



# “FINANCE” CLOSER TO EVERYONE



## AEON Foundational Ideals

Pursuing peace, respecting humans, and contributing to local communities,  
always with customers as our starting point.

AEON firmly believes that retailing is an industry to promote peace, humanity,  
and local communities.

To remain a thriving corporate group that fulfills this mission,  
we are committed to continuous innovation, with customers as our starting point.

Please refer to our corporate website for the AEON Foundational Ideals  
<https://www.aeon.info/en/company/concept/>



## AEON Group Future Vision

Create a future lifestyle that leads to a smile for each and every person

The future that the AEON group wishes to realize is one in which customers can feel a "brighter society" and "happiness that is uniquely their own," creating a future that is fulfilling and full of smiles.

The AEON group wishes to be a group that leads the co-creation of lifestyles,  
enriching each individual and society as a whole.

Please refer to our corporate website for the AEON Group Future Vision  
<https://www.aeon.info/vision/en/>



# 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.**

Details of Our Purpose ▶ P.14

**Our purpose is to  
bring “finance” closer to everyone.**



As the financial services business of the AEON Group, we provide convenient and easy-to-understand financial services by adopting the perspective of consumers. We also promote financial education for all generations and bring financial mechanisms closer to everyone through financial inclusion that meets diverse financial needs.

**By committing to each  
and every person,**



We commit sincerely with each consumer to provide financial services tailored to changing life stages and living environments. We also generate new value by cooperating with various business partners in local communities, including participating merchants and local authorities. Acting empathetically from a customer perspective is one of our core values.

**we brighten up everyday lives  
with peace of mind and smiles.**



As a financial institution, we help our customers lead richer lives and achieve happiness by providing support for everyday life. We respect our colleagues' diversity and value the environment and corporate culture that allow us to work freely, openly, and with pride. Through these, we provide value by filling everyday lives with peace of mind and smiles and by brightening up their minds with uplifting feelings and excitement.

# Contents

[Return to the table of contents](#)
[Return to the page you were previously viewing](#)
[Go back one page](#)
[Go back one page](#)

AEON Foundational Ideals / AEON Group Future Vision	1
Our Purpose	2
Contents / Editorial Policy	3

<b>WHAT/WHO</b>	5
What do we do?	
Financial Services Business of the AEON Group	6
History of Value Creation	7
At a Glance	9
Value Creation Process	11

<b>WHY</b>	13
Why do we do it, and why can we do it?	
Realization of Our Purpose	14
Message from the President and CEO	15
Our Uniqueness & Strengths	19
Message from Our Overseas Listed Subsidiaries Representative	22

<b>HOW</b>	25
How do we do it?	
Medium-Term Management Plan	26
Message from Finance and Accounting Representative	30
Business Personnel	33
Sustainability of AEON Financial Service Group	35
<b>Materiality① Pursuing Happiness through Innovative Financial Services</b>	37
<b>Materiality② Exerting Diversity and the Potential of Our People</b>	42
<b>Materiality③ Establishing Organizational Resilience</b>	52
<b>Materiality④ Addressing Climate Change</b>	69

<b>DATA</b>	75
Data / Company Information	
Financial Highlights	76
Non-financial Highlights	77
11-year Summary	78
Company Information	79
Affiliated Companies	80
Share Information	81
Publication of the 2025 Integrated Report / Editorial Note	82



Message from the President and CEO **15**



Message from Finance and Accounting Representative **30**



Our Purpose Employee Roundtable Discussion **43**



Outside Directors Interview **52**



# Editorial Policy

**Disclosure Framework**

Financial Information	Non-financial Information
	
<a href="#">Annual Securities Report</a>	
<a href="#">Briefing Materials for Individual Investors</a>	
<a href="#">Brief Report of Financial Results, Fact Book</a>	<a href="#">Corporate Governance Report</a>
<a href="#">IR Presentation Materials, About Us</a>	

Shareholder and Investor Information  
<https://www.aeonfinancial.co.jp/en/ir/>





**Editorial Policy for AEON Financial Service's Integrated Report**

We have published an integrated report since 2017 so that our stakeholders, including investors, can deepen their understanding of our initiatives for sustainable value creation.

In editing this report, we referred to the "International Integrated Reporting Framework" recommended by the IFRS Foundation and the "Guidance for Collaborative Value Creation 2.0" published by the Ministry of Economy, Trade and Industry.

Starting with Our Purpose, which is the reason for the existence of the AEON Financial Service (AFS) Group, this report showcases the value we provide to local communities and customers' lives through financial services such as payments, lending, and banking developed both in Japan and overseas. It also systematically introduces our initiatives for sustainable growth, such as sustainability, DX, and strengthening human capital.

For more details, please refer to the various materials disclosed on our corporate website listed in the Disclosure Framework.

## Reporting Scope

Organizations: AEON Financial Service Co., Ltd. and its consolidated subsidiaries

Period: Year ended February 28, 2025 (March 1, 2024 to February 28, 2025) \*Includes some information outside this period.

## Notes on Forward-looking Statements

Statements contained in this Integrated Report with respect to the Company's future management strategy, business policy, and results forecasts are forward-looking statements, which are based on the assumptions and estimates in light of the information currently available. These forward-looking statements involve various uncertain factors, including risks related to economic trends, industry competition, market demand, exchange rates, and tax and other systems. Therefore, the Company's actual results, performance or achievements to be announced going forward may differ from the statements herein due to these factors.

## Main Points of Integrated Report 2025

This report is structured to clearly convey the AFS Group's value creation story to investors who evaluate us from a medium- to long-term perspective.

Based on the feedback received through dialogue with investors, the Integrated Report 2025 was created with the concept of conveying the following with a greater focus on storytelling and reality: the capital that is the source of the AFS Group's corporate value; our uniqueness and strengths; the sustainability initiatives that support them; and our policies for future growth.

**“WHAT / WHO: What do we do?”**  
**“WHY: Why do we do it, and why can we do it?”**  
**“HOW: How do we do it?”**

Centering on these three questions, we communicate the AFS Group's history of value creation, our unique strengths, and our initiatives to realize our Ideal State.

In addition, we introduce points of great interest to everyone alongside our initiatives for value creation.

### ▶ Introduction of Three Overseas Listed Companies (P22-24)

Introduction of our overseas expansion, which is both our uniqueness and strength, along with the history of each company

### ▶ Introduction of Business Personnel (P33-34)

Introduction of personnel who have contributed to the development of services utilizing digital technology, a key area of focus

### ▶ Our Purpose Employee Roundtable (P43-44)

A roundtable discussion on the theme of "Deepening Purpose Management"

### ▶ Outside Directors Interview (P52-54)

Progress in Corporate Governance as a financial group

We convey our strengths and potential from a more realistic perspective through the voices of those on the frontline.



# What do we do?



# Financial Services Business of the AEON Group

As the financial services business of the AEON Group, the AFS Group plays the role of building the infrastructure that connects the AEON Living Zone through financial services. In addition to AEON's brand power and the business scale and store network developed across Asian countries, we develop our business by leveraging the wide-ranging financial know-how we have cultivated since our founding, including payments such as credit cards, and banking. As a comprehensive financial group with its origins in the retail industry, we continue to grow by providing financial services that are unique to our company and closest to our customers.



## Role of the Financial Services Business in the AEON Living Zone

AEON defines the AEON Living Zone as a state where the accumulation of community-rooted business activities resolves regional issues and leads to the growth of AEON and the richness of region.

The AFS Group aims to realize the AEON Living Zone by offering comprehensive financial services, providing financial services essential to customers' daily lives.

● Financial services provided by the AFS Group

○ Products, services, and places provided by the AEON Group

## AEON Group Consolidated Business Scale



The Financial Services Business accounts for **approximately 5%** of the AEON Group's consolidated operating revenue and **approximately 26%** of its consolidated operating profit.

\*Figures are actual results for FY2024 (March 2024 to February 2025).

\*The Financial Services Business includes the AFS Group, in addition to AEON Reit Management Co., Ltd.

# History of Value Creation

## Value creation through comprehensive financialization and internationalization of financial services, and Ideal State for 2030

Since its founding, AEON Financial Service has promoted comprehensive financialization and internationalization, continuing to provide services to bring finance closer to customers in Japan and Asian countries, thereby creating value.

### Provision of Comprehensive Financial Services

Starting with the issuance of the JUSCO Card in 1980, we have developed diverse financial services such as banking, insurance, and e-money.



Consolidated Operating Revenue

(FY)

- Bubble economy and consumption expansion due to increase in real wages
- Proliferation of credit cards

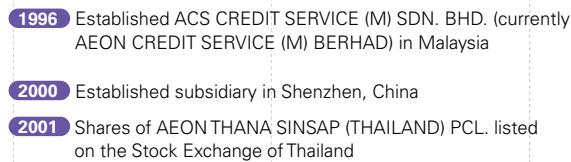
1982  
1983  
1984  
1985  
1986  
1987  
1988  
1989  
1990  
1991  
1992  
1993  
1994  
1995  
1996  
1997  
1998  
1999  
2000  
2001  
2002  
2003

- Bubble burst and contraction of domestic market
- 1997 Asian currency crisis
- 1994** Changed trade name to AEON Credit Service Co., Ltd.
- 1996** Shares listed on the Second Section of the Tokyo Stock Exchange
- 1998** Shares listed on the First Section of the Tokyo Stock Exchange



### Expansion into Asian Countries

Since entering Hong Kong in 1987, we have expanded our business to 10 Asian countries, providing financial services rooted in each country and area



- 2004
- 2005
- 2006
- 2007 **2007 Began operations of AEON Bank, Ltd**
- 2008 **2008 Insurance agency business merged to establish AEON Insurance Service Co., Ltd.**
- 2009 **2009 Began issuing AEON Card Select, a single card that functions as a credit card, cash card, and e-money**
- 2010 **2010 Launched AEON Select Club, a service for housing loan customers**
- 2011
- 2012
- 2013
- 2014
- 2015
- 2016 **2016 Launched smartphone app AEON Wallet**
- 2017
- 2018
- 2019
- 2020 **2020 Launched the AEON Pay code payment system**
- 2021
- 2022
- 2023 **2023 Integrated management between AEON Financial Service Co., Ltd. and AEON Credit Service Co., Ltd.**
- 2024
- 2025

What do we do?

Why do we do it, and why can we do it?

How do we do it?

Data / Company Information

**2013 Created AEON Financial Service Co., Ltd.**

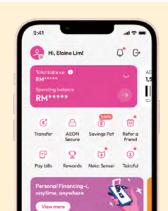
The management of AEON Bank, Ltd. and AEON Credit Service Co., Ltd. was integrated to provide one-stop services to customers, improve brand power, and optimize the allocation of management resources, deepening our comprehensive financial services

**2021 Launched the AEON Pay code payment system**

Responding to changes in lifestyles, we launched a code payment service. We moved towards financial services that are even closer to customers by leveraging the channels most familiar to them.

**2006 Established subsidiary in Indonesia****2007 Shares of AEON CREDIT SERVICE (M) BERHAD listed on the Malaysian stock exchange****2008 Established subsidiaries in the Philippines and Vietnam****2011 Established subsidiaries in India and Cambodia****2012 Established subsidiary in Laos and Myanmar****2024 [Malaysia] Began operations of AEON BANK (M) BERHAD, a digital bank business**

Started Malaysia's first digital banking business based on the Islamic financial system, promoting the construction of a new business model

**2025 Made Post and Telecommunication Finance Company Limited\*1, which operates a finance business in Vietnam, a consolidated subsidiary**

\*1 The Accounting Standard for Revenue Recognition has been adopted since FY2022

\*2 Changed the trade name to AEON Consumer Finance Company Limited in October 2025

Ideal State for 2030

**A community-based global company that brings “finance closer to everyone”**

# At a Glance

(As of the end of February 2025)

↑ Consolidated Card Shopping Transaction Volume

**¥7,993.2 billion**

↑ Consolidated Card Cashing Transaction Volume

**¥560.9 billion**

↑ Consolidated Finance Receivables\*

**¥8,087.8 billion**

\*Balance before securitization

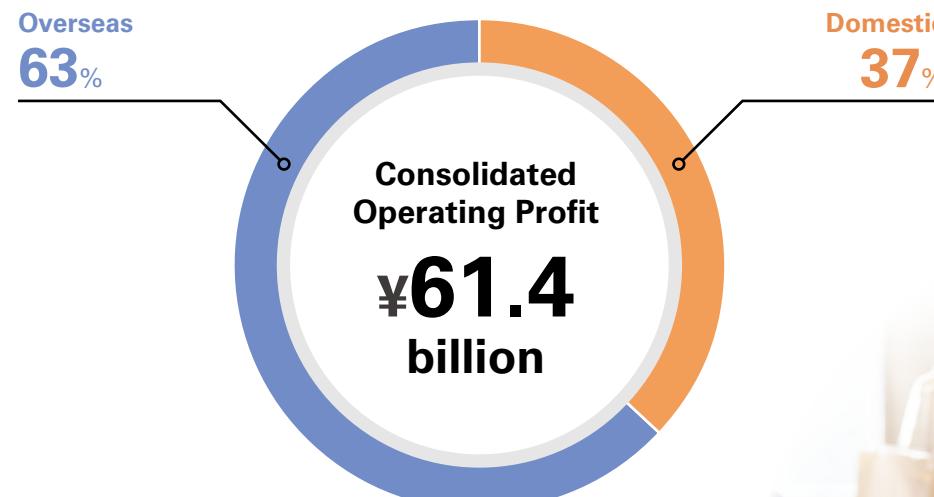
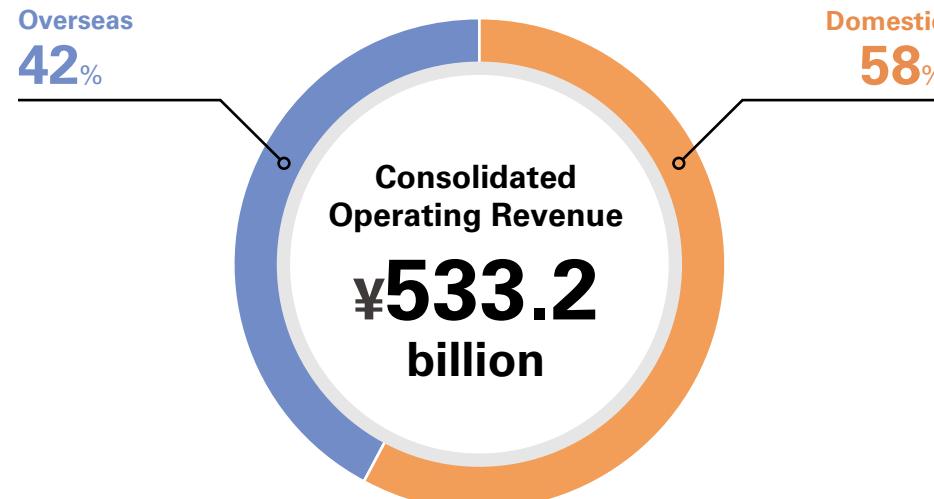
↑ Deposit Balance\*

**¥5,201.6 billion**

\*AEON Bank, Ltd. non-consolidated

↑ Consolidated Valid IDs

**55.72 million**



↑ Business Areas

**11 countries in Asia including Japan**

↑ Employees

**15,547**

(Domestic: 4,644 Overseas: 10,903)

↑ Consolidated Companies

**32**

(Domestic: 9 Overseas: 23)

↑ Stores

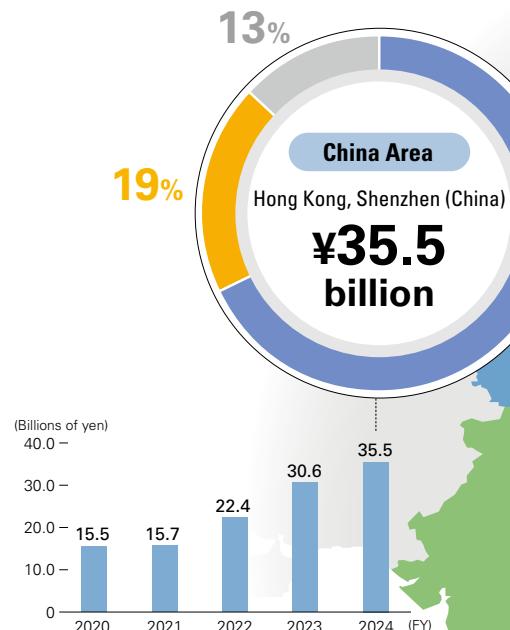
**421**

(Domestic: 182 Overseas: 239)

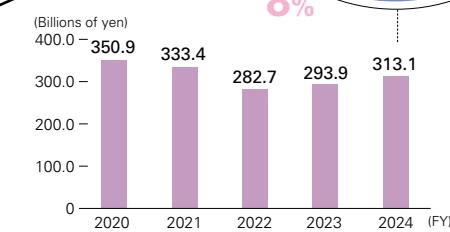




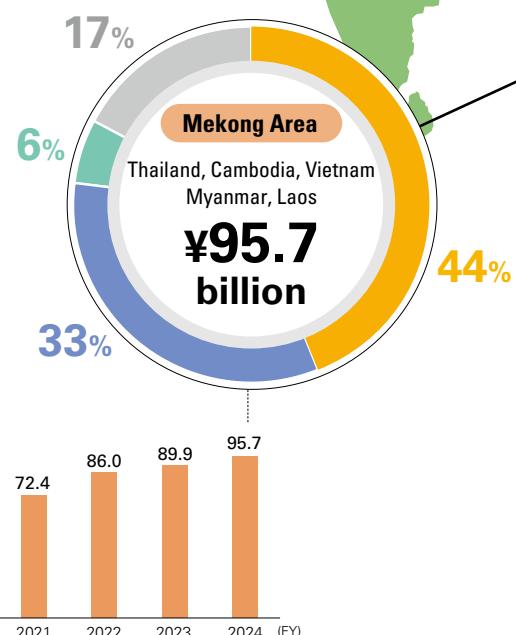
## At a Glance (As of the end of February 2025)



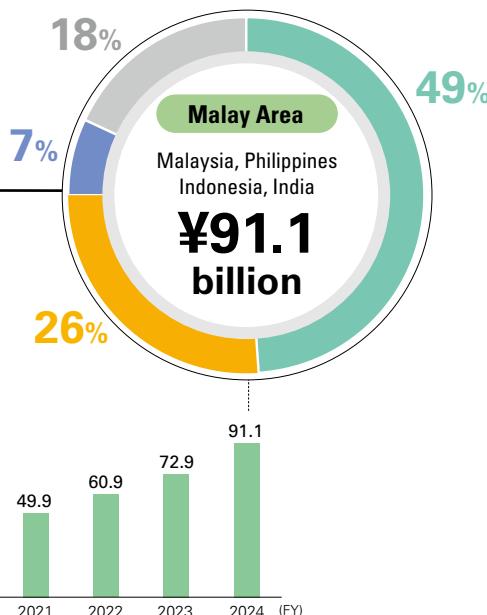
## Operating Revenue by Area



Note: The Accounting Standard for Revenue Recognition has been adopted since FY2022.



- Credit cards (shopping, cashing)
- Unsecured personal loans
- Installment finance (installment payments)
- Loans and bills discounted for banking business
- Insurance
- Other

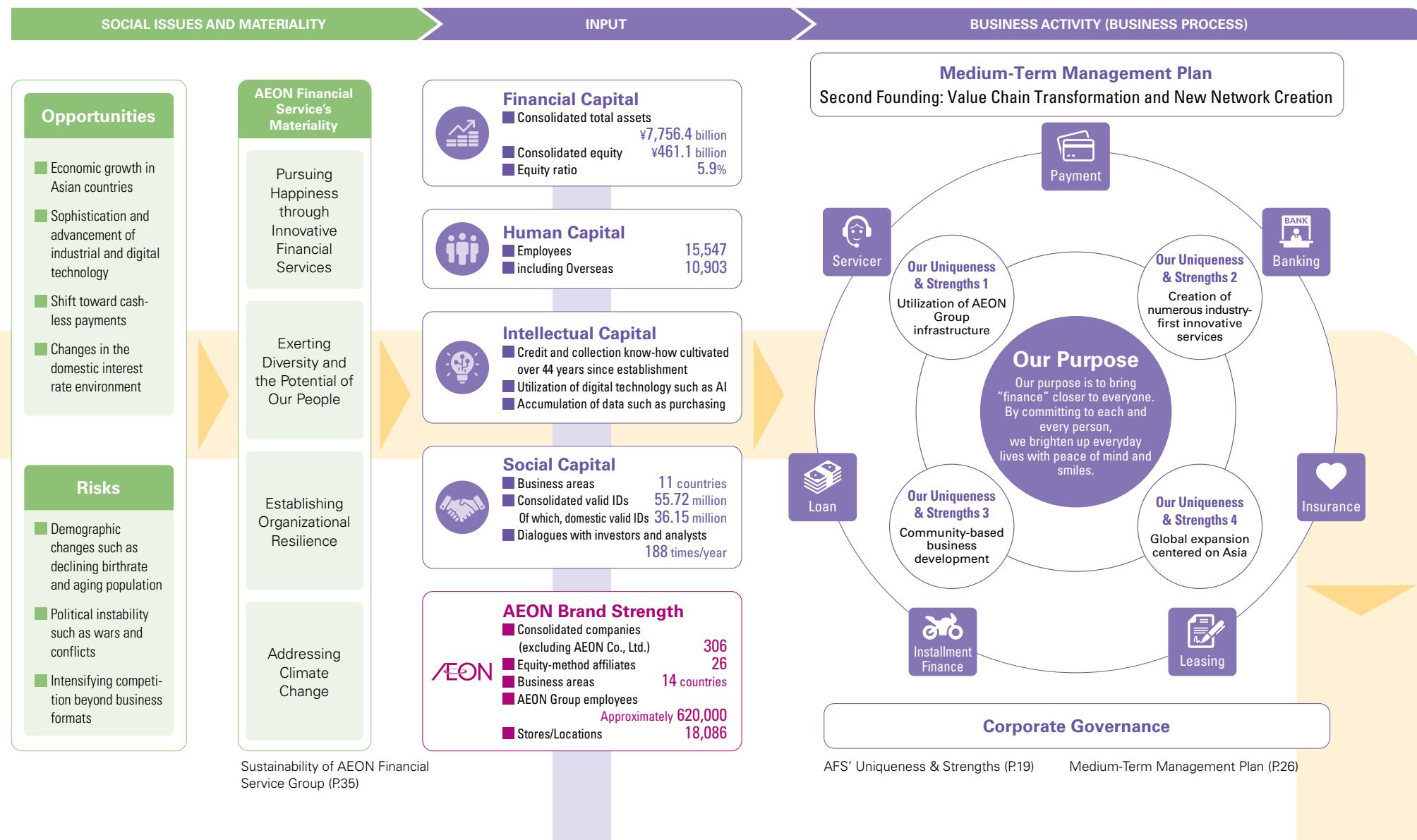




# Value Creation Process

Guided by Our Purpose, "to bring finance closer to everyone. By committing to each and every person, we brighten up everyday lives with peace of mind and smiles," we will provide the innovative financial services that customers need to continue serving their lives at all times, in all places, and in all situations.

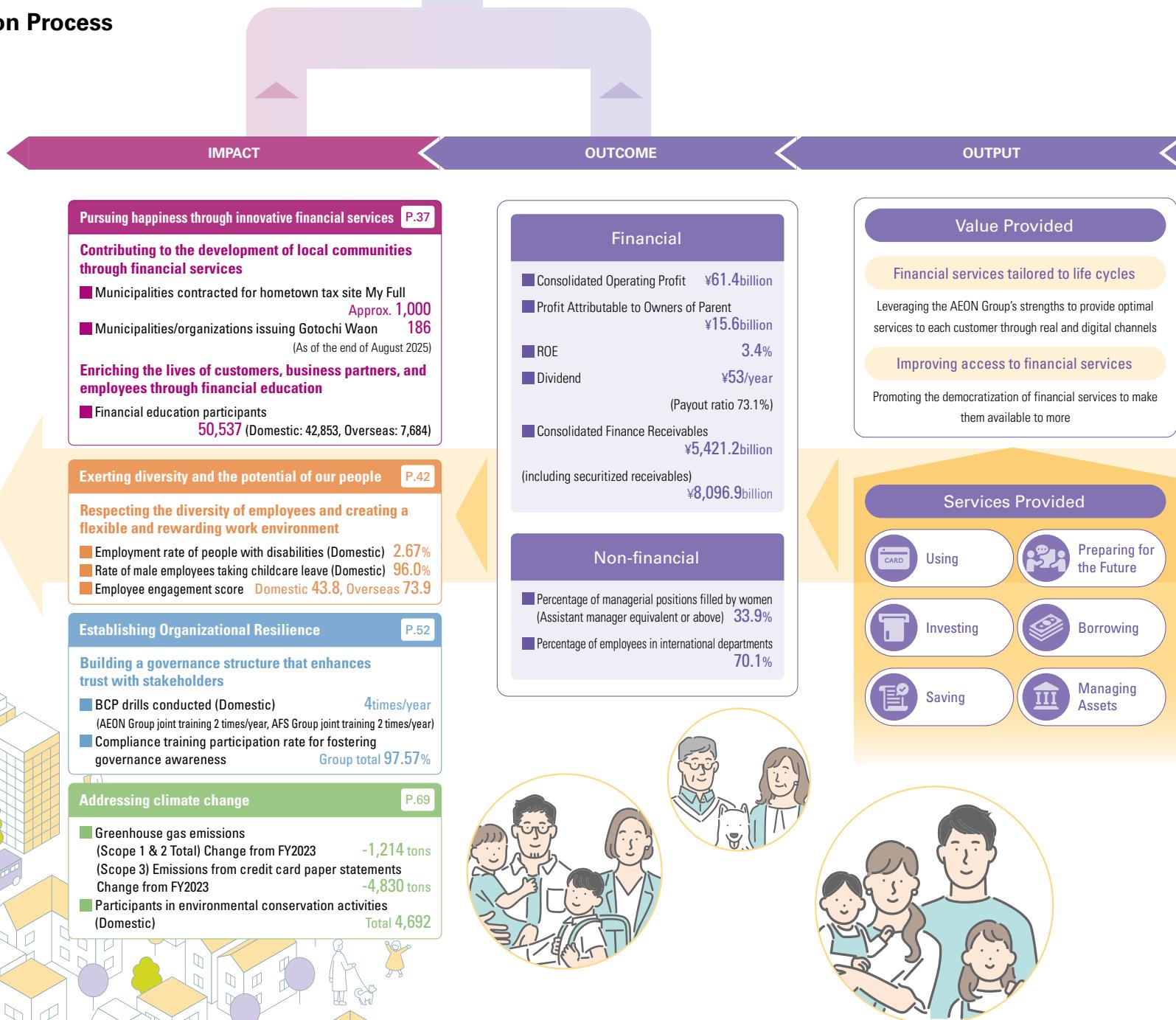
\*Figures as of the end of February 2025



## Value Creation Process

Ideal State  
for 2030

A community-based global company that brings  
“finance closer to everyone”





# Why do we do it, and why can we do it?



# Realization of 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."

We will provide innovative and comprehensive financial services to realize this purpose.

## Why do we engage in the comprehensive financial business?

2023 Establishment of Our Purpose

## 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.**

Please refer to our website and Integrated Report 2023 P.7-10 for the background of the formulation of Our Purpose, the concept, and the path to its formulation.

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

► Integrated Report 2023 P.7-10  
<https://www.aeonfinancial.co.jp/-/media/AeonGroup/Aeonfinancial/Files/en/ir/library/annual/2023/Integrated--Report2023.pdf>

## To realize Our Purpose

2023-2024: Instillation

2025 (Current): Practice

### 1 Initiatives for Instilling Our Purpose

After establishing Our Purpose, we shared its concept by distributing videos and held town hall meetings to consider what is needed to embody it and to build deeper understanding.

In FY2024, we conducted dialogues regarding the AEON Foundational Ideals, AEON Group Future Vision, and Our Purpose at each Group company and department, continuing our efforts to instill Our Purpose.



Town Hall Meeting

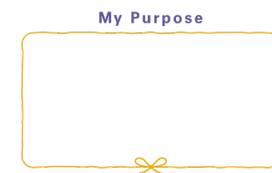
### 2 Understanding, Empathy, and Practice of Purpose

We are conducting activities to deepen the understanding of Our Purpose and connect it to action at each company and department. To think about how to proceed in the future, we conduct workshops and meetings in each department, where employees verbalize their own "My Purpose" and engage in dialogue with members, working towards the embodiment of Our Purpose.

	Purpose Awareness	Purpose Understanding
Domestic Group Total	96%	76%
Overseas Group Total	79%	60%



Workshop



My Purpose Card

► Please see P.43-44 for practical examples of Purposes in the field.

# Message from the President and CEO

Through increased profitability and sustainable business operations, we aim to evolve into a financial group that continues to be chosen by consumers



President and CEO

**Tomoharu  
Fukayama**

## Determined to do my best as President and CEO

### ▶ Steering the AEON Financial Service (AFS) Group back onto a growth trajectory

In May 2025, I took office as President and CEO of AEON Financial Service Co., Ltd. I joined AEON Financial Service as a new graduate in 1997, and after working at branch offices, I joined the corporate planning department, where I spent many years. I also gained valuable opportunities to oversee the diverse business operations of the AEON Group as a whole when I was seconded to the parent company, AEON Co., Ltd. These experiences have deepened my understanding of the AEON Group's businesses and strategies and refined my management perspective.

Starting in 2015, I served as a General Manager of the Sales Division at AEON CREDIT SERVICE (ASIA) CO., LTD., our subsidiary listed on the Hong Kong Stock Exchange, and then as its Managing Director since 2020. Under the unprecedented circumstances of the COVID-19 pandemic, expanding market share and business growth became major challenges. However, by adhering to a locally rooted, on-the-ground approach and focusing on developing local talent and fostering a self-driven organization, we were able to steer the company back onto a growth path.

In 2024, I handed the baton to locally nurtured talent in Hong Kong, and just as I was preparing, as the project team leader to expand our financial business in the growth market of Vietnam as my next challenge, I was asked to assume the position of President and CEO of AEON Financial Service. This took me by surprise, but I resolved to face the new challenge and mission with strong determination.

Even while involved in the management of overseas subsidiaries, I have always worked with an awareness of the challenges facing the AFS Group as a whole. Now I am ready to face the challenges head on and steer the AFS Group towards sustainable growth. Under the new medium-term management plan starting in fiscal 2026, we will steadily acquire the earning power required to achieve renewed growth.

## Awareness of the external environment

### ▶ Advances in digitalization and the arrival of “a world with interest rates”

The external environment changed dramatically from the start of the current medium-term management plan “Transformation Phase” (fiscal 2021–2025) and through the COVID-19 pandemic. With the rapid advancement of digital technology, a significant portion of people's communication is now conducted via the internet and other non-face-to-face settings. In the financial industry, smartphone payments account for more and more cashless payments, and financial products such as investment trusts and insurance that meet capital needs are rapidly shifting to smartphone-based services. At the same time, fintech companies are entering the market as new players, intensifying competition even further.

In Japan, the zero interest rate policy that lasted for more than 20 years came to an end, returning us to “a world with interest rates.” The end of the COVID-19 pandemic has brought renewed appreciation for the value of real-world spaces. Customers now alternate between the convenience of digital services and the reassurance of in-person experiences, depending on their needs at the time.

In Asian countries, local companies are becoming larger and larger, and their expansion across borders is accelerating. These companies are increasing their presence by combining their strengths rooted in the local community with digital capabilities. In addition, new digitally enabled financial services, operating under an agile development framework, are allowing companies to respond flexibly and rapidly to changing needs and expand their service across various regions, transcending borders and cultural barriers.

In response to rapid environmental changes such as these, the AFS Group, while aiming to be a one-stop comprehensive financial services provider, has advanced initiatives such as opening a digital bank in Malaysia and building overseas credit and collection systems using AI. However, as an environment is being put into place that allows the selection of increasingly



## Message from the President and CEO

optimal services in various spheres of daily life, including communications, the hard truth is that the AFS Group has not been able to fully demonstrate its uniqueness and advantages as a financial group with its origins in the retail industry.

### Our reason for existence

#### ► To bring “finance” closer to everyone

As its vision of Ideal State for 2030, the AFS Group aims to be “a community-based global company that brings ‘finance’ closer to everyone.” This is a vision to become an indispensable presence for consumers in the field of finance by embodying the AEON Foundational Ideals: pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point. The AEON Foundational Ideals are not just about pursuing convenience, but about always putting ourselves in the customer’s shoes and acting with integrity. We continue to rethink the way financial services should be provided, with these ideals as the standard for all our judgments and actions.

Our Purpose, as formulated by the AFS Group, serves as a guide for realizing the AEON Foundational Ideals through finance. In addition, we have identified four key issues (our materiality) from the perspective of sustainability and set key indicators to be achieved by 2030. Up to now, the AFS Group has been able to get closer to customers and put our Ideal State of bringing “finance closer to everyone” into practice through measures such as providing credit services accessible to everyone and developing a bank that makes it easy to visit anytime, seven days a week.

Going forward, we aim to provide services that meet the diverse needs of each region, to become truly community based, and to make maximum use of digital technology to deliver a highly convenient financial experience that is not bound by time or place. Nowadays, people of all ages—from children to seniors—use cashless payments. AEON Group’s services are often used by families, but we also strive to meet the needs of the younger generations and provide

services that are easy to use for customers of all ages. We aim to continue supporting our customers throughout their lives by working in collaboration with partner companies to provide a wide range of financial services tailored to every stage of life.

I also envision a scenario in which we grow into a company that is chosen by consumers all around the world through a “glocal” (global + local) approach that deploys global knowledge while optimizing it for the local community. I am convinced that being a company that stays close to our customers’ needs and continues to be chosen by them is the very reason for the AFS Group’s existence and also helps to enhance our social value.

### Medium- to long-term outlook

#### ► Structural changes in payments and the evolution of retail finance

My view of the medium- to long-term business environment is captured by two phrases: “structural changes in payments” and “the evolution of retail finance.”

The current payment network involves a wide range of players, including international brands and authentication systems, resulting in a high cost structure. However, it is expected that payments will undergo significant structural changes with the proliferation of blockchain technology-based digital financial services such as CBDCs (central bank digital currencies), stablecoins, and tokenized deposits. This is expected to significantly reduce the burden of processing fees on merchants, expand cashless locations, and improve user convenience. On the other hand, traditional payment businesses are likely to be forced to undergo structural transformation. Going forward, I believe it will be essential to expand our lending offerings to meet the diverse needs of our customers and secure new, stable revenue sources. To secure efficient and stable revenue sources in such an environment, we are encouraging customers in Japan to use their accounts for everyday transactions, centered on our AEON Pay smartphone-based payment service.

Furthermore, with the bundling of financial services and the shift to digital platforms, we are entering an era in which retail finance is evolving to respond precisely to the diverse needs of customers. Major banks are also making big shifts in their channel strategies, such as relocating branches that were previously located in front of train stations to commercial facilities, opening specialized branches that offer a narrower range of services, and making business hours more flexible. Similarly, AEON Bank, Ltd. will review its touchpoints with customers, optimize channels to meet diversifying needs, and restructure store formats to suit the characteristics of each location.

### Management vision

#### ► A financial group that continues to be chosen by consumers

Given the medium- to long-term outlook, the five-year plan starting in fiscal 2026 is positioned as a “Growth Phase.” By increasing our profitability and conducting sustainable business operations, we will build relationships of trust with our stakeholders and evolve into a financial group that continues to be chosen by consumers. This is the management vision I aspire to, and I consider it my most important mission. We will thoroughly pursue growth that is backed by numerical figures and concrete results, and work to ensure that by fiscal 2030 we are able to reap the fruits of those efforts.

To achieve this vision, we have set a clear direction: in Japan, we will shift management resources to smartphone-based payments, lending, and banking businesses, while in Asia we will pursue renewed growth. By promoting these strategies in tandem with strengthening compliance, governance, and internal controls, we will steadily increase our earning power.

First, in Japan, we will adapt to structural changes in payments by shifting management resources to our AEON Pay smartphone-based payment service. With AEON Pay at its core, we will build a new payment infrastructure that balances convenience and profitability by expanding our merchant network, optimizing payment costs, and leveraging blockchain technology.



## Message from the President and CEO



In the lending business, we will fully leverage the advantage of having a bank and, by expanding diverse lending services that transcend the boundaries between banks and non-banks, meet a wide range of financing needs to strengthen our revenue base. Although we hold the top share in the domestic card cashing market, monthly transaction volume is below its peak. However, when it comes to generating profits in “a world with interest rates,” it is clear that lending is important, and I believe this is the area where we should focus our efforts. Therefore, we will separate our lending business into an independent division and strategically expand our lending products for individuals and corporations. In particular, we will focus on financial solutions linked to payments, such as cash flow support and instant deposit services for affiliated merchants, in order to build a stable revenue base.

Our mission is to provide financial services that consumers can use with confidence. Loans, installment payments, and revolving credit are important tools that help customers balance their income and expenses, and they constitute socially valuable services. We will therefore make strengthening our lending business—a financial service that enriches consumers’ lives—our top priority.

Returning to its origin as “the bank closest to consumers,”

AEON Bank will promote as major initiatives the use of its accounts for everyday transactions centered on AEON Pay, the restructuring of store formats, and improved convenience through the integration of digital and physical channels. Furthermore, since both credit card and banking services are, for our customers, financial services of the AEON Group, we will manage our business in an integrated manner across company boundaries, aiming to provide a highly convenient one-stop service, while leveraging our strength in deposit collection and focusing on low-cost procurement.

To achieve renewed growth in Asia, we will accelerate the shift from a head office-led to a locally-led management structure. To achieve this, we will recruit outstanding local talent and develop a brand strategy rooted in the local community with the goal of evolving into “a regional brand of choice” in Asia. When allocating resources, we will comprehensively consider each country’s economic growth, trends in financial regulation, the competitive environment, and the potential for synergies with the AEON Group, and then deploy resources as appropriate to countries and regions where business growth is expected. For the time being, we will designate Malaysia, Vietnam, and Cambodia as priority areas and intensify our efforts there.

### Strengthening Group governance

#### ► Governance for sustainable growth

I offer my deepest apologies to all our stakeholders for the inconvenience and concern caused by the recent incidents, including the business improvement order AEON Bank received from the Japan’s Financial Services Agency (FSA), the discovery of improper accounting practices prior to the acquisition of equity in the Vietnamese finance company Post and Telecommunication Finance Company Limited (PTF; now AEON Consumer Finance Company Limited), resulting in postponement of the announcement of the Financial Results for the First Quarter of the Fiscal Year ending February 28, 2026 (fiscal 2025) and restatement of the prior fiscal year’s financial statements, and the growing number of cases of fraudulent use of AEON Cards.

Regarding the business improvement order issued by the FSA to AEON Bank and the improper accounting practices discovered before the acquisition of equity in PTF, I acknowledge that one factor was the inadequacy of our oversight of subsidiaries, which is our responsibility as the parent company. We are reflecting seriously on these incidents and strengthening the Group’s governance framework by clarifying officers’ responsibilities, enhancing oversight functions, and optimizing approval and reporting systems. By working to strengthen governance, we will make our growth potential even more certain and robust.

Regarding fraudulent use of AEON Cards, I acknowledge that the widespread harm was exacerbated by our delay in taking measures to protect our customers against attacks employing new tactics by malicious third parties. In addition to strengthening our fraud detection and monitoring systems through the establishment of specialized units, we are continuously working to eliminate and prevent fraud by cooperating with companies across the industry and related organizations.

We will strive to ensure a strong sense of governance and compliance across the entire AFS Group, so that we will never again lose the trust of our stakeholders.

### Strengthening human capital

#### ► Human resource development and promotion of diversity

The AEON Group places great importance on human resource education. This is because education promotes personal growth and is a source of sustainable competitiveness for companies. Growing up, I was taught that “The greatest form of welfare is a education,” and even after becoming President and CEO, I have continued to actively pursue new knowledge and skills and to participate in various training programs.

Since we are particularly understaffed with experts in areas such as digital transformation (DX) and sustainability in Japan, we are focusing on developing personnel who combine digital and financial skills through re-skilling and up-skilling of existing employees. To implement the strategic direction described

## Message from the President and CEO

above, DX personnel are essential, and this is the area where securing talent is most necessary.

In addition, under the policy of providing greater opportunities to take on challenges for those with the motivation and ability regardless of age or gender, we will support self-directed career development and also focus on cultivating the next generation of leaders. I would like the young people who will lead the next generation to have a greater interest in and awareness of overseas markets, which is where the growth will be. To that end, we will provide more opportunities to address challenges at our overseas subsidiaries and work to develop personnel who will lead the AFS Group's initiatives with a global perspective.

Given the current situation overseas, where there is a shortage of personnel with extensive global experience, we will focus on developing outstanding local employees working at local subsidiaries into global talent by expanding their education and training opportunities and instilling in them the Group's shared values. In the medium to long term, we will promote the development of "global talent management," which places the right people in the right positions across national and regional boundaries, while striving to diversify our global decision-making team and build a system that better reflects local voices in management.

Furthermore, given that the AFS Group has a large number of female customers, we believe that the perspectives and viewpoints of female employees are important to management. Based on this idea, we have set a goal of increasing the percentage of managerial positions filled by women across the entire AFS Group, both in Japan and overseas, to 40% by fiscal 2030.

To develop the human resources that will support the sustainable growth of the AFS Group, it is essential to develop a work environment in which each employee can feel motivated, proud, and rewarded by their work. We will continue to conduct employee engagement surveys and analyze employee expectations of the company and satisfaction levels, striving to create a workplace culture and environment in which employees can work with high motivation.

### To all our stakeholders

#### ► Restoring a culture of taking on challenges

I believe that our most important task in aiming for renewed growth is to break away from the current situation of being on the defensive and drained of vitality. We have experienced our share of failures in the past. As a result, I feel that our willingness to take on challenges has declined due to an excessive fear of failure. This is really a case of "once bitten, twice shy."

In the past, AEON Financial Service was filled with a strong passion for challenge and an animal spirit that drove our growth. If we adopt an attitude that equates remorse for past issues with not taking on new challenges, we will not be able to survive in the financial industry, which is currently undergoing major changes. I believe my primary responsibility is to restore a culture of proactively embracing challenges—learning from past mistakes but not letting them immobilize us. Therefore, when I became President and CEO, I asked all employees to "reflect on past mistakes, but do so correctly."

When I joined AEON Financial Service, it was during a period of significant growth. As the organization expanded both vertically and horizontally, even young employees were forced to take on unknown challenges without having time to worry about whether they could do it or not. In that kind of environment, the people who volunteered to take on challenges and achieved results were the most highly valued, and even if they failed, people who took action on their own were valued more than people who achieved results only after following instructions. There was a strong culture of "action first," with people saying things like "Let's just try it" and "Let's encourage people to take on challenges." Looking back, I myself have been entrusted with responsible roles from a young age and have had the opportunity to grow by facing challenges. AEON is an organization with a culture that values a spirit of challenging oneself, and I myself will strive to exemplify the culture of taking on challenges.

### Toward improved capital efficiency

#### ► Working with a sense of urgency

Before the COVID-19 pandemic, our PBR stayed above 1x, but it is currently well below that level. The main causes were declines in ROE and confidence in future growth. I am keenly aware that a drastic improvement in capital efficiency is an urgent issue.

In response to this challenge, we will work with a sense of urgency to make improvements, such as shifting from a card-centered business model to a smartphone-based model, reviewing our business portfolio, and growing the recurring-revenue base. Let me reiterate that in addition to making every effort to restore the trust of our stakeholders, I am determined to ensure a return to a growth trajectory in the next medium-term management plan, while prioritizing highly transparent information disclosure and proactive dialogue with the capital markets. To all our stakeholders, I sincerely ask for your continued support and encouragement.



# Our Uniqueness & Strengths

As a comprehensive financial group with its origins in the retail industry, the AFS Group has continued to grow by developing financial services closely attuned to local communities and lifestyles across Asian countries, including Japan, thereby bringing “finance closer to everyone.”

## Our Uniqueness & Strengths 1

### Utilization of AEON Group Infrastructure

The AFS Group is responsible for the Financial Services Business, one of the eight core businesses of the AEON Group. In addition to AEON's brand strength and its store network across Asian countries, we are developing our business by leveraging the wide-ranging financial expertise that we have cultivated since our founding, including in credit cards and banking.



\*The Financial Services Business includes the AFS Group, in addition to AEON Reit Management Co., Ltd.

\*Figures as of the end of February 2025.

### AEON Group by the Numbers

Operating Revenue **¥10,134.8 billion**

Stores/Locations **18,086 stores/locations**

Countries Served **14 countries**

### AEON Group and AEON Financial Service

Number of countries where the AFS Group operates within AEON Group's retail operations **9 countries**  
\*Including Japan

Equipped with AEON Pay as a payment tool  
**AEON's integrated app, iAEON Cumulative downloads** **15 million downloads**

## Our Uniqueness & Strengths

### Our Uniqueness & Strengths 2

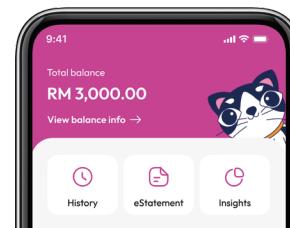
#### Creation of Numerous Industry-First Innovative Services

We have expanded our business by providing innovative services unbound by preconceived notions, such as launching the industry's first gold card with no annual fee and introducing signature-free credit card payments in food departments.

##### ■ First in Malaysia! Launch of Islamic Digital Bank

On May 26, 2024, we launched Malaysia's first digital bank based on the Islamic financial system. In Malaysia, where Muslims comprise more than 60% of the population, the advancement of Islamic finance represents one of the Central Bank's medium-term priority initiatives.

We are working to create an environment where financial services are easily accessible to all by providing a financial system based on Islamic principles through smartphone apps, which are the most familiar digital touchpoints.



##### ■ Balance Mutual Exchange Function for AEON Pay and WAON Patent Approved

On June 26, 2025, we launched a new service that integrates the AEON Pay code payment system with the WAON e-money card.

This feature allows users to freely transfer balances between AEON Pay and WAON, enabling payments at merchants affiliated with either service. As a result, the number of locations where these payment options can be used has expanded to approximately 4.3 million.

This service, which allows users to easily transfer balances stored on servers and IC chips via an app, is the first of its kind in Japan and has been approved for a patent.



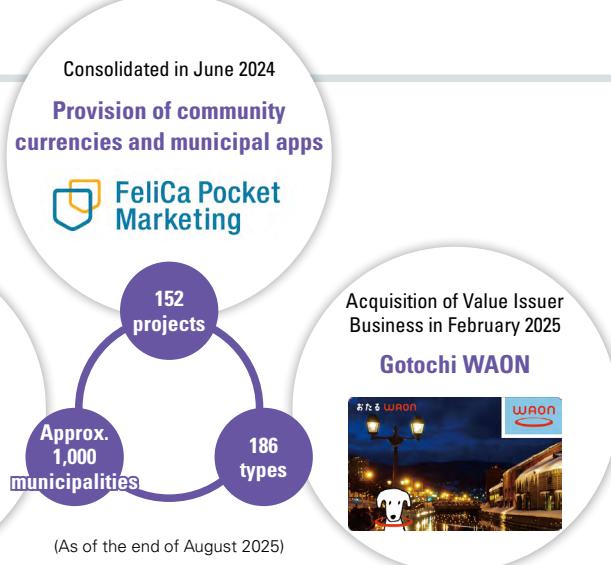
### Our Uniqueness & Strengths 3

#### Community-Based Business Development

Based on the AEON Foundational Ideals of "Pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point," we offer financial services tailored to meet regional needs.

##### ■ Expansion of Regional Collaboration

We provide financial services closely attuned to local communities, including My Full, a hometown tax site that contributes to the development of the regional economy, as well as solutions such as community currencies and regional points offered by FeliCa Pocket Marketing Inc. For the WAON e-money card, we issue Gotochi WAON, which donates a portion of each transaction to local communities as part of an initiative to connect customers' everyday shopping with regional revitalization. In June 2025, we expanded these Gotochi (local) functions to also allow donations through AEON Pay charge payments.

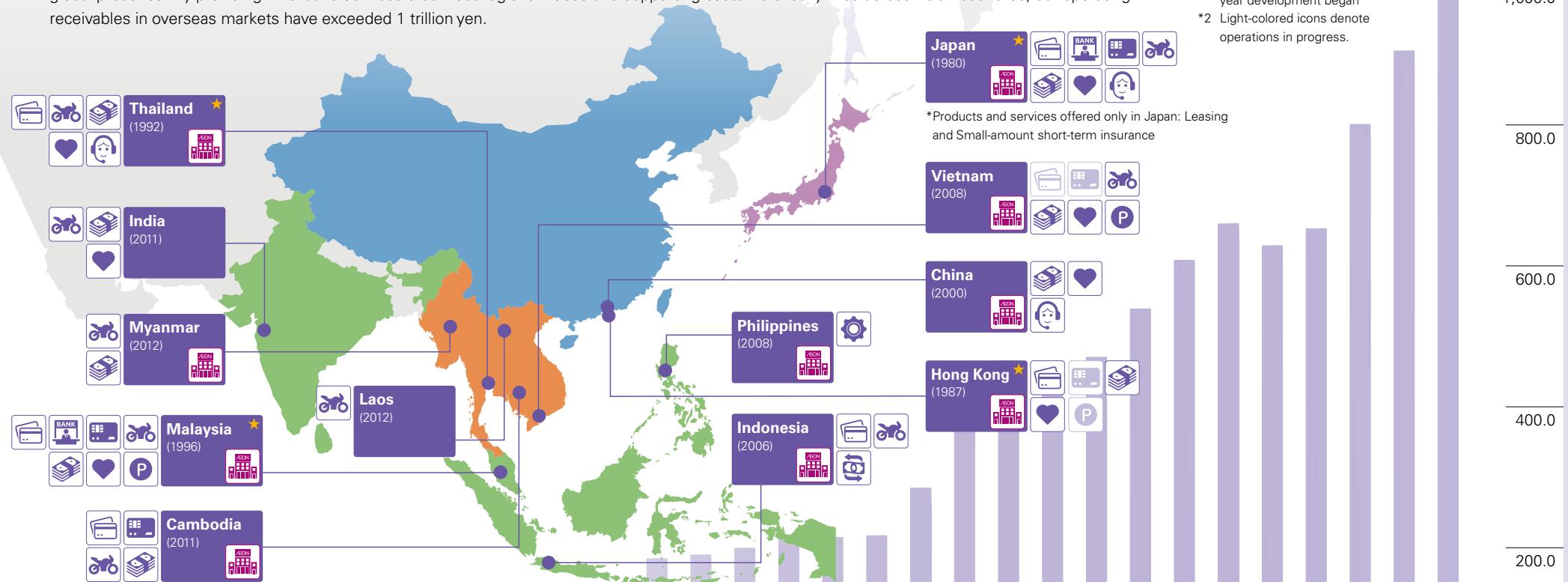


## Our Uniqueness & Strengths

## Our Uniqueness & Strengths 4

### Global Expansion Centered on Asia

We have helped establish the trust of both Japan and the overseas market through community-based business development, thereby expanding our global presence. By providing innovative services that meet regional needs and supporting customers' daily lives across Asian countries, our operating receivables in overseas markets have exceeded 1 trillion yen.



### Trends in Overseas Operating Receivables

\*Figures for FY2008 and earlier are calculated based on the difference between consolidated and non-consolidated operating loans and accounts receivable - installment.



\*Businesses developed as of October 2025.



# Message from Our Overseas Listed Subsidiaries Representative



**AEON CREDIT SERVICE (ASIA) CO., LTD.**

**Shaping the future through finance rooted in Hong Kong**

## Topics **The future of the AEON Living Zone, expanding through finance**

To deliver unique value and earn our customers' trust, we are collaborating with AEON Stores (Hong Kong), which operates the GMS business, to further develop AEON Living Zone.

AEON is a brand deeply rooted in Hong Kong and cherished by its people. Our goal is not only to provide payment and financing services for AEON shoppers, but also building a platform that connects AEON with partner companies, enhancing everyday convenience through new bonus points and loyalty programs. Looking ahead, we aim to expand this living zone beyond Hong Kong to Japan and the Greater Bay Area (GBA)\* to meet customer needs.

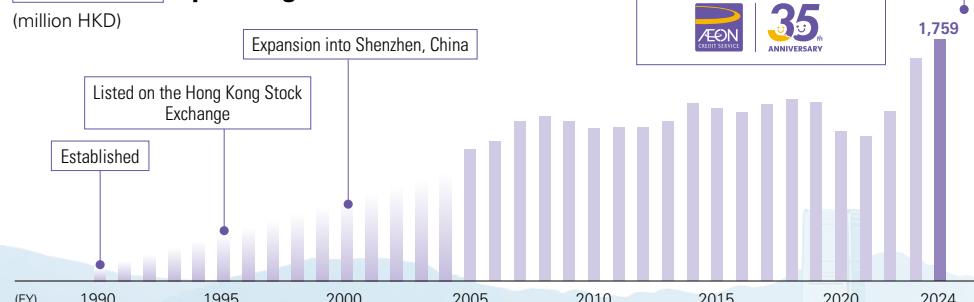
\*Greater Bay Area: A region that connects Hong Kong, Macau, and nine other cities in the Guangdong Province.

### Creation of the AEON Living Zone



\*ACS (ASIA): AEON CREDIT SERVICE (ASIA) CO., LTD

### Growth trajectory **Operating revenue**



## Message from Our Overseas Subsidiaries Representative

**Don't just continue as is,  
One step back to roots**

Managing Director

**Wei Aiguo**



AEON CREDIT SERVICE was founded in Hong Kong in 1990 and has grown steadily since its inception. As we celebrate our 35th anniversary, we offer a comprehensive range of financial services, including credit cards, personal loans, merchant acquiring, and insurance agency services through our operations in Hong Kong and our subsidiaries in Shenzhen China, we continue to serve the diverse needs of local customers.

Hong Kong is one of the most densely populated cities in the world, where competition is fierce as companies rapidly introduce new services to attract and retain. In this challenging environment, we are committed to the following initiatives to strengthen customers trust and reinforce our presence as a financial institution that is part of everyday life.

- Develop a new bonus points platform to build our AEON Living Zone;
- Drive digital transformation through AI and others advanced technologies;
- Diversify our customer base with a focus on younger generation;
- Strengthen governance and operational practices to drive profitability while reducing risk exposure; and
- Build a company trusted by both customers and employees

These initiatives are grounded in the AEON Group's Foundational Ideals: "pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point." Bringing these principles to life in Hong Kong and across the region.

Staying true to the spirit that guided us 35 years ago, we will continue to challenge ourselves making every effort to achieve stainable growth that brings joy to our customers, shareholders, communities, and employees.

## Message from Our Overseas Listed Subsidiaries Representative

### AEON THANA SINSAP (THAILAND) PCL.

**Building a robust, yet compassionate financial system that supports the future of Thailand with the power of digital technology and coexistence**

#### Topics **Financial services focused on the future — eliminating the use of paper and plastic**

We are actively tackling digitalization in order to quickly respond to changes in society and customer needs. In November 2024, we issued a completely digital credit card that does not use a physical plastic card. This service, which considers both convenience and the environment, has been favorably received, especially by the younger generation.

In addition to providing products and services, we are conducting environmentally conscious and sustainable events, including hosting a digital Loy Krathong (lantern floating) festival that can be participated in via a mobile device, utilizing digital technology to preserve tradition while minimizing waste.

#### Examples of digitalization initiatives in Thailand



#### Growth trajectory **Operating revenue** (million THB)



#### Message from Our Overseas Subsidiaries Representative

**Aiming to be digital, sustainable, and leaving no one behind**

— Providing financial services that support the future of Thailand.

Managing Director

### Toshiya Shimakata



In 2024, the Thai economy demonstrated a slight acceleration in GDP growth compared to the previous year due to a gradual recovery in exports and tourism; however, the recovery in private consumption and investment remains sluggish, and high household debt along with weak inflation are still burdens on the economy. Moreover, awareness of human rights and environmental protection is rapidly gaining momentum. While we are making progress towards becoming a society that respects diversity through the legalization of same-sex marriage and the promotion of anti-discrimination laws, measures to address air pollution and plastic waste are also being strengthened, leading society as a whole to shift towards prioritizing sustainability and equity. In addition, the government is spearheading the promotion of digitalization and online services, making convenience and transparency important factors as well.

We are advancing the digitalization of our services to quickly respond to the changes in Thai society and our customers' needs, endeavoring to balance convenience and sustainability while working to solve social issues. In addition, regarding the issue of household debt, we are participating in the debt relief support program called You Fight, We Help, led by the Bank of Thailand, and are actively working to address this social problem.

Since our establishment in 1992, we have consistently provided services rooted in the lives of people in the community, upholding our mission to support our customers' daily lives in every era. Going forward, we will continue to respond to the needs of our customers in Thailand and provide financial services that assist in their day-to-day lives, practicing "Our Purpose" and aiming to be the most supported company by customers in Thailand.



## Message from Our Overseas Listed Subsidiaries Representative



**AEON CREDIT SERVICE (M) BERHAD**

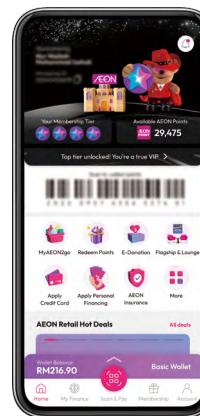
### Changing lifestyles beyond the boundaries of finance

—Taking on the challenge of the AEON Living Zone from Malaysia

#### Topics **Creating AEON's "super app" to support everyday life**

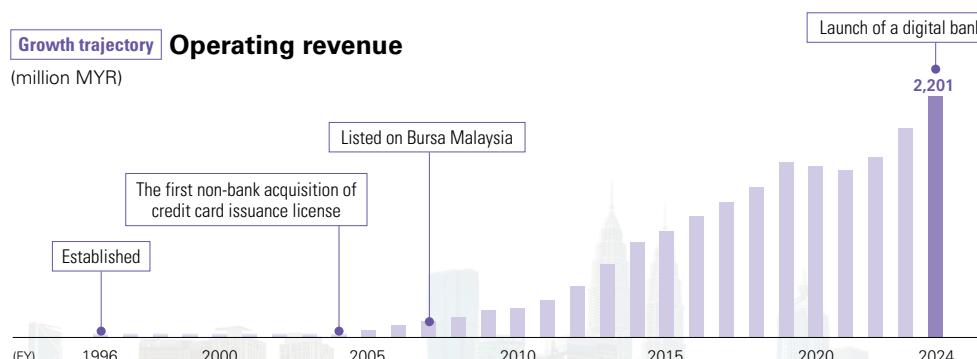
In April 2025, we revamped the smartphone app AEON Wallet. The points earned from shopping at AEON stores and the points earned from credit card usage have been integrated into AEON Points, making it easier for points to be accumulated. Additionally, a new membership status system has been introduced, granting various benefits based on the number of points earned. In the future, the plan is to have various benefits provided by AEON Group companies based on the status.

While AEON Wallet mainly offers various financial services, we have plans to turn it into a super app for the AEON Living Zone by utilizing customer shopping data in collaboration with the AEON Group, with hyper-personalized services to be provided from the AEON Group and partner companies in the future.



#### Growth trajectory **Operating revenue**

(million MYR)



#### Message from Our Overseas Subsidiaries Representative

### Utilizing digital technology to bring "finance" closer to everyone

—Providing future lifestyles

Managing Director

#### **Daisuke Maeda**



In 1996 we started an installment payment business for household appliances in Malaysia, driven by economic development and increasing demand, and we have expanded this business to include motorbikes, which are essential daily items. We strive to provide financial solutions in collaboration with participating merchants for customers who find it difficult to access traditional bank loans. In recent years, in response to changes in customer demand, we have been advancing our transformation into a comprehensive financial company by expanding into payment businesses such as credit cards and digital wallets via smartphone apps, as well as the insurance agency business and the digital bank business.

Currently, in Malaysia, economic growth and changes in lifestyle are leading to rising incomes, a shift to online services, the penetration of cashless payments, diversification of lifestyles, and the entry of platform companies into the financial sector, thereby driving expectations for services that go beyond traditional financial products.

In such an environment, we are enhancing the AEON Wallet smartphone app, and in addition to virtual card issuance, loan applications, and insurance purchases, we are working towards achieving one-stop financial services by providing installment credit limits to members and introducing a shared domestic QR payment system in the future. Moreover, we have introduced a membership status system for the AEON Points program that we operate, and we have begun displaying this on the app. Based on purchasing data from AEON and other sources, we plan to establish a system that allows us to provide various personalized offers.

Using the AEON Wallet as a touchpoint, we will work to provide Group customers with "future lifestyles" while realizing Our Purpose: Bring "finance" closer to everyone.



# How do we do it?



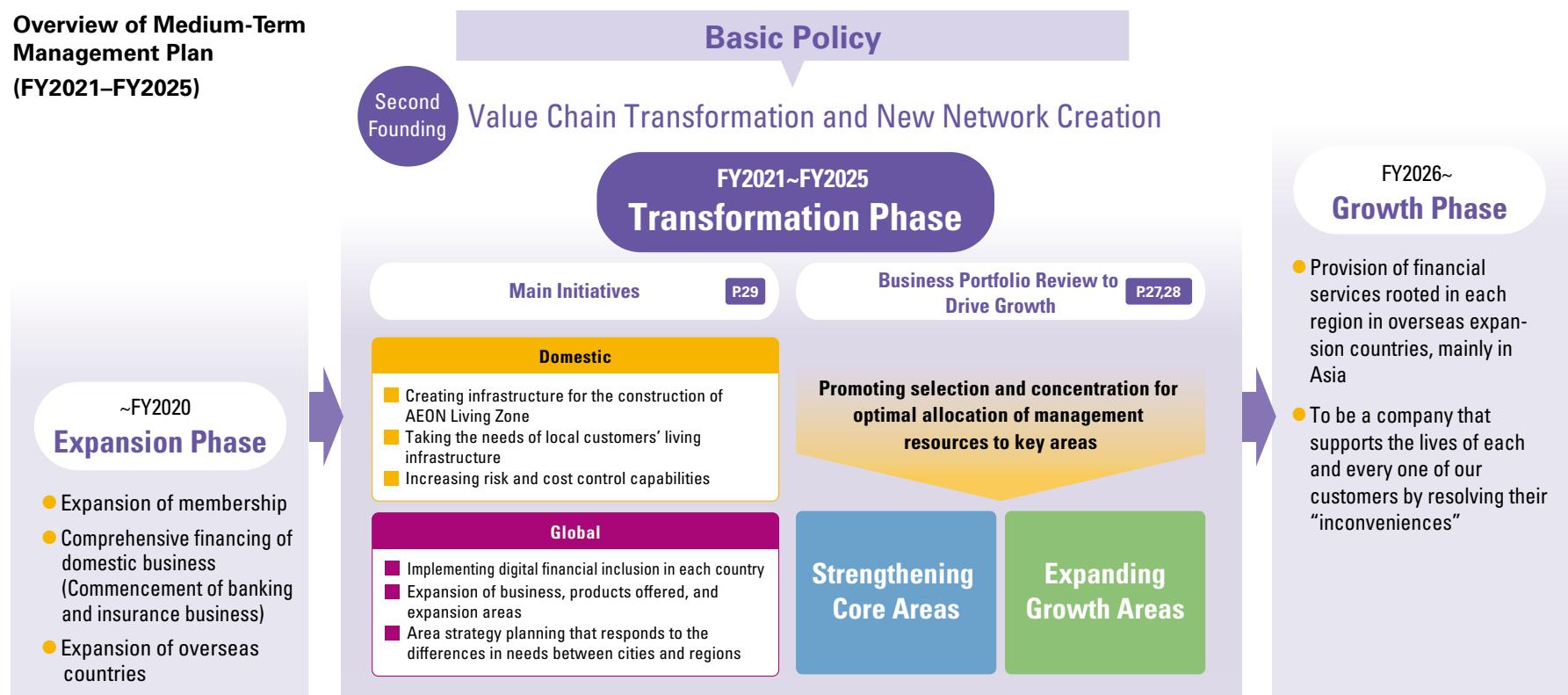
# Medium-Term Management Plan

Our goal is to contribute to the construction of an AEON Living Zone that transcends the AFS Group's financial products and services, and customer base by connecting customers, local communities, business partners, affiliated merchants, and AEON Group companies with our financial services, including payment and point systems.



The Company has established a medium-term management plan (FY2021–FY2025) to realize the Ideal State for 2030: "A community-based global company that brings 'finance closer to everyone.'" Guided by the basic policy of "Second Founding: Value Chain Transformation and New Network Creation," we position this period as a Transformation Phase to solidify future corporate growth. During this phase, we are reviewing and optimizing our business portfolio in response to changes in the business environment and building new business models that leverage digital technology.

## Overview of Medium-Term Management Plan (FY2021–FY2025)



## Medium-term Target Indicator

Aim to achieve and maintain **ROE of 10.0% or more** by strengthening profitability and increasing capital efficiency

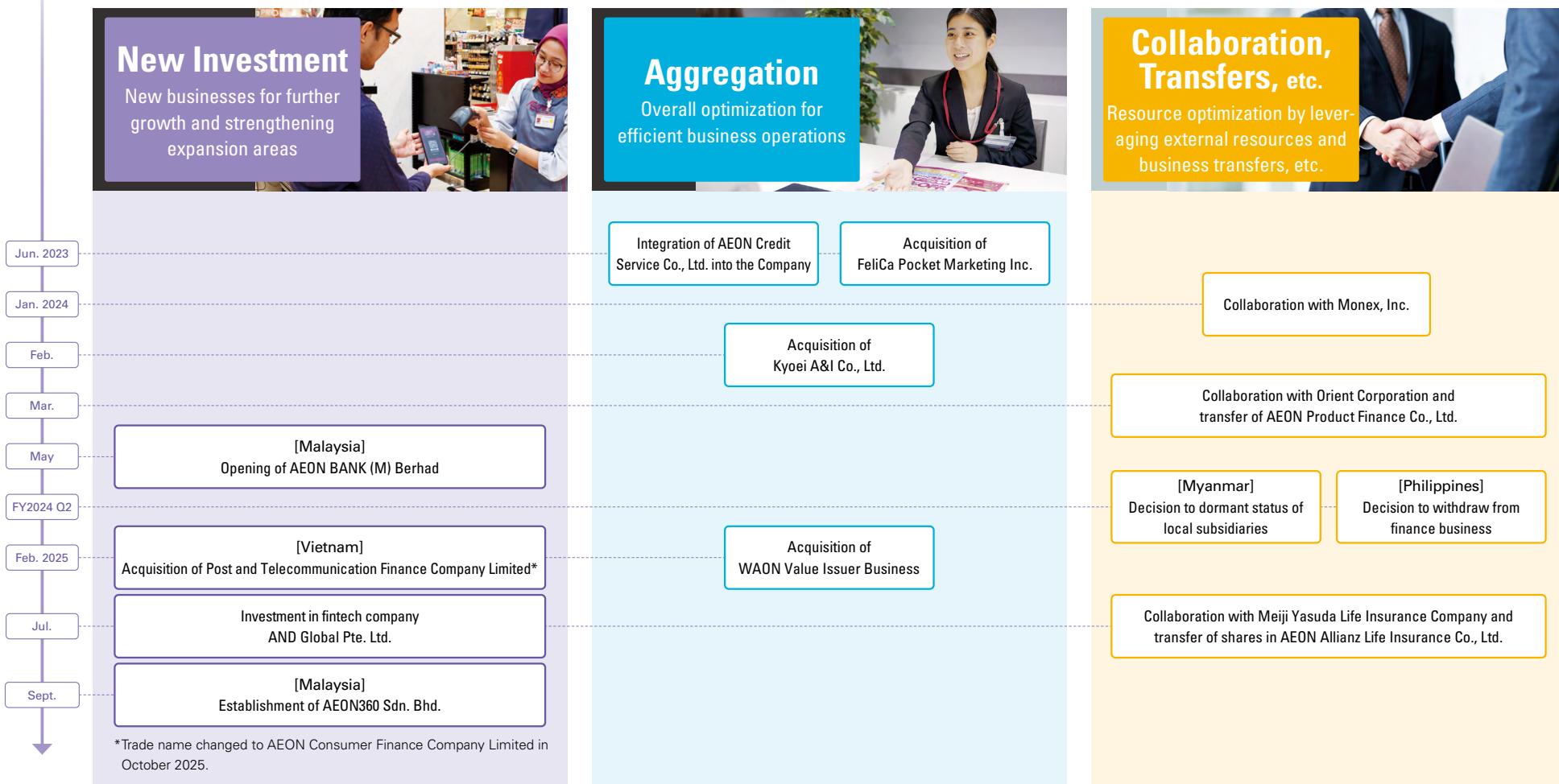
## Medium-Term Management Plan

## Business Portfolio Review to Drive Growth

In response to changes in the business environment and customers' lifestyles, the Company is proceeding with a review to optimize its business portfolio. By appropriately allocating resources to both core and growth areas, we aim to drive further improvement in corporate value going forward.



## Progress of Selection and Concentration Toward Optimal Business Portfolio



## Medium-Term Management Plan

## Details of Business Portfolio Review

## New Investment

Vietnam

## Acquisition of Finance License

In February 2025, we acquired an equity interest in the finance company PTF\*, making it a subsidiary.

Vietnam, with its large young population, is expected to maintain strong economic growth. The market for personal financial services is also achieving dramatic growth against the backdrop of an expanding middle class. The AEON Group positions Vietnam as a key country in its overseas strategy, with various business formats strengthening its expansion. Leveraging customer touchpoints and purchasing data across the Group's store and service network, the Company aims to achieve diverse funding and financial needs, including payments.

Alongside the membership base established through the shared point service launched in 2024, we plan to introduce a digitally completed post-paid payment service focused on smartphones in FY2026. Over the next 10 years, we aim to become a leading player in Vietnam's credit industry by reaching 3 million payment members.

\*PTF: Post and Telecommunication Finance Company Limited  
Trade name changed to AEON Consumer Finance Company Limited in October 2025.

Payment Members: 600,000  
Point Members: 10 million

Launch of digitally completed post-paid payment service

Point Members: 3 million

No. 1 Market Share  
Payment Members: 3 million  
Point Members: Over 20 million

Payment Members: 600,000  
Point Members: 10 million

Launch of digitally completed post-paid payment service

Point Members: 3 million

2025 (5th year)

2029 (10th year)

2034 (10th year)

## Aggregation of WAON Business

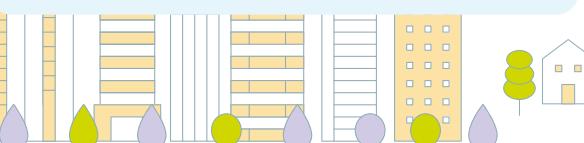
## Integration of Payment Centered on Smartphones

In February 2025, we aggregated the issuing business of the AEON Group's e-money WAON (Value Issuer Business) for the purpose of improving business operation efficiency through the aggregation of management resources and strategic investment.

WAON was established in 2007 and has been widely embraced as a pre-paid e-money service, with a cumulative total of 108.44 million cards issued and acceptance at 1.55 million merchant locations. In June 2025, we integrated AEON Pay with WAON, adding functions such as balance transfers between AEON Pay (code payment) and WAON (contactless payment) and extending the Gotochi WAON function, where AEON donates a portion of each transaction to local governments, to AEON Pay. Leveraging the strengths of both payment methods, we will work to expand our customer base centered on smartphones, which are most closely connected to customers' daily lives, and create a more valuable customer experience.

\*Figures as of the end of August 2025.

▶ "Project Story Leading Up to the Launch of New AEON Pay" (P33)



## Collaboration, Transfers, etc.

## Deepening Collaboration with Strategic Partners

In reviewing our business portfolio, we are promoting collaboration with strategic partners, including business transfers, to continue providing new value that meets customer needs and drives sustainable growth in a rapidly changing business environment.

In March 2024, we concluded a basic agreement regarding a business alliance with Orient Corporation ("Orico") and, as part of this, we transferred our installment finance business to Orico. In October 2025, we launched the AEON Business Card for sole proprietors, corporate representatives, and SMEs.

Earlier, in March 2025, we signed a comprehensive partnership agreement with Meiji Yasuda Life Insurance Company ("Meiji Yasuda") and completed the transfer of our life insurance business in July of the same year.

In partnership with both companies, we will leverage our respective strengths to drive collaboration across diverse areas and unlock greater synergies.

## Comprehensive Partnership with Meiji Yasuda



Joint Operation of Card Business



Health Promotion Support



Co-Creation of New Value through Data Utilization





## Medium-Term Management Plan

## Progress of Key Initiatives

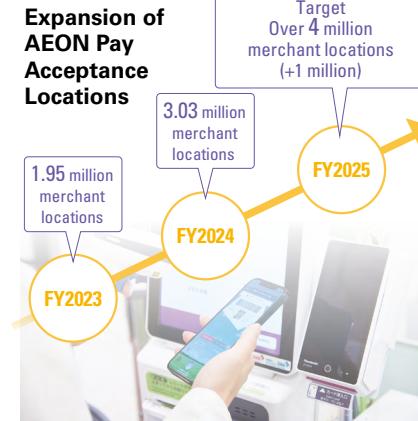
For the key initiatives outlined in the medium-term management plan, we have been developing the necessary infrastructure for the future, including the unification of the point system that serves as the axis of the AEON Living Zone and the construction of new digital touchpoints.

By reinforcing the strengths we have cultivated since our founding, we can deliver value that is distinctive to the AFS Group and maintain steady growth.

## Domestic | Creating Infrastructure for the Construction of the AEON Living Zone

Amidst changes in customers' lifestyles and the competitive environment, we are working on transforming our customer touchpoints by focusing on digital wallets accessed via smartphones, which serve as the most familiar interface to customers.

For AEON Pay, our code payment system, in addition to credit card payments and bank account charging, we expanded its functions to allow cash charging at ATMs and promoted new usage. As a result, the number of members is increasing steadily. In FY2025, we are promoting the expansion of payment infrastructure with the goal of adding 1 million new merchant locations, enabling customers to use our services more routinely.



## Global | Implementing Digital Financial Inclusion in Each Country

On May 26, 2024, AEON BANK (M) Berhad launched Malaysia's first digital bank based on the Islamic financial system.

The bank introduces cutting-edge technologies, such as AI-driven analysis and aims to maximize LTV\* by delivering appropriate services tailored to customers' evolving financial needs as their income and life stages change. We are also striving to realize digital financial inclusion by creating an environment where a wide range of people, including unbanked individuals who previously found it difficult to access financial services, can easily access such services.



**Malaysia's First Islamic Digital Bank**

\*LTV: Life Time Value



## Domestic | Meeting the living infrastructure needs of local customers

The AFS Group is committed to sustainable growth by contributing to the development of local communities and enhancing customers' daily lives through its business activities.

Since May 2024, as part of our collaboration with local communities, the Company and FeliCa Pocket Marketing Inc. have participated in Tsunagary Co., Ltd., a regional trading company that operates citizen apps featuring digital community currency functions in Saitama City. By issuing digital community currencies, sharing experience and know-how in the community currency business, and developing citizen apps, we aim to revitalize the region while improving convenience, including the adoption of cashless payments.



Initiatives in Saitama City

"Tsunagary Nu," the Mascot of Saitama City

Number of FeliCa Pocket Marketing Inc. initiatives nationwide:  
**152**

(as of the end of August 2025)

## Global | Expansion of Business, Products Offered, and Expansion Areas

Initiatives to expand the AEON Living Zone are underway not only in Japan but also across the other Asian countries where we operate. In Vietnam, ACS TRADING VIETNAM CO., LTD. began offering the AEON Group's shared loyalty points, WAON POINT, in October 2024, strengthening cooperation with local AEON Group companies.

In Malaysia as well, AEON CREDIT SERVICE (M) BERHAD and AEON CO. (M) BHD, which operates the local retail business, established AEON360 Sdn. Bhd. in September 2025 to further expand the AEON Living Zone. We are strengthening collaboration in data-driven marketing and working to create new customer experiences.



Number of WAON POINT members in Vietnam

**3 million**

(as of the end of February 2025)



# Message from Finance and Accounting Representative



**We aim to become a community-based global company that “brings ‘finance’ closer to everyone,” leveraging the Group’s comprehensive capabilities and the experience we have gained overseas.**

Director and Managing Executive Officer

**Tomoyuki Mitsufuji**

## Medium- to Long-term Targets and Strengths

As a financial group with its origins in the retail industry, we have leveraged the AEON Group’s extensive customer touchpoints and nationwide network of brick-and-mortar stores to provide financial services from a consumer-centered perspective. By seamlessly connecting a wide range of financial products, such as credit cards, electronic money, banking, insurance, and loans, with everyday shopping and other daily-life situations, we serve as the infrastructure that creates the AEON Living Zone, a unique ecosystem not found among other financial groups. Within this AEON Living Zone, we are evolving beyond a simple payment infrastructure into a platform that works with local communities, merchants, and government agencies to address and resolve the inconveniences faced by individual consumers. Our base of more than 57 million valid IDs in Japan and overseas as of the end of August 2025, along with our efforts to enhance customer experiences that integrate physical and digital channels, represents a defining characteristic of the AFS Group.

We recognize that our core strength lies in our ability to acquire members through our brick-and-mortar stores. From the 2000s through the early 2010s, we steadily grew the number of cardholders with each new mall opening. This supported the sales of AEON Group companies and also served as a

significant source of revenue for us as a credit card company. Member acquisition through brick-and-mortar stores has been a key driver of our growth. However, as digitalization accelerates, an important challenge now is finding the right balance between leveraging our physical presence and integrating digital channels to create new value in customer experience.

We also view AEON Bank’s daily-life-oriented store format as a unique strength of the AFS Group. By offering a bank that customers can drop into casually while shopping, we have delivered a level of convenience not found in traditional financial institutions and brought to life the concept of a new bank that is friendly, convenient, and easy to understand. Drawing on this on-site creativity and the locally rooted financial expertise we have developed across Asian markets, we continue to expand our operations both in Japan and overseas.

As a medium- to long-term management policy, we have set a target of achieving and maintaining an ROE of 10% or higher. This is a critical goal designed to balance sustainable growth with enhanced corporate value, taking into account the capital costs and shareholder return levels in the global financial industry. Leveraging the comprehensive capabilities of the AEON Group and the experience and expertise we have built in Asian markets, we aim to become a community-based global company

that brings “finance closer to everyone” by 2030. Going forward, we will continue to refine our unique strengths as an organization that supports the security and prosperity of every consumer.

## Financial Results

For the fiscal year ended February 28, 2025 (fiscal 2024), we recorded operating revenue of ¥533.2 billion (110% year on year) and operating profit of ¥61.4 billion (123% year on year) on a consolidated basis, achieving higher revenue and higher profit both domestically and overseas. Domestic payment and banking revenue expanded and cost efficiency improved, while the overseas business recorded its highest-ever operating revenue across all three areas. Overall performance was solid throughout the year, particularly with the first half seeing steady growth in transaction volume and operating receivables both domestically and overseas. However, in the second half, the increased number of cases of fraudulent use of AEON cards partially impacted domestic results.

In addition, because an understatement of allowance for doubtful accounts prior to the acquisition of equity in the Vietnamese finance company Post and Telecommunication Finance (PTF; changed its name to AEON Consumer Finance Company Limited in October 2025) was identified, we were compelled to re-evaluate assets and revise the business plan. As a result, we recorded an additional ¥1.8 billion in allowance for doubtful accounts applied retroactively to past fiscal years, along with a goodwill impairment of ¥3.8 billion as special losses. Profit attributable to owners of the parent for the fiscal year was ¥15.6 billion (75% year on year). We sincerely apologize for the concern we have caused our stakeholders. Going forward, we will strengthen our risk assessment structure for new overseas acquisitions and reinforce the establishment and operation of our accounting and financial reporting processes to prevent recurrence.

For the fiscal year ending February 28, 2026 (fiscal 2025), we plan operating revenue of ¥570 billion, operating profit of ¥57 billion, and profit attributable to owners of the parent of ¥21 billion. We will expand our customer base and increase high-yield receivables domestically and overseas, aiming to achieve sustainable improvement of ROE.

## Message from Finance and Accounting Representative

### Steering Financial Management

In Japan, interest rates continue to rise, while higher living costs are increasing bad-debt risk. Overseas, uncertainty is also growing due to geopolitical risks, foreign exchange fluctuations, and the effects of U.S.–China tensions. Under these circumstances, we thoroughly apply asset liability management (ALM) to our fund management and procurement, using a variety of funding methods that balance long- and short-term needs. AEON Bank's deposit balance now exceeds ¥5.2 trillion, and through time deposit campaigns and efforts to encourage consumers to use accounts for everyday transactions, we have established a stable funding base.

To manage deposits, we maintain strict risk controls while monitoring interest rate trends and market conditions, aiming to balance profitability and safety. Overseas, lending spreads are widening as interest rates decline, while in Japan, costs are rising due to higher interest rates. We consider it essential to navigate these differing interest rate environments across domestic and

overseas markets. To that end, we are steadily promoting DX through the use of AI and digital technologies, improving our smartphone app's UI/UX, while leveraging the strengths of our brick-and-mortar stores. By controlling costs as we expand our transaction volume, we are enhancing overall efficiency.

As for credit ratings, which reflect our financial soundness, we continue to hold "A (Stable)" from Japan Credit Rating Agency and "A minus (Stable)" from Rating and Investment Information. We regularly exchange views with rating agencies and currently see no concern about a downgrade.

As we view fiscal 2025 as a year to continue reviewing our business portfolio and building new business models for future growth, and in line with our policy of stable and sustainable shareholder returns, we plan to pay an annual dividend of ¥53 per share, the same as in fiscal 2024. As we increase our profit levels, we will pursue additional dividend growth.

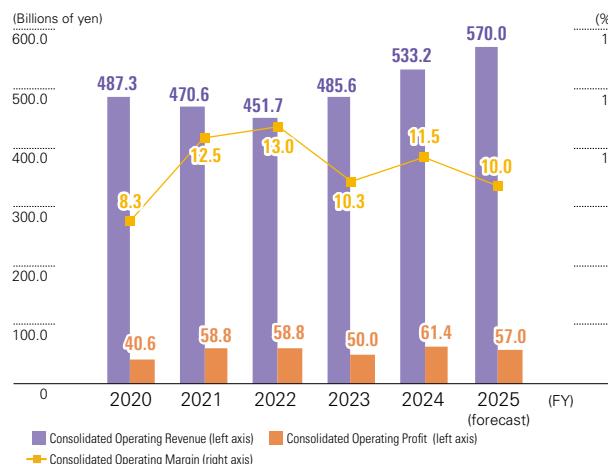
Going forward, we will maintain a balance among retained earnings, investments, and dividends, prioritize stable,

sustainable returns, and pursue both financial soundness and growth investments.

### Initiatives to Address Challenges and Achieve Our Targets

Given the current situation, where our PBR is significantly below 1x, we recognize it is essential to thoroughly practice management firmly conscious of capital cost and to achieve an ROE of 10% at an early stage. We prioritize three indicators—return on assets, productivity, and capital efficiency—and are working to expand high-yield receivables, proprietary payment transaction volume, and bank deposit balances as KPIs. In fiscal 2024, through growth in domestic card and financial revenue, improved credit accuracy using AI, and strengthened collection systems, we kept the quarterly ratio of bad debt-related expenses to the total balance of domestic operating loans and installment receivables (also shown in our financial results presentation material) below 0.5%. To address rising personnel and service costs, we are pursuing productivity improvement through DX-driven operational

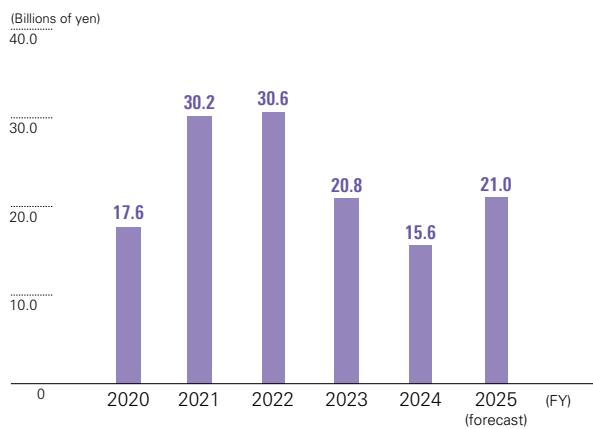
### Changes in Consolidated Operating Revenue, Operating Profit, and Operating Margin



FY2025  
(forecast)

Consolidated Operating Revenue  
¥570.0 billion  
Consolidated Operating Profit  
¥57.0 billion  
Consolidated Operating Margin  
10%

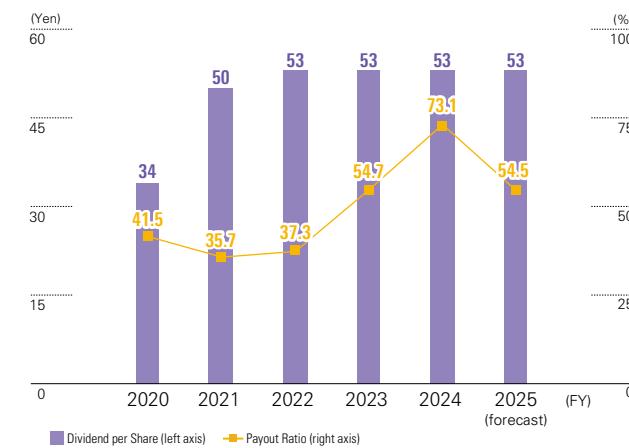
### Change in Profit Attributable to Owners of the Parent



FY2025  
(forecast)

Profit Attributable to Owners of the Parent  
¥21.0 billion

### Changes in Dividend per Share and Payout Ratio



FY2025  
(forecast)

Annual Dividend per Share  
¥53.0

## Message from Finance and Accounting Representative

efficiency and increased system investment.

At the same time, we reflect that insufficient investment in human resources and systems has contributed to the stagnation in performance recovery over the past few years. For example, we recognize that a lack of investment in fraud-detection mechanisms and in system personnel led to last fiscal year's increase in the number of cases of fraudulent use of AEON cards and to receiving a business improvement order. The sharp decline in shopping revolving balances and cash advance balances during the COVID-19 pandemic reduced earnings capacity, which in turn delayed investment in defensive areas and slowed recruitment. These are also the factors which we believe have contributed.

Overseas, challenges include strengthening risk management tailored to local circumstances, such as responding to rising bad debt-related expenses in Malaysia and Thailand under current conditions. In addition, we recognize that PMI for PTF is a key management issue and an area requiring focused effort. Stronger collaboration with local management and the establishment of a group-wide risk management

structure will be indispensable.

Going forward, drawing on these reflections, we will continue IT and DX investments at an annual scale of ¥40 billion and advance the renewal of core systems, including DX initiatives for call centers, enhanced security, UI/UX improvements, and advancing AI credit models. In human resources, we will reinforce recruitment and development of specialized talent and build a structure that reflects on-site knowledge in management. Through these initiatives, we aim to improve productivity across the entire AFS Group, strengthen our revenue base, and achieve an ROE of 10% at an early stage while enhancing corporate value on a sustainable basis.

### Optimization of the Business Portfolio and Investments (Selection and Concentration)

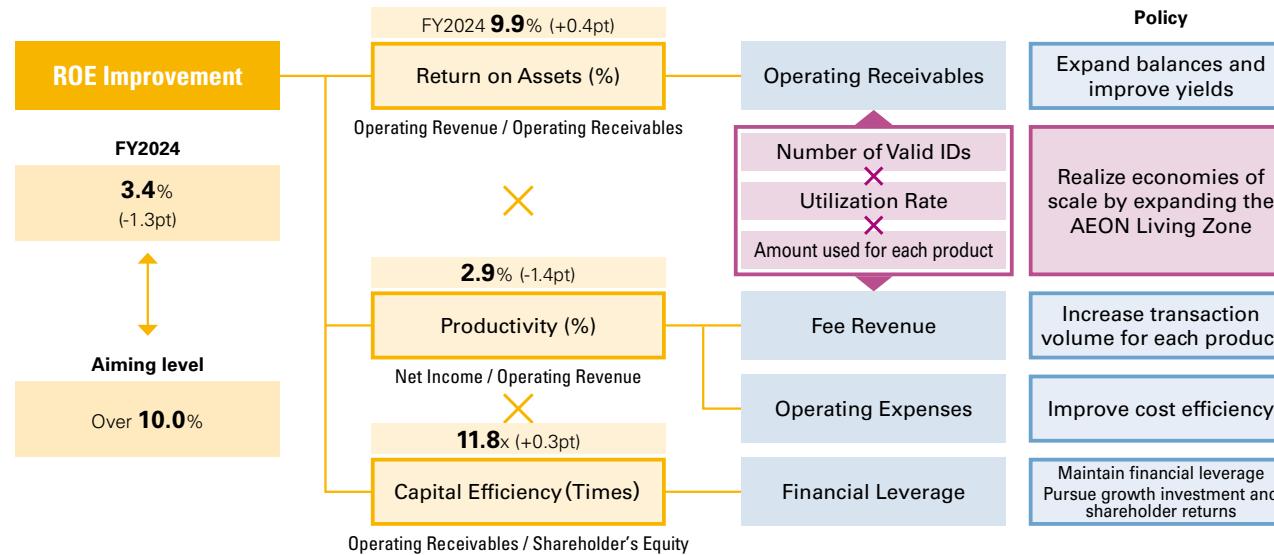
In the transformation phase that began in fiscal 2021, we are accelerating efforts to review our business portfolio. In Japan, we are strengthening our focus on two pillars: the credit card business and the banking business. In 2025, we continue pursuing selection and concentration, including the transfer

of AEON Allianz Life Insurance Co., Ltd. to Meiji Yasuda Life Insurance Company.

In our international business, we currently operate across multiple Asian countries, but performance varies by market. Hong Kong, Thailand, and Malaysia—where we expanded in the 1990s—have been successful because we nurtured these operations steadily in a blue-ocean environment, and they have grown to account for a significant portion of the AFS Group's profits today. In contrast, in countries where we entered more recently, influential fintech players that arrived later have invested massive amounts of capital and aggressively expanded, resulting in some cases where the market share we had built over 10 to 15 years was overtaken in a short period.

In light of these circumstances, we are positioning high-growth markets such as Malaysia, Vietnam, and Cambodia as priority areas. By reallocating resources toward growth markets, such as digital banking in Malaysia and finance operations at PTF in Vietnam, we will expand digital financial services and build local living zones.

## Approach to ROE Improvement



### Dialogue with Stakeholders

For financial matters and management policies, we engage in active dialogue with stakeholders, including shareholders and investors, through financial results briefings, IR meetings, individual discussions, and other opportunities.

We also regularly exchange views with rating agencies and major financial institutions, incorporating external perspectives on our financial soundness and risk management structure. Going forward, we will continue to communicate our policies on shareholder returns, capital strategy, and growth investment clearly and concretely.

Lastly, guided by Our Purpose of bringing "finance" closer to everyone, the AFS Group is committed to remaining a company that supports the peace of mind and smiles of every consumer. Even in a rapidly changing business environment, we will pursue sustainable growth and enhance corporate value, meeting the expectations of all our stakeholders. We sincerely ask for your continued support.



# Project Story Leading Up to the Launch of New AEON Pay



AEON Financial Service Co., Ltd.  
AEON Pay Department

**Kento Tanaka**

**I want to support customers in their daily lives by ensuring their payment experience is smarter and more secure.**

#### Introduction of Kento Tanaka, AEON Pay Developer

The new AEON Pay integrates AEON Pay and WAON into a cashless payment infrastructure that supports the AEON Living Zone. Kento Tanaka, who has been engaged in product design and operation since the initial launch of AEON Pay, led the project as a core development member, aiming to deliver a service that is both easy to use and secure for customers.

## What is AEON Pay?

A code payment system that can be used on the official AEON Card app, AEON Wallet, and the official AEON Group app, iAEON.

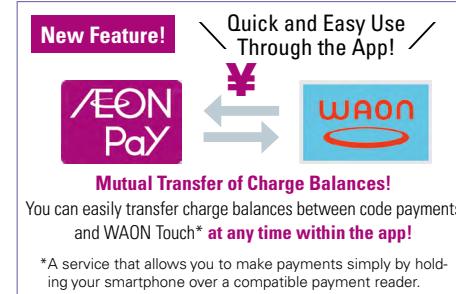


## Development Background of New AEON Pay

### Payment Methods Shifting toward Smartphones and BNPL

With the rise of cashless transactions, payment methods have rapidly shifted from cash to credit cards, as well as smartphone payments and similar options. Amid these market changes, credit cards alone were no longer sufficient to stay competitive, creating an urgent need to support smartphone payments. To integrate diverse payment methods, the Company developed a new payment infrastructure with AEON Pay at its core. Launched in June 2025, the new AEON Pay serves as a payment service that integrates the WAON e-money card and the AEON Pay code payment system.

One of the new features enables mutual balance transfers between AEON Pay and WAON, allowing customers to use both payment methods on a single smartphone. This enables the range of places where payments can be used, significantly improving customer convenience. We are confident that this service can provide broader and differentiated value to customers.



## Struggles Leading Up to the Launch of New AEON Pay

### System Development Alongside Brand and Business Considerations

To expedite the service launch, we advanced both our system development and brand strategy planning simultaneously. Consequently, we had to adjust the functions and requirements for the June 2025 rollout within a limited schedule and budget, requiring a higher level of project management compared to typical development projects.

Since the new AEON Pay was built on existing assets, we occasionally faced constraints arising from the specifications and rules of current services, which we reviewed and adapted, as necessary. Furthermore, because the project required modifying functions provided to AEON Group companies, close communication was essential. This process included conducting impact surveys with each company and aligning our understanding of specifications and testing protocols. Despite these complexities, we ensured that development remained on track through iterative collaboration and thorough information sharing across all departments and companies. As a result, we secured a patent for the new AEON Pay functions, serving as external validation of our technological capabilities and innovation. We remain committed to developing innovative technologies that meet the needs of society and our customers, with the aim of enhancing corporate value in a sustainable manner.

## Delivering Value to Customers and Our Future Goals

### We want customers of all ages and backgrounds to feel comfortable using our service.

AEON Pay aims to provide a service that all customers can use with confidence, irrespective of their age or background. To date, our focus has been on creating an intuitive and accessible user interface (UI) and user experience (UX). Moving forward, we will develop additional services to deliver even greater value. Beyond simply improving convenience, we are actively working to enhance safety and strengthen fraud prevention measures. We will continue to drive technological innovation and enhance service quality to provide our customers with a safer, more secure, and seamless cashless experience.

# Malaysia's First Cloud-Based Digital Bank —Innovation and Value Creation Delivered by the Team—



## Building a Bank in Two Years: A Challenge to Change the Future

### Introduction of the Cloud-Based Digital Bank Development Team

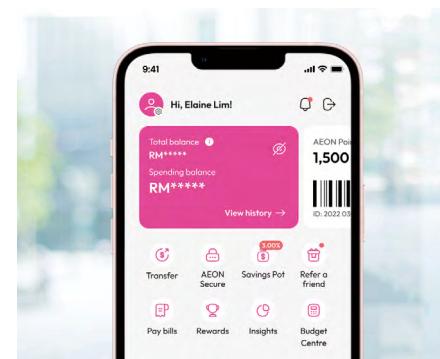
More than 100 members joined the team responsible for building the digital platform at the core of the digital bank. Through their efforts, they contributed to its successful launch by developing a safe and easy-to-use system for customers.

## Background and Development Concept for the Launch of the Digital Bank

### A New Bank Accessible to Anyone, Anywhere

As Malaysia's first Islamic digital bank, we successfully overcame the challenges of traditional banking and extended financial services to a broader audience. We have realized a new form of banking that operates without branches, offering all services online and making them accessible to anyone, anywhere.

During development, we actively incorporated advanced technologies, including AI, and designed the system to integrate with various services within the AEON Living Zone. To ensure stability even as the number of users grows, the platform operates seamlessly 24/7 while maintaining the highest security standards. In the development process, we implemented thorough security measures from the initial stage and adopted an agile development approach, which divides the system into small components and iterates improvements in a short period. Through close collaboration across the entire team, we aimed to achieve both safety and ease of use within a short timeframe.



## Struggles During Development

### Efforts to Meet the Launch Deadline

The greatest challenge we faced was meeting the strict two-year deadline set by the Central Bank, from obtaining the license to the start of system operation. In particular, we struggled with determining the scope of services to be released first, organizing the team within a short timeframe, and collaborating with system development partners. To overcome these issues, we rigorously managed the scope through agile development and maintained close communication with team members while ensuring flexibility. In addition, we assembled a large team in a short period through an efficient recruitment process. Through close collaboration with internal risk management departments and external parties, we also cleared the Central Bank's strict requirements for operational readiness. We take great pride in the fact that meticulous planning, agile execution, and strategic collaboration enabled the launch within the deadline.

## Delivering Value to Customers and Our Future Goals

### Contributing to Financial Technology Innovation in the ASEAN Region

The Company has already introduced an AI-driven system to automate screening for personal loans. Going forward, we aim to further support customers in managing their expenditure and savings through AI, proactively propose optimal loan products, and provide funds promptly. By 2026, we plan to develop intellectual property, including proprietary fraud prevention measures and lending systems, and deploy these solutions both within and beyond the AEON Financial Service Group, thereby contributing to financial technology innovation in the ASEAN region. We aim to help shape a more inclusive future for Malaysian finance and will continue contributing to regional development and the growth of the fintech digital economy.



### What is "Digital Bank"?

A bank that utilizes digital technology to deliver services online. It mainly refers to banks that can provide financial services tailored to online value chains.

### What is "Islamic Finance"?

Financial practices that comply with Shariah principles. Its main features include the prohibition of interest payments and investments in non-ethical practices, gambling industry, addictive substances such as alcohol, etc.

# Sustainability of AEON Financial Service Group

Guided by Our Purpose, the AFS Group identified key social issues (materiality) that affect our business over the medium to long term, with the aim of contributing to peace and realizing a sustainable society in which everyone can live a content and happy life.

## AFS Sustainability Policy

To promote sustainability management that balances the economic value created through our business activities with the social value enjoyed by local communities, the AFS Group formulated the AFS Sustainability Policy in 2021. The policy defines how the AFS Group sets out the principles by which it will proactively and assertively promote sustainability activities together with local communities, customers, and business partners, and incorporates sustainability perspectives into all decision-making for business operations. The policy stipulates that the AFS Group is to practice long-term value creation in harmony with the natural environment and social systems.



►The AFS Sustainability Policy  
<https://www.aeonfinancial.co.jp/en/activity/policy/>

## Sustainability Execution Framework



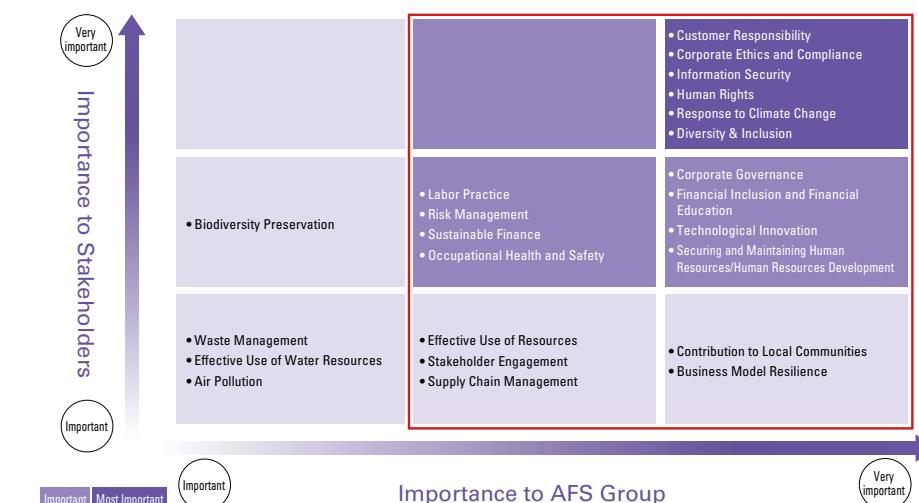
## The Materiality Identification Process

The AFS Group has identified materiality (key issues) that impact our business in the medium to long term through the following four steps.



## Materiality Map

After assessing the importance of key issues to stakeholders and the AFS Group, we identified 19 issues as materiality, with six issues categorized as the most important, eight as important, and five as being of particular importance to the AFS Group.





# Sustainability of AEON Financial Service Group

## Categorization of Materiality

“Contributing to peace through the creation of a sustainable society” has been set as the most important concept that encompasses the 19 key issues (materiality) that were derived and identified from the materiality map. In contact with customers day by day, the financial business of the AEON Group will continue in peace to be sustainable. We will also work on initiatives to resolve social issues, including human rights, customer responsibility, diversity and inclusion, and financial education, while being deeply involved with people, including our customers and employees.

## AFS Group Materiality

Contributing to peace through the creation of a sustainable society			16	Initiatives	Key Indicators (2030)	Related Pages	
Human Rights	Pursuing happiness through innovative financial services	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>Customer Responsibility Financial Inclusion and Financial Education Technological Innovation Sustainable Finance Contribution to Local Communities</p>	<p>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</p>	<p>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.</p> <p>Developing and securing human resources for DX promotion</p> <p>Promoting financial inclusion initiatives Cooperation with communities and local areas Support for disaster measures using financial services</p> <p>Total number of participants in the financial education program: 500,000 Domestic: 350,000 Overseas: 150,000</p> <p>Consideration of sustainable investment and loan policies Implementing sustainable finance</p>	P37-41
	Exerting diversity and the potential of our people	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>Diversity &amp; 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>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</p>	
	Establishing organizational resilience			<p>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>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</p>	
	Addressing climate change			<p>Response to Climate Change Effective Use of Resources</p>	Providing financial services that contribute to a decarbonized society	<p>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</p>	

# Materiality① Pursuing Happiness through Innovative Financial Services

## Promoting DX to Improve Customer Experience

We are working to construct the AEON Living Zone, which provides seamless access to the AEON Group's products, services, and lifestyle infrastructure with payments as the starting point, and promoting digital financial inclusion by offering digital solutions tailored to the digital maturity of each Asian country.

Through our financial services business, we will identify the social issues our customers face in each country and region, and address them from a long-term perspective.



### Message from the Executive in Charge



Executive Officer, Operation General Manager of Consumer Finance Business Division  
AEON Financial Service Co., Ltd.

**Toshiyuki  
Masuda**

While we operate globally, we prioritize approaches tailored to each country and region, and we aspire to address the needs of each individual's daily life. We have been working on financial inclusion to help enrich our customers' daily lives by providing safe, secure, and valuable financial services that utilize digital technology.

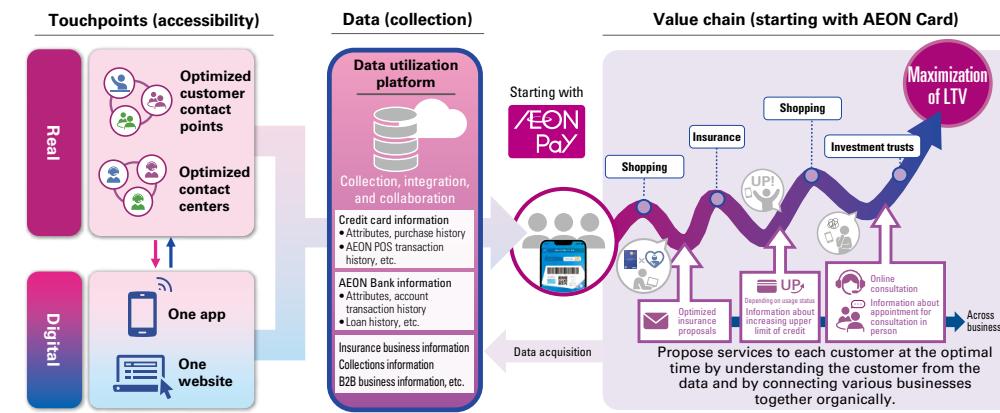
Specifically, while fully leveraging our major strength of in-person support at real touchpoints, in Japan, we will promote the construction of the AEON Living Zone, which provides seamless access to the AEON Group's products, services, and lifestyle infrastructure, starting from our comprehensive financial app that includes the AEON Pay payment function.

We will also build a payment network with a global mindset, creating a world where QR code payment methods from various countries using smartphones can be used safely and securely in any Asian country.

Also, in FY2024, we caused great inconvenience and concern to many AEON Card users in Japan due to our delayed response to fraudulent use exploiting offline transactions. To ensure our financial services can be used safely and

### DX Strategy: Toward Business Model Transformation

We will continue to work so we can commit to each and every person and offer optimal proposals at the right time through both digital and real channels.



securely, we are implementing security measures using the latest AI technology, strengthening collaboration with industry organizations such as the Japan Cybercrime Control Center, and introducing biometric authentication payments using the palm of the hand. We will continue to make further improvements.

## Materiality① Pursuing Happiness through Innovative Financial Services

# Providing Safe, Secure, and Accessible Services

## Continuously Updating Security Measures to Ensure Safe and Secure Use

As a corporate group that provides financial services, the AFS Group has been building a security system. In FY2024, our delayed response to the spread of new methods of fraudulent AEON Card use in Japan resulted in inconvenience for our customers. We are once again working to further strengthen our security system to build an environment in which customers can use our services safely and securely.

►AEON Card Security Measures (Japanese Only): <https://www.aeon.co.jp/security/>

## Strengthening Our Security System

 <b>Prevention</b>	<ul style="list-style-type: none"> <li>Real-time detection of phishing scam sites by AI</li> <li>Use of 3D Security (e.g., SMS delivery and emoji authentication)</li> </ul>
 <b>Fraud detection</b>	<ul style="list-style-type: none"> <li>Continuously improving our AI-based fraud detection system</li> <li>24/7/365 monitoring</li> </ul>
 <b>Strengthening preparation</b>	<ul style="list-style-type: none"> <li>Strengthening of customer support systems, including the establishment of a hotline for consultations</li> <li>Establishment of a specialized department for analysis, prevention, and detection measures</li> </ul>
 <b>External collaboration</b>	<ul style="list-style-type: none"> <li>Accelerating response time by strengthening cooperation with industry groups and other companies</li> </ul>

As a new initiative, in December 2024, we joined the Japan Cybercrime Control Center (hereinafter, "JC3") as a full member. To eradicate fraudulent use, we are leveraging the latest cybercrime information obtained through JC3 and collaborating with investigative agencies as necessary.

Furthermore, in July 2025, we entered into a Web Risk Partnership Program with Google Cloud Japan G.K. to strengthen countermeasures against phishing scams. Upon identifying fraudulent websites imitating the AEON Card "Kurashi-no-Money" website or "AEON Bank Internet Banking" for phishing purposes, a warning screen (red screen) is displayed. This makes it easier for customers to detect fraudulent websites and reduces the risk of accidentally entering information.

The AFS Group will continue to strengthen collaboration with industry companies and related organizations, quickly identifying information on the increasing number of phishing scams and new methods that may arise in the future to block them and implement prompt countermeasures.

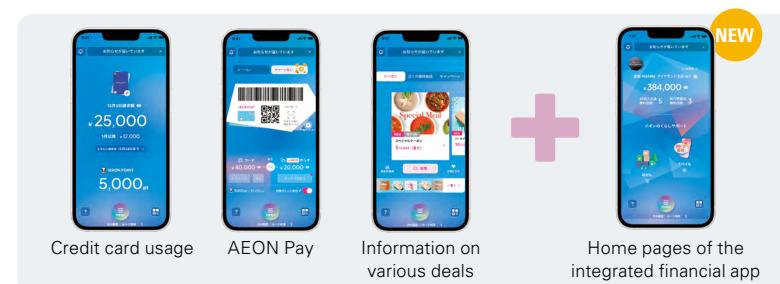


Red warning screen

## Services Centered on the Integrated Financial App

We are working to expand our customer base both in Japan and overseas, starting with smartphones. In Japan, we relaunched the AEON Wallet app as an integrated financial app in September 2023, improving usability and clarity with a simpler and more intuitive design, and enabling users to select and customize the home page with the functions they want to use.

In July 2025, we newly added a fourth home page that provides one-stop access to the services of various AEON Group companies. This home page links with AEON Bank so that users can check various information such as their savings account balance, and also links with Group companies, enabling everything from insurance consultations to applying for AEON Mobile. We are striving to improve convenience so that customers can use various financial services even more seamlessly, starting from this app.



In addition, both in Japan and overseas, we are promoting initiatives to improve customer convenience, such as by introducing eKYC and combining AI technology with external credit information to reduce screening times and provide customers with smooth access to our services.

## Strategic Partnership with Fintech Company AND Global

In July 2025, we signed a memorandum of understanding regarding a strategic partnership with AND Global Pte. Ltd (hereinafter, "AND Global"), which provides lending services and fintech solutions.

AND Global's AI credit scoring service has been introduced at our overseas subsidiaries AEON THANA SINSAP (THAILAND) PCL. and PT AEON CREDIT SERVICE INDONESIA. We will continue to utilize the proprietary fintech solutions developed by AND Global in our businesses in Japan and overseas to promote the AI/DX transformation of our services, strengthen our lending business, and meet customer needs.



## Materiality① Pursuing Happiness through Innovative Financial Services

# Contribution to Local Communities through Financial Services

The AFS Group provides financial services tailored to its customers in each country and region from a long-term perspective so as to contribute to the development of local communities.

## Gotochi WAON Donations Now Possible with AEON Pay

In June 2025, we launched a new service integrating the AEON Pay code payment system with WAON e-money. This enables balance transfers between AEON Pay and WAON on the same smartphone, and allows use at merchants affiliated with either service.

▶Please refer to P.33 for more on the new AEON Pay.

Furthermore, we have made the Gotochi WAON function available for AEON Pay charge payments. Gotochi WAON is a WAON card that AEON began issuing in 2009. AEON donates 0.1% of the amount spent by customers to local governments and other organizations, which is then used in the respective regions. Approximately 3,331.63 million yen was donated from 2009 to the end of February 2025. By adding this function to the new AEON Pay, customers can now select on their smartphones from approximately 180 regions and organizations they wish to support, such as their local community, travel destination, or hometown, allowing them to contribute to regional economic revitalization, local environmental conservation, and tourism promotion. We will continue to work with AEON and our customers to revitalize local communities.

Number of types of Gotochi WAON issued

186

(As of the end of August 2025)

## Gotochi WAON Examples



## My Full and My Crowd Funding—Portal Sites That Support and Co-create with Each Region

In September 2023, the Company established My Full, a hometown tax system portal site, as a portal site to co-create a new form of the hometown tax system with the aim of making greater contributions to local communities.

In August 2025, we partnered with Trustbank, Inc., which plans and operates "Furusato Choice," one of Japan's largest comprehensive hometown tax system sites. By linking Furusato Choice's donation rewards with municipal information, it has become possible to make donations to approximately 1,000 municipalities. We will continue to gradually expand the number of target municipalities to enable donations to local governments nationwide, deepening empathy and broadening support for regions and leading to the discovery of regional attractions and regional revitalization.

▶My Full (Japanese Only): <https://www.furusato.aeon.co.jp>

Number of regions/organizations on My Full  
Approx. 1,000  
(As of the end of August 2025)



まいクラウドファンディング  
by AEON CARD

Cumulative number of projects on My Crowd Funding  
70  
(As of the end of August 2025)

In March 2024, we launched My Crowd Funding, a portal site offering purchase-type and donation-type crowdfunding services. In November 2024, we also began offering a hometown tax-type service, enabling local governments to quickly solicit donations for emergencies and specific projects.

We will collaborate with AEON Group companies to introduce attractive projects available only on My Crowd Funding and will continue to respond to all manner of financial service needs.

▶My Crowd Funding (Japanese Only):  
<https://www.mycrowdfunding.aeon.co.jp>

## Development of Apps to Realize Regional Revitalization

FeliCa Pocket Marketing Inc. (hereinafter, "FPM") is building new social infrastructure utilizing apps through community currencies and various points systems across Japan, making full use of its proprietary ICT technology.

In May 2024, Tsunagu Co., Ltd. was established with investments from Saitama City and local businesses and business associations, and the Company and FPM are participating. Tsunagu is introducing digital community currency and citizen apps, a first for a designated city, to connect citizens with various public and private services, thereby building an economic system within the region and striving to improve convenience through cashless transactions and other services.

Cumulative number of FPM initiatives  
152  
(As of the end of August 2025)

## Materiality ① Pursuing Happiness through Innovative Financial Services

### Contribution to Local Communities through Financial Services

#### Promotion of Financial Inclusion Initiatives

The AFS Group provides financial services tailored to its customers in each country and region from a long-term perspective to contribute to the development of local communities.

In particular, in Asian countries where the AFS Group operates, there are many people who do not have bank accounts or do not know how to access financial services. On the other hand, smartphones are widespread, and we are further promoting financial inclusion by realizing "digital financial inclusion," which provides easy access to financial services through digital channels.

▶Please refer to P.21–24 for our services and initiatives in various Asian countries.

#### Advancement of Financial Inclusion in Malaysia

The AEON Group has over 40 years of history in Malaysia. Our subsidiary, AEON CREDIT SERVICE (M) BERHAD (hereinafter, "ACSM"), was established in 1996 and listed on the local stock exchange in 2007. It has expanded its business by providing motorcycle installment payments and issuing credit cards. In recent years, it has achieved synergies between retail and finance, including app integration with the AEON retail business and a shared points system.

In April 2022, ACSM obtained Malaysia's first digital banking license, and in May 2024, AEON BANK (M) BERHAD (digital bank) was launched.

A digital bank is a bank without branches that provides all services online, making it a new type of bank accessible to everyone from anywhere. Furthermore, by adopting the Islamic financial system prevalent in Malaysia, it provides products and services rooted in the local Malaysian community.

▶Please refer to P.34 for more on the digital bank.

To further develop the AEON Living Zone in Malaysia, ACSM and AEON CO. (M) BHD. established a new company, "AEON360 Sdn. Bhd.," in September 2025. By integrating the business foundation—including customers, stores, and business partners—that the AEON Group has cultivated in Malaysia's retail sector with the know-how and data accumulated from the local financial products and services developed by ACSM, the new company aims to provide 360-degree services related to customers' lifestyles, unify customer IDs under a single loyalty program, and provide data marketing utilizing AI.



#### Procuring Funds in Consideration of Social and Environmental Changes

The AFS Group will strive to offer sustainable finance including financing that gives consideration to social and environmental changes.

#### Sustainability-linked Loans

In Hong Kong, Malaysia, and Thailand, we have set sustainability promotion targets and procured funds through sustainability-linked loans.

Company Name	Start Month/Term	Amount	Sustainability Targets
AEON CREDIT SERVICE (ASIA) CO., LTD.	November 2022 (3-year term)	320 million Hong Kong dollars	<ul style="list-style-type: none"> <li>Reduction of electricity consumption</li> <li>Reduction of paper consumption</li> <li>Financial support for students</li> </ul>
AEON CREDIT SERVICE (M) BERHAD	January 2023 (3-year term)	600 million ringgit	<ul style="list-style-type: none"> <li>Reduction of CO<sub>2</sub> emissions</li> <li>Strengthening of corporate governance</li> <li>Increased financing for e-bikes</li> <li>Financial services for small businesses</li> <li>ESG education programs in schools</li> </ul>
AEON THANA SINSAP (THAILAND) PCL.	March 2025 (3-year term)	500 million baht	<ul style="list-style-type: none"> <li>Improved access to financial services (financial inclusion)</li> <li>Promotion of clean energy</li> </ul>

Also, in September 2025, ACSM procured funds through a social loan. This social loan is designed for ACSM to expand financing to low-income groups and small business owners who have insufficient access to financial services. It aligns with the "Financial Inclusion Framework 2023–2026" of Bank Negara Malaysia (Central Bank) and aims to create social impact in Malaysia.

The AFS Group will continue to contribute to the realization of a sustainable society by addressing social issues through its business activities in various countries, while also working to improve its corporate value.



## Materiality ① Pursuing Happiness through Innovative Financial Services

# Enriching the Lives of Customers, Business Partners, and Employees through Financial Education

## Financial Education

Since 2018, the AFS Group, as part of its activities for building a sustainable society, has recognized the importance of learning about finance and has focused on initiatives to improve financial literacy, especially that of students. At our Group companies in Japan and overseas, we are expanding efforts to target everyone, from children to working adults.

## Financial Education for Students

We provide financial lectures mainly to university students, who will become users of financial services as working adults. Since March 2023, a full-time team at the AFS Academy has been providing financial education from a fair and neutral consumer perspective, offering career lectures, and expanding the audience for our courses.



## Financial Education at Branches Nationwide

To cultivate sound cardholders for the future, we offer educational programs on money-related topics, including credit cards, in high schools and vocational schools in each region, mainly through our branches and offices nationwide. The number of requests from educational institutions is increasing due to the lowering of the age of majority and the spread of cashless payments, and we are strengthening our efforts on an ongoing basis.

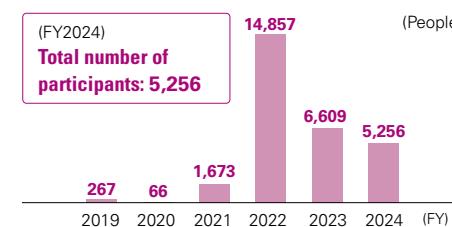
## Financial Education at Each Group Company

The AFS Group companies in Japan and overseas are also conducting various initiatives, including financial seminars for customers and students as well as seminars for AEON Group employees and school teachers, and distributing video content to improve financial literacy.

### Participants in Financial Lectures



### Participants in Financial Education in Various Communities



## Activities with AEON 1% Club Foundation

The six companies—AEON Financial Service Co., Ltd.; AEON Bank, Ltd.; AEON Insurance Service Co., Ltd.; ACS Credit Management Co., Ltd.; AEON Housing Loan Service Co., Ltd.; and ACS Leasing Co., Ltd.—donate 1% of their income before income taxes to the AEON 1% Club Foundation. Together with other major AEON Group companies, they support the sound development of children, the promotion of friendship with foreign countries, contribution to community development, and disaster restoration support.



The AEON 1% Club was established in 1990 as a vehicle for the fulfillment of our social responsibilities through concrete actions based on the AEON Basic Principles. Funded by 1% of profits generated when consumers use AEON Group goods and services, the program is focused on environmental and social contribution activities. The Company will continue to actively engage in social contribution activities together with the AEON 1% Club.

▶AEON 1% Club: <https://aeon1p.or.jp/1p/>

## Exciting Cashless Experience Events

As part of the activities of AEON Cheers Club of AEON 1% Club, we have been conducting financial education events for children at AEON stores since 2021 with the aim of ensuring the sound development of children. We provide opportunities for children to learn about the convenience of cashless transactions, encouraging them to think about the future of money. We believe that sparking their interest in money at a young age will help them develop financial knowledge and judgment for the future.

These events, aimed at children from preschool through junior high school, help them experience the convenience and benefits of cashless payments through activities such as quizzes on the history of money, a “cashless life: then and now” comparison, and the experience of feeling the actual weight of money.

The AFS Group will continue to work to improve financial literacy through financial education to create social infrastructure in the form of a cashless society that is safe, secure, and convenient and offers economic benefits.



Smartphone shopping experience

FY2024 Financial Education Results Total	(Domestic) 42,853 people	(Online) 980,000 sessions
	(Overseas) 7,684 people	(Online) 1,167,100 sessions

## Materiality② Exerting Diversity and the Potential of Our People

### Respecting the diversity of employees and creating a flexible and rewarding work environment

As a member of the AEON Group, we have been promoting management centered around respecting human rights put forward by AEON. Based on the AEON Foundational Ideals, to continue creating and providing new value as a corporate group with an ever-lasting innovative spirit, we are pursuing initiatives to realize management that draws out the capabilities and motivation of each and every employee and leverages their potential under Our Purpose, while responding to changes in market environments in Asian countries including Japan.



#### Message from the Executive in Charge



Director and Senior Managing Executive Officer  
in charge of Human Resources,  
General Affairs  
Head of Human Resources and  
General Affairs Division  
AEON Financial Service Co., Ltd.

**Shigeki  
Mishima**

To achieve sustainable growth, the AFS Group has positioned "Exerting Diversity and the Potential of Our People" as a key issue, and has worked to create a corporate culture in which all employees leverage their own strengths and respect each other.

We established Our Purpose in fiscal 2023 and are currently holding employee-management dialogue sessions so that each employee can deepen their understanding of Our Purpose and think about how they should act. We will continue with these initiatives to enable each and every employee to understand and identify with Our Purpose and ultimately to achieve changes in behavior.

To embody Our Purpose, we believe it is imperative that our employees are motivated about their assignments and working in a fulfilling environment, and therefore we set forth improvement of employee engagement as an important goal. As part of our efforts to improve engagement, we hold sharing meetings for managers based on survey results and have established a consultation desk to support managers in resolving management issues. We provide support for the formulation and steady implementation of action plans so that each workplace can take the initiative in improving the workplace environment and raising employee motivation and performance.

Furthermore, while diversity offers opportunities for creating innovation and strengthening competitiveness, it can also pose risks due to differences in values and communication challenges. Therefore, to foster a culture of listening to the voices of our colleagues and respecting each other equally, we strive to promote understanding of diversity and improve psychological safety through human rights training held twice a year.

We also conducted human rights due diligence and selected priority human rights issues for the Company and each AFS Group company. Going forward, we will decide on countermeasures and specific initiatives to deal with anticipated risks, and thoroughly implement business activities that give consideration to the human rights of employees, business partners, and customers.

We will continue these efforts to foster an organizational culture where diverse personalities can shine and maximize their potential, and continue to challenge ourselves to be a corporate group that meets the expectations of all stakeholders.

## Materiality ② Exerting Diversity and the Potential of Our People

# Our Purpose Employee Roundtable Discussion

AEON Financial Service has formulated Our Purpose as follows: "To bring finance closer to everyone. By committing to each and every person, we brighten up everyday lives with peace of mind and smiles." Under the theme of "Deepening Purpose-Driven Management," we held an employee roundtable discussion in which we asked employees in various occupations and positions to tell us how Our Purpose—which represents the AEON Group's aspiration and reason for existence—is put into practice in their individual workplaces and to what extent it has been instilled there.



**Momoka Watanabe**  
Human Resources Development Group, Human Resources and General Affairs Department  
ACS Credit Management Co., Ltd.

**My Purpose**

Through recruitment and training, strive to improve the image of debt collection by working with each individual

**Shotaro Kawasaki**  
Marketing Group and Creative Group Marketing Department, AEON Bank, Ltd.

**My Purpose**

Deliver AEON Group VALUE

**Makoto Sakugawa**  
Head of Human Resources  
AEON Financial Service Co., Ltd.

**My Purpose**

Make everyone smile

**Christy Fok**  
AEON CREDIT SERVICE (ASIA) CO., LTD.

**My Purpose**

Provide easy-to-understand explanations to customers in my daily work to increase their trust in our services

### Understanding and empathy in pursuit of Our Purpose

**Kawasaki** When the Company's Purpose was first formulated, I felt a bit distant from it, but now, in my seventh year at the Company, I have realized that it overlaps with my own aspirations. My connection with it naturally deepened after I learned about the background and word selection process through internal roundtable discussions and videos. I was particularly impressed by the discussion in the video about whether it would be better to write the Purpose in the simplest possible language (hiragana). I could tell that the thoughts and feelings of the employees were well represented.

**Watanabe** At first, I too felt distant from the word Purpose. In debt collection, where I work, to be honest, I didn't know how

Purpose was related to our work. However, through in-house publications and round-table discussions, I came to realize that we too are part of AEON Financial Service. Like Mr. Kawasaki, when I watched the video, I too naturally began to feel a deeper connection to it because I understood that employees in the same position as us had put serious thought into it.

**Christy** I work overseas. I am naturally aware of Our Purpose in my daily work. When responding to inquiries from customers, instead of just explaining our products, I've started to reflect on the question of how we can ensure they can use them with confidence. I feel that clearly communicating the differences between insurance products is also part of putting Our Purpose into practice.

**Sakugawa** I served as an Our Purpose Ambassador.

In this capacity, I held town hall meetings all over Japan while working as the Northern Kanto branch manager. As I continued to explain Our Purpose as an ambassador, my own understanding deepened and I became more creative in how I communicated it. I watched the video of the Our Purpose formulation process over and over again, learning something new each time. Though the video never changed, different parts of it lingered in my mind each time I watched it.

### Practicing Our Purpose in everyday life

**Christy** Previously, my goal was to be No. 1 in customer service. However, since encountering Our Purpose, I have a



## Materiality ② Exerting Diversity and the Potential of Our People

### Our Purpose Employee Roundtable Discussion

stronger sense that when customers are happy, I feel happy too. I feel like my sense of fulfillment in my work has connected with my own feelings on a deeper level. Recently, we have also been working to strengthen app guidance in stores. By carefully communicating what can be solved with the app, we provide convenience without having to visit a store, and deliver an experience that brings finance closer to more customers.

**Kawasaki** In the Marketing Department where I work, there are many situations where we need to be aware of Our Purpose when designing campaigns. After the launch of the new Nippon Individual Savings Account (NISA), a friend asked me, "How do I get started?", making me realize that finance is still not very familiar to many. That's why I felt it was necessary to create a system that allows anyone to take the first step. We explored feasible actions we could take, consulting repeatedly with the legal department to ensure we complied with the rules. I believe the reason we were able to do this is because we have a Purpose.

**Watanabe** In the field of debt collection where I work, there are times when you want to tell the customer, "Anything, even a little, is fine." In these situations, I return to Our Purpose, which is to support a life filled with peace of mind and smiles. By proposing a systematic repayment plan, we are able to maintain an approach that aligns with the customer's future. Currently, my responsibilities have changed and I am in charge of interviewing new employees in our Human Resources Department. I think asking them, "What is your purpose?" helps to keep them motivated.

**Sakugawa** After serving as the Northern Kanto branch manager, I took on the role of Head of Human Resources, and since then I have been working to have all employees formulate their own My Purpose. By aligning the Company's Our Purpose with their own personal values, employees can find a way of working that suits them best. At a workshop in the Human Resources Department, employees shared their

top three things that made them happy after they joined the company. By getting to know an unexpected side of each other, the employees were able to deepen their lateral ties. I feel that employees have many opportunities to see aspects of each other's personalities, such as a love of the outdoors or shared hobbies, and this makes the atmosphere at work even brighter.

#### ■ What changed with an awareness of Our Purpose

**Kawasaki** Awareness of Our Purpose has brought about a significant change in job satisfaction. A unified approach has emerged across the Group, leading to increased collaboration beyond company boundaries. I remember being impressed by what a senior colleague once told me: "Purpose is the starting point to return to when you are unsure of what to do." Another thing that impressed me was the fact that the phrase "brighten up everyday lives with peace of mind" came from a fellow employee. Awareness of Our Purpose is also what led to calls to rethink the delivery of our email newsletter in light of the risks it posed such as phishing scams.

**Watanabe** There was a time when I myself was just chasing numerical results. However, through an Our Purpose study session, I was able to recall the original motivation I had when I joined, which was to change the image of debt collection. For customers, a single phone call is very important. Being able to have that awareness is a significant change.

**Sakugawa** In the Human Resources Department too, we are seeing changes in the types of inquiries employees are making. In the past, we received a lot of personal requests. Recently we have been receiving more consultations from the perspective of "what the company should be like." As a human resources professional, I strive not only to adhere to rules but also to respond to each individual's situation with care. During my sales days, my end users were customers, but now that employees are my focus, and I want us to be a human

resources department that people feel glad to consult with.

**Christy** I feel that improving communication skills both inside and outside the Company is essential to achieving Our Purpose. I myself am still in the process of personal growth. I want to build a relationship of trust with customers while learning together with my peers.

#### ■ Future outlook

**Watanabe** Going forward, I feel it is necessary not only to practice Purpose as one's own, but also to increase the number of people who can communicate their Purpose to others. Currently, the Head of Human Resources and other managers visit each worksite to provide training. Going forward, we aim to create a workplace where everyone can articulate their Purpose, with the Human Resources Department focusing on fostering connections between people.

**Kawasaki** In my daily work, I would like to continue to make it a habit to ask myself, "Is doing this really what's best for the customer?" It is also necessary to increase contact with people outside the Company to deeply understand what they find difficult about finance. I want to build my career around Purpose. By providing services that solve customers' issues and concerns, I want to create a future where my personal growth, the Company's expansion, and our customers' satisfaction are all interconnected.

**Christy** I hope to continue contributing to the creation of value at AEON Financial Service by incorporating Purpose not just into my words but into my daily actions.

**Sakugawa** Going forward, it will be important to communicate, both inside and outside the Company, the understanding that putting Our Purpose into practice will lead to business growth. Even in the midst of diverse work styles, it is necessary to create a system where there is no difference in understanding. The ultimate goal is for each employee to be able to act in a customer-first manner on his or her own initiative.

## Materiality ② Exerting Diversity and the Potential of Our People

# Human Rights Initiatives

One of the AEON Foundational Ideals, which are ideals shared by all employees of the AEON Group, is respecting humans. At AEON Financial Service, as well, we conduct human rights awareness-raising exercises in each of our Group companies with the aim of creating a corporate culture of respect for people. Led by our value of doing everything for our customers, we respect human rights, never engaging in any discrimination on the grounds of nationality, race, gender, academic background, religion, physical or mental health, sexual preference, gender identity, or the like. Furthermore, each and every one of our employees listens attentively to their work colleagues and respects them as they respect themselves. Our active measures for doing this include mandating that all employees take part in human rights training twice a year to have them reaffirm the AEON Human Rights Policy and provide them with more accurate and deeper understanding of human rights. In order to meet the expectations of society with respect to addressing diverse human rights needs, as detailed in the human rights standards set forth in the standards of the International Labour Organization (ILO), we set a different theme for each of these training activities, and we raise awareness regarding discrimination and prejudice.

Based on this mentality, in the AFS Group, we identify key human rights issues and implement risk avoidance measures to respect the human rights not only of employees but of all of the AFS Group's stakeholders, including our customers and business partners.

### Human rights due diligence

In accordance with the AEON Human Rights Due Diligence and Promotion Framework, we take human rights into consideration as we carry out our business activities. Furthermore, the AFS

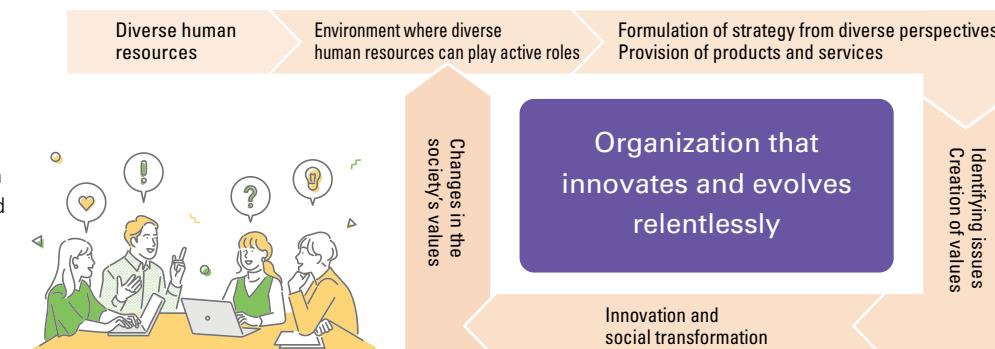
Group has performed key human rights issue risk assessments for different parties, and based on the issues found, we have selected the following four as the key human rights issues of the AEON Financial Service Group with respect to the Company/our employees, business partners and outsourcing companies, and customers. Going forward, we will decide on countermeasures for dealing with potential risks and specific measures for individual items, and we will confirm our progress in these activities on a quarterly basis.

Scope	Risk Category	Risk	Reason for Selection (specific potential impact, identified issues, etc.)
Company/ employees	Compliance	Compliance with laws and social norms	A lack of understanding of individual laws could result in detriments to workers themselves and create business risks.
	Human Rights/ Labor	Harassment	Incidents of different types of harassment could reduce work productivity, cause mental health issues, and contribute to employee attrition.
Business partners/ outsourcing companies	Compliance	Compliance with laws and social norms	Human rights violations, harassment, etc. against business partners could prevent fair and sustainable business dealings. If outsourcing companies engage in operations or implement policies contrary to our own policies, this could cause reputation risks.
Customers	Human Rights/ Labor	Harassment	There are risks of harassment through inappropriate or unkind treatment of customers by employees in sales departments, call centers, etc., that deal directly with customers. Inappropriate dealings could result in the risk of lawsuits, a negative impact on our corporate image through the spreading of information via social media, etc., and a negative impact on hiring activities, such as making it harder to attract high quality personnel due to the negative impact on our corporate image.

# Promotion of Diversity, Equity & Inclusion (DE&I)

### Our approach to human resource diversity

The AFS Group believes that the innovations created by bringing together the diverse values of each and every employee and the presence of motivated employees, who act autonomously and create changes, are indispensable for its sustainable growth. It is important that diverse values are reflected in strategies, products, and services for us to respond to diversifying customer needs and changing customer values. Based on this concept, our key tasks are nurturing talents, developing an internal environment for all employees in different life stages with different lifestyles to be motivated and to work in their own way, and diversifying the decision-makers in our Group.



## Materiality ② Exerting Diversity and the Potential of Our People

### Promotion of Diversity, Equity & Inclusion (DE&I)

#### Promotion of diversity, equity & inclusion

We are working based on the idea that the promotion of DE&I is not only beneficial for the involved parties but also for ensuring the development potential of the Company—in other words, for the future of the Company.

The AFS Group has diverse customers in terms of gender, age, and other areas, and we must ensure the diversity of our employees, reflecting the composition of society and our customers, in order to understand and respond to the needs of such customers. Moreover, the diversity of our decision-makers is important for leveraging diversity and reflecting diverse opinions and values in our strategies, products, and services.

With respect to the current employee composition of the AFS Group (Domestic), the percentage of decision-makers in section manager or higher positions that are women is declining. This gender imbalance in personnel in decision-making positions is an issue that we must address. In order to solve this problem, we are working on developing an environment that facilitates the active participation of female employees. We believe that developing an environment that enables female employees to play active roles will also create a better environment for various other employees.

#### Initiatives to support female employees' active participation

##### (1) Women's networking - Be Colorful for Women

We are working to create spaces where employees can connect with each other and think about their life careers so that they can have a bright and positive outlook regarding their career, regardless of their individual life stage. Led by this concept, we established a new women's network, Be Colorful for Women.

When the network began, there were 61 participants and 15 collaborators. The network provided them with opportunities to see diverse types of careers and think about their own futures. Volunteers in the network have now begun holding subcommittee activities, and in the future this subcommittee plans to provide concrete proposals regarding systems and measures.



##### (2) Support for the career development of female employees through participation in J-Win

The Company is a member of the Japan Women's Innovative Network (J-Win). To support the career development of women based on the knowledge we have gained through J-Win, we dispatch employees to take part in the organization's educational program.

Furthermore, to improve the skills of female employees and foster a strong career mentality, and to promote the active participation of women throughout the organization, we also believe that it is important that male employees gain a greater understanding and transform their own behavior. With

this understanding, we have been participating in J-Win's Men's Network program since FY2024. This program is intended to provide male management personnel with a deeper understanding of DE&I and the active participation of women, and to prompt them to review their own words and behavior. We dispatched four employees who were divisional heads or higher in FY2024 and seven in FY2025. Following the end of the program, these members have served as leaders of DE&I promotion in their own organizations and actively supported the networking activities of women within the Company.

#### LGBTQ initiatives

##### (1) Application of systems for spouses to same-sex partners

We believe that it is vital to the sustainable growth of our company that we create workplace environments in which all employees can be true to themselves. Everyone has their own background and values, and their families and relationships are diverse.

Given this, we see partnership relationships as a type of family which deserves respect, regardless of whether partners are legally deemed to be married. We have therefore begun applying systems related to spouses to same-sex partners. Through this, we are creating workplace environments in which all employees can enjoy a sense of security as they work.

##### (2) Participation in Tokyo Pride

We respect diversity and wish to contribute to the creation of a society in which everyone can be true to themselves. For that reason, we participated in the Tokyo Rainbow Pride 2025 parade. As part of the AEON Group's activities, 16 members of the AFS Group took part and showed our desire for understanding and solidarity with diverse people, including members of the LGBTQ+ community.



#### Initiatives for invigorating the organization

##### The Naname 1-on-1 program - providing opportunities for dialogue across organization lines

We are implementing the Naname 1-on-1 program to invigorate the organization and assist with employee career development by promoting dialog across division and department lines. The goal of this program is to expose employees to new perspectives and provide them with new insights through one-on-one dialogue with employees from other divisions.

By engaging in dialogue with employees in other divisions, which they have few opportunities to interact with during the course of day-to-day operations, employees can expand their range of role models and career options, and they can rediscover their own strengths.

This initiative is helping to eliminate siloing in our organization and contributing to the creation of a corporate culture in which each employee actively considers diverse careers.



## Materiality ② Exerting Diversity and the Potential of Our People

# Diversity of Human Capital and Human Resources

The AEON Group shares a fundamental human resource philosophy of eliminating distinctions based on nationality, age, gender, or employee type and instead basing human resources on ability and results. The AFS Group, as well, respects the individuality of each employee and promotes the creation of a corporate structure in which diverse people can thrive. To this end, we are working to create an internal culture and workplaces that accept diverse human resources, irrespective of gender, age, nationality, or the like, actively providing them with opportunities to thrive, respecting their diverse ways of thinking and opinions, and promoting free and unfettered discussion.

### 1 Percentage of managerial positions filled by women

By the end of FY2024, the percentage of managerial positions (assistant manager or higher) in the AFS Group (domestic and overseas) that were filled by women was 33.9%. The AFS Group has a large number of female customers, and we believe an increase in the ratio of female managers will enable us to meet various customer needs and will lead to further improvement in corporate value. Based on this idea, the AFS Group aims to raise the percentage of managerial positions, including assistant manager positions, filled by women to 40% by FY2030. We have been encouraging the active participation of female employees by providing support for career development such as training for female managers, enhancing flexible workstyle options, and improving the workplace environment.

### 2 Support for male employees' participation in child-rearing

The rate of male employees taking childcare leave was 96.0% at the AFS Group in Japan in FY2024. Encouraging men to participate in household chores and child-rearing leads to promotion of diverse career paths for male employees and boosting active participation of women from various aspects including corporate culture and environment. In addition, this will also lead to ensuring equal opportunities for men and women and elimination of gender bias. We are also aiming for 100% in the rate of male employees taking childcare leave in FY2025 considering that child-rearing is a valuable experience for grasping the needs of customers with family and of female customers, who account for a major share of the AFS Group's customers.

### 3 Ratio of mid-career hires

Mid-career hires account for a high level of about 80% of managerial positions (directors, divisional heads) within the AFS Group. In addition to regular hiring, we have maintained a tradition of hiring people from a variety of backgrounds and are working to foster a corporate culture that respects diverse values.

### 4 Employment ratio of people with disabilities

The rate of people employed by the AFS Group in Domestic, who have disabilities, stands at 2.67%. They are assigned duties that are suited to their respective characteristics and abilities. By taking the characteristics of individuals into consideration and removing barriers, we are working

to create an environment that is comfortable and welcoming for all employees. Further, we operate farms growing vegetables and Phalaenopsis orchid. They are utilized for employees' celebrations and mourning and other ceremonies and also for decorating stores.

We will continue to strengthen our initiatives for raising job satisfaction of employees with disabilities by promoting individualized work experiences and skill improvement. Also, by strengthening the support system that includes certified personnel, expanding the training for accepting people with disabilities at workplace, and by conducting training for all employees for promoting understanding of disabilities, we aim to achieve a 3% employment rate for people with disabilities in FY2030.

### Human Resource-related Data

#### Number of employees and employee ratio (FY2024)

	Male	Female
Domestic	2,618 (56.4%)	2,026 (43.6%)
Overseas	3,812 (35.0%)	7,091 (65.0%)
Total	6,430 (41.4%)	9,117 (58.6%)

#### Number of managers and manager ratio (FY2024)

	Male	Female
Domestic	1,677 (74.0%)	590 (26.0%)
Overseas	629 (51.6%)	591 (48.4%)
Total	2,306 (66.1%)	1,181 (33.9%)

#### Percentage of managerial positions filled by women (FY2024)

33.9%

(Assistant manager or higher)

\*Actual figure for FY2023: 33.5%

#### Rate of male employees taking childcare leave (FY2024)

96.0%

(Total for 10 Group companies in Domestic)

\*Actual figure for FY2023: 75.6%

#### Employment rate of persons with disabilities (as of June 1, 2025)

2.67%

(Total for seven Group companies in Domestic)

\*Actual figure for FY2023: 2.42%

\*Below is the statutory employment rate as there are less than 43.5 permanent employees. Companies not included: AFS Corporation Co., Ltd., ACS Leasing Co., Ltd., AEON S.S. Insurance Co., Ltd.

#### Wage differences among workers in Domestic (FY2024)

All workers	Full-time employees	Part-time and fixed-term workers
43.3%	71.2%	125.7%

The AFS Group does not have gender-based categories for employee classifications, salaries, or promotion systems. The wage difference between male and female workers is caused by factors such as the number of male and female employees, lengths of service, job types, and working hours.

\*Calculated based on the stipulation by the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015; Average annual salary of female workers/Average annual salary of male workers, expressed as a percentage)

#### Total number of new hires (FY2024)

Domestic	Male	Female	Total
Regular recruitment	84	22	106
Other than regular recruitment	135	82	217

#### Average age and average length of service (as of February 28, 2025)

Domestic	Male	Female	Total
Average age	40.8	46.6	44.9
Average length of service (years)	8.2	8.8	8.6

## Materiality ② Exerting Diversity and the Potential of Our People

# Human Resources Development

In terms of AEON human resource activities, there is a saying that has been passed down from generation to generation—"The greatest form of welfare is education"—and Group companies actively invest in education, such as in the provision of learning opportunities. We encourage our employees to work hard and request that they continue to strive toward their goals.

## 1 Main education programs

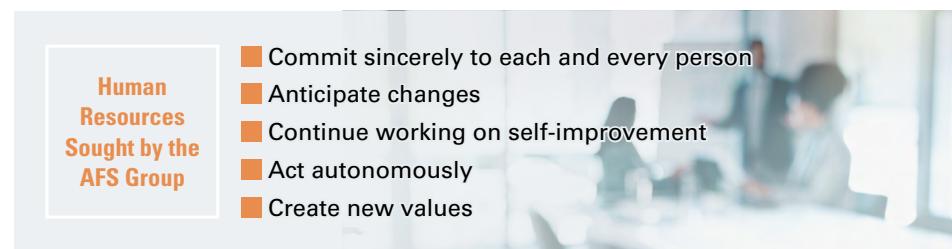
The AFS Group will support employees in autonomously building their own careers and will offer various growth opportunities so that we can realize our Management Strategy. These measures will include not only training that provides participants with skills required by management and improves their knowledge but also unearthing and nurturing of management candidates and offering skill improvement programs for managers and all employees.

Management Personnel	Professional Personnel	Philosophy, Human Rights, Governance
<ul style="list-style-type: none"> <li>Director and auditor training</li> <li>Training for newly appointed directors</li> <li>Management executive training</li> <li>Compliance training for officers</li> <li>Executive coaching</li> <li>Domestic graduate school (MBA course) dispatches</li> <li>Training for overseas assignments</li> <li>AFS Next-Generation Management Development Program (Leader, Next Leader, Future Leader)</li> <li>Program for nurturing female managers</li> </ul>	<ul style="list-style-type: none"> <li>DX human resource development program</li> <li>Job-specific courses (digital technology, human resources, business administration)</li> <li>Prototype development training</li> </ul>	<ul style="list-style-type: none"> <li>Training on Our Purpose</li> <li>Training on the AEON Group Future Vision</li> <li>Sustainability training</li> <li>Risk management, compliance, and internal control training</li> <li>Training for directors and auditors to be dispatched</li> <li>Disability understanding training</li> <li>Finance and accounting manager training</li> <li>Diversity promotion training</li> <li>AML/CFT training</li> </ul>

Job Layer, Appointment, Career Support	Well-being
<ul style="list-style-type: none"> <li>Business leader program (BLP)</li> <li>Seminar for promoted employees</li> <li>Training for prospective recruits</li> <li>Training for new employees</li> <li>Follow-up training for employees during their first three years</li> <li>CDP training (at ages 30, 40, and 50)</li> <li>Group management and supervisory training</li> <li>New center director training</li> <li>Training for mid-career hires</li> </ul>	<ul style="list-style-type: none"> <li>Health and productivity management training</li> <li>Training on women's health issues</li> <li>Mental health training</li> </ul>

## 2 Nurturing of next-generation managers

We launched the AFS Next-Generation Management Development Program in FY2024 to rapidly identify and systematically nurture next-generation managerial staff. With the newly established Human Resources Sought by the AFS Group at its base, the program aims to find human resources who will lead the next generation of our Group from the perspective of total Group optimization. It purposefully and systematically offers them growth opportunities, taking into account what kind of management human resources should lead the AFS Group in an ever-changing business environment. We will continue to nurture the human resources we discover through succession plans, which include actively assigning them to positions with high levels of responsibility. We will also strive to provide medium to long-term business opportunities that lead to success by investing in human resources.



## 3 Enhancement of employee training

Since FY2023, we have spearheaded, consolidated, and implemented various educational measures at the AFS Group companies. We are also improving the efficiency of the educational activities of AFS Group companies by sharing the educational content that we planned and produced in-house. Implementation of a common program across the Group companies has been contributing to the creation of group synergies and providing a uniform level of education throughout the Group. The use of a common program enables us to offer numerous educational opportunities to all employees of the AFS Group.

### Training Cost and Training Time

Group companies in Domestic	FY2022	FY2023	FY2024
Training cost per person	¥32,906	¥77,438	¥46,604
Training time per person	23.7 hours	66.1 hours	38.4 hours

## Materiality ② Exerting Diversity and the Potential of Our People

# Career Design

### 1 Career design support

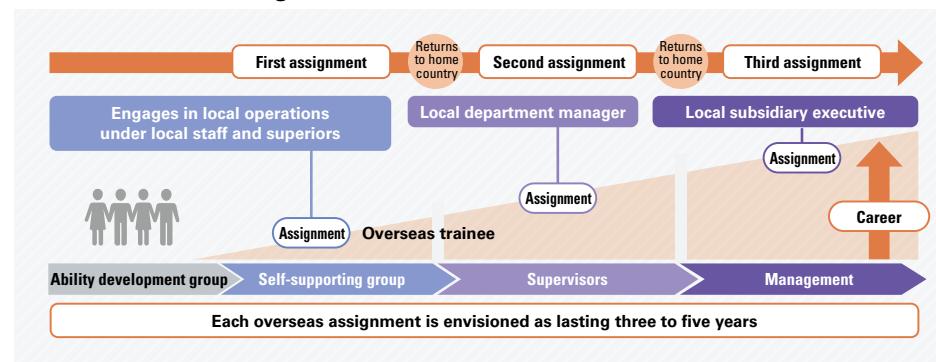
The Company is offering career design support for employees from four perspectives based on the recognition that approaching one's work with a full understanding of what it means to play a central role and how one wants to be will lead to improvement in customer satisfaction, job motivation, and well-being.

- (1) We conduct career training (CDP training) every year for all employees who are in the third year with the Company and those who turned 30, 40, and 50 years old to promote self-understanding.
- (2) We post workplace profiles of all departments and branches on the in-house intranet, sharing information regarding organizations, jobs, fulfillment, and personnel requirements to promote better understanding of jobs.
- (3) We operate a career consultation desk staffed by career consultants to support individual employees' career design (number of self-directed consultation requests received: 46 in FY2024).
- (4) We implement measures such as internal open recruitment, side jobs inside or outside the Company, and self-declarations to support employees in realizing their desired career paths.

### 2 Overseas trainee system

Employees are assigned to an overseas subsidiary for six months and engage in businesses and operations that are not available in Japan while experiencing culture and customs different from those of Japan. The system encourages younger employees to take on challenges beyond the boundaries of companies and countries. The system is designed in such a way that the trainees will gain experience at multiple divisions during the trainee period so that they can envisage

#### Overseas Model Assignment Plan



career paths across the entire Group, including the Japanese business, in addition to the overseas business after the dispatch period ends.

### AFS Academy

In March 2023, we established the AFS Academy as a human resource training and development institution, through which we have been meeting the employees' needs for learning while promoting spontaneous learning of employees. Our management challenges as a company, including the need to adapt to the rapid spread of digital technology, are paralleled by the challenges faced by individual employees, who need to adapt to a changing social environment by modifying their mindsets and work styles as well as acquire new knowledge through reskilling. We believe "the greatest form of welfare is education." That saying is reflected in our active investment in human resources, including the provision of learning opportunities. Through the AFS Academy and its extensive range of courses, we have further expanded our commitment to human capital management by enabling them to develop over the medium to long term.

	Themes and overview	Goals	Results for FY2024
Lecture topics	<ul style="list-style-type: none"> <li>• Human resource management</li> <li>• Psychological safety</li> <li>• DX, career development, etc.</li> </ul>	The acquisition of a wide array of knowledge and general education through lectures presented by prominent figures and experts in various fields	
Courses	<ul style="list-style-type: none"> <li>• Innovation and management fundamentals</li> <li>• DX, introduction to financial accounting, diversity, self-understanding, and psychological safety</li> <li>• Support for the acquisition of the Certified Internal Auditor (CIA) qualification, IT passport, etc.</li> </ul>	Acquisition and improvement of basic management skills centered on ability to innovate and on leadership as well as nurturing of specialized human resources. Acquiring knowledge not directly related to the operation as well as specialized knowledge and development of attitude to learn proactively	30 lectures were held. A total of 1,054 people participated.
Courses by in-house lecturers	<ul style="list-style-type: none"> <li>• Sales skills</li> <li>• Career development, etc. (Group employees become lecturers for their respective specialized fields)</li> </ul>	Lecturers teach know-how (wisdom and knowledge) and experience they acquired in operations. For making it effective learning with familiar examples	
Online learning	<ul style="list-style-type: none"> <li>• Video-based learning</li> <li>• Digital library</li> </ul>	Offering opportunities to learn without the constraints of time or place. Building a broader knowledge base	Number of users: 2,432 employees Total video viewing time: 7,827 hours

We will continue to offer opportunities for employees to learn skills necessary for self-realization and support spontaneous learning.



## Materiality ② Exerting Diversity and the Potential of Our People

# Well-being and Engagement

## Initiatives toward Realization of Well-being

We are driving forward health and productivity management based on the recognition that the good mental and physical health and willingness to work of each employee is inevitable to realize Customer-First.

### (1) Health and productivity management

In FY2016, the AEON Group adopted the Health Management Declaration as the basis for its efforts to ensure the physical and mental health of the Group's employees and their families and cultivate human resources capable of achieving continual personal growth through careers spanning many years.

Initiatives implemented by the AFS Group under the Health Management Declaration are listed below.

### The AEON Group provides health support for its employees and their families and works with its employees to build health and happiness in local communities.

#### Behavioral guidelines

- 1 We are working to prevent health issues through health checkups and subsequent follow-up processes.
- 2 We strive to improve employee mental health through four types of care (self-care, care provided by line managers, care by in-house industrial physicians, and care using resources from outside the Company).
- 3 We comply with the conduct guidelines set down in the Declaration to Eliminate Unpaid Overtime and Long Working Hours and the Declaration on the Elimination of Harassment as part of our efforts to develop an organizational culture that offers psychological security and safety while fostering energized workplaces.
- 4 We are helping to improve the health of customers and local communities through our products and services.

Thanks to these efforts, the Company and six domestic Group companies have been designated as Outstanding Health and Productivity Management Organizations for 2025. AEON Bank, Ltd. was also recognized as a White 500 organization for 2025, having been selected as one of the top 500 companies in the large enterprise category.

### Domestic companies designated as outstanding health and productivity management organizations

Included for seven consecutive years	AEON Financial Service Co., Ltd. ACS Credit Management Co., Ltd. AEON Housing Loan Service Co., Ltd. AEON Insurance Service Co., Ltd., ACS Leasing Co., Ltd.
Included for six consecutive years	AEON Bank, Ltd. (White 500)
Included for four consecutive years	AEON S.S. Insurance Co., Ltd.



### (2) Physical health and mental health

The Company has set "reductions to percentages of persons requiring medical care" and "reductions to rates of presenteeism loss" as health and productivity management indicators. In terms of physical health, we have established a structure in which we centrally manage the health checkup results of all employees, and public health nurses belonging to the Company's health support centers directly follow up with employees who require medical care.

For mental health, we have been focusing on providing four types of care under the Mental Health Improvement Plan. These are (1) the participation of all employees in mental health training (every year), (2) the enhancement of consultation desks (mental health consultation by supervising occupational physicians and public health nurses from health support centers, the introduction of an external employee assistance program [EAP]), (3) the enhancement of support for mental health leave and returning to work (cooperation with supervising occupational physicians and public health nurses), and (4) the enhancement of support for workplaces requiring support based on group analyses of stress checks (the improvement of workplace culture by the Safety and Health Committee and the internal sharing of successful case studies, etc.).

We will continue to strive to grasp and make improvements to address the issues faced by the Company while providing health checkups to all employees, promoting smoking cessation, and utilizing the Pep Up health portal site in collaboration with the AEON Group and the AEON Health Insurance Society.

### Improvement of working environments

The Company has been promoting work-life balance through measures that can be used by anyone. These include shortened working hours, the introduction of a consecutive holiday system, and the systematic granting of annual paid holidays, as much as 15 days, so as to enable employees to choose the hours they work. Furthermore, we are promoting efficient and flexible workstyles by making workplace environments more comfortable. To realize this, we have developed a sick leave hourly usage system that ensures that employees can stay healthy and night shift leave, which enables employees to get sufficient rest and enjoy good mental and physical health as they work.

Based on our Foundational Ideas, we have introduced volunteer leave that promotes the offering of physical assistance in the event of a regional disaster to create workplaces and systems that make it easy for motivated employees to take part in volunteer activities. Through these efforts, each and every employee can remain motivated and enjoy good health, both physical and mental.

►Please refer to P73–74 for information regarding participation in volunteer activities.

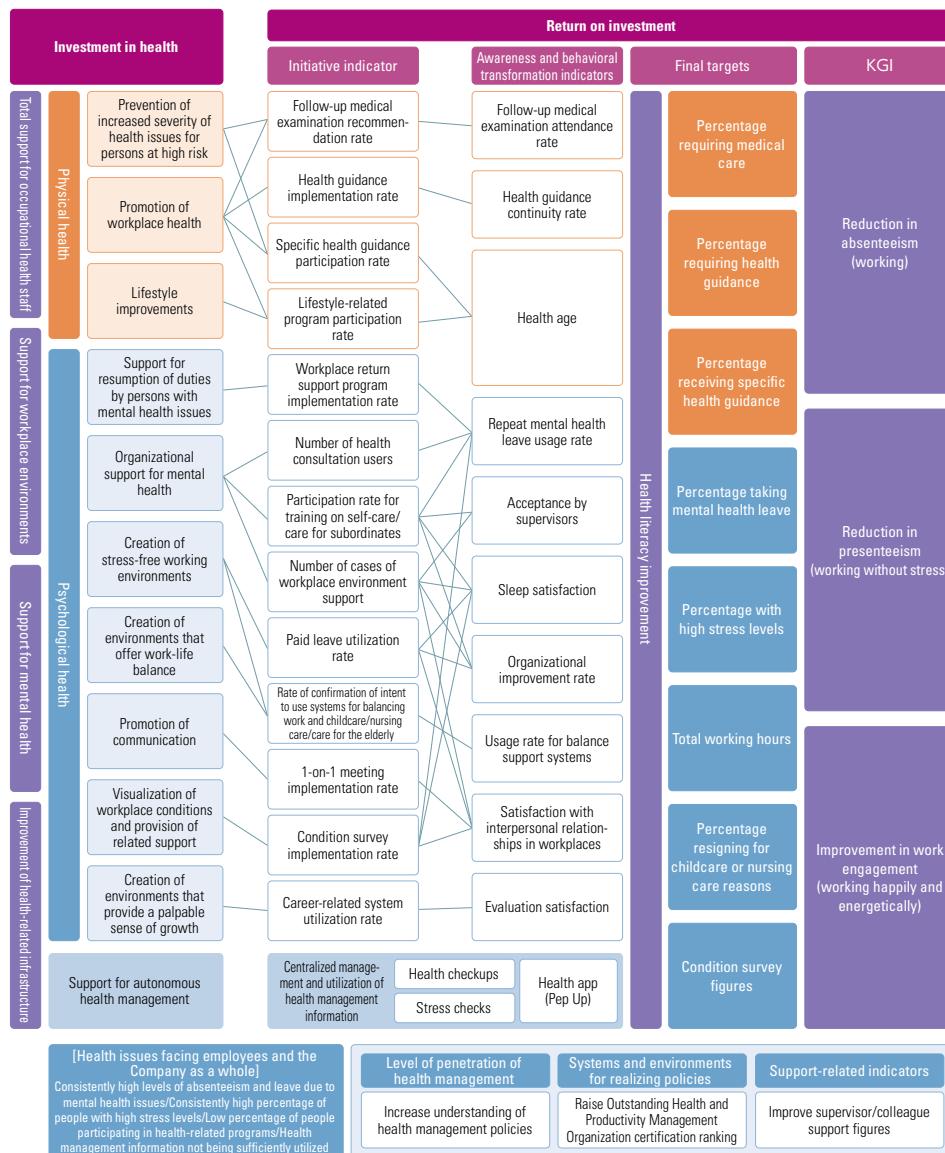
In addition, to create workplace environments in which all employees can be themselves and to deepen our corporate culture of respecting diverse values and ways of living, we have expanded the scope of our internal systems related to employee spouses to respect more diverse partnership relationships, irrespective of whether partners are legally deemed to be married.



## Materiality ② Exerting Diversity and the Potential of Our People

### Well-being and Engagement

#### Health Management Strategy Map



#### Improvement of employee engagement

We believe it is imperative that our employees are motivated in their assignments and that they work in fulfilling environments. We have therefore set forth the improvement of employee engagement as an important goal.

As of January 2025, the engagement score of our consolidated subsidiaries in Japan was 43.8 points (up 1.1 points year-on-year) and 73.9 points for our overseas consolidated subsidiaries (up 3.6 points year-on-year), compared with 50.0 points on average for other companies. Overall, engagement scores were high for overseas Group companies, and individual companies are voluntarily implementing organizational improvement activities. However, we were unable to achieve our domestic engagement score target for January 2025 of 45 points.

As with FY2024, throughout the AFS Group, employees tended to have high expectations regarding trust in management and communication between different levels of personnel, but their satisfaction in these areas has been found to be low. We see these as Group-wide problems, and we will further advance our initiatives based on dialog between management and employees.

In quantitative terms, for all consolidated Group companies in Japan, we are aiming to achieve an engagement score of 50.0 points, which indicates a sound relationship of trust in an organization, by FY2026.

#### Initiatives for Improving Engagement



We monitor the organizational improvements of each division and report them to meeting bodies led by the Board of Directors on a regular basis. In the reporting of each division's engagement survey results to management, we have shared the issues facing the Group and engaged in discussions regarding improving engagement.



We have held Survey Result Sharing Sessions for management personnel in which we have analyzed the factors that led to the engagement results of each workplace and we have provided support for engagement improvement activities.



To provide assistance to divisions with low engagement scores, the Human Resources Department's Organization Development Team and Health Management Team are working with related divisions to support their organizational improvement activities and create a framework for promoting autonomous organizational improvement.



We have shared information regarding organizational improvements and the situations in individual companies with the engagement secretariats of domestic Group companies on a regular basis. Furthermore, as part of our Group-wide engagement improvement activities, we have reported the engagement survey results to the top management of each overseas Group company and communicated that engagement would be positioned as an indicator of how our Group is valued by stakeholders, both in Japan and overseas.



## Materiality③

# Establishing Organizational Resilience



(from left)

Chair of Transaction-Judging Committee  
Member of Nomination and Compensation Committee

**Tatsuya Sakuma**

Member of Nomination and Compensation Committee  
Member of Transaction-Judging Committee

**Kotaro Yamazawa**

Member of Nomination and Compensation Committee  
Member of Transaction-Judging Committee

**Takashi Nagasaka**

Chair of Nomination and Compensation Committee  
Member of Transaction-Judging Committee

**Yoshimi Nakajima**

**The AFS Group's four outside directors were interviewed about the current issues regarding corporate governance and their expectations of the new President and CEO.**

### Regarding Group governance

**a** In December 2024, the AFS Group's consolidated subsidiary, AEON Bank, received a business improvement order from the Financial Services Agency regarding its management system for anti-money laundering and combating the financing of terrorism. What is your assessment of this matter?

**Nakajima** With its beginnings in retailing, the AFS Group has grown as a financial group with the mission of making the lives of its customers more convenient and affluent. On the other hand, it must be acknowledged that there was a lack of awareness as a financial institution regarding the business improvement order issued to AEON Bank. Even though the AFS Group is responding sincerely to the improvement order, reflecting deeply, and working on an improvement plan, I believe this is not the end of the matter. In my view, it is important for the AFS Group, as a financial group that continually takes on new challenges, to use this issue as a lesson and transform itself into an organization where all employees can think about and act on the fact that unknown risks lurk behind challenges. Also, to the best of my knowledge, all of the Company's employees are diligent and follow the established rules. However, I think they need to take more responsibility for the results of their actions, rather than simply following established procedures, and to ensure that risk management does not fall behind. We also intend to monitor the Company's risk management initiatives with a stricter approach than in the past.

**Yamazawa** In the multi-layered governance structure involving the parent company, AEON Co., Ltd., this Company (AEON Financial Service Co., Ltd.), and its subsidiaries AFS Corporation Co., Ltd. and AEON Bank, Ltd., it is a matter of fact that the regulations concerning each business area have become specialized and complex. I sense that within this structure, the division of roles has remained ambiguous, leading to mutual oversight and insufficient functioning of governance, including risk management.

On top of that, in recent years, issues related to financial crimes, such as money laundering and fraudulent use of

## Materiality ③ Establishing Organizational Resilience



financial services like credit cards, have popped up like mushrooms after the rain in the financial industry. In such circumstances, I believe that if the Company had been more sensitive and attuned to the financial industry network, it could have detected risks and pitfalls more quickly. Ms. Nakajima mentioned that there was a lack of awareness as a financial institution, and in that sense, the unique background of originating from retailing, a different history from other banks, might have inadvertently narrowed its perspective. I believe that a change in awareness is essential for solving these challenges.

On the other hand, in my view, neither our governance, internal control, nor risk management is inferior in form compared to those of industry peers. The auditors carry out the usual activities, such as visiting subsidiaries to check for any issues and conducting questionnaire surveys. Nevertheless, I believe that the occurrence of such issues indicates a lack of risk sensitivity and sense of ownership among each employee. Therefore, while it is important to establish systems, I believe that changing the mindset of people is the most crucial aspect.

**Sakuma** Regarding this administrative action, I believe it is important for AEON Bank's own governance, such as its Board of Directors, to be functioning effectively before discussing the checks and balances of the Company and AFS Corporation. In addition, as you all mentioned, I think there are aspects in which the common practices of the financial industry are not being fully shared. That is why I think it is necessary for the parent company to closely monitor whether a system is in place to ensure that the points raised by the financial authorities are properly implemented.

Moreover, despite identifying risks, creating heat maps, and discussing countermeasures every year, the occurrence of such issues may be partly due to the fact that the creation of heat maps has inadvertently become the goal, leading to a

diminished awareness of the true purpose of risk management. Furthermore, I also believe that ultimately, the element of "people" is really significant. I see problems concerning whether the Company is placing individuals who are well-versed in the risks of the financial industry and can respond appropriately to the financial authorities in the right positions, whether it is nurturing such individuals, and whether it is making efforts to recruit people from outside the organization if necessary.

**Nagasaki** In this recent case, I believe it is also important to consider whether such material information from the subsidiary was shared in a timely manner with the Board of Directors of the parent company. I am of the view that the recent administrative action has highlighted the fundamental issue of whether Group governance is functioning properly and not just existing in form. Therefore, I believe the matter should not be simply concluded with the completion of an improvement plan for the management system for anti-money laundering and combating the financing of terrorism. Rather, a comprehensive review of whether Group governance is functioning substantively needs to be carried out. In a sense, I also feel that this presents a good opportunity to positively embrace the situation and reform the entire AFS Group going forward.

I think there are various elements involved in building Group governance. At its core, a common set of values that connects the parent company and its subsidiaries is necessary, and it is the shared purpose that should be embraced by the entire Group. The Company's purpose reads: 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. It is important to have this standpoint to go back to when faced with uncertainty in making a decision in any kind of position. I believe that firmly instilling "Our Purpose" throughout the entire AFS Group and in its employees will be key.



### Regarding the parent-subsidiary listing

**Q** As an outside director, what role do you play regarding the parent-subsidiary listing?

**Sakuma** We have established a Transaction-Judging Committee to deliberate on transactions or actions that may conflict with the interests of the parent company, AEON, and our minority shareholders, thereby ensuring that the interests of minority shareholders are not compromised. I serve as the chair of this committee, and we discuss issues, big and small, quite frequently. For example, when the AFS Group acquired the WAON value issuer business of AEON Retail Co., Ltd., a wholly owned subsidiary of AEON, through a simple absorption-type demerger in the fiscal year ended February 28, 2025 (fiscal 2024), we requested a third party to fairly and neutrally assess the value of the business for the calculation of consideration. We also carefully examined the transaction multiple times while receiving legal advice from experts.

**Nakajima** As an outside director, I always pay close attention to monitoring whether there are any transactions that could disadvantage the Company's minority shareholders due to favoritism toward the parent company, or whether any such questionable transactions are taking place.

**Yamazawa** The two directors from AEON appointed to the Company's Board of Directors always say that decisions regarding AEON Financial Service need to be discussed and made on a stand-alone basis. I feel that they speak from their position as directors of the Company during Board meetings. The Company ought to assert points that need to be made from a financial logic perspective, rather than a retail one. For that reason, I recognize that it is also our role to check from an external perspective whether there is any unconscious favoritism toward the parent company.

**Q** What are your thoughts on the significance of the parent-subsidiary listing?

**Nagasaki** If both companies operate in the same sector or business domain, the risk of conflicts of interest increases,



## Materiality ③ Establishing Organizational Resilience

and such parent-subsidiary listings should be avoided. However, this Company operates in the financial sector, and holds a bank within the AEON Group. This business operates under complex regulations, including the Banking Act and the Financial Instruments and Exchange Act, and is a sector that demands a high level of rigor and transparency. While it is possible to address such matters through the parent company's information disclosure, I think directly engaging with the capital markets as a listed company, strictly complying with the rules of the financial industry, and actively striving for transparency in information disclosure hold enormous value.

### Toward the enhancement of corporate value

**Q** In May 2025, Tomoharu Fukayama was appointed President and CEO, and a new management structure was established. What discussions took place during the meetings of the Nomination and Compensation Committee regarding the new President and CEO?

**Nakajima** Mr. Fukayama was singled out as a candidate and regarded as one of the Company's potential presidents because he is well-versed in overseas business, which is a growth driver, and has a strong understanding of management. He also has experience as the Managing Director of the Hong Kong subsidiary, AEON CREDIT SERVICE (ASIA) CO., LTD.

**Nagasaki** After a brief period during which the Chairman also served as the President and CEO, the new management structure took effect in May. The Nomination and Compensation Committee met with Mr. Fukayama on multiple occasions and, after discussions, nominated him as President and CEO. My impression is that he possesses a very logical approach to overseas expansion, has a calm and objective understanding of matters, and is capable of making sound decisions. I feel he is a suitable person to entrust with the future growth of the AFS Group.

**Q** What are your expectations of the new President and CEO?

**Sakuma** The Company started out with the card shopping



business and has forged its own growth story by developing new markets, such as overseas expansion. In recent years, however, this growth has stagnated. One of the reasons for this stagnation is that our risk management has not kept pace with the growth strategy.

Therefore, I hope that Mr. Fukayama will thoroughly improve this weakness, and strive to get earnings back on a rightful growth trajectory, which is what should be primarily focused on.

**Yamazawa** Currently, the Company is nowhere near its medium-term target of achieving and maintaining an ROE of 10% or more and a PBR of 1.0x or above, and the share price remains weak compared to industry peers. Therefore, while identifying the strategies that will bring success for the AFS Group, strengthening high-growth domains through a review of the business portfolio going forward will be an important theme. To achieve such a transformation of the business model, the Company's organizational structure, including risk management, will need to be overhauled, which I think will place considerable pressure on management. It is also true that, while a lot of effort was spent on transforming past business models and addressing issues that could be considered negative legacies, there was not enough focus on initiatives aimed at future growth. However, thanks to the efforts made thus far, the negative issues have generally been put in order. I hope that Mr. Fukayama will vigorously press ahead with the so-called "second founding" called for in the current medium-term management plan with a strong sense of urgency and determination, and we outside directors will provide as much support to that as possible.

**Q** As an outside director, what contributions will you focus on up ahead?

**Nagasaki** As an outside director of a listed subsidiary, I will look to contribute by making decisions on matters from the

perspective of minority shareholders, ultimately maximizing the corporate value of the AFS Group.

**Sakuma** In recent years, there has been an increase in the rules that companies must comply with, including the Corporate Governance Code. I recognize that a significant part of my role as a legal expert is to monitor whether the Company is properly abiding by these rules. I also want to contribute by indicating the key points to be kept in mind so that the executive management team can focus rather on its core responsibilities, such as growth strategies and other areas where it should be directing its efforts.

**Yamazawa** Generally, for financial institutions that raise funds in the short term and lend in the long term, I think a steepening of the yield curve (a wider differential between short-term and long-term interest rates) creates an environment that is conducive to profit-taking. However, I am not here to talk about relying on external conditions. As a financial expert, I want to throw my support behind new initiatives that intrinsically enhance the Company's profitability. I also believe that my role is to encourage positive discussions that involve taking appropriate risks.

**Nakajima** Like Mr. Nagasaki, I believe that my basic role is to maintain an outsider's perspective, point out the discrepancies between internal and external common practices, and push for new challenges in response to innovations occurring outside of the Company, such as the use of AI. I also want to play a role in objectively monitoring the progress of each project and providing encouragement when necessary. In addition, I hope to nurture the seeds of transformation that may be overlooked by long-held beliefs within the organization and to create opportunities for such changes.





## Materiality ③ Establishing Organizational Resilience

# Administrative action taken against AEON Bank, Ltd. by the Financial Services Agency

In December 2024, an administrative action (the issuing of a business improvement order) was taken by the Financial Services Agency against consolidated subsidiary AEON Bank, Ltd. based on Article 26 (1) of the Banking Act. We would like to express our sincere apologies for any inconvenience this has caused our customers or other stakeholders.

## Overview of the Incident

The business improvement order demanded that we implement measures in order to develop a sound risk control culture focused on anti-money laundering and combating the financing of terrorism (hereinafter, "AML/CFT") and build an effective system for managing risks related to AML/CFT, as well as ensuring appropriate business operations concerning the reporting of suspicious transactions. AEON Bank's Board of Directors and management had not been actively working to ascertain facts, had not issued the necessary instructions for the creation of essential systems, and had not actively been involved in addressing issues. This attitude by the Board of Directors and management fostered a risk culture within the AEON Bank organization that did not place sufficient value on building a system for managing AML/CFT risk and that hindered proactive improvement efforts.

## Contents of the business improvement order (Article 26 (1) of the Banking Act)

Please refer to the December 26, 2024, AEON Bank news release for the contents of the business improvement order.

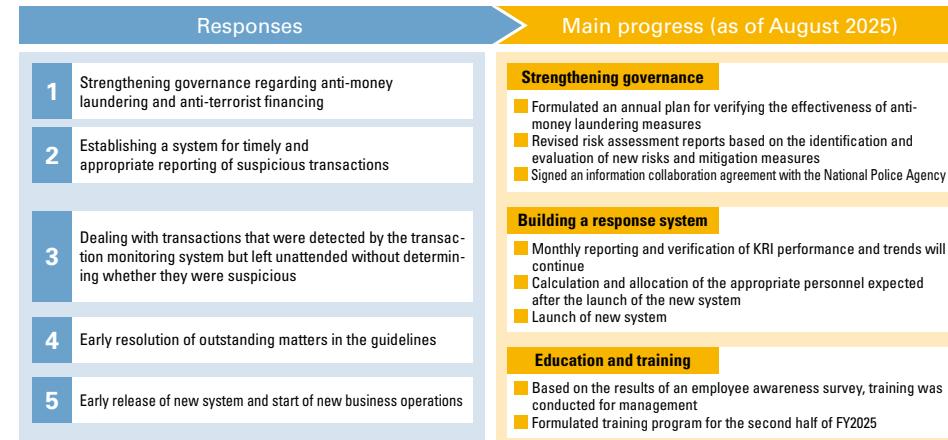
<https://www.aeonbank.co.jp/company/release/data/2024/pdf/n2024122601.pdf> (Japanese Only)

## Clarifying Responsibility

Upon receiving the business improvement order for AEON Bank, our parent company, AEON Co., Ltd., immediately established a third-party special investigation committee to identify the cause of the issue and enhance the effectiveness of measures to prevent recurrence. On January 31, 2025, we received the committee's investigation report and publicly disclosed where this problem lay, its causes, the Group governance issues involved, as well as management responsibility and our future actions. In response to this warning by AEON Co., Ltd., we decided on sanctions for the chairperson, representative director, and senior managing executive officers that had been in office at the time in order to clarify responsibility for the failure of the AFS Group's corporate governance to function properly. We have taken the statements of the authorities and the special investigation committee to heart, and we see them as opportunities for improvement. We are reassessing the governance approach of the AFS Group and working to enhance it.

## Overview of the Business Improvement Plan

To implement highly effective re-occurrence prevention measures, AEON Bank established an AML/CFT Risk Management System Improvement Committee, directly controlled by the Board of Directors. This organization was created to formulate and steadily implement improvement plans. Under the management and supervision of the Board of Directors, our management is leveraging outside insights and taking the lead in implementing operational reforms.



Please refer to the AEON Bank news release for detailed information on the progress that has been made on the business improvement plan.

<https://www.aeonbank.co.jp/company/release/2025/> (Japanese Only)

## Strengthening Subsidiary Management Systems

Given this business improvement order and the fact that issues with inappropriate accounting processing, etc. occurred before the acquisition of proprietary interest in a subsidiary, we are reviewing and revising our subsidiary management system and striving to reinforce our governance as a financial group. We will continue to make even greater improvements with the aim of establishing a stronger, more transparent governance system.

Organizational improvement	<b>Strengthening cross-organizational collaboration and reviewing the threeline system</b> - Clarifying the roles of the second and third lines, including subsidiaries, and reviewing organizational evaluations <b>Reorganizing M&amp;A and other processes</b> - Revising and thoroughly communicating regulations <b>Improve knowledge and judgment skills of executive management and expand the pool of qualified personnel</b> - Expanding training and education opportunities to strengthen the management structure
Strengthening collaboration with subsidiaries	<b>Enhanced operation of the subsidiary executive officer system</b> - Clarifying the mission of dispatched executives and monitoring their performance <b>Optimizing the approval and reporting system from subsidiaries to the Company</b> - Optimizing the centralization and delegation of authority and enhancing joint meetings in accordance with industry law, region, and subsidiary size



## Materiality ③ Establishing Organizational Resilience

# Building a Governance Structure that Enhances Trust with Stakeholders

We have established the AFS Corporate Governance Guidelines to define the basic framework for optimizing corporate governance within the AFS Group. Based on these guidelines, we are promoting the establishment, enhancement, and enrichment of a corporate governance structure that enables transparent, fair, swift, and decisive decision-making, while taking into account the positions of all stakeholders, to achieve sustainable growth and increase medium-term corporate value.



## Our Basic Approach to Corporate Governance

The AFS Group's basic approach to corporate governance is as follows.

### 1 We will instill the Foundational Ideals and the AEON Group Future Vision of AEON Co., Ltd. (hereinafter, "AEON"), our parent company, into the Company and the AFS Group.

#### [AEON Foundational Ideals]

Pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point.

AEON firmly believes that retailing is an industry to promote peace, humanity, and local communities. To remain a thriving corporate group that fulfills this mission, we are committed to continuous innovation, with customers as our starting point.

►AEON Foundational Ideals: <https://www.aeon.info/en/company/concept/>

#### [AEON Group Future Vision]

Create a future lifestyle that leads to a smile for each and every person

►AEON Group Future Vision: <https://www.aeon.info/vision/en/>

### 2 In order to realize and put Our Purpose into practice, we will respect the independence and autonomy of our officers, employees, and Group companies and thoroughly implement our basic management policies.

#### [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.

#### [Basic management policies]

To put customers first, provide financial services that are closely attuned to customers' lives, earn the trust of society and meet its expectations, and maintain a corporate culture that encourages our people to excel

### 3 To return profits to shareholders, to promote the generation of mutual benefits with other stakeholders, and to promote social contribution, all officers and employees of the AFS Group shall strive to work in unison in accordance with the following.

(1) When making a decision, endeavor to make an optimal decision by: following proper procedures and complying with laws and regulations and other social norms; collecting sufficient information regarding the advantages, disadvantages and risks; and engaging in unfettered discussions from multilateral viewpoints to identify the gains and losses expected from the decided action. This applies to all parties involved in the decision, from the Board of Directors to the relevant departments.

(2) Pursue improvement of operational efficiency and business innovation for the purpose of enriching the lives of our customers and strive for continuous growth by maximizing Group synergies.

(3) Develop employees who think and act autonomously and maximize their abilities by treating them fairly and providing them with appropriate opportunities to demonstrate their skills as well as by conducting fair performance evaluations.

(4) Strive for social contribution through business activities and sustainable business management.

## Materiality ③ Establishing Organizational Resilience

## **Our Basic Approach to Corporate Governance**

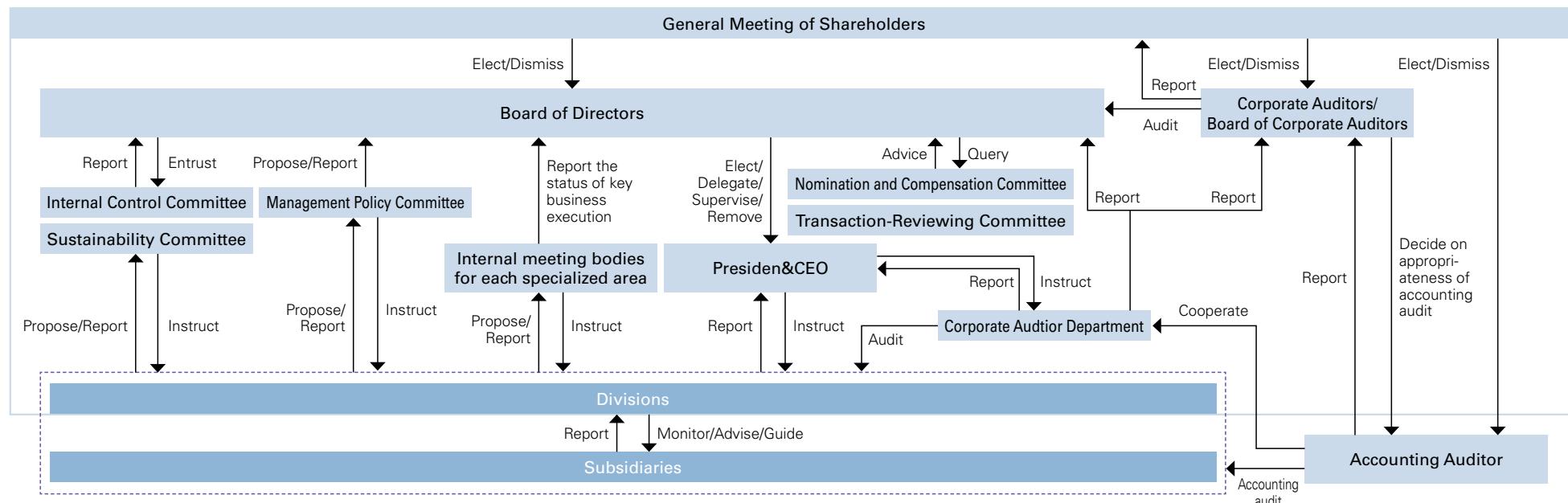
Our business strategies and medium-term management plan are established based on these basic management policies, and we implement appropriate business management of the AFS Group companies to achieve them. For overseas subsidiaries, which occupy important positions in our growth strategy, we will build effective governance structures reflecting the business environment, government, laws and regulations, and other distinctive features of each country.

We will strive to ensure that the above ideals and policies are widely enforced and complied with across all business activities of AFS Group companies, including overseas subsidiaries, and fulfill our social responsibility.

We believe that the essence of corporate governance comprises respecting the rights of our shareholders, securing fairness and transparency of management, and increasing the vitality of management and will endeavor to realize effective and best corporate governance while constantly reviewing it.

▶Please see below for the Corporate Governance Guidelines.  
<https://www.aeonfinancial.co.jp/en/activity/governance/guideline/>

## Corporate Governance (As of May 21, 2025)



## History of Corporate Governance Enhancement



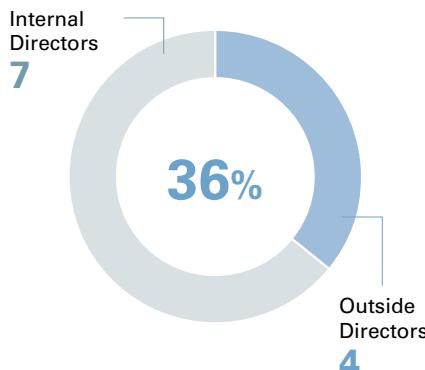
## Materiality ③ Establishing Organizational Resilience

### Our Basic Approach to Corporate Governance

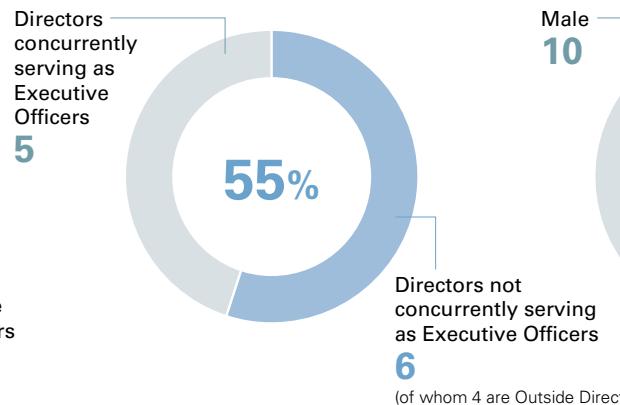
#### Roles and Composition of Supervisory Bodies

Organization	Board of Directors	Board of Corporate Auditors	Nomination and Compensation Committee	Transaction Review Committee
Members	7 internal members and 4 outside members	1 internal member and 3 outside members	2 internal members and 4 outside members	4 outside members
Overview	<ul style="list-style-type: none"> <li>Chaired by the chairman, it holds meetings once a month as a rule. It engages in ongoing enhancement of management monitoring and internal control functions.</li> <li>It holds regular meetings once a month and also convenes extraordinary meetings as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>The Company is structured as a company with a Board of Corporate Auditors. The four member board consists of three outside members (including three that qualify as independent officers) and one corporate member. One member has considerable knowledge on finance and accounting.</li> <li>It meets once a month as a rule and also convenes meetings as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>Ensures that the nomination and compensation decisions for directors and senior management of each subsidiary of the Company and the AFS Group companies are made with objective, transparent, and independent procedures. The committee is also consulted by the Board of Directors to deliberate on the candidates for the next director and the compensation of directors.</li> </ul>	<ul style="list-style-type: none"> <li>Deliberates on the appropriateness of significant transactions or acts that create a conflict of interest between the controlling shareholder and minority shareholders of the Company from the perspective of protection of the minority shareholders' interests.</li> <li>It holds meetings as necessary.</li> </ul>
Ratio of outside officers	36% (4 out of 11 members)	75% (3 out of 4 members)	66% (4 out of 6 members)	100% (4 out of 4 members)
Number of meetings in FY2024	18	16	17	6
Chairperson	Chairman	Corporate auditor (full-time)	Outside director	Outside director

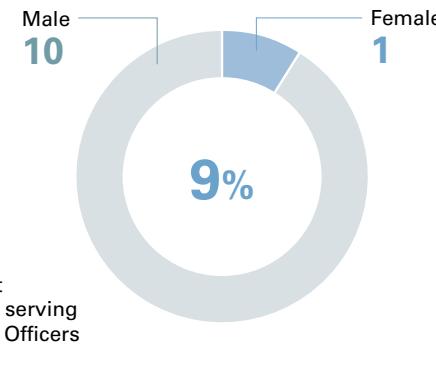
Ratio of Outside Directors



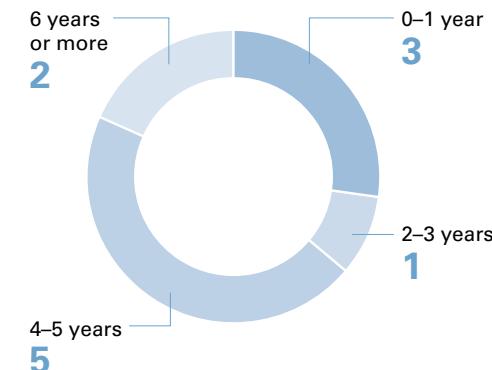
Ratio of Non-Executive Directors



Ratio of Female Directors



Composition Ratio of Directors by Tenure



## Materiality ③ Establishing Organizational Resilience

**Structure of the Board of Directors and Board of Corporate Auditors**  
(As of October 1, 2025)



Nomination

**Shunsuke Shirakawa**  
Chairman

Number of the Company's shares  
Owned 2,730  
Tenure as Director: 2 years 0 months

## [Reason for Appointment and Expected Roles]

- After joining the Ministry of Finance, held key positions such as Deputy Commissioner for Policy Coordination of the Policy Bureau of the Financial Services Agency and Director General of the Kanto Local Finance Bureau, gaining extensive experience and deep insight into financial administration.
- We expect him to appropriately enhance the supervisory and decision-making functions of the Board of Directors.



Nomination

**Tomoharu Fukayama**  
President and CEO

Number of the Company's shares  
Owned 9,465  
Newly appointed

## [Reason for Appointment and Expected Roles]

- Held key positions at AEON and overseas.
- We expect him to implement the Group's payment strategy, develop business models in Malaysia and Vietnam, and establish an organization and management foundation with effective execution capabilities.



**Shigeki Mishima**

Director and Senior Managing Executive Officer, Human Resources and Administration  
General Manager of Human Resources and Administration Division  
Number of the Company's shares  
Owned 0  
Newly appointed

## [Reason for Appointment and Expected Roles]

- After joining Matsushita Electric Industrial Co., Ltd. (currently, Panasonic Holdings Corporation), held key positions such as General Manager of the Human Resources Strategy Group, Executive Officer, and Chief Human Resources Officer.
- At Panasonic Holdings Corporation, oversaw all human resources as Group Chief Human Resources Officer.
- We expect him to help strengthen Group governance by leveraging his extensive experience in human resources.



**Tomoyuki Mitsufuji**

Director and Managing Executive Officer, Corporate Management & Banking Business

Number of the Company's shares  
Owned 6,728  
Tenure as Director: 5 years 11 months

## [Reason for Appointment and Expected Roles]

- Experience in financial operations at The Sanwa Bank (currently, MUFG Bank) and Lehman Brothers Japan.
- Experience overseeing a wide range of financial fields (markets, risk management, screening, etc.) as a founding member of AEON Bank.
- Extensive experience and insight in the financial business.



**Mitsugu Tamai**  
Director and Executive Officer,  
Overseas Business  
General Manager of Overseas  
Business Division

Number of the Company's shares  
Owned 6,282  
Tenure as Director: 4 years 0 months



**Hiroyuki Watanabe**  
Director

Number of the Company's shares  
Owned 12,910  
Tenure as Director: 6 years 7 months

## [Reason for Appointment and Expected Roles]

- Extensive experience and insight in finance and accounting, corporate management, and overseas business.
- Held key positions such as Managing Director of AEON MALL Co., Ltd.
- Experienced important roles in overseas expansion, such as the launch of AEON BANK (M) BERHAD and the promotion of PMI in Vietnam.



**Tsukasa Ojima**  
Director

Number of the Company's shares  
Owned 0  
Tenure as Director: 1 year 0 months

## [Reason for Appointment and Expected Roles]

- Engaged in financial corporate business and management at The Sanwa Bank (currently, MUFG Bank), Lehman Brothers Japan, Nomura Securities, etc.
- Experience as Director and Executive Officer at Wealth Management, Inc. and AEON Co., Ltd.
- We expect him to leverage his extensive experience and deep insight into financial business and M&A to help advance our business and lead the rebuilding of our branding.

**Nomination** Nomination and Compensation Committee

**Transaction** Transaction-Judging Committee

**Audit** Board of Corporate Auditors

\*Tenure is as of the end of May 2025.



## Materiality ③ Establishing Organizational Resilience

### Structure of the Board of Directors and Board of Corporate Auditors



Nomination◎ Transaction

**Yoshimi Nakajima**  
Outside Director

 Number of the Company's shares  
Owned 0  
Tenure as Director: 7 years 11 months

## [Reason for Appointment and Expected Roles]

- Management experience as President of American Express in both its Singapore and Japan entities.
- Experience as a specially appointed professor at the Graduate School of Project Design.
- Excellent insight into the financial business, marketing, digital transformation, corporate governance, and D&I.



Nomination Transaction

**Kotaro Yamazawa**  
Outside Director

 Number of the Company's shares  
Owned 0  
Tenure as Director: 5 years 11 months

## [Reason for Appointment and Expected Roles]

- After joining the Bank of Japan, held positions such as Director of the Osaka Exchange, Senior Executive Officer of the Japan Exchange Group, and Vice President of the Osaka Exchange.
- Management experience and proven track record in the financial business.
- Excellent insight into financial accounting and corporate governance.



Nomination Transaction◎

**Tatsuya Sakuma**  
Outside Director

 Number of the Company's shares  
Owned 0  
Tenure as Director: 5 years 11 months

## [Reason for Appointment and Expected Roles]

- Held key positions in the prosecutorial and legal fields, such as Director of the General Affairs Department and the Special Investigation Department of the Tokyo District Public Prosecutors Office, as well as Director of the United Nations Asia and Far East Institute for the Prevention of Crime and the Treatment of Offenders.
- Extensive experience and excellent insight as an attorney in the legal profession.



Nomination Transaction

**Takashi Nagasaka**  
Outside Director

 Number of the Company's shares  
Owned 0  
Tenure as Director: 5 years 0 months

## [Reason for Appointment and Expected Roles]

- Audit experience across diverse industries, such as retail, finance, and companies with overseas expansion.
- Extensive experience and excellent insight into accounting audits and internal control.



Audit◎

**Shinichiro Tani**  
Full-time Corporate Auditor  
(External)

 Number of the Company's shares  
Owned 0  
Newly appointed


Audit

**Yasuko Ono**  
External Corporate Auditor

 Number of the Company's shares  
Owned 0  
Tenure as Corporate Auditor: 1 year 0 months

## [Reason for Appointment and Expected Roles]

- Engaged in business management and internal audit for about 30 years at Sumitomo Bank (currently, Sumitomo Mitsui Banking Corporation) and Sumitomo Mitsui Financial Group.
- Leverages extensive experience and knowledge in developing group management systems and enhancing the sophistication of internal audits.



Audit

**Akio Kobayashi**  
External Corporate Auditor

 Number of the Company's shares  
Owned 0  
Newly appointed

## [Reason for Appointment and Expected Roles]

- After joining The Taiyo-Kobe Bank, Limited (currently, Sumitomo Mitsui Banking Corporation), held positions such as the International Credit Department and served as President of SMBC SSC Sdn. Bhd.
- Extensive experience and insight in the financial industry.



Audit

**Takafumi Fujimoto**  
Corporate Auditor

 Number of the Company's shares  
Owned 0  
Tenure as Corporate Auditor: 2 years 0 months

## [Reason for Appointment and Expected Roles]

- Held key positions such as Supervising Inspector General of the Secretariat and Director-General of the Criminal Affairs Bureau at the National Police Agency.
- Extensive experience and broad insight regarding police administration, including anti-money laundering measures.



## Materiality ③ Establishing Organizational Resilience

### Concept as a Listed Subsidiary

Based on its Foundational Ideal of “Pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point,” AEON believes that respecting the autonomy and originality of Group companies’ management and practicing decentralized Group management enhance the corporate value of the entire Group, and has practiced this since its founding. In this context, our parent company, AEON Co., Ltd., shifted early to a Company with a Nomination Committee, etc., in 2003 to enhance the transparency of Group governance and the speed of management. Furthermore, to strengthen management from the perspective of the entire

Group without bias towards any specific business, it shifted to a pure holding company structure in 2008 and is implementing various management measures to enhance synergies across the Group.

Among Group companies, those expected to promote sustainable growth through autonomous management based on business and regional characteristics and improve management quality through market discipline are designated as listed subsidiaries. From the perspective of protecting the minority shareholders of listed subsidiaries, AEON requests the appointment of independent outside directors and the establishment of advisory committees comprised of independent officers.

## Transaction Review Committee and Nomination and Compensation Committee

### Functions and roles of Transaction Review Committee

With independent outside directors as its members, the Transaction Review Committee is an advisory body to the Board of Directors aimed at protecting the minority shareholders' interests regarding significant transactions or acts that create conflicts of interest between the controlling shareholder and minority shareholders of the Company. The Transaction Review Committee Regulations stipulate that the Board of Directors must obtain the views of the committee before resolving on transactions between the Company or its subsidiary and the Company's controlling shareholder or its subsidiary (excluding the Company and its subsidiary), and other transactions or acts that create conflicts of interest between the controlling shareholder and minority shareholders of the Company.

#### [Activity status]

Main agenda items deliberated by the committee in FY2024 are as follows.

- Payment of brand royalty
- Acquisition of shares in a subsidiary of the controlling shareholder
- Business succession from a subsidiary of the controlling shareholder

### Functions and roles of Nomination and Compensation Committee

With majority made up of independent outside directors as its members, the Nomination and Compensation Committee is established as an advisory body to the Board of Directors aimed at ensuring that the nomination and compensation decisions for directors and senior management of each subsidiary of the Company and the AFS Group companies are made with objective, transparent, and independent procedures. The committee deliberates on matters regarding appointment, dismissal, human resources development, and other personnel matters of directors, corporate auditors,

or executive officers and expresses their views to the Board of Directors. The Board of Directors must obtain the opinions of the committee in advance when making the following decisions.

- Selection of candidates for directors or corporate auditors to be proposed to the General Meeting of Shareholders
- Selection or dismissal of representative directors, directors with titles, and executive directors
- Policy on selection or dismissal of representatives of the AFS Group companies (president or CEO or those equivalent)
- Appointment or dismissal of executive officers
- Approval of full-time directors concurrently holding position at another company
- Basic policies regarding selection, dismissal, etc. of directors, corporate auditors, or executive officers or criteria for judgment of independence of outside directors
- Compensation system for directors or executive officers or the actual amount of compensation based on the system

#### [Activity status]

Main agenda items deliberated by the committee in FY2024 are as follows.

- Appointment of AFS officer candidates and executive officers
- Transfer of AFS executive officers
- Individual compensation of AFS directors and executive officers
- Appointment of candidates for the representatives of AFS Group companies and change of representatives
- Appointment of candidates for officers of the AFS Group companies and changes to the management teams
- Review of the officer compensation system



## Materiality ③ Establishing Organizational Resilience

# Basic Policy on Compensation for Officers

AFS has policies in place for deciding the amount of compensation, etc. for its officers and their calculation methods. The details are as follows.

- Compensation for directors strongly motivates execution of management strategies, is also linked to financial performance, and ensures fairness and transparency.
- Compensation for directors consists of the base compensation, performance-linked compensation, and equity-linked compensation in the form of stock option.

## 1 Breakdown of compensation for directors

### (1) Base compensation

It is decided based on individual evaluation within the base amount set for each position and paid monthly. The base compensation for directors who are also receiving compensation from an affiliate for serving as an officer concurrently is decided individually.

### (2) Performance-linked compensation

The weight of performance-linked compensation in total cash compensation (base compensation + performance-linked compensation) is approximately 30%, and this weight is increased according to responsibility.

The payment rate for performance-linked compensation is 100% of the base amount when the target set at the beginning of the fiscal year is achieved, with a fluctuation range of 0% to 200% based on the fiscal year's performance and individual evaluation.

Performance-linked compensation consists of company performance-based compensation and individual performance-based compensation, each weighted at 50%.

(a) Company performance-based compensation is calculated using a coefficient based on the achievement rate of consolidated and company performance (operating revenue and ordinary profit) against the base amount for each position, and is determined by comprehensively taking business results into account.

(b) Individual performance-based compensation is determined using a coefficient based on the individual evaluation of the achievement of management targets for the medium-term management plan against the base amount for each position.

### (3) Equity-linked compensation in the form of stock options

AFS allots new share subscription rights as equity-linked compensation in the form of stock options reflecting its business results to enhance the linkage of directors' compensation with share price and business results by sharing not only the benefits of rising share price but also the risks associated with its decline so as to motivate and inspire the directors to continue raising the business performance and increase the corporate value. The number of new share

subscription rights allotted to each director is decided based on the business results for the concerned fiscal year and the base number for each position.

The total number of new share subscription rights to be issued as equity-linked compensation in the form of stock options was resolved as 200 units (20,000 shares in the common stock of AFS) as the annual upper limit at the 26th General Meeting of Shareholders held on May 15, 2007. The total number of new share subscription rights was revised upward to 400 units (40,000 shares in the common stock of AFS) as the annual upper limit from 200 units in a resolution by the 42nd General Meeting of Shareholders held on May 24, 2023.

## 2 Ratios of components of compensation

The weight of total cash compensation (base compensation + performance-linked compensation) to overall compensation for officers (base compensation + performance-linked compensation + equity-linked compensation in the form of stock options) is set to be around 80% to 90% and is decided based on the business results of the concerned fiscal year and the base number for each position. The weight of performance-linked compensation to total cash compensation (base compensation + performance-linked compensation) is around 30%, and the weight rises as the responsibility increases. Outside directors receive fixed compensation alone and they are not subject to corporate or individual performance evaluation.

## Total Compensation by Type and by Category of Officers (FY2024 Results)

Officer Classification	Number of Recipients	Total Compensation (Thousands of Yen)			Total Amount of Compensation, etc. (Thousands of Yen)
		Base Compensation	Performance-linked Compensation	Non-monetary Compensation, etc.	
Directors (Outside Directors)	11(4)	173,120 (55,200)	16,020 (—)	5,070 (—)	194,210 (55,200)
Corporate Auditor (Corporate Auditor (External))	4(4)	33,600 (33,600)	—	—	33,600 (33,600)
Total(Total of Outside Directors)	15(8)	206,720 (88,800)	16,020 (—)	5,070 (—)	227,810 (88,800)

\*1 The above table includes one director and one corporate auditor who retired at the conclusion of the 43rd Ordinary General Meeting of Shareholders held on May 24, 2024, and one director who retired on January 14, 2025.

\*2 The 34th Ordinary General Meeting of Shareholders held on June 24, 2015 resolved to limit compensation for directors to a total of ¥550 million per year. Monetary compensation is limited to ¥400 million per year (the 41st Ordinary General Meeting of Shareholders, held on May 23, 2022, resolved to limit compensation for outside directors to ¥100 million) and equity-linked compensation is limited to ¥150 million per year as determined by the fair market value of the stock options. The number of directors at the conclusion of the 34th Ordinary General Meeting of Shareholders was 10 (including four outside directors), and the number of directors at the conclusion of the 41st Ordinary General Meeting of Shareholders was 12 (including four outside directors). In addition, at the 42nd Ordinary General Meeting of Shareholders held on May 24, 2023, the annual upper limit for issuing equity-linked compensation in the form of stock options (share acquisition rights) was revised from 200 units to 400 units. The number of directors at the conclusion of said Ordinary General Meeting of Shareholders was 12 (including four outside directors).

\*3 The amount of compensation includes expenses related to the payment to five directors of ¥16,020 thousand for performance-linked compensation. Non-monetary compensation includes expenses related to the allocation of stock options (stock acquisition rights) of ¥5,070 thousand for six directors.



## Materiality ③ Establishing Organizational Resilience

# Evaluation of Director effectiveness

In order to strengthen corporate governance to facilitate improvement in sustainable growth and medium-to long-term corporate value, the Company has analyzed and evaluated Board of Directors effectiveness. It is carrying out initiatives that apply the PDCA cycle on each issue identified as a result of this work.

In fiscal 2024, a 10-question survey was conducted for all 11 directors and all four corporate auditors regarding the composition, administration, and other aspects of the Board of Directors.

- Overall assessment of the Board of Directors
- Board composition
- Preparations for Board meetings
- Administration of Board meetings
- Discussions at the Board
- Committees (Nomination and Compensation Committee, and Transaction Review Committee)
- Board of Corporate Auditors
- Each director's contributions to Board meetings
- Action on issues identified in fiscal 2023
- Analysis of gaps between the importance of motions and the time spent on deliberations (analysis of gaps based on 10 levels)

The questionnaire survey results indicated no major issues with the current corporate governance structure and operation, and the Board of Directors was evaluated as functioning appropriately overall. In response to the issues identified in FY2023, we discussed the review of the medium-term management plan and growth strategies, working to further discuss the direction of the entire company. However, these efforts are not yet sufficient. We recognize the issues identified from the evaluation and will continue to strive for further improvement in effectiveness.

### [Issues Identified and Points Evaluated Regarding Board Effectiveness]

#### ► Deepening Discussions on the Medium-term Management Plan and Growth Strategy at Board Meetings

We will further enrich strategic discussions from a medium- to long-term perspective to improve our corporate value. To promote growth-oriented management, we will set the medium-term management plan and each business strategy as regular agenda items for discussion at Board meetings, and also utilize off-site meetings to enhance discussions on medium- to long-term strategies.

#### ► Deepening Discussions on Developing Next-Generation Management Personnel and Nomination/Compensation for Sustainable Growth

Regarding the next generation of management, from the perspective of supporting sustainable growth, the Board of Directors will periodically monitor and deliberate on the necessary

personnel requirements, development policies and plans, development status, and successor candidates.

#### ► Upgrading Board of Directors Operations

We will work to upgrade the operation of the Board of Directors to further improve its effectiveness. The executive side will conduct sufficient discussions, and the Board of Directors Secretariat will establish a mechanism for the executive side to appropriately propose and share information on high-priority matters in a timely manner, such as medium- to long-term growth strategies and the improvement of Group governance, with the Board of Directors. The Board of Directors Secretariat will support the Board in exercising its supervisory function by optimizing agenda setting, creating easy-to-understand Board materials, holding advance briefings, and providing appropriate information to outside directors.

### Deliberation Status at Board of Directors Meetings

#### a. Purpose

To promote management aimed at improving the corporate value of the Company while complying with laws, regulations, the Articles of Incorporation, and internal rules, the Board of Directors makes swift decisions and supervises the execution of duties by each director.

#### b. Authority

The following matters require a resolution of the Board of Directors:

- Matters prescribed by laws, regulations, and the Articles of Incorporation
- Matters prescribed as items for Board resolution in the Company's "Board of Directors Regulations" and "Standards for Administrative Authority"
- Matters delegated to the Board of Directors by the General Meeting of Shareholders
- Other matters that should be resolved by the Board of Directors

#### c. Discussion Details

- Formulation of management strategies/medium- to long-term strategies
- Management of the progress of the medium- to long-term management plan
- Management of the progress in each business
- Decisions on the capital policy/resource allocation
- Management of the construction and operation status of Group internal controls
- Reports on activities of various committees
- Reports on important business execution of the Company and Group companies

## Materiality ③ Establishing Organizational Resilience

# Compliance

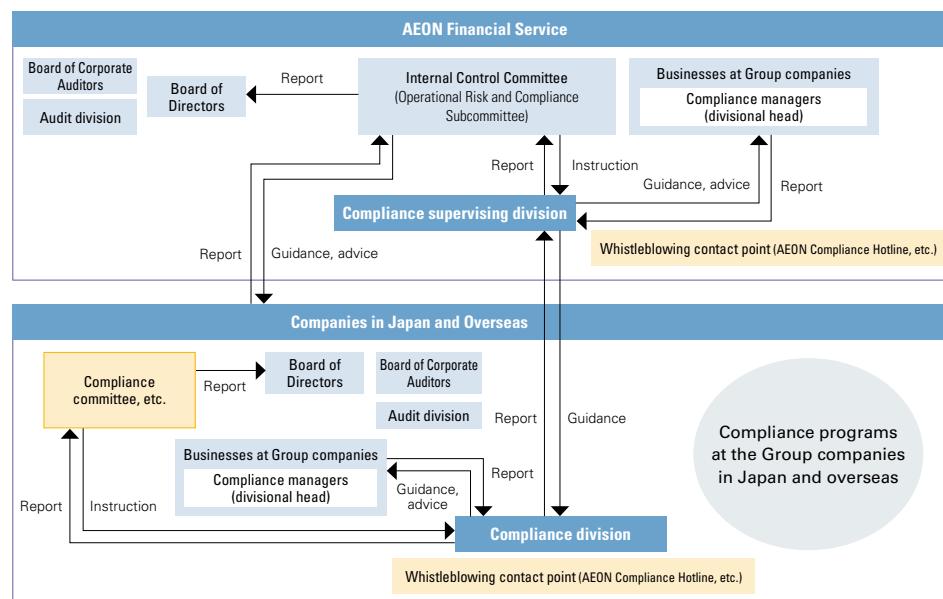
The officers and employees of the AFS Group refer to AEON Foundational Ideals shared by AEON People as the basic approach and judgment criteria for daily conducts upon making appropriate judgment and actions in compliance with social norms and corporate ethics. They comply with the AFS (AEON Financial Service) Group Policies on Compliance, which represent common value standards and clearly define the AFS Group's basic approach to compliance.

▶ AFS Group Policies on Compliance

<https://www.aeonfinancial.co.jp/en/activity/governance/compliance/>

## Compliance Promotion System

### Group compliance system



1. The Company has established the Legal and Compliance Department as an entity charged with overseeing the compliance of the Group. It monitors compliance respectively of the Company and the Group companies and provides guidance and advice when necessary.

2. The Internal Control Committee discusses and deliberates matters related to compliance of the AFS Group comprehensively and in a specialized manner, gives necessary instructions to involved parties, and makes necessary report and recommendations to the Board of Directors to develop and establish the compliance system. It also receives reports on the status of monitoring progress in compliance programs set out every fiscal year.

3. Board of Directors

The Board of Directors receives reports and opinions relating to compliance in the AFS Group from the Internal Control Committee and makes decisions on important compliance-related matters.

### Education and dissemination

AFS's employees undergo training aimed at improving compliance awareness and sharing the AEON Foundational Ideals once a year or more. The Group companies are also ensuring that all employees are aware of the AEON Foundational Ideals and the matters they need to comply with, in addition to offering compliance training for handling revisions to laws and regulations. The Group has also formulated the Compliance Regulations and Compliance Manual to thoroughly inform all officers and employees about the laws and regulations that they must comply with, specific red flags to watch out for, and how to respond should they discover any compliance violations.

Compliance Training Participation Rate  
Group Total: **97.57%**  
(FY2024)

### Prevention and handling of legal violations

Many of the services offered by the AFS Group companies require permits and licenses based on laws and regulations. We monitor trends in revisions to relevant laws and various regulations in respective countries, evaluate and analyze their impact on business activities and performance, and take necessary measures. We are also strictly managing due dates of various reports and matters to be submitted based on laws and regulations. Further, we also provide monitoring guidance and support for each company of the AFS Group through the Group compliance system if they become subject to administrative penalties or guidance from a supervisory agency.



## Materiality ③ Establishing Organizational Resilience

### Compliance

#### Response to antisocial forces

The AFS Group has formulated its Basic Policy for Handling Antisocial Forces. This policy clearly informs officers and employees that relationships with antisocial forces are strictly forbidden. In addition, the Company and each Group company compile and analyze data about antisocial forces collected from both inside and outside the Group and report the status of management to the Company. The Company also monitors the management status of all Group companies regarding the exclusion of antisocial forces in addition to providing instructions and guidance when necessary.

#### Prevention of money laundering and bribery

Due to strong domestic and international demand, The AFS Group has positioned money laundering and terrorist financing as important issues for management, in addition to measures aimed at preventing corruption among foreign public servants. To promote a proactive response in this regard, we are working to develop and operate management systems at each Group company based on the AFS Group Policies on Compliance.

#### Whistleblowing system

The AFS Group ensures that all employees are aware of the whistleblowing contact points for them to directly provide information, with the aim of preventing and detecting legal violations early. These contact points include the AEON Compliance Hotline established by our parent company, AEON Co., Ltd., internal whistleblowing contact points established by the Company and its subsidiaries, and external dedicated hotlines for reporting misconduct involving executive officers, thereby building an easily accessible reporting system. The contact points accept reports regarding legal violations, violations of company rules, and problems in daily operations that are difficult to solve at individual workplaces. They investigate facts and implement response and improvement measures while strictly protecting whistleblowers. In Japan, we implement measures to prevent workplace power harassment and take actions based on the Whistleblower Protection Act. We also collaborate globally to accept reports through contact points and investigate, respond to, and improve issues.

Whistleblowing System Awareness Rate  
Domestic Group Total: **97.34%**  
(FY2024)

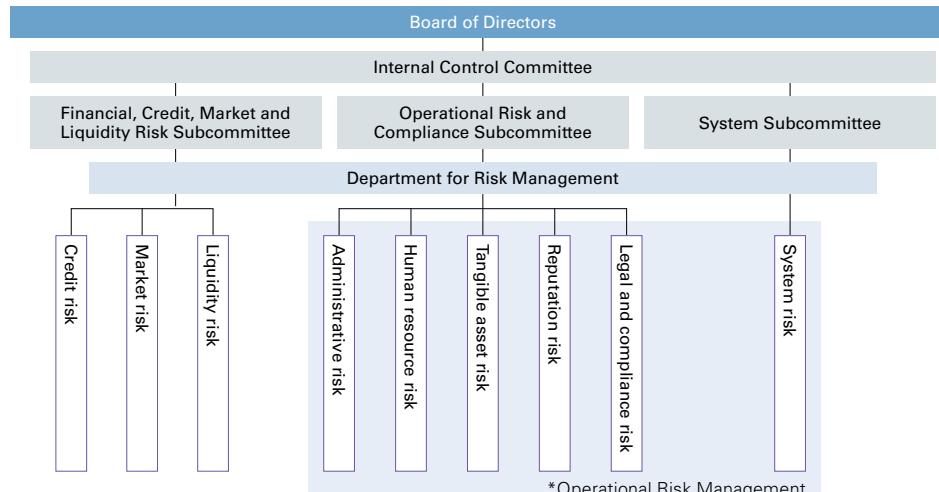
## Risk Management

The pace of change in the environment is accelerating, such as the political and economic fluctuations on a global scale and the advancements in digital technology, and uncertainties and complexities are increasing. The Company is striving to maximize the business opportunities while controlling the risks and opportunities brought about by the external environment.

The AFS Group comprehensively assesses the risks facing it and promotes timely and appropriate risk management with the aim of steadily increasing its corporate value under Our Purpose.

#### Risk Management Structure

As the highest decision-making body for risk management, the Company's Board of Directors receives periodic reports and deliberates and decides on basic policies and important matters. Under these policies, the Internal Control Committee is responsible for monitoring risk status, handling risks, and deciding other specific matters. Specialized subcommittees conduct detailed verifications and analyses of credit, market, and liquidity risks, as well as operational risks. These activities are overseen by the Risk Management Department, which is independent of revenue-generating departments, maintaining and strengthening the company-wide risk management structure.



\*Operational Risk Management

\*The AFS Group classifies operational risk management into six categories. Departments manage risks relevant to them, while the Risk Management Department works to understand and manage risks on a comprehensive level.



## Materiality ③ Establishing Organizational Resilience

### Risk Management

#### Risk Management Process

The AFS Group conducts risk assessments across the entire Group to accurately ascertain the risk status and take appropriate measures. Each Group company identifies the changes in the external environment surrounding its business and evaluates common risk items from the perspectives of impact and likelihood of occurrence. The evaluation results are reported to the Internal Control Committee, where decisions are made on subsequent actions such as risk response.

This PDCA process refers to ISO31000, the international standard for risk management, and seeks continuous improvement.

In addition, we focus on the operation of key risk indicators (KRI) as a risk management method. By having the first line of defense monitor KRIs on a daily basis, we aim to improve company-wide risk sensitivity without relying solely on the second line.

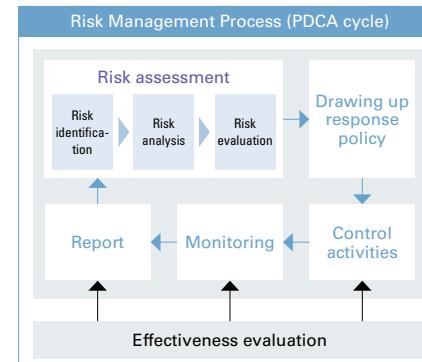
#### Incident Management

When a risk materializes, the Company and Group companies prevent the spread of damage and impact and respond swiftly to customers and other stakeholders. Information on incidents that have occurred is reported from Group companies to the Company, and company-wide responses are taken as necessary.

After an incident occurs, we analyze the cause from multiple perspectives, including business processes, organizational structure, system environment, and human factors, and implement measures to prevent recurrence.

Even if the incident is not caused by the AFS Group, we take the impact on stakeholders seriously, and strive to maintain trust and fulfill corporate responsibility by responding sincerely and swiftly.

These responses are also utilized in the risk management process, leading to improved organizational response capabilities.



#### Crisis Management (Reinforcing Resilience)

The AFS Group defines incidents that have a major impact on management as "management crises" and has established a system that enables swift decision-making and business recovery in the event of an emergency. We promote the construction of a Business Continuity Management System (BCMS) and work to strengthen organizational resilience. Specifically, through the formulation of business continuity plans (BCP), we identify in advance the priority of operations and necessary management resources in the event of an emergency to ensure a swift and accurate response. In addition, as preparation for normal times, we conduct exercises and drills based on management crises to verify and maintain the effectiveness of the system.

Number of BCP Drills (FY2024 Results)

Domestic: AEON Group Joint: 2  
The AFS Group Joint: 2

#### Risk Recognition

Based on changes in the external environment and events that have materialized within the AFS Group, we recognize that the following risks have increased.

#### Accounting Fraud Risk at Overseas Subsidiaries

Based on a revealed case of understatement of allowance for doubtful accounts prior to the acquisition of an overseas subsidiary, we recognize risks related to information reliability and governance structures in overseas M&A.

#### Reputational Risk

We recognize the risk of losing the trust of customers and stakeholders due to fraudulent use or delays in information disclosure. With the acceleration of information dissemination via social media, the initial corporate response is increasingly likely to directly impact brand value.

#### Third-Party Risk

We recognize risks related to operations dependent on third parties, such as system failures or information leaks caused by outsourcing contractors or external vendors.



## Materiality ③ Establishing Organizational Resilience

### Risk Management

#### Major Business and Other Risks

In addition, we recognize the following as risks that may affect the AFS Group's financial position and operating results. These judgments were made as of May 21, 2025 (the date of submission of the Annual Securities Report). This does not comprehensively describe all risks related to the AFS Group's business.

Risk overview	Countermeasure
<p><b>Risks related to important IT projects</b> The AFS Group is working on securing competitive advantages and differentiating itself from the competition with new products and services through its DX initiatives set forth in the medium-term management plan and upgrading of its core system. Any delays in the release of these important IT projects or insufficient performance of functions or deterioration in quality of the projects may lead to issues, such as investment cost overruns, and impact the AFS Group's business results and financial standing.</p>	<p>The AFS Group drives forward the projects by carrying out multi-layered monitoring of the development plan, development process, and quality and by building a framework for developing together with vendors, through mutual checks and balances, to improve the design quality and comprehensiveness of tests. The progress of the important IT projects is reported every month to the Internal Control Committee. Further, the Group conducts thorough verification in advance assuming various scenarios before releasing them and will have a structure in place in the event of a failure.</p>
<p><b>Interruption or malfunction of system services</b> Stable operation of IT system is important and indispensable for the various services offered by the AFS Group. This is true not only for its own system environment but also that of third parties, which are its business partners. The AFS Group's business results and financial position could be affected if its IT systems are shut down, interrupted, or malfunction due to various factors such as system failures, impact of natural disasters, or human error.</p>	<p>The AFS Group has been taking physical, technical, and organizational measures to minimize the damage from such mishaps and to ensure early recovery. In particular, it is developing and strengthening a monitoring system for quickly detecting malfunctions, dispersing the systems and data and building redundancy, standardizing business operations and providing periodic training, formulating recovery plan in the event of any incidents, and conducting drills. It investigates the causes of the incidents and formulates measures to prevent recurrence. The Group assesses all companies to which it outsources operations before starting business with them and also maintains close contacts with other third parties in normal times so as to strengthen relationship to enable smooth response when a hazard occurs.</p>
<p><b>Risks Related to Cyberattacks</b> With the remarkable progress of digital technology in recent years, cyberattacks have become sophisticated and complex. The threat of cyberattacks surrounding financial institutions is becoming increasingly serious, using methods such as learning attack patterns using AI technology, exploiting human vulnerabilities by inducing users to visit malicious sites via email or phone, and targeting third parties as attack vectors. If the AFS Group's systems or third parties fall victim to a cyberattack that results in service suspension, data corruption, or information leakage, it may affect the AFS Group's business performance and financial status.</p>	<p>The AFS Group implements technical measures against cyberattacks and strengthens participation in drills integrated with Group companies and industry associations, as well as collaboration with external experts, for various accidents and failures. In addition, major companies have established their own computer security incident response team (CSIRT). Through this, we are proceeding with the development of a system to swiftly implement countermeasures against cyber threats that evolve day by day, working to reduce potential risks. We also conduct awareness training for customers and officers/employees regarding cyberattacks, such as phishing emails and business email spoofing.</p>



Please see below for the list of major risks.

<https://www.aeonfinancial.co.jp/en/ir/strategy/risk/>

Risk overview	Countermeasure
<p><b>Risks Related to Money Laundering and Terrorist Financing</b> As a financial institution, the AFS Group is obligated to comply with laws and regulations regarding Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT). Although the AFS Group has established systems and implemented various countermeasures, violations of these laws and regulations resulting in legal sanctions may affect the AFS Group's business performance and financial status. Furthermore, if deficiencies regarding AML/CFT occur, it may adversely affect the AFS Group's brand image and customer trust.</p>	<p>The AFS Group positions risks related to money laundering and terrorist financing as important management issues. We implement procedures to verify customer identity and transaction purpose at the start of transactions and through subsequent continuous monitoring, monitor daily transactions using systems to detect suspicious transactions, and verify the effectiveness of internal controls through internal audits and compliance checks. In addition, in light of the business improvement order issued by the Financial Services Agency regarding AML/CFT in the banking business of the AFS Group company during this consolidated fiscal year, we are striving to improve awareness of compliance with laws and regulations by reviewing business flows to speed up the reporting of suspicious transactions, conducting a general verification by external experts, and training officers and employees.</p>
<p><b>Legal violations</b> Many of the services offered by the AFS Group are based on permits and licenses in accordance with laws and regulations. The AFS Group's business results and financial standing could be affected if it fails to respond adequately to changes and new establishment of such laws and regulations or if its business activities are restricted because of it being subject to administrative punishment due to a violation.</p>	<p>The AFS Group companies have been monitoring trends in revisions to relevant laws and regulations in the countries and regions where they operate. They assess and analyze the impact on their business activities and performance, and identify compliance risks. The companies are also strictly managing due dates of various reports and matters to be submitted based on laws and regulations so that there would be no omissions. The AFS Group companies are also offering training to their officers and employees on a regular basis to ensure legal compliance.</p>
<p><b>Credit risk</b> Credit cards, installment payment, housing loans, etc., which cater to individuals, account for a large portion of the credit operations of the AFS Group, and the associated credit risks are well dispersed. However, the AFS Group's business results and financial standing could be affected if unexpected amounts of credit-related costs are incurred due to changes in the credit situation of customers caused by a significant deterioration in the economic conditions or financial market turmoil.</p>	<p>The AFS Group has been strengthening its credit risk management framework. It has been striving to maintain a balanced operation between profitability and soundness by grasping changes in the external economic environment and credit conditions by product and region, and reflecting them in review criteria in a timely manner. Further, it also practices appropriate credit management by monitoring the repayment status of individual customers once transactions begin and reviewing the credit limit when necessary.</p>
<p><b>External Fraud (Damage from Unauthorized Access via Phishing Sites, etc.)</b> In recent years, there has been a large number of damages caused by phishing scams, and the increase in such financial crimes has become an urgent issue for financial institutions. In particular, criminal methods in online services are becoming more sophisticated and complex. If we cannot respond appropriately to such crimes, the AFS Group's trust may be damaged or its reputation may decline. In addition, if additional costs to respond to these cases or compensation costs for affected customers are incurred, it may affect the AFS Group's business performance and financial status.</p>	<p>During this consolidated fiscal year, fraudulent use increased. To swiftly respond to such changes in external fraud trends and risks, the AFS Group is striving to expand technical and organizational security measures. Specifically, we are introducing secure one-time passwords using emojis for customer transactions, forming a specialized security enhancement team to detect and prevent fraudulent methods early, strengthening the monitoring of phishing sites and unauthorized access, and proactively shutting down phishing sites across the industry. We are also striving to alert customers to prevent them from becoming victims.</p>
<p><b>Information Security</b> The AFS Group acquires personal information and important information of customers and business partners within the necessary scope and manages it appropriately. However, if this information is targeted by a cyberattack, or if leakage, alteration, corruption, or loss of information occurs due to careless management by officers, employees, third parties, or outsourcing contractors, it may affect the AFS Group's business performance and financial status.</p>	<p>The AFS Group takes technological, physical, and organizational security management measures for managing its information assets, including personal information. Matters regarding cyberattacks, the threat of which has been growing in recent years, are as described in "Risks related to cyberattacks." Officers and employees of the AFS Group deepen their understanding of the importance of information management and its protection through regular education and training. When outsourcing the handling of personal information, etc., the Group takes management measures such as setting outsourcing criteria and conducting regular monitoring.</p>

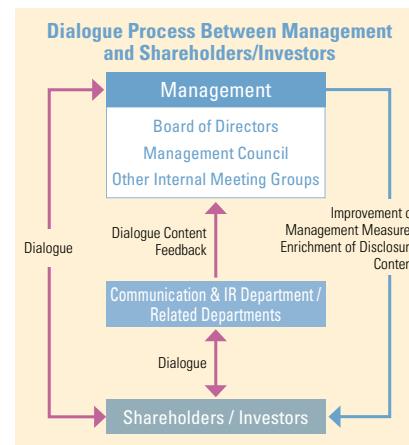
## Materiality ③ Establishing Organizational Resilience

## Dialogue with Stakeholders

## **Status of Dialogue with Shareholders**

The Company engages in responsible dialogue with shareholders and other investors. Opinions received through dialogue are shared with directors and internal relevant parties and utilized to develop management and other strategies to promote sustainable enhancement of corporate value.

Dialogue opportunities	Quarterly results briefings, individual meetings (investor relations/shareholder relations), ESC meetings, conferences, etc.
Main personnel carrying out dialogue	President and CEO; Directors or Executive Officers in charge of Finance and Accounting and Corporate Planning; Division Managers; and Communication & IR Department
Overview of shareholders with whom dialogue was held	Fund managers, analysts, ESG managers, proxy voting managers, etc. in Japan and Overseas
Actual dialogues (FY2024)	<p>Number of participants in results briefings for institutional investors and analysts: 370 in total</p> <p>Number of individual meetings held for institutional investors and analysts: 188</p> <ul style="list-style-type: none"> <li>Impact of management changes on company policy</li> <li>Status of response to credit card fraud damage</li> <li>Measures to recover the profitability of domestic businesses and expand overseas businesses</li> <li>Ideas on cost control, such as appropriate allocation of sales promotion expenses and future investments</li> <li>Company's recognition of current corporate value and status of initiatives to improve corporate value</li> <li>Approach to shareholder returns</li> <li>Approach to parent-subsidiary listings and protection of minority shareholders' rights</li> </ul>
Main topics of dialogue and items of interest to shareholders	
Status of feedback to management and the Board of Directors	<p>Summarize the feedback from investors after each quarterly closing and report it to the Board of Directors</p> <p>Provide feedback to top management as needed through internal meetings, etc.</p>



## Investor Relations Activities

Investor Relations Activities	Details	Explanation by Management
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 moratorium periods.	—
Company briefings for individual investors	We hold company briefing sessions for individual investors to showcase the Company and explain its performance (twice in FY2024). We also provide general information, including details of our history and outlines of our business activities, in the pages for individual investors on our website to ensure comprehensible communication.	Yes (Directors)
Periodic briefings for analysts and institutional investors	We hold results briefings each time financial results are announced, and top management provides explanation on the business environment, financial results, earnings forecasts, management strategy progress, etc.	Yes (President, Directors)
Availability of investor relations materials on the corporate website	We publish various materials, including audio versions of results briefings and questions and answers during the briefings. We also publish monthly information. The English version of the IR website contains various financial results materials and the integrated report in English.	—
Establishment of a department (or appointment of personnel) in charge of investor relations	The Corporate Communication & IR Department has been established.	—
Others	The President and CEO, Directors, and the Communication & IR Department conduct individual meetings with domestic and overseas investors and securities analysts. We also arrange small meetings as opportunities for dialogue between outside directors and institutional investors.	Yes (President, Directors)

## Credit Rating Information

(As of August 31, 2025)

Rating Agency	Long Term	Short Term
Japan Credit Rating Agency, Ltd. (JCR)	A (Stable)	J-1
Rating and Investment Information, Inc. (R&I)	A- (Stable)	a-1

## External Recognition of AEON Financial Service

(As of August 31, 2025)

Indices	
FTSE Blossom Japan Sector Relative Index	 <p><b>FTSE Blossom Japan Sector Relative Index</b></p>
MSCI Japan Empowering Women Index (WIN)	<p><b>2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)</b></p>

\*The inclusion of AEON Financial Service in any MSCI index, and the use of MSCI logos, trademarks, service marks, or index names herein, do not constitute a sponsorship, endorsement, or promotion of AEON Financial Service by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

Indices	
S&P/JPX Carbon Efficient Index	

IR Websites	Awards and Accreditations
Nikko Investor Relations Co., Ltd.	 <p data-bbox="1837 1235 1998 1270"> <b>企業ホームページ 優秀サイト</b> </p> <p data-bbox="1837 1270 1998 1308"> <b>2024 日興アイ・アール 総合部門</b> </p> <p data-bbox="1837 1308 1998 1365">     2024 All Japanese Listed Companies' Website Ranking      Overall Ranking: Best Sites   </p>



## Materiality④ Addressing Climate Change

### Providing financial services that contribute to a decarbonized society

From an early stage, the AEON Group has addressed the issue of climate change, which is having a major impact on the global environment and human society. We have adopted the AEON Decarbonization Vision, by which we aim to have reduced to zero the total amount of CO<sub>2</sub> emitted at our stores by FY2040.

Led by the AFS Group's Environmental Policy, we are aware of the impact our business has on the environment, and we actively and continuously work toward the formation of a sustainable society.



### Addressing Climate Change (Initiatives Based on TCFD Recommendations)

In November 2021, the Company announced its endorsement of the recommendations put forth by the Task Force on Climate-related Financial Disclosures (TCFD) and clarified its policy for "addressing climate change," which has been specified as materiality.



#### Governance

The Company has established the Sustainability Committee entrusted by the Board of Directors for the purpose of maximizing corporate value through sustainability management. Important matters related to sustainability, such as the formulation and revision of the AFS Sustainability Policy, the formulation of medium- to long-term and annual action plans, and response to climate change are matters to be resolved by the Board of Directors after deliberations by the Sustainability Committee. The Board of Directors provides necessary guidance and advice to relevant parties on important matters related to sustainability.

The Sustainability Committee exerts governance over the key issues (materialities) of the AFS Group from a social perspective, discusses and deliberates action plans for specific goals and measures, and provides continual monitoring and follow-up (guidance and advice) regarding the AFS Group's initiatives and its progress based on the action plans. Further, in order to address issues on an enterprise-wide, cross-functional basis, the committee guides the Company's divisions and the AFS Group companies, oversees and supports their implementation of measures, and engages in comprehensive and specialized discussions and deliberations on

sustainability-related matters. Moreover, the Sustainability Committee reports on matters entrusted to it by the Board of Directors to the Board of Directors.

The Company has also established a Sustainability Subcommittee under the Sustainability Committee to pursue action plans for specific targets and measures as a Group. In addition to promoting the effective use of resources in our business activities by transforming business models, we will work toward decarbonization together with our customers and local communities through products and services that the AFS Group provides. Furthermore, we will raise the awareness of environmental conservation among all employees in the AFS Group and encourage them to act on their own initiative.

▶Please refer to P35 for information regarding our Sustainability Execution Framework.

#### Strategy

The AFS Group pursues sustainability management with the aim of realizing a sustainable society in which everyone can live a content and happy life and contribute to peace. In November 2021, we identified material issues that affect our business over the medium to long term. By systematically classifying these into four areas: "pursuing happiness through innovative financial services," "exerting diversity and the potential of our people," "establishing organizational resilience," and "addressing climate change," we set indicators and create a roadmap to specifically take action on them. In particular, recognizing that "addressing climate change" has a significant impact on the lives and health of our customers, local economies, and social development, we will strive to ensure resilience through governance, strategy, and setting targets to build a decarbonized society.



## Materiality ④ Addressing Climate Change

### Addressing Climate Change (Initiatives Based on TCFD Recommendations)

#### Risk Management

The AFS Group views the diverse risks it faces in a comparative manner, applying as consistent an approach as possible to risks which have been evaluated on an individual risk category basis. We engage in risk management with the aim of consistently and reliably contributing to the improvement of our corporate value.

We strive to expand and enrich our assessment and evaluation of risks and our information disclosure in line with the TCFD recommendations. We have defined the AFS Group's materialities and have positioned addressing climate change as an important issue.

The AFS Group is promoting the increased sophistication of its risk management, with the aim of maintaining the soundness of its management, by assessing a variety of risks, including climate change, by risk category and appropriately controlling these risks while comparing and contrasting them with its management capabilities. Under these circumstances, we have put in place a series of risk management processes, consisting of risk identification and evaluation, control evaluation, and risk assessment. In terms of climate change risk management, we utilize multiple future prediction

#### Significant Climate Change-related Risks/Opportunities and Their Impact Levels for the AFS Group, Identified by Scenario

Classification Level 1	Classification Level 2	Classification Level 3	Impact	Time Horizon	1.5°C Scenario	4°C Scenario
Transition Risks	Policy and regulation	Introduction of carbon tax	Tax increases due to carbon tax	Short to long term	Large	Medium
	Market	Rising renewable energy prices	Increased energy costs due to renewable energy subsidies	Short to long term	Large	Medium
Physical Risks	Acute	Frequent natural disasters such as typhoons, cyclones, and floods	Increased costs associated with repairs to damage to infrastructure, facilities, and equipment; interference with standard business operations; increased risk of higher insurance premiums; supply chain interruptions; and product supply interruptions	Medium to long term	Medium	Large
	Chronic	Average temperature rise, sea level rise	Increased demand for air conditioning due to changes in apparent temperature, smaller crops	Medium to long term	Medium	Large
Opportunities	Energy	Introduction of carbon tax	Response to introduction of carbon taxes by reducing GHG emissions (e.g., developing and selling products made with recycled PVC), increased demand for energy-saving equipment (e.g., high-efficiency heat pumps), increased need for energy-saving devices and services	Short to long term	Large	Medium
	Products and services	Increased demand for products related to climate change	Increased revenues from new product development and sales (e.g., home construction materials and automobile parts made from low-carbon materials (FRP), energy-saving car air conditioner set products)	Medium to long term	Large	Medium

scenarios, such as the 1.5°C scenario and the 4°C scenario, and conduct analyses of each, thereby identifying and assessing the climate change-related risks and opportunities affecting the AFS Group. To reflect the identified risk and opportunity items in the AFS Group's business plans, we assess the scale and scope of any potential impact on business divisions through discussions in the Sustainability Subcommittee, under the direction and supervision of the Sustainability Committee.

As part of managing climate change-related risks, we conducted scenario analysis of climate change-related risks and opportunities based on two scenarios, the 1.5°C scenario and the 4°C scenario, with the aim of assessing the impact of climate change on the AFS Group's businesses. Specifically, medium- to long-term risk items stemming from climate change were organized into transition risks, physical risks and opportunities. Then, the impact of each item on the Group was assessed and those identified to have a significant impact were designated as "serious risk/opportunity items." Each item was then organized in a short-, medium-, and long-term framework according to the time horizon in which it is expected to have an impact.

#### Transition risk

Transition risks are risks caused by climate change policies and regulations, technological developments, market trends, changes in market evaluations, and the like. The transition to a decarbonized society could have financial impacts resulting from legal and regulatory changes such as the introduction of carbon taxes or incentives for renewable energy or electric vehicles. These could result in increased tax burdens, higher energy prices, increases in credit-related expenses, or higher funding costs. Furthermore, failing to actively implement sustainability measures, including measures to address climate change, could cause us to lose the trust of the market and could reduce our corporate value.

#### Physical risk

Physical risks are the risks of acute or chronic damage from disasters or other incidents caused by climate change. Floods and other extreme weather conditions could cause direct damage to the assets of customers, employees, or stores. Interruptions to credit card systems, banking systems, and the like could make it difficult to maintain financial infrastructure services, and costs could increase due to the implementation of restoration measures and countermeasures.

#### Opportunity recognition

We believe that the process of realizing a decarbonized society will create a greater focus on the environment and large-scale business equipment demand. The AFS Group believes that we can expand our business opportunities by providing customers with new financial services that take environmental burdens into consideration. These include loans and leases for decarbonization-related facilities and housing. Furthermore, we can produce financial benefits such as reduced costs and increased profits by using renewable energy, switching to low carbon materials, and the like.



## Materiality ④ Addressing Climate Change

### Addressing Climate Change (Initiatives Based on TCFD Recommendations)

#### Metrics and Targets

The AFS Group measures and ascertains greenhouse gas (GHG) emissions in order to assess and manage climate change-related risks and opportunities. Going forward, we will set appropriate targets and metrics to reduce the environmental impact associated with our business activities in order to contribute to the reduction of GHG emissions worldwide.

#### Major Climate-related Metrics in the AFS Group

		(tons)				
		FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results	YoY Change
GHG emissions across the Group (Scope 1, 2)		16,373	14,455	12,059* <sup>1</sup>	10,846* <sup>1</sup>	(1,213)
Ratio of hybrid vehicles as % of cars owned by the company		43.90%	53.11%	34.04%	54.85%	+20.81%
Web statement to credit card statement ratio* <sup>2</sup>	Domestic	83.97%	85.12%	85.92%	86.62%	+0.70%
	Global	—	64.69%	75.39%	83.57%	+8.18%
	Total	83.97%	78.48%	82.08%	85.58%	+3.51%

#### Greenhouse Gas (GHG) Emissions by the AFS Group (Scope1, 2)

Metrics		(tons)				
		FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results	YoY Change
Scope 1 (Direct emissions from fuel consumption)		3,332	2,783	2,548	2,642	+94
Scope 2 (Indirect emissions from electricity use)		13,041	11,672	10,389	8,765	(1,264)
Scope 1 and Scope 2 Total		16,373	14,455	12,059* <sup>1</sup>	10,846* <sup>1</sup>	(1,213)

#### (Scope3)

Metrics		(tons)				
		FY2021 Results	FY2022 Results	FY2023 Results	FY2024 Results	YoY Change
Emissions resulting from credit card paper statements* <sup>2</sup>	Domestic	12,037	11,421	11,184	10,776	(408)
	Global	—	13,043	11,242	6,818	(4,424)
	Total	12,037	24,464	22,426	17,594	(4,832)
Emissions pertaining to printer use (upstream and downstream)		287	370	239	268	+30
Emissions relating to data center operations and maintenance* <sup>3</sup>		4,794	4,534	4,729	4,550	(179)

■ The AFS Group calculates GHG emissions in accordance with the GHG protocol methodology.

■ Domestic Group companies and three global listed companies are included in the aggregation.

\*1 The offset for AEON CREDIT SERVICE (M) BERHAD has been deducted.

\*2 Aggregation scope: AEON Financial Service Co., Ltd.; AEON CREDIT SERVICE (ASIA) CO., LTD.; AEON THANA SINSAP (THAILAND) PCL.; AEON CREDIT SERVICE (M) BERHAD (excluded due to having no emissions in FY2024)

\*3 Aggregation scope: AEON Financial Service Co., Ltd.; AEON Bank, Ltd.; AEON CREDIT SERVICE (ASIA) CO., LTD. (included since FY2023)

■ The aggregation scope, after excluding the above, consists of the following Group companies. AEON Financial Service Co., Ltd.; AEON Bank, Ltd.; AEON Insurance Service Co., Ltd.; ACS Leasing Co., Ltd.; ACS Credit Management Co., Ltd.; AEON Housing Loan Service Co., Ltd.; the former AEON Allianz Life Insurance Co., Ltd.; AEON CREDIT SERVICE (ASIA) CO., LTD.; AEON THANA SINSAP (THAILAND) PCL.; AEON CREDIT SERVICE (M) BERHAD

**Materiality④ Addressing Climate Change**

# Provision of Environmentally Responsible Products and Services

## Efforts to Reduce Environmental Impact

Companies in the AFS Group advance paperless operations and supply eco-friendly products and services.

### Use of Environmentally Responsible Materials in Credit Cards

AEON Cards are made from PET-G, a chlorine-free material that will not emit chlorine gases (dioxins) when burned. When completely incinerated, the material breaks down into water and carbon dioxide.

AEON Card Select uses recycled plastic material (recycled PVC) and is gradually switching to the use of environmentally-friendly cards.

### Promotion of Web-Based AEON Card Statements (Environmental Declaration)

Since 2019, we have been making statements available on the web, a basic service that allows users to check their transaction histories on their smartphones using the AEON WALLET app. Thanks to this service, the company has been able to reduce CO<sub>2</sub> emissions by 500 grams\* per unsent envelope.

▶Please refer to P.71 for information regarding the web statement to credit card statement ratio.

\*Calculated based on the Ministry of the Environment's "Example of calculation method of carbon dioxide reduction effect of eco-action point"

\*CO<sub>2</sub> reduction: A reduction of approximately 500 grams of CO<sub>2</sub> is equivalent to the reduction effect from the following resources.



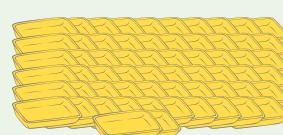
Around 12 steel cans



Around three milk cartons



Around seven plastic bottles



Around 62 food trays

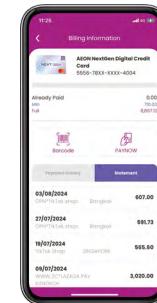
### AEON Bank passbook app

AEON Bank, Ltd. has not issued paper passbooks since its opening in 2007. Customers can easily and conveniently check their deposit balances and transaction details via the AEON Bank Passbook App. The app also offers convenient features such as messaging with AEON Bank staff, online consultations, and participation in online seminars.



### Restoration of AEON Card magnetic strips by AEON Bank ATMs

We have introduced a service through which customers can have magnetic defects in their AEON Cards repaired by AEON Bank ATMs. Not only does this provide them with greater convenience, but it also reduces the environmental impact caused by the process of reissuing cards.



### Apps in other countries

We are also using apps to promote cardless and paperless operations in countries outside of Japan. Local subsidiary AEON THANA SINSAP (THAILAND) PCL. transitioned to completely cardless operation for installment payment service members by means of an app in May 2022, and from November 2024 it has been issuing completely digital credit cards.

▶Please refer to P.23 for information about digitalization efforts in Thailand.

### Preferential home loan interest rates for eco-friendly homes

In March 2025, AEON Bank began offering home loans with preferential interest rates to customers buying or building eco-friendly homes such as ZEHs which use insulation, sunlight shielding, and sealing to reduce energy consumption. We believe this initiative meets diverse customer needs, provides greater opportunities for customers to consider environmentally friendly housing, and contributes to the realization of a decarbonized society.



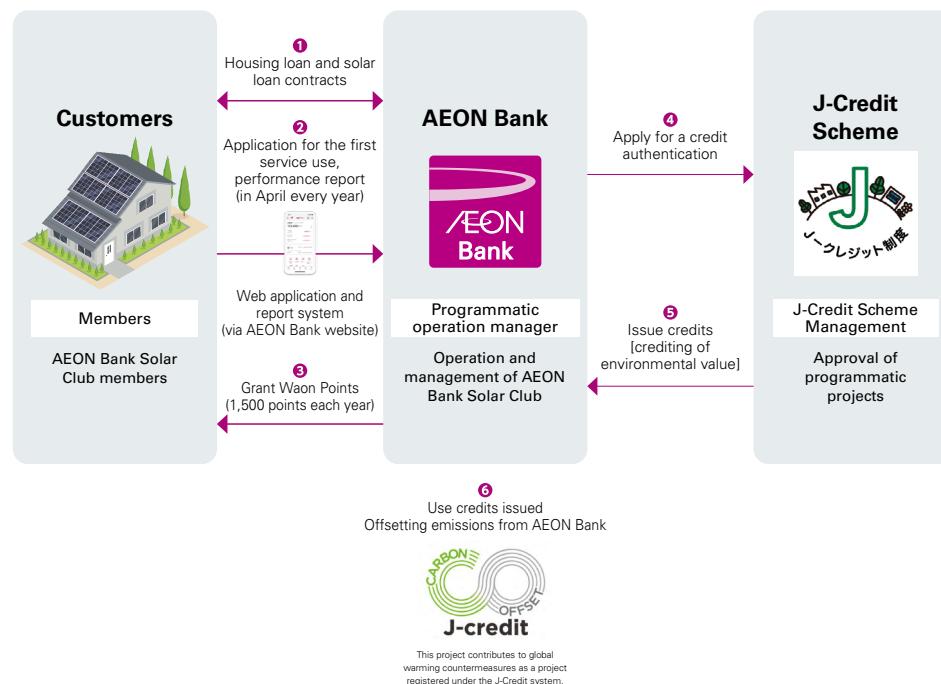
## Materiality ④ Addressing Climate Change

### Provision of Environmentally Responsible Products and Services

#### AEON Bank Solar Club

In April 2024, AEON Bank launched the "AEON Bank Solar Club," targeted at customers who have installed solar power generation equipment among those with AEON Bank housing loans and other relevant loan contracts. The AEON Bank Solar Club aims to work on initiatives toward a decarbonized society, such as global environmental preservation and global warming countermeasures, by compiling the amount of GHG emissions reduced through solar power generation (environmental value) and obtaining certification under the J-Credit Scheme. Credits to be issued under this initiative will be used, in principle, for carbon offsetting for AEON Bank and other AEON Group companies. Discussions are also ongoing with a view to transferring such credits to third parties in the future.

In addition, member customers will be granted 1,500 Waon Points as a benefit each year during their membership period. Through this initiative, we will promote the visualization of environmental value, which is the first step of decarbonization, and provide our customers an opportunity to contribute to creating a carbon-neutral society.



#### AEON Heartful Volunteers

As a member of the AEON Group, we are participating in the AEON Heartful Volunteers program to assist in solving the environmental and social issues that each region is facing. We are promoting ongoing volunteer activities that are deeply rooted in local communities in partnership with our local stakeholders.



#### AEON Heartful Volunteers

Basic Concept	In order to fulfill AEON's basic philosophy of putting the customer first, pursuing "peace," respecting "people," and contributing to the "local community," AEON People will utilize the various resources they have gained through their business activities to promote volunteer activities to resolve local social issues.
Goals	AEON has designated the 11th of every month as "AEON Day" since 2001, and is promoting Clean & Green Activities Campaign to embody the "AEON Basic Philosophy." In addition, many employee volunteer activities continue, such as the "Project AEON Joining Hands," a recovery support activity for Great East Japan Earthquake in 2011.

The knowledge and experience that our employees have gained from these activities and recovery initiatives after the Great East Japan Earthquake are now being applied to the activities of the AEON Heartful Volunteers. We will continue to pursue initiatives that contribute to the solution of local social issues in our business areas throughout Japan.

#### Marine litter cleanup by volunteers

In the AEON Group, the Marine Litter Cleanup Volunteer program cleans up coasts and rivers to help resolve the global problem of marine pollution. The AFS Group volunteers carry out beach cleaning projects in collaboration with local communities throughout Japan.



#### Cotton harvesting by volunteers

AEON Group volunteers have been working with NPO The People to cultivate and harvest cotton on farmland around Iwaki City in Fukushima Prefecture, where rice production became difficult due to the tsunami caused by the Great East Japan Earthquake in 2011. Farmers in the area have started to grow cotton, which is more resistant to salt contamination, with the aim of regenerating agriculture in the region and creating local employment through the commercialization of cotton under the Fukushima Organic Cotton Project. This is the seventh year of the program, and in addition to picking cotton, the volunteers also separated the cotton fibers from seeds using cotton gins, untangled and softened the cotton, spun it into thread, and used the raw cotton they had picked to create key holders.



## Materiality ④ Addressing Climate Change

# Promotion of Environmental Conservation Activities

### Cleanup activities

In Japan, the 11th of each month is designated as AEON Day. On AEON Day, to embody AEON Foundational Ideals, AFS Group employees and other AEON Group employees work together to clean the areas around their offices and stores.

Overseas, as well, we take part in various cleanup activities in locations such as urban areas and along coasts.

In Cambodia, our subsidiary AEON SPECIALIZED BANK (CAMBODIA) PLC. has steadily engaged in cleanup activities, such as Clean City Project activities in Phnom Penh's Wat Botum Park, Krom Ngoy Garden, and Samdech Hun Sen Park in September and December 2024.



### Cleaning Cloth Project for Reconstruction

As part of recovery support activities for the Great East Japan Earthquake, Save Iwate, a general incorporated association in Morioka City, Iwate Prefecture, runs the Cleaning Cloth Project for Reconstruction, a charity project to sew cleaning cloths using thin towels. We have continued collecting and donating unused face towels and embroidery threads, which are necessary materials to hand-sew cleaning clothes, to this association. Following the visit in 2024, our employees visited the site again in July 2025 to exchange information on the background of this project and the current state of the disaster-affected areas. We will continue to support this project going forward.



### Participation in the AEON Noto Restoration Support Project

The AEON Group has provided a wide variety of support in response to the Noto Peninsula Earthquake of January 2024 and the Oku Noto floods of September 2024. To rapidly meet the needs of the affected areas, it has provided supplies and collected donations, sent stores on wheels, held fairs selling products from disaster-struck areas, and assisted with supplying school lunches and supporting children's play activities. At the same time, AEON Group companies and the labor union have collaborated to dispatch employee recovery volunteers, starting with Nanao City, Ishikawa Prefecture, in March 2024 and then continuing on to Wajima City and Suwa City. The AFS Group has also taken part in these activities.

AEON people continue to proactively work with members of the community to restore the disaster-affected areas by providing recovery and revitalization support.

### Tree Planting Initiatives

The AFS Group actively participates in tree planting activities in Japan and abroad.

#### Participation in AEON Forest Creation Activities

Since 2021, AFS has been participating in AEON Forest Creation Activities in cooperation with the AEON Environmental Foundation. Initiatives include tree planting by employees, environmental education, and efforts to raise awareness about forests and satoyama (ecosystems in traditional Japanese villages). In Kimitsu City, Chiba Prefecture and the Watari-cho community in Miyagi Prefecture, employees and their families carry out voluntary forest development activities, including supplementary planting and grass clearing. In 2024, we carried out activities that provided a real sense of forest biodiversity, such as using an app to investigate the plant and animal life of forests.



- Kimitsu AEON Forest - Tree planting and development activities - Total number of activities conducted: **26**
- Watari AEON Forest - Tree planting and development activities - Total number of activities conducted: **11**

(As of the end of August 2025)

### Overseas environmental conservation activities

In other countries, as well, we are cooperating with the AEON Environmental Foundation and local communities in tree planting and development. We are also providing supplies and donations to local organizations.

In Thailand, local subsidiary AEON THANA SINSAP (THAILAND) PCL. and the AEON Thailand Foundation are providing supplies and donations to local schools and hospitals and engaging in tree planting and development activities. In October 2024, the Group planted 2,000 trees in Sri Lanna National Park.



**FY2024 Total number of people taking part in environmental and social contribution activities (Domestic): 4,692**

▶ Information on the AFS Group's sustainability activities (Japanese Only)  
<https://www.aeonfinancial.co.jp/activity/community/>



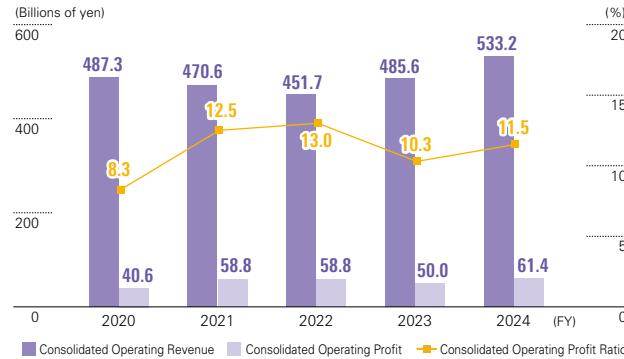
## Data / Company Information





# Financial Highlights

## Consolidated Operating Revenue, Consolidated Operating Profit and Consolidated Operating Profit Ratio



Consolidated Operating Revenue **¥533.2billion** YoY **+9.8%**

Consolidated Operating Profit **¥61.4billion** YoY **+22.8%**

Consolidated Operating Profit Ratio **11.5%** YoY **+1.2pt**

Note 1: The Accounting Standard for Revenue Recognition has been adopted since FY2022.

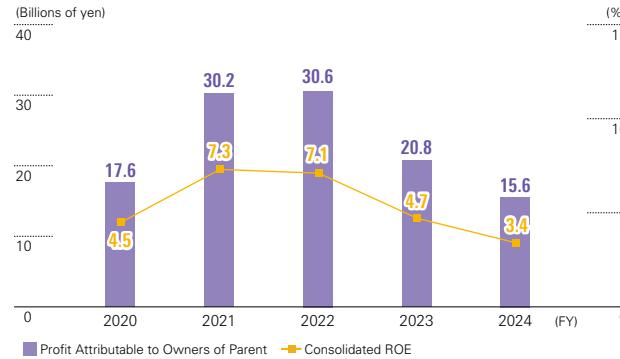
## Consolidated Equity and Consolidated Equity Ratio (Domestic Standard)



Consolidated Equity **¥461.1billion** YoY **+¥2.8billion**

Consolidated Equity Ratio (Domestic Standard) **5.9%** YoY **-0.7pt**

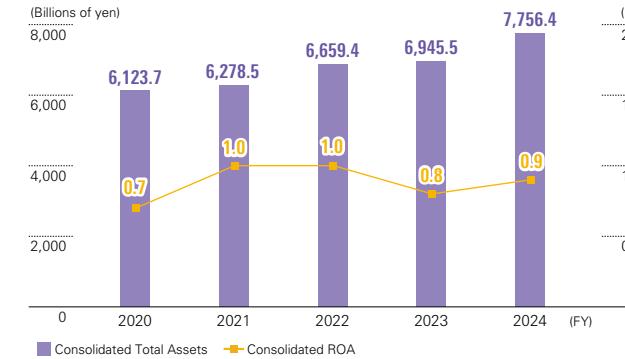
## Profit Attributable to Owners of Parent and Consolidated ROE



Profit Attributable to Owners of Parent **¥15.6billion** YoY **-25.1%**

Consolidated ROE **3.4%** YoY **-1.3pt**

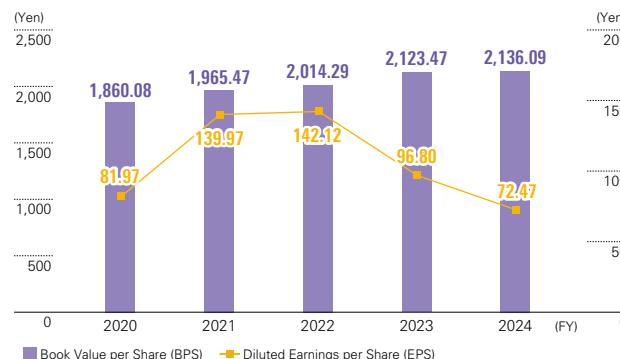
## Consolidated Total Assets and Consolidated ROA



Consolidated Total Assets **¥7,756.4billion** YoY **+¥810.9billion**

Consolidated ROA **0.9%** YoY **+0.1pt**

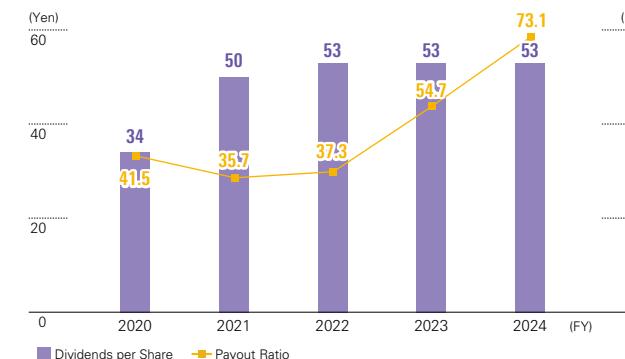
## Book Value per Share (BPS) and Diluted Earnings per Share (EPS)



Book Value per Share (BPS) **¥2,136.09** YoY **+¥12.62**

Diluted Earnings per Share (EPS) **¥72.47** YoY **-¥24.33**

## Dividends per Share and Payout Ratio



Dividends per Share **¥53**

Payout Ratio **73.1%**

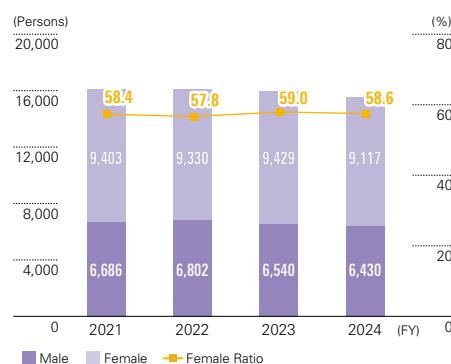
\*1 The fiscal 2021 dividend per share includes 4 yen as a commemorative dividend for the 40th anniversary of the Company's founding.

\*2 Figures in the table are actual figures for FY2024.

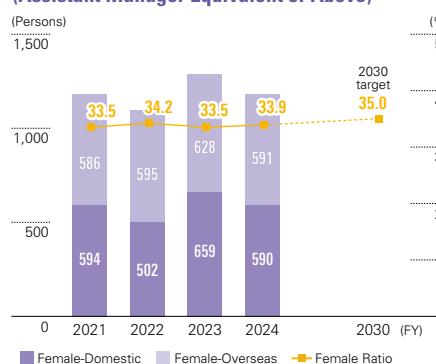


# Non-financial Highlights

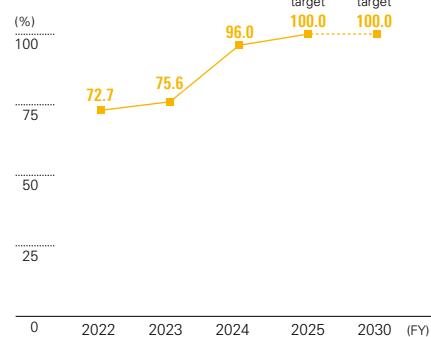
## Number of Employees by Gender and Percentage of Female Employees



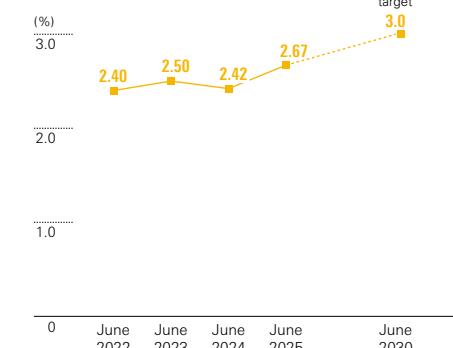
## Number of Female Managers and Percentage of Managerial Positions Filled by Women (Assistant Manager Equivalent or Above)



## Rate of Male Employees Taking Childcare Leave (Domestic)



## Employment Rate of Persons with Disabilities (Domestic)

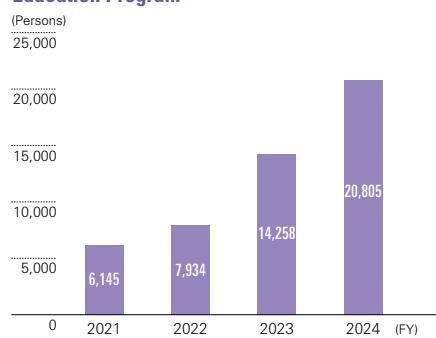


P.47 Human Resource-related Data and Initiatives

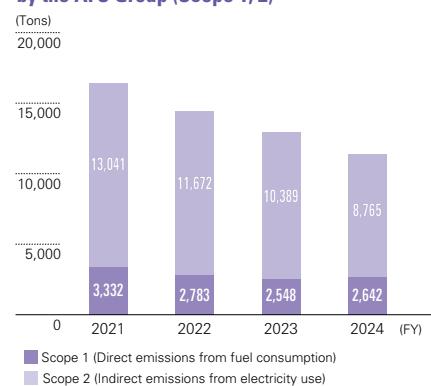
## Training Cost/Training Time per Person (Domestic)



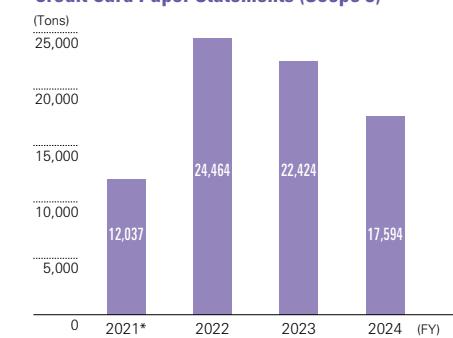
## Number of Participants in Financial Education Program



## Greenhouse Gas (GHG) Emissions by the AFS Group (Scope 1, 2)



## Greenhouse Gas (GHG) Emissions from Credit Card Paper Statements (Scope 3)



\*Data for FY2021 is for Japan only.

P.48 Human Resources Development

P.41 Financial Education

P.69 Addressing Climate Change



# 11-year Summary

		2014	2015	2016	2017	2018	2019 <sup>Note2</sup>	2020	2021	2022	2023	2024
Consolidated IDs <sup>Note1</sup> (Millions)	Consolidated IDs	35.67	37.22	38.94	40.64	42.69	45.27	46.13	47.32	48.24	50.27	55.72
	Domestic	24.64	25.88	26.92	27.75	28.40	28.89	29.45	30.09	30.82	31.49	36.15
For the year (Millions of yen)	Operating revenues *Ordinary revenues is used until fiscal 2018	329,046	359,651	375,166	407,970	439,001	457,280	487,309	470,657	<sup>Note3</sup> 451,767	485,608	533,262
	Operating expenses *Ordinary expenses is used until fiscal 2018	275,965	300,270	313,559	342,223	368,830	392,209	446,657	411,804	<sup>Note3</sup> 392,907	435,519	471,776
	Operating profit *Ordinary profit is used until fiscal 2018	53,080	59,380	61,606	65,746	70,171	65,070	40,651	58,852	58,859	50,088	61,485
	Profit attributable to owners of parent	30,491	35,785	39,454	38,677	39,408	34,149	17,693	30,212	30,677	20,896	15,644
	Total assets / Net assets (Millions of yen)	3,589,495	3,745,546	4,187,263	4,852,844	5,342,228	5,781,370	6,123,721	6,278,586	6,659,468	6,945,571	7,756,492
Per share information (Yen)	Total assets	324,948	340,886	401,170	437,782	448,705	459,075	474,667	509,055	541,133	574,316	585,766
	Net assets	1,377.56	1,465.31	1,604.79	1,714.92	1,764.05	1,823.05	1,860.08	1,965.47	2,014.29	2,123.47	2,136.09
Balance at end of period (Millions of yen)	Diluted earnings per share	152.04	180.00	183.96	170.02	173.20	154.15	81.97	139.97	142.12	96.80	72.47
	Operating loans	1,474,236	1,673,997	1,864,904	2,271,666	2,429,740	2,535,358	2,781,296	2,882,615	3,006,038	3,258,049	3,650,408
	Operating loans including securitized receivables	1,873,598	2,364,444	2,757,434	3,326,572	3,757,628	4,153,294	4,507,680	4,824,899	5,159,479	5,597,231	6,079,509
	Accounts receivable—installment	1,038,221	1,022,387	1,182,193	1,294,632	1,453,160	1,543,135	1,521,149	1,566,284	1,769,588	1,843,488	1,747,333
Key indicators (%)	Accounts receivable—installment including securitized receivables	1,185,191	1,314,385	1,523,981	1,779,143	1,970,668	2,125,629	2,076,439	2,124,494	2,313,359	2,475,472	1,993,883
	Operating profit ratio *Ordinary profit ratio is used until fiscal 2018	16.1	16.5	16.4	16.1	16.0	14.2	8.3	12.5	13.0	10.3	11.5
	Equity ratio (domestic standard)	8.1	7.4	8.5	8.3	7.3	6.8	6.6	6.8	6.5	6.6	5.9
	Return on assets (ROA)	1.6	1.6	1.6	1.5	1.4	1.2	0.7	1.0	1.0	0.8	0.9
Dividends	Return on equity (ROE)	11.2	12.7	12.4	10.8	10.5	8.8	4.5	7.3	7.1	4.7	3.4
	Dividends per share (Yen)	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
Business scope (Billions of yen)	Card shopping transaction volume	4,015.1	4,315.4	4,711.6	5,191.7	5,618.3	5,669.6	5,908.3	6,221.1	6,895.5	7,510.8	7,993.2
	Domestic	3,821.0	4,104.7	4,515.7	4,955.4	5,358.2	5,378.3	5,676.8	5,967.4	6,529.2	7,081.4	7,492.5
AEON Bank business scope	Card cashing transaction volume	448.3	469.7	475.8	508.3	540.9	515.0	378.3	400.5	472.2	520.5	560.9
	AEON Bank deposit balance (Billions of yen)	1,963.2	2,153.6	2,545.6	3,053.8	3,483.4	3,791.8	4,020.7	4,180.7	4,399.7	4,539.3	5,201.6
	Number of bank accounts (Millions)	4.32	4.93	5.55	6.05	6.56	7.09	7.50	7.86	8.28	8.58	8.74

Note 1: The tabulation standards used in Japan, including those for the number of cardholders, were changed in FY2024. Due to this change, figures for FY2023 and earlier are for "consolidated cardholders," but for FY2024 are for "consolidated IDs," tabulated based on the new standards.

Note 2: The consolidated amounts for the fiscal year ended February 29, 2020 cover a period of 11 months from April 1, 2019.

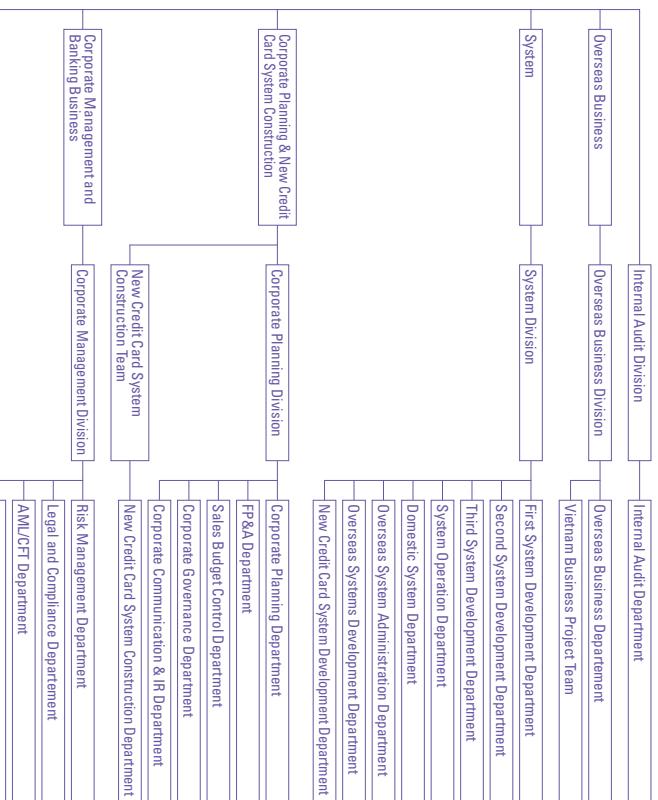
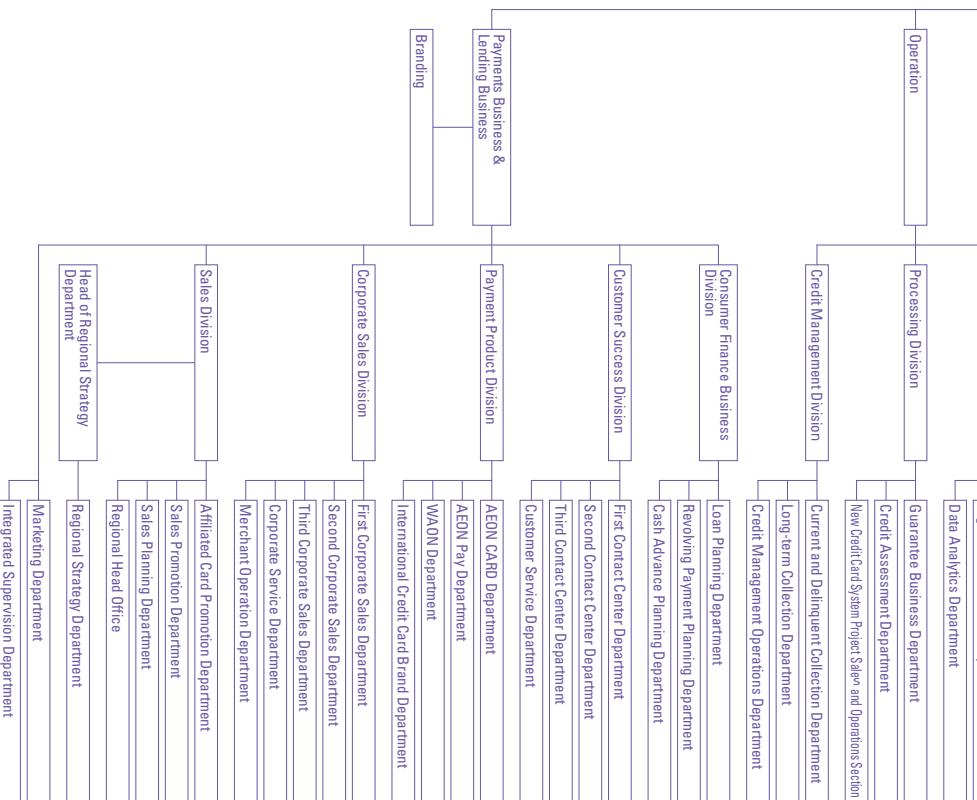
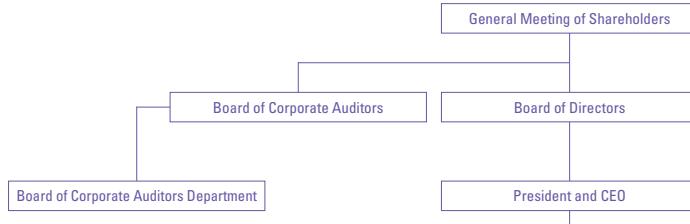
Note 3: The Accounting Standard for Revenue Recognition has been adopted since FY2022.

# Company Information

## Company Information

Company Name	AEON Financial Service Co., Ltd.	
Establishment	20 June, 1981	
President	Chairman	Shunsuke Shirakawa
	President and CEO	Tomoharu Fukayama
Capital Stock	¥45,698 million	
Office	TERRACE SQUARE, 3-22, Kandanishiki-cho, Chiyoda-ku, Tokyo	

## Organization



\*As of November 1, 2025



# Affiliated Companies

(As of February 28, 2025)

Domestic Business	Retail	Solutions	Holding Companies, etc.
		Tokyo Stock Exchange, Prime Market	
AEON Bank, Ltd.	100.0%	AEON Financial Service Co., Ltd. (Operating Holding Company)	—
Banking business, Credit card business		Payment business, Banking agency business, and Business operation management of Group Companies	
AEON Insurance Service Co., Ltd.	99.0%	AEON Housing Loan Service Co., Ltd.	100.0%
Insurance agency business (Life insurance, Non-life insurance, Short-term small amount insurance)		Housing-related lending, Management and collection operations, and Insurance agency business (Non-life insurance)	
AEON S.S. Insurance Co., Ltd.	100.0%	ACS Credit Management Co., Ltd.	99.5%
Short-term small amount insurance		Debt collection business and Backup servicing operations	
AEON Allianz Life Insurance Co., Ltd.	100.0%	ACS Leasing Co., Ltd.	100.0%
Life insurance business		Leasing and Installment sales business	
*As of July 1, 2025, 85.1% of the issued shares were transferred to Meiji Yasuda Life Insurance Company.		FeliCa Pocket Marketing Inc.	87.6%
		Provision of digital solutions for regional revitalization	

\*The percentages indicate the Company's shareholding ratios.

\*Companies shown in dark color are listed on stock exchanges.

Overseas Business	China Area	Mekong Area	Malay Area
	Hong Kong	Hong Kong Stock Exchange	
	► Hong Kong	AEON THANA SINSAP (THAILAND) PCL.	Malaysia
	AEON CREDIT SERVICE (ASIA) CO., LTD.	56.5%	AEON CREDIT SERVICE (M) BERHAD
	AEON INSURANCE BROKERS (HK) LIMITED	100.0%	61.5%
	► Shenzhen, China	ACSI (Thailand) CO., LTD.	AEON BANK (M) BERHAD
	AEON MICRO FINANCE (SHENZHEN) CO., LTD.	100.0%	100.0%
	AEON INFORMATION SERVICE (SHENZHEN) CO., LTD.	100.0%	AEON Insurance Brokers (M) Sdn. Bhd.
	Hong Kong Stock Exchange	ACS SERVICING (THAILAND) CO., LTD.	► Indonesia
		AEON ASSET MANAGEMENT (THAILAND) CO., LTD.	PT. AEON CREDIT SERVICE INDONESIA
		ATS Rabbit special purpose vehicle Co., Ltd.	85.0%
	► Vietnam	Stock Exchange of Thailand	► India
		Post and Telecommunication Finance Company Limited	AEON CREDIT SERVICE INDIA PRIVATE LIMITED
		100.0%	100.0%
		*The company name was changed to AEON Consumer Finance Company Limited in October 2025.	
	► Cambodia	AEON SPECIALIZED BANK (CAMBODIA) PLC.	► Philippines
		100.0%	AEON CREDIT SERVICE (PHILIPPINES) INC.
	► Laos	AEON Leasing service (Lao) Co., Ltd.	99.1%
		100.0%	
	► Myanmar	AEON Microfinance (Myanmar) Co., Ltd.	
		100.0%	



# Share Information

(As of February 28, 2025)

## Basic Share Information

Stock Listing	Tokyo Stock Exchange, Prime Market
Industry Sector	Other Financing Business
Securities Code	8570
Share Unit	100
Fiscal Year	March 1 to February 28 of the following year
Dividend Record Date	End of February (interim dividend: August 31)
Authorized Shares	540,000,000
Issued Shares	216,010,128
Shareholders	70,546

## Major Shareholders

Shareholder Name	Shares Held (Thousands)	Percentage Stake (%)
AEON Co., Ltd.	104,001	48.18
The Master Trust Bank of Japan, Ltd. (Trust Account)	16,699	7.74
Custody Bank of Japan, Ltd. (Trust Account)	4,871	2.26
SMBC Nikko Securities Inc.	2,873	1.33
FUJI CO., LTD.	2,646	1.23
Japan Securities Finance Co., Ltd.	2,532	1.17
NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT	2,464	1.14
JP Morgan Securities Japan Co., Ltd.	2,456	1.14
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	2,451	1.14
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	2,417	1.12

\*Ratio of shares held excludes treasury shares (129,000 shares).

## Total Shareholder Return (TSR)

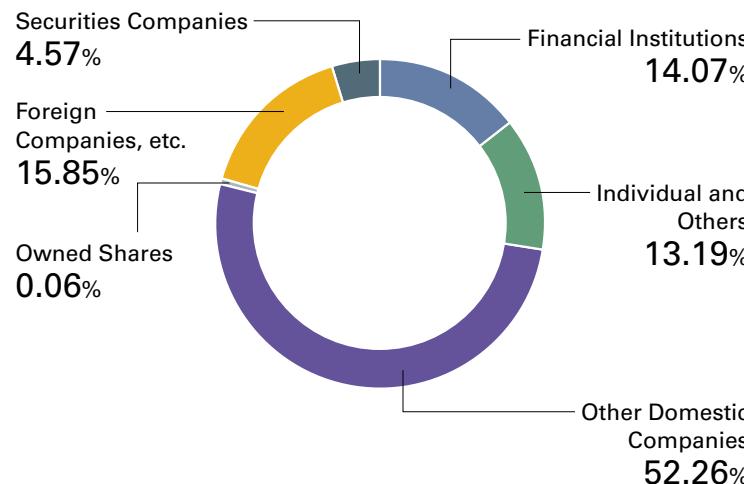
	FY2020	FY2021	FY2022	FY2023	FY2024
The Company (%)	89.2	81.1	91.2	95.4	92.6
TOPIX (%)	123.4	124.9	131.9	177.1	177.5

\*The total shareholder return is calculated using the stock price at the end of February 2020 as 100.

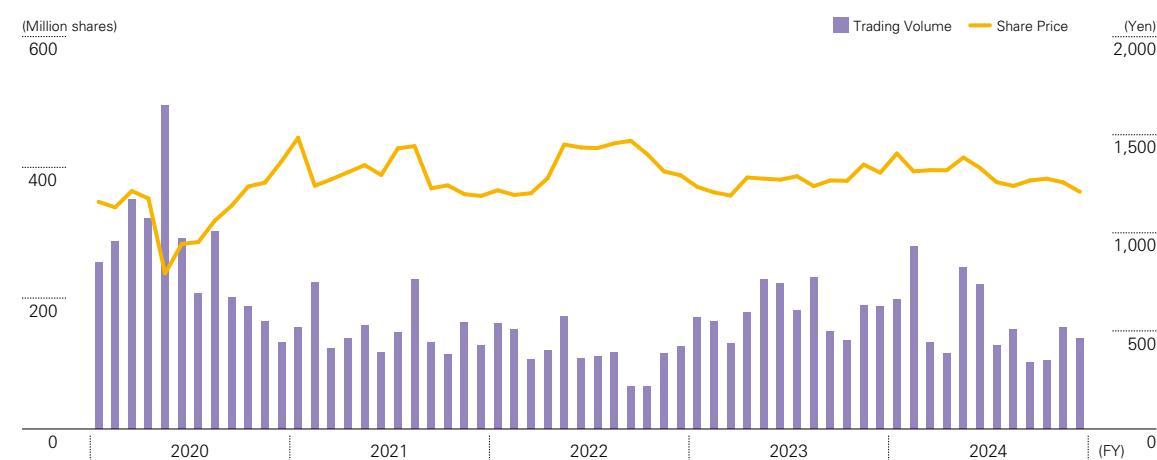
## Dividends and Payout Ratio

	FY2020	FY2021	FY2022	FY2023	FY2024
Dividends per Share and Payout Ratio (Yen)	34	50	53	53	53
Payout Ratio (%)	41.5	35.7	37.3	54.7	73.1

## Shareholding Ratio by Type of Shareholder



## Share Price and Trading Volume





## Statement from the Responsible Executive Officer on the Publication of the Integrated Report 2025

I am truly honored to be able to present our Integrated Report 2025.

In preparing this report, we have endeavored to disclose the results of our business activities in an accurate and transparent manner, to emphasize organic connections with non-financial information, and to communicate our strategies to improve corporate value, and their progress, to all stakeholders in an easy-to-understand manner.

As the person responsible for the department overseeing the creation of the integrated report, I hereby declare that the process of creating this report has been properly executed and that the contents are accurate.

I hope that this report gives readers a sense of how we are contributing to solving social issues and achieving sustainable growth in a rapidly changing business environment.

I also hope that this report will help deepen the dialogue with all stakeholders. We ask for your continued support and encouragement.

Managing Executive Officer  
Corporate Planning  
& General Manager of  
Corporate Planning Division

**Shinichiro  
Nishimura**



## Editorial Note

Thank you very much for reading our Integrated Report 2025.

In publishing this 9th Integrated Report, we have sought to convey in an easy-to-understand and in-depth manner the wide-ranging business activities of the AFS Group and our efforts to realize Our Purpose. The production was a group effort, involving the production team shown below as well as the relevant Group companies and departments, all working in collaboration.

In particular, based on the feedback we received last year, for this year's report we implemented a process of trial and error to ensure that we would be able to communicate the strengths and uniqueness of the AFS Group in a way that is valuable to all our stakeholders.

We hope that you will be able to get a sense of the possibilities of how we can leverage the assets we have cultivated to date in the future.

Going forward, we will continue to take your feedback seriously in our quest to improve communication.

### Production team titles and names

1 Manager  
Corporate Communications Department

**Itaru Kuki**

2 Assistant Manager  
Corporate Communications Department

**Kei Shinohara**

3 Senior Manager  
Corporate Communications Department

**Eriko Takahashi**

4 Manager  
Corporate Communications Department

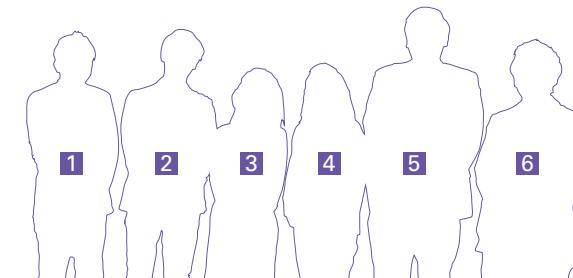
**Masako Nakahara**

5 Corporate Communications Department

**Nicholas Kenichi Black**

6 Corporate Communications Department

**Shinji Iizuka**





**AEON Financial Service**

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

