

Three-Month Period Ended June 30, 2014 Consolidated Financial Results (Japanese GAAP)

August 7, 2014

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

Stock exchange listing: Tokyo Stock Exchange

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

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Scheduled date for release of interim report: August 14, 2014

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 three-month period ended June 30, 2014 (from April 1, 2014 to June 30, 2014)

(1) Consolidated operating results

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

Three-month period ended	Ordinary revenue		Ordinary profits		Net income	
	(Millions of Yen)	%	(Millions of Yen)	%	(Millions of Yen)	%
June 30, 2014	72,946	12.4	8,285	(10.3)	3,849	(14.7)
June 30, 2013	64,876	-	9,234	-	4,514	-

(Note) Comprehensive income June 30, 2014 ¥4,025 million ((67.2)%) June 30, 2013 ¥12,267 million (- %)

Three-month period ended	Net income per share	Net income per share (Diluted)
	Yen	Yen
June 30, 2014	18.91	18.73
June 30, 2013	23.80	21.65

(Note) The percentage changes from the three-month period ended May 20, 2012 (from February 21, 2012 to May 20, 2012) to the previous three-month period ended June 30, 2013 (from April 1, 2013 to June 30, 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

As at	Total assets	Total equity	Equity ratio	Net assets per share
	(Millions of Yen)	(Millions of Yen)	%	Yen
June 30, 2014	3,059,737	289,126	8.2	1,247.91
March 31, 2014	3,163,117	307,291	8.6	1,316.00

(Reference) Equity as at June 30, 2014 ¥250,325 million March 31, 2014 ¥271,660 million

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

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	-				
FYE 3/2015 (forecast)		25.00	-	35.00	60.00

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

3. Forecasts of consolidated results forecast 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
First half	145,000	11.1	19,000	53.8	8,000	215.2	38.75
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)	June 30, 2014	207,976,033	March 31, 2014	206,541,751
② Treasury stocks at period-end	June 30, 2014	7,380,404	March 31, 2014	112,505
③ Average number of shares during three-month period	June 30, 2014	203,570,493	June 30, 2013	189,690,885

* 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.

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1. Qualitative information for the three-month period ended June 30, 2014

(1) Description of operating results

As a comprehensive financial group with retail business at its core, the Company has promoted fee business such as e-money business in addition to credit card and banking businesses and expanded its operation in Asia. In addition, to further grow as a bank holding company, the Company has enhanced its management infrastructure, leveraging on the strengths of each subsidiaries to achieve synergies, and improved compliance and risk management structures and corporate governance.

For the three-month period ended June 30, 2014, taking advantage of AEON Group's stores throughout Japan and its ability to attract customers, the Company has expanded its marketing network through establishing "Kurashi no Money Plaza," a one-stop shop to provide various financial products and services, and installing AEON Bank ATM's. The Company also enhanced its customer base through increasing the number of "AEON Card Select" holders.

In the settlement business that has a close affinity with retail business, the Company offered various means of settlement such as credit cards, hire purchases and e-money and has actively promoted credit card usage. In addition, the Company has promoted financial products and services including "AEON Select Club," which offers benefits such as discounts on shopping exclusively to housing loan holders, and the cross-selling of insurance products linked to sales of bicycles, pets and other items, that are a fusion of retail and financial services.

Furthermore, following an increase in foreign tourists in Japan, the Company has promoted credit card usage by providing coupons to holders of the Company's credit cards issued abroad that can be used at stores of AEON Group in Japan. In addition, the Company has enhanced security of AEON Bank ATM's for credit cards and cash cards issued abroad to improve services to overseas customers who travel to Japan.

Effective in 2014, the Company has appointed an external board member, in order to strengthen the function of the Board of Directors and establish sound, transparent and efficient management structure and improve the Company's corporate value.

As a result of the above, the consolidated ordinary revenue of the Company and its group companies (collectively, the "Group") for the three-month period ended June 30, 2014 increased by 12.4% to ¥72,946 million, while ordinary profits decreased by 10.3% to ¥8,285 million and net income decreased by 14.7% to ¥3,849 million, compared to the corresponding period of the previous fiscal year. These decreases are due to advertising and promotion expenses resulting from the active campaigns to promote credit card usage such as awarding points and offering interest free installment payment options for expensive goods in response to a decline in demand derived from the last-minute spending before the increase of the consumption tax rate and the recognition of up-front costs for strategic investments in AEON Bank ATMs (the number of which

increased by 2,252) implemented in the previous fiscal year.

These various campaigns and strategic investments, while increasing costs, lead to an increase in the number of active cardholders, an increase in the total number of transactions using AEON Bank ATMs and an improvement of profitability of processing services due to a reduction of fees. These effects are gradually emerging, and the financial results from July 1, 2014 onward are expected to improve.

[Overview of business segment]

① Credit card business

The Group has promoted cardholder solicitation at shopping stores of alliance partners and bank agencies and through tablets. In order to meet customer needs to apply for credit cards via growing digital devices such as personal computers and smartphones, the Group continued to reinforce cardholder solicitation through the internet. As a result, the number of active domestic cardholders as at June 30, 2014 increased by 0.34 million from the beginning of the current fiscal year to 23.79 million. In addition, the number of “AEON Card Select” members as at June 30, 2014 increased by 0.13 million from the beginning of the current fiscal year to 2.64 million. “AEON Card Select” is a card equipped with the functions and benefits of a credit card, banking card and e-money WAON.

As for credit card shopping, to respond to an effect of the consumption tax increase on consumer spending, the Group has promoted campaigns to offer interest free installment payment options for expensive goods at stores of AEON Group. The Group has also worked together to promote credit card usage through offering off the price of shopping at stores in AEON Mall exclusively to the cardholders and conducting direct marketing based on customers’ purchase history and information on financial assets. In addition, the Group launched “Customer Appreciation Day” that provides 5% off the price of shopping to cardholders on the 20th and 30th of every month at stores of The Daiei, Inc., which joined AEON Group in the previous fiscal year.

In order to meet customers’ demand for credit card settlements for monthly public utility bills such as electricity and gas charges and “consumption of intangible qualities” such as leisure and services, the Group has expanded opportunities for use of credit cards. In order to improve customer convenience in using credit cards, AEON’s credit cards now can be used for the online ticket reserve services, “Plus EX services,” provided by Central Japan Railway Company. The Group also conducted promotional campaigns to award customers with tickets of the theme park, “Universal Studio Japan” to promote credit card settlements.

As a result, the number of active cardholders increased by 0.23 million from the beginning of the current fiscal year to 14.77 million as at June 30, 2014, and transaction volume of credit card purchases increased by 6.2% to ¥886,949 million for the three-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 and increased the number of affiliated banks that provide ATM settlement services of revolving repayments. As a result, the transaction volume increased by 11.5% to ¥90,267 million for the three-month period ended June 30, 2014 compared to the corresponding period of the previous fiscal year and the balance of cash advances as at June 30, 2014 increased by ¥18,757 million from the beginning of the current fiscal year to ¥341,472 million.

AEON Product Finance Co., Ltd., which operates installment sales business, continued to expand the transaction volume by enforcing development of alliance partners primarily targeting retailers of home renovation and solar energy systems, implementing campaigns to offer interest free installment payment options for home renovation and solar energy systems at AEON stores and offering preferential interest rates on installment payments over a maximum of 120 payments. As a result, the non-consolidated transaction volume of AEON Product Finance Co., Ltd. for the three-month period ended June 30, 2014 increased by 37.9% to ¥35,193 million compared to the corresponding period of the previous fiscal year.

* The comparison of the transaction volume in the preceding paragraph with the corresponding period of the previous fiscal year represents a simple comparison between the results for the period from April 1, 2014 to June 30, 2014 and those for the period from April 1, 2013 to June 30, 2013 for referential purposes.

As a result of the above, the financial results of the credit business were as follows: (a) ordinary revenue increased by 24.3% to ¥33,202 million, and (b) ordinary profits increased by 24.2% to ¥5,591 million, compared to the corresponding period of the previous fiscal year.

② Fee business

In the e-money business, as a result of the consumption tax increase, cashless settlements for small payments have further increased. The Group continued to develop affiliated merchants of WAON card services such as taxis and drugstores and promoted credit card usage through point campaigns with alliance partners.

As a result, the total settlement amount of the e-money business including WAON for three-month period ended June 30, 2014 increased by 24.4% to ¥460,502 million compared to the corresponding period of the previous fiscal year.

In the bank agency business, the Group established two new “Kurashi no Money Plaza”, which is a one-stop shop to provide various financial products and services including credit, banking and insurance, and the total number of “Kurashi no Money Plaza” increased to 126.

In order to improve customer convenience, the Group has promoted installation of AEON Bank ATMs, mainly in the metropolitan area, resulting in the number of ATMs installed increasing by 235 to 5,167, and the

number of transactions using ATMs increasing by 60.4% to 20.92 million as at June 30, 2014, from the beginning of the current fiscal year. In addition, the Group has become the first financial institution in Japan to introduce ATMs to deploy ATMs that support yen withdrawals with credit cards or cash cards issued overseas under the international standard of IC card transactions (i.e. EMV Protocol). AEON Bank maintains high security standards to enable overseas customers to use these ATMs with peace of mind.

In the internet business, the Group continued to promote registration for “web statements (ecology declaration)” where detailed statements can be viewed on the internet, and increased the number of the web statement members as at June 30, 2014 by 0.21 million from the beginning of the current fiscal year to 2.11 million. In addition, the Group has expanded the transaction volume of card shopping on the internet by promoting credit card usage at EC sites of AEON Group and utilizing the point-mall, “Tokimeki Point Town.”

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.” ACS Credit Management Co., Ltd., which operates servicing business, expanded the number of alliance financial institutions primarily targeting regional banks.

AEON Insurance Service Co., Ltd., which operates insurance agency business, has enhanced business operations at 117 in-store insurance agencies throughout Japan, and expanded the transaction volume by recommending reviewing insurance products through direct mail.

As a result of the above, the financial results of the fee business were as follows: (a) ordinary revenue increased by 20.8% to ¥10,515 million, and (b) ordinary profits decreased by 84.7% to ¥80 million, compared to the corresponding period of the previous fiscal year. This decrease was due to the recognition of up-front costs for strategic investments executed in the previous fiscal year.

③ Banking business

In banking business, the Group has expanded members of AEON Card Select and promoted registration of direct payroll deposit accounts and WAON automatic recharge services to promote use of bank accounts for daily needs. As a result, the number of customer deposit accounts held by AEON Bank increased by 0.14 million to 3.82 million compared to the beginning of the current fiscal year. As for deposits, the Group has expanded the balance of ordinary deposits as accounts for daily needs, while the Group managed an increase in term deposits in order to keep the balance with an increase in assets. As a result, the balance of total deposits of AEON Bank decreased by ¥53,439 million to ¥1,662,342 million, while the balance of ordinary deposits increased by ¥6,896 million to ¥482,444 million as at June 30, 2014, compared to the beginning of the current fiscal year.

As for housing loans, the Group has further promoted a popular product, “AEON Select Club,” which extends benefits to borrowers such as providing 5% off the price of shopping every day at AEON stores. The Group also launched another beneficial financial product after the consumption tax was raised, called “Variable-Rate Loan 0.57%,” available at stores throughout Japan and on the website. As a result, the balance of housing loans as at June 30, 2014 increased by ¥19,760 million to ¥673,489 million compared to the beginning of the current fiscal year. In addition, due to the increase of the maximum card loan amount to 8 million yen, the outstanding balance of small lot retail loans increased.

Furthermore, to meet various asset management needs of customers, the Group increased the number of investment trust products by 22 to 233. Also, the Group increased the number of salespersons who have professional licenses such as financial planners and launched investment management workshops at stores throughout Japan. As a result, the balance of assets under management of investment trust funds as at June 30, 2014 increased by ¥5,055 million to ¥56,257 million compared to the beginning of the current fiscal year.

As for corporate customers, the Group enhanced offering the “AEON Bank Agri Loan,” which is a loan product that targets farmers to contribute to revitalization of regional economies.

As a result of the above, the financial results of the banking business were as follows: (a) the ordinary revenue decreased by 30.1% to ¥7,989 million, due to an effect of gain on securitization of receivables for three-month period ended June 30, 2013, and (b) ordinary profits decreased by ¥3,121 million, resulting in ordinary losses of ¥1,655 million, compared to the corresponding period of the previous fiscal year.

④ Overseas business

In Hong Kong, the Group continued to promote credit card usage through sales campaigns with alliance partners, launched the co-branded card, “China Unicom Card,” with a major telecom company and solicited cardholders primarily targeting young people.

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. The Group has expanded processing businesses such as call center and debt collection services in Shenzhen and Guangzhou.

As a result, consolidated operating revenues of AEON Credit Service (Asia) increased by 11.9% to HK\$312 million and ordinary profits decreased by 9.9% to HK\$76 million, compared to the corresponding period of the previous fiscal year due to continued upfront investment in China business.

In Thailand, the political instability which has continued from the end of last year, has resulted in a slowdown

in consumer spending and an increase in bad debts. Despite the increased reluctance towards economic activity, AEON Thana Sinsap (Thailand) has solicited cardholders and expanded the transaction volume of card shopping by providing attractive credit card benefits through alliance partners such as fast-food shops and leisure facilities and providing customers with gifts for their use of credit cards. In addition, the Group has reinforced expense controls and debt collection services in the business centers in five cities.

In Cambodia, the Group has promoted its business operations through sales promotion with alliance partners. In addition, the Group has reinforced its sales network by establishing a new branch in AEON's first store, "AEON MALL Phnom Penh," that opened in June 2014 to enhance customer convenience. The branch has worked together with AEON Group to expand the transaction volume of card shopping by promoting installment sales of home appliances. In Myanmar, the Group continued to develop affiliated merchants to expand operating bases.

As a result, consolidated operating revenues of AEON Thana Sinsap (Thailand) increased by 14.8% to THB3,960 million and ordinary profits increased by 3.4% to THB735 million, compared to the corresponding period of the previous fiscal year.

In Vietnam, the Group has promoted installment sales of home appliances at AEON's first store that opened in January 2014 and reinforced development of affiliated merchants such as computer retailers.

In Malaysia, the Group continued to promote credit card usage by setting up "Thank You Day," which gives 5% off the price of shopping exclusively to cardholders at stores of AEON Malaysia and AEON BIG (M) Sdn. Bhd., and offering discounts on shopping at stores of alliance partners. In addition, the Group has promoted installment sales business for furniture, electric appliances, automobiles and motorcycles. As a result, operating revenue increased by 39.9% to MYR214 million, and ordinary profits increased by 34.8% to MYR75 million, compared to the corresponding period of the previous fiscal year.

In Indonesia and India, the Group has developed affiliated merchants for its installment sales business primarily targeting furniture and electric appliances. The Group has further enhanced the control environment of credit reviews and debt collection operations.

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.

As a result of the above, the overseas segment showed the following financial results: (a) ordinary revenue increased by 18.0% to ¥24,931 million, and (b) ordinary profits increased by 10.8% to ¥5,308 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 June 30, 2014 decreased by ¥103,380 million to ¥3,059,737 million compared to the end of the previous fiscal year, mainly due to a decrease of cash and due from banks of ¥127,272 million resulting from the acquisition of treasury stock, which exceeded an increase of loans and bills discounted of ¥57,374 million resulting from the higher transaction volume of cash advances.

(Liabilities)

The balance of total liabilities of the Group as at June 30, 2014 decreased by ¥85,214 million to ¥2,770,610 million compared to the end of the previous fiscal year, due to a decrease of accounts payable of ¥51,876 million resulting from a decline of customer demand derived from the last-minute spending before the increase of the consumption tax.

(Equity)

The balance of total equity as at June 30, 2014 decreased by ¥18,165 million to ¥289,126 million compared to the end of the previous fiscal year, due to an increase of treasury stock of ¥18,894 million resulting from the acquisition of treasury stock, which exceeded increases in common stock and capital surplus of ¥1,005 million each resulting from the conversion of convertible bonds into shares.

(3) Description of equity ratio

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

	As at March 31, 2014	As at June 30, 2014 (Preliminary figures)
Consolidated equity ratio	9.0%	8.6%

(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 three-month period ended June 30, 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 June 30, 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 three-month period ended June 30, 2014 is immaterial.

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 June 30, 2014
(Assets)		
Cash and due from banks	416,662	289,389
Monetary claims bought	12,119	10,377
Securities	173,379	155,952
Loans and bills discounted	1,276,741	1,334,115
Installment sales receivables	957,403	932,273
Other assets	80,294	93,026
Property and equipment	31,185	31,627
Intangible assets	67,723	67,415
Goodwill	28,887	28,431
Other intangible assets	38,835	38,983
Deferred tax assets	18,758	22,120
Customers' liabilities for acceptances and guarantees	176,421	169,957
Allowance for possible credit losses	(47,574)	(46,520)
Total assets	3,163,117	3,059,737
(Liabilities)		
Deposits	1,717,769	1,663,055
Accounts payable	203,742	151,865
Call money	4,900	30,000
Borrowed money	515,227	515,899
Bonds	101,608	104,440
Convertible bonds	2,830	820
Other liabilities	111,859	111,914
Allowance for bonuses	2,200	2,591
Retirement benefit liability	2,789	3,128
Allowance for point program	11,012	11,547
Allowance for loss on refund of interest received	3,085	3,203
Allowance – other	556	333
Deferred tax liabilities	1,820	1,852
Acceptances and guarantees	176,421	169,957
Total liabilities	2,855,825	2,770,610
(Equity)		
Common stock	29,051	30,056
Capital surplus	104,860	105,865
Retained earnings	136,270	132,841
Treasury stock	(145)	(19,040)
Total shareholders' equity	270,036	249,722
Unrealized gain on available-for-sale securities	4,027	3,779
Deferred loss on derivatives under hedge accounting	(2,326)	(2,546)
Foreign currency translation adjustments	294	(126)
Accumulated adjustments for retirement benefit	(371)	(503)
Total accumulated other comprehensive income	1,623	602
Stock acquisition rights	55	54
Minority interests	35,576	38,746
Total equity	307,291	289,126
Total liabilities and equity	3,163,117	3,059,737

(2) Interim consolidated statements of income and comprehensive income

(Interim consolidated statements of income)

	(Millions of Yen)	
	Three-month period ended June 30, 2013	Three-month period ended June 30, 2014
Ordinary revenue	64,876	72,946
Interest income	24,748	29,406
(of which: Interest on loans and bills discounted)	23,961	28,785
(of which: Interest and dividends on securities)	592	485
Fees and commissions	31,755	38,287
Other operating income	3,904	1,652
Other income	4,467	3,600
Ordinary expenses	55,641	64,661
Interest expenses	4,912	4,832
(of which: Interest on deposits)	1,389	1,015
Fees and commissions	4,398	5,093
Other operating expenses	285	263
General and administrative expenses	38,850	45,315
Other ordinary expenses	7,195	9,156
Ordinary profits	9,234	8,285
Extraordinary loss	831	11
Management integration expenses	698	-
Loss on disposal of property and equipment and intangible assets	118	11
Other extraordinary loss	14	-
Income before income taxes and minority interests	8,403	8,274
Income taxes - current	4,255	5,606
Income taxes - deferred	(2,172)	(3,127)
Total income taxes	2,083	2,478
Net income before minority interests	6,319	5,795
Minority interests in net income	1,805	1,946
Net income	4,514	3,849

(Interim consolidated statements of comprehensive income)

	(Millions of Yen)	
	Three-month period ended June 30, 2013	Three-month period ended June 30, 2014
Net income before minority interests	6,319	5,795
Other comprehensive income	5,948	(1,769)
Unrealized loss on available-for-sale securities	(447)	(252)
Deferred loss on derivatives under hedge accounting	(742)	(410)
Foreign currency translation adjustments	7,137	(603)
Adjustments for retirement benefit	-	(503)
Comprehensive income	12,267	4,025
Total comprehensive income attributable to:		
Owners of the parent	7,758	2,456
Minority interests	4,508	1,568

(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 ¥18,897 million to ¥19,040 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 will increase by 7,268,800 and the balance of treasury stock will increase by ¥18,896 million.

(Segment information)

For the three-month period ended June 30, 2013 (from April 1, 2013 to June 30, 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	26,665	6,111	10,973	21,125	64,876	-	64,876
Intersegment revenue or transfers	38	2,595	462	-	3,096	(3,096)	-
Total ordinary revenue	26,703	8,707	11,435	21,125	67,972	(3,096)	64,876
Segment profit	4,503	526	1,466	4,792	11,289	(2,054)	9,234

(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. ¥ (2,054) 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 three-month period ended June 30, 2013.

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

None

For the three-month period ended June 30, 2014 (from April 1, 2014 to June 30, 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	33,155	7,359	7,500	24,931	72,946	-	72,946
Intersegment revenue or transfers	46	3,156	488	-	3,691	(3,691)	-
Total ordinary revenue	33,202	10,515	7,989	24,931	76,638	(3,691)	72,946
Segment profit (loss)	5,591	80	(1,655)	5,308	9,325	(1,040)	8,285

(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. ¥ (1,040) 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 three-month period ended June 30, 2014.

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

None