

CSR Action Policies

AEON Financial Service Policies on Compliance

1. Earning Trust

We are well aware that we have an important social responsibility and public mission as a comprehensive financial group, and we strive to earn unwavering trust from society by acting in good faith and ensuring sound business operations.

2. Respecting Human Rights

Our officers and employees all treat each other as partners in the workplace, showing mutual respect for individuals' characters and individuality.

3. Complying Fully with Laws and Regulations, etc.

We aim to comply fully with all laws, regulations, and rules, and conduct fair and honest corporate activities in keeping with social norms. In addition, we aim to maintain a strong sense of ethics, and to sustain and enhance a corporate culture of obeying laws, regulations and rules.

4. Managing Information

We handle customer information and other critical information with the utmost care, and manage it rigorously to avoid improper use.

5. Ensuring a Customer-Oriented Approach

We always put customers first and offer reliable, high-quality financial services suited to each customer's needs. Furthermore, we ensure that our actions never harm our customers' interests in order to benefit the AEON Financial Service Group, and we refrain from using our dominant position to persuade customers to enter into transactions.

6. Confronting Anti-Social Forces

We are committed to maintaining a resolute stance against anti-social forces that pose a threat to civil society, and if we encounter any transaction that we suspect is connected to money laundering or any other crime, we do not disregard it, but deal with it appropriately.

Privacy Policy

Privacy Policy

1. AEON Financial Service Co., Ltd. (the "Company") has established and discloses the privacy policy (the "Privacy Policy") as its approach to protect personal information and properly handle such information.
2. The Company recognizes the importance of protecting personal information, and complies with the Act on the Protection of Personal Information and other relevant laws and regulations including guidelines, as well as the Company's internal regulations including this Privacy Policy, and it strives to properly protect and handle personal information.
3. The Company acquires personal information through appropriate and lawful means, and only to the extent necessary to achieve the purpose of utilization.
4. The Company specifies the purpose of utilization of personal information, and handles such information within the limitations of the purpose of utilization. In cases where the purpose of utilization of specific personal information is limited by laws and regulations, the Company does not use such information beyond such limitations of the purpose of utilization.

The Company's purpose of utilization of personal information is shown in "Handling Personal Information," etc.

Handling Personal Information (Purpose of Utilization of Personal Information)

5. The Company does not provide personal information to any third party, with the exception of cases where the person concerned has granted prior consent in that regard, or where provision of personal information is based on laws and regulations.
6. The Company takes appropriate measures to ensure the security control of customers' personal information in order to prevent loss, alteration or leakage of such information.
When outsourcing the handling of customers' personal information, the Company appropriately oversees the trustee.
7. The Company reviews the content of this Privacy Policy as necessary, and strives to bring about continuous improvement such as to its systems and approaches for protecting personal information.
8. The Company trains and educates its officers and employees regarding the importance of protecting personal information to ensure that they handle customers' personal information in an appropriate manner.
9. The Company responds in an appropriate and swift manner to requests by customers to disclose personal information it retains.
For details of procedures relating to disclosure, etc., please see the information shown in the section "Handling Personal Information," or please contact the office shown below.

Handling Personal Information (Procedures Relating to Disclosure, etc. of Personal Data Retained by the Company)

10. The Company responds to any opinions or requests concerning its handling of personal information in an appropriate and swift manner.
Please contact the General and Legal Affairs Division given below regarding opinions and requests.

Enhancing Convenience for Customers

■ Making Use of Customer Feedback

We value opinions, requests, and other feedback received from our customers, and we take such feedback seriously as a means to improve our business and further upgrade our services. We provide customer feedback cards at bank branches and ATMs, replying individually to those customers we can contact. We also collect and categorize feedback received via branches, call centers, and the corporate website, and such feedback is discussed and studied, and used in efforts to further upgrade our services.

■ Initiatives to Enhance Convenience

We are taking steps to enhance our services to make them more convenient and more focused on serving the public good so that a diverse range of customers can feel comfortable using them. In bank branches, for instance, we installed communication boards to enable customers with impaired hearing or concerns about communicating verbally to use a visual means of telling bank staff their desired transactions or procedures.



For customers with physical disabilities

- ➔ We reduce fees for over-the-counter money transfers

For customers with impaired eyesight

- ➔ We issue account statements in braille

For customers who find it difficult to write

- ➔ We handle housing loan applications and other paperwork read or written by a proxy on behalf of the customer

Environmental Activities

AEON Financial Service Co., Ltd. (the "Company") works to continuously increase its corporate value by proactively conducting environmental preservation and social contribution activities. The Company is also making efforts to contribute to the development of local communities as a good corporate citizen.

■ Tree Planting

[AEON Group's Initiatives]

Since 1991, the Company has participated in "AEON Furusato no Morizukuri" (AEON Hometown Forests Program), in which new AEON stores, together with customers, plant trees on their premises when they open. We also actively participate in tree planting in Japan and overseas conducted by the AEON Environmental Foundation, in cooperation with national and local governments, for the purpose of restoring forests destroyed by natural disasters or other causes.

As part of initiatives in Japan, employees proactively participated in tree planting in Atsumacho, Hokkaido Prefecture and Ayacho AEON Forest, Miyazaki Prefecture, which were projects carried out by AEON Environmental Foundation in June 2015 and November 2015, respectively.

Overseas, tree planting was carried out in Phnom Penh, Cambodia in June 2015. Participants of this event included both employees and the Group companies' trading partners who were supportive of the spirit of the activities.

In Hong Kong, employees and their families joined with local business partners in "Hong Kong Tree Planting Day," in which a total of 2,000 volunteers planted 100,000 seedlings.



Tree Planting in Atsumacho, Hokkaido Prefecture



Tree Planting in Phnom Penh, Cambodia

■ Prevention of Global Warming and Promotion of Resource Conservation

We have switched to using tablet computers instead of paper forms in credit card sign-up procedures at all stores throughout Japan. In addition, we are working to reduce waste and conserve resources by using digital signage in posters and advertising displays in stores. In another environmental activity, we are promoting the "WEB Statement (Environmental Declaration)" to encourage customers to access credit card statements online rather than receiving them by mail. Doing so enables the reduction of CO₂ emissions by 500g per envelope, the amount generated each time a paper statement is sent in the mail.

AEON Credit Service Co., Ltd. has acquired ISO 14001 certification of its environmental management system in order to manage and implement its environmental initiatives more systematically, and is continuing efforts to reduce its environmental footprint.



Tablet computers are used to facilitate credit card sign-up

Social Contribution Activities

■ Support for Recovery from the 2016 Kumamoto Earthquake

To ensure we provide speedy and conscientious response to the inquiries and needs of our customers who were affected by the 2016 Kumamoto Earthquake that occurred in April this year, we established Customer Consultation Counters mainly inside AEON stores. We also established a free-call phone number dedicated to the 2016 Kumamoto Earthquake related inquiries in the call center.

Confronted with a situation immediately after the earthquakes struck where most of the AEON Bank ATMs in Kumamoto Prefecture were not operating, we dispatched portable ATMs from Chiba to provide services to everyone in the affected areas.



Portable ATM

In addition, more than 200 employees from outside Kumamoto Prefecture participated in support activities directly after the earthquakes struck and strove to restore business as quickly as possible.

■ Support for Recovery from the Great East Japan Earthquake

Many of our employees have continued to participate in volunteer activities to support the rebuilding of the affected areas as part of "Project Aeon Joining Hands," which was launched by the AEON Group through the concerted efforts of labor and management. In addition, each Group company proactively engaged in various activities in cooperation with NPOs.

In addition to "buy to support" and "eat to support" campaigns to purchase Namie yakisoba for which a portion of sales is donated to Namiecho, Fukushima Prefecture, we also promoted a book fundraising which donated the sales of used books.

Furthermore, together with holding lecture meetings to which storytellers were invited to talk about the circumstances at the time the disaster struck and the situation after the disaster, we held a Fukko Marche (rebuild festival) at which we sold Tohoku region products and donated the proceeds.

AEON Bank has continuously set up a special account to accept donations to support recovery from the Great East Japan Earthquake of March 2011. The donated funds are used to provide assistance to people in the communities affected by the disaster through the authorized nonprofit organization Japan Platform.



Authorized nonprofit organization Japan Platform presentation ceremony

■ Contributing to the Community

The AEON Group strongly supports volunteer activities including welfare programs in local communities. At its operating bases throughout Japan, the Group participates in "Aeon Clean Road," an initiative promoted under a tie-up with the Ministry of Land, Infrastructure, Transport and Tourism, to pick up trash on sidewalks, pedestrian bridges and other walkways and to clean up planting strips. The AEON Group also continuously interacts with local communities as employees visit nationwide business sites' neighboring social welfare facilities for seasonal events and other occasions.

Overseas, we were the main sponsor of the UNICEF Young Envoys Programme in Hong Kong for which we contributed a university scholarship fund for the eighth consecutive year.

In Thailand, we participated in activities organized by the Regional Support Department of the Thailand Red Cross and provided essential materials for education.

In Malaysia, we raised funds for Nepal earthquake victims to provide support for the affected area.



Support for facilities for children with special needs



Fundraising for Nepal earthquake victims in Malaysia

■ Donations and Fundraising

We supported relief efforts for Kanto and Tohoku areas damaged by torrential rain in September 2015 and set up donation boxes to raise funds for the charity program "24 Hour Television: Love Saves the Earth." In addition, we raised funds with customers through a donation account and donations using Tokimeki points earned on credit card payments, etc. In the Tokimeki point program, customers are given the option of using their points to make donations to environmental or social welfare action groups, and we present goodwill contributions from many cardholders to various organizations.

Moreover, we provided scholarship funds to students from Asia studying in Japan and to students studying in Asian countries.



Scholarship awards ceremony in Hong Kong

Supporting Our Employees

■ Respect for Diversity in Hiring

We respect the diversity of our personnel and endeavor to conduct hiring free of discrimination based on nationality, ethnic origin, gender, educational background, religion, or physical disability.

■ Diverse Career Development Support

By giving employees knowledge and experience encompassing all aspects of the Group's operations, we nurture a workforce of professionals capable of proposing financial services tailored to the needs of customers

Furthermore, by establishing international employee courses aimed at cultivating personnel equipped to carry out operations with a global perspective, implementing training through overseas visits, and establishing business courses that allow personnel to advance their career by becoming specialists, we are striving to provide the environment that enables each employee to take individual action to advance their careers. In addition to this, the Group provides opportunities for global communication by implementing joint training for management personnel in Japan and overseas.



■ Creating Accommodating Workplaces

We are introducing a system to enable motivated employees to play an active role over the long term and combine work with childbirth, childrearing, and caring for elderly relatives, and are working to encourage employees to make use of the system.

Promoting Diversity

We are creating a framework within which each employee's individuality can be respected and a diverse range of personnel can flourish in order to reinforce our financial products and services developed from the customer's perspective. As a result of our efforts to create an environment that is accommodating toward our employees regardless of their gender, age or nationality, the ratio of management positions occupied by female employees in Japan and overseas is now over 30%. Going forward, we will increase this to 50%.

Promoting Work-Life Balance

To create better workplaces that are more accommodating toward our employees we conduct an annual morale survey targeting all employees in Japan and overseas, and conduct system revisions that incorporate the opinions of our employees.

In addition, we not only have a system for employees to take consecutive holidays and encourage employees to use their paid leave, but also work to create an environment that enables employees, irrespective of their gender, to easily take leave for childcare and caring for elderly relatives.

Our subsidiaries in Japan are proactively undertaking initiatives aimed at obtaining "Eruboshi" (L Star) marks*, which are certified by the Minister of Health, Labour and Welfare. The Tokyo Labour Bureau has awarded AEON Bank the highest Eruboshi mark, making it the first bank in Tokyo and the first company of the Group to receive this certification.

* The "Eruboshi" or "L Star" (L stands for Lady, Labour and Laudable) is awarded to companies with excellent performance in fulfilling prescribed criteria based on the Act on Promotion of Women's Participation and Advancement in the Workplace.

Communication with Shareholders and Investors

■ System for Disclosing Information

To enable our shareholders, investors, and other stakeholders to deepen their understanding of the Company, we disclose key information related to the Company in a timely and appropriate manner in accordance with laws and regulations relating to financial instruments and the rules of the stock exchanges on which the Company's stocks are listed. The information disclosure system we have put in place affords all our investors equal access to material information affecting investment decisions.

■ IR Activities

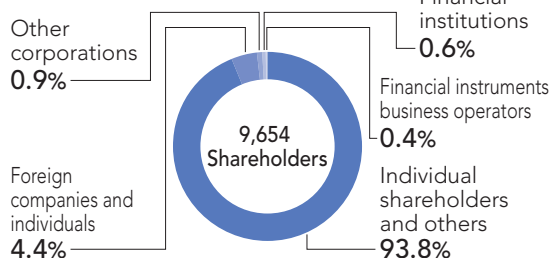
We regard IR activities as important, believing that a positive attitude toward releasing information helps to earn trust from society. Through our IR activities we communicate the facts about the Company to our shareholders and other investors impartially, accurately, promptly, and continuously. During fiscal 2015 we held results briefings and telephone briefings for institutional investors, while the director and other personnel with responsibility for IR responded to individual inquiries. We also participated in AEON Group's joint information sessions for individual investors held in Hiroshima, Osaka and Nara Prefectures.



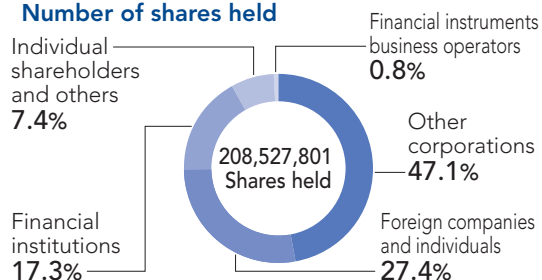
Information session held in Nara Prefecture

■ Shareholding Ratio by Category (as of March 31, 2016)

Number of shareholders



Number of shares held



■ Redistribution of Profits to Shareholders

We regard the redistribution of profits to shareholders as an important policy for managing the business. We therefore allocate profits among shareholders appropriately, while taking measures to enhance the Company's competitiveness by securing the internal reserves necessary to invest in growth fields and increase equity capital.

For fiscal 2015 we set an interim dividend of ¥28 per share and a year-end dividend of ¥38 per share for an annual dividend of ¥66 per share.

Annual dividends per share

	FY2011	FY2012	FY2013	FY2014	FY2015
Annual dividend	¥45	¥50	¥60	¥60	¥66
Payout ratio	78.5%	56.9%	57.4%	39.3%	36.6%