



Brief Report of Financial Results (Unaudited)

(For the three Months Ended June 30, 2013)

August 8, 2013

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

Stock Listing: Tokyo Stock Exchange, First Section

Code No: 8570

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

President and CEO: Kazuhide Kamitani

Contact: Hideki Wakabayashi, Director, CFO

1.Business performance (For the three Months ended June 30, 2103 and For the three Months ended May 20, 2012)

(1) Consolidated Operating Results

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

	Ordinary income	Percentage Change	Ordinary profit	Percentage Change	Net Income	Percentage Change
Three Months ended June 30, 2013	¥64,876	—	¥9,234	—	¥4,514	—
Three Months ended May 20, 2012	—	—	6,203	36.6%	3,020	—

※Comprehensive income; The 1st Quarter of Fiscal 2013; 12,267 million(—%) , The 1st Quarter of Fiscal 2012; 3,820 million(—%)

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Three Months ended June 30, 2013	¥23.80	¥21.65
Three Months ended May 20, 2012	20.60	18.82

(Remarks) 1. With the transform of bank holding company, the notation method for the consolidated financial result has been changed.

2. Since the Company has changed the closing period of the whole consolidated financial year, the comparison of increase/decrease ratio of the current consolidated financial year (1st April 2013 - 30th June 2013) and the previous consolidated financial year (21st February 2012 - 20th May 2012) has not been stated.

(2) Financial Position

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

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share (Yen)
Three Months ended June 30, 2013	¥2,829,012	¥270,374	8.4%	¥1,254.14
Fiscal year ended March 31, 2013	2,534,208	258,872	9.1%	1,235.28

(Reference)1. Shareholder's equity; The 1st Quarter of Fiscal 2013; 238,286 million, Fiscal 2012; 231,300 million

2.Capital ratio = {(Net assets – stock acquisition right – minority interests) / total assets} X 100

2.Cash Dividends

	Dividend per share				
(Base date)	First quarter period	Interim period	Third quarter period	Term end	Annual
March 2013 term	—	¥20.00	—	¥25.00	¥50.00
March 2014 term	—	—	—	—	—
March 2014term (Estimated)	—	(25.00)	—	(35.00)	(60.00)

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

(Remarks) In commemoration of management integration with the Company and AEON Bank Co., Ltd., a special dividend of 5 Japanese Yen per share has been issued as of the record date 1st April 2013. Together with the annual dividend, the total dividend per share for the year is 50 Japanese Yen.

3.Projections (For the fiscal year ending March 31, 2014)

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

	Ordinary income	YOY (%)	Ordinary profit	YOY (%)	Net income	YOY (%)	Net income per share
Interim	100,900	—	18,000	—	9,000	—	47.37
Full term	220,000	—	44,000	—	23,800	—	125.26

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

(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 1st quarter of fiscal 2013; 190,112,247 shares, Fiscal 2012; 187,357,208 shares

② Number of shares of treasury stock at end of term

The 1st quarter of fiscal 2013; 112,026 shares, Fiscal 2012; 111,422 shares,

③ Average of the number of shares during the quarter(For the Three Months ended June 30, 2013)

The 1st quarter of fiscal 2013; 189,690,885 shares, The 1st quarter of fiscal 2012; 146,638,260 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 June 30, 2013
Assets	
Cash and deposits	282,578
Monetary claims bought	16,068
Securities	194,021
Loans and bills discounted	1,151,424
Accounts receivable-installment	869,871
Other assets	63,927
Property, plant and equipment	22,990
Intangible assets	63,503
Goodwill	30,255
Other intangible assets	33,247
Deferred tax assets	20,763
Customer's liabilities for acceptances and guarantees	191,179
Allowance for doubtful accounts	△ 47,315
Total assets	2,829,012
Liabilities	
Deposits	1,498,981
Accounts payable-trade	168,924
Borrowed money	488,101
Bonds payable	64,859
Convertible bond-type bonds with subscription rights to shares	26,090
Other liabilities	100,543
Provision for bonuses	2,097
Provision for retirement benefits	2,207
Provision for point card certificates	9,822
Provision for loss on interest repayment	3,033
Other provision	114
Deferred tax liabilities	2,683
Acceptances and guarantees	191,179
Total liabilities	2,558,637
Net assets	
Capital stock	17,421
Capital surplus	93,230
Retained earnings	125,153
Treasury stock	△ 144
Total shareholders' equity	235,660
Valuation difference on available-for-sale securities	2,289
Deferred gains or losses on hedges	△ 2,110
Foreign currency translation adjustment	2,447
Total other comprehensive income	2,626
Subscription rights to shares	22
Minority interests	32,065
Total net assets	270,374
Total liabilities and net assets	2,829,012

(2) Consolidated Quarterly Statements of Income

(Millions of yen truncated the nearest million yen)

	For the Three months ended June 30, 2013
Ordinary income	64,876
Interest income	24,748
Interest on loans and discounts	23,961
Interest and dividends on securities	592
Fees and commissions	31,755
Other operating income	3,904
Other ordinary income	4,467
Ordinary expenses	55,641
Interest expenses	4,912
Interest on deposits	1,389
Fees and commissions payments	4,398
Other operating expenses	285
General and administrative expenses	38,850
Other ordinary expenses	7,195
Ordinary profit	9,234
Extraordinary loss	831
Cost on the management integration	698
Loss on disposal of noncurrent assets	118
Other extraordinary loss	14
Income before income taxes	8,403
Income taxes-current	4,255
Income taxes-deferred	Δ 2,172
Total income taxes	2,083
Income before minority interests	6,319
Minority interests in income	1,805
Net income	4,514

(Consolidated statement of comprehensive income)**(Millions of yen truncated the nearest million yen)**

	For the Three months ended June 30, 2013
Income before minority interests	6,319
Other comprehensive income	5,948
Valuation difference on available-for-sale securities	△ 447
Deferred gains or losses on hedges	△ 742
Foreign currency translation adjustment	7,137
comprehensive income	12,267
(attributable to)	
Comprehensive income attributable to owners of the Company	7,758
Comprehensive income attributable to minority interests	4,508

Segment Information

(Millions of yen)

	For the three month ended May 21, 2012					
	Credit	Fee	Overseas	Total	Adjustments	Consolidated financial statements appropriation
Operating revenue						
Operating revenue from external customer	23,851	5,102	14,366	43,320	—	43,320
The internal operating income between segments	0	289	13	302	Δ 302	—
Total	23,851	5,391	14,379	43,623	Δ 302	43,320
Segment Profit	3,510	424	3,067	7,001	Δ 819	6,181

(Remarks) Content of each Segment

- (1) Credit •••Domestic credit businesses such as Credit Card, Loan, etc.
 (2) Fee Business •••Various domestic businesses such as e-money business, etc.
 (3) Overseas •••Financial Service business in overseas

(Millions of yen)

	For the three month ended June 30, 2013						
	Credit	Fee	Bank	Overseas	Total	Adjustments	Consolidated financial statements appropriation
Operating revenue							
Operating revenue from external customer	26,665	6,111	10,973	21,125	64,876	—	64,876
The internal operating income between segments	38	2,595	462	—	3,096	Δ 3,096	—
Total	26,703	8,707	11,435	21,125	67,972	Δ 3,096	64,876
Segment Profit	4,503	526	1,466	4,792	11,289	Δ 2,054	9,234

(Remarks) Content of each Segment

- (1) Credit •••Domestic credit businesses such as Credit Card, Loan, etc.
 (2) Fee Business •••Various domestic businesses such as e-money business, etc.
 (3) Bank •••Business regarding to lending and investment, etc.
 (4) Overseas •••Financial Service business in overseas

【Reference data】

※Figure regarding to previous term is a rough rearranged estimate for the purpose of comparison with the current term.

(1) Consolidated Quarterly Balance Sheets (Millions of yen truncated the nearest million yen)

	As of March 31, 2013	As of June 30, 2013
Assets		
Cash and deposits	517,456	282,578
Call loans	10,000	—
Monetary claims bought	18,676	16,068
Securities	202,269	194,021
Loans and bills discounted	1,128,041	1,151,424
Accounts receivable-installment	507,315	869,871
Other assets	94,979	63,927
Property, plant and equipment	20,061	22,990
Intangible assets	59,603	63,503
Goodwill	28,884	30,255
Other intangible assets	30,718	33,247
Deferred tax assets	16,722	20,763
Customer's liabilities for acceptances and guarantees	548	191,179
Allowance for doubtful accounts	△ 40,916	△ 47,315
Total assets	2,534,757	2,829,012
Liabilities		
Deposits	1,212,051	1,498,981
Accounts payable-trade	190,433	168,924
Borrowed money	695,385	488,101
Commercial papers	5,442	—
Bonds payable	62,414	64,859
Convertible bond-type bonds with subscription rights to shares	30,000	26,090
Other liabilities	62,375	100,543
Provision for bonuses	1,503	2,097
Provision for retirement benefits	419	2,207
Provision for point card certificates	8,696	9,822
Provision for loss on interest repayment	3,721	3,033
Other provision	196	114
Deferred tax liabilities	2,696	2,683
Acceptances and guarantees	548	191,179
Total liabilities	2,275,884	2,558,637
Net assets		
Capital stock	15,466	17,421
Capital surplus	91,275	93,230
Retained earnings	125,320	125,153
Treasury stock	△ 142	△ 144
Total shareholders' equity	231,919	235,660
Valuation difference on available-for-sale securities	2,717	2,289
Deferred gains or losses on hedges	△ 1,704	△ 2,110
Foreign currency translation adjustment	△ 1,631	2,447
Total other comprehensive income	△ 618	2,626
Subscription rights to shares	22	22
Minority interests	27,549	32,065
Total net assets	258,872	270,374
Total liabilities and net assets	2,534,757	2,829,012

(2)Consolidated Quarterly Statements of Income

(Millions of yen truncated the nearest million yen)

	For the Three months ended May 20, 2012	For the Three months ended June 30, 2013
Ordinary income	43,380	64,876
Interest income	16,400	24,748
Interest on loans and discounts	16,336	23,961
Interest and dividends on securities	46	592
Fees and commissions	22,704	31,755
Other operating income	0	3,904
Other ordinary income	4,275	4,467
Ordinary expenses	37,177	55,641
Interest expenses	2,982	4,912
Interest on deposits	—	1,389
Fees and commissions payments	3,423	4,398
Other operating expenses	22	285
General and administrative expenses	24,832	38,850
Other ordinary expenses	5,915	7,195
Ordinary profit	6,203	9,234
Extraordinary loss	—	831
Cost on the management integration	—	698
Loss on disposal of noncurrent assets	—	118
Other extraordinary loss	—	14
Income before income taxes	6,203	8,403
Income taxes-current	969	4,255
Income taxes-deferred	1,092	△ 2,172
Total income taxes	2,062	2,083
Income before minority interests	4,140	6,319
Minority interests in income	1,120	1,805
Net income	3,020	4,514

(3)Capital Ratio

AEON Financial Service(Consolidated) : Based on domesticstandard

	As of March 31, 2013	As of June 30, 2013
Consolidated capital ratio	—	9.6%
Consolidated Tier1 ratio	—	10.1%