



January 31, 2023
Mizuho Bank, Ltd.

Mizuho signs sustainability-linked loan agreement with AEON Credit

Mizuho Bank (Malaysia) Berhad (hereinafter “Mizuho Malaysia”; CEO: Katsutoshi Toba), a subsidiary of Mizuho Bank, Ltd. (President and CEO: Masahiko Kato) provided support to AEON Credit Service (M) Berhad (hereinafter “AEON Credit”; Managing Director: Daisuke Maeda), a subsidiary of AEON Financial Service Co., Ltd. (President and CEO: Kenji Fujita) by offering a sustainability-linked loan (SLL) for its efforts in Environmental, Social and Governance (ESG) initiatives. This is the first SLL between Mizuho Malaysia and AEON Credit.

Sustainability-linked loans incentivize a borrower to achieve sustainability performance targets (SPTs) by setting targets aligned with the borrower’s sustainability strategy and linking loan terms such as the interest rate to the borrower’s performance against the SPTs. This type of loan aims to encourage economic activity and support economic growth in a way that is sustainable for both the environment and society. The SPTs stipulated under this agreement include: (1) Carbon emission reduction and (2) Green and social financing disbursement such as providing loans for the purchase of electric motorcycles by micro enterprises. The achievement of these targets is incentivized by aligning interest rate terms with the borrower’s performance.

In line with the United Nations Sustainable Development Goals (SDGs), AEON Credit will incorporate the sustainability practices in their daily operations through carbon emission reduction, offering electrical motorcycles financing and other financial inclusion for micro enterprises as per the SPTs under this SLL. AEON Credit will also continue to strengthen their commitments towards ESG while creating long-term value for stakeholders where they operate.

An external rating agency has provided second party opinion on the SPTs’ validity and SLL’s alignment with the Sustainability-Linked Loan Principles 2020 as published by the Asia Pacific Loan Market Association, Loan Market Association and Loan Syndications and Trading Association.

At Mizuho, we are working to further incorporate sustainability initiatives into our business strategy. We are drawing on our expertise as a financial services group to proactively provide a wide range of solutions, including advisory and capital financing support, to businesses that are contributing to the shift to a low-carbon society.

Reference:

News release issued by AEON Financial Service Co., Ltd.

<https://www.aeonfinancial.co.jp/en/news/2023/>

News release issued by AEON Credit Service (M) Berhad:

<https://www.aeoncredit.com.my/aeon-corporate/investor-relations/press-releases>

About Mizuho Bank (Malaysia) Berhad

Mizuho Bank (Malaysia) Berhad (formerly known as Mizuho Corporate Bank (Malaysia) Berhad) (“Mizuho Malaysia”) was incorporated locally in Malaysia on November 29, 2010 and officially commenced operations in September 2011. It is part of the Mizuho Financial Group and is a wholly owned subsidiary of Mizuho Bank, Ltd., which is headquartered in Tokyo. With a long history of over 140 years and approximately 60,000 employees, the Mizuho group serves customers worldwide from offices in Japan and 38 other countries and territories in Asia-Pacific, the Americas, and Europe, Middle East & Africa.

Mizuho Malaysia provides a range of attractive and comprehensive financial services in corporate finance, trade finance, forex & derivatives, cash management, Islamic finance and advisory to multinationals and corporate clients in Malaysia.

Mizuho Malaysia is now progressing to the next level to expand our advisory services. The Mizuho group’s extensive global network enables Mizuho Malaysia to connect, support and assist our clientele on cross-border opportunities, building solid business foundations, strategies for business growth, as well as overseas expansion.

About AEON Credit Service (M) Berhad

AEON Credit Service (M) Berhad (“AEON Credit”) was incorporated on 6 December 1996 and converted into a public limited company on 9 February 2007 and subsequently listed on the Main Market at Bursa Malaysia Securities Berhad on 12 December 2007. AEON Credit commenced operations in 1997 by providing Easy Payment schemes for purchase of consumer durables through appointed retail merchants and chain stores.

At the end of September 2021, AEON Credit completed the acquisition of 100% equity interest in an insurance broking firm, Insurepro Sdn Bhd, which allows AEON Credit and its’ subsidiary (“the Group”) to distribute both conventional and takaful insurance products, including life insurance products, by leveraging on the AEON Group Retail network and ecosystem.

Today, the business of the Group has expanded to include issuance of Credit Cards, Prepaid Cards, AEON Wallet App, Easy Payment Schemes, Hire Purchase Financing for Motor Vehicles, Personal Financing schemes, Insurance Broker and other related services. The Group currently has five Regional Offices, 64 branches and service centres located in

the major shopping centres and towns, a network of more than 10,000 participating merchant outlets nationwide, as well as one subsidiary company in Kuala Lumpur.