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Financial Results for the Fiscal Year ended February 28, 2025

April 10, 2025

Company name **AEON Financial Service Co., Ltd.**
Listings Tokyo Stock Exchange, Prime Market
Security code 8570
URL <https://www.aeonfinancial.co.jp/en/>
Representative Shunsuke Shirakawa, President and CEO
Contact: Tomoyuki Mitsufuji, Director, Managing Executive Officer

Date of the ordinary general meeting of shareholders May 23, 2025
Submission date of the annual securities report scheduled May 21, 2025
Starting date of paying year-end dividend May 8, 2025
Preparation of brief summary materials for financial results Yes
Holding of financial results presentation Yes (For institutional investors and analysts)

1. Results for the Fiscal Year Ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(1) Consolidated Operating Results

(Yen truncated to the nearest million, %)

	Operating revenue	Percentage Change	Operating profit	Percentage Change	Ordinary profit	Percentage Change	Profit attributable to owners of parent	Percentage Change
Fiscal 2024 ended February 28, 2025	533,262	9.8	61,485	22.8	62,554	22.2	19,527	-6.6
Fiscal 2023 ended February 29, 2024	485,608	7.5	50,088	-14.9	51,174	-16.9	20,896	-31.9

(Note) Comprehensive income; Fiscal 2024 35,304million (-39.0%), Fiscal 2023; 57,849million (25.7%)

	Profit attributable to owners of parent per Share (Yen)	Fully Diluted Profit attributable to owners of parent per Share (Yen)	Return on equity	Return on assets	Operating profit/Operating revenue
Fiscal 2024 ended February 28, 2025	90.46	90.45	4.2	0.9	11.5
Fiscal 2023 ended February 29, 2024	96.81	96.80	4.7	0.8	10.3

(Reference) Investment gains and losses on equity method; Fiscal 2024; 30 million, 2023; -101 million.

(2) Consolidated Financial Position

(Yen value of assets truncated to the nearest million, %, yen)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share
Fiscal 2024 ended February 28, 2025	7,760,375	589,649	6.0	2,154.07
Fiscal 2023 ended February 29, 2024	6,945,571	574,316	6.6	2,123.47

(Reference) Shareholder's equity; Fiscal 2024; 465,022 million, Fiscal 2023; 458,394 million.

(3) Consolidated cash flows

(Yen truncated to the nearest million)

	Net cash used in operating activities	Net cash used in Investing activities	Net cash provided by financing activities	Cash and cash equivalents at end of period
Fiscal 2024 ended February 28, 2025	347,337	-158,479	-19,919	795,068
Fiscal 2023 ended February 29, 2024	-50,776	-113,697	-18,191	625,482

2. Dividends

	Dividend per share					Total dividends paid	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End- first quarter	End- second quarter	End- third quarter	Fiscal year-end	Annual total			
Fiscal 2023 ended February 29, 2024	yen —	yen 25.00	yen —	yen 28.00	Yen 53.00	million yen 11,440	% 54.7	% 2.6
Fiscal 2024 ended February 28, 2025	—	25.00	—	28.00	53.00	11,441	58.6	2.5
Fiscal 2025 ending February 28, 2026 (Estimated)	—	25.00	—	28.00	53.00		54.5	

3. Forecast of Consolidated Earnings (For the fiscal year ending February 28, 2025)

(Revenue and profits truncated to the nearest million yen, %,yen)

(% is the percentage of change to the previous year)

	Operating revenue	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit attributabl e to owners of parent	YoY	Net income per share
Full term	570,000	6.9	57,000	-7.3	57,000	-8.9	21,000	7.5	97.28

(Notes) We are not disclosing consolidated earnings forecasts for the second quarter.

※Notes

- (1) Change in significant subsidiary during the term (Change in specified subsidiary that caused a change in the scope of consolidation) ; Yes
New: 1 (company name) Post and Telecommunication Finance CO.,LTD , Excluded: 1 (company name) AEON Product Finance CO., LTD.
(Note) For details, please refer to "1. Consolidated Financial Statements and Main Notes (5) Notes on the Consolidated Financial Statements (Changes in Significant Subsidiaries)" on page 16 of the attached materials.
- (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; No
 - ② Change other than ① ; No
 - ③ Change accounting quotation ; No
 - ④ Restatement ; No
- (3) Number of shares issued (Common stock)
- ① Number of shares issued at end of period (including treasury stock)
Fiscal 2024; 216,010,128 shares, Fiscal 2023; 216,010,128 shares
 - ② Number of shares of treasury stock at end of term
Fiscal 2024; 129,593 shares, Fiscal 2023; 139,844 shares
 - ③ Average of the number of shares during the quarter
Fiscal 2024; 215,876,706 shares Fiscal 2023; 215,861,602 shares

(Reference): Report of Non-Consolidated Financial Results**Business performance (from March 1, 2024 to February 28, 2025)****(1) Standalone Operating Results**

(Revenue and profits truncated to the nearest million yen, %, yen)

	Operating revenue	YOY	Operating profit	YOY	Ordinary profit	YOY	Profit attributable to owners of parent	YOY
Fiscal 2024 ended February 28, 2025	181,699	43.6	5,675	236.0	32,449	283.5	5,526	-84.7
Fiscal 2023 ended February 29, 2024	126,539	—	1,689	—	8,461	-7.7	36,185	315.8

	Basic earnings per share	Diluted earnings per share
Fiscal 2024 ended February 28, 2025	25.60	25.60
Fiscal 2023 ended February 29, 2024	167.63	167.63

(2) Standalone Financial Position

(Yen value of assets truncated to the nearest million, %, yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal 2024 ended February 28, 2025	1,212,258	233,423	19.3	1,081.26
Fiscal 2023 ended February 29, 2024	1,229,320	238,150	19.4	1,103.18

(Reference) Shareholder's equity; Fiscal 2024; 233,423 million, Fiscal 2023; 238,143 million

※ The financial results are not audited by a certified public accountant or an audit corporation.

※ Remarks on the projections, other issues

(Notes on future statements, etc.)

Forecasts of the business performance and dividends are based on assumptions and projections that are the basis of prospects and plans as of the date of this document's release, and are not intended to be a guarantee of the achievement of such projections. Actual business performance may differ from the above forecasts due to various factors in the future.

(How to obtain supplementary information on financial results) We provide supplementary explanatory materials on our website regarding business and performance.

(Notes on obtaining supplementary explanatory materials for financial results)

The Company provides FACTBOOK on its business and performance on its website.

Attachments

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1. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	665,558	814,786
Call loans	1,192	1,514
Accounts receivable - installment	1,843,488	1,747,333
Lease receivables and investments in leases	11,601	14,474
Operating loans	918,824	988,984
Loans and bills discounted for banking business	2,339,225	2,670,472
Securities for banking business	572,248	768,296
Securities for insurance business	15,873	15,049
Monetary claims bought	58,546	79,348
Money held in trust	116,695	106,535
Other	194,901	350,608
Allowance for doubtful accounts	△120,707	△131,694
Total current assets	6,617,447	7,425,710
Non-current assets		
Property, plant and equipment		
Buildings, net	10,775	11,655
Tools, furniture and fixtures, net	21,067	22,386
Construction in progress	176	243
Other, net	126	227
Total property, plant and equipment	32,146	34,512
Intangible assets		
Goodwill	11,684	42,188
Software	125,144	144,191
Other	3,550	3,147
Total intangible assets	140,379	189,527
Investments and other assets		
Investment securities	14,649	14,926
Deferred tax assets	35,453	39,980
Guarantee deposits	50,901	7,279
Other	54,041	48,022
Total investments and other assets	155,045	110,209
Total non-current assets	327,570	334,250
Deferred assets		
Bond issuance costs	553	414
Total deferred assets	553	414
Total assets	6,945,571	7,760,375

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	268,536	317,805
Deposits for banking business	4,538,363	5,206,242
Short-term borrowings	249,422	169,081
Current portion of long-term borrowings	165,716	217,297
Current portion of bonds payable	83,355	95,888
Commercial papers	95,000	8,281
Provision for bonuses	5,006	6,195
Provision for point card certificates	689	1,633
Other provisions	129	122
Other	187,491	275,682
Total current liabilities	5,593,712	6,298,229
Non-current liabilities		
Reserve for insurance policy liabilities	48,358	42,753
Bonds payable	240,604	203,976
Long-term borrowings	451,111	586,476
Retirement benefit liability	2,128	1,662
Provision for loss on interest repayment	2,518	932
Other provisions	302	4,223
Deferred tax liabilities	1,998	1,732
Other	30,521	30,738
Total non-current liabilities	777,542	872,496
Total liabilities	6,371,254	7,170,726
Net assets		
Shareholders' equity		
Share capital	45,698	45,698
Capital surplus	119,144	118,729
Retained earnings	286,022	294,092
Treasury shares	△ 357	△ 330
Total shareholders' equity	450,508	458,189
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△ 21,643	△ 29,991
Deferred gains or losses on hedges	212	642
Foreign currency translation adjustment	29,272	35,971
Remeasurements of defined benefit plans	44	210
Total accumulated other comprehensive income	7,885	6,833
Share acquisition rights	6	0
Non-controlling interests	115,916	124,626
Total net assets	574,316	589,649
Total liabilities and net assets	6,945,571	7,760,375

(2) Consolidated Statement of Income and Comprehensive Income
(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Operating revenue		
Revenue from credit card business	125,716	139,114
Revenue from installment sales finance business	52,911	50,706
Financing revenue	151,909	166,609
Recoveries of written off receivables	16,048	19,965
Financial revenue		
Interest on loans and discounts from banking business	24,176	25,487
Interest and dividends on securities from banking business	2,626	6,608
Interest on call loans	340	256
Interest income	1,068	1,820
Other financial revenue	5,302	8,657
Total financial revenue	33,514	42,830
Insurance revenue		
Reversal of policy reserve	6,401	5,701
Other insurance revenue	6,201	7,007
Total Insurance revenue	12,602	12,709
Fees and commissions	68,009	72,526
Other	24,896	28,801
Total operating revenue	485,608	533,262
Operating expenses		
Financial expenses		
Interest expenses	23,626	28,306
Interest on deposits from banking business	3,095	7,577
Other financial expenses	2,358	3,545
Total financial expenses	29,081	39,430
Insurance expenses		
Insurance claims and other	11,215	12,000
Other insurance expenses	557	338
Total Insurance expenses	11,772	12,338
Fees and commissions payments	10,546	10,320
Selling, general and administrative expenses	381,006	406,259
Other	3,112	3,427
Total operating expenses	435,519	471,776
Operating profit	50,088	61,485
Non-operating income		
Dividend income	169	175
Share of profit of entities accounted for using equity method	—	30
Gain on investments in investment partnerships	118	231
Foreign exchange gains	813	344
Subsidy income	—	146
Other	104	155
Total non-operating income	1,204	1,083
Non-operating expenses		
Share of loss of entities accounted for using equity method	101	—
Miscellaneous losses	17	14
Total non-operating expenses	118	14
Ordinary profit	51,174	62,554

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Extraordinary income		
Gain on sale of non-current assets	11	26
Gain on sale of investment securities	169	39
Gain on liquidation of investment securities	89	—
Total extraordinary income	270	65
Extraordinary losses		
Loss on disposal of non-current assets	678	553
Impairment losses	1,297	201
Loss on sale of shares of subsidiaries	—	2,306
Loss on liquidation of subsidiaries	18	—
Management integration expenses	475	—
System migration related expenses	90	—
Bad debt related expenses	—	9,945
Other	—	344
Total extraordinary losses	2,562	13,351
Profit before income taxes	48,883	49,269
Income taxes – current	13,057	20,370
Income taxes – deferred	2,117	△3,555
Total income taxes	15,175	16,815
Profit	33,707	32,454
Profit attributable to non-controlling interests	12,810	12,926
Profit attributable to owners of parent	20,896	19,527

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Profit	33,707	32,454
Other comprehensive income		
Valuation difference on available-for-sale securities	6,061	△8,213
Deferred gains or losses on hedges	△2	△137
Foreign currency translation adjustment	17,890	11,035
Remeasurements of defined benefit plans, net of tax	192	165
Total other comprehensive income	24,142	2,850
Comprehensive income	57,849	35,304
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	37,732	18,474
Comprehensive income attributable to non-controlling interests	20,117	16,829

(3) Consolidated Statement of Changes in Equity

Fiscal year ended February 29, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	45,698	120,270	278,172	△390	443,750
Changes during period					
Dividends of surplus			△12,519		△12,519
Profit attributable to owners of parent			20,896		20,896
Purchase of treasury shares				△0	△0
Disposal of treasury shares			△17	33	15
Change in ownership interest of parent due to transactions with non-controlling interests		△1,125			△1,125
Change in scope of consolidation			△508		△508
Net changes in items other than shareholders' equity					
Total changes during period	—	△1,125	7,850	32	6,757
Balance at end of period	45,698	119,144	286,022	△357	450,508

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	△27,661	120	18,738	△147	△8,950	13	106,319	541,133
Changes during period								
Dividends of surplus								△12,519
Profit attributable to owners of parent								20,896
Purchase of treasury shares								△0
Disposal of treasury shares								15
Change in ownership interest of parent due to transactions with non-controlling interests							1,125	—
Change in scope of consolidation								△508
Net changes in items other than shareholders' equity	6,018	91	10,533	192	16,835	△7	8,471	25,299
Total changes during period	6,018	91	10,533	192	16,835	△7	9,596	33,183
Balance at end of period	△21,643	212	29,272	44	7,885	6	115,916	574,316

Fiscal year ended February 28, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	45,698	119,144	286,022	△357	450,508
Changes during period					
Dividends of surplus			△11,441		△11,441
Profit attributable to owners of parent			19,527		19,527
Purchase of treasury shares				△0	△0
Disposal of treasury shares			△16	26	10
Change in ownership interest of parent due to transactions with non-controlling interests		△415			△415
Change in scope of consolidation					—
Net changes in items other than shareholders' equity					
Total changes during period	—	△415	8,069	26	7,680
Balance at end of period	45,698	118,729	294,092	△330	458,189

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	△21,643	212	29,272	44	7,885	6	115,916	574,316
Changes during period								
Dividends of surplus								△11,441
Profit attributable to owners of parent								19,527
Purchase of treasury shares								△0
Disposal of treasury shares								10
Change in ownership interest of parent due to transactions with non-controlling interests							415	—
Change in scope of consolidation								—
Net changes in items other than shareholders' equity	△8,347	430	6,699	165	△1,052	△5	8,294	7,236
Total changes during period	△8,347	430	6,699	165	△1,052	△5	8,709	15,332
Balance at end of period	△29,991	642	35,971	210	6,833	0	124,626	589,649

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Cash flows from operating activities		
Profit before income taxes	48,883	49,269
Depreciation	31,133	30,144
Amortization of goodwill	1,621	1,581
Share of loss (profit) of entities accounted for using equity method	101	△30
Increase (decrease) in allowance for doubtful accounts	△10,943	7,518
Increase (decrease) in provision for bonuses	455	1,450
Increase (decrease) in retirement benefit liability	400	430
Increase (decrease) in provision for point card certificates	△108	943
Increase (decrease) in provision for loss on interest repayment	△2,304	△1,585
Increase (decrease) in other provisions	21	3,925
Financial revenue	△33,514	△42,830
Financial expenses	29,081	39,430
Dividend income	△169	△175
Loss (gain) on disposal of non-current assets	667	527
Loss (gain) on sale of shares of subsidiaries	—	2,306
Loss (gain) on liquidation of subsidiaries	18	—
Management integration expenses	475	—
Bad debt related expenses	—	9,945
Decrease (increase) in operating loans receivable	△43,803	△33,634
Decrease (increase) in cash loans and bills discounted for banking business	△178,450	△331,246
Decrease (increase) in accounts receivable – installment	△51,990	△199,769
Net decrease (increase) in lease receivables and investments in leases	350	△2,873
Net increase (decrease) in deposits	140,409	667,962
Increase (decrease) in trade payables	12,573	50,022
Net increase (decrease) in borrowed money	76,307	72,501
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	△2,492	13,605
Net decrease (increase) in dues from banks (over 3 months)	3,257	4,482
Net decrease (increase) in call loans	△26,830	△21,124
Increase (decrease) in commercial papers	19,937	△42,026
Increase (decrease) in straight bonds – issuance and redemption	△28,401	△26,761
Increase (decrease) in reserve for insurance policy liabilities	△5,979	△5,605
Proceeds from sales and leasebacks	125	542
Interest received	32,010	41,760
Interest paid	△28,423	△36,679
Proceeds from collection of short-term loans receivable	—	219,100
Other, net	△20,775	△111,453
Subtotal	△36,353	361,654
Interest and dividends received	169	175
Income taxes paid	△16,061	△14,851
Income taxes refund	1,468	358
Net cash provided by operating activities	△50,776	347,337

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Cash flows from investing activities		
Purchase of securities	△545,817	△450,620
Proceeds from sale of securities	201,714	224,519
Proceeds from redemption of securities	269,720	27,649
Increase in money held in trust	△5,451	△5,163
Decrease in money held in trust	13,723	16,047
Purchase of property, plant and equipment	△4,626	△2,622
Proceeds from sale of property, plant and equipment	27	44
Purchase of intangible assets	△40,436	△36,964
Proceeds from sale of intangible assets	6	—
Proceeds from liquidation of subsidiaries and associates	—	229
Payments for acquisition of businesses	—	△3,010
Proceeds from business acquisition	—	68,092
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△65	△19,981
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	123	—
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	—	23,301
Other, net	△2,616	—
Net cash provided by (used in) investing activities	△113,697	△158,479
Cash flows from financing activities		
Dividends paid	△12,519	△11,441
Dividends paid to non-controlling interests	△5,671	△6,382
Purchase of treasury shares	△0	△0
Proceeds from disposal of treasury shares	0	0
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	△2,094
Net cash provided by (used in) financing activities	△18,191	△19,919
Effect of exchange rate change on cash and cash equivalents	△554	648
Net increase (decrease) in cash and cash equivalents	△183,220	169,586
Cash and cash equivalents at beginning of period	804,693	625,482
Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation	4,008	—
Cash and cash equivalents at end of period	625,482	795,068

(5) Notes on the Consolidated Financial Statements

(Notes on the Going-concern Assumption) Not applicable.

(Significant Changes in the Scope of Consolidation)

In the current consolidated fiscal year, we acquired all equity interests of Post and Telecommunication Finance Company Limited, and therefore has been included in the scope of consolidation.

In the current consolidated fiscal year, we have transferred all shares of our consolidated subsidiary, AEON Product Finance Co., Ltd., and have therefore removed the company from the scope of consolidation.

(Notes on Segment Information)

1. Overview of reportable segments

The reportable segments of our group are the constituent units of our group for which separate financial information is available, which are regularly reviewed by the board of directors to determine the allocation of management resources and to evaluate performance.

Our domestic business is divided into “Retail” and “Solutions” to clarify the role of each function according to the target customers, and our international business is divided into areas centered on three listed companies, “China Area” (Hong Kong, etc.), “Mekong Area” (Thailand, etc.), and “Malaysia Area” (Malaysia, etc.) to smoothly advance the horizontal expansion of our business model.

Therefore, the Group has five reportable segments: “Retail” and “Solutions” in the domestic segment, and “China Area,” “Mekong Area,” and “Malaysia Area” in the international segment.

“Retail” is the banking and insurance business, mainly for individual customers.

“Solutions” is the business that provides the Group’s financial services, mainly for affiliated stores, utilizing its database of processing and installment payments.

“China Area,” “Mekong Area,” and “Malaysia Area” are businesses that provide financial services tailored to the needs of individual customers and affiliated stores in each region, including credit cards and loans.

2. Method of calculating the amounts of operating revenue, profit or loss, assets, and other items for each reportable segment

The accounting methods for the reported business segments are the same as those used to prepare consolidated financial statements. Profits for reportable segments are based on operating profit. Internal operating revenue and transfers between segments are based on prevailing market prices.

(Segment information)For fiscal year 2023 starting March 1st 2023, ended February 29th 2024

Operating income and profits/losses are reported on business segments as follows:

(Millions of yen)

	Reportable segments					Total	Reconciling items	Per consolidated financial statements
	Domestic		Global					
	Retail	Solutions	China Area	Mekong Area	Malay Area			
Sales								
Revenues from external customers	167,105	124,777	30,638	89,915	72,993	485,430	177	485,608
Transactions with other segments	5,814	65,932	—	14	—	71,761	△71,761	—
Operating revenue	172,920	190,710	30,638	89,929	72,993	557,192	△71,583	485,608
Operating profit (loss)	4,699	8,362	8,797	15,878	13,541	51,278	△1,190	50,088
Assets	5,177,141	798,286	145,465	388,562	430,303	6,939,758	5,813	6,945,571
Other items								
Depreciation	5,254	17,546	1,835	4,215	2,397	31,250	△116	31,133
Amortization of goodwill	1,457	161	—	—	3	1,621	—	1,621
Financial expenses	4,252	2,540	1,905	8,882	12,284	29,867	△786	29,081
Provision for possible credit losses	32	19,301	3,566	30,036	20,327	73,264	△208	73,055
Increase in property, plant and equipment and intangible assets	7,048	27,787	5,574	2,443	6,178	49,033	△25	49,007

(Notes)

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

2. The amounts shown in the 'Reconciling items' section are as follows:

(1) The 177 million yen shown in the "Revenue from external customers" section includes the operating income of holding companies which do not fall under the category of any of the business segments.

(2) The △1,190 million yen shown in "Operating profit" represents the net amount after the elimination of operating profit belonging to holding companies that do not fall under any business segments and internal operating income between segments.

(3) The 5,813 million yen shown under "Assets" represents the amount after the elimination of assets belonging to holding companies that do not fall under any business segments and intersegment transactions.

3. Segment profits have been adjusted to match operating profits on the consolidated statements of income.

4. Revenues from contracts with customers subject to the revenue recognition accounting standard, included in operating revenues from external customers for the current consolidated fiscal year, by reportable segment are Domestic Retail 30,954 million yen, Domestic Solutions 72,898 million yen, China Area 5,466 million yen, Mekong Area 8,102 million yen, and Malay Area 7,421 million yen, with an adjustment of 0 million yen.

For fiscal year 2024 starting March 1st 2024, ended February 28th 2025
Operating income and profits/losses are reported on business segments as follows:

(Millions of yen)

	Reportable segments					Total	Reconciling items	Per consolidated financial statements
	Domestic		Global					
	Retail	Solutions	China Area	Mekong Area	Malay Area			
Sales								
Revenues from external customers	191,207	119,536	35,596	95,747	91,139	533,228	34	533,262
Transactions with other segments	2,172	72,963	—	31	—	75,167	△75,167	—
Operating revenue	193,379	192,500	35,596	95,779	91,139	608,395	△75,133	533,262
Operating profit (loss)	10,503	9,808	9,319	16,007	13,421	59,060	2,425	61,485
Assets	5,974,291	655,459	151,291	448,067	527,497	7,756,608	3,766	7,760,375
Other items								
Depreciation	5,210	15,971	2,070	4,248	2,749	30,250	△105	30,144
Amortization of goodwill	1,482	96	—	—	3	1,581	—	1,581
Financial expenses	10,035	2,464	2,432	9,632	15,944	40,510	△1,079	39,430
Provision for possible credit losses	△574	24,248	4,033	31,491	28,671	87,871	△10	87,860
Increase in property, plant and equipment and intangible assets	7,340	33,805	2,037	3,530	4,053	50,767	△6	50,761

- (Notes)
- Operating income is stated here in replacement of sales turnover of general corporations.
 - The amounts shown in the 'Reconciling items' section are as follows:
 - The 34 million yen shown in the "Revenue from external customers" section includes the operating income of holding companies which do not fall under the category of any of the business segments.
 - The 2,425 million yen shown in "Operating profit" represents the net amount after the elimination of operating profit belonging to holding companies that do not fall under any business segments and internal operating income between segments.
 - The 3,766 million yen shown under "Assets" represents the amount after the elimination of assets belonging to holding companies that do not fall under any business segments and intersegment transactions.
 - Segment profits have been adjusted to match operating profits on the consolidated statements of income.
 - Revenues from contracts with customers subject to the revenue recognition accounting standard, included in operating revenues from external customers for the current consolidated fiscal year, by reportable segment are Domestic Retail 32,293 million yen, Domestic Solutions 77,420 million yen, China Area 6,704 million yen, Mekong Area 9,492 million yen, and Malay Area 8,574 million yen, with an adjustment of 0 million yen.

(Per Share Information)

	Previous consolidated fiscal year (March 1, 2023 to February 29, 2024)	Current consolidated fiscal year (March 1, 2024 to February 28, 2025)
Net assets per share (yen)	2,123.47	2,154.07
Net income per share (yen)	96.81	90.46
Diluted net income per share (yen)	96.80	90.45

(Note) 1. The basis for the calculation of net assets per share are as follows:

	Previous consolidated fiscal year (Ended February 29, 2024)	Current consolidated fiscal year (Ended February 28, 2025)
Total value of net assets (million yen)	574,316	589,649
Amount to be deducted from net assets (million yen)	115,922	124,626
(Of which, amount to be deducted for stock acquisition rights (million yen))	(6)	(0)
(Of which, amount to be deducted due to non-controlling assets (million yen))	(115,916)	(124,626)
Net value of assets related to common stock at the end of the period (million yen)	458,394	465,022
Number of issued common shares	216,010,128	216,010,128
Number of issued treasury shares	139,844	129,593
Number of common shares at the end of the period used to calculate net assets per share	215,870,284	215,880,535

2. The basis for the calculation of net income per share and diluted net income per share are as follows:

	Previous consolidated fiscal year (March 1, 2023 to February 29, 2024)	Current consolidated fiscal year (March 1, 2024 to February 28, 2025)
Net income per share		
Net income attributable to shareholders of the parent company (million yen)	20,896	19,527
Amount not attributable to common shareholders (million yen)	—	—
Net income attributable to shareholders of the parent company relating to common stock (million yen)	20,896	19,527
Average number of common shares during the period	215,861,602	215,876,706
Diluted net income per share		
Adjustment of net income attributable to shareholders of the parent company (million yen)	—	—
Increase in number of common shares	11,555	2,699
(Of which, stock acquisition rights)	(11,555)	(2,699)
Overview of potential shares not included in the calculation of diluted net income per share as they have no dilutive effect	—	—

(Changes in Significant Subsidiaries)

(Regarding the Transfer of Shares of a Consolidated Subsidiary)

At the Board of Directors meeting held on March 21, 2025, the Company resolved to transfer the majority of the issued shares of its consolidated subsidiary, AEON Allianz Life Insurance Co., Ltd. (hereinafter, AEON Allianz Life), to Meiji Yasuda Life Insurance Co., Ltd. (hereinafter, Meiji Yasuda) (hereinafter, the Share Transfer) and entered into a share transfer agreement (hereinafter, the Share Transfer Agreement) for the Share Transfer.

1. Reasons for the Share Transfer

Since joining the Group in 2020, AEON Allianz Life, a consolidated subsidiary of the Company, has been the only company in the Group engaged in the life insurance business, providing medical insurance and other services to a wide range of customers in collaboration with AEON Group companies.

On the other hand, as the Company has been reviewing its business portfolio in response to the rapidly changing business environment in recent years, it has concluded that it is necessary to review its strategy for the life insurance business, including alliances with other companies.

We have transferred the majority of our shares in AEON Allianz Life Insurance to Meiji Yasuda and will promote a comprehensive partnership between the three companies (hereinafter referred to as the "Three Companies"), Meiji Yasuda and AEON Co., Ltd. Through this comprehensive partnership, the three companies will use their respective strengths to jointly create diverse value propositions that contribute to health promotion and regional revitalization as well as provide valuable products and services to the customers and other stakeholders of the three companies.

Through this share transfer, we will accelerate the concentration of management resources in core and growth areas, and further increase our corporate value by promoting the comprehensive partnership.

2. Overview of the transferred subsidiary

(1) Company name	AEON Allianz Life Insurance	
(2) Description	Insurance company	
(3) Relationship with the Company※	Capital relationship	Our company owns 100% of the shares of AEON Allianz Life Insurance.
	Personnel Relationship	Our company has dispatched one director and one full-time auditor to AEON Allianz Life Insurance, as well as five employees from our company or our subsidiaries. Additionally, three employees of AEON Allianz Life Insurance are assigned to our company.
	Business Relationship	Our company has transactions with AEON Allianz Life Insurance in the form of receiving management fees, commissions, and the subleasing of offices.
(4) Financial condition and business performance		
Fiscal year	April 1, 2023 to March 31, 2024	
Net assets (million yen)	5,953	
Total assets (million yen)	52,688	
Net assets per share (yen)	36,749	
Ordinary income (million yen)	12,723	
Ordinary loss (million yen)	△3,398	
Net loss (million yen)	△4,728	

Net loss per share (yen)	△39,066
Dividend per share	—

※ The described relationship between our company and AEON Allianz Life Insurance is as of the fiscal year ended February 28, 2025

3. The counterparty to the Share Transfer:

Meiji Yasuda Life Insurance Company

4. Number of shares to be transferred, transfer price, and status of shareholdings before and after the transfer

(1) Number of shares held before the transfer	863,000 shares ※ 1 (Number of voting rights: 863,000 units) (Voting rights to ownership ratio: 100.00%)
(2) Number of shares to be transferred	734,413 shares (Number of voting rights : 734,413 units)
(3) Transfer price of shares to be transferred	49.4 billion yen ※ 2
(4) Number of shares held after the transfer	128,587 shares (Number of voting rights : 128,587 units) (Voting rights to ownership ratio : 14.90%)

※ 1 The number of shares held reflects a capital increase of 66 billion yen in AEON Allianz Life Insurance by the Company, which is scheduled to be implemented immediately before the Share Transfer (hereinafter “the Capital Increase before Closing”).

※ 2 The price of shares to be transferred is the amount agreed upon as the share value of shares to be transferred by the Company in light of the Capital Increase before Closing. The final transfer price will be determined through price adjustments stipulated in the Share Transfer Agreement.

5. Schedule

(1) Date of resolution by the Board of Directors	March 21, 2025
(2) Date of concluding the agreement	March 21, 2025
(3) Date of implementing the transfer of shares	July 1, 2025 (Plan)

6. Impact on consolidated financial results

The result of this share transfer, AEON Allianz Life Insurance will be excluded from the scope of our consolidation from the third quarter of the fiscal year ending February 2026. The impact on consolidated financial results for the fiscal year ending February 2026 has not yet been determined due to variable factors such as price adjustments set out in the share transfer agreement.

3. Standalone Financial Statements and Main Notes

(1) Balance Sheet

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Assets		
Current assets		
Cash and deposits	7,141	12,357
Accounts receivable - installment	162,921	181,084
Operating loans	64,871	45,599
Advances paid	80,917	40,696
Prepaid expenses	2,348	3,319
Accounts receivable - other	156,527	334,234
Accrued revenue	2,401	2,663
Short-term loans receivable	249,950	43,210
Current portion of long-term loans receivable from subsidiaries and associates	120	119
Supplies	1,802	2,528
Income taxes refund receivable	224	—
Consumption taxes refund receivable	1,588	1,533
Other	228	—
Allowance for doubtful accounts	△36,128	△50,806
Total current assets	694,915	616,540
Non-current assets		
Property, plant and equipment		
Buildings	3,081	2,920
Accumulated depreciation	△1,755	△1,686
Buildings, net	1,325	1,234
Vehicles	7	0
Accumulated depreciation	△6	△0
Vehicles, net	0	0
Tools, furniture and fixtures	37,003	37,574
Accumulated depreciation	△28,929	△30,925
Tools, furniture and fixtures, net	8,074	6,648
Total property, plant and equipment	9,400	7,882
Intangible assets		
Goodwill	—	12,243
Software	104,561	123,427
Other	0	0
Total intangible assets	104,561	135,671
Investments and other assets		
Investment securities	50,361	51,741
Shares of subsidiaries and associates	308,862	324,864
Bonds of subsidiaries and associates	3,165	3,349
Long-term loans receivable from subsidiaries and associates	707	3,192
Long-term prepaid expenses	29,293	29,666
Deferred tax assets	14,532	21,854
Guarantee deposits	2,755	3,396
Money held in trust	4,581	8,986
Long-term accounts receivable - other	5,490	4,445
Other	139	251
Total investments and other assets	419,890	451,749
Total non-current assets	533,852	595,304
Deferred assets		
Bond issuance costs	553	414
Total deferred assets	553	414
Total assets	1,229,320	1,212,258

(Millions of yen)

	As of February 29, 2024	As of February 28, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	262,764	311,616
Short-term borrowings	179,400	95,800
Commercial papers	50,000	—
Lease liabilities	3,818	3,846
Current portion of bonds payable	75,000	75,000
Current portion of long-term borrowings	8,800	19,500
Current portion of long-term borrowings from subsidiaries and associates	120	119
Accounts payable - other	49,426	62,351
Accrued expenses	1,286	1,486
Income taxes payable	651	1,897
Unearned revenue	793	845
Deposits received	51,222	153,972
Provision for bonuses	1,162	1,630
Provision For Directors Remuneration Based On Performance	48	41
Provision for loss on guarantees	3,091	3,803
Provision for point card certificates	—	1,633
Other	2,057	8,714
Total current liabilities	689,644	742,259
Non-current liabilities		
Bonds payable	180,000	125,000
Long-term borrowings	106,500	96,700
Long-term borrowings from subsidiaries and associates	241	119
Lease liabilities	8,958	6,037
Provision for loss on interest repayment	2,518	932
Other	3,308	7,785
Total non-current liabilities	301,526	236,575
Total liabilities	991,170	978,834
Net assets		
Shareholders' equity		
Share capital	45,698	45,698
Capital surplus		
Legal capital surplus	121,506	121,506
Total capital surplus	121,506	121,506
Retained earnings		
Legal retained earnings	3,687	3,687
Other retained earnings		
General reserve	35,995	35,995
Retained earnings brought forward	28,948	23,017
Total retained earnings	68,630	62,700
Treasury shares	△357	△330
Total shareholders' equity	235,478	229,574
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,665	3,848
Total valuation and translation adjustments	2,665	3,848
Share acquisition rights	6	0
Total net assets	238,150	233,423
Total liabilities and net assets	1,229,320	1,212,258

(2) Statement of Income

(Millions of yen)

	Fiscal year ended February 29, 2024	Fiscal year ended February 28, 2025
Operating revenue		
Revenue from credit card business	54,279	76,971
Revenue from installment sales finance business	6	7
Financing revenue	1,247	361
Guarantee fee income	41,836	63,080
Processing fee income	4,059	5,182
Business agency fee income	8,644	11,499
Recoveries of written off receivables	79	106
Financial revenue		
Interest income	1,182	368
Total financial revenue	1,182	368
Other	15,203	24,121
Total operating revenue	126,539	181,699
Operating expenses		
Financial expenses		
Other financial expenses	2,302	2,211
Total financial expenses	2,302	2,211
Selling, general and administrative expenses	122,548	173,812
Total operating expenses	124,850	176,023
Operating profit	1,689	5,675
Non-operating income		
Dividend income	6,798	27,267
Foreign exchange gains	77	—
Other	114	191
Total non-operating income	6,990	27,459
Non-operating expenses		
Loss on valuation of derivatives	214	320
Foreign exchange losses	—	363
Other	2	1
Total non-operating expenses	217	685
Ordinary profit	8,461	32,449
Extraordinary income		
Gain on sale of investment securities	169	39
Gain on extinguishment of tie-in share	30,618	—
Other	94	—
Total extraordinary income	30,883	39
Extraordinary losses		
Loss on disposal of non-current assets	86	306
Loss on sale of shares of subsidiaries	—	1,454
Loss on valuation of shares of subsidiaries and associates	1,636	14,951
Management integration expenses	475	—
Bad debt related expenses	—	12,213
Other	—	147
Total extraordinary losses	2,198	29,074
Profit before income taxes	37,146	3,414
Income taxes - current	625	2,184
Income taxes - deferred	335	△4,296
Total income taxes	960	△2,112
Profit	36,185	5,526

(3) Statement of Changes in Equity

Fiscal year ended February 29, 2024

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	45,698	121,506	121,506	3,687	35,995	5,300	44,982
Changes during period							
Conversion of moving strike convertible bonds							
Dividends of surplus						△12,519	△12,519
Profit						36,185	36,185
Purchase of treasury shares							
Disposal of treasury shares						△17	△17
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	23,648	23,648
Balance at end of period	45,698	121,506	121,506	3,687	35,995	28,948	68,630

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	△390	211,797	1,901	1,901	13	213,712
Changes during period						
Conversion of moving strike convertible bonds		—				—
Dividends of surplus		△12,519				△12,519
Profit		36,185				36,185
Purchase of treasury shares	△0	△0				△0
Disposal of treasury shares	33	15				15
Net changes in items other than shareholders' equity			763	763	△7	756
Total changes during period	32	23,681	763	763	△7	24,437
Balance at end of period	△357	235,478	2,665	2,665	6	238,150

Fiscal year ended February 28, 2025

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	45,698	121,506	121,506	3,687	35,995	28,948	68,630
Changes during period							
Conversion of moving strike convertible bonds							
Dividends of surplus						△11,441	△11,441
Profit						5,526	5,526
Purchase of treasury shares							
Disposal of treasury shares						△16	△16
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	△5,930	△5,930
Balance at end of period	45,698	121,506	121,506	3,687	35,995	23,017	62,700

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	△357	235,478	2,665	2,665	6	238,150
Changes during period						
Conversion of moving strike convertible bonds	26	26				26
Dividends of surplus		△11,441				△11,441
Profit		5,526				5,526
Purchase of treasury shares	△0	△0				△0
Disposal of treasury shares		△16				△16
Net changes in items other than shareholders' equity			1,183	1,183	△5	1,178
Total changes during period	26	△5,904	1,183	1,183	△5	△4,726
Balance at end of period	△330	229,574	3,848	3,848	0	233,423

(4) Notes on the Consolidated Financial Statements
(Notes on the Going-concern Assumption) Not applicable.