



October 31, 2025

Company name: AEON Financial Service Co., Ltd.

Name of representative: Tomoharu Fukayama, President and CEO

(Securities code: 8570 Prime Market)

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Notice Regarding Absorption-Type Merger of Consolidated Subsidiary (Simplified Merger/Short-Form Merger)

AEON Financial Services Co., Ltd. (the “Company”) hereby announces that at the Board of Directors meeting held today, it resolved to absorb the consolidated subsidiary, AFS Corporation Co., Ltd. (“AFSC”), through an absorption-type merger (hereinafter “the Merger”), effective March 1, 2026.

As this is an absorption-type merger (simplified/short-form merger) involving a wholly owned subsidiary of the Company, certain disclosure items and details have been omitted.

1. Purpose of the Merger

The Company is currently reviewing its business portfolio to provide customers with more “safe, secure, convenient, and cost-effective services anytime, anywhere” and to achieve further corporate growth through appropriate resource allocation in its core payment business and growth areas overseas. As part of this review, the Company is absorbing AFSC, a bank holding company, and implementing this merger with the aim of establishing a highly effective organizational structure while maintaining governance throughout the group.

As a result of this merger, the Company will assume the function of ensuring the sound and appropriate operation of the business of AEON Bank, Ltd. (“ABK”), which has been performed by AFSC, the bank holding company. ABK will also maintain and improve its structure for ensuring its independence and blocking business risks posed by its business parent company and so on.

2. Summary of the Merger

(1) Schedule of the Merger

Date of resolution at the Board of Directors meeting	October 31, 2025
Date of execution for the Merger agreement	October 31, 2025
Effective date of the Merger	March 1, 2026 (Planned)

※As this Merger is a simplified merger for the Company as provided for in Article 796, Paragraph 2 of the Companies Act, and a short-form merger for AFSC as provided for in Article 784, Paragraph 1 of the Companies Act, neither merger agreement will require approval at a general meeting of shareholders.

※The effective date is currently tentative and is subject to approval by the National Bank of Cambodia, the authority for AEON SPECIALIZED BANK (CAMBODIA) PUBLIC LIMITED COMPANY, a subsidiary of AFSC.

(2) Method of the Merger

This will be an absorption-type merger with the Company to be remaining company, and AFSC as the company to be absorbed.

(3) Details of allocations related to The Merger

Not applicable.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights related to The Merger

Not applicable.

3. Overview of the parties involved in The Merger

	Remaining company (As of February 28, 2025)	Company to be absorbed (As of March 31, 2025)
(1) Company name	AEON Financial Services Co., Ltd	AFS Corporation Co., Ltd
(2) Address	1-1 Kanda Nishikicho, Chiyoda-ku, Tokyo	1-1 Kanda Nishikicho, Chiyoda-ku, Tokyo
(3) Name and title of representative	President and Representative Director, Tomoharu Fukayama	Representative Director, Ryuichiro Hanajiri
(4) Business description	Payment services, bank agency services, and business management of group companies	Management of banks and other subsidiaries and related operations
(5) Capital	¥45,698 million	¥2,000 million
(6) Date of establishment	June, 1981	January, 2019
(7) Number of issued stock	216,010,128 common shares	10,000 common shares
(8) End of fiscal year	End of February	End of March
(9) Major shareholders and shareholding ratio	AEON Co., Ltd 48.18% The Master Trust Bank of Japan, Ltd. (Trust account) 7.74% Custody Bank of Japan, Ltd. (Trust account): 2.26% SMBC Nikko Securities Inc. 1.33% Fuji Corporation 1.23%	AEON Financial Services Co., Ltd 100%
(10) Operating results and financial status for the most recent fiscal year		
Fiscal year	Consolidated results for fiscal year ended February, 2025	Consolidated results for fiscal year ended March, 2025
Net assets	¥585,766 million	¥312,891 million
Total assets	¥7,756,492 million	¥6,018,939 million
Net assets per share	¥2,136.09	¥31,289,161.70
Operating revenue	¥533,262 million	¥187,625 million
Operating profit	¥61,485 million	-
Ordinary profit	¥62,554 million	¥18,403 million
Net income per share	¥72.47	¥1,408,244.60

4. Status after The Merger

There will be no changes to the Company's name, location, representative's title and name, business activities, capital, or fiscal year end as a result of the merger.

5. Future outlook

As this merger involves a wholly owned consolidated subsidiary of the Company, there will be no impact on the Company's consolidated financial results.

End