



Brief Report of Financial Results (Unaudited)

(For the six Months Ended August 20, 2010)

September 27, 2010

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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1. Business performance (For the six Months ended August 20, 2010 and 2009)

(1) Consolidated Operating Results

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

	Operating Revenue	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Six Months ended August 20, 2010	¥82,568	△2.8%	¥8,509	△2.2%	¥8,580	1.9%
Six Months ended August 20, 2009	84,931	—	8,697	—	8,417	—

	Net Income	Percentage Change	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Six Months ended August 20, 2010	¥3,846	—	¥24.52	—
Six Months ended August 20, 2009	△6,172	—	△39.36	—

(2) 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 August 20, 2010	¥901,728	¥176,068	17.2%	¥990.18
Fiscal year ended February 20, 2010	866,364	176,717	18.0%	994.42

(Reference) Shareholder's equity; Fiscal 2010; 155,313 million, Fiscal 2009; 155,978 million

2. Cash Dividends

	Annual dividend				
(Base date)	First quarter period	Interim period	Third quarter period	Term end	Annual
February 2010 term	—	¥15.00	—	¥25.00	¥40.00
February 2011 term	—	15.00	—	—	—
February 2011 term (Estimated)	—	—	—	(25.00)	(40.00)

Note: Revision on dividend projection in the 2nd Quarter ; No

3. Projections (For the fiscal year ending February 20, 2011)

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

	Operating Revenue	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change
Fiscal year	¥173,000	0.3%	¥23,000	11.9%	¥22,500	10.2%

	Net Income	Percentage Change	Net Income per Share (Yen)
Fiscal year	¥9,500	—	¥60.57

Note: Revision on the projection of consolidated results in the 2nd Quarter ; No

4.Others

(1) Change in significant subsidiary during the term (Change in specified subsidiary that caused a change in the scope of consolidation) ; No
(2) Use of simplifications in accounting methods and Specific accounting method is applied to the condensed quarterly consolidated financial statements ; No

(3)Change in accounting principle, procedure, disclosure , etc., concerning preparation of consolidated financial statements
(matters to be mentioned concerning the change of important items to be the bases for preparation of consolidated financial statements)

① Change by a newly issued accounting pronouncement ; No

② Change other than ① ; Yes

(4) Number of issued stocks and outstandings (Common stock)

① Number of issued stocks and outstandings at term end (including treasury stock)

The 2nd quarter of fiscal 2010; 156,967,008 shares, Fiscal 2009; 156,967,008 shares

② Number of shares of treasury stock at end of term

The 2nd quarter of fiscal 2010; 113,038 shares, Fiscal 2009; 112,878 shares,

③ Average of the number of shares during the quarter(For the Six Months ended August 20, 2010)

The 2nd quarter of fiscal 2010; 156,854,055 shares, The 2nd quarter of fiscal 2009; 156,849,977 shares

※ Remarks on the projections, other issues

Projections 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.

5. Consolidated Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen truncated the nearest million yen)

	As of August 20, 2010	As of February 20, 2010
Assets		
Current assets		
Cash and deposits	24,730	23,875
Accounts receivable-installment	347,365	300,782
Operating loans	408,040	423,324
Other	77,738	74,158
Allowance for doubtful accounts	△51,869	△52,613
Total current assets	806,005	769,527
Noncurrent assets		
Property, plant and equipment	12,416	9,929
Intangible assets	15,361	12,605
Investments and other assets	67,844	74,183
Total noncurrent assets	95,623	96,718
Deferred assets	100	119
Total assets	901,728	866,364
Liabilities		
Current liabilities		
Accounts payable-trade	128,639	109,852
Short-term loans payable	7,381	18,671
Current portion of long-term loans payable	123,475	93,891
Current portion of bonds	14,081	16,811
Income taxes payable	5,421	3,987
Provision for point card certificates	6,437	3,717
Other provision	377	267
Other	28,872	24,979
Total current liabilities	314,687	272,178
Noncurrent liabilities		
Bonds payable	82,124	89,053
Long-term loans payable	272,209	301,736
Securitized debt obligations	30,000	—
Provision for loss on interest repayment	19,552	22,840
Other provision	39	38
Other	7,046	3,799
Total noncurrent liabilities	410,972	417,468
Total liabilities	725,660	689,647

(Millions of yen truncated the nearest million yen)

	As of August 20, 2010	As of February 20, 2010
Net assets		
Shareholder's equity		
Capital stock	15,466	15,466
Capital surplus	17,046	17,046
Retained earnings	129,310	129,386
Treasury stock	△187	△187
Total shareholders' equity	161,636	161,712
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	913	770
Deferred gains or losses on hedges	△1,283	△1,598
Foreign currency translation adjustment	△5,954	△4,905
Total valuation and translation adjustments	△6,323	△5,733
Minority interests	20,754	20,739
Total net assets	176,068	176,717
Total Liabilities and net assets	901,728	866,364

(2) Consolidated Quarterly Statements of Income

(Millions of yen truncated the nearest million yen)

	As of August 20, 2009	As of August 20, 2010
Operating revenues		
Credit card revenue	27,212	30,637
Per-item revenue	3,954	4,194
Financing revenue	41,425	37,424
Processing agency service fees	5,513	3,129
Gain on bad debts recovered	1,419	1,463
Other	5,313	5,682
Financial revenue	92	36
Total Operating revenues	84,931	82,568
Operating expenses		
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	14,101	16,459
Provision for loss on interest repayment	4,529	—
Provision for point card certificates	3,766	4,040
Other	46,655	46,159
Total Selling, general and administrative expenses	69,054	66,659
Financial expenses	7,178	7,399
Total operating expenses	76,233	74,058
Operating income	8,697	8,509
Nonoperating income		
Dividend income	79	72
Amortization of negative goodwill	114	115
Other	19	13
Total nonoperating income	214	201
Nonoperating expenses		
Office removal expenses	377	35
Exchange difference arising from translation of foreign operations	—	38
Other	116	56
Total Nonoperating expenses	493	130
Ordinary income	8,417	8,580
Extraordinary loss		
Provision of allowance for doubtful accounts	2,052	—
Provision for the loss from interest refund	14,000	—
Other	4	—
Total Extraordinary loss	16,057	—
Quarterly profit or loss before tax	△7,639	8,580
Income taxes-current	1,939	5,114
Income taxes-deferred	△5,219	△1,940
Total Income taxes	△3,280	3,173
Minority interests in income	1,813	1,560
Quarterly net profit or loss	△6,172	3,846

(3) Remarks for the continuing corporations

There is no applicable issue

(4) Segment Information

[Operating Segment Information]

Consolidated Results for the Financial Period 21 February 2010 ~ 20 August 2010

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 August 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

	For the Six months ended August 20, 2010				
	Domestic	Overseas	Total	Eliminations/ Corporate	Consolidated
Operating revenues	57,797	24,770	82,568	—	82,568
Operating income	4,644	3,865	8,509	—	8,509

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

2. Change in accounting standard

The preparation of consolidated financial statements of the subsidiaries for the 2nd 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 preparation of consolidated financial report in the subsidiary. According to the change, the operating profit from the subsidiaries increased by 26 Million Japanese Yen during the 2nd quarter consolidated accounting period.

3. Additional Information

(Consolidated accumulated period for the current quarter)

2. Other information (3) According to the summary of change in principle in accounting settlement, procedure, presentation method, etc., operating income for the business of settlement service for electronic money is the offset of the electronic money usage fee payable to the electronic money issuer.

As a result, domestic operating income has reduced by 5,847 million Japanese yen when comparing with the past method. There is no further effect to the operating profit.

(Overseas Operating Revenues)

(Millions of yen)

For the Six months ended August 20, 2009		
Operating revenues to foreign customers	Consolidated operating Revenues	Overseas operating revenues as a percentage of consolidated operating revenues
25,390	84,931	29.9

For the Six months ended August 20, 2010		
Operating revenues to foreign customers	Consolidated operating revenues	Overseas operating revenues as a percentage of consolidated operating revenues
24,770	82,568	30.0

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, the Philippines and Vietnam)

(5) Remarks for significant change in shareholders equity

There is no applicable issue

6.Others

(1)Sales Volume

(Millions of yen)

<div> <div>Term</div> <div>Item</div> </div>	For the Six months Ended August 20, 2009	For the Six months Ended August 20, 2010
	Amount	Amount
Credit card	1,084,127	1,234,608
Per-item	20,191	25,507
Financing	300,890	243,353
Processing agency service	28,428	49,028
Other	17,559	22,170
Total Trading Volume	1,451,196	1,574,668

(2)Advances and Receivables

(Millions of yen)

<div> <div>Term</div> <div>Item</div> </div>	As of August 20, 2010	As of February 20, 2010
	Amount	Amount
Credit card	307,228	262,811
〔Including securities and trusted beneficiary right receivables〕	(443,053)	(405,320)
Per-item	40,137	37,970
Total accounts receivable-installment	347,365	300,782
〔Including securities and trusted beneficiary right receivables〕	(483,190)	(443,290)
Cash advances	334,448	347,808
〔Including securities and trusted beneficiary right receivables〕	(386,159)	(397,230)
Other financing	73,592	75,515
〔Including securitized receivables〕	(76,112)	(79,420)
Total operating loans	408,040	423,324
〔Including securities and trusted beneficiary right receivables〕	(462,272)	(476,651)
Total operating receivables	755,406	724,106
〔Including securities and trusted beneficiary right receivables〕	(945,462)	(919,941)