



# Brief Report of Financial Results (Unaudited)

(For the Three Months Ended May 31, 2021)

July 7, 2021

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 Three Months ended May 31, 2021 and for the Three Months ended May 31, 2020)

### (1) Consolidated Operating Results

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

	Operating income	Percentage Change	Operating profit	Percentage Change	Ordinary profit	Percentage Change	Profit attributable to owners of parent	Percentage Change
Three Months ended May 31, 2021	122,205	11.1	20,710	-	21,603	-	11,667	-
Three Months ended May 31, 2020	109,959	-	△863	-	△722	-	△1,080	-

(Note)Comprehensive income; The 1st Quarter of Fiscal 2021; 20,872 million (-%), The 1st Quarter of Fiscal 2020;△11,700 million (-%)

	Net Income per Share (Yen)	Fully Diluted Net Income per Share (Yen)
Three Months ended May 31, 2021	54.06	54.05
Three Months ended May 31, 2020	△5.01	-

### (2) Financial Position

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

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share
Three Months ended May 31, 2021	6,171,375	490,642	6.7	1,910.34
Fiscal 2020 ended February 28, 2021	6,123,721	474,667	6.6	1,860.08

(Reference)Shareholder's equity; The 1st Quarter of Fiscal 2021;412,308 million, Fiscal 2020;401,462 million

## 2. Cash Dividends

(yen)

(Base date)	Dividend per share				
	First quarter period	Interim period	Third quarter period	Term end	Annual
February 2021 term	—	11.00	—	23.00	34.00
February 2022 term	—	—	—	—	—
February 2022 term (Estimated)	—	14.00	—	26.00	40.00

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

Breakdown of dividend for end-second quarter of February 2021 term (Estimated)

: Ordinary dividend 12yen, commemorative dividend for our 40th year of business 2yen.

Breakdown of dividend for fiscal year-end of February 2021 term (Estimated)

: Ordinary dividend 24yen, commemorative dividend for our 40th year of business 2 yen.

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

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

	Operating income	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit attributable to owners of parent	YoY	Net income per share
Full term	490,000	0.6	41,000	0.9	41,000	1.9	19,000	7.4	88.04
	to 520,000	to 6.7	to 46,000	to 13.2	to 46,000	to 14.3	to 21,000	to 18.7	to 97.31

(Note) Amendments from the most recently published projections forecast : No  
Interim projections forecast are not disclosed

#### ※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 1st 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 1st quarter of Fiscal 2021: 179,658 shares; Fiscal 2020: 179,553 shares
  - ③ Average number of shares during the quarter (For the Three Months ended May 31, 2021)  
The 1st quarter of Fiscal 2021: 215,830,489 shares; The 1st quarter of Fiscal 2020: 215,801,661 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

##### 1) Summary of Consolidated Results

Consolidated financial results for the first quarter were continued to be affected by the novel coronavirus infection, but revenues and profits increased due to non-face-to-face sales activities with customers and strengthening screenings and collections through prompt digitization measures.

Consolidated operating revenues were ¥122,205 million (up 11.1% year-on-year), partly due to a recovery in shopping revenue to before Corona disaster levels and the impact of the acquisition of Aeon Allianz Life Insurance Co., Ltd.'s profit and loss statement, which became a subsidiary on March 31, 2020, from the consolidated period for the second quarter of the previous year.

Consolidated operating profit was ¥20,710 million (operating loss of ¥863 million in the same period of the previous year) and consolidated ordinary profit was ¥21,603 million (ordinary loss of ¥722 million in the same period of the previous year), due to a significant improvement in loan loss-related expenses due to the refinement of screenings and the construction of a debt collection system.

As a result, profit attributable to owners of parent improved significantly to ¥11,667 million (loss attributable to owners of the parent was ¥1,080 million in the same period of the previous year).

Operating results for the first quarter of the fiscal year ended May 31, 2021 are as follows:

(Unit : Millions of yen)

	Previous Q1	Q1	Change	Ratio
Operating revenue	109,959	122,205	12,246	11.1%
Operating revenue (loss) (△)	△863	20,710	21,574	—
Profit (loss) attributable to owners of parent (△)	△1,080	11,667	12,747	—

##### 2) Business Segment Information

Segment results for the first quarter of the fiscal year ended May 31, 2021 were as follows:

(Unit : Millions of yen)

		Operating revenue			Operating profit (loss) (△)		
		Previous Q1	Q1	Ratio	Previous Q1	Q1	Ratio
Domestic	Retail	44,356	58,286	31.4%	130	4,134	—
	Solution	46,700	43,648	△6.5%	5,386	4,639	△13.9%
Global	China	4,302	3,755	△12.7%	1,218	1,619	32.9%
	Mekong	19,196	18,198	△5.2%	△4,142	4,830	—

	Malay	11,789	13,265	12.5%	△3,681	5,507	—
Total		126,345	137,153	8.6%	△1,088	20,731	—
Adjustments		△16,386	△14,948	—	224	△20	—
Consolidated statements appropriation		109,959	122,205	11.1%	△863	20,710	—

#### <Domestic Retail Business>

In the Domestic Retail Business, AEON Bank (hereinafter ABK), Ltd. has promoted initiatives that allows customers to complete contracts at home by utilizing applications, telephone calls, and mailings from the Web, in addition to accepting face-to-face consultations on housing loans. In addition to strengthening sales to partner companies that take advantage of the strengths of our sales system, such as 24/7 reception and screening, including Saturdays, Sundays, and holidays. ABK have continued to appeal for competitive interest rate plans and purchase benefits at Aeon group limited to contractors, leading to an increase in the number of applications and loan balances in Corona disaster. As a result, ABK's outstanding housing loans increased to ¥2,379,386 million (up ¥101,939 million from the beginning of the fiscal year).

With regard to cash advances, the outstanding amount of operating receivables at the end of the first quarter was ¥425,941 million (down ¥2,862 million at the beginning of the fiscal year), due to the fact that customers' usage needs were suppressed due to the impact of self-restraint due to Corona disaster.

In asset management services, ABK continued to perform well, with the second round of applications for joint investment designated monetary trusts, which bedded to individual customers in October 2020, starting in March 2021 and selling out the ¥20 billion application quota early than planned.

At the end of the first quarter, ABK's number of deposit accounts grew solidly to 7.6 million accounts (up 100,000 at the beginning of the fiscal year) and ¥ 4,031,691 million (up ¥10,902 million).

AEON Allianz Life Insurance Co., Ltd. (hereinafter AALI) bedded on March 1 for AEON Product Finance Co., Ltd. and AEON Bank, Ltd. for housing loans on May 17, and promoted collaboration with group companies. AALI has prepared for the launch of health promotion-type insurance in the second half of the fiscal year to meet customers' needs for disease-free, disease prevention, and health promotion. Aeon Group aims to realize cross-selling that provides new value to customers as a group by demonstrating its strengths in sales channels, products, data, etc.

Operating revenues in the Businesses increased by ¥58,286 million (up 31.4% year-on-year) due to a recovery in credit card purchase revenue, the impact of the acquisition of the profit and loss statement of AEON Allianz Life Insurance Co., Ltd. from the first half of the previous fiscal year, the impact of posting insurance revenue, and the posting of gains on market operations and the sale

of securitization of receivables. Operating profit was ¥4,134 million (up ¥4,003 million year-on-year) due to a significant decrease in reserves for bad loans, despite the fact that AEON Allianz Life Insurance Co., Ltd. recorded insurance expenses.

#### <Domestic Solution Business>

In the Domestic Solutions Business, the number of new members registered in the first quarter of this fiscal year has recovered steadily to 410,000 (up 24.0% year-on-year) as a result of web-only card new enrollment and usage campaigns and new enrollment campaigns with AEON MALL. As a result, the number of cardholders in Japan was 29.65 million (up 200,000 at the beginning of the period). In addition, AFS have further promoted the AEON Group's overall strategy of making cashless, with the total number of credit cards issued with contactless payment functions exceeding 10 million.

With regard to credit card purchase, focused on expanding our transaction volume by continuing to see strong sales at Aeon group and other food supermarkets and drugstores, and by implementing promotional measures such as the Point 10x Campaign. In addition to continued strong use in online shopping and electronics retailers, use in automobile-related and public transportation such as gasoline and ETC affected by Corona disaster gradually recovered. As a result, credit card purchase volume for the first quarter was ¥1,466.3 billion (up 9.7% year-on-year).

In the installment finance business, AEON Product Finance Co., Ltd. (APF) worked to improve unit prices per merchant by promoting free repayment products for auto loans, in addition to improving the number of active stores by conducting campaigns for new merchants. However, due to delays in delivery due to a decrease in production of automobiles due to a shortage of semiconductors due to Corona disaster, and due to restrictions on new vehicle sales, the amount of installment finance handled was ¥50,699 million (down 10.4% year-on-year). In addition, even under the limit on the number of employees, APF strengthened their collection operations by digital support such as robotic calls and worked to reduce costs related to bad debts in an effort to improve earnings. As a result, operating revenues in the Business were ¥43,648 million (down 6.5% year-on-year) and operating profit was 4,639 million (down 13.9% year-on-year), due to a decrease in cash advances revenue and other loan revenues, while credit card purchase revenues were at the same rate as the previous fiscal year.

#### <Global China Area>

In the Global China Area, AEON CREDIT SERVICE (ASIA) Co., LTD., a local subsidiary in Hong Kong, Sales of daily necessities such as food and daily use commodities remained strong due to cashback according to the amount of money used for credit cards on weekends and points 10x campaign on the 10th and 30th of each month at AEON STORES (HONG KONG) CO., LTD., a

retail business of the AEON Group. In addition, as government regulations on COVID-19 have been phased in since April, credit card purchase volumes increased by 12.8% year-on-year to ¥22,946 million as a result of cashback campaigns to stimulate card use in online shopping, food and beverage, apparel, etc. With over cash advance loans, ACSA continued to strive to stimulate customers' use, and the amount outstanding of operating receivables was ¥17,164 million (up ¥129 million at the beginning of the fiscal year).

As a result, operating revenues in the Area did not recover before the balance of credit card purchase and cash advance operating receivables recovered, and fees and interest income decreased to ¥3,755 million (down 12.7% year-on-year). Operating profit decreased to ¥1,619 million (up 32.9% year-on-year) due to the suppression of delinquent loans due to a recovery in the market environment and strengthening credit management.

#### <Global Mekong Area>

In the Global Mekong Area, credit card purchase volume was ¥24,525 million (down 10.7% year-on-year) and personal loans were ¥16,407 million (down 5.9% year-on-year), mainly due to the impact of self-restraint due to Corona disaster.

On March 29, AEON THANA SINSAP (THAILAND) PCL. (hereinafter ATS), a local subsidiary in Thailand, BSS Holdings Company Limited, the financial business management company of the BTS Group, which operates urban transportation in Thailand and Humanica Public Company Limited, which outsources personnel operations in Thailand, established a new company (Rabbit Cash Company Limited). The new company provides loans that customers can use with peace of mind by using the know-how of the three companies and digital technology to determine credit risks based on data such as customer purchase history and work history, and by setting appropriate loan facilities and interest rates. In particular, they will develop a lending business to customers who do not have paylips, such as online businesses and small businesses operators, and will provide loans through digital platforms under the brand name "Rabbit Cash" from the second half of this year.

In addition, ATS transferred its insurance business in March from AEON Insurance Service (Thailand) Co., Ltd., a local subsidiary that also has an insurance business in Thailand, increasing the number of insurance sales branches from 36 to 98. By communalizing customer base, insurance guidance using customer information will be possible, and ATS will sell insurance that responds to health-conscious and risk-becoming needs to more customers.

As a result, operating revenues in the Area decreased by ¥18,198 million (down 5.2% year-on-year) due to a decrease in interest rates by the Thai government and a decrease in the balance of operating receivables for credit card purchase and personal loans. Operating profit was ¥4,830 million (operating loss of ¥4,142 million in the same period of the previous year), mainly due to a decrease in reserves for bad loans.

## <Global Malay Area>

In the Global Malay Area, restrictions on activities were issued throughout Malaysia from May 12 to mid-July in response to the re-increase in the number of people infected with COVID-19 since late April. AEON CREDIT SERVICE (M) BERHAD (hereinafter ACSM), a local subsidiary in Malaysia, has strengthened its non-face-to-face response by focusing on continuing the screening of installments through home appliances and online sites of some motorcycle merchants, as well as to make loan contract documents online, as merchants close their stores.

For motorcycle loans, where ACSM has a share of approximately 30% of the number of motorcycle installments registered in Malaysia, some were affected by activity restrictions from May. However, due to the release of new models by manufacturers and incentive campaigns for merchants, the amounts of installment finance handled in the Area was ¥19,832 million (up 74.0% year-on-year). In addition, while continuing strict screening standards, personal loans were handled at ¥8,030 million (up 212.0% year-on-year) by strengthening guidance to customers who have the ability to repay. In the screening operations, ACSM continued to promote automation by utilizing eKYC (online identity verification) at motorcycle loans, auto loans, and home appliance hire purchase merchants introduced in September 2020.

In addition, in order to unify Aeon group's retail business AEON CO (M) GHD. (hereinafter AEON Malaysia) and its customer base, AEON Malaysia promoted the switch from point cards issued by AEON Malaysia to credit cards and electronic money issued by ACSM, resulting in 2.1 million copies issued at the end of the first quarter. ACSM will continue to expand their customer base with AEON Group retailers.

Operating revenues in the Area increased 12.5% year-on-year to ¥13,265 million due to a recovery in credit card purchase revenue and higher parches revenue. Operating profit was ¥5,507 million (operating loss of ¥3,681 million in the same period of the previous year) due to a decrease in reserves for bad debts due to the refinement of screening standards by customer attribute using AI and the improvement of the system for the collection of personnel.

## **(2) Analysis of Financial Condition**

### **1) Consolidated Assets, Liabilities and Net Assets**

(Asset)

Total assets at the end of the first quarter increased by ¥47,653 million from the end of the previous consolidated fiscal year to ¥6,171,375 million. This was due to an increase of ¥82,920 million in loans to the banking industry due to an increase in mortgage transactions, an increase of ¥63,620 million in installments due to strong card shopping transactions, and a decrease in cash deposits of ¥93,039 million.

(Liabilities)

Total liabilities increased by ¥31,679 million from the end of the previous consolidated fiscal year to ¥5,680,732 million. This was due to an increase in interest-bearing debt of ¥80,321 million due to demand for funds due to the expansion of operating receivables, while accounts payable decreased by ¥23,046 million.

(Net assets)

Total net assets increased by ¥15,974 million from the end of the previous consolidated fiscal year to ¥490,642 million. This was due to an increase of ¥11,667 million in quarterly net income attributable to owners of the parent, ¥2,053 million in other securities valuation differences, and ¥1,991 million in foreign exchange translation adjustments, while retained earnings decreased by ¥4,964 million due to payment of year-end dividends.

**(3) Explanation of forward-looking information such as consolidated earnings forecasts**

At this time, there is no change in the earnings forecast announced on April 9, 2021.

## 2.Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2021	As of May 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	705,739	612,700
Call loans	30,841	10,914
Accounts receivable - installment	1,521,149	1,584,770
Lease receivables and investments in leases	12,284	12,224
Operating loans	782,916	801,493
Loans and bills discounted for banking business	1,998,379	2,081,300
Securities for banking business	519,023	528,574
Securities for insurance business	70,261	59,614
Monetary claims bought	30,800	30,629
Money held in trust	92,567	99,883
Other	184,176	167,265
Allowance for doubtful accounts	△133,331	△124,649
<b>Total current assets</b>	<b>5,814,809</b>	<b>5,864,722</b>
Non-current assets		
Property, plant and equipment	39,152	38,475
Intangible assets		
Goodwill	16,784	16,319
Software	100,249	100,690
Other	4,738	4,638
<b>Total intangible assets</b>	<b>121,773</b>	<b>121,648</b>
Investments and other assets	147,205	145,818
<b>Total non-current assets</b>	<b>308,130</b>	<b>305,942</b>
Deferred assets	780	710
<b>Total assets</b>	<b>6,123,721</b>	<b>6,171,375</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	270,015	246,969
Deposits for banking business	4,018,666	4,029,584
Short-term borrowings	216,468	291,941
Current portion of long-term borrowings	62,159	68,391
Current portion of bonds payable	23,012	53,320
Commercial papers	85,000	82,000
Provision for bonuses	3,511	5,077
Provision for point card certificates	20,685	21,226
Other provisions	197	132
Other	189,143	163,820
<b>Total current liabilities</b>	<b>4,888,859</b>	<b>4,962,464</b>
Non-current liabilities		
Reserve for insurance policy liabilities	86,639	77,538
Bonds payable	282,721	242,927
Long-term borrowings	337,026	351,433
Retirement benefit liability	4,707	2,621
Provision for loss on interest repayment	5,706	4,663
Other provisions	530	531
Deferred tax liabilities	1,518	1,713
Other	41,344	36,838
<b>Total non-current liabilities</b>	<b>760,194</b>	<b>718,267</b>
<b>Total liabilities</b>	<b>5,649,053</b>	<b>5,680,732</b>

(Millions of yen)

	As of February 28, 2021	As of May 31, 2021
Net assets		
Shareholders' equity		
Share capital	45,698	45,698
Capital surplus	120,145	120,145
Retained earnings	237,385	244,088
Treasury shares	△460	△460
Total shareholders' equity	402,768	409,471
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,283	5,337
Deferred gains or losses on hedges	△3,902	△3,902
Foreign currency translation adjustment	△334	1,656
Remeasurements of defined benefit plans	△352	△254
Total accumulated other comprehensive income	△1,306	2,836
Share acquisition rights	43	43
Non-controlling interests	73,162	78,290
Total net assets	474,667	490,642
Total liabilities and net assets	6,123,721	6,171,375

## (2) Consolidated Statements of Income

(Millions of yen)

	Three months ended May 31, 2020	Three months ended May 31, 2021
Operating revenue		
Revenue from credit card business	31,173	32,783
Revenue from installment sales finance business	10,852	11,128
Financing revenue	37,214	32,938
Recoveries of written off receivables	1,719	2,666
Financial revenue	8,316	9,298
Insurance revenue	—	11,531
Fees and commissions	15,587	16,473
Other	5,093	5,386
Total operating revenue	109,959	122,205
Operating expenses		
Financial expenses	5,991	5,286
Insurance expenses	—	11,158
Fees and commissions payments	2,466	2,650
Selling, general and administrative expenses	101,366	81,671
Other	998	728
Total operating expenses	110,823	101,495
Operating profit (loss)	△863	20,710
Non-operating income		
Dividend income	22	129
Gain on investments in investment partnerships	21	294
Foreign exchange gains	48	—
Subsidy income	—	493
Other	50	31
Total non-operating income	142	949
Non-operating expenses		
Foreign exchange losses	—	46
Miscellaneous loss	1	9
Total non-operating expenses	1	56
Ordinary profit (loss)	△722	21,603
Extraordinary income		
Gain on sales of non-current assets	2	6
Gain on sales of investment securities	—	436
Gain on termination of retirement benefit plan	—	239
Total extraordinary income	2	682
Extraordinary losses		
Loss on disposal of non-current assets	145	173
Impairment loss	89	93
Infectious Disease Related Cost	161	12
Other	—	10
Total extraordinary losses	396	290
Profit (loss) before income taxes	△1,117	21,995
Income taxes - current	4,562	5,732
Income taxes - deferred	△3,357	554
Total income taxes	1,204	6,287
Profit (loss)	△2,321	15,708
Profit (loss) attributable to non-controlling interests	△1,241	4,041
Profit (loss) attributable to owners of parent	△1,080	11,667

**(Consolidated statement of comprehensive income)**

(Millions of yen)

	Three months ended May 31, 2020	Three months ended May 31, 2021
Profit (loss)	△2,321	15,708
Other comprehensive income		
Valuation difference on available-for-sale securities	△3,309	2,080
Deferred gains or losses on hedges	△1,395	△41
Foreign currency translation adjustment	△4,714	3,026
Remeasurements of defined benefit plans, net of tax	40	98
Total other comprehensive income	△9,378	5,163
Comprehensive income	△11,700	20,872
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△8,096	15,810
Comprehensive income attributable to non-controlling interests	△3,603	5,061

**(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 1st quarter of FY2020

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

(Millions of yen)

	For the three month ended May 31, 2020							
	Domestic		Global			Total	Adjustments	Consolidated financial statements appropriation
	Retail	Solutions	China Area	Mekong Area	Malay Area			
Operating income								
Operating revenue from external parties	43,440	31,310	4,301	19,177	11,789	110,019	△60	109,959
Internal operating income between segments	916	15,389	1	18	—	16,325	△16,325	—
Total	44,356	46,700	4,302	19,196	11,789	126,345	△16,386	109,959
Segment Profit	130	5,386	1,218	△4,142	△3,681	△1,088	224	△863

(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:

△60 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 224 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 1st 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 income								
Operating revenue from external parties	57,473	29,719	3,755	18,197	13,265	122,411	△206	122,205
Internal operating income between segments	812	13,928	0	1	—	14,742	△14,742	—
Total	58,286	43,648	3,755	18,198	13,265	137,153	△14,948	122,205
Segment Profit	4,134	4,639	1,619	4,830	5,507	20,731	△20	20,710

(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:

△206 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 △20 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

3. Matters related to changes in reporting segments, etc.

(Change the way reporting segments are segmented)

Since the consolidated fiscal period of the previous fiscal year, AEON Allianz Life Insurance Co., Ltd.'s profit and loss statements have been included in the consolidated statements of income, and the reported segment is included in "Retail." Accordingly, we are reviewing the Group's business management methods from the perspective of enhancing business management. As a result, some consolidated subsidiaries previously included in the Solution have been changed to Retail.

Segment information for the first quarter of the previous fiscal year is based on the changed segmentation method.

(Significant subsequent events)

(Issuance of unsecured bonds)

On June 24, 2021, the Company issued unsecured common bonds based on a resolution of the Board of Directors of the Company held on March 26, 2021. The outline is as follows.

(1) Name of bonds: 16th unsecured corporate bonds (with limited same-ranking special issues between corporate bonds)

(2) Total issue amount: 30 billion yen

(3) Interest rate: 0.27%

(4) Issue price: 100 yen per 100 yen face value

(5) Issue date: June 24, 2021

(6) Maturity: June 24, 2025

(7) Redemption method: Lump-sum redemption at maturity.

Cancellation of purchases may be made at any time after the day following the payment date.

(8) Payment date: June 24, 2021

(9) Use of funds: It will be used as a part of the debt repayment funds.