



Brief Report of Financial Results (Unaudited)

(For the Six Months Ended August 20, 2012)

September 27, 2012

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, 2012 and 2011)

(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, 2012	¥88,243	8.1%	¥12,930	26.4%	¥13,039	26.4%
Six Months ended August 20, 2011	81,633	△1.1%	10,231	20.2%	10,315	20.2%

※Comprehensive income; The 2nd Quarter of Fiscal 2012; 8,255 million(—%), The 2nd Quarter of Fiscal 2011; 13 million(—%)

	Net Income	Percentage Change	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Six Months ended August 20, 2012	¥6,120	100.8%	¥42.03	¥37.52
Six Months ended August 20, 2011	3,047	△20.8%	19.43	19.43

(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, 2012	¥915,634	¥170,486	15.9%	¥1,008.97
Fiscal year ended February 20, 2011	907,658	181,852	17.5%	1,012.52

(Reference) Shareholder's equity; The 2nd quarter of fiscal 2012; 145,879 million, Fiscal 2011; 158,816 million

2. Cash Dividends

	Dividend per share				
(Base date)	First quarter period	Interim period	Third quarter period	Term end	Annual
February 2012 term	—	¥15.00	¥5.00	¥25.00	¥45.00
February 2013 term	—	20.00	—	—	—
February 2013 term (Estimated)	—	—	—	(25.00)	(45.00)

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

3. Projections (For the fiscal year ending February 28, 2013)

(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	181,000	6.6	28,500	17.4	28,500	17.4	12,500	39.1	80.90

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

In addition to the consolidated result of 2nd Quarter of the financial year ended February 2013, the forecast of fiscal year financial result has been revised due to the influence of the concluded share exchange agreement between AEON Credit Service Co., Ltd and AEON Bank, the management integration agreement of the aforesaid companies for transition to a holding company system and the change of accounting closing period. However, there is no significant change in the consolidated financial result forecast at this moment.

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 ; No

③ Change accounting quotation ; No

④ Restatement ; 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 2012; 144,697,208 shares, Fiscal 2011; 156,967,008 shares

② Number of shares of treasury stock at end of term

The 2nd quarter of fiscal 2012; 114,110 shares, Fiscal 2011; 113,690 shares,

③ Average of the number of shares during the quarter(For the Six Months ended August 20, 2012)

The 2nd quarter of fiscal 2012; 145,599,511 shares, The 2nd quarter of fiscal 2011; 156,853,458 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) Estimated Results for the Year Ending March 31, 2013

In addition to the consolidated result of 2nd Quarter of the financial year ended February 2013, the forecast of fiscal year financial result has been revised due to the influence of the concluded share exchange agreement between AEON Credit Service Co., Ltd and AEON Bank, the management integration agreement of the aforesaid companies for transition to a holding company system and the change of accounting closing period. However, there is no significant change in the consolidated financial result forecast at this moment.

However, the fiscal year financial result forecast announced on 25th June 2012 was for the period from 21st February 2012 to 28th February 2013. The current forecast is for the period from 21st February 2012 to 31st March 2013.

The Company intend to execute the share transfer with AEON Bank effective from 1st January 2013 on condition that such transfer is being approved in the extraordinary general meeting being held on 21st November 2012 and by relevant government authority. Relating to this change, the fiscal year end is scheduled on 31st March 2013. [3. Forecast on the consolidated result as of March 2013] The impact of the exchange of shares is reflected on the net profit per share in the current fiscal year.

5. Consolidated Financial Statements

(1) Consolidated Quarterly Balance Sheets

(Millions of yen truncated the nearest million yen)

	As of February 20, 2012	As of August 20, 2012
Assets		
Current assets		
Cash and deposits	21,250	24,423
Accounts receivable-installment	427,634	428,514
Operating loans	255,704	248,645
Other	71,230	73,143
Allowance for doubtful accounts	△42,346	△37,577
Total current assets	733,474	737,149
Noncurrent assets		
Property, plant and equipment	13,853	14,521
Intangible assets	18,144	17,807
Investments and other assets		
Investment securities	121,417	126,280
Other	20,642	19,717
Total investments and other assets	142,059	145,998
Total noncurrent assets	174,057	178,327
Deferred assets	127	158
Total assets	907,658	915,634
Liabilities		
Current liabilities		
Accounts payable-trade	142,117	165,760
Short-term loans payable	34,000	34,729
Current portion of long-term loans payable	72,542	91,757
Current portion of bonds	54,419	14,943
Income taxes payable	1,831	1,842
Provision for point card certificates	10,859	13,855
Other provision	1,050	1,314
Other	38,164	41,540
Total current liabilities	354,986	365,745
Noncurrent liabilities		
Bonds payable	50,095	53,337
Convertible bond-type bonds with subscription rights to shares	—	30,000
Long-term loans payable	305,340	283,806
Provision for loss on interest repayment	9,250	6,621
Other provision	278	333
Other	5,854	5,304
Total noncurrent liabilities	370,820	379,403
Total liabilities	725,806	745,148

(Millions of yen truncated the nearest million yen)

	As of February 20, 2012	As of August 20, 2012
Net assets		
Shareholder's equity		
Capital stock	15,466	15,466
Capital surplus	17,046	17,046
Retained earnings	134,582	121,738
Treasury stock	△188	△145
Total shareholders' equity	166,907	154,106
Total other comprehensive income		
Valuation difference on available-for-sale securities	1,183	1,246
Deferred gains or losses on hedges	△1,562	△1,418
Foreign currency translation adjustment	△7,711	△8,054
Total accumulated other comprehensive income	△8,091	△8,226
Subscription rights to shares	12	25
Minority interests	23,023	24,580
Total net assets	181,852	170,486
Total Liabilities and net assets	907,658	915,634

(2) Consolidated Quarterly Statements of Income

(Millions of yen truncated the nearest million yen)

	For the fiscal 2011 ended February 20, 2012	For the Six months ended August 20, 2012
Operating revenues		
Revenue from credit card (business)	33,994	37,973
Cash and deposits	3,938	3,786
Financing revenue	33,057	33,066
Processing agency service fees	3,575	3,672
Gain on bad debts recovered	1,404	1,944
Other	5,642	7,749
Financial revenue	20	51
Total Operating revenues	81,633	88,243
Operating expenses		
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	11,950	9,279
Provision for point card certificates	4,744	5,373
Other	47,792	54,164
Total Selling, general and administrative expenses	64,487	68,818
Financial expenses	6,914	6,494
Total operating expenses	71,402	75,312
Operating income	10,231	12,930
Nonoperating income		
Dividend income	65	75
Amortization of negative goodwill	101	—
Interest on refund of income taxes and other	—	53
Other	14	36
Total nonoperating income	181	165
Nonoperating expenses		
Loss on evaluation of derivative financial instruments	51	39
Commission for purchase of treasury stock	—	15
Equity in losses of affiliates	37	—
Other	8	2
Total Nonoperating expenses	97	56
Ordinary income	10,315	13,039
Extraordinary loss		
Loss by the disaster	3,140	—
Other	214	—
Total Extraordinary loss	3,354	—
Income before income tax and minority interests	6,960	13,039
Income taxes-current	3,288	2,156
Income taxes-deferred	△1,068	2,316
Total Income taxes	2,219	4,473
Net income before the minority shareholders profit and loss adjustment	4,740	8,566
Minority interests in income	1,692	2,446
Quarterly income	3,047	6,120

(Consolidated statement of comprehensive income)

(Millions of yen truncated the nearest million yen)

	For the fiscal2011 ended February 20, 2012	For the Six months ended August 20, 2012
Net income before the minority shareholders profit and loss adjustment	4,740	8,566
Other comprehensive income		
Valuation difference on available-for-sale securities	△151	88
Deferred gains or losses on hedges	△1,443	275
Foreign currency translation adjustment	△3,132	△674
Total other comprehensive income	△4,727	△310
Comprehensive income	13	8,255
(attributable to)		
Comprehensive income attributable to owners of the Company	436	5,985
Comprehensive income attributable to minority interests	△423	2,269

(3) Remarks for the continuing corporations

There is no applicable issue

(4) 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

(Millions of yen)

	For the Six months ended August 20, 2012					
	Credit	Fee business	Overseas	Total	The amount of adjustment	Consolidated Quarterly Statements Income
Operating Revenues from customers	48,156	11,250	28,837	88,243	—	88,243
Intersegment operating revenues and transfer	0	560	13	574	△574	—
Total	48,156	11,810	28,850	88,817	△574	88,243
Net income(loss)	7,169	1,112	5,880	14,162	△1,231	12,930

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

(5) Remarks for significant change in shareholders equity

There is no applicable issue

6. Others

(1)Sales Volume

(Millions of yen)

<div>Term</div> <div>Item</div>	For the Six months Ended August 20, 2011	For the Six months Ended August 20, 2012
	Amount	Amount
Credit card	1,372,655	1,532,649
Cash and deposits	13,237	17,650
Financing	164,509	180,638
Processing agency service	58,868	75,693
Other	14,087	16,479
Total Trading Volume	1,623,358	1,823,112

(2)Advances and Receivables

(Millions of yen)

<div>Term</div> <div>Item</div>	As of February 20, 2012	As of August 20, 2012
	Amount	Amount
Credit card	395,628	392,885
〔Including securities and trusted beneficiary right receivables〕	(520,743)	(562,961)
Per-item	32,005	35,628
Total accounts receivable-installment	427,634	428,514
〔Including securities and trusted beneficiary right receivables〕	(552,749)	(598,589)
Cash advances	143,550	134,230
〔Including securities and trusted beneficiary right receivables〕	(303,255)	(285,420)
Other financing	112,154	114,414
〔Including securitized receivables〕	(185,294)	(194,162)
Total operating loans	255,704	248,645
〔Including securities and trusted beneficiary right receivables〕	(488,549)	(479,582)
Total operating receivables	683,339	677,159
〔Including securities and trusted beneficiary right receivables〕	(1,041,298)	(1,078,172)