

Final Results for the Fiscal Year 2016

May 12, 2017



AEON Financial Service

Summary of consolidated results

(Unit: Billions of yen)	1Q		2Q		3Q		4Q		FY2016		
	Results	YoY	Results	YoY	Results	YoY	Results	YoY	Results	YoY	Difference from forecast
Ordinary income	90.4	+6%	90.5	+3%	93.5	103%	100.6	+6%	375.1	+4%	-4.9
Ordinary expense	76.7	+6%	76.8	+3%	78.6	105%	81.3	+5%	313.5	+4%	-3.5
Ordinary profit	13.7	+9%	13.6	+3%	14.8	-9%	19.3	+13%	61.6	+4%	-1.4
① Securitization receivables profit	2.9	+1.5	2.2	Δ0.5	2.3	Δ2.5	3.3	Δ1.7	10.8	Δ2.6	+0.8
	Depreciation of securitization receivables profit (Yearly)								-6.0	Securitization receivables profit	
② Recombination existing scheme of securitization for risk asset compress							5.6	-	5.6	①+②=¥16.5bn	
Net income attributable to owners of the parent	8.9	+25%	8.0	+16%	8.8	-6%	13.5	+11%	39.4	+10%	+2.4

【Factor of difference from forecast】

- Ordinary income: ¥375.1bn (+4%、 difference from forecast : +¥4.9bn)**
 - Credit business is led by “reward point” sales promotion in domestic and effected of exchange rate in overseas: -¥16.1bn
- Ordinary profit: ¥61.6bn (+4%、 difference from forecast : -¥1.4bn)**
 - Reduced personnel cost in overseas business and reduction of bad debt allowance is less from our expectation
 - Refund of interest received : ¥3.9bn (+¥0.5bn) is covered by securitization receivables profit from revolving payments credit purchase ¥2.7bn
 - Recombination existing scheme of securitization for risk asset compress in Q4 : ¥5.6bn effected in ordinary profit
 - <Other difference : Applied pro forma standard taxation to SGA (Tax +¥2.7bn)、 impacted of the strong yen (Overseas profit -¥3.3bn) >
- Net income attributable to owners of the parent : ¥39.4bn (+10%、 difference from forecast : +¥2.4bn)**
 - Increased due to tax effects from AEON Bank Ltd. and AEON Product Finance Co Ltd. and reduced tax

Consolidated Results of business scale

	FY2015		2016 1H		FY2016	
	Results	YoY	Results	Change from start of FY	Results	YoY
Number of cardholders	37.22million	+1.55	38.16million	+0.94	38.94million	+1.72
① Number of cardholders in domestic	25.88million	+1.24	26.44million	+0.56	26.92million	+1.04
② Number of active cardholders in domestic	15.93million	+0.68	16.37million	+0.44	16.61million	+0.68
③ AEON Bank accounts	4.93million	+0.61	5.25million	+0.32	5.55million	+0.62
Number of AEON Card SELECT members	3.56	+0.49	3.84	+0.28	4.08	+0.52
Finance receivables	3,857.6bil	+615.2	4,111.5bil	+253.8	4,427.8bil	+570.1

① Number of cardholders in domestic

- Focused on card recruitment at Daiei and new AEON Bank branches (3 at Greater Tokyo, out of 4)
- Increased card holders and share of household at Greater Tokyo

(Unit: Thousand)	Results	YoY	Share of House-hold	YoY
Greater Tokyo	5,695	+342	33.5%	+1.6pt

② Number of active cardholders in domestic

- Encouraged usage rewarding double the point at AEON stores
- Web statement: 4.15mn (YoY+0.92million, active rate/month 56%)
⇒ reduced posting cost ¥2bn per year
- Transaction Volume of Card Shopping: 4,515.7bil (YoY+10%)

③ Number of AEON Bank accounts

- Bank accounts are increased due to valuable rate of AEON Card SELECT's interest rate
- Balance of ordinary deposit: approx ¥1.4trn. (YoY+¥727.8bil)

Consolidated Results by Area

(Unit: Billions of yen)	FY2016		
	Results	YoY	Change
Ordinary income	375.1	+4%	+15.5
Domestic	267.0	+11%	+27.1
Overseas	113.2	-8%	-9.7
Share of consolidated	30%	-4%	-

Ordinary expense	313.5	+4%	+13.2
Ordinary profit	61.6	+4%	+2.2
Domestic	43.2	+14%	+5.3
Overseas	22.5	-6%	-1.4
Share of consolidated	37%	-4%	-

Net income attributable to owners of the parent	39.4	+10%	+3.6
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Topics ※():YoY

- Affiliated merchant fee : ¥67.3bn (+¥5.3bn)
- Cash advance revenue : ¥63.2bn (+4¥.8bn)
→ Active card : 1.23mn (Change from start of FY +50K)
Balance/person : ¥315,000 (Change from start of FY +¥9,000)

▪ Effect of exchange rate : -¥16.1bn

- Financial expenses : ¥5.2bn (-¥1.0bn)
- Operating expenses : ¥172.4bn (+¥15.5bn)
→ Personnel expenses : ¥45.8bn
(+¥3.5bn, as of % of ordinary income 17%)
→ Advertising and promotion expenses : ¥40.4bn (+¥2.4bn)
 <Point expenses : ¥22.5bn (+¥6.2bn), other advertising expenses : ¥17.9bn (-¥3.8bn)>
→ Apply Pro Forma Standard Taxation : Tax ¥9.1bn (+¥2.7bn)

- Provision for loss on interest repayment : ¥3.9bn (+¥0.5bn)
- Securitization Receivables profit : ¥16.5bn (+¥3.0bn)
→ Housing loan : ¥6.6bn,
 revolving payments credit purchase : ¥2.7bn
 Auto loan : ¥3.8bn, Studio Condominium loan : ¥3.3bn

• Personnel expenses : ¥17.1bn
(-¥1.1bn, as of % of ordinary income 15%)

• Bad debt allowance : ¥29.2bn
(-¥1.9bn, as of % of ordinary income 26%)

• Effect of exchange rate : -¥3.3bn

Results by Segments

(Unit :Billions of yen)		FY2016		
		Results	YoY	Change
Credit business	Ordinary income	175.8	+9%	+14.5
	Ordinary profit	40.3	+9%	+3.4
	Ordinary profit ratio (%)	(23.0%)	(+0.1%)	(-)
Banking business	Ordinary income	53.1	+13%	+6.2
	Ordinary profit	0.5	-49%	-0.5
	Ordinary profit ratio (%)	(1.1%)	(-1.4%)	(-)
Overseas business	Ordinary income	113.2	-8%	-9.7
	Ordinary profit	22.5	-6%	-1.4
	Ordinary profit ratio (%)	(19.9%)	(+0.4%)	(-)
Fee business, etc.	Ordinary income	54.0	+9%	+4.4
	Ordinary profit	4.3	+6%	+0.2
	Ordinary profit ratio (%)	(8.0%)	(-0.2%)	(-)
Adjustment	Ordinary income	-21.2	-	+0
	Ordinary profit	-6.2	-	+0.6
Total	Ordinary income	375.0	+4%	+15.4
	Ordinary profit	61.6	+4%	+22
	Ordinary profit ratio (%)	(16.4%)	(-0.1%)	(-)

Topics ※():YoY

- Card shopping transaction volume : Increased after promoting double the point campaign →1Q+8%、2Q+9%、3Q+12%、4Q+11%
- Installment sales volume : ¥234.6bn(+17%)
- Balance of cash advance : ¥431.6bn(+¥26.0bn)
- Provision of allowance for doubtful account of credit card : ¥15.6bn(+¥2.9bn) →Write off rate(including securitized receivable) : 0.9%(+0.0%)

- Amount of Housing loan : ¥351.4bn(-3%) →1Q+26%、2Q-10%、3Q-16%、4Q-14%
- Balance of small consumer loans : ¥75.8bn (Change from start of FY +¥13.9bn)
- Amount of securitization of Housing Loans : ¥280.0bn → funding long-tem fund from un ALM perspective.

- Hong Kong : decrease in income and increase in profit (local currency based) →Controlled SGA and bad debt allowance Ref : P35 for the results
- Thailand : increase in income and decrease in profit (local currency based) → Bad debt allowance are bottomed out in Q3, profit are tend to increase
- Malaysia : increase in income and profit (local currency based) →Expanded transaction volume and controlled costs. Increase in profit in Yen based as well.

- E-money transaction volume : ¥2,138.8bn(+4%)
- Expense for transfer Flat 35 business is covered by consolidated ACS Leasing Co., Ltd. and WAONPOINT processing business

Consolidated balance sheet

Consolidated Results (Unit : Billions of yen)	Results	Change from start of FY
Cash and deposits	534.6	+89.7
Loans and bills discounted	1,864.9	+190.9
Accounts receivable – installment	1,182.1	+159.8
Allowance for doubtful accounts	-50.3	-0.8
Other assets	655.8	+2.1
Total assets	4,187.2	+441.7
Deposits	2,542.0	+389.1
Interest-bearing debt	759.0	-1.6
Allowance for loss on refund of interest received	3.8	-0.3
Other liabilities	479.5	-7.3
Total liabilities	3,786.0	+381.4
Total net assets	401.1	+60.2
Total liabilities and net assets	4,187.2	+441.7
Shareholders' equity ratio [domestic standard]	8.59%	+1.17%

Topics ※():Change from start of FY

- Balance in domestic: ¥505.0bn (+¥85.5bn)
→Needs usage of housing loan and cash advance

- Balance in domestic : ¥1,617.7bn (+¥182.0bn)
→unsecured loan : ¥507.5bn (+¥40.0bn)
※Housing loan (Including securitized receivables)
: ¥1,408.0bn (+¥251.9bn)

- Balance in overseas: ¥252.1bn (+¥8.8bn)

- Balance in domestic: ¥963.3bn (+¥147.1bn)
→card shopping: ¥728.9bn (+¥119.1bn)
→Installment sales: ¥234.4bn (+¥28.0bn)

- Balance in overseas: ¥218.7bn (+¥12.6bn)

- Customer's liabilities for acceptance and guarantees
: ¥138.7bn (-¥339.9bn)

- Ordinary deposits: ¥1,444.9bn (+¥728.7bn)

- Time deposits: ¥1,097.1bn (-¥339.9bn)

- Balance in domestic : ¥369.3bn (-¥14.4bn)
→Long-term loans payable: ¥23.6bn (-¥46.3bn)
Shifting to ordinary deposit

- Balance in overseas : ¥389.6bn (+¥12.8bn)

- Risk asset compress for securitization, etc.

Improve profitability of asset ~Capital efficiency by securitization~

- Reduction of capital requirement...Risk asset compress for securitization and acquisition of credit-rating
- Increase of capital turnover...Securitize long-term duration loans then shift to short-term loans
- improve yields...Securitize loans with low yields then shift to loans with higher yields

【 Including securitized receivables 】 (Unit : Billions of yen)

Receivables	① Amount of loans	② Risk Asset (① × 70%)	③ Capital Requirement (② × 8%)
Housing loan Installment sales Credit card	3,280.0	2,300.0	180.0

【 Excluding securitized receivables 】 (Unit : Billions of yen)

④ Amount of loans	⑤ Risk Asset (④ × 70%)	⑥ Capital Requirement (⑤ × 8%)
2,100.0	1,500.0	120.0

	Yield	Capital Turnover (Amount of loans × Yield / Capital Requirement)
Housing loan	1.0%	0.18
Installment sales	3.4%	0.37
Credit card	11.4%	1.90

Securitization and acquisition of credit rating is performed

※Risk asset is calculated assuming that average risk weight is approx. 70%
 ※Required capital is calculated using 8% of equity ratio.

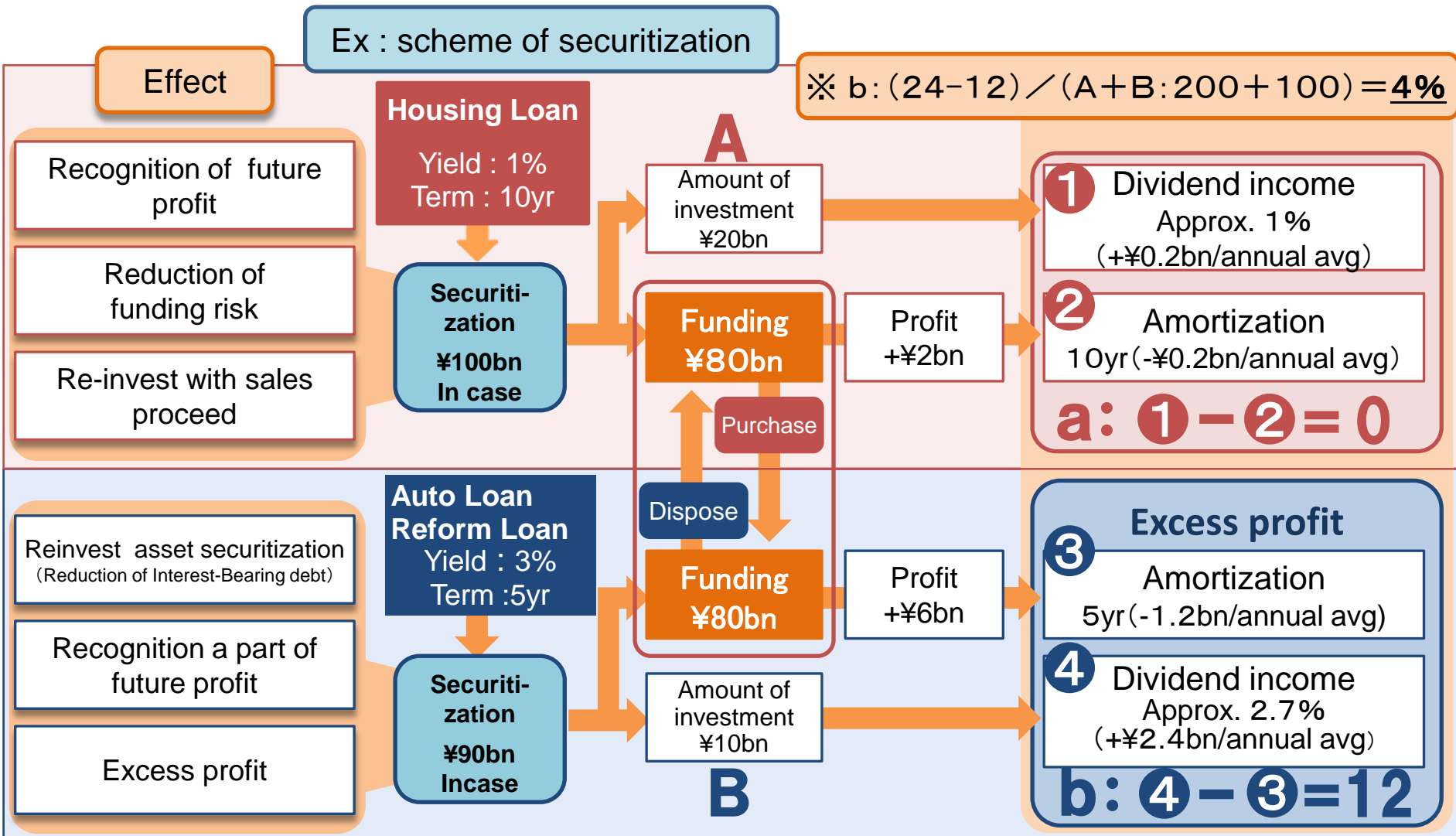
Compress to 2/3



- Securitize housing loans with long-term duration.
- Invest loans with higher yield and high turnover ratio (short term) using raised fund by securitization.

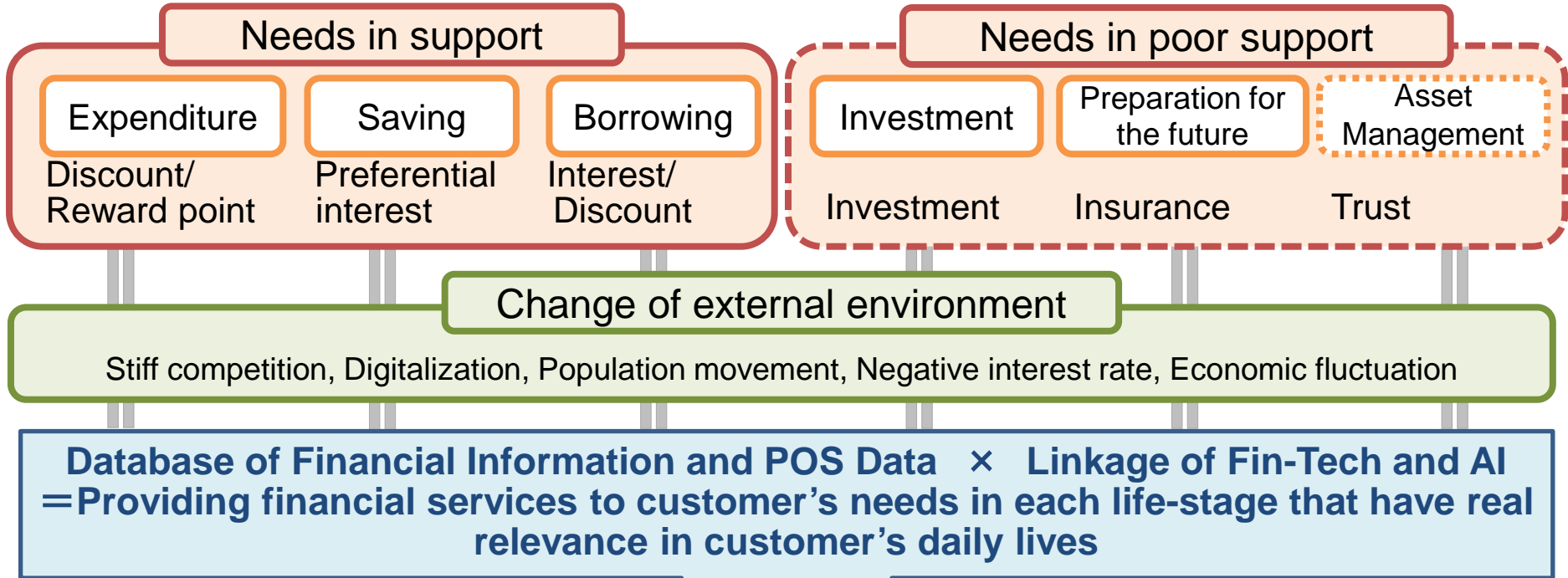
Improve profitability of asset -Increase turnover ratio and yield-

- Long-term duration and low yield housing loans are securitized to be invested in installment sales finance with short-term duration and higher yield
- Hold a position as a originator to maintain relation with customer



Our task to challenge

■ Promote sharing of information and utilize Artificial Intelligence(AI) for addressing customer's various needs by construct a structure



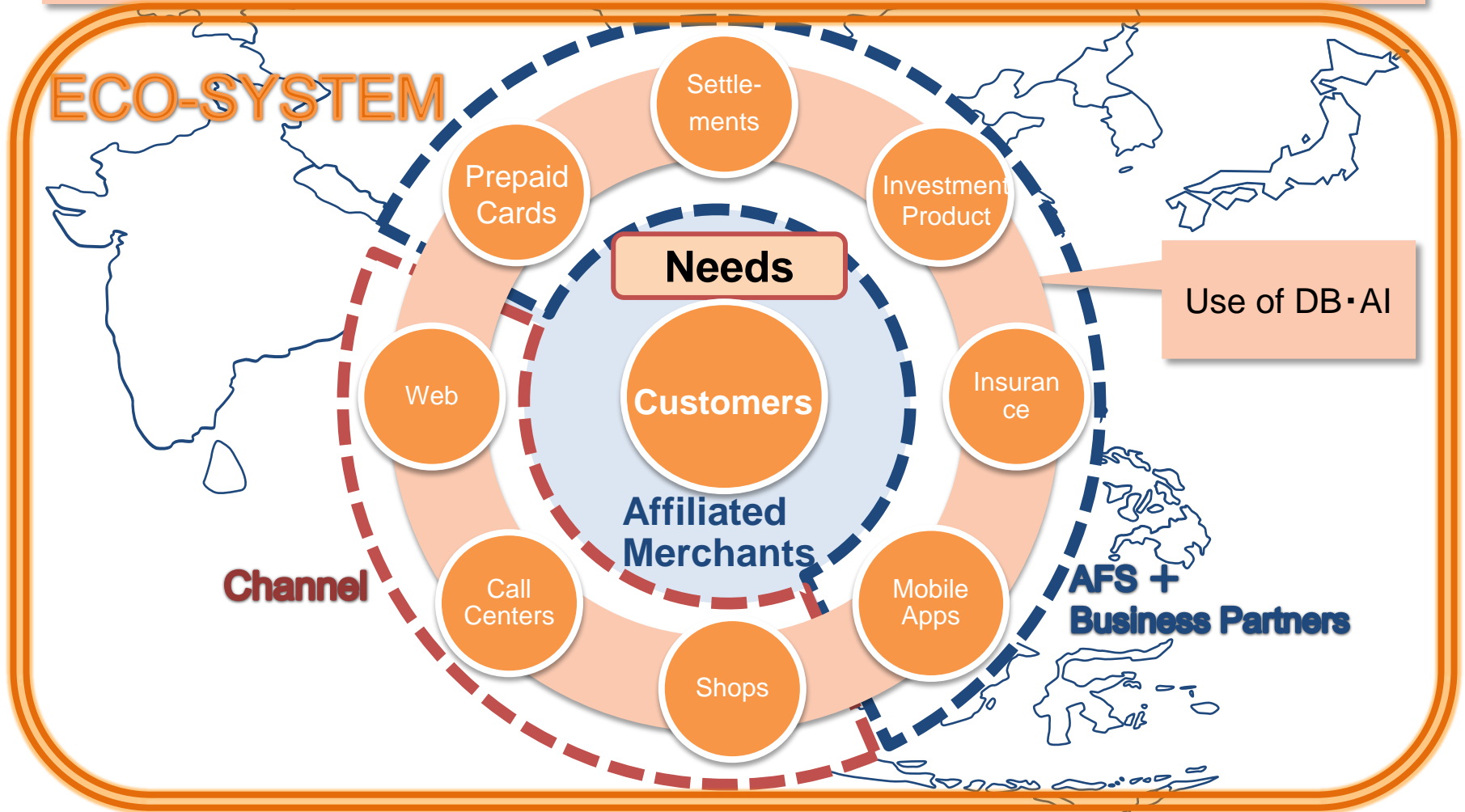
Improve convenience and labor productivity	: Provide a products and channels set of measures.
Improve profitability of asset	: Review Receivables and construct a system of collection of debt
Re-growth in overseas business	: Reduce bad debt and labor cost

Future Direction

Our Vision “Asia’s No.1 Retail Financial Service Company”

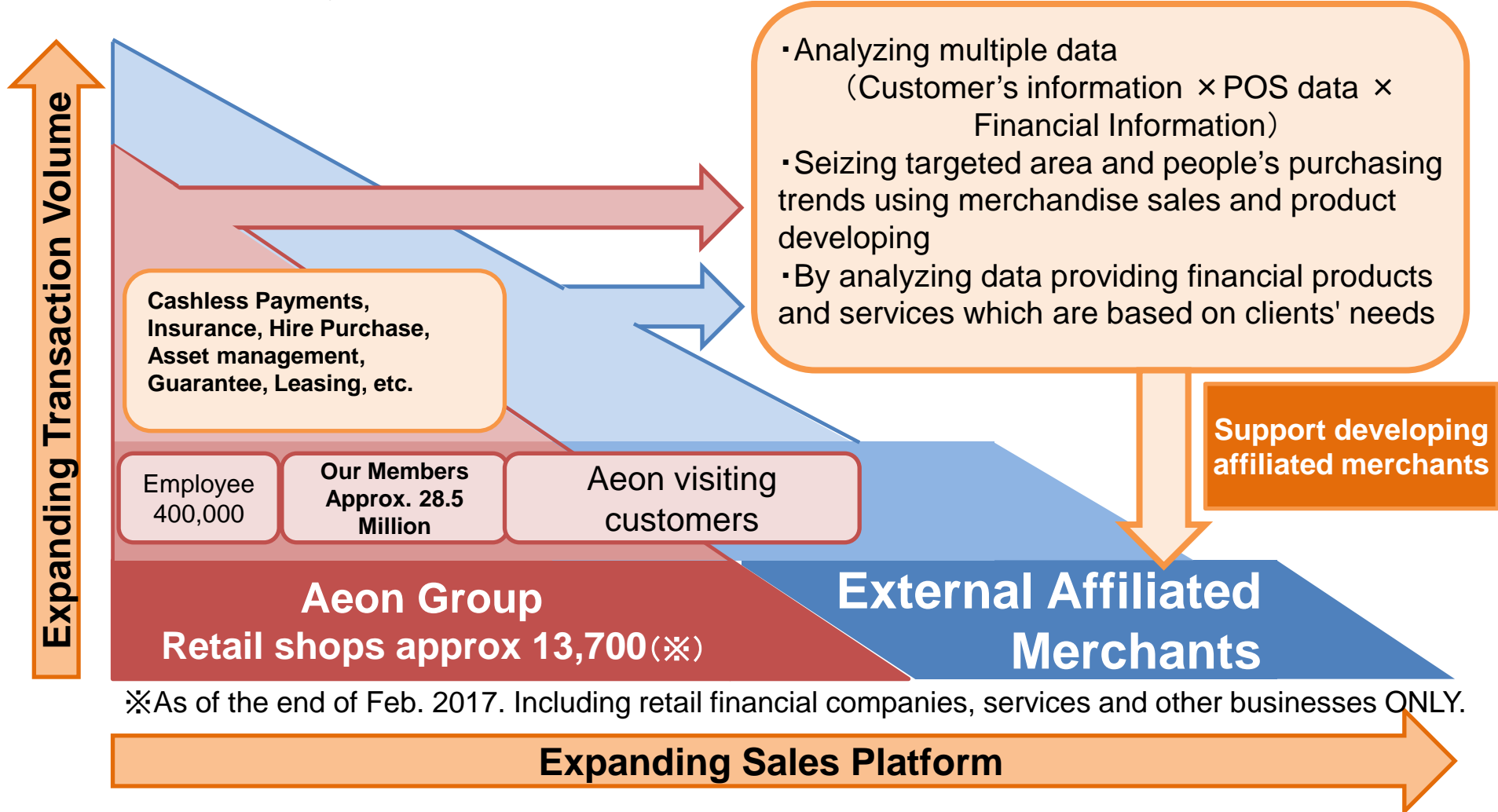
MISSION : Enriches daily lives of customers through providing financial service

PROCESS : Contributing to our customers’ all life stages and life styles
 Using data based marketing to our Asian subsidiaries
 Providing our group’s synergy for strengthening financial services



Our Vision ~ Domestic Business ~

- Taking in all financial needs from our group using Aeon group's platform
- Analyzing data, which is accumulated by expanding our group's transaction volume, and using it to develop external affiliated merchants and providing services to our customers, which will eventually raise our transaction

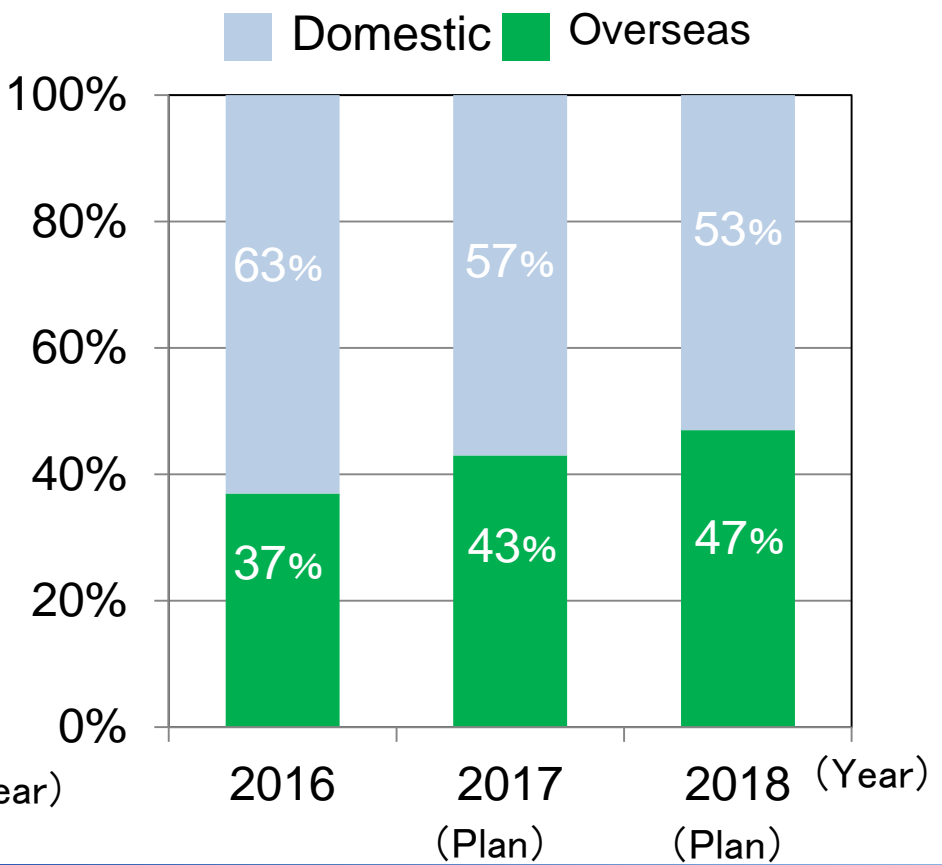
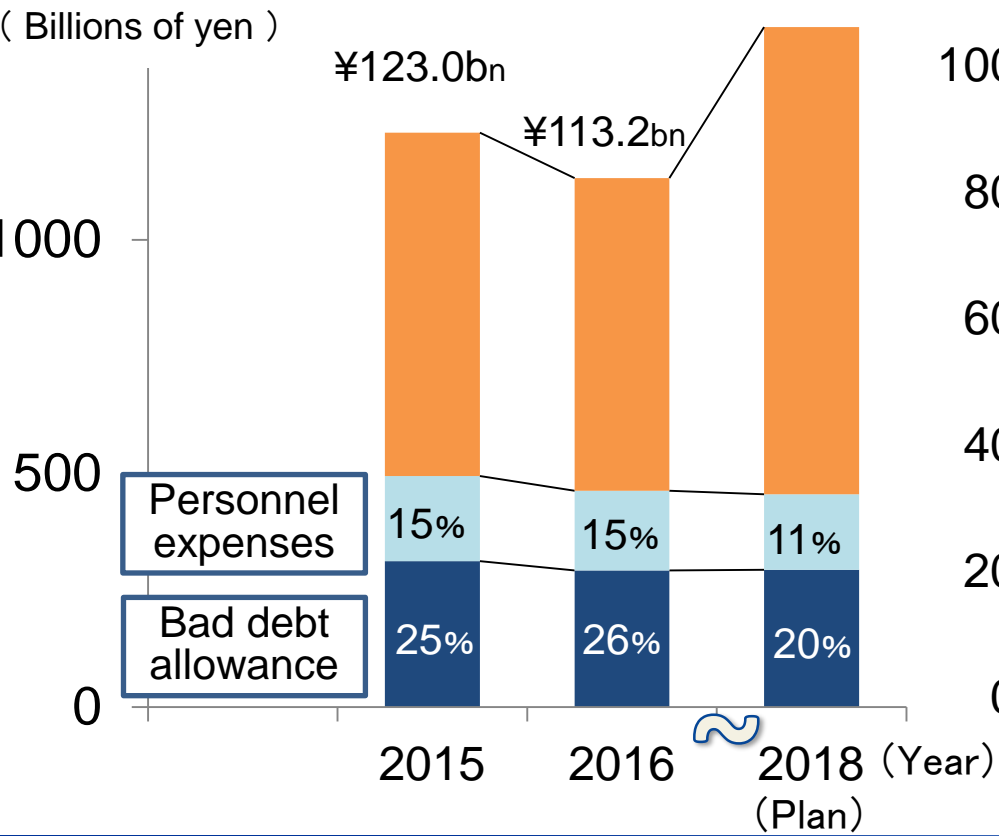


Our Vision ~Overseas Business~

- Accelerate shifting from loans to goods and sale, refining screening and , Promote use of system in collection
- By improving productivity, we expanded the share of overseas business to approximately 50% of consolidated ordinary profit

Bad debt allowance and personnel expenses as a percentage of overseas ordinary income

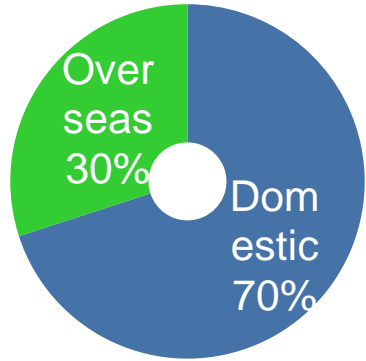
Percentage of consolidated ordinary profit



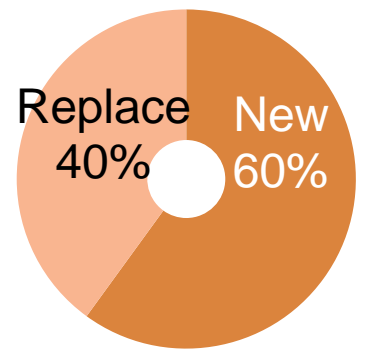
IT / System investment : Area · Amount · Schedule

System (IT) investment
¥100 Billion

Area



Field



Objective

Improve convenience and labor productivity

Improve profitability of asset

Domestic realization ↑
Re-growth in overseas business

Effect

- Improve correspondence level (strength in proposal, speed)

- Respond to customer's financial needs, any time any where

- Improve collection efficiency
- Reduction of credit risk
- Refine screening

2017

2018

2019

Data integration, business support related · ¥10bn

Product development / proposal etc. using AI · ¥11bn

Mobile application development, point related · ¥10bn

The next credit card system, deteriorated system, security measures etc. · ¥36bn

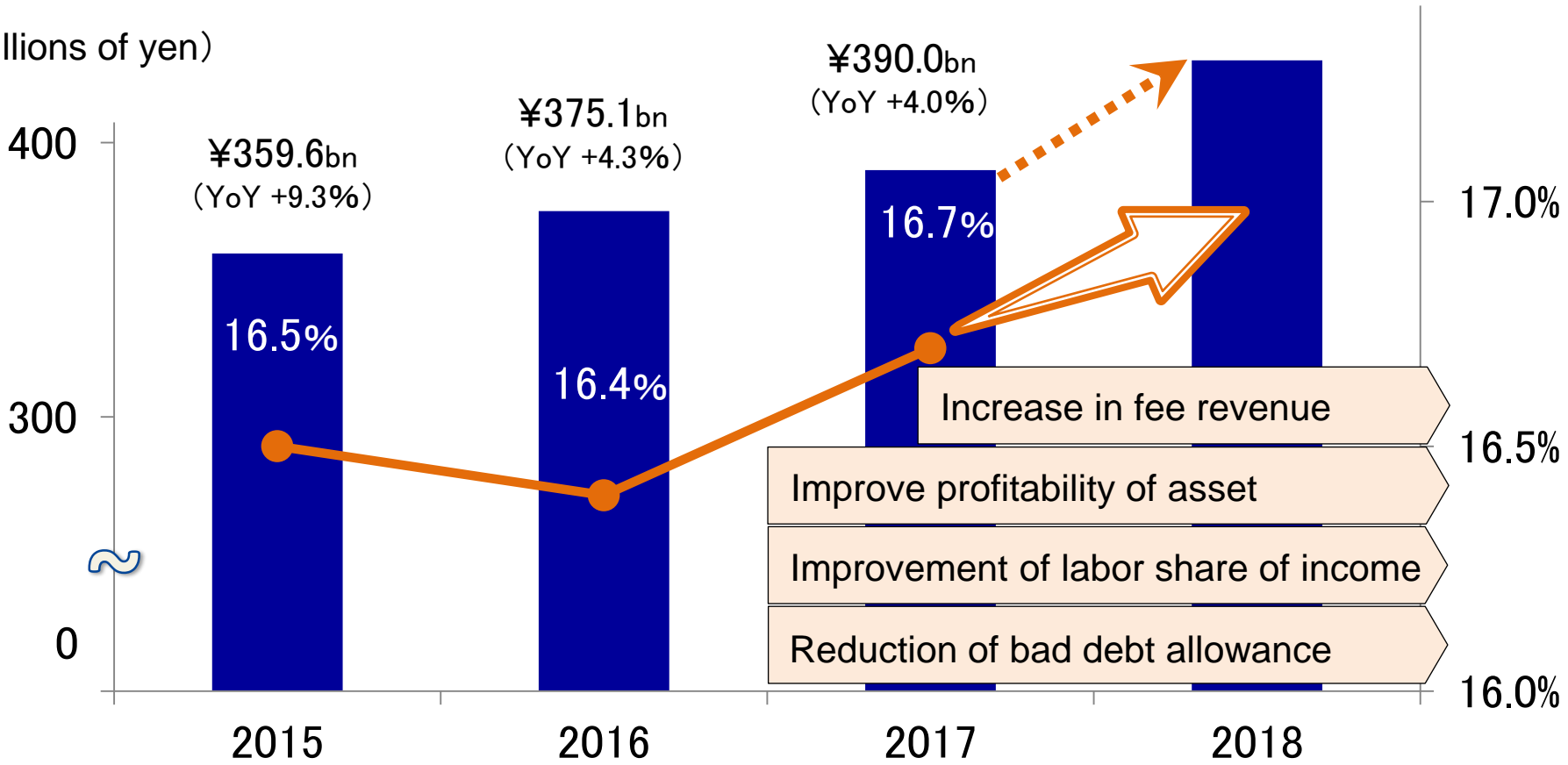
Collection of debt related · ¥9bn

Improve Ordinary Income Ordinary Profit Rate

- Consolidated ordinary revenue for FY2018 plans to grow by more than 10% compared to FY2017
- In addition to improve profitability of asset, expanding fee revenue by promoting cross-selling
- Improve bad debt allowance and labor share of income and increase ordinary profit ratio through digitization investment

■ Consolidated ordinary revenue (Left axis) Compared to FY 2017
— Ordinary revenue Ordinary profit ratio (Right axis) + 10% or more

(Billions of yen)



Key Initiatives for FY 2017

- Improving Convenience and Productivity
- Improve profitability of asset
- Re-growth in overseas business

Digitalization

- AEON Wallet: Going card-less (Application, Payment, Point management)
- Going paperless: Digital signage, electronic (web) statements, branch operations
- Marketing: Strengthening sales promotion, Sales consulting with participating merchants

	FY2016	FY2017
	Results	Forecast
Number of Cardholders (Domestic)	26,920,000	28,000,000
YoY	+1,040,000	+1,080,000
Card shopping transaction volume	¥4,515.7 bn	¥5 trn
YoY	+10%	+11%

Steady increase in number of cardholders and transactions volume

Making use of Business Intelligence (BI) and AI tools to strengthen comprehensiveness of sales consulting with participating merchant stores

Increasing staff for the widening of participating merchant stores network through redeployment of business structure



Widening participating stores network through digitalization and expansion of staff pool

Focus on Greater Tokyo

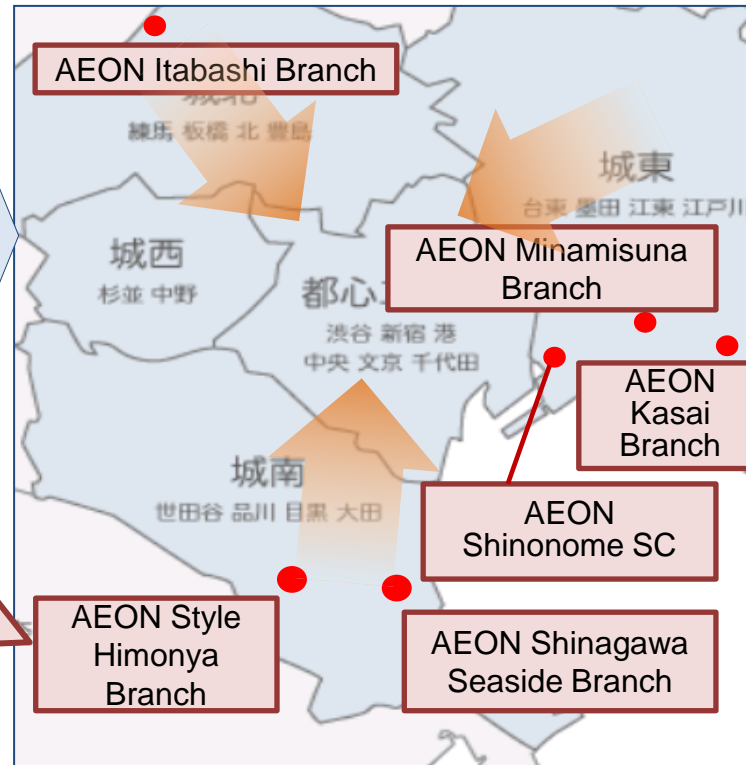
- Enhance business in the Jyonan Area using AEON Himonya Branch as a model
- Card member recruitment efforts through the use of tablets installed in booths set up in small-scale shops within the AEON Group ; Expansion of ATM tenants

Capital Area: Tokyo, Kanagawa, Chiba, Saitama

Tapping on Youth Customer Class

- Introduction of new Disney-design credit cards , issuance of new co-branded cards

- ▶ Possible card member recruitment areas
- No. of stores in capital area
My Basket: 650
USMH: 392
- No of stores in Kanto area
USMH: 509



Expanding market share with Jyonan area as a starting point



Introduction of other new co-branded cards

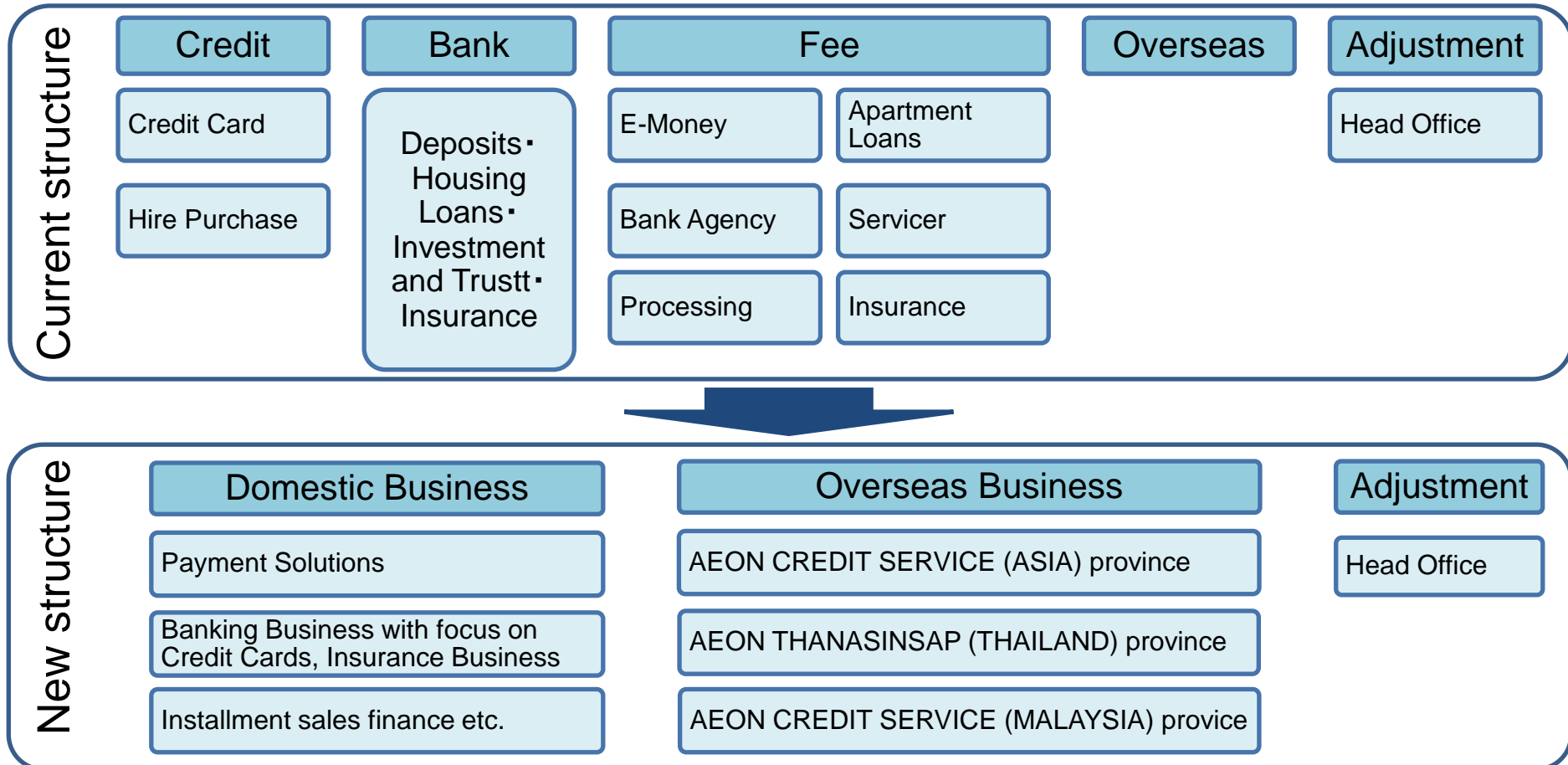
Co-branded cards



Evolution of Business Model

- Integration of domestic head office business functions through the evolution of business structure
- Collaboration with other companies while making use of our sales channels (E.g. Insurance business)
- Refinement of business segments, clarification of roles and responsibilities to cater to reality

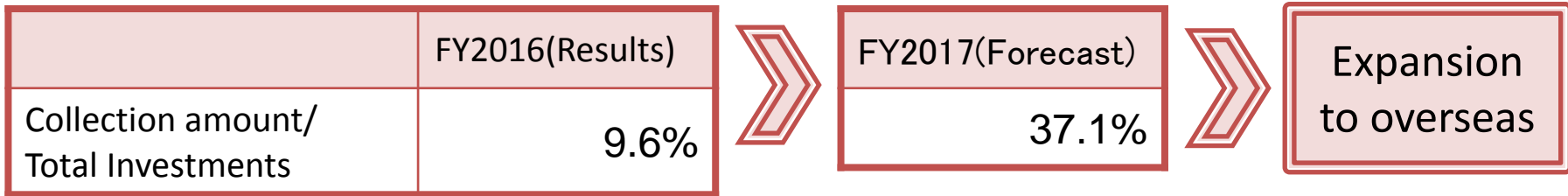
● Change in business segments from FY17 Q1



Key Initiatives for FY2017 Improvisation of Asset Profitability

- Review receivables portfolio
(Domestic: Shift to high-return receivables, Overseas: Shift to highly safe receivables)
- Control bad debt allowance through the review of screening standards based on each country's market situation and customer characteristics
- Construction of a shared debt collection system among group companies in Asia
 - Construction of credit collection system • Improving productivity in collections
– ACS CREDIT MANAGEMENT CO., LTD. –

	FY2016 Completed	FY2017 Key Initiatives		Initiatives from FY2018
System Introduction/ Policy	<ul style="list-style-type: none"> • Credit Analysis • PL System • Credit collection trial 	<ul style="list-style-type: none"> • Audio Data Mining • Transaction Analysis 	<ul style="list-style-type: none"> • Policy on Evaluation of Operator Training Quality 	<ul style="list-style-type: none"> • Integrated Collections Process through AI technology • System construction • Big data conversion
Analysis	Target Analysis	Collection Activity Analysis	Operator Analysis	
Implementation Details	<ul style="list-style-type: none"> • Scoring • Generation of Future Expected Collection • Selection of Target Initiatives 	<ul style="list-style-type: none"> • Action-Impact Analysis • Improvement of Negotiation Quality • Selection of Initiative Content 	<ul style="list-style-type: none"> • Allocation of collection staff • Targeted skills-training 	



■ AEON CREDIT SERVICE (ASIA) <Hong Kong>

- Increase number of new sign-ups through the introduction of co-branded cards targeting youth
- Promotion of instant card issuance in AEON Store Branch; Co-promotion with AEON Group
- Facilitation of outbound expansion towards Japan by rewarding extra points for card usage in Japan
- Card usage history, coupons/points management through the use of a mobile app
- Early reinstatement of profitability in China region

【New co-branded cards with popular characters designs】

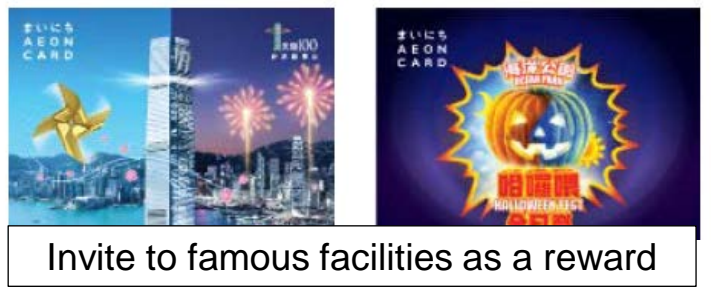
New co-branded cards

【Current co-branded card】

Co-Branded Cards Targeted at Youth

Development of the AEON Wallet App

Efforts to Increase Transaction Volume



Key Initiatives for FY2017 Re-growth in overseas business

■ AEON THANASINSAP (THAILAND)

- Thailand:
 - Issuance of co-branded credit cards through collaboration with Big C
 - Reduction of allowance for doubtful accounts amount via the introduction of a shared credit management system and the refinement of credit analysis process
 - Control personnel expenses through reallocation of roles and improvement of job productivity
 - Enhancement of convenience and reduction of call-center enquiries via the development of smartphone application
- Cambodia: Expansion of credit card business and introduction of e-money business
- Myanmar: Expansion of existing business and new acquisition of finance license



Credit Card



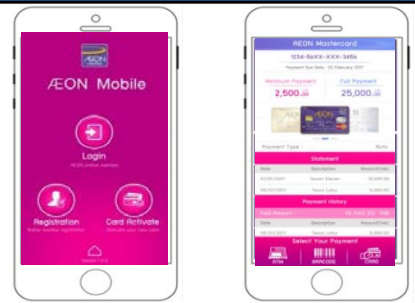
Member Card

■ Main Privileges

- 3% cashback for payments with Big C credit card
- Rewards and benefits at AEON's exclusive participating merchants /stores etc

Issuance of co-branded cards
with Thailand's large-scale retail group Big C

Development of Smartphone App



Relocation and Expansion of Operation Center

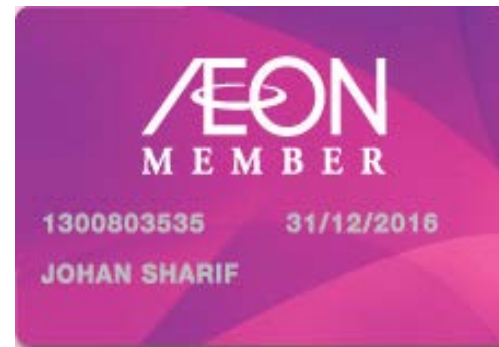


■ AEON CREDIT SERVICE (MALAYSIA)

- Malaysia
 - Issuance of prepaid cards partnered with international brands
 - Entrustment of points business to AEON Malaysia
 - Insurance brokerage business, Trustee insurance business, Insurance targeting tenants
 - Introduction of personal insurance
 - Introduction of Purpose Loans to corral new demands and acquisition of affiliated stores
- Indonesia: Expansion of fee business profits through the introduction of mobile payment
- Philippines: Introduction of credit management system to improve productivity



Credit Card



Member Card

Issuance of Prepaid Cards Partnered with International Brands

Forecast of Results for FY2017

- Domestic: Continual growth in card shopping transaction volume
- Overseas: Reduction of bad debt allowance and labor cost

Forecast of Results		
	Results	YoY
Ordinary income	¥390.0 billion	+4.0%
Ordinary profit	¥65.0 billion	+5.5%
Net income attributable to owners of the parent	¥40.0 billion	+1.4%
Net income per share	¥185.43	-2.3%

	Interim		Year End		Full Year		Payout Ratio	
	Forecast	YoY	Forecast	YoY	Forecast	YoY	Forecast	YoY
Dividend forecast	¥29	±¥0	¥39	±¥0	¥68	±¥0	36.7%	+0.9%

* Commemorative dividend "¥2" on previous fiscal year is replaced by the dividend.

AEON Credit Service (M) BHD
FYE2017 (as at February 2017) Overview

FYE2017 Performance Highlights

- Sales expanded by Credit Card , MEP and Personal Finance
- Impairment loss provision vs. operating income recorded 25%, improved 2% vs. LY

(Unit: RM Mil)	FYE2016	FYE2017	vs. LY
Credit Card	947.7	1,106.9	117
General Easy Payment	367.3	354.4	96
Motorcycle Easy Payment	500.5	582.0	116
Superbike Easy Payment	376.2	375.1	100
Automobile Financing	735.1	688.1	94
Personal Financing	674.8	887.3	131
Total Transaction Volume	3,615.9	4,014.7	111
Total Income	1,055.2	1,222.2	116
Total Expenses	753.6	871.0	116
Profit Before Tax	301.6	351.2	116
Corporate Tax	73.4	86.1	117
Net Profit	228.2	265.2	116

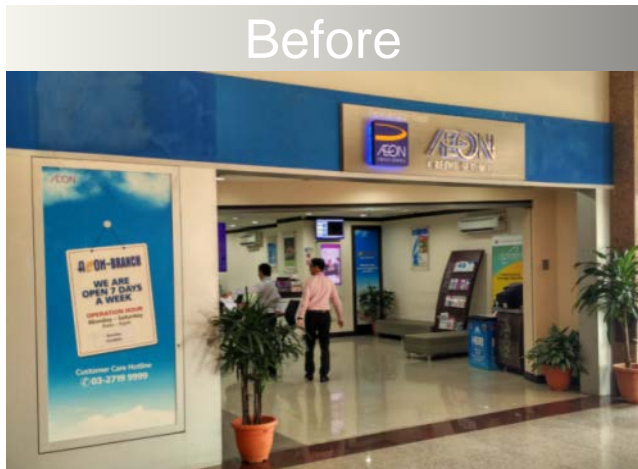
FYE2017 Summary of Statement of Financial Position

(Unit: RM Mil)	29 Feb 2016	28 Feb 2017	vs. LY
Credit Card	538.7	586.7	47.9
General Easy Payment	464.6	424.9	(39.7)
Motorcycle Easy Payment	899.1	984.9	85.9
Superbike Easy Payment	767.1	897.5	130.3
Automobile Financing	1,579.6	1,957.2	377.6
Personal Financing	1,194.6	1,626.7	432.1
Financing Receivables	5,496.7	6,534.5	1,037.9
Impairment Loss Provision	(137.9)	(152.2)	(14.3)
Other assets	738.8	889.7	150.9
Total Assets	6,097.5	7,272	1,174.6
Total Liabilities	5,036.7	6,041.1	1,004.4
Shareholders' Funds	1,060.8	1,230.9	170.2
Total Equity and Liabilities	6,097.5	7,272.1	1,174.6

Key activities of FYE2017① – Value Chain Transformation

Improved Branch staff productivity and operating cost by Branch Transformation

- Expand Cashless Operation Branch in nationwide, 62 out of 64 branches successfully converted.
- Branches are equipped with tablets for applications and other service enquiries



Before



After

Branch Operation Cost FYE2017 vs. FYE 2016 (%)

Overtime Expenses	▲9%
Money Collection expenses	▲41%
Counter payment Volume	▲48%
CDM Transaction	+ 88%
Personal Finance Sales Credit Card Sales	PF: 121% CC: 118%

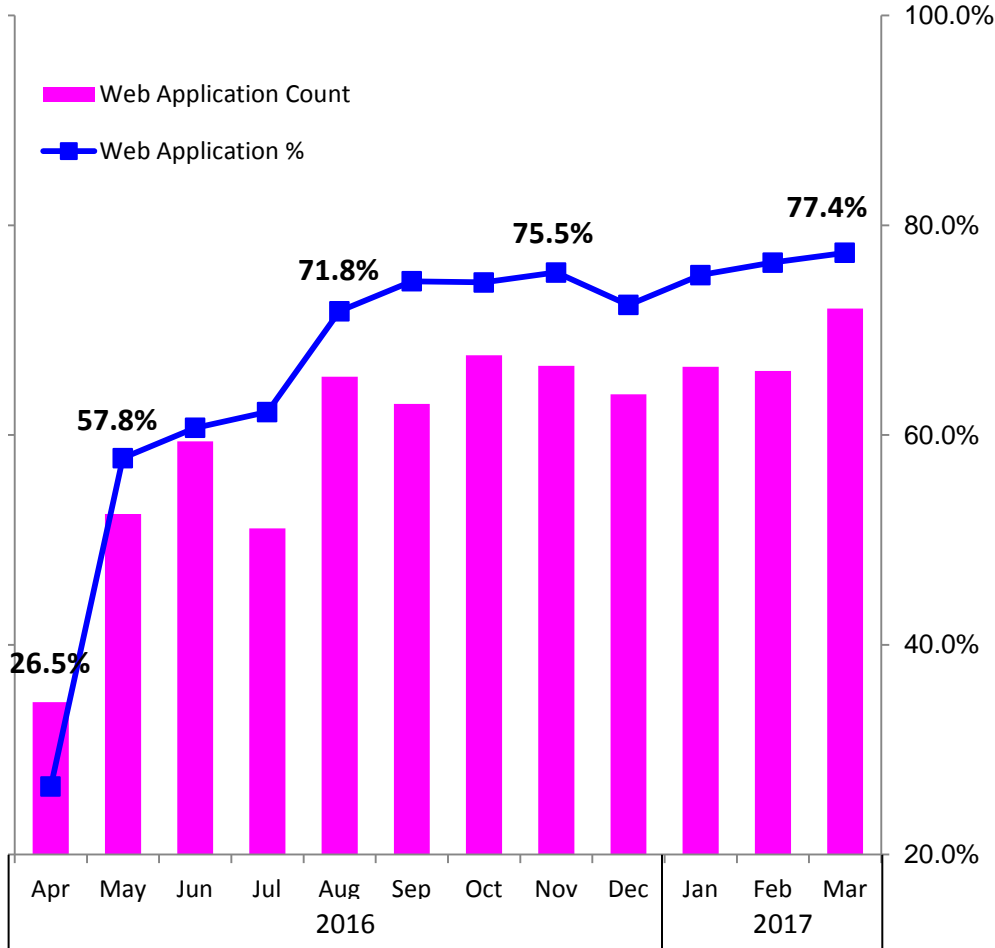
Cashless Branch Transformation completed in 1st half of 2017, effects can be witnessed in FYE2018

Key activity of FYE2017① – Value Chain Transformation

e-Biz Portal (Web Application)

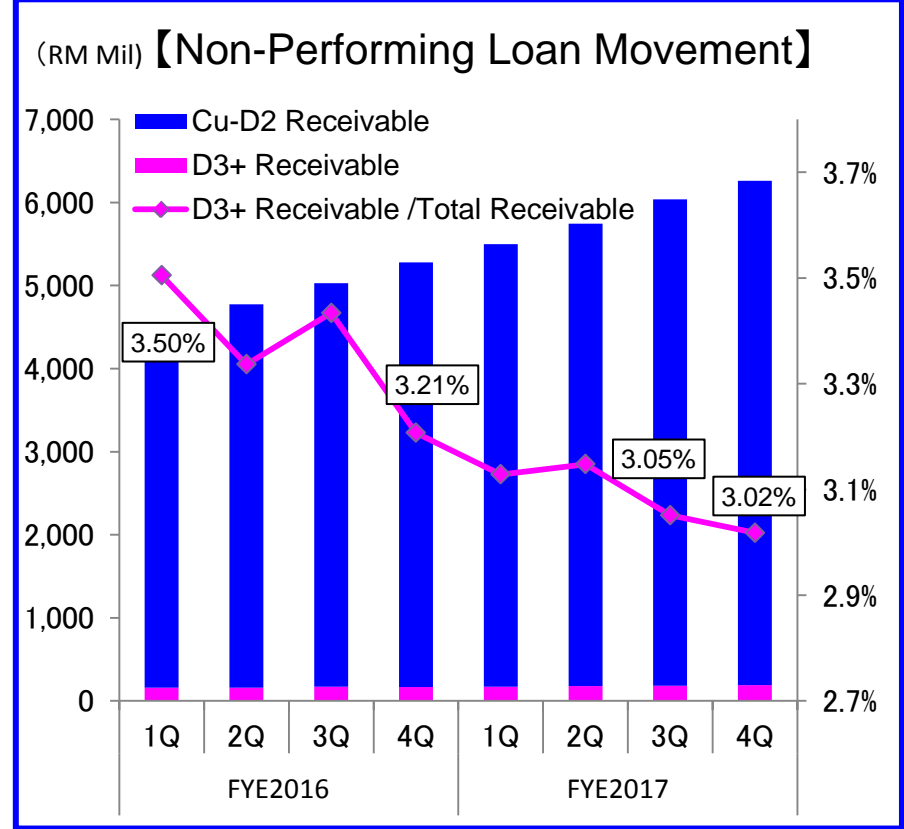
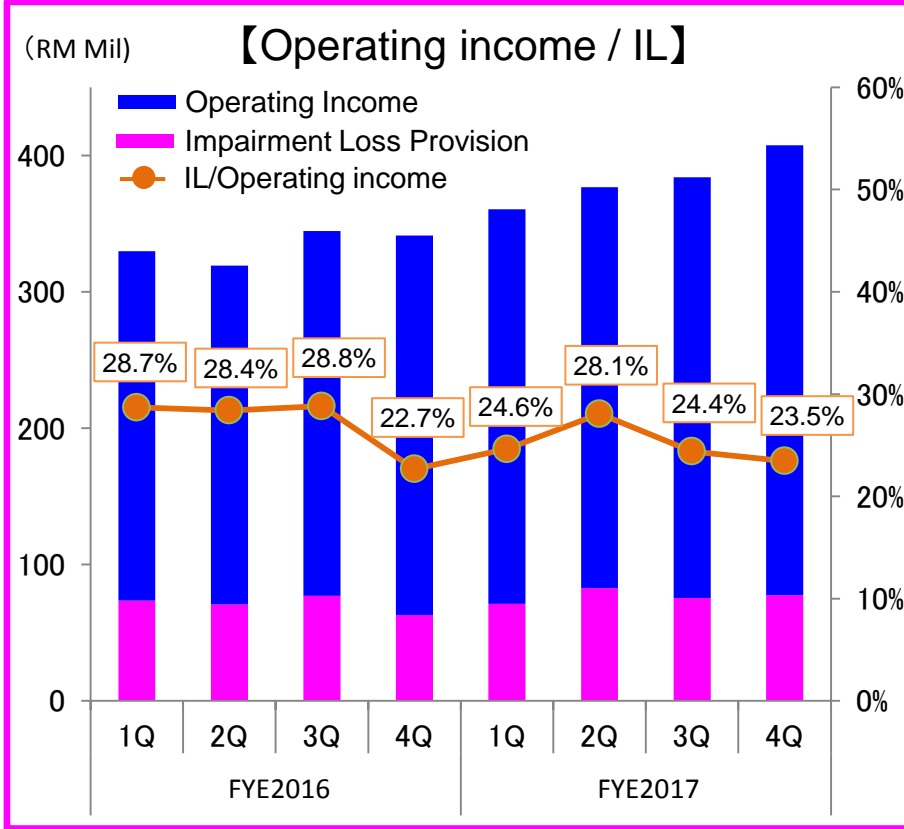
- Merchant web application (Easy Payment Scheme) & Customer web application (PF and CC)
- Productivity increased by 80%, turn-around-time reduced by 27%, and cost saving by 20% (per 1 application)

Web Application Movement



Key activity of FYE2017 ② – Optimize income for Existing Stock business

- Improved collection operation and reviewed assessment by customer attribution & profile.
- Revenue for AF improved compared to last year although sales was lower due to the changes in assessment – assess by merchant grouping which based on default ratio

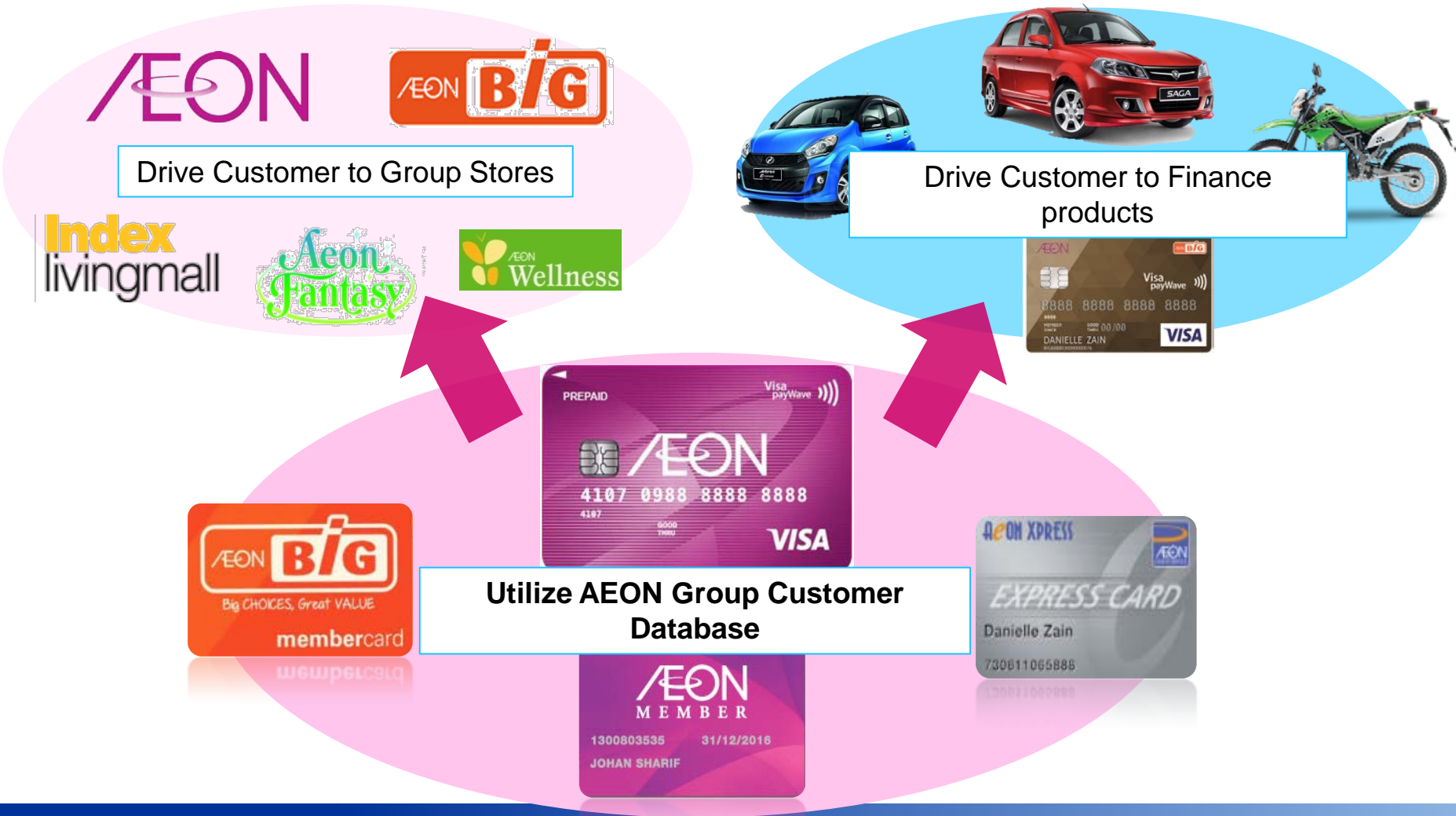


Product	Action
Auto Financing	• Diversified portfolio mixed between local maker and foreign maker
Motorcycle Easy Payment	• Expanded premium motorcycle sales, sales increased +17% vs. LY

FYE 2018 Key Activity

Expand Settlement Business/Fee Business and AEON Group Synergy

- Absorb group retail cash transaction by New VISA prepaid Card
- Established Digital Marketing to integrate Group customer database and group marketing
- Expand group synergy, drive customers to ACS Finance products and services



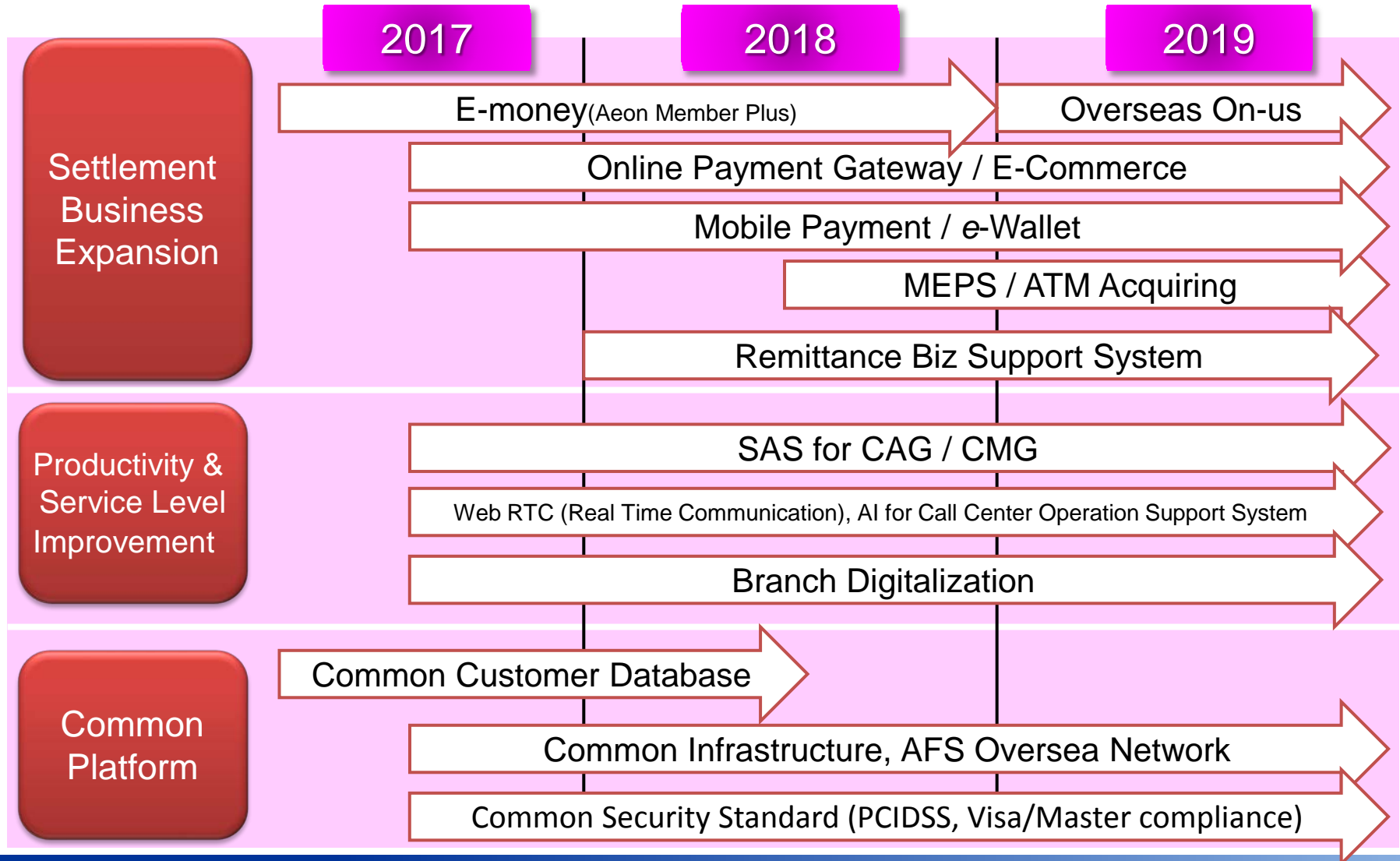
Value Chain Transformation

- Continue branch transformation, tablet utilization, proceed cashless operations, digital advertisement and multi-tasking training
- Launch instant credit card to improve customer experience – improve convenience
- Complete digitalization for application process to improve efficiency of work
- Developing merchant management system – for Auto Finance Hire Purchase



3 Years Investment Planning

- To accelerate Digital transformation, Established IT R&D department
- Increase investment for Settlement business expansion
- Investment for improve Productivity and working efficiency for Branch and Operation Centre



(Reference) FY 2016 Results (Hong Kong, Thailand, Malaysia)

		FY2015		FY2016	
		Results	YoY	Results	YoY
AEON CREDIT SERVICE (ASIA) (HK\$'000)	Revenue	1,258,854	-3%	1,228,100	-2%
	Operating income	1,174,260	-3%	1,145,752	-2%
	Profit before tax	307,355	-11%	367,234	+20%
	Profit for the period attributable to : Owners of the Company	249,967	-11%	298,796	+20%
AEON THANA SINSAP (THAILAND) (BAHT'000)	Total Revenues	17,835,461	-	17,759,345	-
	Income before income tax expense	3,270,658	-	3,012,802	-
	Net profit for the period	2,607,753	-	2,418,066	-
AEON CREDIT SERVICE (M) Berhad (RM\$'000)	Revenue	965,234	+11%	1,101,955	+14%
	Profit from operations	464,821	+9%	551,209	+19%
	Profit before taxation	301,591	+4%	351,162	+16%
	Profit for the period	228,222	+6%	265,027	+16%

Source: Data released by each company. Figures for Hong Kong and Thailand are consolidated.

(Reference) FY 2016 Results (Hong Kong, Thailand, Malaysia)

■ Consolidated Results of AEON Credit Service (Asia) Co., Ltd. (Unit : Billions of yen)

	FY 2015	FY 2016	
	Results	Results	YoY
Ordinary income	20.5	18.4	-10%
Ordinary profit	4.7	5.1	+8%
Net income	3.8	4.2	+8%

Exchange rates: HKD 1
 •2015: ¥15.54
 •2016: ¥14.09

Fiscal period
 •2015: Mar. 1- Feb. 29
 •2016: Mar. 1- Feb. 28

■ Consolidated Results of AEON THANA SINSAP (THAILAND) PLC. (Unit : Billions of yen)

	FY 2015	FY 2016	
	Results	Results	YoY
Ordinary income	60.2	55.0	-11%
Ordinary profit	11.3	9.3	-18%
Net income	9.0	7.4	-17%

Exchange rates: THB 1
 •2015: ¥3.48
 •2016: ¥3.10

Fiscal period
 •2015: Feb. 21 - Feb. 29
 •2016: Mar. 1 - Feb. 28

■ Results of AEON Credit Service (M) Berhad (Unit : Billions of yen)

	FY 2015	FY 2016	
	Results	Results	YoY
Ordinary income	29.2	28.8	-2%
Ordinary profit	9.1	9.1	0%
Net income	6.9	6.9	0%

Exchange rates: MYR 1
 •3Q 2015: ¥30.34
 •3Q 2016: ¥26.14

Fiscal period
 •2015: Mar. 1- Feb. 29
 •2016: Mar. 1- Feb. 28

Note: Results for fiscal 2015 have been retroactively adjusted.

(Reference) Allowance for Doubtful Accounts and Allowance for Loss on Refund of Interest Received by Segment

■ Allowance for Doubtful Accounts (by Segment)

(Unit : Billions of yen)

	Credit	Banking	Overseas	Fee	Total
Allowance for doubtful accounts, beginning of period	27.5	3.2	15.0	4.2	49.4
Provision of allowance for doubtful accounts	15.6	-0.4	29.2	1.8	46.2
Write-off of doubtful accounts (including transferred debt)	13.7	0.8	29.5	1.0	45.3
Allowance for doubtful accounts, end of period	29.3	1.8	14.7	5.0	50.3

(Domestic subsidiaries) AEON Bank: ¥1.8 billion, AEON Product Finance: ¥4.3 billion, AEON Housing Loan Service: ¥1.2 billion

■ Allowance for Loss on Refund of Interest Received

(Unit : Billions of yen)

	FY 2015	FY 2016
Allowance for loss on refund of interest received, beginning of period	4.8	4.2
Provision for loss on refund of interest received	3.3	3.9
Interest refunded (Sums refunded and appropriation of interest to principal)	3.9	4.3
Allowance for loss on refund of interest received, end of period	4.2	3.8

	FY 2016		FY 2017	
	Results	YoY	Plan	YoY
Number of cardholders	26.92 million	+1.04 million	28.00 million	+1.08 million

	Results	YoY	Plan	YoY
Card shopping transaction volume	¥4,515.7 billion	+10.0%	¥5,000.0 billion	+10.7%

	Results	Change from start of FY	Plan	Change from start of FY
Balance of cash advances	¥431.6 billion	+¥26.0 billion	¥460.0 billion	+¥28.3 billion
Balance of small consumer loans	¥75.8 billion	+¥13.9 billion	¥90.0 billion	+¥14.1 billion
Balance of unsecured loans	¥507.5 billion	+¥40.0 billion	¥550.0 billion	+¥42.4 billion

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.



AEON Financial Service