

# Chairman's Statement

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**Yoshiaki MORI**  
Chairman

Despite a keen competition in the credit card market in Hong Kong, I am delighted to report that AEON Credit Service (Asia) Company Limited (the “Company”) continued to record another year of growth in business and profitability, with net profit increased by 16.7% over last year to HK\$210.0 million. On behalf of the Company, I would like to express our sincere appreciation to the customers and shareholders for their confidence in and support to the Company.

The Company is a member of the *AEON* Group and a subsidiary of *AEON* Credit Service Co., Ltd. (“*AEON* Credit Japan”), which is listed on the first section of the Tokyo Stock Exchange. As a life-supporting enterprise dedicated to improving the future and trust of customers, *AEON* Credit Japan is determined to warmly deal with needs of individual customers, to improve through customers’ opinions in its business and to make itself a company greatly trusted in the international society. The support, loyalty and confidence of customers have enabled *AEON* Credit Japan to achieve steady expansion. The service based on the “customer-first” principle is symbolized by an excellent cash dispensing machine network. Including associated cash dispensing machines, *AEON* Credit Japan has now built up a cash advance network encompassing more than 110,000 cash dispensing machines in Japan. This is one of the biggest cash dispensing machine network in the country.

The core activities of *AEON* Credit Japan are card shopping and card cashing. At the same time, *AEON* Credit Japan has used its solid business base in these areas as a foundation for expansion into other activities that closely relate to the needs of its customers, such as the insurance agency business, payment collection, card processing and delivery services.

Moreover, *AEON* Credit Japan provides a variety of membership services through the Internet, allowing members’ card application, cashing, checking of utilization data and outstanding balance. The e-commerce business is developing, centered on settlement business, loan extension and insurance fields.

To accomplish our mission as a good corporate citizen, *AEON* Credit Japan is exerting utmost efforts in volunteering activities closely adhered to the local society and environmental conservation movements based on a worldwide viewpoint. *AEON* Credit Japan operates its own charitable activities with the support of its cardholders. On a global basis, *AEON* Group members support environmental conservation, international cultural and personal exchanges, regional cultural activities, and other causes through the *AEON* 1% Club.

For the year under review, the Company has followed the Group policy of providing high quality and convenient service to the customers at low cost operation. The Company launched *AEON-SPOT*<sup>™</sup> and set up its call center in Shenzhen, China in June to ensure the provision of speedy and convenient service to the customers. In November, the Company completed the Customer

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Relationship Management (“CRM”) and in December, the CRM was used to market the AEON American Express® Card to our inactive and sleeping customer database. As a result, cost to income ratio had improved despite a growth in the number of cardholders and varieties of services offered in the market.

To support the charitable activities in the community, the Company organized the Home Environmental Ambassador Project and supported the formation of Eco Living Club through AEON Jusco Education and Environment Fund Limited to arouse public awareness towards conservation of the global environment.

Currently, the credit card industry is in the period of mega-competition and due to the progress of information technologies, the business environment for the industry is undergoing great changes. We see the dynamic development of our business as the key to our continuing evolution as a trusted partner in the community. The Company intends to continually live up to the trust and expectation of our customers, and to provide good returns to its shareholders. With regard to social contribution, we will continue to be a good corporate citizen of Hong Kong and participate actively in the community activities and support local causes. We request greater support of our shareholders and customers in the years to come.

**Yoshiki MORI**

*Chairman*

Hong Kong, 19th April 2001