

# FY2021

# IR Presentation Materials

7 April, 2022



**AEON Financial Service Co., Ltd.**

Stock Listing: Tokyo Stock Exchange, Prime Market

Code No: 8570

1. Financial Highlights
2. Impact of the application of the Accounting Standard on Revenue Recognition
3. Covid-19 situation
4. Medium-Term Management Plan Policy and Key Measures
5. Creation of AEON Living Zone
6. Outlook for Transaction Volume and Receivables Balance
7. Transforming business models
8. Earnings forecasts and dividend forecasts
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## The highlights of the consolidated results

- In FY2021, excluding consolidated effects on insurance revenues and profits, increased in revenue and profits.
- Although the recovery in the outstanding balance of receivables was sluggish and operating revenue was sluggish, profits increased significantly mainly due to an improvement in bad debt costs in Domestic and Global.
- Profit attributable to owners of parent recovered by more than 70% compared to the FY2020, landed at ¥30.2bn.
- Due to the significant increase in public income, the year-end dividend was increased by ¥5 and the dividend per share was ¥31 and annual increase to ¥50.

Consolidated	Domestic	Global
<b>Operating revenue</b> (YoY) ( YoY excluding insurance revenue ) Comparison of earnings forecasts <b>¥470.6</b> bn (97%) (101%) /102%	(YoY) ( YoY excluding insurance revenue ) <b>¥333.4</b> bn (95%) (102%)	(YoY) <b>¥138.1</b> bn (101%)
<b>Operating profit</b> <b>¥58.8</b> bn (145%) (149%) /115%	( YoY excluding insurance revenue ) <b>¥26.0</b> bn (120%) (128%)	<b>¥33.8</b> bn (174%)
<b>Profit attributable to owners of parent</b> <b>¥30.2</b> bn (171%) /121%	<b>Dividends per share</b> Annual <b>¥50</b> (4) Interim : <b>¥19</b> (2) Year-end : <b>¥31</b> (2)	<b>Payout Ratio</b> <b>35.7%</b>

## The highlights of the consolidated results

- In Domestic, operating revenue increased significantly due to the effects of controlling expenses, reflecting the increase in profits from the sale of securitization and investment effects.
- In Global, as a result of steady accumulation of receivables and amortization of receivables, bad debt-related expenses increased, and profits decreased.

### Consolidated Operating revenue

(YoY) ( YoY excluding insurance revenue )  
**¥121.9**bn (97%) (106%)

### Operating profit

**¥14.6**bn ( 93% ) ( 94% )

### Profit attributable to owners of parent

**¥7.8**bn (103%)

### Domestic

(YoY) ( YoY excluding insurance revenue )  
**¥87.5**bn (95%) (107%)

( YoY excluding insurance revenue )  
**¥7.9**bn (159%) (158%)

### Global

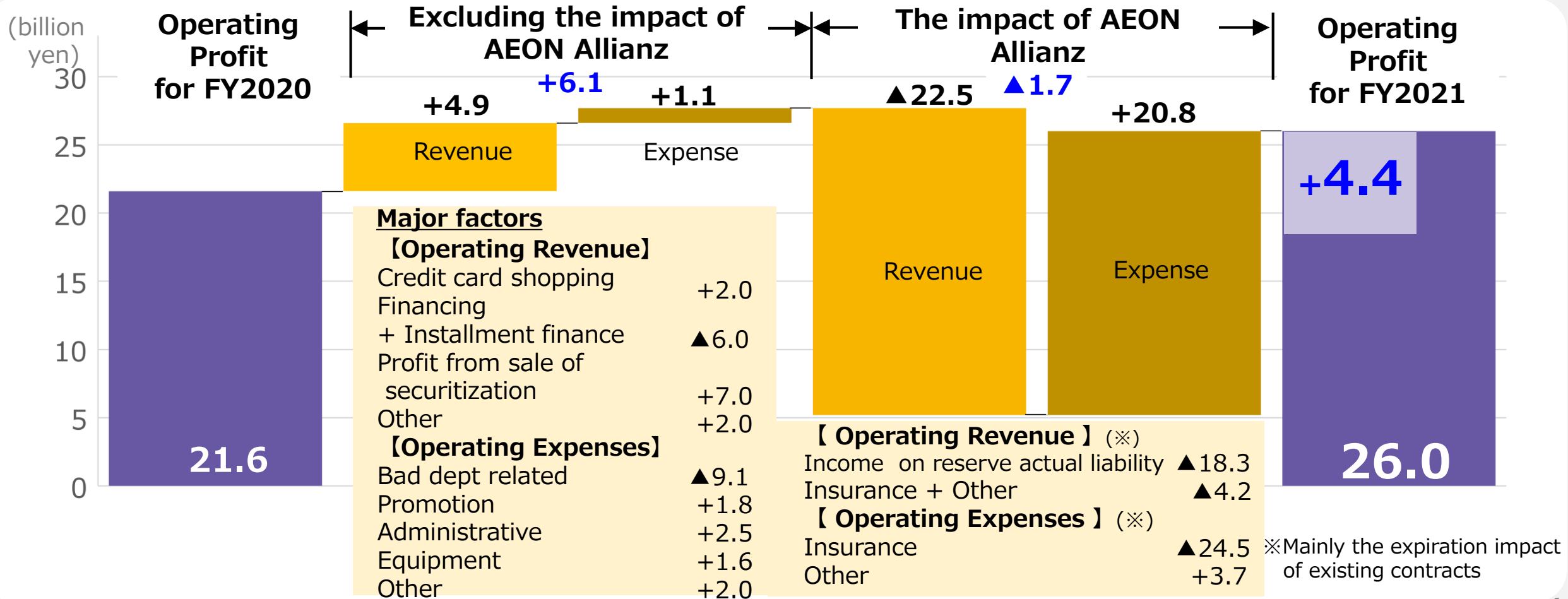
(YoY)  
**¥34.6**bn (103%)

**¥6.7**bn ( 64% )

Achieved 30 million domestic credit card members  
 →Increase cardholders and increase active rate using WAON POINT

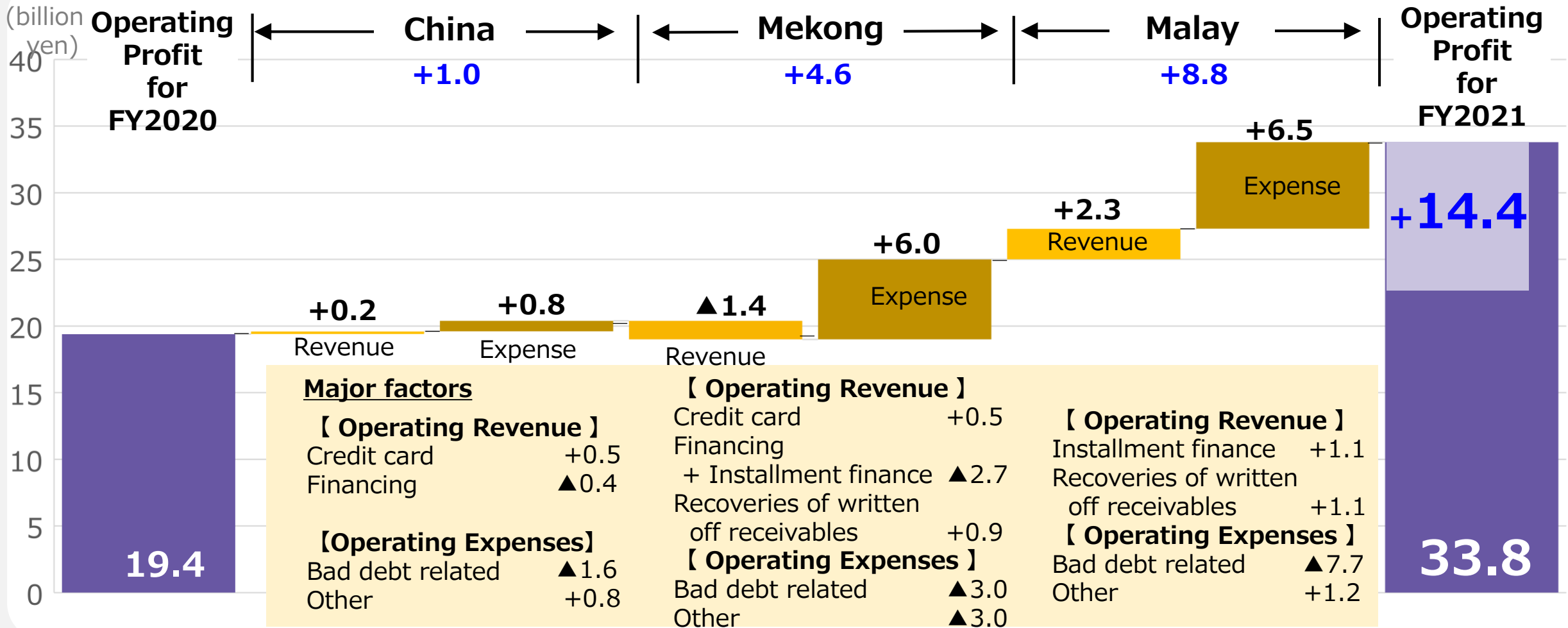
## Annual Trends in Domestic Business

- In Domestic, although loans and installment income decreased due to sluggish growth in the amount outstanding of receivables, positive due to gains on sales of receivables.
- Point promotion costs, system-related expenses, etc. increased, while improving bad debt-related expenses to reduce costs.



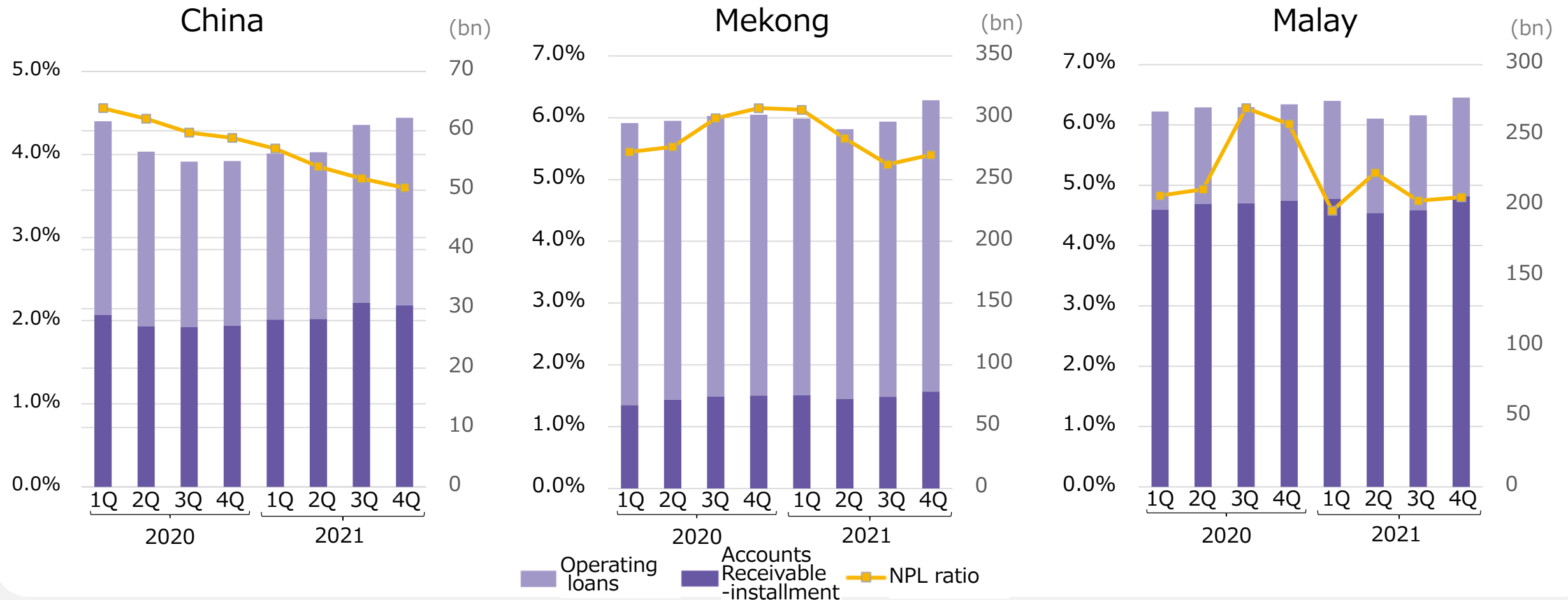
## Annual Trends in Global Business

- In Global, despite a decrease in loan revenues such as cash advance and loans, profits increased significantly due to cost reductions, mainly bad debt-related expenses.



## Receivables balance, NPL ratio (Global business)

- In each area, the accumulation of operating loans and installment receivables continued, and the balance of receivables recovered to the same level as before covid-19 started spreading.
- Strive to further accumulate balances while maintaining a low NPL ratio through the acquisition of high-quality receivables.



## Impact of the application of the Accounting Standard on Revenue Recognition

- Started applying the Accounting Standard for Revenue Recognition in the Q1 of FY2022.
- Some operating revenues and expenses have been changed from gross to net due to the application of the standard.
- If the impact is estimated in FY2021 results, both operating revenue and operating expenses will decrease by approximately ¥32.1 bn.
- This is mainly a numerical recombination of domestic business, and there is no change in the figures of Global business.

### FY2021 Full Year Results

(millions of yen)

#### Before applying the standard

	Consolidation	Domestic	Global
Operating Revenue	<b>470,657</b>	<b>333,423</b>	138,140
Operating Expenses	<b>411,804</b>	<b>307,357</b>	104,333
Operating Profit	58,852	26,065	33,806
Net Profit	30,212		

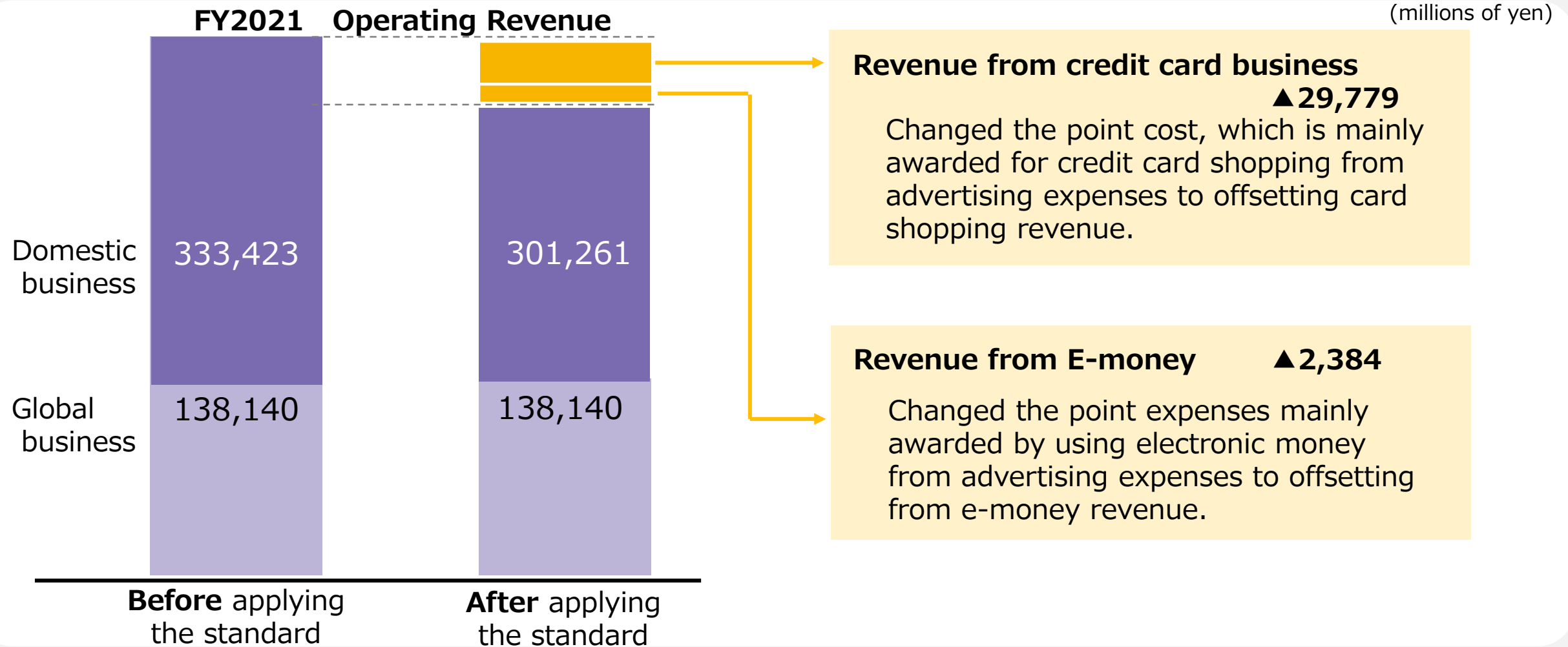
#### After applying the standard

	Consolidation	Domestic	Global	Difference
Operating Revenue	<b>438,495</b>	<b>301,261</b>	138,140	<b>▲32,162</b>
Operating Expenses	<b>379,642</b>	<b>275,195</b>	104,333	<b>▲32,162</b>
Operating Profit	58,852	26,065	33,806	±0
Net Profit	30,212			±0



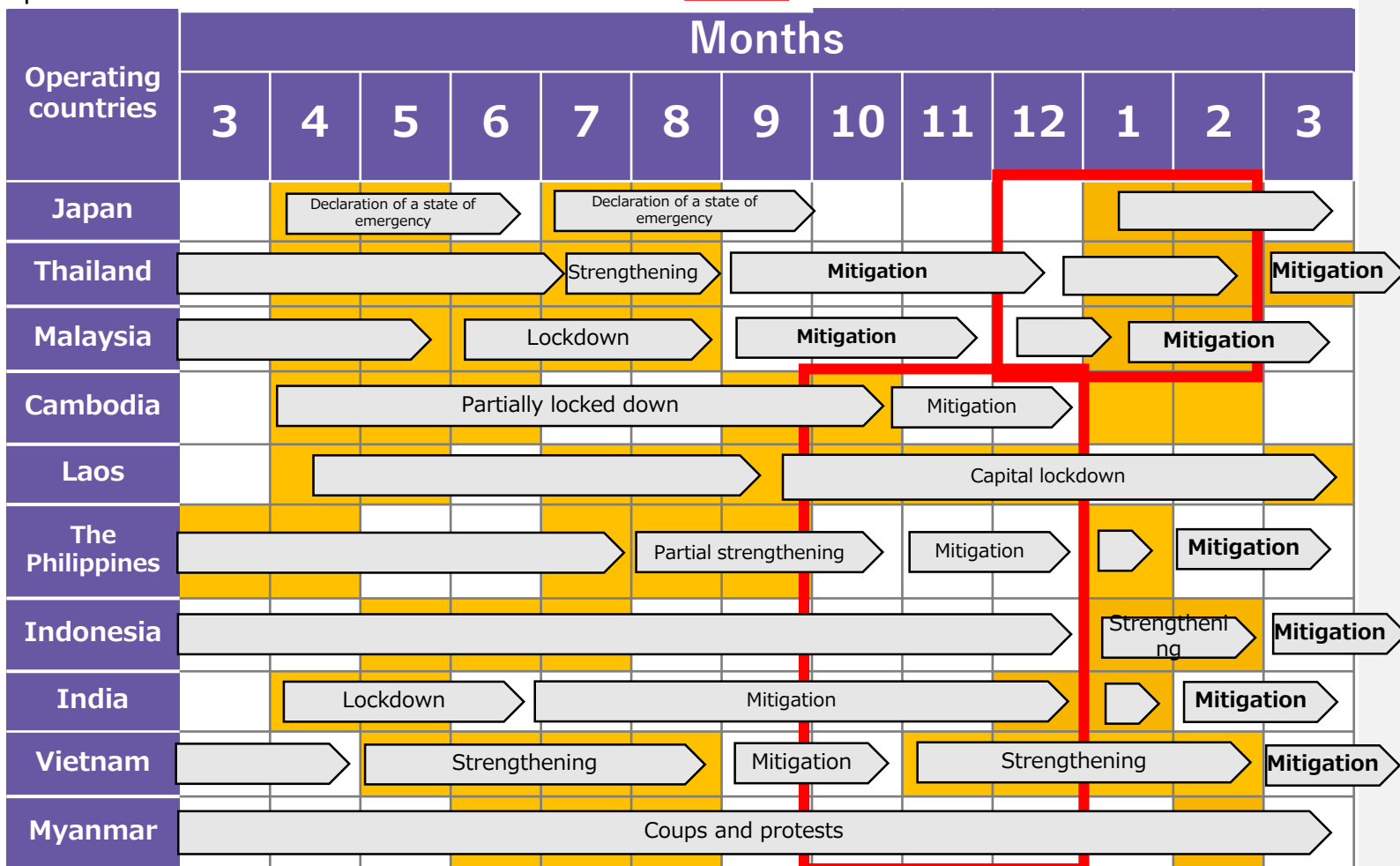
## Impact of the application of the Accounting Standard on Revenue Recognition

- Calculated in FY2021 results, the impact of ¥29.7 bn in domestic card shopping revenue and ¥2.3bn in domestic e-money revenue.
- Advertising exp also decreased by the same amount, but there was no impact on operating profit.



## Spread of infection and restrictions on activity in the operating countries

Period of pandemic : ■ Activity restrictions ▶ Q4 : □



### Status of FY2021 Q4 3monts

【HK, TH, MY (Dec -Feb)】  
Due to the epidemic of Omicron variants, restrictions on activities in HK have been tightened. In TH, commercial facilities are almost normalized. MY moves to the final stage of mitigation plans across the board.

【Non-listed countries (Oct -Dec)】  
As infection subsides, regulations are generally relaxed.

### Outlook for Q1 and beyond

【 HK, TH, MY (after March)】  
HK will not tighten regulations. TH and MY have deregulation policies. (deregulation from April 1)

【 Non-listed countries (after Jan)】  
Laos is vigilant as the infection expands. In other countries, restrictions on activity are relaxed or maintained.

# **Medium-Term Management Plan Policy and Key Measures**

## Second founding Value chain innovation and network creation

### Domestic business

- ① Building infrastructure for the construction of AEON Living Zone
- ② Incorporating the needs of local communities and customers' living infrastructure
- ③ Increase risk and cost control capabilities

### Global business

- ① Implementing Digital Financial Inclusion in each countries
- ② Expansion of business, products, and development areas
- ③ Planning area strategies to meet the diff in urban and local needs

## Changes in the environment surrounding us

- Recently, customers' awareness of their life defense has been increasing due to the rise in global prices.
- In response to changes in the external environment, revised the business structure and implementation timing to achieve the final year of the medium-term management plan.

**Cashless  
Promotion**

**Digital Technology  
Evolution,  
EC Expansion**

**Entry into Different  
Industries,  
Changes in the  
Regulatory  
Environment**

**Responding to  
climate change**

**Progress in Global  
Financial  
Inclusion**

**Economic Growth  
and Population  
Growth in Asia**

**Declining  
birthrate and  
aging population  
in Japan**

**Growing health  
consciousness**

Recent changes in the external environment

**Covid19  
pandemic**

**Soaring raw  
materials and  
energy prices**

**Interest rate rise  
weak yen**

**Geopolitical Risks**

## Creation of AEON Living Zone and Transformation of Business Model

- Contribute to the improvement of quality of life by enhancing the value provided to customers and the construction of a "richer and more secure society".

### Creation of AEON Living Zone

Can be used anywhere  
Anyone can use

Value provided  
to customer

Expansion of use locations  
(Real, online)

Ingest new customer base

Efforts

Expansion of merchant stores inside and outside the AEON Group.  
Incorporating EC and infrastructure needs.

Growing number of young Cash WAON POINT users

### Transformation of Business Model

Easy to understand  
Easy to choose  
Return privilege

Value provided  
to customer

Promotion of OMO

Promote the use of multiple products

Establishment of an in-house system

Efforts

Combination of customer counters.

Point × Financial Instruments embedded finance.

Strengthen governance  
HR development.

## Creation of AEON Living Area using WAON POINT



Use of WAON POINTs accumulated for AEON and outside the group stores and financial products



**Virtuous cycle with increased ID and no. of times used per customer**

## WAON POINT –ID expansion

- The cumulative number of Cash WAON POINT cards issued is about 30 million, and the e-money WAON is about 50 million. The potential for AEON Card members to be acquired is high.
- Promote AEON Card membership through awareness of the ease of collecting points and point grant campaigns.

### AEON Card Membership Benefits

Double points  
at any time



Point axing  
using AEON Cards

AEON CARD membership  
of Cash WAON POINT  
member and e-money  
WAON member



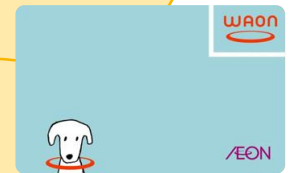
AEON CARD member

**about 30 million**  
(Number of domestic  
consolidated active  
members)

2 WAON POINTs award for ¥200  
used by the AEON Group



Cash WAON POINT  
**about 30 million**  
(Cumulative no. of issued )



E-money WAON  
**about 50 million**  
(Cumulative no. of issued )

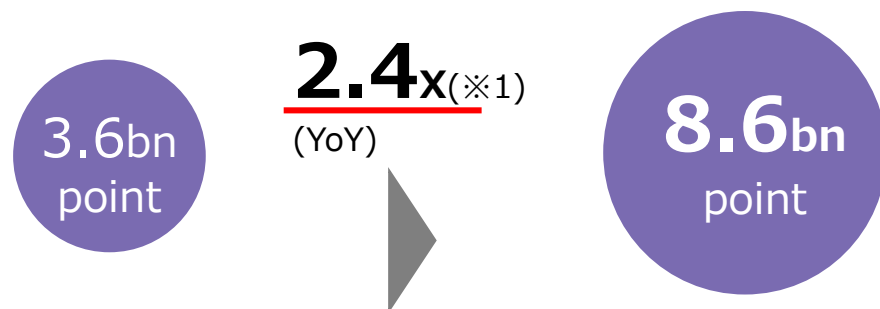
1 WAON POINT award for ¥200  
used by the AEON Group



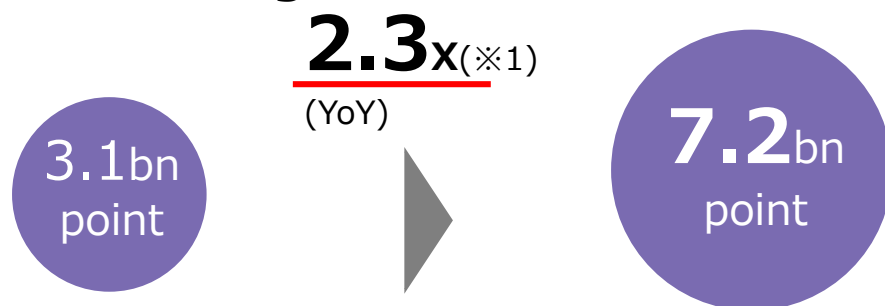
## Effects of WAON POINT and AEON Pay

- AEON Card members promote the use of points by improving the attractiveness of WAON POINT by changing the point system.
- Increased awareness of the convenience of points and contributes to an increase in the number of times and amount of card used.
- AEON Pay is widely used in the 30s and 50s, the generation with the highest household consumption, and is expected to increase transaction volume.

### Tokimeki Point→WAON POINT



### Settlement using WAON POINT



※1 Cumulative from October 2021 to February 2022

### Changes in card payment use

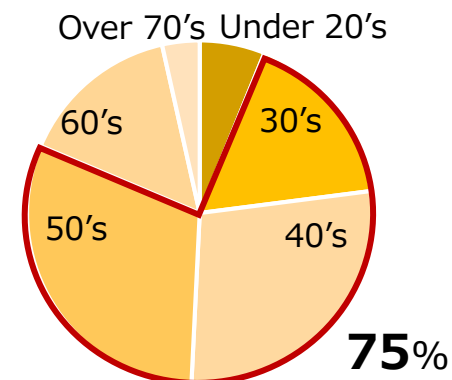
Number of times used per person per month **+ 1.5times**(※2)

Monthly usage per person **+ ¥7,000**(※2)

※2 Compared to the previous year's results of members who used WAON POINT for the first time after the point system change

### AEON Pay Usage Trends

Number of AEON Pay members



**53%** of AEON Card members are in their 30s and 50s

**75%** of AEON Pay members are in their 30s and 50s

## Recruitment of members using WAON POINT

- AEON Card membership plan using WAON POINT is carried out at any time.  
(in the case of web application, further points are added)
- Responding to the reduction of the age of adulthood (18 years old and over does not require parental consent) and implements an AEON Card membership plan for new adults.
- AEON Group expands WAON POINT usage points and promotes issuance of new partner cards.  
(scheduled for 2H of FY2022)

### 【Point enrollment campaign + support for new adults】

### 【Responses to the reduction of adult age】

Products	Before March 31	After April 1
AEON Cards	18-19 years old Parental consent required	From 18 years old no parental consent required
Driver's License Loans		
Auto Loans		
Dental Loans		
Pet Loans		
Mortgages		
Investment Trust		

## Promotion of the use of AEON cards using WAON POINT

### Use of living infrastructure, EC and online SM

- In line with the new life season, implemented a plan to promote registered merchants for living infrastructure such as rent, electricity, and water supply.



- Implementation of usage plans at online supermarkets and e-commerce where demand continues to grow.



### Support payment leveling and funding demand

- Implementation of a campaign to promote use of revolving credit and cash advance.

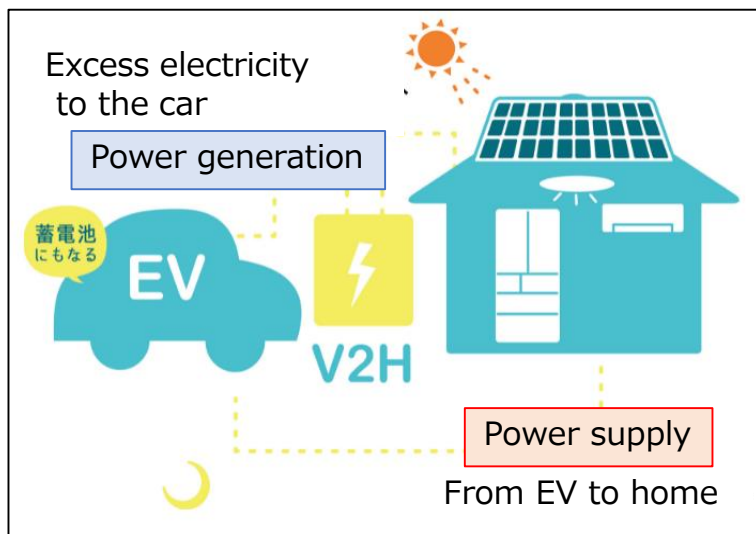


- Implementation of timely measures to promote use.
  - Notify potential customers of campaigns and change payment of revolving credit in app.
  - Strengthen the promotion center to tap outbound demand.
- Improving convenience through service improvements.
  - Introduction of designated bank transfer service for online cash advance.
  - Extension of application deadline for revolving payment change.

## Cross-sell promotion using WAON POINT

### WAON POINT×installment sales finance

- AEON Product Finance provides new and renovated decarbonized housing and electric vehicle packaging loans, and implemented a campaign to grant WAON POINT at the time of closing.



### WAON POINT×Asset Management Products

- WAON Points awarded by applying for AEON Bank's Tsumitate Investment.



- Automatic accumulation of investment trusts
- Foreign currency savings reserve
- Tsumitate NISA

- AEON Credit Service and WealthNavi sign a business alliance agreement, and plan to start using Wealthnavi's investment-based service through AEON Card settlement in FY2022.



WAON POINT is granted according to the amount of installment.

## Expansion of use locations of WAON POINT and AEON Pay

- In Sep 2021, WAON POINT and AEON Pay were introduced mainly by major companies of AEON Group.
- In March 2022, AEON Pay was started at 99 Round One stores in Japan as the first external member store (as of the end of February).
- In FY 2022, will expand the number of use locations inside and outside the AEON Group, targeting small stores such as restaurants and cafes.

### STEP 1

Since Sep 2021

#### AEON Group companies

Introduced mainly by major companies



### STEP 2

After March 2022

#### Metropolitan area

Strengthen expansion to AEON Group stores in the Tokyo metropolitan area, such as drug stores, supermarkets, discount stores, etc.

#### External merchant stores

Expand the number of use locations mainly food and drinks and cafes.

- Fast food, coffee shops, convenience stores, family restaurants, etc.

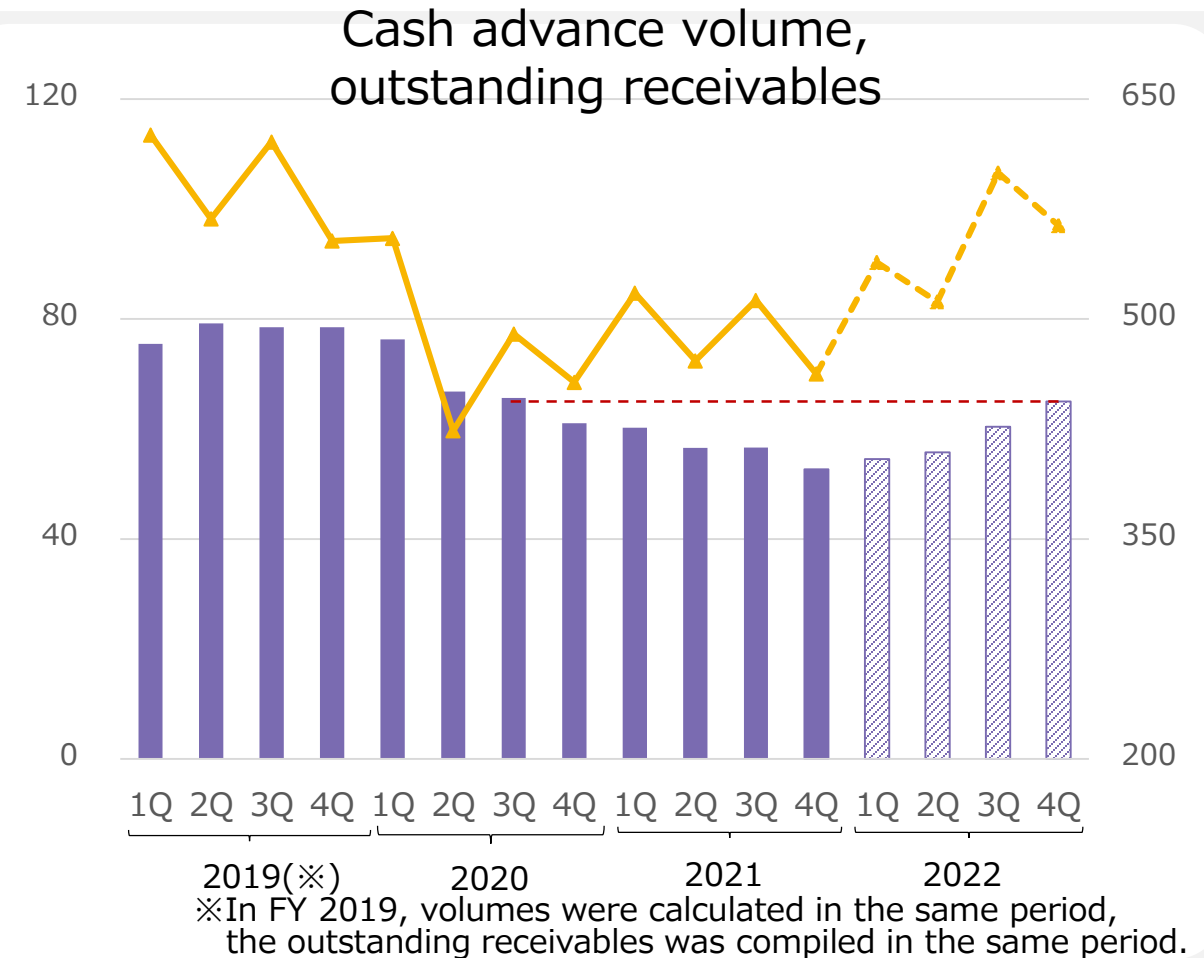
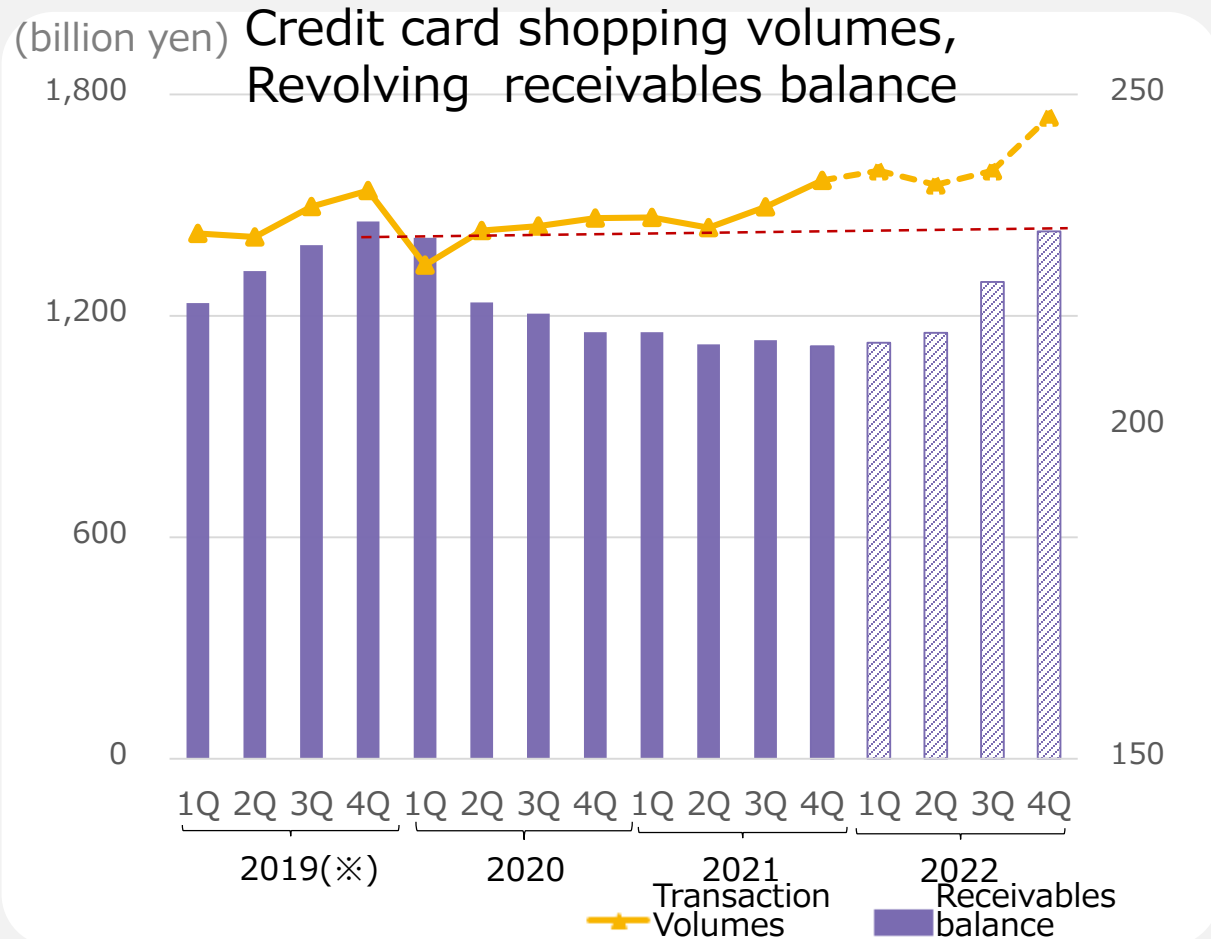
Appeals to small stores for a cheap and simple QR reading method.

- Shopping streets, private restaurants, cleaning, medical clinics, limited-time tenants of AEON MALL, etc.

AEON Group's online SM business will expand with the operation of AEONNEXT from 2023  
Capture payment demand when shopping at EC

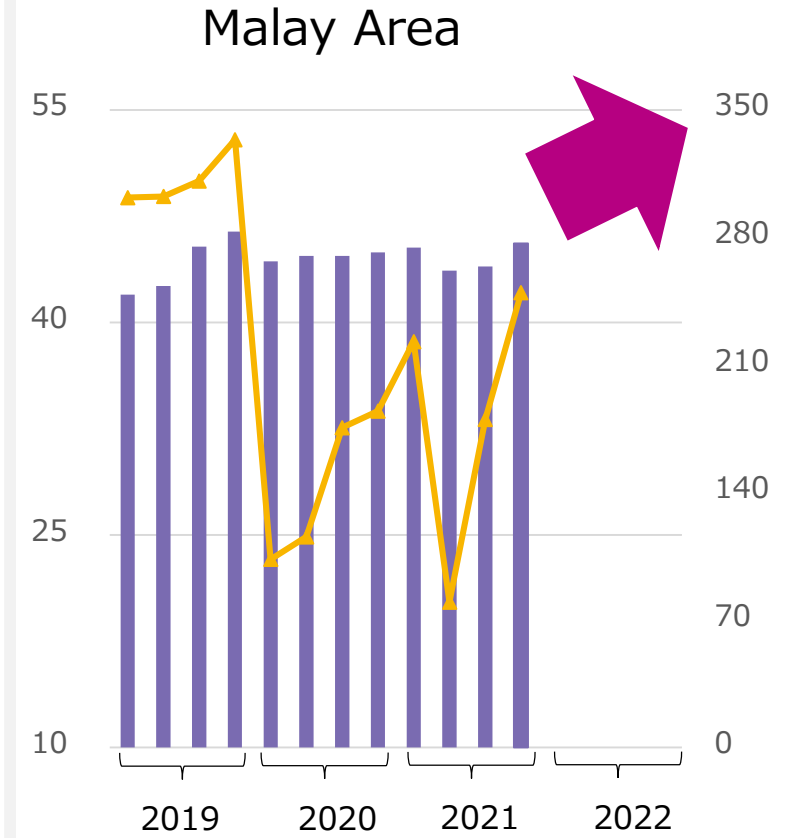
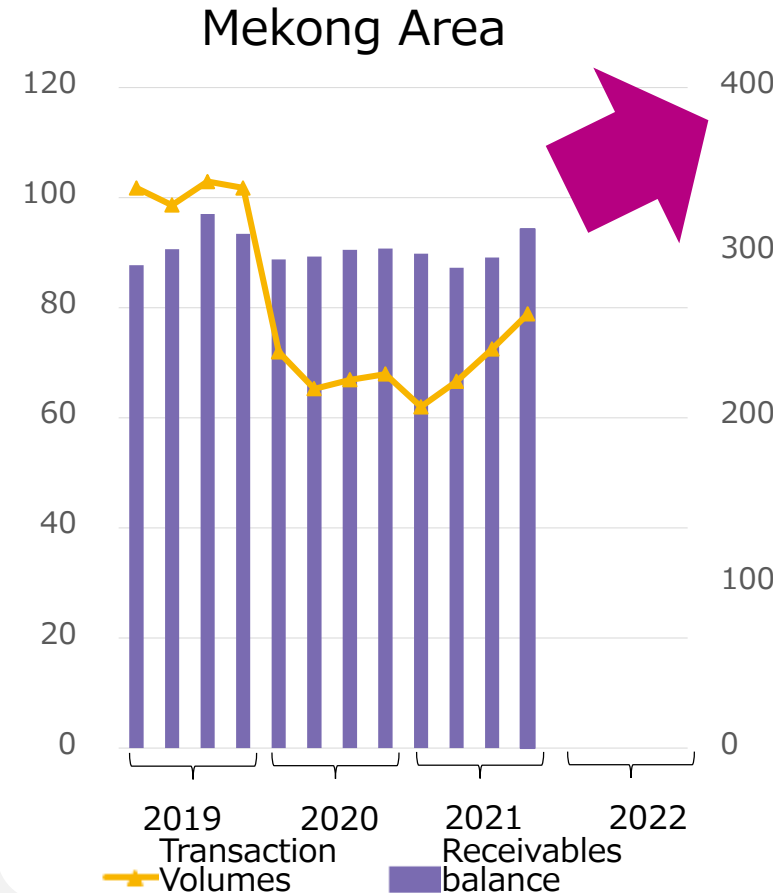
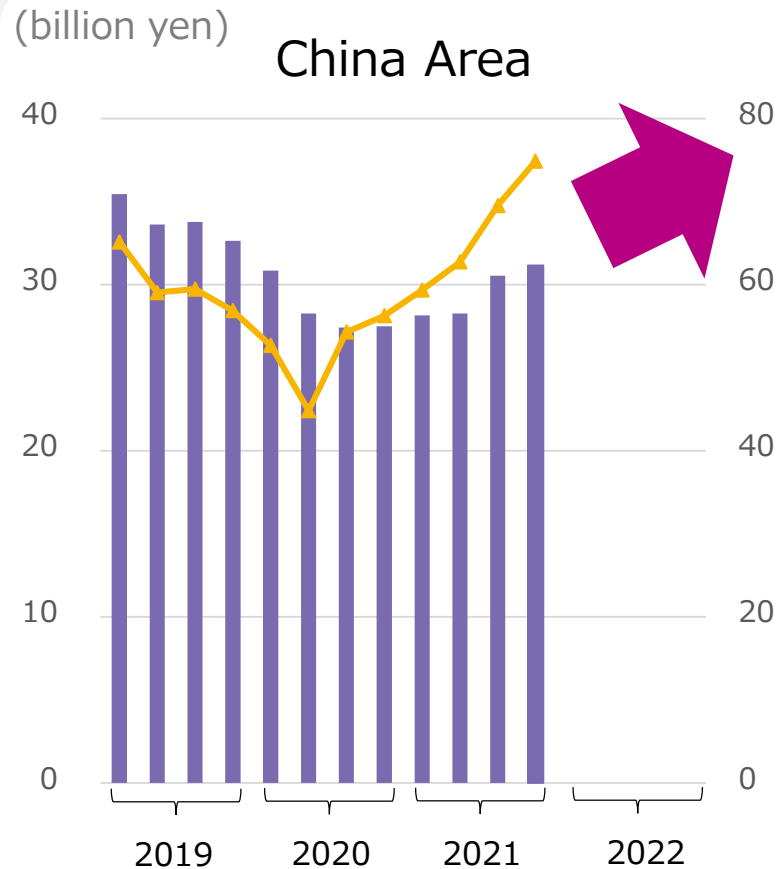
## Domestic credit card shopping and cash advances

- In Domestic, the use of credit revolving and cash advance is expected to increase as people move.
- Credit card shopping volumes hit record highs and cash advance volumes are expected to expand to before covid-19 level.
- Credit revolving balances are at the same level as before covid-19 at the end of the FY and cash advance receivables are expected to recover slightly later.



## Global Transaction Volume and Receivables Balance

- Covis-19 infections will not converge in Asia, but activities are expected to become more active toward economic normalization.
- In all areas, both volumes and receivables are in the expansion phase and strong growth will be in the FY2022.



## Transforming business models

### DX

- Changes in the lives and behavior of customers
- Transforming and streamlining business models

### Health & Wellness

- Increase in health awareness and promote behavioral changes
- Increase healthy expectancy and respond to pre-illness

### ESG

- Build sustainable customer contact points
- Financial Inclusion

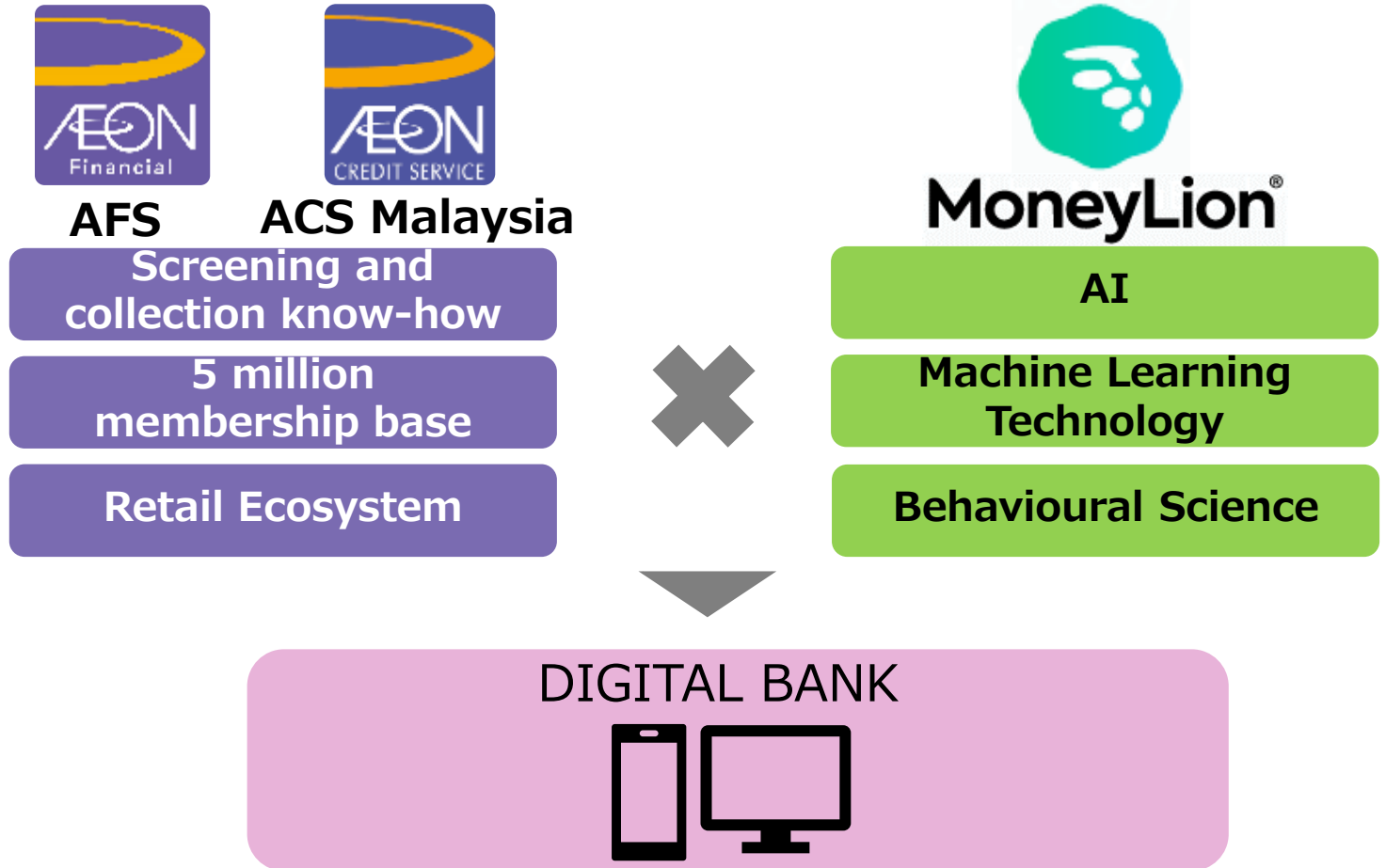




## DX① -Digital business model transformation

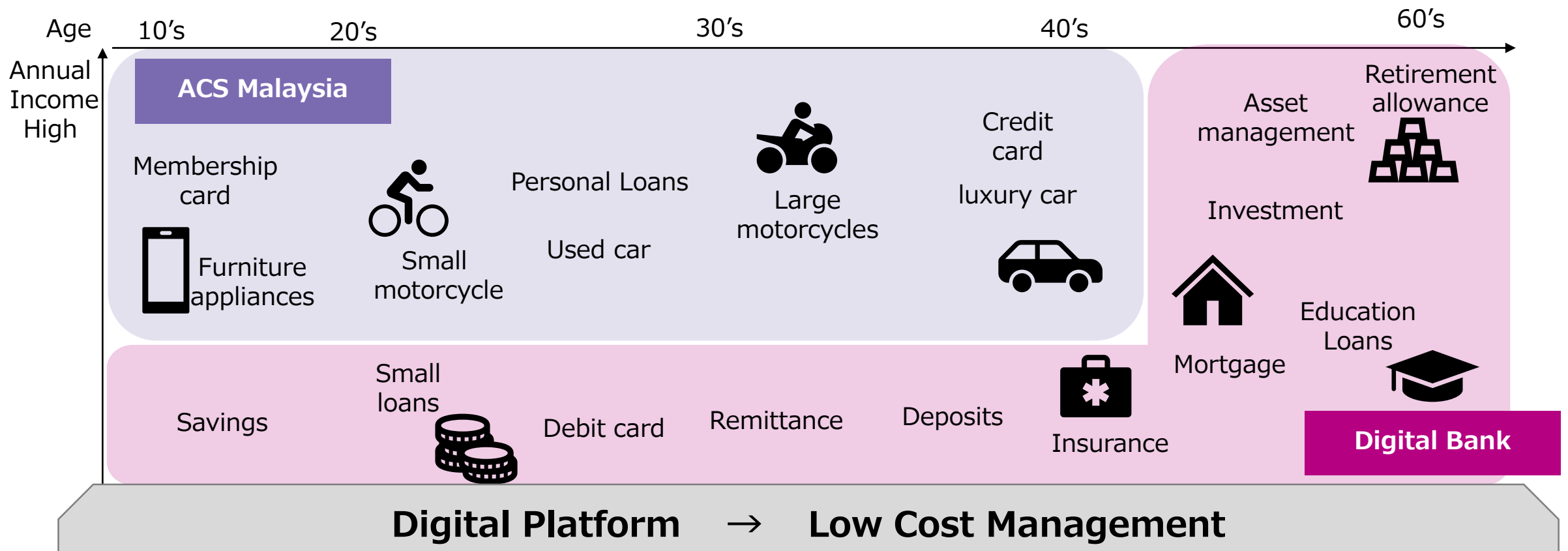
- First Japanese company in Malaysia to apply for a digital bank license.

- MoneyLion as technology partner to open digital bank.
- MoneyLion has been a digital platformer providing retail banking to the middle class on mobile since its inception in the US in 2013.
- Bringing together each other's know-how to improve access to banking services and improving the quality of life of customers in cooperation with AEON's retail.



## DX① -Digital business model transformation (Malaysia Business)

- Improved accessibility expands customer base from unbanked to wealthy, young to elderly.
- Proposing and providing optimal financial products in line with changes in customers' lifestyles.



## DX② -Digital business model transformation (Global Business)

- Transform business processes to improve the customer experience.

### Thana SinSap Initiatives

#### AEON THAI MOBILE App

- Virtual Cards  
→No need to carry a credit card or loan member card  
= **Cardless**
- Deposit loan debt directly into account  
→Repayment also **remitted in the app**
- Chat bot  
→**AI** answers instantly
- E-statement  
→**Anytime, anywhere**  
**Charges can be checked**

### Improving customer convenience



#### eService App

- E-KYC app  
→Identity verification completed **only with the app**



### Cost efficiency

Changes in cost reductions (FY2021)

Cost	FY2019 comparison
Labor	▲ 12%
Telephone	▲ 33%
Postage	▲ 20%
Printing	▲ 27%

⇒ **Promote DX by horizontal deployment to countries**

## DX② -Digital business model transformation (Domestic Business)

- **AEON Credit Service** acquired **DX Transformation Certification** as established by the METI on April 1, 2022.
- In the AEON Living Zone, we will build DX infrastructure in the fields of app-based services, cashless payment and financial services, and realize customer satisfaction.

### DX's initiatives of AEON Credit Services — Strategies and Measures —

#### ① Enhancement of AEON Wallet

Strengthen the functions of AEON Wallet(\*) which is the digital foundation, in order to become a bridge between customers and the AEON Living Zone

#### ② Enhancement of credit provision

Rebuild existing credit model using AI to enhance credit provision

#### ③ Digitization of operations and expansion of digital support

Clarify digital and human response areas and provide services that are closer to customers than ever before

※AEON Card official app provided by AEON Credit Service

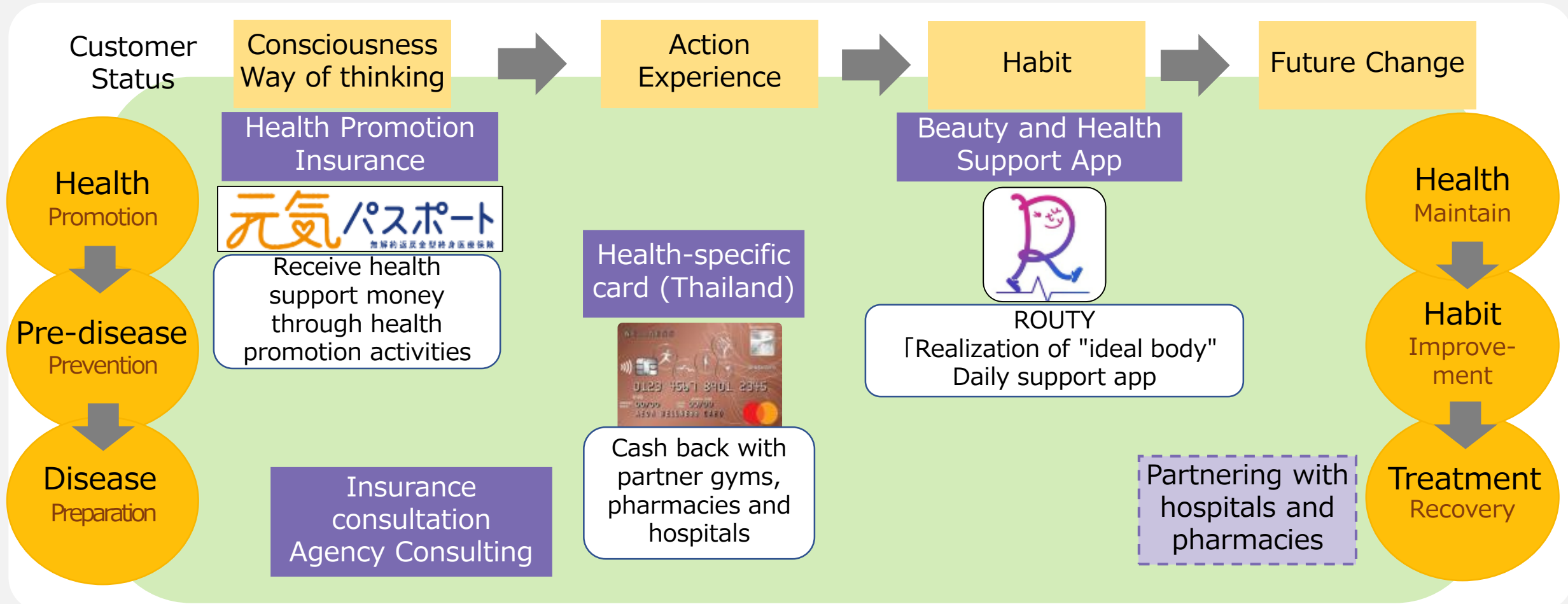


Number of authorized businesses **357 companies**  
(As of April 2022)



## Health & Wellness

- Raise customers' health awareness, improve health conditions and contribute to the future of customers.
- Provide products that can maintain medium- to long-term relationships in preparation for the future.
- The AEON Group as a whole will promote partnerships with retailers and pharmacies to enhance the value provided to customers.



## ESG① – AFS Sustainability Policy and Materiality Map

- Established **AFS Sustainability Policy**, which is the group's principle.
- Contributing to the realization of a sustainable society in the long term.
- **Materiality map** based on the policy.
- Identify social issues that the AFS Group will solve through its business.

Information about materiality

<https://www.aeonfinancial.co.jp/en/activity/materiality/>

### Contributing to peace through the creation of a sustainable society



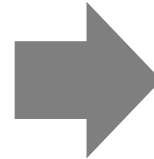
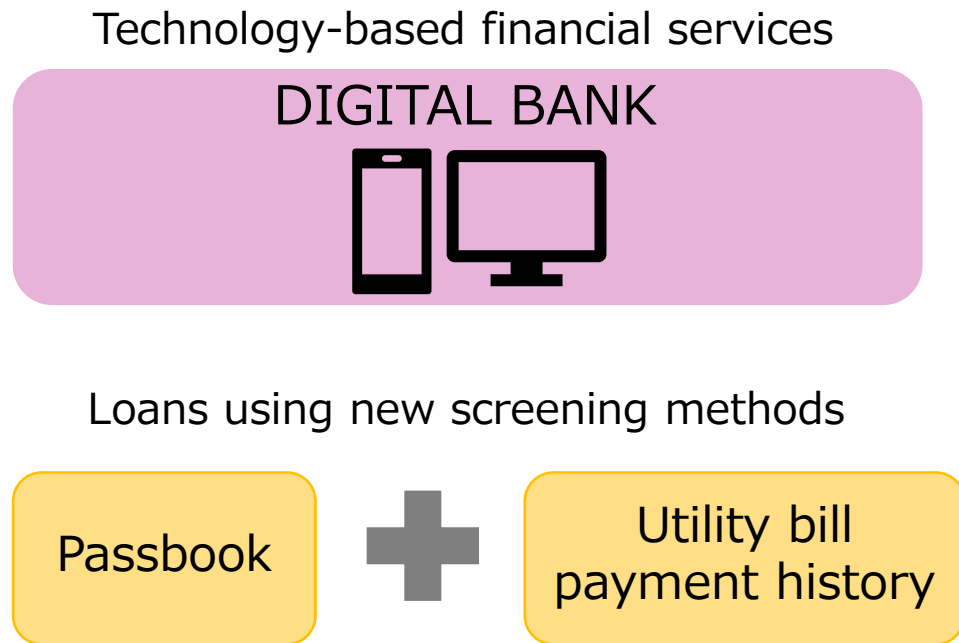
Human Rights	Pursuing happiness through innovative financial services	<ul style="list-style-type: none"> <li>• Customer Responsibility</li> <li>• Financial Inclusion and Financial Education</li> <li>• Technological Innovation</li> <li>• Sustainable Finance</li> <li>• Contribution to Local Communities</li> </ul>
	Exerting diversity and the potential of our people	<ul style="list-style-type: none"> <li>• Diversity &amp; Inclusion</li> <li>• Securing and maintaining human resources / human resources development</li> <li>• Labour Practices</li> <li>• Occupational Health and Safety</li> </ul>
Establishing organizational resilience		<ul style="list-style-type: none"> <li>• Corporate Ethics and Compliance</li> <li>• Information Security</li> <li>• Corporate Governance</li> <li>• Risk Management</li> <li>• Business Model Resilience</li> <li>• Supply Chain Management</li> <li>• Stakeholder Engagement</li> </ul>
Addressing climate change		<ul style="list-style-type: none"> <li>• Response to Climate Change</li> <li>• Effective use of resources</li> </ul>

## ESG② – Pursuing happiness through innovative financial services

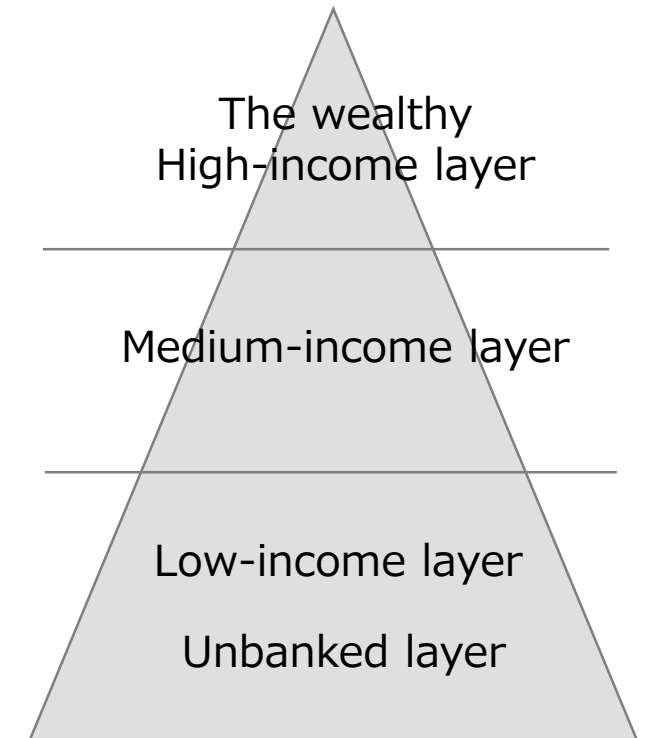
- Promote financial inclusion initiatives and reduce the disparity in financial services.

### Financial Inclusion

Digital Bank (Malaysia) / Digital Lending (Thailand)



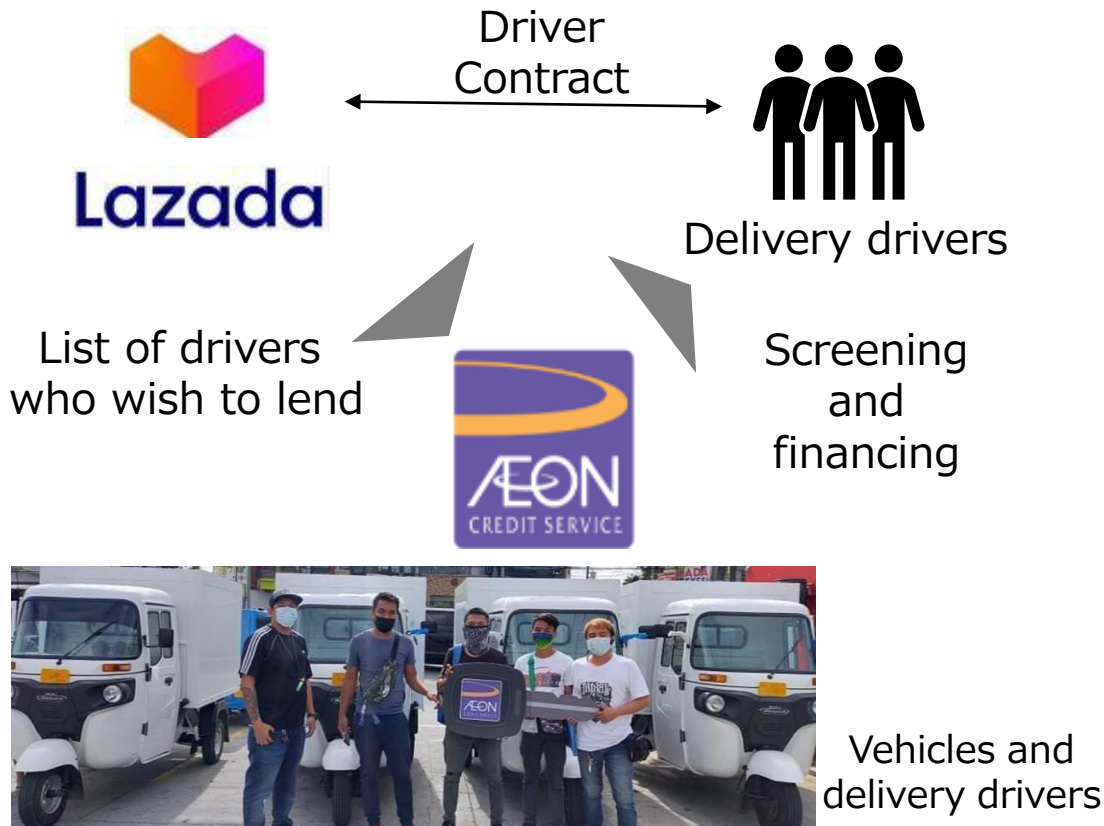
- Asset management
- Mortgage
- Insurance
- Installment payment
- Remittance
- Deposit account
- Small amount loans



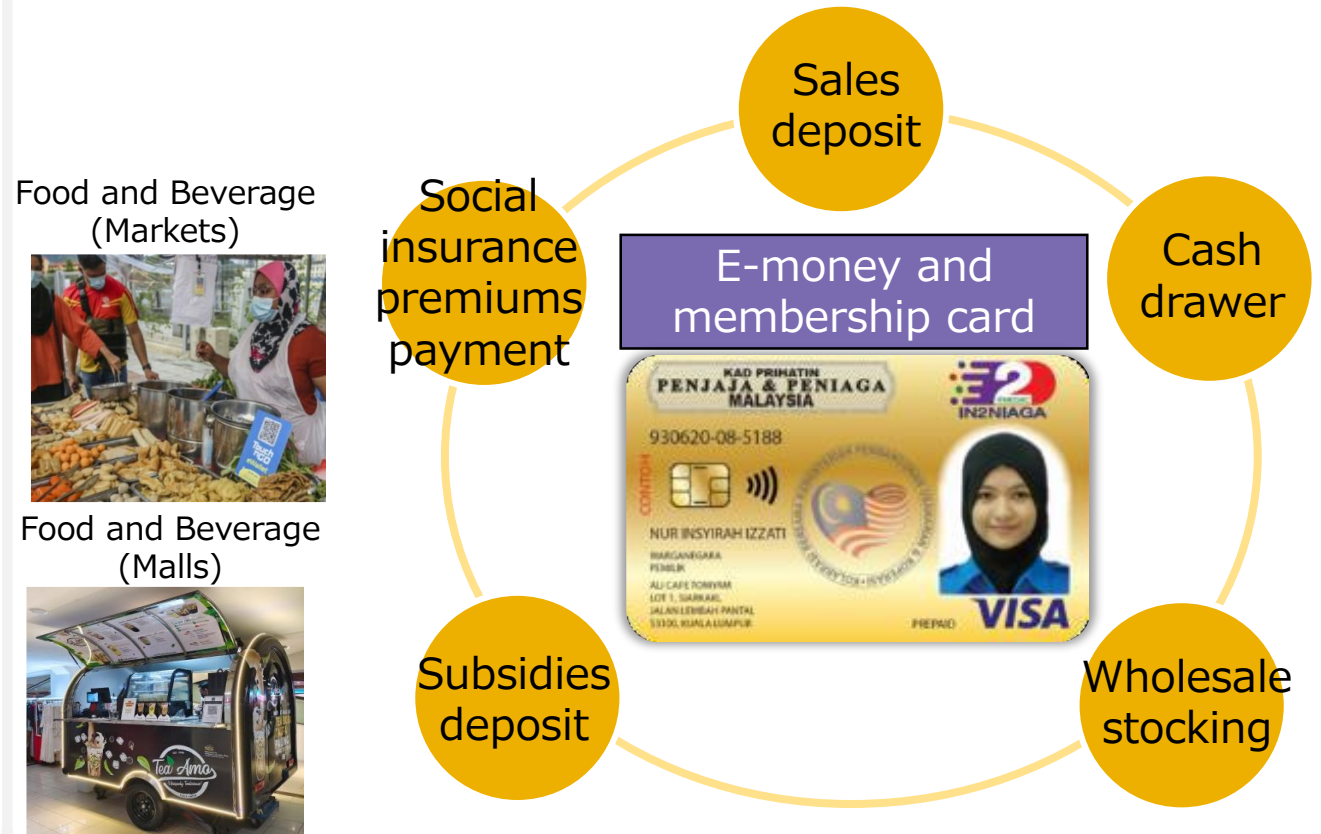
## ESG② – Pursuing happiness through innovative financial services

- ACS Philippines creates employment opportunities through a partnership agreement with Lazada, a major e-commerce operator and delivery drivers.
- ACS Malaysia partnered with a small business association registered by about 1.8 million sole proprietors operating markets and restaurants to provide business support to small enterprises using e-money.

### Create employment opportunities (ACSPH)



### Support to small enterprises (ACSM)





## ESG③ – Diversity and potential of human resources

- Contributing to local communities through the implementation of financial literacy education open both internally and externally.

### AFS Group companies provide financial literacy education

Provided financial literacy education for credit cards and banking services at universities, high schools, and vocational schools in addition to AEON Group since 2018, companies.

Lectures to more than **7,000** students from more than **150** schools.

【AEON Credit Service】 Financial Literacy Education



AEON Bank distributes videos on its website and YouTube in addition to financial seminars for customers.



⇒ Preparations to start for the establishment of a system to promote educational activities will be started.

## ESG③ – Diversity and potential of human resources

- AFS Group companies certified Health and Productivity Management in 2022. AEON Credit Service selected as one of the top 500 organizations.
- Promote Health and Productivity Management with the aim of ensuring that all employees are physically and mentally healthy and full of vitality.

**AEON Credit Service** is recognized as a **"White 500"** of the top 500 out of 2,299 corporations under the SME category of Health and Productivity Management



**AFS Group companies continuously certifying excellent health and productivity management corporations**

<b>4th consecutive year</b>	AEON Credit Service, AEON Financial Services AEON Housing Loan Service, AEON Insurance Service CS Credit Management, ACS Lease
<b>3rd</b>	AEON Bank, AEON S.S.Insurance
<b>Fist time</b>	AEON Allianz Life Insurance

【AEON Credit Service】  
Health and Productivity Management Index

	FY2019 Results	FY2020 Results	FY2021 Target
Health checkup rate	100%	100%	100%
Consultation recommendation rate	—	—	100%
Pep Up enrollment rate ※1	100%	100%	100%
Smoking rate (over 40 years old)	18.9%	19.1%	Down from the previous year
Employee Education (Health attendance rate)	100%	100%	100%
Stress check acceptance rate	97.0%	100%	100%
1on1 meeting rate (Conducted at least once a month) ※2	—	100%	100%
Annual paid leave acquisition rate	68.8%	71.4%	Up from the previous year

※1 Health portal site introduced by AEON Health Insurance Society

※2 Regular dialogue between superiors and subordinates

## FY2022 Consolidated Financial Results and Dividend Forecasts

- In FY2022, will implement investments to expand our business and accumulate business receivables. Expected to be at the same level as in FY 2021.
- Operating revenue and net profit continue to be disclosed on a flat range in light of uncertainty over the economic environment, such as interest rates, foreign exchange rates, and rising prices.
- The annual dividend per share will be increased by ¥4 from the ordinary dividend of ¥46 in FY2021, and the annual dividend will be ¥50.

### Consolidated

Operating revenue<sup>(※1)</sup>

**¥445.0**bn (YoY)  
(101%)

Operating profit

**¥55.0**bn ~ **¥60.0**bn (93%  
~ 102%)

Profit attributable to owners of parent

**¥27.0**bn ~ **¥29.0**bn (89%  
~ 96%)

### Domestic

(YoY)

¥290.0bn (96%)

¥21.0bn ~ ¥23.0bn (81%  
~ 88%)

### Global

(YoY)

¥155.0bn (112%)

¥35.0bn ~ 38.0bn (104%  
~ 112%)

Dividends per share

(Increase in dividends)

Annual **¥50**(+ ¥4) Interim : **¥20** (+¥3)

Year-end : **¥30**円 (+¥1)

Payout Ratio

**37.2%** ~ **40.0%**

※1 Operating revenue is the number after the accounting standard on Revenue recognition are applied.

# **APPENDIX**

## Full Year Results by Segment

(Unit : Billions of yen)

	Domestic Total ※1			Global Total ※1	China Area	Mekong Area	Malay Area	Consol. Total ※3	
	Retail ※2	Solutions ※2							
Operating Revenue	333.4	213.5	178.8	138.1	15.7	72.4	49.9	470.6	
YoY	95%	93%	98%	101%	101%	98%	105%	97%	
Change	△17.5	△16.6	△3.8	+1.0	+0.1	△1.4	+2.2	△16.6	
Operating Profit	26.0	8.0	17.8	33.8	5.5	15.2	12.9	58.8	
YoY	120%	174%	107%	174%	122%	143%	311%	145%	
Change	+4.4	+3.4	+1.2	+14.3	+0.9	+4.5	+8.7	+18.2	
Operating Profit Ratio	7.8%	3.8%	10.0%	24.5%	35.1%	21.1%	26.0%	12.5%	
YoY	+1.7pt	+1.8pt	+0.9pt	+10.3pt	+5.9pt	+6.6pt	+17.2pt	+4.2pt	
								Profit attributable to owners of parent	30.2
								YoY	+12.5

※1 Total of Domestic and Global figures amounts after elimination of transactions between business segments

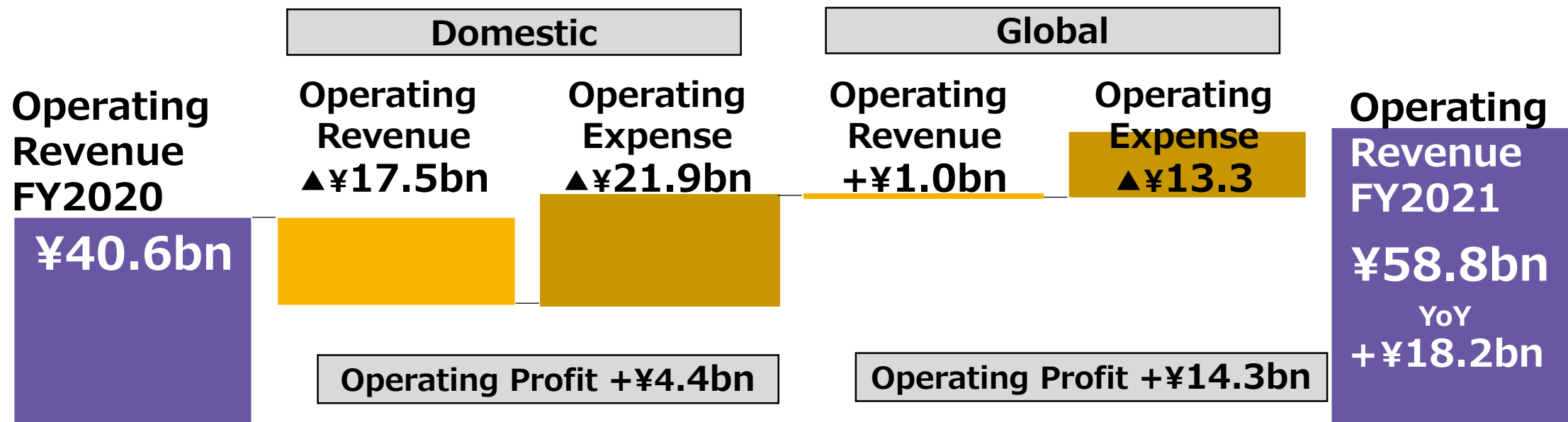
※2 Retail is a personal-centric business, Solutions is a business that is central to merchants

※3 Include Holding company, Shared functions and elimination of Consolidated adjustments

**[Reference] Impact of securitized receivables: ¥21.0 bn(up ¥7.0 bn yoy)**

→ In addition to mortgages with strong accumulation of receivables, mainly implemented auto-reform loans

## Full Year Profit Increase / Decrease by Area



**Major factors that increase or decrease profits**

- Credit card shopping (+¥2.0bn)
- Cash advance + Installment finance (▲¥6.0bn)
- Insurance (▲¥22.4bn : Premium income ▲¥3.0bn  
Reversal of policy reserve ▲¥18.3bn)
- Securitization (+¥7.0bn) • Other (+¥1.9bn)

- Bad dept recovered (+¥2.1bn)
- Credit card shopping + Installment finance (+¥1.8bn)
- Insurance fee income (+¥0.3bn)
- Cash advance + Personal loan (▲¥3.0bn)

**Major factors that increase or decrease expenses**

- Bad dept allowance (▲¥9.1bn : Provision for loss on interest repayment +¥0.01bn)
- Insurance (▲¥22.2bn : Cash benefit ▲¥24.5bn, Pension+¥2.3bn)
- Administrative (+¥2.8bn) , Promotion (+¥2.0bn)
- Equipment (+¥1.8bn) , General (+¥1.2bn)
- Other, Finance, Personnel e.t.c (+¥1.3bn)

- Bad dept allowance (▲¥12.4bn) , Financial (▲¥1.7bn)
- Promotion (▲¥0.4bn) , General (▲¥0.4bn)
- Administrative (+¥1.0bn) , Personnel (+¥0.4bn)
- Equipment (+¥0.4bn)
- Other, Fees and commissions (▲¥0.1bn)

## Full Year Results by Area

(Unit : Billions of yen)

		Q4(3 months)			Full Year				
		Trx volume	YoY (Compared to the same period 2yr ago※)	Compared to the last quarter	Trx volume	YoY (Compared to the same period 2yr ago※)	Balance of receivables (Before securitization)	Increase / decrease at the beginning of the period	Increase / decrease in the previous quarter
Domestic	Credit card	1,637.0	107 (100%)	104%	6,277.9	105 (100%)	1,477.8	+7.6	△93.3
	Card shopping	1,567.0	107 (102%)	105%	5,967.4	105 (102%)	1,080.5	+39.0	△78.3
	Cash advance	69.9	102 ( 74%)	84%	310.5	103 ( 74%)	397.3	△31.4	△15.0
	Installment finance	46.7	89 ( 85%)	103%	188.2	86 ( 78%)	724.7	△0.0	△2.6
	Housing loans	124.1	80 ( 86%)	92%	594.1	91 ( 98%)	3,133.3	+329.2	+36.3
	Others	-	-	-	-	-	926.0	+4.1	+48.4
	Total	-	-	-	-	-	6,262.0	+341.0	△11.2
Global	Credit card	98.6	123 ( 90%)	112%	343.7	111 ( 81%)	206.1	+15.4	+11.2
	Card shopping	72.1	116 ( 93%)	112%	253.7	110 ( 87%)	106.8	+9.0	+7.0
	Cash advance	26.5	145 ( 83%)	113%	89.9	115 ( 66%)	99.3	+6.3	+4.2
	Installment finance	22.1	99 ( 62%)	112%	78.2	95 ( 59%)	208.7	+0.8	+6.6
	Personal loans	35.2	140 ( 100%)	121%	115.7	129 ( 74%)	238.4	+7.8	+13.2
	Total	-	-	-	-	-	653.3	+24.0	+31.1
Consol. Total		-	-	-	-	-	6,961.9	+365.5	+19.1

※The ratio of the same period to the previous year in Domestic is calculated between this term and the same period because the accounting period is different from the year before last.

## Full Year Results by Area

Cardholders	Consolidated	Diff from beginning of the FY	Domestic	Diff from beginning of the FY	Global	Diff from beginning of the FY
Results (unit : million copies)	47.32	+1.19	30.09	+0.64	17.23	+0.55

### 【Domestic】

- 1.57 million new card members (YoY -0.03 million cards )
- 13.88 million cards with contactless payment function issued (YoY +2.24 million cards)

### 【Global】

- Malaysia e-money membership 2.20 million (YoY +0.20 million cards )



## Full Year Consolidated Balance Sheet

- For the full FY, the amount outstanding of operating receivables including operating loans, banking loans, and installment receivables increased by ¥146.4bn.

The amount outstanding of allowances for bad debts decreased by ¥8.7bn.

### 【Consolidated operating receivables balance】

- Balance incl. securitization : ¥6,961.9bn(+¥365.5bn)  
     in which, Domestic balance : ¥6,262.0bn (+¥341.0bn)  
     in which, Global balance : ¥653.3bn (+¥24.0bn)
- Securitized amount (Domestic only) : ¥2,500.4bn (+¥218.8bn)

(Unit : Billions of yen)

	Results	Change from beginning of FY		Results	Change from beginning of FY
Cash and deposits	738.7	+33.0	Deposits	4,178.5	+159.8
Operating Loans	772.6	△10.3	Accounts payable-trade	225.2	△44.7
Loan and bills discounted for banking business	2,110.0	+111.6	Interest-bearing debt (excl. deposits)	1,087.4	+44.2
Accounts receivable - installment	1,566.2	+45.1	Other liabilities	278.2	△38.8
Allowance for doubtful accounts	△124.5	+8.7	Total liabilities	5,769.5	+120.4
Other Assets	1,215.4	△33.4	Total net assets	509.0	+34.3
Total assets	6,278.5	+154.8	Total liabilities and net assets	6,278.5	+154.8

## Full Year Allowance for Doubtful Accounts and Allowance for Loss on Refund of Interest Received by Segment

(Unit : Billions of yen)

	Retail	Solutions	Domestic Total
Allowance for doubtful accounts, balance at beginning of period	4.8	57.4	61.7
Provision of allowance for doubtful accounts	1.0	17.7	18.9
Write-off of doubtful accounts (including transferred debt)	0.3	21.4	21.8
Allowance for doubtful accounts balance at end of period	5.4	53.8	58.8

	FY2020	FY2021
Beginning of period	4.9	5.7
Provision	4.3	4.3
Interest refunded	3.5	3.5
End of period	5.7	6.4

(Subsidiaries in domestic) AEON Credit Service : 37.2, AEON Bank : 5.4, AEON Product Finance : 7.7, AEON Housing Loan Service : 1.3

	China Area	Mekong Area	Malay Area	Global Total	Consolidated
Allowance for doubtful accounts, balance at beginning of period	3.2	41.9	25.5	70.6	133.3
Provision of allowance for doubtful accounts	1.2	23.1	9.0	33.5	52.3
Write-off of doubtful accounts (including transferred credit)	1.8	25.1	12.3	39.2	61.1
Allowance for doubtful accounts, balance at end of period	2.6	39.9	22.2	64.9	124.5

## FY2021 Global Business Performance (Yen conversion)

		FY2020		FY2021	
		Results	YoY	Results	YoY
AEON CREDIT SERVICE (ASIA) (HK\$'000)	Revenue	1,089,858	84%	1,049,589	96%
	Profit before tax	357,946	80%	397,973	111%
	Profit for the period	301,575	81%	342,592	114%
AEON THANA SINSAP (THAILAND) (BAHT'000)	Total Revenues	21,301,902	91%	20,791,422	98%
	Profit before income tax	4,647,114	90%	4,573,774	98%
	Net profit for the period	3,680,034	89%	3,573,894	97%
AEON CREDIT SERVICE (M) Berhad (RM'000)	Revenue	1,561,660	98%	1,524,880	98%
	Profit before tax	324,907	83%	526,820	162%
	Profit for the period	233,957	80%	365,419	156%

※Excerpts from the materials presented by each company. Show the number of the consolidation.

## FY2021 Global Business Performance (Yen conversion)

(Unit : Billions of yen)

AEON Credit Service (Asia) Co., Ltd.	FY2020	FY2021 full-year	
	Results	Results	YoY
Operating income	14.9	15.0	101%
Operating profit	4.8	5.7	117%
Net income	4.1	4.9	119%

Exchange rates: HKD 1

• FY2020 : ¥ 13.68

• FY2021 : ¥ 14.35

Fiscal period

: 1/3/2021 to 28/2/2022

AEON THANA SINSAP (THAILAND) PCL.	FY2020	FY2021 full-year	
	Results	Results	YoY
Operating income	72.4	71.5	99%
Operating profit	15.8	15.7	100%
Net income	12.5	12.2	98%

Exchange rates: THB 1

• FY2020 : ¥ 3.40

• FY2021 : ¥ 3.44

Fiscal period

: 1/3/2021 to 28/2/2022

AEON Credit Service (M) Berhad.	FY2020	FY2021 full-year	
	Results	Results	YoY
Operating income	39.5	40.8	103%
Operating profit	8.2	14.1	172%
Net income	5.9	9.8	165%

Exchange rates: MYR 1

• FY2020 : ¥ 25.35

• FY2021 : ¥ 26.82

Fiscal period

: 1/3/2021 to 28/2/2022

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