

This is an abridged translation of the original Japanese document and is provided for informational purposes only.
If there are any discrepancies between this and the original, the original Japanese document prevails.

October 4, 2022

AEON Financial Service Co., Ltd.

Notice Concerning Merger (Simplified Absorption-Type Merger and Short-Form Merger) of Subsidiary

AEON Financial Service Co., Ltd. (hereafter “Company”) hereby announces that the Board of Directors meeting held on today, resolved to execute absorption-type merger of AEON Credit Service Co., Ltd. (hereafter “AEON Credit Service”), a consolidated subsidiary of the Company.

As this merger is going to take place in the form of a simplified absorption-type merger of The Company’s wholly owned subsidiary, certain matters and descriptions are omitted from the disclosure below.

1. Purposes of the Merger

Under the basic policy of "Second Founding: Innovation of Value Chains and Creation of Networks" in the medium-term management plan, the Company’s Group aims to create a platform that goes beyond the boundaries of the Group’s financial products, services, and customer base by connecting AEON Group companies and external partners with financial services such as settlement and points.

Through this reorganization, the Company will accelerate the above initiatives by strategically utilizing management resources across the Group and further speeding up decision-making.

Through the further expansion of our payment network and the provision of seamless financial services utilizing both online and offline, the Company aim to be the financial group closest to our customers.

2. Outline of the Merger

(1) Schedule

Date of resolution of the Board of Directors: October 4, 2022

Date of signing the merger agreement: December 1, 2022 (Planned)

Effective date of the Merger: October 1, the first half of 2023

※With respect to The Company, the merger falls under “simplified absorption-type merger” as stipulated in Article 796, Paragraph 2 of the Companies Act of Japan, and for AEON Credit Service, “short-form merger” as stipulated in Article 784, Paragraph 1 of the Companies Act of Japan. Accordingly, either the Company or AEON Credit Service will not hold a respective general meeting of shareholders concerning the approval of the merger agreement.



(2) Form of the merger

Under this absorption-type merger, the Company will be the surviving company. AEON Credit Service will be dissolved.

(3) Details of allocation related to the merger

No applicable information.

(4) Treatment of the absorbed company's stock acquisition rights and bonds with stock acquisition rights

No applicable information.

3. Overview of the Companies Involved in the Merger (as of February 28, 2022)

	Surviving company		Dissolved	
Corporate name	AEON Financial Service Co., Ltd.		AEON Credit Service Co., Ltd.	
Head office	1-1, Kandanishiki-cho, Chiyoda-ku, Tokyo, Japan		1-1, Kandanishiki-cho, Chiyoda-ku, Tokyo, Japan	
Job title and name of representative	President and CEO Kenji Fujita		President and CEO Kenji Fujita	
Line of business	Business management of Group companies and operations incidental activities		Credit card, payment service and processing business	
Capital stock	¥45,698 million		¥500 million	
Established	June, 1981		November, 2012	
No. of shares issued and outstanding	216,010,128 shares		10,000,000 shares	
Fiscal year-end date	February 28		February 28	
Major shareholders and shareholding ratios	Aeon Co., Ltd.	48.08%	AEON Financial Service Co., Ltd.	100%
	The Master Trust Bank of Japan, Ltd (Trust account)	9.53%		
	Custody Bank of Japan, Ltd (Trust account)	3.06%		
	State Street Bank and Trust Company 505223	1.94%		
	JP Morgan Bank			
	Luxembourg S. A. 381572	1.75%		
Financial position and operating results for the previous fiscal year (ended in February 2022)				
	FY ended February 2022 (Consolidated)		FY ended February 2022 (Non-consolidated)	
Total assets	¥509,055 million		¥75,738 million	

Net assets	¥6,278,586 million	¥514,183 million
Net assets per share	¥1,965.47	¥7,573.88
Operating revenue	¥470,657 million	¥149,582 million
Operating profit	¥58,852 million	¥7,250 million
Ordinary profit	¥59,944 million	¥7,261 million
Net income per share	¥139.98	¥467.89

4. Status after the Merger

There will be no change in the name, location, job title and name of representative, scope of business, capital stock and fiscal year of the Company as the surviving company.

5. Future Outlook of Business Results

There will be no effects on the Company's consolidated business results due to the merger with a wholly owned subsidiary.