



April 11, 2025

Company name: AEON Fantasy Co., Ltd.
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(Securities code: 4343; Tokyo Stock Exchange (Prime Market))
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Notice Concerning Reduction of Capital and Retained Earnings Reserves and Appropriation of Surplus

AEON Fantasy Co., Ltd. (the “Company”) hereby announces that at a meeting of the Board of Directors held on April 11, 2025, the Board of Directors resolved to file a proposal regarding the reduction of capital and retained earnings reserves and the appropriation of surplus, at the Ordinary General Meeting of Shareholders scheduled to be held on May 21, 2025. The details are described below.

1. Purpose of Reduction of Reserves

As of February 28, 2025, the Company has recorded a deficit of ¥1,790,813,404 in retained earnings brought forward. To eliminate this deficit, strengthen the soundness of its financial base, and secure flexibility and agility in its capital policy, including potential future returns to shareholders, the Company will reduce its capital and retained earnings reserves and appropriate its surplus.

Specifically, in accordance with Article 448, Paragraph (1) of the Companies Act, the Company plans to reduce its capital and retained earnings reserves and transfer the entire reduced amount to other capital surplus and retained earnings brought forward. Furthermore, in accordance with Article 452 of the Companies Act, the Company plans to transfer a portion of the other capital surplus to retained earnings brought forward in order to eliminate the deficit in retained earnings brought forward.

This will not result in any change to the total number of shares issued or the amount of net assets, and will not affect the number of shares held by shareholders or the net assets per share.

2. Amount of Reduction in Reserves

Capital reserve:	¥4,500,000,000 out of ¥4,810,268,021
Retained earnings reserve:	¥212,500,000 out of ¥212,500,000 (full amount)

3. Method of Reduction of Reserves

The entire amount of the capital reserve reduction will be transferred to other capital surplus, and the entire amount of the retained earnings reserve reduction will be transferred to retained earnings brought forward.

4. Details of Appropriation of Surplus

In accordance with Article 452 of the Companies Act, a portion of other capital surplus, after the reduction of the capital reserve, will be reduced and transferred to retained earnings brought forward in order to

offset the deficit.

(1) Amount of surplus to be reduced

Other capital surplus: ¥1,578,313,404 out of ¥4,532,695,335

(2) Amount of surplus to be increased

Retained earnings brought forward: ¥1,578,313,404

5. Timeline for reduction of reserves (scheduled)

(1) Date of resolution of the Board of Directors:	April 11, 2025
(2) Date of resolution of the Ordinary General Meeting of Shareholders	May 21, 2025
(3) Public notice of creditors' objections	May 22, 2025
(4) Final date for creditors to make objections	June 22, 2025
(5) Effective date	June 23, 2025

6. Future Outlook

These transactions represent a reclassification of accounts within “net assets” and will have no impact on the Company’s financial results.

The implementation of the above is subject to approval at the Ordinary General Meeting of Shareholders.

END

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