



Brief Report of Financial Results (Unaudited)

(For the Nine Months Ended December 31, 2013)

February 14, 2014

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 nine months ended December 31, 2013 and For the nine months ended November 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
Nine Months ended December 31, 2013	¥205,679	—	¥24,434	—	¥10,343	—
Nine Months ended November 20, 2012	—	—	20,714	23.4%	9,023	72.6%

※Comprehensive income; The 3rd Quarter of Fiscal 2013;20,144 million(—%),The 3rd Quarter of Fiscal 2012;14,174 million(—%)

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Nine Months ended December 31, 2013	¥52.79	¥49.61
Nine Months ended November 20, 2012	62.12	55.03

(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 - 31st December 2013) and the previous consolidated financial year (21st February 2012 - 20th November 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)
Nine Months ended December 31, 2013	¥3,191,302	¥291,857	8.1%	¥1,268.73
Fiscal year ended March 31, 2013	2,534,208	258,872	9.1%	1,235.28

(Reference)1. Shareholder's equity; The 3rd Quarter of Fiscal 2013; 259,568 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	—	¥25.00	—	—	—
March 2014term (Estimated)	—	—	—	(35.00)	(60.00)

Note:Revision on dividend projection in the 3rd 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
Full term	265,000	—	44,000	—	23,800	—	116.33

Note:Revision on the projection of consolidated results in the 3rd 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 3rd quarter of fiscal 2013; 204,702,288 shares, Fiscal 2012; 187,357,208 shares

② Number of shares of treasury stock at end of term

The 3rd quarter of fiscal 2013; 112,398 shares, Fiscal 2012; 111,422 shares,

③ Average of the number of shares during the quarter(For the nine Months ended December 31, 2013)

The 3rd quarter of fiscal 2013; 195,940,487 shares, The 3rd quarter of fiscal 2012; 145,258,194 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 December 31, 2013
Assets	
Cash and deposits	414,646
Monetary claims bought	12,803
Securities	185,636
Loans and bills discounted	1,302,668
Accounts receivable-installment	948,179
Other assets	83,542
Property, plant and equipment	27,572
Intangible assets	64,022
Goodwill	29,343
Other intangible assets	34,679
Deferred tax assets	19,521
Customer's liabilities for acceptances and guarantees	180,210
Allowance for doubtful accounts	△ 47,499
Total assets	3,191,302
Liabilities	
Deposits	1,758,141
Accounts payable-trade	183,426
Call money	45,000
Commercial papers	4,411
Borrowed money	544,272
Bonds payable	59,433
Convertible bond-type bonds with subscription rights to shares	5,410
Other liabilities	98,228
Provision for bonuses	1,314
Provision for retirement benefits	2,283
Provision for point card certificates	11,093
Provision for loss on interest repayment	3,004
Other provision	538
Deferred tax liabilities	2,676
Acceptances and guarantees	180,210
Total liabilities	2,899,445
Net assets	
Capital stock	27,761
Capital surplus	103,570
Retained earnings	125,870
Treasury stock	△ 145
Total shareholders' equity	257,056
Valuation difference on available-for-sale securities	4,164
Deferred gains or losses on hedges	△ 1,520
Foreign currency translation adjustment	△ 132
Total other comprehensive income	2,511
Subscription rights to shares	55
Minority interests	32,233
Total net assets	291,857
Total liabilities and net assets	3,191,302

(2) Consolidated Quarterly Statements of Income

(Millions of yen truncated the nearest million yen)

	For the Nine months ended December 31, 2013
Ordinary income	205,679
Interest income	79,215
Interest on loans and discounts	77,190
Interest and dividends on securities	1,544
Fees and commissions	106,004
Other operating income	7,452
Other ordinary income	13,006
Ordinary expenses	181,244
Interest expenses	14,917
Interest on deposits	4,128
Fees and commissions payments	14,401
Other operating expenses	757
General and administrative expenses	126,292
Other ordinary expenses	24,875
Ordinary profit	24,434
Extraordinary income	113
Gain on disposal of noncurrent assets	113
Extraordinary loss	1,360
Cost on the management integration	1,194
Loss on disposal of noncurrent assets	147
Other extraordinary loss	18
Income before income taxes	23,187
Income taxes-current	9,248
Income taxes-deferred	Δ 1,776
Total income taxes	7,471
Income before minority interests	15,715
Minority interests in income	5,372
Net income	10,343

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

For the Nine months ended December 31, 2013	
Income before minority interests	15,715
Other comprehensive income	4,428
Valuation difference on available-for-sale securities	1,366
Deferred gains or losses on hedges	334
Foreign currency translation adjustment	2,727
comprehensive income	20,144
(attributable to)	
Comprehensive income attributable to owners of the Company	13,473
Comprehensive income attributable to minority interests	6,670

Segment Information

(Millions of yen)

	For the Nine months ended November 20, 2012					
	Credit	Fee	Overseas	Total	Adjustments	Consolidated financial statements appropriation
Operating revenue						
Operating revenue from external customer	72,625	16,668	43,891	133,186	—	133,186
The internal operating income between segments	0	838	13	851	Δ 851	—
Total	72,626	17,507	43,905	134,038	Δ 851	133,186
Segment Profit	11,917	1,375	9,248	22,541	Δ 1,975	20,565

(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 Nine months ended December 31, 2013						
	Credit	Fee	Bank	Overseas	Total	Adjustments	Consolidated financial statements appropriation
Operating revenue							
Operating revenue from external customer	92,295	17,968	28,205	67,210	205,679	—	205,679
The internal operating income between segments	664	8,724	1,821	3	11,213	Δ 11,213	—
Total	92,959	26,692	30,026	67,213	216,892	Δ 11,213	205,679
Segment Profit	17,329	922	967	11,685	30,905	Δ 6,470	24,434

(Remarks) Content of each Segment

- (1) Credit •••Domestic credit businesses such as Credit Card, Installment 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 December 31, 2013
Assets		
Cash and deposits	517,456	414,646
Call loans	10,000	—
Monetary claims bought	18,676	12,803
Securities	202,269	185,636
Loans and bills discounted	1,128,041	1,302,668
Accounts receivable-installment	507,315	948,179
Other assets	94,979	83,542
Property, plant and equipment	20,061	27,572
Intangible assets	59,603	64,022
Goodwill	28,884	29,343
Other intangible assets	30,718	34,679
Deferred tax assets	16,722	19,521
Customer's liabilities for acceptances and guarantees	548	180,210
Allowance for doubtful accounts	△ 40,916	△ 47,499
Total assets	2,534,757	3,191,302
Liabilities		
Deposits	1,212,051	1,758,141
Accounts payable-trade	190,433	183,426
Call money	—	45,000
Commercial papers	5,442	4,411
Borrowed money	695,385	544,272
Bonds payable	62,414	59,433
Convertible bond-type bonds with subscription rights to shares	30,000	5,410
Other liabilities	62,375	98,228
Provision for bonuses	1,503	1,314
Provision for retirement benefits	419	2,283
Provision for point card certificates	8,696	11,093
Provision for loss on interest repayment	3,721	3,004
Other provision	196	538
Deferred tax liabilities	2,696	2,676
Acceptances and guarantees	548	180,210
Total liabilities	2,275,884	2,899,445
Net assets		
Capital stock	15,466	27,761
Capital surplus	91,275	103,570
Retained earnings	125,320	125,870
Treasury stock	△ 142	△ 145
Total shareholders' equity	231,919	257,056
Valuation difference on available-for-sale securities	2,717	4,164
Deferred gains or losses on hedges	△ 1,704	△ 1,520
Foreign currency translation adjustment	△ 1,631	△ 132
Total other comprehensive income	△ 618	2,511
Subscription rights to shares	22	55
Minority interests	27,549	32,233
Total net assets	258,872	291,857
Total liabilities and net assets	2,534,757	3,191,302

(2)Consolidated Quarterly Statements of Income

(Millions of yen truncated the nearest million yen)

	For the Nine months ended November 20, 2012	For the Nine months ended December 31, 2013
Ordinary income	133,412	205,679
Interest income	50,286	79,215
Interest on loans and discounts	50,100	77,190
Interest and dividends on securities	102	1,544
Fees and commissions	69,547	106,004
Other operating income	0	7,452
Other ordinary income	13,578	13,006
Ordinary expenses	112,697	181,244
Interest expenses	8,805	14,917
Interest on deposits	—	4,128
Fees and commissions payments	10,604	14,401
Other operating expenses	50	757
General and administrative expenses	76,847	126,292
Other ordinary expenses	16,389	24,875
Ordinary profit	20,714	24,434
Extraordinary income	—	113
Gain on disposal of noncurrent assets	—	113
Extraordinary loss	101	1,360
Cost on the management integration	—	1,194
Loss on disposal of noncurrent assets	—	147
Other extraordinary loss	101	18
Income before income taxes	20,613	23,187
Income taxes-current	3,147	9,248
Income taxes-deferred	4,536	Δ 1,776
Total income taxes	7,683	7,471
Income before minority interests	12,929	15,715
Minority interests in income	3,906	5,372
Net income	9,023	10,343

(3)Capital Ratio

AEON Financial Service(Consolidated) : Based on domesticstandard

	As of March 31, 2013	As of December 31, 2013
Consolidated capital ratio	—	9.1%
Consolidated Tier1 ratio	—	10.0%