



Brief Report of Financial Results (Unaudited)

(For the Nine Months Ended November 30, 2021)

January 12, 2022

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

Stock Listing: Tokyo Stock Exchange, First Section

Code No: 8570

President and CEO: Kenji Fujita

Contact: Yuro Kisaka, Director, Managing Executive Officer

URL: <https://www.aeonfinancial.co.jp/eng/>

1. Business performance (For the Nine Months ended November 30, 2021 and for the Nine Months ended November 30, 2020)

(1) Consolidated Operating Results

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

	Operating revenue	Percentage Change	Operating profit	Percentage Change	Ordinary profit	Percentage Change	Profit attributable to owners of parent	Percentage Change
Nine Months ended November 30, 2021	348,739	-3.5	44,229	78.0	45,283	86.4	22,348	122.3
Nine Months ended November 30, 2020	361,557	-	24,852	-	24,298	-	10,053	-

(Note)Comprehensive income; The 3rd Quarter of Fiscal 2021; 30,520 million (-%), The 3rd Quarter of Fiscal 2020;13,542 million (-%)

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Nine Months ended November 30, 2021	103.54	103.53
Nine Months ended November 30, 2020	46.58	46.58

(2) Financial Position

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

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share
Nine Months ended November 30, 2021	6,258,711	499,857	6.7	1,948.26
Year ended February 28, 2021	6,123,721	474,667	6.6	1,860.08

(Reference)Shareholder's equity; The 3rd Quarter of Fiscal 2021;420,499 million, Fiscal 2020;401,462 million

2. Cash Dividends

(Yen)

(Base date)	Annual Dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
Year ended February 28, 2021	—	11.00	—	23.00	34.00
Year ending February 28, 2022	—	19.00			
Year ending February 28, 2022 (Forecast)			—	26.00	45.00

(Note) Amendments from the most recently published dividend forecast : No

Breakdown of dividend for end of 2Q of the year ending February 28, 2022

: Ordinary dividend 17yen, commemorative dividend of 2yen for the 40th anniversary of the establishment.

Breakdown of dividend for year-end of the year ending February 28, 2022 (Forecast)

: Ordinary dividend 24yen, commemorative dividend2yen for the 40th anniversary of the establishment.

3. Projections (For the fiscal year ending February 28, 2022)

(Millions of yen, %)
(% is the percentage of change to the previous year)

	Operating revenue	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit attributable to owners of parent	YoY	Net income per share
Full year	460,000	-5.6	51,000	25.5	51,000	26.7	25,000	41.3	115.83

(Note) Amendments from the most recently published projections forecast : Yes

※Notes

- (1) Change in significant subsidiary during the term
(Change in specified subsidiary that caused a change in the scope of consolidation): No
- (2) Application of accounting treatment specific to the preparation of quarterly consolidated financial statements: No
- (3) Change in accounting principle, procedure, disclosure, etc. concerning preparation of consolidated financial statements
 - ① Change due to a newly issued accounting requirement: No
 - ② Change other than ①: No
 - ③ Change accounting quotation: No
 - ④ Restatement: No
- (4) Number of issued stock and outstanding stock (Common stock)
 - ① Number of issued stock and outstanding stock at term end (including treasury stock)
The 3rd Quarter of Fiscal 2021: 216,010,128 shares; Fiscal 2020: 216,010,128 shares
 - ② Number of shares of treasury stock at end of term
The 3rd Quarter of Fiscal 2021: 176,088 shares; Fiscal 2020: 179,553 shares
 - ③ Average number of shares during the quarter (For the Nine Months ended November 30, 2021)
The 3rd Quarter of Fiscal 2021: 215,832,578 shares; The 3rd Quarter of Fiscal 2020: 215,809,633 shares

※ This Brief Report of Financial Results (Unaudited) is not required for submission for quarterly audit review.

※ 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.

※ Information about the business profile and financial results of AEON Financial Service Co., Ltd are available on the company home page.

Attachments

1. Review of Operating Results and Financial Statements

(1) Analysis of Operating Results

The Company formulated a medium-term management plan (FY2021 to FY2025) with the basic policy established as “Second Founding: Innovation in the Value Chain and Creation of Networks,” and is promoting reform aiming at Group growth. FY2021 is the first year of the plan and initiatives for the domestic business include promotion of investment and creation of a platform for shared ID across AEON Group, promotion of cashless payment, and introduction of new services including insurance products. For the global business, we are developing apps to enable completion of transactions from application to the use of various products by smartphones and implementing digital financial inclusion through enhancement of receivables management.

During the third quarter of the fiscal year ending February 2022, restrictions on activities in the countries and regions we operate in started to ease as the covid-19 outbreak began to settle, and we promoted medium- to long-term growth initiatives including enhancement of online services, construction of AEON Living Area using Group-based point system, and launch of new services while continuing to implement strict Group-wide infection prevention measures. We aimed to increase various transaction volumes by implementing sales promotion measures corresponding to the change in the customers’ consumption trend, resulting in record domestic credit card shopping volume exceeding the pre-pandemic level. However, the recovery of outstanding receivables has been slow mainly for credit card shopping and installment sales finance, resulting in cumulative third quarter consolidated operating revenue of ¥348,739 million (down 3.5% year-on-year). On the other hand, continued efforts from the previous fiscal year to refine screenings and enhance debt collection systems resulted in significant improvement in bad-debt related expenses, generating consolidated operating profit of ¥44,229 million (up 78.0% year-on-year), consolidated ordinary profit of ¥45,283 million (up 86.4% year-on-year), and significantly improved profit attributable to owners of parent of ¥22,348 million (up 122.3% year-on-year).

In November, the Company established the AFS Sustainability Policy as the guideline for promoting Group sustainability management. The Group aims to achieve both the “realization of a sustainable society” and “growth of the Group” based on AEON’s Basic Principles of “Pursuing peace, respecting humanity, and contributing to local communities, always with the customer’s point of view as its core.”

The financial results for the third quarter of the fiscal year ending February 2022 were as follows:

(Unit : Millions of yen)				
	2020/11	2021/11	Changes	Change (%)
Operating revenue	361,557	348,739	△12,818	△3.5%
Operating profit	24,852	44,229	19,376	78.0%
Ordinary profit	24,298	45,283	20,985	86.4%
Profit attributable to owners of parent (△)	10,053	22,348	12,294	122.3%

The operating segment performance for the third quarter of the fiscal year ending February 2022 were as follows:

(Unit : Millions of yen)

		Operating revenue			Operating profit (△)		
		2020/11	2021/11	Change (%)	2020/11	2021/11	Change (%)
Domestic	Retail	169,093	159,983	△5.4%	2,485	4,122	65.9%
	Solutions	136,624	130,435	△4.5%	14,066	14,161	0.7%
Global	China Area	12,026	11,469	△4.6%	3,610	4,120	14.1%
	Mekong Area	56,360	54,321	△3.6%	6,162	11,033	79.0%
	Malay Area	35,184	37,747	7.3%	△955	11,879	—
Total		409,290	393,958	△3.7%	25,369	45,318	78.6%
Adjustments		△47,733	△45,218	—	△517	△1,089	—
Consolidated results		361,557	348,739	△3.5%	24,852	44,229	78.0%

[Segment Information]

<Domestic Retail Business>

In the Domestic Retail Business, AEON Bank, Ltd. (hereinafter ABK) opened the AEON Bank Noritakeshinmachi Branch in AEON MALL Nagoya Noritake Garden (Nagoya City, Aichi Prefecture), which opened in October near the Nagoya Station as an office and commercial complex. Customers using the office or shopping facilities can conveniently stop by the branch or access the online consultation service from their PC or smartphone to seek advice from branch staff using video conferencing.

In addition to accepting face-to-face consultations in the housing loan operations, ABK has promoted initiatives that enable customers to complete contracts at home with online application, telephone call, or postal application. ABK increased transaction volume and the balance of loans with competitive interest rate plans and by continuously appealing the exclusive shopping benefits offered by the AEON Group for borrowers. As a result, ABK's outstanding residential housing loans increased to ¥2,492,125 million (up ¥214,679 million).

Asset management services maintained strong performance, by enhancing product lineup with the sale of the “Baillie Gifford Impact Investment Fund,” which aims to invest in companies engaged in business activities that contribute to solving important social issues at branch starting in August, and with a special interest rate campaign for foreign currency term deposit starting in November.

With regard to cash advances, the balance of operating receivables at the end of the third quarter was ¥412,415 million (down ¥16,389 million) as the customers' needs were suppressed due to the effects of the self-restraint of activities during the pandemic, but it was up ¥268 million from the end of the second quarter.

In addition, AEON Wallet instant issue service (“Virtual Select”), which issues digital “AEON Card Select (AEON

card integrated with a cash card),” was launched in September, completing screening and account opening in five minutes at the shortest to enable use of both credit card and cash card functions. As a result, the number of bank accounts as of end of the third quarter increased steadily to 7.78 million accounts (up 280,000 accounts), and the balance of deposits was ¥4,108,009 million (up ¥87,220 million).

AEON Allianz Life Insurance Co., Ltd. (hereinafter AALI) started providing life credit and mortgage protection insurance for installment sales finance, housing loans, and studio apartment loans provided by Group companies. On November 26th, health promotion-type whole life medical insurance “Genki Passport” was launched to meet the customers’ demand for pre-disease, disease prevention, and health promotion products. Customers can earn “Wellness Coins,” which can be exchanged with health-related products and vouchers offered by AEON Group and partners by participating in health promotion activities using “Wellness Pallet,” a smartphone app provided as a contingent service. AALI aims to realize cross-selling that provides new values to customers by leveraging on the strength of AEON Group such as the sales channels, products, and data.

As a result, operating revenues in the Domestic Retail Business were ¥159,983 million (down 5.4% year-on-year) due to the increase in credit card shopping revenue and interest income on loans mainly for housing loans, offset by decrease in insurance and cash advance revenue. Operating profit was ¥4,122 million (up 65.9% year-on-year) with the decrease in insurance expenses, bad debt allowances, and interest on deposits.

<Domestic Solutions Business>

In the Domestic Solutions Business, the number of new member registration for the cumulative third quarter was at a similar level to the previous year at 1,180,000 (down 1.3% year-on-year) despite the impact of the Declaration of State of Emergency and priority measures to prevent the spread of disease remaining in effect until the end of September, owing to the online exclusive new card membership and usage campaign and enhanced appeal of improved convenience with the change in the points system. As a result, the number of active domestic cardholders was 29.93 million (up 480,000). The number of active cardholders with contactless payment cards was 12.77 million (up 1.13 million) as of end of November. In addition, QR code and bar code settlement function “AEON Pay” was introduced to AEON Group total app “iAEON” released in September, and electronic money WAON started supporting Apple Pay™ service in October. Furthermore, AEON Credit Service Co., Ltd. and WealthNavi Inc. executed a business affiliation agreement in December to offer systematic investment plan for managed accounts using AEON card for settlement. Credit card shopping for the cumulative third quarter reached a record ¥4,400,300 million (up 4.5% year-on-year) exceeding the level prior to the pandemic, with gradual recovery in use at shopping malls and department stores, auto-related use including for fuel and ETC, and use at public transportation facilities after the Declaration of State of Emergency was lifted in October, and large-scale sales promotion measures together with AEON Group such as AEON Pay usage promotion and extra points offered during the Black Friday sales promotion.

In the installment sales finance business, AEON Product Finance Co., Ltd. (hereinafter APF) strived to improve unit price per merchant with campaigns for new merchants and promotion of flexible repayment auto loan product.

However, due to the impact of delays in delivery of new vehicles caused by the semiconductor shortages, shortage of used cars in distribution, and self-restraint of door-to-door sales of housing renovations during the pandemic, the amount of installment sales finance was ¥141,471 million (down 14.8% year-on-year). APF aims to realize a decarbonized society through financial services by providing packaged loans for new and renovated decarbonized housing (ZEH: Net Zero Energy House) and electric vehicles (EV) with ABK in collaboration with housing-related companies and car dealers from November 2021. In November, APF entered into a strategic partnership with a major general trading house Sojitz Corporation (hereinafter Sojitz). As the first joint-product, auto loans are being provided to AEON Card members for used cars sold through “culumo,” a car distribution platform developed and operated by Sojitz.

As a result, operating revenues in the Domestic Solutions Business were ¥130,435 million (down 4.5% year-on-year) due to the decrease in loan revenue including cash advance revenue, in addition to shopping revenue and installment sale financing revenue remaining flat from the previous year. On the other hand, operating profit was ¥14,161 million (up 0.7% year-on-year) owing to the decrease in mailing and printing costs with the shift to full online statements by major partner cards in November 2020 and improvement in bad debt allowances.

<Global China Area>

In the China Area, wide range of measures were implemented to capture the strong revenge consumption in Hong Kong. Food and beverage and leisure categories, online shopping channel, and continued collaboration with AEON STORES (HONG KONG) CO., LTD., a retail business in the AEON Group, boosted the recovery from loss of international travel card usage due to the pandemic, and credit card shopping transactions rebounded to the level before COVID-19 to ¥72,410 million (up 22.7% year-on-year). Balance of operating receivables recorded an increase at the end of October and is on a recovery trend, owing to new customer cultivation using external data for cash advance, and ongoing review of credit measures, product features, and sales measures for personal loans. In the Chinese business, revenue improved for the subsidiary, AEON MICRO FINANCE (SHENZHEN) CO., LTD., which promoted reorganization to expand business again in Huanan region. As a result, China area operating revenue was ¥11,469 million (down 4.6% year-on-year). On the other hand, operating profit was ¥4,120 million (up 14.1% year-on-year) with continued improvement of bad debt allowances from the recovery in the market environment and stable credit management.

<Global Mekong Area>

In the Mekong Area, consumption environment is improving with the gradual relaxation of restrictions on activities from September in the key operating country of Thailand. Credit card shopping transactions in the area for the third quarter on cumulative basis was ¥80,841 million (down 2.0% year-on-year) as people avoided outings due to the pandemic but increased by 1.8% year-on-year on quarterly basis supported by joint promotions with business partners such as e-commerce sites and food delivery services. The amount of personal loans for the third quarter on cumulative

basis was ¥54,196 million (up 8.4% year-on-year), recovering significantly by 13.4% year-on-year on quarterly basis boosted by efforts to raise the credit limit for excellent members with relatively high income and good repayment record.

On the other hand, operating revenues in the Mekong Area were ¥54,321 million (down 3.6% year-on-year) due to the effects of Thai government's reduction of ceiling interest rates for consumer loans that became effective in August 2020 and decrease in average balance of cash advance and personal loan receivables. Operating profit was ¥11,033 million (up 79.0% year-on-year) due to the decrease in bad debt allowances, financing expenses, and sales promotion expenses.

AEON Thana Sinsap (Thailand) PCL. (hereinafter ATS), a Thai subsidiary, established a new company (Rabbit Cash Company Limited) in April with a group company of BTS Group that engages in urban transportations operation in Thailand and a human resources outsourcing operator. The new company will use digital technology for credit risk analysis to provide loans that can be used with a peace of mind by customers who do not have salary statements such as online business operators, whose credit score was difficult to measure with conventional screening methods.

In addition, ATS transferred its insurance broker business from a local subsidiary in March. Sharing the customer base has enabled insurance sales using customer information, and ATS aims to sell insurance products that meet the needs of health-consciousness and risk appetite of more customers by expanding online and app-based sales channels.

<Global Malay Area>

In the Malay Area, consumption environment is improving with the relaxing of restrictions on activities from September in the key operating country of Malaysia. Malaysian subsidiary AEON CREDIT SERVICE (M) BERHAD (hereinafter ACSM) strengthened non-face-to-face measures such as online application for installment sales financing and loans for home appliances and motorcycles in the face of business suspension of branch offices and merchants.

ACSM motorcycle loans have approximately 30% share in motorcycle sales registration in Malaysia, and despite the impact of restrictions on activities from May and delay in delivery due to parts shortage, Malay area installment sales financing transactions were ¥45,365 million (up 8.7% year-on-year), boosted by the increased sales of large motorcycles with growing demand for touring after the relaxing of restrictions in activities, in addition to the special interest rate offer for the launch of new models by manufacturers and incentive campaigns for merchants. In addition, personal loan transactions were ¥16,476 million (up 84.5% year-on-year), supported by the continued application of strict screening standards reflecting the impact of the covid-19 pandemic on region and industry and enhancement of the campaign to capture increased demand for funds after the relaxing of restraints on activities.

In addition, ACSM acquired an insurance broker to enter insurance brokerage business for the purpose of enhancing product line-up. By increasing the range of insurance products with the business conversion to insurance broker, ACSM will provide more comprehensive financial services to customers.

Operating revenue in the Malay Area was ¥37,747 million (up 7.3% year-on-year) with the recovery in revenue for

credit card shopping, installment sales financing, and personal loans. In addition, operating profit was ¥11,879 million (increase of ¥12,835 million from the previous year) due to improvement in bad debt allowances with continued enhancement of operating receivables owing to the establishment of collection system and systematic outsourcing for delinquent loans in addition to strict screening.

(2) Analysis of Financial Condition

(Assets)

Total assets at the end of the third quarter increased by ¥134,989 million from the end of previous fiscal year to ¥6,258,711 million. This was achieved by increase of accounts receivable – installment by ¥143,142 million from increased credit card shopping, increase of loans and bills discounted for banking business by ¥145,424 million from increased housing loans, and decrease of cash deposits by ¥79,144 million due to the recovery of financing demands.

(Liabilities)

Total liabilities increased by ¥109,800 million from the end of previous fiscal year to ¥5,758,854 million. This was due to the increase of deposits by ¥86,701 million from the increased use as settlement account.

(Net Assets)

Total net assets increased by ¥25,189 million from the end of previous fiscal year to ¥499,857 million. This was a result of decrease of retained earnings by ¥9,064 million with the year-end and interim dividend payment, reporting of net profit attributable to owners of parent of ¥22,348 million, and increase of non-controlling interests by ¥6,154 million.

(3) Consolidated Earnings Forecast

The Company revises its forecasts of consolidated results for the fiscal year ending February 28, 2022, which were announced on October 6, 2021. There is no revision to the dividend forecast.

The external environment during the three months of the third quarter (September 1, 2021 to November 30, 2021) is in the midst of the movement to ease activity restrictions due to the subsidence of the covid-19 infection in the developing countries / regions. Credit card shopping, cash advance and personal loan transaction volume exceeded the same period of the previous year due to the recovery of customer consumption and implementing sales promotion measures in response to changes in consumption trends, etc. ,but the balance of trade receivables remained sluggish due to slow recovery. On the other hand, by working to refine screenings and strengthen debt collection, improve bad debt-related expenses, and curb costs by improving convenience and productivity through digitalization. Consolidated operating revenue of the cumulative period for the third quarter was significantly higher than the same period of the previous year.

As a result of scrutinizing the prospects for full-year results based on this situation, operating revenue is revised

downward. The reason is that the recovery of the balance of operating receivables was delayed more than expected and the insurance income decreased due to the cancellation of the maturity of the annuity insurance at the insurance subsidiary consolidated in the previous year. Operating profit, ordinary profit and profit attributable to owners of parent are expected to be at the upper limit of the previous forecast to the judge that the risk of unexpected cost increase such as bad debt related expenses is low.

Forecast for the full year ending February 28, 2022 (From March 1, 2021, to February 28, 2022)

(Unit Millions of yen)

	Operating revenue	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net income per share (yen)
Previous forecast(A)	490,000 ~ 520,000	46,000 ~ 51,000	46,000 ~ 51,000	23,000 ~ 26,000	106.56 ~ 120.46
New forecast(B)	460,000	51,000	51,000	25,000	115.83
Change (B-A)	△30,000 ~ △60,000	5,000~0	5,000~0	2,000 ~ △1,000	
Change (%)	△6.1~△.115	10.9~0.0	10.9~0.0	8.7~△3.8	
(Reference) Results for the full year ended February 28, 2021	487,309	40,651	40,238	17,693	81.99

The above-mentioned forecast figures are expected to be judged based on the information available at this time, and in addition to domestic and overseas economic trends, it is still not possible to determine the convergence time of the covid-19 infection. The results may differ depending on various factors.

Attachments

(1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2021	As of November 30, 2021
Assets		
Current assets		
Cash and deposits	705,739	626,595
Call loans	30,841	2,275
Accounts receivable - installment	1,521,149	1,664,291
Lease receivables and investments in leases	12,284	12,385
Operating loans	782,916	784,077
Loans and bills discounted for banking business	1,998,379	2,143,804
Securities for banking business	519,023	480,021
Securities for insurance business	70,261	50,066
Monetary claims bought	30,800	28,256
Money held in trust	92,567	110,783
Other	184,176	176,543
Allowance for doubtful accounts	△133,331	△121,716
Total current assets	5,814,809	5,957,382
Non-current assets		
Property, plant and equipment	39,152	36,015
Intangible assets		
Goodwill	16,784	15,403
Software	100,249	106,263
Other	4,738	4,444
Total intangible assets	121,773	126,111
Investments and other assets	147,205	138,511
Total non-current assets	308,130	300,637
Deferred assets	780	690
Total assets	6,123,721	6,258,711
Liabilities		
Current liabilities		
Accounts payable - trade	270,015	275,571
Deposits for banking business	4,018,666	4,105,367
Short-term borrowings	216,468	259,816
Current portion of long-term borrowings	62,159	92,933
Current portion of bonds payable	23,012	58,299
Commercial papers	85,000	85,000
Provision for bonuses	3,511	5,890
Provision for point card certificates	20,685	14,107
Other provisions	197	145
Other	189,143	166,322
Total current liabilities	4,888,859	5,063,454
Non-current liabilities		
Reserve for insurance policy liabilities	86,639	66,380
Bonds payable	282,721	263,072
Long-term borrowings	337,026	328,931
Retirement benefit liability	4,707	2,609
Provision for loss on interest repayment	5,706	3,024
Other provisions	530	532
Deferred tax liabilities	1,518	1,578
Other	41,344	29,271
Total non-current liabilities	760,194	695,400
Total liabilities	5,649,053	5,758,854

(Millions of yen)

	As of February 28, 2021	As of November 30, 2021
Net assets		
Shareholders' equity		
Share capital	45,698	45,698
Capital surplus	120,145	120,117
Retained earnings	237,385	250,661
Treasury shares	△460	△451
Total shareholders' equity	402,768	416,026
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,283	5,531
Deferred gains or losses on hedges	△3,902	△2,659
Foreign currency translation adjustment	△334	1,826
Remeasurements of defined benefit plans	△352	△225
Total accumulated other comprehensive income	△1,306	4,473
Share acquisition rights	43	40
Non-controlling interests	73,162	79,316
Total net assets	474,667	499,857
Total liabilities and net assets	6,123,721	6,258,711

(2) Consolidated Statements of Income

(Millions of yen)

	Nine months ended November 30, 2020	Nine months ended November 30, 2021
Operating revenue		
Revenue from credit card business	96,319	97,741
Revenue from installment sales finance business	31,830	32,562
Financing revenue	104,865	96,981
Recoveries of written off receivables	7,011	8,747
Financial revenue	24,042	25,426
Insurance revenue	37,535	25,494
Fees and commissions	45,228	44,894
Other	14,724	16,890
Total operating revenue	361,557	348,739
Operating expenses		
Financial expenses	17,371	15,985
Insurance expenses	36,616	25,004
Fees and commissions payments	8,060	8,602
Selling, general and administrative expenses	272,113	252,693
Other	2,541	2,224
Total operating expenses	336,704	304,509
Operating profit	24,852	44,229
Non-operating income		
Dividend income	142	187
Gain on investments in investment partnerships	243	324
Subsidy income	—	493
Other	155	121
Total non-operating income	541	1,127
Non-operating expenses		
Share of loss of entities accounted for using equity method	—	37
Loss on valuation of investment securities	670	—
Foreign exchange losses	395	18
Loss on transfer of receivables	—	10
Miscellaneous loss	29	6
Total non-operating expenses	1,095	72
Ordinary profit	24,298	45,283
Extraordinary income		
Gain on sales of non-current assets	7	16
Gain on sales of investment securities	—	436
Gain on termination of retirement benefit plan	—	239
Subsidies for employment adjustment	274	7
Total extraordinary income	282	699

(Millions of yen)

	Nine months ended November 30, 2020	Nine months ended November 30, 2021
Extraordinary losses		
Loss on disposal of non-current assets	309	408
Impairment loss	95	183
Loss on liquidation of subsidiaries	—	53
Infectious Disease Related Cost	409	37
Other	—	24
Total extraordinary losses	813	707
Profit before income taxes	23,767	45,275
Income taxes - current	14,963	8,579
Income taxes - deferred	△6,227	5,669
Total income taxes	8,735	14,248
Profit	15,031	31,027
Profit attributable to non-controlling interests	4,978	8,679
Profit attributable to owners of parent	10,053	22,348

(Consolidated statement of comprehensive income)

(Millions of yen)

	Nine months ended November 30, 2020	Nine months ended November 30, 2021
Profit	15,031	31,027
Other comprehensive income		
Valuation difference on available-for-sale securities	2,976	2,110
Deferred gains or losses on hedges	△990	2,155
Foreign currency translation adjustment	△3,571	3,100
Remeasurements of defined benefit plans, net of tax	94	127
Total other comprehensive income	△1,489	7,493
Comprehensive income	13,542	38,520
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,198	28,127
Comprehensive income attributable to non-controlling interests	3,343	10,392

**(3) Notes on Quarterly Consolidated Financial Statements
(Notes on the Going-concern Assumption)**

N/A

(Notes when there is a significant change in the amount of shareholders' equity)

N/A

(Change in significant subsidiary during the term)

N/A

(Additional information)

(Accounting estimates on the effects of new coronavirus infections)

The Group assumes that the effects of the spread of the novel coronavirus will still take time to converge due to the recovery status of deferred receivables, etc. in some countries. Based on this assumption, the Company expect to increase credit risk in the future for deferred receivables, etc., and include them in our estimates for bad debts. Aling that amount is the best estimate at this time, the uncertainty of the assumptions used in the estimates is high, and if the status of the new coronavirus infection and its impact on the economic environment changes, the reserve for bad debts may increase or decrease in the quarterly consolidated financial statements and consolidated financial statements from the following quarter onwards.

(Segment Information)

For 3rd quarter of FY2020

1. Operating income and profit/loss is reported based on business segments as follows:

(Millions of yen)

	For the six months ended August 31, 2020							
	Domestic		Global			Total	Adjustments	Consolidated financial statements appropriation
	Retail	Solutions	China Area	Mekong Area	Malay Area			
Operating revenue								
Operating revenue from external parties	166,669	91,589	12,023	56,313	35,184	361,780	△ 223	361,557
Internal operating revenue between segments	2,424	45,035	2	46	—	47,509	△ 47,509	—
Total	169,093	136,624	12,026	56,360	35,184	409,290	△ 47,733	361,557
Segment Profit	2,485	14,066	3,610	6,162	△ 955	25,369	△ 517	24,852

(Notes)1. Operating income is stated in here in replacement of sales turnover of general corporations

2. The amounts shown in the 'adjustments' portion are as follows:

△223 million yen shown in the 'Operating revenue from external parties' section includes Operating income of holding companies which do not fall under the category of any business segments.

Adjustment amount of △517 million yen shown in 'Segment profit' represents the net amount after elimination of Operating profit belonging to holding companies which do not fall under the category of any business segments and internal operating income between segments.

3. Segmental profit has been adjusted with the operating profit in the quarterly consolidated income statement.

2. Notes on loss on disposal of non-current assets and goodwill on each segments : No

For 3rd quarter of FY2021

1. Operating income and profit/loss is reported based on business segments as follows:

(Millions of yen)

	For the three month ended May 31, 2021							
	Domestic		Global			Total	Adjustments	Consolidated financial statements appropriation
	Retail	Solutions	China Area	Mekong Area	Malay Area			
Operating revenue								
Operating revenue from external parties	157,450	88,122	11,469	54,282	37,747	349,072	△ 333	348,739
Internal operating revenue between segments	2,533	42,312	0	38	—	44,885	△ 44,885	—
Total	159,983	130,435	11,469	54,321	37,747	393,958	△ 45,218	348,739
Segment Profit	4,122	14,161	4,120	11,033	11,879	45,318	△ 1,089	44,229

(Notes)1. Operating income is stated in here in replacement of sales turnover of general corporations

2. The amounts shown in the 'adjustments' portion are as follows:

△333 million yen shown in the 'Operating revenue from external parties' section includes Operating income of holding companies which do not fall under the category of any business segments.

Adjustment amount of △1,089 million yen shown in 'Segment profit' represents the net amount after elimination of Operating profit belonging to holding companies which do not fall under the category of any business segments and internal operating income between segments.

3. Segmental profit has been adjusted with the operating profit in the quarterly consolidated income statement.

2. Notes on loss on disposal of non-current assets and goodwill on each segments : No