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# FY2022 Second Quarter IR Presentation Material

October 4, 2022



**AEON Financial Service**

Stock Listing: Tokyo Stock Exchange, Prime Market

Code No: 8570

1. Financial Highlights
2. Overview of Domestic Business
3. Overview of Global Business
4. Earnings and Dividend Forecasts
5. Future Directions
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## The highlights of the consolidated results

- Consolidated ordinary revenue Profit attributable to owners of parent set new record highs for the first half of the fiscal year

### Consolidated Operating revenue

(YoY) (compared to the 1Q of FY2019 )

**¥221.5<sub>bn</sub>** (93%)

[comparison with before the application of accounting standards for revenue recognition] (100%)(101%)

### Operating profit

**¥31.8<sub>bn</sub>** (96%) (128%)

### Ordinary profit

**¥34.3<sub>bn</sub>** (103%)(135%)

Profit attributable to owners of parent

**¥18.2<sub>bn</sub>** (100%)(151%)

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

### Domestic

(YoY) (compared to the 1Q of FY2019 )

**¥141.1<sub>bn</sub>** (84%) (94%) (98%)

**¥10.4<sub>bn</sub>** (68%) (84%)

### Global

(YoY) (compared to the 1Q of FY2019 )

**¥80.6<sub>bn</sub>** (116%) (107%)

**¥21.8<sub>bn</sub>** (120%) (164%)

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

### Performance progress rate (compared to full-year forecast)

Consolidated operating revenue

**49.8%**

Consolidated operating profit

**53.1%~57.9%**

Profit attributable to owners of parent

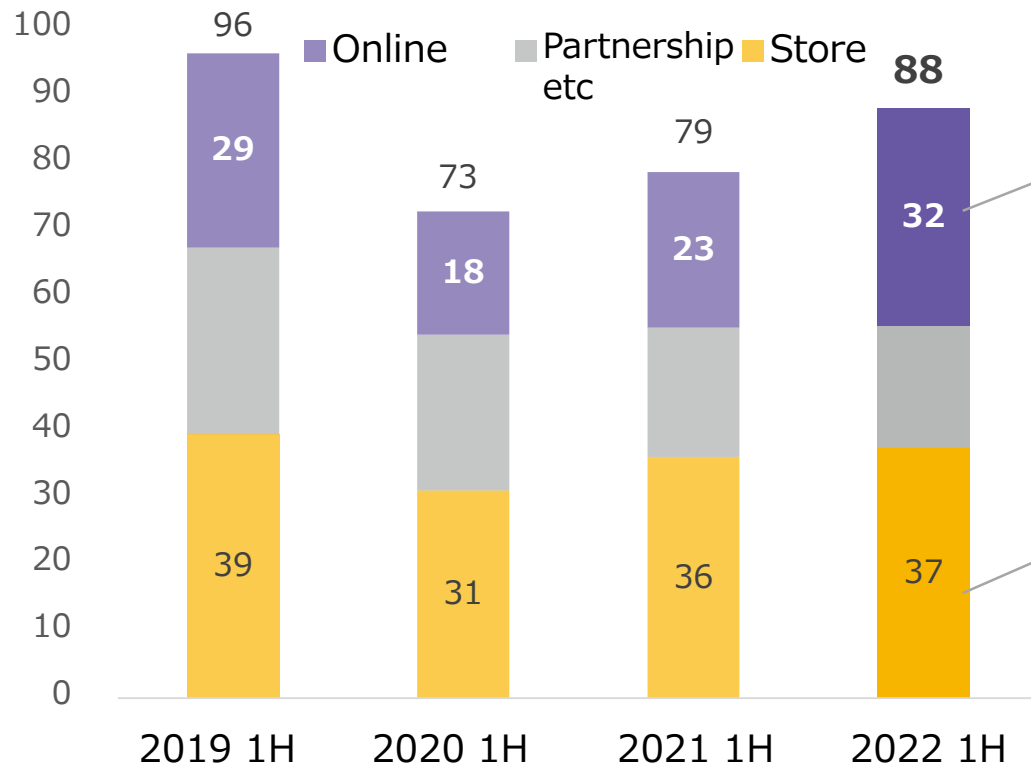
**62.8%~67.4%**

## Expansion of the no. of AEON Card members in Domestic businesses

- Established an online membership acquisition process, with strong 1H new members of 880,000

(Unit :ten thousand of members)

### ■ Status of the no. of new members and the enrollment ratio by channel



#### Online Recruitment

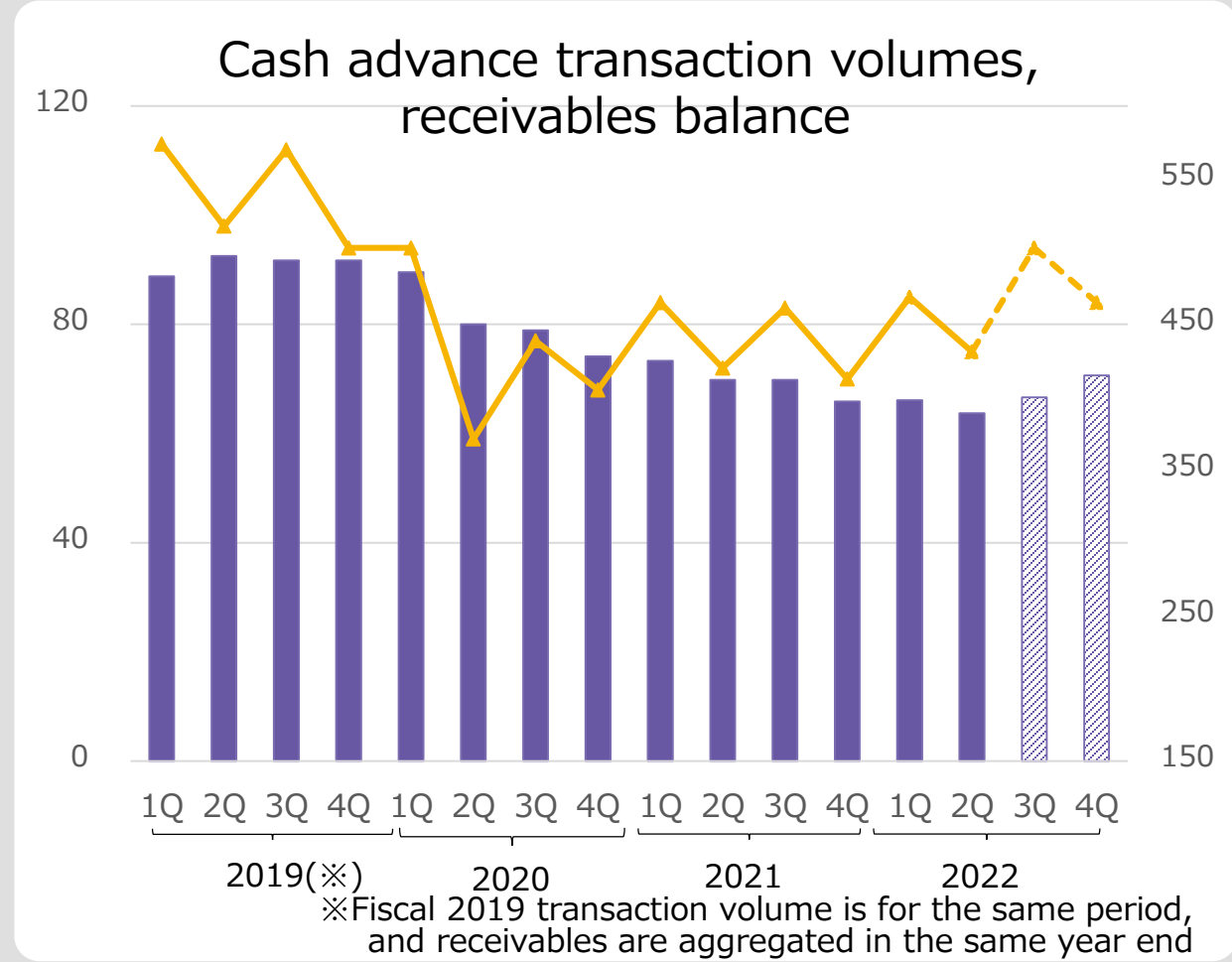
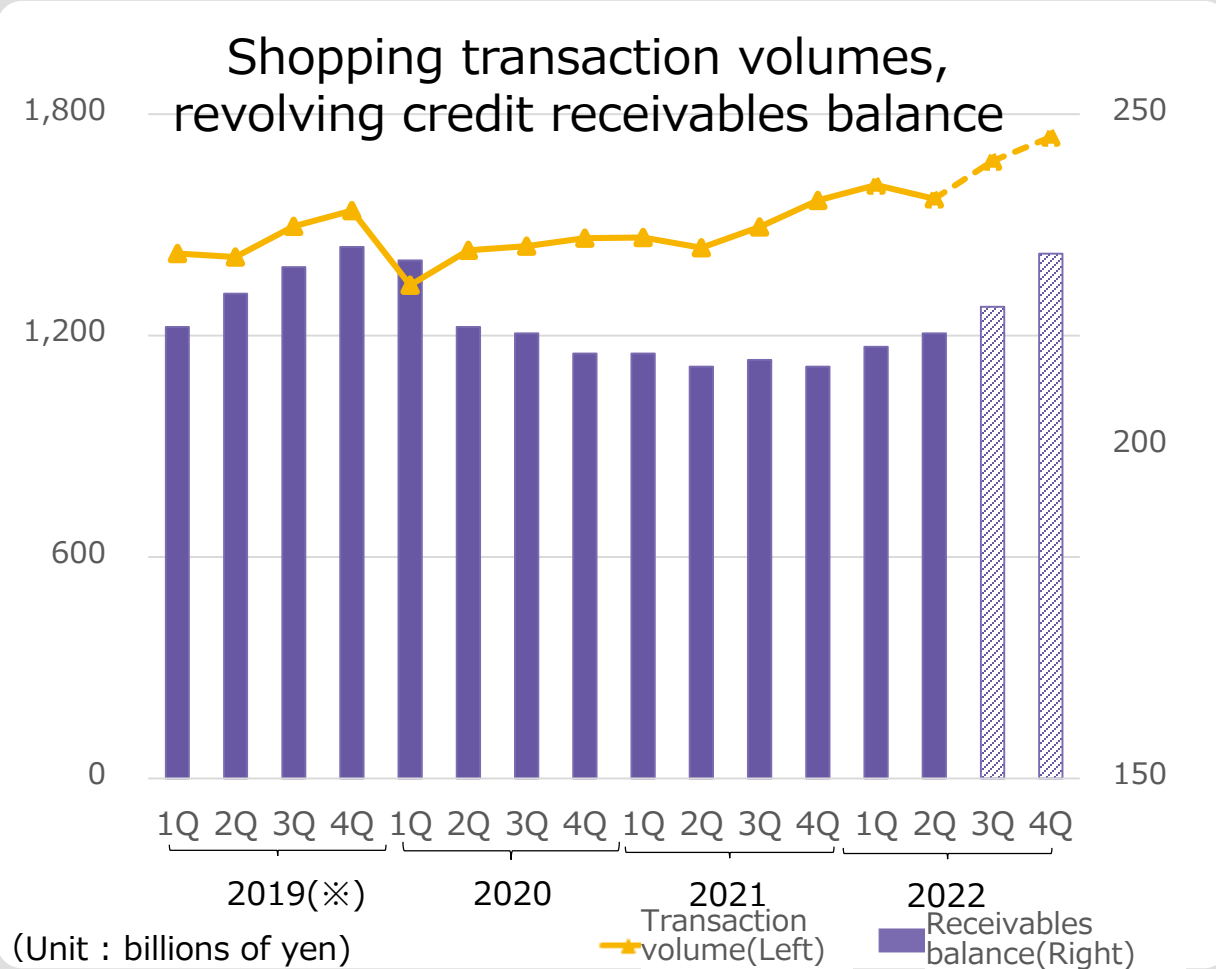
Focusing on web recruitment, such as instant issuance of cards in apps and digital sales promotion.  
Web enrollment ratio in the first half of the year expanded to a record high.

#### Recruitment at stores (real)

Against the backdrop of the revitalization of the flow of people, the number of members at stores increased yoy.  
Leveraging the AEON Group's strengths with realistic touchpoints

## Domestic credit card receivables

- Shopping use recovers ahead of time as consumption revitalizes
- Outstanding balance of revolving expands again after bottoming out at the end of the previous FY



## Breakdown of operating profit in the domestic business year-on-year

- Credit card business covers negative cash advances by improved credit card and bad debt-related expenses

	Contents	YoY Change (Unit : billions of yen)	
Credit card business	<ul style="list-style-type: none"> <li>■ <b>Card Shopping Recovery</b> -Transaction Volume: 109%(YoY) / Revolving balance: +¥4.7bn (YoY), +¥5.0bn compared to the beginning of the FY</li> <li>■ <b>Bottoming out of the cash advance slump</b> -Transaction Volume: 103%(YoY) / Balance: -¥22.5bn (YoY), -¥7.8bn compared to the beginning of the FY</li> <li>■ <b>Promote settlement of long-term delinquent loans and improve debt-related costs</b></li> </ul>	Credit card revenue	+4.5
		Increase in points and sales promotion exp.	▲2.4
		<hr style="border-top: 1px dashed black;"/>	
		<b>Credit card total</b>	+2.1
		Cash advance revenue	▲2.4
Insurance business	<ul style="list-style-type: none"> <li>■ <b>AEON Allianz Life Insurance</b> -Operating revenue, excluding existing contracts: +¥0.8bn, Operating exp. associated with full-scale biz development of +¥2.0bn</li> </ul>	Reduction of doubtful debt-related expenses	+0.4
		<b>Operating Profit</b>	<b>+0.1</b>
		<b>Operating Profit</b>	<b>▲1.2</b>
Other factors affecting changes from previous year	<ul style="list-style-type: none"> <li>■ <b>Housing loan fees</b> - Control the amount of execution while assessing the interest rate situation</li> <li>■ <b>Strengthening IT Investments</b>- Next credit card system, investment in business efficiency, etc</li> <li>■ <b>Investing in People</b> - Recruitment of DX human resources and promotion of employee education</li> <li>■ <b>Variable cost increase due to business expansion</b> - Card issuance fee, international brand fee, etc.</li> </ul>	<b>Operating Profit</b>	▲0.6
		<b>Operating Profit</b>	▲1.0
		<b>Operating Profit</b>	▲1.1
		<b>Operating Profit</b>	▲1.2
		<b>Total</b>	<b>▲5.0</b>

## Capturing Consumption Demand (Thailand)

- Conducted joint sales promotion with leading local retail groups such as large supermarkets and major EC sites in response to the recovery in consumption

### Promotion with leading retail groups in the real and online

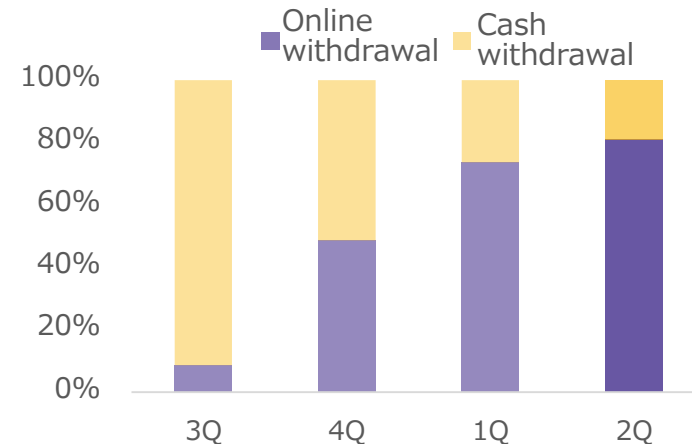
- **A large supermarkets, Big-C**  
1% ~ 3% cash back according to the usage amount (May 1 to June 30)
- **Major EC sites, Shopee, Lazada**  
—15~17% discount according to use a fixed amount or more every Thursday ( June 1 to August 31)  
→Online shopping txn volume in the 1H of the FY was **136% compared to the previous year**



### "Personal Loan" Completely Cardless

- Moving membership cards to completely cardless from June
- Increased online withdrawal rate using Thailand's electronic payment system "Prompt Pay" significantly reduces the no. of ATMs (as of end of August: 147 units / -257 units compared to the same month of the previous year)

Changes in the Online Withdrawal Rate

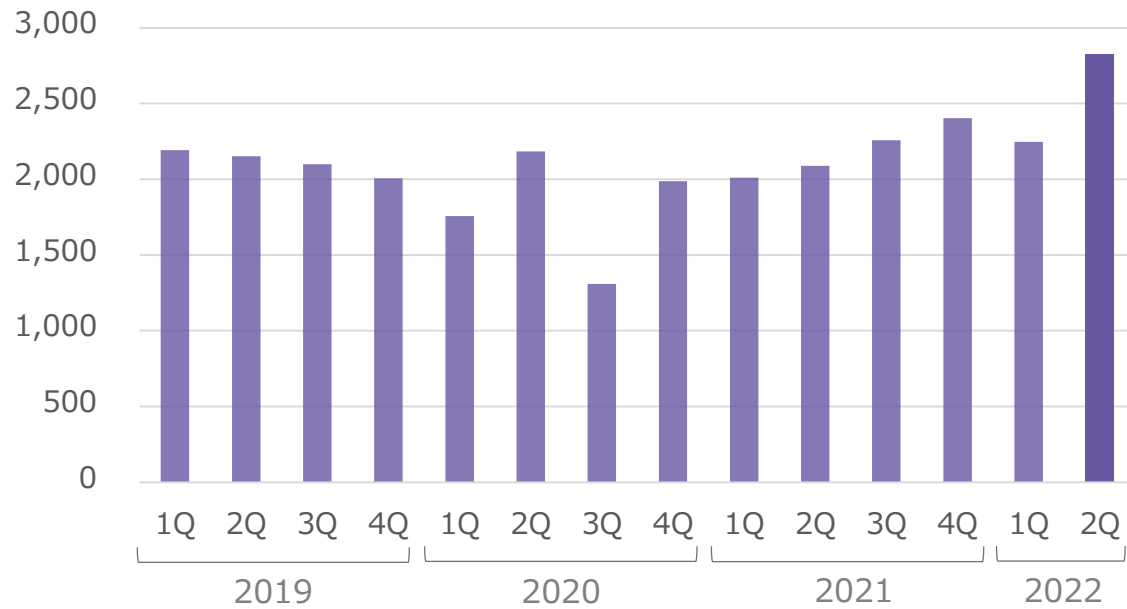


reduces the no. of ATMs (as of end of August: 147 units / -257 units compared to the same month of the previous year)

## Capturing Consumption Demand (Hong Kong)

- Total transaction volume is higher than in 2019 before the covid-19 pandemic
- Further expand transaction volume by cultivating new customer segments

Changes in Transaction Volume



(Unit : millions of HKD)

## AEON Card WAKUWAKU issuance begins

- Targeting people in 20s and 40s with a high desire to consume, issued AEON Card with cashback benefits
- Increase the return rate by using it online, at restaurants, Japan, etc. Against the backdrop of the easing of travel restrictions and the ongoing depreciation of the yen, it will try to capture the growing demand for travel.



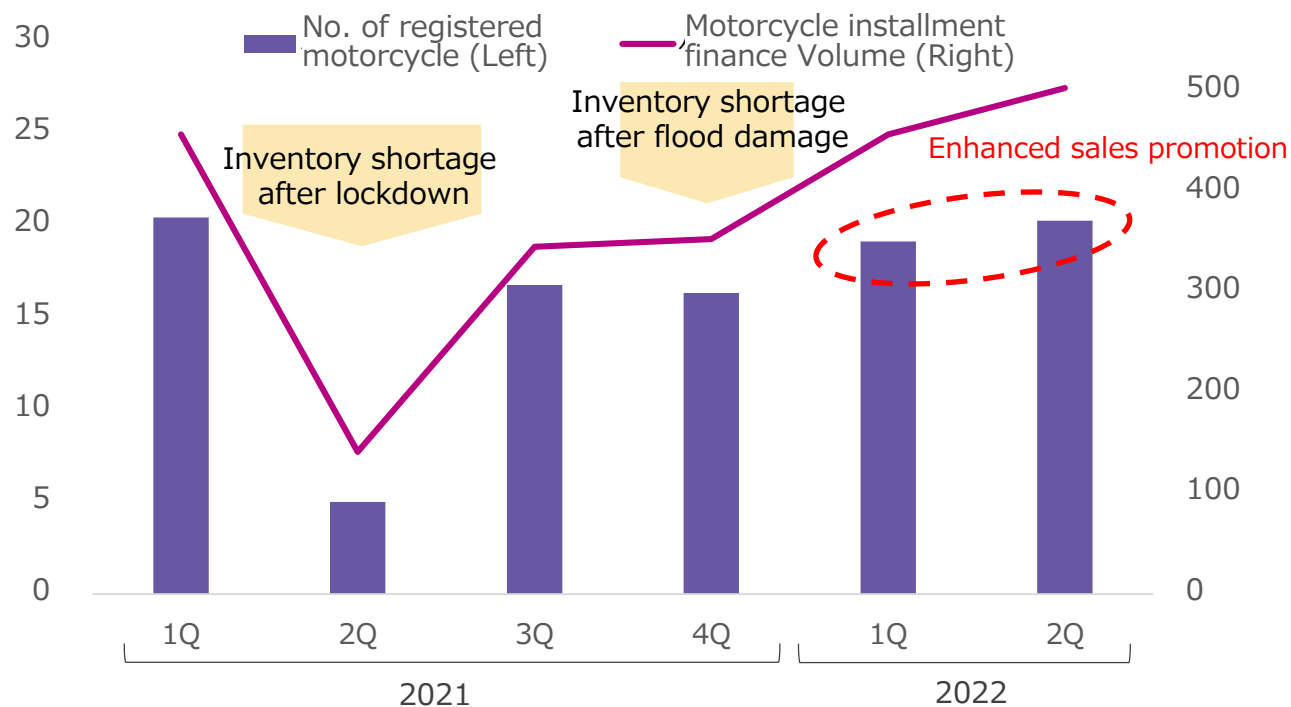
 Online Spending	 Japan Spending	 Local Food & Beverage Spending
6% Cash Rebate	3% Cash Rebate	1% Cash Rebate
 Other Spending	 Birthday Privilege	 AEON Stores Spending Privilege
0.5% Cash Rebate	Overseas Spending Extra 4% Cash Rebate	2 <sup>nd</sup> and 20 <sup>th</sup> Thanksgiving Days 5% discount



## Capturing Consumption Demand (Malaysia)

- Promote installment finance of individual motorcycle items whose recovery has been delayed due to inventory shortages and the use of personal loans that expand demand for funds

**Motorcycle Market and ACS Malaysia Transaction Volume**



(Unit : ten thousand)

(Unit : millions of RM)

### Incentive sales promotion to excellent motorcycle member stores

- Incentives for the top 200 member stores (80% of the share) in installment finance txn volume of individual motorcycle items based on the acquisition of excellent customers (June 2022 to February 2023)  
 → **Achieving both an increase in txn vol. and a higher quality of operating receivables**

### Promoting the use of personal loans

- Conduct a speedy screening by simplifying the process for those who apply for a certain amount or less and have good screening score

### 3. Overview of Global Business

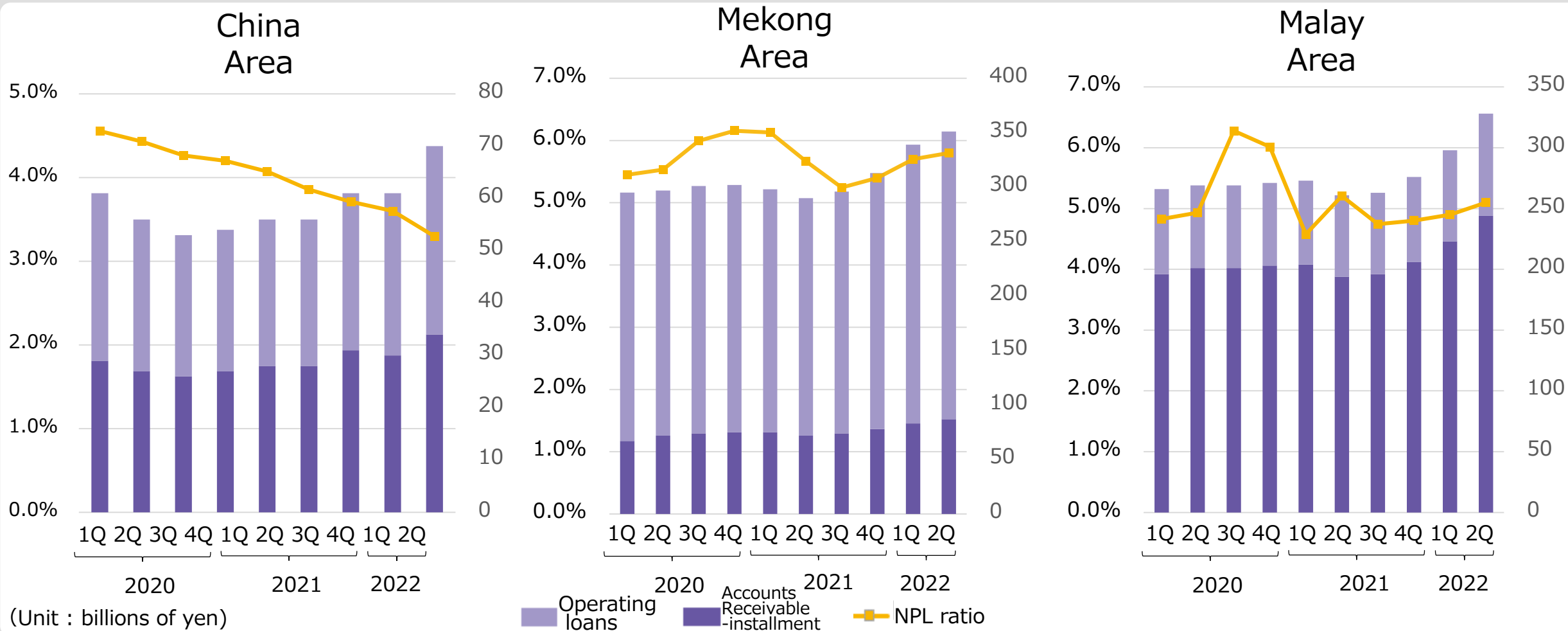
## Transaction volume and the status of outstanding receivables of Global business

- Strengthening sales promotion measures in major areas and expanding transaction volume
- Operating receivables balance exceeds the first half of 2019 before the covid-19 pandemic

(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>78.4</b>	142%	136%	<b>129.3</b>	157%	107%	<b>25.5</b>	132%	87%	<b>233.3</b>	148%	112%
	Outstanding Receivables	<b>65.4</b>	+19.9	+13.5	<b>157.6</b>	+37.8	+30.7	<b>22.6</b>	+2.5	+0.2	<b>245.7</b>	+60.3	+44.5
Installment finance	Transaction volume	-	-	-	<b>7.1</b>	90%	43%	<b>50.6</b>	177%	106%	<b>57.7</b>	158%	90%
	Outstanding Receivables	-	-	-	<b>24.8</b>	+1.1	+6.6	<b>222.7</b>	+44.8	+58.1	<b>247.5</b>	+45.9	+64.8
Personal loans	Transaction volume	<b>11.1</b>	194%	269%	<b>46.7</b>	135%	81%	<b>21.5</b>	198%	103%	<b>79.4</b>	155%	96%
	Outstanding Receivables	<b>18.4</b>	+7.4	+3.0	<b>170.1</b>	+22.8	+13.1	<b>83.4</b>	+19.7	+17.1	<b>272.1</b>	+49.9	+33.4
Total	Transaction volume	<b>89.6</b>	147%	145%	<b>183.2</b>	146%	94%	<b>133.6</b>	227%	137%	<b>370.6</b>	151%	104%
	Outstanding Receivables	<b>83.9</b>	+27.3	+16.6	<b>352.6</b>	+61.8	+50.5	<b>328.8</b>	+67.1	+75.5	<b>765.4</b>	+156.3	+142.8

## Outstanding receivables and NPL ratio of the global business

- The NPL ratio in China Area continues to improve. In Mekong and Malay Areas, the NPL ratio increased in the 1H of the year due to economic recovery



## FY2022 earnings forecast, dividend forecast (unchanged)

- In view of uncertainties in the economic environment, such as interest rates and price rises, there is no change in earnings forecasts.

### Consolidated

**Operating revenue**<sup>(※1)</sup> (YoY)  
**¥445.0bn** (101%)

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

### Profit attributable to owners of parent

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

### Domestic

(YoY)  
**¥290.0bn** (96%)

**¥21.0bn** (81%)  
 ~ **¥23.0bn** (~ 88%)

### Global

(YoY)  
**¥155.0bn** (112%)

**¥35.0bn** (104%)  
 ~ **¥38.0bn** (~ 112%)

### Dividends per share

( Increase in dividends )

**Annual ¥50(+ ¥4)**  
 Interim : **¥20** (+¥3)  
 Year-end : **¥30** (+¥1)

### Payout ratio

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

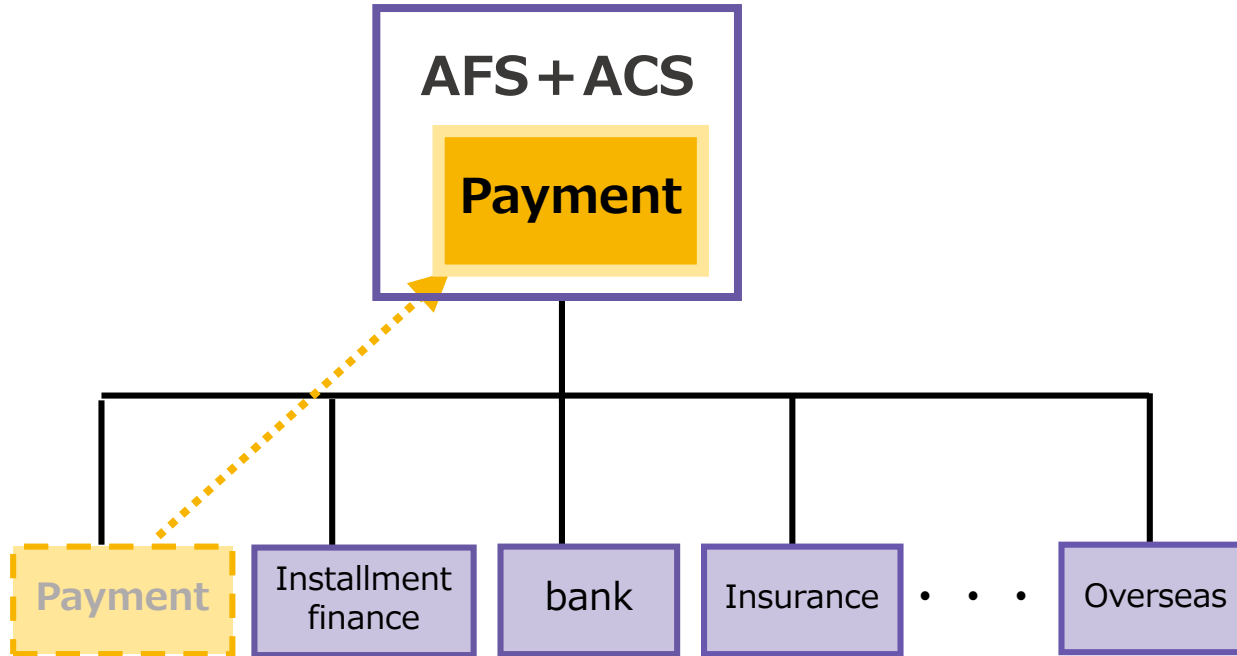
※1 Operating revenue is the number after the application of the accounting standard on revenue recognition.

# **Future Directions**

## Restructuring of domestic businesses

- Shift to a system centered on the payment business in order to promote the consolidation of resources and the creation of customers

### <Business Restructuring Chart>



→Marketing and innovation functions are utilized across the Group

Purpose of the restructuring

**Maximizing Group Synergies**  
⇒Maximizing the lifetime value of customers

**Evolve into a company that is most supported by customers to accelerate the growth of the payment business**

+

**Investing management resources in key divisions to Expand ID and member networks**

## Future Directions– Domestic business

- Expand the no. of IDs and places to used, promote cross-selling, and accelerate the development of business infrastructure

Key Initiatives	Initiatives in the 2H	Target
Expanding the no. of IDs	Further expansion of the no. of IDs by improving convenience	AEON Card annual acquisition of more than 2 million
Expansion of the no. of member stores	Strengthening the system to expand the franchisee network	4 million locations by FY2025
Promotion of use	Campaigns that respond to changes in consumer demand	Product organization, integration, and attractiveness
Promotion of cross-selling	Mortgage × Expansion of AEON Card benefits	Gold card membership expansion
Development of business infrastructure	Renovation of the bank infrastructure system, construction of the next AEON Card system	Online Merges with Offline (hereafter “OMO”) promotion and system to support 50 million members

## Expansion of the no. of IDs and member networks

- Strengthening collaboration inside and outside the AEON Group expands the no. of common IDs for the AEON Group and the network of member stores

### Strengthening recruitment of members

- Aim to acquire more than 2 million members a year by adding attractiveness through branding and expansion of the contents of benefits

### “AEON Pay” function on AEON Wallet



#### Key features of the app

- View statement
- Manage point
- Receive coupons
- etc

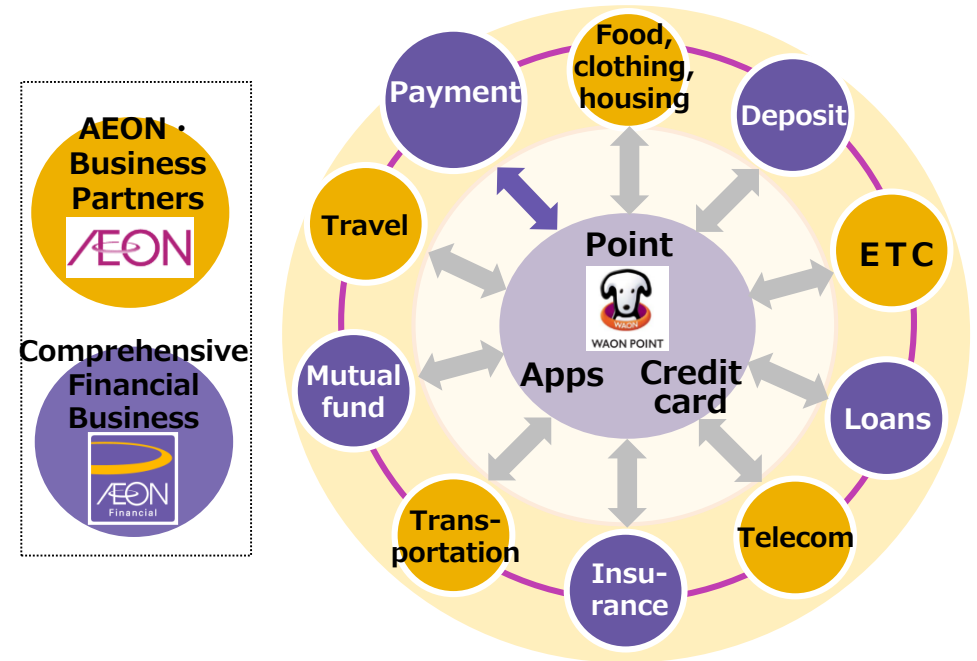


Code Payments

Expand the no. of common group IDs

### Expansion of AEON Pay member network

FY2025 target: 4 million locations





## Promotion of use

- Strengthen sales promotion in response to the bipolarization of customer needs, against the backdrop of rising prices and the recovery in consumption from the covid-19 pandemic

### External environment

Acceleration of inflation

The depreciation of the yen

Revitalizing the economy

Government's consumption expansion Policy

### Customer

Growing awareness of lifestyle protection

- Soaring utility bills
- Raising prices of food & daily necessities, etc.

Resurgence of Consumption demand

- Travel/leisure
- Eating out, etc.

### Initiatives

Implementing measures to support the balanced consumption of customers who seek "savings" and "luxury" at the same time

Tohoku Electric Power Company Reduction Campaign



Railway Company Collaboration Campaign



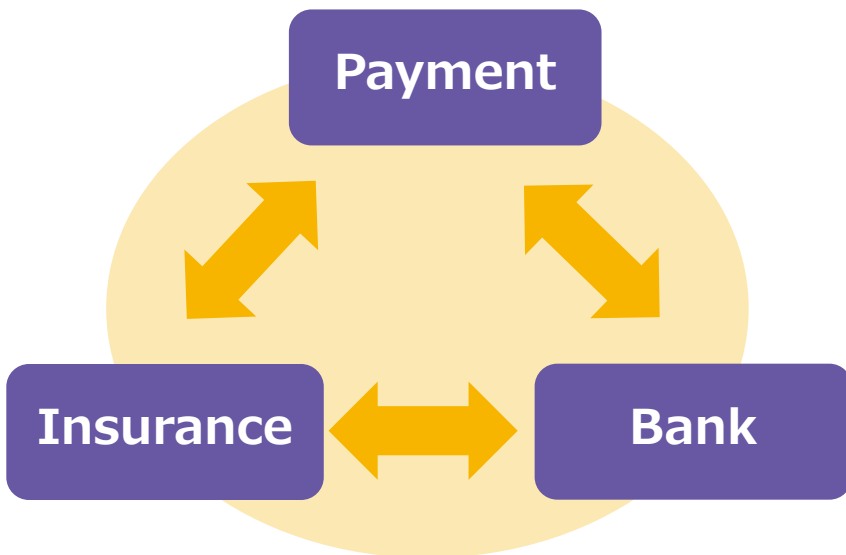
Online Sale Campaign



## Promote cross-selling

- Expand housing loans usage benefits, 5% discount at AEON stores at any time from contract time to full payment

Using settlement as a hook,  
promote cross-selling of products  
and services such as banks and  
insurance



## Expand benefits of AEON Select Club (from March 2023)

**Discount applied until loan repayment**

Annual Discount Limit : Unlimited



**Expansion of housing loans txn vol.**



**Promoting the Use of AEON Cards**

## DX Initiatives – Operational Reform (Domestic business)

- Promote OMO through the renewal of the system infrastructure, the strengthening of the organizational structure, and the education of human resources.

### Initiatives to strengthen the OMO promotion system

- **Renewal of the system infrastructure**

Renewed AEON Bank's accounting system (completed in October). In response to new online services for OMO & expansion of txn vol., API connection enhancement & capacity expansion were implemented.

- **Strengthening the organizational structure**

Share the know-how of each company, through the DX Promotion Committee. Going forward, consolidate the R&D divisions of each Group company and accelerate the introduction of advanced technologies.

- **Strengthening DX education for employees**

### Expansion of AEON Bank's "Online Consultation Service" functions



- Staff can check the screen operated by the customer together to improve the ease of understanding
- By strengthening the functions, it is possible to complete investment trusts, foreign currency deposits, and various loans up to the application procedure

## Future Directions– Global business

- Approaching new customer segments by promoting digital financial inclusion and expanding business domains and products

Key initiatives	Initiatives in each country		
Promoting digital financial inclusion	App enhancements (Malaysia)	Introduction of e-KYC (Thailand, Malaysia)	Opening a Digital Bank (Malaysia)
Expansion of business domains and products	Strengthening the insurance business and promoting the cross-selling of credit cards and insurance (Thailand, Malaysia)	Strengthening Nanofinance (Thailand)	Implementing BNPL (Indonesia)

## Future Directions– Global business–Digital Financial Inclusion – DX Promotion/e-KYC

- Incorporating financial functions into AEON's retail app in Malaysia
- Promote non-face-to-face applications through the introduction of e-KYC.  
Following the start of operations in Malaysia, it is scheduled to start in Thailand

### Grow customer base with app

- AEON Malaysia official app makes it possible to apply for financial products  
(Credit Cards, Personal Loans, Insurance)
- Promoting cross-selling to retail customers



### Simplification of application by e-KYC

【Malaysia】

Utilize e-KYC and external credit information scores to improve the speed and system of screening while making applications simpler.

【Thailand】

Aim to improve the speed of examination and go paperless by introducing e-KYC in the future.

### <Digital Bank Schedule>

- Preparing for the start of business in October 2023

## 5. Future Directions

### – **Global business – Expansion of business domains and development of new products**

- Cultivating a new customer base by expanding the insurance business and introducing new services such as nanofinance and BNPL

#### **Thailand: Cross-selling by expanding insurance sales**

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- Through insurance sales at **Big-C Group stores**, the number of in-store reception channels has been expanded from approximately 30 to 150 locations.
- In addition, Started selling insurance on the app (automobile, travel, cancer medical care)

#### **Malaysia: Expansion of insurance business**

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- **Entered the insurance brokerage business** and expanded product lineup

#### **Thailand: Acquisition of "nanofinance" license**

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- AI analyzes the sales and purchase history of sole proprietors using local delivery companies
- Providing loans to people who have not been able to approach them in the past

#### **Indonesia: Expansion of BNPL services**

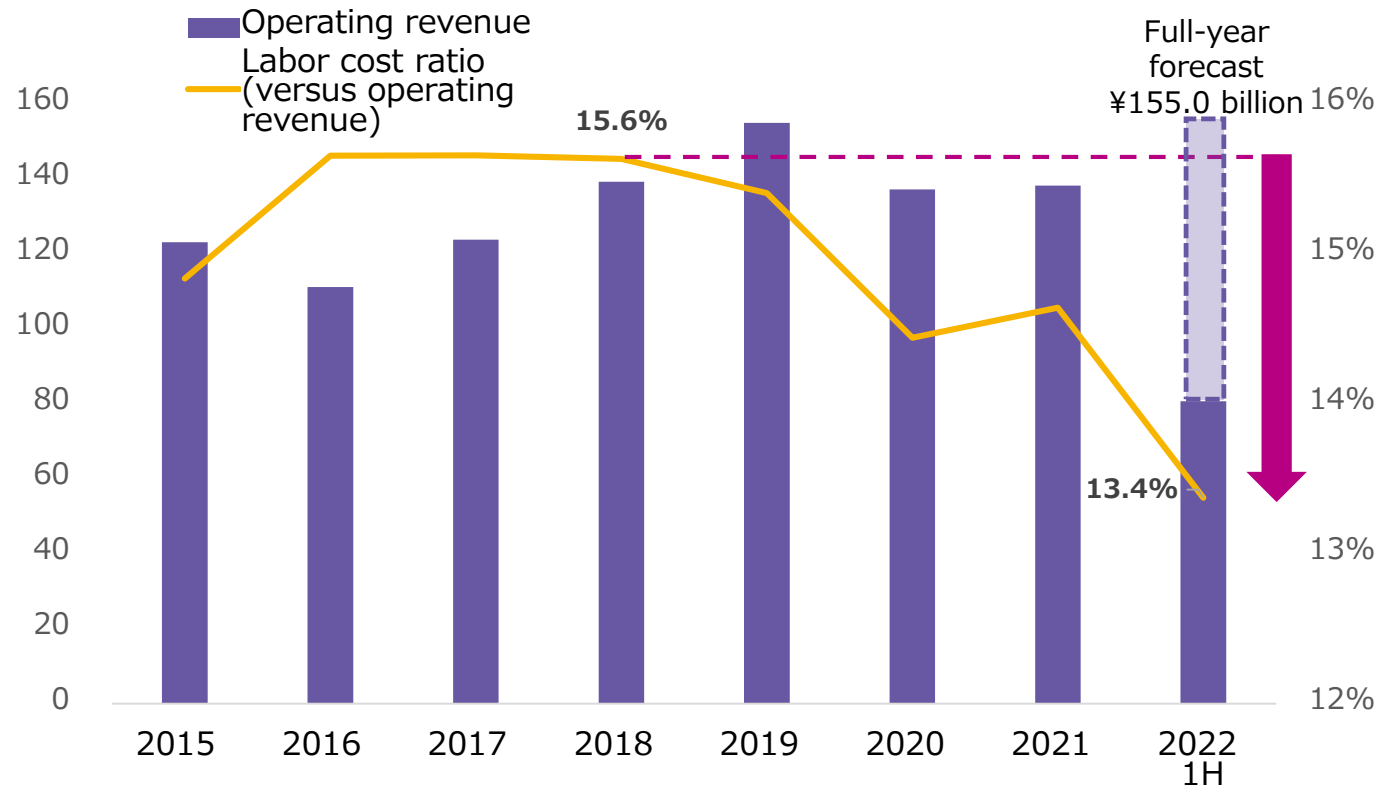
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- BNPL services can be deployed using QR Code Standard (QRIS), which is widely used in Indonesia
- Expand partners so that they can be used at major online shops, etc

## Promotion of DX in Global Business

- In each country, through DX, the ratio of personnel expenses to operating revenue has improved significantly, mainly in Thailand and Malaysia

## Status of productivity improvement in Global Business



Major subsidiaries	Full Year FY2018	1H FY2022
Thailand	14.9%	9.3%
Malaysia	14.7%	10.7%

## FY2022 earnings forecast, dividend forecast (unchanged)

- In view of uncertainties in the economic environment, such as interest rates and price rises, there is no change in earnings forecasts.

### Consolidated

**Operating revenue**<sup>(※1)</sup> (YoY)  
**¥445.0bn** (101%)

**Operating profit**  
**¥55.0bn** (93%)  
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### Dividends per share

( Increase in dividends )

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

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 ~ **40.0%**

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# **APPENDIX**

## ESG Initiatives (TCFD Compliance, Strengthening Governance, External Evaluation)

### Disclosures based on the Task Force on Climate-related Financial Disclosures (TCFD)

- Based on the TCFD framework, disclosed assessments and targets for the impact of climate change on the Group's businesses

#### ■ Governance System

The Company's sustainability enforcement system

#### ■ Strategy

Analyze risks and opportunities associated with climate change by scenario

#### ■ Risk Management

Risk management process

#### ■ Metrics and Goals

Main climate-related indicators and GHG emissions in the Group

HP : <https://www.aeonfinancial.co.jp/en/activity/environment/climate/>

### Initiatives to Strengthen Governance

- For the purpose of monitoring conflict-of-interest transactions with the parent company, a special committee (Transaction Review Committee) composed of outside directors has been established.

### ESG External Evaluation

#### ■ AFS

- Selected as a constituent stock of the FTSE Blossom Japan Sector Relative Index, one of the ESG indices adopted by the GPIF



**FTSE Blossom  
Japan Sector  
Relative Index**

#### ■ ACS Malaysia

- Highest ESG ranking by FTSE with a 4-star rating
- In addition, selected for the FTSE 4Good Bursa Malaysia Index, which consists of 200 companies with the same rating, for the 8th consecutive year since 2015



**FTSE4Good**

## DX Initiatives - Improvement of Administrative Operations (Domestic business)

- On September 1, 2022, **ACS Credit Management** became the first debt collection company to obtain certification as a "DX Certified Business Operator" as defined by the METI
- Provide a new solution to improve debt collection operations ahead of the industry as a "tech servicer" through the fusion of advanced technology and servicer business

DX Initiatives of ACS Credit Management  
- Measures and Promotion System -



No. of Certified Business Operators  
484 companies  
(As of Sep 2022)

### ① Improved collection ratio

Utilizing AI modeling tools, data analysis is easily and automatically performed from attribute information, customer information, etc., and collection work is optimized.

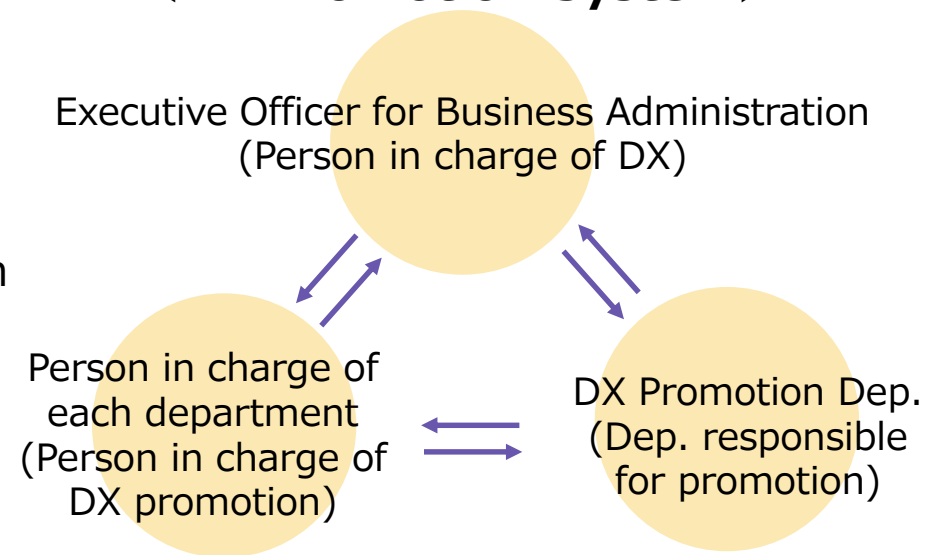
### ② Increased productivity

In addition to automating telephone answering operations with an interactive voice response (IVR) system, a speech recognition system automatically converts conversation records into text.

### ③ Streamlining of operations

Digitization with workflow systems and paperless tools, and automation with RPA tools reduce clerical work

### <DX Promotion System>



## 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 the FY2022 1Q, operating revenue and operating expenses both decreased by ¥17.4 bn on a consolidated basis, and by ¥17.5 bn in Domestic business compared to before the standards were applied
- Mainly it is a numerical recombination of domestic business, and there is no change in global business

### FY2022 1H Results

(unit : millions of yen)

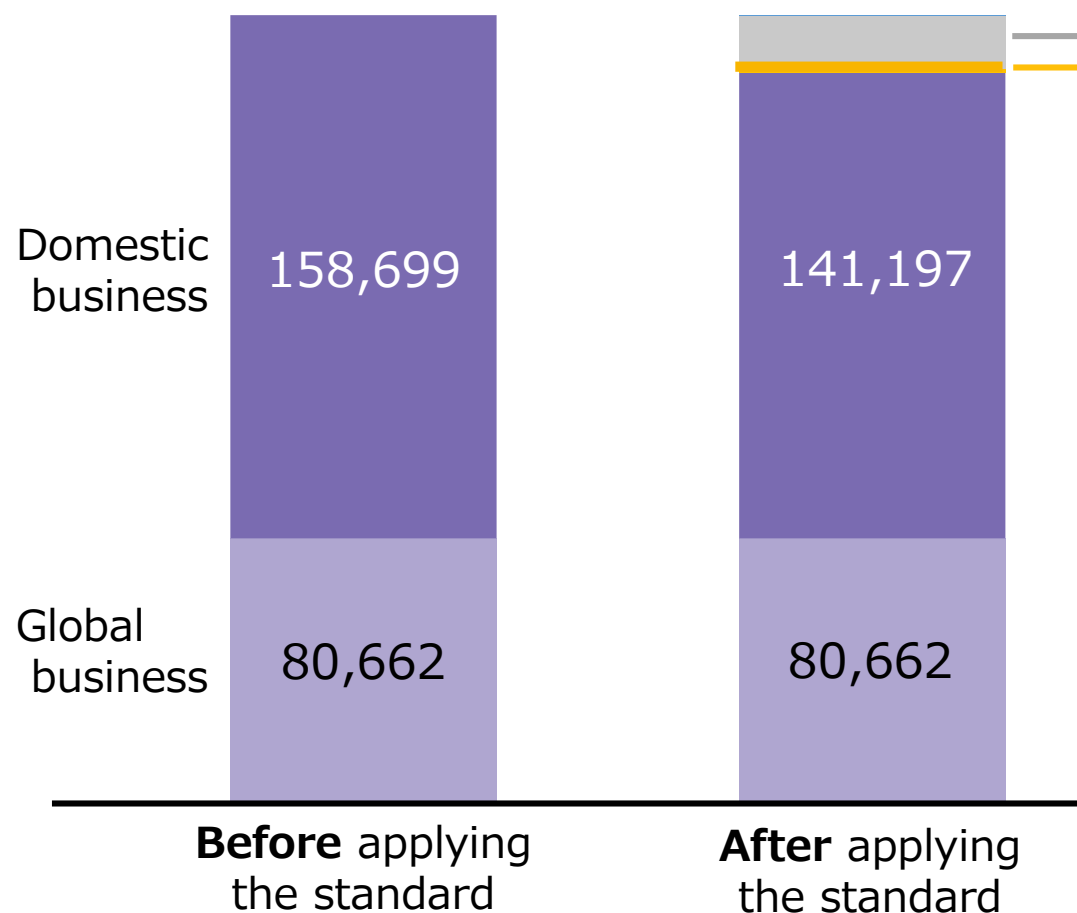
	Before applying the standard				After applying the standard			Difference	
	Consol.	Domestic	Global		Consol.	Domestic	Global	Consol.	Domestic
Operating Revenue	<b>238,997</b>	<b>158,699</b>	80,662	→	<b>221,579</b>	<b>141,197</b>	80,662	<b>▲17,418</b>	<b>▲17,502</b>
Operating Expenses	<b>207,139</b>	<b>148,238</b>	58,780		<b>189,721</b>	<b>130,735</b>	58,780	<b>▲17,418</b>	<b>▲17,502</b>
Operating Profit	31,857	10,461	21,882		31,857	10,461	21,882	±0	±0
Net Profit	18,204				18,204			±0	

## Impact of the application of the accounting standard on revenue recognition

- In the FY2022 2Q, domestic revenue from credit card business of ¥16.2 bn and domestic e-money revenues of ¥1.1 bn were affected
- Advertising expenses also decreased by the same amount, and there was no impact on operating profit

### FY2022 1H Operating Revenue

(unit : millions of yen)



#### Revenue from credit card business

▲ 16,291

Point expenses granted mainly for the use of credit card have been changed from advertising expenses to offsetting credit card revenues

#### Revenue from E-money

▲ 1,126

Point expenses granted mainly for the use of e-money have been changed from advertising expenses to offsetting e-money revenues

#### Other revenues (Elimination) ▲ 84

Transactions between subsidiaries and external parties through the head office

## 2Q Results by Segment

(Unit : billions of yen)

	Domestic Total ※1			Global Total ※1			Consol. Total ※3	
	Retail ※2	Solutions ※2		China Area	Mekong Area	Malay Area		
<b>Operating Revenue</b>	<b>141.1</b>	<b>85.7</b>	<b>85.6</b>	<b>80.6</b>	<b>10.5</b>	<b>41.2</b>	<b>28.9</b>	<b>221.5</b>
YoY※4	<b>84%</b>	<b>77%</b>	<b>98%</b>	<b>116%</b>	<b>139%</b>	<b>112%</b>	<b>115%</b>	<b>93%</b>
Change※4	△ <b>27.8</b>	△ <b>25.4</b>	△ <b>2.2</b>	<b>+11.1</b>	<b>+2.9</b>	<b>+4.5</b>	<b>+3.7</b>	△ <b>16.3</b>
<b>Operating Profit</b>	<b>10.4</b>	<b>4.0</b>	<b>6.9</b>	<b>21.8</b>	<b>3.4</b>	<b>9.5</b>	<b>8.8</b>	<b>31.8</b>
YoY	<b>68%</b>	<b>68%</b>	<b>71%</b>	<b>120%</b>	<b>116%</b>	<b>126%</b>	<b>116%</b>	<b>96%</b>
Change	△ <b>5.0</b>	△ <b>1.8</b>	△ <b>2.9</b>	<b>+3.6</b>	<b>+0.4</b>	<b>+1.9</b>	<b>+1.2</b>	△ <b>1.3</b>
<b>Operating Profit Ratio</b>	<b>7.4%</b>	<b>4.8%</b>	<b>8.1%</b>	<b>27.1%</b>	<b>32.4%</b>	<b>23.3%</b>	<b>30.7%</b>	<b>14.4%</b>
Change※4	△ <b>6.8pt</b>	△ <b>0.6pt</b>	△ <b>3.1pt</b>	△ <b>1.0pt</b>	△ <b>6.3pt</b>	<b>+2.5pt</b>	<b>+0.4pt</b>	<b>+0.4pt</b>
							<b>Profit attributable to owners of parent</b>	<b>18.2</b>
							<b>Change</b>	<b>0</b>

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

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

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

※4 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.

**Reference: The impact on earnings due to securitization ¥6.8 bn(▲¥0.4 bn compared to the same period of the previous year)**

## 2Q Results by Area

(unit : billions of yen)

		Transaction volume	FY2021 2Q Compared to same period	FY2019 2Q 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	3,341.3	108%	110%	1,556.2	+85.9	△21.3
	Card shopping	3,179.7	109%	112%	1,166.6	+86.1	△12.0
	Cash advance	161.5	103%	76%	389.5	△7.8	△9.3
	Installment finance	97.6	102%	79%	725.7	+1.0	△3.7
	Housing loans	254.8	84%	85%	3,204.6	+131.4	+35.5
	Others	-	-	-	951.8	+25.7	+43.1
	Total	-	-	-	6,503.9	+241.9	+55.8
Global	Credit card	233.3	148%	112%	245.7	+39.5	+18.4
	Card shopping	167.7	143%	120%	125.2	+18.4	+9.3
	Cash advance	65.5	164%	96%	120.4	+21.1	+9.1
	Installment finance	57.7	158%	90%	247.5	+38.8	21.5
	Personal loans	79.4	155%	96%	272.1	+33.7	+14.4
	Total	-	-	-	765.5	+112.1	+54.4
Consol. Total		-	-	-	7,314.6	+352.6	+109.3

※The ratio of the same period in the FY2019 1Q 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)	47.76	+0.44	30.32	+0.23	17.44	+0.21

**【Domestic】**

- 0.88 million new card members (YoY +0.09 million cards )
- 15.45 million cards with contactless payment function issued (YoY +3.42 million cards)

**【Global】**

- Malaysia e-money membership 2.28 million (YoY +0.08 million cards )



## FY2022 2Q Global Business Performance (Local currency)

		FY2021 1H		FY2022 1H	
		Results	YoY	Results	YoY
AEON CREDIT SERVICE (ASIA) (HK\$'000)	Revenue	511,570	89%	571,730	112%
	Profit before tax	206,999	114%	211,111	102%
	Profit for the period	172,340	113%	176,774	103%
AEON THANA SINSAP (THAILAND) (BAHT'000)	Total Revenues	10,385,613	94%	10,960,066	106%
	Profit before income tax	2,350,579	129%	2,619,571	111%
	Net profit for the period	1,801,009	130%	2,090,039	116%
AEON CREDIT SERVICE (M) Berhad (RM'000)	Revenue	785,441	104%	789,442	101%
	Profit before tax	318,003	280%	315,582	99%
	Profit for the period	238,575	306%	238,718	100%

※Excerpted from each company's announcement materials. Consolidated figures are showed.

## FY2022 2Q Global Business Performance (Yen conversion)

AEON Credit Service (Asia) Co., Ltd.	FY2021 1H	FY2022 1H	
	Results	Results	YoY
Operating income	7.2	9.4	131%
Operating profit	2.9	3.4	119%
Net income	2.4	2.9	120%

(Unit : billions of yen)

Exchange rates: HKD 1  
 • FY2021 1H : ¥14.08  
 • FY2022 1H : ¥16.49

Fiscal period  
 : 1/3/2022 to 31/8/2022

AEON THANA SINSAP (THAILAND) PCL.	FY2021 1H	FY2022 1H	
	Results	Results	YoY
Operating income	35.9	40.8	114%
Operating profit	8.1	9.7	120%
Net income	6.2	7.7	125%

Exchange rates: THB 1  
 • FY2021 1H : ¥3.46  
 • FY2022 1H : ¥3.73

Fiscal period  
 : 1/3/2022 to 31/8/2022

AEON Credit Service (M) Berhad.	FY2021 1H	FY2022 1H	
	Results	Results	YoY
Operating income	20.7	23.4	113%
Operating profit	8.4	9.3	112%
Net income	6.3	7.0	112%

Exchange rates: MYR 1  
 • FY2021 1H : ¥26.42  
 • FY2022 1H : ¥29.70

Fiscal period  
 : 1/3/2022 to 31/8/2022

## 2Q Consolidated Balance Sheet

- In the 1H of FY2022, the balance of operating receivables, including operating loans, banking loans, and installment accounts receivable, increased by ¥352.6 bn. Provision for doubtful accounts increased by ¥0.9 bn

### 【Consolidated operating receivables balance】

- Balance incl. securitization : ¥7,314.6 bn (+¥352.6 bn)  
in which, domestic balance : ¥6,503.9 bn (+¥241.9 bn)  
in which, global balance : ¥765.5 bn (+¥112.1 bn)
- Securitized amount (Domestic only) : ¥2,582.4 bn (△¥81.9 bn)

(unit : billions of yen)

	2Q Results	Change from beginning of FY
Cash and deposits	689.3	+85.3
Operating Loans	821.4	△2.6
Loan and bills discounted for banking business	2,158.6	△68.1
Accounts receivable – installment	1,740.0	+11.3
Allowance for doubtful accounts	△128.8	△3.2
Other Assets	1,293.6	+86.0
<b>Total assets</b>	<b>6,574.3</b>	<b>+108.5</b>

	2Q Results	Change from beginning of FY
Deposits	4,333.4	+85.6
Accounts payable-trade	257.7	△14.8
Interest-bearing debt (excl. deposits)	1,195.9	+24.4
Other liabilities	249.2	△3.3
<b>Total liabilities</b>	<b>6,036.4</b>	<b>+91.8</b>
<b>Total net assets</b>	<b>537.9</b>	<b>+16.6</b>
<b>Total liabilities and net assets</b>	<b>6,574.3</b>	<b>+108.5</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	8.7	8.2
Write-off of doubtful accounts (including transferred debt)	1.2	10.2	11.5
Allowance for doubtful accounts balance at end of period	3.7	52.2	55.6

(Subsidiaries in domestic) AEON Credit Service : 36.3, AEON Bank : 3.7, AEON Product Finance : 7.3, AEON Housing Loan Service : 1.3

	FY2021 2Q	FY2022 2Q
Beginning of period	5.7	6.4
Provision	0.0	0.0
Interest refunded	1.8	1.5
End of period	3.8	4.9

	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	1.4	12.7	6.1	20.3	28.6
Write-off of doubtful accounts (including transferred credit)	0.8	10.6	1.5	12.9	24.3
Allowance for doubtful accounts, balance at end of period	3.3	42.1	26.8	72.3	1,28.8

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