

Directors



Chairman

Masaki Suzuki

- 1978 Joined Ministry of Finance
- 2002 Director of Banks Division I of Supervisory Bureau of Financial Services Agency
- 2007 Deputy Vice Minister for Policy Planning and Co-ordination of Minister's Secretariat of Ministry of Finance
- 2014 Vice-Minister of the Environment of Ministry of the Environment
- 2015 Advisor of the Company
Advisor of AEON Co., Ltd.
Chairman and Representative Director of AEON Bank, Ltd.
- 2016 Chairman and Director of AEON Bank, Ltd. (current position)
Director of AEON Credit Service Co., Ltd. (current position)
Chairman of the Company (current position)
- 2017 Executive Officer in charge of General Finance Business of AEON Co., Ltd. (current position)



President and CEO

Kenji Kawahara

- 1980 Joined The Dai-ichi Kangyo Bank, Limited (currently, Mizuho Bank, Ltd.)
- 2009 Joined AEON Co., Ltd.
- 2010 Director of AEON Mall Co., Ltd.
- 2011 Managing Director of AEON Mall Co., Ltd.
- 2012 Senior Managing Director of AEON Mall Co., Ltd.
Representative Director and President of AEON REIT Management Co., Ltd.
Executive Director of AEON REIT Investment Corporation
- 2016 Advisor of the Company
Director of AEON Bank, Ltd. (current position)
Director of AEON Credit Service Co., Ltd. (current position)
Director of AEON Product Finance Co., Ltd. (current position)
President and CEO of the Company (current position)
Director and Chairman of AEON Financial Service (Hong Kong) Co., Ltd. (current position)



Director and Executive Vice President

Masao Mizuno

- 1982 Joined Jusco Co., Ltd. (currently, AEON Co., Ltd.)
- 1984 Joined the Company
- 1992 President and Representative Director of AEON Thana Sinsap (Thailand) Plc.
- 2011 Director and Senior Managing Executive Officer of the Company
Director and Chairman of AEON Credit Service (Asia) Co., Ltd.
- 2013 Director of the Company
Representative Director and President Executive Officer of AEON Credit Service Co., Ltd.
- 2014 Director and Executive Vice President in charge of Processing, Card Business of the Company
Director of AEON Bank, Ltd. (current position)
- 2015 Director and Executive Vice President in charge of Credit, Processing, Overseas Business of the Company
Representative Director and President of AEON Credit Service Co., Ltd. (current position)
- 2016 Director and Executive Vice President in charge of Overseas Business of the Company
- 2017 Director and Executive Vice President of the Company (current position)



Director and Executive Vice President

Hiroyuki Watanabe

- 1982 Joined Isejin Jusco Co., Ltd. (currently, AEON Co., Ltd.)
- 2006 Representative Director of AEON Financial Project Co., Ltd. (currently, AEON Bank, Ltd.)
Director in charge of Human Resources, General Affairs and Public Relation of AEON Financial Project Co., Ltd.
- 2008 Director and Managing Executive Officer in charge of Human Resources and General Affairs of AEON Bank, Ltd.
- 2012 Director and Senior Managing Executive Officer of AEON Bank, Ltd.
Director of the Company
- 2014 Representative Director and Senior Managing Executive Officer of AEON Bank, Ltd.
- 2015 President and Representative Director of AEON Bank, Ltd. (current position)
- 2016 Director of AEON Credit Service Co., Ltd. (current position)
- 2017 Director and Executive Vice President of the Company (current position)



Senior Managing Director in charge of Corporate Management, Head of Corporate Management Division

Hideki Wakabayashi

- 1980 Joined Japan Housing Finance Co., Ltd.
- 1997 Joined Jusco Co., Ltd. (currently, AEON Co., Ltd.)
- 2007 Vice President of AEON Co., Ltd.
Corporate Auditor (External) of the Company
- 2010 Managing Director of the Company
- 2011 Director and Managing Executive Officer of the Company
- 2013 Director and Senior Managing Executive Officer of AEON Credit Service Co., Ltd.
- 2014 Director of AEON Credit Service Co., Ltd. (current position)
Chairman and Representative Director of AEON Thana Sinsap (Thailand) Plc. (current position)
- 2015 Senior Managing Director in charge of Corporate Management of the Company
- 2017 Senior Managing Director in charge of Corporate Management, and Head of Corporate Management Division of the Company (current position)



Managing Director in charge of Global Business, Head of Global Business Division

Masaaki Mangetsu

- 1981 Joined Jusco Co., Ltd. (currently, AEON Co., Ltd.)
- 2013 COO of GMS Business of AEON (China) Co., Ltd.
- 2014 Director of AEON Marketing Co., Ltd.
Director and Executive Officer of AEON Credit Service Co., Ltd.
- 2015 Director of AEON Credit Service Co., Ltd. (current position)
Director and Head of Marketing Division of the Company
- 2016 Managing Director in charge of Business Strategy of the Company
- 2017 Managing Director in charge of Global Business, and Head of Global Business Division of the Company (current position)
Director and Chairman of AEON Credit Service (Asia) Co., Ltd. (current position)



Director in charge of Human Resources and General Affairs, Head of Human Resources and General Affairs Division

Yoshitaka Yamada

- 1987 Joined the Company
- 2005 Director of the Company
- 2011 Vice President of the Company
- 2013 Director and Executive Officer of AEON Credit Service Co., Ltd.
- 2015 Director, Managing Executive Officer, and Head of Corporate Management Division of AEON Credit Service Co., Ltd. (current position)
- 2017 Director of AEON Bank, Ltd. (current position)
Director in charge of Human Resources and General Affairs, and Head of Human Resources and General Affairs Division of the Company (current position)



Director in charge of Corporate Planning, Head of Corporate Planning Division

Kazuyoshi Suzuki

- 1984 Joined The Sanwa Bank, Limited (currently, The Bank of Tokyo-Mitsubishi UFJ, Ltd.)
- 1990 Joined Ministry of Foreign Affairs, working at Embassy of Japan in Malaysia
- 2005 Deputy Manager of Accounting Department of LOTTE Co., Ltd.
- 2010 Joined Lotte Holdings Co., Ltd.
- 2011 Joined AEON Bank, Ltd.
- 2012 Executive Officer of AEON Bank, Ltd.
- 2014 Director and Managing Executive Officer of AEON Bank, Ltd.
- 2015 Senior Managing Director of AEON Product Finance Co., Ltd.
- 2017 Director of AEON Marketing Co., Ltd. (current position)
Director in charge of Corporate Planning, and Head of Corporate Planning Division of the Company (current position)



Director in charge of Risk Management & Compliance, Head of Risk Management & Compliance Division

Naohiro Arai

- 1988 Joined The Mitsui Bank, Limited (currently, Sumitomo Mitsui Banking Corporation)
- 2006 Public Relation Group Leader of AEON Financial Project Co., Ltd. (currently, AEON Bank, Ltd.)
- 2012 Executive Officer of AEON Bank, Ltd.
- 2014 Director and Executive Officer of AEON Bank, Ltd.
Director of AEON Housing Loan Service Co., Ltd.
Director of AEON Insurance Service Co., Ltd.
- 2016 Director of AEON Bank, Ltd.
- 2017 Director and Executive Officer in charge of Corporate Management of AEON Bank, Ltd. (current position)
Director of AEON Credit Service Co., Ltd. (current position)
Director in charge of Risk Management & Compliance, and Head of Risk Management & Compliance Division of the Company (current position)



Director in Charge of IT and Digital, Head of System Division, Head of System Planning Department

Kazuo Ishizuka

- 1984 Joined the Company
- 2009 Director of the Company
- 2010 Director and Executive Officer in charge of System Department of AEON Bank, Ltd.
- 2015 Director and Executive Officer in charge of System of AEON Bank, Ltd. (current position)
- 2017 Director in Charge of IT and Digital, Head of System Division, and Head of System Planning Department of the Company (current position)



Director (Outside)

Motonari Otsuru

- 1980 Public Prosecutor of Tokyo District Public Prosecutors Office
- 2005 Head of Special Investigation Task Force of Tokyo District Public Prosecutors Office
- 2010 Deputy Chief Prosecutor of the Tokyo District Public Prosecutors Office
- 2011 Trial Director of Supreme Public Prosecutor's Office
Registered as Attorney-at-Law
- 2012 Corporate Auditor (External) of the Company
Outside Director of Aurora Servicing Ltd. (current position)
- 2013 Outside Corporate Auditor of AEON Credit Service Co., Ltd.
- 2014 Outside Director of the Company (current position)
- 2015 Outside Director of Morningstar Japan K.K. (current position)
Head of the Nippon Professional Baseball (NPB) Investigative Committee (current position)
- 2017 Outside Corporate Auditor of SBI Insurance Group Co., Ltd. (current position)



Director (Outside)

Junya Hakoda

- 1974 Joined Mitsubishi Rayon Co., Ltd.
- 1980 Joined Price Waterhouse Certified Public Accountants Office
- 1983 Joined Aoyama Audit Corporation
- 2006 Partner of PricewaterhouseCoopers Arata
- 2008 Eminent Professor of Graduate School of Keio University (current position)
- 2012 Representative of Junya Hakoda Certified Accountant Office (current position)
- 2014 Corporate Auditor of Schroder Investment Management (Japan) Limited (current position)
- 2015 Outside Corporate Auditor of Yamaha Corporation
Outside Director of the Company (current position)
- 2017 Outside Director of Yamaha Corporation (current position)



Director (Outside)

Yoshimi Nakajima

- 1980 Joined The Yasuda Trust & Banking Co., Ltd. (currently, Mizuho Trust & Banking Co., Ltd.)
- 1982 Joined AVON Product Co., Ltd., Tokyo Japan
- 1990 Joined Disney Home Video Japan Co., Ltd.
- 1992 Joined Dentsu Wunderman Direct Co., Ltd.
- 1995 Joined Mary Kay Cosmetics Co., Ltd.
- 1997 Vice President of Personal Finance Division of Citibank, N.A.
- 2000 Senior General Manager in charge of Marketing and Sales of SG Online Branch of Société Générale Securities Ltd.
- 2002 Vice President in charge of Global Traveler's Check & Prepaid Card Service of American Express International, Inc. (Japan)
- 2003 Vice President and Marketing Supervisor of Personal Business Department of American Express International, Inc. (Japan)

- 2011 President of American Express International, Inc. (Singapore)
- 2014 Senior Vice President in charge of Acquisition & Marketing of Personal Business Department of American Express International, Inc. (Japan)
President and Representative Director of American Express Japan Co., Ltd. (concurrent position)
- 2017 Outside Director of Yamaha Corporation (current position)
Outside Director of the Company (current position)

Corporate Auditors



Corporate Auditor (Full-Time) (External)

Hisanori Uchibori

- 1975 Joined Jusco Co., Ltd. (currently, AEON Co., Ltd.)
- 2008 Head of Nishihari Business Department of AEON Retail Co., Ltd
- 2011 Head of Bay Area Business Department of AEON Retail Co., Ltd
- 2013 Full-time Corporate Auditor of G-Foot Co., Ltd.
Corporate Auditor of Mega Sports Co., Ltd.
- 2016 Corporate Auditor of AEON Bank, Ltd. (current position)
Corporate Auditor (Full-Time) (External) of the Company (current position)



Corporate Auditor (External)

Go Otani

- 1980 Joined Yamanouchi Pharmaceutical Co., Ltd. (currently, Astellas Pharma Inc.)
- 1997 Acting Senior Vice President, Shaklee Business of Yamanouchi Pharmaceutical Co., Ltd.
Outside Director of Shaklee Corporation (USA) of Yamanouchi Pharmaceutical Co., Ltd.
- 2001 Deputy Vice President in Charge of IR of Corporate Communications Department of Yamanouchi Pharmaceutical Co., Ltd.
- 2003 Vice President in charge of European Business of Europe and U.S. Department of Yamanouchi Pharmaceutical Co., Ltd.
- 2005 Seconded to European Headquarter (resided in the United Kingdom), General Manager of Internal Auditing Division of Astellas Pharma Inc.
- 2009 Vice President of Internal Auditing Department of Astellas Pharma Inc.
- 2013 Audit & Supervisory Board Member of Astellas Pharma Inc.
- 2016 Corporate Auditor (External) of the Company (current position)



Corporate Auditor (External)

Kotaro Yamazawa

- 1980 Joined Bank of Japan
- 2006 Seconded to Osaka Securities Exchange Co., Ltd.
- 2010 Senior Executive Officer of Osaka Securities Exchange Co., Ltd.
- 2013 Senior Executive Officer of Japan Exchange Group, Inc.
Director and Senior Executive Officer of Osaka Securities Exchange Co., Ltd.
- 2014 Senior Managing Executive Officer of Japan Exchange Group, Inc.
Director and Senior Managing Executive Officer of Osaka Securities Exchange Co., Ltd.
- 2015 Director and Vice President of Osaka Exchange, Inc.
- 2017 Advisor of Osaka Exchange, Inc. (current position)
Corporate Auditor (External) of the Company (current position)



Corporate Auditor

Takayuki Sakaki

- 1998 Joined Jusco Co., Ltd. (currently, AEON Co., Ltd.)
- 2009 Director and Head of Finance & Accounting Department of Maxvalu Kanto Co., Ltd.
- 2012 Director of AEON Kyushu Co., Ltd.
- 2016 Director, Executive Officer, and Head of Corporate Strategy Division of AEON Kyushu Co., Ltd.
President and Representative Director of AEON Store Kyushu Co., Ltd.
- 2017 Head of Finance Department of AEON Co., Ltd. (current position)
Director of AEON Store Kyushu Co., Ltd. (current position)
Corporate Auditor of AEON Bike Co., Ltd. (current position)
Corporate Auditor of the Company (current position)

Corporate Governance

Our Basic Approach to Corporate Governance

The Company is a member of the AEON Group. We share the AEON Basic Principles, “Pursuing peace, respecting humanity, and contributing to local communities, always with the customer’s point of view as its core,” and the AEON Code of Conduct, “Everything we do, we do for our customers,” and set our management principles and basic management policies accordingly. The AEON Basic Principles underlie our initiatives to generate sustainable growth and increase corporate value over the medium-to-long term. The Company earns the confidence of stakeholders with effective and optimal corporate governance.

Corporate Governance Structure

As a bank holding company, the Company aims to further strengthen management control and its corporate governance. To this end, we have established the Management Policy Committee and Internal Control Committee in addition to the Board of Directors. The Management Policy Committee is an advisory body that discusses management decisions executed on the President’s authority. With the aim of realizing sustainable growth and medium- and long-term corporate value for the Group, the Internal Control Committee comprehensively and expertly discusses and makes decisions on matters regarding the development of the internal control system within the scope entrusted by the Board of Directors and then provides reports and opinions to the Board of Directors. This committee is chaired by the President, and its members are designated by the Board of Directors to flexibly manage and improve the internal control system. It studies and discusses individual themes in detail so

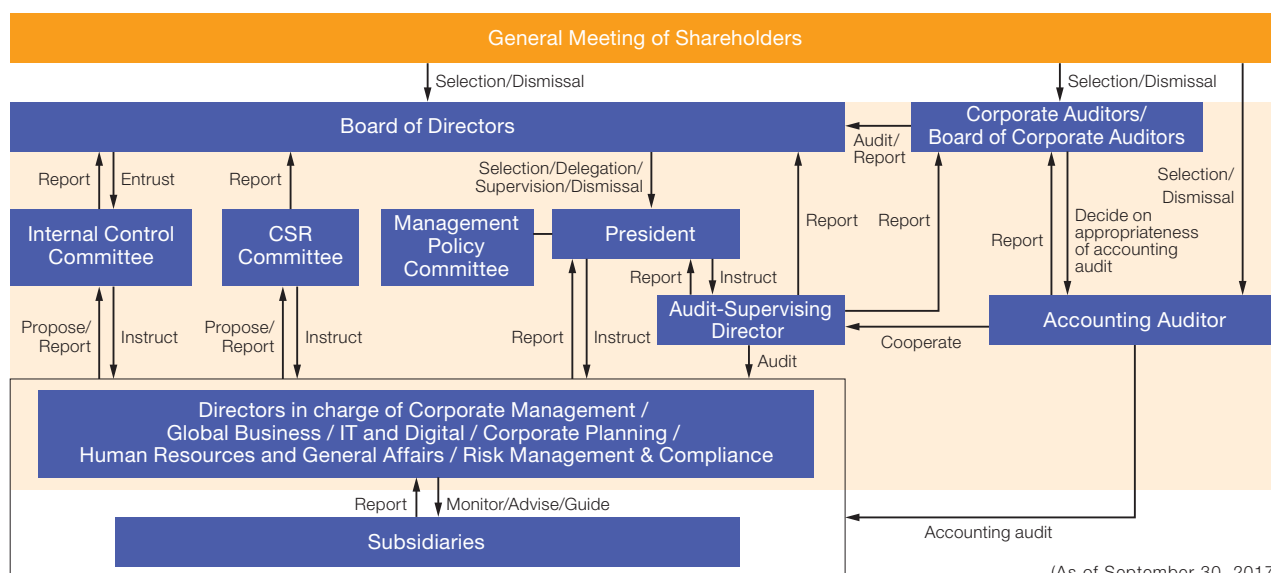
that it can provide instructions and advice to relevant parties. It also makes decisions on matters the Board of Directors entrusts to it and provides reports and opinions to the Board of Directors.

With a focus on maneuverability and prompt decision-making, the Board of Directors is made up of a small number of directors. The Board of Directors makes decisions on important matters related to the management of the Company and the Group after deliberation by the Management Policy Committee and Internal Control Committee from the perspectives of business efficiency and effectiveness.

The Company is a company with a Board of Corporate Auditors. The Board of Corporate Auditors comprises four corporate auditors, three of whom are outside corporate auditors (two of whom qualify as independent officers). Pursuant to the Board of Corporate Auditors Audit Criteria formulated by the Board of Corporate Auditors, the corporate auditors, in accordance with audit policies, division of duties, and other protocols, seek to achieve mutual understanding with the directors, accounting auditor, internal audit departments, and other employees, collect information, and maintain a sound audit environment. Furthermore, the corporate auditors attend Board of Directors meetings and other important meetings, receive reports from directors and employees about the execution status of their respective duties, and request explanations when necessary. The corporate auditors also read important decision-making documents and other materials, and audit the directors’ execution of duties by investigating the status of business operations and assets.

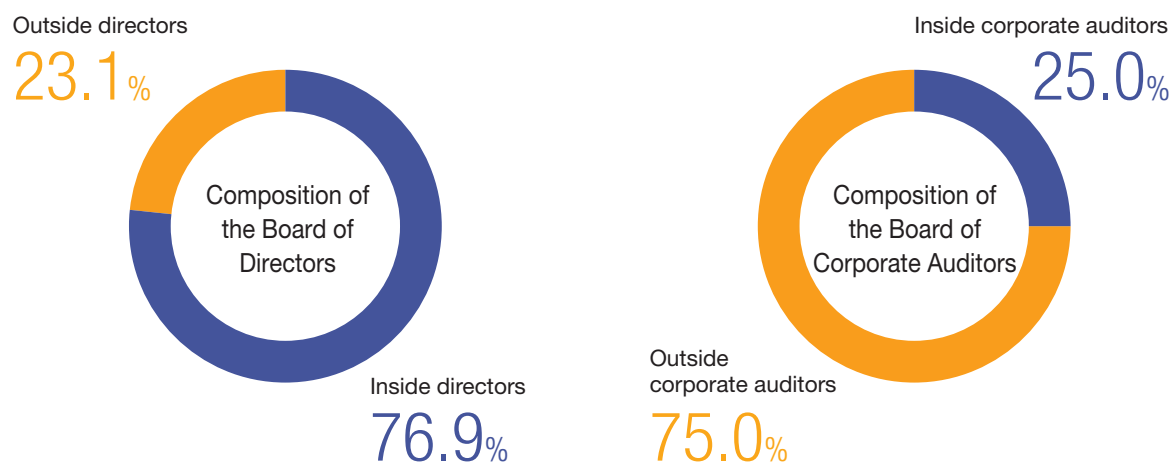
In addition, the Company increased the number of outside directors from two to three in 2016. These outside directors draw on their extensive knowledge and experience to objectively provide appropriate opinions with respect to the Company’s management and other topics.

AEON Financial Service’s Corporate Governance Structure



(As of September 30, 2017)

Board Composition (As of September 30, 2017)



Meetings (Fiscal 2016)

Number of meetings of
the Management Policy Committee

33

Number of meetings of
the Board of Directors

22

Number of meetings of
the Board of Corporate Auditors

15

Policies for Compensation Amount and Method of Calculation

Officer Compensation (Fiscal 2016)

Classification	Total Compensation (millions of yen)	Total Compensation by Classification (millions of yen)				Number of Recipients
		Base Compensation	Stock Options	Bonus	Retirement Benefits	
Directors (excluding outside directors)	260	173	29	54	2	11
Corporate Auditors (excluding outside corporate auditors)	—	—	—	—	—	—
Outside officers	47	47	—	—	—	6

Note: Number of recipients and total compensation includes compensation for two directors and one corporate auditor who retired at the conclusion of the 35th Ordinary General Meeting of Shareholders held on June 28, 2016.

- The Company determines director compensation fairly and transparently to provide strong motivation for directors to properly execute management strategy, and links it to business performance.
- Director compensation consists of base compensation, performance-linked compensation, and equity-linked compensation in the form of stock options. Directors receive base compensation monthly.

Directors receive performance-linked compensation after the close of the fiscal year based on annual performance. It is the sum of compensation linked to Company results and the performance of the individual director.

Compensation for Company results is calculated by applying a coefficient to a standard amount based on the ratio of actual results to targeted results.

Compensation for individual performance is determined by applying a coefficient to a standard amount based on the evaluation of individual performance.

Equity-linked compensation takes the form of stock options granted to directors as stock acquisition rights after the fiscal year based on annual performance.

Status of Outside Directors and Auditors

■ Outside Directors

Name	Independent Director	Supplementary Information: Concurrent Positions	Reasons for Appointment
Motonari Otsuru	Yes	Outside Director of Aurora Servicing Ltd.; Outside Director of Morningstar Japan K.K.; Outside Corporate Auditor of SBI Insurance Group Co., Ltd.	Mr. Otsuru has extensive experience and insight as a lawyer, and has served in roles including Trial Director of the Supreme Public Prosecutors Office. He has been elected as Outside Director so that the Company can continue to receive his advice on strengthening internal control centering on compliance. Mr. Otsuru does not have any special interests in the Company, and we believe he is fully capable of independently fulfilling supervisory roles and functions.
Junya Hakoda	Yes	Corporate Auditor of Schroder Investment Management (Japan) Limited; Outside Director of Yamaha Corporation	Mr. Hakoda has practical experience as an expert certified public accountant and extensive insight into internal control. He has been elected as Outside Director so that the Company can receive his advice on strengthening internal control, which is a priority. Mr. Hakoda does not have any special interests in the Company, and we believe he is fully capable of independently fulfilling supervisory roles and functions.
Yoshimi Nakajima	Yes	Outside Director of Yamaha Corporation	Ms. Nakajima has been elected in light of her extensive overseas business experience and sophisticated insight, as well as her ability to use the contact network, expertise and knowledge she has acquired, in addition to an intimate familiarity with diversity issues from a global standpoint, to provide opinions on the Company's management from various perspectives. Ms. Nakajima does not have any special interests in the Company, and we believe she is fully capable of independently fulfilling supervisory roles and functions.

■ Outside Auditors

Name	Independent Corporate Auditor	Supplementary Information: Concurrent Positions	Reasons for Appointment
Hisanori Uchibori	—	Corporate Auditor of AEON Bank, Ltd.	Mr. Uchibori has extensive experience and insight. He provides effective supervision and advice relevant to general management, and is able to contribute to the proper and appropriate management of the Company. Mr. Uchibori does not have any special interests in the Company.
Go Otani	Yes	—	Mr. Otani has outstanding character, insight, and ethical standards, and is well-versed in internal control and corporate governance. Given his extensive experience, we believe he is able to contribute to the proper and appropriate management of the Company and has no conflict of interest with common shareholders. Mr. Otani does not have any special interests in the Company.
Kotaro Yamazawa	Yes	—	Mr. Yamazawa acquired knowledge of finance and accounting through his work at the Bank of Japan and a stock exchange, and is able to provide opinions on Company management from various perspectives using his knowledge of corporate governance and broad network of contacts in the financial industry. We believe he has no conflict of interest with common shareholders. Mr. Yamazawa does not have any special interests in the Company.

Status of Investor Relations Activities

Investor Relations Activities	Supplementary Comments	Explanation by Representative Directors
Preparation and publication of a disclosure policy	We prepare a disclosure policy and publicize basic policies, standards of information disclosure, methods of information disclosure, and IR quiet period.	—
Company briefings for individual investors	We hold company briefing sessions for individual investors to showcase the company and explain its performance.	Yes
Periodic briefings for analysts and institutional investors	Representative directors or the director in charge of corporate management periodically conduct briefings.	Yes
Periodic briefings for foreign investors	We publish English annual reports and an English version of the IR site. We translate various reporting materials into English and regularly hold meetings with overseas investors.	No
Availability of investor relations materials on the corporate website	We publish various materials, including audio versions of results briefings. We also publish monthly information.	—
Establishment of a department/person in charge of investor relations	We have established the Investor Relations Office to specialize in disclosure.	—
Other	The President & CEO, director in charge of corporate management, and person in charge of investor relations conduct meetings with individual domestic and overseas investors and securities analysts.	—

Comments from Outside Directors

I am fully committed to truly functional corporate governance, compliance and the customer's perspective.

The AEON Financial Service Group has upgraded its corporate governance system and is conscientious about compliance. It is also reforming its business model to address major changes in the operating environment brought on by IT innovation, and aggressively expanding its operations in Japan and other Asian countries/regions. Group companies vary in scale and corporate history, while regulatory systems, employee workplace attitudes and customer values vary across the countries/regions that the Group serves, so growing as a Group is not an easy task. Nevertheless, the Group promotes employees possessing drive and ability with equal treatment regardless of age, nationality or gender, and all officers and employees share the stance described above as they pursue their day-to-day work.

In this context, I deploy my experience spanning from frontline operations through to management supervision at a government agency, and in uncovering the facts relevant to various instances of corporate misconduct, as well as my instincts as a practicing attorney. These form the basis for fulfilling my role as an outside director, namely by seeing to it that the Group's corporate governance system is truly functional, not just a rubber stamp formality, ensuring that the Group inculcates compliance and a commitment to the customer perspective in every aspect of its business, and continuing to provide frank opinions on how the Group should be contributing to community and social development.



Motonari Otsuru
Director (Outside)

My purpose is to pursue steady, consistent management so that the Group can compete worldwide.

AEON Financial Service has its roots in the retail sector and provides comprehensive financial services closely attuned to the daily lives of its customers. It continues to grow by expanding throughout Asia. Supported by approximately 40 million cardholders, the Group has bright prospects for continued growth through the launch of new products and services.

At the same time, financial innovation continues apace worldwide. AEON Financial Service competes day in, day out to be a winner that rides this wave of innovation, not an also-ran that gets left in its wake. In this challenging business environment, AEON Financial Service absolutely needs high-level corporate governance to ensure stable, reliable management as it competes aggressively.

Within the Group's holding company structure, the Board of Directors is central to corporate governance. The strategies the board selects and their subsequent execution have a major impact on shareholders, customers and other stakeholders. As a board member, I approach my work with a sense of responsibility and healthy tension while taking advantage of the knowledge of accounting and internal controls one would expect of an outside director who is a certified public accountant.



Junya Hakoda
Director (Outside)

I will leverage my experience and expertise in the credit card industry to help build corporate value.

The AEON Financial Service Group seeks to become Asia's leading lifestyle support company by continuing to pursue a future growth strategy focused on its Global Business, expanding business domains by incorporating technological innovation, and fostering a corporate culture of innovation through its personnel strategies. Outstanding and effective corporate governance is essential to this endeavor.

I believe my 20 years of management experience in global finance, knowledge of and expertise in banking, securities and credit cards, and external insight can help the Group to change with greater speed. My experience with management in Singapore is particularly relevant because I can provide practical, in-depth advice that supports the Group's goal of expanding operations in Asia.

Technological innovation is a global trend. As the Group targets entry into new businesses by harnessing technological innovation in finance, another of my key responsibilities as an outside director is providing flexible, accurate and internationally savvy input for medium- to long-term management planning.

Through engaging in vigorous discussion with the Board of Directors and stakeholders, I will help AEON Financial Service address diversifying customer needs, create a corporate culture that stays one step ahead of innovation across business fields, reinforce governance, and contribute to increasing corporate value.



Yoshimi Nakajima
Director (Outside)

CSR

Basic Policy

As a member of the AEON Group, AEON Financial Service aims to be a corporate group that responds to the expectations of stakeholders and contributes to the sustainable development of society based on its management philosophy of “supporting customers’ lifestyles and enabling each individual to maximize future opportunities through effective use of credit.”

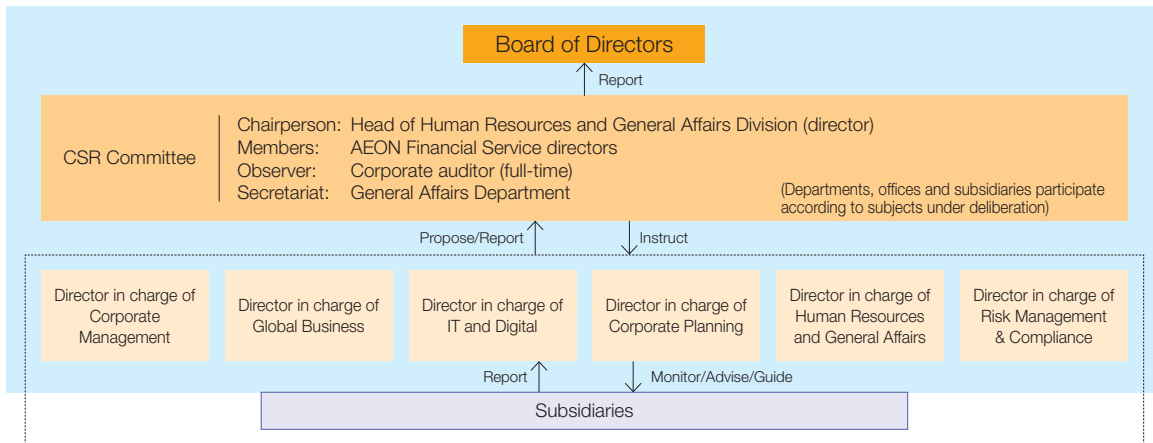
We do so through our business operations and our CSR activities. We comply with laws and regulations, inculcating an awareness of compliance that extends to the frontlines of all Group company business activities and includes overseas subsidiaries. We also fulfill our social responsibilities by considering the environment, contributing to communities and further enhancing our system of corporate governance.

Organization for Promoting CSR

AEON Financial Service established the CSR Committee in April 2017 to deliberate and decide matters relating to CSR including environmental conservation and community contribution. The committee meets once each quarter to deliberate important issues related to CSR and the results of activities, and the committee chairperson reports on these deliberations to the Board of Directors.

In fiscal 2017, the committee discussed the promotion of CSR activities based on the ISO 26000 framework, the achievements of CSR activities by each AEON Financial Service Group company, and tree planting activities abroad.

Each AEON Financial Service Group company implements its own organization for managing environmental activities. AEON Credit Service Co., Ltd., a major domestic subsidiary, and three overseas listed subsidiaries have acquired ISO 14001 certification and are reducing their environmental impact. AEON Credit Service is improving business efficiency, formulating annual education and training plans, and implementing ISO education to raise environmental awareness among employees.



AEON Financial Service Group ISO 14001 Certification (as of July 2017)

● AEON Credit Service Co., Ltd. ● AEON Credit Service (Asia) Co., Ltd. ● AEON Thana Sinsap (Thailand) Plc. ● AEON Credit Service (M) Berhad

For the Environment

The pillars of our environmental initiatives are the formation of a low-carbon society, the preservation of biodiversity and the creation of a society that recycles resources. We will implement these initiatives by providing financial products and services that are closely linked to lifestyles and that offer security, convenience and value in customers’ daily lives.

Environmental Policy

1. We are reducing greenhouse gas emissions to form a low-carbon society.
2. We are fulfilling our social responsibilities as a financial institution that is central to economic activity by reducing the

impact of our business activities on ecosystems and preserving biodiversity to realize a prosperous society that coexists with nature.

3. We are reducing waste and conserving resources to create a recycling-oriented society.
 - 1) Promote the three Rs (reduce, reuse, recycle) of resources.
 - 2) Select raw and other materials that have less environmental impact.
4. We comply with laws and regulations related to the environment and disclose this policy to all employees and all people supporting our business activities.
5. We recognize that cooperation with customers and other stakeholders is important for the development of a sustainable society, and we will cooperate appropriately.

Environmental Conservation Activities

Mitigating Climate Change and Promoting Resource Conservation

We are working to reduce waste and conserve resources by using digital signage for signs and posters at stores. We are promoting digitalization overseas as well as in Japan, and are using tablet devices for enrollment procedures and installing digital signage. In addition, our Web Statements (Environmental Declaration) service is a joint effort with customers. We are promoting this environmentally friendly service that reduces paper consumption and CO₂ emissions by allowing customers to access statements online instead of receiving printed hard copy. Many customers have opted to use the Web Statements service, which reduced CO₂ emissions by 1,288 tons during fiscal 2016.

Tree Planting

We actively participate in the AEON Hometown Forest Program, which has been planting trees around newly opened stores in collaboration with local customers since 1991. We also actively work with the AEON Environmental Foundation in tree planting activities in Japan and overseas, which involves cooperation between central and local governments, to replant forests devastated by natural disasters or other causes. In 2016, employees participated in tree planting activities in locations including Atsuma, Hokkaido Prefecture in July and Watari, Miyagi Prefecture in October.

Overseas, continuing on from last year, we participated in tree planting in Yangon, Myanmar in July 2017 in collaboration with employees of Group companies and their business partners. In Thailand, employees of subsidiary AEON Thana Sinsap (Thailand) Plc. participated in tree planting activities at Si Lanna National Park in Chiang Mai Province along with local residents.



Tree planting in Yangon, Myanmar

For Communities

Support for Recovery from the Great East Japan Earthquake Issued the Yori Sou Chikara Tohoku Electric Power Card

We issued a co-branded card for Tohoku Electric Power Co., Ltd. in January 2017. As one of its benefits, a portion of money spent is automatically donated to the six Tohoku prefectures

and to Niigata Prefecture as a way of contributing to regional reconstruction and revitalization.

(Donations are made at no expense to customers.)

Local Community Activities

Clean Road Activities

Our worksites throughout Japan participate in the AEON Clean Road program, a joint effort of AEON Co., Ltd. and the Ministry of Land, Infrastructure, Transport and Tourism. Program activities include collecting refuse on sidewalks and crosswalk bridges, and cleaning up roadside greenery.

Community Contribution Overseas

We ensure our overseas subsidiaries are rooted in the communities they serve by contributing locally. Our subsidiary in Hong Kong has been awarded the Caring Company Logo for 10 consecutive years. This honor is given in recognition of companies that are actively engaged in social contribution activities. Our subsidiary in Thailand held a charity marathon to support the Ramathibodi Foundation, which is engaged in hepatocyte and genetic research. Our Malaysian subsidiary held an event at AEON stores that solicited donations of items such as clothes and shoes to support children without families.



Charity marathon in Thailand

Donations and Fundraising

AEON Bank, Ltd. continues to receive donations to a special account it established to support Great East Japan Earthquake reconstruction. We have presented funds raised to Japan Platform, an authorized NPO, to support people in the affected areas. In addition, we engage in numerous fundraising programs with customers, including the charity program 24 Hour Television: Love Saves the Earth and donations using Tokimeki points earned on credit card payments. 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.

Overseas, our Malaysian subsidiary celebrated its 20th anniversary by donating to charity organizations and engaging in local cleanups. We also provide scholarship funds to students from Asia studying in Japan and to students studying in Asian countries.