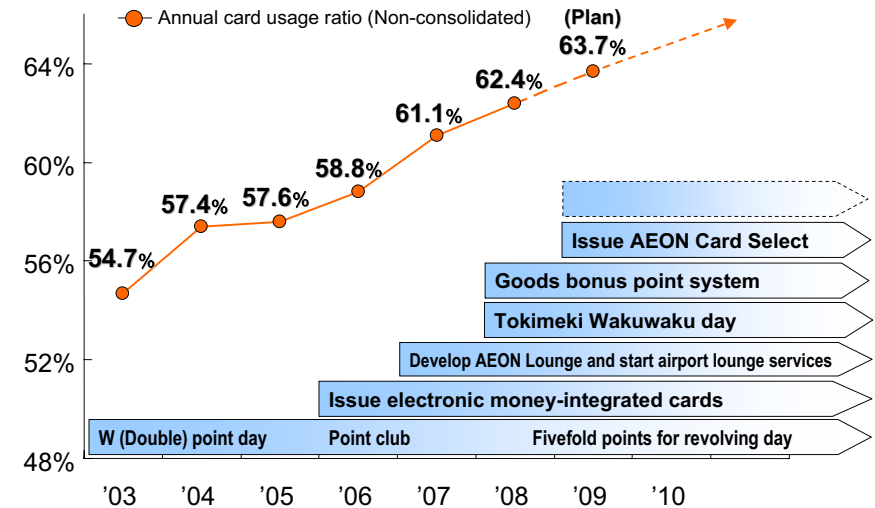
- Our efforts in targeting new customer segments have resulted in higher ratios of male and metropolitan cardholders.

	COSMO THE CARD Opus	AEON Suica Card	AEON JMB Card	AEON Renaissance Card	New co-branded cards
					
Male ratio	62%	41%	42%	41%	
Metropolitan ratio	24%	67%	26%	38%	
Annual card usage ratio	75%	73%	72%	73%	

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## 2. Enhancing Card Privileges and Features

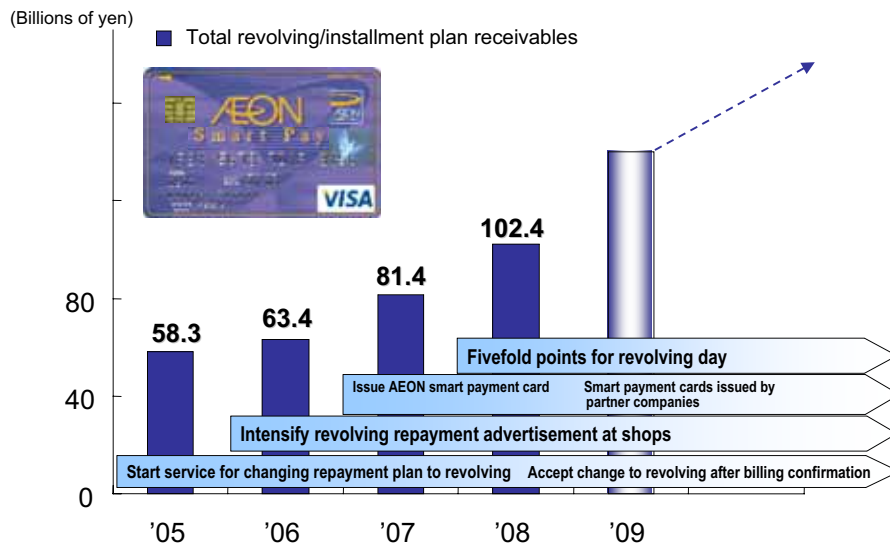
- The annual card usage ratio has risen with the introduction of Tokimeki Wakuwaku point bonus days (the 5th, 15th, and 25th days of every month) and other initiatives.
- In FY2009, the number of shops with AEON Lounge increased to 111.



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## 3. Intensifying the Efforts to Promote Revolving Repayment

- Expand the total shopping revolving receivables through more intense smart payment card sign-up efforts and advertisement at shops and on the Internet



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## 4. Dealing with Legal Change

### <New Money Lending Business Law>

Major issues	Our response
- Financial services supervisor program	Started internal training
- Designated credit information agency	Scheduled to connect with the system in June 2009
- Lowered maximum interest rates	Already being dealt with
- Start of total volume limitation	Scheduled to complete building the integrated customer system in June 2009

### <New Installment Sales Law>

Major issues	Our response
- Mandatory calculation of estimated repayable amount	Ensure annual income is entered in the application form
- Perform proper credit control	Scheduled to complete introducing the system within this year

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## 5. System Development Plan

■ Already developed 
 ■ Under development 
 ■ To be developed

	FY2008	FY2009	FY2010
	Cardholder service system		Dealing with legal change
			Dealing with volume expansion
Banking system	Monthly statement	Point management system	Authorization system
	New receivables management system	Worldwide receivables management system	Worldwide screening system
Operational system	Support for affiliated merchants	Comprehensive financial contact center	Split issuance of invoices
	ATM deposit	System complying with Articles 3 and 4 of New Money Lending Business Law	
Information system	WAON customer information management	Integration of Comprehensive financial Web systems	Integration of worldwide systems
		Integrated customer system	


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## III. Reinforcing Overseas Operations

1. Overseas Public Subsidiaries
2. Taiwan
3. China
4. Indonesia
5. Vietnam
6. Philippines and India
7. Establishing a Presence in Asia

## 1. Efforts of Overseas Public Subsidiaries

- FY2008: Reinforced the peripheral-to-credit businesses such as leasing, insurance agency, and servicer
- FY2009: Accelerate the business development into neighboring countries

Annual Results	China/Hong Kong	Thailand	Malaysia
			
Operating Revenues	1,255 mil. HKD (Up 4% YoY)	10,573 mil. baht (Up 14% YoY)	228 mil. ringgit (Up 22% YoY)
Plans for development into new countries	Support China business	Prepare to open a representative office in Cambodia	Support establishing a local subsidiary in India

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## 2. Operations in Taiwan

- FY2008: Operating revenues rose 30% YoY through strengthened partnerships with local companies and increased number of cardholders.
- FY2009: Intensify sign-up efforts for co-branded cards with President Chain Store Corporation

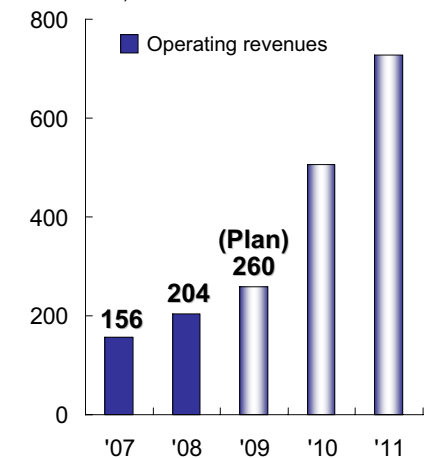


<Fitness club>



<Drugstore>

(Millions of TWD)



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### 3. Operations in China

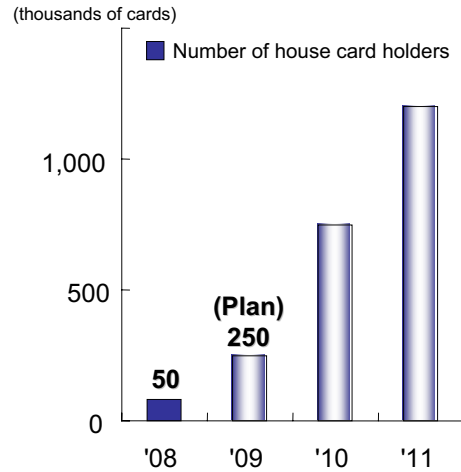
- FY2008: Accepted house card issuance and credit guaranteed businesses from AEON's local subsidiary
- FY2009: Plan to increase the number of cardholders utilizing our know-hows in sign-up efforts



AEON Beijing International Mall Shopping Center



Guangdong Jusco China Plaza Store



### 4. Operations in Indonesia

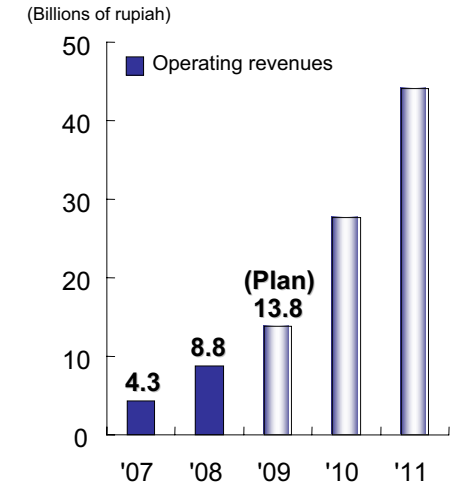
- FY2008: Operating revenues increased 102% after expanding the installment sales business, focusing on home appliance and furniture stores.
- FY2009: Plan to increase the number of affiliated stores from 1,300 to 2,000 and achieve a profit on a single month basis



Home appliance retail store



Music instrument store



### 5. Operations in Vietnam

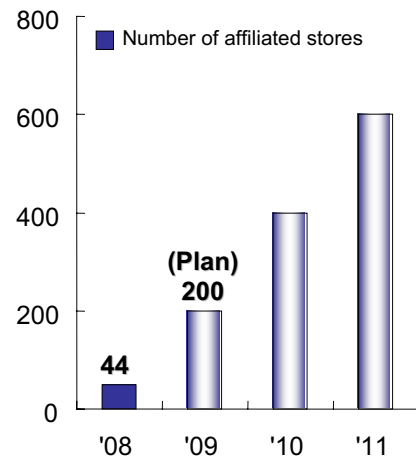
- FY2008: Started the installment sales business targeting home appliances and furniture as well as PCs
- FY2009: Expand the affiliated store network at the local subsidiary



Home appliance retail store in Ho Chi Minh



Our reception desk



### 6. Operations in Philippines and India

- Established a system developing company in Philippines to build systems for overseas group companies
- Opened a representative office in Mumbai, India and started business surveys

<Philippines>



Office in Philippines



System development

<India>



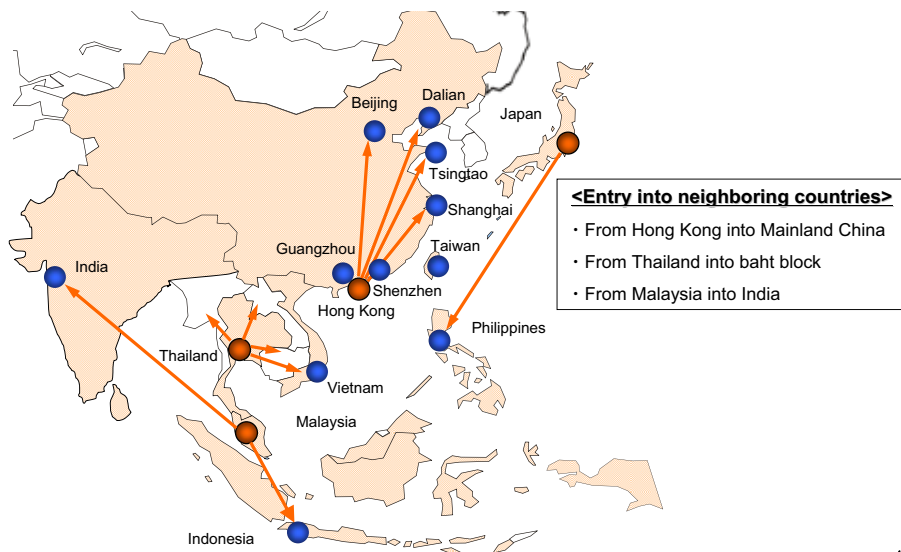
Shopping center in Mumbai



Commercial district in Mumbai

## 7. Establishing a Presence in Asia

- Accelerate entry into neighboring countries with three overseas public subsidiaries in Hong Kong, Thailand, and Malaysia serving as operational bases



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## Forecast of Results for FY2009

(Billions of yen)

	Consolidated		Non-Consolidated	
	Forecast	YoY Change	Forecast	YoY Change
<b>Transaction volume</b>	3,000	104%	2,760.0	101%
<b>Operating revenues</b>	172.0	98%	117.5	100%
<b>Operating income</b>	27.4	103%	15.5	110%
<b>Ordinary income</b>	27.4	102%	17.2	106%
<b>Net income</b>	12.5	85%	10.5	86%

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.

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