



Brief Report of Financial Results

(For the Six Months Ended August 20, 2009)

September 29, 2009

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

Stock Listing: Tokyo Stock Exchange, First Section

Code No: 8570

URL: <http://www.aeoncredit.co.jp>

President and CEO: Kazuhide Kamitani

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Business Performance (For the Six Months ended August 20, 2009 and 2008)

Consolidated Results of Operations

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

	Operating Revenue	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Six Months ended Aug. 20, 2009	¥84,931	—	¥8,697	—	¥8,417	—
Six Months ended Aug 20, 2008	88,586	△2.1%	15,346	△13.7%	15,504	△13.3%

	Net Income	Percentage Change	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Six Months ended Aug. 20, 2009	¥△6,172	—	¥△39.36	—
Six Months ended Aug 20, 2008	7,076	△27.8%	45.12	45.12

Financial Position

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

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
Six Months ended Aug. 20, 2009	¥922,333	¥173,071	16.6%	¥975.41
Fiscal year ended February 20, 2009	854,193	181,901	19.0%	1,036.35

Dividend circumstances

	Dividend per share				
(Base date)	First quarter period	Interim period	Third quarter period	Term end	Annual
February 2009 term	—	¥15.00	—	¥25.00	¥40.00
February 2010 term	—	15.00	—	—	—
February 2010 term (Estimated)	—	—	—	(25.00)	(40.00)

Consolidated Results Forecast (For the fiscal year ending February 20, 2010)

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

	Operating Revenue	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Full term	¥176,100	0.1%	¥22,000	△17.3%	¥21,500	△19.8%

	Net Income	Percentage Change	Net Income per Share (Yen)
Full term	¥600	△95.9%	¥3.83

Others

- (1) Change of important subsidiary during term (Change of specified subsidiary accompanying change of consolidation scope) ; No
- (2) Use of simplifications in accounting methods and Specific accounting method is applied to the condensed quarterly consolidated financial statements. : No
- (3) Change of principle, procedure, expression method, etc., of accounting process concerning preparation of consolidated financial statements (matters to be mentioned concerning change of important items to be the bases for preparation of consolidated financial statements)
- ① Change accompanying revision of accounting standards ; Yes
- ② Change other than ① ; No
- (4) Number of shares of outstanding stock (Common stock)
- ① Number of shares of outstanding stock at term end (including treasury stock)
- The 2nd quarter of 2009; 156,967,008 shares, Fiscal 2008; 156,967,008 shares
- ② Number of shares of treasury stock at end of term
- The 2nd quarter of 2009; 112,368 shares, Fiscal 2008; 131,823 shares,
- ③ Average of the number of shares during the quarter(For the Six Months ended Aug 20, 2009)
- The 2nd quarter of 2009; 156,849,977 shares, The 2nd quarter of 2008; 156,836,361 shares

1. The Corporate Accounting Standard Section 12 <Accounting Standard related to Quarterly Financial Statements> and the Corporate Accounting Standard Adoption Guideline Section No. 14 <Guideline for the adoption of Accounting Standard related to Quarterly Financial Statements> are applied from the FY2009. The condensed quarterly consolidated financial statements have been prepared in accordance with the <Rules for the Quarterly Consolidated Financial Statements>
2. 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.

「Reference」 Prospects of the business

Projection for the year ended 20 February 2010 (For the fiscal year ending February 20, 2010)

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

	Operating Revenue	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Full term	¥117,500	0.2%	¥9,600	△31.8%	¥11,400	△30.0%

	Net Income	Percentage Change	Net Income per Share (Yen)
Full term	¥△2,900	—	¥△18.49

Consolidated Financial Statements

Consolidated quarterly balance sheets

(Millions of yen)

Item \ Term	As of Aug.20, 2009	As of February.20, 2009
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	28,730	61,033
Accounts receivable-installment	374,873	245,378
Operating loans	434,733	483,527
Other	59,455	58,772
Allowance for doubtful accounts	△50,442	△50,757
Total current assets	847,351	797,954
Noncurrent assets		
Property, plant and equipment	9,759	9,469
Intangible assets	11,589	11,471
Investments and other assets	53,494	35,140
Total noncurrent assets	74,843	56,081
Deferred assets	138	157
Total assets	922,333	854,193
(Liabilities)		
Current liabilities		
Accounts payable-trade	112,477	91,542
Short-term loans payable	68,773	26,581
Current portion of long-term loans payable	81,979	70,542
Current portion of bonds	14,028	16,272
Income taxes payable	1,730	4,772
Provision for point card certificates	6,473	4,141
Other provision	332	374
Other	19,137	16,566
Total current liabilities	304,932	230,795
Noncurrent liabilities		
Bonds payable	92,348	104,533
Long-term loans payable	321,660	321,981
Provision for loss on interest repayment	26,286	11,936
Other provision	173	108
Other	3,860	2,937
Total noncurrent liabilities	444,329	441,496
Total liabilities	749,262	672,292

(Millions of yen)

Item \ Term	As of Aug.20, 2009	As of February.20, 2009
	Amount	Amount
(Net assets)		
Shareholders' equity		
Capital stock	15,466	15,466
Capital surplus	17,044	17,052
Retained earnings	125,370	135,161
Treasury stock	△186	△219
Total shareholders' equity	157,694	167,461
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,278	767
Deferred gains or losses on hedges	△1,437	△419
Foreign currency translation adjustment	△4,538	△5,273
Total valuation and translation adjustments	△4,697	△4,926
Subscription rights to shares	—	25
Minority interests	20,073	19,340
Total net assets	173,071	181,901
Total liabilities and net assets	922,333	854,193

Consolidated quarterly statements of income

(Millions of yen)

Item	Term	For the Six months ended Aug. 20, 2009
		Amount
Operating revenue		
Credit card revenue		27,212
Per-item revenue		3,954
Financing revenue		41,425
Processing service fee		5,513
Gain on bad debts recovered		1,419
Other		5,313
Financial revenue		92
Total operating revenue		84,931
Operating expenses		
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts		14,101
Provision for loss on interest repayment		4,529
Provision for point card certificates		3,766
Other		46,655
Total selling, general and administrative expenses		69,054
Financial expenses		7,178
Total operating expenses		76,233
Operating income		8,697
Non-operating income		
Dividends income		79
Amortization of negative goodwill		114
Other		19
Total non-operating income		214
Non-operating expenses		
Office transfer expenses		377
Other		116
Total non-operating expenses		493
Ordinary income		8,417
Extraordinary loss		
Provision of allowance for doubtful accounts		2,052
Provision for loss on interest repayment		14,000
Other		4
Total extraordinary losses		16,057
Income before income taxes and minority interests (△)		△7,639
Income taxes-current		1,939
Income taxes-deferred		△5,219
Total income taxes		△3,280
Minority interests in income		1,813
Net loss for the quarterly financial period (△)		△6,172

The Corporate Accounting Standard Section 12 <Accounting Standard related to Quarterly Financial Statements> and the Corporate Accounting Standard Adoption Guideline Section No. 14 <Guideline for the adoption of Accounting Standard related to Quarterly Financial Statements> are applied from the FY2009. The condensed quarterly consolidated financial statements have been prepared in accordance with the <Rules for the Quarterly Consolidated Financial Statements>

Remarks for the continuing corporations

There is no applicable issue

Segment Information

[Operating Segment Information]

Consolidated Result for the Financial Period 21 February 2009 ~ 20 August 2009

Information for different operating segments has not been presented since the financial service business is representing over 90% of both the total operating revenue and the operating profit of the Company.

Segment Information (Geographic Segments)

(Millions of yen)

	For the Six months ended Aug. 20 ,2009				
	Domestic	Overseas	Total	Eliminations/ Corporate	Consolidated
Operating revenues	59,540	25,390	84,931	—	84,931
Operating income	4,032	4,665	8,697	—	8,697

Note:1.The overseas geographical segment encompasses Hong Kong, Thailand, Malaysia, Taiwan, China, Indonesia, Philippine and Vietnam)

2.Change of accounting standard

The preparation of consolidated financial statements of the subsidiaries for the 1st quarter consolidated accounting period is in conformity with the requirement of the Practical report No. 18 which was released on 17 May 2006 by the Accounting Standards Board of Japan in regarding to the change of accounting practice in the subsidiary for the preparation of consolidated financial report . According to the change of accounting practice, the operating profit from the subsidiaries increased by 26 Million Japanese Yen during the 2st quarter consolidated accounting period.

(Operating Revenues to Overseas)

(Millions of yen)

Operating revenues to foreign customers	Consolidated operating revenues	Overseas operating revenues as a percentage of consolidated operating revenues
25,390	84,931	29.9%

Note:Overseas operating revenues refers to total operating revenues from consolidated subsidiaries in regions or countries outside Japan. (The overseas geographical segment encompasses Hong Kong, Thailand, Malaysia, Taiwan, China, Indonesia, Philippine and Vietnam)

Remarks for significant change of shareholders equity

There is no applicable issue

Major issue aroused

Share acquisition: increase of capital by issuing new shares to third party

On 29 September 2009, the Board has approved the acquisition of new shares issued by AEON Bank. The acquisition of the non-voting ordinary shares is scheduled to be completed on 30 September. Summary of the acquisition is as follows:-

- Reason for the acquisition

The Company aims at securing new income source and realigning business structure. One of the methods is to promote the new business model, bank agency service. The acquisition will strengthen the collaboration with AEON Bank, thus reinforcing the bank agency business.

- Content of the acquisition

Type and number of shares to be acquired: 200,000 shares of non-voting shares

Acquisition cost: ¥50,000 per shares
 ¥10,000 Million in total

「Reference」

(summary)Consolidated quarterly statements of income

(Millions of yen)

Item	Term	For the Six months ended Aug. 20, 2008
		Amount
I Operating revenue		
1 Credit card revenue		25,964
2 Per-item revenue		4,935
3 Financing revenue		50,047
4 Processing service fee		2,460
5 Gain on bad debts recovered		1,362
6 Other		3,792
7 Financial revenue		86
Total operating revenue		88,586
II Operating expenses		
1 Selling, general and administrative expenses		65,949
2 Financial expenses		7,290
Total operating expenses		73,240
Operating income		15,346
III Non-operating income		278
IV Non-operating expenses		119
Ordinary income		15,504
V Extraordinary gains		6,645
VI Extraordinary losses		7,675
Income before income taxes and minority interests		14,475
Corporate, resident and enterprise taxes		5,076
Minority interests in income		2,322
Net income		7,076

Segment Information

[Operating Segment Information]

Consolidated Result for the Financial Period 21 February 2009 ~ 20 August 2009

The group's business comprises mainly 2 operating divisions, namely financial service business and other business. Financial services business includes businesses such as hire-purchase, credit card, installment loans and servicing (outside collection agency). Other business includes businesses such as insurance agency. Information for different operating segments has not been presented since the financial service business is representing over 90% of both the total operating revenue and the operating profit of the Company.

Segment Information (Geographic Segments)

(Millions of yen)

	For the Six months ended Aug. 20 ,2008				
	Domestic	Overseas	Total	Eliminations/ Corporate	Consolidated
Operating revenues	60,445	28,141	88,586	—	88,586
Operating income	9,449	5,897	15,346	—	15,346

*Note:*The overseas geographical segment encompasses Hong Kong, Thailand, Malaysia, Taiwan, China, Indonesia, Philippine and Vietnam)

(Operating Revenues to Overseas)

(Millions of yen)

Operating revenues to foreign customers	Consolidated operating revenues	Overseas operating revenues as a percentage of consolidated operating revenues
28,141	88,586	31.8%

*Note:*Overseas operating revenues refers to total operating revenues from consolidated subsidiaries in regions or countries outside Japan. (The overseas geographical segment encompasses Hong Kong, Thailand, Malaysia, Taiwan, China, Indonesia , Philippine and Vietnam)

Others Sales Volume

(Millions of yen)

Term Item	For the Six months Ended Aug 20, 2008	For the Six months Ended May. 20, 2009
	Amount	Amount
Credit card shopping	1,030,557	1,084,127
Hire purchase	25,430	20,191
Total loans	336,958	300,890
Processing Service (※)	78,984	28,428
Others	15,127	17,559
Total Sales Volume	1,487,058	1,451,196

※The sales from the payment settlement service related to electronic money issued by any company have been included in the financial statements. However, starting from the 2st quarter 2009, only the sales from the payment settlement service for those electronic money card issued by the Company will be included. However, the sales from those electronic money card issued by other companies during the 2st quarter 2009 is 207,562 Million Japanese Yen. Sales from those electronic money card issued by other companies during the 1st quarter of 2008 was 66,140 Million Japanese Yen.

Finance Receivables

(Millions of yen)

Term Item	As of Aug.20, 2009	As of February.20, 2009
	Amount	Amount
Credit card shopping	339,039	211,117
〔Including securities and trusted beneficiary right receivables〕	〔394,724〕	〔361,515〕
Hire purchase	35,834	34,261
Total installments receivable	374,873	245,378
〔Including securities and trusted beneficiary right receivables〕	〔430,558〕	〔395,776〕
Cash advances	358,932	413,215
〔Including securities and trusted beneficiary right receivables〕	〔408,779〕	〔422,580〕
Other loans	75,801	70,311
〔Including securitized receivables〕	〔81,715〕	〔79,024〕
Total loans receivable	434,733	483,527
〔Including securities and trusted beneficiary right receivables〕	〔490,495〕	〔501,605〕
Total finance receivables	809,607	728,905
〔Including securities and trusted beneficiary right receivables〕	〔921,054〕	〔897,382〕