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For immediate release

Registered Company Name : AEON Financial Service Co., Ltd.
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Stock Listing: Tokyo Stock Exchange, First Section
(Code No.: 8570)
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Notice of Change in Business Segments

AEON Financial Service Co., Ltd. (“the Company”) conducted structural reform on April 1, 2017 and started under new management structural. The company will announce results with regards to the new business segments from the first quarter of FY2018 (estimate: August 8, 2017)

1. Reason for the Change

Our mid-term vision is to be a leading corporate group in Asia which enriches the daily lives of our customers through the building of a financial platform which provides value-added financial services.

To implement our mid-term vision, we aim to increase the convenience of our services through revising the business structure, improving labor productivity through organizational/human resources structural change as well as change of our business model by investing in IT systems and digitalization.

We aim to achieve greater clarity in understanding our customer stream, hence with this structural reform, our domestic business is further segmented into the retail business and solutions business, while our global business is segmented into the three main areas where our listed companies are located. As a result of this segmentation, the horizontal expansion of business model due to digitalization can be achieved more efficiently. Moving forward as a holding company with cross-functional business divisions, we aim to strengthen the interaction among departments and effectively enhance the quality of our corporate management.

2. Summary of Change

Our business is currently segmented into the following revenue stream: Credit, Bank, Fee and Overseas. With the change in business segmentation, we will report according to the

following new format: for domestic business, retail and solutions, and for global business, China Area, Mekong Area and Malay Area.

With respect to our domestic business, the banking and insurance businesses where individual customers are the main targets are grouped together in a new segment called ‘Retail’ in view of future introduction of new services targeted at individual customers. On the other hand, our non-banking services where merchants are the main target are grouped into a new segment called ‘Solutions’, in which data-base utilization and IT are the key to business expansion. With this, we can further strengthen the synergy among our group companies and include cross-selling as a source of revenue in the future. In addition, the integration of main business functions in the head office will further enhance efficiency and contribute to the maximization of profits.

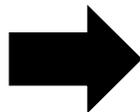
Our global business is segmented into three areas namely, Hong Kong, Thailand and Malaysia where listed companies are located respectively.

Domestic and global holding companies and shared function companies are not allocated to the new business segments but are allocated to adjustments.

Please refer to the Appendices in respect to the ‘Summary regarding the new segments’ and ‘Ordinary income and Segment profit’.

【Previous Segments】

Credit
Bank
Overseas
Fee Business



【New Segments】

Domestic	Retail
	Solutions
Global	China Area
	Mekong Area
	Malay Area

Summary regarding the new segments

Segments		Contents	Main Consolidated Subsidiaries
Domestic	Retail	The banking and insurance businesses where individual customers are the main targets.	AEON Bank, LTD. AEON INSURANCE SERVICE CO.,LTD.
	Solutions	The business provide our group's financial service to merchants through data-base utilization.	AEON CREDIT SERVICE CO.,LTD. AEON PRODUCT FINANCE CO.,LTD. AEON S.S. Insurance CO.,LTD. AEON HOUSING LOAN SERVICE CO.,LTD. A.C.S CREDIT MANAGEMENT CO.,LTD. ACS Leasing CO.,Ltd.
Global	China Area	The business provide financial service to focus needs from individual customers from each area and merchants.	AEON CREDIT SERVICE (ASIA) CO., LTD.* ¹ AEON INSURANCE BROKERS (HK) LIMITED AEON INFORMATION SERVICE (SHENZHEN) CO., LTD. AEON MICRO FINANCE (SHENYANG) CO., LTD. AEON MICRO FINANCE (TIANJIN) CO., LTD. AEON MICRO FINANCE (SHENZHEN) CO., LTD. AEON CREDIT CARD (TAIWAN) CO., LTD.
	Mekong Area		AEON THANA SINSAP (THAILAND) PLC.* ² AEON INSURANCE SERVICE (THAILAND) CO., LTD. ACS SERVICING (THAILAND) CO., LTD. ACS TRADING VIETNAM CO., LTD. AEON SPECIALIZED BANK (CAMBODIA) PLC. AEON MICROFINANCE (MYANMAR) CO., LTD. AEON LEASING Service (LAO) COMPANY LIMITED
	Malay Area		AEON CREDIT SERVICE (M) BERHAD* ³ PT. AEON CREDIT SERVICE INDONESIA AEON CREDIT SERVICE (PHILIPPINES) INC. AEON CREDIT SERVICE INDIA PRIVATE LIMITED

(*1) The shares of AEON CREDIT SERVICE (ASIA) CO., LTD. are listed on The Stock Exchange of Hong Kong Limited. (Securities Code : 900)

(*2) The shares of AEON THANA SINSAP (THAILAND) PLC. are listed on The Stock Exchange of Thailand. (Securities Code : AEONTS)

(*3) The shares of AEON CREDIT SERVICE (M) BERHAD. are listed on The Stock Exchange of Malaysia. (Securities Code : 5139)

(*4) Following companies are not allocated to the new segments but are allocated to adjustments.

AEON Financial Service Co.,Ltd.

AEON FINANCIAL SERVICE (HONG KONG) CO., LTD.

ACS CAPITAL CORPORATION LTD.

AEON CREDIT SERVICE SYSTEMS (PHILIPPINES) INC.

Ordinary Profit, Segment Profit (FY2018)

(1) New Segments

(Unit: Millions of Yen)

	Business Segments					Total	Adjustments (*) 2	Consolidated Statements appropriation (*) 3
	Domestic		Global					
	Retail	Solutions	China Area	Mekong Area	Malay Area			
Ordinary Income								
Ordinary Income from External Customer	161,177	98,702	18,894	56,781	35,428	370,985	4,181	375,166
The Internal Ordinary Income between Segments	2,918	62,484	0	37	-	65,440	△ 65,440	-
Total	164,096	161,186	18,895	56,819	35,428	436,425	△ 61,259	375,166
Segment Profit	11,126	26,972	4,934	9,559	8,765	61,358	247	61,606

(Remarks)

- In replace of sales in general corporations, the Ordinary Income is stated in here.
- Adjustments are as follows.
Adjustment for ordinary income from external customer is 4,181 million JPY.
This is ordinary income which were not allocated to each segments.
Adjustment for segment income is 247 million JPY refers to adjustments in term of the ordinary income not allocated to reprobable segment and elimination of inter-segment transaction and adjustments.
- Segment profit has been adjusted with the ordinary income in quarterly profit and loss report.

(2) Previous Segment

(Unit: Millions of Yen)

	Business Segments				Total	Adjustments (Remarks) 2	Consolidated statements appropriation (Remarks) 3
	Credit	Bank	Overseas	Fee			
Ordinary Income							
Ordinary income from external customer	174,102	48,644	113,298	39,120	375,166	-	375,166
The internal operating income between segments	1,795	4,460	0	14,958	21,214	△ 21,214	-
Total	175,897	53,105	113,299	54,079	396,380	△ 21,214	375,166
Segment Profit	40,372	589	22,544	4,302	67,808	△ 6,202	61,606

(Remarks)

- In replace of sales in general corporations, the Ordinary Income is stated in here.
- Adjustments are as follows.
Adjustment for segment income is △6,202 million JPY.
This is the company expenses mainly from operating expense which were not allocated to each segment.
- Segment profit has been adjusted with the ordinary income in quarterly profit and loss report.

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