

• Management Philosophy •

Support customers' lifestyles
and enable each individual
to maximize future opportunities
through effective use of credit.

Our goal is to form close
connections with our customers
and enrich their daily lives as a
comprehensive financial group
with roots in the retail sector.





Customers first

**Demonstrate
Group synergies**

**Financial
services attuned
to individual
customers**

**Build a financial
platform**

**Be the
number one
retail financial
services company
in Asia**

With the credit business as our base point, we have achieved growth by maximizing our unique strengths.

Establishment

1981
Nihon Credit Service Co., Ltd.
established as a wholly-owned
subsidiary of Jusco Co., Ltd.

1994
Company's name changed to
AEON Credit Service Co., Ltd.
Shares registered on the
JASDAQ (over-the-counter)
market

Diversity

Global ordinary income
as a percentage of
consolidated ordinary income

30%

[Overseas subsidiaries]

Listed on the Hong Kong
Stock Exchange

Listed on the Stock Exchange
of Thailand

Listed on Bursa Malaysia

Innovation

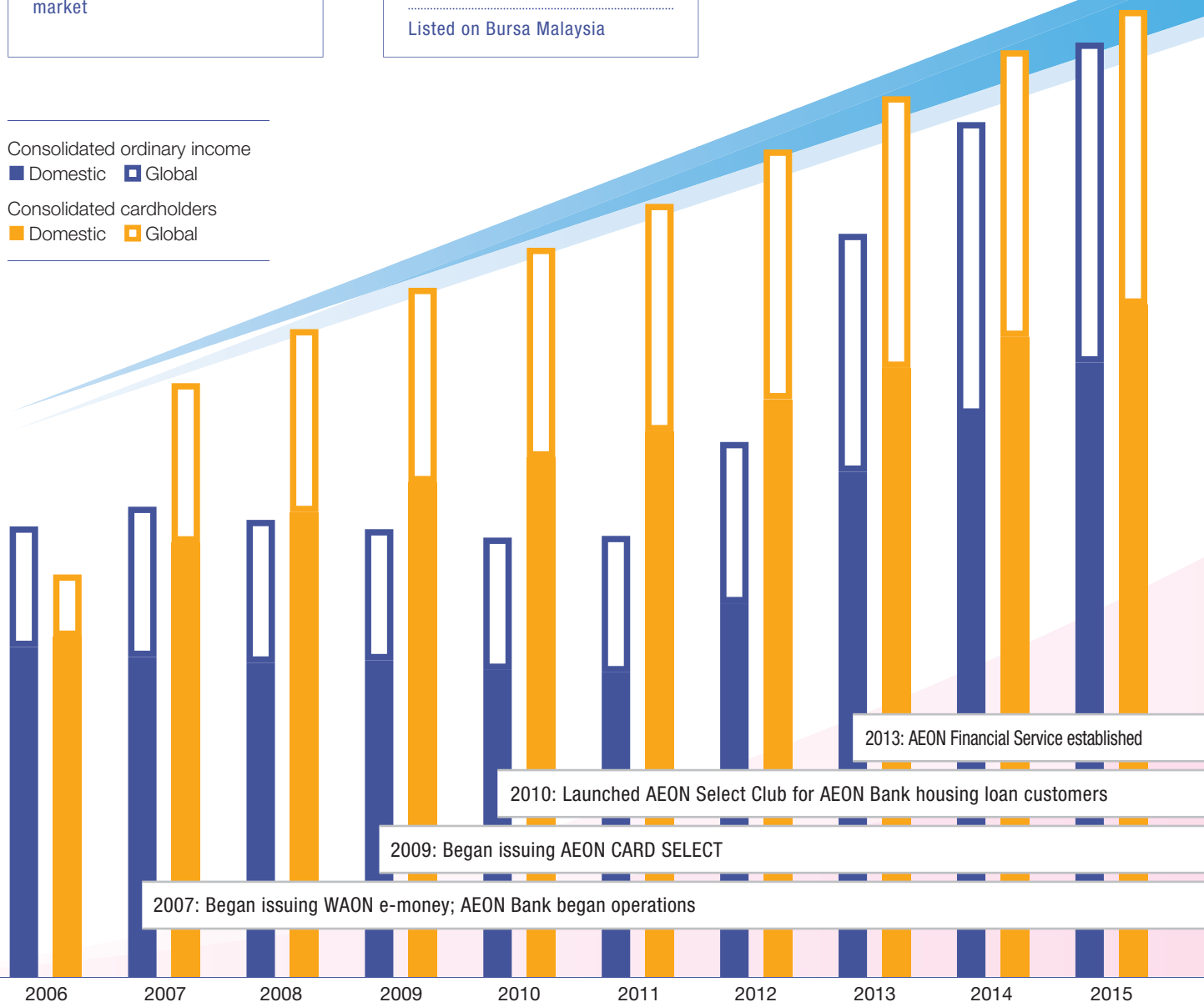
Establishment of AFS*

2013
Management integration with
AEON Bank, Ltd.

*AEON Financial Service Co., Ltd.

Consolidated ordinary income
■ Domestic ■ Global

Consolidated cardholders
■ Domestic ■ Global



Fiscal 2016 performance

Consolidated ordinary income

¥375.1 billion

Consolidated cardholders

38.94 million

Our Strengths

We are a comprehensive financial group that caters to the lifestyles of each and every customer, through collaboration with the AEON Group

By utilizing the AEON Group's store network, we bring valuable benefits to customers in their daily lives. Our goal is to become the comprehensive financial group that customers feel closest to by leveraging synergies between retail and finance.

We are a global corporate group with operations stretching beyond Japan across Asia

Tapping into expertise acquired in Japan, we provide financial services in collaboration with retailers across Asia. Our Global Business accounts for approximately 40% of consolidated ordinary profit. We currently operate in 12 countries/regions including Japan and are listed on stock exchanges in Hong Kong, Thailand and Malaysia.

We are making active investments in IT systems and digitalization to spur innovation and transform our business model

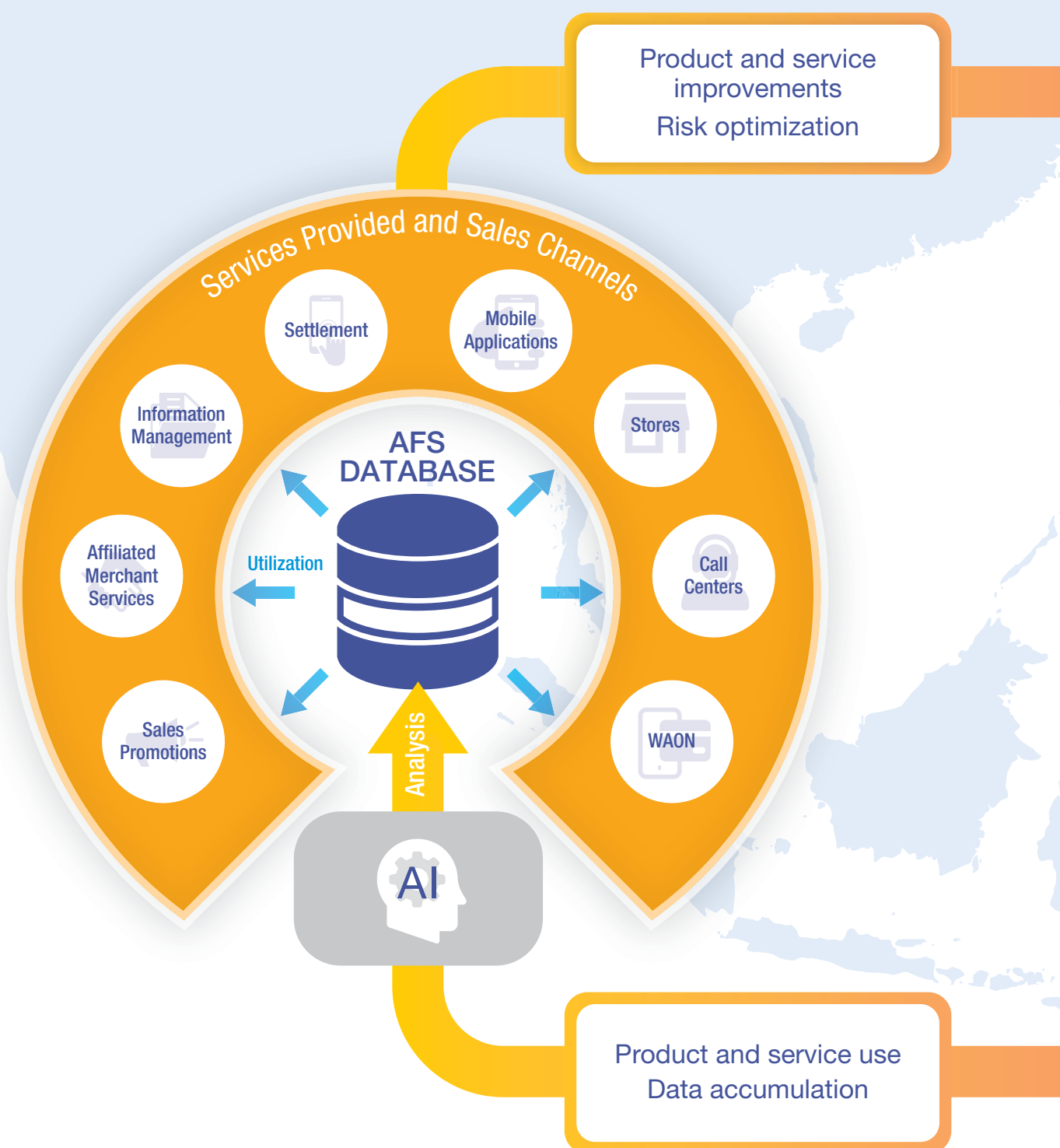
We will invest approximately ¥100 billion in IT systems and digitalization over the period from fiscal 2017 to fiscal 2019 to transform our business model in response to changes in the external environment. Our Group's AFS Database is key in our ability to meet the individual needs of our customers.

2017:
Launched
e-money business
in Malaysia

2016:
Initiated Tokimeki
double-point campaign

2016

We seek to become the number one retail financial services company in Asia that customers feel closest to.

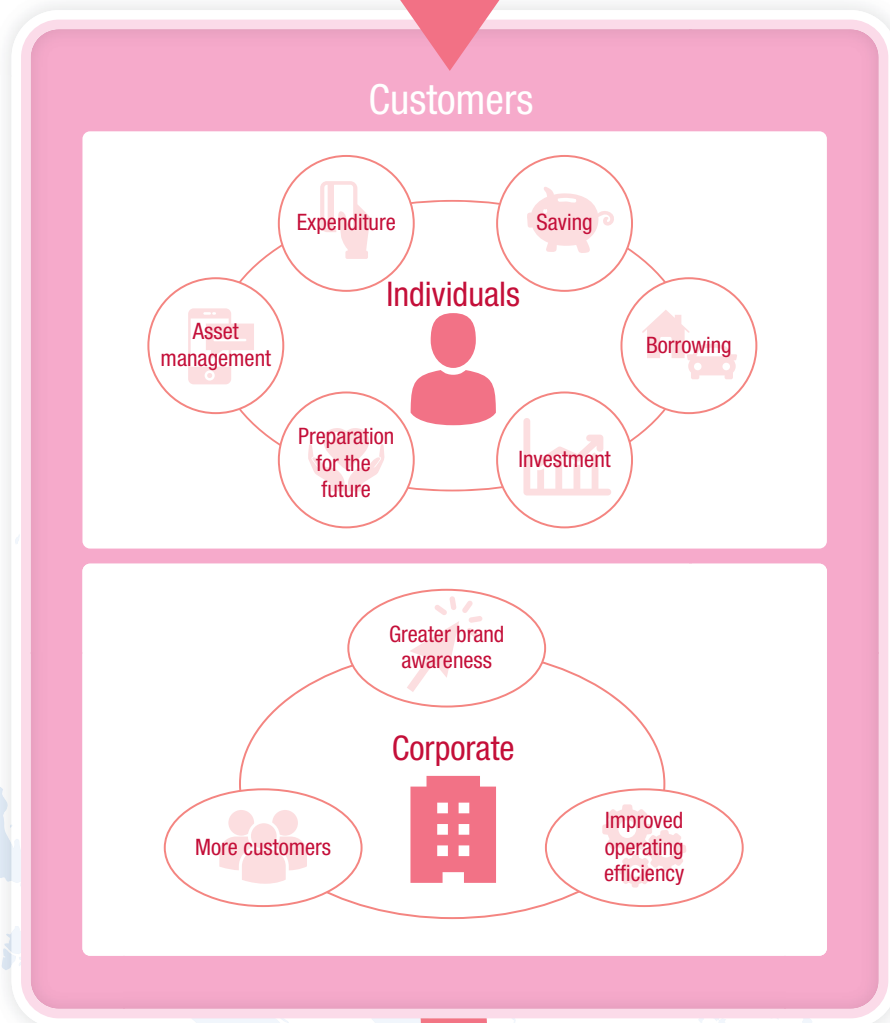


We have been working with retailers to provide financial services that enrich the daily lives of our customers. Moving forward, we will further increase customer satisfaction by providing credit cards and other financial products and services in a timely manner, and building our business by organically linking the channels of our partners and bank branches.

We will also further promote digitalization, carry out unification of databases that integrate retail and financial information, and conduct high-level analysis using artificial intelligence (AI), for the countries/regions in Asia that we operate in, as we build a shared financial platform in Asia. Thus we will respond to the financial needs at each life stage of customers and strive to further enrich their daily lives.

In doing so, we will pursue our goal of becoming the number one retail financial services company in Asia that customers feel closest to.

Provision of products and services



Better access to financial services

As a financial services company with roots in the retail sector, our goal is to become Asia's leading lifestyle support company by providing unique, innovative services that embrace customer perspectives.

The AEON Financial Service Group

With roots in the retail operations of the AEON Group, we are a comprehensive financial group that offers financial products and services closely attuned to customers' lives in 12 Asian countries/regions including Japan. Since our establishment in 1981, we have continued to evolve our business model in response to changes in the business environment.

In Japan, we have drawn on resources such as the AEON Group's brand strength and store network to develop synergies with retail operations and grow our business, centering on credit cards. In addition, we have expanded businesses such as e-money settlement, insurance sales and banking to establish an organization that can respond to the requirements of increasingly diverse customers amid changes in lifestyles and progression through life stages.

In our Global Business, we have grown significantly since the 1987 establishment of a branch office in Hong Kong. By channeling the expertise and relish for challenge accumulated in Japan, we have successively opened up new markets and expanded the number of countries/regions we serve. Our financial businesses have been supporting better living for a wide range of demographics, including low-income segments unable to access the services of local financial institutions.

Furthermore, the Group has consistently taken on challenges with innovative initiatives that address customer needs, such as issuing the first gold card with no annual fee in the Japanese credit card industry, and opening a bank as a company with a background in the retail sector. We were also among the earliest Japanese financial institutions to aggressively rollout global operations. Through the unique business model we have built and our effective utilization of resources such as people and expertise, we have adapted to changes in the business environment and earned the trust of our customers. We believe that this has paved the way for our sustainable growth.

Our Operating Environment and Digitalization Initiatives

Today, our operating environment is entering a period of significant upheaval. The growing use of smartphones and other influences including blockchains, AI, and the internet of things (IoT) are bringing about innovation that is dramatically transforming the financial industry. The means to provide services have diversified while currency and language barriers have fallen, enabling more precise responses to customer needs. Conversely, our Group will lose the ability to satisfy

customers if we fail to evolve our business model with new approaches.

Workforce contraction in Japan due to demographic changes and rising wages in growing Asian economies are factors that make personnel-dependent service systems difficult to maintain. Moreover, we must be able to manage more information securely, and relay it accurately and promptly, so that customers can make seamless use of the Group's financial products and services. While the Group excels at face-to-face customer service, we realize that we must mobilize new information technologies to maintain our service structure and further enhance its quality.

We will further promote digitalization to build a new financial platform that integrates retail and financial databases in our Asia service area. In an era where the ability to adapt to change is more necessary than ever, we will look to our history of leveraging change to evolve for inspiration, as we transform our business model into a new phase. In addition, we will provide one-stop solutions to multiple customer needs, and create new business opportunities by matching products and services to individual needs.

In Closing

The AEON Financial Service Group has a customer-first mindset and a mission to enrich people's daily lives. Under this banner we are united in our efforts to continue actively contributing to society across our business initiatives and CSR activities. Furthermore, we see our environmental, social and governance (ESG) profile as an intangible asset that is just as important as our customer base and our brand, and will therefore focus on developing the value of this asset to maximize our corporate value.

Moving forward, with the perspective of customers always in mind, our goal is to concentrate our efforts on offering original services that no other financial institution provides, while building a company and organization that can resolve social issues. We look forward to the continued understanding and support of our stakeholders.

Kenji Kawahara

President and CEO

