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# FY2024 2Q IR Presentation Material

October 8, 2024



**AEON Financial Service**

Stock Listing: Tokyo Stock Exchange, Prime Market  
Code No: 8570

# Financial summary

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**Consolidated results show increased revenue and profit**  
**The business portfolio has been reviewed, and management resources have been concentrated in areas with high growth potential**

## **Business performance is continuing to improve**

Consolidated operating income was ¥27.1 bn (YoY 134%), due to the increase in consolidated operating revenue (YoY 108%) and the control of cost increases (YoY 105%)

- Domestic: In addition to settlement and banking revenues, fee revenues also increased. Cost efficiency continued to improve centered on sales promotion exp.
- Global: Operating revenues in each area reached record highs. Excluding the costs of launching the Digital Bank, overall Global Biz revenues and profits increased

## **Increased high-yield operating receivables balance (※(after securitization) has improved asset profitability**

Contribution to earnings from an increase in the ratio of high-yielding loans outstanding (Domestic: 17.1%/YoY +1.0pt)

- Domestic: ¥764.0bn (YoY 113%/ +¥53.7bn from beginning of term)
- Global: ¥972.3bn (YoY 111%/ +¥66.6bn from beginning of term)

## **Progress in reviewing business portfolio**

Implementation of business suspension, withdrawal and consolidation to concentrate management resources in growth areas

# The Highlights of the Consolidated Results

	Consolidated		Domestic		Global		FY2024 Forecast	Rate of progress
	YoY		YoY		YoY			
Operating Revenue	108 %	¥255.7 bn	103 %	¥148.4 bn	115 %	¥108.4 bn	¥520.0 bn	49 %
Operating Profit	134 %	¥27.1 bn	592%	¥9.4 bn	95 %	¥17.5 bn	¥55.0 bn	49 %
Ordinary profit	127 %	¥27.1 bn	—	—	—	—	¥55.0 bn	49 %
Profit attributable to owners of parent	141 %	¥10.2 bn	—	—	—	—	¥21.0 bn	49 %

# The Highlights of the Consolidated Results 2Q Accounting Period (3 months)

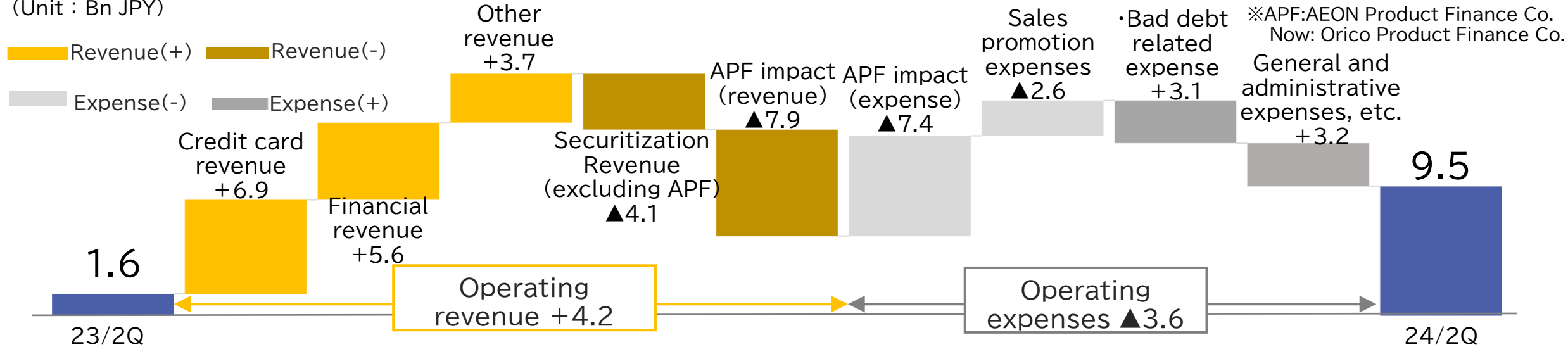
	Consolidated		Domestic		Global	
	YoY		YoY		YoY	
Operating Revenue	106 %	¥127.8 bn	101 %	¥73.1 bn	113 %	¥55.3 bn
Operating Profit	107 %	¥11.8 bn	414%	¥3.1 bn	85 %	¥8.8 bn
Ordinary profit	95 %	¥11.1 bn	—	—	—	—
Profit attributable to owners of parent	114 %	¥4.1 bn	—	—	—	—

Due to the domestic management integration implemented in June 2023, the results of AEON Financial Service Co., Ltd., which had been recorded as an adjustment amount, are now recorded in the domestic segment.  
Highlights of consolidated business results for the second quarter of the fiscal year ending February 2024 (3 months) are shown in the Appendix.

# [Domestic] Breakdown of Operating Profit

- Steady growth in credit card revenue and the recording of financial income covered the decrease in gains on the securitization of receivables
- The implementation of measures that emphasize cost efficiency has curbed sales promotion expenses, and the increase in bad debt-related expenses is proportional to the increase in the balance

(Unit : Bn JPY)



Main factors

## [Operating revenue]

- Card revenue +6.9  
(Credit card business +4.9, Financing+1.9)
- Financial revenue +5.6  
(Interest and dividends+2.3, gains on sales of securities+2.2)
- Other revenue +3.7  
(Impact of consolidation of FeliCa PM+2.1, Insurance sales commissions (service transaction revenue) 0.9)

## [Operating expenses]

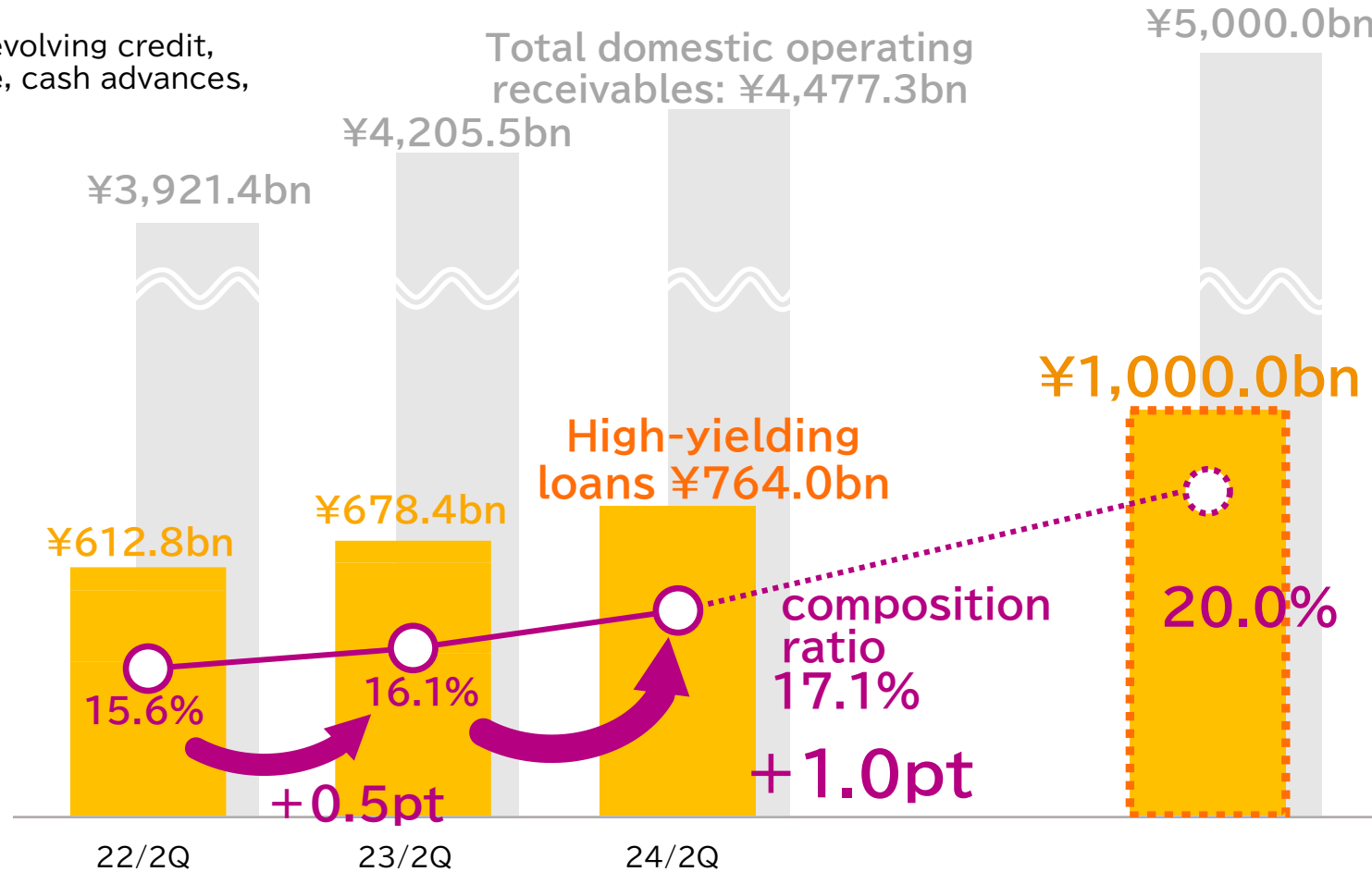
- Sales promotion expenses ▲2.6  
(Improving the efficiency of sales promotion expenses)
- Bad debt related expense +3.1  
(Impact of increase in operating receivables balance)
- General and administrative expenses, etc.+3.2  
(Impact of consolidation of FeliCa PM +1.8, Personnel expenses +0.7)

# [Domestic] Building a foundation for stock income

- The ratio of high-yielding loans to the balance of domestic operating receivables has improved, and asset profitability has increased
- Compared to the same period last year, the accumulation has accelerated

## Ratio of high-yielding loans and changes in balance (excluding securitization)

※High-yield loans: revolving credit, installment finance, cash advances, unsecured loans

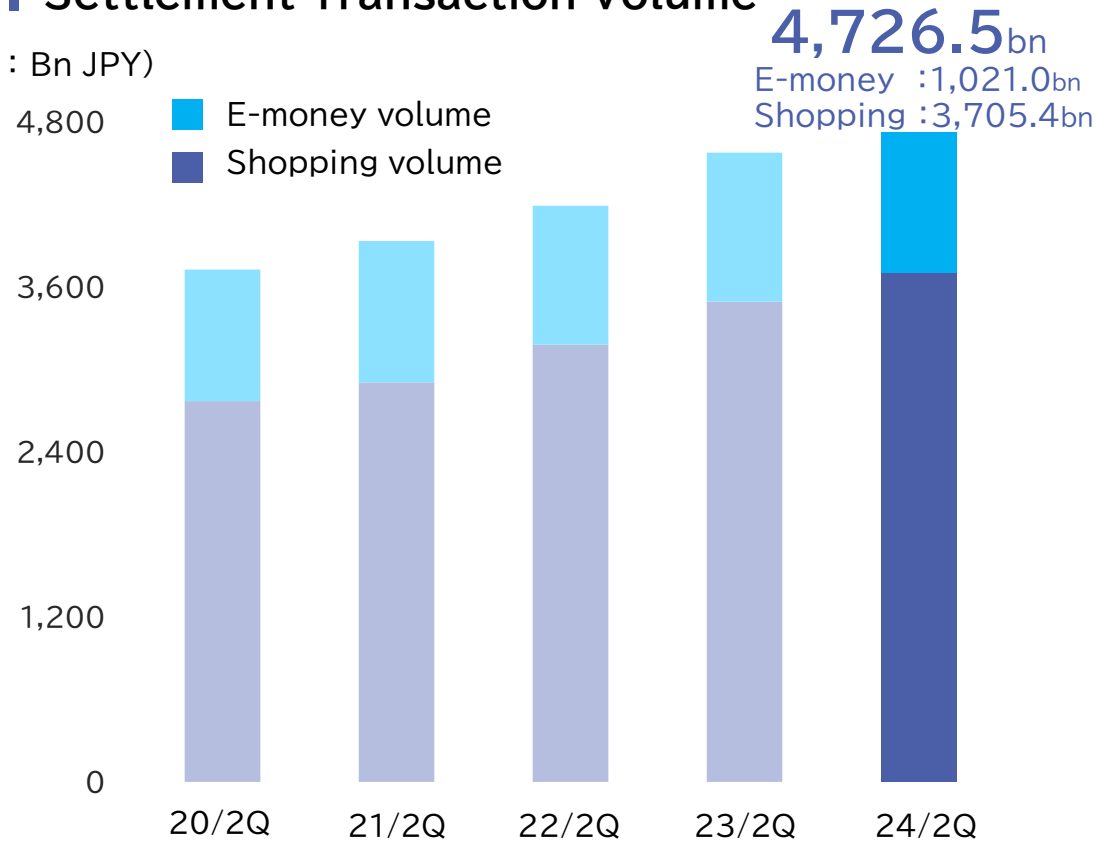


# [Domestic] Credit cards, E-money

- The shopping transaction volume increased 106% YoY, thanks to the penetration of benefits within the AEON Group and the promotion of AEON Pay usage
- The amount of cash advances exceeded the previous year due to continued measures to promote usage, and up 101% YoY

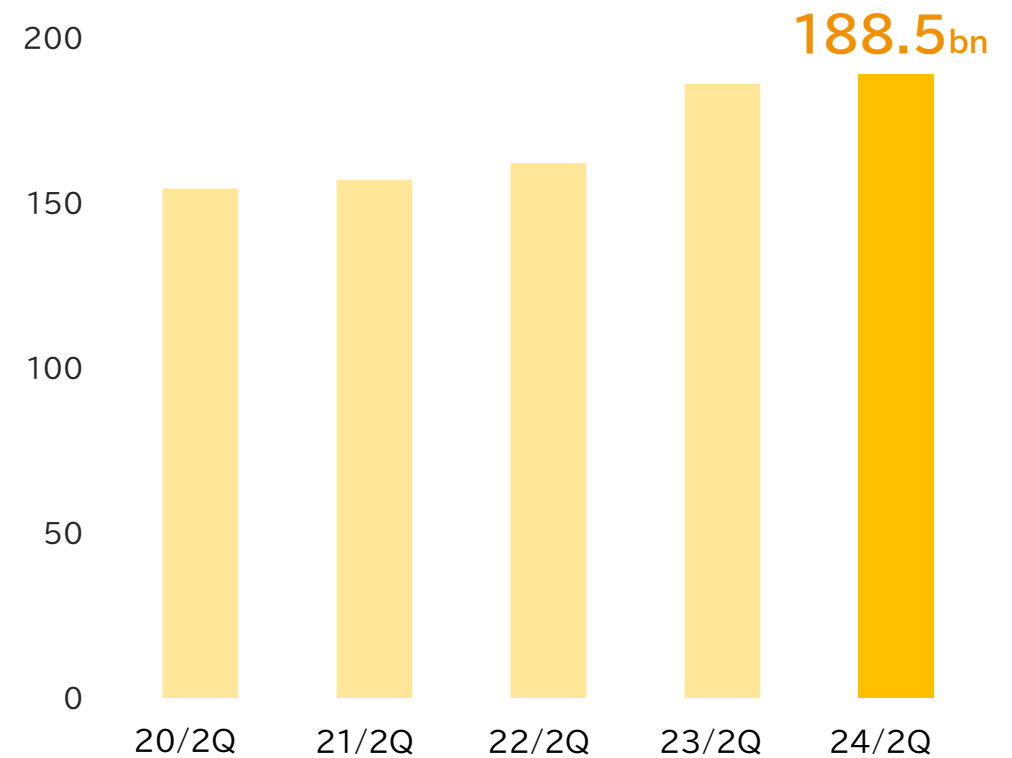
Settlement Transaction Volume

(Unit : Bn JPY)



Cash advance transaction volume

(Unit : Bn JPY)



# [Domestic] Expanding Group Synergy

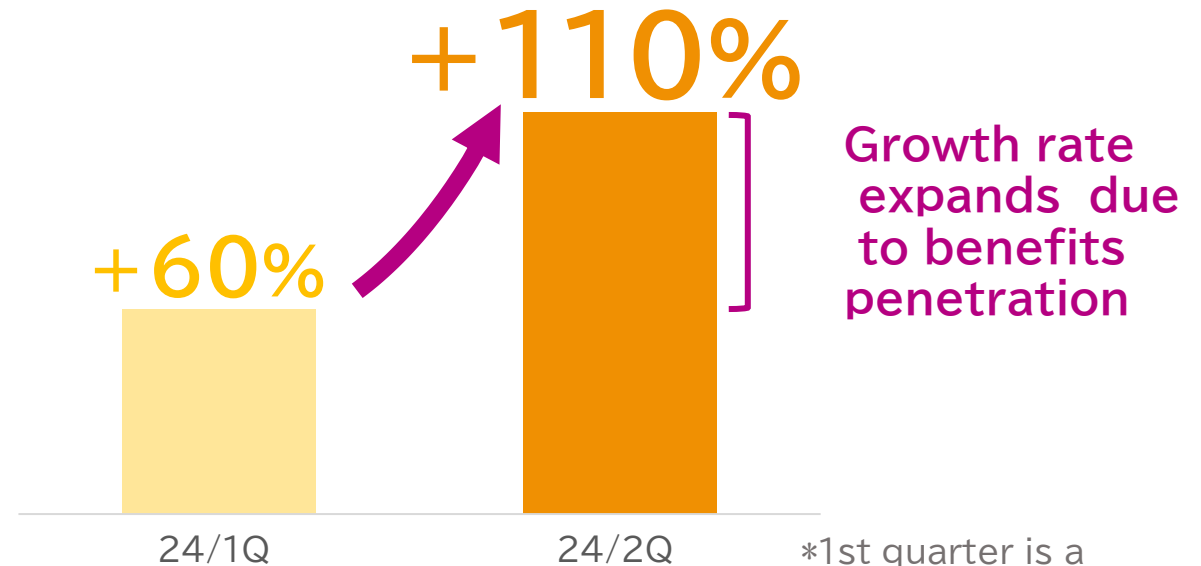
- The benefits for Gold members at AEON MALL which started in April, are becoming more widely known and the volume of transactions on Customer Thanks Day is increasing
- We will work to increase the attractiveness of group use and further expand group synergies

## Start of new special offers at AEON MALL (from April 2024)

5% OFF at specialty stores in AEON MALL  
on the 20th and 30th of every month



## AEON MALL Customer Thanks Day Credit Card Transactions (Same day of the previous year, same scale comparison)



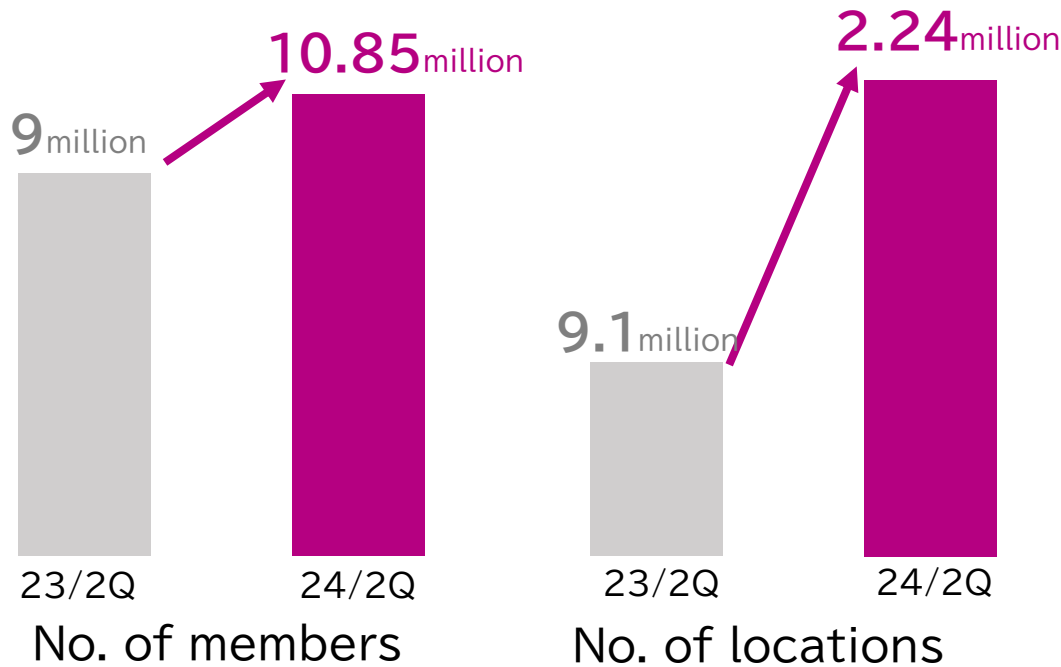
\*1st quarter is a comparison of April and May



# [Domestic] AEON Pay

- The number of AEON Pay members and the number of places where it can be used are both increasing steadily  
Progress is being made in developing the environment as a payment infrastructure
- The amount of money spent per person is increasing due to measures such as capturing small-sum payments and promoting group use

## Number of members and available locations



AEON Pay members  
Settlement amount

Vs. AEON Pay non-registered members

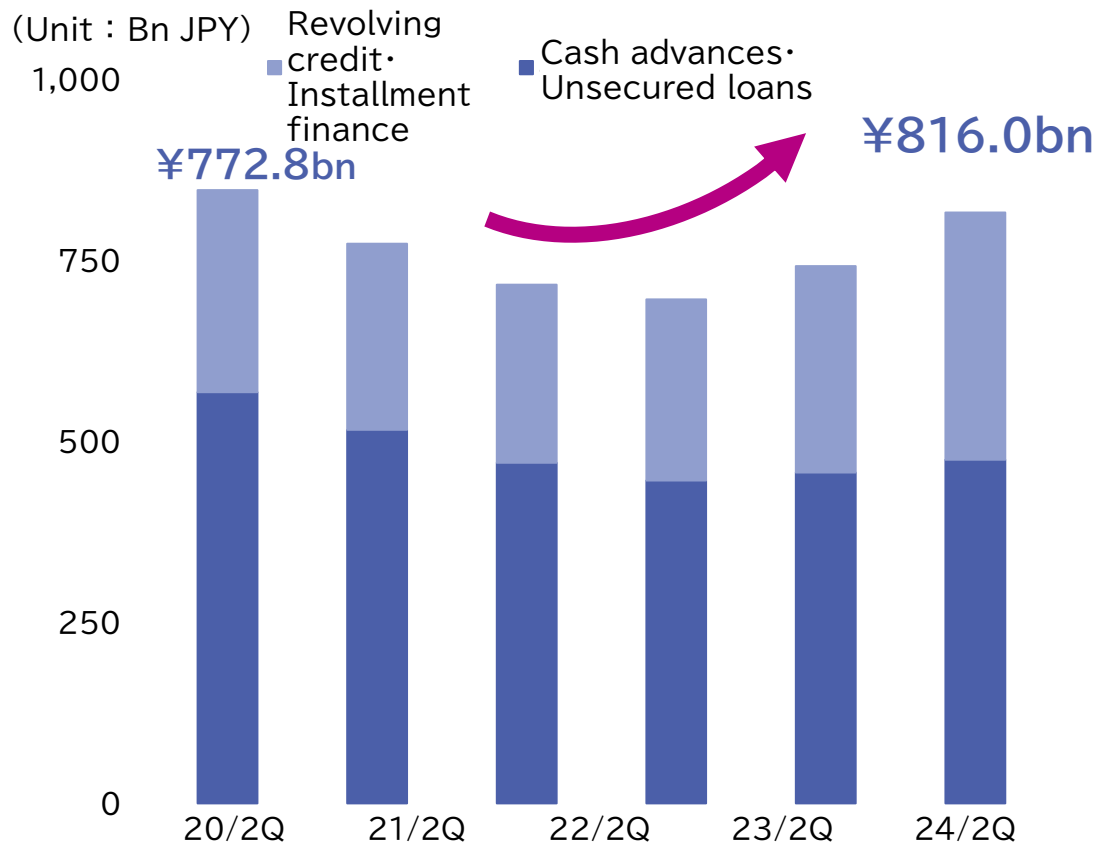
+ 5,500yen/month (23/2Q)

▶ + 17,500yen/month

# [Domestic] Status of acquisition of high-yield loans

- Due to improvements in the UI/UX of the app, both revolving and installment loans and cash advances have been steadily increasing

## Balance of high-yielding loans (including securitization)



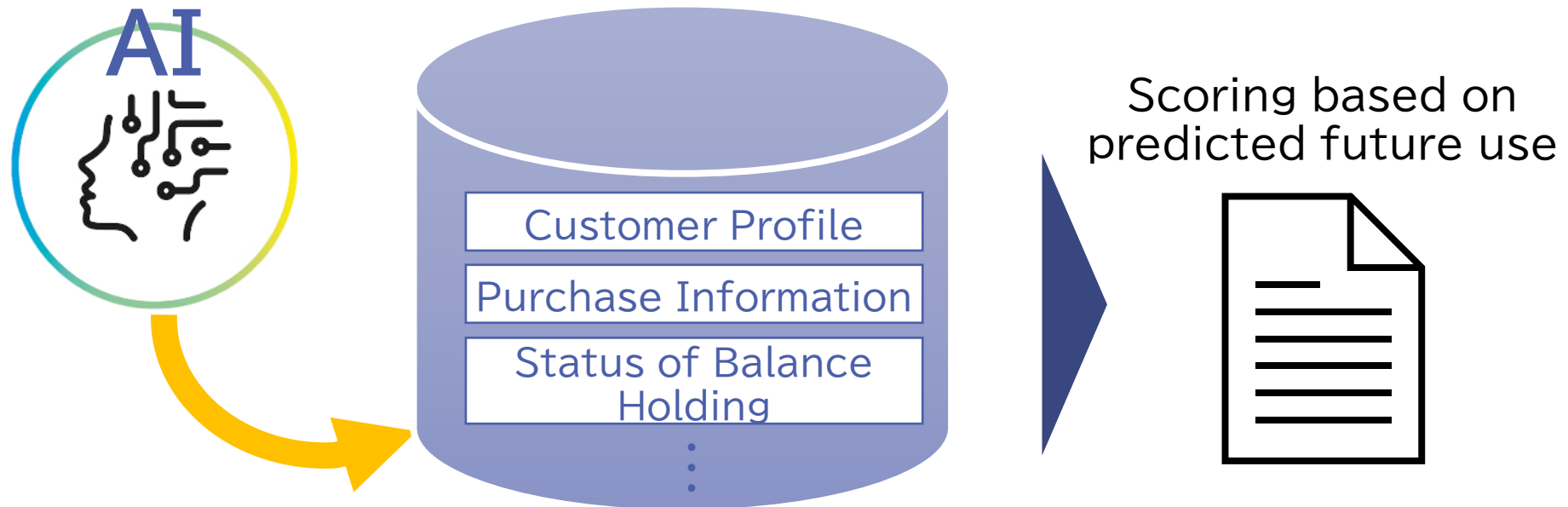
## Breakdown of increase/decrease

	YoY	Difference at beginning of term
Shopping Revolving	120%	+ ¥27.2bn
Installment finance	115%	+ ¥3.3bn
Cash advance	105%	+ ¥9.2bn
Unsecured loan (Bank card loans, etc.)	97%	▲ ¥0.8bn
<b>Total</b>	<b>110%</b>	<b>+ ¥39.0bn</b>

# [Domestic] Efforts to expand the balance of high-yielding loans

- In addition to continuous UI/UX improvements, we will strengthen our approach to members with high usage prediction scores using AI

## Strengthening targeting through the use of AI



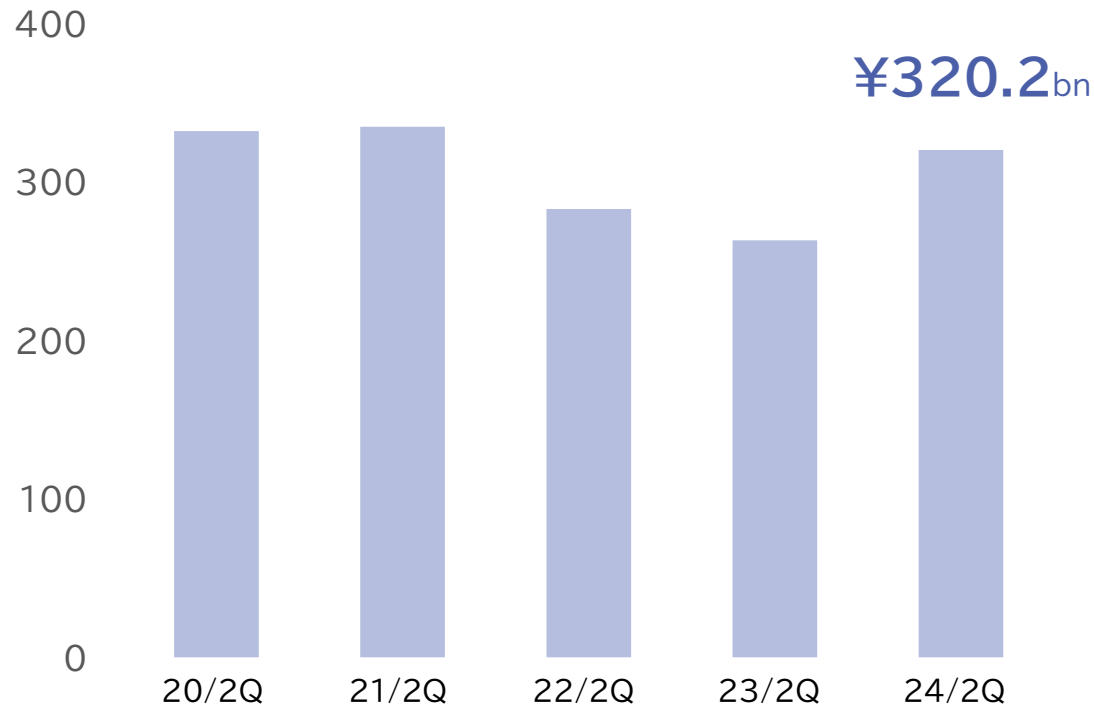
Compared to conventional targeting sales promotions,  
**the utilization rate has doubled**

# [Domestic] Housing Loan

- By promoting the benefits of the “AEON Select Club” loyalty program, which offers benefits other than interest rates, transaction volume up 122% YoY
- Interest rates were revised in May and October, and we expect to see an increase in earnings in the future

## Housing loan volume

(Unit : Bn JPY)



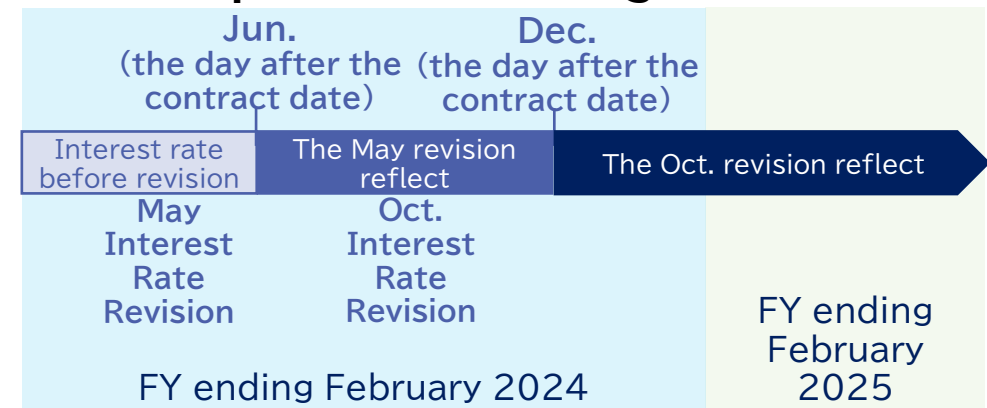
## Financial and retail services collaboration



AEON Bank Housing Loan Benefits for Customers AEON Select Club

When you pay for the purchases at the AEON Group using Select Club Card will receive a 5% discount until the housing loan is paid off

## Revision of housing loan interest rates and their impact on earnings

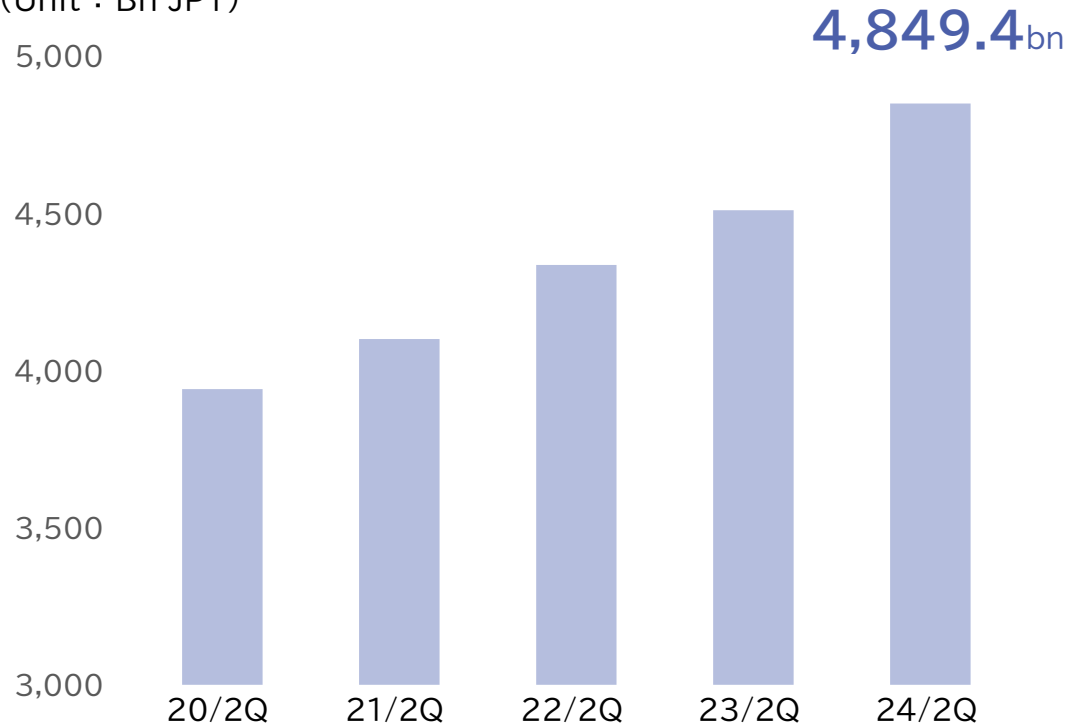


# [Domestic] Bank Deposit

- Due to campaigns such as Term deposit campaigns, up 107% YoY, an increase of ¥310.1 bn from the beginning of the term
- Promoting the use of accounts as living accounts, such as for automatic debit card payments and salary transfers, to acquire deposits

## AEON Bank Deposit balance

(Unit : Bn JPY)



## Promoting the use of accounts as living accounts

### Term Deposit

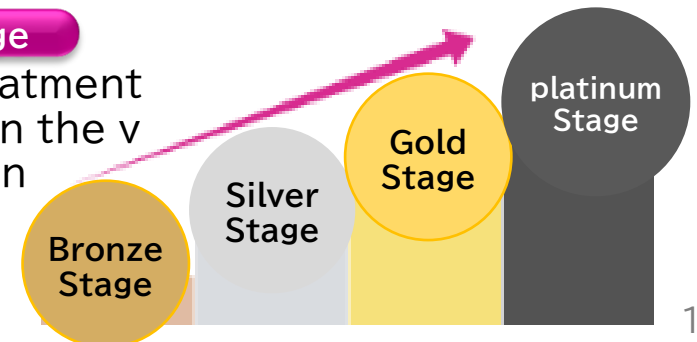
Provision of preferential interest rates when setting up direct deposit of salary and pension payments

### Ordinary savings

Provision of interest rates for each stage of the transaction

### AEON Bank MyStage

Preferential treatment system based on the v transaction

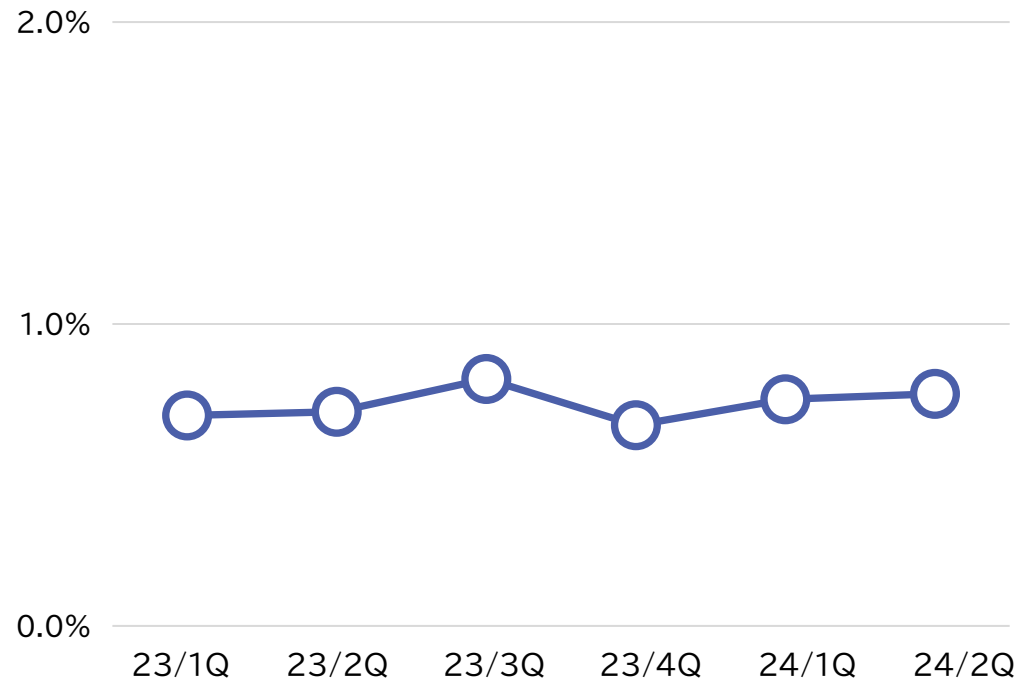


# [Domestic] Cost Control

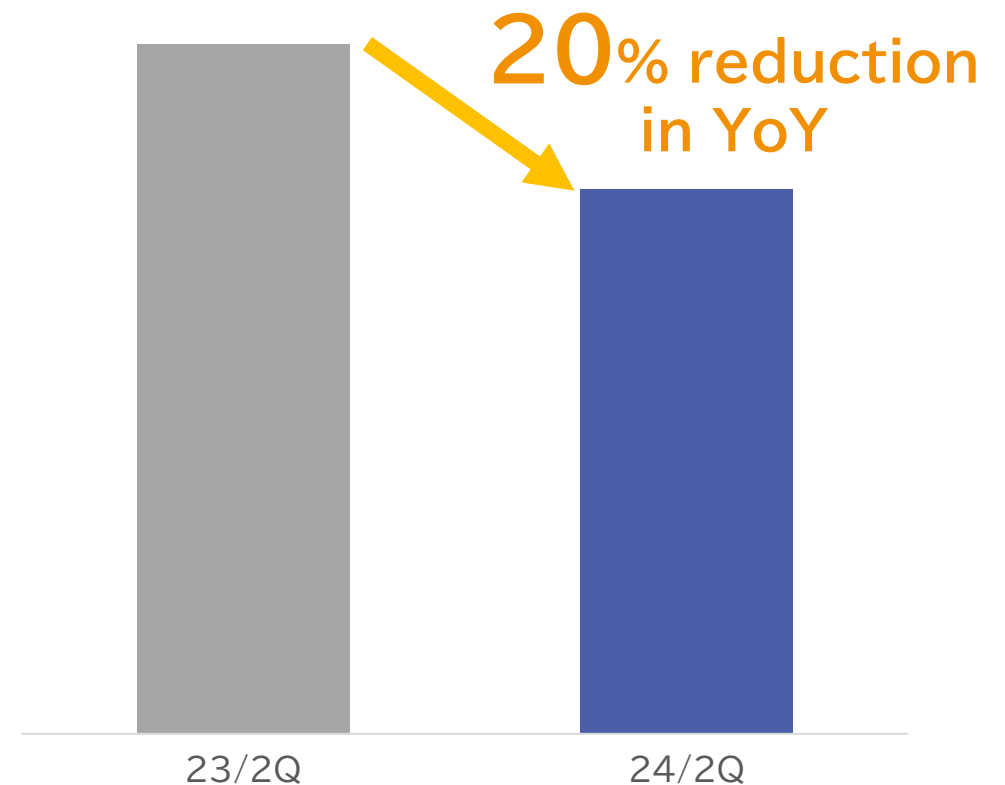
- The ratio of bad debt-related expenses to the balance of operating receivables remains low
- The efficiency of acquisition continues to improve due to a review of the operation of over-the-counter and internet recruitment

## Quarterly Trends in Bad Debt Related Expense Ratio

\*Ratio of bad debt expenses to the total balance of revolving, installment finance, cash advances, and unsecured loans



## Per-Member Acquisition Costs (Interim Term)



# [Global] Performance Highlights by Segment

- Interim operating revenue was the highest ever in all three areas.  
Excluding the costs associated with the opening of the digital bank, profits increased.
- In the accounting period (3 months), the Mekong Area turned to increased profit

Interim period (6 months)	Global business		China Area		Mekong Area		Malay Area	
		YoY		YoY		YoY		YoY
Operating revenue	108.4 bn	115 %	17.2 bn	121 %	47.6 bn	106 %	43.5 bn	125 %
Operating profit	17.5 bn	95 %	3.9 bn	93 %	6.8 bn	99 %	6.7 bn	92 %
<Reference> Bad debt-related exp.	35.1 bn	121 %	4.6 bn	158 %	17.3 bn	105 %	13.1 bn	137 %
2Q accounting period (3 months)	Global business		China Area		Mekong Area		Malay Area	
		YoY		YoY		YoY		YoY
Operating revenue	55.3 bn	113 %	8.6 bn	116 %	24.5 bn	105 %	22.0 bn	123 %
Operating profit	8.8 bn	85 %	2.0 bn	96 %	4.2 bn	101 %	2.5 bn	63 %
<Reference> Bad debt-related exp.	18.0 bn	127 %	2.3 bn	133 %	8.5 bn	106 %	7.1 bn	166 %

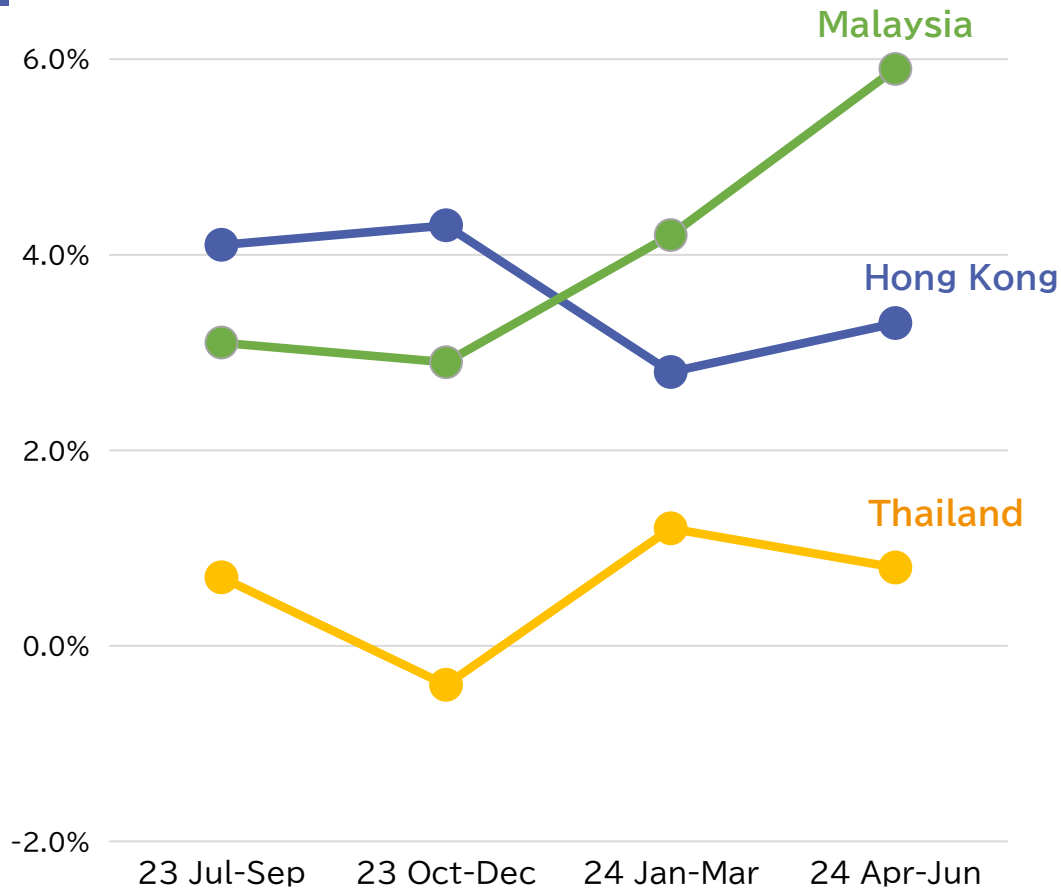
### Average exchange rate during the period

※Figures in () are the diff from the same period of the previous year  
 HKD:¥19.63(7.3%weaker yen) THB:¥4.25(4.2% weaker yen) MYR:¥32.96(6.2% weaker yen)

# [Global] Environment by area

- Malaysia is recovering ahead of other countries, with strong consumer spending
- On the other hand, Hong Kong continues to see a decline in domestic demand and a high number of personal bankruptcy applications. Thailand's GDP growth rate is also stagnant

## Changes in real GDP growth rate



### Malay Area (Malaysia)

- In addition to an increase in consumer spending, all major industries have shown positive growth, and the rate of growth has accelerated
- The unemployment rate has remained at its lowest post-pandemic (3.3%), and employment is stable

### China Area (Hong Kong)

- Growth slowed due to factors such as a decrease in domestic demand as a result of increased consumption in China, where prices are low
- The number of personal bankruptcy applications, which increased from the 2H of last year, remained high

### Mekong Area (Thailand)

- The slowdown in private consumption due to high prices is continuing. Although agricultural production and manufacturing exports are on a recovery trend, they are strongly affected by the Chinese economy
- From Sep., the government began distributing 10,000 baht payments as a government measure.

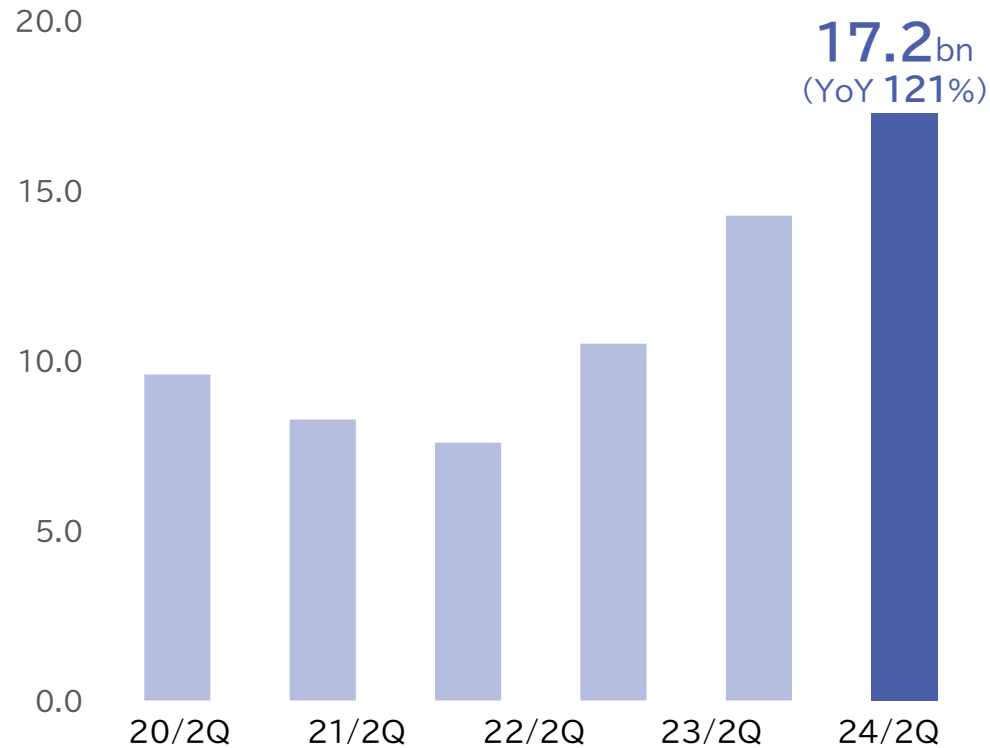


# [Global] China Area Performance Highlights

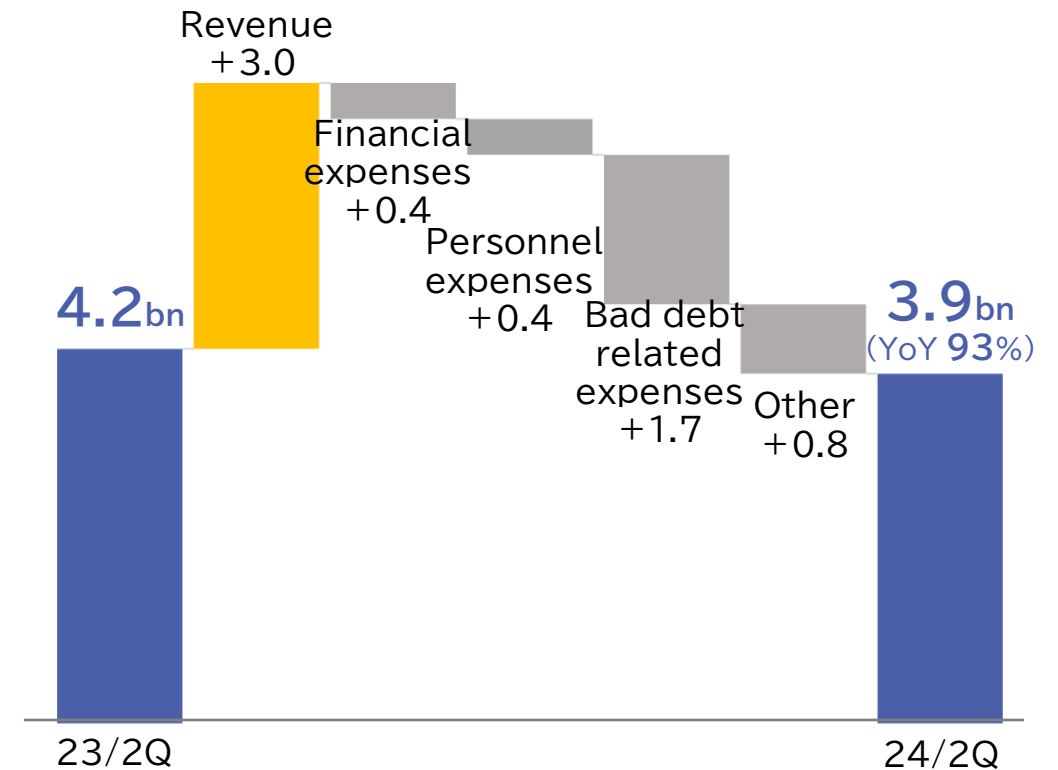
- The company's response to changes in the environment, such as capturing the demand of Hong Kong residents visiting mainland China to spend money, has been successful, and profits have reached a new record high
- Although bad debt-related expenses increased due to a revision of the allowance ratio, the effects of strengthening screening and ongoing credit monitoring through the use of scores are gradually becoming apparent

## Operating revenue

(Unit : Bn JPY)



## Breakdown of operating profit difference from previous FY

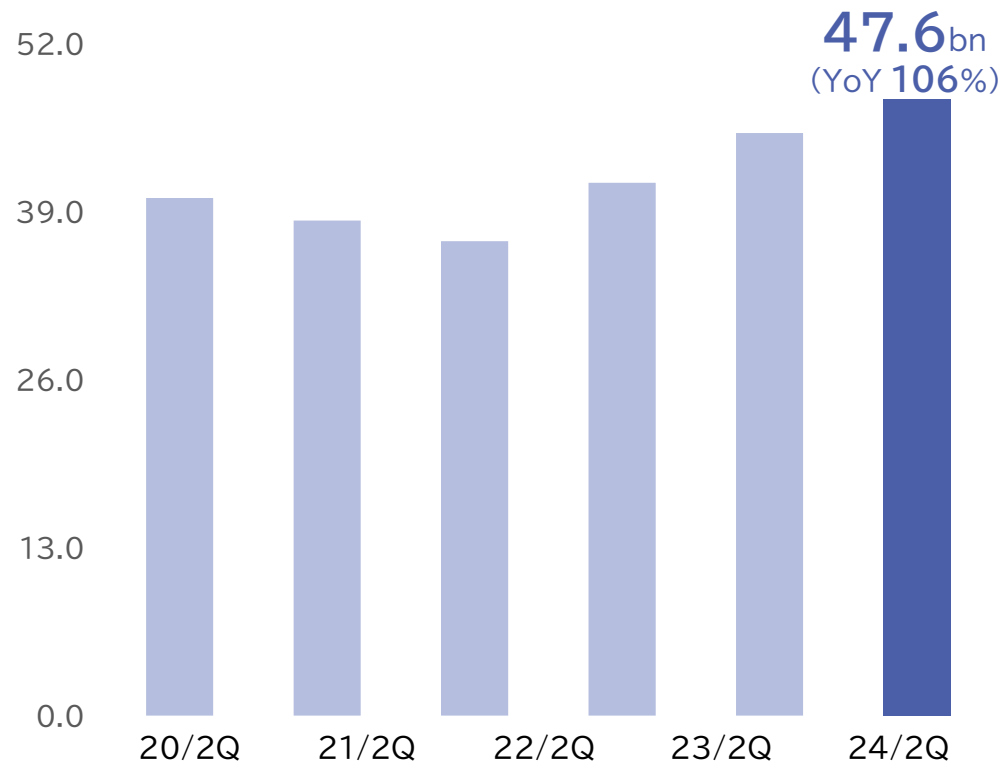


# [Global] Mekong Area Performance Highlights

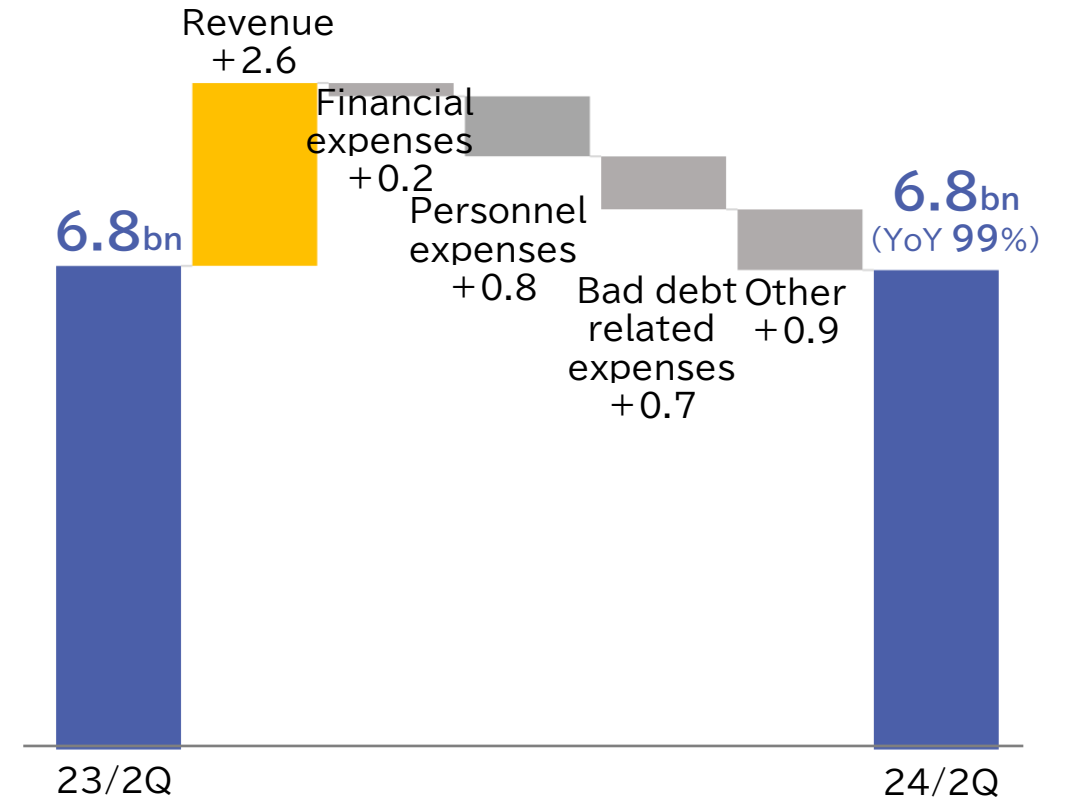
- Expansion of the member base and increase in transaction volume centered on credit card shopping
- Operating revenue increased, but operating income was almost the same as the previous year due to increases in personnel expenses and bad debt-related expenses

## Operating revenue

(Unit : Bn JPY)



## Breakdown of operating profit difference from previous FY

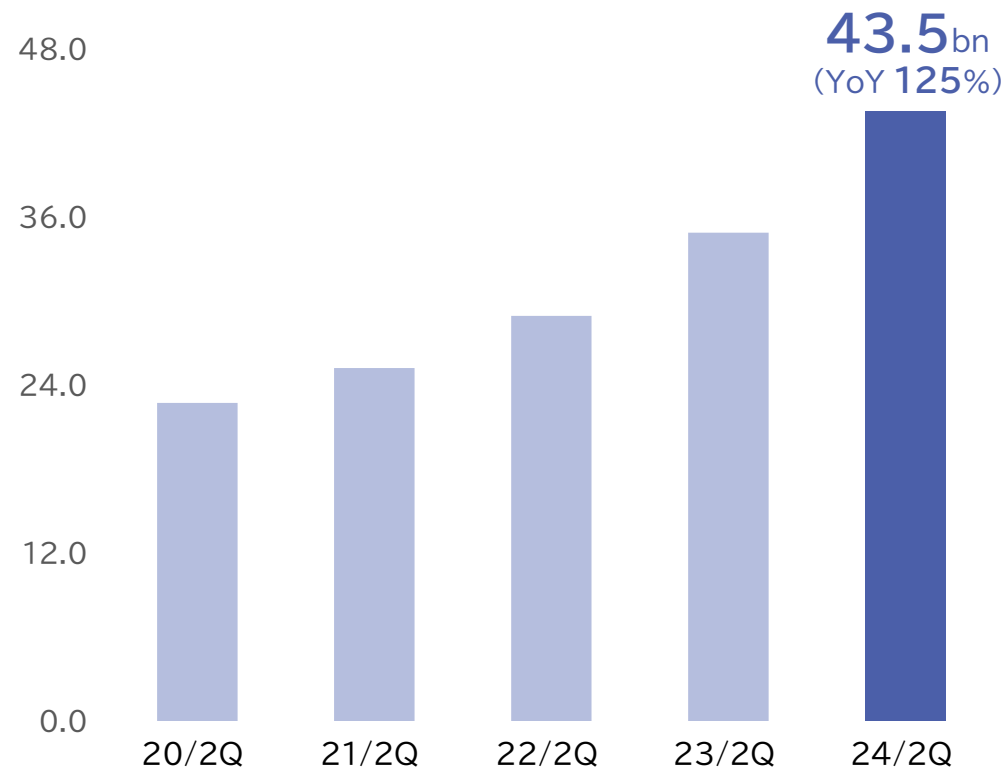


# [Global] Malay Area Performance Highlights

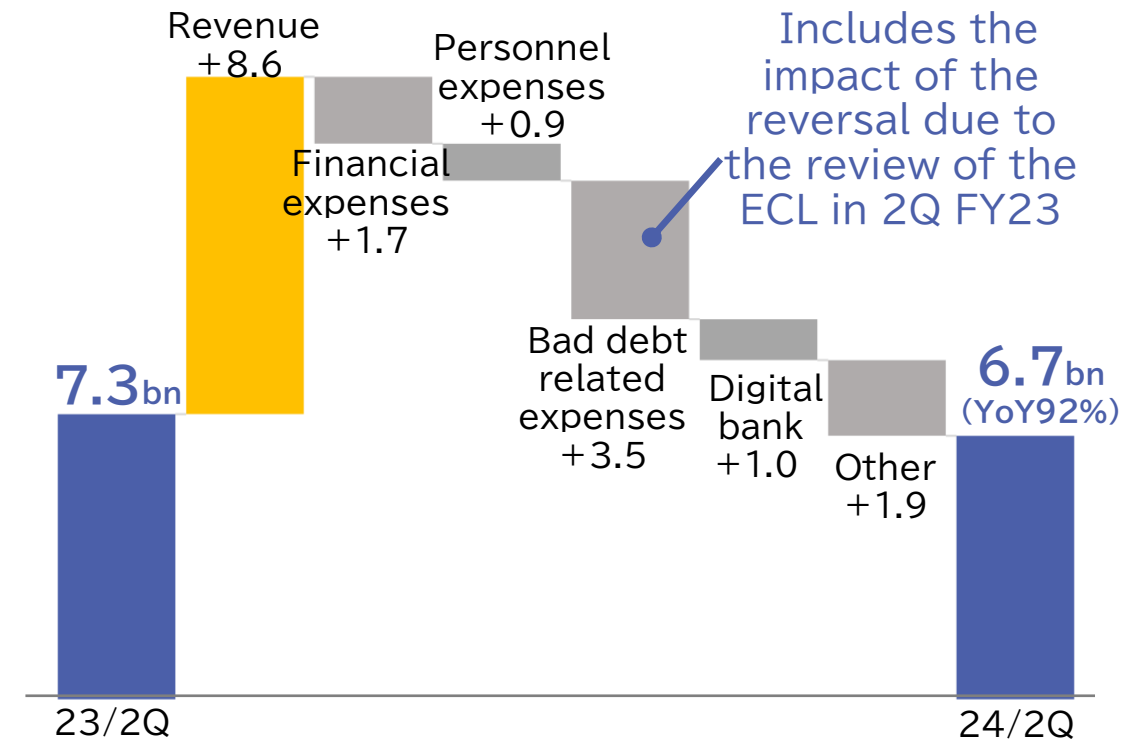
- The volume and balance of installment sales and personal loans have increased due to strengthened sales promotions with the AEON Group and merchant stores
- Bad debt-related expenses increased YoY due to a reversal in the same period of the previous year, but profits increased when excluding the increased costs of opening the Digital Bank

## Operating revenue

(Unit : Bn JPY)



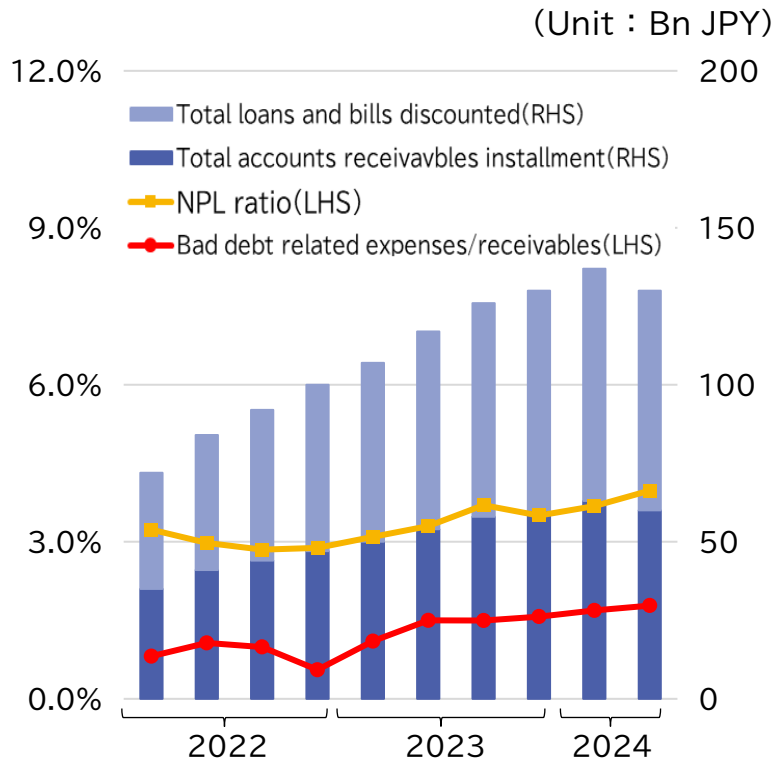
## Breakdown of operating profit difference from previous FY



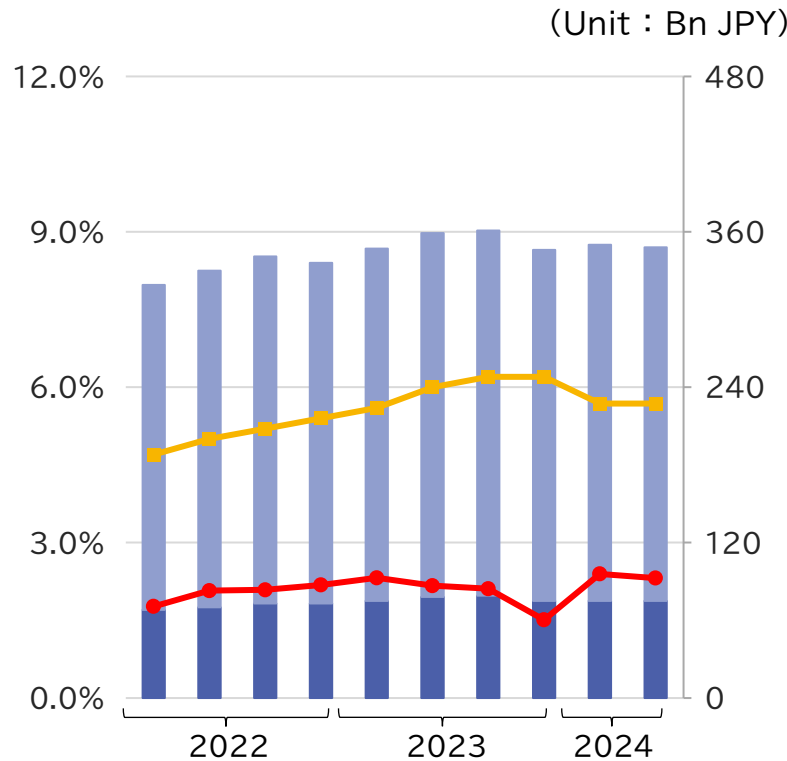
# [Global] Balance of Receivables and NPL of Listed Subsidiaries

- ACSA:Bad debt-related expenses increased due to a revision of the allowance rate.  
The yen-denominated balance of receivables decreased due to exchange rate fluctuations (but increased in Hong Kong dollars)
- ATS :Both bad debt-related expenses and the NPL ratio have entered a period of stability
- ACSM:Although bad debt-related expenses increased due to an increase in the balance of receivables, the NPL ratio decreased due to an increase in normal receivables

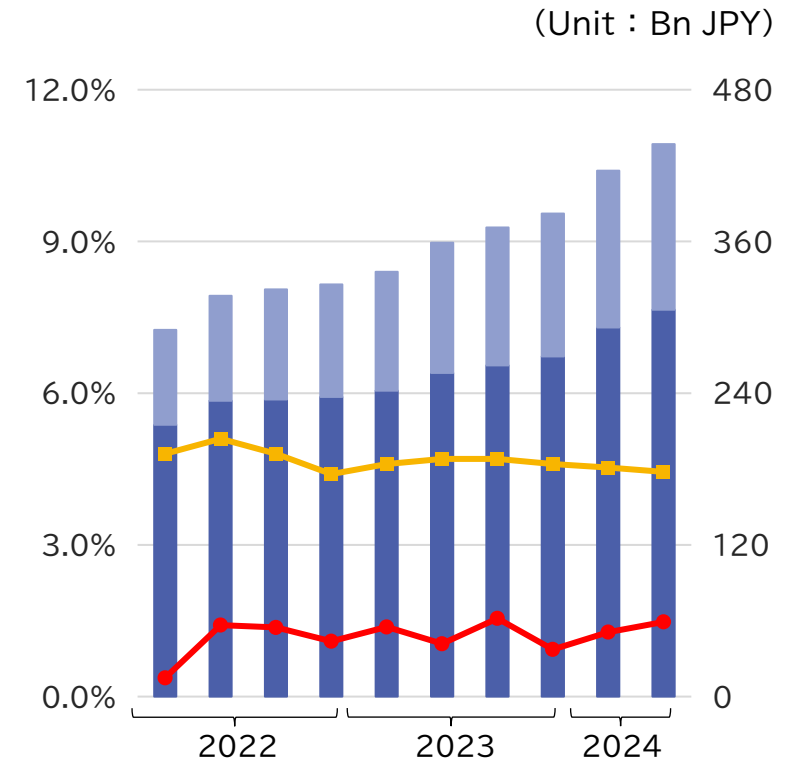
## ■ ACSA(Hong Kong)



## ■ AEONTS(Thailand)



## ■ ACSM(Malaysia)



**Year-end rate** ※Figures in ( ) are the diff from the previous quarter.  
 HKD:¥18.58(7.3% stronger yen) THB:¥4.26(0.2% stronger yen) MYR:¥33.58(0.7% weaker yen)

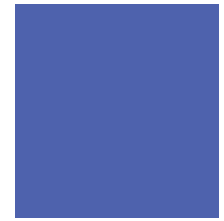


# Earnings and Dividend Forecasts

# FY2024 earnings forecast, dividend forecast

(Unit : JPY)

	Consolidated	YoY	Domestic		Global	
				YoY		YoY
Operating Revenue	520.0 bn	107 %	310.0 bn	105 %	210.0 bn	108 %
Operating Profit	55.0 bn	110 %	15.0 bn	129 %	41.0 bn	107 %
Ordinary Profit	55.0 bn	107 %	Dividend per share		Payout ratio	
Profit attributable to owners of parent	21.0 bn	100 %	Annual: 53	Interim: 25 Year-end: 28	54.5 %	



# Priority Measures

- Review our business portfolio through “selection and concentration“ in view of changes of business environment
- Allocate resources to the domestic payments which is our core business and overseas which is a growth business

## ”Selection and Concentration” for the optimal business portfolio

### Domestic

#### Strengthen Core Business

Expansion of the foundation and scale of profits of the BtoC payment business

Strengthening fund-raising capabilities through the use of bank deposits to support the expanding scale of the company

### Global

#### Business Growth and Expansion

Building a new business model by using digital technology

Expansion of the domain by expanding into new areas

### Concentration of resources and investment

Business alliances and collaborations with external parties

M&A including IN and OUT



# Review our business portfolio

- Optimize management resources and investment through “selection and concentration” to strengthen development in growth areas

## Optimizing management resources and investment

### **I** Progress in reviewing the business portfolio

- Transfer of domestic installment sales finance business (AEON Product Finance)
- Suspension and withdrawal of finance business (installment finance and personal loans) in Myanmar and the Philippines

### **III** Improving productivity by consolidating bases and functions

- Promote the integration and unification of stores in shopping centers and contact center functions

## Strengthening development in growth areas

### **II** New business, business development in new areas

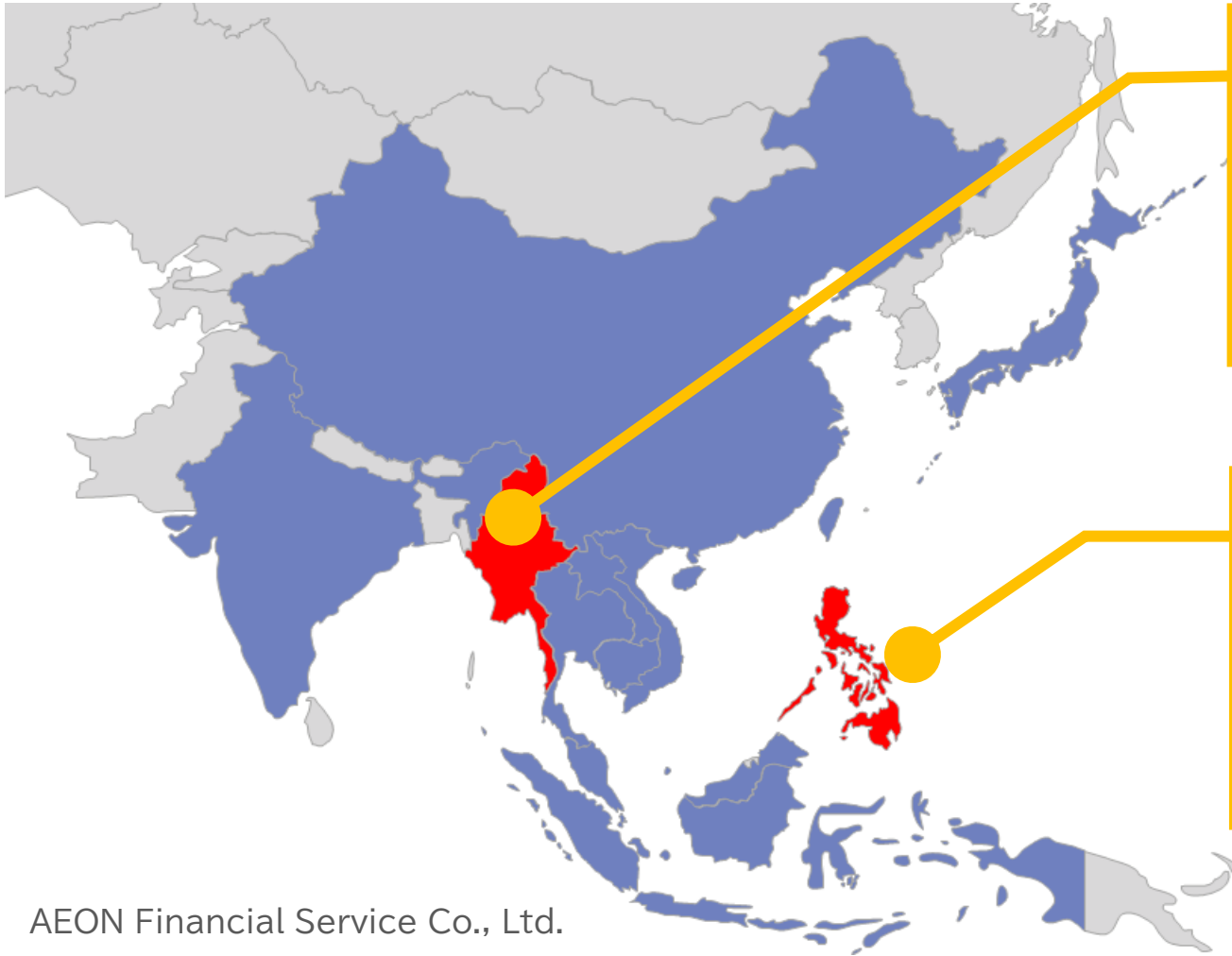
- Opening of the Malaysia Digital Bank business, active expansion in growth markets such as the Vietnam finance business, and building the AEON sphere of life

### **IV** Maximizing Group Synergy

- Expansion of our business base in the Chugoku, Shikoku and Hokkaido areas by utilizing the network of the AEON Group
- Improving the attractiveness of each company in the AEON Group

# Progress in reviewing the business portfolio

- Continue to review the portfolio in light of the competitiveness and future growth potential of each area and business
- Following the transfer of Domestic•Installment finance, the decision was made to reorganize the finance business in Myanmar and the Philippines



## Myanmar

(installment finance, personal loans)

- 2012: Started development ahead of the AEON Group
- Unstable political and economic environment

▶ **Suspension**  
until the environment stabilizes

## The Philippines

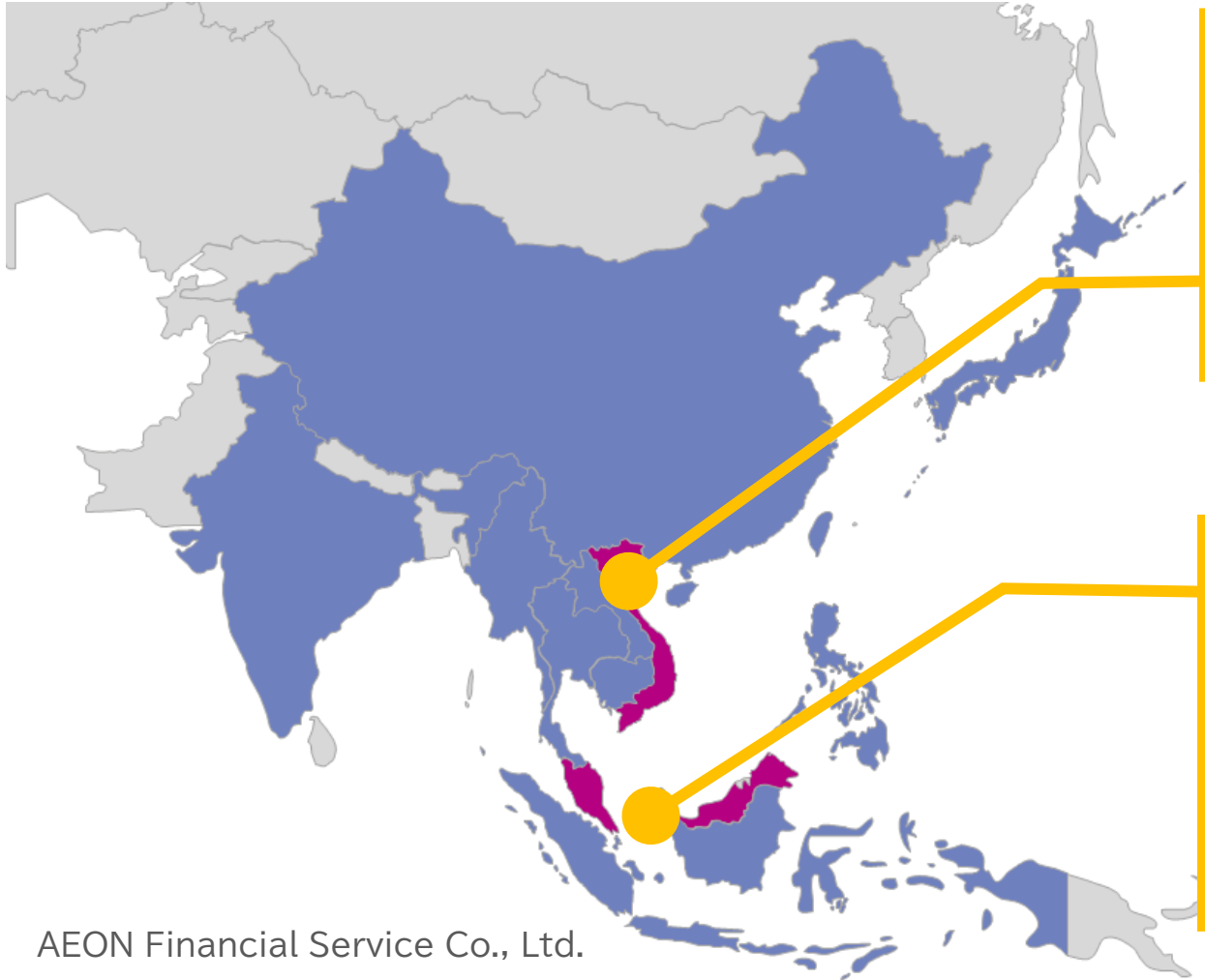
(Installment sales/loans for individuals)

- 2013: Started installment finance of consumer electronics and furniture
- Priorities in examining growth strategies

▶ **Withdrawal**  
due to difficulty in demonstrating competitive advantage

# Business development in new business and new areas

- Strengthening the organization to expand the digital banking business in Malaysia and the finance business in Vietnam
- progress is being made in developing an organization that will facilitate collaboration between existing and newly acquired businesses in Vietnam



## Vietnam

(finance business such as personal loans)

- 2008: Started in-house installment business with retail license
- In the face of difficulties in acquiring a new finance license, decided to acquire PTF, which provides personal loans, etc.

▶ **Demonstrating group synergy in the areas where the AEON Group is focusing its efforts**

## Malaysia (Digital Bank Business)

- 2022: Obtained digital bank license
- In addition to local financial know-how, customer and merchant bases, continue to build a living zone within the AEON Group

▶ **Growth of new businesses, including expansion into other areas**

# [Malaysia] Digital Bank

- Further growth through the expansion of new businesses and areas of development through the use of digital technology

## AEON Bank(Malaysia)

Improve brand recognition by holding events at AEON Group stores and using SNS and external advertising



Events at Group Stores



Strengthening advertising exposure at stations, on trains, on street signs, etc.



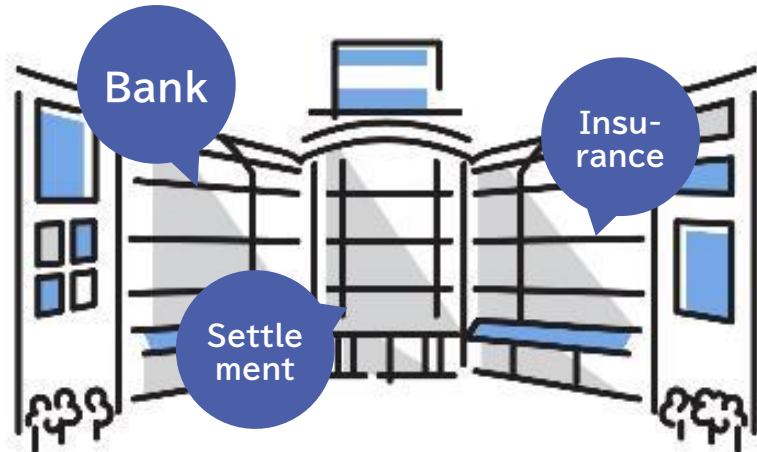
Utilization of SNS and influencers with many users

# Improving productivity by consolidating bases and functions

- Consolidate contact centers and stores
- Provide one-stop financial services to improve customer satisfaction and productivity

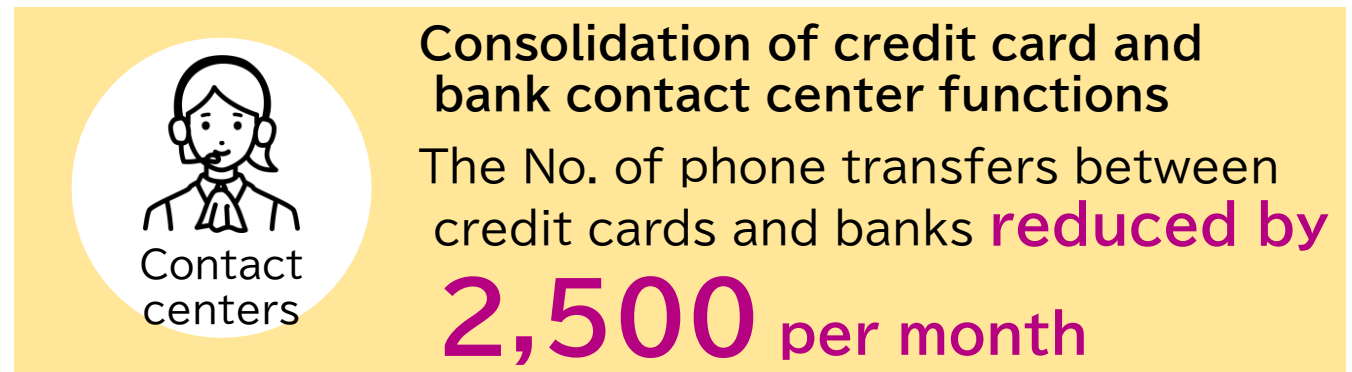
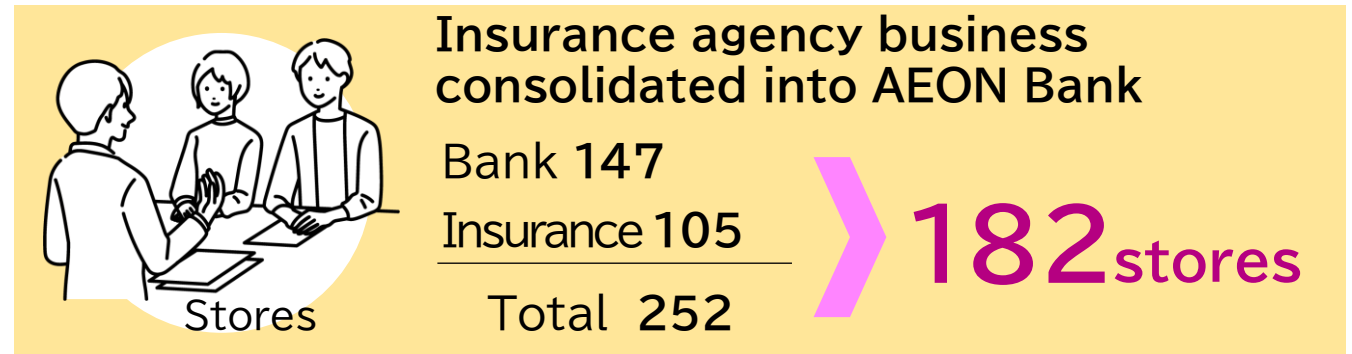
## <Distributed across multiple points>

Customers need to use different ones depending on the product or service



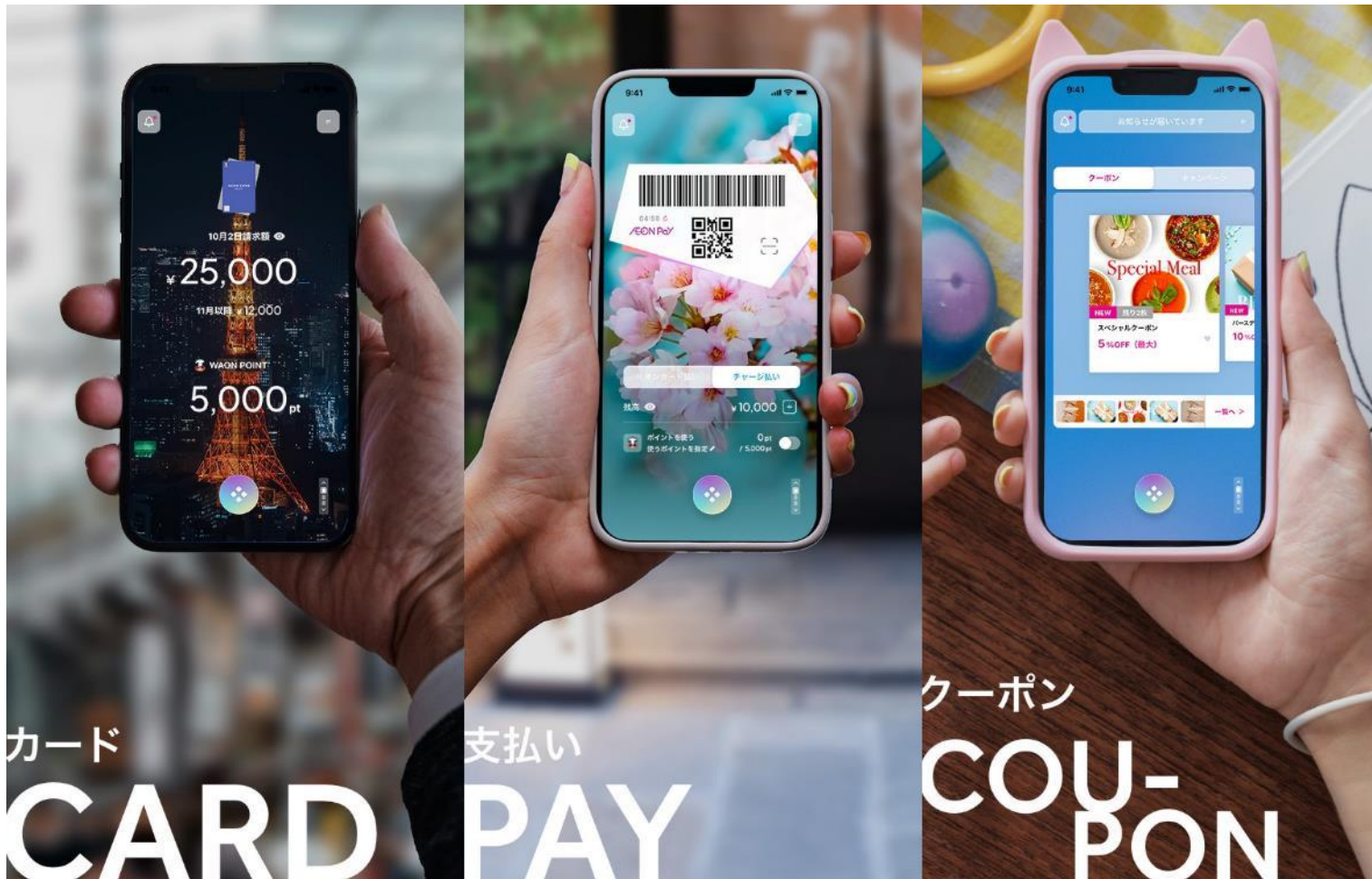
## <Consolidating financial services such as settlements, banking, and insurance>

Providing one-stop service to customers through integration



# Smartphone app: AEON Wallet

- Renewed as a comprehensive financial application last year
- Built to provide a seamless connection to credit card, bank, and insurance services at any time



Highly regarded in design awards around the world



iF Design Award  
 Germany



A' Design Award  
 Italy



International Design Excellence Awards  
 U.S.A

# [Domestic] Maximizing Group Synergy

- Expand the customer base by providing a “financial infrastructure” that connects customers and business partners of the AEON Group
- Improve attractiveness by providing new benefits at each group company



Expanding the customer base in the new AEON Group company and store area

Further expansion of the customer base at Fuji (Chugoku/Shikoku area) and former Seiyu stores (Hokkaido)



approx.

100 stores



9 stores

Strengthening everyday use by expanding benefits and advantages

In addition to special offers on certain days (such as “Thank You Day”), the attractiveness of retail and finance has been improved

5% discount every day for one month after joining  
At the target AEON Group specialty stores, etc.



# Sustainability Initiatives



# Listed the key issues in our materiality

- Setting key materiality indicators to achieve the “vision for 2030”
- We will work to deepen each initiative linked to our business activities

Contributing to peace through the creation of a sustainable society	
Human Rights	<p><b>Pursuing happiness through innovative financial services</b></p> <p>We are committed to seeking to enrich the lives and happiness of our customers by providing safe, secure, and innovative financial services, and by building an infrastructure that enables access to financial services for everyone, and by promoting financial literacy</p>
	<p><b>Exerting diversity and the potential of our people</b></p> <p>We are committed to achieving our goals as a team by respecting the humanity and diversity of our employees, and by creating a work environment where everyone feels fulfilled and where individual abilities are maximized</p>
	<p><b>Establishing organizational resilience</b></p> <p>We are committed to developing highly ethical and disciplined human resources, and enabling quick and flexible decision-making by transferring authority to frontline operations. We are also committed to evolving our governance structure and building a strong corporate culture through the supervisory function exercised by the Board of Directors, risk management throughout the value chain, and business management enhancement</p>
	<p><b>Addressing climate change</b></p> <p>We aim to solve global issues by working toward decarbonization together with our customers and local communities through products and services that the Group provides, transforming our business model, and effectively using resources in our business activities</p>

**Establishing key indicators through to 2030**

**Establish a system to promote across the entire group**

# Materiality1 Pursuing happiness through innovative financial services

## Initiatives

Contributing to the development of local communities through financial services

## Key Indicators (2030)

- Promoting financial inclusion initiatives
- Collaboration with local communities and regions
- Disaster relief through financial services



Providing motorcycle financing to help people get the means of transportation to work in the city since the establishment of the company in Malaysia

## Initiatives

Enriching the lives of customers, business partners, and employees through financial education

## Key Indicators (2030)

Financial education:  
500,000 cumulative participants  
(Domestic: 350,000, Overseas: 150,000)



Implementation of financial experience events by the AEON 1% Club and AFS

# Materiality2 Exerting diversity and the potential of our people

Initiatives

Respecting the diversity of employees and create a flexible and rewarding work environment

Key Indicators (2030)

Enhancing employee training



Career design support through actual work as an overseas trainee

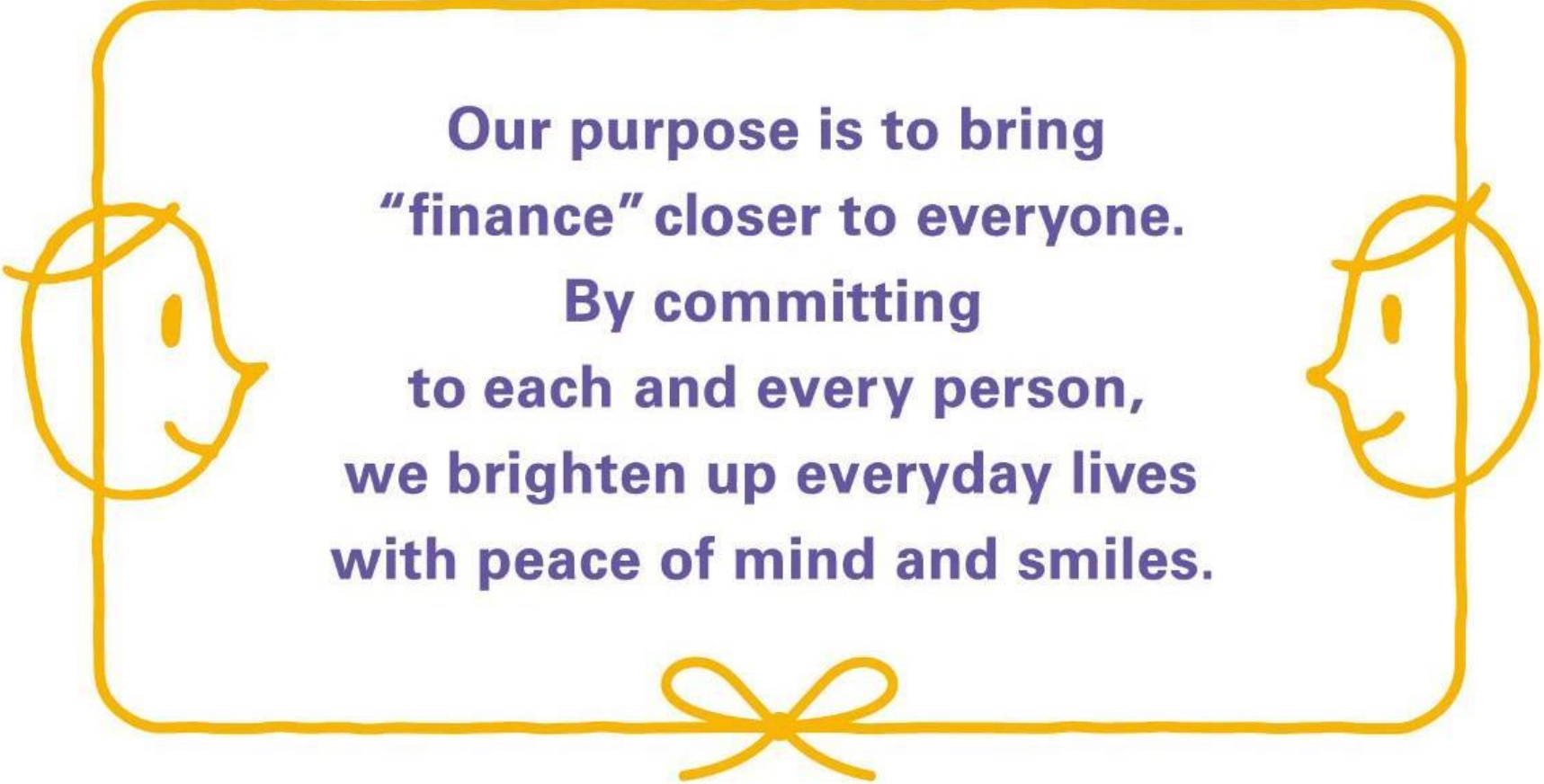
Key Indicators (2030)

Improving employee engagement



Held a meeting to promote the spread of Our Purpose  
In Malaysia, the people in charge of promoting the project from each overseas company gathered together

## Our Purpose



**Our purpose is to bring  
“finance” closer to everyone.  
By committing  
to each and every person,  
we brighten up everyday lives  
with peace of mind and smiles.**



# Appendix

# Changes in the interest rate environment

- Domestic: Demonstrate the strength of funding, which is centered on bank deposits  
Global: Assume an improvement in interest margins due to a decrease in borrowing rates

## Domestic

## Global

Interest Rate Environment (External Environment)

Outlook for continued interest rate hikes due to changes in the Bank of Japan's monetary policy

Outlook for lower interest rates in developing countries following interest rate cuts in the US

Fundraising

Raising funds centered on deposits at AEON Bank

Borrowing from local financial institutions is the main source

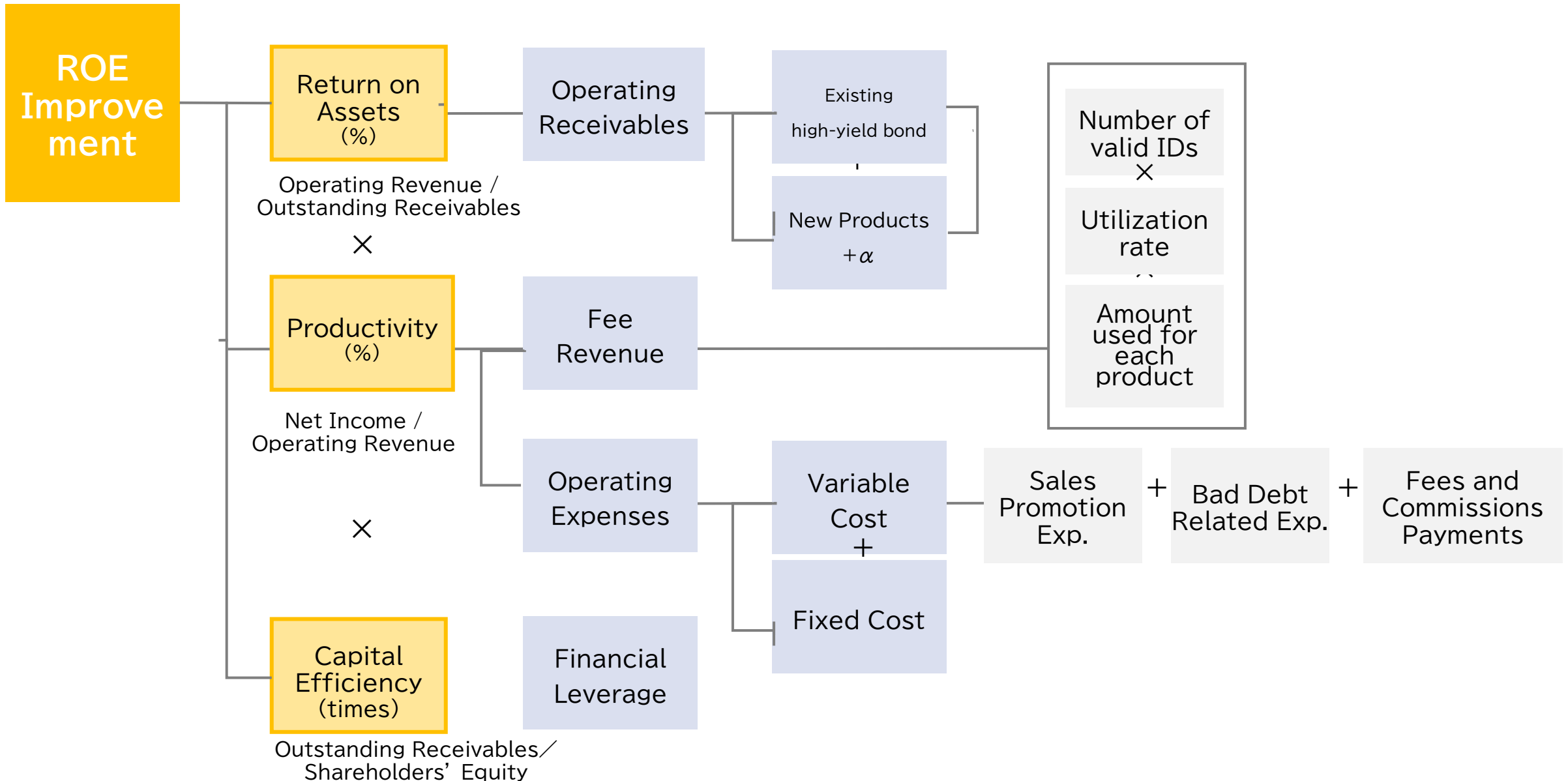
Impact on our company

Although financing costs have increased, interest income on assets with variable interest rates has increased, and medium- to long-term income and expenditure have improved

Improvement in income and expenditure due to a decrease in the interest rate on borrowings

# Approach to ROE Improvement

Repost: Announcement of FY2023 financial results



# Consolidated Balance Sheet

(Unit : Bn JPY)

	FY 2024			FY 2024	
	2Q Results	YTD		2Q Results	YTD
Cash and deposits	611.0	▲ 54.5	Deposits	4,865.9	+327.6
Operating Loans	944.2	+25.3	Accounts payable-trade	397.1	+128.6
Loans and bills discounted for banking business	2,684.0	+344.8	Interest-bearing debt (excl. deposits)	1,244.8	▲ 68.2
Accounts receivables-installment	1,801.2	▲ 42.2	Other	221.2	▲ 30.0
Allowance for doubtful accounts	▲ 116.3	+4.3	Total liabilities	6,729.2	+358.0
Other	1,388.7	+89.5	Total net assets	583.6	+9.2
Total assets	7,312.8	+367.3	Total liabilities and net assets	7,312.8	+367.3



# Results by Segment

(Unit : Bn JPY)	Domestic			Global Total ※1				Consol. Total ※1
	Total ※1	Retail	Solutions		China Area	Mekong Area	Malay Area	
Operating Revenue	148.4	95.8	92.2	108.4	17.2	47.6	43.5	255.7
YoY	103%	112%	99%	115%	121%	106%	125%	108%
Operating Profit	9.4	5.3	4.1	17.5	3.9	6.8	6.7	27.1
YoY	592%	1723%	185%	95%	93%	99%	128%	134%
Operating Profit Ratio	6.4%	7.4%	4.5%	16.2%	23.0%	14.3%	15.5%	10.6%
Change	+5.3pt	+6.9pt	+2.1pt	▲3.4pt	▲6.9pt	▲1.0pt	▲5.4pt	+2.1pt

(Reference) The impact on revenue due to securitization ¥2.2bn (▲¥6.4bn compared to the same period of the previous FY) ※2

※1 Domestic and Global figures are after elimination of intersegment transactions in each business segment.  
Consolidated figures include headquarters, functional companies, and consolidated eliminations.

※2 From FY23, the method of recording revenue from securitization has been partially changed.

The impact on revenue under the previous method was ¥1.5 bn (a decrease of ¥5.6 bn from the previous FY).

# Results by Area

(Unit : Bn JPY)		Transaction volume	YoY	Operating receivables (Before securitization)	YTD
Domestic	Credit card	3,894.0	106%	1,860.0	+143.6
	credit card shopping	3,705.4	106%	1,438.5	+134.4
	(of which, revolving and installment)	-	-	341.4	+30.6
	cash advance	188.5	101%	421.5	+9.2
	Housing loan	320.2	122%	3,711.4	+150.8
	Other	-	-	1,343.3	+167.0
Total		-	-	6,914.7	+461.5
Global	Credit card	351.8	126%	294.8	▲1.0
	credit card shopping	256.8	124%	150.3	▲0.9
	cash advance	94.9	131%	144.5	▲0.1
	Installment finance	87.4	127%	333.0	+44.1
	Personal loans	116.5	119%	344.3	+23.4
	Other	-	-	0.2	+0.1
Total		-	-	972.3	+66.6

## Cumulative Results of Overseas Listed Companies (Local Currency)

		FY 2023	FY 2024	
		2Q Results	2Q Results	YoY
AEON CREDIT SERVICE (ASIA)	Revenue	783,109	860,321	110%
	Profit before tax	230,865	203,211	88%
HK\$' 000	Profit for the period	191,426	170,361	89%
AEON THANA SINSAP (THAILAND)	Revenue	11,135,562	11,221,442	101%
	Profit before tax	1,887,040	1,710,108	91%
BAHT' 000	Profit for the period	1,507,735	1,370,563	91%
AEON CREDIT SERVICE (M) Berhad	Revenue	924,404	1,063,688	115%
	Profit before tax	291,145	245,961	84%
RM' 000	Profit for the period	219,552	177,571	81%

# Cumulative Results of Overseas Listed Companies (Yen conversion)

(Unit : Bn JPY)		FY 2023	FY 2024		Exchange rates
		2Q Results	2Q Results	YoY	
AEON CREDIT SERVICE (ASIA)	Revenue	13.9	16.8	121%	<u>(JPY / HKD)</u> • FY2023Q2 : ¥17.79 • FY2024Q2 : ¥19.63
	Profit before tax	4.1	3.9	97%	
	Profit for the period	3.4	3.3	98%	
AEON THANA SINSAP (THAILAND)	Revenue	44.7	47.6	107%	<u>(JPY / THB)</u> • FY2023Q2 : ¥4.02 • FY2024Q2 : ¥4.25
	Profit before tax	7.5	7.2	96%	
	Profit for the period	6.0	5.8	96%	
AEON CREDIT SERVICE (M)Berhad	Revenue	28.3	35.0	124%	<u>(JPY / MYR)</u> • FY2023Q2 : ¥30.69 • FY2024Q2 : ¥32.96
	Profit before tax	8.9	8.1	91%	
	Profit for the period	6.7	5.8	87%	

# Transaction Volumes and Operating Receivables of Global Business

(Unit : Bn JPY)		China Area (Hong Kong)		Mekong Area (Thailand)		Malay Area		Global Business	
			YoY (Change)		YoY (Change)		YoY (Change)		YoY (Change)
Credit card	Transaction volume	<b>128.5</b>	123%	<b>186.7</b>	127%	<b>36.5</b>	126%	<b>351.8</b>	126%
	Operating Receivables	<b>99.2</b>	+9.4	<b>164.7</b>	▲15.3	<b>30.9</b>	+5.4	<b>294.8</b>	▲0.4
Installment finance	Transaction volume	-	-	<b>14.1</b>	132%	<b>73.3</b>	126%	<b>87.4</b>	127%
	Operating Receivables	-	-	<b>36.8</b>	+8.8	<b>296.1</b>	+48.7	<b>333.0</b>	+57.6
Personal loans	Transaction volume	<b>18.0</b>	126%	<b>63.0</b>	121%	<b>35.4</b>	112%	<b>116.5</b>	119%
	Operating Receivables	<b>31.1</b>	+4.1	<b>180.3</b>	+1.9	<b>132.8</b>	+29.2	<b>344.3</b>	+35.3
Total	Transaction volume	<b>146.5</b>	128%	<b>263.9</b>	126%	<b>145.2</b>	122%	<b>555.7</b>	124%
	Operating Receivables	<b>130.3</b>	+13.5	<b>382.0</b>	▲4.3	<b>459.9</b>	+83.4	<b>972.1</b>	+92.6

## Allowance for Doubtful Accounts and Provision for Loss on Interest Repayment by Segments

### [Allowance for Doubtful Accounts ]

(Unit : Bn JPY)	Domestic			Global Total	Global			Consol. Total
	Total	Retail	Solutions		China Area	Mekong Area	Malay Area	
Opening balance of allowance for doubtful accounts	55.6	3.0	53.0	64.3	4.7	35.8	23.7	120.7
Bad debt related expenses (Allowance for doubtful accounts and losses)	12.3	▲0.2	12.5	35.1	4.6	17.3	13.1	47.5
Bad debt written-off (including transferred debt)	17.7	0.6	17.0	31.5	4.3	16.2	10.9	51.8
Ending balance of allowance for doubtful accounts	50.2	2.1	48.5	67.9	5.0	36.9	25.9	116.3

※Balance at end of period of domestic subsidiaries

<Retail> AEON Bank:2.1

<Solutions> AEON Financial Service:44.4  
AEON Housing Loan Service:1.2

Including the impact of transfer of installment finance business ¥9.2 bn

### [Provision for Loss on Interest Repayment ]

	FY2023 2Q	FY2024 2Q
Beginning of period	4.8	2.5
Provision	-	-
Interest Repayment	1.5	0.8
End of period	3.2	1.6

# The Highlights of the Consolidated Results – FY2023 2Q Fiscal Quarter

Repost: Announcement of FY20232Q financial results

[Domestic] : ¥400mn in business integration costs recorded as an extraordinary loss

[Global] : Operating profit in the Malay area increased by 145% YoY, and the business turned to higher profits

	Consolidated		Domestic		Global	
	YoY		YoY		YoY	
Operating Revenue	106 %	¥120.9 bn	100 %	¥72.8 bn	117 %	¥48.8 bn
Operating Profit	67 %	¥11.0 bn	3 %	¥0.2 bn	114 %	¥10.3 bn
Ordinary Profit	65 %	¥11.7 bn	—	—	—	—
Profit attributable to owners of parent	35 %	¥3.6 bn	—	—	—	—

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