



Brief Report of Financial Results (Unaudited)

(For the three Months Ended May 20, 2011)

June 24, 2011

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

Stock Listing: Tokyo Stock Exchange, First Section

Code No: 8570

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

President and CEO: Kazuhide Kamitani

Contact: Hideki Wakabayashi, Director, CFO

1. Business performance (For the three Months ended May 20, 2011 and 2010)

(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
Three Months ended May 20, 2011	¥39,936	△1.0%	¥4,493	8.9%	¥4,542	9.0%
Three Months ended May 20, 2010	40,347	△3.2%	4,124	0.8%	4,166	3.6%

	Net Income	Percentage Change	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Three Months ended May 20, 2011	¥252	△87.1%	¥1.61	¥1.61
Three Months ended May 20, 2010	1,960	247.8%	12.50	—

(2) Financial Position

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

	Total Assets	Net Assets	Shareholders' Equity Ratio	Net Assets per Share (Yen)
Three Months ended May 20, 2011	¥914,817	¥176,093	16.9%	¥987.13
Fiscal year ended February 20, 2011	901,578	180,199	17.7%	1,015.17

(Reference) Shareholder's equity; Fiscal 2011; 154,834 million, Fiscal 2010; 159,232 million

2. Cash Dividends

(Base date)	Dividend per share				
	First quarter period	Interim period	Third quarter period	Term end	Annual
February 2011 term	—	¥15.00	—	¥25.00	¥40.00
February 2012 term	—	—	—	—	—
February 2012 term (Estimated)	—	(15.00)	—	(25.00)	(40.00)

Note: Revision on dividend projection in the 1st Quarter; NO

3. Projections (For the fiscal year ending February 20, 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	9,400	10.5	9,400	9.6	2,350	△38.9	14.98
Full term	171,500	1.4	22,600	9.1	22,600	8.5	9,600	0.6	61.20

Note: Revision on the projection of consolidated results in the 1st Quarter; Yes

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 ; Yes

② Change other than ① ; No

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

① Number of issued stocks and outstandings at term end (including treasury stock)
The 1st quarter of fiscal 2011; 156,967,008 shares, Fiscal 2010; 156,967,008 shares

② Number of shares of treasury stock at end of term
The 1st quarter of fiscal 2011; 113,602 shares, Fiscal 2010; 113,462 shares,

③ Average of the number of shares during the quarter(For the Three Months ended May 20, 2011)
The 1st quarter of fiscal 2011; 156,853,512 shares, The 1st quarter of fiscal 2010; 156,845,099 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 May 20, 2011	As of February 20, 2011
Assets		
Current assets		
Cash and deposits	20,066	30,902
Accounts receivable-installment	411,620	384,261
Operating loans	287,887	293,427
Other	94,762	94,297
Allowance for doubtful accounts	$\Delta 55,168$	$\Delta 52,327$
Total current assets	<u>759,168</u>	<u>750,561</u>
Noncurrent assets		
Property, plant and equipment	14,081	12,848
Intangible assets	16,403	14,957
Investments and other assets		
Investment securities	101,989	99,779
Other	22,998	23,350
Total investments and other assets	<u>124,987</u>	<u>123,130</u>
Total noncurrent assets	<u>155,472</u>	<u>150,936</u>
Deferred assets	176	80
Total assets	<u>914,817</u>	<u>901,578</u>
Liabilities		
Current liabilities		
Accounts payable-trade	137,694	138,003
Short-term loans payable	6,280	5,586
Current portion of long-term loans payable	111,200	129,712
Current portion of securitized receivables loans payable	5,256	—
Current portion of bonds	34,474	14,507
Income taxes payable	3,324	4,331
Provision for point card certificates	8,440	6,895
Other provision	953	585
Other	38,230	37,166
Total current liabilities	<u>345,854</u>	<u>336,788</u>
Noncurrent liabilities		
Bonds payable	81,722	81,885
Long-term loans payable	265,589	250,574
Securitised debt obligations	24,744	30,000
Provision for loss on interest repayment	14,284	16,017
Other provision	53	51
Other	6,476	6,061
Total noncurrent liabilities	<u>392,869</u>	<u>384,590</u>
Total liabilities	<u>738,724</u>	<u>721,378</u>

	(Millions of yen truncated the nearest million yen)	
	As of May 20, 2011	As of February 20, 2011
Net assets		
Shareholder's equity		
Capital stock	15,466	15,466
Capital surplus	17,046	17,046
Retained earnings	128,983	132,652
Treasury stock	△188	△187
Total shareholders' equity	161,309	164,978
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	957	1,158
Deferred gains or losses on hedges	△846	△608
Foreign currency translation adjustment	△6,586	△6,295
Total valuation and translation adjustments	△6,474	△5,745
Subscription rights to shares	12	—
Minority interests	21,245	20,967
Total net assets	176,093	180,199
Total Liabilities and net assets	914,817	901,578

(2) Consolidated Quarterly Statements of Income

(Millions of yen truncated the nearest million yen)

	As of May 20, 2010	As of May 20, 2011
Operating revenues		
Revenue from credit card (business)	14,773	16,354
Cash and deposits	1,879	2,064
Financing revenue	18,821	16,456
Processing agency service fees	1,504	1,722
Gain on bad debts recovered	725	658
Other	2,621	2,671
Financial revenue	21	6
Total Operating revenues	40,347	39,936
Operating expenses		
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	7,550	6,145
Provision for point card certificates	1,930	2,208
Other	22,982	23,633
Total Selling, general and administrative expenses	32,463	31,987
Financial expenses	3,758	3,454
Total operating expenses	36,222	35,442
Operating income	4,124	4,493
Nonoperating income		
Dividend income	48	44
Amortization of negative goodwill	57	50
Other	7	11
Total nonoperating income	112	106
Nonoperating expenses		
Office removal expenses	35	—
Loss on evaluation of derivative financial instruments	19	—
Equity in losses of affiliates	—	44
Other	16	12
Total Nonoperating expenses	70	56
Ordinary income	4,166	4,542
Extraordinary loss		
Loss by the disaster	—	3,140
Other	—	214
Total Extraordinary loss	—	3,354
Income before income tax and minority interests	4,166	1,187
Income taxes-current	2,435	2,413
Income taxes-deferred	△1,028	△2,281
Total Income taxes	1,406	131
Minority interests in income	—	1,056
Quarterly income	1,960	252

(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 May 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 Three months ended May 20, 2010				
	Domestic	Overseas	Total	Eliminations/ Corporate	Consolidated
Operating revenues	28,288	12,058	40,347	—	40,347
Operating income	2,247	1,877	4,124	—	4,124

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

2. Additional Information

(Consolidated accumulated period for the current quarter)

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 2,739 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 Three months ended May 20, 2010		
Operating revenues to foreign Customers	Consolidated operating Revenues	Overseas operating revenues as A percentage of consolidated Operating revenues
12,058	40,347	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, the Philippines and Vietnam)

Segment Information

(Millions of yen)

	For the Three months ended May 20, 2011					
	Credit	Fee business	Overseas	Total	The amount of adjustment	Consolidated Quarterly Statements Income
Operating Revenues from customers	23,513	3,661	12,761	39,936	—	39,936
Intersegment operating revenues and transfer	0	293	—	293	△293	—
Total	23,514	3,954	12,761	40,229	△293	39,936
Net income(loss)	2,975	△146	2,468	5,297	△803	4,493

Note: Segment Information

(1) Credit---Credit business including credit card and loan business inside Japan

(2) Fee business---Various fee businesses including electronic money business inside Japan

(3) Overseas---Overseas financial service business

(Additional Information)

Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards Board of Japan (ASBJ) Statement No17, March 27, 2009) and “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No.20 March 21, 2008) are implemented from FY2011 First Quarter.

(5) Remarks for significant change in shareholders equity

There is no applicable issue

6.Others

(1)Sales Volume

Item	Term	For the Three months Ended May 20, 2010	For the Three months Ended May 20, 2011	(Millions of yen)
		Amount	Amount	
Credit card		600,988	649,667	
Cash and deposits		12,683	6,120	
Financing		137,403	83,397	
Processing agency service		22,870	27,884	
Other		11,380	6,601	
Total Trading Volume		785,325	773,670	

(2)Advances and Receivables

Item	Term	As of May 20, 2011	As of February 20, 2011	(Millions of yen)
		Amount	Amount	
Credit card		376,550	344,341	
[Including securities and trusted beneficiary right receivables]		(480,830)	(464,081)	
Per-item		35,069	39,920	
Total accounts receivable-installment		411,620	384,261	
[Including securities and trusted beneficiary right receivables]		(515,899)	(504,001)	
Cash advances		205,597	217,186	
[Including securities and trusted beneficiary right receivables]		(343,840)	(356,872)	
Other financing		82,290	76,240	
[Including securitized receivables]		(83,585)	(77,863)	
Total operating loans		287,887	293,427	
[Including securities and trusted beneficiary right receivables]		(427,426)	(434,735)	
Total operating receivables		699,507	677,689	
[Including securities and trusted beneficiary right receivables]		(943,326)	(938,737)	