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Financial Results for the Fiscal Year ended February 28, 2025

April 10, 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 Shunsuke Shirakawa, President and CEO

Contact: Tomoyuki Mitsufuji, Director, Managing Executive Officer

Date of the ordinary general meeting of shareholders May 23, 2025

Submission date of the annual securities report scheduled May 21, 2025

Starting date of paying year-end dividend May 8, 2025

Preparation of brief summary materials for financial results Yes

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

1. Results for the Fiscal Year Ended February 28, 2025 (from March 1, 2024 to February 28, 2025)

(1) Consolidated Operating Results

(Yen truncated to the nearest million, %)

| | Operating revenue | Percentage Change | Operating profit | Percentage Change | Ordinary profit | Percentage Change | Profit attributable to owners of parent | Percentage Change |
|-------------------------------------|-------------------|-------------------|------------------|-------------------|-----------------|-------------------|---|-------------------|
| Fiscal 2024 ended February 28, 2025 | 533,262 | 9.8 | 61,485 | 22.8 | 62,554 | 22.2 | 19,527 | -6.6 |
| Fiscal 2023 ended February 29, 2024 | 485,608 | 7.5 | 50,088 | -14.9 | 51,174 | -16.9 | 20,896 | -31.9 |

(Note) Comprehensive income; Fiscal 2024 35,304million (-39.0%), Fiscal 2023; 57,849million (25.7%)

| | Profit attributable to owners of parent per Share (Yen) | Fully Diluted Profit attributable to owners of parent per Share (Yen) | Return on equity | Return on assets | Operating profit/ Operating revenue |
|-------------------------------------|---|---|------------------|------------------|-------------------------------------|
| Fiscal 2024 ended February 28, 2025 | 90.46 | 90.45 | 4.2 | 0.9 | 11.5 |
| Fiscal 2023 ended February 29, 2024 | 96.81 | 96.80 | 4.7 | 0.8 | 10.3 |

(Reference) Investment gains and losses on equity method; Fiscal 2024; 30 million, 2023; -101 million.

(2) Consolidated Financial Position

(Yen value of assets truncated to the nearest million, %, yen)

| | Total Assets | Net Assets | Capital Ratio | Net Assets per Share |
|-------------------------------------|--------------|------------|---------------|----------------------|
| Fiscal 2024 ended February 28, 2025 | 7,760,375 | 589,649 | 6.0 | 2,154.07 |
| Fiscal 2023 ended February 29, 2024 | 6,945,571 | 574,316 | 6.6 | 2,123.47 |

(Reference) Shareholder's equity; Fiscal 2024; 465,022 million, Fiscal 2023; 458,394 million.

(3) Consolidated cash flows

(Yen truncated to the nearest million)

| | Net cash used in operating activities | Net cash used in Investing activities | Net cash provided by financing activities | Cash and cash equivalents at end of period |
|--|--|--|--|--|
| Fiscal 2024 ended February 28, 2025 | 347,337 | -158,479 | -19,919 | 795,068 |
| Fiscal 2023 ended February 29, 2024 | -50,776 | -113,697 | -18,191 | 625,482 |

2. Dividends

| | Dividend per share | | | | | Total dividends paid | Payout ratio (consolidated) | Dividends to net assets (consolidated) |
|--|--------------------------|---------------------------|--------------------------|--------------------|-----------------|----------------------------|--------------------------------|---|
| | End- first quarter | End- second quarter | End- third quarter | Fiscal year-end | Annual total | | | |
| Fiscal 2023 ended February 29, 2024 | yen — | yen 25.00 | yen — | yen 28.00 | Yen 53.00 | million yen 11,440 | % 54.7 | % 2.6 |
| Fiscal 2024 ended February 28, 2025 | — | 25.00 | — | 28.00 | 53.00 | 11,441 | 58.6 | 2.5 |
| Fiscal 2025 ending February 28, 2026 (Estimated) | — | 25.00 | — | 28.00 | 53.00 | | 54.5 | |

3. Forecast of Consolidated Earnings (For the fiscal year ending February 28, 2025)

(Revenue and profits truncated to the nearest million yen, %,yen)

(% is the percentage of change to the previous year)

| | Operating revenue | YoY | Operating profit | YoY | Ordinary profit | YoY | Profit attributabl e 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 | 7.5 | 97.28 |

(Notes) We are not disclosing consolidated earnings forecasts for the second quarter.

※Notes

- (1) Change in significant subsidiary during the term (Change in specified subsidiary that caused a change in the scope of consolidation) ; Yes
New: 1 (company name) Post and Telecommunication Finance CO.,LTD , Excluded: 1 (company name) AEON Product Finance CO., LTD.
(Note) For details, please refer to "1. Consolidated Financial Statements and Main Notes (5) Notes on the Consolidated Financial Statements (Changes in Significant Subsidiaries)" on page 16 of the attached materials.
- (2) Change in accounting principle, procedure, disclosure, etc., concerning preparation of consolidated financial statements
(matters to be mentioned concerning the change of important items to be the bases for preparation of consolidated financial statements)
- ① Change by a newly issued accounting pronouncement; No
 - ② Change other than ① ; No
 - ③ Change accounting quotation ; No
 - ④ Restatement ; No
- (3) Number of shares issued (Common stock)
- ① Number of shares issued at end of period (including treasury stock)
Fiscal 2024; 216,010,128 shares, Fiscal 2023; 216,010,128 shares
 - ② Number of shares of treasury stock at end of term
Fiscal 2024; 129,593 shares, Fiscal 2023; 139,844 shares
 - ③ Average of the number of shares during the quarter
Fiscal 2024; 215,876,706 shares Fiscal 2023; 215,861,602 shares

(Reference): Report of Non-Consolidated Financial Results**Business performance (from March 1, 2024 to February 28, 2025)****(1) Standalone Operating Results**

(Revenue and profits truncated to the nearest million yen, %, yen)

| | Operating revenue | YOY | Operating profit | YOY | Ordinary profit | YOY | Profit attributable to owners of parent | YOY |
|-------------------------------------|-------------------|------|------------------|-------|-----------------|-------|---|-------|
| Fiscal 2024 ended February 28, 2025 | 181,699 | 43.6 | 5,675 | 236.0 | 32,449 | 283.5 | 5,526 | -84.7 |
| Fiscal 2023 ended February 29, 2024 | 126,539 | — | 1,689 | — | 8,461 | -7.7 | 36,185 | 315.8 |

| | Basic earnings per share | Diluted earnings per share |
|-------------------------------------|--------------------------|----------------------------|
| Fiscal 2024 ended February 28, 2025 | 25.60 | 25.60 |
| Fiscal 2023 ended February 29, 2024 | 167.63 | 167.63 |

(2) Standalone Financial Position

(Yen value of assets truncated to the nearest million, %, yen)

| | Total assets | Net assets | Shareholders' equity ratio | Net assets per share |
|-------------------------------------|--------------|------------|----------------------------|----------------------|
| Fiscal 2024 ended February 28, 2025 | 1,212,258 | 233,423 | 19.3 | 1,081.26 |
| Fiscal 2023 ended February 29, 2024 | 1,229,320 | 238,150 | 19.4 | 1,103.18 |

(Reference) Shareholder's equity; Fiscal 2024; 233,423 million, Fiscal 2023; 238,143 million

※ The financial results are not audited by a certified public accountant or an audit corporation.

※ Remarks on the projections, other issues

(Notes on future statements, etc.)

Forecasts of the business performance and dividends are based on assumptions and projections that are the basis of prospects and plans as of the date of this document's release, and are not intended to be a guarantee of the achievement of such projections. Actual business performance may differ from the above forecasts due to various factors in the future.

(How to obtain supplementary information on financial results) We provide supplementary explanatory materials on our website regarding business and performance.

(Notes on obtaining supplementary explanatory materials for financial results)

The Company provides FACTBOOK on its business and performance on its website.

Attachments

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1. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Millions of yen)

| | As of February 29, 2024 | As of February 28, 2025 |
|---|-------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 665,558 | 814,786 |
| Call loans | 1,192 | 1,514 |
| Accounts receivable - installment | 1,843,488 | 1,747,333 |
| Lease receivables and investments in leases | 11,601 | 14,474 |
| Operating loans | 918,824 | 988,984 |
| Loans and bills discounted for banking business | 2,339,225 | 2,670,472 |
| Securities for banking business | 572,248 | 768,296 |
| Securities for insurance business | 15,873 | 15,049 |
| Monetary claims bought | 58,546 | 79,348 |
| Money held in trust | 116,695 | 106,535 |
| Other | 194,901 | 350,608 |
| Allowance for doubtful accounts | △120,707 | △131,694 |
| Total current assets | 6,617,447 | 7,425,710 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings, net | 10,775 | 11,655 |
| Tools, furniture and fixtures, net | 21,067 | 22,386 |
| Construction in progress | 176 | 243 |
| Other, net | 126 | 227 |
| Total property, plant and equipment | 32,146 | 34,512 |
| Intangible assets | | |
| Goodwill | 11,684 | 42,188 |
| Software | 125,144 | 144,191 |
| Other | 3,550 | 3,147 |
| Total intangible assets | 140,379 | 189,527 |
| Investments and other assets | | |
| Investment securities | 14,649 | 14,926 |
| Deferred tax assets | 35,453 | 39,980 |
| Guarantee deposits | 50,901 | 7,279 |
| Other | 54,041 | 48,022 |
| Total investments and other assets | 155,045 | 110,209 |
| Total non-current assets | 327,570 | 334,250 |
| Deferred assets | | |
| Bond issuance costs | 553 | 414 |
| Total deferred assets | 553 | 414 |
| Total assets | 6,945,571 | 7,760,375 |

(Millions of yen)

| | As of February 29, 2024 | As of February 28, 2025 |
|---|-------------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 268,536 | 317,805 |
| Deposits for banking business | 4,538,363 | 5,206,242 |
| Short-term borrowings | 249,422 | 169,081 |
| Current portion of long-term borrowings | 165,716 | 217,297 |
| Current portion of bonds payable | 83,355 | 99,237 |
| Commercial papers | 95,000 | 8,281 |
| Provision for bonuses | 5,006 | 6,195 |
| Provision for point card certificates | 689 | 1,633 |
| Other provisions | 129 | 122 |
| Other | 187,491 | 275,682 |
| Total current liabilities | 5,593,712 | 6,301,578 |
| Non-current liabilities | | |
| Reserve for insurance policy liabilities | 48,358 | 42,753 |
| Bonds payable | 240,604 | 200,627 |
| Long-term borrowings | 451,111 | 586,476 |
| Retirement benefit liability | 2,128 | 1,662 |
| Provision for loss on interest repayment | 2,518 | 932 |
| Other provisions | 302 | 4,223 |
| Deferred tax liabilities | 1,998 | 1,732 |
| Other | 30,521 | 30,738 |
| Total non-current liabilities | 777,542 | 869,147 |
| Total liabilities | 6,371,254 | 7,170,726 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 45,698 | 45,698 |
| Capital surplus | 119,144 | 118,729 |
| Retained earnings | 286,022 | 294,092 |
| Treasury shares | △357 | △330 |
| Total shareholders' equity | 450,508 | 458,189 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | △21,643 | △29,991 |
| Deferred gains or losses on hedges | 212 | 642 |
| Foreign currency translation adjustment | 29,272 | 35,971 |
| Remeasurements of defined benefit plans | 44 | 210 |
| Total accumulated other comprehensive income | 7,885 | 6,833 |
| Share acquisition rights | 6 | 0 |
| Non-controlling interests | 115,916 | 124,626 |
| Total net assets | 574,316 | 589,649 |
| Total liabilities and net assets | 6,945,571 | 7,760,375 |

(2) Consolidated Statement of Income and Comprehensive Income
(Consolidated Statement of Comprehensive Income)

(Millions of yen)

| | Fiscal year ended February 29, 2024 | Fiscal year ended February 28, 2025 |
|---|--|--|
| Operating revenue | | |
| Revenue from credit card business | 125,716 | 139,114 |
| Revenue from installment sales finance business | 52,911 | 50,706 |
| Financing revenue | 151,909 | 166,609 |
| Recoveries of written off receivables | 16,048 | 19,965 |
| Financial revenue | | |
| Interest on loans and discounts from banking business | 24,176 | 25,487 |
| Interest and dividends on securities from banking business | 2,626 | 6,608 |
| Interest on call loans | 340 | 256 |
| Interest income | 1,068 | 1,820 |
| Other financial revenue | 5,302 | 8,657 |
| Total financial revenue | 33,514 | 42,830 |
| Insurance revenue | | |
| Reversal of policy reserve | 6,401 | 5,701 |
| Other insurance revenue | 6,201 | 7,007 |
| Total Insurance revenue | 12,602 | 12,709 |
| Fees and commissions | 68,009 | 72,526 |
| Other | 24,896 | 28,801 |
| Total operating revenue | 485,608 | 533,262 |
| Operating expenses | | |
| Financial expenses | | |
| Interest expenses | 23,626 | 28,306 |
| Interest on deposits from banking business | 3,095 | 7,577 |
| Other financial expenses | 2,358 | 3,545 |
| Total financial expenses | 29,081 | 39,430 |
| Insurance expenses | | |
| Insurance claims and other | 11,215 | 12,000 |
| Other insurance expenses | 557 | 338 |
| Total Insurance expenses | 11,772 | 12,338 |
| Fees and commissions payments | 10,546 | 10,320 |
| Selling, general and administrative expenses | 381,006 | 406,259 |
| Other | 3,112 | 3,427 |
| Total operating expenses | 435,519 | 471,776 |
| Operating profit | 50,088 | 61,485 |
| Non-operating income | | |
| Dividend income | 169 | 175 |
| Share of profit of entities accounted for using equity method | — | 30 |
| Gain on investments in investment partnerships | 118 | 231 |
| Foreign exchange gains | 813 | 344 |
| Subsidy income | — | 146 |
| Other | 104 | 155 |
| Total non-operating income | 1,204 | 1,083 |
| Non-operating expenses | | |
| Share of loss of entities accounted for using equity method | 101 | — |
| Miscellaneous losses | 17 | 14 |
| Total non-operating expenses | 118 | 14 |
| Ordinary profit | 51,174 | 62,554 |

(Millions of yen)

| | Fiscal year ended February 29, 2024 | Fiscal year ended February 28, 2025 |
|--|--|--|
| Extraordinary income | | |
| Gain on sale of non-current assets | 11 | 26 |
| Gain on sale of investment securities | 169 | 39 |
| Gain on liquidation of investment securities | 89 | — |
| Total extraordinary income | 270 | 65 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 678 | 553 |
| Impairment losses | 1,297 | 201 |
| Loss on sale of shares of subsidiaries | — | 2,306 |
| Loss on liquidation of subsidiaries | 18 | — |
| Management integration expenses | 475 | — |
| System migration related expenses | 90 | — |
| Bad debt related expenses | — | 9,945 |
| Other | — | 344 |
| Total extraordinary losses | 2,562 | 13,351 |
| Profit before income taxes | 48,883 | 49,269 |
| Income taxes – current | 13,057 | 20,370 |
| Income taxes – deferred | 2,117 | △3,555 |
| Total income taxes | 15,175 | 16,815 |
| Profit | 33,707 | 32,454 |
| Profit attributable to non-controlling interests | 12,810 | 12,926 |
| Profit attributable to owners of parent | 20,896 | 19,527 |

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

| | Fiscal year ended February 29, 2024 | Fiscal year ended February 28, 2025 |
|--|--|--|
| Profit | 33,707 | 32,454 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 6,061 | △8,213 |
| Deferred gains or losses on hedges | △2 | △137 |
| Foreign currency translation adjustment | 17,890 | 11,035 |
| Remeasurements of defined benefit plans, net of tax | 192 | 165 |
| Total other comprehensive income | 24,142 | 2,850 |
| Comprehensive income | 57,849 | 35,304 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 37,732 | 18,474 |
| Comprehensive income attributable to non-controlling interests | 20,117 | 16,829 |

(3) Consolidated Statement of Changes in Equity

Fiscal year ended February 29, 2024

(Millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 45,698 | 120,270 | 278,172 | △390 | 443,750 |
| Changes during period | | | | | |
| Dividends of surplus | | | △12,519 | | △12,519 |
| Profit attributable to owners of parent | | | 20,896 | | 20,896 |
| Purchase of treasury shares | | | | △0 | △0 |
| Disposal of treasury shares | | | △17 | 33 | 15 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | △1,125 | | | △1,125 |
| Change in scope of consolidation | | | △508 | | △508 |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | — | △1,125 | 7,850 | 32 | 6,757 |
| Balance at end of period | 45,698 | 119,144 | 286,022 | △357 | 450,508 |

| | Accumulated other comprehensive income | | | | | Share acquisition rights | Non-controlling interests | Total net assets |
|---|---|------------------------------------|---|---|--|--------------------------|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | △27,661 | 120 | 18,738 | △147 | △8,950 | 13 | 106,319 | 541,133 |
| Changes during period | | | | | | | | |
| Dividends of surplus | | | | | | | | △12,519 |
| Profit attributable to owners of parent | | | | | | | | 20,896 |
| Purchase of treasury shares | | | | | | | | △0 |
| Disposal of treasury shares | | | | | | | | 15 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | 1,125 | — |
| Change in scope of consolidation | | | | | | | | △508 |
| Net changes in items other than shareholders' equity | 6,018 | 91 | 10,533 | 192 | 16,835 | △7 | 8,471 | 25,299 |
| Total changes during period | 6,018 | 91 | 10,533 | 192 | 16,835 | △7 | 9,596 | 33,183 |
| Balance at end of period | △21,643 | 212 | 29,272 | 44 | 7,885 | 6 | 115,916 | 574,316 |

Fiscal year ended February 28, 2025

(Millions of yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 45,698 | 119,144 | 286,022 | △357 | 450,508 |
| Changes during period | | | | | |
| Dividends of surplus | | | △11,441 | | △11,441 |
| Profit attributable to owners of parent | | | 19,527 | | 19,527 |
| Purchase of treasury shares | | | | △0 | △0 |
| Disposal of treasury shares | | | △16 | 26 | 10 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | △415 | | | △415 |
| Change in scope of consolidation | | | | | — |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | — | △415 | 8,069 | 26 | 7,680 |
| Balance at end of period | 45,698 | 118,729 | 294,092 | △330 | 458,189 |

| | Accumulated other comprehensive income | | | | | Share acquisition rights | Non-controlling interests | Total net assets |
|---|---|------------------------------------|---|---|--|--------------------------|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | | |
| Balance at beginning of period | △21,643 | 212 | 29,272 | 44 | 7,885 | 6 | 115,916 | 574,316 |
| Changes during period | | | | | | | | |
| Dividends of surplus | | | | | | | | △11,441 |
| Profit attributable to owners of parent | | | | | | | | 19,527 |
| Purchase of treasury shares | | | | | | | | △0 |
| Disposal of treasury shares | | | | | | | | 10 |
| Change in ownership interest of parent due to transactions with non-controlling interests | | | | | | | 415 | — |
| Change in scope of consolidation | | | | | | | | — |
| Net changes in items other than shareholders' equity | △8,347 | 430 | 6,699 | 165 | △1,052 | △5 | 8,294 | 7,236 |
| Total changes during period | △8,347 | 430 | 6,699 | 165 | △1,052 | △5 | 8,709 | 15,332 |
| Balance at end of period | △29,991 | 642 | 35,971 | 210 | 6,833 | 0 | 124,626 | 589,649 |

(4) Consolidated Statement of Cash Flows

(Millions of yen)

| | Fiscal year ended February 29, 2024 | Fiscal year ended February 28, 2025 |
|--|--|--|
| Cash flows from operating activities | | |
| Profit before income taxes | 48,883 | 49,269 |
| Depreciation | 31,133 | 30,144 |
| Amortization of goodwill | 1,621 | 1,581 |
| Share of loss (profit) of entities accounted for using equity method | 101 | △30 |
| Increase (decrease) in allowance for doubtful accounts | △10,943 | 7,518 |
| Increase (decrease) in provision for bonuses | 455 | 1,450 |
| Increase (decrease) in retirement benefit liability | 400 | 430 |
| Increase (decrease) in provision for point card certificates | △108 | 943 |
| Increase (decrease) in provision for loss on interest repayment | △2,304 | △1,585 |
| Increase (decrease) in other provisions | 21 | 3,925 |
| Financial revenue | △33,514 | △42,830 |
| Financial expenses | 29,081 | 39,430 |
| Dividend income | △169 | △175 |
| Loss (gain) on disposal of non-current assets | 667 | 527 |
| Loss (gain) on sale of shares of subsidiaries | — | 2,306 |
| Loss (gain) on liquidation of subsidiaries | 18 | — |
| Management integration expenses | 475 | — |
| Bad debt related expenses | — | 9,945 |
| Decrease (increase) in operating loans receivable | △43,803 | △33,634 |
| Decrease (increase) in cash loans and bills discounted for banking business | △178,450 | △331,246 |
| Decrease (increase) in accounts receivable – installment | △51,990 | △199,769 |
| Net decrease (increase) in lease receivables and investments in leases | 350 | △2,873 |
| Net increase (decrease) in deposits | 140,409 | 667,962 |
| Increase (decrease) in trade payables | 12,573 | 50,022 |
| Net increase (decrease) in borrowed money | 76,307 | 72,501 |
| Net decrease (increase) in due from banks (excluding due from Bank of Japan) | △2,492 | 13,605 |
| Net decrease (increase) in dues from banks (over 3 months) | 3,257 | 4,482 |
| Net decrease (increase) in call loans | △26,830 | △21,124 |
| Increase (decrease) in commercial papers | 19,937 | △42,026 |
| Increase (decrease) in straight bonds – issuance and redemption | △28,401 | △26,761 |
| Increase (decrease) in reserve for insurance policy liabilities | △5,979 | △5,605 |
| Proceeds from sales and leasebacks | 125 | 542 |
| Interest received | 32,010 | 41,760 |
| Interest paid | △28,423 | △36,679 |
| Proceeds from collection of short-term loans receivable | — | 219,100 |
| Other, net | △20,775 | △111,453 |
| Subtotal | △36,353 | 361,654 |
| Interest and dividends received | 169 | 175 |
| Income taxes paid | △16,061 | △14,851 |
| Income taxes refund | 1,468 | 358 |
| Net cash provided by operating activities | △50,776 | 347,337 |

(Millions of yen)

| | Fiscal year ended February 29, 2024 | Fiscal year ended February 28, 2025 |
|---|--|--|
| Cash flows from investing activities | | |
| Purchase of securities | △545,817 | △450,620 |
| Proceeds from sale of securities | 201,714 | 224,519 |
| Proceeds from redemption of securities | 269,720 | 27,649 |
| Increase in money held in trust | △5,451 | △5,163 |
| Decrease in money held in trust | 13,723 | 16,047 |
| Purchase of property, plant and equipment | △4,626 | △2,622 |
| Proceeds from sale of property, plant and equipment | 27 | 44 |
| Purchase of intangible assets | △40,436 | △36,964 |
| Proceeds from sale of intangible assets | 6 | — |
| Proceeds from liquidation of subsidiaries and associates | — | 229 |
| Payments for acquisition of businesses | — | △3,010 |
| Proceeds from business acquisition | — | 68,092 |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | △65 | △19,981 |
| Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation | 123 | — |
| Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation | — | 23,301 |
| Other, net | △2,616 | — |
| Net cash provided by (used in) investing activities | △113,697 | △158,479 |
| Cash flows from financing activities | | |
| Dividends paid | △12,519 | △11,441 |
| Dividends paid to non-controlling interests | △5,671 | △6,382 |
| Purchase of treasury shares | △0 | △0 |
| Proceeds from disposal of treasury shares | 0 | 0 |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | — | △2,094 |
| Net cash provided by (used in) financing activities | △18,191 | △19,919 |
| Effect of exchange rate change on cash and cash equivalents | △554 | 648 |
| Net increase (decrease) in cash and cash equivalents | △183,220 | 169,586 |
| Cash and cash equivalents at beginning of period | 804,693 | 625,482 |
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | 4,008 | — |
| Cash and cash equivalents at end of period | 625,482 | 795,068 |

(5) Notes on the Consolidated Financial Statements

(Notes on the Going-concern Assumption) Not applicable.

(Significant Changes in the Scope of Consolidation)

In the current consolidated fiscal year, we acquired all equity interests of Post and Telecommunication Finance Company Limited, and therefore has been included in the scope of consolidation.

In the current consolidated fiscal year, we have transferred all shares of our consolidated subsidiary, AEON Product Finance Co., Ltd., and have therefore removed the company from the scope of consolidation.

(Notes on Segment Information)

1. Overview of reportable segments

The reportable segments of our group are the constituent units of our group for which separate financial information is available, which are regularly reviewed by the board of directors to determine the allocation of management resources and to evaluate performance.

Our domestic business is divided into “Retail” and “Solutions” to clarify the role of each function according to the target customers, and our international business is divided into areas centered on three listed companies, “China Area” (Hong Kong, etc.), “Mekong Area” (Thailand, etc.), and “Malaysia Area” (Malaysia, etc.) to smoothly advance the horizontal expansion of our business model.

Therefore, the Group has five reportable segments: “Retail” and “Solutions” in the domestic segment, and “China Area,” “Mekong Area,” and “Malaysia Area” in the international segment.

“Retail” is the banking and insurance business, mainly for individual customers.

“Solutions” is the business that provides the Group’s financial services, mainly for affiliated stores, utilizing its database of processing and installment payments.

“China Area,” “Mekong Area,” and “Malaysia Area” are businesses that provide financial services tailored to the needs of individual customers and affiliated stores in each region, including credit cards and loans.

2. Method of calculating the amounts of operating revenue, profit or loss, assets, and other items for each reportable segment

The accounting methods for the reported business segments are the same as those used to prepare consolidated financial statements. Profits for reportable segments are based on operating profit. Internal operating revenue and transfers between segments are based on prevailing market prices.

(Segment information)For fiscal year 2023 starting March 1st 2023, ended February 29th 2024

Operating income and profits/losses are reported on business segments as follows:

(Millions of yen)

| | Reportable segments | | | | | Total | Reconciling items | Per consolidated financial statements |
|---|---------------------|-----------|------------|-------------|------------|-----------|-------------------|---------------------------------------|
| | Domestic | | Global | | | | | |
| | Retail | Solutions | China Area | Mekong Area | Malay Area | | | |
| Sales | | | | | | | | |
| Revenues from external customers | 167,105 | 124,777 | 30,638 | 89,915 | 72,993 | 485,430 | 177 | 485,608 |
| Transactions with other segments | 5,814 | 65,932 | — | 14 | — | 71,761 | △71,761 | — |
| Operating revenue | 172,920 | 190,710 | 30,638 | 89,929 | 72,993 | 557,192 | △71,583 | 485,608 |
| Operating profit (loss) | 4,699 | 8,362 | 8,797 | 15,878 | 13,541 | 51,278 | △1,190 | 50,088 |
| Assets | 5,177,141 | 798,286 | 145,465 | 388,562 | 430,303 | 6,939,758 | 5,813 | 6,945,571 |
| Other items | | | | | | | | |
| Depreciation | 5,254 | 17,546 | 1,835 | 4,215 | 2,397 | 31,250 | △116 | 31,133 |
| Amortization of goodwill | 1,457 | 161 | — | — | 3 | 1,621 | — | 1,621 |
| Financial expenses | 4,252 | 2,540 | 1,905 | 8,882 | 12,284 | 29,867 | △786 | 29,081 |
| Provision for possible credit losses | 32 | 19,301 | 3,566 | 30,036 | 20,327 | 73,264 | △208 | 73,055 |
| Increase in property, plant and equipment and intangible assets | 7,048 | 27,787 | 5,574 | 2,443 | 6,178 | 49,033 | △25 | 49,007 |

(Notes)

- Operating income is stated here in replacement of sales turnover of general corporations.
- The amounts shown in the 'Reconciling items' section are as follows:
 - The 177 million yen shown in the "Revenue from external customers" section includes the operating income of holding companies which do not fall under the category of any of the business segments.
 - The △1,190 million yen shown in "Operating profit" represents the net amount after the elimination of operating profit belonging to holding companies that do not fall under any business segments and internal operating income between segments.
 - The 5,813 million yen shown under "Assets" represents the amount after the elimination of assets belonging to holding companies that do not fall under any business segments and intersegment transactions.
- Segment profits have been adjusted to match operating profits on the consolidated statements of income.
- Revenues from contracts with customers subject to the revenue recognition accounting standard, included in operating revenues from external customers for the current consolidated fiscal year, by reportable segment are Domestic Retail 30,954 million yen, Domestic Solutions 72,898 million yen, China Area 5,466 million yen, Mekong Area 8,102 million yen, and Malay Area 7,421 million yen, with an adjustment of 0 million yen.

For fiscal year 2024 starting March 1st 2024, ended February 28th 2025
Operating income and profits/losses are reported on business segments as follows:

(Millions of yen)

| | Reportable segments | | | | | Total | Reconciling items | Per consolidated financial statements |
|---|---------------------|-----------|------------|-------------|------------|-----------|-------------------|---------------------------------------|
| | Domestic | | Global | | | | | |
| | Retail | Solutions | China Area | Mekong Area | Malay Area | | | |
| Sales | | | | | | | | |
| Revenues from external customers | 191,207 | 119,536 | 35,596 | 95,747 | 91,139 | 533,228 | 34 | 533,262 |
| Transactions with other segments | 2,172 | 72,963 | — | 31 | — | 75,167 | △75,167 | — |
| Operating revenue | 193,379 | 192,500 | 35,596 | 95,779 | 91,139 | 608,395 | △75,133 | 533,262 |
| Operating profit (loss) | 10,503 | 9,808 | 9,319 | 16,007 | 13,421 | 59,060 | 2,425 | 61,485 |
| Assets | 5,974,291 | 655,459 | 151,291 | 448,067 | 527,497 | 7,756,608 | 3,766 | 7,760,375 |
| Other items | | | | | | | | |
| Depreciation | 5,210 | 15,971 | 2,070 | 4,248 | 2,749 | 30,250 | △105 | 30,144 |
| Amortization of goodwill | 1,482 | 96 | — | — | 3 | 1,581 | — | 1,581 |
| Financial expenses | 10,035 | 2,464 | 2,432 | 9,632 | 15,944 | 40,510 | △1,079 | 39,430 |
| Provision for possible credit losses | △574 | 24,248 | 4,033 | 31,491 | 28,671 | 87,871 | △10 | 87,860 |
| Increase in property, plant and equipment and intangible assets | 7,340 | 33,805 | 2,037 | 3,530 | 4,053 | 50,767 | △6 | 50,761 |

- (Notes)
- Operating income is stated here in replacement of sales turnover of general corporations.
 - The amounts shown in the 'Reconciling items' section are as follows:
 - The 34 million yen shown in the "Revenue from external customers" section includes the operating income of holding companies which do not fall under the category of any of the business segments.
 - The 2,425 million yen shown in "Operating profit" represents the net amount after the elimination of operating profit belonging to holding companies that do not fall under any business segments and internal operating income between segments.
 - The 3,766 million yen shown under "Assets" represents the amount after the elimination of assets belonging to holding companies that do not fall under any business segments and intersegment transactions.
 - Segment profits have been adjusted to match operating profits on the consolidated statements of income.
 - Revenues from contracts with customers subject to the revenue recognition accounting standard, included in operating revenues from external customers for the current consolidated fiscal year, by reportable segment are Domestic Retail 32,293 million yen, Domestic Solutions 77,420 million yen, China Area 6,704 million yen, Mekong Area 9,492 million yen, and Malay Area 8,574 million yen, with an adjustment of 0 million yen.

(Per Share Information)

| | Previous consolidated fiscal year (March 1, 2023 to February 29, 2024) | Current consolidated fiscal year (March 1, 2024 to February 28, 2025) |
|------------------------------------|--|---|
| Net assets per share (yen) | 2,123.47 | 2,154.07 |
| Net income per share (yen) | 96.81 | 90.46 |
| Diluted net income per share (yen) | 96.80 | 90.45 |

(Note) 1. The basis for the calculation of net assets per share are as follows:

| | Previous consolidated fiscal year (Ended February 29, 2024) | Current consolidated fiscal year (Ended February 28, 2025) |
|---|--|---|
| Total value of net assets (million yen) | 574,316 | 589,649 |
| Amount to be deducted from net assets (million yen) | 115,922 | 124,626 |
| (Of which, amount to be deducted for stock acquisition rights (million yen)) | (6) | (0) |
| (Of which, amount to be deducted due to non-controlling assets (million yen)) | (115,916) | (124,626) |
| Net value of assets related to common stock at the end of the period (million yen) | 458,394 | 465,022 |
| Number of issued common shares | 216,010,128 | 216,010,128 |
| Number of issued treasury shares | 139,844 | 129,593 |
| Number of common shares at the end of the period used to calculate net assets per share | 215,870,284 | 215,880,535 |

2. The basis for the calculation of net income per share and diluted net income per share are as follows:

| | Previous consolidated fiscal year (March 1, 2023 to February 29, 2024) | Current consolidated fiscal year (March 1, 2024 to February 28, 2025) |
|--|--|---|
| Net income per share | | |
| Net income attributable to shareholders of the parent company (million yen) | 20,896 | 19,527 |
| Amount not attributable to common shareholders (million yen) | — | — |
| Net income attributable to shareholders of the parent company relating to common stock (million yen) | 20,896 | 19,527 |
| Average number of common shares during the period | 215,861,602 | 215,876,706 |
| | | |
| Diluted net income per share | | |
| Adjustment of net income attributable to shareholders of the parent company (million yen) | — | — |
| Increase in number of common shares | 11,555 | 2,699 |
| (Of which, stock acquisition rights) | (11,555) | (2,699) |
| Overview of potential shares not included in the calculation of diluted net income per share as they have no dilutive effect | — | — |

(Changes in Significant Subsidiaries)

(Regarding the Transfer of Shares of a Consolidated Subsidiary)

At the Board of Directors meeting held on March 21, 2025, the Company resolved to transfer the majority of the issued shares of its consolidated subsidiary, AEON Allianz Life Insurance Co., Ltd. (hereinafter, AEON Allianz Life), to Meiji Yasuda Life Insurance Co., Ltd. (hereinafter, Meiji Yasuda) (hereinafter, the Share Transfer) and entered into a share transfer agreement (hereinafter, the Share Transfer Agreement) for the Share Transfer.

1. Reasons for the Share Transfer

Since joining the Group in 2020, AEON Allianz Life, a consolidated subsidiary of the Company, has been the only company in the Group engaged in the life insurance business, providing medical insurance and other services to a wide range of customers in collaboration with AEON Group companies.

On the other hand, as the Company has been reviewing its business portfolio in response to the rapidly changing business environment in recent years, it has concluded that it is necessary to review its strategy for the life insurance business, including alliances with other companies.

We have transferred the majority of our shares in AEON Allianz Life Insurance to Meiji Yasuda and will promote a comprehensive partnership between the three companies (hereinafter referred to as the "Three Companies"), Meiji Yasuda and AEON Co., Ltd. Through this comprehensive partnership, the three companies will use their respective strengths to jointly create diverse value propositions that contribute to health promotion and regional revitalization as well as provide valuable products and services to the customers and other stakeholders of the three companies.

Through this share transfer, we will accelerate the concentration of management resources in core and growth areas, and further increase our corporate value by promoting the comprehensive partnership.

2. Overview of the transferred subsidiary

| | | |
|--|---------------------------------|---|
| (1) Company name | AEON Allianz Life Insurance | |
| (2) Description | Insurance company | |
| (3) Relationship with the Company※ | Capital relationship | Our company owns 100% of the shares of AEON Allianz Life Insurance. |
| | Personnel Relationship | Our company has dispatched one director and one full-time auditor to AEON Allianz Life Insurance, as well as five employees from our company or our subsidiaries. Additionally, three employees of AEON Allianz Life Insurance are assigned to our company. |
| | Business Relationship | Our company has transactions with AEON Allianz Life Insurance in the form of receiving management fees, commissions, and the subleasing of offices. |
| (4) Financial condition and business performance | | |
| Fiscal year | April 1, 2023 to March 31, 2024 | |
| Net assets (million yen) | 5,953 | |
| Total assets (million yen) | 52,688 | |
| Net assets per share (yen) | 36,749 | |
| Ordinary income (million yen) | 12,723 | |
| Ordinary loss (million yen) | △3,398 | |
| Net loss (million yen) | △4,728 | |

| | |
|--------------------------|---------|
| Net loss per share (yen) | △39,066 |
| Dividend per share | — |

※ The described relationship between our company and AEON Allianz Life Insurance is as of the fiscal year ended February 28, 2025

3. The counterparty to the Share Transfer:

Meiji Yasuda Life Insurance Company

4. Number of shares to be transferred, transfer price, and status of shareholdings before and after the transfer

| | |
|--|---|
| (1) Number of shares held before the transfer | 863,000 shares ※ 1 (Number of voting rights: 863,000 units) (Voting rights to ownership ratio: 100.00%) |
| (2) Number of shares to be transferred | 734,413 shares (Number of voting rights : 734,413 units) |
| (3) Transfer price of shares to be transferred | 49.4 billion yen ※ 2 |
| (4) Number of shares held after the transfer | 128,587 shares (Number of voting rights : 128,587 units) (Voting rights to ownership ratio : 14.90%) |

※ 1 The number of shares held reflects a capital increase of 66 billion yen in AEON Allianz Life Insurance by the Company, which is scheduled to be implemented immediately before the Share Transfer (hereinafter “the Capital Increase before Closing”).

※ 2 The price of shares to be transferred is the amount agreed upon as the share value of shares to be transferred by the Company in light of the Capital Increase before Closing. The final transfer price will be determined through price adjustments stipulated in the Share Transfer Agreement.

5. Schedule

| | |
|--|---------------------|
| (1) Date of resolution by the Board of Directors | March 21, 2025 |
| (2) Date of concluding the agreement | March 21, 2025 |
| (3) Date of implementing the transfer of shares | July 1, 2025 (Plan) |

6. Impact on consolidated financial results

The result of this share transfer, AEON Allianz Life Insurance will be excluded from the scope of our consolidation from the third quarter of the fiscal year ending February 2026. The impact on consolidated financial results for the fiscal year ending February 2026 has not yet been determined due to variable factors such as price adjustments set out in the share transfer agreement.

3. Standalone Financial Statements and Main Notes

(1) Balance Sheet

(Millions of yen)

| | As of February 29, 2024 | As of February 28, 2025 |
|--|-------------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 7,141 | 12,357 |
| Accounts receivable - installment | 162,921 | 181,084 |
| Operating loans | 64,871 | 45,599 |
| Advances paid | 80,917 | 40,696 |
| Prepaid expenses | 2,348 | 3,319 |
| Accounts receivable - other | 156,527 | 334,234 |
| Accrued revenue | 2,401 | 2,663 |
| Short-term loans receivable | 249,950 | 43,210 |
| Current portion of long-term loans receivable from subsidiaries and associates | 120 | 119 |
| Supplies | 1,802 | 2,528 |
| Income taxes refund receivable | 224 | — |
| Consumption taxes refund receivable | 1,588 | 1,533 |
| Other | 228 | — |
| Allowance for doubtful accounts | △36,128 | △50,806 |
| Total current assets | 694,915 | 616,540 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 3,081 | 2,920 |
| Accumulated depreciation | △1,755 | △1,686 |
| Buildings, net | 1,325 | 1,234 |
| Vehicles | 7 | 0 |
| Accumulated depreciation | △6 | △0 |
| Vehicles, net | 0 | 0 |
| Tools, furniture and fixtures | 37,003 | 37,574 |
| Accumulated depreciation | △28,929 | △30,925 |
| Tools, furniture and fixtures, net | 8,074 | 6,648 |
| Total property, plant and equipment | 9,400 | 7,882 |
| Intangible assets | | |
| Goodwill | — | 12,243 |
| Software | 104,561 | 123,427 |
| Other | 0 | 0 |
| Total intangible assets | 104,561 | 135,671 |
| Investments and other assets | | |
| Investment securities | 50,361 | 51,741 |
| Shares of subsidiaries and associates | 308,862 | 324,864 |
| Bonds of subsidiaries and associates | 3,165 | 3,349 |
| Long-term loans receivable from subsidiaries and associates | 707 | 3,192 |
| Long-term prepaid expenses | 29,293 | 29,666 |
| Deferred tax assets | 14,532 | 21,854 |
| Guarantee deposits | 2,755 | 3,396 |
| Money held in trust | 4,581 | 8,986 |
| Long-term accounts receivable - other | 5,490 | 4,445 |
| Other | 139 | 251 |
| Total investments and other assets | 419,890 | 451,749 |
| Total non-current assets | 533,852 | 595,304 |
| Deferred assets | | |
| Bond issuance costs | 553 | 414 |
| Total deferred assets | 553 | 414 |
| Total assets | 1,229,320 | 1,212,258 |

(Millions of yen)

| | As of February 29, 2024 | As of February 28, 2025 |
|--|-------------------------|-------------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 262,764 | 311,616 |
| Short-term borrowings | 179,400 | 95,800 |
| Commercial papers | 50,000 | — |
| Lease liabilities | 3,818 | 3,846 |
| Current portion of bonds payable | 75,000 | 75,000 |
| Current portion of long-term borrowings | 8,800 | 19,500 |
| Current portion of long-term borrowings from subsidiaries and associates | 120 | 119 |
| Accounts payable - other | 49,426 | 62,351 |
| Accrued expenses | 1,286 | 1,486 |
| Income taxes payable | 651 | 1,897 |
| Unearned revenue | 793 | 845 |
| Deposits received | 51,222 | 153,972 |
| Provision for bonuses | 1,162 | 1,630 |
| Provision For Directors Remuneration Based On Performance | 48 | 41 |
| Provision for loss on guarantees | 3,091 | 3,803 |
| Provision for point card certificates | — | 1,633 |
| Other | 2,057 | 8,714 |
| Total current liabilities | 689,644 | 742,259 |
| Non-current liabilities | | |
| Bonds payable | 180,000 | 125,000 |
| Long-term borrowings | 106,500 | 96,700 |
| Long-term borrowings from subsidiaries and associates | 241 | 119 |
| Lease liabilities | 8,958 | 6,037 |
| Provision for loss on interest repayment | 2,518 | 932 |
| Other | 3,308 | 7,785 |
| Total non-current liabilities | 301,526 | 236,575 |
| Total liabilities | 991,170 | 978,834 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 45,698 | 45,698 |
| Capital surplus | | |
| Legal capital surplus | 121,506 | 121,506 |
| Total capital surplus | 121,506 | 121,506 |
| Retained earnings | | |
| Legal retained earnings | 3,687 | 3,687 |
| Other retained earnings | | |
| General reserve | 35,995 | 35,995 |
| Retained earnings brought forward | 28,948 | 23,017 |
| Total retained earnings | 68,630 | 62,700 |
| Treasury shares | △357 | △330 |
| Total shareholders' equity | 235,478 | 229,574 |
| Valuation and translation adjustments | | |
| Valuation difference on available-for-sale securities | 2,665 | 3,848 |
| Total valuation and translation adjustments | 2,665 | 3,848 |
| Share acquisition rights | 6 | 0 |
| Total net assets | 238,150 | 233,423 |
| Total liabilities and net assets | 1,229,320 | 1,212,258 |

(2) Statement of Income

(Millions of yen)

| | Fiscal year ended February 29, 2024 | Fiscal year ended February 28, 2025 |
|--|--|--|
| Operating revenue | | |
| Revenue from credit card business | 54,279 | 76,971 |
| Revenue from installment sales finance business | 6 | 7 |
| Financing revenue | 1,247 | 361 |
| Guarantee fee income | 41,836 | 63,080 |
| Processing fee income | 4,059 | 5,182 |
| Business agency fee income | 8,644 | 11,499 |
| Recoveries of written off receivables | 79 | 106 |
| Financial revenue | | |
| Interest income | 1,182 | 368 |
| Total financial revenue | 1,182 | 368 |
| Other | 15,203 | 24,121 |
| Total operating revenue | 126,539 | 181,699 |
| Operating expenses | | |
| Financial expenses | | |
| Other financial expenses | 2,302 | 2,211 |
| Total financial expenses | 2,302 | 2,211 |
| Selling, general and administrative expenses | 122,548 | 173,812 |
| Total operating expenses | 124,850 | 176,023 |
| Operating profit | 1,689 | 5,675 |
| Non-operating income | | |
| Dividend income | 6,798 | 27,267 |
| Foreign exchange gains | 77 | — |
| Other | 114 | 191 |
| Total non-operating income | 6,990 | 27,459 |
| Non-operating expenses | | |
| Loss on valuation of derivatives | 214 | 320 |
| Foreign exchange losses | — | 363 |
| Other | 2 | 1 |
| Total non-operating expenses | 217 | 685 |
| Ordinary profit | 8,461 | 32,449 |
| Extraordinary income | | |
| Gain on sale of investment securities | 169 | 39 |
| Gain on extinguishment of tie-in share | 30,618 | — |
| Other | 94 | — |
| Total extraordinary income | 30,883 | 39 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 86 | 306 |
| Loss on sale of shares of subsidiaries | — | 1,454 |
| Loss on valuation of shares of subsidiaries and associates | 1,636 | 14,951 |
| Management integration expenses | 475 | — |
| Bad debt related expenses | — | 12,213 |
| Other | — | 147 |
| Total extraordinary losses | 2,198 | 29,074 |
| Profit before income taxes | 37,146 | 3,414 |
| Income taxes - current | 625 | 2,184 |
| Income taxes - deferred | 335 | △4,296 |
| Total income taxes | 960 | △2,112 |
| Profit | 36,185 | 5,526 |

(3) Statement of Changes in Equity

Fiscal year ended February 29, 2024

(Millions of yen)

| | Shareholders' equity | | | | | | |
|--|----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-----------------------------------|-------------------------|
| | Share capital | Capital surplus | | Legal retained earnings | Retained earnings | | |
| | | Legal capital surplus | Total capital surplus | | Other retained earnings | | Total retained earnings |
| | | | | | General reserve | Retained earnings brought forward | |
| Balance at beginning of period | 45,698 | 121,506 | 121,506 | 3,687 | 35,995 | 5,300 | 44,982 |
| Changes during period | | | | | | | |
| Conversion of moving strike convertible bonds | | | | | | | |
| Dividends of surplus | | | | | | △12,519 | △12,519 |
| Profit | | | | | | 36,185 | 36,185 |
| Purchase of treasury shares | | | | | | | |
| Disposal of treasury shares | | | | | | △17 | △17 |
| Net changes in items other than shareholders' equity | | | | | | | |
| Total changes during period | — | — | — | — | — | 23,648 | 23,648 |
| Balance at end of period | 45,698 | 121,506 | 121,506 | 3,687 | 35,995 | 28,948 | 68,630 |

| | Shareholders' equity | | Valuation and translation adjustments | | Share acquisition rights | Total net assets |
|--|----------------------|----------------------------|---|---|--------------------------|------------------|
| | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Total valuation and translation adjustments | | |
| Balance at beginning of period | △390 | 211,797 | 1,901 | 1,901 | 13 | 213,712 |
| Changes during period | | | | | | |
| Conversion of moving strike convertible bonds | | — | | | | — |
| Dividends of surplus | | △12,519 | | | | △12,519 |
| Profit | | 36,185 | | | | 36,185 |
| Purchase of treasury shares | △0 | △0 | | | | △0 |
| Disposal of treasury shares | 33 | 15 | | | | 15 |
| Net changes in items other than shareholders' equity | | | 763 | 763 | △7 | 756 |
| Total changes during period | 32 | 23,681 | 763 | 763 | △7 | 24,437 |
| Balance at end of period | △357 | 235,478 | 2,665 | 2,665 | 6 | 238,150 |

Fiscal year ended February 28, 2025

(Millions of yen)

| | Shareholders' equity | | | | | | |
|--|----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-----------------------------------|-------------------------|
| | Share capital | Capital surplus | | Retained earnings | | | |
| | | Legal capital surplus | Total capital surplus | Legal retained earnings | Other retained earnings | | Total retained earnings |
| | | | | | General reserve | Retained earnings brought forward | |
| Balance at beginning of period | 45,698 | 121,506 | 121,506 | 3,687 | 35,995 | 28,948 | 68,630 |
| Changes during period | | | | | | | |
| Conversion of moving strike convertible bonds | | | | | | | |
| Dividends of surplus | | | | | | △11,441 | △11,441 |
| Profit | | | | | | 5,526 | 5,526 |
| Purchase of treasury shares | | | | | | | |
| Disposal of treasury shares | | | | | | △16 | △16 |
| Net changes in items other than shareholders' equity | | | | | | | |
| Total changes during period | — | — | — | — | — | △5,930 | △5,930 |
| Balance at end of period | 45,698 | 121,506 | 121,506 | 3,687 | 35,995 | 23,017 | 62,700 |

| | Shareholders' equity | | Valuation and translation adjustments | | Share acquisition rights | Total net assets |
|--|----------------------|----------------------------|---|---|--------------------------|------------------|
| | Treasury shares | Total shareholders' equity | Valuation difference on available-for-sale securities | Total valuation and translation adjustments | | |
| Balance at beginning of period | △357 | 235,478 | 2,665 | 2,665 | 6 | 238,150 |
| Changes during period | | | | | | |
| Conversion of moving strike convertible bonds | 26 | 26 | | | | 26 |
| Dividends of surplus | | △11,441 | | | | △11,441 |
| Profit | | 5,526 | | | | 5,526 |
| Purchase of treasury shares | △0 | △0 | | | | △0 |
| Disposal of treasury shares | | △16 | | | | △16 |
| Net changes in items other than shareholders' equity | | | 1,183 | 1,183 | △5 | 1,178 |
| Total changes during period | 26 | △5,904 | 1,183 | 1,183 | △5 | △4,726 |
| Balance at end of period | △330 | 229,574 | 3,848 | 3,848 | 0 | 233,423 |

(4) Notes on the Consolidated Financial Statements
(Notes on the Going-concern Assumption) Not applicable.