

February 4, 2020
AEON Financial Service Co., Ltd.

Notice Regarding Acquisition of shares of Allianz Life Insurance Japan Ltd. through third-party allotment (acquisition of majority ownership)

AEON Financial Service Co., Ltd (the “Company”) announces that at the Board of Directors meeting held today, the Company resolved to take shares of common stock of Allianz Life Insurance Japan Ltd. (“Allianz Life Japan”), a Japanese life insurance subsidiary of Allianz SE (“Allianz”) , through a third-party allotment, and subject to the approval of the relevant authorities, etc., acquire majority ownership of Allianz Life Japan.

1. Background/Purpose

Allianz Life Japan is a life insurance company which has over 20,000 existing insurance policies (as of the end of March 2019)*¹. As part of its strategy, the Company is proposing to enter the life insurance business in Japan in cooperation with the health and wellness business of the AEON Group companies with the aim of extending healthy life expectancy in an aging Japanese society. The Company believes that the acquisition of shares of Allianz Life Japan and the proposed joint venture with Allianz will give us a valuable opportunity and strong platform to enter the life insurance market.

Through the proposed life insurance joint venture, the Company will work closely and in cooperation with "goods, activities, and services" provided by AEON Group companies to better understand and service the health related needs of customers. We expect to help customers with health promotion activities against non-disease or prevention by making health improvement proposals in collaboration with AEON Group companies.

Going forward, we intend to grow the life insurance business as one of the core businesses of the Group through our new strategy while protecting existing policyholders*².

*1 Allianz Life Japan has been suspended from handling new contracts since January 2012.

*2 The Company does not plan to change the terms and conditions of the policyholder's insurance contract due to this.

2. Overview of Allianz Life Japan

(1) Name: Allianz Life Insurance Japan Ltd.

(2) Location: 6-6, Moto Akasaka 1-chome, Minato-ku, Tokyo, JAPAN

(3) Position and name of representative: Takashi Kato, Representative Director, CEO

(4) Business profile: Insurance

(5) Capital: 28 billion JPY (as of August 30, 2019)

(6) Establishment: December 18, 2006

(7) Shareholder and Ownership Ratio: Allianz SE 100%

(8) Relationship between the Company and Allianz Life Japan

Capital: There are no relevant matters.

Human Resources: There are no relevant matters.

Business Transactions: There are no relevant matters.

(9) Consolidated earnings results and consolidated financial position for a three-year period at Allianz Life Japan

(JPY)

	FY3/17	FY3/18	FY3/19
Net assets	1,069mil.	921mil.	2,784mil
Total assets	194,034mil.	189,077mil.	156,487mil
Net Asset per share	4,310.84	3,716.10	10,352.82
Ordinary income	13,104mil.	13,276mil.	37,707mil.
Ordinary profit	△205mil.	△146mil.	△244mil.
Profit attributable to owners of parent	△206mil.	△147mil.	△258mil.
Earnings per share (EPS)	△832.91	△594.74	△1,005.77
Dividend per share	—	—	—

3. Overview of Allianz SE

(1) Name: Allianz SE

(2) Location: Munich, Federal Republic of Germany

(3) Position and name of representative: Oliver Bäte, CEO

(4) Business profile: The Allianz Group is a global financial services provider with services predominantly in the insurance and asset management business.

(5) Paid in capital: 28,928 million EUR (as of June 30, 2019)

(6) Establishment: February 5, 1890

(7) Net assets: 71,642 million EUR (as of June 30, 2019)

(8) Total assets: 973,745 million EUR (as of June 30, 2019)

(9) Relationship between the Company and Allianz SE

Capital: There are no relevant matters.

Human Resources: There are no relevant matters.

Business Transactions: There are no relevant matters.

Applicability of the related parties: There are no relevant matters.

4. Number of shares acquired, acquisition price, and status of shares held before and after acquisition

(1) Number of shares held before transfer: 0 share

(Number of voting rights: 0)

(Percentage of voting rights held: 0.0%)

(2) Number of Shares Acquired: 32,400

(Number of voting rights: 32,400)

(3) Acquisition price: Common stock of Allianz Life Insurance Japan Ltd. 100 thousand JPY per share.

Advisory Fee (approximate amount) 360 million JPY

Total (approximate amount) 3,600 million JPY

(4) Number of major shares after the transfer: 32,400 shares

(Number of voting rights: 32,400)

(Percentage of voting rights held: 60.0%)

5. Date of stock acquisition

(1) Date of resolution by the Board of Directors: February 4, 2020

(2) Contract Date: February 4, 2020

(3) Payment Date (tentative): March 31, 2020

6. Future Outlook

The impact on consolidated financial results of fiscal year ending February 29, 2020 will be minimal.