

Brief Report of Financial Results (Unaudited)

(For the fiscal 2010 ended February 20, 2011)

April 5, 2011

Registered company name: **AEON CREDIT SERVICE CO., LTD.**

Stock listing: Tokyo Stock Exchange, First Section

Code No: 8570

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1. Business performance (For the fiscal 2010 ended February 20, 2011 and fiscal 2009 ended February 20, 2010)

(1) Consolidated results of operations

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

	Operating revenues	YOY (%)	Operating income	YOY (%)	Ordinary income	YOY (%)	Net income	YOY (%)
Fiscal 2010 ended February 20, 2011	169,191	△1.9	20,717	0.8	20,823	2.0	9,540	—
Fiscal 2009 ended February 20, 2010	172,430	△2.0	20,560	△22.7	20,424	△23.8	197	△98.7

	Net income per share	Fully diluted net income per share	Return on equity	Return on assets	Operating income / Operating revenues
Fiscal 2010 ended February 20, 2011	60.83	—	6.1	2.4	12.2
Fiscal 2009 ended February 20, 2010	1.26	1.26	0.1	2.4	11.9

(Reference) Profit & loss from equity method applied investment; Fiscal 2010; △67 million, Fiscal 2009; 63 million

(2) Consolidated financial position

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

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal 2010 ended February 20, 2011	901,578	180,199	17.7	1,015.17
Fiscal 2009 ended February 20, 2010	866,364	176,717	18.0	994.42

(Reference) Shareholder's equity; Fiscal 2010; 159,232 million, Fiscal 2009; 155,978 million

(3) Consolidated cash flows

(Millions of yen truncated to the nearest million)

	Net cash used in operating activities	Net cash used in Investing activities	Net cash provided by financing activities	Cash and cash equivalents at end of period
Fiscal 2010 ended February 20, 2011	29,042	△8,861	△12,941	29,666
Fiscal 2009 ended February 20, 2010	16,386	△17,419	△36,376	23,012

2. Dividend circumstances

	Dividend per share				
(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	—	25.00	40.00
February 2012 term (Estimated)	—	15.00	—	25.00	40.00

	Total dividends	Payout ratio	Dividend on equity ratio
(Base date)			
February 2010 term	6,274	3,174.6	3.9
February 2011 term	6,274	65.8	4.0
February 2012 term (Estimated)		65.4	

3. Consolidated results forecast (Fiscal 2011 ending February 21, 2012) (Millions of yen truncated to the nearest million, %, yen)

	Operating revenues	YOY (%)	Operating income	YOY (%)	Ordinary income	YOY (%)	Net income	YOY (%)	Net income per share
Interim	83,000	0.5	8,600	1.1	8,650	0.8	3,950	2.7	25.18
Full term	171,500	1.4	21,000	1.4	21,000	0.8	9,600	0.6	61.20

4. Others

- (1) Change of important subsidiary during term (Change of specified subsidiary accompanying change of consolidation scope) : No
- (2) 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 ; Yes
- (3) Number of shares of outstanding stock (Common stock)
- ① Number of shares of outstanding stock at term end (including treasury stock)
- Fiscal 2010; 156,967,008 shares, Fiscal 2009; 156,967,008 shares
- ② Number of shares of treasury stock at end of term
- Fiscal 2010; 113,462 shares, Fiscal 2009; 112, 878shares

(Reference) : Report of Non-Consolidated Financial Results

1. Business performance (For the fiscal 2010 ended February 20, 2011 and fiscal 2009 ended February 20, 2010)

(1) Non-consolidated results of operations (Millions of yen truncated to the nearest million, %, yen)

	Operating revenues	YOY (%)	Operating income	YOY (%)	Ordinary income	YOY (%)	Net income	YOY (%)
Fiscal 2010 ended February 20, 2011	113,739	△3.1	10,078	10.3	12,769	16.8	8,165	—
Fiscal 2009 ended February 20, 2010	117,354	0.1	9,139	△35.1	10,929	△32.9	△2,613	—

	Net income per share	Fully diluted net income per share
Fiscal 2010 ended February 20, 2011	52.6	—
Fiscal 2009 ended February 20, 2010	△16.66	—

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

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal 2010 ended February 20, 2011	696,834	138,428	19.9	882.53
Fiscal 2009 ended February 20, 2010	662,955	136,171	20.5	868.14

(Reference) Shareholder's equity; Fiscal 2010; 138,428 million, Fiscal 2009; 136,171 million

2. Non-Consolidated results forecast (Fiscal 2011 ending February 20, 2012)

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

	Operating revenues	YOY (%)	Operating income	YOY (%)	Ordinary income	YOY (%)	Net income	YOY (%)	Net income per share
Interim	56,000	0.9	3,900	3.7	4,750	0.5	2,850	1.3	18.17
Full term	115,000	1.1	10,200	1.2	12,800	0.2	8,200	0.4	52.28

※ Transaction volume is estimated 1,462,000 million (YOY 3.5%) in interim term, 3,100,000 million (YOY 7.9%) in full term.

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

【 1. (Summary) Consolidated financial statements 】

(1) (Summary) Consolidated Balance Sheets

(Millions of yen truncated the nearest million yen)

	As of February 20, 2010	As of February 20, 2011
(ASSETS)		
Current assets		
Cash and deposits	23,875	30,902
Accounts receivable-installment	300,782	384,261
Operating loans	423,324	293,427
Advances paid	11,939	15,284
Prepaid expenses	1,107	1,308
Deferred tax assets	18,765	19,372
Accounts receivable-other	28,045	45,649
Account income	10,543	8,431
Other	3,757	4,250
Allowance for doubtful accounts	△52,613	△52,327
Total current assets	769,527	750,561
Noncurrent assets		
Property, plant and equipment		
Buildings	3,123	3,099
Accumulated depreciation	△1,676	△1,888
Buildings, net	1,447	1,210
Vehicles	4,169	4,753
Accumulated depreciation	△1,056	△1,338
Vehicles, net	3,113	3,414
Tools, furniture and fixtures	17,377	20,487
Accumulated depreciation	△12,008	△12,264
Tools, furniture and fixtures, net	5,368	8,223
Total property, plant and equipment	9,929	12,848
Intangible assets		
Software	12,566	14,919
Telephone subscription right	39	38
Total Intangible assets	12,605	14,957
Investments and other assets		
Investment securities	53,493	99,779
Long-term prepaid expenses	6,878	6,301
Deferred tax assets	9,092	6,802
Guarantee deposits	1,812	1,799
	2,905	8,447
Total Investments and other assets	74,183	123,130
Total noncurrent assets	96,718	150,936

(Millions of yen truncated the nearest million yen)

	As of February 20, 2010	As of February 20, 2011
Deferred assets		
Bond issuance cost	119	80
Cash and deposits	119	80
Total assets	866,364	901,578
Liabilities		
Current liabilities		
Accounts payable-trade	109,852	138,003
Short-term loans payable	18,671	5,586
Current portion of long-term loans payable	93,891	129,712
Current portion of bonds	16,811	14,507
Commercial papers	—	410
Accounts payable-other	6,801	8,829
Accrued expenses	3,247	3,650
Income taxes payable	3,987	4,331
Unearned revenue	534	566
Deposits received	12,249	20,341
Provision for bonuses	254	399
Directors' Performance Bonus	12	50
Provision for point card certificates	3,717	6,895
Reserve for possible loss from credit guarantee business	—	135
Other	2,146	3,366
Total current liabilities	272,178	336,788
Noncurrent liabilities		
Bonds payable	89,053	81,885
Long-term loans payable	301,736	250,574
Securitization borrowings	—	30,000
Provision for retirement benefits	38	51
Provision for loss on interest repayment	22,840	16,017
Deferred tax liabilities	404	244
Other	3,394	5,817
Total noncurrent liabilities	417,468	384,590
Total liabilities	689,647	721,378

(Millions of yen truncated the nearest million yen)

	As of February 20, 2010	As of February 20, 2011
Net assets		
Shareholder's equity		
Cash and deposits	15,466	15,466
Capital surplus	17,046	17,046
Retained earnings	129,386	132,652
Treasury stock	△187	△187
Total shareholders' equity	161,712	164,978
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	770	1,158
Deferred gains or losses on hedges	△1,598	△608
Foreign currency translation adjustment	△4,905	△6,295
Total valuation and translation adjustments	△5,733	△5,745
Minority interests	20,739	20,967
Total net assets	176,717	180,199
Total Liabilities and net assets	866,364	901,578

(2) (Summary) Consolidated Statements of Income

(Millions of yen truncated the nearest million yen)

	For the fiscal2009 ended February 20, 2010	For the fiscal2010 ended February 20, 2011
Operating revenues		
Revenue from credit card (business)	55,966	63,838
Cash and deposits	8,050	8,906
Financing revenue	80,598	71,570
Processing agency service fees	13,012	6,626
Gain on bad debts recovered	3,273	2,957
Other	11,368	15,235
Financial revenue		
Interest income	160	57
Total financial revenue	160	57
Total Operating revenues	172,430	169,191
Operating expenses		
Selling, general and administrative expenses		
Advertising and promotion expenses	10,998	13,125
Provision for point card certificates	3,717	4,102
Bad debts expenses	5,362	3,882
Provision of allowance for doubtful accounts	31,024	31,423
Provision of reserve for possible loss from credit guarantee business	—	135
Provision for loss on interest repayment	4,646	—
Directors' compensations	374	433
Employees' salaries and bonuses	18,017	19,655
Welfare expenses	2,562	2,633
Provision for Directors' Performance Bonus	12	50
Provision for bonuses	254	399
Retirement benefit expenses	277	283
Correspondence and transportation expenses	10,771	11,180
Taxes and dues	3,295	3,271
Rent expenses	5,491	5,858
CD operating expenses	291	297
Commission fee	19,418	11,596
Depreciation	6,848	7,856
System operation expenses	3,081	5,904
Other	10,921	11,309
Total selling, general and administrative expenses	137,370	133,400
Financial expenses		
Interest expenses	13,522	13,275
Other	976	1,798
Total financial expenses	14,499	15,073
Total operating expenses	151,869	148,473
Operating income	20,560	20,717

(Millions of yen truncated the nearest million yen)

	For the fiscal2009 ended February 20, 2010	For the fiscal2010 ended February 20, 2011
Non-operating income		
Dividend income	101	94
Cash and deposits	229	237
Gain on valuation of derivatives	62	—
Other	27	37
Total non-operating income	421	369
Non-operating expenses		
Office removal expenses	396	58
Foreign exchange losses	65	77
Equity in losses of affiliates	63	67
Loss of disposal of stock	9	—
Other	21	59
Total Non-operating expenses	557	263
Ordinary income	20,424	20,823
Extraordinary income		
Profit from the sale of stocks of subsidiary company	—	4,632
Gain on sales of noncurrent assets	72	75
Reversal of provision for retirement benefits	297	—
Other	—	24
Total Extraordinary income	369	4,732
Extraordinary loss		
Provision for point card certificates	—	2,793
Loss from the write-off of software	—	1,786
Provision for loss on interest repayment	14,000	—
Provision of allowance for doubtful accounts	2,052	—
Loss on valuation of investment securities	6	16
Other	36	24
Total Extraordinary loss	16,096	4,620
Income before income tax and minority interests	4,698	20,935
Income taxes-current	5,571	7,117
Income taxes-deferred	△4,877	578
Total Income taxes	694	7,695
Minority interests in income	3,805	3,699
Net income	197	9,540

(3) (Summary) Consolidated Statements of Changes in net assets

(Millions of yen truncated the nearest million yen)

	For the fiscal2009 ended February 20, 2010	For the fiscal2010 ended February 20, 2011
Shareholders' equity		
Capital stock		
Cash and deposits	15,466	15,466
Balance, February 20, 2011	15,466	15,466
Capital surplus		
Balance, February 20, 2010	17,052	17,046
Changes of items during the period		
Disposal of treasury stock	△6	—
Total changes of items during the period	△6	—
Balance, February 20, 2011	17,046	17,046
Retained earnings		
Balance, February 20, 2010	135,161	129,386
Effect of changes in accounting policies applied to foreign subsidiaries	302	—
Changes of items during the period		
Dividends from surplus	△6,273	△6,274
Net income	197	9,540
Disposal of treasury stock	△2	—
Total changes of items during the period	△6,077	3,266
Balance, February 20, 2011	129,386	132,652
Treasury stock		
Balance, February 20, 2010	△219	△187
Changes of items during the period		
Purchase of treasury stock	△1	△0
Disposal of treasury stock	33	—
Total changes of items during the period	32	△0
Balance, February 20, 2011	△187	△187
Total shareholders' equity		
Balance, February 20, 2010	167,461	161,712
Effect of changes in accounting policies applied to foreign subsidiaries	302	—
Changes of items during the period		
Dividends from surplus	△6,273	△6,274
Net income	197	9,540
Purchase of treasury stock	△1	△0
Disposal of treasury stock	25	—
	△6,051	3,266
Balance, February 20, 2011	161,712	164,978

(Millions of yen truncated the nearest million yen)

	For the fiscal2009 ended February 20, 2010	For the fiscal2010 ended February 20, 2011
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Cash and deposits	767	770
Changes of items during the period		
Net changes of items other than shareholders' equity	2	388
Total Changes of items during the period	2	388
Balance, February 20, 2011	770	1,158
Deferred gains or losses on hedges		
Balance, February 20, 2010	△419	△1,598
Changes of items during the period		
Net changes of items other than shareholders' equity	△1,179	990
Total Changes of items during the period	△1,179	990
Balance, February 20, 2011	△1,598	△608
Foreign currency translation adjustment		
Balance, February 20, 2010	△5,273	△4,905
Changes of items during the period		
Net changes of items other than shareholders' equity	368	△1,390
Total Changes of items during the period	368	△1,390
Balance, February 20, 2011	△4,905	△6,295
Total valuation and translation adjustments		
Balance, February 20, 2010	△4,926	△5,733
Changes of items during the period		
Net changes of items other than shareholders' equity	△807	△11
Total Changes of items during the period	△807	△11
Balance, February 20, 2011	△5,733	△5,745
Subscription rights to shares		
Balance, February 20, 2010	25	—
Changes of items during the period		
Net changes of items other than shareholders' equity	△25	—
Total Changes of items during the period	△25	—
Minority interests		
Balance, February 20, 2010	19,340	20,739
Changes of items during the period		
Net changes of items other than shareholders' equity	1,398	227
Total Changes of items during the period	1,398	227
Balance, February 20, 2011	20,739	20,967

(Millions of yen truncated the nearest million yen)

	For the fiscal2009 ended February 20, 2010	For the fiscal2010 ended February 20, 2011
Total Net assets		
Balance, February 20, 2010	181,901	176,717
Cash and deposits	302	—
Changes of items during the period		
Dividends from surplus	△6,273	△6,274
Net income	197	9,540
Purchase of treasury stock	△1	△0
Disposal of treasury stock	25	—
Net changes of items other than shareholders' equity	565	215
Total changes of items during the period	△5,485	3,481
Balance, February 20, 2011	176,717	180,199

(4) (Summary) Consolidated Statements of Cash Flows

(Millions of yen truncated the nearest million yen)

	For the fiscal2009 ended February 20, 2010	For the fiscal2010 ended February 20, 2011
Net cash provided by (used in) operating activities		
income before income tax and minority interests	4,698	20,935
Cash and deposits	6,848	7,856
Amortization of negative goodwill	△229	△237
Increase (decrease) in allowance for doubtful accounts	33,077	31,423
Increase (decrease) in provision for point card certificates	△424	3,178
Increase (decrease) in provision for loss on interest repayment	10,904	△6,823
Increase (decrease) in provision for retirement benefits	△100	13
Dividends income	△101	△94
Loss (gain) on valuation of investment securities	6	16
Equity in losses of affiliates	63	67
Amortization of bond issuance cost	38	38
Profit and loss from the sale of stocks of subsidiary company (△ refers to profit)	—	△4,632
Decrease (increase) in accounts receivable-installment	△69,619	△92,557
Decrease (increase) in operating loans receivable	22,277	58,295
Decrease (increase) in other current assets	△14,902	△25,630
Increase (decrease) in notes and accounts payable-trade	18,269	28,281
Increase (decrease) in other current liabilities	6,642	10,874
Bonuses to directors and corporate auditors-paid	△14	—
Other	5,245	4,326
Subtotal	22,680	35,333
Interest and dividends income received	101	94
Income taxes paid	△6,395	△6,385
Net cash provided by (used in) operating activities	16,386	29,042
Net cash provided by (used in) investing activities		
Payments into time deposits	△66	△454
Proceeds from withdrawal of time deposits	14	2
Purchase of property, plant and equipment	△2,746	△3,505
Proceeds from sales of property, plant and equipment	181	540
Purchase of intangible assets	△4,633	△6,720
Purchase of investment securities	△10,359	—
Purchase of investments in subsidiaries	△14	△12
Revenue from the acquisition of stocks of subsidiary company according to the change of consolidation scope	—	17
Revenue from the sale of stocks of subsidiary company according to the change of consolidation scope	—	3,352
	205	△2,081
Net cash provided by (used in) investing activities	△17,419	△8,861

(Millions of yen truncated the nearest million yen)

	For the fiscal2009 ended February 20, 2010	For the fiscal2010 ended February 20, 2011
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	△8,560	△12,886
Cash and deposits	—	408
Proceeds from long-term loans payable	69,410	81,039
Repayment of long-term loans payable	△73,327	△92,265
Funding income from the securitization borrowings	—	30,000
Proceeds from issuance of bonds	798	7,343
Redemption of bonds	△16,319	△16,878
Net decrease (increase) in treasury stock	△0	△0
Dividends paid	△6,273	△6,274
Dividends paid to minority shareholders	△1,827	△2,524
Other	△275	△902
Net cash provided by (used in) financing activities	△36,376	△12,941
Effect of exchange rate change on cash and cash equivalents	150	△585
Net increase (decrease) in cash and cash equivalents	△37,259	6,654
Increase in cash and cash equivalents from newly consolidated subsidiary	60,202	23,012
Cash and cash equivalents	69	—
Cash and cash equivalents,end of year	23,012	29,666

Segment Information
(Geographic Segments)

(Millions of yen)

	For the fiscal 2009 ended February 20, 2010				
	Domestic	Overseas	Total	Eliminations/ Corporate	Consolidated
Operating revenues	122,003	50,426	172,430	—	172,430
Operating income	11,017	9,542	20,560	—	20,560

	For the fiscal 2010 ended February 20, 2011				
	Domestic	Overseas	Total	Eliminations/ Corporate	Consolidated
Operating revenues	118,295	50,896	169,191	—	169,191
Operating income	11,635	9,081	20,717	—	20,717

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

(Overseas Operating Revenues)

(Millions of yen)

For the fiscal 2009 ended February 20, 2010		
Operating revenues to foreign customers	Consolidated operating Revenues	Overseas operating revenues as a percentage of consolidated operating revenues
50,426	172,430	29.2

For the fiscal 2010 ended February 20, 2011		
Operating revenues to foreign customers	Consolidated operating Revenues	Overseas operating revenues as a percentage of consolidated operating revenues
50,896	169,191	30.1

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)

【2. (Summary) Non-consolidated financial statements】

(1) (Summary) Non-consolidated Balance Sheets

(Millions of yen truncated the nearest million yen)

	As of February 20, 2010	As of February 20, 2011
(ASSETS)		
Current assets		
Cash and deposits	11,610	19,993
Accounts receivable-installment	230,874	309,889
Operating loans	314,102	184,229
Advances paid	11,918	15,261
Prepaid expenses	367	467
Deferred tax assets	16,940	18,099
Accounts receivable-other	25,365	43,352
Account income	3,844	1,870
Other	1,300	1,688
Allowance for doubtful accounts	△47,774	△46,819
Total current assets	568,549	548,032
Noncurrent assets		
Property, plant and equipment		
Buildings	1,587	1,696
Accumulated depreciation	△748	△919
Buildings, net	838	777
Vehicles	6	6
Accumulated depreciation	△4	△5
Vehicles, net	2	1
Tools, furniture and fixtures	8,339	11,703
Accumulated depreciation	△5,294	△5,588
Tools, furniture and fixtures, net	3,044	6,115
Total property, plant and equipment	3,885	6,893
Intangible assets		
Software	8,839	11,112
Telephone subscription right	38	38
Total Intangible assets	8,877	11,150
Investments and other assetsI		
Investment securities	52,758	99,074
Stocks of subsidiaries and affiliates	9,774	10,106
Long-term prepaid expenses	6,738	6,040
Deferred tax assets	1,033	1,075
Guarantee money deposit	8,998	6,704
Other	2,219	7,675
Total Investments and other assets	81,523	130,677
Total noncurrent assets	94,286	148,721

(Millions of yen truncated the nearest million yen)

	As of February 20, 2010	As of February 20, 2011
Deferred assets		
Bond issuance cost	119	80
Total deferred assets	119	80
Total assets	662,955	696,834
Liabilities		
Current liabilities		
Accounts payable-trade	106,474	134,544
Short-term loans payable	2,750	800
Current portion of long-term loans payable	62,000	97,400
Current portion of bonds	10,000	10,000
Accounts payable-other	5,664	7,381
Accrued expenses	1,819	1,920
Income taxes payable	2,834	3,335
Unearned revenue	250	243
Deposits received	10,590	19,755
Provision for bonuses	75	205
Reserve for executive performance bonuses	—	50
Provision for point card certificates	3,717	6,895
Reserve for possible loss from credit guarantee business	—	135
Other	1,145	2,434
Total current liabilities	207,322	285,101
Noncurrent liabilities		
Bonds payable	80,000	70,000
Long-term loans payable	215,100	152,300
Securitization borrowings	—	30,000
Provision for loss on interest repayment	22,840	16,017
Other	1,519	4,987
Total noncurrent liabilities	319,460	273,304
Total long-term liabilities	526,783	558,405
Net assets		
Shareholder's equity		
Capital stock	15,466	15,466
Capital surplus		
Legal capital surplus	17,046	17,046
Total capital surplus	17,046	17,046
Retained earnings		—
Legal retained earnings	3,687	3,687

(Millions of yen truncated the nearest million yen)

	As of February 20, 2010	As of February 20, 2011
Other retained earnings		
General reserve	75,995	75,995
Retained earnings brought forward	23,505	25,397
Total retained earnings	103,188	105,079
Treasury stock	△187	△187
Total shareholders' equity	135,514	137,405
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	657	1,023
Total Valuation and translation adjustments	657	1,023
Total net assets	136,171	138,428
Total Liabilities and net assets	662,955	696,834

(2) (Summary) Non-consolidated Statements of Income

(Millions of yen truncated the nearest million yen)

	For the fiscal2009 ended February 20, 2010	For the fiscal2010 ended February 20, 2011
Operating revenues		
Revenue from credit card (business)	48,334	54,679
Revenue from hire purchase (business)	8	7
Financing revenue	52,094	45,262
Processing agency service fees	13,004	6,611
Gain on bad debts recovered	117	149
Other	3,705	7,001
Financial revenue		
Interest income	89	27
Total financial revenue	89	27
Total Operating revenues	117,354	113,739
Operating expenses		
Selling, general and administrative expenses		
Advertising and promotion expenses	9,230	11,213
Provision for point card certificates	3,717	4,102
Bad debts expenses	43	37
Provision of allowance for doubtful accounts	21,919	20,677
Provision of reserve for possible loss from credit guarantee business	—	135
Provision for loss on interest repayment	4,646	—
Directors' compensations	151	183
Employees' salaries and bonuses	10,484	11,953
Welfare expenses	2,677	2,744
Provision for bonuses	75	205
Deferred provision for executive performance bonuses	—	50
Retirement benefit expenses	234	233
Correspondence and transportation expenses	8,793	9,139
Taxes and dues	2,682	2,586
Rent expenses	2,849	3,419
CD operating expenses	10	—
Commission fee	20,018	11,543
Card cost	3,754	3,717
Depreciation	4,007	4,941
System operation expenses	2,438	5,085
Other	3,530	3,823
Total selling, general and administrative expenses	101,265	95,793
Financial expenses		
Interest expenses	6,144	6,351
Other	804	1,516
Total financial expenses	6,949	7,868
Total operating expenses	108,214	103,661

(Millions of yen truncated the nearest million yen)

	For the fiscal2009 ended February 20, 2010	For the fiscal2010 ended February 20, 2011
Operating income	9,139	10,078
Non-operating income		
Dividends income	2,166	2,785
Other	6	23
Total non-operating income	2,173	2,809
Non-operating expenses		
Foreign exchange losses	44	59
Office removal expenses	328	58
Other	10	0
Total Non-operating expenses	383	117
Ordinary income	10,929	12,769
Extraordinary income		
Recoveries of Retirement Benefits	233	—
Profit from the sale of stocks of subsidiary company	—	5,260
Gain on sales of noncurrent assets	—	19
Total Extraordinary income	233	5,280
Extraordinary loss		
Provision for loss on interest repayment	14,000	—
Provision of allowance for doubtful accounts	2,052	—
Provision for point card certificates	—	2,793
Loss from the write-off of software	—	1,786
Loss from the valuation for stock of subsidiary company	—	374
Loss on valuation of investment securities	6	16
Other	7	23
Total Extraordinary loss	16,066	4,995
Income before income taxes	△4,903	13,055
Income taxes-current	2,630	4,002
Income taxes-deferred	△4,921	887
Total Income taxes	△2,290	4,889
Net income	△2,613	8,165

(3) (Summary) Consolidated Statements of Change in Equity Total change in term

	For the fiscal2009 ended February 20, 2010	For the fiscal2010 ended February 20, 2011
Shareholders' equity		
Capital stock		
Balance, February 20, 2010	15,466	15,466
Balance, February 20, 2011	15,466	15,466
Capital surplus		
Legal capital surplus		
Balance, February 20, 2010	17,046	17,046
Balance, February 20, 2011	17,046	17,046
Other capital surplus		
Balance, February 20, 2010	6	—
Changes of items during the period		
Disposal of treasury stock	△6	—
Total changes of items during the period	△6	—
Balance, February 20, 2011	—	—
Total capital surplus		
Balance, February 20, 2010	17,052	17,046
Changes of items during the period		
Disposal of treasury stock	△6	—
Total changes of items during the period	△6	—
Balance, February 20, 2011	17,046	17,046
Retained earnings		
Legal retained earnings		
Balance, February 20, 2010	3,687	3,687
Balance, February 20, 2011	3,687	3,687
Other retained earnings		
General reserve		
Balance, February 20, 2010	75,995	75,995
Balance, February 20, 2011	75,995	75,995
Retained earnings brought forward		
Balance, February 20, 2010	32,394	23,505
Balance, February 20, 2011		
Dividends from surplus	△6,273	△6,274
Net income	△2,613	8,165
Disposal of treasury stock	△2	—
Total changes of items during the period	△8,889	1,891
Balance, February 20, 2011	23,505	25,397

(Millions of yen truncated the nearest million yen)

	For the fiscal2009 ended February 20, 2010	For the fiscal2010 ended February 20, 2011
Total retained earnings		
Balance, February 20, 2010	112,077	103,188
changes of items during the period		
Dividends from surplus	△6,273	△6,274
Net income	△2,613	8,165
Disposal of treasury stock	△2	—
Total changes of items during the period	△8,889	1,891
Balance, February 20, 2011	103,188	105,079
Treasury stock		
Balance, February 20, 2010	△219	△187
Changes of items during the period		
Purchase of treasury stock	△1	△0
Disposal of treasury stock	33	—
Total changes of items during the period	32	△0
Balance, February 20, 2011	△187	△187
Total shareholders' equity		
Balance, February 20, 2010	144,377	135,514
Changes of items during the period		
Dividends from surplus	△6,273	△6,274
Net income	△2,613	8,165
Purchase of treasury stock	△1	△0
Disposal of treasury stock	25	—
Total changes of items during the period	△8,862	1,891
Balance February 20, 2011	135,514	137,405
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance, February 20, 2010	691	657
Changes of items during the period		
Net changes of items other than shareholders' equity	△33	365
Total Changes of items during the period	△33	365
Balance, February 20, 2011	657	1,023

(Millions of yen truncated the nearest million yen)

	For the fiscal2009 ended February 20, 2010	For the fiscal2010 ended February 20, 2011
Subscription rights to shares		
Balance, February 20, 2010	25	—
Changes of items during the period		
Net changes of items other than shareholders' equity	△25	—
Total Changes of items during the period	△25	—
Balance, February 20, 2011	—	—
Total net assets		
Balance, February 20, 2010	145,093	136,171
Changes of items during the period		
Dividends from surplus	△6,273	△6,274
Net income	△26,13	8,165
Purchase of treasury stock	△1	△0
Disposal of treasury stock	25	—
Net changes of items other than shareholders' equity	△58	365
Total changes of items during the period	△8,921	2,256
Balance, February 20, 2011	136,171	138,428