



Brief Report of Financial Results (Unaudited)

(For the Nine Months Ended December 31, 2014)

February 12, 2015

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: Akinori Yamashita

Contact: Hideki Wakabayashi, Director, CFO

1. Business performance (For the Nine Months ended December 31, 2014 and For the Nine Months ended December 31, 2013)

(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, 2014	¥238,018	15.7%	¥34,178	39.9%	¥19,837	91.8%
Nine Months ended December 31, 2013	205,679	—	24,434	—	10,343	—

※Comprehensive income; The 3rd Quarter of Fiscal 2014; 35,153 million(74.5%) ,
The 3rd Quarter of Fiscal 2013; 20,144million(— %)

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Nine Months ended December 31, 2014	¥99.05	¥98.64
Nine Months ended December 31, 2013	52.79	49.61

(Remarks) 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, 2014	¥3,443,434	¥306,883	7.6%	¥1,321.68
Fiscal year ended March 31, 2014	3,163,117	307,291	8.6%	1,316.00

(Reference) 1. Shareholder's equity; The 3rd Quarter of Fiscal 2014; 262,549 million, Fiscal 2013; 271,660 million

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

2. Cash Dividends

(Base date)	Dividend per share				
	First quarter period	Interim period	Third quarter period	Term end	Annual
March 2014 term	—	¥25.00	—	¥35.00	¥60.00
March 2015 term	—	¥25.00	—	—	—
March 2015 term (Estimated)	—	—	—	(35.00)	(60.00)

Note: Revision on dividend projection in the 3rd Quarter ; No

3. Projections (For the fiscal year ending March 31, 2015)

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

	Ordinary income	YOY (%)	Ordinary profit	YOY (%)	Net income	YOY (%)	Net income per share
Full term	320,000	11.9	51,000	24.1	26,500	27.8	128.37

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) ; No

(2)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

③ Change accounting quotation ; No

④ Restatement ; No

(3) 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 2014; 208,456,165 shares, Fiscal 2013; 206,541,751 shares

② Number of shares of treasury stock at end of term

The 3rd quarter of fiscal 2014; 9,808,242 shares, Fiscal 2013; 112,505 shares,

③ Average of the number of shares during the quarter(For the Nine Months ended December 31, 2014)

The 3rd quarter of fiscal 2014; 200,268,987 shares, The 3rd quarter of fiscal 2013; 195,940,487 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 March 31, 2014	As of December 31, 2014
Assets		
Cash and deposits	416,662	436,979
Monetary claims bought	12,119	7,665
Securities	173,379	187,336
Loans and bills discounted	1,276,741	1,356,843
Accounts receivable-installment	957,403	1,098,556
Other assets	80,294	99,888
Property, plant and equipment	31,185	35,132
Intangible assets	67,723	69,300
Goodwill	28,887	27,520
Other intangible assets	38,835	41,780
Deferred tax assets	18,758	21,507
Customer's liabilities for acceptances and guarantees	176,421	181,545
Allowance for doubtful accounts	△ 47,574	△ 51,321
Total assets	3,163,117	3,443,434
Liabilities		
Deposits	1,717,769	1,819,865
Accounts payable-trade	203,742	209,977
Call money	4,900	88,894
Borrowed money	515,227	566,961
Bonds payable	101,608	114,424
Convertible bond-type bonds with subscription rights to shares	2,830	150
Other liabilities	111,859	132,415
Provision for bonuses	2,200	1,457
Net defined benefit liability	2,789	3,193
Provision for point card certificates	11,012	11,362
Provision for loss on interest repayment	3,085	4,080
Other provision	556	432
Deferred tax liabilities	1,820	1,790
Acceptances and guarantees	176,421	181,545
Total liabilities	2,855,825	3,136,550
Net assets		
Capital stock	29,051	30,391
Capital surplus	104,860	106,200
Retained earnings	136,270	143,864
Treasury stock	△ 145	△ 25,144
Total shareholders' equity	270,036	255,311
Valuation difference on available-for-sale securities	4,027	4,779
Deferred gains or losses on hedges	△ 2,326	△ 4,130
Foreign currency translation adjustment	294	7,046
Remeasurements of defined benefit plans	△ 371	△ 458
Total other comprehensive income	1,623	7,237
Subscription rights to shares	55	73
Minority interests	35,576	44,261
Total net assets	307,291	306,883
Total liabilities and net assets	3,163,117	3,443,434

(2) Consolidated Statements of Income

(Millions of yen truncated the nearest million yen)

	For the Nine months ended December 31, 2013	For the Nine months ended December 31, 2014
Ordinary income	205,679	238,018
Interest income	79,215	92,332
Interest on loans and discounts	77,190	90,657
Interest and dividends on securities	1,544	1,251
Fees and commissions	106,004	123,992
Other operating income	7,452	10,100
Other ordinary income	13,006	11,593
Ordinary expenses	181,244	203,840
Interest expenses	14,917	14,977
Interest on deposits	4,128	2,889
Fees and commissions payments	14,401	15,848
Other operating expenses	757	771
General and administrative expenses	126,292	138,825
Other ordinary expenses	24,875	33,418
Ordinary profit	24,434	34,178
Extraordinary income	113	0
Gain on disposal of noncurrent assets	113	0
Extraordinary loss	1,360	267
Loss on disposal of noncurrent assets	147	37
Loss on penalty	—	220
Cost on the management integration	1,194	—
Other extraordinary loss	18	9
Income before income taxes	23,187	33,911
Income taxes-current	9,248	10,529
Income taxes-deferred	△ 1,776	△ 2,323
Total income taxes	7,471	8,206
Income before minority interests	15,715	25,705
Minority interests in income	5,372	5,867
Net income	10,343	19,837

(Consolidated statement of comprehensive income)

(Millions of yen truncated the nearest million yen)

	For the Nine months ended December 31, 2013	For the Nine months ended December 31, 2014
Income before minority interests	15,715	25,705
Other comprehensive income	4,428	9,448
Valuation difference on available-for-sale securities	1,366	765
Deferred gains or losses on hedges	334	Δ 3,303
Foreign currency translation adjustment	2,727	12,074
Remeasurements of defined benefit plans	—	Δ 87
comprehensive income	20,144	35,153
(attributable to)		
Comprehensive income attributable to owners of the Company	13,473	25,450
Comprehensive income attributable to minority interests	6,670	9,702

(3) Segment Information

(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	△ 11,213	—
Total	92,959	26,692	30,026	67,213	216,892	△ 11,213	205,679
Segment Profit	17,329	922	967	11,685	30,905	△ 6,470	24,434

(Remarks)

1. In replace of sales in general corporations, the operating income is stated in here.
2. Adjustment for segmental profit is △6,470 million JPY.
This is the company expense mainly from operating expense which were not allocated to each report segment.
3. Segment profit has been adjusted with the operating profit in quarterly profit and loss report.

(Millions of yen)

	For the Nine months ended December 31, 2014						
	Credit	Fee	Bank	Overseas	Total	Adjustments	Consolidated financial statements appropriation
Operating revenue							
Operating revenue from external customer	105,221	22,587	28,997	81,211	238,018	—	238,018
The internal operating income between segments	1,096	10,257	2,009	0	13,363	△ 13,363	—
Total	106,318	32,844	31,007	81,211	251,381	△ 13,363	238,018
Segment Profit/ Loss	21,342	△ 9	107	15,892	37,332	△ 3,154	34,178

(Remarks)

1. In replace of sales in general corporations, the operating income is stated in here.
2. Adjustment for segmental profit/Loss is △3,154 million JPY.
This is the company expense mainly from operating expense which were not allocated to each report segment.
3. Segment profit/Loss has been adjusted with the operating profit in quarterly profit and loss report.