

## Results for Fiscal Year 2011 (The Year Ended February 20, 2012)

AEON Credit Service Co., Ltd.

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.

1

AEON Credit Service Co., Ltd.

## Operating Data

- Consolidated operating income increased 17% year on year despite the impact of the strong yen.
- We recognized ¥6.4 billion in extraordinary losses due to factors including the Great East Japan Earthquake and flooding in Thailand.

(Billions of yen)

Consolidated	Results	Year-on-Year	Forecast	Difference from Forecast
Transaction volume	3,363.8	+5%	3,420.0	-56.2
Operating revenues	169.9	-	171.5	-1.6
Operating income	24.3	+17%	22.6	+1.7
Ordinary income	24.3	+17%	22.6	+1.7
Net income	9.0	-6%	9.6	-0.6
Non-Consolidated	Results	Year-on-Year	Forecast	Difference from Forecast
Transaction volume	3,068.2	+7%	3,100.0	-31.8
Operating revenues	116.9	+3%	115.0	+1.9
Operating income	13.3	+32%	11.5	+1.8
Ordinary income	15.2	+19%	13.7	+1.5
Net income	7.6	-7%	8.2	-0.6

(Figures are rounded to the nearest 100 million yen.)

2

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Results by Segment

- Credit business operating income increased 31% year on year because tighter credit extension reduced expenses associated with possible credit loss.
- The fee business became profitable in the fourth quarter with operating income of ¥100 million due to expansion of bank agency services.
- Overseas business operating income increased 22% year on year due to solid expansion in transaction volume.

(Billions of yen)

	Operating revenues		Operating income	
		YoY		YoY
Credit business	102.0	-	16.5	+31%
Fee business	17.0	+23%*	-0.1	-0.1
Overseas business	52.5	+3%	11.1	+22%
Elimination of intersegment transactions	-1.6	-	-3.2	-
Consolidated results	169.9	-	24.3	+17%

\*Results reflect the exclusion of AEON INSURANCE SERVICE CO., LTD. from consolidation.

3

AEON Credit Service Co., Ltd.

(Figures are rounded to the nearest 100 million yen.)

Results for Fiscal Year 2011

## Quarterly Results by Segment

(Billions of yen)

Operating revenues	1Q		2Q		3Q		4Q		Full year	
	Results	YoY	Results	YoY	Results	YoY	Results	YoY	Results	YoY
Credit business	23.5	-5%	24.8	-3%	28.5	+8%	25.2	+1%	102.0	-
Fee business*	4.0	+54%	4.3	+30%	4.2	+9%	4.6	+13%	17.0	+23%
Overseas business	12.8	+6%	12.9	+2%	12.8	+1%	14.0	+4%	52.5	+3%
Elimination of intersegment transactions	-0.3	-	-0.3	-	-0.3	-	-0.7	-	-1.6	-
Consolidated results	39.9	-1%	41.7	-1%	45.2	+4%	43.0	-	169.9	-
Operating revenues	1Q		2Q		3Q		4Q		Full year	
Credit business	3.0	+20%	3.7	+34%	4.6	+53%	5.1	+20%	16.5	+31%
Fee business	-0.15	-	-0.05	-	-0.01	-	0.1	-	-0.1	-0.1
Overseas business	2.5	+32%	2.7	+35%	2.7	+26%	3.2	+5%	11.1	+22%
Elimination of intersegment transactions	-0.8	-	-0.6	-	-0.9	-	-0.8	-	-3.2	-
Consolidated results	4.5	+9%	5.7	+31%	6.5	+29%	7.6	+5%	24.3	+17%

\*Results reflect the exclusion of AEON INSURANCE SERVICE CO., LTD. from consolidation.  
(Figures are rounded to the nearest 100 million yen.)

4

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Financial Data

- Consolidated total assets were ¥907.7 billion, due in part to the consolidation of AEON HOUSING LOAN SERVICE CO., LTD.
- The non-consolidated equity ratio increased 1.2 percentage points from a year earlier to 21.1%. The consolidated equity ratio decreased 0.2 percentage points to 17.5% due to the impact of the strong yen.

(Billions of yen.)

	Consolidated		Non-consolidated	
	Results	Change from February 20, 2011	Results	Change from February 20, 2011
Total assets	907.7	+6.1	658.9	-38.0
Total finance receivables (incl. securitized receivables)	683.3 (+1,041.3)	+5.7 (+102.6)	465.6 (742.1)	-28.5 (-2.8)
Interest-bearing debt	517.3	+4.6	327.3	-33.3
Net assets	181.9	+1.7	139.0	+0.6
Equity ratio	17.5%	-0.2 pts.	21.1%	+1.2 pts.

(Figures are rounded to the nearest 100 million yen.)

### Increase from the consolidation of AEON HOUSING LOAN SERVICE CO., LTD.

- Total assets: + ¥38.1 billion
- Total finance receivables: + ¥20.5 billion (incl. securitized receivables: + ¥93.0 billion)
- Interest-bearing debt: + ¥30.0 billion
- Net assets: + ¥6.2 billion

5

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Review of FY 2011

### 1. Response to the Great East Japan Earthquake

- We recognized extraordinary losses of ¥3.14 billion associated with the earthquake, including allowance for possible credit losses.
- Recovery: YoY comparison of credit card shopping transaction volume in Tohoku.  
1Q: -10% 2Q: +15% 3Q: +11% 4Q: +15%

### 2. Response to Flooding in Thailand

- We provided THB 1.163 billion for allowance for doubtful accounts associated with the flooding.
- Recovery: YoY comparison of credit card shopping transaction volume  
November: -5% December: +5% January: +5% February: +29%

### 3. Expanded Business in New Regions

- The Asia Business Headquarters made progress in HR development and overseas shared system development.
- We established subsidiaries in Shenyang, China and in Cambodia to enter the micro finance business.

### 4. New Co-Branded Cards Issued

- We issued co-branded cards with JR Hokkaido and East Nippon Expressway Company.
- We promoted the issuance of co-branded cards with transportation companies including railway and expressway companies.

### 5. AEON HOUSING LOAN SERVICE Became a Subsidiary

- Using a nationwide network of sales offices in addition to offices in the Tokyo, Nagoya and Osaka areas, we now handle the Flat 35 product.

6

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Number of Cardholders and Active Cardholders

- On a consolidated basis, the number of cardholders was 24.39 million (up 1.15 million from the start of the fiscal year) and the number of active cardholders was 14.51 million (up 0.87 million).
- The number of cardholders in Japan was 21.01 million (up 1.01 million from the start of the fiscal year) and the number of active cardholders was 12.68 million (up 0.75 million).

(Millions of cardholders)

	FY 2010	FY 2011	YoY change
Number of cardholders	28.07	29.76	+ 1.69
Number of cardholders, consolidated	23.24	24.39	+ 1.15
Domestic	20.00	21.01	+ 1.01
House Card cardholders	4.82	5.37	+ 0.55
Number of active cardholders, consolidated	13.64	14.51	+ 0.87
Domestic	11.93	12.68	+ 0.75
Annual usage rate	62.8%	63.4%	+ 0.6%
Domestic	64.4%	65.1%	+ 0.7%

Usage rate: number of active users ÷ average number of cardholders for the fiscal year. Domestic cardholders includes family cardholders. The number of active cardholders, consolidated excludes House Card cardholders.

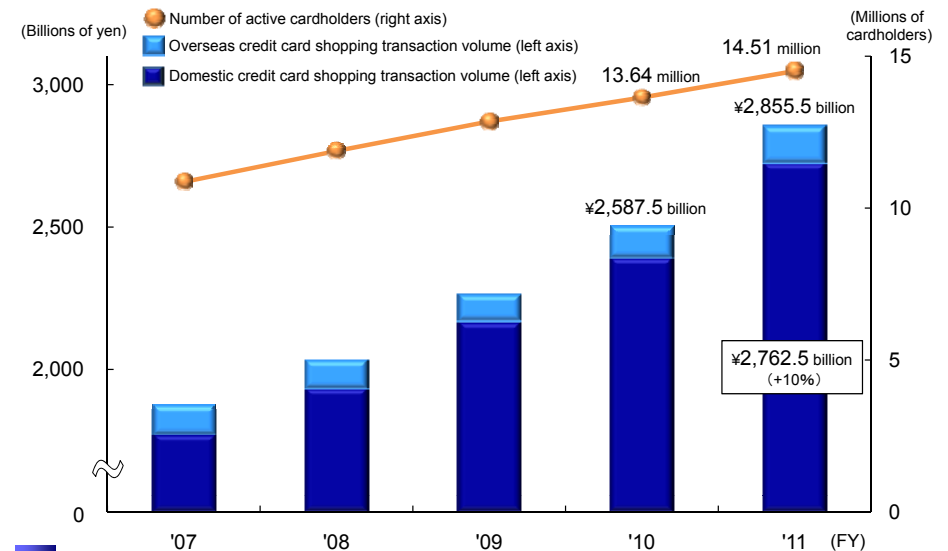
7

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Credit Card Shopping Transaction Volume (Consolidated)

- Due to solid growth in the number of cardholders in Japan and overseas, credit card shopping transaction volume increased 10% year on year to ¥2,855.5 billion.



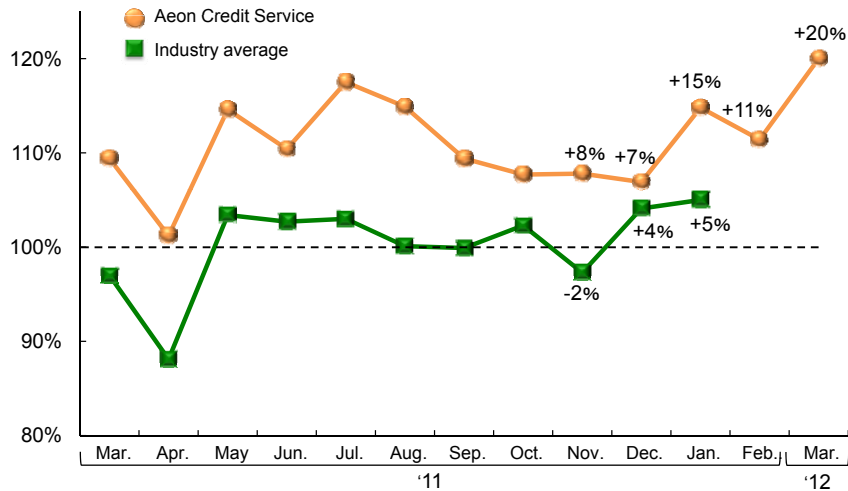
8

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Growth in Credit Card Shopping Transaction Volume (Non-consolidated)

- Recovery from the fourth quarter was solid despite the earthquake and the impact of changes to the Eco Point program.
- Growth in transaction volume exceeded the industry average because of collaborative planning among Group companies.



Source: AEON Credit calculations based on Japan Consumer Credit Association data

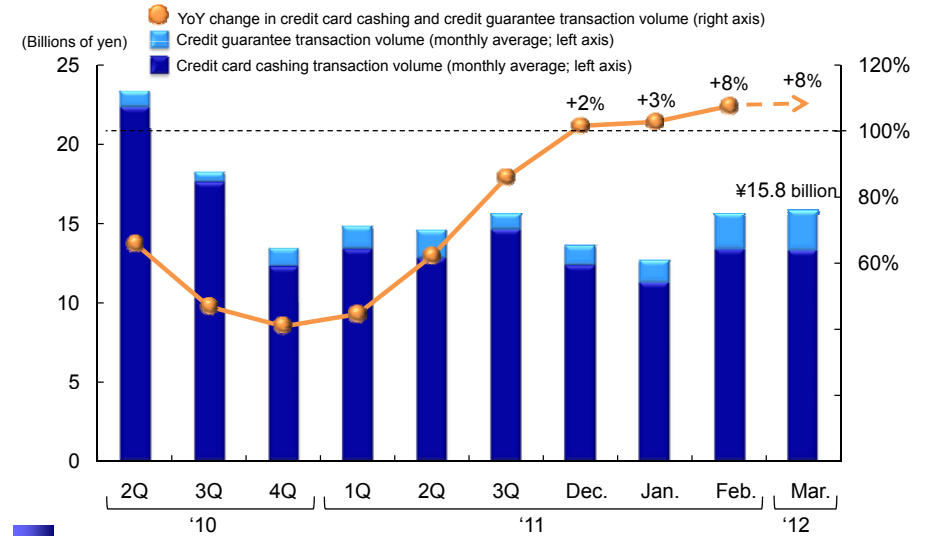
9

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Credit Card Cashing & Credit Guarantee Transaction Volume (Non-consolidated)

- Monthly transaction volume increased YoY from December 2011 because of our tight focus on confirming customers' annual income at the stores.
- Credit card cashing and credit guarantee transaction volume increased 8% year on year to ¥15.8 billion.

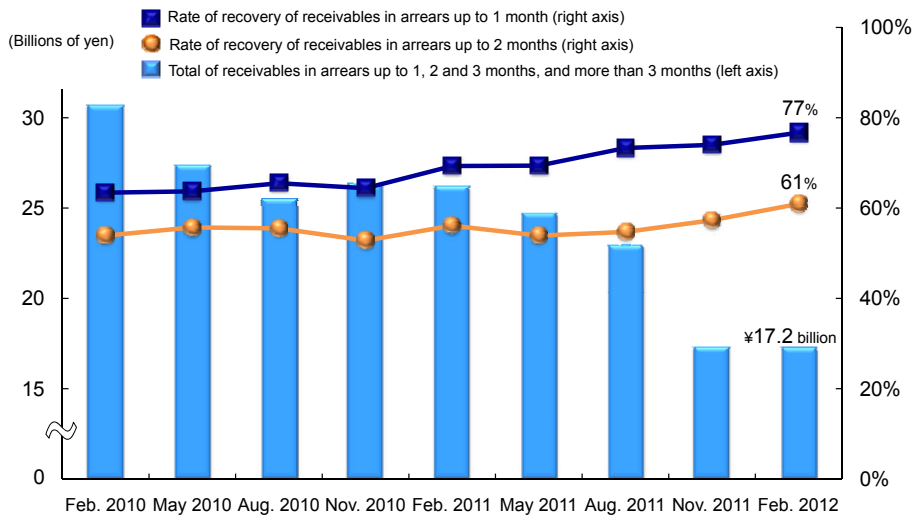


AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

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

- Rate of recovery of receivables in arrears up to 1 month increased 7 percentage points to 77%. Rate of recovery of receivables in arrears up to 2 months increased 5 percentage points to 61%.
- Receivables in arrears decreased to 2.3% of total receivables of ¥742.1 billion.



Feb. 2010 May 2010 Aug. 2010 Nov. 2010 Feb. 2011 May 2011 Aug. 2011 Nov. 2011 Feb. 2012

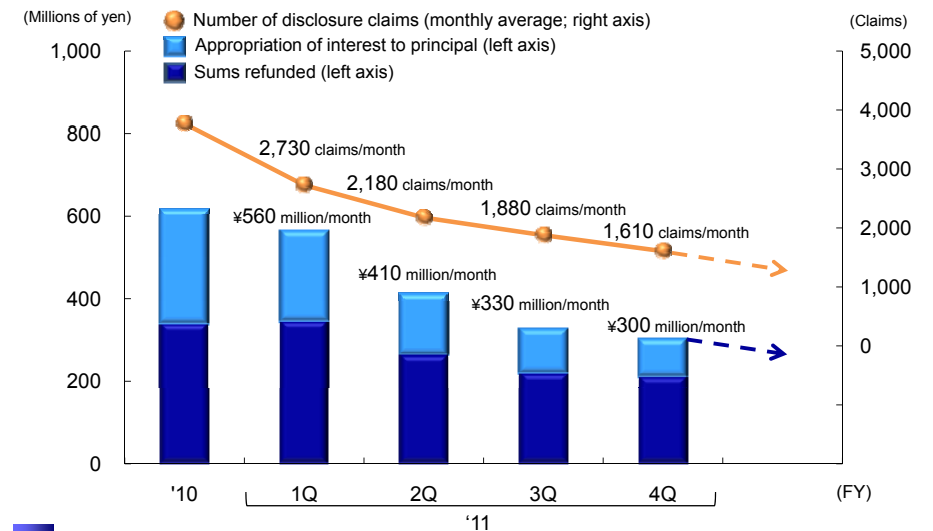
11

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Number of Disclosure Claims and Amount of Interest Repayment Claims

- The number of disclosure claims continued to decline in FY 2011, with a monthly average of 1,610 claims in the fourth quarter.
- The average monthly amount repaid upon receipt of disclosure claims decreased to ¥300 million.



AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

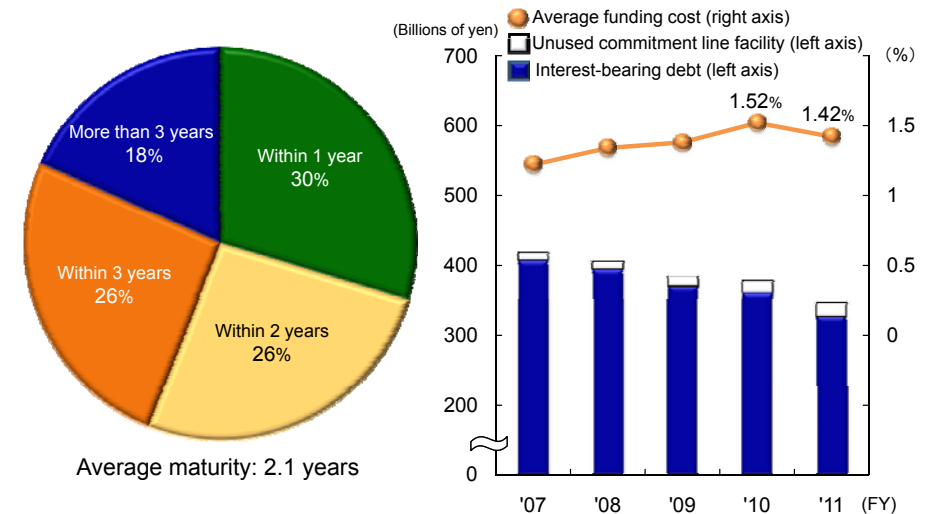
## Allowance for Possible Credit Losses & Provision for Interest Repayment

- Provision for possible credit losses decreased 23% YoY to ¥16 billion due to clarification of receivable details, and the allowance for possible credit losses was ¥32.7 billion as of the end of the fiscal year.
- Based on the monthly average of ¥300 million in interest refunds for the most recent fourth quarter, the allowance for loss on refund of interest received is equivalent to 2.6 years of interest refund losses.

	(Billions of yen)		(Billions of yen)	
	FY 2010	FY 2011		FY 2011
Allowance for possible credit losses, beginning of year	47.7	46.8	Allowance for personal bankruptcies	Fully amortized
Provision for possible credit losses	20.7	16.0	Receivables in arrears over 3 months and subject to special attention	22.5
Write-off of credit losses	21.6	30.1	General allowance for possible credit losses (includes restructured debt in repayment)	10.2
Allowance for possible credit losses, end of year	46.8	32.7	Total	32.7
Allowance ratio	6.3%	4.4%		
Actual costs related to credit losses	42.3	46.1		
Allowance for loss on refund of interest received	16.0	9.2		

## Fund Procurement (Non-Consolidated)

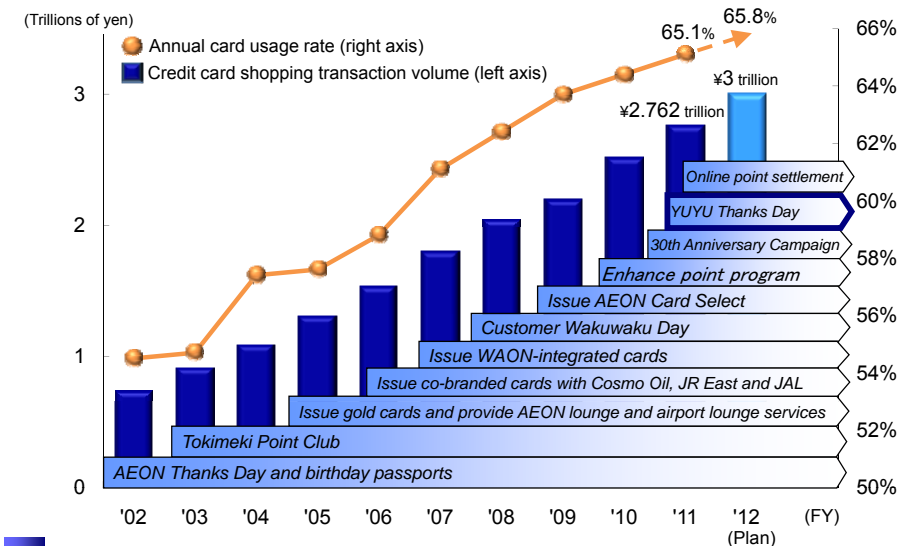
- Financial costs decreased 8% YoY to ¥7.2 billion because interest-bearing debt and average funding costs decreased.
- We secured a stable fund procurement facility by continuing our commitment line.



## Key Initiatives for FY 2012

## Credit Card Shopping Transaction Volume Initiatives (Non-consolidated)

- Enhance awareness of YUYU Thanks Day, an initiative that offers AEON CARD cardholders aged 65 and older a 5% discount on the 15th of every month.
- Plan to increase card shopping transaction volume 9% YoY to ¥3 trillion.



## Start of AEON CARD Cardholder Sign-Up Efforts at MARUNAKA

- Cardholder sign-up began at MARUNAKA in March 2012
- Leverage the MARUNAKA store network to expand the number of cardholders.



MARUNAKA

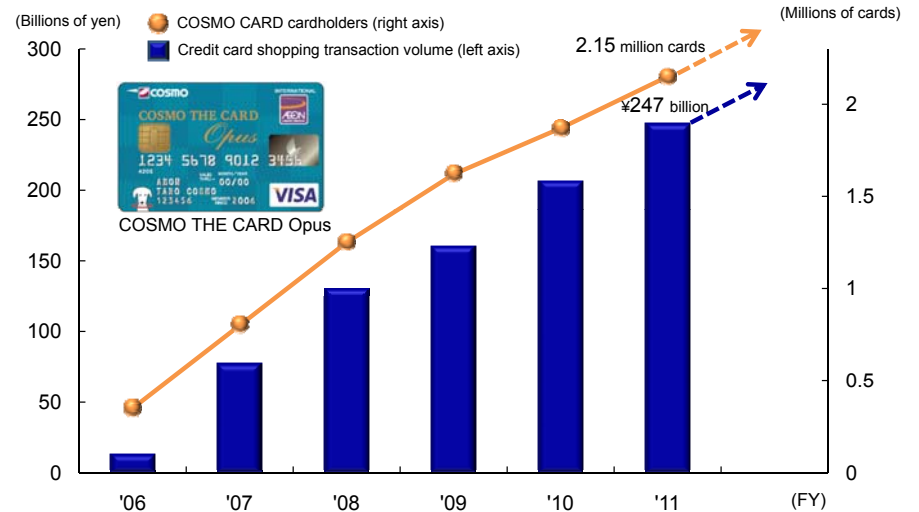
17

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Enhance COSMO THE CARD Opus

- Solid expansion of number of COSMO THE CARD Opus cardholders to 2.15 million, with an annual usage rate of 83%.
- Introduce WAON settlement at Cosmo service stations during FY 2012.



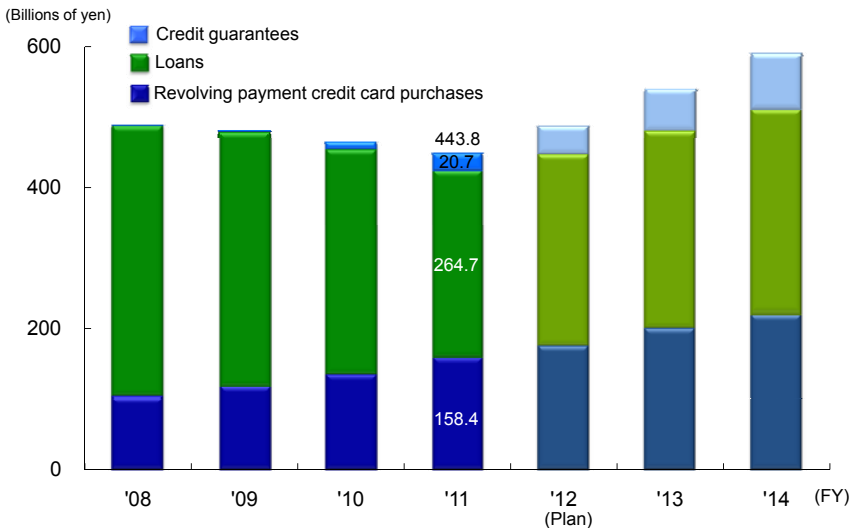
18

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Finance Receivables (Domestic)

- Actively use our own ATMs to expand credit card cashing transaction volume.
- Increase issuance of card loan cards to expand credit guarantee transaction volume.



\*Finance receivables include securitized receivables.

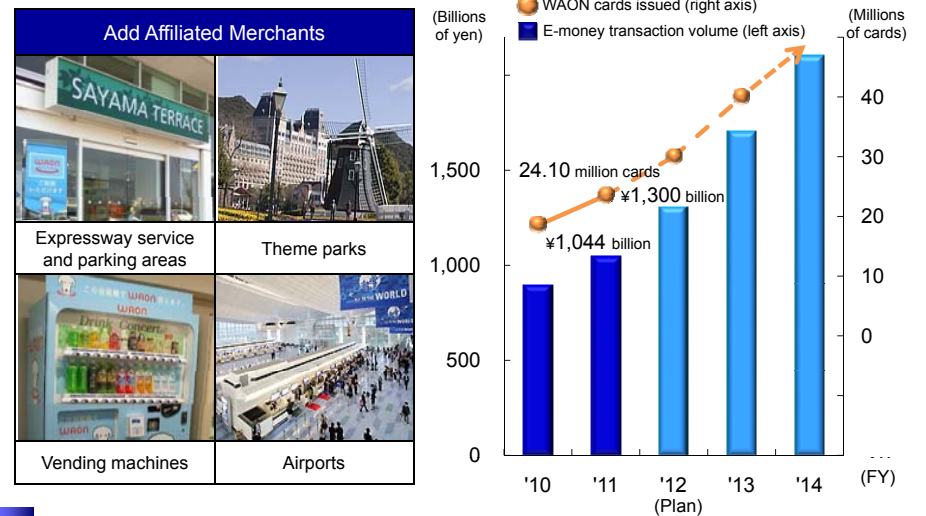
19

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Expand the E-Money Business

- Promote WAON as a standard feature of co-branded cards and add affiliated merchants at retail facilities, airports and elsewhere.
- Plan to increase e-money transaction volume 24% YoY to ¥1.3 trillion.



20

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Strengthen the Bank Agency Business

- Increase the number of bank agency service stores, with a focus on Tokyo, Nagoya and Osaka.
- Broker housing loans at bank agency service stores and enhance AEON CARD SELECT member sign-up.

**Priorities**

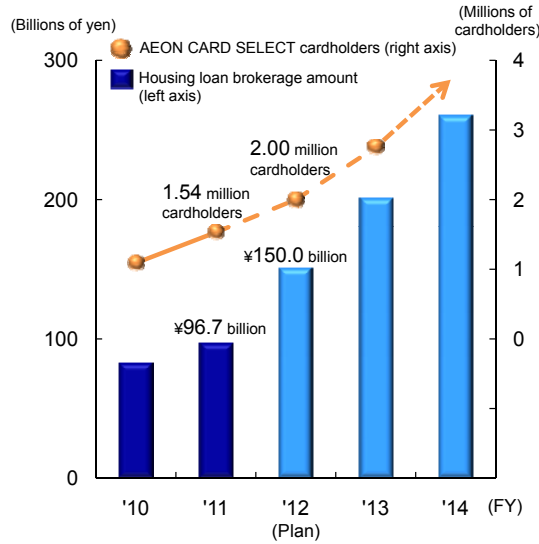


Annual usage rate: 70%  
Annual amount used: ¥290 thousand

Increase issuance of AEON CARD SELECT.



Open Kurashi-no-Money Plazas.



## Strengthen the Internet Business

- Develop online affiliated merchants and expand online transaction volume.
- Introduce online point settlement capabilities to increase convenience.

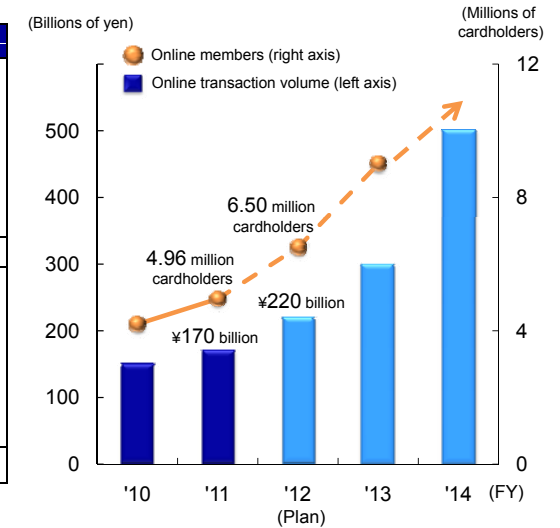
**Priorities**



WAON online settlement



Initiate point settlement.



## Expand the Processing Business

- Leverage our infrastructure to add Group company and external company clients.

	FY 2011	FY 2012
Sign-up & Credit review	Cash card issuance and account opening <b>Accounts opened 630 thousand/year</b>	Commissioned services for other banks <b>720 thousand accounts/year</b>
Card Issuance	Commissioned issuance of cash cards and e-money <b>Cards issued 7.27 million/year</b>	Commissioned services for other companies <b>8.56 million cards/year</b>
Call center	WAON and bank customer call center <b>External calls handled 600 thousand/year</b>	Commissioned services for AEON Group companies <b>950 thousand calls/year</b>
Credit guarantees	AEON Bank unsecured loans <b>Credit guarantee receivables ¥20.7 billion</b>	Commissioned services for other companies <b>¥42.0 billion</b>


## ACS Credit Management Initiatives

- Expand entrusted credit receivables and credit receivable purchases from financial institutions and increase number of commissioned collection operation clients such as electric utilities.

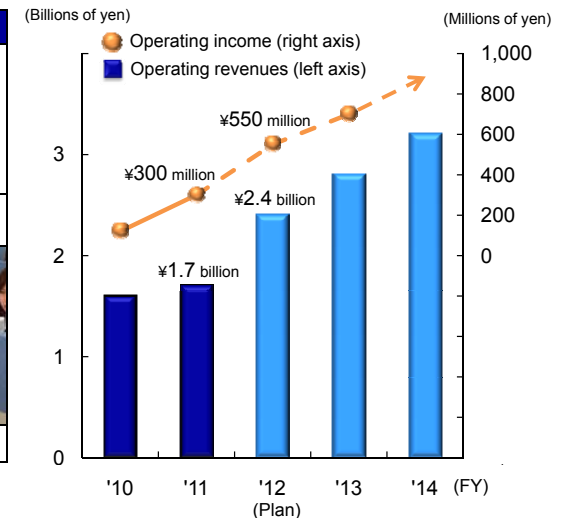
**Priorities**

Public utility payment processing clients  
Target  
77 companies → 100 companies

Expand entrusted credit collection and credit receivable purchases.

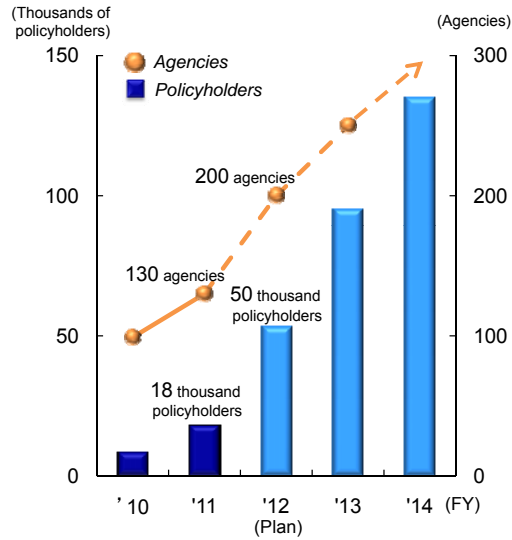


Increase personnel to 370 from 266.



## AEON S.S. Insurance Initiatives

- Increase agencies by 70 to 200 in building a sales network.
- Use AEON Credit sales offices as well as agencies to expand number of policyholders.



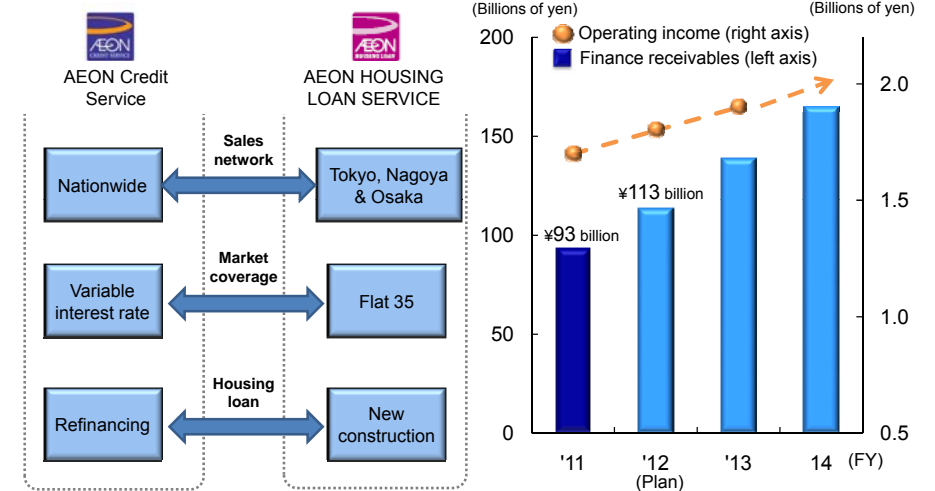
25

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## AEON HOUSING LOAN SERVICE Initiatives

- Use AEON Credit Service sales offices in addition to own offices in Tokyo, Nagoya and Osaka to expand nationwide network.
- Develop a hybrid loan product that combines a variable rate with the Flat 35 product to expand housing loan transaction volume.



\*FY 2011 operating income is non-consolidated.

26

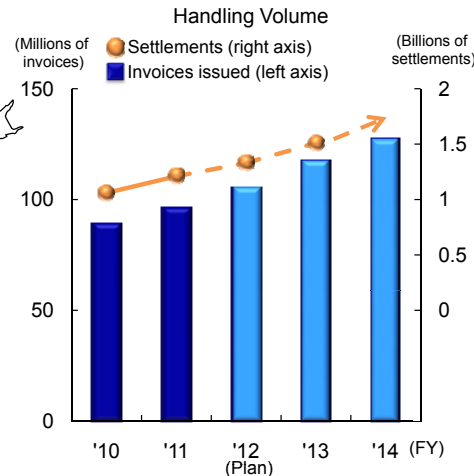
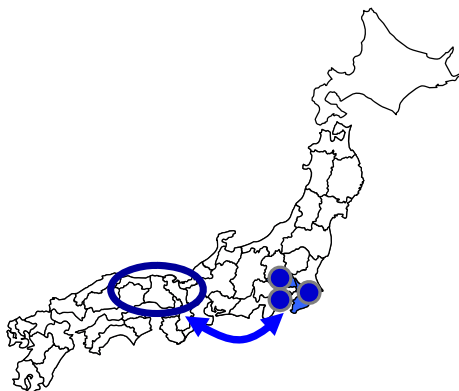
AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## System Initiatives

- Increase handling volume (8.5 million invoices/month → 12 million invoices/month and 150 million settlements/month)
- Reorganize the data center in Western Japan to strengthen disaster response system.

### A Stronger Disaster Response System



Redundant Broadly Based System

Reorganize & Promote the Issuer System

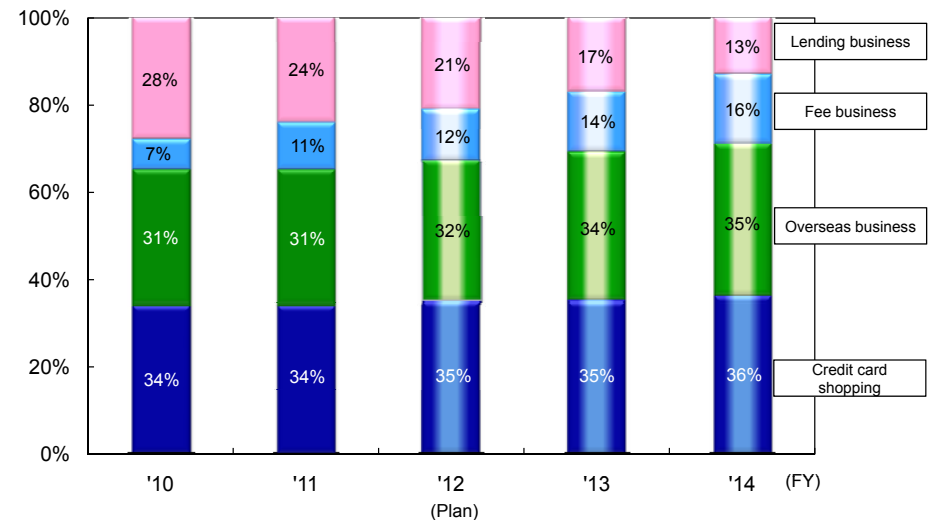
27

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Our Changing Business Structure (Comparison of Operating Revenues by Segment)

- Our business structure is changing because of fee business growth driven largely by the e-money, bank agency and internet businesses.



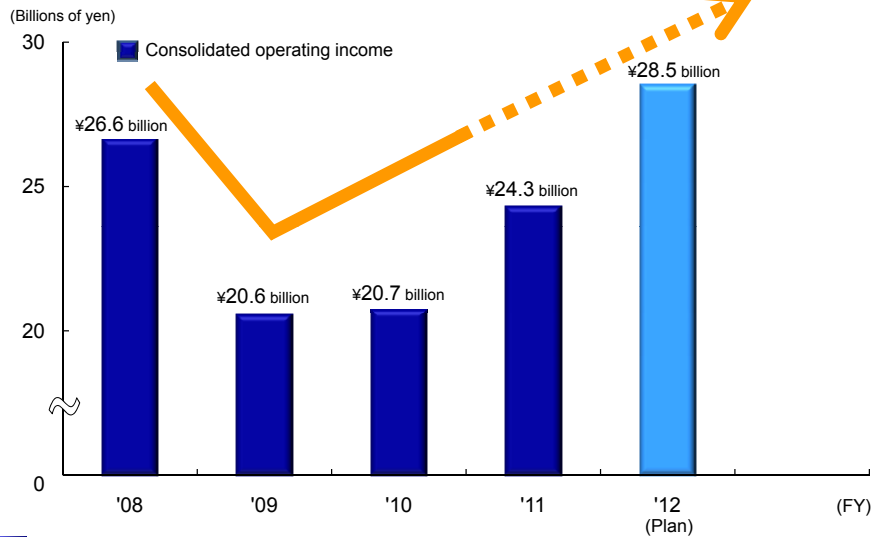
28

AEON Credit Service Co., Ltd.

Results for Fiscal Year 2011

## Consolidated Operating Income

- Strengthened fee business and overseas business in addition to the credit business are generating a V-shaped recovery in consolidated operating income.



## Forecast of Results for FY 2012

- We plan to increase consolidated and non-consolidated revenues and income.
- We have raised our forecast for consolidated earnings per share to ¥86.46 due to the repurchase of a total of 12,269,800 shares.

(Billions of yen)

	Consolidated		Non-consolidated	
	Forecast	Year-on-Year	Forecast	Year-on-Year
Transaction volume	3,740.0	+11%	3,400.0	+11%
Operating revenues	181.0	+7%	122.2	+5%
Operating income	28.5	+17%	14.7	+10%
Ordinary income	28.5	+17%	16.4	+8%
Net income	12.5	+39%	10.2	+34%
Net income per share (Yen)	86.46	+51%	70.55	+45%

\*Includes the impact of the change in fiscal year-end

- We forecast an increase in cash dividends per share with the ¥5.00 of the commemorative dividend of FY 2011 being added to the regular interim dividend in FY 2012.

(Yen)

	Interim (forecast)	Year end (forecast)	Full year (forecast)
Dividend forecast	20.00	25.00	45.00