

Report of Consolidated Financial Results

(For the Fiscal 2004 Third Quarter, Ended November 20, 2004)

December 16, 2004

Registered Company Name:	AEON Credit Service Co., Ltd.
Stock Listing:	Tokyo Stock Exchange, First Section
Code No:	8570
President and CEO:	Yoshiki Mori
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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 nine months ended November 20, 2004 and the year ended February 20, 2004)

(1) Consolidated Results of Operations

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

	Operating Revenue	Change	Operating Income	Change	Ordinary Income	Change
3rd Quarter ended Nov. 20, 2004	¥ 89,535	13.4%	¥22,804	15.9%	¥22,940	16.3%
Fiscal 2003 ended Feb. 20, 2004	109,389	7.7%	30,502	14.3%	30,537	15.5%

	Net Income	Change	Net Income Per Share (Yen)	Fully Diluted Net Income Per Share (Yen)
3rd Quarter ended Nov. 20, 2004	¥12,010	16.5%	¥229.61	—
Fiscal 2003 ended Feb. 20, 2004	16,179	15.7%	308.24	—

Note:

The Company commenced preparation of quarterly financial statements from the fiscal year ending February 20, 2005, therefore no comparable third 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)
3rd Quarter ended Nov. 20, 2004	¥561,130	¥110,162	19.6%	¥2,106.06
Fiscal 2003 ended Feb. 20, 2004	465,719	101,694	21.8%	1,943.09

(3) 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
3rd Quarter ended Nov. 20, 2004	¥(73,925)	¥(3,895)	¥79,167	¥17,136
Fiscal 2003 ended Feb. 20, 2004	8,390	(1,193)	(5,887)	15,919

Note:

The Company commenced preparation of quarterly financial statements from the fiscal year ending February 20, 2005, therefore no comparable third quarter figures are shown for the previous fiscal year.

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)
Full term	¥122,000	¥34,600	¥34,700	¥18,600	¥354.54
Change	11.5%	13.4%	13.6%	15.0%	

【Qualitative information relating to consolidated results forecasts】

During the third 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 (October 5, 2004).

In light of this progress, the forecast year-end dividend has been revised upward, from ¥35.00 to ¥40.00. Based on this revision, the annual dividend applicable to the period is forecast to be ¥70.00, compared with ¥60.00 for the previous fiscal period.

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.

【 Consolidated Financial Statements 】

1. Consolidated Balance Sheets

(Millions of yen)

Term Item	As of November 20, 2004		As of February 20, 2004		Change
	Amount	% of the total	Amount	% of the total	Amount
(Assets)					
I . Current assets					
1. Cash and cash equivalents	¥ 17,136		¥ 15,999		¥ 1,136
2. Credit card and hire purchase total	174,796		117,803		56,992
3. Credit card and other loans total	340,495		304,293		36,202
4. Other	29,902		23,191		6,710
Allowance for possible credit losses	(22,062)		(14,467)		(7,595)
Total current assets	540,267	96.3	446,820	95.9	93,446
II . Non-current assets					
1. Property, plant and equipment					
(1) Buildings	668		531		136
(2) Vehicles and transport equipment	16		20		(4)
(3) Tools	4,277		4,902		(625)
Total property, plant and equipment	4,962	0.9	5,454	1.2	(492)
2. Intangible fixed assets	4,097	0.7	2,588	0.6	1,508
3. Investments and other assets					
(1) Investment securities	8,684		8,113		570
(2) Other	3,119		2,741		378
Total investments and other assets	11,803	2.1	10,855	2.3	948
Total non-current assets	20,863	3.7	18,898	4.1	1,964
Total assets	¥561,130	100.0	¥465,719	100.0	¥95,410

(Millions of yen)

Term Item	As of November 20, 2004		As of February 20, 2004		Change
	Amount	% of the total	Amount	% of the total	Amount
(Liabilities)					
I . Current liabilities					
1. Cash and deposits	¥ 53,751		¥ 48,529		¥ 5,221
2. Short-term loans	16,539		21,892		(5,353)
3. Current portion of long-term debt	42,009		33,460		8,639
4. Current portion of bonds and notes	2,600		—		2,600
5. Commercial paper	34,000		8,000		26,000
6. Other	18,175		17,055		1,120
Total current liabilities	167,164	29.8	128,936	27.7	38,228
II . Non-current liabilities					
1. Corporate bonds	60,000		52,740		7,260
2. Long-term debt	211,469		170,092		41,376
3. Other	1,510		2,067		(557)
Total non-current liabilities	272,980	48.7	224,900	48.3	48,079
Total liabilities	440,144	78.5	353,836	76.0	86,308
(Minority interests)					
Minority interests	10,823	1.9	10,188	2.2	635
(Shareholders' equity)					
I . Common stock	15,466	2.8	15,466	3.3	—
II . Capital surplus	17,049	3.0	17,046	3.6	2
III . Retained earnings	76,019	13.5	67,463	14.5	8,555
IV . Net unrealized gains on other marketable securities	3,021	0.5	2,709	0.6	311
V . Exchange rate adjustment allowance	(1,327)	(0.2)	(936)	(0.2)	(391)
VI . Treasury stock	(65)	(0.0)	(55)	(0.0)	(10)
Total shareholders' equity	110,162	19.6	101,694	21.8	8,467
Total liabilities, minority interests and shareholders' equity	¥561,130	100.0	¥465,719	100.0	¥95,410

2. Consolidated Statements of Income

(Millions of yen)

Term Item	For the nine months ended November 20, 2004		For the fiscal year ended February 20, 2004	
	Amount	% of the total	Amount	% of the total
I. Operating revenue	¥89,535	100.0	¥109,389	100.0
1. Credit card shopping	18,105		21,005	
2. Hire purchase	4,322		6,422	
3. Income from direct cash loans	61,932		72,958	
4. Income from service fees	2,112		3,128	
5. Amortized debt income	689		833	
6. Other income	2,366		5,010	
7. Financial income				
Interest received	6		30	
II. Operating expenses	66,730	74.5	78,886	72.1
1. Selling, general and administrative expenses	62,277	69.5	72,713	66.5
2. Financial expenses	4,452	5.0	6,173	5.6
Operating income	22,804	25.5	30,502	27.9
III. Non-operating income	214	0.2	153	0.1
IV. Non-operating expenses	79	0.1	118	0.1
Ordinary income	22,940	25.6	30,537	27.9
V. Extraordinary income	—	—	108	0.1
VI. Extraordinary losses	146	0.1	354	0.3
Income before income taxes and other deductions	22,793	25.5	30,292	27.7
Corporate, resident and enterprise taxes	10,645		13,349	
Adjustment for corporate taxes and other factors	(1,532)	10.2	(1,083)	11.2
Minority interest income	1,670	1.9	1,846	1.7
Net income	¥12,010	13.4	¥16,179	14.8

3. Consolidated Statements of Cash Flows

(Millions of yen)

Term Item	For the nine months ended November 20, 2004	For the fiscal year ended February 20, 2004
	Amount	Amount
I. Cash flows from operating activities		
Income before income taxes and minority interests	¥22,793	¥30,292
Depreciation and amortization	2,429	3,402
Amortization of excess of net assets acquired over cost	(12)	(17)
Increase in reserve for possible credit losses	18,462	14,611
Decrease in reserve for employee retirement benefits	(42)	(38)
Increase in prepaid pension expenses	(134)	—
Dividend income	(83)	(55)
Loss on software retirement	—	282
Unrealized gain on interest-rate swaps	(86)	(19)
Gain on equity-method investment	(15)	(4)
Amortization of bond issuance expenses	64	65
Decrease (increase) in credit card and hire purchase receivables	(57,758)	13,192
Increase in operating loans	(46,242)	(50,526)
Increase in other current assets	(9,010)	(4,901)
Increase in accounts payable	5,318	11,478
Increase in other current liabilities	4,034	2,143
Bonuses paid to directors	(54)	(56)
Other	572	338
Subtotal	(59,767)	20,188
Dividends received	83	55
Corporate taxes paid	(14,241)	(11,853)
Net cash provided by (used in) operating activities	(73,925)	8,390
II. Cash flows from investing activities		
Payments for acceptance of term deposits	—	(1,723)
Proceeds from disbursements for term deposits	78	3,298
Payments for acquisition of tangible fixed assets	(1,366)	(1,014)
Proceeds from sale of tangible fixed assets	3	703
Payments for acquisition of intangible fixed assets	(2,110)	(1,371)
Proceeds from sale of intangible fixed assets	—	108
Payments for acquisition of investment securities	(20)	(1,001)
Other	(480)	(194)
Net cash used in investing activities	(3,895)	(1,193)

(Millions of yen)

<div>Term</div> <div>Item</div>	For the nine months ended November 20, 2004	For the fiscal year ended February 20, 2004
	Amount	Amount
III. Cash flows from financing activities		
Net increase (decrease) in short-term loans	(4,742)	30
Net increase (decrease) in commercial paper	26,000	(18,000)
Proceeds from long-term debt	75,812	57,792
Repayment of long-term debt	(23,754)	(52,272)
Proceeds from issuance of corporate bonds	9,935	9,934
Decrease in treasury stock	(8)	(39)
Dividends paid	(3,400)	(2,734)
Dividends paid to minority shareholders	(674)	(597)
Net cash provided by (used in) financing activities	79,167	(5,887)
IV. Translation adjustments for cash and cash equivalents	(130)	(271)
V. Net increase in cash and cash equivalents	1,216	1,037
VI. Cash and cash equivalents at beginning of year	15,919	14,882
VII. Cash and cash equivalents at end of period	¥17,136	¥15,919

4. Consolidated Financial Data

(1) Trading Volume

(Millions of yen)

Term Item	For the nine months ended November 20, 2004		For the fiscal year ended February 20, 2004	
	Amount	% of the total	Amount	% of the total
Credit card shopping	¥ 802,737	58.6	¥ 928,364	56.7
Hire purchase	35,053	2.6	45,579	2.8
Total loans	377,188	27.5	445,605	27.2
Service fees	149,043	10.9	213,104	13.0
Others	5,434	0.4	5,956	0.3
Total trading volume	¥1,369,458	100.0	¥1,638,610	100.0

(2) Finance Receivables

(Millions of yen)

Term Item	As of November 20, 2004		As of February 20, 2004	
	Amount	% of the total	Amount	% of the total
Credit card shopping	¥151,001	29.3	¥ 97,970	23.2
[Including securitized receivables]	[197,231]		[155,144]	
Hire purchase	23,794	4.6	19,832	4.7
[Including securitized receivables]	[28,994]		[25,312]	
Total installments receivable	174,796	33.9	117,803	27.9
[Including securitized receivables]	[226,226]		[180,457]	
Cash advances	302,737	58.8	273,706	64.8
[Including securitized receivables]	[320,434]		[291,622]	
Other loans	37,757	7.3	30,586	7.3
Total loans receivable	340,495	66.1	304,293	72.1
[Including securitized receivables]	[358,192]		[322,208]	
Total finance receivables	¥515,291	100.0	¥422,096	100.0
[Including securitized receivables]	[584,419]		[502,666]	

Report of Non-Consolidated Financial Results

(For the Fiscal 2004 Third Quarter, Ended November 20, 2004)

December 16, 2004

Registered Company Name:	AEON Credit Service Co., Ltd.
Stock Listing:	Tokyo Stock Exchange, First Section
Code No:	8570
President and CEO:	Yoshiki Mori
Contact:	Tatsuya Saito, Managing Director and Head of Finance and Accounting
URL:	http://www.aeoncredit.co.jp/aeon/eng
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 nine months ended November 20, 2004, and the year ended February 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
3rd Quarter ended Nov. 20, 2004	¥68,900	15.1%	¥18,274	12.0%	¥18,995	12.0%
Fiscal 2003 ended Feb. 20, 2004	83,090	12.6%	25,533	12.5%	26,141	12.4%

	Net Income	Change	Net Income Per Share (Yen)	Fully Diluted Net Income Per Share (Yen)
3rd Quarter ended Nov. 20, 2004	¥10,939	11.9%	¥209.13	—
Fiscal 2003 ended Feb. 20, 2004	14,870	12.1%	283.39	—

Notes:

- Trading volume in the nine months ended November 20, 2004, was ¥1,231,824 million, up 14.7% 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.
- The Company commenced preparation of quarterly financial statements from the fiscal year ending February 20, 2005, therefore no comparable third 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)
3rd Quarter ended Nov. 20, 2004	¥464,032	¥100,004	21.6%	¥1,911.86
Fiscal 2003 ended Feb. 20, 2004	380,463	92,261	24.2%	1,762.92

Note:

The Company commenced preparation of quarterly financial statements from the fiscal year ending February 20, 2005, therefore no comparable third quarter figures are shown for the previous fiscal year.

2. 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	Dividend Per Share		
					Interim (Yen)	Year-End (Yen)	Annual (Yen)
Full term	¥94,500	¥28,500	¥29,200	¥16,600	—	¥40.00	¥70.00
Change	13.7%	11.6%	11.7%	11.6%			

Notes:

- Full-term trading volume for the year ending February 20, 2005, is forecast at ¥1,690,000 million, an increase of 13.6% 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 ¥316.47. (Based on the average number of shares for the full term being 52,307,000.)

【Qualitative information relating to consolidated results forecasts】

During the third 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 (October 5, 2004). In light of this progress, the forecast year-end dividend has been revised upward, from ¥35.00 to ¥40.00. Based on this revision, the annual dividend applicable to the period is forecast to be ¥70.00, compared with ¥60.00 for the previous fiscal period.

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.

【 Non-Consolidated Financial Statements 】

1. Non-Consolidated Balance Sheets

(Millions of yen)

Term Item	As of November 20, 2004		As of February 20, 2004		Change
	Amount	% of the total	Amount	% of the total	Amount
(Assets)					
I . Current assets					
1. Cash and cash equivalents	¥ 13,335		¥ 11,613		¥ 1,722
2. Credit card and hire purchase total	136,678		84,882		51,796
3. Credit card and other loans total	285,894		257,164		28,730
4. Other	25,550		18,483		7,066
Allowance for possible credit losses	(17,852)		(10,584)		(7,267)
Total current assets	443,607	95.6	361,559	95.0	82,048
II . Non-current assets					
1. Property, plant and equipment					
(1) Buildings	439		299		139
(2) Vehicles and transport equipment	3		4		(0)
(3) Tools	2,180		2,770		(590)
Total property, plant and equipment	2,622	0.6	3,074	0.8	(451)
2. Intangible fixed assets	2,875	0.6	1,706	0.5	1,169
3. Investments and other assets					
(1) Investment securities	12,365		11,914		451
(2) Other	2,561		2,209		351
Total investments and other assets	14,926	3.2	14,123	3.7	802
Total non-current assets	20,424	4.4	18,904	5.0	1,520
Total assets	¥464,032	100.0	¥380,463	100.0	¥83,568

(Millions of yen)

Term Item	As of November 20, 2004		As of February 20, 2004		Change
	Amount	% of the total	Amount	% of the total	Amount
(Liabilities)					
I . Current liabilities					
1. Cash and deposits	¥ 51,171		¥ 47,124		¥ 4,046
2. Short-term loans	2,126		5,860		(3,734)
3. Current portion of long-term debt	29,800		17,700		12,100
4. Commercial paper	34,000		8,000		26,000
5. Other	13,865		13,937		(71)
Total current liabilities	130,963	28.2	92,622	24.4	38,340
II . Non-current liabilities					
1. Corporate bonds	60,000		50,000		10,000
2. Long-term debt	172,000		144,500		27,500
3. Other	1,064		1,079		(14)
Total non-current liabilities	233,064	50.2	195,579	51.4	37,485
Total liabilities	364,028	78.4	288,201	75.8	75,826
(Shareholders' equity)					
I . Common stock	15,466	3.3	15,466	4.0	—
II . Capital surplus	17,049	3.7	17,046	4.5	2
III . Retained earnings	64,663	14.0	57,170	15.0	7,493
IV . Net unrealized gains on other marketable securities	2,891	0.6	2,633	0.7	257
V . Treasury stock	(65)	(0.0)	(55)	(0.0)	(10)
Total shareholders' equity	100,004	21.6	92,261	24.2	7,742
Total liabilities and shareholders' equity	¥464,032	100.0	¥380,463	100.0	¥83,568

2. Non-Consolidated Statements of Income

(Millions of yen)

Term Item	For the nine months ended November 20, 2004		For the fiscal year ended February 20, 2004	
	Amount	% of the total	Amount	% of the total
I. Operating revenue	¥68,900	100.0	¥83,090	100.0
1. Credit card shopping	15,723		18,107	
2. Hire purchase	14		26	
3. Income from direct cash loans	49,586		58,061	
4. Income from service fees	2,120		3,137	
5. Amortized debt income	285		424	
6. Other income	1,170		3,332	
7. Financial income Interest received	0		0	
II. Operating expenses	50,626	73.5	57,557	69.3
1. Selling, general and administrative expenses	48,281	70.1	54,536	65.6
2. Financial expenses	2,345	3.4	3,021	3.7
Operating income	18,274	26.5	25,533	30.7
III. Non-operating income	783	1.2	711	0.9
IV. Non-operating expenses	62	0.1	103	0.1
Ordinary income	18,995	27.6	26,141	31.5
V. Extraordinary income	—	—	—	—
VI. Extraordinary losses	146	0.2	320	0.4
Income before income taxes and other deductions	18,849	27.4	25,820	31.1
Corporate, resident and enterprise taxes	9,209		12,253	
Adjustment for corporate taxes and other factors	(1,299)	11.5	(1,304)	13.2
Net income	10,939	15.9	14,870	17.9
Balance brought forward	11,539		9,833	
Interim dividends	1,569		1,307	
Unappropriated income at end of period	¥20,909		¥23,396	

3. Non-Consolidated Financial Data

(1) Trading Volume

(Millions of yen)

Term Item	For the nine months ended November 20, 2004		For the fiscal year ended February 20, 2004	
	Amount	% of the total	Amount	% of the total
Credit card shopping	¥ 768,808	62.4	¥ 895,868	60.2
Hire purchase	204	0.0	377	0.0
Total loans	313,739	25.5	378,509	25.5
Service fees	149,043	12.1	213,104	14.3
Others	27	0.0	39	0.0
Total trading volume	¥1,231,824	100.0	¥1,487,899	100.0

(2) Finance Receivables

(Millions of yen)

Term Item	As of November 20, 2004		As of February 20, 2004	
	Amount	% of the total	Amount	% of the total
Credit card shopping [Including securitized receivables]	¥ 136,490 [179,099]	32.3	¥ 84,667 [138,117]	24.7
Hire purchase	187	0.0	215	0.1
Total installments receivable [Including securitized receivables]	136,678 [179,287]	32.3	84,882 [138,332]	24.8
Cash advances [Including securitized receivables]	270,460 [280,460]	64.0	244,942 [254,942]	71.6
Other loans	15,434	3.7	12,221	3.6
Total loans receivable [Including securitized receivables]	285,894 [295,894]	67.7	257,164 [267,164]	75.2
Total finance receivables [Including securitized receivables]	¥ 422,573 [475,182]	100.0	¥ 342,046 [405,496]	100.0