



Brief Report of Financial Results (Unaudited)

(For the Six Months Ended August 20, 2011)

September 29, 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 six Months ended August 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
Six Months ended August 20, 2011	¥81,633	△1.1%	¥10,231	20.2%	¥10,315	20.2%
Six Months ended August 20, 2010	82,568	△2.8%	8,509	△2.2%	8,580	1.9%

	Net Income	Percentage Change	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Six Months ended August 20, 2011	¥3,047	△20.8%	¥19.43	¥19.43
Six Months ended August 20, 2010	3,846	—	24.52	—

(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, 2011	¥925,845	¥175,513	16.8%	¥992.95
Fiscal year ended February 20, 2011	901,578	180,199	17.7%	1,015.17

(Reference) Shareholder's equity; The 2nd quarter of fiscal 2011; 155,747 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	—	15.00	—	—	—
February 2012 term (Estimated)	—	—	(5.00)	(25.00)	(45.00)

Note: Revision on dividend projection in the 2nd Quarter ; YES

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
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 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 ; 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 2nd 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 2nd quarter of fiscal 2011; 113,602 shares, Fiscal 2010; 113,462 shares,

③ Average of the number of shares during the quarter(For the Six Months ended August 20, 2011)

The 2nd quarter of fiscal 2011; 156,853,458shares, The 2nd quarter of fiscal 2010; 156,854,055 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, 2011	As of February 20, 2011
Assets		
Current assets		
Cash and deposits	31,159	30,902
Accounts receivable-installment	416,434	384,261
Operating loans	276,239	293,427
Other	98,967	94,297
Allowance for doubtful accounts	△52,264	△52,327
Total current assets	770,536	750,561
Noncurrent assets		
Property, plant and equipment	14,336	12,848
Intangible assets	16,552	14,957
Investments and other assets		
Investment securities	102,187	99,779
Other	22,072	23,350
Total investments and other assets	124,259	123,130
Total noncurrent assets	155,148	150,936
Deferred assets	160	80
Total assets	925,845	901,578
Liabilities		
Current liabilities		
Accounts payable-trade	152,411	138,003
Short-term loans payable	5,366	5,586
Current portion of long-term loans payable	102,781	129,712
Current portion of securitized receivables loans payable	10,029	—
Current portion of bonds	45,374	14,507
Income taxes payable	3,480	4,331
Provision for point card certificates	10,052	6,895
Other provision	707	585
Other	36,254	37,166
Total current liabilities	366,456	336,788
Noncurrent liabilities		
Bonds payable	61,649	81,885
Long-term loans payable	282,994	250,574
Securitized debt obligations	19,971	30,000
Provision for loss on interest repayment	12,516	16,017
Other provision	55	51
Other	6,689	6,061
Total noncurrent liabilities	383,875	384,590
Total liabilities	750,332	721,378

(Millions of yen truncated the nearest million yen)

	As of August 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	131,779	132,652
Treasury stock	△188	△187
Total shareholders' equity	164,104	164,978
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	992	1,158
Deferred gains or losses on hedges	△1,367	△608
Foreign currency translation adjustment	△7,982	△6,295
Total valuation and translation adjustments	△8,356	△5,745
Subscription rights to shares	12	—
Minority interests	19,752	20,967
Total net assets	175,513	180,199
Total Liabilities and net assets	925,845	901,578

(2) Consolidated Quarterly Statements of Income

(Millions of yen truncated the nearest million yen)

	From February 21, 2010 to August 20, 2010	From February 21, 2011 to August 20, 2011
Operating revenues		
Revenue from credit card (business)	30,637	33,994
Cash and deposits	4,194	3,938
Financing revenue	37,424	33,057
Processing agency service fees	3,129	3,575
Gain on bad debts recovered	1,463	1,404
Other	5,682	5,642
Financial revenue	36	20
Total Operating revenues	82,568	81,633
Operating expenses		
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	16,459	11,950
Provision for point card certificates	4,040	4,744
Other	46,159	47,792
Total Selling, general and administrative expenses	66,659	64,487
Financial expenses	7,399	6,914
Total operating expenses	74,058	71,402
Operating income	8,509	10,231
Nonoperating income		
Dividend income	72	65
Amortization of negative goodwill	115	101
Other	13	14
Total nonoperating income	201	181
Nonoperating expenses		
Office removal expenses	35	—
Loss on evaluation of derivative financial instruments	38	51
Equity in losses of affiliates	—	37
Other	56	8
Total Nonoperating expenses	130	97
Ordinary income	8,580	10,315
Extraordinary loss		
Loss by the disaster	—	3,140
Other	—	214
Total Extraordinary loss	—	3,354
Income before income tax and minority interests	8,580	6,960
Income taxes-current	5,114	3,288
Income taxes-deferred	△1,940	△1,068
Total Income taxes	3,173	2,219
	—	4,740
Minority interests in income	1,560	1,692
Quarterly income	3,846	3,047

(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, 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. 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 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, 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)

Segment Information

(Millions of yen)

	For the Six months ended August 20, 2011					
	Credit	Fee business	Overseas	Total	The amount of adjustment	Consolidated Quarterly Statements Income
Operating Revenues from customers	48,266	7,674	25,693	81,633	—	81,633
Intersegment operating revenues and transfer	0	579	—	579	△579	—
Total	48,266	8,254	25,693	82,213	△579	81,633
Net income(loss)	6,698	△200	5,159	11,657	△1,426	10,231

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

(Millions of yen)

<div> <div>Term</div> <div>Item</div> </div>	For the Six months ended August 20, 2010	For the Six months ended August 20, 2011
	Amount	Amount
Credit card	1,234,608	1,372,655
Cash and deposits	25,507	13,237
Financing	243,353	164,509
Processing agency service	49,028	58,868
Other	22,170	14,087
Total Trading Volume	1,574,668	1,623,358

(2)Advances and Receivables

(Millions of yen)

<div> <div>Term</div> <div>Item</div> </div>	As of August 20, 2011	As of February 20, 2011
	Amount	Amount
Credit card	384,362	344,341
〔Including securities and trusted beneficiary right receivables〕	(505,140)	(464,081)
Per-item	32,072	39,920
Total accounts receivable-installment	416,434	384,261
〔Including securities and trusted beneficiary right receivables〕	(537,212)	(504,001)
Cash advances	192,408	217,186
〔Including securities and trusted beneficiary right receivables〕	(325,908)	(356,872)
Other financing	83,830	76,240
〔Including securitized receivables〕	(84,855)	(77,863)
Total operating loans	276,239	293,427
〔Including securities and trusted beneficiary right receivables〕	(410,764)	(434,735)
Total operating receivables	692,674	677,689
〔Including securities and trusted beneficiary right receivables〕	(947,976)	(938,737)