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For immediate release

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Stock Listing: Tokyo Stock Exchange, First Section
(Code No.: 8570)
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Notification of Differences between the Consolidated Results Forecast and Actual Results for the First Half Fiscal 2014

AEON Financial Service Co., Ltd. (the “Company”) hereby announces that material differences have arisen between the forecast of consolidated results forecast for the first half of fiscal 2014 (the six months ended September 30, 2014), announced on May 15, 2014, and the Company’s actual results released today, as summarized below.

1. Difference between Consolidated Results Forecast and Actual Results for the First Half of Fiscal 2014

(April 1, 2014 – September 30, 2014)

(Millions of yen, except per share data)

	Ordinary Income	Ordinary Profit	Net Income	Net Income per Share
Forecast announced on May 15, 2014 (A)	¥145,000	¥19,000	¥8,000	¥38.75
Actual results (B)	151,164	19,477	10,987	54.63
Difference (B-A)	+6,164	+477	+2,897	—
Percent difference (%)	+4.3	+2.5	+37.3	—
For reference: Results for the first half of the previous fiscal year (April 1, 2013 – September 30, 2013)	130,562	12,352	2,537	13.24

2. Reasons for the Differences

During the first half of the fiscal year, the Company continued its efforts to increase the number of cardholders and AEON Bank accounts, and steadily expanded its customer base. On a consolidated basis, the number of cardholders increased by 960,000 from the beginning of the period to 34.86 million, and the number of accounts increased by 280,000 to 3.96 million. The Company also took steps to expand credit card shopping transaction volume and the balance of housing loans. Specific measures included leveraging the AEON Group’s sales network to implement plans to stimulate card use and promote credit card payment of utility bills, and strengthening advertising of special interest rates on AEON Bank housing loans. In addition, the Company continued to expand its business operations outside Japan, centered on its three listed subsidiaries in Hong Kong, Thailand and Malaysia.

As a result, ordinary income, ordinary profit and net income each exceeded the levels in the forecast. Net income in particular diverged significantly from the forecast, partly because of an increase in deferred tax assets at two major domestic consolidated subsidiaries.

At this time, the results outlook for the full fiscal year remains unchanged.