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# FY2022

# IR Presentation Material

April 11, 2023



**AEON Financial Service**

Stock Listing: Tokyo Stock Exchange, Prime Market

Code No: 8570

- 1. Financial Highlights**
- 2. Earnings and Dividend Forecasts**
- 3. Priority Initiatives  
to Improve Corporate Value**
- 4. APPENDIX**

Highest profit ever in Global business, consolidated results increase in sales and profit, and achieved published figures.

Year-end dividend increased by 3 yen.

In Domestic business, continue to make upfront investments to expand our operations, start restructuring, and start business model reform.

#### 【Domestic business】

- Online cardholder acquisition has grown to the same level as in-store, and an efficient system has been established (1.81 million, +230,000 (YoY))
- Cashless payment transaction volume reached a record high for the second consecutive year (shopping ¥6.5 trillion, +9% (QoQ) / e-money ¥2.4 trillion, +4%(QoQ) )
- Shopping revolving, installment balance to the stage of increase (¥265.3 billion, +¥20.6 billion(YoY))
- Cash advances increased due to a review of credit in line with the recovery in demand for funds (+3% (QoQ) → +14% (QoQ) in the second half)
- In view of rising interest rates, the amount of securitization of receivables was

#### 【Global business】

- Promoting digitalization in the midst of the pandemic and improving productivity. Accelerating business model reform and investment for new growth
- Expanded business mainly in Hong Kong and Malaysia, and Cambodia grew as the fourth pillar overseas (operating profit of ¥1.2 billion)

# The Highlights of the Consolidated Results

- Domestic business : Have started business restructuring for regrowth.
- Global business : Growth exceeds pre-pandemic levels (+4.8 billion yen in exchange rate)
- Ordinary profit and net profit exceeded the published figures, dividend per share increased by 3 yen at the end of the fiscal year, to 53 yen per year

## Consolidated Operating revenue

(YoY) (compared to FY2019 )

**¥451.7** bn (96%)

[comparison with before the application of accounting standards for revenue recognition] (104%)(107%)

## Operating profit

**¥58.8** bn (100%) (90%)

## Ordinary profit

**¥61.5** bn (103%) (94%)

## Profit attributable to owners of parent

**¥30.6** bn (102%) (90%)

※From this fiscal year, accounting standards for revenue recognition is applied.

## Domestic

(YoY) (compared to FY2019 )

**¥282.7** bn (85%)

(96%) (106%)

**¥17.1** bn (66%) (47%)

※Domestic and Global results include figures after elimination of set-offs in transactions between business segments.

## Global

(YoY) (compared to FY2019 )

**¥169.3** bn (123%) (109%)

**¥42.4** bn (126%) (145%)

## Dividends per share

( Increase in dividends )

Annual **¥53** (+ ¥3)

Interim : **¥20** (+¥1)

Year-end : **¥33** (+¥2)

## Payout ratio

**37.3%**

# 1. Financial Highlights **The Highlights of the Consolidated Results -4Q 3 Months**

- Domestic : Business expansion centered on credit cards and shift to a business structure centered on payment progresses
- Global : Promote measures to expand transaction volume and strengthen screening and receivables management systems in response to recovery in demand for funds

## Consolidated Operating revenue

(YoY) (compared to  
the 4Q of  
FY2019 )

**¥120.6<sub>bn</sub>** (99%)

[comparison with before  
the application of accounting  
standards for revenue recognition] **(108%)(130%)**

## Operating profit

**¥17.2<sub>bn</sub>** (118%) (79%)

## Ordinary profit

**¥16.9<sub>bn</sub>** (116%) (77%)

## Profit attributable to owners of parent

**¥8.2<sub>bn</sub>** (105%) (70%)

※From this fiscal year, accounting standards for revenue recognition is applied.

## Domestic

(YoY) (compared to  
the 4Q of  
FY2019 )

**¥76.4<sub>bn</sub>** (87%)

**(99%) (145%)**

**¥6.9<sub>bn</sub>** (88%) (66%)

## Global

(YoY) (compared to  
the 4Q of  
FY2019 )

**¥44.1<sub>bn</sub>** (128%) (108%)

**¥10.5<sub>bn</sub>** (155%) (196%)

※Domestic and Global results include figures after elimination of set-offs in transactions between business segments.

## <outline>

- Operating revenues continued to be strong in Hong Kong ( 143%, yoy) and other Global businesses.
- Operating profit was driven by Malaysia (+¥2.7 billion, yoy), with contributions from Hong Kong (+¥1.2 billion, yoy) and overseas unlisted companies in Cambodia and other countries.

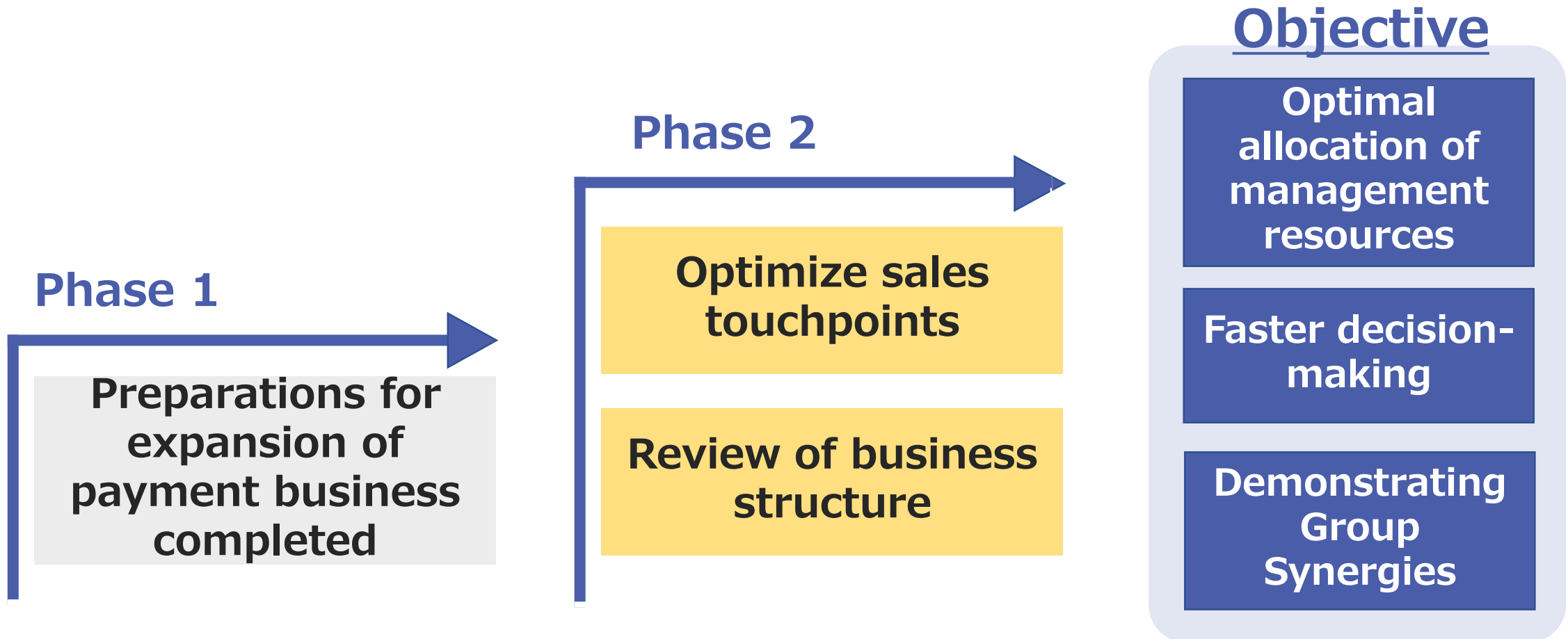
# 1. Financial Highlights Breakdown of Operating Profit YoY

- Credit card business continues to make upfront investments and promotes business expansion

	Contents	YoY Change (Unit : billions of yen)	
Credit Card Business	<ul style="list-style-type: none"> <li>■ <b>Credit Card Shopping Recovery</b> - Transaction volume : 109%(YoY) / Revolving balance: +¥32.6bn (YoY), (Average balance: +¥11.6 bn)</li> <li>■ <b>Cash advance transaction volume increased, balances recovered from the level at the end of the previous fiscal</b> - Transaction volume : 108%(YoY) / Balance: ¥6.0bn (YoY), (Average balance: -¥10.4bn)</li> <li>■ <b>Increase in variable costs due to business expansion</b> - Card issuance costs, international brand fees, etc.</li> <li>■ <b>Decrease in the no. of interest repayment claims and promote settlement of long-term overdue loans</b></li> </ul>	Shopping Revenue	+9.4
		Increase in points and promotional expenses	-7.3
		<b>Total</b>	+2.1
		Cash advance fluctuations in business expansion	-2.8
		Decrease in bad debt-related expenses	-4.9
		<b>Operating Profit</b>	<b>-2.0</b>
Insurance Business	<ul style="list-style-type: none"> <li>■ <b>AEON Allianz Life Insurance</b> -Operating expenses associated with business development (personnel exp., depreciation and amortization, sales promotion exp., etc.) +¥1.6bn</li> </ul>	<b>Operating Profit</b>	<b>-1.5</b>
Other	<ul style="list-style-type: none"> <li>■ <b>Increase in fee revenue</b> – E-money revenue, insurance agency revenue</li> <li>■ <b>Increase in interest on banking loans</b> - Expansion of the balance of operating receivables such as housing loans</li> <li>■ <b>Decrease in interest dividends on investment securities</b> - Decrease due to changes in the market environment</li> <li>■ <b>Decrease in securitization revenue</b> - Decrease due to the effects of rising interest rates</li> <li>■ <b>Consolidation of head office functions</b> – Relocation and consolidation of offices, etc.</li> <li>■ <b>Other expenses</b> – Other expenses for business expansion</li> </ul>		+1.4
			+1.4
		<b>Operating Profit</b>	-1.7
			-4.3
			-1.1
			-0.9
		<b>Total</b>	<b>-8.9</b>

## Domestic Business Restructuring

- Phase 1 of the restructuring effort has been completed, and Phase 2 will continue to begin
- Scheduled to integrate business with subsidiary AEON Credit Service on June 1, 2023



- Surpassing pre-pandemic profits in all areas and setting new record highs
- ACS Asia reaches record high transaction volume and operating receivables, ACS Malaysia sets record profits

**China Area**  
**Operating profit**

**¥7.7** bn  
(YoY 140%)

**Mekong Area**  
**Operating profit**

**¥18.9** bn  
(YoY 124%)

**Malay Area**  
**Operating profit**

**¥15.7** bn  
(YoY 121%)

**Outstanding receivables**

**¥998** bn  
(+37.5bn)

**Outstanding receivables**

**¥361.7** bn  
(+47.4bn)

**Outstanding receivables**

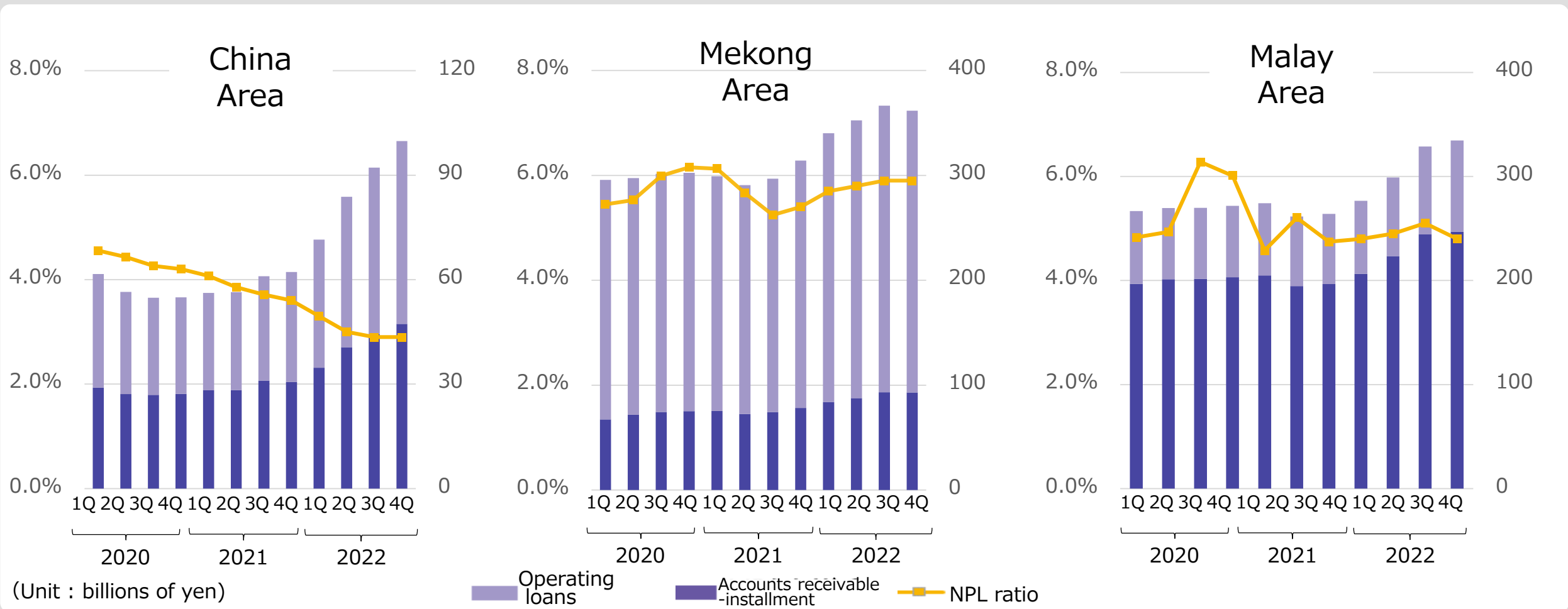
**¥339.8** bn  
(+63.1bn)



# 1. Financial Highlights

## Outstanding Receivables and NPL Ratio in Global business

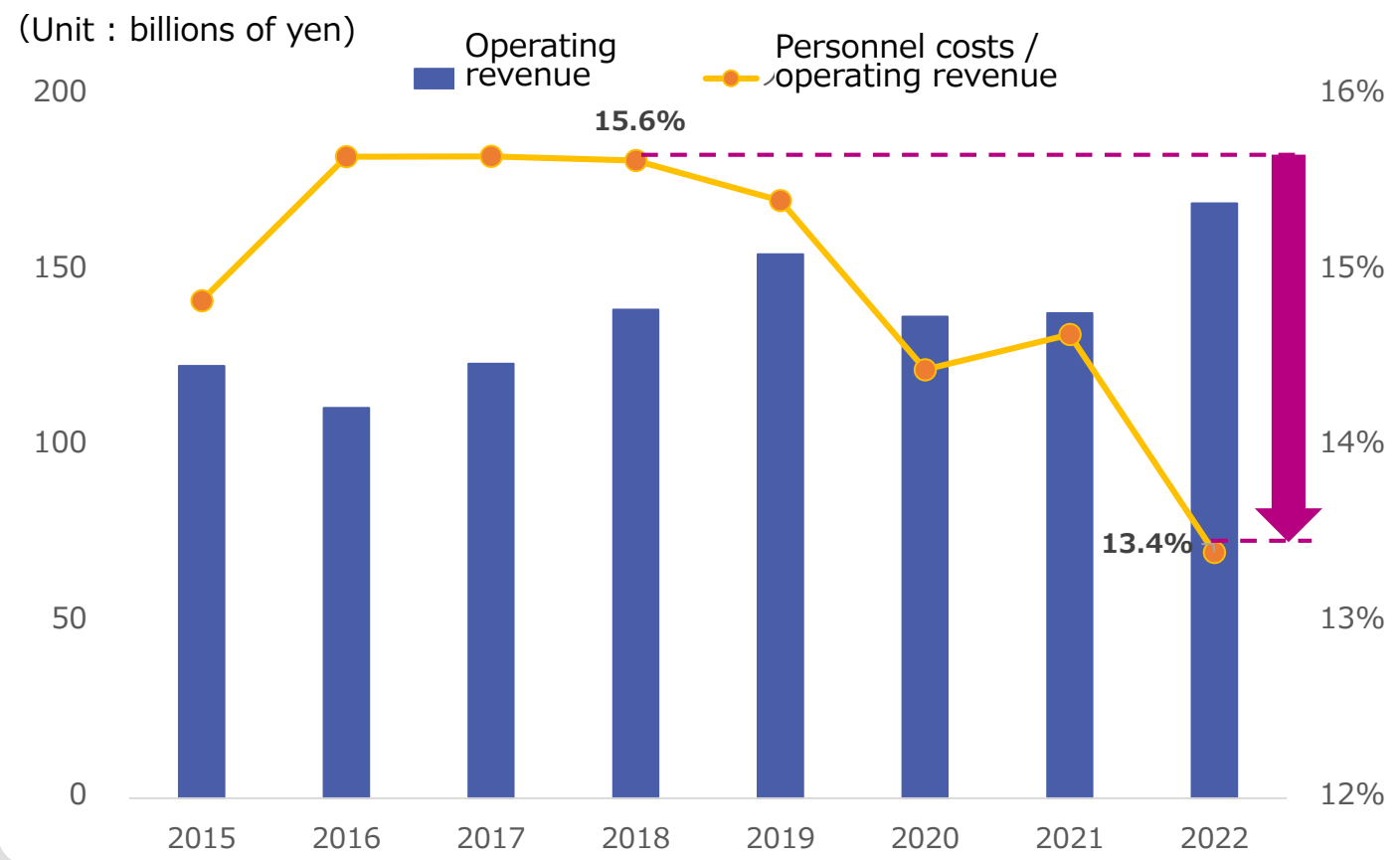
- In each area, the balance of outstanding receivables expands compared to before the pandemic, and the NPL ratio is controlled in the normal range



# Status of Productivity Improvement in Global Business

- Thailand's personnel cost ratio was 9.4% in FY22, an improvement of 5.5 pt from FY18
- Further improve productivity by promoting digitalization even in the phase of expanding operating revenue

Changes in Operating Revenue and Personnel Cost Ratio of Global Business



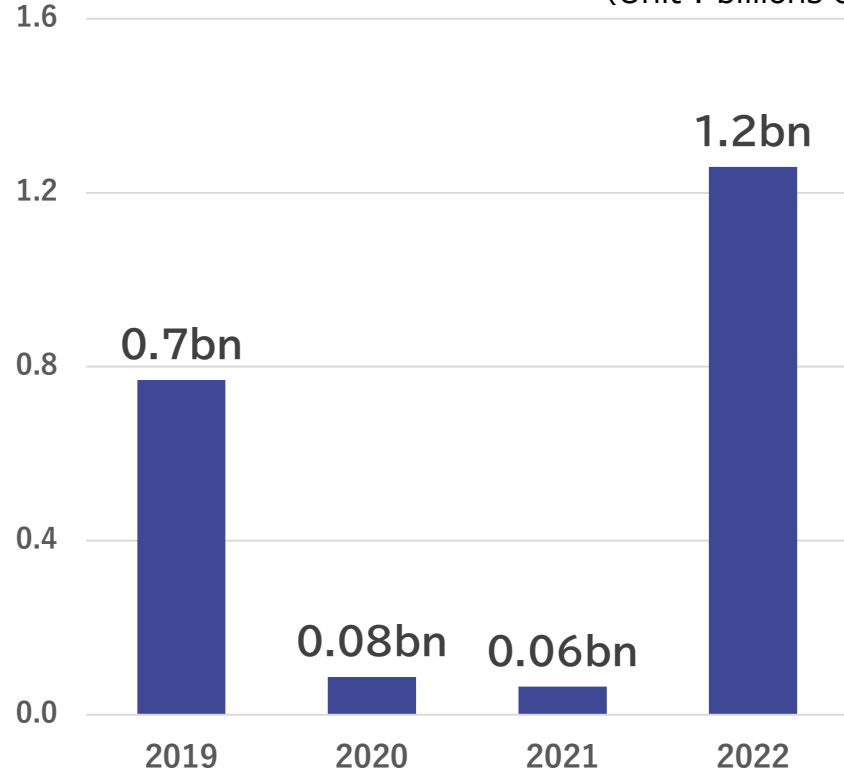
	Full year of FY2018	Full year of FY2022
Personnel costs / operating revenue		
Thailand	14.9%	<b>9.4%</b>
Malaysia	14.7%	<b>11.9%</b>
Number of employees	End of FY2018	End of FY2022
Thailand	5,630	<b>4,030</b>
Malaysia	3,424	<b>3,059</b>

## Profit Expansion in Cambodia

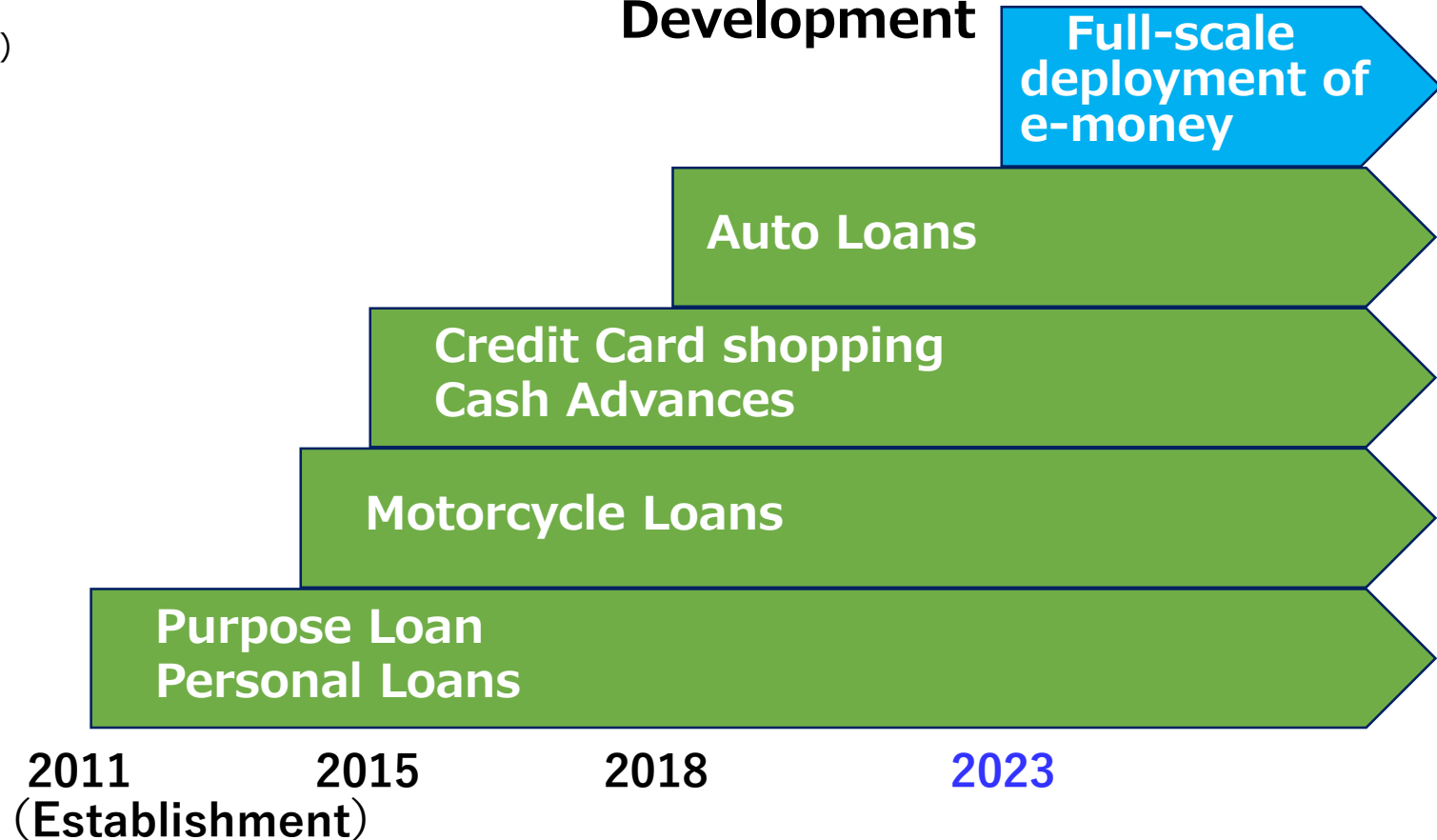
- Cambodia has moved into the profit expansion phase. In FY23, focus on the e-money business and expand revenue sources

### Trend in Operating Profit

(Unit : billions of yen)



### Trends in Product Development



## 2. Earnings and Dividend Forecasts **FY2023 Earnings and Dividend Forecast**

- Restructuring continues in Japan. Although the company plans to record upfront investment costs of 2.4 billion yen in digital banks, consolidated operating profit increased
- Net profit is expected to decrease due to the recording of integration-related expenses.  
Annual dividend per share of 53 yen

### Consolidated

**Operating revenue**<sup>(※1)</sup> (YoY)  
**¥480.0<sub>bn</sub>** (106%)

**Operating profit**  
**¥61.0<sub>bn</sub>** (104%)

**Profit attributable to owners of parent**  
**¥27.0<sub>bn</sub>** (88%)

### Domestic

(YoY)  
**¥290.0<sub>bn</sub>** (103%)

**¥19.0<sub>bn</sub>** (111%)

### Global

(YoY)  
**¥190.0<sub>n</sub>** (112%)

**¥43.0<sub>bn</sub>** (101%)

### Dividends per share

( Increase in dividends )

Annual **¥53**

Interim : **¥25**

Year-end : **¥28**

### Payout ratio

**42.4%**

# **Priority Initiatives to Improve Corporate Value**

### 3. -Environment Surrounding the Company and the Direction of Initiatives

- Re-organize Domestic business and reform overseas business models in order to maximize the value provided to customers

**External Environment :** Digitalization / Price Rise / Interest Rate Fluctuation / Wage Increase / Recovery of People Flow / Climate Change

**Internal Environment :** : Continuation of upfront investment ( 【Domestic】 Points / Insurance 【Global】 Digital Bank )

#### Domestic Business Restructuring

- ① Improve profitability by strengthening sales capabilities
- ② Improve productivity through deduplication
- ③ Cross-sell propulsion

#### Overseas Business Model Reform

- ① Process transformation through digitalization
- ② Strengthening screening and collection by utilizing AI
- ③ Prospect new revenue source

Strengthening sales capabilities

Productivity improvement

Strengthening Governance

**Maximize the value provide to customers**

① **Improve Profitability by Strengthening Sales Capabilities**

· Increased profits by shifting to a business structure centered on payment

**1. Expansion of cashless payments centered on the AEON Group**

**Cashless payment amount**

Average annual growth rate more than 20%

**2. Profitable receivables expansion**

**Revolving credit & Installment payment  
+ cash advance receivables**

**FY22: ¥710 bn ➔ FY25: Over ¥800 bn**

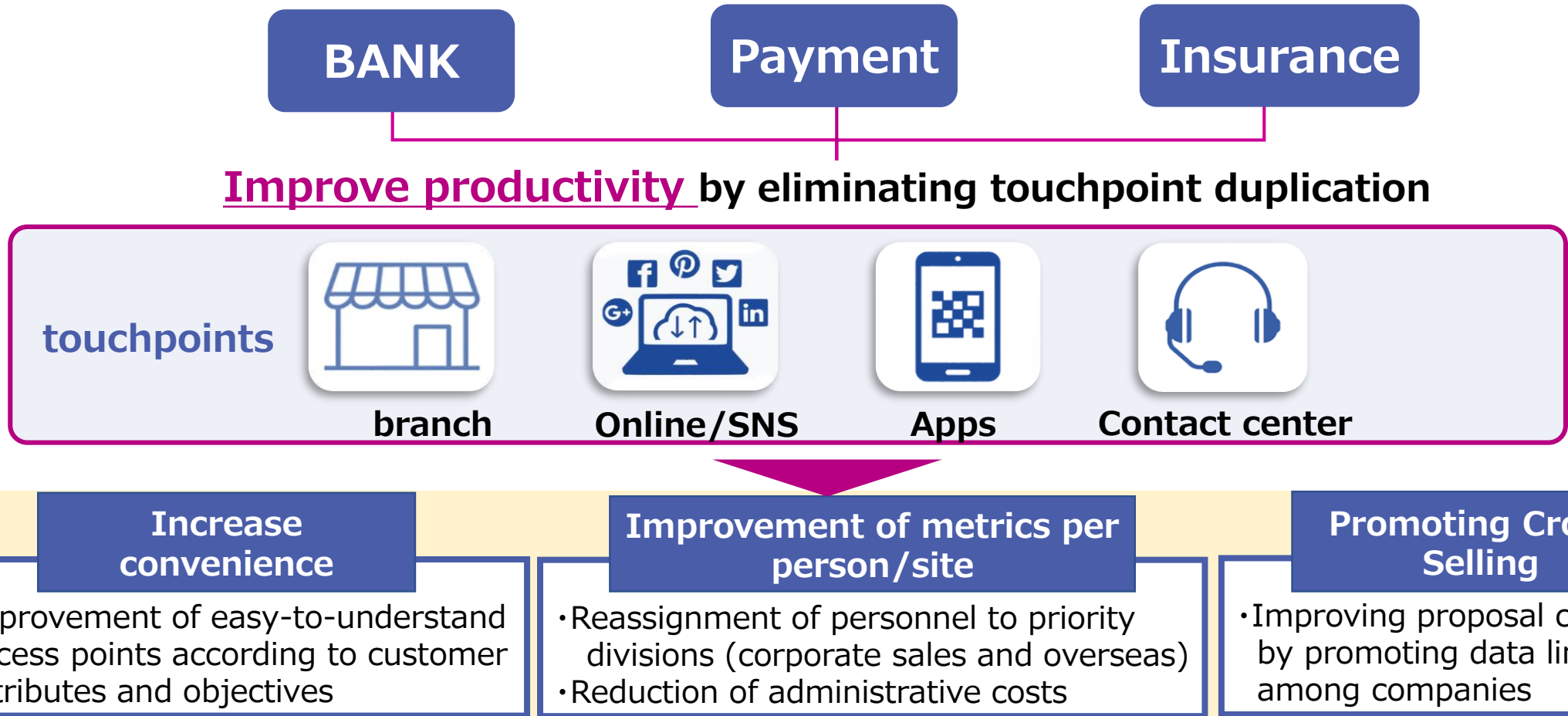
**3. Business Process Reform in Fee Business**

**Expansion of asset management business**

Accumulated profits of more than ¥10 bn over the three years to FY25 through 1to3 initiatives

## ② Productivity Improvement by Eliminating Duplicate Channels and Functions

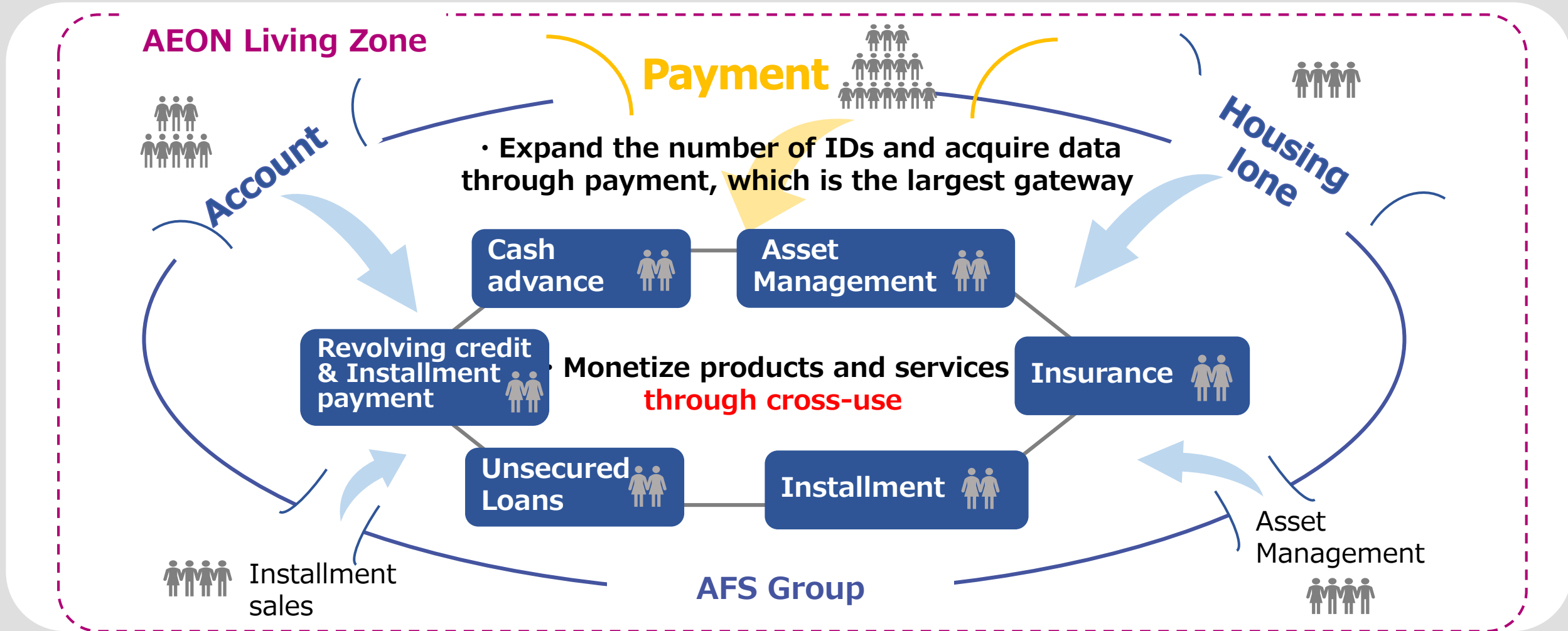
- Started reviewing each company's touchpoints with customers
- Aim to increase revenue and profit by improving productivity by eliminating duplication





### ③-1 Promoting Cross-Selling

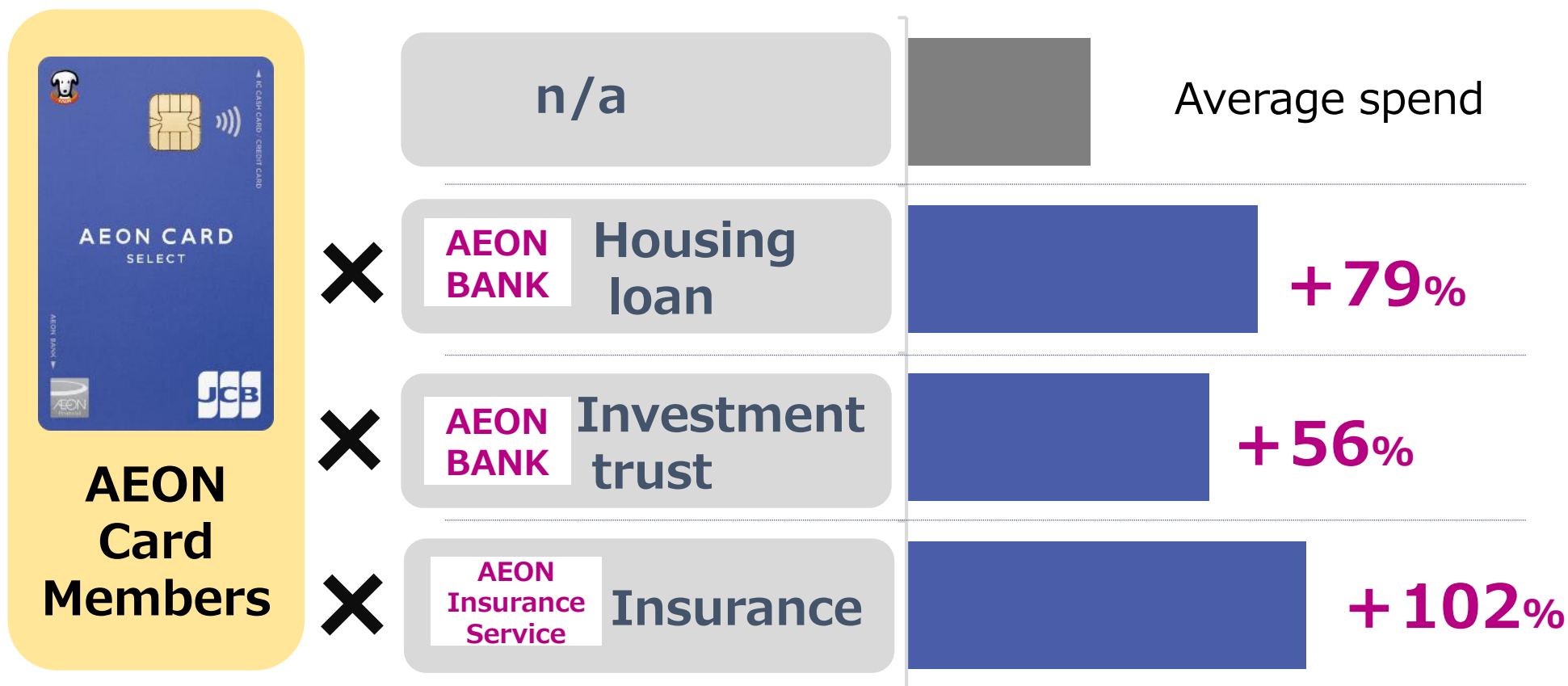
- Expand stakeholders entering the AEON Living Zone centered on settlement and maximize the number of IDs
- Promoting cross-selling of products and services based on credit cards



### ③-2 Cross-sell Propulsion

- Increased usage of AEON Cardholders using housing loans, investment trusts, and insurance services
- Early realization of effective proposals through data utilization

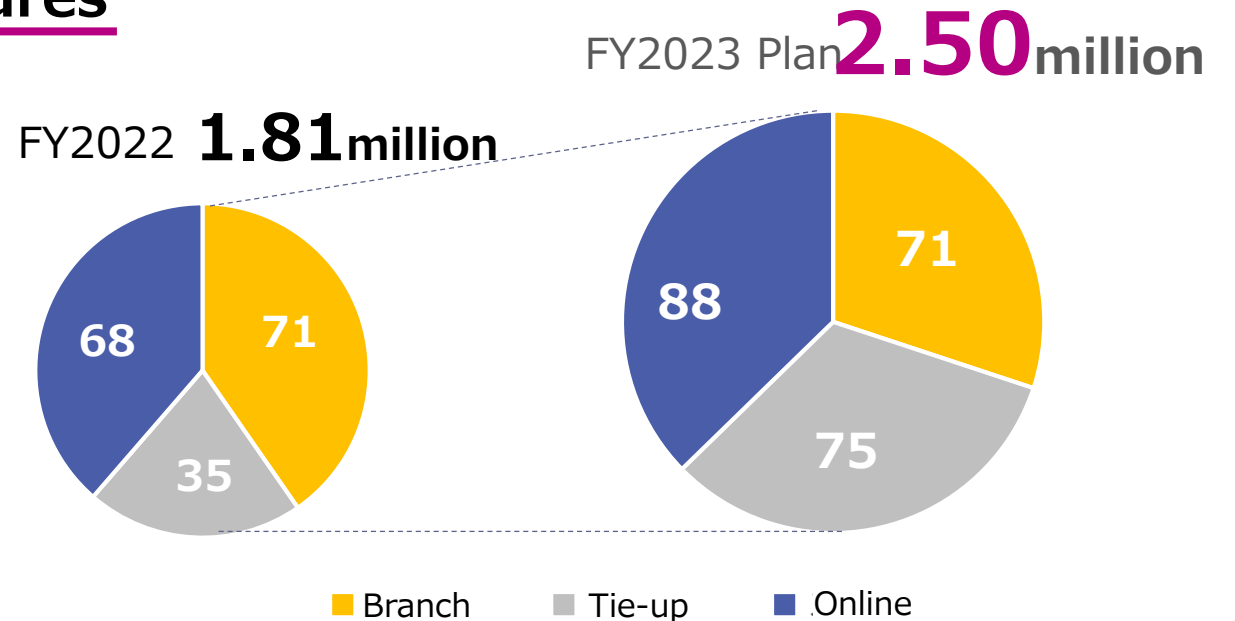
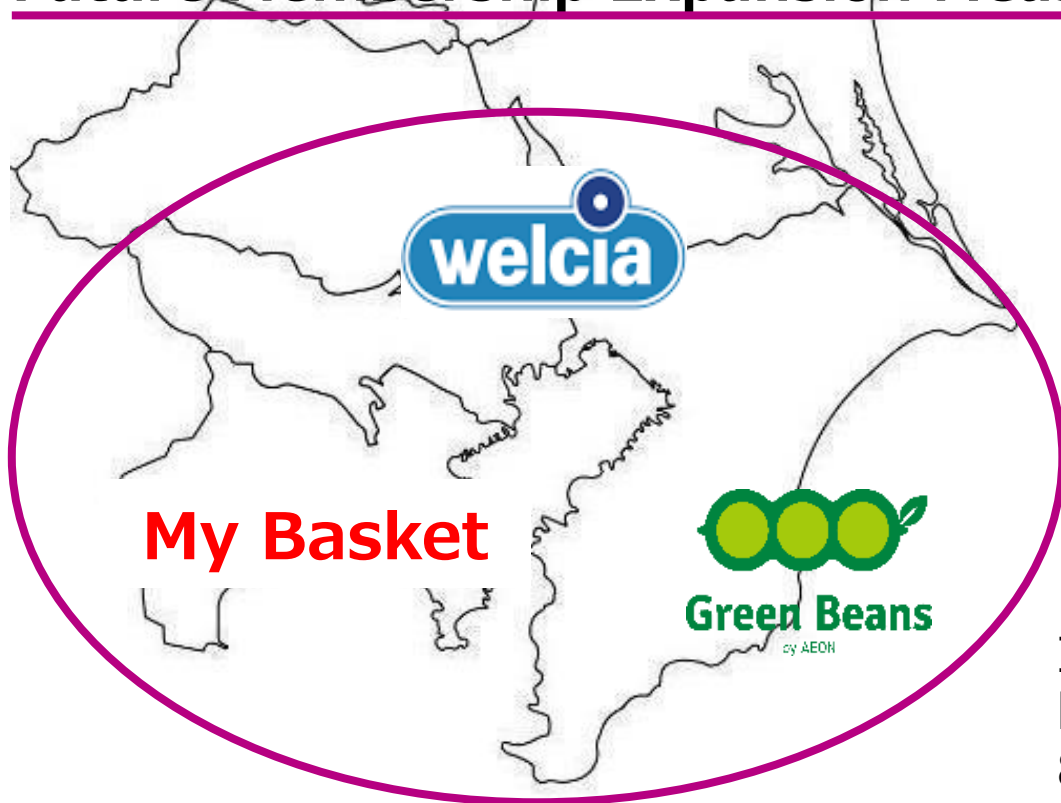
#### AEON Card usage per person per year



## Strengthen Sales Capabilities \_ Expansion of number of ID

- Utilizing the AEON Group's customer base in the Tokyo metropolitan area to accelerate membership acquisition to 2.5 million per year
- Cooperation with AEON Group's new online supermarket "Green Beans", which will be launched this summer, through mutual customer delivery

### Future Membership Expansion Measures



Issuance of a tie-up card with the Welcia Group, which has more than 2,700 stores nationwide, mainly about 850 stores in the Tokyo metropolitan area

## Strengthen Sales Capabilities \_ Expansion of number of ID

- Raise recruitment capabilities by granting benefits and channel reforms to meet the needs of the target

### Strengthening the approach to young people



Promote online recruitment with high affinity with young people and strengthen marketing on SNS

### Establishment of general contact point at the in-store recruitment counter

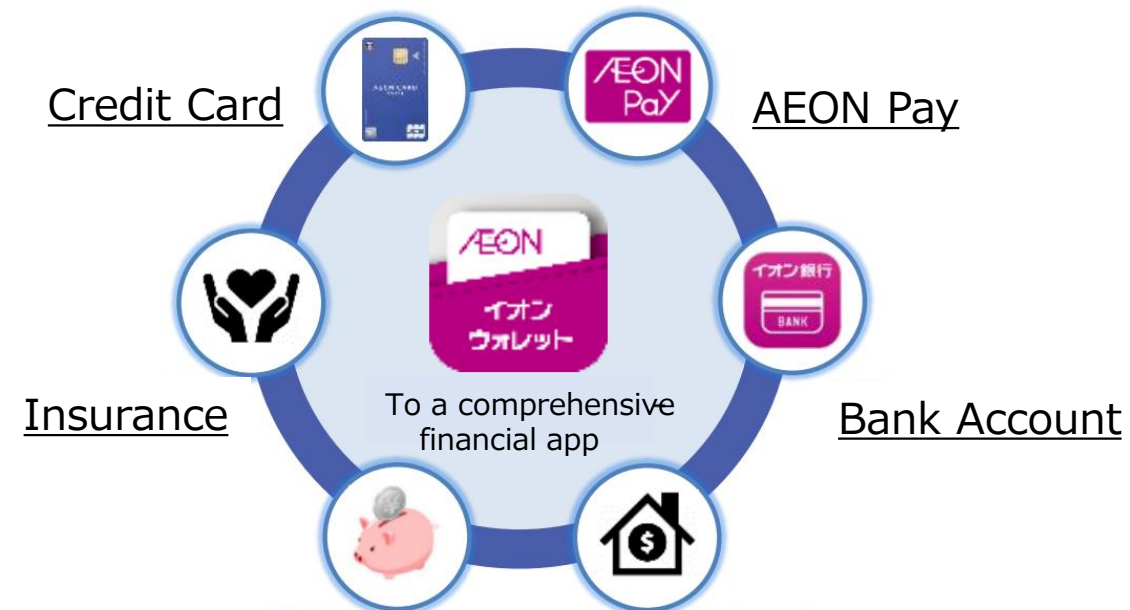


In addition to the conventional recruitment of card members, we have updated to a "general contact point" that supports problems such as how to use apps and coupons.

## Strengthen Sales Capabilities \_ Expansion of number of ID

- Promoting the construction of payment infrastructure through the convenience of the app and the expansion of places where AEON PAY can be used

### UX (ease of use) improvement of wallet app



Investment Trust

AEON Wallet provides one-stop comprehensive financial services

Housing Loans

### Expansion of AEON PAY member stores (places that can be used)

As of the end of FY2022

**720,000** locations

Business restructuring completes establishment of a system for expanding franchisees

Outlook for FY2023

**1.7 million** locations

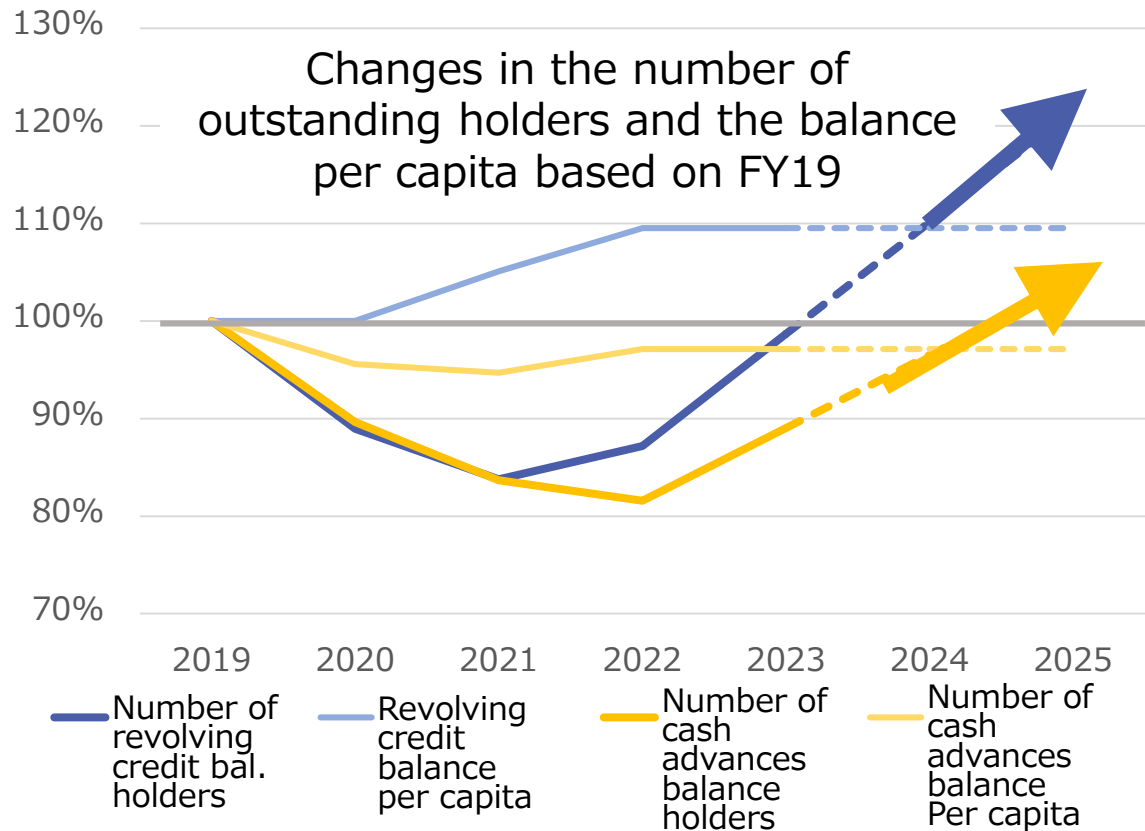
Expanding mainly to restaurant chains that are often used by young people

3. Priority Initiatives to Improve Corporate Value (Domestic Business Restructuring)

**Strengthening profitability \_ Expansion of Revolving credit & Installment payment and cash advances balances**

- Due to the increase in the number of users that decreased due to pandemic, the balance of revolving credit & installment payment and cash advances was expanded.

**Promoting the use of shopping revolving credit · cash advance**

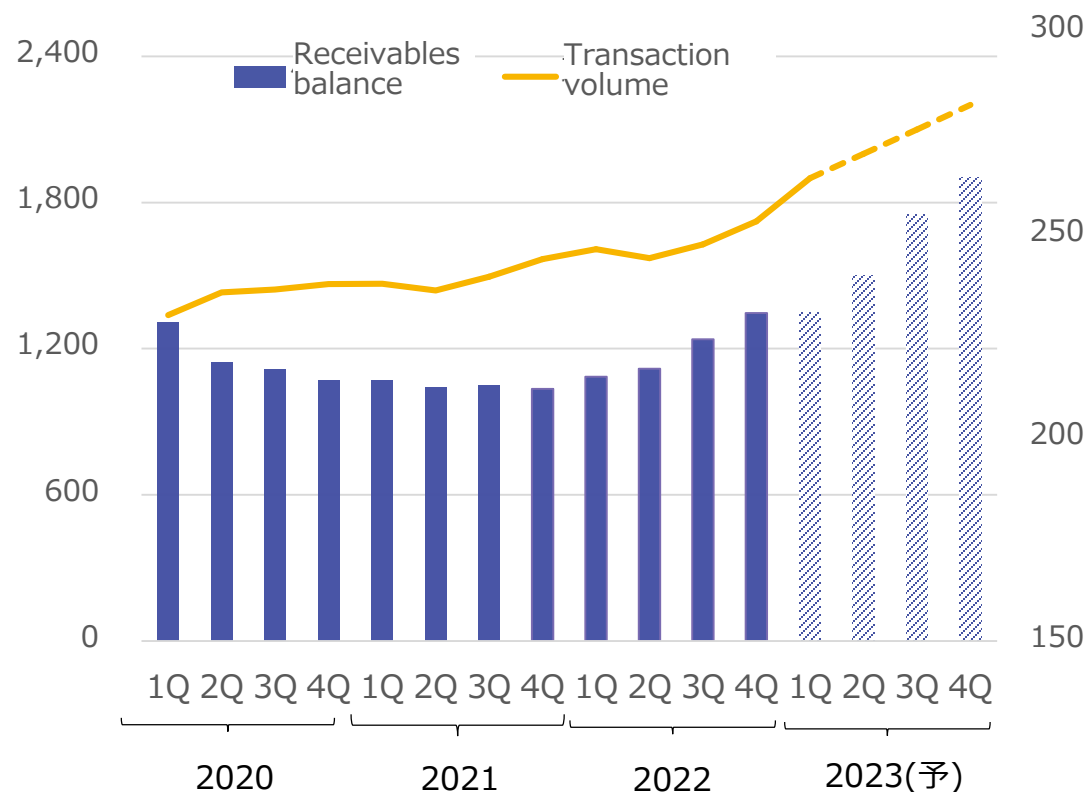


Revolving credit & Installment payment	Cash advances
<b>Increased frequency of communication through wallet apps</b>	
<b>Optimization of credit standards</b>	
<b>Timely use proposals through data utilization</b> Utilization of AEON bank account information and contact center inquiry information	
<b>Enhancement of initial benefits when using revolving credit</b>	<b>Promotion of revolving changes on the Web</b>
<b>Expansion of installment merchants</b>	<b>Preferential interest rates for blue-chip members</b>

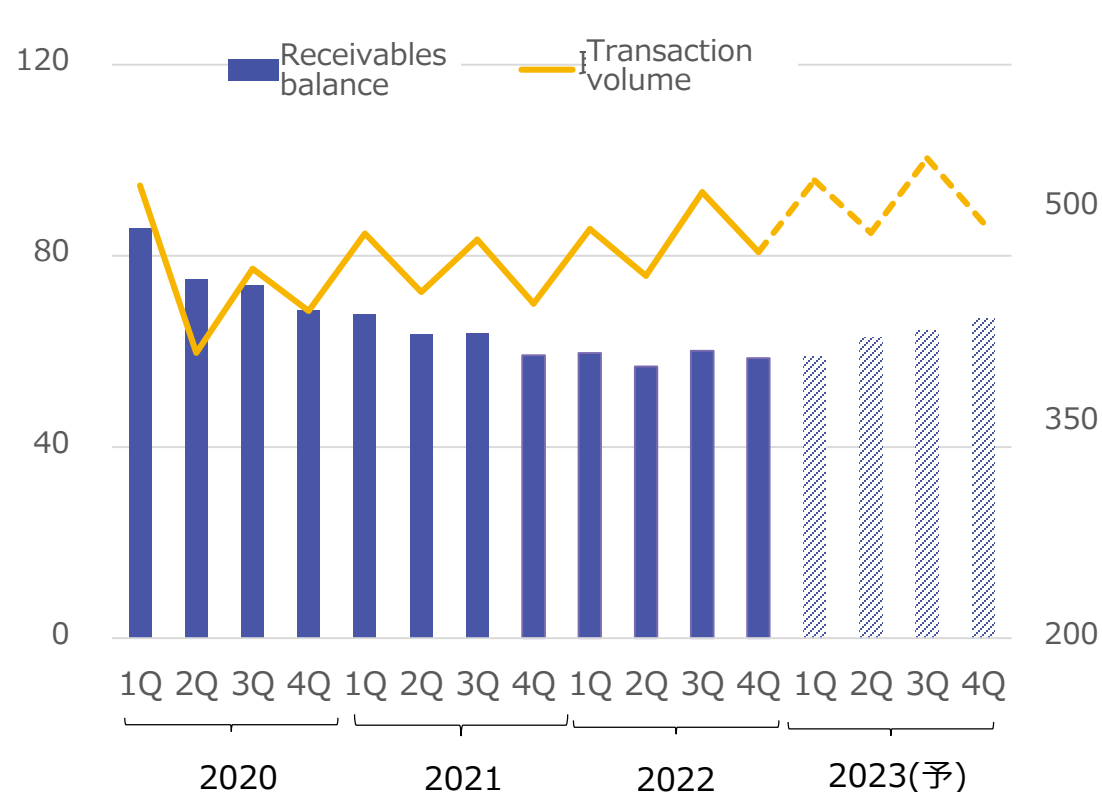
## Planning of Credit Card Shopping Volumes, Revolving Credit and Cash Advance Balances

- Planned annual credit card shopping transaction volume of ¥8 tn (123%, yoy)
- Revolving credit balance exceeded pre-pandemic level and set a record high, and cash advances also moved to the balance expansion phase

(Unit : billions of yen)  
**Credit card shopping transaction volume , revolving credit receivables**



(Unit : billions of yen)  
**Cash advance transaction volume, outstanding receivables**



## Strengthening Profitability \_Promoting the Use of Housing Loans

- Unique benefits in collaboration with retailers plan to increase mortgage disbursement by 130% (yoy)

### Promotion of housing loan benefits [AEON Select Club]



### Increased housing loan volume

Attracting customers in the AEON Living Zone through incentives that leverage the synergies of the AEON Group

**FY2023 plan: Approximately ¥600 bn (130%, yoy)**



### Promoting the use of AEON Cards

Cross-selling with housing loans improves AEON Card usage

**Amount spent by AEON Select Club members : +79% of regular member usage**



## Environmental Recognition in Global Business

- Over the past 10 years, the outstanding amount of receivables and profits have increased significantly, mainly in the three listed countries
- Respond to changes in the external environment and aim to further expand business performance



### <External environment >

Rapid digitalization

Changes in the competitive environment, such as entry from different industries

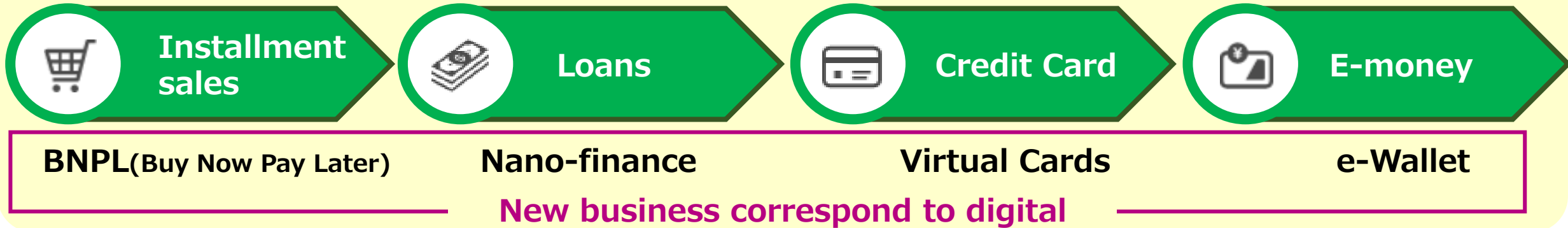
Increased costs due to soaring personnel costs and increased finance costs

**In response to changes in the environment, promote channel strategy and process reform by utilizing digital technology**

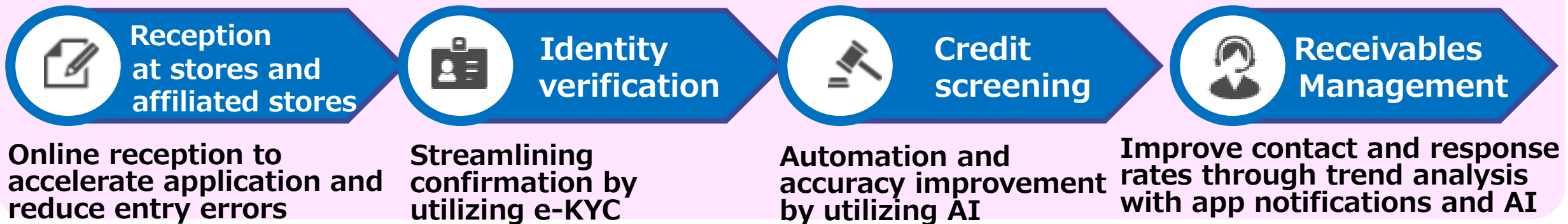
## Strengthening Sales Capabilities and Improving Productivity through Digitalization

- Shifting channels from physical to digital and developing new products and services
- Digitalize processes to improve speed, accuracy and productivity

### Channel (touchpoint) strategy



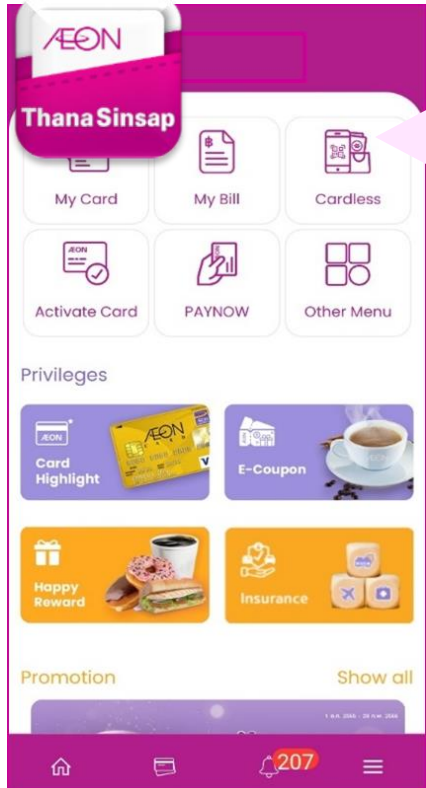
### Process Reform



## Modernize Processes by Digitizing Touchpoints

- Centralize main touchpoints in app. Existing contact centers are positioned as complementary channels for apps to improve operational efficiency

### Digitization of app-based touchpoints (Thailand)



Complete the procedure in app

QR code payment

Card application and activation

Change address & identity verification

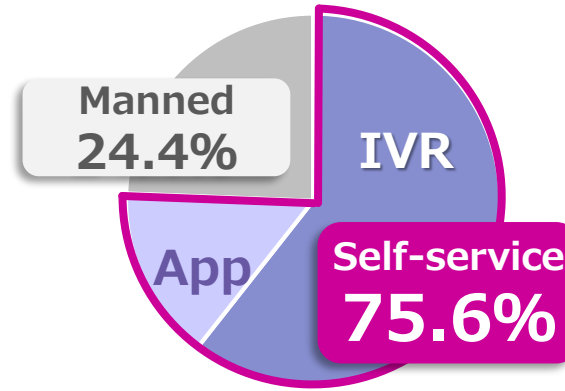
Billing Confirmation

Cash advances

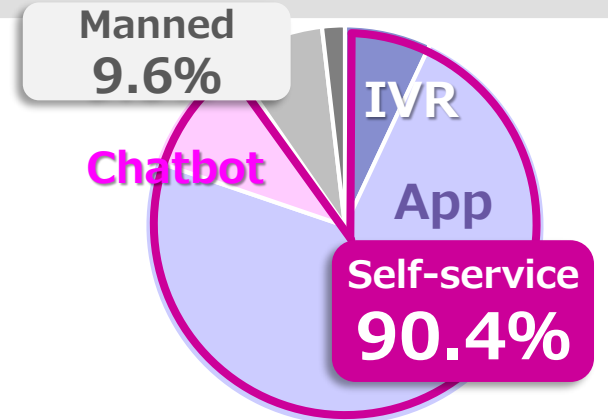
Insurance application

Inquiry (Chatbot)

...e.t.c



FY2017



FY2022



The manned response rate of inquiries is less than 10%, and the contact center is also shrinking.

## Advancement of Screening and Credit Management through the Use of AI

·GAILABO, a provider of AI-based solutions, as a strategic partner, introduced AI credit and collection services to Indonesia. Improved screening speed, productivity, and credit accuracy

### Achievements in Indonesia

#### ① Shortening screening time

Average time

55 minutes  
before introduction

4 minutes  
after introduction  
(93% reduction)

#### ② Productivity improvements

Number of Staff

50 people  
before introduction

11 people  
after introduction  
(78% reduction)

#### ③ Implementation of appropriate credit



Customers who do not  
meet traditional  
lending standards



AI simulates and  
suggests appropriate  
loan terms

Increase application approval rates without reducing collection rates

▶ Introduced in Malaysia in the future, considering introduction to overseas countries

## Initiatives to Establish New Business Models

- In preparation for the opening of a digital bank scheduled for January, 2024, we will invite CEO Raja, who has experience in digital banking, from outside to establish a business foundation as soon as possible

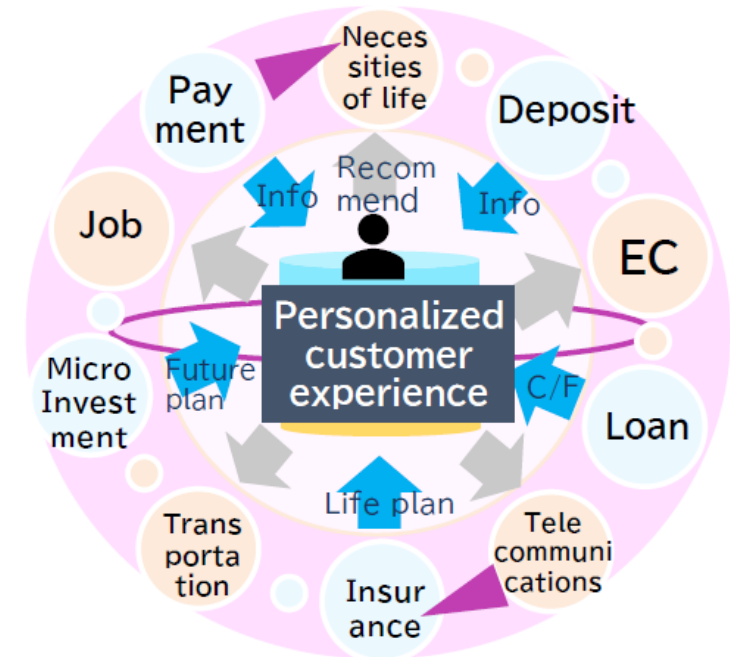
### Preparation for the opening of a digital bank (Malaysia)



ACS DIGITAL BERHAD  
CEO Raja Teh Maimunah

#### 【Career】

After serving as CEO and MD of Malaysia Stock Exchange and local banks, became CEO of Digital Bank Leveraging her experience in promoting digitalization and DX in the banking industry to lead the promotion of the digital banking business



Turn apps into touchpoints and leverage collected data  
▶ Providing products and services tailored to individuals

## Human Capital Investment in Growth Areas (Establishment of AFS Academy)

- AFS Academy established in March 2023 as a human resource education and development organization
- Invest in medium- to long-term employee development that meets learning needs and expand financial literacy courses for external organizations

	Type of course (target)	Contents
Within a Group	Elective Courses (Applicants)	In addition to acquiring knowledge on DX, innovation, finance, etc., provide courses on a wide range of themes such as diversity, self-understanding, and psychological safety
	Nominated Courses (Decided by each company)	Provide basic management courses, certified internal auditor qualification courses, etc. to improve management skills and develop specialized human resources
	Digital Library (Applicants)	Established as an opportunity to acquire a wide range of knowledge that meets individual needs. Users can read freely from the title list
Out of G	External Group Courses (Student)	Financial literacy course for high school and university students. In the future, plan to expand the target to junior high school students and working adults



- **Realization of the human resource portfolio necessary to realize the strategy**
- **Maximization of individual value**



- **Acquisition of correct financial knowledge**
- **Fostering financial literacy**

## 2. Earnings and Dividend Forecasts **[Re-post]FY2023 Earnings and Dividend Forecast**

- Restructuring continues in Japan. Although the company plans to record upfront investment costs of 2.4 billion yen in digital banks, consolidated operating profit increased
- Net profit is expected to decrease due to the recording of integration-related expenses.  
Annual dividend per share of 53 yen

### Consolidated

**Operating revenue**<sup>(※1)</sup> (YoY)  
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### Dividends per share

( Increase in dividends )

Annual **¥53**

Interim : **¥25**

Year-end : **¥28**

### Payout ratio

**42.4%**

# **APPENDIX**



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

- Began applying the accounting standards for revenue recognition in the FY2022 1Q
- Due to the application of the standards, some operating revenues and operating expenses have been changed from gross notation to net notation
- In FY22, compared to before the standard was applied, operating revenue and operating expenses decreased by ¥37.4 bn on a consolidated basis and by ¥37.5 bn in Domestic
- Mainly numerical recombination of domestic biz, no change in numerical value for Global biz

### FY2022 Results

(Unit : millions of yen)

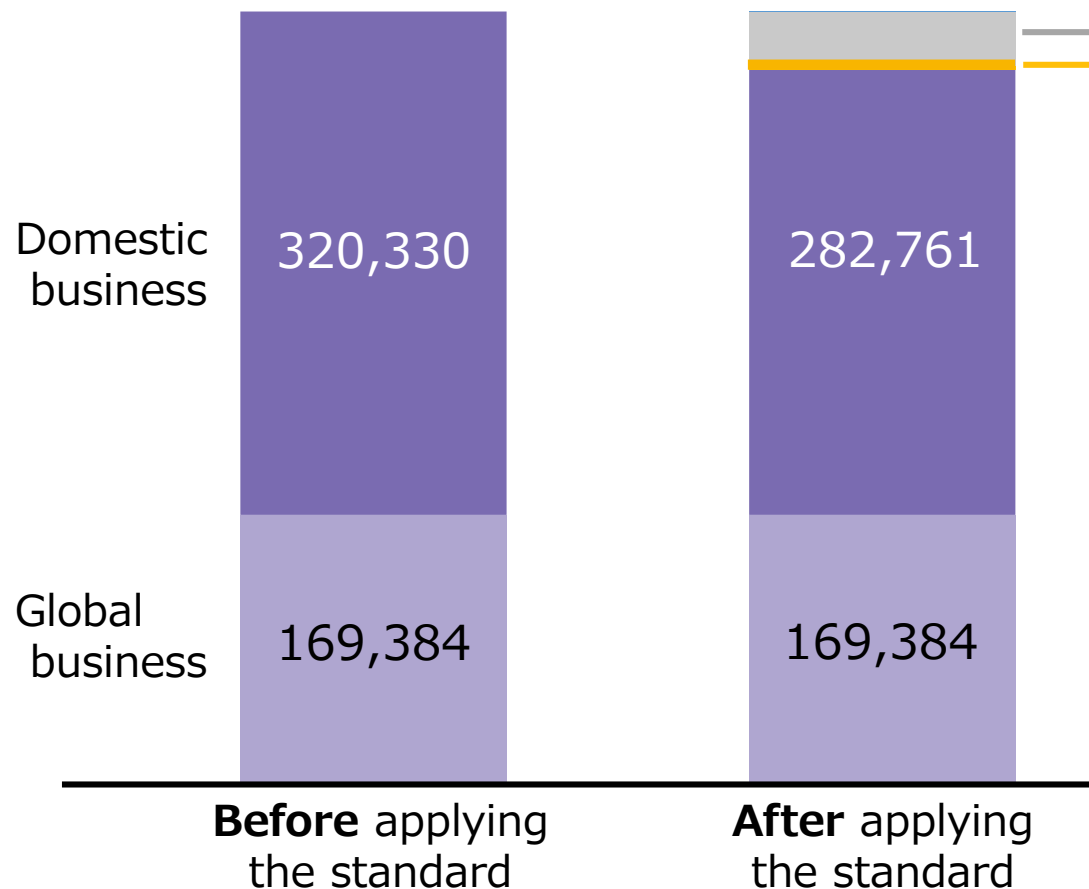
	Before applying the standard			→	After applying the standard			Difference	
	Consol.	Domestic	Global		Consol.	Domestic	Global	Consol.	Domestic
Operating Revenue	489,168	320,330	169,384		451,767	282,761	169,384	▲37,401	▲37,568
Operating Expenses	430,308	303,167	126,954		392,907	265,598	126,954	▲37,401	▲37,568
Operating Profit	58,859	17,163	42,430		58,859	17,163	42,430	±0	±0
Net Profit	30,677				30,677			±0	

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

- FY22 results impact of ¥35.1 bn in Domestic credit card shopping revenue and ¥2.2 bn in Domestic e-money revenue
- Advertising expenses decreased by the same amount, and there was no impact on operating profit

**FY2022 Operating Revenue**

(Unit : millions of yen)



**Revenue from credit card business ▲35,160**

Point expenses mainly awarded for credit card shopping have been changed from advertising expenses to offset from credit card shopping revenues.

**Revenue from E-money ▲2,241**

Point expenses mainly awarded for using e-money have been changed from advertising expenses to offset from e-money revenues.

**Other revenues (Elimination) ▲167**

Transactions between subsidiaries and external parties via the head office

## Results by Segment

(Unit : billions of yen)

	Domestic Total ※2			Global Total ※2	China	Mekong	Malay	Consol.Total ※4
	Retail ※3	Solutions※3						
<b>Operating Revenue</b>	<b>282.7</b>	<b>167.8</b>	<b>176.3</b>	<b>169.3</b>	<b>22.4</b>	<b>86.0</b>	<b>60.9</b>	<b>451.7</b>
YoY※1	<b>85%</b>	<b>79%</b>	<b>99%</b>	<b>123%</b>	<b>143%</b>	<b>119%</b>	<b>122%</b>	<b>96%</b>
Change※1	△ <b>50.6</b>	△ <b>45.7</b>	△ <b>2.4</b>	<b>+31.2</b>	<b>+6.7</b>	<b>+13.6</b>	<b>+10.9</b>	△ <b>18.8</b>
<b>Operating Profit</b>	<b>17.1</b>	<b>3.8</b>	<b>14.2</b>	<b>42.4</b>	<b>7.7</b>	<b>18.9</b>	<b>15.7</b>	<b>58.8</b>
YoY	<b>66%</b>	<b>48%</b>	<b>80%</b>	<b>126%</b>	<b>140%</b>	<b>124%</b>	<b>121%</b>	<b>100%</b>
Change	△ <b>8.9</b>	△ <b>4.2</b>	△ <b>3.5</b>	<b>+8.6</b>	<b>+2.1</b>	<b>+3.6</b>	<b>+2.7</b>	<b>+0.0</b>
<b>Operating Profit Ratio</b>	<b>6.1%</b>	<b>2.3%</b>	<b>8.1%</b>	<b>25.0%</b>	<b>34.4%</b>	<b>22.1%</b>	<b>25.8%</b>	<b>13.0%</b>
Change※1	△ <b>1.7pt</b>	△ <b>1.5pt</b>	△ <b>1.9pt</b>	<b>+0.6pt</b>	△ <b>0.8pt</b>	<b>+1.0pt</b>	△ <b>0.2pt</b>	<b>+0.5pt</b>
	Profit attributable to owners of parent							<b>30.6</b>
	Change							<b>+0.4</b>

※1 YoY and YoY change comparisons between Japan and consolidated are calculated based on the results of the current FY before the application of the revenue recognition standards and the results of the same period of the previous year

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

※3 Retail is a personal-centric business, Solutions is a business that is central to merchant

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

**Reference: The impact on earnings due to securitization ¥16.7 bn(-¥4.3 bn compared to the same period of the previous year)**

## Transaction Volume and the Status of Outstanding Receivables of Global Business

- Strengthen sales promotion measures and continue to expand transaction volume and trade receivables balance in each area

(Unit : billions of yen)		China Area (Hong Kong)			Mekong Area (Thailand)			Malay Area			Global Business		
		YoY (Change)	Comparison with the 1H of 2019 (Change)		YoY (Change)	Comparison with the 1H of 2019 (Change)		YoY (Change)	Comparison with the 1H of 2019 (Change)		YoY (Change)	Comparison with the 1H of 2019 (Change)	
Credit card	Transaction volume	<b>184.9</b>	156%	164%	<b>264.8</b>	145%	106%	<b>52.9</b>	126%	83%	<b>502.8</b>	146%	118%
	Outstanding Receivables	<b>77.8</b>	+28.9	+27.0	<b>165.8</b>	+30.0	+40.4	<b>23.6</b>	+2.2	△1.7	<b>267.4</b>	+61.2	+65.7
Install ment finance	Transaction volume	-	-	-	<b>20.4</b>	143%	58%	<b>102.2</b>	159%	105%	<b>122.6</b>	156%	92%
	Outstanding Receivables	-	-	-	<b>26.9</b>	+4.1	+2.4	<b>226.7</b>	+40.7	+41.7	<b>253.6</b>	+44.8	+44.2
Personal loans	Transaction volume	<b>23.4</b>	166%	331%	<b>93.4</b>	127%	85%	<b>47.1</b>	168%	120%	<b>164.0</b>	142%	105%
	Outstanding Receivables	<b>21.9</b>	+8.5	+7.5	<b>168.9</b>	+13.2	+7.5	<b>89.4</b>	+20.1	+16.5	<b>280.3</b>	+41.9	+31.5
Total	Transaction volume	<b>208.4</b>	157%	174%	<b>378.8</b>	140%	96%	<b>202.3</b>	151%	101%	<b>789.5</b>	147%	110%
	Outstanding Receivables	<b>99.8</b>	+37.5	+34.5	<b>361.7</b>	+47.4	+50.4	<b>339.8</b>	+63.1	+56.4	<b>801.4</b>	+148.0	+141.5

## Results by Area

(Unit : billions of yen)

		Transaction volume	FY2021 Compared to same period	FY2019 Compared to same period <sup>(※)</sup>	Balance of receivables (Before securitization)	Increase or decrease at the beginning from the FY	Change in the previous quarter
Domestic	Credit card	6,865.0	109%	119%	1,592.7	+114.8	△39.2
	Card shopping	6,529.2	109%	121%	1,197.4	+116.9	△33.9
	Cash advance	335.7	108%	88%	395.3	△2.0	△5.2
	Installment finance	193.2	103%	89%	723.1	△1.5	△6.3
	Housing loans	488.2	82%	95%	3,320.1	+186.7	+5.9
	Others	-	-	-	1,001.6	+75.5	+41.8
	Total	-	-	-	6,637.6	+375.6	+2.2
Global	Credit card	502.8	146%	118%	267.4	+61.2	+65.5
	Card shopping	366.3	144%	126%	135.8	+29.0	+3.6
	Cash advance	136.5	152%	101%	131.5	+32.2	+2.8
	Installment finance	122.6	156%	92%	253.6	+44.8	+1.3
	Personal loans	164.0	142%	105%	280.3	+41.9	△0.1
	Total	-	-	-	801.4	+148.0	+7.6
Consol. Total		-	-	-	7,484.7	+522.8	+91.2

※The ratio of the same period in the FY2019 in Japan is calculated in the same period as the current FY because the accounting period is different.

Cardholders	Consolidated		Domestic		Global	
		Diff from beginning of the FY		Diff from beginning of the FY		Diff from beginning of the FY
Results (unit : million copies)	48.24	+0.92	30.82	+0.73	17.42	+0.19

**【Domestic】**

- 1.81 million new card members (YoY +0.23 million cards )
- 19.11 million cards with contactless payment function issued (YoY +5.23 million cards)

**【Global】**

- Malaysia e-money membership 2.38 million (YoY +0.18 million cards )

## FY2022 Performance of Three Overseas Listed Companies (Local currency)

		FY2021		FY2022	
		Results	YoY	Results	YoY
AEON CREDIT SERVICE (ASIA)  (HK\$'000)	Revenue	1,049,589	96%	1,231,631	117%
	Profit before tax	397,973	111%	449,294	113%
	Profit for the period	342,592	114%	373,611	109%
AEON THANA SINSAP (THAILAND)  (BAHT'000)	Total Revenues	20,791,422	98%	22,331,665	107%
	Profit before income tax	4,573,774	98%	4,949,963	108%
	Net profit for the period	3,573,894	97%	3,954,145	111%
AEON CREDIT SERVICE (M) Berhad  (RM'000)	Revenue	1,524,880	98%	1,640,245	108%
	Profit before tax	526,820	162%	546,976	104%
	Profit for the period	365,419	156%	417,685	114%

※Excerpted from each company's announcement materials. Show numbers for consolidation

## FY2022 Performance of Three Overseas Listed Companies (Yen conversion)

AEON Credit Service (Asia) Co., Ltd.	FY2021	FY2022	
	Results	Results	YoY
Operating income	15.0	20.9	139%
Operating profit	5.7	7.6	134%
Net income	4.9	6.3	129%

(Unit : billions of yen)

Exchange rates: HKD 1

• FY2021 : ¥14.35

• FY2022 : ¥17.04

Fiscal period

: 1/3/2022 to 28/2/2023

AEON THANA SINSAP (THAILAND) PCL.	FY2021	FY2022	
	Results	Results	YoY
Operating income	71.5	84.8	119%
Operating profit	15.7	18.8	120%
Net income	12.2	15.0	122%

Exchange rates: THB 1

• FY2021 : ¥3.44

• FY2022 : ¥3.80

Fiscal period

: 1/3/2022 to 28/2/2023

AEON Credit Service (M) Berhad.	FY2021	FY2022	
	Results	Results	YoY
Operating income	40.8	49.5	121%
Operating profit	14.1	16.5	117%
Net income	9.8	12.6	129%

Exchange rates: MYR 1

• FY2021 : ¥26.82

• FY2022 : ¥30.21

Fiscal period

: 1/3/2022 to 28/2/2023



## Consolidated Balance Sheet

- In fiscal 2022, the balance of operating receivables, including operating loans, banking loans, and installment accounts receivable, increased by ¥522.8 bn. The balance of allowance for doubtful accounts increased by ¥2.9 bn.

### 【Consolidated operating receivables balance】

- Balance incl. securitization : ¥7,484.7 bn (+¥522.8 bn)  
in which, domestic balance : ¥6,637.6 bn (+¥375.6 bn)  
in which, global balance : ¥801.4 bn (+¥148.0 bn)
- Securitized amount (Domestic only) : ¥2,697.2 bn (+¥196.7 bn)

(unit : billions of yen)

	Results	Change from beginning of FY
Cash and deposits	842.6	+103.8
Operating Loans	845.2	+72.6
Loan and bills discounted for banking business	2,160.7	+50.7
Accounts receivable – installment	1,769.5	+203.3
Allowance for doubtful accounts	△ 127.4	△ 2.8
Other Assets	1,168.6	△ 46.7
<b>Total assets</b>	<b>6,659.4</b>	<b>+380.8</b>

	Results	Change from beginning of FY
Deposits	4,397.9	+219.4
Accounts payable-trade	255.6	+30.4
Interest-bearing debt (excl. deposits)	1,210.6	+123.1
Other liabilities	254.0	△ 24.2
<b>Total liabilities</b>	<b>6,118.3</b>	<b>+348.8</b>
<b>Total net assets</b>	<b>541.1</b>	<b>+32.0</b>
<b>Total liabilities and net assets</b>	<b>6,659.4</b>	<b>+380.8</b>

## 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	5.4	53.8	58.8
Provision of allowance for doubtful accounts	▲0.4	18.4	18.0
Write-off of doubtful accounts (including transferred debt)	1.2	18.4	19.7
Allowance for doubtful accounts balance at end of period	3.8	53.7	57.1

(Subsidiaries in domestic) AEON Credit Service : 35.8, AEON Bank : 3.8, AEON Product Finance : 8.3, AEON Housing Loan Service : 1.2

	FY2021	FY2022
Beginning of period	5.7	6.4
Provision	4.3	1.6
Interest refunded	3.5	3.2
End of period	6.4	4.8

	China Area	Mekong Area	Malay Area	Global Total	Consolidated
Allowance for doubtful accounts, balance at beginning of period	2.6	39.9	22.2	64.9	124.5
Provision of allowance for doubtful accounts	2.9	27.9	15.0	45.9	63.9
Write-off of doubtful accounts (including transferred credit)	2.2	27.1	11.9	41.3	61.0
Allowance for doubtful accounts, balance at end of period	3.3	40.7	25.3	69.4	127.4

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