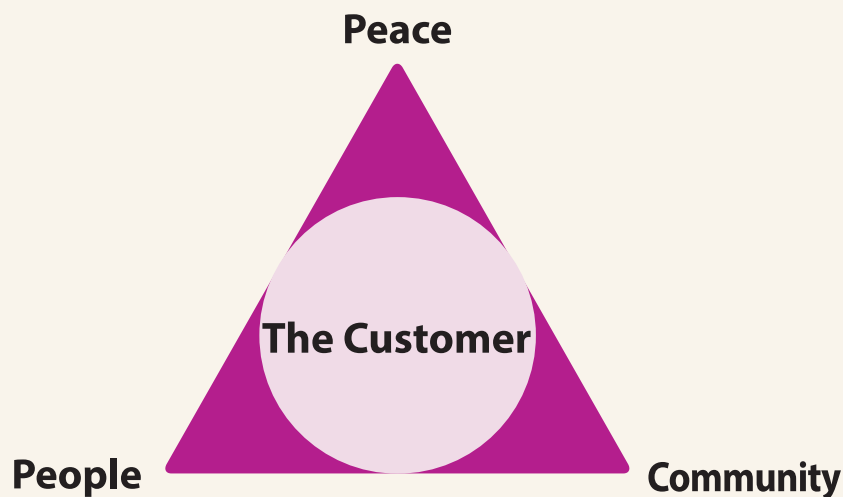


AEON Basic Principles



Pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core.



The word aeon (ÆON) has its origins in a Latin root meaning “eternity.” The customers’ beliefs and desires comprise the central core of our philosophy. At Aeon, our eternal mission as a corporate group is to benefit our customers, and our operations are thus customer-focused to the highest degree.

Aeon Basic Principles are the following:

- “Peace”** Aeon is a corporate group whose operations are dedicated to the pursuit of peace through prosperity.
- “People”** Aeon is a corporate group that respects human dignity and values personal relationships.
- “Community”** Aeon is a corporate group rooted in local community life and dedicated to making a continuing contribution to the community.

On the basis of the Aeon Basic Principles, Aeon practices its “Customer-First” philosophy with its ever-lasting innovative spirit.

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1981	<p>Jun. Nihon Credit Service Co., Ltd., established</p> <p>Jul. Commenced operations relating to Jusco Card</p> <p>Dec. Commenced hire purchase operations</p>
1982	<p>Oct. Commenced credit card cash advance operations</p>
1984	<p>Apr. Registered as a money lender (Director-General of the Kanto Local Finance Bureau (1) No. 00215)</p>
1987	<p>Oct. Opened a branch in Hong Kong, which commenced hire purchase operations. This marked the beginning of overseas operations in Asia</p>
1989	<p>Jul. Registered as a provider of installment payment services (Registration number Kan-17)</p>
1990	<p>Jul. AEON Credit Service (Asia) Co., Ltd., established in Hong Kong</p>
1992	<p>Dec. AEON Thana Sinsap (Thailand) Plc., established in Thailand</p>
1994	<p>Aug. Changed the Company's name to AEON CREDIT SERVICE Co., Ltd.</p> <p>Dec. Registered the Company's shares on the JASDAQ (over-the-counter) market</p>
1995	<p>Sep. Listed shares of AEON Credit Service (Asia) Co., Ltd., on the Hong Kong Stock Exchange</p>
1996	<p>Dec. Listed the Company's shares on the Second Section of the Tokyo Stock Exchange</p> <p>Dec. AEON Credit Service (M) Sdn. Bhd. (currently, AEON Credit Service (M) Berhad.), established in Malaysia</p>
1998	<p>Aug. Listed the Company's shares on the First Section of the Tokyo Stock Exchange</p>
1999	<p>Feb. ACS Credit Management Co., Ltd., established as a wholly owned subsidiary engaged in servicer operations</p>
2000	<p>Oct. Commenced issuance of AEON Card as an integrated card replacing a range of cards issued by AEON Group companies, including Jusco Card</p>
2001	<p>Dec. Listed shares of AEON Thana Sinsap (Thailand) Plc. on the Stock Exchange of Thailand</p>
2003	<p>Dec. Commenced issuance of AEON Gold Card, which is the industry's first credit card with no annual fee</p>
2006	<p>Mar. AEON Co., Ltd. announced its entering into the banking business</p> <p>May AEON Financial Project Co., Ltd., established as bank preparation company</p>
2007	<p>Apr. Commenced issuance of "AEON Card (with WAON)" which includes the function of e-money "WAON"</p> <p>Oct. Aeon Financial Project Co., Ltd. changed name to AEON Bank, Ltd., and obtained banking business license from the Financial Services Agency. AEON Bank, Ltd. commenced banking operations (in-store branches opened, ATMs began operations) AEON CREDIT SERVICE Co., Ltd. obtained license for banking agency business with AEON Bank, Ltd. as the assigned bank</p>
2009	<p>Dec. Listed shares of AEON Credit Service (M) Berhad on the stock exchange of Malaysia, Bursa Malaysia</p> <p>Feb. Commenced issuance of AEON CARD SELECT, which combines the functions of a credit card, cash card and e-money "WAON"</p>
2010	<p>Mar. Began receiving applications for the AEON Select Club for people with housing loans from AEON Bank, Ltd.</p> <p>Jul. Acquired shares of MC Short Term Small Amount Insurance Co., Ltd. (currently, AEON S.S. Insurance CO., LTD.), making it into a subsidiary</p> <p>Oct. Established a portal website for one-stop financial service: Aeon financial service "Kurashi-no-Money Site"</p>
2011	<p>Dec. AEON Community Bank, Ltd. became a subsidiary of AEON Bank, Ltd.</p>
2012	<p>Jan. Acquired shares of TOSHIBA HOUSING LOAN SERVICE CO., LTD. (currently AEON HOUSING LOAN SERVICE CO., LTD.), making it into a subsidiary</p> <p>Mar. AEON Bank, Ltd. carried out absorption-type merger with AEON Community Bank, Ltd.</p>
2013	<p>Apr. Through a management integration with AEON Bank, Ltd., the Company changed its corporate structure to a holding company (a bank holding company) and changed its name to AEON Financial Service Co., Ltd.</p> <p>May. Acquired shares of TOSHIBA FINANCE CO., LTD. (currently AEON Product Finance CO., LTD.), making it into a subsidiary</p> <p>Jul. Established Myanmar subsidiary AEON MICROFINANCE (MYANMAR) CO.,LTD.</p>
2015	<p>Nov. ACS Leasing Co., Ltd. established as a wholly-owned subsidiary of AEON CREDIT SERVICE CO.,LTD. engaging in leasing operations</p>
2016	<p>Feb. AEON MICROFINANCE (CAMBODIA) PRIVATE COMPANY LIMITED obtained a specialized bank license and changed its name to AEON SPECIALIZED BANK (CAMBODIA) PLC.</p>



Kenji Kawahara

President and CEO

Masaki Suzuki

Chairman

We strive to provide reliable, convenient and beneficial financial products and services that have real relevance in people's daily lives.

AEON Financial Service Co., Ltd. (the “Company”) and its subsidiaries (together hereinafter referred to as the “Group”) are a comprehensive financial group that grew out of AEON Group’s retail operations through integration of the commercial and financial sectors. Centering on the Company, which is a bank holding company, the Group currently consists of 34 consolidated subsidiaries and one equity-method affiliate in 12 Asian countries including Japan. The Group is constructing a dense network throughout countries of Asia, especially Japan, China, Thailand and Malaysia. In addition to its approximately 700 sales bases in Japan and overseas, the network also includes AEON Group stores and affiliated merchants, with which the Group has built strong cooperative relationships.

The Japanese economy in fiscal 2015 showed signs of economic recovery in the first half. In the second half, however, concern over the slowing Chinese economy, among other factors, led to a more pessimistic global outlook, which led to minus interest rates being introduced in Japan at the beginning of the calendar year. As a result, consumer spending seemed to be at a standstill across the Asian region, which is where the Company is developing its operations, while at the same time, the yen was sharply appreciating.

Amid this difficult business environment, in the consolidated financial results for the fiscal year ended March 31, 2016, ordinary income was ¥359.6 billion (up 9% from the previous fiscal year), ordinary profit was ¥59.3 billion (up 12% from the previous fiscal year) and profit attributable to owners of parent was ¥35.7 billion (up 17% from the previous fiscal year), with each of these figures hitting record highs.

In the fiscal year ending March 31, 2017, the Group will strengthen its governance structure and further progress towards unified management as a bank holding company group. While ensuring that the Group’s management policies are adopted by all Group companies and that monitoring of such implementation is strictly enforced, the Group will generate synergies through the appropriate creation of cooperative structures that allow each Group company’s strengths to be fully utilized. Then, by fostering compliance-aware individuals equipped to drive business forward with a global perspective, the Group will accelerate its growth strategies.

Furthermore, the Group will work to improve the convenience of customers by developing area-specific products and services based on area strategies, utilizing database marketing, and promoting digitalization through the adoption of Japanese-developed knowhow in the overseas companies. Such efforts will contribute to the strengthening of the Group’s earning power.

While carrying out the above initiatives, the Group will also proactively invest in areas that are fundamental for enhancing corporate value such as system development in order to further strengthen the business foundation. The Group expects that such investment will lead to better productivity and sustained improvements in revenue and profit in the fiscal year ending March 31, 2017.

Going forward, the officers and employees will work together to build a Group that is needed by its customers. We look forward to our stakeholders’ ongoing support.