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Financial Results for the Fiscal Year ended February 28, 2026

April 8, 2026

Company name **AEON Financial Service Co., Ltd.**
Listing Tokyo Stock Exchange, Prime Market
Security code 8570
URL <https://www.aeonfinancial.co.jp/en/>
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Date of the ordinary general meeting of shareholders May 22, 2026
Submission date of the annual securities report scheduled May 19, 2026
Starting date of paying year-end dividend May 7, 2026
Preparation of brief summary materials for financial results Yes
Holding of financial results presentation Yes (For institutional investors and analysts)

1. Results for the Fiscal Year Ended February 28, 2026 (from March 1, 2025 to February 28, 2026)

(1) Consolidated Operating Results

(Yen truncated to the nearest million, %)

	Operating revenue	Percentage Change	Operating profit	Percentage Change	Ordinary profit	Percentage Change	Profit attributable to owners of parent	Percentage Change
Fiscal 2025 ended February 28, 2026	569,370	6.8	60,655	-1.4	60,693	-3.0	21,092	34.8
Fiscal 2024 ended February 28, 2025	533,262	9.8	61,485	22.8	62,554	22.2	15,644	-25.1

(Note) Comprehensive income; Fiscal 2025; 58,590 million (86.5%), Fiscal 2024; 31,410million (-45.7%)

	Profit attributable to owners of parent per Share (Yen)	Fully Diluted Profit attributable to owners of parent per Share (Yen)	Return on equity	Return on assets	Operating profit/ Operating revenue
Fiscal 2025 ended February 28, 2026	97.70	97.70	4.5	0.8	10.7
Fiscal 2024 ended February 28, 2025	72.47	72.47	3.4	0.9	11.5

(Reference) Investment gains and losses on equity method; Fiscal 2025; -165 million, Fiscal 2024; 30 million.

(2) Consolidated Financial Position

(Yen value of assets truncated to the nearest million, %, yen)

	Total Assets	Net Assets	Capital Ratio	Net Assets per Share
Fiscal 2025 ended February 28, 2026	8,313,956	625,209	5.7	2,208.77
Fiscal 2024 ended February 28, 2025	7,756,492	585,766	5.9	2,136.09

(Reference) Shareholder's equity; Fiscal 2025; 476,838 million, Fiscal 2024; 461,139 million.

(3) Consolidated cash flows

(Yen truncated to the nearest million)

	Net cash used in operating activities	Net cash used in Investing activities	Net cash provided by financing activities	Cash and cash equivalents at end of period
Fiscal 2025 ended February 28, 2026	307,244	-427,408	-18,628	662,791
Fiscal 2024 ended February 28, 2025	347,337	-158,479	-19,919	795,068

2. Dividends

	Dividend per share					Total dividends paid	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End-first quarter	End-second quarter	End-third quarter	Fiscal year-end	Annual total			
Fiscal 2024 ended February 28, 2025	yen —	yen 25.00	yen —	yen 28.00	Yen 53.00	million yen 11,441	% 73.1	% 2.5
Fiscal 2025 ended February 28, 2026	—	25.00	—	28.00	53.00	11,441	54.2	2.4
Fiscal 2026 ending February 28, 2027 (Estimated)	—	25.00	—	28.00	53.00		76.3	

3. Forecast of Consolidated Earnings (For the fiscal year ending February 28, 2027)(Revenue and profits truncated to the nearest million yen, %,yen)
(% is the percentage of change to the previous year)

	Operating revenue	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit attributable to owners of parent	YoY	Net income per share
Full term	600,000	5.4	45,000	-25.8	45,000	-25.9	15,000	-28.9	69.48

(Notes) We are not disclosing consolidated earnings forecasts for the second quarter.

※Notes

- (1) Change in significant subsidiary during the term (Change in specified subsidiary that caused a change in the scope of consolidation) ; Yes
New: -, Excluded: 1 (company name) AEON Allianz Life Insurance Co., Ltd.
(Note) For details, please refer to "1. Consolidated Financial Statements and Main Notes (5) Notes on the Consolidated Financial Statements (Changes in Significant Subsidiaries)" on page 11 of the attached materials.
- (2) Change in accounting principle, procedure, disclosure, etc., concerning preparation of consolidated financial statements (matters to be mentioned concerning the change of important items to be the bases for preparation of consolidated financial statements)
① Change by a newly issued accounting pronouncement; Yes
② Change other than ① ; No
③ Change accounting quotation ; No
④ Restatement ; No
(Note) For details, please refer to "1. Consolidated Financial Statements and Main Notes (5) Notes on the Consolidated Financial Statements (Changes in accounting principle)" on page 1 of the attached materials.
- (3) Number of shares issued (Common stock)
① Number of shares issued at end of period (including treasury stock)
Fiscal 2025; 216,010,128 shares, Fiscal 2024; 216,010,128 shares
② Number of shares of treasury stock at end of term
Fiscal 2025; 125,955 shares, Fiscal 2024; 129,593 shares
③ Average of the number of shares during the quarter
Fiscal 2025; 215,883,043 shares Fiscal 2024; 215,876,706 shares

(Reference): Report of Non-Consolidated Financial Results**Business performance (from March 1, 2025 to February 28, 2026)****(1) Standalone Operating Results**

(Revenue and profits truncated to the nearest million yen, %, yen)

	Operating revenue	YOY	Operating profit	YOY	Ordinary profit	YOY	Profit attributable to owners of parent	YOY
Fiscal 2025 ended February 28, 2026	175,377	-3.5	9,187	61.9	16,331	-49.7	6,346	497.2
Fiscal 2024 ended February 28, 2025	181,719	43.6	5,675	236.0	32,449	283.5	1,062	-97.1

	Basic earnings per share	Diluted earnings per share
Fiscal 2025 ended February 28, 2026	29.40	29.40
Fiscal 2024 ended February 28, 2025	4.92	4.92

(2) Standalone Financial Position

(Yen value of assets truncated to the nearest million, %, yen)

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
Fiscal 2025 ended February 28, 2026	1,283,014	222,909	17.4	1,032.52
Fiscal 2024 ended February 28, 2025	1,207,794	228,959	19.0	1,060.58

9 (Reference) Shareholder's equity; Fiscal 2025; 222,904 million, Fiscal 2024; 228,959 million

※ The financial results are not audited by a certified public accountant or an audit corporation.

※ Remarks on the projections, other issues

(Notes on future statements, etc.)

Forecasts of the business performance and dividends are based on assumptions and projections that are the basis of prospects and plans as of the date of this document's release, and are not intended to be a guarantee of the achievement of such projections. Actual business performance may differ from the above forecasts due to various factors in the future.

(How to obtain supplementary information on financial results) We provide supplementary explanatory materials on our website regarding business and performance.

(Notes on obtaining supplementary explanatory materials for financial results)

The Company provides FACTBOOK on its business and performance on its website.

Attachments

Contents

1. Consolidated Financial Statements and Main Notes	2
(1) Consolidated Balance Sheet	2
(2) Consolidated Statement of Income and Comprehensive Income	4
Consolidated Statement of Income	4
Consolidated Statement of Comprehensive Income	6
(3) Consolidated Statement of Changes in Equity	7
(4) Consolidated Statement of Cash Flows	9
(5) Notes on the Consolidated Financial Statements	11
(Notes on the Going-concern Assumption)	11
(Significant Changes in the Scope of Consolidation)	11
(Changes in Accounting Policies)	11
(Additional Information)	11
(Notes on Segment Information)	12
(Segment Information)	13
(Per Share Information)	15
(Significant Subsequent Events)	16
2. Standalone Financial Statements and Main Notes	17
(1) Balance Sheet	17
(2) Statement of Income	19
(3) Statement of Changes in Equity	20
(4) Notes on the Standalone Financial Statements	21
(Notes on the Going-concern Assumption)	21

1. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Assets		
Current assets		
Cash and deposits	814,786	676,814
Call loans	1,514	1,396
Accounts receivable - installment	1,747,333	1,730,410
Lease receivables and investments in leases	14,474	17,712
Operating loans	979,935	1,059,226
Loans and bills discounted for banking business	2,670,472	2,840,788
Securities for banking business	768,296	1,097,389
Securities for insurance business	15,049	-
Monetary claims bought	79,348	188,214
Money held in trust	106,535	75,228
Other	350,500	403,508
Allowance for doubtful accounts	△124,434	△136,658
Total current assets	7,423,813	7,954,031
Non-current assets		
Property, plant and equipment		
Buildings, net	11,655	11,020
Tools, furniture and fixtures, net	22,386	29,419
Construction in progress	243	193
Other, net	227	233
Total property, plant and equipment	34,512	40,867
Intangible assets		
Goodwill	40,202	36,156
Software	144,191	153,642
Other	3,147	2,740
Total intangible assets	187,541	192,539
Investments and other assets		
Investment securities	14,926	24,772
Deferred tax assets	39,980	48,780
Guarantee deposits	7,279	6,937
Other	48,022	45,522
Total investments and other assets	110,209	126,013
Total non-current assets	332,264	359,420
Deferred assets		
Bond issuance costs	414	504
Total deferred assets	414	504
Total assets	7,756,492	8,313,956

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	317,805	392,830
Deposits for banking business	5,206,242	5,482,096
Short-term borrowings	169,081	160,808
Current portion of long-term borrowings	217,297	259,536
Current portion of bonds payable	95,888	84,124
Commercial papers	8,281	5,932
Provision for bonuses	6,195	6,262
Provision for point card certificates	1,633	1,497
Other provisions	122	124
Other	275,682	336,074
Total current liabilities	6,298,229	6,729,287
Non-current liabilities		
Reserve for insurance policy liabilities	42,753	97
Bonds payable	203,976	275,069
Long-term borrowings	586,476	619,634
Retirement benefit liability	1,662	1,371
Provision for loss on interest repayment	932	484
Other provisions	4,223	3,147
Deferred tax liabilities	1,732	16,190
Other	30,738	43,464
Total non-current liabilities	872,496	959,459
Total liabilities	7,170,726	7,688,746
Net assets		
Shareholders' equity		
Share capital	45,698	45,698
Capital surplus	118,729	118,588
Retained earnings	290,209	299,951
Treasury shares	△330	△321
Total shareholders' equity	454,306	463,916
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	△29,991	△69,484
Deferred gains or losses on hedges	642	21,702
Foreign currency translation adjustment	35,971	60,207
Remeasurements of defined benefit plans	210	497
Total accumulated other comprehensive income	6,833	12,922
Share acquisition rights	0	4
Non-controlling interests	124,626	148,365
Total net assets	585,766	625,209
Total liabilities and net assets	7,756,492	8,313,956

(2) Consolidated Statement of Income and Comprehensive Income
(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Operating revenue		
Revenue from credit card business	139,114	146,131
Revenue from installment sales finance business	50,706	55,570
Financing revenue	166,609	177,065
Recoveries of written off receivables	19,965	21,226
Financial revenue		
Interest on loans and discounts from banking business	25,487	30,720
Interest and dividends on securities from banking business	6,608	19,092
Interest on call loans	256	198
Interest income	1,820	3,707
Other financial revenue	8,657	11,136
Total financial revenue	42,830	64,855
Insurance revenue		
Reversal of policy reserve	5,701	2,241
Other insurance revenue	7,007	2,289
Total Insurance revenue	12,709	4,531
Fees and commissions		
Other	72,526	81,277
Other	28,801	18,711
Total operating revenue	533,262	569,370
Operating expenses		
Financial expenses		
Interest expenses	28,306	32,153
Interest on deposits from banking business	7,577	19,590
Other financial expenses	3,545	9,889
Total financial expenses	39,430	61,633
Insurance expenses		
Insurance claims and other	12,000	3,153
Other insurance expenses	338	778
Total Insurance expenses	12,338	3,932
Fees and commissions payments	10,320	11,455
Selling, general and administrative expenses	406,259	427,258
Other	3,427	4,435
Total operating expenses	471,776	508,715
Operating profit	61,485	60,655
Non-operating income		
Dividend income	175	212
Share of profit of entities accounted for using equity method	30	–
Gain on investments in investment partnerships	231	1,648
Foreign exchange gains	344	–
Subsidy income	146	–
Other	155	282
Total non-operating income	1,083	2,143
Non-operating expenses		
Share of loss of entities accounted for using equity method	–	165
Foreign exchange losses	–	1,833
Miscellaneous losses	14	106
Total non-operating expenses	14	2,105
Ordinary profit	62,554	60,693

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Extraordinary income		
Gain on sale of non-current assets	26	25
Gain on sale of investment securities	39	1,808
Total extraordinary income	65	1,834
Extraordinary losses		
Loss on disposal of non-current assets	553	689
Impairment losses	4,084	3,424
Loss on sale of shares of subsidiaries	2,306	9,539
Bad debt related expenses	9,945	–
Other	344	109
Total extraordinary losses	17,234	13,764
Profit before income taxes	45,386	48,763
Income taxes - current	20,370	16,938
Income taxes - deferred	△3,555	△4,914
Total income taxes	16,815	12,023
Profit	28,571	36,740
Profit attributable to non-controlling interests	12,926	15,647
Profit attributable to owners of parent	15,644	21,092

(Consolidated Statement of Comprehensive Income)

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Profit	28,571	36,740
Other comprehensive income		
Valuation difference on available-for-sale securities	△8,213	△39,670
Deferred gains or losses on hedges	△137	20,064
Foreign currency translation adjustment	11,024	41,172
Remeasurements of defined benefit plans, net of tax	165	283
Total other comprehensive income	2,839	21,850
Comprehensive income	31,410	58,590
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	14,591	27,181
Comprehensive income attributable to non-controlling interests	16,819	31,408

(3) Consolidated Statement of Changes in Equity

Fiscal year ended February 28, 2025

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	45,698	119,144	286,022	△357	450,508
Changes during period					
Dividends of surplus			△11,441		△11,441
Profit attributable to owners of parent			15,644		15,644
Purchase of treasury shares				△0	△0
Disposal of treasury shares			△16	26	10
Change in ownership interest of parent due to transactions with non-controlling interests		△415			△415
Change in scope of consolidation					-
Net changes in items other than shareholders' equity					
Total changes during period	-	△415	4,186	26	3,797
Balance at end of period	45,698	118,729	290,209	△330	454,306

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	△21,643	212	29,272	44	7,885	6	115,916	574,316
Changes during period								
Dividends of surplus								△11,441
Profit attributable to owners of parent								15,644
Purchase of treasury shares								△0
Disposal of treasury shares								10
Change in ownership interest of parent due to transactions with non-controlling interests							415	-
Change in scope of consolidation								-
Net changes in items other than shareholders' equity	△8,347	430	6,699	165	△1,052	△5	8,294	7,236
Total changes during period	△8,347	430	6,699	165	△1,052	△5	8,709	11,449
Balance at end of period	△29,991	642	35,971	210	6,833	0	124,626	585,766

Fiscal year ended February 28, 2026

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	45,698	118,729	290,209	(330)	454,306
Changes during period					
Dividends of surplus			(11,441)		(11,441)
Profit attributable to owners of parent			21,092		21,092
Purchase of treasury shares				(0)	(0)
Disposal of treasury shares			(6)	9	3
Change in ownership interest of parent due to transactions with non-controlling interests		(140)			(140)
Change in scope of consolidation			97		97
Net changes in items other than shareholders' equity					
Total changes during period	—	(140)	9,741	9	9,610
Balance at end of period	45,698	118,588	299,951	(321)	463,916

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	(29,991)	642	35,971	210	6,833	0	124,626	585,766
Changes during period								
Dividends of surplus								(11,441)
Profit attributable to owners of parent								21,092
Purchase of treasury shares								(0)
Disposal of treasury shares								3
Change in ownership interest of parent due to transactions with non-controlling interests							140	—
Change in scope of consolidation								97
Net changes in items other than shareholders' equity	(39,493)	21,060	24,235	286	6,089	4	23,598	29,692
Total changes during period	(39,493)	21,060	24,235	286	6,089	4	23,739	39,443
Balance at end of period	(69,484)	21,702	60,207	497	12,922	4	148,365	625,209

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Cash flows from operating activities		
Profit before income taxes	45,386	48,763
Depreciation	30,144	30,510
Impairment losses	4,084	3,424
Amortization of goodwill	1,581	3,478
Share of loss (profit) of entities accounted for using equity method	△30	165
Increase (decrease) in allowance for doubtful accounts	7,518	2,404
Increase (decrease) in provision for bonuses	1,450	△197
Increase (decrease) in retirement benefit liability	430	750
Increase (decrease) in provision for point card certificates	943	△136
Increase (decrease) in provision for loss on interest repayment	△1,585	△448
Increase (decrease) in other provisions	3,925	△1,074
Financial revenue	△42,830	△64,855
Financial expenses	39,430	61,633
Dividend income	△175	△212
Loss (gain) on disposal of non-current assets	527	664
Loss (gain) on sale of shares of subsidiaries	2,306	9,539
Bad debt related expenses	9,945	—
Decrease (increase) in operating loans receivable	△33,634	△8,015
Decrease (increase) in cash loans and bills discounted for banking business	△331,246	△170,315
Decrease (increase) in accounts receivable - installment	△199,769	96,040
Net decrease (increase) in lease receivables and investments in leases	△2,873	△3,237
Net increase (decrease) in deposits	667,962	272,646
Increase (decrease) in trade payables	50,022	74,434
Net increase (decrease) in borrowed money	72,501	△62,014
Net decrease (increase) in due from banks (excluding due from Bank of Japan)	13,605	5,942
Net decrease (increase) in due from banks (over 3 months)	4,482	△212
Net decrease (increase) in call loans	△21,124	△108,747
Increase (decrease) in commercial papers	△42,026	△3,844
Increase (decrease) in straight bonds - issuance and redemption	△26,761	30,850
Increase (decrease) in reserve for insurance policy liabilities	△5,605	△1,628
Proceeds from sales and leasebacks	542	1,298
Interest received	41,760	60,046
Interest paid	△36,679	△54,960
Proceeds from collection of short-term loans receivable	219,100	—
Other, net	△111,654	105,158
Subtotal	361,654	327,850
Interest and dividends received	175	212
Income taxes paid	△14,851	△20,843
Income taxes refund	358	24
Net cash provided by (used in) operating activities	347,337	307,244

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Cash flows from investing activities		
Purchase of securities	△450,620	△778,072
Proceeds from sale of securities	224,519	274,406
Proceeds from redemption of securities	27,649	129,034
Increase in money held in trust	△5,163	△65
Decrease in money held in trust	16,047	11,085
Purchase of property, plant and equipment	△2,622	△4,400
Proceeds from sale of property, plant and equipment	44	53
Purchase of intangible assets	△36,964	△32,632
Proceeds from sale of intangible assets	—	2
Proceeds from liquidation of subsidiaries and associates	229	—
Payments for acquisition of businesses	△3,010	—
Proceeds from business acquisition	68,092	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	△19,981	—
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	△26,820
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	23,301	—
Net cash provided by (used in) investing activities	△158,479	△427,408
Cash flows from financing activities		
Dividends paid	△11,441	△11,441
Dividends paid to non-controlling interests	△6,382	△6,601
Purchase of treasury shares	△0	△0
Proceeds from disposal of treasury shares	0	0
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	△2,094	△203
Proceeds from share issuance to non-controlling shareholders	—	900
Purchase of treasury shares of subsidiaries	—	△1,282
Net cash provided by (used in) financing activities	△19,919	△18,628
Effect of exchange rate change on cash and cash equivalents	648	6,516
Net increase (decrease) in cash and cash equivalents	169,586	△132,276
Cash and cash equivalents at beginning of period	625,482	795,068
Cash and cash equivalents at end of period	795,068	662,791

(5) Notes on the Consolidated Financial Statements

(Notes on the Going-concern Assumption) Not applicable.

(Significant Changes in the Scope of Consolidation)

In the current consolidated fiscal year, the Company transferred a point of shares of its consolidated subsidiary, AEON Allianz Life Insurance Co., Ltd., and have therefore removed the aforementioned company from the scope of consolidation.

(Changes in Accounting Policies)

(Application of the Accounting Standard for Corporate Taxes, Inhabitants Taxes and Enterprise Taxes, etc.)

The “Accounting Standard for Corporate Taxes, Inhabitants Taxes and Enterprise Taxes”

(ASBJ Statement No. 27, issued on October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”), etc. have been applied from the beginning of the current consolidated fiscal year.

With respect to the amendments related to the classification of income taxes attributable to other comprehensive income, the Company has applied the transitional treatment prescribed in the proviso of Paragraph 20-3 of the 2022 Revised Accounting Standard and the proviso of Paragraph 65-2 (2) of the “Implementation Guidance on Accounting Standard for Tax Effect Accounting”

(ASBJ Guidance No. 28, issued on October 28, 2022; hereinafter referred to as the “2022 Revised Implementation Guidance”). There is no impact of this change on the consolidated financial statements.

In addition, revisions related to the treatment in the consolidated financial statements of gains or losses on the sale of shares of subsidiaries, etc. arising from transactions between consolidated companies when such gains or losses are deferred for tax purposes have been applied in accordance with the 2022 Revised Implementation Guidance from the beginning of the current consolidated fiscal year.

This change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous consolidated fiscal year have been presented after retrospective application.

There is no impact of this change on the consolidated financial statements for the previous consolidated fiscal year.

(Additional Information)

(Absorption-Type Merger of a Consolidated Subsidiary)

At the meeting of the Board of Directors held on October 31, 2025, the Company resolved to execute an absorption-type merger with its consolidated subsidiary, AFS Corporation Co., Ltd. (“AFS Corporation”), and entered into a merger agreement.

1. Outline of the Business Combination

(1) Names and Business Descriptions of the Companies Involved

- Company to be the Surviving Entity

Name: AEON Financial Service Co., Ltd.

Business: Payment services, banking agency services, and management of business operations of group companies

- Company to be Dissolved

Name: AFS Corporation Co., Ltd.

Business: Management of banks and other subsidiaries and related ancillary operation

(2) Date of the Business Combination

May 1, 2026 (planned)

The business combination is subject to approval by the National Bank of Cambodia, the regulatory authority having jurisdiction over AEON Specialized Bank (Cambodia) Public Limited Company, a subsidiary of AFS Corporation.

(3) Legal Form of the Business Combination

Absorption-type merger, with AEON Financial Service Co., Ltd. as the surviving company and AFS Corporation Co., Ltd. as the dissolved company

(4) Name of the Company after the Business Combination

AEON Financial Service Co., Ltd.

(5) Other Matters Related to the Business Combination

As part of the Company’s ongoing review of its business portfolio, the Company aims to achieve further corporate growth through appropriate allocation of management resources to its core payment business and its overseas growth areas, in order to provide customers with services that are “available anytime, anywhere, safe, secure, convenient, and affordable.”

The Merger is conducted as part of this initiative, with the objective of absorbing AFS Corporation, a bank holding company, while maintaining group-wide governance and establishing an effective organizational structure.

As a result of the Merger, the functions previously performed by AFS Corporation to ensure the sound and appropriate management of AEON Bank, Ltd. will be succeeded by the Company. At AEON Bank, measures to ensure independence and to maintain and enhance frameworks for isolating business risks related to parent companies will continue to be implemented.

2. Overview of the Planned Accounting Treatment

The Merger is expected to be accounted for as a transaction under common control in accordance with Accounting Standard for Business Combinations (ASBJ Statement No. 21, issued on January 16, 2019) and Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, issued on January 16, 2019).

(Notes on Segment Information)

1. Overview of reportable segments

The reportable segments of our group are the constituent units for which separate financial information is available, which are regularly reviewed by the board of directors to determine the allocation of management resources and to evaluate performance.

Our domestic business is divided into “Retail” and “Solutions” to clarify the role of each function according to the target customers, and our overseas business is divided into areas centered on three listed companies, “China Area” (Hong Kong, etc.), “Mekong Area” (Thailand, etc.), and “Malay Area” (Malaysia, etc.) to smoothly advance the horizontal expansion of our business model.

Therefore, the Group has five reportable segments: “Retail” and “Solutions” in the domestic segment, and “China Area,” “Mekong Area,” and “Malay Area” in the overseas segment.

“Retail” is the banking and insurance business, mainly for individual customers.

“Solutions” is the business that provides the Group’s financial services, mainly for affiliated stores, utilizing its database of processing and installment payments.

“China Area,” “Mekong Area,” and “Malay Area” are businesses that provide financial services tailored to the needs of individual customers and affiliated stores in each region, including credit cards and loans.

(Matters regarding change to reportable segments)

From this consolidated fiscal year, with the objective of making it easier for stakeholders to understand, the reportable segment title which was previously reported as "Global" has been changed to "Overseas." This change is only a change in title name and has no impact on segment information.

The segment information for the previous consolidated fiscal year is also described using the changed title.

2. Method of calculating the amounts of operating revenue, profit or loss, assets, and other items for each reportable segment

The accounting methods for the reported business segments are the same as those used to prepare consolidated financial statements. Profits for reportable segments are based on operating profit. Internal operating revenue and transfers between segments are based on prevailing market prices.

(Segment information)For fiscal year 2024 starting March 1st 2024, ended February 28th 2025

Operating income and profits/losses are reported on business segments as follows:

(Millions of yen)

	Reportable segments					Total	Reconciling items	Per consolidated financial statements
	Domestic		Overseas					
	Retail	Solutions	China Area	Mekong Area	Malay Area			
Sales								
Revenues from external customers	191,207	119,536	35,596	95,747	91,139	533,228	34	533,262
Transactions with other segments	2,172	72,963	—	31	—	75,167	△75,167	—
Operating revenue	193,379	192,500	35,596	95,779	91,139	608,395	△75,133	533,262
Operating profit (loss)	10,503	9,808	9,319	16,007	13,421	59,060	2,425	61,485
Assets	5,974,291	655,459	151,291	444,184	527,497	7,752,725	3,766	7,756,492
Other items								
Depreciation	5,210	15,971	2,070	4,248	2,749	30,250	△105	30,144
Amortization of goodwill	1,482	96	—	—	3	1,581	—	1,581
Financial expenses	10,035	2,464	2,432	9,632	15,944	40,510	△1,079	39,430
Provision for possible credit losses	△574	24,248	4,033	31,491	28,671	87,871	△10	87,860
Increase in property, plant and equipment and intangible assets	7,340	33,805	2,037	3,530	4,053	50,767	△6	50,761

- (Notes)
- Operating income is stated here in replacement of sales turnover of general corporations.
 - The amounts shown in the 'Reconciling items' section are as follows:
 - The 34 million yen shown in the "Revenue from external customers" section includes the operating income of holding companies which do not fall under the category of any of the business segments.
 - The 2,425 million yen shown in "Operating profit" represents the net amount after the elimination of operating profit belonging to holding companies that do not fall under any business segments and internal operating income between segments.
 - The 3,766 million yen shown under "Assets" represents the amount after the elimination of assets belonging to holding companies that do not fall under any business segments and intersegment transactions.
 - Segment profits have been adjusted to match operating profits on the consolidated statements of income.
 - Revenues from contracts with customers subject to the revenue recognition accounting standard, included in operating revenues from external customers for the current consolidated fiscal year, by reportable segment are Domestic Retail 32,293 million yen, Domestic Solutions 77,420 million yen, China Area 6,704 million yen, Mekong Area 9,492 million yen, and Malay Area 8,574 million yen, with an adjustment of 1 million yen.

For fiscal year 2025 starting March 1st 2025, ended February 28th 2026
Operating income and profits/losses are reported on business segments as follows:

(Millions of yen)

	Reportable segments					Total	Reconciling items	Per consolidated financial statements
	Domestic		Overseas					
	Retail	Solutions	China Area	Mekong Area	Malay Area			
Sales								
Revenues from external customers	236,131	92,760	35,917	102,813	101,709	569,333	36	569,370
Transactions with other segments	6,840	97,078	7	16	—	103,942	(103,942)	—
Operating revenue	242,971	189,838	35,924	102,830	101,709	673,275	(103,905)	569,370
Operating profit (loss)	5,118	13,502	10,825	16,085	14,956	60,488	166	60,655
Assets	6,248,356	719,510	166,868	464,782	703,119	8,302,637	11,318	8,313,956
Other items								
Depreciation	4,555	16,487	2,036	4,402	3,130	30,612	(102)	30,510
Amortization of goodwill	1,434	1,084	—	955	3	3,478	—	3,478
Financial expenses	28,823	3,095	2,120	9,952	18,565	62,557	(923)	61,633
Provision for possible credit losses	87	18,057	4,125	34,623	31,456	88,350	(95)	88,254
Increase in property, plant and equipment and intangible assets	5,871	25,687	1,027	3,855	2,603	39,045	(66)	38,978

- (Notes)
- Operating income is stated here in replacement of sales turnover of general corporations.
 - The amounts shown in the 'Reconciling items' section are as follows:
 - The 36 million yen shown in the "Revenue from external customers" section includes the operating income of holding companies which do not fall under the category of any of the business segments.
 - The 166 million yen shown in "Operating profit" represents the net amount after the elimination of operating profit belonging to holding companies that do not fall under any business segments and internal operating income between segments.
 - The 11,318 million yen shown under "Assets" represents the amount after the elimination of assets belonging to holding companies that do not fall under any business segments and intersegment transactions.
 - Segment profits have been adjusted to match operating profits on the consolidated statements of income.
 - Revenues from contracts with customers subject to the revenue recognition accounting standard, included in operating revenues from external customers for the current consolidated fiscal year, by reportable segment are Domestic Retail 68,183 million yen, Domestic Solutions 45,491 million yen, China Area 7,016 million yen, Mekong Area 10,700 million yen, and Malay Area 9,464 million yen, with an adjustment of 9 million yen.

(Per Share Information)

	Previous consolidated fiscal year (March 1, 2024 to February 28, 2025)	Current consolidated fiscal year (March 1, 2025 to February 28, 2026)
Net assets per share (yen)	2,136.09	2,208.77
Net income per share (yen)	72.47	97.70
Diluted net income per share (yen)	72.47	97.70

(Note) 1. The basis for the calculation of net assets per share are as follows:

	Previous consolidated fiscal year (Ended February 28, 2025)	Current consolidated fiscal year (Ended February 28, 2026)
Total value of net assets (million yen)	585,766	625,209
Amount to be deducted from net assets (million yen)	124,626	148,370
(Of which, amount to be deducted for stock acquisition rights (million yen))	(0)	(4)
(Of which, amount to be deducted due to non-controlling assets (million yen))	(124,626)	(148,365)
Net value of assets related to common stock at the end of the period (million yen)	461,139	476,838
Number of issued common shares	216,010,128	216,010,128
Number of issued treasury shares	129,593	125,955
Number of common shares at the end of the period used to calculate net assets per share	215,880,535	215,884,173

2. The basis for the calculation of net income per share and diluted net income per share are as follows:

	Previous consolidated fiscal year (March 1, 2024 to February 28, 2025)	Current consolidated fiscal year (March 1, 2025 to February 28, 2026)
Net income per share		
Net income attributable to shareholders of the parent company (million yen)	15,644	21,092
Amount not attributable to common shareholders (million yen)	—	—
Net income attributable to shareholders of the parent company relating to common stock (million yen)	15,644	21,092
Average number of common shares during the period	215,876,706	215,883,043
Diluted net income per share		
Adjustment of net income attributable to shareholders of the parent company (million yen)	—	—
Increase in number of common shares	2,699	4,234
(Of which, stock acquisition rights)	(2,699)	(4,234)
Overview of potential shares not included in the calculation of diluted net income per share as they have no dilutive effect	—	—

(Significant Subsequent Events)

No significant subsequent events have occurred.

3. Standalone Financial Statements and Main Notes

(1) Balance Sheet

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Assets		
Current assets		
Cash and deposits	12,357	13,910
Accounts receivable - installment	181,084	244,113
Lease receivables and investments in leases	—	22,358
Operating loans	45,599	48,185
Advances paid	40,696	48,895
Prepaid expenses	3,319	3,383
Accounts receivable - other	334,234	337,379
Accrued revenue	2,663	3,056
Short-term loans receivable	43,210	1,400
Current portion of long-term loans receivable from subsidiaries and associates	119	591
Supplies	2,528	2,537
Income taxes refund receivable	—	381
Consumption taxes refund receivable	1,533	—
Allowance for doubtful accounts	△48,538	△47,601
Total current assets	618,808	678,590
Non-current assets		
Property, plant and equipment		
Buildings	2,920	2,938
Accumulated depreciation	△1,686	△1,820
Buildings, net	1,234	1,118
Vehicles	0	0
Accumulated depreciation	△0	△0
Vehicles, net	0	0
Tools, furniture and fixtures	37,574	42,080
Accumulated depreciation	△30,925	△33,129
Tools, furniture and fixtures, net	6,648	8,951
Total property, plant and equipment	7,882	10,069
Intangible assets		
Goodwill	12,243	11,019
Software	123,427	133,462
Other	0	0
Total intangible assets	135,671	144,482
Investments and other assets		
Investment securities	51,741	60,712
Shares of subsidiaries and associates	320,400	317,528
Bonds of subsidiaries and associates	3,349	—
Long-term loans receivable from subsidiaries and associates	3,192	2,606
Long-term prepaid expenses	29,666	31,159
Deferred tax assets	21,854	25,819
Guarantee deposits	3,396	2,339
Money held in trust	8,986	7,482
Long-term accounts receivable - other	4,445	3,537
Other	251	448
Allowance for doubtful accounts	△2,268	△2,268
Total investments and other assets	445,017	449,367
Total non-current assets	588,571	603,919
Deferred assets		
Bond issuance costs	414	504
Total deferred assets	414	504
Total assets	1,207,794	1,283,014

(Millions of yen)

	As of February 28, 2025	As of February 28, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	311,616	386,831
Short-term borrowings	95,800	90,000
Lease liabilities	3,846	6,741
Current portion of bonds payable	75,000	65,000
Current portion of long-term borrowings	19,500	39,500
Current portion of long-term borrowings from subsidiaries and associates	119	124
Accounts payable - other	62,351	57,649
Accrued expenses	1,486	1,858
Income taxes payable	1,897	—
Accrued consumption taxes	—	1,028
Unearned revenue	845	853
Deposits received	153,972	147,803
Provision for bonuses	1,630	1,737
Provision For Directors Remuneration Based On Performance	41	36
Provision for loss on guarantees	3,803	3,675
Provision for point card certificates	1,633	1,496
Other	8,714	7,214
Total current liabilities	742,259	811,551
Non-current liabilities		
Bonds payable	125,000	125,000
Long-term borrowings	96,700	106,400
Long-term borrowings from subsidiaries and associates	119	—
Lease liabilities	6,037	11,231
Provision for loss on interest repayment	932	484
Other	7,785	5,437
Total non-current liabilities	236,575	248,553
Total liabilities	978,834	1,060,104
Net assets		
Shareholders' equity		
Share capital	45,698	45,698
Capital surplus		
Legal capital surplus	121,506	121,506
Total capital surplus	121,506	121,506
Retained earnings		
Legal retained earnings	3,687	3,687
Other retained earnings		
General reserve	35,995	35,995
Retained earnings brought forward	18,553	13,452
Total retained earnings	58,235	53,134
Treasury shares	△330	△321
Total shareholders' equity	225,110	220,018
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,848	2,885
Total valuation and translation adjustments	3,848	2,885
Share acquisition rights	0	4
Total net assets	228,959	222,909
Total liabilities and net assets	1,207,794	1,283,014

(2) Statement of Income

(Millions of yen)

	Fiscal year ended February 28, 2025	Fiscal year ended February 28, 2026
Operating revenue		
Revenue from credit card business	76,733	44,143
Revenue from installment sales finance business	7	5
Financing revenue	361	24
Guarantee fee income	63,080	64,826
Processing fee income	5,182	30,605
Element1	278	10,648
Business agency fee income	11,478	3,922
Recoveries of written off receivables	106	151
Financial revenue		
Interest income	368	501
Total financial revenue	368	501
Lease sales	—	661
Other	24,121	19,886
Total operating revenue	181,719	175,377
Operating expenses		
Financial expenses		
Other financial expenses	2,211	3,067
Total financial expenses	2,211	3,067
Lease costs	—	582
Selling, general and administrative expenses	173,832	162,540
Total operating expenses	176,044	166,190
Operating profit	5,675	9,187
Non-operating income		
Dividend income	27,267	7,195
Gain on valuation of derivatives	—	773
Other	191	193
Total non-operating income	27,459	8,162
Non-operating expenses		
Loss on valuation of derivatives	320	—
Foreign exchange losses	363	924
Other	1	94
Total non-operating expenses	685	1,019
Ordinary profit	32,449	16,331
Extraordinary income		
Gain on sale of investment securities	39	1,808
Gain on extinguishment of tie-in share	—	861
Total extraordinary income	39	2,670
Extraordinary losses		
Loss on disposal of non-current assets	306	112
Loss on sale of shares of subsidiaries	1,454	10,095
Loss on valuation of shares of subsidiaries and associates	19,415	5,639
Bad debt related expenses	12,213	—
Other	147	9
Total extraordinary losses	33,538	15,856
Profit (loss) before income taxes	△1,049	3,145
Income taxes - current	2,184	362
Income taxes - deferred	△4,296	△3,563
Total income taxes	△2,112	△3,201
Profit	1,062	6,346

(3) Statement of Changes in Equity

Fiscal year ended February 28, 2025

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
				General reserve	Retained earnings brought forward		
Balance at beginning of period	45,698	121,506	121,506	3,687	35,995	28,948	68,630
Changes during period							
Conversion of moving strike convertible bonds							
Dividends of surplus						(11,441)	(11,441)
Profit						1,062	1,062
Purchase of treasury shares							
Disposal of treasury shares						(16)	(16)
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	(10,394)	(10,394)
Balance at end of period	45,698	121,506	121,506	3,687	35,995	18,553	58,235

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(357)	235,478	2,665	2,665	6	238,150
Changes during period						
Conversion of moving strike convertible bonds	26	26				26
Dividends of surplus		(11,441)				(11,441)
Profit		1,062				1,062
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares		(16)				(16)
Net changes in items other than shareholders' equity			1,183	1,183	(5)	1,178
Total changes during period	26	(10,368)	1,183	1,183	(5)	(9,190)
Balance at end of period	(330)	225,110	3,848	3,848	0	228,959

Fiscal year ended February 28, 2026

(Millions of yen)

	Shareholders' equity						
	Share capital	Capital surplus		Retained earnings			
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
				General reserve	Retained earnings brought forward		
Balance at beginning of period	45,698	121,506	121,506	3,687	35,995	18,553	58,235
Changes during period							
Conversion of moving strike convertible bonds							
Dividends of surplus						(11,441)	(11,441)
Profit						6,346	6,346
Purchase of treasury shares							
Disposal of treasury shares						(6)	(6)
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	—	(5,100)	(5,100)
Balance at end of period	45,698	121,506	121,506	3,687	35,995	13,452	53,134

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at beginning of period	(330)	225,110	3,848	3,848	0	228,959
Changes during period						
Conversion of moving strike convertible bonds	9	9				9
Dividends of surplus		(11,441)				(11,441)
Profit		6,346				6,346
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	0	(5)				(5)
Net changes in items other than shareholders' equity			(963)	(963)	4	(959)
Total changes during period	9	(5,091)	(963)	(963)	4	(6,050)
Balance at end of period	(321)	220,018	2,885	2,885	4	222,909

(4) Notes on the Consolidated Financial Statements
(Notes on the Going-concern Assumption) Not applicable.