



AEON Financial Service

Stock Listing : Tokyo Stock Exchange, Prime Market
Code No. : 8570

About Us (ENG)

Company Information

■ Company Information

Establishment	20 June, 1981
Consolidated Operating revenue	533.2 Bn JPY(FY2024)
Consolidated Operating profit	61.4 Bn JPY(FY2024)
Total Assets /Net Assets	7,756.4Bn JPY/ 585.7Bn JPY(FY2024)
Market capitalization / Share Price	282.5 Bn JPY/ 1,308 JPY(Oct 31, 2025)
Dividend per share/ Dividend yield	53 JPY/ 4.1%(Oct 31, 2025)
Number of Employees	15,547 (FY2024)

■ Bond Credit Ratings

Rating Institution	Rating	
	Short Term	Long Term
JCR		J-1
R&I	A-1	A(Stable)

■ Dividend Policy

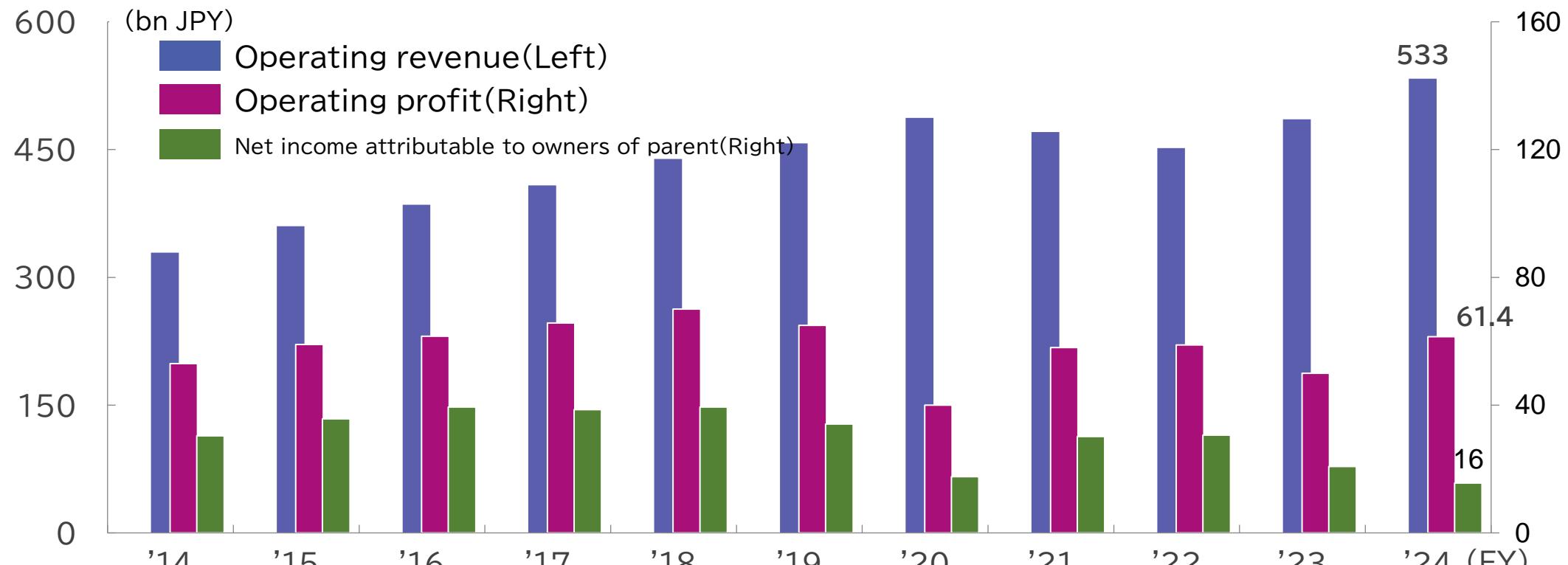
- Dividend payout ratio of 30-40%
- Stable and sustainable dividend

Consolidated Financial Results over 10 years(FY2014-FY2024)

Expanding business performance while responding to changes in the external environment.
Aiming to surpass the performance in pre-COVID-19 period as soon as possible.

External environment

- 2014:Consumption tax hike(5%→8%)
- 2016:BOJ introduced low interest rates policy
- 2019:Demo in HK & Consumption tax hike(8%→10%), COVID-19
- 2024: Transitioning to a world with interest rates



ROE	11.2	12.7	12.4	10.8	10.5	8.8	4.5	7.3	7.1	4.7	3.4
PBR	2.20	1.81	1.31	1.43	1.28	0.86	0.73	0.60	0.64	0.62	0.57

Business Segment

■ Business Segment

Domestic



Retail

Banking and insurance geared towards individual customers



Solutions

Provision of financial services for affiliated stores

Global

China area



Hong Kong

China

Mekong area



Thailand

Cambodia

Vietnam

Myanmar

Laos

Malay area



Malaysia

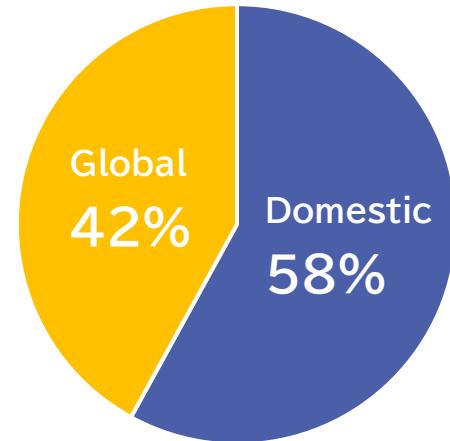
Indonesia

India

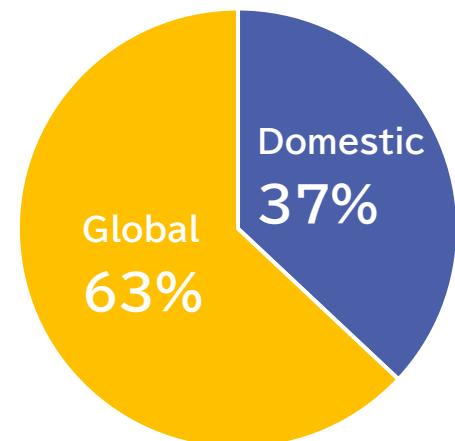
Providing financial services to individual customers and affiliated stores in each region

■ Composition of Domestic and Global

Operating revenue



Operating profit



High proportion of operating profits from Global markets with growth potential

AEON Group touch points across the country

One of the top retail groups in Japan



Number of Group employees:

About 620,000

Number of stores:

About 18,000

Number of countries:

14 countries

Touch points across the country



Card shopping transaction volume(Consolidated):

About 8 trillion yen

Number of locations:

421

Number of countries:

11 countries

Operating revenues(Consolidated)

About 10 trillion yen

Number of valid IDs(Consolidated)

55.72 million

[Domestic] Providing innovative financial services

The company has grown by offering innovative services that go beyond conventional frameworks, such as issuing the industry's first gold card with no annual fee and introducing credit card payments at food counters that do not require signatures.



In 1991

Industry's first signature-less payment at food counters



In 2003

Industry's first gold card with no annual fees



In 2007

A bank you can stop by while shopping open 365 days a year

[Domestic] Number of valid domestic IDs (FY2020~FY2024)

Expanding the number of cardholders by offering no annual membership fee as well as preferential points and discounts at AEON group stores.

Number of valid domestic IDs

(Unit : million people)

40

36.15 mn ppl
(Difference from
beginning of term
+2.09million)

30

0

2020

2021

2022

2023

2024



No. of active domestic cardholders /utilization rate

(Valid)27.00
(Active)19.00

■ No. of valid cardholders
■ No. of active cardholders

26.16million
(compared to
previous FY+0.32)

70.0%

68.0%

66.0%

64.0%

62.0%

60.0%

58.0%

56.0%

54.0%

52.0%

50.0%

48.0%

46.0%

44.0%

42.0%

0

2020

2021

2022

2023

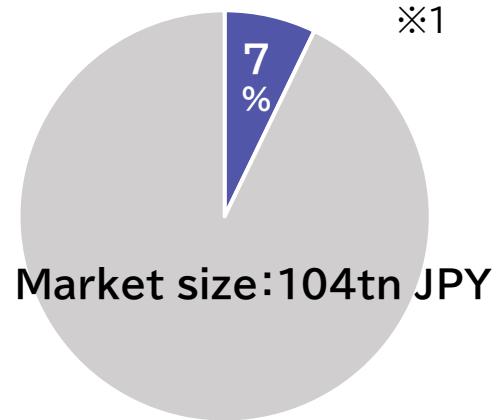
2024

※ "No. of active cardholders" means the number of cardholders who have used their cards at least once within the previous 12 months.

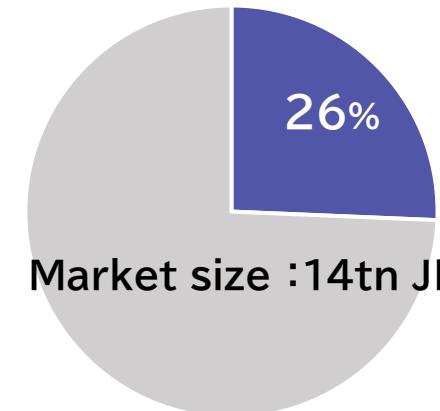
[Domestic] Market Share of Payment Business

《Market Share》

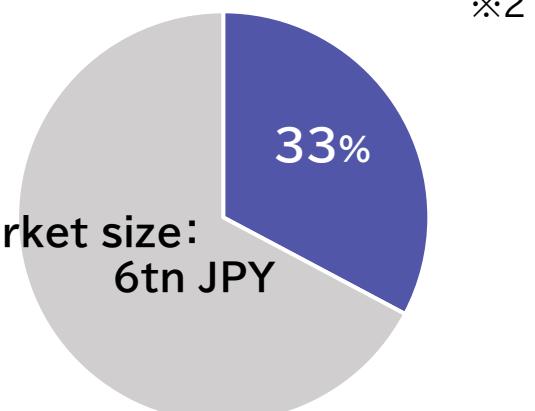
Card shopping transactions



Card cashing transactions



E-money transactions

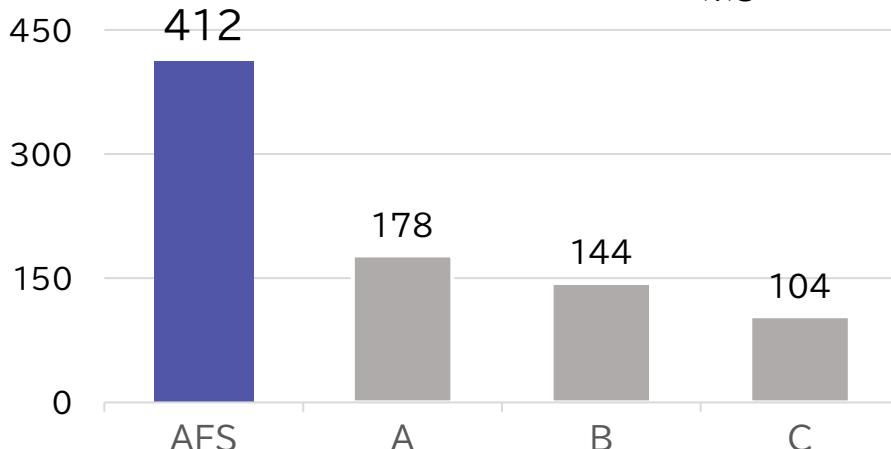


《Balance of receivable》

(bn JPY)

Cash advance

※3



(bn JPY)

Credit purchase

※3

750

500

250

0

641

453

346

327

311

D

E

F

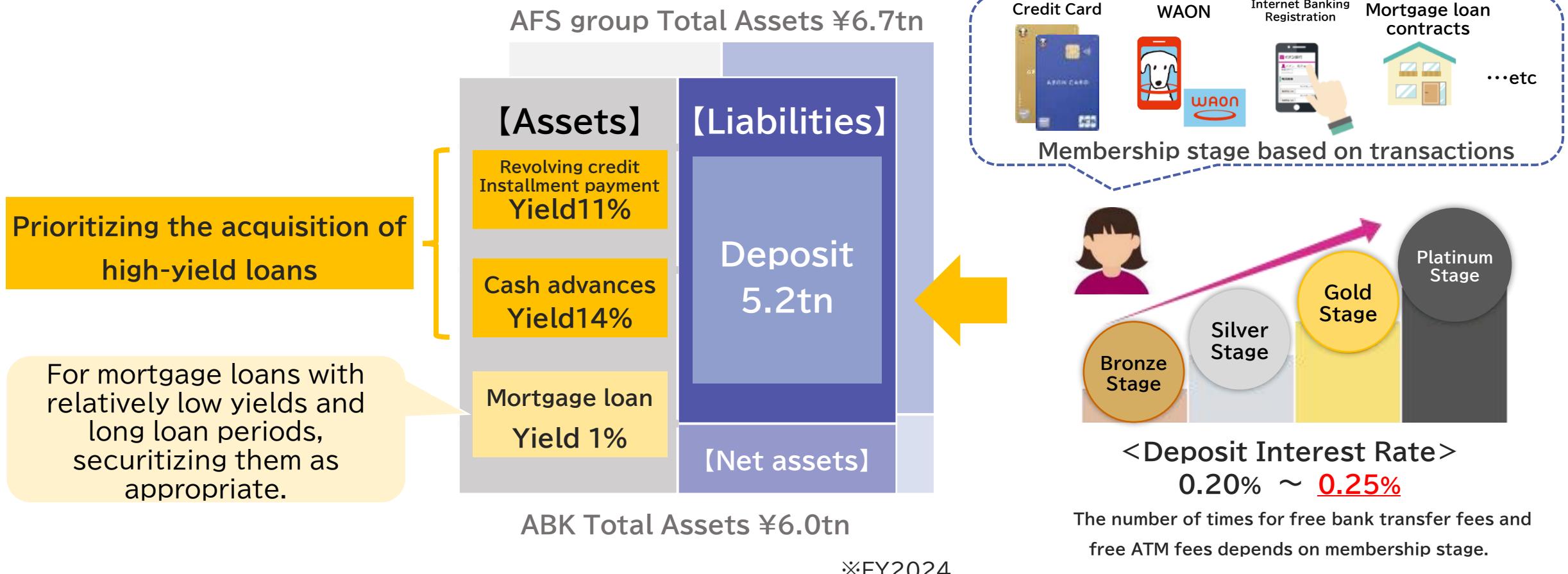
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AFS

[Domestic] Unique advantages due to owning a bank

Low-interest funding cost allows for high yields.

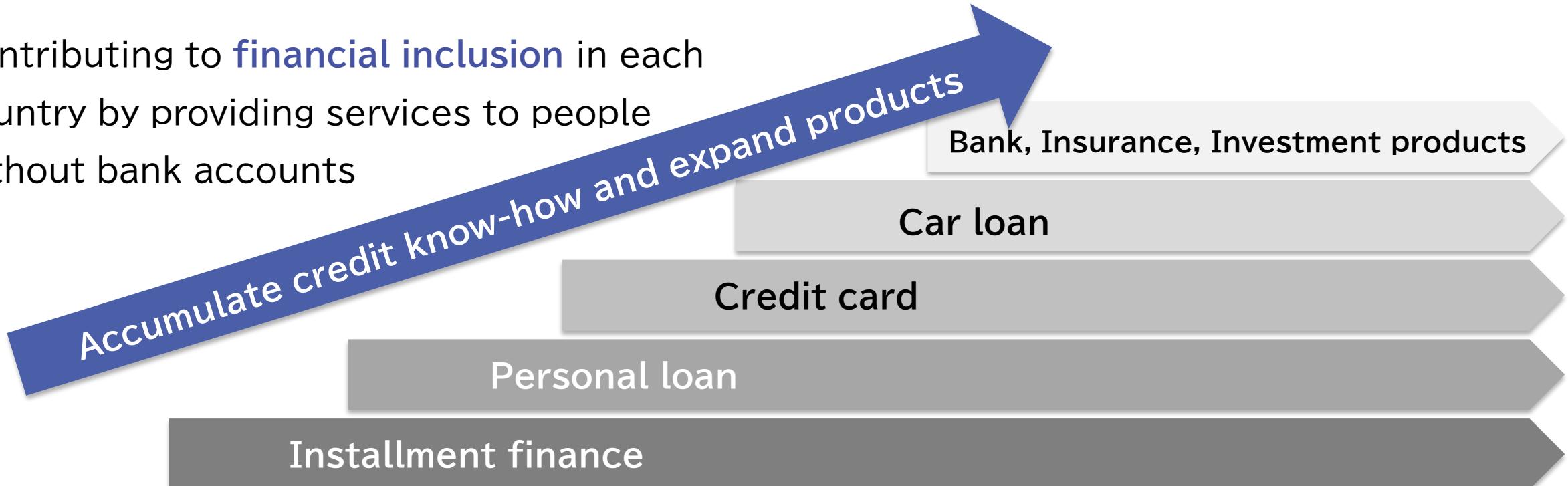
Offering customers high interest rates on savings accounts depending on transactions.



[Global] History of Overseas Expansion and Business Models

History	1980s	1990s	2000s	2010s	2020s
	<ul style="list-style-type: none">• 1987 Hong Kong	<ul style="list-style-type: none">• 1992 Thailand	<ul style="list-style-type: none">• 2000 China• 1996 Malaysia• 2006 Indonesia• 2008 The PhilippinesVietnam	<ul style="list-style-type: none">• 2011 IndiaCambodia• 2012 LaosMyanmar	<ul style="list-style-type: none">• 2024 Opening of a digital bank in Malaysia <p><i>*Country's first Islamic digital bank</i></p>

Contributing to **financial inclusion** in each country by providing services to people without bank accounts

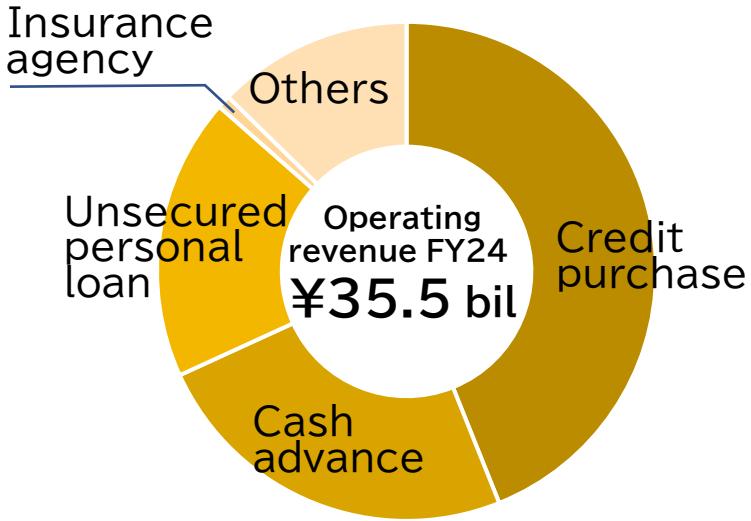


Business operation of each area

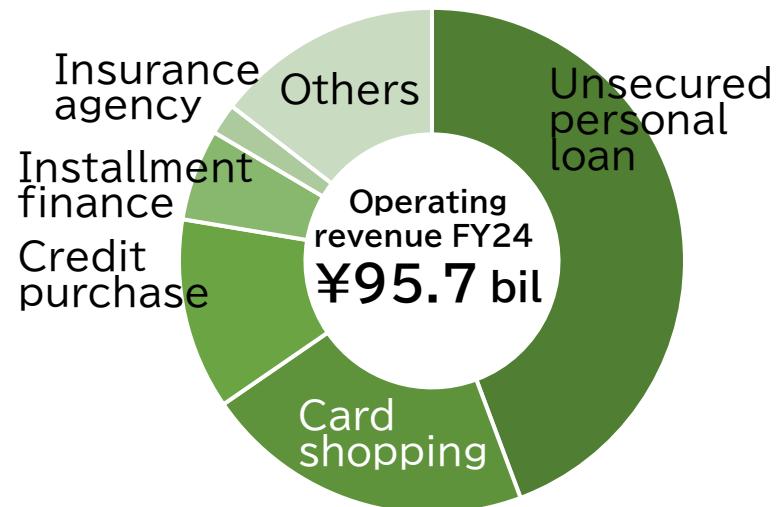
	Domestic	Mekong area					Malay area				China area	
	Japan	Thailand	Cambodia	Vietnam	Myanmar	Laos	Malaysia	The Philippines	Indonesia	India	Hong Kong	China
● now available												
■ in preparation												
AEON Group stores	●	●	●	●	●		●	●	●	●	●	●
Credit card	●	●	●	■			●		●		●	
Bank	●						●					
E-money (Prepaid)	●		●	■			●				■	
Installment finance	●	●	●	●	●	●	●		●	●		●
Personal loan	●	●	●	●	●		●			●	●	●
Insurance agency	●	●		●			●			●	●	●
Servicer (Third party's finance receivable)	●	●										●
Shared points system			●				●				■	
BNPL								●				
System								●				

[Global] Feature of Global Business

■ China Area



■ Mekong Area



Offering financing mainly through credit cards in Hong Kong.

Operating Country



Hong Kong

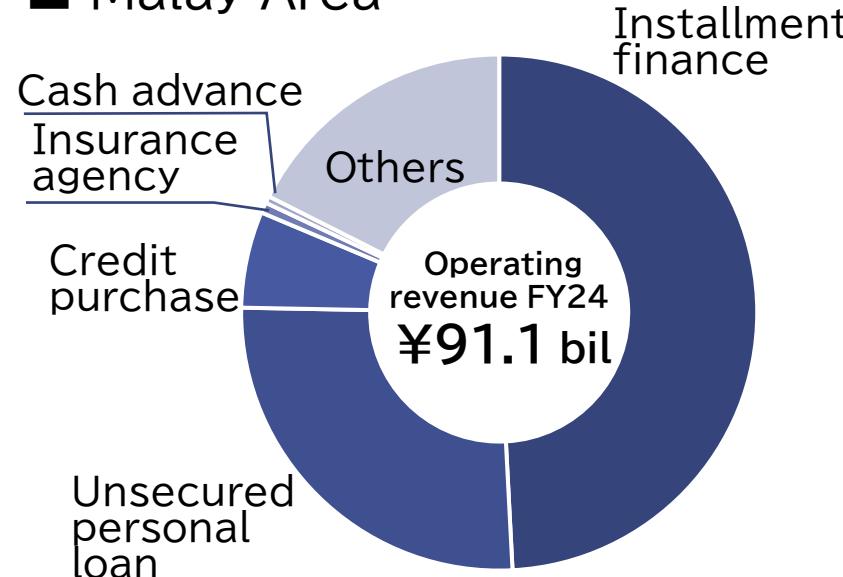


China



Thailand Cambodia Vietnam Myanmar Laos

■ Malay Area



Mainly installment sales for motorcycles, which have the largest market share in Malaysia

Operating Country



Malaysia The Philippines Indonesia India

[Global] China Area – Business in Hong Kong

In addition to collaboration with local AEON retailers, issue credit cards with benefits for use in Japan. Integrated the code payment “UnionPay QR” offered by UnionPay International into ACSA’s smartphone app.

《Collaboration with Aeon Stores Hong Kong》



《Dealing with tourists traveling to China and Japan》



Provides credit cards for tourists visiting Japan and the code payment “UnionPay QR” for tourists visiting China.

[Global] Mekong Area – Business in Thailand

- Personal loan and credit card and business are both among the top 3 local non-banks.

《Examples of alliances with local companies》



Credit card with mileage function



Credit card with IC ticket function



Credit card with discount shopping



《Digitalization》



"Next Gen" fully digitalized credit card issued via ATS smartphone app.

[Global] Malay Area – Business in Malaysia

- Largest local non-bank with No.1 share in motorcycle loan business (Approx. 30% of newly registered vehicles).
- Full online application process, eliminating the need to visit a branch and making it available to customers away from the branch.

《Collaboration with dealer》



《Digitization of the application process》

Before



Online application



Verification by visiting the store



After



Online application



•Online verification
•Temporary credit

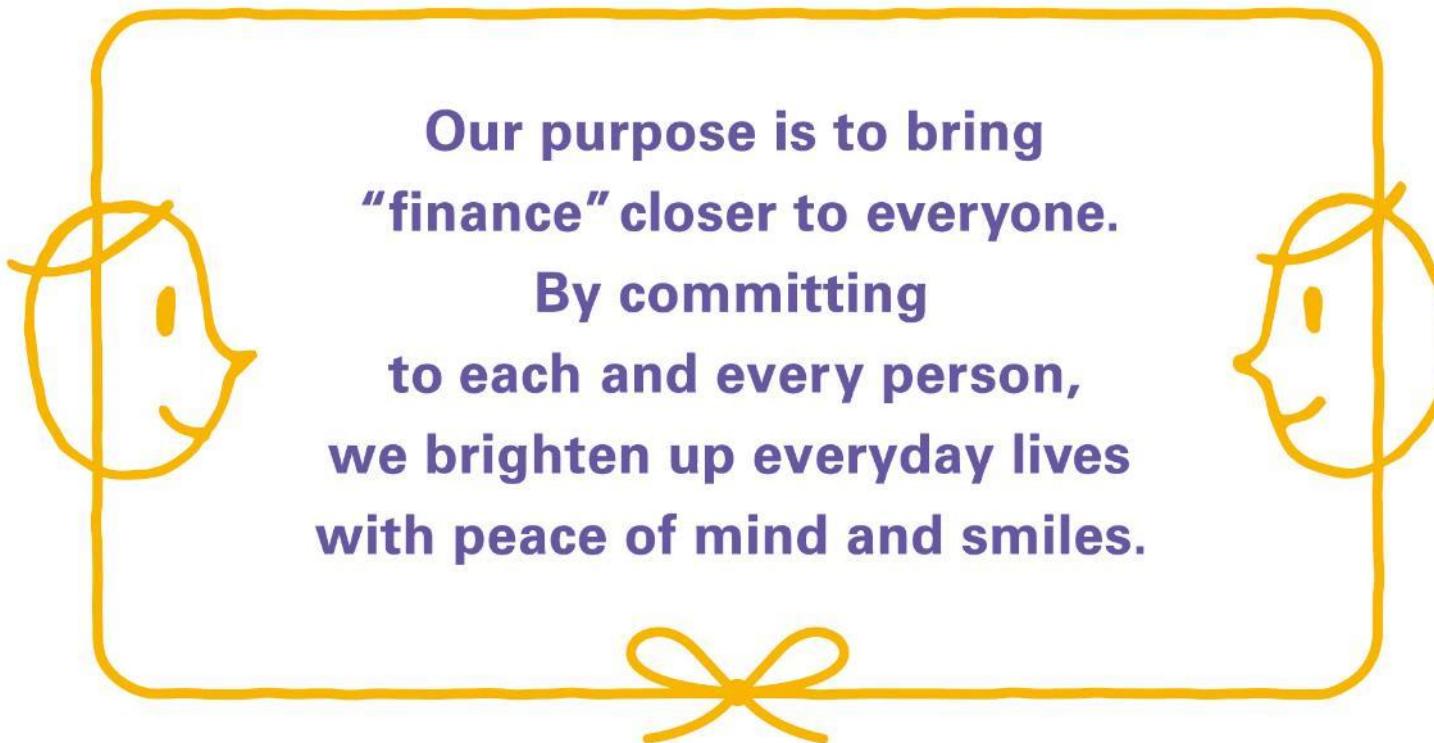


Signing at the store



Digital signature

Our Purpose



**Our purpose is to bring
“finance” closer to everyone.
By committing
to each and every person,
we brighten up everyday lives
with peace of mind and smiles.**

- Common decision-making policy of AFS Group to maximize the value provided to customers and enhance corporate value

Our Purpose QR code



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

Includes background on the formulation of the Purpose and the thoughts behind the Purpose.

AFS Sustainability Policy and Materiality Map

Established our "Sustainability Policy" in November 2021.

Identified four material issues and set 2030 targets for each.

Contributing to peace through the creation of a sustainable society			Initiatives	Key Indicators (2030)	
Human Rights	Pursuing happiness through innovative financial services	<p>We are committed to enriching the lives and happiness of our customers by providing safe, secure, and innovative financial services, by building an infrastructure that enables access to financial services for everyone, and by promoting the improvement of financial literacy.</p> 	<ul style="list-style-type: none"> Customer Responsibility Financial Inclusion and Financial Education Technological Innovation Sustainable Finance Contribution to Local Communities 	<ul style="list-style-type: none"> Providing a safe, secure, and accessible financial infrastructure Promoting DX to Improve Customer Experience Contributing to the development of local communities through financial services. Enriching the lives of customers, business partners, and employees through financial education. Managing and procuring funds in consideration of social and environmental changes 	<ul style="list-style-type: none"> Digital provision of all financial products and services, along with continuous updates of security measures ensures that customers can feel safe using them. Provision of payment services that are borderless in the countries where we operate. Developing and securing human resources for DX promotion Promoting financial inclusion initiatives Cooperation with communities and local areas Support for disaster measures using financial services Total number of participants in the financial education program: 500,000 Domestic: 350,000 Overseas: 150,000 Consideration of sustainable investment and loan policies Implementing sustainable finance
	Exerting diversity and the potential of our people	<p>We are committed to achieving our goals as a team by respecting the humanity and diversity of our employees and by creating a work environment where everyone feels fulfilled and where individual abilities are maximized.</p> 	<ul style="list-style-type: none"> Diversity & Inclusion Securing and Maintaining Human Resources/Human Resources Development Labor Practice Occupational Health and Safety 	<p>Respecting the diversity of employees and creating a flexible and rewarding work environment.</p>	<ul style="list-style-type: none"> Percentage of managerial positions filled by women Directors: 30%; Divisional heads and higher : 30% (Domestic) Employment rate of persons with disabilities: 3% (Domestic) PRIDE Index Recognition (Domestic) Rate of male employees taking childcare leave: 100% (Domestic) Enhancement of employee training Improvement in employee engagement
Establishing organizational resilience		<p>We are committed to developing highly ethical and disciplined human resources and enabling quick and flexible decision-making by transferring authority to frontline operations.</p> <p>We are also committed to evolving our governance structure and building a strong corporate culture through the supervisory function exercised by the Board of Directors, risk management throughout the value chain, and business management enhancement.</p> 	<ul style="list-style-type: none"> Corporate Ethics and Compliance Information Security Corporate Governance Risk Management Business Model Resilience Supply Chain Management Stakeholder Engagement 	<p>Building a governance structure that improves stakeholder trust</p>	<ul style="list-style-type: none"> Compliance with laws and regulations Number of operation suspensions due to incidents Consideration of the inclusion of sustainability indicators into officer compensation Improvement in external ESG rating assessment In times of business crisis, such as during a natural disaster, a prompt and appropriate response is necessary for minimizing damage, ensuring business continuity, and facilitating early recovery (BCP). Fostering governance awareness
Addressing climate change		<p>We aim to solve global issues by working toward decarbonization together with our customers and local communities through the products and services that the Group provides, transforming our business model, and effectively using resources in our business activities.</p> 	<ul style="list-style-type: none"> Response to Climate Change Effective Use of Resources 	<p>Providing financial services that contribute to a decarbonized society</p>	<ul style="list-style-type: none"> Addressing climate change Promotion of sustainability activities for environmental conservation Reduction of greenhouse gas emissions by promoting energy conservation Provision of environmentally responsible products and services

Materiality1: Pursuing happiness through innovative financial services

Initiatives

Contributing to the development of local communities through financial services

《Business Growth through Financial Inclusion》



Providing motorcycle financing to help people get the means of transportation to work in the city since the establishment of the company in Malaysia

Initiatives

Enriching the lives of customers, business partners, and employees through financial education

《Financial Education and Experience Events》



Financial education for children from preschool to university students to ensure correct and convenient use of cashless payments

Materiality1: Pursuing happiness through innovative financial services

Initiatives

Managing and procuring funds in consideration of social and environmental changes

『Issuance of sustainability-linked loans overseas (Hong Kong and Malaysia)』

Hong Kong (started 2022)



Financial institution

Financing



Report on progress

Rate



Rating agency

<Sustainability Targets(a part)>

Reduction of power consumption

Reduction of use of copy paper

Grant of Incentives to Students

Time spent on employee training

Incentives for interest rates and other borrowing conditions to achieve established goals

Materiality2: Exerting diversity and the potential of our people

Initiatives

Promotion of Health and Productivity Management

We have established the Health and Productivity Management Declaration and are promoting health management with the aim of ensuring that employees and their families are physically and mentally healthy and that human resources who continue to grow can continue to work for a long time.

Aeon Health Management Declaration

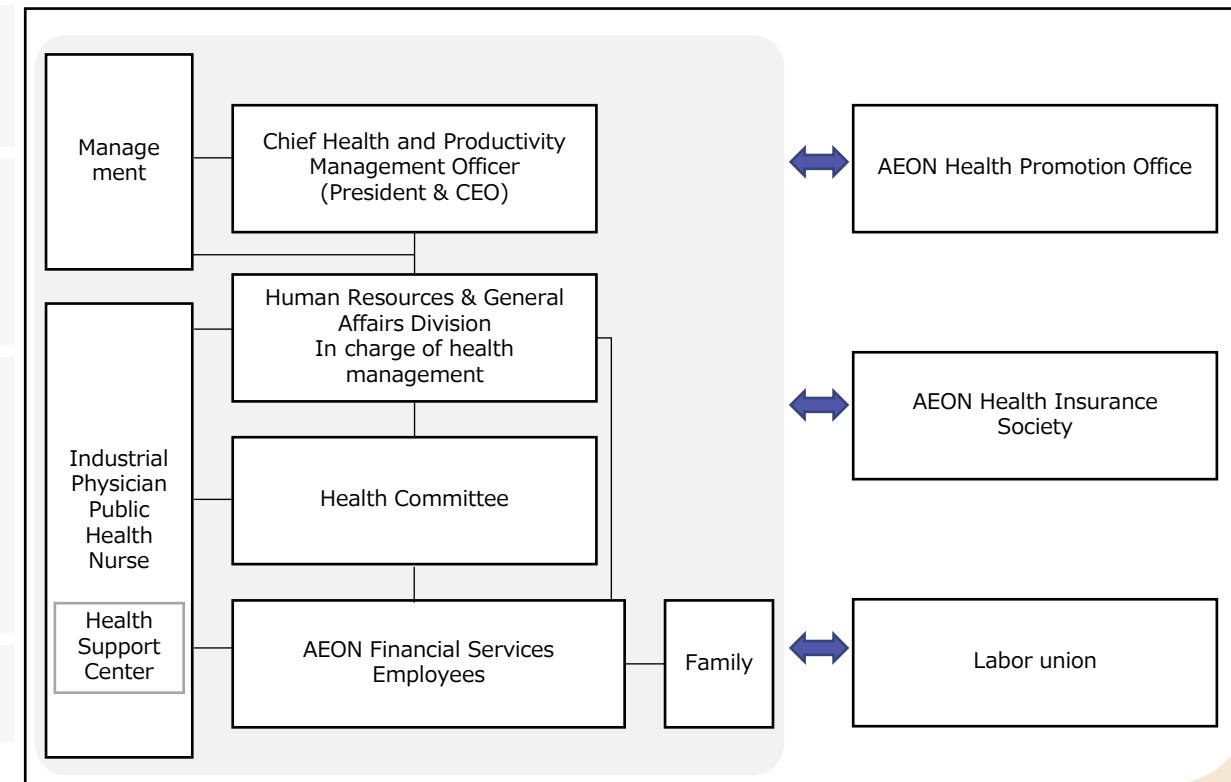
Aeon supports the health of employees and their families.

Together with our employees, we will realize the health and happiness of the local community.

Four Action Guidelines

- ① We will strive to prevent diseases through health checkups and follow-ups based on the results of health checkups.
- ② We will strive to promote mental health through the four types of care (care by oneself, care by superiors, care by occupational health staff in the workplace, and care through external functions).
- ③ We will comply with the action guidelines of the Declaration of the Eradication of Long Working Hours and the Declaration of the Eradication of Harassment, and strive to foster a psychologically safe and secure organizational culture and a vibrant workplace.
- ④ Through our products and services, we contribute to the health of our customers and local communities.

Promotion System



Materiality3: Establishing organizational resilience

Initiatives

Building a governance structure that improves stakeholder trust

« History of Corporate Governance »

2022	<ul style="list-style-type: none">Established Transaction-Judging Committee (entirely made up of independent directors)
2021	<ul style="list-style-type: none">Assigned independent director as chairperson of the Nomination and Compensation Committee
2019	<ul style="list-style-type: none">Introduced executive officer systemAssigned additional independent directorRatio of independent directors increased to one-third
2018	<ul style="list-style-type: none">Nomination and Compensation Committee establishedFormulated Corporate Governance Guidelines
2017	<ul style="list-style-type: none">Assigned additional independent director
2015	<ul style="list-style-type: none">Established Management Policy CommitteeAssigned independent directors and external corporate auditors
2014	<ul style="list-style-type: none">Established Internal Control Committee

Members (Director/ Auditors)

	Director	Auditor
Number of member	11	4
independent director	4 (female:1)	3 (female:1)
Independent	4 (female:1)	2 (female:1)

Materiality4:Addressing climate change／ External ESG rating

Initiatives

Task Force on Climate-related Financial Disclosures(TCFD)

- Based on the TCFD framework, disclosed assessments and targets for the impact of climate change on the Group's businesses



■ Governance System

The Company's sustainability enforcement system

■ Strategy

Analyze risks and opportunities associated with climate change by scenario

■ Risk Management

Risk management process

■ Metrics and Goals

Main climate-related indicators and GHG emissions in the Group

External ESG evaluation and index inclusion status

- Promote ESG initiatives in Japan and overseas, aiming to enhance external evaluations and to be included in major ESG indices

2025 CONSTITUENT MSCI日本株 女性活躍指数 (WIN)



FTSE Blossom Japan Sector Relative Index



<Overseas ESG evaluations(examples)>

■ AEON Credit Service (Malaysia)

MSCI ESG Rating : AA

■ AEON Thana Sinsap (Thailand)

MSCI ESG Rating : A



Medium-Term business plan and Dividend Policy

Positioning of the mid-term management plan “Second Foundation: Value Chain Innovation and Network Creation”

Our Purpose

Our purpose is to bring “finance” closer to everyone. By committing to each and every person, we brighten up everyday lives with peace of mind and smiles.

~FY2020
Expansion Phase

FY2021~2025
Transformation Phase

FY2026~
Growth phase

The Goal
for 2030

The Second Foundation

Value Chain Innovation and Network Creation

- ✓ Expansion of membership
- ✓ Comprehensive financing of Domestic Business (Commencement of banking and insurance business)
- ✓ Expansion of Overseas Countries

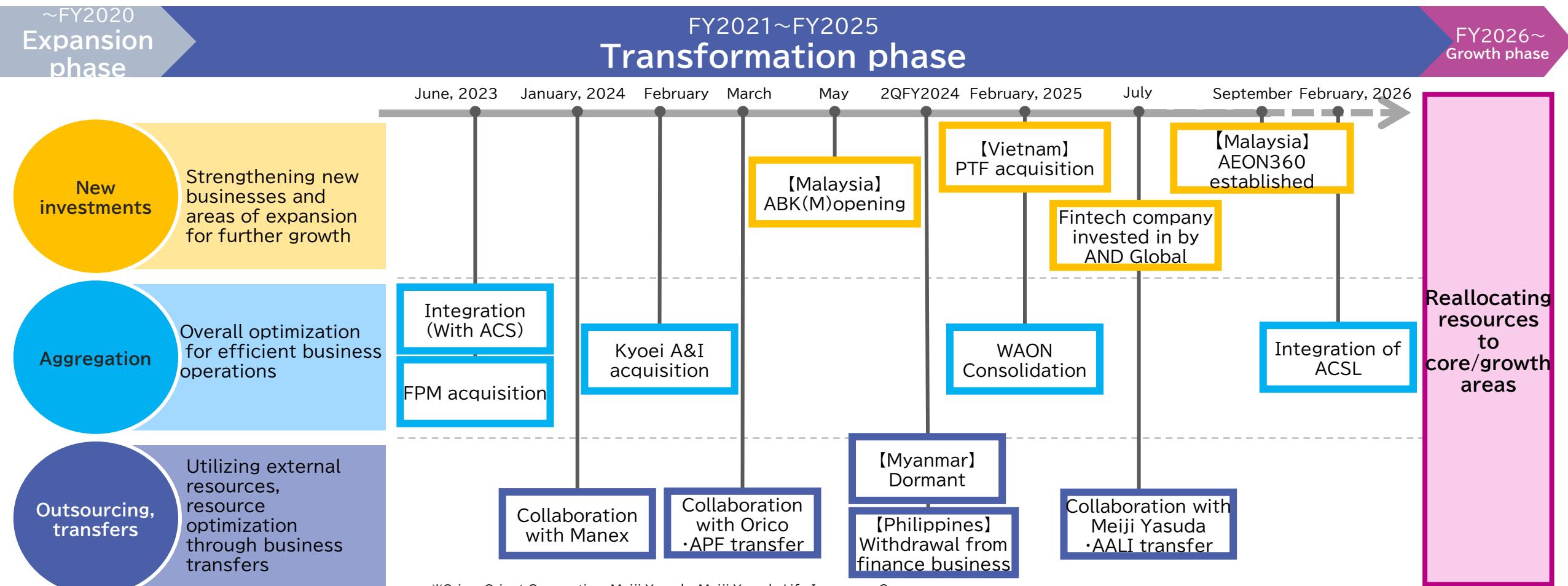
- ✓ Reviewing the portfolio in response to changes in the business environment
- ✓ Creation of new business models utilizing digital technology
- ✓ Strengthening infrastructure for the creation of an AEON Living Zone
- ✓ Strengthening the use of banks in response to changes in monetary policy

- ✓ Provision of financial services rooted in each region in overseas expansion countries, mainly in Asia
- ✓ To be a company that supports the lives of each and every one of our customers by resolving their inconveniences

A global company with close ties to the community that “brings finance closer to everyone”

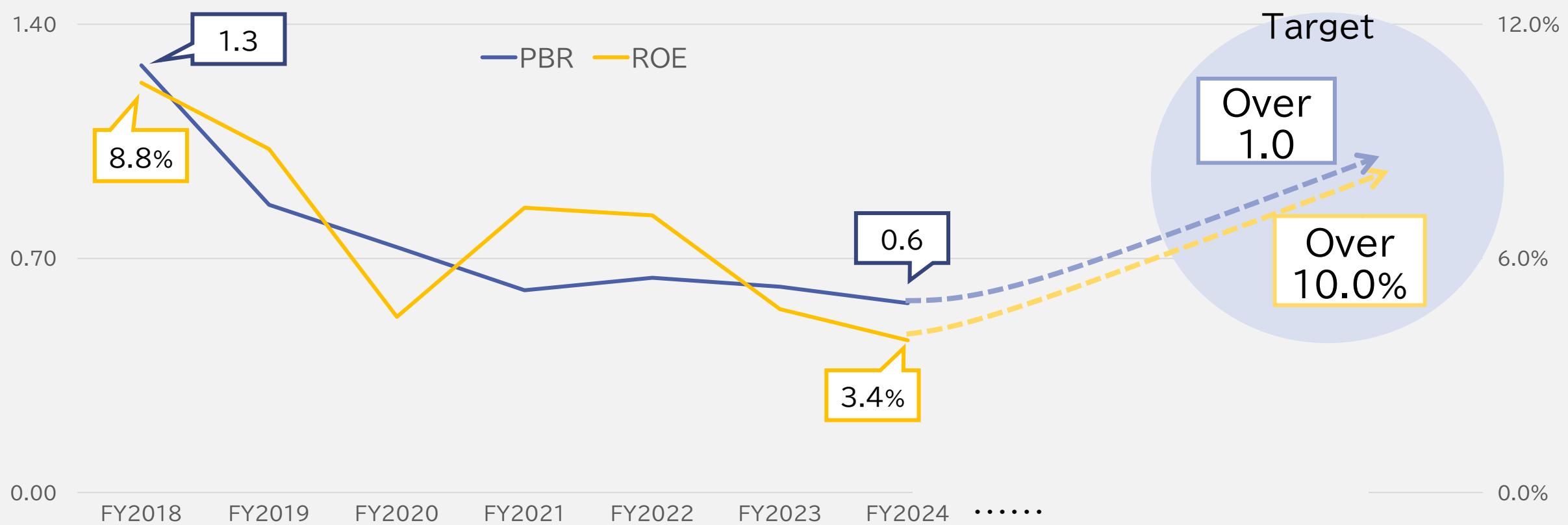
[Review of the business portfolio] Efforts so far

- Accelerating the review of our domestic and international business portfolio to achieve further growth
- **【Malaysia】** Establishing a new data marketing company that integrates retail with shared ID and AI



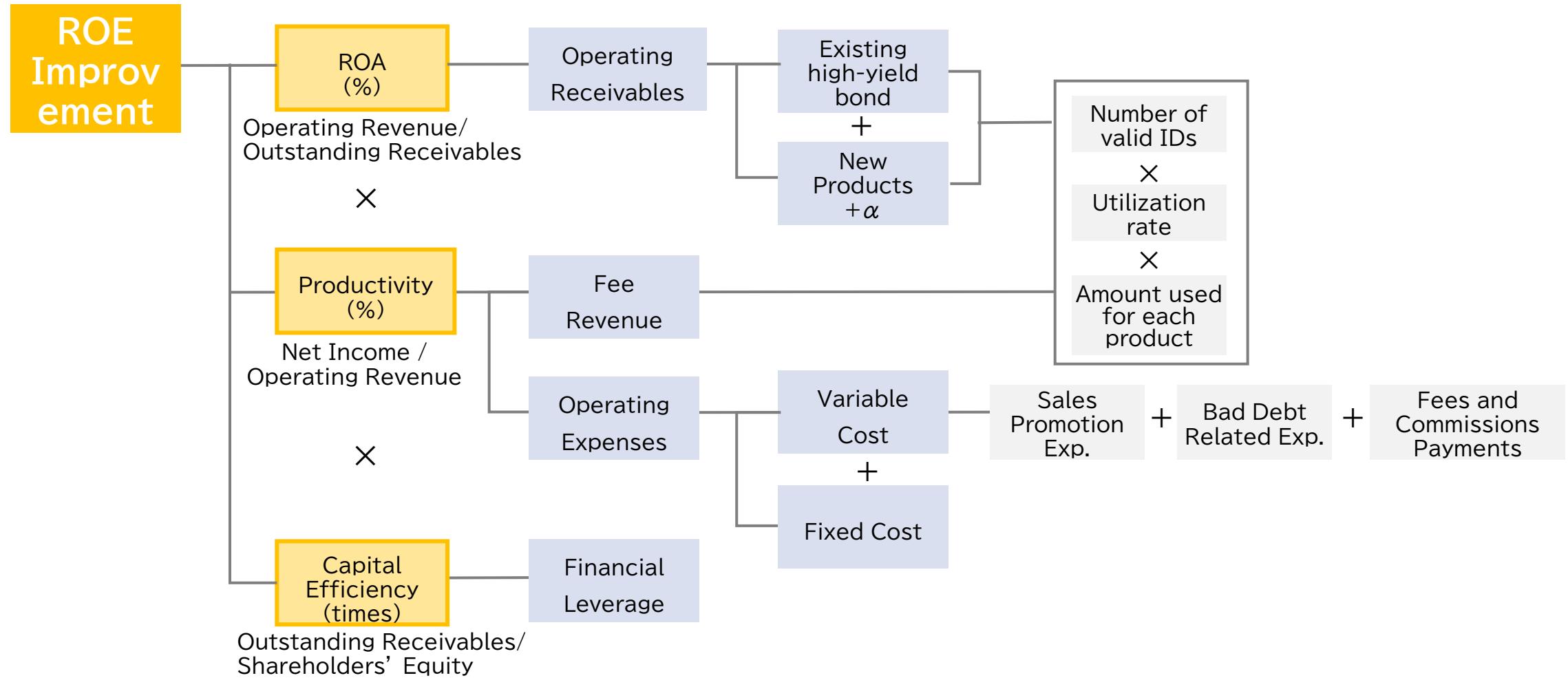
Recognition of current status and establishment of management indicators

- ROE and PBR have declined since the pandemic, slowing recovery.
- Aim to achieve and maintain ROE of 10% or more above cost of capital, with ROE and PBR as management indicators.



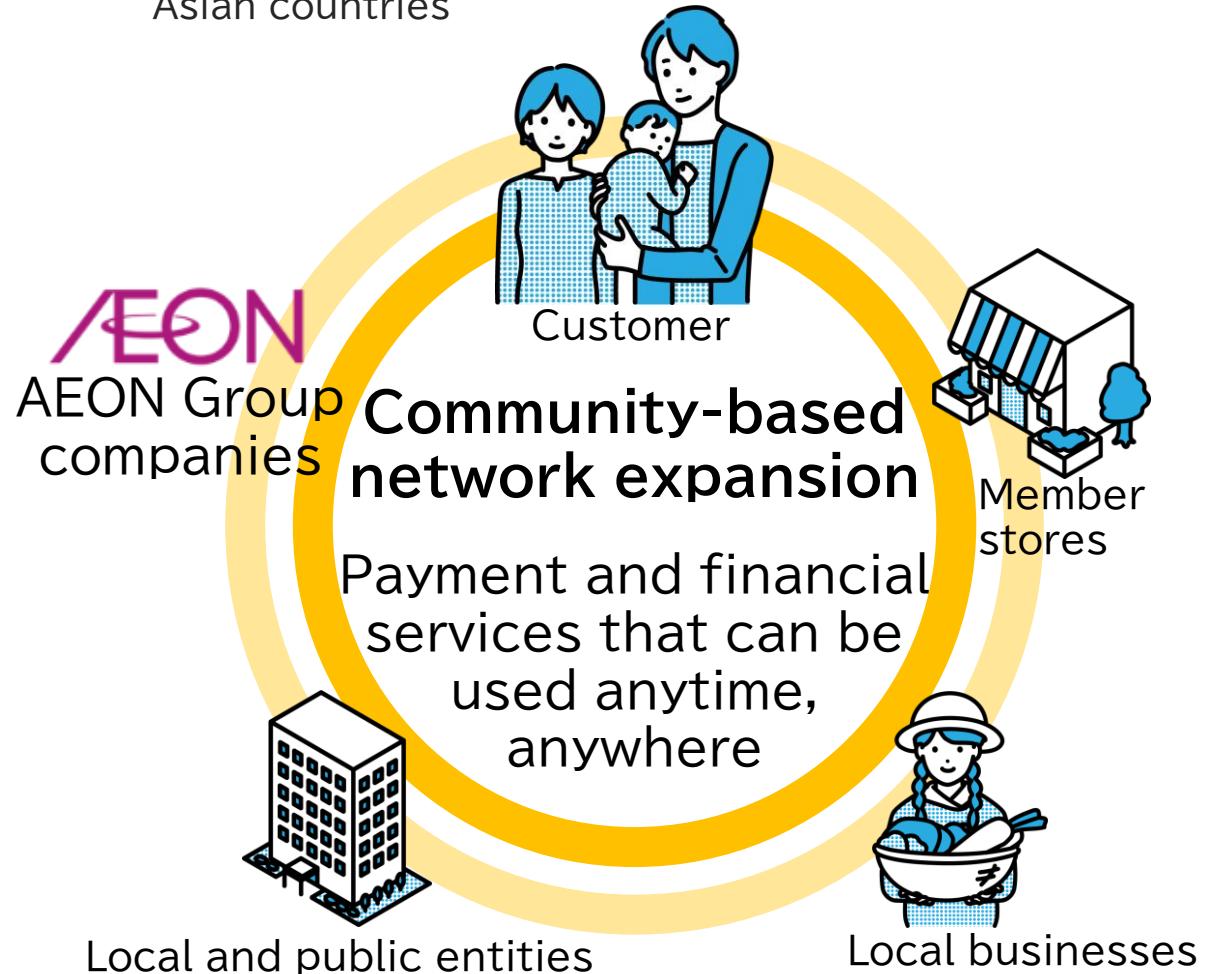
Approach to ROE Improvement

The basic policy will be to build up the balance of operating receivables toward improving “return on assets” and to expand revenue from fees toward improving “productivity.



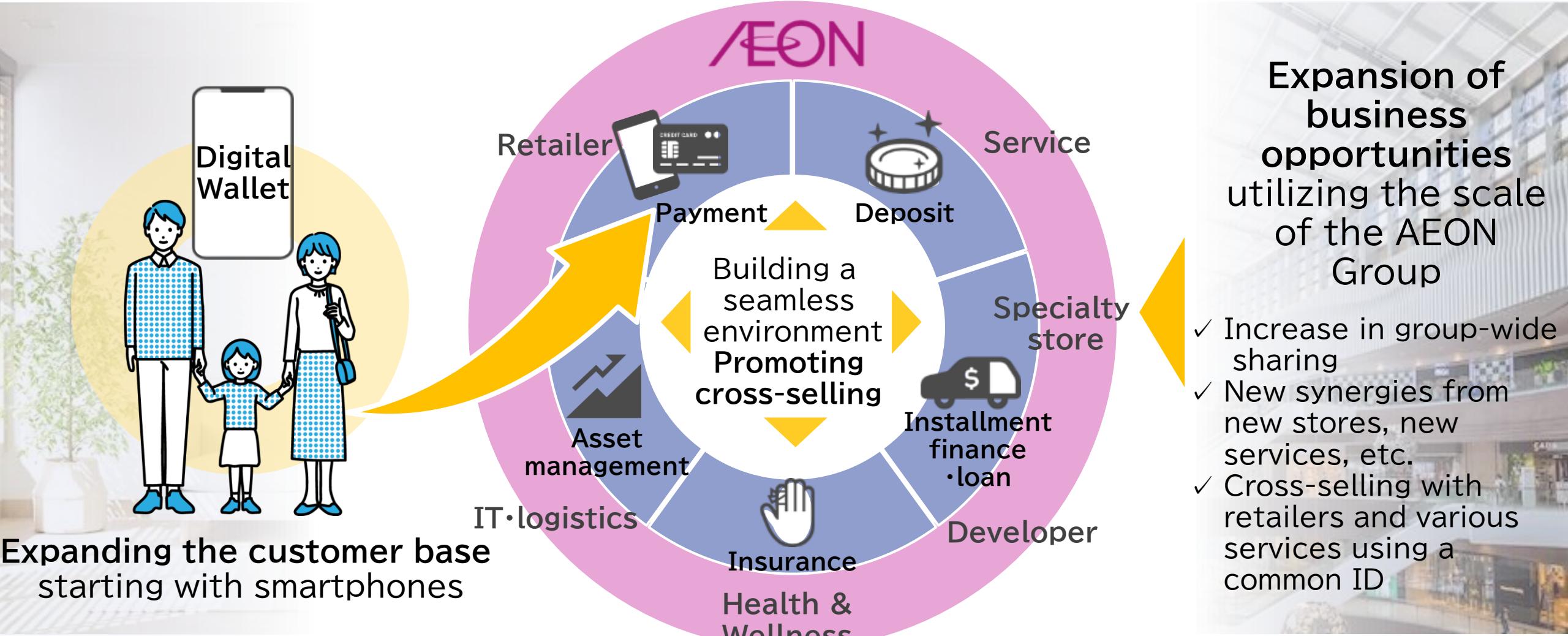
Expansion of AEON Living Zone

- To be an infrastructure that connects communities, member stores, and business partners by providing financial services that are rooted in the community in each country where we operate
- Build an AEON Living Zone that creates a borderless customer experience through collaboration in Japan and other Asian countries



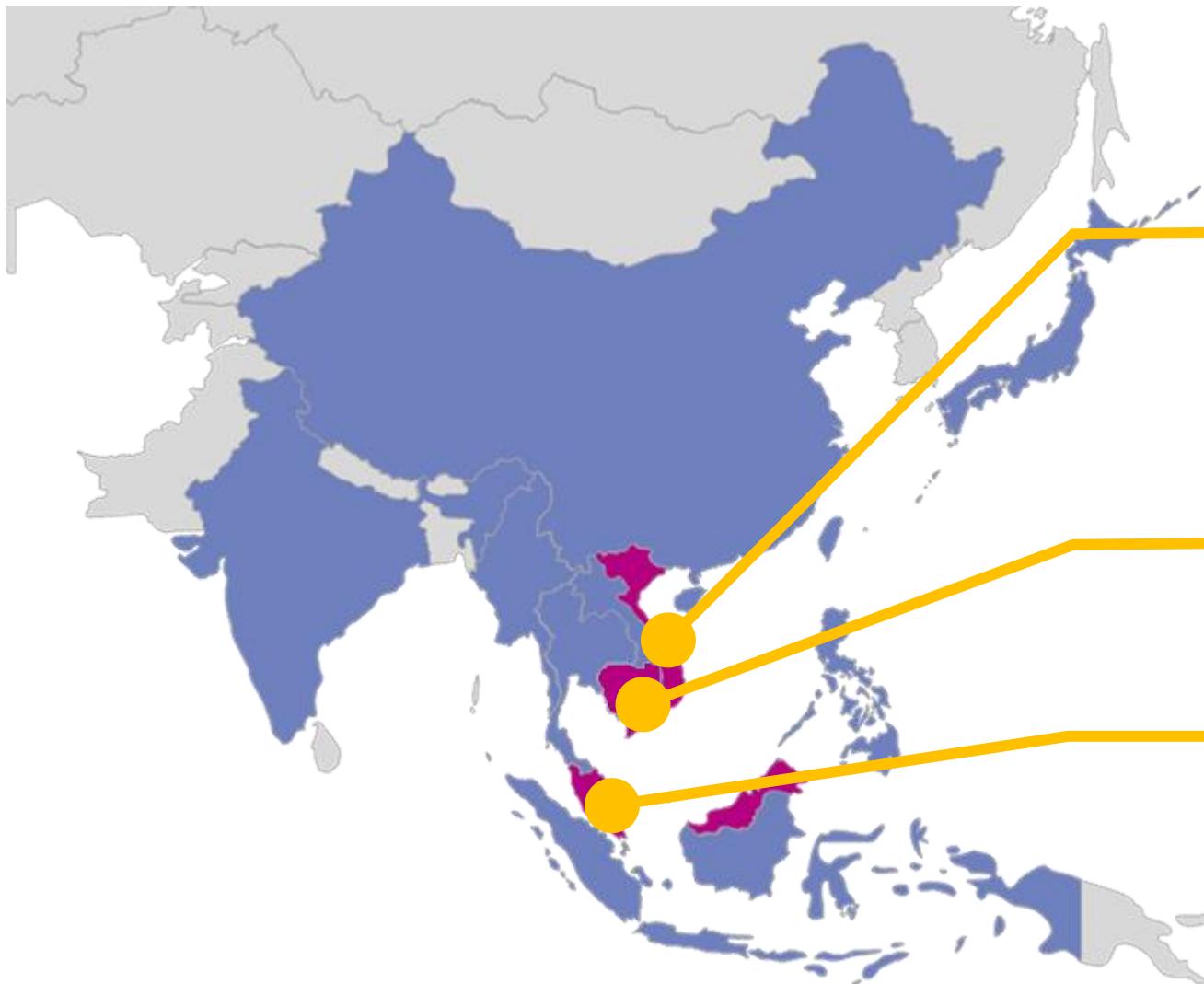
Building touchpoints starting with a digital wallet (smartphone)

- Starting with the familiar point of contact of the digital wallet (smartphone app), we will expand our customer base and promote cross-selling of various financial services by creating a seamless usage environment



[Global] Business development in new business and new areas

- In our overseas operations, we will pursue further growth through M&A and new business ventures.



Vietnam (Consumer finance business, including personal loans)

Business expansion through M&A in the Aeon Group's most focused countries

Cambodia (Credit card and other payment business)

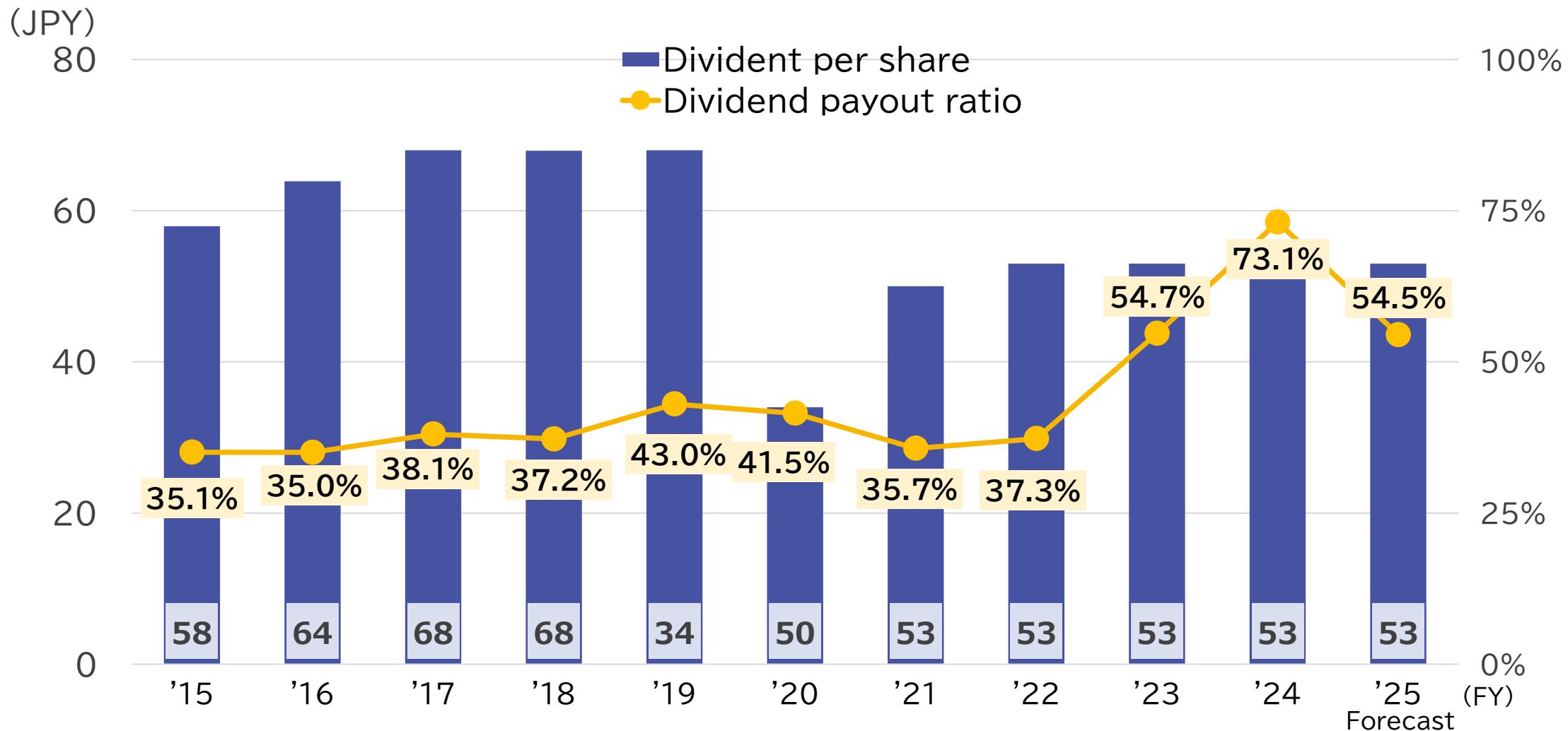
Expanding payments linked to "Bakong" the digital currency issued by the central bank

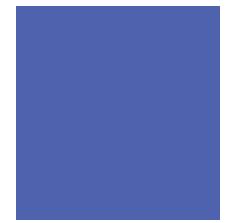
Malaysia (New business)

Launching a digital bank and expanding cross-selling through joint ventures with retailers

Dividends and Dividend Payout Ratio

- Based on the dividend policy (a stable and sustainable dividend with a payout ratio of approximately 30-40%), we plan to pay an annual dividend of 53 yen in FY2025.





Appendix

APPENDIX / Our History

1981	Company established (as Nihon Credit Service Co., Ltd.)
1987	A branch opened in Hong Kong, marking commencement of overseas operations
1992	A subsidiary established in Thailand
1996	Listed on TSE 2nd Section / A subsidiary established in Malaysia
1998	Listed on TSE 1st Section
2003	AEON gold card issued as a first credit card company in Japan without annual membership fee
2007	AEON Bank established
2009	Commenced issuing “AEON Card Select” that combines cash card and WAON
2013	Management integrated with AEON Bank to be a bank holding company Company name changed to AEON Financial Service Co., Ltd.
2016	AEON Card official app “AEON Wallet” service started
2019	AEON Financial Service Co., Ltd. changed from a bank holding company to a business company
2021	AEON’s official app “iAEON” equipped with code payment function “AEON Pay”
2023	AEON Credit Service Co., Ltd. Merges into AEON Financial Service Co., Ltd. FeliCa Pocket Marketing Inc. becomes a consolidated subsidiary
2024	Opening Malaysia’s First Digital Bank Using Islamic Financial Method
2025	Acquisition of equity stake in PTF, a finance company operating in Vietnam

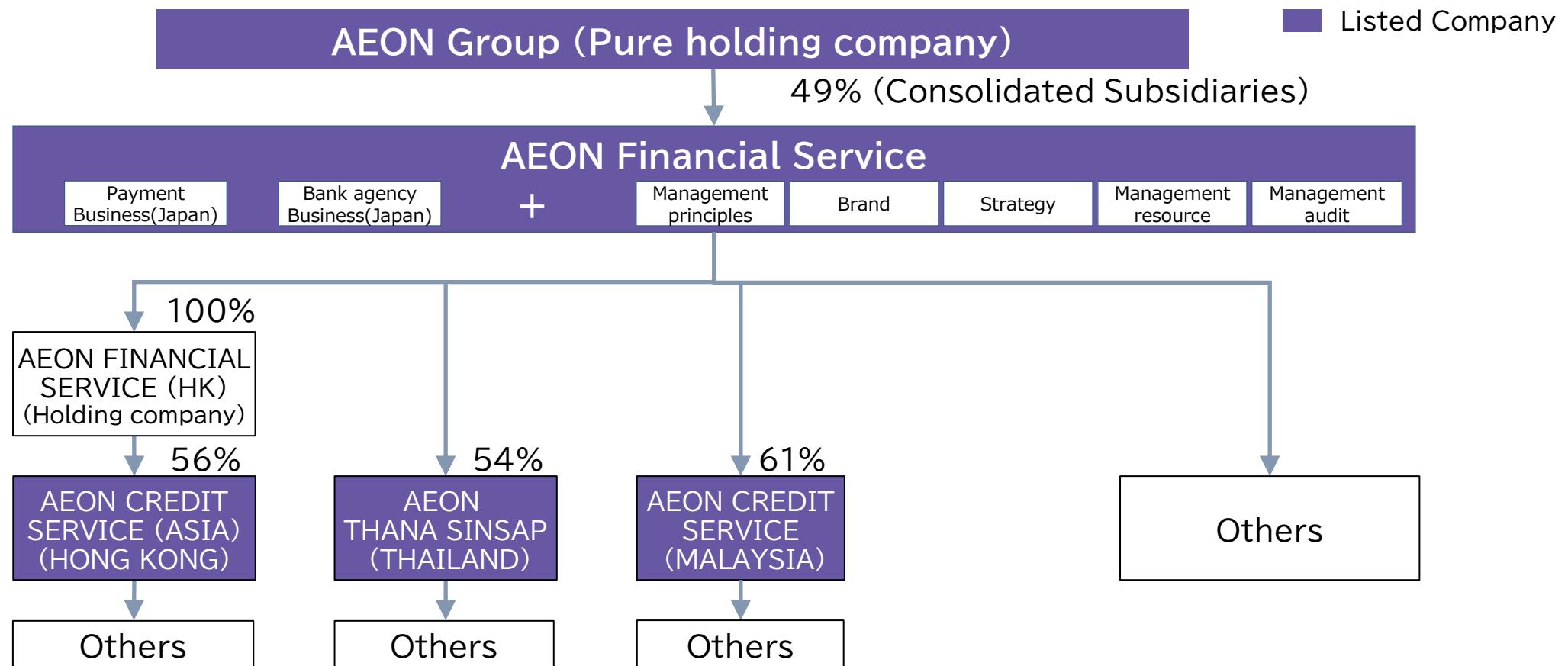
APPENDIX / Financial Highlights

		'14	'15	'16	'17	'18	'19	'20	'21	'22	'23	'24
Operating revenue (*1)	Bil JPY	3,290	3,596	3,751	4,079	4,390	4,572	4,873	4,706	4,517	4,856	5,332
Operating profit (*1)	Bil JPY	530	593	616	657	701	650	406	588	588	500	614
Operating profit ratio (*1)	%	16.1	16.5	16.4	16.1	16.0	14.2	8.3	12.5	13.0	10.3	11.5
Profit attributable to owners of parent	Bil JPY	304	357	394	386	394	341	176	302	306	208	156
Return on equity	%	11.2	12.7	12.4	10.8	10.5	8.8	4.5	7.3	7.1	4.7	3.4
Return on assets	%	1.6	1.6	1.6	1.5	1.4	1.2	0.7	1.0	1.0	0.8	0.9
Equity ratio (*2)	%	8.1	7.4	8.5	8.3	7.3	6.8	6.6	6.8	6.5	6.6	5.9
Book value per share	JPY	1,377	1,465	1,604	1,714	1,764	1,823	1,860	1,965	2,014	2,123	2,136
Earnings per share	JPY	152.04	180.00	183.96	170.02	173.20	154.15	81.97	139.97	142.12	96.80	72.47
Dividend per share	JPY	60	66	68	68	68	68	34	50	53	53	53
Payout ratio	%	39.3	36.6	35.8	37.9	37.2	43.0	41.5	35.7	37.3	54.7	73.1
Number of shares outstanding	Mil JPY	208	208	225	225	225	216	216	216	216	216	216
Fiscal year end Stock price	JPY	3,035	2,656	2,097	2,445	2,253	1,568	1,364	1,188	1,293	1,307	1,209

※Ordinary profit ratio for FY2013 to FY2018.

"Accounting Standard for Revenue Recognition" etc. have been applied from the beginning of FY2022

APPENDIX / Group Management Structure



Advantages of affiliation with AEON Group

- Exclusive utilization of AEON Group's platform expanding both domestically and globally.
- Generating synergies by deep understanding the financial industry and the retail industry through personnel exchange.

Advantages of listed overseas subsidiaries

- Listed on a stock exchange in a local market leads to superiority in sales, recruitment and funding.

APPENDIX / IFRS9 Definition of allowance for bad debts

Overseas countries are applying the IFRS 9 loan loss provisioning standards.

Provisions are required for 12 months of credit risk on performing receivables. A rapid increase in receivables balances leads to increased bad debt expenses, so fluctuations in balances are also an important factor in the amount of provisions.

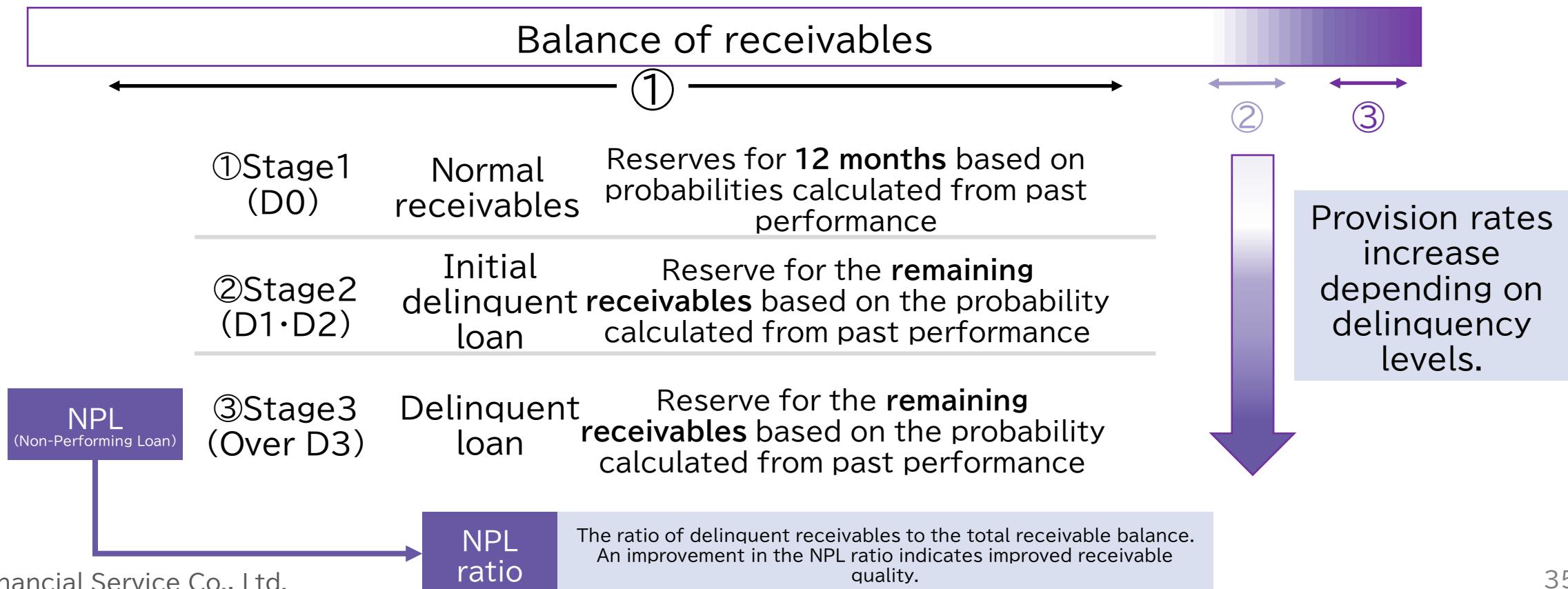
$$ECL = PD \times LGD \times EAD$$

Expected credit loss

Probability of default

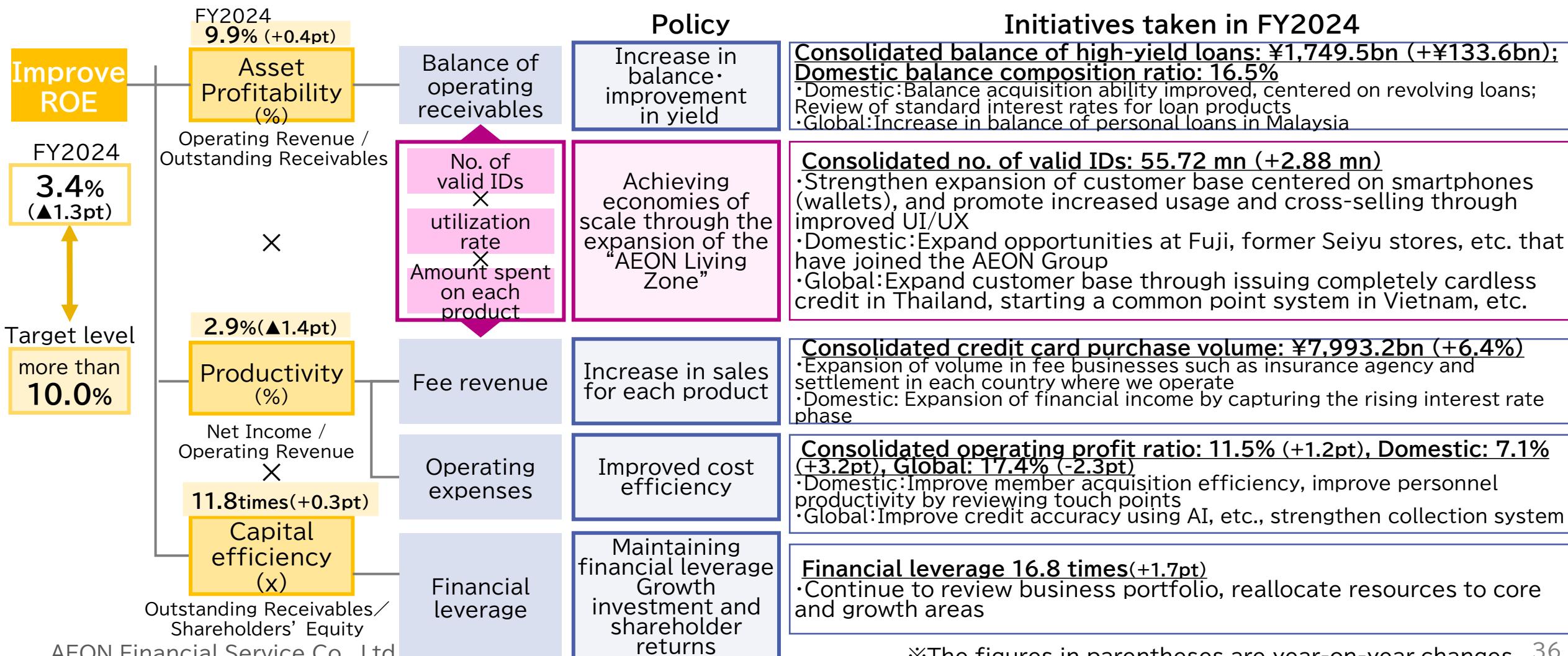
Loss given default

Exposure at default



APPENDIX / [ROE improvement] Progress of initiatives in FY2024

- ROE was 3.4% (YoY -1.3 pt). There is a gap with the target level, and it is urgent to recover to the growth trajectory
- To improve “valid IDs”, “usage rates” and “usage amounts”, which contribute to improving asset profitability and productivity, we will further strengthen the expansion of the “AEON Living Zone”



Statements contained in this report with respect to the Company's management strategies, business policies and results forecasts are forward-looking statements about the future performance of the Company, which are based on the assumptions and beliefs in light of the information currently available. These forward-looking statements involve various uncertain factors including known and unknown risks such as economic trends, industry competition, market demand, exchange rates, tax and other systems that may cause the Company's actual results, performance or achievements to differ materially from the expectations expressed herein.



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