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For immediate release

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Stock Listing: Tokyo Stock Exchange, First Section
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Notification of Differences between Consolidated Results Forecast and Actual Results for the First Half of Fiscal 2013

AEON Financial Service Co., Ltd. (the "Company") hereby announces that material differences have arisen between the forecast of consolidated results for the first half of fiscal 2013 (the six months ended September 30, 2013), announced on May 17, 2013, and the Company's actual results released today, as summarized below.

1. Differences between Consolidated Results Forecast and Actual Results for the First Half of Fiscal 2013

(April 1, 2013 – September 30, 2013) (Millions of yen, except per share data)

	Ordinary Income	Ordinary Profit	Net Income	Net Income per Share
Forecast announced on May 17, 2013 (A)	¥100,900	¥18,000	¥9,000	¥48.07
Actual results (B)	130,562	12,352	2,537	13.24
Difference (B-A)	+29,662	-5,648	-6,463	—
Percent difference (%)	+29.4	-31.4	-71.8	—

For reference:
Results for the First Half of the Previous Fiscal Year (February 21, 2012 – August 20, 2012)
(Millions of yen, except per share data)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Net Income per Share
Six months ended August 20, 2012	¥88,243	¥12,930	¥13,039	¥6,120	¥42.03

Note: The Company changed its financial year-end to March 31 as of March 2013. In addition, the Company changed the form of its financial statements with its transition to a bank holding company.

2. Reasons for the Differences

The Company transitioned to a bank holding company on April 1, 2013, and has worked to generate four types of synergy: more convenient financing, stronger marketing power, expanded overseas business, and a stronger sales force and higher productivity.

To achieve this synergy, in addition to ongoing cardholder sign-up efforts, the Company implemented promotional campaigns in connection with the management integration, including a plan offering favorable interest rates on fixed-term deposits, as well as a program to stimulate card use. As a result, the number of AEON Card Select cardholders expanded by 31,000 to 2.27 million and card shopping transaction volume increased by 13.9% over the same period of the previous fiscal year to ¥1,684,726 million. Moreover, credit card cashing transaction volume increased steadily to ¥172,295 million, up 103.9% from the same period of the previous fiscal year, reflecting the increase in AEON Bank ATM locations and a revision of credit card lending standards. In Hong Kong, the Company is working to strengthen its management structure with the goal of acquiring a banking license.

Furthermore, the Company reduced interest-bearing debt by making use of the deposit-taking function of AEON Bank, consolidated head office departments and business centers, and strengthened the sales force by shifting personnel to new bank branches and other offices in addition to Internet operations. Because of these initiatives, ordinary income surpassed the forecast announced on May 17, 2013.

As for operating expenses, the Company has made aggressive forward-looking investments, including expanding the AEON Bank ATM network by 1,143 machines to a total of 3,823 machines, while rolling out various promotional campaigns in connection with the management integration and expediting consolidation of overlapping departments. In addition, the Company recorded expenses of approximately ¥3.0 billion due to misconduct at consolidated subsidiaries in Taiwan. As a result, ordinary profit and net income were below the levels in the forecast announced on May 17, 2013.