

Note : This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

Financial Results for the Three Months ended May 31, 2025

July 31, 2025

Company name **AEON Financial Service Co., Ltd.**

Listings Tokyo Stock Exchange, Prime Market

Security code 8570

URL <https://www.aeonfinancial.co.jp/en/>

Representative Tomoharu Fukayama, President and CEO

Contact: Tomoyuki Mitsufuji, Director, Managing Executive Officer

Starting date of paying year-end dividend -

Preparation of brief summary materials for financial results Yes

Holding of financial results presentation Yes (For institutional investors and analysts)

1. Business performance (For the Three Months ended May 31, 2025 and for the Three Months ended May 31, 2024)

(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, 2025	136,555	6.7	12,998	-14.8	13,853	-13.3	4,357	-28.4
Three Months ended May 31, 2024	127,928	9.7	15,249	65.9	15,977	66.6	6,083	69.1

(Note) Comprehensive income; The 1st Quarter of Fiscal 2025; -6,670 million (-%),
The 1st Quarter of Fiscal 2024; 12,349 million (-21.4%)
(yen)

	Net Income per Share	Fully Diluted Net Income per Share
Three Months ended May 31, 2025	20.19	20.19
Three Months ended May 31, 2024	28.18	28.18

(2) Financial Position

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

	Total Assets	Net Assets	Total equity ratio	Net Assets per Share
Three Months ended May 31, 2025	7,885,884	571,683	5.6	2,063.86
Fiscal 2024 ended February 28, 2025	7,756,492	585,766	5.9	2,163.09

(Note) Equity capital; The 1st Quarter of Fiscal 2025; 445,547 million
Fiscal year ending February 2025; 461,139 million

2. Cash Dividends

(yen)

	Dividend per share				
(Base date)	First quarter period	Interim period	Third quarter period	Term end	Annual
Fiscal 2024 ended February 28, 2025	—	25.00	—	28.00	53.00
Fiscal 2025 ended February 28, 2026	—				
Fiscal 2025 ended February 28, 2026 (Estimated)		25.00	—	28.00	53.00

(Note) Amendments from the most recently published dividend forecast : None

3. Projections (For the fiscal year ending February 28, 2026)

(Millions of yen, %)
(YoY 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	570,000	6.9	57,000	-7.3	57,000	-8.9	21,000	34.2	97.28

(Note) Amendments from the most recently published projections forecast : None
Interim projections forecast are not disclosed

※Notes

- (1) Change in significant subsidiary during the term: None
(Change in specified subsidiary that caused a change in the scope of consolidation): None
- (2) Application of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Change in accounting principle, procedure, disclosure, etc. concerning preparation of consolidated financial statements
① Change due to a newly issued accounting requirement: Yes
② Change other than ①: None
③ Change accounting quotation: None
④ Restatement: None
- (4) Number of shares issued (Common stock)
1) Number of shares issued at end of period (treasury stock included):
May 31, 2025; 216,010,128 shares, Fiscal 2024; 216,010,128 shares
2) Number of shares held in treasury at end of period:
May 31, 2025; 129,519 shares; Fiscal 2024; 129,593 shares
3) Average number of shares outstanding during the period:
Three Months ended May 31, 2025: 215,880,565 shares
Three Months ended May 31, 2024: 215,870,241 shares
- ※ Review of the Japanese originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm : Yes (mandatory)
- ※ Projections above are based on management's assumptions using information available at the time of publication and are not a guarantee of achieving these projections. Due to various factors, actual results may differ from these projections.
- ※ The Company provides FACT BOOK on its business and performance on its website.

Attachments

Contents

1. Consolidated Financial Statements and Main Notes	2
(1) Consolidated Balance Sheet	2
(2) Consolidated Statement of Income and Comprehensive Income	4
Consolidated Statement of Income	4
Consolidated Statement of Comprehensive Income	5
(3) Notes on the Consolidated Financial Statements	6
(Significant Matters Concerning the Preparation of the Quarterly Consolidated Financial Statements)	6
(Notes Regarding the Going Concern Assumption)	6
(Changes in the Scope of Consolidation or the Scope of Application of the Equity Method)	6
(Changes in Accounting Policies)	6

1. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2025	As of May 31, 2025
Assets		
Current assets		
Cash and deposits	814,786	615,880
Call loans	1,514	1,547
Accounts receivable - installment	1,747,333	1,843,014
Lease receivables and investments in leases	14,474	15,268
Operating loans	979,935	1,012,454
Loans and bills discounted for banking business	2,670,472	2,724,287
Securities for banking business	768,296	886,130
Securities for insurance business	15,049	14,184
Monetary claims bought	79,348	92,341
Money held in trust	106,535	101,667
Other	350,500	371,958
Allowance for doubtful accounts	△ 124,434	△ 124,334
Total current assets	7,423,813	7,554,402
Non-current assets		
Total property, plant and equipment	34,512	35,825
Intangible assets		
Goodwill	40,202	38,456
Software	144,191	143,566
Other	3,147	3,040
Total intangible assets	187,541	185,062
Total investments and other assets	110,209	110,238
Total non-current assets	332,264	331,126
Deferred assets	414	355
Total assets	7,756,492	7,885,884
Liabilities		
Current liabilities		
Accounts payable - trade	317,805	470,649
Deposits for banking business	5,206,242	5,235,153
Short-term borrowings	169,081	123,765
Current portion of long-term borrowings	217,297	207,900
Current portion of bonds payable	95,888	92,598
Commercial papers	8,281	8,444
Provision for bonuses	6,195	7,192
Provision for point card certificates	1,633	1,435
Other provisions	122	844
Other	275,682	261,390
Total current liabilities	6,298,229	6,408,614
Non-current liabilities		
Reserve for insurance policy liabilities	42,753	40,542
Bonds payable	203,976	239,256
Long-term borrowings	586,476	577,796
Retirement benefit liability	1,662	1,457
Provision for loss on interest repayment	932	782
Other provisions	4,223	3,019
Deferred tax liabilities	1,732	5,686
Other	30,738	37,046
Total non-current liabilities	872,496	905,585
Total liabilities	7,170,726	7,314,200

	(Millions of yen)	
	As of February 28, 2025	As of May 31, 2025
Net assets		
Shareholders' equity		
Share capital	45,698	45,698
Capital surplus	118,729	118,726
Retained earnings	290,209	288,522
Treasury shares	△330	△330
Total shareholders' equity	454,306	452,616
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△29,991	△47,579
Deferred gains or losses on hedges	642	7,291
Foreign currency translation adjustment	35,971	32,910
Remeasurements of defined benefit plans	210	308
Total accumulated other comprehensive income	6,833	△7,068
Share acquisition rights	0	0
Non-controlling interests	124,626	126,135
Total net assets	585,766	571,683
Total liabilities and net assets	7,756,492	7,885,884

(2) Consolidated Statement of Income and Comprehensive Income
(Consolidated Statement of Comprehensive Income for the 1st Quarter of FY2025)

(Millions of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Operating revenue		
Revenue from credit card business	33,508	34,912
Revenue from installment sales finance business	12,001	13,142
Financing revenue	40,744	43,010
Recoveries of written off receivables	4,559	4,484
Financial revenue	13,206	15,294
Insurance revenue	3,156	3,807
Fees and commissions	19,066	19,563
Other	1,684	2,340
Total operating revenue	127,928	136,555
Operating expenses		
Financial expenses	8,113	14,071
Insurance expenses	2,768	3,514
Fees and commissions payments	2,736	2,402
Selling, general and administrative expenses	98,275	102,583
Other	783	984
Total operating expenses	112,678	123,556
Operating profit	15,249	12,998
Non-operating income		
Dividend income	69	137
Gain on investments in investment partnerships	38	1,940
Foreign exchange gains	478	—
Subsidy income	146	—
Other	60	17
Total non-operating income	794	2,095
Non-operating expenses		
Share of loss of entities accounted for using equity method	64	149
Foreign exchange loss	—	1,090
Miscellaneous losses	1	0
Total non-operating expenses	66	1,240
Ordinary profit	15,977	13,853
Extraordinary income		
Gain on sale of non-current assets	2	8
Gain on sale of investment securities	—	1,013
Total extraordinary income	2	1,021
Extraordinary losses		
Loss on disposal of non-current assets	319	121
Impairment losses	29	2,794
Loss on sale of shares of subsidiaries	2,306	—
Total extraordinary losses	2,655	2,916
Profit before income taxes	13,324	11,957
Income taxes - current	5,958	6,050
Income taxes - deferred	△1,513	△2,008
Total income taxes	4,444	4,041
Profit	8,879	7,916
Profit attributable to non-controlling interests	2,796	3,558
Profit attributable to owners of parent	6,083	4,357

(Consolidated Statement of Comprehensive Income for the 1st Quarter of FY2025)

(Millions of yen)

	Three months ended May 31, 2024	Three months ended May 31, 2025
Profit	8,879	7,916
Other comprehensive income		
Valuation difference on available-for-sale securities	△8,101	△17,641
Deferred gains or losses on hedges	474	6,077
Foreign currency translation adjustment	11,151	△3,121
Remeasurements of defined benefit plans, net of tax	△54	98
Total other comprehensive income	3,470	△14,586
Comprehensive income	12,349	△6,670
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,115	△9,544
Comprehensive income attributable to non-controlling interests	7,234	2,874

(3) Notes to the Quarterly Consolidated Financial Statements

(Significant Matters Concerning the Preparation of the Quarterly Consolidated Financial Statements)

The quarterly consolidated financial statements have been prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements of the Tokyo Stock Exchange, Inc., and the generally accepted accounting standards for quarterly financial statements in Japan.

(Notes Regarding the Going Concern Assumption)

Not applicable.

(Changes in the Scope of Consolidation or the Scope of Application of the Equity Method)

(1) Significant Changes in the Scope of Consolidation

Not applicable.

(2) Significant Changes in the Scope of Application of the Equity Method

Not applicable.

(3) Changes in Matters Concerning the Fiscal Years, etc. of Consolidated Subsidiaries

Not applicable.

(Changes in Accounting Policies)

(Application of the "Accounting Standard for Corporate, Resident, and Enterprise Taxes,")

The "Accounting Standard for Corporate, Resident, and Enterprise Taxes," (ASBJ Statement No. 27, October 28, 2022; hereinafter the "2022 Revised Accounting Standard"), has been applied from the beginning of the first quarter of the current fiscal year.

With regard to the amendments to the classification of corporate taxes, etc. (taxation of other comprehensive income), we have followed the transitional treatment set forth in the proviso to Paragraph 20-3 of the 2022 Revised Accounting Standard and the transitional treatment set forth in the proviso to Paragraph 65-2(2) of the "Guidance on Accounting Standards for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "2022 Revised Guidance"). This change in accounting policy has no impact on the quarterly consolidated financial statements.

Additionally, with regard to the amendments related to the revision of the treatment in consolidated financial statements of tax deferrals of gains and losses arising from sales of subsidiary shares, etc. between consolidated companies, the 2022 revised implementation guidelines have been applied from the beginning of the first quarter of this fiscal year. This change in accounting policy has been applied retroactively, and the quarterly consolidated financial statements and consolidated financial statements for the previous quarter and fiscal year are retroactively applied. Please note that this change in accounting policy has no impact on the quarterly consolidated financial statements for the previous quarter and the consolidated financial statements for the previous fiscal year.