

Results for the First Half of Fiscal Year Ending February 20, 2010

Operating Data

- As card sign-up efforts produced strong results both in Japan and abroad, the credit card shopping transaction volume steadily increased.
 - To prepare for future risk, we recorded allowance for possible credit losses of ¥2 billion and allowance for losses on excess interest repayment of ¥14 billion (total amount of ¥16 billion) as extraordinary loss.
- (Billions of yen)

Six months ended Aug. 20, 2009	Consolidated		Non-Consolidated	
	Actual Results	Year-on-Year Change	Actual Results	Year-on-Year Change
Transaction volume	1,451.1	98%	1,308.8	99%
Credit card shopping	1,084.1	105%	1,049.1	106%
Cash Advances	254.8	93%	226.9	95%
Electronic money	25.7	274%	25.7	274%
Hire purchase, etc.	86.5	82%	7.1	104%
Operating revenues	84.9	96%	57.3	98%
Operating income	8.6	57%	3.1	36%
Ordinary income	8.4	54%	3.9	39%
Net income	- 6.1	-	- 7.4	-

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Balance of Receivables

- With the revolving plan transaction volume rising, installment sales receivables increased by ¥34.8 billion from the beginning of FY2009.
 - Stricter credit control and weaker demand caused operating loans receivables to decline by ¥11.1 billion.
- (Billions of yen)

* Including securitized receivables

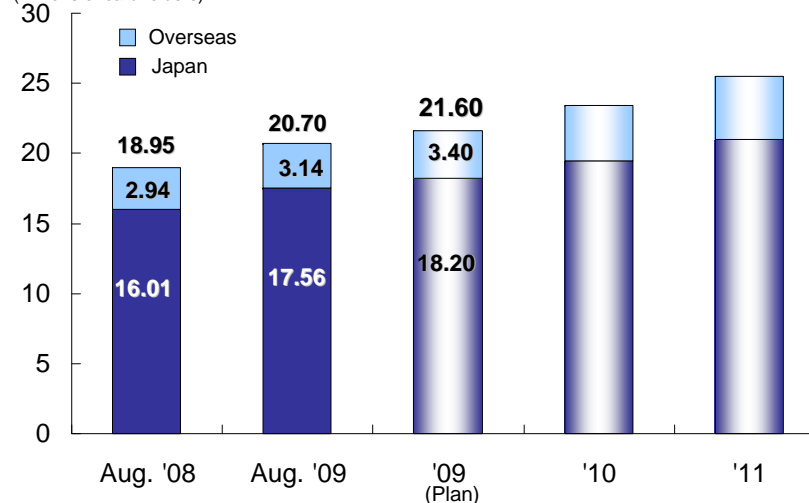
	Consolidated		Non-Consolidated	
	Actual Results	Change during 1H	Actual Results	Change during 1H
Installment sales receivables	430.5	+ 34.8	360.8	+ 31.6
Operating loans receivables	490.5	- 11.1	371.6	- 12.4
Total operating receivables	921.0	+ 23.7	732.4	+ 19.2

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Number of Effective Cardholders (Consolidated)

- The numbers of consolidated and non-consolidated effective cardholders at the end of 1H were 20.70 million (up 1.75 m over the year) and 17.56 million (up 1.55 m), respectively.
- We plan to increase them to 21.60 million (consolidated) and 18.20 million (non-consolidated) by the end of FY2009 through intensified sign-up efforts.

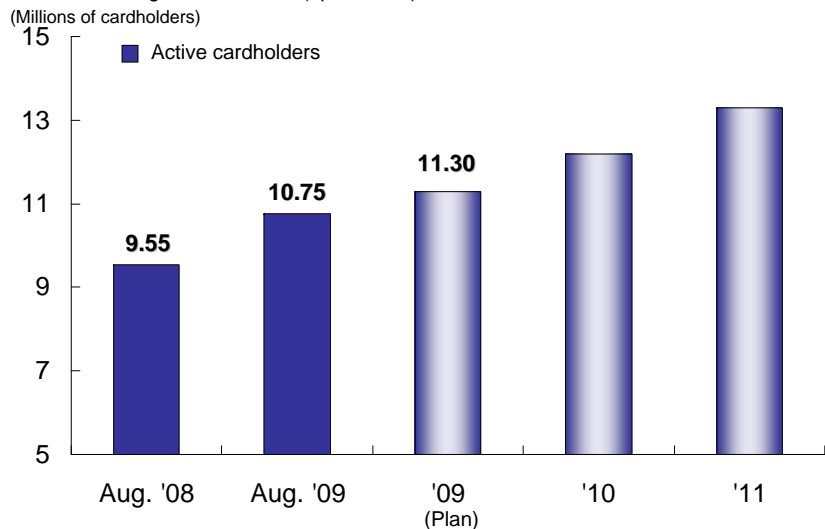
(Millions of cardholders)



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Number of Active Cardholders (Non-Consolidated)

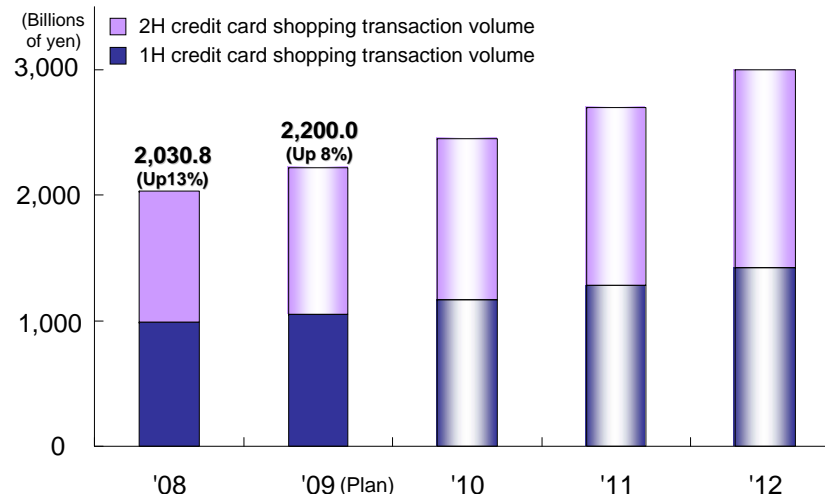
- The number of non-consolidated active cardholders rose to 10.75 million (up 1.20 m over the year) by the end of 1H and is projected to increase to 11.30 million by the end of FY2009 through promotion of the Customer Wakuwaku Day campaign and expansion of AEON Lounge to 117 stores (up 7 stores).



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Credit Card Shopping Transaction Volume (Non-Consolidated)

- The transaction volume increased to ¥1,049.1 billion (up 6% over the year) while the industry average growth rate was 1.7% (Jan. to Jun.).
- We plan to increase it to ¥2,200 billion (up 8% over the year) by the end of FY2009.

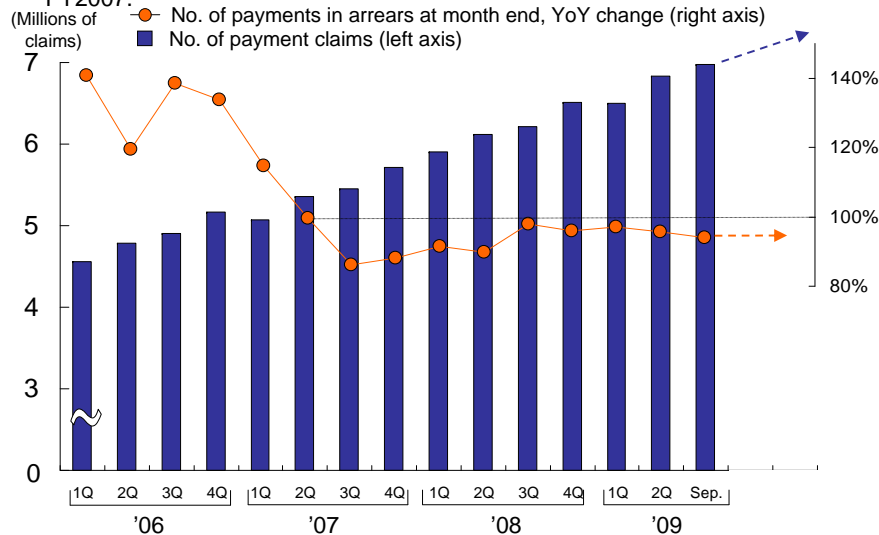


* Source of the industry average data: Japan Consumer Credit Association "Survey on Credit Cards"

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Numbers of Payment Claims and Payments Arrears at Month End

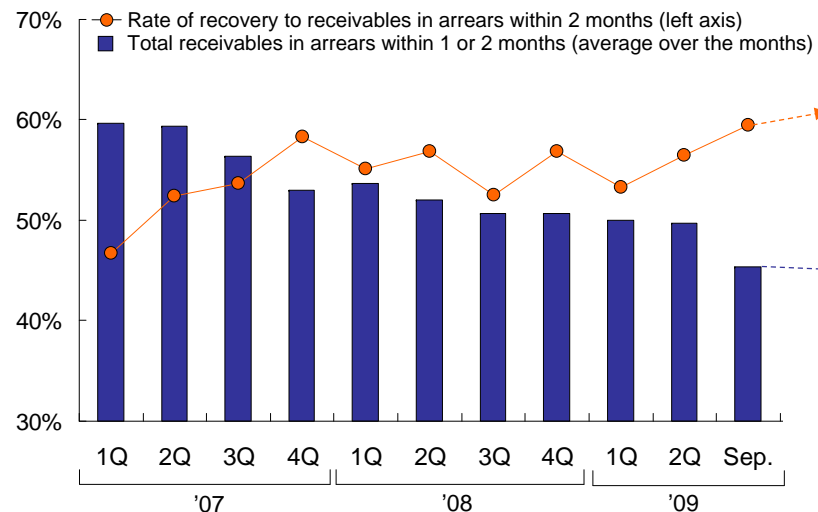
- While the number of payment claims increased 11% YoY to about 7 million, the number of payments in arrears has been on the decline on YoY basis since 2H of FY2007.



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

- After the rate of recovery to receivable in arrears within 2 months stayed high at 54% during 1H, the total receivables in arrears declined.



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Allowance for Possible Credit Losses

- The allowance for possible credit losses balance was reduced to ¥45.3 billion by the end of 1H through stricter credit control and reinforced recovery systems.

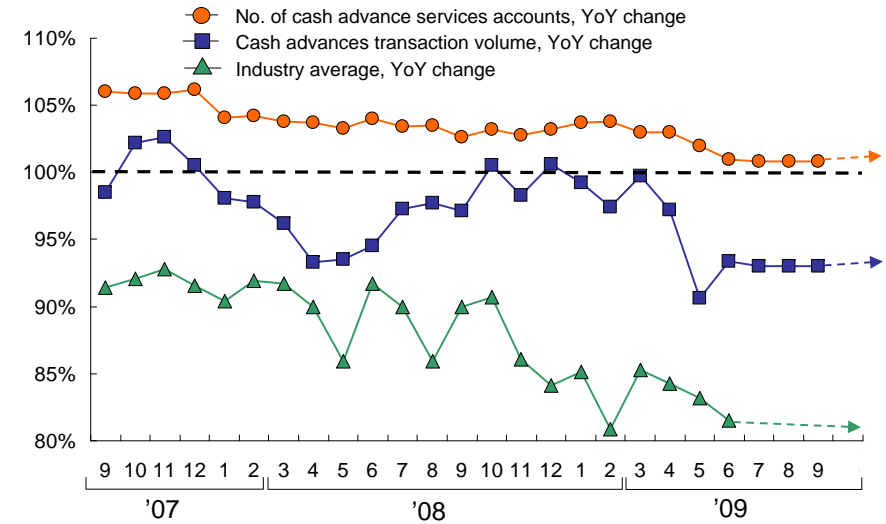
(Billions of yen)

	1H FY2008	FY2008	1H FY2009		1H FY2009
Allowance for possible credit losses balance, beginning of year	42.6	42.6	45.6	Receivables in arrears over three months and subject to special attention	38.9
Provision for possible credit losses (Including extraordinary loss)	16.8	24.7	11.5	General allowance for possible credit losses	6.4
Write-off of credit losses	10.8	21.7	11.8	Total	45.3
Allowance for possible credit losses balance, end of half term	48.7	45.6	45.3		
Allowance ratio, end of half term	6.8%	6.4%	6.2%		

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Cash Advances Transaction Volume (Non-Consolidated)

- The increase in the number of new cardholders has brought the number of cash advance services accounts on the rise on YoY basis.



* Source of the industry average data: Japan Consumer Credit Association "Survey on Credit Cards"

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Excess Interest Repayment Claims

- We increased allowance for losses on excess interest repayment by ¥14.4 billion in 1H to ¥26.3 billion.

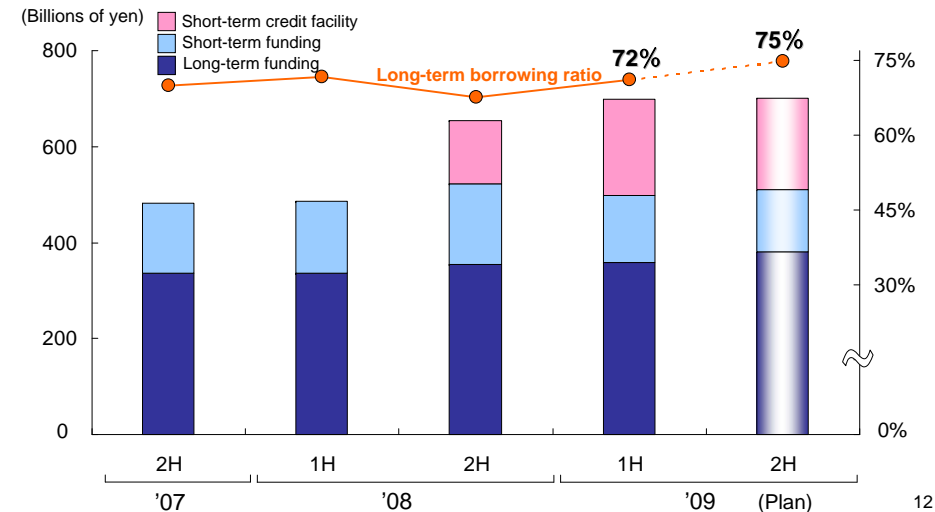
(Billions of yen)

	1H FY2008	2H FY2008	1H FY2009
Allowance for losses on excess interest repayment balance, beginning of half term	8.5	8.0	11.9
Provision for allowance for losses on excess interest repayment	2.6	7.1	18.5
Sums refunded and appropriation of interest to principal	- 3.1	- 3.2	- 4.1
Allowance for losses on excess interest repayment balance, end of half term	8.0	11.9	26.3

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Fund Procurement

- The long-term borrowing ratio was 72% (up 4.0% YoY) and is projected to rise to 75% by the end of FY2009.
- We have secured liquidity on hand with the credit facility of ¥200 billion.
- The average funding cost stayed low at 1.44% (up 0.11% YoY).



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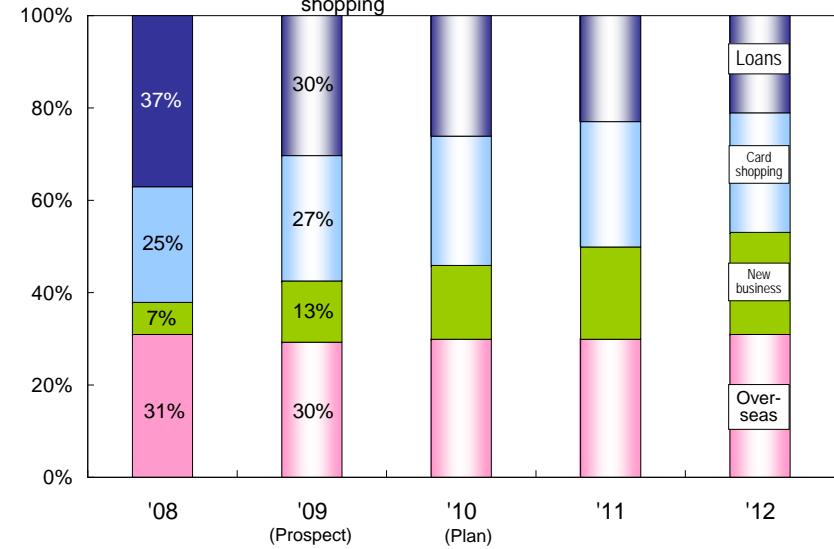
Second Half of FY 2009 Major Targets of Implementation

I. Establish New Sources of Revenues

1. Converting to a New Business Structure
2. Expanding the Business Domain
3. Expanding New Businesses
(Electronic money business, Internet business, and bank agency business)
4. Domestic Subsidiaries
(Insurance agency business and servicer business)

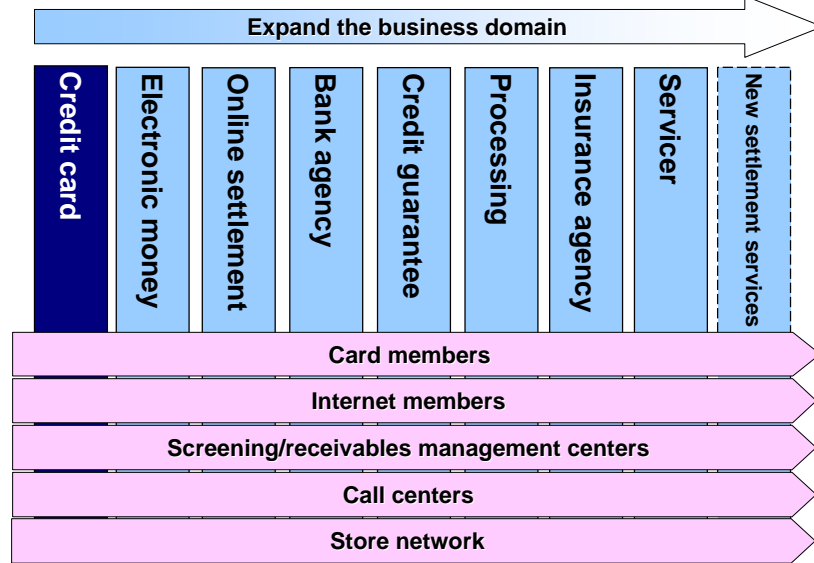
1. Converting to a New Business Structure

■ The revenues composition in 1H:
 ■ Loans 31% ■ Credit card 26% ■ New business 13% ■ Overseas 30% shopping



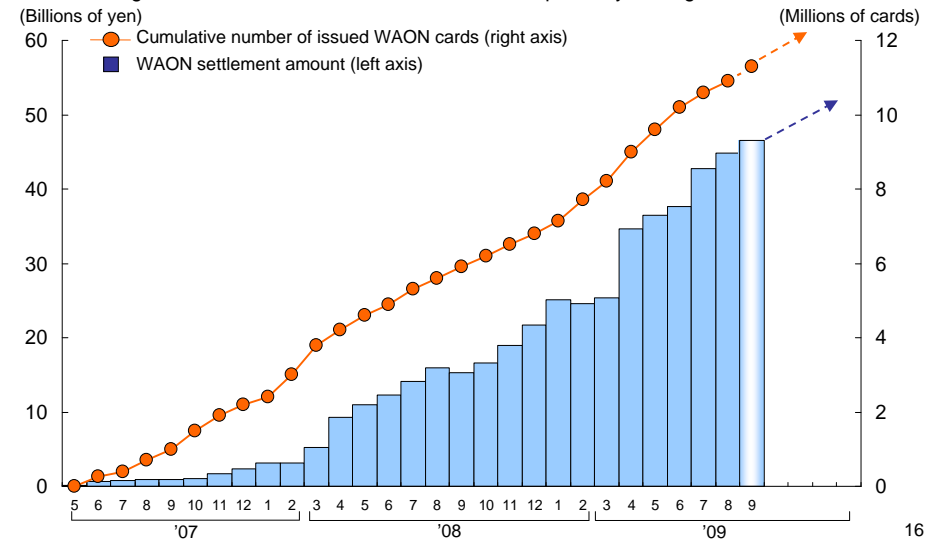
2. Expanding the Business Domain

■ Nurture new revenue resources utilizing know-hows acquired in the credit card business



3-①. Electronic Money Business

■ The electronic money business saw steady growth with the cumulative number of issued WAON cards, the number of WAON settlements, and the average monthly used amount reaching 10.90 million, 26.10 million, and ¥1,740, respectively, in August.



3-②. Electronic Money Business

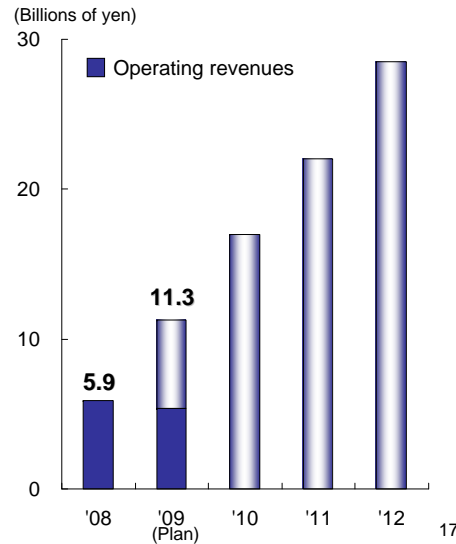
- With more affiliated merchants and issued WAON cards, operating revenues for 1H reached ¥5.4 billion. Annual operating revenues of ¥11.3 billion are planned.
- In 2H, FamilyMart, McDonald's, and other merchants start accepting WAON cards.

Current efforts

<Co-branded cards> <Local development>



<Expand affiliated merchants>

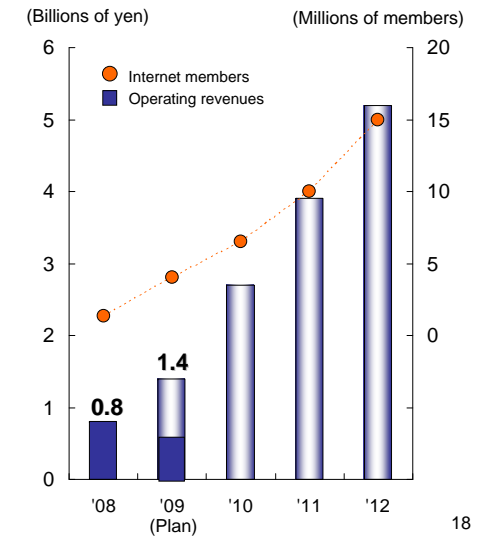



3-③. Expanding the Internet Business

- Operating revenues for 1H were ¥0.6 billion (148% YoY change). Annual operating revenues of ¥1.4 billion are planned.
- In 2H, we plan to increase the numbers of Internet members and web billing members to 4 million and 0.5 million, respectively.

2H targets of implementation

- Expand Point TOWN affiliated merchants
- Internet members: 4 million
- Web billing members: 0.5 million

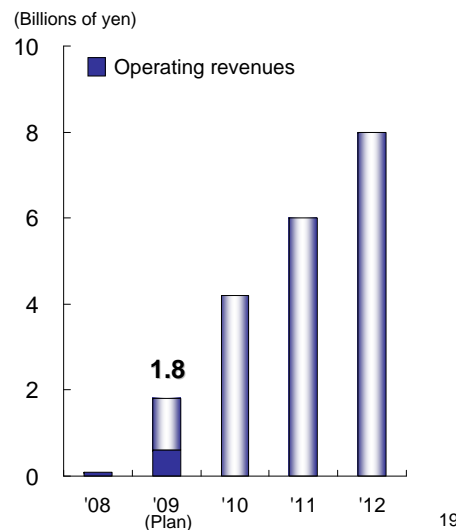



3-④. Bank Agency Business

- Move branches and offices into shopping centers and start dealing with residential mortgages and term deposits as bank agencies
- Strengthen the credit guarantee business covering a variety of loans and the processing business

2H targets of implementation

- Residential mortgages
- Term deposits
- Credit guarantee
- Bank processing

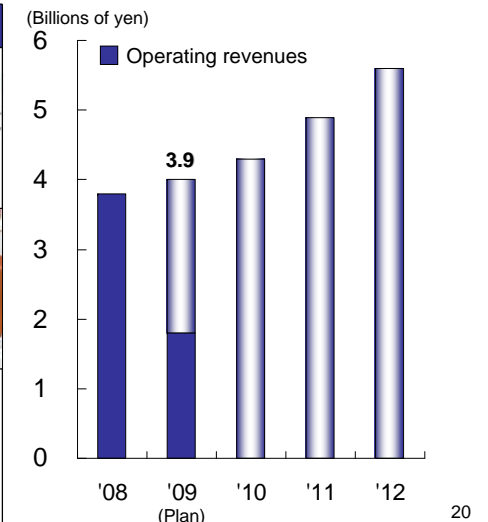



4-①. Insurance Agency Business

- Operating revenues for 1H were ¥1.863 billion (103% YoY change). SG&A expenses declined to 98% of 1H FY2008 due to effects of the integration of three companies' insurance agency businesses.
- Strengthen sales of insurance policies via the Internet and insurance offices

2H targets of implementation

- Renew the web site
- Improve profitability of insurance offices
- Develop private-branded insurance products

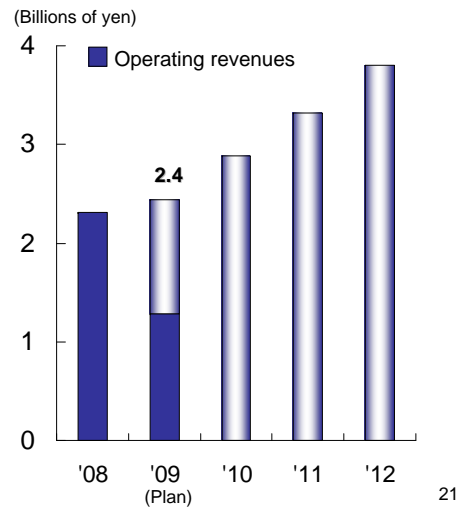
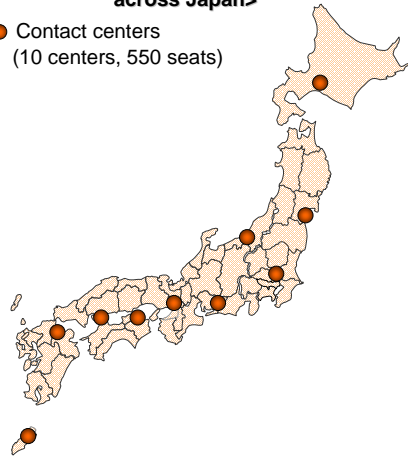



4-②. Servicer Business

- After introducing a new receivables management system to promote efficient recovery operations, operating revenues for 1H reached 1.16 billion (103% YoY change).
- Expand the business in the public offices and utility segments using existing operational bases across Japan.

<Completion of recovery network across Japan>

- Contact centers (10 centers, 550 seats)



II. Strengthen the Credit Card Business

1. Expanding New Customer Base
2. Intensifying Sign-Up Efforts for AEON Card Select
3. Enhancing Card Privileges and Features
4. Strengthening the Acquiring Business
5. Intensifying the Efforts to Promote Revolving Repayment
6. Dealing with the New Money Lending Business Law and the New Installment Sales Law
7. System Development Plan

1. Expanding New Customer Base

- In 1H, we intensified sign-up efforts for credit cards with high card usage ratio.
- In 2H, we plan to issue new co-branded cards targeted for male and young customer segments.

		No. of cardholders	Male ratio	Annual card usage ratio
Cosmo Oil		1,430 thou. (Up 170 thou. from the beginning of FY2009)	62%	80%
JR East		170 thou. (Up 20 thou. from the beginning of FY2009)	42%	78%
Japan Airlines		130 thou. (Up 30 thou. from the beginning of FY2009)	43%	77%
Mobile		270 thou. (Up 90 thou. from the beginning of FY2009)	53%	83%

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2. Intensifying Sign-Up Efforts for AEON Card Select

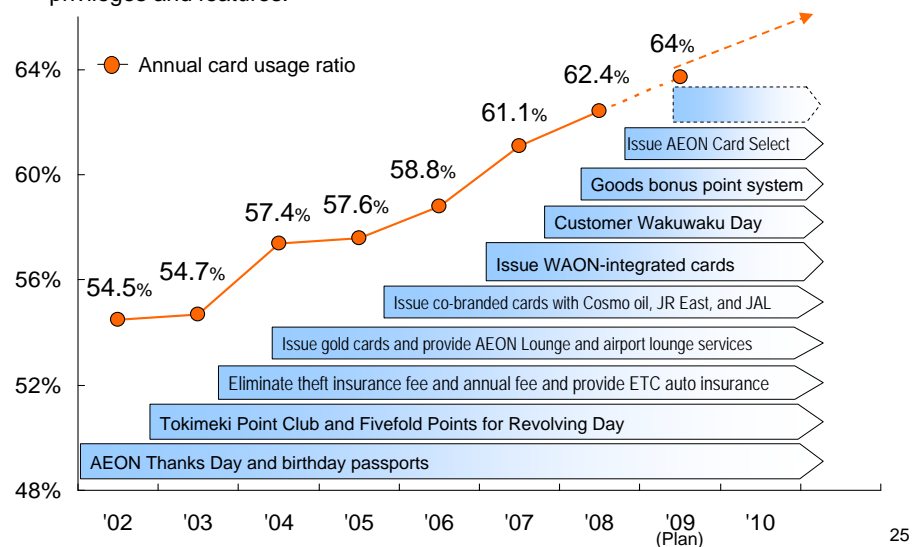
- Launched in March, AEON Card Select won over 210 thousand cardholders in 1H.
- We plan to achieve annual new registration of 500 thousand cardholders by promoting sign-up efforts at new operational bases.

2H targets of implementation		Benefit of issuing AEON Card Select
Intensify sign-up efforts at in-store branches		<Vigorous sign-up efforts at existing stores> No. of cardholders acquired at stores with in-store branches Up 113% (August FY2009 results)
Promote online application		<Increased used amount> Amount used by Select cardholders Up 23%
Enhance card features and privileges/ Issue gold cards		<More efficient sign-up efforts> Cost for sign-up efforts, over the year Down 14%

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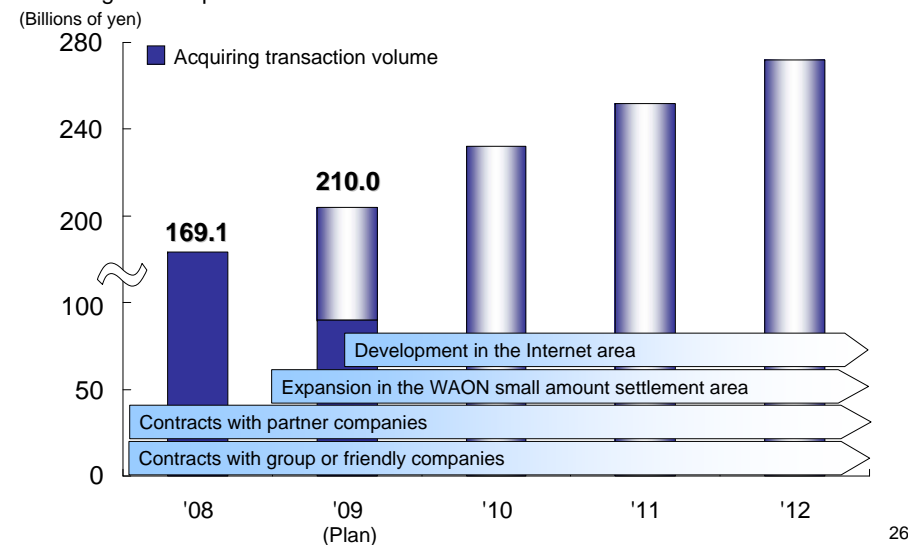
3. Enhancing Card Privileges and Features

- The annual card usage ratio for 1H rose by 1.6 points over the year to 63.2%.
- We plan to raise the annual card usage ratio to 64% by further enhancing card privileges and features.



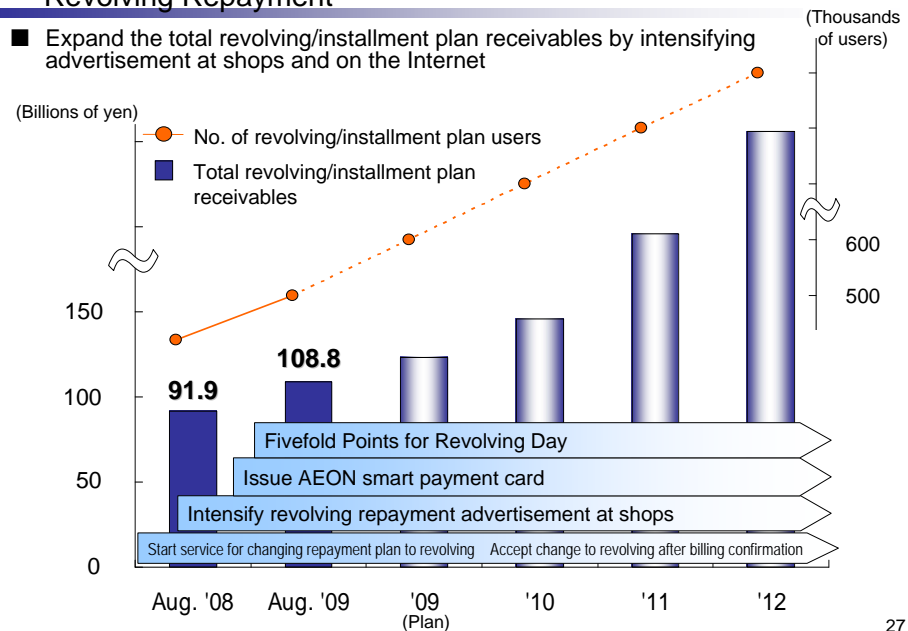
4. Strengthening the Acquiring Business

- The acquiring transaction volume for 1H was ¥88.4 billion (109% YoY change).
- We plan to achieve an annual acquiring transaction volume of 210.0 billion through development in the small amount settlement and Internet areas.



5. Intensifying the Efforts to Promote Revolving Repayment

- Expand the total revolving/installment plan receivables by intensifying advertisement at shops and on the Internet



6. Dealing with the New Money Lending Business Law and the New Installment Sales Law

- Promote efficient acquisition of income certificates at our sign-up desks, in-store branches, etc.

	Major issues	Our response	Current status
New Money Lending Business Law	Lowered max. interest rates	Lowered them to 18% for loans provided in Mar. 2007 or later	Finished lowering max. interest rates as required for all outstanding receivables
	Total volume limitation	Loan balance exceeding ¥500 thousand	
Registration of housewives			Confirming the work place status Promoting issuance of family cards
New Installment Sales Law	Perform proper credit control	Calculation of estimated repayable amount	Developing the system

7. System Development Plan

Already developed Under development To be developed

	1H FY2009	2H FY2009	FY2010
Credit card	Integrated customer system	New settlement service	Issuer system (ready for 50 mil. cardholders)
Bank	Account opening center Customer center	Call center	Reinforce Internet banking
Electronic money	Make WAON available on web	Adjust system for large-scale affiliated merchants	Support high transaction volume (¥2 trillion)
Internet	Rebuild Internet branches	Make IDs common	Enhance mobile features
Overseas	Common FEP system	Scoring system	Common fraud detection system

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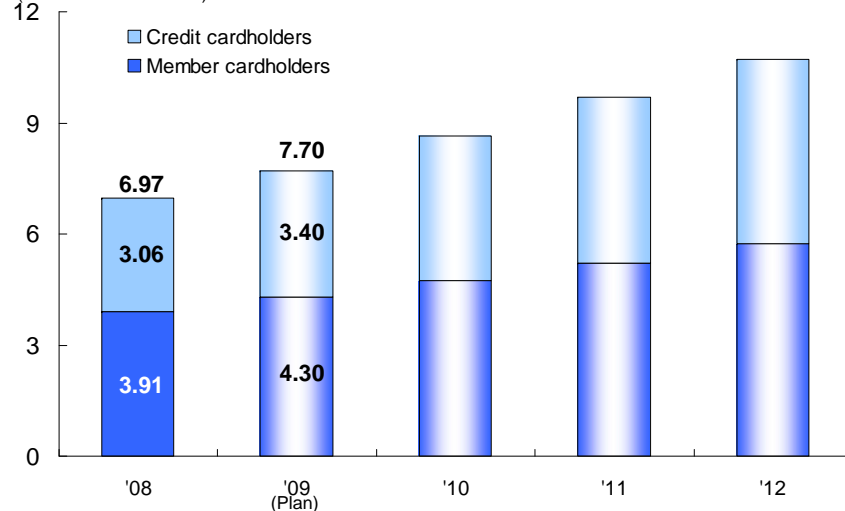
Reinforcing Overseas Operations

1. Number of Overseas Cardholders
2. Efforts of Overseas Public Affiliated Companies
3. Operations in Taiwan
4. Operations in Indonesia
5. Operations in Vietnam
6. Operations in China
7. Operations in Philippines
8. Establishing a Foundation in Asian Countries

1. Number of Overseas Cardholders

- In 1H, the number of overseas cardholders increased to 7.20 million (credit cardholders: 3.14 m, member cardholders: 4.06 m)
- In 2H, we plan to increase the number to 7.70 million.

(Millions of cardholders)



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2. Efforts of Overseas Public Affiliated Companies

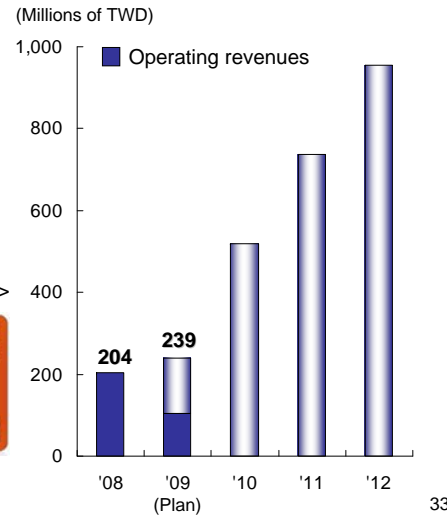
- Establish the operational foundation for peripheral-to-credit businesses
- Accelerate the business development into neighboring countries

		2H Plan	
Hong Kong		Offer house card issuance services	Expand the house card issuance business in Beijing, Tsingtao, Guangzhou, and Shenzhen
		Expand the insurance agency business	Reinforce sales through improvement of insurance product lineup for individuals and corporations
Thailand		Service business Leasing business Insurance agency business	Operating revenues 83 mil. baht (286% YoY change) 61 mil. baht (107% YoY change) 48 mil. baht (107% YoY change)
		Local subsidiary in Vietnam	Intensify development of the affiliated merchant base
		Representative office in Cambodia	Start market surveys
Malaysia		Local subsidiary in Indonesia	Achieve a profit on a single month basis
		Representative office in India	Develop the affiliated merchant base in Mumbai

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3. Operations in Taiwan

- Operating revenues for 1H were 104 million TWD (118% YoY change).
- Started issuing co-branded cards with local major distribution groups

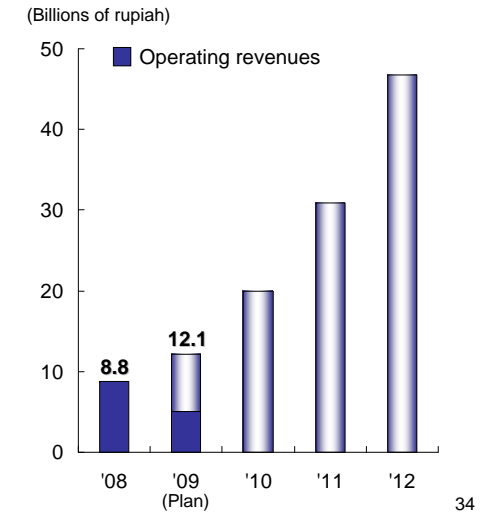


<Co-branded cards with major distribution groups>



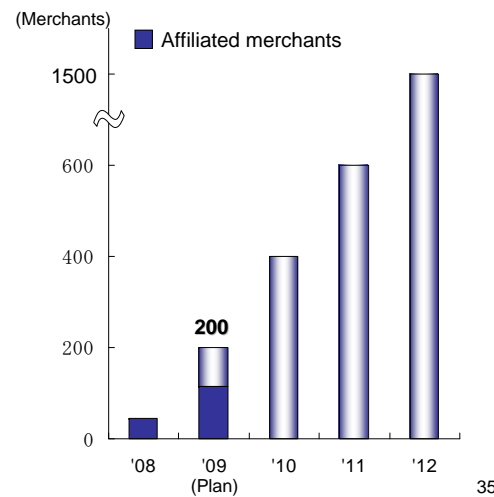
4. Operations in Indonesia

- In 1H, the number of affiliated merchants increased to 1,500.
- Operating revenues were 5 billion rupiah (108% YoY change).
- A profit on a single month basis is likely to be achieved in 2H.



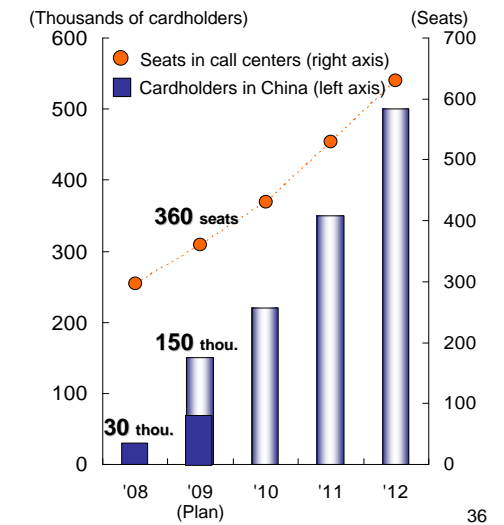
5. Operations in Vietnam

- In 1H, we intensified development of the affiliated merchant base targeting PC stores and then home appliance retail chains.



6. Operations in China

- The number of cardholders rose to 70 thousand through more intense sign-up efforts in Beijing, Tsingtao, Guangzhou, and Shenzhen.
- Plan to increase the number of cardholders to 150 thousand in 2H while increasing the number of seats in call centers to 360 (up 60 seats)

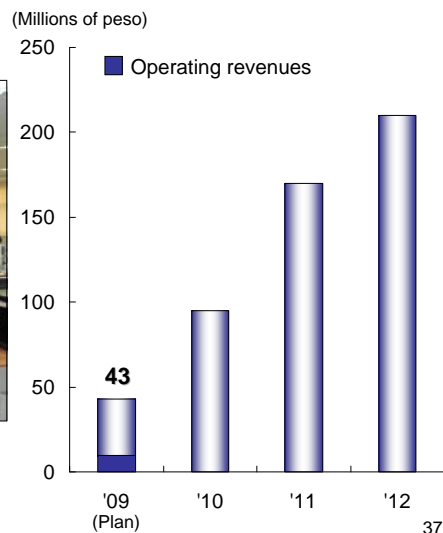


7. Operations in Philippines

- Deploy 120 system engineers to establish a common system for overseas companies
- Prepare for establishment of a new credit company

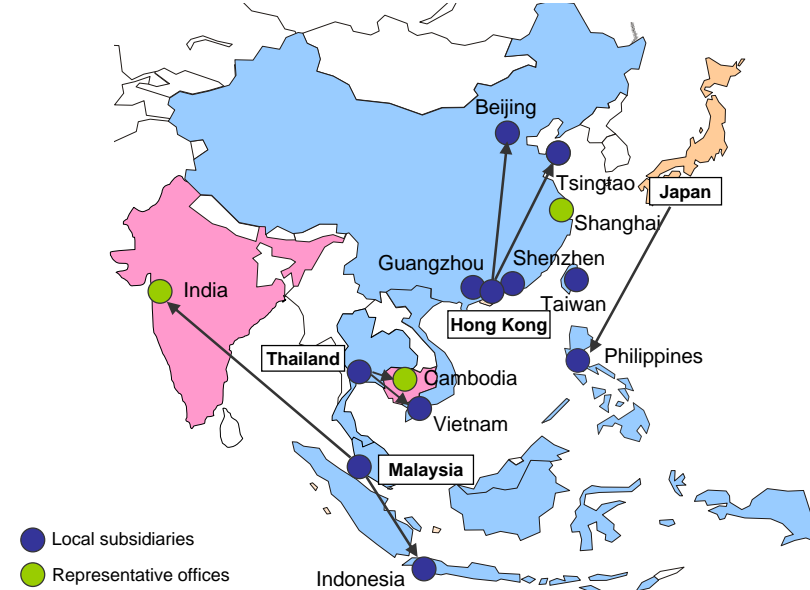


<Philippine subsidiary office>



8. Establishing a Foundation in Asian Countries

- Newly start business development into India and Cambodia



Forecast of Results for FY2009

(Billions of yen)

	Consolidated		Non-Consolidated	
	Forecast	YoY Change	Forecast	YoY Change
Transaction volume	3,075.0	100%	2,743.0	100%
Operating revenues	176.1	100%	117.5	100%
Operating income	22.0	83%	9.6	68%
Ordinary income	21.5	80%	11.4	70%
Net income	0.6	4%	- 2.9	-

	Interim period	Term end (Forecast)	Full term (Forecast)
Dividend	¥15	¥25	¥40

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