

Nine-Month Period Ended December 31, 2014 Consolidated Financial Results

(Japanese GAAP)

February 12, 2015

Name of listed company: AEON Financial Service Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 8570 URL: <http://www.aeonfinancial.co.jp/>

Representative: Akinori Yamashita, President and CEO

Official contact: Hideki Wakabayashi, Director, Senior Managing Executive Officer

Contact number: +81-3-5281-2057

Scheduled date for release of interim report: February 13, 2015

Trading accounts: None

Scheduled date of dividend payment commencement: -

Preparation of supplementary explanations of financial results: Yes

Financial results presentation to be held: Yes (for institutional investors and analysts)

(Amounts of less than one million yen are rounded down)

1. Consolidated results for the nine-month period ended December 31, 2014 (from April 1, 2014 to December 31, 2014)

(1) Consolidated operating results

(Percentages represent changes from the corresponding period of the previous year)

	Ordinary revenue		Ordinary profits		Net income	
Nine-month period ended	(Millions of Yen)	%	(Millions of Yen)	%	(Millions of Yen)	%
December 31, 2014	238,018	15.7	34,178	39.9	19,837	91.8
December 31, 2013	205,679	-	24,434	-	10,343	-

(Note) Comprehensive income December 31, 2014 ¥35,153 million (74.5%) December 31, 2013 ¥20,144 million (- %)

	Net income per share	Net income per share (Diluted)
Nine-month period ended	Yen	Yen
December 31, 2014	99.05	98.64
December 31, 2013	52.79	49.61

(Note) The percentage changes from the nine-month period ended November 20, 2012 (from February 21, 2012 to November 20, 2012) to the previous nine-month period ended December 31, 2013 (from April 1, 2013 to December 31, 2013) are not presented since the Company has changed its fiscal year-end during the fiscal year ended March 31, 2013.

(2) Consolidated financial conditions

	Total assets	Total equity	Equity ratio	Net assets per share
As at	(Millions of Yen)	(Millions of Yen)	%	Yen
December 31, 2014	3,443,434	306,883	7.6	1,321.68
March 31, 2014	3,163,117	307,291	8.6	1,316.00

(Reference) Equity as at December 31, 2014 ¥262,549 million March 31, 2014 ¥271,660 million

(Note) "Equity ratio" = {(Total equity – stock acquisition rights – minority interests) / total assets} X 100

This Equity ratio is different from the capital adequacy ratio prescribed by the Financial Service Agency.

2. Dividends

	Dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FYE 3/2014	-	25.00	-	35.00	60.00
FYE 3/2015	-	25.00	-		
FYE 3/2015 (forecast)				35.00	60.00

(Notes) Revisions to the dividend forecasts most recently announced: No

3. Forecasts of consolidated results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

(Percentages represent changes from the corresponding period of the previous year)

	Ordinary revenue		Ordinary profits		Net income		Net income per share
	(Millions of Yen)	%	(Millions of Yen)	%	(Millions of Yen)	%	Yen
Full year	320,000	11.9	51,000	24.1	26,500	27.8	128.37

(Note) Revisions to the latest forecasts of consolidated results: No

*Notes

(1) Changes in significant subsidiaries during the period (status changes of specified subsidiaries due to changes in the scope of consolidation): No

Newly consolidated: - Excluded: -

(2) Application of special accounting treatments for interim consolidated financial statements: No

(3) Changes in accounting policies and accounting estimates, and restatement of revisions

- | | | |
|---|--|--------|
| ① | Changes in accounting policies as a result of revision of accounting standards | : Yes |
| ② | Changes in accounting policies other than ① | : None |
| ③ | Changes in accounting estimates | : None |
| ④ | Restatement of revisions | : None |

(4) Number of shares issued (Common stock)

	(Shares)			
① Shares issued at period-end (including treasury stock)	December 31, 2014	208,456,165	March 31, 2014	206,541,751
② Treasury stocks at period-end	December 31, 2014	9,808,242	March 31, 2014	112,505
③ Average number of shares during nine-month period	December 31, 2014	200,268,987	December 31, 2013	195,940,487

* Status of interim review procedures

These interim financial results are not subject to interim review requirements as provided in the Financial Instruments and Exchange Act. The review procedures of interim consolidated financial statements as provided in the Financial Instruments and Exchange Act have not been completed as of the date of this report.

* Explanation of appropriate use of the forecasts of consolidated results and other important matters

The forecasts of consolidated results include the Company's future prospects, assumptions used for planning and projections as of the date of this report. Actual results may differ from such forecasts for various reasons. Regarding information on the forecasts of consolidated results, please refer to "(4) Description of information on forecasts of consolidated results" on page 8.

Contents

1. Qualitative information for the nine-month period ended December 31, 2014	2
(1) Description of operating results.....	2
(2) Description of financial conditions.....	8
(3) Description of equity ratio	8
(4) Description of information on forecasts of consolidated results.....	8
2. Other information regarding the financial results.....	9
(1) Changes in significant subsidiaries during the nine-month period ended December 31, 2014.....	9
(2) Application of special accounting treatments for the interim consolidated financial statements	9
(3) Changes in accounting policies and accounting estimates, and restatement of revisions	9
(4) Additional information	9
3. Significant events regarding the going concern assumption.....	10
4. Interim consolidated financial statements	11
(1) Interim consolidated balance sheets.....	11
(2) Interim consolidated statements of income and comprehensive income	12
Interim consolidated statements of income	
—Nine-month period ended December 31, 2014.....	12
Interim consolidated statements of comprehensive income	
—Nine-month period ended December 31, 2014.....	13
(3) Notes regarding the interim consolidated financial statements.....	14
(Notes regarding the going concern assumption)	14
(Notes regarding significant changes in shareholders' equity)	14
(Segment information)	15

1. Qualitative information for the nine-month period ended December 31, 2014

(1) Description of operating results

As a bank holding company, the Company has further improved compliance and risk management structures and enriched corporate governance. The Company also strives to be a corporate group which provides more secure, convenient and valuable financial services from the customers' standpoint in order to further increase its corporate value.

In addition, the Company and its group companies (collectively, the "Group") have further expanded their business operations, leveraging on the strengths of each subsidiary's know-hows and customer bases, to promote fee business, especially the e-money business, as well as the credit card and banking businesses. Also, the Group, especially the Company's three listed consolidated subsidiaries in Hong Kong, Thailand and Malaysia, has expanded its business operations in Asia.

The consolidated financial results of the Group for the nine-month period ended December 31, 2014 were as follows. The Group achieved record-high ordinary revenue, ordinary profits and net income for the nine-month period.

[Consolidated financial results of the Group for the nine-month period ended December 31, 2014]

(Millions of Yen)

	Nine-month period ended December 31, 2013	Nine-month period ended December 31, 2014	Net change
Ordinary revenue	205,679	238,018	+15.7%
Ordinary profits	24,434	34,178	+39.9%
Net income	10,343	19,837	+91.8%

[Overview of business segment]

① Credit card business

To expand its customer base, the Group continued to solicit cardholders through the internet by implementing campaigns for new enrollment exclusively on the website and adding a service for existing cardholders to invite their friends on the website, as ways to respond to customer needs to apply for credit cards via digital devices due to wider use of personal computers and smartphones. In addition, the Group has promoted cardholder solicitation at stores of alliance partners and bank agencies through tablets to simplify the application process and improve the speed of credit reviews to shorten the processing time for card issuance.

In November 2014, the Group started accepting application for "AEON Card (Disney design)" featuring popular Disney characters targeting customers in their 20s and 30s. Also, the Group has reinforced its brand of AEON Card by co-sponsoring sporting events and broadcasting TV commercials.

As a result, the number of active domestic cardholders increased by 0.89 million from the beginning of the current fiscal year to 24.34 million as at December 31, 2014.

As for credit card shopping, the Group has promoted credit card usage to settle monthly public utility bills such as electricity and gas charges, mobile-phone charges and insurance premium. To meet customers' demand for "consumption of intangible qualities" such as leisure and services, the Group has expanded opportunities for the use of its credit card by enlarging its network of affiliated merchants such as accommodations, taxis and restaurants and promoted credit card usage by conducting campaigns to award customers with tickets for theme parks and travels and encouraging the use of ETC cards.

In addition, the Group continued to promote campaigns to offer interest free installment payment options for expensive goods by utilizing sales network of AEON Group and implemented collaborative sales campaigns to promote credit card usage with alliance partners and offering off the price of shopping at stores in AEON Mall to expand the transaction volume of credit card shopping.

Furthermore, the Group has promoted the use of its credit card focused on customer behavior. The promotion included direct marketing to customers using their financial asset and purchase history information and invigorating inactive members by analyzing their shopping history.

As a result, the number of active cardholders increased by 0.54 million from the beginning of the current fiscal year to 15.08 million as at December 31, 2014, and the transaction volume of credit card purchases increased by 8.9% to ¥2,838,444 million for the nine-month period then ended compared to the corresponding period of the previous fiscal year.

As for cash advances, to further improve customer convenience, the Group expanded the ATM network of AEON Bank, Ltd. (hereafter "AEON Bank"). As a result, the transaction volume increased by 2.0% to ¥262,867 million for the nine-month period ended December 31, 2014 compared to the corresponding period of the previous fiscal year and the balance of cash advances as at December 31, 2014 increased by ¥38,728 million from the beginning of the current fiscal year to ¥361,442 million.

AEON Product Finance Co., Ltd. (hereafter "AEON Product Finance"), which operates installment sales business, continued to enforce development of affiliated merchants, mainly stores of home renovation and solar energy systems, and aimed to expand the transaction volume of installment sales of expensive goods including home renovation services by utilizing sales network of AEON Group. In addition, AEON Product Finance began accepting application for loan for pets through tablet devices at pet stores with a simplified application process. As a result, the non-consolidated transaction volume of AEON Product Finance for the nine-month period ended December 31, 2014 increased by 30.8% to ¥114,715 million compared to the corresponding

period of the previous fiscal year.

* The transaction volume as the basis for determining the comparison with the corresponding period of the previous fiscal year in the preceding paragraph includes the transaction volume for the period from April 1, 2013 to June 30, 2013, for which AEON Product Finance had not yet become the Company's consolidated subsidiary.

As a result of the above, the financial results of the credit business were as follows: (a) ordinary revenue increased by 14.4% to ¥106,318 million, and (b) ordinary profits increased by 23.2% to ¥21,342 million, compared to the corresponding period of the previous fiscal year.

② Fee business

In the e-money business, cashless settlements for small payments have further increased. The Group continued to develop affiliated merchants of WAON card services such as retail outlets, restaurants and drugstores.

In addition, to enhance customer convenience, the Group has developed affiliated merchants in local shopping districts by issuing WAON card that contains point systems specific to the local shopping districts. The Group also promoted the use of its credit card through campaigns to award points and raffle events for purchases at stores of alliance partners. As a result, the total settlement amount of the e-money business including WAON for nine-month period ended December 31, 2014 increased by 20.7% to ¥1,481,535 million compared to the corresponding period of the previous fiscal year.

AEON Housing Loan Service Co., Ltd. that operates housing loan business continued to enhance collaboration with home builders to expand transaction volume of "Flat 35 housing loans."

In the insurance related business, AEON Insurance Service Co., Ltd., which operates insurance agency business, has enhanced advertisement through newspaper inserts and posters in stations to raise awareness of insurance shops and held insurance seminars to enhance sales at stores. AEON S.S. Insurance Co., Ltd., which operates small-amount and short-term insurance business, has promoted sales of pet insurance products at pet shops for increasing needs of providing for higher expenses of advanced veterinary medical treatment.

As a result of the above, the financial results of the fee business were as follows: (a) ordinary revenue increased by 23.0% to ¥32,844 million compared to the corresponding period of the previous fiscal year, and (b) ordinary losses were ¥9 million, which resulted from the recognition of up-front costs for strategic investments such as establishing more ATMs of AEON Bank.

③ Banking business

The Group newly established seven "Kurashi no Money Plaza," which is a one-stop shop to provide various

financial products and services including credit, banking and insurance, and installed 605 ATMs of AEON Bank at shopping centers of AEON Group companies and stores of Ministop Co., Ltd. As a result, the total number of “Kurashi no Money Plaza” and AEON Bank ATM increased to 131 and 5,537, respectively.

To increase the number of customer deposit accounts, the Group continued to promote the campaign to offer preferential interest rates to AEON Card Select holders that have ordinary deposit accounts with AEON Bank.

As a result, the number of customer deposit accounts held by AEON Bank increased by 0.47 million to 4.15 million and the balance of ordinary deposits increased by ¥31,459 million to ¥507,007 million, compared to the beginning of the current fiscal year. As for term deposits, the balance of term deposits increased by ¥82,022 million to ¥1,321,370 million and the balance of total deposits increased by ¥115,115 million to ¥1,830,897 million as at December 31, 2014, compared to the beginning of the current fiscal year.

As for loans, which are the Group’s main revenue stream, the Group continued to increase advertisements relating to “AEON Select Club,” which extends benefits to borrowers such as providing 5% off the price of shopping every day at AEON stores, and programs to offer preferential interest rates to the borrowers. The Group also improved the accuracy of credit reviews to expand the transaction volume of small lot retail loans including card advances. As for financial services for corporate customers, the Group promoted “AEON Bank Agri Loan,” which is a loan product that targets farmers. As a result, the balance of loans as at December 31, 2014 increased by ¥85,261 million to ¥1,099,373 million compared to the beginning of the current fiscal year.

As for sales of investment trusts, to encourage usage of Japan’s new tax exemption scheme for investment by individuals (NISA), the Group continued to conduct promotional campaigns to repay all fees incurred in purchasing investment trusts through NISA accounts with AEON Bank and to offer benefits to package products combining establishment of term deposit accounts and purchase of investment trusts.

In addition, the Group began accepting application for the AEON Debit Card on the internet. As part of the attempt for providing safe and secure services, the Group has introduced a system of providing single use passwords to enhance security. The Group has also improved functions on its internet banking where customers can apply for various types of loan products based on their purposes to enhance customer convenience.

Furthermore, to meet customers’ needs of management of various financial assets such as credit, loan, investment trust and insurance products, the Group has continued to provide training to employees under the AEON Financial Planner Program, which is a systematic training framework available for employees to obtain professional licenses such as the Certified Financial Planner qualification and to apply internal training courses.

As a result of the above, the financial results of the banking business were as follows: (a) the ordinary revenue increased by 3.3% to ¥31,007 million, compared to the corresponding period of the previous fiscal year, and (b)

ordinary profits were ¥107 million.

④ Overseas business

In Hong Kong, the Group continued to reinforce cardholder solicitation and promote credit card usage with alliance partners through co-sponsored campaigns such as awarding points to cardholders every Wednesday at AEON Stores (Hong Kong) Co., Ltd. In addition, the Group has expanded the transaction volume of card shopping by providing cardholders with points for their card usage in Japan in response to the increase of foreign tourists visiting Japan.

In China, the Group has collaborated with alliance partners to implement campaigns to promote hire purchase sales in Shenyang, Tianjin and Shenzhen where the Group operates hire purchase business.

As a result, consolidated operating revenues of AEON Credit Service (Asia) increased by 11.1% to HK\$951 million and ordinary profits increased by 20.2% to HK\$252 million, compared to the corresponding period of the previous fiscal year.

In Thailand, despite a slowdown in consumer spending resulting from the continuous political instability, the Group started soliciting cardholders in major hypermarkets to continuously expand the number of cardholders. In addition, to increase the transaction volume of loans, the Group has expanded its marketing network through affiliated ATMs of local banks to enhance customer convenience.

In addition, to respond to the increase of tourists visiting Japan from Thailand, the Group has solicited cardholders at events such as tourism exhibitions. Recently, the Group has enhanced announcement for discount coupons that can be used at AEON Group stores in Japan via digital media such as its website and screens of cash dispensers to reinforce its inbound business by utilizing the store network of AEON Group.

In Cambodia, the Group has implemented campaigns to offer interest free installment payment options for electric appliances at AEON's first store, "AEON MALL Phnom Penh," to expand the transaction volume of hire purchases. The Group also enhanced collaboration with farm equipment manufacturers and developed affiliated merchants for its hire purchase business. In addition, the Group prepares for launching credit card business to expand its business development. In Myanmar, the Group has enhanced advertisement at affiliated merchants to expand the transaction volume of hire purchases.

As a result, consolidated operating revenues of AEON Thana Sinsap (Thailand) increased by 15.2% to THB12,945 million, while ordinary profits decreased by 3.4% to THB2,289 million, compared to the corresponding period of the previous fiscal year. This decrease was caused by the effect of refining the allowance for possible credit losses based on the future estimated recoverable amounts.

In Malaysia, the Group has promoted credit card usage by soliciting cardholders at the newly opened store of the Group and reinforcing promotion to inactive cardholders through direct mails. In addition, the Group has promoted hire purchase business for automobiles. As a result, operating revenue increased by 30.1% to MYR666 million, and ordinary profits increased by 20.5% to MYR204 million, compared to the corresponding period of the previous fiscal year.

In Vietnam, the Group has developed affiliated merchants for its hire purchase business including retailers of personal computers. In addition, the Group has expanded the transaction volume of hire purchases for electric appliances by implementing campaigns to offer interest free installment payment options at newly opened AEON's second store in the country.

In Indonesia, the Group launched credit card business and reinforced solicitation of cardholders. In India, the Group has developed affiliated merchants for its hire purchase business primarily targeting electric appliance stores to expand its operating base.

In Philippines, the Group has increased the number of system engineers in the system development company and reinforced system development for its overseas subsidiaries. In addition, the Group continued to develop affiliated merchants for its hire purchase business primarily targeting furniture and electric appliances. Furthermore, the Group has promoted sales campaigns to expand the transaction volume of hire purchases by collaborating with its affiliated merchants.

As a result of the above, the overseas business showed the following financial results: (a) ordinary revenue increased by 20.8% to ¥81,211 million, and (b) ordinary profits increased by 36.0% to ¥15,892 million, compared to the corresponding period of the previous fiscal year.

(2) Description of financial conditions

(Assets)

The balance of total assets of the Group as at December 31, 2014 increased by ¥280,317 million to ¥3,443,434 million compared to the end of the previous fiscal year, mainly due to an increase of installment sales receivables of ¥141,152 million resulting from the higher transaction volume of credit card shopping and an increase of loans and bills discounted of ¥80,102 million resulting from the higher transaction volume of cash advances.

(Liabilities)

The balance of total liabilities of the Group as at December 31, 2014 increased by ¥280,725 million to ¥3,136,550 million compared to the end of the previous fiscal year, mainly due to an increase of deposits of ¥102,095 million resulting from promotional campaigns to offer preferential interest rate on term deposit accounts, an increase of call money of ¥83,994 million to meet capital needs during the new year holidays and an increase of borrowed money of ¥51,733 million.

(Equity)

The balance of total equity as at December 31, 2014 decreased by ¥407 million to ¥306,883 million compared to the end of the previous fiscal year, mainly due to an increase of treasury stock of ¥24,998 million resulting from the acquisition of treasury stock, which exceeded an increase of common stock by ¥1,340 million and an increase of capital surplus by ¥1,339 million resulting from the conversion of convertible bonds into shares and an increase of foreign currency translation adjustments of ¥6,751 million resulting from an effect of the depreciation of the yen.

(3) Description of equity ratio

Consolidated equity ratio of AEON Financial Service Co., Ltd. (Japanese GAAP)

	As at March 31, 2014	As at December 31, 2014 (Preliminary figures)
Consolidated equity ratio	9.0%	9.0%

(4) Description of information on forecasts of consolidated results

As of the date of this report, there has been no change in the forecast of consolidated results released on May 15, 2014.

2. Other information regarding the financial results

(1) Changes in significant subsidiaries during the nine-month period ended December 31, 2014

None

(2) Application of special accounting treatments for the interim consolidated financial statements

None

(3) Changes in accounting policies and accounting estimates, and restatement of revisions

Effective from the nine-month period ended December 31, 2014, the Group has adopted the provision of Paragraph 35 of the Accounting Standard for Retirement Benefits (ASBJ Statement No.26 issued on May 17, 2012, hereafter the “Accounting Standard”) and Paragraph 67 of the Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No.25 on May 17, 2012, hereafter the “Guidance”). Certain domestic subsidiaries of the Group reviewed the method of determining retirement benefit obligations and current service costs, and changed the allocation of estimated retirement benefits from the straight-line basis to the benefit formula basis. In addition, the method of determining the discount rate applied in the calculation of projected benefit obligation was changed to the method to use the single weighted-average discount rate that reflects the estimated payment period of retirement benefits and the amount per each estimated payment period. The discount rate had previously been determined based on the yield of certain bonds, the maturity of which is close to the employees’ average remaining service period.

The Group applied the transitional treatment prescribed in Paragraph 37 of the Accounting Standard. As at April 1, 2014, the Group has recognized the effect of changing the method of determining retirement benefit obligations and current service costs as an adjustment to the opening balance of retained earnings.

As a result, retirement benefit liability as at April 1, 2014 increased by ¥83 million and retained earnings as at April 1, 2014 decreased by ¥53 million. The effect on net income for the nine-month period ended December 31, 2014 is immaterial.

(4) Additional information

Accounting treatment of card issuance costs

The Company’s consolidated domestic subsidiaries had expensed credit card issuance costs immediately as incurred in the past. However, the issuance costs of IC-imbedded credit cards issued on or after July 1, 2014 are capitalized as assets and amortized over the valid periods of the cards. This change is a result of an increase in the asset value of the IC-imbedded cards due to a policy decision to switch newly issued credit cards to the IC-imbedded cards that can store a larger amount of customer-related information and to encourage customers to renew their current credit cards to the IC-imbedded cards in order to promote new products and services by using database marketing.

As a result, the ordinary profits and income before income taxes and minority interests for the nine-month period ended December 31, 2014 increased by ¥1,240 million, respectively, compared to the amounts under the previous method.

3. Significant events regarding the going concern assumption

None

4. Interim consolidated financial statements

(1) Interim consolidated balance sheets

	(Millions of Yen)	
	As at March 31, 2014	As at December 31, 2014
(Assets)		
Cash and due from banks	416,662	436,979
Monetary claims bought	12,119	7,665
Securities	173,379	187,336
Loans and bills discounted	1,276,741	1,356,843
Installment sales receivables	957,403	1,098,556
Other assets	80,294	99,888
Property and equipment	31,185	35,132
Intangible assets	67,723	69,300
Goodwill	28,887	27,520
Other intangible assets	38,835	41,780
Deferred tax assets	18,758	21,507
Customers' liabilities for acceptances and guarantees	176,421	181,545
Allowance for possible credit losses	(47,574)	(51,321)
Total assets	3,163,117	3,443,434
(Liabilities)		
Deposits	1,717,769	1,819,865
Accounts payable	203,742	209,977
Call money	4,900	88,894
Borrowed money	515,227	566,961
Bonds	101,608	114,424
Convertible bonds	2,830	150
Other liabilities	111,859	132,415
Allowance for bonuses	2,200	1,457
Retirement benefit liability	2,789	3,193
Allowance for point program	11,012	11,362
Allowance for loss on refund of interest received	3,085	4,080
Allowance – other	556	432
Deferred tax liabilities	1,820	1,790
Acceptances and guarantees	176,421	181,545
Total liabilities	2,855,825	3,136,550
(Equity)		
Common stock	29,051	30,391
Capital surplus	104,860	106,200
Retained earnings	136,270	143,864
Treasury stock	(145)	(25,144)
Total shareholders' equity	270,036	255,311
Unrealized gain on available-for-sale securities	4,027	4,779
Deferred loss on derivatives under hedge accounting	(2,326)	(4,130)
Foreign currency translation adjustments	294	7,046
Accumulated adjustments for retirement benefit	(371)	(458)
Total accumulated other comprehensive income	1,623	7,237
Stock acquisition rights	55	73
Minority interests	35,576	44,261
Total equity	307,291	306,883
Total liabilities and equity	3,163,117	3,443,434

(2) Interim consolidated statements of income and comprehensive income

(Interim consolidated statements of income)

	(Millions of Yen)	
	Nine-month period ended December 31, 2013	Nine-month period ended December 31, 2014
Ordinary revenue	205,679	238,018
Interest income	79,215	92,332
(of which: Interest on loans and bills discounted)	77,190	90,657
(of which: Interest and dividends on securities)	1,544	1,251
Fees and commissions	106,004	123,992
Other operating income	7,452	10,100
Other income	13,006	11,593
Ordinary expenses	181,244	203,840
Interest expenses	14,917	14,977
(of which: Interest on deposits)	4,128	2,889
Fees and commissions	14,401	15,848
Other operating expenses	757	771
General and administrative expenses	126,292	138,825
Other ordinary expenses	24,875	33,418
Ordinary profits	24,434	34,178
Extraordinary income	113	0
Gain on disposal of property and equipment	113	0
Extraordinary loss	1,360	267
Loss on disposal of property and equipment and intangible assets	147	37
Loss on cancellation	-	220
Management integration expenses	1,194	-
Other extraordinary loss	18	9
Income before income taxes and minority interests	23,187	33,911
Income taxes - current	9,248	10,529
Income taxes - deferred	(1,776)	(2,323)
Total income taxes	7,471	8,206
Net income before minority interests	15,715	25,705
Minority interests in net income	5,372	5,867
Net income	10,343	19,837

(Interim consolidated statements of comprehensive income)

	(Millions of Yen)	
	Nine-month period ended December 31, 2013	Nine-month period ended December 31, 2014
Net income before minority interests	15,715	25,705
Other comprehensive income	4,428	9,448
Unrealized loss on available-for-sale securities	1,366	765
Deferred loss on derivatives under hedge accounting	334	(3,303)
Foreign currency translation adjustments	2,727	12,074
Adjustments for retirement benefit	-	(87)
Comprehensive income	20,144	35,153
Total comprehensive income attributable to:		
Owners of the parent	13,473	25,450
Minority interests	6,670	9,702

(3) Notes regarding the interim consolidated financial statements

(Notes regarding the going concern assumption)

None

(Notes regarding significant changes in shareholders' equity)

The balance of treasury stock increased by ¥25,000 million to ¥25,144 million compared to the end of the previous fiscal year, due to the acquisition of treasury stock based on the resolution at the meeting of the Board of Directors held on February 20, 2014 and other reasons. Based on the resolution, the number of treasury stock would increase by 9,696,300 and the balance of treasury stock would increase by ¥24,999 million.

(Segment information)

For the nine-month period ended December 31, 2013 (from April 1, 2013 to December 31, 2013)

1. Information on amounts of ordinary revenue and profit for each reportable segment

(Millions of Yen)

	Credit	Fee Business	Banking	Overseas	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Ordinary revenue							
Ordinary revenue from customers	92,295	17,968	28,205	67,210	205,679	-	205,679
Intersegment revenue or transfers	664	8,724	1,821	3	11,213	(11,213)	-
Total ordinary revenue	92,959	26,692	30,026	67,213	216,892	(11,213)	205,679
Segment profit	17,329	922	967	11,685	30,905	(6,470)	24,434

(Notes)

1. For the segment revenue, the Group uses ordinary revenue instead of sales that are used by normal commercial companies. The reportable segment profit is stated based on ordinary revenue instead of operating revenues.
2. ¥ (6,470) million of reconciliations to segment profit represents the corporate expenses unallocated to any reportable segment. The corporate expenses are mainly general and administrative expenses unattributable to any reportable segment.
3. Segment profit is reconciled with ordinary profits on the consolidated statement of income for the nine-month period ended December 31, 2013.

2. Information on impairment loss on property and equipment and goodwill for each reportable segment

None

For the nine-month period ended December 31, 2014 (from April 1, 2014 to December 31, 2014)

1. Information on amounts of ordinary revenue and profit (loss) for each reportable segment

(Millions of Yen)

	Credit	Fee Business	Banking	Overseas	Total	Reconciliations (Note 2)	Consolidated (Note 3)
Ordinary revenue							
Ordinary revenue from customers	105,221	22,587	28,997	81,211	238,018	-	238,018
Intersegment revenue or transfers	1,096	10,257	2,009	0	13,363	(13,363)	-
Total ordinary revenue	106,318	32,844	31,007	81,211	251,381	(13,363)	238,018
Segment profit (loss)	21,342	(9)	107	15,892	37,332	(3,154)	34,178

(Notes)

1. For the segment revenue, the Group uses ordinary revenue instead of sales that are used by normal commercial companies.
2. ¥ (3,154) million of reconciliations to segment profit represents the corporate expenses unallocated to any reportable segment. The corporate expenses are mainly general and administrative expenses unattributable to any reportable segment.
3. Segment profit is reconciled with ordinary profits on the consolidated statement of income for the nine-month period ended December 31, 2014.

2. Information on impairment loss on property and equipment and goodwill for each reportable segment

None