(Translation for reference purposes only)

Stock code: 8570

February 28, 2019

AEON Financial Service Co., Ltd.
Head Office:
Kanda Nishiki-cho 1-1, Chiyoda-ku, Tokyo
Headquarters:
Kanda Nishiki-cho 3-22, Chiyoda-ku, Tokyo
President and CEO: Kenji Kawahara

To the Shareholders of AEON Financial Service Co., Ltd.:

Notice of the Extraordinary General Meeting of Shareholders

You are cordially invited to attend the Extraordinary General Meeting of Shareholders of AEON Financial Service Co., Ltd., to be held as described below:

For those who will be attending the meeting in person, we request that you submit the enclosed Form for Exercising Voting Rights to a receptionist at the meeting venue. Those who are unable to attend may vote in writing or on the Internet. Please cast your vote by 6:00 p.m. on Thursday, March 14, 2019 after reviewing the enclosed Reference Documents for the General Meeting of Shareholders.

1. Date and Time: Friday, March 15, 2019; 10:00 a.m. (Reception will open at 9 a.m.)

2. Place: 5F Hall, Belle Salle Tokyo Nihonbashi, Tokyo Nihonbashi Tower
Nihonbashi 2-7-1, Chuo-ku, Tokyo

3. Objectives of Meeting

Matters to be resolved:

Agenda Item 1: Approval of absorption-type corporate split agreement

Agenda Item 2: Partial amendments to the Articles of Incorporation

(Translation for reference purposes only)

- Any subsequent revisions to the Reference Documents for the General Meeting of Shareholders will be posted on the Company's website.

- To ensure that information is furnished in a timely manner, the content of this notice was disclosed on the Company's website before it was sent out (Japanese version only).

The Company's website (http://www.aeonfinancial.co.jp/eng/)

Notes:

1. *This English version is a translation of points summarized from an original notice written in Japanese. When discrepancies in interpretation arise, the content of the Japanese notice shall take precedence.*
2. *Please note that Internet voting is not available to such persons as those who are not residents of Japan and who have appointed a custodian in Japan for handling of their shares according to the Rules for the Handling of Shares of the Company.*
3. *AEON Financial Service Co., Ltd.'s ordinary share issue* *Local code:8570*
   SEDOL# 6037734 JP
   ISIN# JP 3131400008

[Electronic Voting Platform for Institutional Investors]

Institutional shareholders, including standing proxies such as master trust banks, who have applied in advance to the ICJ Proxy e-Voting Platform Service (the Platform Service) offered by ICJ Inc., a joint venture established by Tokyo Stock Exchange, Inc., Japan Securities Dealers Association and Broadridge Financial Solutions, Inc., are entitled to use the Platform Service to exercise their votes.

(Translation for reference purposes only)

Reference Documents for the General Meeting of Shareholders

Agenda Items and Reference Information

Agenda Item 1: Approval of absorption-type corporate split agreement

AEON Financial Service Co., Ltd. (hereinafter "the Company") and AFS Corporation Co., Ltd. (hereinafter "the Succeeding Company"), a wholly-owned subsidiary of the Company, agreed to enter into an absorption-type corporate split agreement (hereinafter "corporate split") in which shares of the Company's subsidiaries, namely AEON Bank, Ltd., AEON Housing Loan Service Co., Ltd., AEON Credit Service (Philippines) Inc., and AEON Specialized Bank (Cambodia) Public Limited Company, will be fully succeeded to the Succeeding Company effective from April 1, 2019.
This agenda is to request the shareholders' approval of the details of the absorption-type corporate split agreement concerning the corporate split.

1. Reasons for executing absorption-type corporate split
   The Company is centered as a bank holding company and operates in 12 countries in Asia including Japan. We are a comprehensive financial group with roots in the retail sector and we have 33 consolidated subsidiaries and 1 equity-method affiliate, where we call ourselves the AFS Group.
   The AFS Group's goal for the medium to long term is to provide financial services tailored to the life stages and lifestyles of individual customers in Japan and Asia. By 2025, we aim to be the number one retail financial services company in Asia by constructing the most customer-oriented ecosystem in Asia, significantly expanding our customer base from the current 41 million member IDs to 300 million unique members, and utilizing the latest information and communication technology.

   The business environment surrounding the AFS Group is currently experiencing the effect of changing social structures in Japan due to the aging population as well as of newly emerging competition, mainly from other technology-capable companies from the IT platformer and FinTech industries entering the financial services field. It is therefore necessary to take a proactive stance when addressing these unprecedented changes.
   Stepping up to the challenge, the AFS Group, which already possesses a governance structure that enables sound management of its banking operations, has deemed it necessary to reform its systems to build flexible business models so that it can continue providing reliable, safe, convenient and affordable services and financial products individually tailored to each customer, under which each business operation can grow unitedly with greater efficiency and speed.

Specifically, the Company will establish the Succeeding Company as a new bank holding company under its control, and at the same time, the Company will implement a transition of company structure to realize a system that will allow us to respond to issues flexibly.

2. Contents of the absorption-type corporate split agreement

Absorption-type Corporate Split Agreement (Copy)

This absorption-type corporate split agreement (hereinafter referred to as the "Agreement") is made and entered into by and between AEON Financial Service Co., Ltd. (hereinafter referred to as "AEON Financial Service") and AFS Corporation Co., Ltd. (hereinafter referred to as "AFS Corporation") as follows.

Article 1 (Absorption-type Corporate Split)
AEON Financial Service shall cause AFS Corporation to succeed to the rights and obligations held by AEON Financial Service as set forth in Article 3, paragraph 1 through an absorption-type corporate split provided for in the Companies Act in accordance with the Agreement, and AFS Corporation shall succeed to them (hereinafter referred to as the "Absorption-type Split").

Article 2 (Trade Names and Addresses of the Parties)
The trade names and addresses of the parties are as follows.

1) The splitting company in absorption-type split (AEON Financial Service)
   Trade name: AEON Financial Service Co., Ltd.
   Address: Kanda Nishiki-cho 1-1, Chiyoda-ku, Tokyo
2) The succeeding company in absorption-type split (AFS Corporation)
   Trade name: AFS Corporation Co., Ltd.
   Address: Kanda Nishiki-cho 1-1, Chiyoda-ku, Tokyo

Article 3 (Rights and Obligations to Be Succeeded by Absorption-type Split)

1. The assets, agreements, and other rights and obligations to be succeeded by AFS Corporation through the Absorption-type Split (hereinafter referred to as the "Rights and Obligations of Items to Be Succeeded") are as listed in the attached "Itemized Statement of Rights and Obligations to Be Succeeded."
2. The "cumulative assumption of obligations" method shall apply to succession of all liabilities by AFS Corporation from AEON Financial Service through the Absorption-type Split. Provided, however, that when AEON Financial Service has performed or otherwise incurred any charges with respect to the liabilities to be succeeded, AEON Financial Service shall be entitled to claim reimbursement of the full amount of each such performance or charge from AFS Corporation.

Article 4 (Consideration Delivered by AFS Corporation for Absorption-type Split)

Upon the Absorption-type Split, AFS Corporation shall issue 9,999 shares of AFS Corporation and deliver all of them by allotment to AEON Financial Service as a consideration for the Rights and Obligations of Items to Be Succeeded pursuant to Article 3.

Article 5 (Amount of AFS Corporation's Capital Stock and Legal Capital Surplus, Etc.)

The amount of capital stock and legal capital surplus of AFS Corporation to be increased through the Absorption-type Split shall be as follows.

(1)	Amount of capital stock	¥1,999,999,999
(2)	Amount of legal capital surplus	¥0
(3)	Amount of other capital surplus	To be determined by AFS Corporation pursuant to the provisions of Part II, Chapter III, Section 4, Subsection 2 of the Ordinance on Accounting of Companies.
(4)	Amount of legal retained earnings	¥0
(5)	Amount of other retained earnings	¥0

Article 6 (Effective Date)

The date when the Absorption-type Split becomes effective (hereinafter referred to as the "Effective Date") shall be April 1, 2019. Provided, however, that the parties may change such date through mutual consultation and agreement pursuant to the provisions of Article 790 of the Companies Act, where it is necessary for the progress of the Absorption-type Split procedure or for other reasons.

Article 7 (Approval at General Meeting of Shareholders, Etc.)
AEON Financial Service and AFS Corporation shall hold a general meeting of shareholders (including cases where it is deemed that the resolution has been passed at the general meeting of shareholders pursuant to Article 319, paragraph 1 of the Companies Act) on or before the date immediately prior to the Effective Date and call for a resolution to approve the Agreement and other necessary matters for the Absorption-type Split.

Article 8 (Exemption from Duty of Non-competition)
AEON Financial Service shall not bear any duty of non-competition on and after the Effective Date regardless of whether or not by laws and regulations.

Article 9 (Modification of Conditions and Cancellation of Absorption-type Split)
During the period until the Effective Date, the parties may modify the conditions of the Absorption-type Split or other terms and conditions of the Agreement, terminate the Agreement, or cancel the Absorption-type Split through mutual consultation and agreement in the event that any material change in the management, business, financial standing, or operating results of either party arises, a major obstacle to the execution of the Absorption-type Split arises or becomes apparent that such obstacle will arise, or otherwise it becomes difficult or apparent that it will be difficult to achieve the aims of the Agreement.

Article 10 (Validity of the Agreement)
The Agreement shall cease to be effective if any approval, permission, or authorization for the execution of the Absorption-type Split in accordance to laws and regulations that must be obtained from related government authorities prior to the Effective Date is not obtained, or if the Agreement is terminated or the Absorption-type Split is canceled pursuant to Article 9, on or before the Effective Date.

Article 11 (Governing Law)
The Agreement shall be governed by and construed in accordance with the laws of Japan.

Article 12 (Jurisdiction)
It is agreed that all disputes arising from or relating to the Agreement shall be submitted to the exclusive jurisdiction of the Tokyo District Court in the first instance.

Article 13 (Matters for Consultation)
Any matter not set forth in the Agreement or any other matter that is required to effect the Absorption-type Split shall be determined through mutual consultation and agreement in accordance with the spirit of the Agreement.

In Witness Whereof, the parties hereto have caused the Agreement to be executed in duplicate by affixing their names and seals thereto, each party retaining one copy thereof, respectively.

January 21, 2019

AEON Financial Service
Kenji Kawahara, President and CEO
AEON Financial Service Co., Ltd.
Kanda Nishiki-cho 1-1, Chiyoda-ku, Tokyo

AFS Corporation
Mariko Saito, President and CEO
AFS Corporation Co., Ltd.
Kanda Nishiki-cho 1-1, Chiyoda-ku, Tokyo

(Translation for reference purposes only)

Attachment

Itemized Statement of Rights and Obligations to Be Succeeded

Rights and obligations to be succeeded by AFS Corporation from AEON Financial Service through the Absorption-type Split are as listed below, except for the rights and obligations as otherwise agreed upon between the parties.

1. Assets to be succeeded
   All of the issued shares of the following companies held by AEON Financial Service.
   - AEON Bank, Ltd.
   - AEON Housing Loan Service Co., Ltd.
   - AEON Credit Service (Philippines) Inc.
   - AEON Specialized Bank (Cambodia) Public Limited Company

2. Agreements to be succeeded (excluding employment contracts)
   All contractual status under the following agreements and all rights and obligations associated therewith. Provided, however, that no claims due nor outstanding debts arising under these agreements shall not be succeeded through the Absorption-type Corporate Split.
   (1) Business Management Agreement between AEON Financial Service and AEON Bank, Ltd.
   (2) Business Management Agreement between AEON Financial Service and AEON Housing Loan Service Co., Ltd.
   (3) Business Management Agreement between AEON Financial Service and AEON Credit Service (Philippines) Inc.
   (4) Business Management Agreement between AEON Financial Service and AEON Specialized Bank (Cambodia) Public Limited Company

3. Handling of employment contracts
   Employment contracts between AEON Financial Service and its employees shall not be succeeded.

3. Matters concerning the consideration for corporate split

(1) Appropriateness of the determination of consideration for corporate split

Upon execution of the corporate split, the Succeeding Company shall newly issue 9,999 common shares and deliver all of them by allotment to the Company. Because the Succeeding Company is a wholly-owned subsidiary of the Company, the number of shares to be allotted and delivered to the Company through the absorption-type split will not create a difference in the substantive relationship between the Company and the Succeeding Company. Yet, the number of shares to be issued by the Succeeding Company has been determined through mutual consultation based on the future capital policies and various other factors of the Company and the Succeeding Company, and therefore has been considered to be appropriate.

(2) Appropriateness of the determination of capital stock, etc.

The amount of increase in capital stock, other surplus, and earnings of the Succeeding Company through the absorption-type split are as follows. The amount of increase in capital stock, other surplus, and earnings of the Succeeding Company has been determined in light of the content of rights and obligations to be succeeded by the Succeeding Company from the Company through the absorption-type split as well as the content and scale of the business of the Succeeding Company after such absorption-type split, and therefore has been considered to be appropriate.

1)	Amount of capital stock	¥1,999,999,999
2)	Amount of legal capital surplus	¥0
3)	Amount of other capital surplus	To be determined by the Succeeding Company pursuant to the provisions of Part II, Chapter III, Section 4, Subsection 2 of the Ordinance on Accounting of Companies.
4)	Amount of legal retained earnings	¥0
5)	Amount of other retained earnings	¥0

(3) Appropriateness of the determination of share acquisition rights

No items to report.

4. Matters concerning nonconsolidated financial statements, etc.

(1) Nonconsolidated financial statements, etc. as of the date of establishment of the Succeeding Company

Because the first fiscal year of the Succeeding Company commences on the date of establishment on January 4, 2019 and ends on March 31, 2019, and it has not completed

the first fiscal year as of the date of preparation of this document, nonconsolidated financial statements and other documents for the first fiscal year are not prepared. The Succeeding Company's balance sheet at the time of establishment is as follows.

Assets		Liabilities and net assets	
Account title	Amount	Account title	Amount
Cash and deposits	¥1	Capital stock	¥1
Total assets	¥1	Total liabilities and net assets	¥1

(2) Matters with significant effect on the status of the company's property that occurred after the establishment of the Succeeding Company

No items to report.

(3) Matters with significant effect on the status of the company's property that occurred after the last day of the final fiscal year of the Company

No items to report.

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Agenda Item 2: Partial amendments to the Articles of Incorporation

1. Reasons for the proposal

   In accordance with the transition of company structure, the Company proposes to make partial amendments to the business purposes provided for in Article 2 of the current Articles of Incorporation.

   These amendments to the Articles of Incorporation shall take effect as of April 1, 2019 on the conditions that Agenda Item 1 be approved and adopted in its original form at this Extraordinary General Meeting of Shareholders, and the absorption-type corporate split become effective in accordance with the Absorption-type Corporate Split Agreement.

2. Details of the amendments

   Details of the amendments are as follows.

(Amendments are underlined.)

Current Articles of Incorporation	Proposed Amendments
Article 1 (Omitted)	Article 1 (Unchanged)
Article 2 (Purpose) The purpose of the Company, as a bank holding company, shall be to engage in the following business activities: (1) Business management of banks and other companies which the Company may own as its subsidiaries in accordance with the Banking Act and any business activities incidental thereof; and (2) Business activities which a bank holding company may engage in accordance with the Banking Act in addition to those listed in the preceding item.	Article 2 (Purpose) The purpose of the Company shall be to engage in the following business activities: (1) Business activities pertaining to the management of the business activities of the relevant company through ownership of shares; (2) Investment business; (3) Credit card business and business activities related thereto; (4) Loan of funds and possession, operation, management, purchase, and sale of securities and other financial commodities and financial derivative products; (5) Operation of point, virtual currency, and other services; (6) Credit guarantee, money collection agency, and accounting work agency businesses;

(Translation for reference purposes only)

Current Articles of Incorporation	Proposed Amendments
	(7) Development, manufacturing, sale, lease, repair, and maintenance of electronic devices and system software; (8) Lease of assets of real estate, etc.; (9) Production, manufacturing, and sale of products for individuals; (10) Development and sale and brokerage of services for individuals; (11) Production, manufacturing, and sale of products for corporations; (12) Development and sale and brokerage of services for corporations; and (13) Any and all business activities incidental or related to any of the preceding items.
Articles 3 to 39 (Omitted)	Articles 3 to 39 (Unchanged)