

Report of Consolidated Financial Results
(For the Fiscal 2004 First Quarter, Ended May 20, 2004)

June 24, 2004

Registered Company Name: AEON Credit Service Co., Ltd.

Code No: 8570 Stock Listing: Tokyo Stock Exchange, First Section
President and CEO: Yoshiki Mori
Contact: Tatsuya Saito, Managing Director Telephone: +81-3-5281-2057
and Head of Finance and Accounting

1. Items relating to the preparation of quarterly financial information

- (1) Use of simplifications in accounting methods : Yes (simplifications used in certain parts)
(2) Recent changes in accounting methods : No
(3) Changes in scope of consolidation and application of the equity method : No

2. Business Performance (For the fiscal 2004 first quarter, ended May 20, 2004)

(1) Consolidated Results of Operations (Millions of yen truncated to the nearest million, %)

	Operating Revenue	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
1st Quarter ended May 20, 2004	¥ 28,480	16.0%	¥ 6,142	20.0%	¥ 6,206	20.6%	¥ 3,230	20.1%
FY2003 ended February 20, 2004	109,389	7.7%	30,502	14.3%	30,537	15.5%	16,179	15.7%

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
1st Quarter ended May 20, 2004	¥ 61.76	
FY2003 ended February 20, 2004	308.24	

Notes:

The Company commenced preparation of quarterly financial statements from the fiscal year ending February 20, 2005, therefore no comparable first quarter figures are shown for the previous fiscal year. For reference purposes only, however, percentage changes compared with the corresponding period in the previous year are shown for certain items.

(2) Financial Position

(Millions of yen truncated to the nearest million, %)

	Total Assets	Total Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share (Yen)
1st Quarter ended May 20, 2004	¥499,943	¥104,054	20.8%	¥1,989.27
FY2003 ended February 20, 2004	465,719	101,694	21.8%	1,943.09

[Cash Flows]

(Millions of yen truncated to the nearest million)

	Net Cash Provided by (Used in) Operating Activities	Net Cash Used in Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
1st Quarter ended May 20, 2004	¥(19,096)	¥ (828)	¥22,323	¥18,435
FY2003 ended February 20, 2004	8,390	(1,193)	(5,887)	15,919

Notes:

The Company commenced preparation of quarterly financial statements from the fiscal year ending February 20, 2005, therefore no comparable first quarter figures are shown for the previous fiscal year. For reference purposes only, however, percentage changes compared with the corresponding period in the previous year are shown for certain items.

3. Consolidated Results Forecast (For the year ending February 20, 2005)

(Millions of yen truncated to the nearest million)

FY2004	Operating Revenue	Operating Income	Ordinary Income	Net Income	Net Income per Share (Yen)
Interim	¥ 56,700	¥14,300	¥14,400	¥ 7,400	¥141.47
Full term	118,900	33,700	33,800	17,900	341.15

[Qualitative information relating to consolidated results forecasts]

During the first quarter of the fiscal year ending February 20, 2005, the Company made steady progress in working toward the forecasts stated in its previous forecast announcement (April 7, 2004).

* Results forecasts above are based on management's assumptions using information available at the time of publication. Owing to various factors, actual results may differ from these projections.

1. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

<div> <div>Term</div> <div>Item</div> </div>	1st Quarter (As of May 20, 2004)		Fiscal 2003 (As of February 20, 2004)		Change
	Amount	% of the total	Amount	% of the total	Amount
Assets					
Current assets					
1. Cash and cash equivalents	18,521		15,999		2,521
2. Credit card and hire purchase total	133,694		117,803		15,891
3. Credit card and other loans total	322,175		304,293		17,882
4. Other	24,997		23,191		1,806
Allowance for possible credit losses	(19,178)		(14,467)		(4,711)
Total current assets	480,211	96.1	446,820	95.9	33,390
Non-current assets					
1. Property, plant and equipment					
(1) Buildings	536		531		5
(2) Vehicles and transport equipment	19		20		(1)
(3) Tools	4,711		4,902		(190)
Total property, plant and equipment	5,267	1.0	5,454	1.2	(186)
2. Intangible fixed assets	2,705	0.5	2,588	0.6	116
3. Investments and other assets					
(1) Investment securities	8,968		8,113		854
(2) Other	2,790		2,741		49
Total investments and other assets	11,759	2.4	10,855	2.3	904
Total non-current assets	19,732	3.9	18,898	4.1	833
Total assets	499,943	100.0	465,719	100.0	34,223

(Millions of yen)

<div>Term</div> <div>Item</div>	1st Quarter (As of May 20, 2004)		Fiscal 2003 (As of February 20, 2004)		Change
	Amount	% of the total	Amount	% of the total	Amount
Liabilities					
Current liabilities					
1. Cash and deposits	56,247		48,529		7,718
2. Short-term loans	23,968		21,892		2,076
3. Current portion of long-term debt	33,759		33,460		299
4. Commercial paper	16,000		8,000		8,000
5. Other	14,070		17,055		(2,984)
Total current liabilities	144,046	28.8	128,936	27.7	15,110
Non-current liabilities					
1. Corporate bonds	52,780		52,740		40
2. Long-term debt	185,804		170,092		15,712
3. Other	2,078		2,067		10
Total non-current liabilities	240,663	48.2	224,900	48.3	15,763
Total liabilities	384,710	77.0	353,836	76.0	30,873
Minority interests					
Minority interests	11,178	2.2	10,188	2.2	990
Shareholders' equity					
Common stock	15,466	3.1	15,466	3.3	-
Retained earnings	17,046	3.4	17,046	3.6	0
Legal reserve	68,808	13.8	67,463	14.5	1,344
Appraised value of other marketable securities	3,217	0.6	2,709	0.6	507
Exchange rate adjustment allowance	(424)	(0.1)	(936)	(0.2)	511
Treasury stock	(60)	(0.0)	(55)	(0.0)	(5)
Total shareholders' equity	104,054	20.8	101,694	21.8	2,359
Total of liabilities, minority interests and shareholders' equity	499,943	100.0	465,719	100.0	34,223

(2) Consolidated Statements of Income

(Millions of yen)

Item	Term	1st Quarter (Three months ended May 20, 2004)		Fiscal 2003 (Year ended February 20, 2004)	
		Amount	% of the total	Amount	% of the total
Operating revenue					
1. Credit card shopping		5,566		21,005	
2. Hire purchase		1,358		6,422	
3. Income from direct cash loans		19,695		72,958	
4. Income from service fees		730		3,128	
5. Amortized debt income		222		833	
6. Other income		902		5,010	
7. Financial income					
Interest received		3		30	
Total operating revenue		28,480	100.0	109,389	100.0
Operating expenses					
1. Selling, general and administrative expenses		20,976	73.7	72,713	66.5
2. Financial expenses		1,361	4.7	6,173	5.6
Total operating expenses		22,337	78.4	78,886	72.1
Operating income		6,142	21.6	30,502	27.9
Non-operating income		76	0.2	153	0.1
Non-operating expenses		12	0.0	118	0.1
Ordinary income		6,206	21.8	30,537	27.9
Extraordinary income		-	-	108	0.1
Extraordinary losses		-	-	354	0.3
Income before income taxes and other deductions		6,206	21.8	30,292	27.7
Corporate, resident and enterprise taxes	2,574			13,349	
Adjustment for corporate taxes and other factors	(81)	2,493	8.8	(1,083)	11.2
Minority interest income		483	1.7	1,846	1.7
Net income		3,230	11.3	16,179	14.8

(3) Consolidated Statements of Cash Flows

(Millions of yen)

Item	Term	1st Quarter (Three months ended May 20, 2004)	Fiscal 2003 (Year ended February 20, 2004)
		Amount	Amount
Cash flows from operating activities			
Income before income taxes and other deductions		6,206	30,292
Depreciation expenses		778	3,402
Consolidated adjustment account amortization		(4)	(17)
Additions to loan-loss reserves		5,843	14,611
Provisions for employee retirement benefits		(3)	(38)
Dividend income		(27)	(55)
Loss on software retirement		-	282
Valuation gain on interest-rate swaps		(41)	(19)
Gain on equity-method investment		-	(4)
Loss on equity-method investments		8	-
Amortization of corporate bond issuance		-	65
Increase (decrease) in accounts receivable for installment accounts		(15,214)	13,192
Increase in operating loans		(17,008)	(50,526)
Increase in other current assets		(1,605)	(4,901)
Increase in accounts payable		7,663	11,478
Increase in other current liabilities		1,470	2,143
Bonuses to directors		(54)	(56)
Other		217	338
Subtotal		(11,770)	20,188
Dividends received		27	55
Corporate taxes paid		(7,354)	(11,853)
Net cash used in operating activities		(19,096)	8,390
Cash flows from investing activities			
Payments for acceptance of term deposits		(84)	(1,723)
Proceeds from disbursements for term deposits		80	3,298
Payments for acquisition of tangible fixed assets		(342)	(1,014)
Proceeds from sale of tangible fixed assets		2	703
Payments for acquisition of intangible fixed assets		(391)	(1,371)
Proceeds from sale of intangible fixed assets		-	108
Payments for acquisition of investment securities		-	(1,001)
Other		(91)	(194)
Net cash used in investment activities		(828)	(1,193)
Cash flows from financing activities			
Net increase in short-term loans		1,565	30
Net increase (decrease) in commercial paper		8,000	(18,000)
Proceeds from long-term debt		31,469	57,792
Repayment of long-term debt		(16,875)	(52,272)
Proceeds from issuance of corporate bonds		-	9,934
Increase in treasury stock		(5)	(39)
Dividends paid		(1,830)	(2,734)
Dividends paid to minority shareholders		-	(597)
Net cash provided by financing activities		22,323	(5,887)
Translation adjustments for cash and cash equivalents		118	(271)
Net increase in cash and cash equivalents		2,516	1,037
Cash and cash equivalents at beginning of year		15,919	14,882
Cash and cash equivalents at end of year		18,435	15,919

2. Consolidated Financial Data

(1) Trading Volume

(Millions of yen)

Term Item	1st Quarter (As of May 20, 2004)		Fiscal 2003 (As of February 20, 2004)	
	Amount	% of the total	Amount	% of the total
Credit card shopping	245,808	56.5	928,364	56.7
Hire purchase	12,141	2.8	45,579	2.8
Total loans	124,709	28.6	445,605	27.2
Service fees	50,727	11.7	213,104	13.0
Others	1,828	0.4	5,956	0.3
Total trading volume	435,215	100.0	1,638,610	100.0

(2) Finance Receivables

(Millions of yen)

Term Item	1st Quarter (As of May 20, 2004)		Fiscal 2003 (As of February 20, 2004)	
	Amount	% of the total	Amount	% of the total
Credit card shopping [Including securitized receivables]	112,122 [169,493]	24.6	97,970 [155,144]	23.2
Hire purchase [Including securitized receivables]	21,572 [27,132]	4.7	19,832 [25,312]	4.7
Total installments receivable [Including securitized receivables]	133,694 [196,625]	29.3	117,803 [180,457]	27.9
Cash advances [Including securitized receivables]	288,716 [307,050]	63.3	273,706 [291,622]	64.8
Other loans	33,459	7.4	30,586	7.3
Total loans receivable [Including securitized receivables]	322,175 [340,510]	70.7	304,293 [322,208]	72.1
Total finance receivables [Including securitized receivables]	455,870 [537,136]	100.0	422,096 [502,666]	100.0

Report of Non-Consolidated Financial Results (For the Fiscal 2004 First Quarter, Ended May 20, 2004)

June 24, 2004

Registered Company Name: AEON Credit Service Co., Ltd.

Code No:	8570	Stock Listing:	Tokyo Stock Exchange, First Section
President and CEO:	Yoshiki Mori		
Contact:	Tatsuya Saito, Managing Director and Head of Finance and Accounting	Telephone:	+81-3-5281-2057

1. Items relating to the preparation of quarterly financial information

(1) Use of simplifications in accounting methods : Yes (simplifications used in certain parts)

(2) Recent changes in accounting methods : No

2. Business Performance (For the fiscal 2004 first quarter, ended May 20, 2004)

(1) Non-Consolidated Results of Operations (Millions of yen truncated to the nearest million, %)

	Operating Revenue	Change	Operating Income	Change	Ordinary Income	Change	Net Income	Change
1st Quarter ended May 20, 2004	¥21,959	17.7%	¥ 4,813	19.4%	¥ 4,935	19.8%	¥ 2,823	19.5%
FY2003 ended February 20, 2004	83,090	12.6%	25,533	12.5%	26,141	12.4%	14,870	12.1%

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
1st Quarter ended May 20, 2004	¥ 53.98	
FY2003 ended February 20, 2004	283.39	

Notes:

1. Trading volume in the first quarter, ended May 20, 2004, was ¥391,438 million, up 15.5%, compared with the previous year. Trading volume in the year ended February 20, 2004, was ¥1,487,899 million, up 15.3%, compared with the previous year.
2. The Company commenced preparation of quarterly financial statements from the fiscal year ending February 20, 2005, therefore no comparable first quarter figures are shown for the previous fiscal year. For reference purposes only, however, percentage changes compared with the corresponding period in the previous year are shown for certain items.

(2) Financial Position

(Millions of yen truncated to the nearest million, %)

	Total Assets	Total Shareholders' Equity	Shareholders' Equity Ratio	Shareholders' Equity Per Share (Yen)
1st Quarter ended May 20, 2004	¥406,093	¥93,681	23.1%	¥1,790.97
FY2003 ended February 20, 2004	380,463	92,261	24.2%	1,762.92

Notes:

The Company commenced preparation of quarterly financial statements from the fiscal year ending February 20, 2005, therefore no comparable first quarter figures are shown for the previous fiscal year. For reference purposes only, however, percentage changes compared with the corresponding period in the previous year are shown for certain items.

3. Non-Consolidated Results Forecast (For the year ending February 20, 2005)

(Millions of yen truncated to the nearest million)

FY2004	Operating Revenue	Operating Income	Ordinary Income	Net Income	Dividends per Share		
					Interim (Yen)	Year-End (Yen)	Annual (Yen)
Interim	¥43,600	¥11,400	¥11,800	¥ 6,800	¥30.00		
Full term	91,000	28,100	28,800	16,400		¥35.00	¥65.00

Notes:

- Interim trading volume for the year ending February 20, 2005, is forecast at ¥780,000 million, an increase of 10.6%, compared with the corresponding period in the previous year. Full-term trading volume for the year ending February 20, 2005, is forecast at ¥1,640,000 million, an increase of 10.2% compared with the corresponding period in the previous year.
- Net income per share for the full term of the year ending February 20, 2005, is forecast at ¥312.64, and for the interim term of the year ending February 20, 2005, is forecast at ¥130.00. (Based on the average number of shares for the full-term being 52,308,000.)

* Results forecasts above are based on management's assumptions using information available at the time of publication. Owing to various factors, actual results may differ from these projections.

1. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheets

(Millions of yen)

<div>Term</div> <div>Item</div>	1st Quarter (As of May 20,2004)		Fiscal 2003 (As of February 20, 2004)		Change
	Amounts	% of the total	Amounts	% of the total	Amounts
Assets					
Current assets					
1. Cash and cash equivalents	14,158		11,613		2,544
2. Credit card and hire purchase total	97,259		84,882		12,377
3. Credit card and other loans total	269,976		257,164		12,811
4. Other	20,341		18,483		1,857
Allowance for possible credit losses	(15,008)		(10,584)		(4,423)
Total current assets	386,727	95.2	361,559	95.0	25,168
Non-current assets					
1. Property, plant and equipment					
(1) Buildings	302		299		2
(2) Vehicles and transport equipment	3		4		(0)
(3) Tools	2,478		2,770		(292)
Total property, plant and equipment	2,784	0.7	3,074	0.8	(289)
2. Intangible fixed assets	1,655	0.4	1,706	0.5	(51)
3. Investments and other assets					
(1) Investment securities	12,717		11,914		802
(2) Other	2,209		2,209		(0)
Total investments and other assets	14,926	3.7	14,123	3.7	802
Total non-current assets	19,366	4.8	18,904	5.0	462
Total assets	406,093	100.0	380,463	100.0	25,630

(Millions of yen)

<div> <div>Term</div> <div>Item</div> </div>	1st Quarter (As of May 20, 2004)		Fiscal 2003 (As of February 20, 2004)		Change
	Amount	% of the total	Amount	% of the total	Amount
Liabilities					
Current liabilities					
1. Cash and deposits	54,596		47,124		7,471
2. Short-term loans	3,800		5,860		(2,060)
3. Current portion of long-term debt	20,300		17,700		2,600
4. Commercial paper	16,000		8,000		8,000
5. Other	10,478		13,937		(3,458)
Total current liabilities	105,175	25.9	92,622	24.4	12,552
Non-current liabilities					
1. Corporate bonds	50,000		50,000		-
2. Long-term debt	156,000		144,500		11,500
3. Other	1,237		1,079		157
Total non-current liabilities	207,237	51.0	195,579	51.4	11,657
Total liabilities	312,412	76.9	288,201	75.8	24,210
Shareholders' equity					
Common stock	15,466	3.8	15,466	4.0	-
Retained earnings	17,046	4.2	17,046	4.5	0
Legal reserve	58,117	14.3	57,170	15.0	946
Appraised value of other marketable securities	3,111	0.8	2,633	0.7	478
Treasury stock	(60)	(0.0)	(55)	(0.0)	(5)
Total shareholders' equity	93,681	23.1	92,261	24.2	1,419
Total of liabilities and shareholders' equity	406,093	100.0	380,463	100.0	25,630

(2) Consolidated Statements of Income

(Millions of yen)

Term Item	1st Quarter (Three months ended May 20,2004)		Fiscal 2003 (Year ended February 20,2004)	
	Amount	% of the total	Amount	% of the total
Operating revenue				
1. Credit card shopping	4,834		18,107	
2. Hire purchase	6		26	
3. Income from direct cash loans	15,778		58,061	
4. Income from service fees	733		3,137	
5. Amortized debt income	100		424	
6. Other income	506		3,332	
7. Financial income				
Interest received	0		0	
Total operating revenue	21,959	100.0	83,090	100.0
Operating expenses				
1. Selling, general and administrative expenses	16,449	74.9	54,536	65.6
2. Financial expenses	696	3.2	3,021	3.7
Total operating expenses	17,145	78.1	57,557	69.3
Operating income	4,813	21.9	25,533	30.7
Non-operating income	122	0.6	711	0.9
Non-operating expenses	-	-	103	0.1
Ordinary income	4,935	22.5	26,141	31.5
Extraordinary income	-	-	-	-
Extraordinary losses	-	-	320	0.4
Income before income taxes and other deductions	4,935	22.5	25,820	31.1
Corporate, resident and enterprise taxes	2,112		12,253	
Adjustment for corporate taxes and other factors	-	2,112	(1,304)	10,949
Net income	2,823	12.9	14,870	17.9
Balance brought forward	11,539		9,833	
Interim dividends	-		1,307	
Unappropriated income at end of quarter	14,362		23,396	

2. Non-Consolidated Financial Data

(1) Trading Volume

(Millions of yen)

Term Item	1st Quarter (As of May 20, 2004)		Fiscal 2003 (As of February 20, 2004)	
	Amount	% of the total	Amount	% of the total
Credit card shopping	236,051	60.3	895,868	60.2
Hire purchase	63	0.0	377	0.0
Total loans	104,588	26.7	378,509	25.5
Service fees	50,727	13.0	213,104	14.3
Others	7	0.0	39	0.0
Total trading volume	391,438	100.0	1,487,899	100.0

(2) Finance Receivables

(Millions of yen)

Term Item	1st Quarter (As of May 20, 2004)		Fiscal 2003 (As of February 20, 2004)	
	Amount	% of the total	Amount	% of the total
Credit card shopping	97,044	26.4	84,667	24.7
〔Including securitized receivables〕	〔150,494〕		〔138,117〕	
Hire purchase	214	0.1	215	0.1
Total installments receivable	97,259	26.5	84,882	24.8
〔Including securitized receivables〕	〔150,709〕		〔138,332〕	
Cash advances	256,791	69.9	244,942	71.6
〔Including securitized receivables〕	〔266,791〕		〔254,942〕	
Other loans	13,184	3.6	12,221	3.6
Total loans receivable	269,976	73.5	257,164	75.2
〔Including securitized receivables〕	〔279,976〕		〔267,164〕	
Total finance receivables	367,235	100.0	342,046	100.0
〔Including securitized receivables〕	〔430,685〕		〔405,496〕	