

Notice of the 97th Ordinary General Meeting of Shareholders

(from March 1, 2021 to February 28, 2022)

[We Recommend That You Attend the Meeting Virtually]

We will be holding a General Meeting of Shareholders for which you will be able to virtually attend the meeting, exercise your voting rights and submit questions via the internet. We highly recommend you choose this option. We recommend you to exercise your voting rights beforehand. In order to attend the meeting, you must register in advance. For details on how to register, and for other operational details on the holding of the meeting, please visit the Company's website using the link below.

<https://www.aeon.info/ir/stock/meeting/>

AEON CO., LTD.

Stock code: 8267

(Translation for reference purposes only)

To provide many more shareholders with the opportunity to attend the meeting, you will be able to attend the meeting virtually via the internet.

We will be holding a General Meeting of Shareholders for which you will be able to virtually attend the meeting via the internet, exercise your voting rights and submit questions without physically attending the meeting. We highly recommend that you choose this option, which is highly convenient for shareholders who would need to travel from afar to attend in person and for shareholders wishing to refrain from outings during the COVID-19 pandemic.

Please note that in order to attend the meeting, either in person or virtually via the internet, we require you to register in advance. **If you wish to attend, please ensure that you register in advance.** For details on how to register, and for other operational details on the holding of the meeting, please visit the Company's website using the link below.

<https://www.aeon.info/ir/stock/meeting/>

We Are Offering a Splendid Present to All Shareholders Who Exercise Their Voting Rights!

Voting rights are an important right of shareholders to participate in the Company's management. Exercising your voting rights, enables you to have your say as a shareholder reflected. In addition, you can exercise your voting rights beforehand either by postal mail or electromagnetic means (via the internet, etc.). We are preparing a splendid present for shareholders who exercise their voting rights. By all means, please exercise your voting rights beforehand.

(Translation for reference purposes only)

Greetings

We would like to express our sincere gratitude to you, our shareholders, for your continued support.

In 2021, the first year of the medium-term management plan, which will last for five years, began in order to strengthen its business structure for the sustainable growth of the Aeon Group.

COVID-19 significantly affected peoples' lives, and although vaccinations have proceeded, the spread of infection has repeatedly fluctuated. Various social issues are advancing on a global scale as COVID-19 is not the only issue we are facing, but also global warming, rising commodity prices, an unstable international situation, etc.

We proceeded with various initiatives based on the growth strategy set forth in our medium-term management plan by adapting to this significantly changing social environment and capturing changes as opportunities.

With regard to "Products," amid successive price increase for products due to rising raw materials and energy costs, we prioritize protecting the lives of our customers based on our belief that customers come first, and declared that we would freeze the prices of our private brand "TOPVALU" products by streamlining our proprietary distribution system. This led to us supporting the daily lives of customers, and significantly increasing the number of customers making purchases as we took this opportunity to help people understand the value provided by AEON.

With regard to the "Shift to digital markets," the e-commerce market for food expanded due to demand from people staying at home as a result of people refraining from going out and the increase of people eating at home. Diversified buying behaviors have become familiar in daily life, and even after COVID-19 pandemic comes under control, we expect that this market will continue to expand. Aeon aims to provide a customer-oriented customer experience that fuses reality and online. By responding to rapidly increasing demand, we have expanded the business of our online supermarket, and were able to secure the top share in online food delivery.

With regard to "Create AEON living zones," we carried out corporate reorganization in Tohoku, Chugoku and Shikoku last year, following Hokkaido, Kinki and Kyushu in the year before that in order for local communities to stimulate change in regions and play the role of being on the forefront of these regions, and we accomplished the regional shift that we advanced thus far. Regional reform and development are necessary for the growth of Japan overall. Going forward, we will become a company for which there are the highest expectations in regions in addition to stimulating reform from regions.

In 2022, which is the second year of the medium-term management plan, we will have high standards for the implementation of our growth strategy, and promote initiatives that seize business opportunities created by environmental changes faster than we did in the first year. With regard to performance, we aim to demonstrate our resilience.

We will contribute to the realization of an affluent and sustainable society in which our many stakeholders, such as shareholders, local customers and business partners, can relate to the value created by AEON and support us.

To our shareholders, we ask for your continued support and understanding going forward.



April 2022
Akio Yoshida
Director, President and
Representative Executive Officer

(Translation for reference purposes only)

Stock code: 8267

April 28, 2022

AEON CO., LTD.
1-5-1 Nakase, Mihama-ku
Chiba-shi, Chiba

Director, President and Representative Executive Officer: Akio Yoshida

To the Shareholders of AEON CO., LTD.:

Notice of the 97th Ordinary General Meeting of Shareholders

You are cordially notified of the 97th Ordinary General Meeting of Shareholders of AEON CO., LTD., which will be held as described below. You may attend this General Meeting of Shareholders in person or virtually via the internet. You must register in advance to attend on the day. If you wish to attend, please register in advance. If you will not be attending the meeting in person, you can exercise your voting rights beforehand by mail or on the Internet. Please cast your vote by 6:00 p.m. on Tuesday, May 24, 2022 after reviewing the enclosed Reference Documents for the General Meeting of Shareholders.

[For those voting by mail]

Those voting in writing should indicate “for” or “against” for each agenda item and return the completed Form for Exercising Voting Rights by postal mail to reach us by 6:00 p.m. on Tuesday, May 24, 2022.

[For those voting on the Internet]

Please access the online voting site via computer or smartphone and follow the on-screen instructions. The deadline for online voting is 6:00 p.m. on Tuesday, May 24, 2022.

[For those attending the meeting (You need to register in advance)]

1) If you wish to attend in person (maximum capacity of 50 people)

Please register in advance.

Please submit the enclosed Form for Exercising Voting Rights at the reception on the day.

Please bring this document as well, as it contains the agenda for the meeting.

2) If you wish to attend virtually (via the Internet)

Please register in advance. The procedures for virtual attendance differ slightly from those for attending the meeting in person.

* For either of the cases of 1) and 2) above, please register in advance by 6:00 p.m. on Thursday, May 12, 2022.

(Translation for reference purposes only)

- **Regarding voting beforehand**

- If you have exercised your voting rights both by mail and via the Internet, etc., those exercised via the Internet, etc. will be considered as valid.
- If you have exercised your voting rights multiple times on the Internet, etc., the final vote via the Internet, etc. will be considered as valid.
- If a vote for or against is not indicated for any proposal when exercising voting rights by mail, we will treat it as an indication of approval of the proposal.
- We are preparing a splendid present for shareholders who exercise their voting rights.

- **Regarding voting on the day**

- If you have exercised your voting rights beforehand and you attend the meeting on the day, the vote cast while attending the meeting on the day will be considered valid.
- If you have exercised your voting rights beforehand and you attend the meeting virtually, the vote cast beforehand will remain valid. However, in cases where you newly exercise your voting rights up until the timing that the proposals are put forward for approval on the day, in that case only, your vote cast beforehand shall be considered as revoked.

* **We are preparing a splendid present for shareholders who exercise their voting rights. (Please refer to the enclosed documents for details of the plan for the present.)**

* **If you wish to attend, you must register in advance. (The seating capacity at the venue is 50 people. Please refer to the enclosed documents for details of the procedures.)**

(Translation for reference purposes only)

97th Ordinary General Meeting of Shareholders

1. Date and Time: 10:00 a.m., Wednesday, May 25, 2022

2. Place: AEON Tower Ancillary Building
1-5-1 Nakase, Mihama-ku, Chiba-shi, Chiba

3. Objectives of Meeting

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements and Nonconsolidated Financial Statements for the 97th business year (from March 1, 2021 to February 28, 2022)
 2. Reports of the Independent Auditors and Audit Committee on audit results for the Consolidated Financial Statements

Matters to be resolved:

- Agenda Item 1: Amendment to the Articles of Incorporation
- Agenda Item 2: Election of seven (7) members of the Board of Directors
- Agenda Item 3: Disposal of treasury shares through third-party allotment with the purpose of supporting the social contribution activities of the Aeon 1% Club Foundation

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. *The financial statements shown in this English-language notice are summaries of financial statements that are prepared in Japanese.*
3. *The Company's financial statements are prepared on the basis of generally accepted accounting principles in Japan.*
4. *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.*
5. *AEON CO., LTD.'s ordinary share issue*

Local code: 8267
SEDOL# 6480048 JP
ISIN# JP 3388200002

(Translation for reference purposes only)

[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, in addition to the above-described means of voting on the Internet.

(Translation for reference purposes only)

Reference

Process for AEON's General Meeting of Shareholders

Before General Meeting of Shareholders

If using the livestream

1) View documents

You can view the main content of the convocation notice on your smartphone.

How to access the "smartphone convocation notice"

<https://p.sokai.jp/8267/>

2) Exercise voting rights beforehand

Deadline

By 6:00 p.m. on Tuesday, May 24, 2022.

[Notes] We recommend that shareholders attending virtually via the internet exercise their voting rights in advance in order to prepare for the possibility of telecommunications failures, PC problems, etc.

We recommend that you exercise your voting rights via smartphone, which can be utilized easily.

3) Register in advance

Please confirm the instructions on the website below and register. When registering in advance, please enter your ID and password as indicated in the attached "Notice of How to Attend the General Meeting of Shareholders Virtually via the Internet."

Application deadline

By 6:00 p.m. on Thursday, May 12, 2022

[Notes] If you do not register in advance, you will not be able to exercise your voting rights or ask questions on the day of the meeting.

Register in advance from this URL

<https://www.aeon.info/ir/stock/meeting/>

* Please confirm the instructions on the website above if you wish to ask questions in advance.

***Advance registration is not necessary if you only wish to view the stream.**

If attending in person

1) Register in advance

Register in advance from this URL <https://www.aeon.info/ir/stock/meeting/>

When registering in advance, please enter your ID and password as indicated in the attached "Notice of How to Attend the General Meeting of Shareholders Virtually via the Internet."

We will also accept phone calls for registering.

0120-149-276 (Hours: 9:00 a.m. to 5:00 p.m. (JST)) *9:00 a.m. to 6:00 p.m. (JST) for the last day only

Application deadline: **By 6:00 p.m. on Thursday, May 12, 2022**

2) Register in advance

Register in advance from this URL <https://www.aeon.info/ir/stock/meeting/>

When registering in advance, please enter your ID and password as indicated in the attached "Notice of How to Attend the General Meeting of Shareholders Virtually via the Internet."

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Application deadline: **By 6:00 p.m. on Thursday, May 12, 2022**

(Translation for reference purposes only)

The day of General Meeting of Shareholders

1) Attending virtually via the internet

Start time: 10:00 a.m., Wednesday, May 25, 2022

* The livestream will begin from 9:00 a.m.

How to attend: Access the livestream via the URL for attending that will be sent separately after registering in advance.

* You can submit questions in text form (up to 200 characters).

2) Exercise voting rights

* You can exercise your voting rights via the website for attending.

* Please note that there may be some differences in procedures from those when you attend the meeting in person at the venue.

(If you only want to view the stream, please enter the “viewing code” to view the stream.)

Place: AEON Tower Ancillary Building

1-5-1 Nakase, Mihama-ku, Chiba-shi, Chiba

Start time: 10:00 a.m., Wednesday, May 25, 2022

* Reception will open at 9:00 a.m.

[Notes] Please note that shareholders who do not register in advance will not be able to enter the venue.

Furthermore, we plan to limit the number of seats at the venue to 50 seats. If the number of registered shareholders exceeds this limit, we will draw lots for participants, so we ask for your understanding if we are unable to meet your request.

We plan to send instructions for attending to attending shareholders around May 20.

After General Meeting of Shareholders

1) Watch the video of the stream

We plan to distribute business reports, management policies, and other information from the General Meeting of Shareholders on the Company’s website after the conclusion of the meeting.

Availability (scheduled)

**Available from Saturday,
June 4, 2022**

2) View documents

Voting Results/Annual Securities Reports/Reports related to Corporate Governance

You may view the video of the stream and various documents at the website below.

<https://www.aeon.info/ir/stock/meeting/>

(Translation for reference purposes only)

Reference Documents for the General Meeting of Shareholders

Agenda and Reference Items

Agenda Item 1: Amendment to the Articles of Incorporation

1. Reasons for the amendment

- (1) In order to make the operation of the general meeting of shareholders flexible, the Company proposes to make an amendment to Article 13 of the current Articles of Incorporation in order to make it possible for someone other than the Chairman of the Board to become chairperson for the selection of chairperson of the general meeting of shareholders.
- (2) Since the revised provisions provided for in a proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.
 - 1) Article 14, paragraph 1 in “Proposed amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
 - 2) Article 14, paragraph 2 in “Proposed amendments” below will establish the provision to limit the scope of the items to be stated in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
 - 3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 14 of the current Articles of Incorporation) will no longer be required, they will be deleted.
 - 4) Accompanying the aforementioned new establishment and deletion, supplementary provisions regarding the effective date, etc. will be established.

(Translation for reference purposes only)

2. Details of the amendment

The details of the amendment are as follows

(The underlined part is the amendment.)

Current Articles of Incorporation	Proposed Amendments
<p>(Chairman)</p> <p>Article 13</p> <p><u>The Chairman of the Board shall chair the general meetings of shareholders. In cases where the position of Chairman of the Board is vacant or the Chairman of the Board is prevented from so acting, another Director or executive officer who is designated in accordance with an order of priority determined by the Board of Directors shall serve this function.</u></p> <p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p>Article 14</p> <p><u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p>(Newly established)</p>	<p>(Chairman)</p> <p>Article 13</p> <p><u>The chairperson of the general meeting of shareholders shall be determined by the Board of Directors.</u></p> <p>(Deleted)</p> <p><u>(Measures for Providing Information in Electronic Format, Etc.)</u></p> <p>Article 14</p> <p>1 <u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p>

(Translation for reference purposes only)

Current Articles of Incorporation	Proposed Amendments
<p>(Newly established)</p>	<p><u>2 Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p> <p><u>(Supplementary Provisions)</u></p> <p><u>1 The deletion of Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the new establishment of the proposed revision of Article 14 (Measures for Providing Information in Electronic Format, Etc.) shall be effective from September 1, 2022. (hereinafter the “Date of Enforcement”).</u></p> <p><u>2 Notwithstanding the provisions of the preceding paragraph, Article 14 of the current Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p><u>3 These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

(Translation for reference purposes only)

Agenda Item 2: Election of seven (7) members of the Board of Directors

The terms of office of all seven (7) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, management submits the following nominees for the election of seven (7) Directors based on a resolution of the Nomination Committee. Of the seven (7) nominees, four (4) of them, constituting a majority, are candidates for the post of outside director. All candidates for outside director satisfy the conditions for independent director as stipulated by the Tokyo Stock Exchange. Furthermore, the Company stipulates the following items as conditions of eligibility for director. All candidates for director fulfill these conditions.

[Nomination criteria for candidates for inside directors]

1. The inside director shall have the personality and insight appropriate for being a director.
2. The inside director shall have sufficient experience and knowledge in the Company's business as well as in the Group's business and outstanding ability for business judgment and execution.
3. The inside director shall be an executive officer of the Company, or chairman or president of one or more subsidiaries, who is able to take responsibility for the basic policy, strategic planning, and business execution of the Company and Group, and fulfill accountability for the Board of Directors; provided however, that this shall not be applied when electing inside directors who do not concurrently serve as an executive officer.

[Nomination criteria for candidates for outside directors]

1. The outside director shall have the personality and insight appropriate for being a director.
2. The outside director shall subscribe to the Company's basic principles, code of conduct, etc.
3. The outside director shall have extensive experience as a chief executive officer or other corporate executive, or shall have comparable experience, knowledge and insight.
4. The outside director shall have rich insight and extensive experience that can guide and oversee the promotion of management strategies, strengthening of corporate governance, legal compliance management, etc. for the Company's management.

* In relation to outside directors, in addition to the above items, they must fulfill the independence criteria mentioned below.

(Translation for reference purposes only)

[Independence criteria for outside directors]

The Company's outside director shall satisfy the conditions stated below to maintain his or her independence.

1. The outside director does not presently serve, or has not served for the past ten (10) years as executive director, executive officer, manager, employee (hereafter referred to as "Executing Person") of the Company or its subsidiaries.
2. The subject person is someone to whom the conditions stated below are not presently applicable, or have not been applicable for the past three (3) years:
 - (1) Major shareholder of the Company (those who directly or indirectly hold 10% or more of voting rights), or its Executing Person.
 - (2) Partner of the independent auditors of the Company or employees who conduct the Company's audit.
 - (3) Executing Person of the Company's principal creditors (creditors who have lent to the Aeon Group an amount that exceeds 2% of the Aeon Group's consolidated total assets).
 - (4) Executing Person of the Company's major vendors (vendors where the amount of Aeon Group transaction exceeds 2% of their annual consolidated sales in the most recent business year of the said vendors).
 - (5) Attorney at law, certified public accountant, certified public tax accountant or other consultant who receives remuneration in the amount exceeding 10 million yen annually from the Aeon Group other than the director's remuneration.
 - (6) Executing Person of a nonprofit organization where donation from the Aeon Group exceeds 10 million yen and where the amount of such donation exceeds 2% of the organization's total revenue or ordinary profit.
 - (7) Spouse or a relative within the second degree of kinship of 1. and (1) through (6) above.

* Provided, however, if any of the items (1) through (7) above is applicable, and if it is judged that the said person is substantially independent in view of personality, insight etc., then the Company may propose him or her as a candidate for outside director on the condition that explanation is publicly made.

(Translation for reference purposes only)

■ Candidates for Director

Candidate no.	Name	Positions and areas of responsibility in the Company (*)		Attendance at Board of Directors meeting during 97 th business year
1	Motoya Okada	Director; Chairman of the Board; Nomination Committee member; Compensation Committee member; Chairman and Representative Executive Officer	<u>Reelection</u>	7/7
2	Akio Yoshida	Director; President and Representative Executive Officer	<u>Reelection</u>	7/7
3	Yuki Habu	Executive Vice President and Executive Officer; Digital	<u>New election</u>	-
4	Takashi Tsukamoto	Director; Chairman of the Compensation Committee; Audit Committee member	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	7/7
5	Kotaro Ohno	Director; Chairman of the Audit Committee; Chairman of the Nomination Committee	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	7/7
6	Peter Child	Director; Nomination Committee member; Compensation Committee member	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	7/7
7	Carrie Yu	Director; Audit Committee member	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	7/7

* Positions and areas of responsibilities of candidates for director are at the time of the resolution at the Board of Directors meeting held in relation to the convocation of this shareholders' meeting (as of April 8, 2022).

Outside

Candidates for outside director

Independent

Independent director to be notified to the Tokyo Stock Exchange

(Translation for reference purposes only)

1. Motoya Okada

Reelection



Current positions and areas of responsibility in the Company

Director, Chairman of the Board,
Nomination Committee member,
Compensation Committee member,
Chairman and Representative Executive
Officer

Attendance at Board/committee meetings

Board of Directors:	100% (7/7)
Nomination Committee:	100% (3/3)
Compensation Committee:	100% (3/3)

Number of the Company's shares owned

2,547,096 shares

Date of birth

Jun. 17, 1951

Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company

Mar. 1979 Joined the Company
May 1990 Appointed Director of the Company
Jun. 1997 Appointed President and Representative Director of the Company
May 2003 Appointed Director, President and Representative Executive Officer of the Company
Mar. 2012 Appointed Director, President and Representative Executive Officer, and Group CEO of the Company
Mar. 2020 Appointed Director, Chairman and Representative Executive Officer of the Company (current position)

(Significant concurrent positions outside the Company)

Director and Advisor of Aeon Mall Co., Ltd.

Director and Advisor of Aeon Retail Co., Ltd.

Director and Advisor of Daiei, Inc.

Director and Advisor of United Super Markets Holdings Inc.

Director of Welcia Holdings Co., Ltd.

Outside Director of KUSURI NO AOKI HOLDINGS CO., LTD.

<Reason for nomination as a candidate for director and expected roles>

Motoya Okada has, since assuming office as President and Representative Director in 1997, demonstrated strong leadership as a manager, realized business expansion by developing existing businesses, M&A, etc., and helped the Group grow into a top domestic distribution corporate group. We are nominating him as a candidate as we have judged that he can implement sustainable management that achieves both growth for the Group going forward and the realization of a sustainable society as he is familiar with the businesses of the Group, such as the retail industry, and has extensive experience and insight managing the overall operation of the Group.

<Conflicts of interest>

No conflict of interest exists between the Company and Motoya Okada.

(Translation for reference purposes only)

2. Akio Yoshida

Reelection



Current positions and areas of responsibility in the Company

Director
President and Representative Executive Officer

Attendance at Board/committee meetings

Board of Directors: 100% (7/7)

Number of the Company's shares owned

11,000 shares

Date of birth

May 26, 1960

Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company

Apr. 1983 Joined the Company
Mar. 2011 Appointed General Manager of China Development Management Department, China Division of Aeon Mall Co., Ltd.
May 2014 Appointed Managing Director, General Manager of Sales Division, and Chief China Business Officer of Aeon Mall Co., Ltd.
Feb. 2015 Appointed President and CEO of Aeon Mall Co., Ltd.
Mar. 2016 Appointed Executive Officer, Shopping Center Development Business of the Company
Mar. 2019 Appointed Executive Vice President and Representative Executive Officer, Shopping Center Development Business and Digital Business of the Company
Mar. 2020 Appointed President and Representative Executive Officer of the Company
May 2020 Appointed Director, President and Representative Executive Officer of the Company (current position)
Feb. 2022 Director of CAN DO CO., LTD. (current position)
(Significant concurrent positions outside the Company)
Director of AEON Hokkaido Corporation
Director of AEON KYUSHU CO., LTD.
Director of Aeon Retail Co., Ltd.
Director of CAN DO CO., LTD.

<Reason for nomination as a candidate for director and expected roles>

Akio Yoshida has extensive management experience and track records, such as serving as the person in charge of the Shopping Center Development Business and Digital Business as well as President and CEO of the Company's main subsidiary. We are nominating him as a candidate as we have judged that he can implement growth of the Group going forward and the medium- to long-term improvement of corporate value as he makes important decisions and appropriately supervises the Board of Directors, such as by formulating the medium-term management plan and promoting growth strategy as President and Representative Executive Officer since March 2020.

<Conflicts of interest>

No conflict of interest exists between the Company and Akio Yoshida.

(Translation for reference purposes only)

3. Yuki Habu

New election



Current positions and areas of responsibility in the Company

Executive Vice President and Executive Officer, Digital

Number of the Company's shares owned

10,960 shares

Date of birth

Dec. 23, 1967

Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company

Apr. 1991 Joined the Company
Sep. 2004 Appointed General Manager of Aeon South China Co., Limited
Nov. 2007 Appointed Vice President of Beijing Aeon Co., Ltd.
Dec. 2011 Appointed Director of AEON (CHINA) CO., LTD.
May 2013 Appointed President of Beijing Aeon Co., Ltd.
Mar. 2014 Appointed Executive Officer, CEO of the China Business of the Company
Mar. 2014 Appointed Representative Director of AEON (CHINA) CO., LTD.
Mar. 2017 Appointed Executive Officer, China Business of the Company
May 2017 Appointed President, Director and General Manager of AEON STORES (HONG KONG) CO., LTD.
Mar. 2020 Appointed Executive Vice President and Executive Officer, Digital and China of the Company
Mar. 2021 Appointed Executive Vice President and Executive Officer, Digital of the Company (current position)

(Significant concurrent positions outside the Company)

No significant concurrent positions.

<Reason for nomination as a candidate for director and expected roles>

Yuki Habu has extensive management experience and track records, such as serving as the person in charge of the China Business and Digital Business of the Company and the Group as well as President and CEO of the Company's main subsidiary. We are nominating her as a candidate as we have judged that she can establish the business foundation of the Group and implement medium- to long-term growth and improvement of corporate value as she has been in charge of the Digital Business, which is the pillar of the medium-term management plan, as Executive Vice President and Executive Officer since March 2020.

<Conflicts of interest>

No conflict of interest exists between the Company and Yuki Habu.

(Translation for reference purposes only)

4. Takashi Tsukamoto

Reelection	Candidate for outside director	Candidate for independent director
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Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company

Current positions and areas of responsibility in the Company

Director
Chairman of the Compensation Committee, Audit Committee member

Attendance at Board/committee meetings

Board of Directors: 100% (7/7)
Audit Committee: 100% (9/9)
Compensation Committee: 100% (3/3)

Number of years served as outside director

5 years

Number of the Company's shares owned

0 shares

Date of birth

Aug. 2, 1950

Apr. 1974 Joined The Dai-ichi Kangyo Bank, Ltd. (now Mizuho Bank, Ltd.)
Apr. 2002 Appointed Executive Officer of Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)
Mar. 2003 Appointed Managing Executive Officer of Mizuho Financial Group, Inc.
Apr. 2004 Appointed Managing Executive Officer of Mizuho Corporate Bank, Ltd.
Mar. 2006 Appointed Executive Managing Director of Mizuho Corporate Bank, Ltd.
Apr. 2007 Appointed Deputy President of Mizuho Corporate Bank, Ltd.
Apr. 2008 Appointed Deputy President & Executive Officer of Mizuho Financial Group, Inc.
Jun. 2008 Appointed Deputy President of Mizuho Financial Group, Inc.
Apr. 2009 Appointed President of Mizuho Financial Group, Inc.
Jun. 2011 Appointed Chairman of Mizuho Financial Group, Inc.; President & CEO of Mizuho Bank, Ltd.
Jul. 2013 Appointed Chairman of Mizuho Bank, Ltd.
Apr. 2014 Appointed Senior Advisor of Mizuho Financial Group
Jun. 2016 Appointed Chairman of The Japan-British Society (current position)
Jul. 2016 Appointed Outside Director of Asahi Mutual Life Insurance Company (current position)
Apr. 2017 Appointed Honorary Advisor of Mizuho Financial Group (current position)
May 2017 Appointed Outside Director of the Company (current position)
Jun. 2017 Appointed Outside Director of Internet Initiative Japan Inc. (current position)
Jun. 2021 Appointed Outside Director of Furukawa Electric Co., Ltd. (current position)

(Significant concurrent positions outside the Company)
Honorary Advisor of Mizuho Financial Group
Outside Director of Asahi Mutual Life Insurance Company
Outside Director of Internet Initiative Japan Inc.
Outside Director of Furukawa Electric Co., Ltd.
Chairman of The Japan-British Society

<Reason for nomination as a candidate for outside director and expected roles>

Takashi Tsukamoto has served as a corporate manager at major financial institutions, has been internationally active, and has rich insights and extensive experience in the financial field. We are recommending his election as outside director to benefit from the advice and guidance that he would be able to provide in order to maintain and enhance the transparency and soundness of overall management, and to enhance corporate governance. After his election, it is planned that he will carry out activities as chairperson of the Remuneration Committee, and as Audit Committee member.

<Conflicts of interest>

No conflict of interest exists between the Company and Takashi Tsukamoto.

(Translation for reference purposes only)

5. Kotaro Ohno

Reelection

Candidate for outside director

Candidate for independent director



Current positions and areas of responsibility in the Company

Director
Chairman of the Audit Committee,
Chairman of the Nomination Committee

Attendance at Board/committee meetings

Board of Directors: 100% (7/7)
Audit Committee: 100% (9/9)
Nomination Committee: 100% (3/3)

Number of years served as outside director

5 years

Number of the Company's shares owned

0 shares

Date of birth

Apr. 1, 1952

Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company

Apr. 1976 Appointed Public Prosecutor of Tokyo District Public Prosecutors Office
Dec. 2001 Appointed Deputy Secretary-General of Cabinet's Task Force on Judicial Reform
Aug. 2005 Appointed Director-General of the General Affairs Department of Supreme Public Prosecutors Office
Jul. 2007 Appointed Director-General of the Criminal Affairs Bureau of Ministry of Justice
Jul. 2009 Appointed Vice-Minister of Justice
Aug. 2011 Appointed Superintending Prosecutor of Sendai High Public Prosecutors Office
Jul. 2012 Appointed Superintending Prosecutor of Tokyo High Public Prosecutors Office
Jul. 2014 Appointed Prosecutor-General
Sep. 2016 Retired as Prosecutor-General
Nov. 2016 Appointed Special Counsel of Mori Hamada & Matsumoto (current position)
May 2017 Appointed Outside Director of the Company (current position)
Jun. 2017 Appointed President of International Civil and Commercial Law Centre Foundation (current position)
Jun. 2017 Appointed Outside Audit & Supervisory Board Member of Komatsu Ltd. (current position)
(Significant concurrent positions outside the Company)
Special Counsel of Mori Hamada & Matsumoto
Outside Audit & Supervisory Board Member of Komatsu Ltd.
President of International Civil and Commercial Law Centre Foundation

<Reason for nomination as a candidate for outside director and expected roles>

Kotaro Ohno is an attorney at law who has successively filled posts of Vice-Minister of Justice, Superintending Prosecutor and Prosecutor-General. Therefore, he has rich experience and insights in legislation and legal compliance. We are recommending his election as outside director to benefit from the advice and guidance that he would be able to provide in the area of promoting legal compliance management such as risk management and legal compliance. After his election, it is planned that he will carry out activities as chairperson of the Audit Committee and chairperson of the Nomination Committee.

<Conflicts of interest>

No conflict of interest exists between the Company and Kotaro Ohno.

(Translation for reference purposes only)

6. Peter Child

Reelection	Candidate for outside director	Candidate for independent director
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Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company

Sep. 1976 Joined United Kingdom Atomic Energy Authority
Jun. 1980 Joined Michelin Tyre Company
Jan. 1984 Joined McKinsey & Co., London
Aug. 1987 Appointed Manager of McKinsey & Co., Los Angeles
Aug. 1988 Appointed Partner of McKinsey & Co., London
Aug. 1990 Appointed Senior Partner of McKinsey & Co., Paris
Apr. 2007 Appointed Senior Partner of McKinsey & Co., London
Mar. 2015 Appointed Senior Partner of McKinsey & Co., Hong Kong
May 2018 Appointed Outside Director of the Company (current position)
(Significant concurrent positions outside the Company)
No significant concurrent positions.

<Reason for nomination as a candidate for outside director and expected roles>

Peter Child has expertise in the retail sector gained primarily from serving as a leader of consumer goods and retail group at a major consulting firm. We are recommending his election as outside director to benefit from the advice and guidance that he would be able to provide in the area of promoting global management of the Company. After his election, it is planned that he will carry out activities as a member of the Nomination Committee, and as member of the Remuneration Committee.

<Conflicts of interest>

No conflict of interest exists between the Company and Peter Child.

Current positions and areas of responsibility in the Company

Director
Nomination Committee member,
Compensation Committee member

Attendance at Board/committee meetings

Board of Directors: 100% (7/7)
Nomination Committee: 100% (3/3)
Compensation Committee: 100% (3/3)

Number of years served as outside director

4 years

Number of the Company's shares owned

0 shares

Date of birth

Mar. 25, 1958

(Translation for reference purposes only)

7. Carrie Yu

Reelection	Candidate for outside director	Candidate for independent director
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Career summary, position and areas of responsibility in the Company, and significant concurrent positions outside the Company

Jul. 1982 Joined Levy Gee, Chartered Accountants, London
Jan. 1987 Joined Coopers & Lybrand (now PricewaterhouseCoopers (PwC)), Hong Kong
Sep. 1991 Appointed Manager of PwC Vancouver
Nov. 1996 Appointed Partner of PwC Hong Kong
Dec. 1996 Appointed Graduate Recruitment Partner of PwC Hong Kong
Jul. 2002 Appointed Retail & Consumer Leader of PwC China & Hong Kong
Jul. 2004 Appointed "We Care" Program Lead Ambassador of PwC China & Hong Kong
Jan. 2006 Appointed Retail & Consumer Leader of PwC Global
Mar. 2008 Appointed Board Member of PwC Global Governance Board
Jul. 2009 Appointed Retail & Consumer Leader of PwC China & Asia Pacific
Jul. 2019 Appointed Senior Advisor of PwC Hong Kong (current position)
May 2020 Appointed Outside Director of the Company (current position)

Current positions and areas of responsibility in the Company

Director
Audit Committee member

Attendance at Board/committee meetings

Board of Directors: 100% (7/7)
Audit Committee: 100% (9/9)

Number of years served as outside director

2 years

Number of the Company's shares owned

0 shares

Date of birth

Sep. 30, 1958

(Significant concurrent positions outside the Company)
Senior Advisor of PwC Hong Kong

<Reason for nomination as a candidate for outside director and expected roles>

Carrie Yu belongs to professional accounting bodies in the UK, Hong Kong and Canada. She has international expertise in accounting and the retail sector gained primarily from serving as a leader of retail and consumer group in Asia Pacific region at a major consulting firm. We are recommending her election as outside director to benefit from the advice and guidance that she would be able to provide in the area of promoting global management of the Company. After her election, it is planned that she will carry out activities as Audit Committee member.

<Conflicts of interest>

No conflict of interest exists between the Company and Carrie Yu.

(Translation for reference purposes only)

- (Note 1) *Number of years served as outside director is the number of years as of the end of this General Meeting of Shareholders.*
- (Note 2) *Although Takashi Tsukamoto successively held the posts of Executive Officer, Executive Managing Director, and President & CEO at Mizuho Bank, Ltd. from 2002 to 2013, more than eight years have passed since he retired from the said bank in 2013, and currently he is not involved in the business execution of Mizuho Bank, Ltd. Also, Mizuho Bank, Ltd. is one of the primary lenders to the Company, but it is not a business connection that has a significant effect on the Company's decision making. The balance of borrowings of the Company from Mizuho Bank, Ltd. as of the end of the most recent business year is less than 2% of the consolidated total assets.*
- (Note 3) *The Company is registered as a corporate member of International Civil and Commercial Law Centre Foundation of which Kotaro Ohno is President. In addition, the Company has transactions with Mori Hamada & Matsumoto of which Kotaro Ohno is Special Counsel. The monies paid to International Civil and Commercial Law Centre Foundation or Mori Hamada & Matsumoto represent less than 0.1% of the Company's total consolidated SG&A expenses.*
- (Note 4) *Peter Child has served as Senior Partner at multiple branch offices of McKinsey & Co., and the Company has transactions with the said company. The monies paid to McKinsey & Co. represent less than 0.1% of the Company's total consolidated SG&A expenses.*
- (Note 5) *Carrie Yu serves as Senior Advisor of PricewaterhouseCoopers (PwC) Hong Kong. The Company has transactions with PwC Tax Japan, which is a member firm of PwC, and the monies paid to PwC Tax Japan represent less than 0.1% of the Company's total consolidated SG&A expenses.
Carrie Yu's legal name is "Carrie Ip."*
- (Note 6) *With respect to the responsibilities stipulated under Article 423, paragraph 1 of the Companies Act, the Company has entered into agreements with each of its outside directors, Takashi Tsukamoto, Kotaro Ohno, Peter Child and Carrie Yu which limit the liability of these directors for damage to the Company. These agreements state that, when outside directors carry out their duties in good faith and with no serious negligence, their liability to compensate the Company is limited to 15,000,000 yen or to an amount stipulated by applicable laws and regulations, whichever is higher, and that they are exempt from an outside director's obligation to compensate the Company for any amounts that exceed these limits. The Company also plans to enter into the agreements with each of the elected outside directors upon the approval of this proposal.*
- (Note 7) *The views on the balance of knowledge, experience and capabilities, diversity and scale of the Board of Directors as a whole are as follows:*
·The Company has set the maximum number of members of the Board of Directors to 12 in the Articles of Incorporation, and composes the Board of Directors in accordance with the matters stated below for effective and stable operation. Furthermore, procedures for selecting candidates for Director of the Company shall be determined by the Nomination Committee where outside directors hold the majority and one serves as chairman for the purpose of high transparency and fairness.
·As stated on pages 12 to 13, persons who satisfy the conditions of the nomination criteria for candidates for inside directors and outside directors as well as the conditions of the independence criteria for outside directors shall be selected.
·The Board of Directors shall be managed by persons who have a high level of insight and extensive experience in management, international relations, risk management, legal compliance, finance and accounting, banking, IT, digital, environment and other fields, in order to sufficiently perform the supervisory function.
- (Note 8) *The Company has entered into a directors and officers liability insurance contract ("D&O insurance policy") with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act. The D&O insurance policy covers, costs for compensation for damages and litigation costs incurred by the insured persons arising from claims for compensation of damages arising from actions (including negligence) carried out pursuant to the company position of the relevant director or officer. However, the D&O insurance policy has an established excess amount, whereby damages within that excess are not covered by the policy. Furthermore, insured persons in this policy are directors and executive officers of the Company as well as any person who performs important duties, such as*

(Translation for reference purposes only)

directors of the Company's subsidiaries. The Company will bear the entire amount of insurance premiums. In the event that this proposal is approved, all elected directors will be included as insured persons under the D&O insurance policy. Furthermore, the Company plans to renew the D&O insurance policy with roughly the same details when the policy is next due for renewal.

(Translation for reference purposes only)

Agenda Item 3: Disposal of treasury shares through third-party allotment with the purpose of supporting the social contribution activities of the Aeon 1% Club Foundation

AEON CO., LTD., and its Group companies (hereinafter, “AEON”), under the basic ideals of pursuing peace, respecting humanity, and contributing to local communities, always with the customer’s point of view as its core, works to increase corporate value by practicing its “Customer-First” philosophy.

AEON established the Aeon 1% Club Foundation (hereinafter, the “Foundation”) in 1990, which was a time when companies’ activities regarding social and environmental contribution in Japan were still not in full swing, based on the idea of “using profits received from our customers for the benefit of society.” Over 30 years since then, the major companies of the Aeon Group have been contributing 1% of their pre-tax profit, and supporting business activities with the three pillars of “the sound upbringing of children who will lead the next generation,” “the promotion of international friendship and goodwill,” and “sustainable development of the local community.” The continuous activities of the Foundation are an opportunity to create a relationship of trust with community members, and play a part in improving the corporate value of AEON, such as by significantly contributing to business development not only in Japan, but also in various Asian countries.

Furthermore, last year, the Company formulated the Aeon Group Medium-term Management Plan (FY2021-FY2025) (hereinafter, the “Medium-term Management Plan”), and expressed its aim to realize cyclical and sustainable management where “Aeon’s growth in local communities” leads to the “enrichment of local community life” by 2030. The Medium-term Management Plan set forth “Create AEON living zones” and “Further accelerate the shift to Asian markets” as the Group’s shared strategy to achieve by 2025, and pursues both business activities and activities that contribute to the environment and society.

Recently, concerns have been increasing with regard to the global environment and the sustainability of society, with issues such as frequent natural disasters and the spread of COVID-19. The responsibility of corporations to contribute to the long-term and sustainable realization of affluence and happiness for society as a whole has been requested more than ever. Based on these societal changes, AEON wishes to continue to provide support through donations as it has been in order to further strengthen its support of the Foundation’s activities as well as support for securing stable funding for activities for the Foundation by adopting a system that contributes dividends from the Company’s shares, all of which will lead to the realization of growth in AEON’s regions and affluence in communities.

To allow for the Foundation to carry out activities continuously and stably going forward, the Company will establish a third-party benefit trust (hereinafter, the “Trust”) with Mizuho Trust and

(Translation for reference purposes only)

Banking as the trustee and the Foundation as the beneficiary, and the Trust will acquire the Company's shares. The Trust will contribute profits arising from dividends, etc. for the Company's shares to the Foundation. The Foundation will add these profits to funding for activities, and carry out business going forward. The disposal of these treasury shares will be carried out by the Trust, which will be established in order to fund the activities of the Foundation. The Company believes that the payment amount of 1 yen per share is reasonable for achieving the aim of the matter stated above. Pursuant to the provisions of Article 199 and Article 200 of the Companies Act, the Company requests approval for the authorization of the Board of Directors of the Company to determine the offering terms related to the disposal of treasury shares through third-party allotment.

<Details of treasury shares to be disposed of>

1) Kind of shares to be disposed of and its maximum number	Common stock: 6,900,000 shares (0.79% of total number of shares issued*)
2) Minimum paid amount	1 yen per share
3) Total paid amount (planned)	6,900,000 yen
4) Disposal method	Disposition by way of third-party allotment
5) Trustee (planned)	Mizuho Trust & Banking Co., Ltd.
6) Disposal date	Undecided
7) Authorization of decision to be made	In addition to the matters stipulated above, matters necessary for determining offering terms for the disposal of treasury shares shall be decided by resolution of the Board of Directors of the Company.

* This was calculated based on 871,924,572 shares, which is the total number of issued shares as of February 28, 2022.

< Overview of the Foundation >

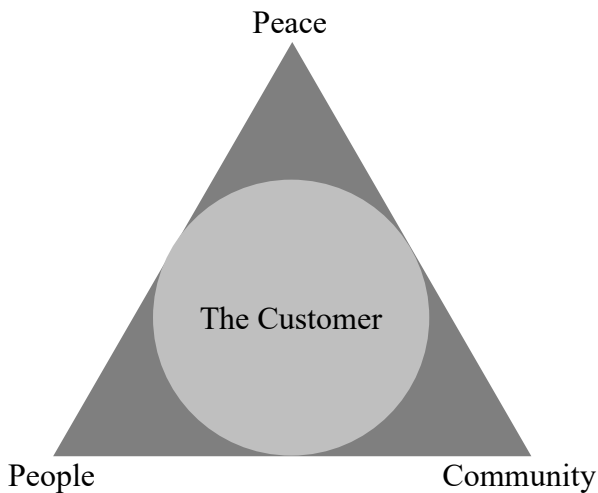
1) Name	AEON 1% Club Foundation
2) Location	1-5-1 Nakase, Mihama-ku, Chiba City, Chiba
3) Chairman	Yoshiki Mori
4) Activities	· Sound upbringing of children who will lead the next generation · Promotion of international friendship and goodwill · Sustainable development of the local community
5) Resource for business	Investment income for donations and endowments
6) Date of establishment	August 1, 1990*
7) Relationship with the Company	The company has offered donations to the Foundation.

* Established in 1990 after declaration of founding in 1989, and transitioned to public interest incorporated foundation in 2015.

(Translation for reference purposes only)

[AEON Basic Principles]

Pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view at its core.



The word aeon (**ÆON**) has its origins in a Latin root meaning “eternity.”

The customers’ beliefs and desires comprise the central core of our philosophy.

At AEON, our eternal mission as a corporate group is to benefit our customers, and our operations are thus customer-focused to the highest degree.

Aeon Basic Principles are the following:

- “Peace” AEON is a corporate group whose operations are dedicated to the pursuit of peace through prosperity.
- “People” AEON is a corporate group that respects human dignity and values personal relationships.
- “Community” AEON is a corporate group rooted in local community life and dedicated to making a continuing contribution to the community.

On the basis of the Aeon Basic Principles, AEON practices its “Customer-First” philosophy with its ever-lasting innovative spirit.

(Translation for reference purposes only)

(Reference)

History of AEON 1% Club
























For over 30 years since its establishment, the AEON 1% Club has worked on many activities that leverage the retail industry to contribute to society based on cooperation with many people since its establishment. We will continue to support the futures of children, who will lead the next generation.





<https://aeon1p.or.jp/1p/en/>

Please visit the website of the AEON 1% Club for details.

● 1989 Declaration of club establishment		
● 1990 The establishment of “AEON Group 1% Club” 🌐 First “Teenage Ambassadors Program” held	Takuya Okada, Representative Director and Chairman of JUSCO Co., Ltd. (at that time) announcing establishment	Exchange program with Malaysia
● 1996 🌱 Environment Agency (currently Ministry of the Environment) Started supporting for the “Junior Eco Club”		
● 2000 🌱 School Construction Support Project Started in Cambodia	Junior Eco Club	New school building nicknamed “coconut school”
● 2005 Renamed from “Junior Eco Club” to “AEON Cheers Club”		
● 2006 🌐 Started “AEON Scholarship”	AEON Scholarship	Request for succession of Cambodia’s Khmer culture and construction support
● 2007 ❤️ Completion of “Sihanouk Aeon Museum” ❤️ Started regional event support		
● 2008 ❤️ Started “AEON Sucusuku Laboratory” 🌐 Renamed “Teenage Ambassadors” to “Teenage Ambassadors” (name changed in Japanese only)	Regional event support	AEON Sucusuku Laboratory
● 2009 🌐 “Teenage Ambassadors Reunion” held 🌐 First “Asian University Students Exchange Environment Forum in Vietnam” (Currently Asia Youth Leaders) held		Current Asia Youth Leaders

(Translation for reference purposes only)

<ul style="list-style-type: none"> ○ 2009  Started “Japan-China High School Student Exchange Program” ○ 2010  Started “AEON-UNICEF Safe Water Campaign” ○ 2011  Started Tohoku support ○ 2012  First “AEON Eco-1 Grand Pix” held  Started “AEON Hometown Discovery” ○ 2015 Transition to Public Interest Incorporated Foundation ○ 2016  Started support for Future Agriculture Days  Started “Forest Healing Project for Children in Fukushima” ○ 2017  “Asia Youth Leaders” Held first meeting in Japan under the theme of “food and health” ○ 2018  Japan-China Teenage Ambassadors” 10th Anniversary Commemorative Project held ○ 2019  30th Anniversary Commemorative Project held ○ 2020  Started “AEON Shuri Castle Restoration Support Project”  Support for “Fundraising for Children Affected by COVID-19” 	 <p>Decided to hold every year after being rated highly by Beijing government and participating students</p>  <p>Began various types of support, such as fundraising and tree-planting activities and programs that support the dreams of children in the Tohoku region</p>  <p>AEON Hometown Discovery</p>  <p>Support for “Future Agriculture Days”</p>  <p>Japan-China Teenage Ambassadors Held “10th Anniversary Commemorative Project”</p>	 <p>AEON-UNICEF Safe Water Campaign</p>  <p>AEON Eco-1 Grand Pix</p>  <p>Invited children from Fukushima to “Afan Woodland” in Kurohime, Shinanomachi, Nagano Prefecture</p>  <p>Asia Youth Leaders</p>  <p>Past Teenage Ambassadors gathered in Tokyo</p>  <p>AEON Shuri Castle Restoration Support Project</p>
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<ul style="list-style-type: none">  Sound upbringing of children who will lead the next generation  Promotion of international friendship and goodwill  Sustainable development of the local community 	 <p>AEON Shuri Castle Restoration Support Project</p>
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(Translation for reference purposes only)

ATTACHED DOCUMENTS

Business Report for Fiscal 2021

(March 1, 2021 – February 28, 2022)

1. Consolidated Business Review

AEON CO., LTD. (“AEON” or the “Company”) and its 286 consolidated subsidiaries posted consolidated operating revenue of 8,715.9 billion yen, setting a new record high. In addition, operating profit was 174.3 billion yen, ordinary profit was 167.0 billion yen, and profit attributable to owners of parent was 6.5 billion yen.

During the fiscal year under review, the external environment was extremely challenging. This included repeated and prolonged restrictions on activities, such as the state of emergency declared in response to the dramatic surge in infections from new COVID-19 variants, and the accompanying ongoing deterioration in consumer sentiment. Amid this environment, the Supermarket Business (SM Business), which bolstered its efforts to respond to dine-in demand, the Discount Store Business (DS Business), and the Health & Wellness Business, which is boosting the number of its drugstores able to process prescriptions, each posted segment profit exceeding that in the period prior to the COVID-19 pandemic. In addition, the General Merchandise Store Business (GMS Business), the Financial Services Business, the Shopping Center Development Business, and the Services & Specialty Store Business were able to improve profitability by advancing efforts to quickly respond to changing needs and build a base for growth. As a result, profit attributable to owners of parent improved significantly.

Common Group Strategy

As for the business environment in which the Company operates, the speed at which social changes have been occurring is further accelerating due to changes in population trends and changes in customer behavior associated with climate change, as well as due to other changes, such as the rapid spread in the use of digital technology in all areas of life, increasing awareness of the environment and health, and structural changes in the competitive landscape, along with significant changes in customer behavior, awareness and values brought about by the spread of COVID-19. The Group views these environmental changes as an excellent opportunity for the Group to achieve dramatic growth. Eyeing a transition to sustainable growth towards 2030, we formulated the “FY2021-FY2025 Medium-term Management Plan (hereinafter, the “new medium-term plan”).” Under the new medium-term plan, as a common strategy for the Group, the Group has been working for the five transformations: acceleration and evolution of the shift to digital markets, creation of unique value with the supply chain concept, evolution of health and wellness for a new era, creation of AEON living zones, and further acceleration of the shift to Asian

(Translation for reference purposes only)

markets. Moreover, we are accelerating initiatives for the environmental green concept given its rapidly increasing importance. In addition to reforming the existing business model and establishing a new growth model, the Group will boost profitability and concentrate investment of management resources thus produced into new growth domains, thereby having the Group work as one to acquire new growth opportunities.

During the fiscal year under review, which is the first year of the new medium-term plan, in order to establish a more customer-friendly and convenient AEON points system and to establish a common Group-wide digital platform, the Group consolidated points as WAONPOINT in September 2021 and launched a comprehensive AEON service app called “iAEON,” which will be a common touchpoint for the entire Group. In addition, the Group quickly responded to growing desire of consumers to protect their wellbeing and announced that it would freeze prices on *TOPVALU* products.

Group-wide structural reforms

In order to raise our regional competitiveness to an overwhelming level, in September 2021, Fuji Co., Ltd. (hereinafter, “Fuji”), Maxvalu Nishinohon Co., Ltd. (hereinafter, “Maxvalu Nishinohon”) and AEON concluded a basic agreement regarding the merger of Fuji and Maxvalu Nishinohon in 2024, and in March 2022 ahead of the merger, Fuji and Maxvalu Nishinohon established a joint holding company that will be a consolidated subsidiary of AEON. In addition, AEON carried out a tender offer bid for shares of CAN DO CO., LTD., which became a consolidated subsidiary of AEON in January 2022. Going forward, by sharing business and management know-how within the Group, the Group will realize efficient business operations, bolster business models and achieve further growth.

(Translation for reference purposes only)

Financial highlights

Years ended February 28 (2019, 2021 and 2022) and February 29 (2020)	2019	2020	2021	2022
Operating revenue (Millions of yen)	8,518,215	8,604,207	8,603,910	8,715,957
Operating profit (Millions of yen)	212,256	215,530	150,586	174,312
Ordinary profit (Millions of yen)	215,117	205,828	138,801	167,068
Profit (loss) attributable to owners of parent (Millions of yen)	23,637	26,838	(71,024)	6,504
Earnings (loss) per share (Yen)	28.11	31.88	(84.06)	7.69
Total assets (Millions of yen)	10,045,380	11,062,685	11,481,268	11,633,083
Net assets (Millions of yen)	1,875,364	1,849,278	1,755,776	1,812,423
Net assets per share (Yen)	1,299.32	1,264.63	1,147.56	1,130.76

(Note) AEON has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No. 28, February 16, 2018) from 2020. This accounting standard has been retroactively applied to the figure in total assets for 2019.

Business segment information

Business segment	Operating revenue (Millions of yen)	YOY (%)	Operating profit (Millions of yen)	YOY (%)
GMS Business	3,300,450	98.2	(2,321)	–
SM Business	2,520,678	98.9	30,539	73.3
DS Business	388,111	97.7	2,759	61.4
Health & Wellness Business	1,031,020	107.8	41,909	100.9
Financial Services Business	472,549	96.9	61,791	144.9
Shopping Center Development Business	366,743	112.1	38,870	108.8
Services & Specialty Store Business	703,447	109.6	(2,730)	–
International Business	412,232	99.5	5,592	92.2
Reportable Segments Total	9,195,233	100.7	176,410	123.1
Other Operations	53,298	96.8	(521)	–
Total	9,248,531	100.7	175,889	120.7
Adjustment	(532,574)	–	(1,576)	–
Consolidated	8,715,957	101.3	174,312	115.8

(Note) The main activities in each business segment are as follows:

GMS Business

General merchandise stores (GMS), specialty stores selling packaged lunches and household dishes

SM Business

Supermarkets, convenience stores, small-scale supermarkets

DS Business

Discount stores

Health & Wellness Business

Drugstores, pharmacies, etc.

Financial Services Business

Credit card business, fee business, banking business, insurance business

Shopping Center Development Business

Development and leasing of shopping centers

(Translation for reference purposes only)

Services & Specialty Store Business

Comprehensive facility management services, amusement services, food services, specialty stores selling family casual apparel, footwear, etc., flat-rate discount store business, etc.

International Business

Retail stores in the ASEAN region and China

Other Operations

Mobile marketing business, digital business, etc.

(Translation for reference purposes only)

(1) Review of Operations

Retailing and Services

- In the GMS Business, Aeon Retail Co., Ltd. (“Aeon Retail”) maintained strong sales of food by promoting *TOPVALU* products, for which a price freeze had been implemented in response to growing desire of consumers to protect their wellbeing, and by capturing ongoing dine-in demand. Aeon Retail also redoubled its efforts involving both physical stores and online shopping during this year’s Black Friday Sale, which marked the sixth year it has held the event. Moreover, sales grew in the online supermarket business, which has surged in demand during the COVID-19 pandemic, as a result of convenience-heightening initiatives such as expanding delivery timeslots, enhancing pickup methods, and introducing a service to schedule delivery times. Aeon Retail has furthermore been seeking to increase profit margins by significantly reducing inventory volume through efforts to achieve more precise control of the merchandising cycle and by deploying its “AI Kakaku” pricing system for setting appropriate prices through AI-based learning of environmental metrics such as weather conditions and customer numbers.
- In the SM Business, Maxvalu Tokai Co., Ltd. (“Maxvalu Tokai”) has been addressing consumer trends that include a persisting cost-saving mentality by promoting sales through the Maxvalu Tokai app and strengthening its offerings of *TOPVALU* products. It has also been engaging in initiatives firmly rooted in its communities through efforts that include expanding its range of local products cherished by local residents, developing products that use local ingredients, and developing healthy prepared foods and boxed meals in collaboration with local governments and students. Additionally, Maxvalu Tokai expanded the introduction of cashless self-checkout registers, thereby improving operational efficiency of stores. Also, United Super Markets Holdings Inc. expanded its number of stores using the smartphone payment service “Scan & Go Ignica” to over 500 stores. In the DS Business, we have been reorganizing operations within the Group while pursuing aims that include prompting our small-scale discount store business to gain dominance more swiftly in the Tokyo metropolitan area and creating new growth strategies. To such ends, we have been taking steps toward structural reform by means of reorganization within the Group, through initiatives that have involved arranging business consolidation of Big-A Co., Ltd. and A·Colle Co., LTD. in March 2021, and merging Aeon Big Co., Ltd. with Maxvalu Nagano Co., Ltd. in June 2021.
- In the Health & Wellness Business, sales were higher than in the previous fiscal year amid success achieved with growth strategies encompassing merchandise, aggressive new store openings, and making local drugstore companies part of the Group, in addition to Welcia Holdings Co., Ltd. and its consolidated subsidiaries having achieved ongoing gains in their number of prescriptions handled largely due to an increase in the number of stores dispensing

(Translation for reference purposes only)

prescription drugs. As initiatives to improve productivity, Welcia Holdings optimized expenses, focusing on personnel expenses, by advancing efforts to increase the operational efficiency of stores, such as by promoting thorough management to optimize store labor-hours and automating ordering, as well as by optimizing the assignment of pharmacists.

- In the Services & Specialty Store Business, Aeon Delight Co., Ltd. (“Aeon Delight”) sought to cut costs for managing customer facilities, which involved achieving labor savings by transitioning to a new area management model for facility administration while ensuring the same quality as the former style of management in which staff always worked in a single facility. In China, business has steadily expanded as a result of our having placed focus on gaining more contracts. Aeon Fantasy Co., Ltd. (“Aeon Fantasy”) achieved positive results in the prize category as a result of focusing its efforts on top-selling prizes such as Aeon Fantasy’s limited-edition items based on popular characters and strengthening its deployment of collaborative prizes with major confectionery manufacturers. Aeon Fantasy also achieved favorable performance with respect to the new “Molly Online” business of online crane-type machine games.

Financial services

- In the Financial Services Business, we have been implementing initiatives toward medium- to long-term growth, including enhancing online services, building AEON living zones that leverages our common Group-wide points system, and creating new businesses. In Japan, we have increased convenience through the changes to the Aeon Card’s common Group-wide points system, and further promoted the transition to cashless payment for the Group, such as by introducing “AEON Pay,” the barcode payment function for “iAEON,” and commencing Apple Pay services for “WAON” electronic money. Furthermore, we commenced sales of Aeon Allianz Life Insurance Co., Ltd.’s “Genki Passport,” a health-promotion-type whole-life medical insurance product, and promoted initiatives for cross-selling that provides new value to customers, utilizing the strengths of the AEON Group. Overseas, we utilized digital technologies in various countries, and promoted initiatives for health needs. In Thailand, we reorganized the insurance business, suggested insurance products through applications, and began to issue cards with exclusive benefits for health-related facilities. In Malaysia, we made an insurance broker company into a subsidiary, and expanded the insurance products that we handle. Furthermore, we significantly improved doubtful account-related costs by continuously working to refine screening and building a receivables collection system.

Shopping Center Development

- In the Shopping Center Development Business, Aeon Mall Co., Ltd. (“Aeon Mall”) substantially increased the number of members of the Aeon Mall app, which provides access

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to services that increase convenience for customers in part by delivering coupons and providing a function that helps customers navigate their way to the stores they want to visit. The significant increase in membership is a result of Aeon Mall's efforts to arrange events that heighten recognition of the Aeon Mall app, which involved conducting a loyalty promotion event for members, and carrying out initiatives to increase frequency of mall visits. In Vietnam, which is the most important country for new mall openings for the ASEAN business, Aeon Mall worked to strengthen partnerships with regional governments in order to secure sites for new malls going forward. As part of these efforts, Aeon Mall concluded comprehensive memorandums of understanding concerning investment and business promotion related to shopping mall development with four provinces in the country. In addition, in order to enhance its ESG initiatives, Aeon Mall issued its first sustainability-linked bonds aimed at helping to solve societal issues and promoting eco-friendly activities.

International

- In Malaysia, resurgences of COVID-19 affected operations in part by forcing closures of product sales areas related to apparel, household goods, and recreational products. Amid this situation, Aeon Malaysia intensified its efforts to address dine-in demand through initiatives that included reviewing its product lineups and expanding its sales areas offering fresh and frozen food. Also, as a part of bolstering online business, the Company launched an online supermarket utilizing Boxed's e-commerce platform which offers functional screen design and personalized functions, along with other features. In Vietnam, although our operations were affected by lockdowns prevailing over a period of several months, we redoubled efforts particularly with respect to mobile sales as well as order sales for customers unable to visit stores amid the COVID-19 pandemic. In the online supermarket business in China, net sales increased due to sales promotions focused on categories for which online sales demand is high, as well as efforts to bolster a service in which items purchased online are delivered within one hour of the order being received.

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(2) Environmental and Social Initiatives

Based on the AEON Sustainability Principle, which reconciles the realization of a sustainable society and Group growth, AEON works to resolve various environmental and society issues through its business activities. To address more serious environmental issues, we have established four medium- to long-term global standard environmental targets, and are working to achieve them by cooperating with various stakeholders.

Four medium- to long-term environmental targets based on the AEON Sustainability Principle

Decarbonization Vision	Sustainable Procurement Policy and Goals	Food Waste Reduction Targets	Policy and Targets Regarding Use of Plastics
Switch to renewable energy for 50% of the energy used in our stores in Japan by 2030, and target zero CO ₂ emissions generated by our stores and businesses by 2040	Promote procurement of agricultural, livestock and fishery products, and paper, pulp, timber, and palm oil produced in line with global standards, using sustainable approaches	<ul style="list-style-type: none"> • Reduce food waste per generation intensity by 50% by 2025 (relative to 2015) • Build food resource recycling models at 10 locations or more nationwide, and at least 1,000 stores 	By 2030, <ul style="list-style-type: none"> • Halve volume of disposable plastic use (relative to 2018) • Use environmentally and socially sound materials in all <i>TOPVALU</i> products

Realization of a decarbonized society

AEON is working to reduce CO₂ emissions by stipulating specific numerical targets from 2008, as we believe that reducing the energy used in business activities will contribute to the prevention of global warming. Under the AEON Decarbonization Vision, drawn up in 2018, we aim to reduce total greenhouse gas emissions from our stores to zero by taking a three-pronged approach encompassing our stores, products and logistics, and efforts hand-in-hand with our customers.

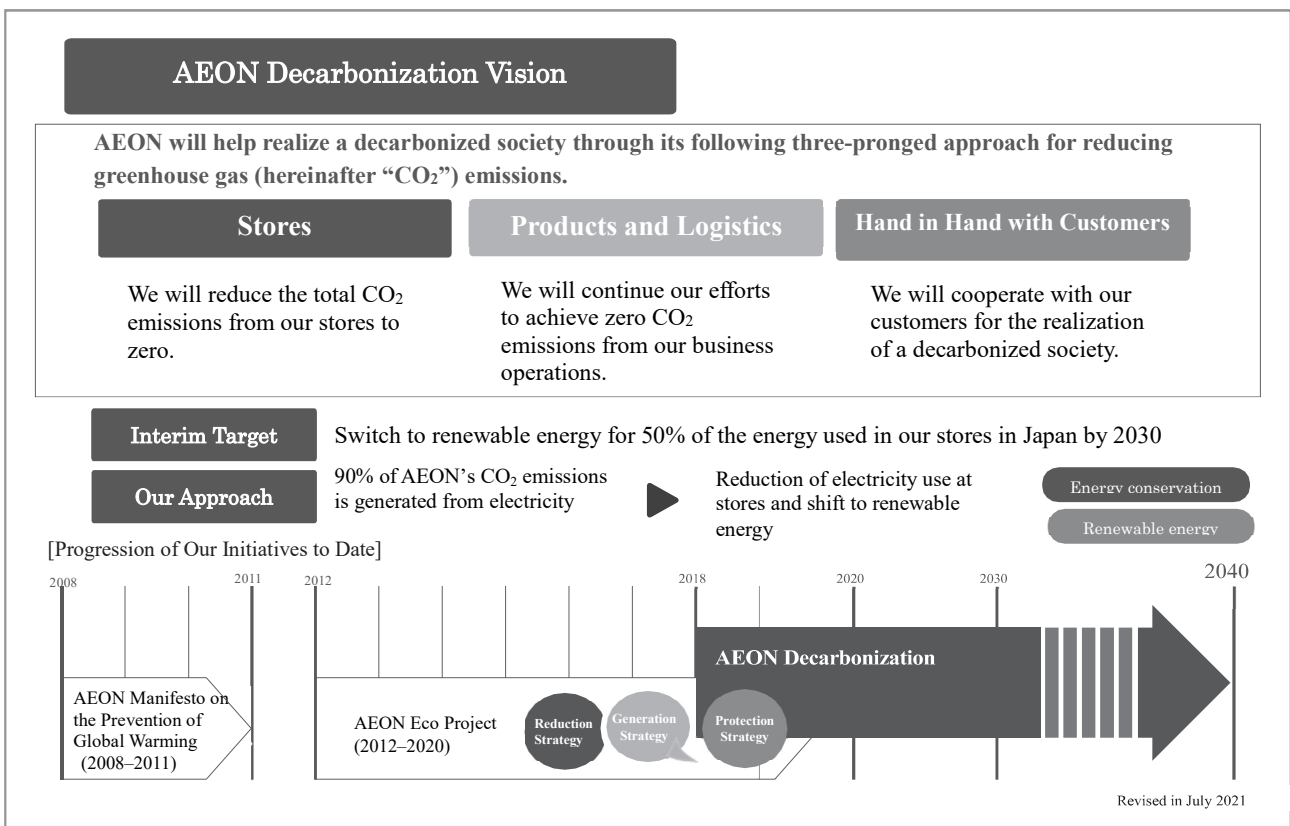
We now aim to achieve that target ahead of schedule and have accordingly set a new target of switching to renewable energy for 50% of the energy used in our stores in Japan by 2030. Aeon Mall has set its sights on shifting to renewable energy in all of its malls in Japan for 100% of its energy use by 2025.

We seek to increase our procurement of renewable energy enlisting various means that include actively adopting solar power systems and enhancing efforts to purchase surplus electricity from our customers. In addition, we have also been focusing our efforts on offering products and

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financial services geared to customers who are considering purchases of new zero energy homes (ZEH), making such renovations, or purchasing electric vehicles (EV).

Initiatives such as these have met with a positive response, resulting in AEON being selected as a “climate change A List,” the highest level of assessment, for the third consecutive year by non-profit organization CDP, which deals with global environmental surveys and information disclosure. Going forward, we seek to more rapidly help bring about a decarbonized society by drawing on all of the Group’s resources.



Reducing single-use plastics

In seeking to establish new decarbonized and resource-recycling lifestyles, we have accordingly been working to ensure that we use plastics sustainably. This has involved taking action under the AEON Plastic Usage Policy enlisting a three-pronged approach that consists of reducing single-use plastics, transitioning to environmentally friendly plastics rather than fossil-based plastics, and building a store-based model of resource recycling.

As a new initiative, from May 2021, AEON stores in Japan’s Kanto area began participating in the Loop reusable packaging concept, a system for the provision of merchandise that allows the containers for daily consumables and food products, which traditionally have been thrown away,

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to be reused repeatedly. A total of 58 stores are selling Loop products (as of the end of February 2022).

In March 2022, we launched sales of four revamped *TOPVALU* Gurinai Organic tea beverage products available in plastic bottles fully made from recycled resins derived from used plastic bottles collected at AEON stores.

AEON promotes environmental and social initiatives under three pillars: initiatives through business activities; activities of the AEON 1% Club Foundation; and activities of the AEON Environmental Foundation.

AEON 1% Club Foundation

The foundation was declared in 1989 and established in 1990. The major companies of the AEON Group contribute an amount equivalent to 1% of their pre-tax profit to the AEON 1% Club Foundation from a desire to “support society using profits received from customers,” and support the foundation’s main areas of focus: the sound upbringing of children who will lead the next generation; the promotion of international friendship and goodwill; and sustainable development of the local community.

AEON Environmental Foundation

The foundation was established in 1990 for the purpose of focusing on supporting and providing grants for other organizations with the same vision while advancing its own various activities to protect the global environment. It continues to carry out projects to address the environmental issues, which are constantly evolving over the years. The foundation carries out activities under the pillars of the AEON Forest Program, Environmental Grant Program, Environmental Education, and Environmental Partnership.

Support related to the COVID-19 pandemic

(1) Support for children who represent the future of society

In December 2020, we launched the AEON Children’s Cafeteria Support Group with the aim of extending assistance to children and households with children who have been enduring substantial hardships due to the COVID-19 pandemic. This project has entailed engaging in fundraising campaigns involving the National Children’s Cafeteria Support Fund at our nationwide stores and business offices during summer and winter of FY2021, culminating in total funds raised of approximately 64,440,000 yen contributed to NPO National Children’s Cafeteria Support Center Musubie.

Including activities to create awareness at our stores, through these activities, we are working to build a local community in which people support one another and are connected through the bond of mutual assistance.

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(2) Support for healthcare workers

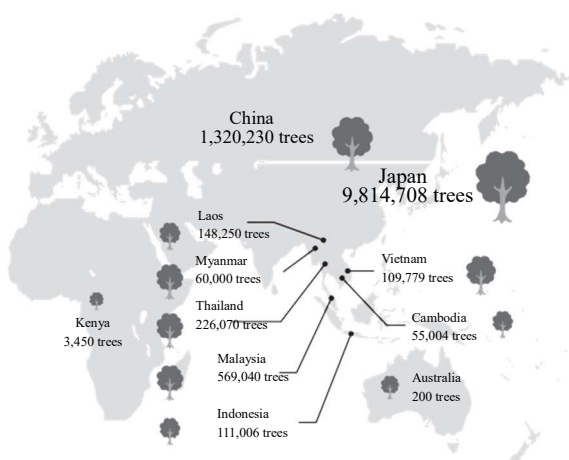
Over the period from April 29 to June 30, 2021, we engaged in a fundraising campaign seeking funds to support healthcare workers battling the COVID-19 pandemic, given our desire to support frontline healthcare workers. The campaign was carried out at our local stores and business offices subject to state of emergency declarations and other measures to prevent the spread of COVID-19. The contributions from our customers amounted to approximately 37,520,000 yen and were combined with matching funds through the AEON 1% Club Foundation, which resulted in a total of approximately 75,050,000 yen contributed to Tokyo, Hokkaido, Osaka, Kyoto and 18 other prefectures, and six government ordinance cities. We are making concerted efforts across the entire Group in attempting to prevent the spread of COVID-19 in hopes of the pandemic swiftly coming to an end so that people throughout Japan will be able to peacefully lead their daily lives with a sense of security.

Major fundraising and support activities in FY2021

Fundraising initiative	Contributions
National Children's Cafeteria Support Fund	64,447,607 yen
Funds to support healthcare workers battling the COVID-19 pandemic	75,055,192 yen
Shuri Castle Restoration Fund	135,873,606 yen
Atami Landslide Relief Fund	12,894,480 yen

* The contribution amounts include customer donations as well as funds furnished by AEON and the AEON 1% Club Foundation.

AEON Forest Programs



We perceive environmental issues as being issues that threaten peace, and we have continued tree planting activities since 1991 based on the idea of working to resolve environmental issues through tree planting. The tree planting activities, which were undertaken together with our clients in Japan and various parts of the world, have succeeded in planting 12.41 million trees.

In FY2021, we engaged in tree planting activities of the Aeon Forest Program in Kimitsu City aiming to regenerate local forests pursuant to agreement reached by the AEON Environmental Foundation with the Kanto Regional Forest Office of Japan's Forestry Agency. Given difficulties

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with respect to engaging in tree planting activities due to the COVID-19 pandemic, we also carried out the Sapling Foster Parents Project, which serves as an initiative for involvement in forest revitalization without the need for sending people to tree planting sites. The program entails providing our customers and employees with saplings which they raise for about one year, after which the saplings are replanted at AEON's forests.

AEON aims to be a company where everyone can work comfortably and with motivation.

Promoting diversity

Given that its efforts to promote diversity and inclusion serve as one of its management strategies, AEON accordingly aims to serve as an organization that continuously innovates by enabling diverse human resources to fully draw on their capabilities. As for female managers, we had a target ratio of 50% and achieved a ratio of 26% in FY2021. We conducted compliance training for executives enlisting participation of 900 officers from Group companies in Japan and overseas, as well as online training enlisting participation of more than 2,000 managers. In so doing, we sought to develop greater awareness of management practices required in this day and age in terms of adhering to an organizational stance of respecting diversity and psychological safety. Revision of Japan's Child Care and Family Care Leave Act prompted us to incorporate content promoting childcare leave for male employees into our online training regarding support for balancing work and childcare. Some 350 employees took part in the training, including female employees as well as male employees, supervisors and human resources personnel. The training introduced best practices of Group companies and helped to raise awareness of matters pertaining to childcare leave. Furthermore, we newly introduced training that takes a multifaceted approach to life planning, available to young female employees who are prospective candidates for our next generation of management, and worked to create an environment where female employees can sustainably play an active role, such as by setting up opportunities to deepen exchange by employees at each Group company.

Initiatives for health promotion

AEON works to promote the health of its employees and their families as a group, based on the belief that promotion of employee health is essential for corporate activities. Also, we believe healthy employees are, in turn, better able to provide services that bring customers health and happiness. As part of Group-wide initiatives to encourage people to quit smoking, we have been implementing on-site smoking bans during work hours at 115 Group companies. In addition, we have been seeking to ensure safety and security of our communities and employees by actively offering COVID-19 vaccinations in the workplace. These efforts have been recognized with our designation as a "Health and Productivity Management Organization 2022 (White 500)," continuing on from the previous year. Some 26 AEON Group companies have gained such

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certification from the Health and Productivity Management Organization. Going forward, we will persist with our efforts in this regard with the aim of enabling our employees to take initiative in assessing and improving their health.

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(3) Corporate Governance

History of corporate governance reforms

The Company continually works to reform its corporate governance in an effort to create a foundation for continuous enhancement of corporate value. In 2003, the Company transitioned to a company with committees (currently, a company with a nomination committee and other committees) in order to separate the management supervision function and business execution function of the Board of Directors. In addition, by having outside directors form a majority of directors and making outside directors the chairpersons of the Nomination, Compensation, and Audit Committees, the transparency and fairness of management is further enhanced. In 2016, the Group formulated its Basic Policy on Corporate Governance, which presents the Group's basic stance on corporate management and corporate governance and serves as its policy in corporate activities. Looking ahead, we will continue to undertake reforms for optimizing the corporate governance system.

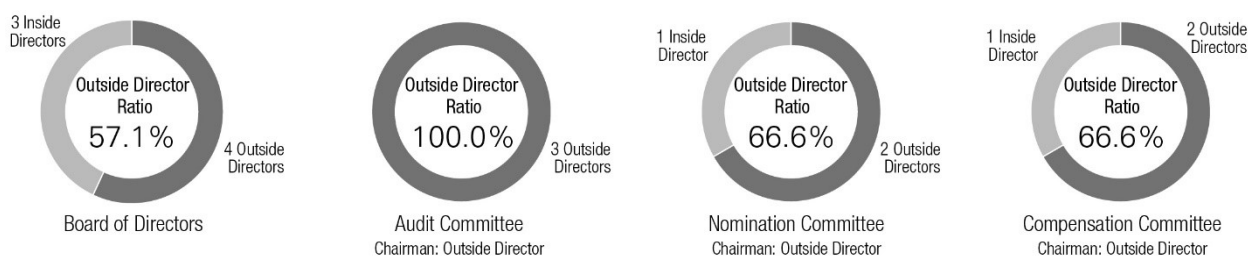
Corporate governance highlights

	2000	2001–	2003–	2007	2008	2009–	2013–	2016	2017	2018	2019	2020–	
Trade name	JUSCO Co., Ltd.	AEON CO., LTD. (since Aug. 2001)											
Organization form	Operating holding company				Pure holding company (since Aug. 2008)								
Corporate governance system	Company with a Board of Directors		Company with a Nomination Committee and Other Committees (since May 2003)										
Committees	–		Nomination Committee (Chairman: outside director)										
			Compensation Committee (Chairman: outside director)										
			Audit Committee (Chairman: outside director)										
Number of Directors	23	8	7	7	9					8	7		
(Of which, outside directors)	– (Note)	4 (half of directors)	3	3	5 (more than half of directors)						4 (more than half of directors)		
(Of which, female directors)								1					
(Of which, foreign nationals)										1	2		
Operations of the Board of Directors, etc.									Assessment of the effectiveness of the Board of Directors				
									Outside Directors' Meeting				
Policies and code of conduct	AEON Basic Principles (1989–)												
			Established AEON Code of Conduct										
									Established Basic Policy on Corporate Governance				

(Note) The outside director system was introduced with the revision of the Commercial Code in 2003. AEON had already invited outside officers prior to this.

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Composition of the Board of Directors & the 3 Committees



* All four outside directors meet the requirements for independent directors as stipulated by the Tokyo Stock Exchange and the Company has accordingly registered them as independent directors with the exchange.

Main Roles and Meeting Status of Corporate Bodies

	Meeting status	Principal roles
Board of Directors	Met 7 times	<ul style="list-style-type: none"> - Supervision of the performance of duties by directors and executive officers - Decisions on matters that require resolution by the Board of Directors under the provisions of Article 416 of the Companies Act and that cannot be delegated to executive officers
Audit Committee	Met 9 times	<ul style="list-style-type: none"> - Auditing of the performance of duties by directors and executive officers - Decisions pertaining to the content of motions to be introduced at shareholders' meetings concerning the appointment, dismissal or non-reappointment of independent auditors
Nomination Committee	Met 3 times	<ul style="list-style-type: none"> - Decisions pertaining to the content of motions to be introduced at shareholders' meetings concerning the appointment or dismissal of directors
Compensation Committee	Met 3 times	<ul style="list-style-type: none"> - Decisions concerning the content of financial remuneration received by directors and executive officers

* During the fiscal year under review, in addition to the activities of the Board of Directors and Committees described above, the Company also held outside directors' meetings and policy deliberation meetings, etc.

Activity report of the Board of Directors

The Board of Directors conducts lively discussions at meetings from a long-term perspective aiming for sustainable growth and improvement of corporate value. In FY2021, the Board of Directors held many discussions focused on management issues and the progress of various measures, such as the five transformations of acceleration and evolution of the shift to digital markets, creation of unique value with the supply chain concept, evolution of health and wellness for a new era, creation of AEON living zones, and further acceleration of the shift to Asian markets in the new medium-term plan through to FY2025. In addition, to complement the functions of the Board of Directors, the Company worked to share information in a timely manner and held discussions, such as by holding meetings where the opinions of outside directors were sought on management integration, business acquisitions and other matters that will significantly affect the Group. Furthermore, this year discussions were held with the participation of only the

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independent outside directors to enable a frank exchange of opinions regarding the best form of Group governance and improvement of the effectiveness of the Board of Directors. These opinions were presented to the executive directors at the Board of Directors meeting. This activity was carried out based on the idea that the independent outside directors should be driving improvement of the Company's medium- to long-term corporate value and its governance. The Company believes that this shows that the supervision function of the independent outside directors is being exercised. In addition, interviews were separately conducted between the independent outside directors and three inside directors, where active exchanges of opinions and discussions about medium- to long-term issues to be addressed and the measures for those issues were conducted based on extensive experience, wide-ranging insight and expertise. As seen in these measures, it has been confirmed that the Board of Directors as well as directors have productive discussions toward increasing the corporate value of the Group overall, and that the supervisory function, which stimulates the sustainable growth of the Company, is functioning effectively. Going forward, they will work to further strengthen its corporate governance.

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2. Prospective Challenges for the AEON Group

The Group is likely to encounter major changes above and beyond those brought about by the pandemic amid a business environment marked by an increasingly diverse range of intensifying developments that occur at a faster pace and on a greater scale than ever before. As such, it is our belief that AEON must serve as a corporate entity that seeks persistent transformation amid a rapidly changing environment.

In April 2021, we have accordingly formulated our FY2021-FY2025 Medium-term Management Plan (the “new medium-term management plan”) with the aim of tapping into the unprecedented scale of such environmental changes as a prime opportunity for the Group to achieve dramatic growth. Under the new medium-term management plan, we seek to achieve sustainable, circular economy-focused management whereby our growth directly leads to enrichment in the regions of Japan, China and ASEAN where we operate our business, in attaining “AEON’s Ideal State” by the year 2030.

Achieving those aims will entail the following key initiatives that are to be promoted throughout the Group as we steadily establish a business foundation that underpins our sustainable growth from FY2025 onward.

Common Group strategies under the new medium-term management plan

(1) Acceleration and evolution of the Shift to Digital Markets

Amid a situation where the line between physical stores and e-commerce is becoming increasingly blurred among customers when it comes to sales channels, we aim to provide customer experience that delivers substantial convenience and satisfaction by fusing physical and digital channels, thereby shifting away from our longstanding focus on brick-and-mortar stores and product sales.

Our respective Group companies have been seeking expansion of online supermarkets, taking steps to provide greater convenience at stores, and actively promoting an extensive range of digital solutions particularly in terms of operational streamlining. At the same time, we have been enlisting the entire Group with respect to intensifying our efforts to build key elements of infrastructure that link AEON with its customers. Such efforts have included making it possible for customers to use reward points with different Group companies and providing the iAEON comprehensive app that combines services provided by respective Group companies into a single digital platform. By expanding customer touch points across both offline and online domains, we seek to draw on customer lifestyle data in a manner that gives rise to new innovations achieved from perspectives derived from real-world operations, such that are unavailable to enterprises that conduct business exclusively online.

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(2) Creating unique value with the supply chain concept

We are making concerted, Group-wide efforts to create unique products and services that reflect AEON's principles and philosophy with a focus on our private brand products, amid a transition to a seamless competitive landscape as boundaries between different business categories and sales channels become increasingly diminished across the board.

We have also been ramping up our pace in developing original products in new areas not covered by national brands. This particularly includes sustainability-oriented products made with plant-based substitutes. In addition, we will engage in initiatives geared to strengthening our ability to develop and offer unique value in order to proceed with transformation that will enable us to provide greater support than ever before. This will involve bolstering infrastructure for expanding and enhancing our private-brand food product range including delicatessen and fresh food products, and turning flat-rate discount store business operations into subsidiaries that produce products equipped with concepts unparalleled by other companies in the non-food realm.

(3) Evolution of Health & Wellness for a new era

We have been building new means of providing value by combining elements of health in our respective areas of business. This involves developing operations in local communities centered on medical care and health, and providing insurance services that furnish active support for pre-symptomatic treatment and disease prevention, in addition to promoting the expansion of the Welcia business. We will offer new products and services that fully satisfy customer needs from various angles by engaging in inter-Group collaboration and partnerships involving other companies and industries in terms of having our respective Group companies take on initiatives offering greater appeal and higher levels of satisfaction.

(4) Create AEON living zones

As the next step in our ongoing shift to regional markets, we will transition to locally-based companies with our sights set on providing community-based products, services, and lifestyle infrastructure. We will furthermore build AEON living zones through efforts that involve creating services and functions needed in each community as well as core community bases complemented by social capital. We aim to spur our evolution toward serving as a corporate entity that contributes the utmost to regional development by becoming actively involved in addressing community challenges and helping to enrich people's lives.

(5) Accelerate the Shift to Asian Markets

In addition to expanding our network of multi-format stores, we have been engaging in efforts to accelerate fusion of our online and offline operations through partnerships with e-commerce platforms in Asia, where society becomes increasingly digitalized. We have also been

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developing new business focused on emerging demand particularly by providing a full lineup of services in commercial distribution. We will steadily tap potential for growth in Asia through our efforts to accelerate business growth in making the market our next earnings pillar.

(6) GX (Green Transformation)

Our stakeholders across the board have been taking steps toward addressing environmental challenges such as those involving carbon neutrality with respect to environmental issues such as rapidly intensifying climate change and loss of biodiversity. Meanwhile, we are well aware that corporate environmental initiatives must serve as prerequisites of our business activities going forward amid mounting needs for eco-friendly lifestyles.

We will accordingly redouble our efforts to reduce burdens our business activities impose on the global environment by working together with all of our stakeholders, particularly our customers and employees. Moreover, we will concurrently engage in initiatives that help improve the environment, such as our ongoing tree-planting activities.

We will contribute to achieving social sustainability in a manner that enriches our communities by actively exercising leadership through this dual approach.

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3. Overview of AEON and the Aeon Group (as of February 28, 2022)

(1) Main Business

The Aeon Group comprises the Company (a pure holding company), 286 consolidated subsidiaries and 26 equity-method affiliates. The Group is engaged in various business operations, including the Group's core retail store operations together with businesses such as Financial Services, Shopping Center Development and Services.

(2) Number of Stores of Aeon Group Businesses

1) Head Office

1-5-1, Nakase, Mihama-ku, Chiba-shi, Chiba

2) Number of stores and facilities by format

Format	Number of stores	Format	Number of stores	Format	Number of stores
Mall-type SC	262	Home centers	117	Other retail	1,342
General merchandise stores	618	Department stores	1	Financial services	592
Supermarkets	2,285	Convenience stores	4,661	Other services	1,978
Supercenters	25	Specialty stores	4,503	Total	19,857
Discount stores	605	Drugstores	2,868		

(3) Financing and Investment by the Aeon Group

Focused on the Shopping Center Development Business, which continues to demonstrate growth, the Aeon Group directed capital spending to investment in new stores in growth markets in Asia and on the refurbishment of existing domestic retail stores, as well as on the digital field including e-commerce. Total capital spending on such projects as stores and digital initiatives amounted to 352.5 billion yen, which was financed by internal cash flows and new borrowings.

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(4) Share-related Information

- 1) Number of shares authorized: 2,400,000,000 shares
- 2) Number of shares issued: 871,924,572 shares
(including treasury shares)
- 3) Minimum share-trading unit: 100 shares
- 4) Number of shareholders at year-end: 857,642
- 5) Ten largest shareholders:

Name	Number of shares held (Thousands of shares)	Ratio of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	124,272	14.62
Custody Bank of Japan, Ltd. (Trust Account)	33,606	3.95
Mizuho Bank, Ltd.	33,292	3.92
AEON Environmental Foundation	21,811	2.57
The Cultural Foundation of Okada	21,378	2.51
The Norinchukin Bank	18,133	2.13
Employees' stockholding association	12,010	1.41
Aeon Mutual Benefit Society (Nomura Securities account)	11,896	1.40
STATE STREET BANK WEST CLIENT-TREATY 505234	10,719	1.26
Tokio Marine & Nichido Fire Insurance Co., Ltd.	10,061	1.18

(Note 1) Calculations of ratio of shares held exclude treasury shares (21,812,561 shares) and have been rounded. The number of treasury shares does not include the Company's shares held by Employee Stock Ownership Plan Trust (3,313,300 shares).

(Note 2) The number of shares held by Mizuho Bank, Ltd. includes its contribution of 9,378 thousand shares to the retirement benefit trust (the holder of said shares, as listed in the shareholder registry, is "Custody Bank of Japan, Ltd. as trustee for Mizuho Bank Retirement Benefit Trust Account re-entrusted by Mizuho Trust and Banking Co., Ltd.").

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(5) Directors and Executive Officers of the Company

1) Directors and executive officers

Board of Directors

Name	Area of responsibility	Significant concurrent positions outside the Company
Motoya Okada	Chairman of the Board; Nomination Committee member; Compensation Committee member	
Akio Yoshida		
Akinori Yamashita		
Takashi Tsukamoto	Chairman of the Compensation Committee; Audit Committee member	Honorary Advisor, Mizuho Financial Group Outside Director, Asahi Mutual Life Insurance Company Outside Director, Internet Initiative Japan Inc. Outside Director, Furukawa Electric Co., Ltd. Chairman, The Japan-British Society
Kotaro Ohno	Chairman of the Audit Committee; Chairman of the Nomination Committee	Special Counsel, Mori Hamada & Matsumoto Outside Audit & Supervisory Board Member, Komatsu Ltd. President, International Civil and Commercial Law Centre Foundation
Peter Child	Nomination Committee member; Compensation Committee member	
Carrie Yu	Audit Committee member	Senior Advisor, PwC Hong Kong

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Executive officers

Position	Name	Area of responsibility and significant concurrent positions outside the Company
Chairman and Representative Executive Officer	Motoya Okada	Director and Advisor, Aeon Mall Co., Ltd. Director and Advisor, Aeon Retail Co., Ltd. Director and Advisor, Daiei, Inc. Director and Advisor, United Super Markets Holdings Inc. Director, Welcia Holdings Co., Ltd. Outside Director, KUSURI NO AOKI HOLDINGS CO., LTD.
President and Representative Executive Officer	Akio Yoshida	Director, AEON Hokkaido Corporation Director, AEON KYUSHU CO., LTD. Director, Aeon Retail Co., Ltd. Director, CAN DO CO., LTD.
Executive Vice President and Representative Executive Officer	Akinori Yamashita	CFO Chief Officer of Business Management Audit & Supervisory Board Member, Aeon Retail Co., Ltd.
Executive Vice President and Representative Executive Officer	Motohiro Fujita	Chief Officer of SM President and Representative Director, United Super Markets Holdings Inc.
Executive Vice President and Executive Officer	Yuki Habu	Chief Officer of Digital
Executive Officer	Soichi Okazaki	Chief Officer of ASEAN Director, AEON CO. (M) BHD.
Executive Officer	Hiroyuki Watanabe	Chief Human Resources Officer, Administration & Risk Management Director, Aeon Financial Service Co., Ltd. Director, Aeon Delight Co., Ltd.
Executive Officer	Manabu Oike	Chief Officer of DS
Executive Officer	Yasuo Nishitohge	Chief Officer of Merchandising

(Note 1) In addition to their positions as directors, Motoya Okada, Akio Yoshida and Akinori Yamashita concurrently hold positions as executive officers. Area of responsibility and significant concurrent positions are stated under the Executive Officer summary.

(Note 2) Takashi Tsukamoto, Kotaro Ohno, Peter Child and Carrie Yu are all outside directors as stipulated under the Companies Act. In accordance with the rules of the Tokyo Stock Exchange, the Company has registered the names of all its outside directors as independent directors.

(Note 3) All Audit Committee members are to be independent outside directors (part-time) in the Company in order to maintain full independence of the Audit Committee and conduct highly transparent audit. Furthermore, the Group Management Audit Office has been set up independent from the business execution department. The Office ensures the effectiveness of the audit by gathering information through attendance of important meetings or interviews with executive officers while also assisting the duties of the Audit Committee by cooperating with the internal audit of the Group management and independent auditors.

(Note 4) The following personnel changes occurred during the year ended February 28, 2022:

- March 1, 2021 Manabu Oike and Yasuo Nishitohge were newly elected as Executive Officer, and assumed their positions.
- May 26, 2021 Eiji Shibata and Kahori Miyake retired from the positions of Executive Officer upon the completion of their terms.

(Note 5) As of February 28, 2022, Akinori Yamashita and Yasuo Nishitohge resigned from the positions of Executive Officer.

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(Note 6) As a result of a restructuring effective March 1, 2022, the organizational responsibilities for executive officers are now as follows.

Position	Name	Area of responsibility
Chairman and Representative Executive Officer	Motoya Okada	
President and Representative Executive Officer	Akio Yoshida	
Executive Vice Chairman and Executive Officer	Motohiro Fujita	Special Missions
Executive Vice President and Executive Officer	Yuki Habu	Digital
Executive Vice President and Executive Officer	Hiroyuki Watanabe	Human Resources, Administration & Risk Management
Executive Officer	Keiji Kamio	SM
Executive Officer	Manabu Oike	DS
Executive Officer	Soichi Okazaki	ASEAN
Executive Officer	Mitsuko Tsuchiya	Merchandising
Executive Officer	Tsukasa Ojima	Business Development
Executive Officer	Hiroaki Egawa	CFO, Business Management
Executive Officer	Motoyuki Shikata	Strategy
Executive Officer	Daisuke Tezuka	Logistics

2) Items related to outside directors

a. Significant concurrent positions held at other organizations and the relationships between these organizations and the Company

- The organizations in which outside directors hold significant concurrent positions are as shown on page 50.
- Takashi Tsukamoto held the position of President & CEO of Mizuho Bank, Ltd., a group company of Mizuho Financial Group, Inc. at which he now concurrently serves as Honorary Advisor. However, more than eight years have passed since his retirement from Mizuho Bank, Ltd. in 2013, and he currently has no involvement with the execution of business at the said bank. Even though the said bank is one of several principal lenders of the Company, it is not a business partner which has a significant impact on the Company's decision making. The Company's borrowings from the said bank at the end of the most recent fiscal year were below 2% of the consolidated total assets of the Company.
- The Company is registered as a corporate member of International Civil and Commercial Law Centre Foundation of which Kotaro Ohno is President. The Company has transactions with Mori Hamada & Matsumoto of which Kotaro

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Ohno is Special Counsel. However, the monies paid to each of the said companies represent less than 0.1% of the Company's total consolidated SG&A expenses.

- Peter Child has served as Senior Partner at multiple branch offices of McKinsey & Co., and the Company has transactions with the said company. The monies paid to McKinsey & Co. represent less than 0.1% of the Company's total consolidated SG&A expenses.
- Carrie Yu serves as a senior advisor for PricewaterhouseCoopers (PwC) Hong Kong, and the Company has transactions with PwC's member firm, PwC Tax Japan. However, the monies paid to PwC Tax Japan represent less than 0.1% of the Company's total consolidated SG&A expenses.

b. Attendance at Board/committee meetings (attendances/meetings) during the year under review

	Board of Directors	Audit Committee	Nomination Committee	Compensation Committee
Takashi Tsukamoto	7/7	9/9	–	3/3
Kotaro Ohno	7/7	9/9	3/3	–
Peter Child	7/7	–	3/3	3/3
Carrie Yu	7/7	9/9	–	–

c. Major activities during the year under review

– Overview of participation at the Board of Directors meetings and duties performed with regard to expected role –

- Based on his ample experience and deep insight as a manager of a major financial institution, Takashi Tsukamoto actively participates in discussions relating to maintenance and improvement of transparency and soundness throughout management as a whole, and improvement of corporate governance. He provides advice to the Company's management from an objective and expert perspective and appropriately supervises its business execution. Furthermore, as Chairman of the Compensation Committee, he led deliberation on individual remunerations, etc.
- Based on his ample experience and insight with regard to law and compliance, Kotaro Ohno actively participates in discussions relating to the promotion of compliance management. He provides advice to the Company's management from an objective and expert perspective and appropriately supervises its business execution. Furthermore, as Chairman of the Audit Committee he led deliberation

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on agendas for resolutions at the Committee, including monitoring the Company's internal control systems and auditing the Company's financial statements. In addition, as Chairman of the Nomination Committee, he led necessary deliberation on the details of the proposal for the election of directors to be resolved at the general meeting of shareholders.

- Peter Child has expertise in the retail sector gained primarily from serving as a leader of consumer goods and retail group at a major consulting firm, and actively participates in discussions relating to matters such as promotion of global management. He provides advice to the Company's management from an objective and expert perspective and appropriately supervises its business execution.
- Carrie Yu belongs to professional accounting bodies in the UK, Canada and Hong Kong. She has international expertise in accounting and the retail sector gained primarily from serving as a leader of retail and consumer group in Asia Pacific region at a large professional services firm. In addition to monitoring internal control systems and auditing financial statements, she actively participates in discussions relating to improvement of corporate governance. She provides advice to the Company's management from an objective and expert perspective and appropriately supervises its business execution.

3) Summary of agreements limiting liability

- To ensure an ability to attract persons capable of contributing as outside directors, the Company has entered into agreements which limit the liability of each outside director. For damages as set forth in Article 423, paragraph 1 of the Companies Act, these agreements state that, when outside directors carry out their duties in good faith and with no serious negligence, their liability to compensate the Company is limited to 15 million yen or to an amount stipulated by laws and regulations, whichever is higher; and that they are exempt from an outside director's obligation to compensate the Company for any amounts that exceed these limits.

4) Summary of directors and officers liability insurance contract

a. Scope of insureds

- Directors and executive officer of the Company, and directors, Audit & Supervisory Board Members, executive officers, etc., of certain domestic subsidiaries

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b. Summary of the insurance contract

- The Company has entered into a directors and officers liability insurance contract (“D&O insurance policy”) with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act. In addition to the Company-borne costs for compensation for securities related damages, litigation costs, costs for internal investigation when incidents of inappropriate conduct arise, the D&O insurance policy covers, costs for compensation for damages and litigation costs incurred by the insured persons arising from claims for compensation of damages arising from actions (including negligence) carried out pursuant to the company position of the relevant director or officer.

However, the D&O insurance policy has an established excess amount, whereby damages within that excess are not covered by the policy. Insurance premiums are paid in full by the Company.

5) Policies on personal remuneration for directors and executive officers

The basic policy of the remuneration system and the details of remuneration for officers of the Company shall be determined by the Compensation Committee where outside directors hold the majority and one serves as chairman for the purpose of high transparency and objectivity.

a. Remuneration policy

- Based on the basic philosophy, with its ever-lasting innovative spirit, the Company’s directors and executive officers will contribute to the sustainable growth of the Group, boldly rising to the challenges.
- The Company’s directors and executive officers receive remuneration based on their roles as directors and executive officers and degree of achievement of the management target.

Remuneration structure basic policy

- i. The remuneration structure shall be highly fair so that it will be understood and endorsed by customers, employees, and shareholders, and shall be decided using transparent, appropriate criteria.
- ii. The structure shall link remuneration with the medium- to long-term management strategy and performance of the Group which will create strong incentives toward the execution of the management strategy.
- iii. Remuneration shall be at a level that leads to security and maintenance of the human resources responsible for the Group’s management.
- iv. The remuneration structure and levels shall be revised appropriately as needed based on economic and social conditions and the Group’s management environment and performance.

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b. Remuneration to directors

- i. Basic remuneration shall be paid to directors.
- ii. Remuneration to directors shall not be paid for directors who concurrently perform executive duties.

c. Remuneration to executive officers

i. Basic remuneration

It shall be determined in accordance with their individual evaluation within the standard amounts set for each position.

ii. Performance-based remuneration

The percentage weight of the performance-based remuneration of executive officers to the total monetary remuneration (basic remuneration + performance-based remuneration) shall be to the extent from 30% to 50%.

iii. Share compensation-type stock options

Share compensation-type stock options shall be granted in the form of subscription rights to shares for the purpose of enhancing the moral and motivation to continuously improve performance and increase corporate value. Such shall be done by strengthening the linkage between the stock price and performance with the remuneration.

The number of subscription rights to shares granted shall be determined according to the standard number for each position.

iv. Composition of performance-linked remuneration

Performance-based remuneration and the share compensation-type stock options shall be composed of corporate performance-based remuneration and personal performance-based remuneration. For Chairman and Representative Executive Officer, and President and Representative Executive Officer, however, such remuneration will be corporate performance-based remuneration only.

a) Corporate performance-based remuneration

It shall be determined by calculating from the multiple based on the degree of achievement in AEON's consolidated performance to the standard amounts set and the number of stock options allocated for each position in consideration of the overall performance.

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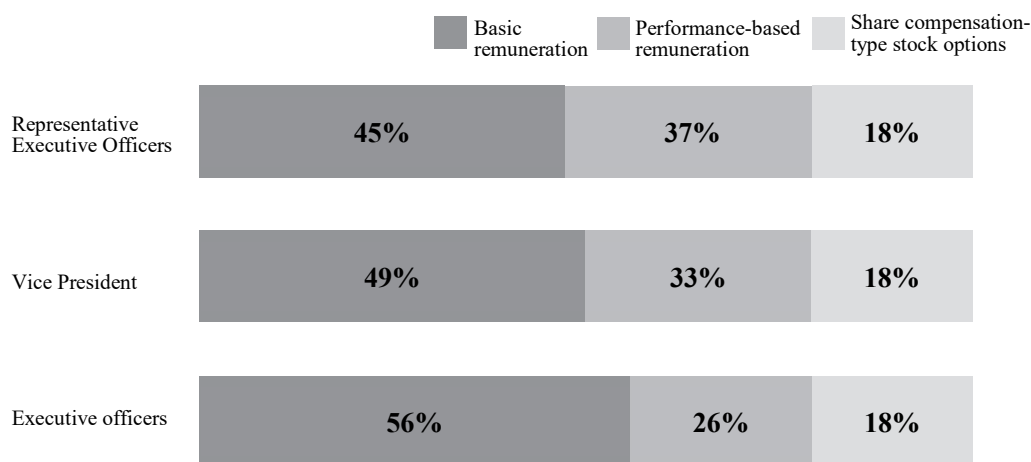
b) Personal performance-based remuneration

It shall be determined by calculating from the multiple based on the performance of each department and the evaluation of the individual performance based on the degree of achievement of the management target to the standard amounts set and the number of stock options allocated for each position.

v. Indicators for performance-linked remuneration and actual result

The main indicator for the payment of performance-based remuneration and share compensation-type stock options shall be the degree of achievement with regard to consolidated ordinary profit, as an overall pointer to profitability. The payment ratio that is applied to the performance-linked remuneration shall be 100% of the standard amount if the targets set at the beginning of the business year are achieved. This payment ratio shall vary within the range of 0% to 200% based on business performance and individual evaluation in the relevant fiscal year. For the result of the fiscal year under review, the Compensation Committee deliberated on and determined the payment ratio based on a consolidated ordinary profit of 167.0 billion yen.

Composition of remuneration to executive officers



Note: The remuneration weighting shown is for an estimated achievement ratio of 100%.

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6) Total remunerations paid to the Company's directors and executive officers

Directors

(Unit: Millions of yen, rounded down)

	Basic remuneration	Of which, outside directors
Number of persons paid	4	4
Amount paid	60 million yen	60 million yen

Executive officers

(Unit: Millions of yen, rounded down)

Position	Number of persons	Basic remuneration	Performance-based remuneration	Non-monetary remuneration, etc. (Remuneration through share compensation-type stock options)	Total
Chairman and Representative Executive Officer Motoya Okada	1	49 million yen	16 million yen	8 million yen	73 million yen
President and Representative Executive Officer Akio Yoshida	1	50 million yen	17 million yen	8 million yen	75 million yen
Executive Vice President and Executive Officers (includes Representative Executive Officers)	2	77 million yen	50 million yen	26 million yen	154 million yen
Executive officers	4	118 million yen	50 million yen	30 million yen	200 million yen
Total	8	295 million yen	134 million yen	74 million yen	504 million yen

(Notes) 1. Remuneration through share compensation-type stock options for executive officers was resolved at the Compensation Committee meeting and the Board of Directors meeting held on April 8, 2022, based on performance during the 9th business year. In regard to the share compensation-type stock options, the subscription rights to shares will be allocated on June 21, 2022. The above amounts to be allocated are calculated based on the closing price of the Company's share on the Tokyo Stock Exchange on or around the last day of February 2022.

2. In addition to the above, basic remuneration of 13 million yen was paid during the fiscal year under review to two executive officers who retired during the year.

7) Details of Compensation Committee activities during the process of determining the amounts of remuneration, etc. for directors and executive officers

As the Company is a company with a nomination committee and other committees, the content of individual remuneration, etc. for directors and executive officers is deliberated and determined based on the basic policy and calculation method for the remuneration system as determined by the Compensation Committee, in which the chairperson is an outside director and outside directors form a majority of committee members. The procedure and content of

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this deliberation and determination is deemed to have been in accordance with the determination policy.

From the standpoint of ensuring objectivity and transparency, the Compensation Committee reports the remuneration determined for directors and executive officers to the Board of Directors.

The activities of the Compensation Committee for determining the amounts of remuneration for directors and executive officers during the fiscal year under review were as follows.

April 9, 2021	FY2020	Deliberation on and resolution of payment amount of performance-based remuneration for executive officers
	FY2020	Deliberation on and resolution of the issuance of share compensation-type stock options
	FY2021	Deliberation on and resolution of prescribed amounts of personal basic remuneration and performance-based remuneration for executive officers
		Revision of internal regulations regarding remuneration for directors and executive officers
May 26, 2021	FY2021	Deliberation on and resolution of basic remuneration for outside directors
	FY2021	Deliberation on and resolution of the number of share compensation-type stock options to allocate
February 9, 2022		Deliberation on and resolution of prescribed amounts of personal basic remuneration and performance-based remuneration for new executive officers
April 8, 2022	FY2021	Deliberation on and resolution of payment amount of performance-based remuneration for executive officers
	FY2021	Deliberation on and resolution of the issuance of share compensation-type stock options
	FY2022	Deliberation on and resolution of prescribed amounts of personal basic remuneration and performance-based remuneration for executive officers
		Examination of remuneration level for directors and executive officers

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(6) Independent Auditors

1) Name: Deloitte Touche Tohmatsu LLC

The financial statements of the Company's overseas consolidated subsidiaries are audited by other auditing firms.

2) Amount of compensation

i. Amount of compensation paid for services rendered as independent auditors during the fiscal year under review	137 million yen
ii. Total cash and other compensation paid by AEON and its subsidiaries to their independent auditors	2,313 million yen

(Note 1) Since the auditing services contract between the Company and the independent auditors does not make a clear distinction between the amounts of remuneration payable to the independent auditors with respect to auditing services rendered under the Companies Act and those amounts payable for auditing services rendered under the Financial Instruments and Exchange Act, the "Amount of compensation paid for services rendered as independent auditors during the fiscal year under review" equals the sum of the amounts for these two categories.

(Note 2) Payments by the Company and its subsidiaries to the independent auditors are for counsel, guidance and other relevant services provided in relation to Accounting Standard for Revenue Recognition, which are defined as services other than those provided under Article 2, paragraph 1 of the Certified Public Accountants Act.

(Note 3) Auditing firms other than the independent auditors of AEON provide auditing services to Aeon Credit Service (Asia) Co., Ltd. and four other major subsidiaries of the Company.

(Note 4) The Company's Audit Committee has confirmed the validity of the audit hours and the estimated amount of remuneration payable to the independent auditors through interviews conducted to independent auditors on the personnel structure, audit plans, audit situation, quality management of audit etc., and opinions received from related divisions on the independence and expertise of the auditing team as well as its work performance. After reviewing, the Audit Committee has agreed with the matters relating to the remuneration of independent auditors.

3) Policy regarding decisions to dismiss or not to reappoint independent auditors

The Company will make such decisions if it is deemed that actions by independent auditors violate or conflict with provisions of the Companies Act or other laws and regulations, or that a significant event has occurred resulting in a loss of trust in independent auditors.

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(7) Aeon Group Employees

Business segment	Number of employees (Note 1)	Number of hourly employees (Note 2)
GMS Business	35,092	108,272
SM Business	22,698	79,000
DS Business	1,964	9,903
Health & Wellness Business	13,412	24,560
Financial Services Business	16,124	4,933
Shopping Center Development Business	4,165	1,845
Services & Specialty Store Business	30,267	29,012
International Business	28,263	5,774
Other Business	991	455
Pure Holding Company, etc.	2,489	1,444
Total	155,465	265,198

(Note 1) Figures refer to employees on the full-time payroll of Aeon Group companies (excluding any employees seconded to companies outside the Aeon Group, but including any external workers on temporary loan to Aeon Group companies).

(Note 2) Numbers of hourly employees represent the average number during the term (calculated on the basis of eight working hours/day). In addition, the actual number of individuals working on an hourly basis is approximately 405,000 employees. Accordingly, the actual number of individuals working for the Aeon Group is approximately 560,000 employees.

(8) Principal Creditors

Creditors	Amount (Millions of yen)
Mizuho Bank, Ltd.	40,849
Development Bank of Japan Inc.	23,500
The Norinchukin Bank	22,500
Sumitomo Mitsui Banking Corporation	22,500
Sumitomo Mitsui Trust Bank, Limited	20,500
MUFG Bank, Ltd.	17,400
Resona Bank, Limited	15,000

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(9) Group Status

Major subsidiaries

Name	Capital	Voting rights (Note 1) (%)	Main businesses
<u>GMS Business</u>			
AEON Hokkaido Corporation	¥6,100 million	77.36	General merchandise store
AEON KYUSHU CO., LTD.	¥4,815 million	78.79	General merchandise store
Sunday Co., Ltd.	¥3,241 million	77.17	Home center
Aeon Retail Co., Ltd.	¥100 million	100.00	General merchandise store
<u>SM Business</u>			
United Super Markets Holdings Inc.	¥10,000 million	53.68	Management in supermarket
Maxvalu Tokai Co., Ltd.	¥2,267 million	64.94	Supermarket
Maxvalu Nishinohon Co., Ltd. (Note 2)	¥1,750 million	74.10	Supermarket
Ministop Co., Ltd.	¥7,491 million	53.83	Convenience store
<u>Health & Wellness Business</u>			
Welcia Holdings Co., Ltd.	¥7,736 million	50.59	Management in drug store
<u>Financial Services Business</u>			
Aeon Financial Service Co., Ltd.	¥45,698 million	49.87	Financial services
AEON CREDIT SERVICE (ASIA) CO., LTD.	HK\$269 million	67.13	Financial services
AEON CREDIT SERVICE (M) BERHAD	M\$541 million	63.32	Financial services
AEON THANA SINSAP (THAILAND) PLC.	THB250 million	63.12	Financial services
Aeon Bank Ltd.	¥51,250 million	100.00	Banking services
<u>Shopping Center Development Business</u>			
Aeon Mall Co., Ltd.	¥42,374 million	58.80	SC development
<u>Services & Specialty Store Businesses</u>			
Cox Co., Ltd.	¥4,503 million	71.57	Casual apparel specialty store
G Foot Co., Ltd.	¥3,756 million	66.90	Specialty shoe store
Aeon Delight Co., Ltd.	¥3,238 million	56.20	Facilities management services
CAN DO CO., LTD. (Note 3)	¥3,028 million	51.18	Flat-rate discount store business
Aeon Fantasy Co., Ltd.	¥1,806 million	68.45	Amusement services
<u>International Business</u>			
AEON CO. (M) BHD.	M\$702 million	51.68	General merchandise store
AEON Stores (Hong Kong) Co., Limited	HK\$115 million	60.59	General merchandise store

(Note 1) Voting rights percentages include indirect ownership.

(Note 2) Effective March 1, 2022, Maxvalu Nishinohon Co., Ltd. and Fuji Co., Ltd. integrated their managements.

(Note 3) On January 5, 2022, CAN DO CO., LTD. became a consolidated subsidiary through acquisition of shares by public tender.

(Note 4) No specified wholly owned subsidiary is present as of the fiscal year-end.

(Translation for reference purposes only)

(10) Policy Regarding Decisions on Dividends of Surplus

The Company sets dividends in consideration of its consolidated earnings results while striving to maintain an optimal balance between paying dividends and improving corporate value through medium- to long-term growth as a key management priority of its policy on returns to shareholders.

Specifically, the Company has set a target of maintaining its annual dividend payment at or above the previous year's payment and implementing a dividend payout ratio of 30% as it endeavors to increase earnings and return even more to shareholders in coming years.

The Company pays dividends twice a year for the purpose of enhancing the opportunities for profit distribution to shareholders. In accordance with the provisions of Article 459 of the Companies Act, the Board of Directors can resolve the year-end dividend payment from surplus to shareholders.

[Dividends of surplus for the fiscal year under review]

Pursuant to a resolution by the Board of Directors at its meeting on April 8, 2022, the year-end dividend payment from surplus for the fiscal year under review is an ordinary dividend of 18 yen per share. The total annual dividend for the fiscal year is 36 yen per share, including the interim dividend of 18 yen. The starting date for dividend payments (effective date) is Monday, May 2, 2022.

(Note 1) The amounts and numbers of shares shown in this Business Report have been rounded down to the appropriate units used in the document.

(Note 2) Figures shown for sales, etc. do not include consumption taxes.

(Translation for reference purposes only)

Consolidated balance sheet

(Unit: Millions of yen, rounded down)

As of February 28, 2022			
Assets		Liabilities	
Current assets	7,185,666	Current liabilities	7,047,966
Cash and deposits	1,172,263	Notes and accounts payable – trade	975,517
Call loans	8,864	Deposits for banking business	4,173,446
Notes and accounts receivable – trade	1,655,072	Short-term loans payable	373,844
Securities	612,647	Current portion of long-term loans payable	311,061
Inventories	555,136	Current portion of bonds	149,700
Operating loan	428,821	Commercial papers	144,828
Loans and bills discounted for banking business	2,406,821	Lease obligations	64,241
Other	473,815	Income taxes payable	40,027
Allowance for doubtful accounts	(127,776)	Provision for bonuses	36,454
		Provision for loss on store closing	4,912
		Provision for point card certificates	12,002
Non-current assets	4,447,417	Notes payable – facilities	43,872
Property, plant and equipment	3,130,888	Other	718,057
Buildings and structures, net	1,539,047	Non-current liabilities	2,772,693
Tools, furniture and fixtures, net	207,982	Bonds payable	915,033
Land	984,155	Long-term loans payable	1,002,337
Leased assets, net	93,317	Lease obligations	310,145
Construction in progress	51,392	Deferred tax liabilities	34,320
Other, net	254,993	Provision for directors' retirement benefits	354
		Provision for loss on store closing	2,921
Intangible assets	326,415	Provision for contingent loss	57
Goodwill	130,152	Provision for loss on interest repayment	6,476
Software	135,301	Provision for loss on future collection of gift certificates	6,014
Leased assets, net	26,162	Net defined benefit liability	20,537
Other	34,798	Asset retirement obligations	109,354
Investments and other assets	990,112	Long-term guarantee deposited	258,151
Investment securities	261,543	Reserve for insurance policy liabilities	64,367
Net defined benefit asset	21,638	Other	42,620
Deferred tax assets	156,417	Liabilities	9,820,660
Guarantee deposits	405,053		
Deposits for stores in progress	1,730	Net assets	
Other	150,878	Shareholders' equity	897,766
Allowance for doubtful accounts	(7,148)	Capital stock	220,007
		Capital surplus	296,285
		Retained earnings	415,503
		Treasury shares	(34,030)
		Accumulated other comprehensive income	59,665
		Valuation difference on available-for-sale securities	47,335
		Deferred gains or losses on hedges	(1,187)
		Foreign currency translation adjustment	17,512
		Remeasurements of defined benefit plans	(3,995)
		Subscription rights to shares	1,290
		Non-controlling interests	853,701
		Net assets	1,812,423
Assets	11,633,083	Liabilities and net assets	11,633,083

(Translation for reference purposes only)

Consolidated statement of income

(Unit: Millions of yen, rounded down)

Year ended February 28, 2022	
Net sales	7,657,351
Operating revenue from financial services business	421,803
Other operating revenue	636,801
Operating revenue	8,715,957
Cost of sales	5,538,956
Operating cost from financial services business	62,738
Operating cost	5,601,694
Gross profit (loss)	2,118,395
Operating gross profit (loss)	3,114,262
Selling, general and administrative expenses	2,939,949
Operating profit (loss)	174,312
Non-operating income	
Interest income	3,662
Dividend income	2,701
Share of profit of entities accounted for using equity method	4,355
Income from unredeemed gift vouchers	4,090
Penalty income from leaving tenants	2,812
Reversal of allowance for doubtful accounts	485
Other	20,168
	38,276
Non-operating expenses	
Interest expenses	34,584
Other	10,936
	45,520
Ordinary profit (loss)	167,068
Extraordinary income	
Gain on sales of non-current assets	2,027
Insurance income	2,732
Subsidy income	9,759
Other	3,664
	18,184
Extraordinary losses	
Loss on sales of non-current assets	153
Impairment loss	44,347
Provision for loss on store closing	1,949
Loss on retirement of non-current assets	2,439
Infectious disease related cost	6,536
Other	7,003
	62,429
Profit (loss) before income taxes	122,823
Income taxes	
Current	71,015
Deferred	(6,175)
	64,840
Profit (loss)	57,982
Profit (loss) attributable to non-controlling interests	51,477
Profit (loss) attributable to owners of parent	6,504

(Translation for reference purposes only)

Nonconsolidated balance sheet

(Unit: Millions of yen, rounded down)

As of February 28, 2022			
Assets		Liabilities	
Current assets	373,539	Current liabilities	273,453
Cash and deposits	2,192	Short-term loans payable	349
Short-term loans receivable to subsidiaries	346,891	Current portion of long-term loans payable	68,700
Accrued income	12,295	Current portion of bonds	30,000
Accounts receivable – other	9,099	Commercial papers	55,000
Other	3,060	Accounts payable – other	7,044
		Accrued expenses	2,999
Non-current assets	1,202,144	Income taxes payable	959
Property, plant and equipment	14,137	Accrued consumption taxes	265
Buildings, net	9,588	Deposits received	107,382
Structures, net	71	Provision for bonuses	255
Tools, furniture and fixtures, net	493	Other	495
Land	3,984	Non-current liabilities	648,853
		Bonds payable	270,000
Intangible assets	960	Long-term loans payable	280,950
Rights of trademark	601	Allowance for investment loss, etc.	97,174
Other	359	Other	728
		Liabilities	922,306
Investments and other assets	1,187,046	Net assets	
Investment securities	137,904	Shareholders' equity	606,774
Stock of subsidiaries and affiliates	979,750	Capital stock	220,007
Investments in capital of subsidiaries and affiliates	102,510	Capital surplus	325,243
Deferred tax assets	5,357	Legal capital surplus	316,894
Other	836	Other capital surplus	8,348
Allowance for doubtful accounts	(61)	Retained earnings	95,489
Allowance for investment loss, etc.	(39,251)	Legal retained earnings	11,770
		Other retained earnings	83,719
		Reserve for advanced depreciation of fixed assets	3,960
		General reserve	65,500
		Retained earnings brought forward	14,259
		Treasury shares	(33,966)
		Valuation and translation adjustments	46,293
		Valuation difference on available-for-sale securities	46,661
		Deferred gains or losses on hedges	(367)
		Subscription rights to shares	308
		Net assets	653,377
Assets	1,575,684	Liabilities and net assets	1,575,684

(Translation for reference purposes only)

Nonconsolidated statement of income

(Unit: Millions of yen, rounded down)

Year ended February 28, 2022	
Operating revenue	
Dividends from subsidiaries and affiliates	30,619
Commissions from subsidiaries and affiliates	20,352
Other	934
	<u>51,906</u>
Operating gross profit (loss)	51,906
Selling, general and administrative expenses	20,539
	<u>20,539</u>
Operating profit (loss)	31,367
Non-operating income	
Interest and dividend income	7,685
Gain on investments in partnership	3,280
Other	842
	<u>11,808</u>
Non-operating expenses	
Interest expenses	9,300
Provision of allowance for investment loss, etc.	14,585
Other	2,265
	<u>26,151</u>
Ordinary profit (loss)	17,024
Extraordinary income	
Gain on sales of stock of subsidiaries and affiliates	8,623
	<u>8,623</u>
Extraordinary losses	
Provision of allowance for investment loss, etc.	294
Loss on valuation of investment securities	47
Other	8
	<u>350</u>
Profit (loss) before income taxes	25,297
Income taxes	
Current	3,568
Deferred	(1,655)
	<u>1,913</u>
Profit (loss)	23,384

(Translation for reference purposes only)

INDEPENDENT AUDITOR'S REPORT

April 7, 2022

To the Board of Directors of
AEON Co., Ltd.

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant: Tomoyasu Maruyama

Designated Engagement Partner,
Certified Public Accountant: Kentaro Ishiyama

Designated Engagement Partner,
Certified Public Accountant: Shinsuke Tsuji

Opinion

Pursuant to Article 444, paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to the consolidated financial statements of AEON Co., Ltd. (the "Company") applicable to the fiscal year from March 1, 2021 to February 28, 2022. In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position and results of operations of the AEON Group, which consisted of the Company and its consolidated subsidiaries, applicable to the fiscal year ended February 28, 2022 in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(Translation for reference purposes only)

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit Committee is responsible for overseeing the Officers' and Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

(Translation for reference purposes only)

events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(Translation for reference purposes only)

INDEPENDENT AUDITOR’S REPORT

April 7, 2022

To the Board of Directors of
AEON Co., Ltd.

Deloitte Touche Tohmatsu LLC
Tokyo office

Designated Engagement Partner,
Certified Public Accountant: Tomoyasu Maruyama

Designated Engagement Partner,
Certified Public Accountant: Kentaro Ishiyama

Designated Engagement Partner,
Certified Public Accountant: Shinsuke Tsuji

Opinion

Pursuant to Article 436, paragraph 2, item (i) of the Companies Act, we have audited the nonconsolidated financial statements of AEON Co., Ltd. (the “Company”), namely, the nonconsolidated balance sheet as of February 28, 2022, the nonconsolidated statement of income and nonconsolidated statement of changes in equity for the 97th fiscal year from March 1, 2021 to February 28, 2022, and notes to the nonconsolidated financial statements, and the accompanying supplemental schedules. In our opinion, the accompanying nonconsolidated financial statements present fairly, in all material respects, the financial position of the Company as of February 28, 2022, and its financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Nonconsolidated Financial Statements section of our report. We are independent of the Company in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

(Translation for reference purposes only)

Responsibilities of Management and the Audit Committee for the Nonconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the nonconsolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of nonconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the nonconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan.

The Audit Committee is responsible for overseeing the Officers' and Directors' execution of duties relating to the design and operating effectiveness of the controls over the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Nonconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the nonconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these nonconsolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the nonconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgement. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

(Translation for reference purposes only)

events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the nonconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate whether the overall presentation and disclosures of the nonconsolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the nonconsolidated financial statements, including the disclosures, and whether the nonconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with it all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

(Translation for reference purposes only)

Audit Report

This Audit Committee audited the execution of duties by the directors and executive officers for the 97th fiscal year running from March 1, 2021 to February 28, 2022. The report on the methods and results is below.

1. Audit methods and contents

The Audit Committee investigated the state of operations and assets through methods such as receiving regular reports from directors and key employees about the details of resolutions by the board of directors related to Article 416, paragraph 1, item (i), (b) and (e) of the Companies Act as well as the systems (internal control systems) developed based on the relevant resolutions and how effectively they are managed, requesting further explanation and expressing opinions when necessary, and, in accordance with the policies, etc. established by the Audit Committee, directing the internal audit department of the company, attending important meetings, hearing reports from executive officers, etc. and accounting auditors pertaining to items relating to the execution of duties, and carrying out inspections, etc. of important approval documents, etc.

In addition, the committee has also given consideration to matters regarding the Basic Policies in (a) and all initiatives in (b) of Article 118, item (iii) of the Regulation for Enforcement of the Companies Act, taking into account the state of deliberations, etc. by the board of directors, etc. Moreover, in terms of subsidiaries, the Audit Committee requested business reports as necessary, directed the internal audit department of the company, and investigated the state of its operations and assets.

Furthermore, as well as monitoring and verifying whether accounting auditors are maintaining independent positions and carrying out audits appropriately, the Audit Committee heard reports from accounting auditors on the state of execution of duties and the development of “systems necessary to ensure the proper execution of duties” according to the “Audit-related quality management standards” (Corporate Accounting Council, October 28, 2005), etc. and requested further explanation where necessary.

Based on the above-mentioned methods, the Audit Committee considered business reports, nonconsolidated financial statements (nonconsolidated balance sheet, nonconsolidated statement of income, nonconsolidated statement of changes in equity, notes to the nonconsolidated financial statements) and the accompanying supplemental schedules, and consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity, notes to the consolidated financial statements) relating to the fiscal year in question.

(Translation for reference purposes only)

2. Audit results

(1) Business reports, etc. audit results

- i. We acknowledge that, in accordance with the laws and ordinances and the articles of incorporation, the business reports and accompanying supplemental schedules correctly represent the state of the company.
- ii. There was judged to be no fraudulent conduct or material facts in violation of laws and ordinances and the articles of incorporation in the directors' and executive officers' execution of their duties, including duties related to subsidiaries.
- iii. We judge the contents of resolutions made by the board of directors related to internal control systems to be appropriate. Moreover, in relation to the relevant internal control systems, there was deemed to be nothing that should be brought to attention in terms of the contents of the business reports and the execution of the directors' and executive officers' duties.
- iv. The Basic Policies relating to the state of those in control of the company's financial and business policy decisions listed in the business reports were judged to be appropriate. We judge that the initiatives in (b) of Article 118, item (iii) of the Regulation for Enforcement of the Companies Act recorded in the business reports are in accordance with the relevant Basic Policies and shareholders' common benefit and are not aimed at preserving the status of the company's officers.

(2) Results of audit of financial statements and accompanying supplemental schedules

We judge the audit methods and results of accounting auditor Deloitte Touche Tohmatsu LLC to be appropriate.

(3) Results of audit of consolidated financial statements

We judge the audit methods and results of accounting auditor Deloitte Touche Tohmatsu LLC to be appropriate.

April 8, 2022

AEON Co., Ltd. Audit Committee

Audit Committee member Kotaro Ohno

Audit Committee member Takashi Tsukamoto

Audit Committee member Carrie Yu

(Translation for reference purposes only)

Note: All members of the Audit Committee are Outside Directors as stipulated in Article 2, item (xv) and Article 400, paragraph 3 of the Companies Act.

(Translation for reference purposes only)

Reference

Composition of Committee Members and Executive Officers Following Conclusion of General Meeting of Shareholders (Planned)

Committee Members (planned effective date May 25, 2022)

Committee	Name	<i>Members with * mark are the Chairman of the Committee.</i>
Audit Committee	* Kotaro Ohno, Takashi Tsukamoto, Carrie Yu	
Nomination Committee	* Kotaro Ohno, Peter Child, Motoya Okada	
Compensation Committee	* Takashi Tsukamoto, Peter Child, Motoya Okada	

Executive Officers (planned effective date May 25, 2022)

Position	Name	Area of responsibility
Chairman and Representative Executive Officer	Motoya Okada	
President and Representative Executive Officer	Akio Yoshida	
Executive Vice Chairman and Executive Officer	Motohiro Fujita	Special Missions
Executive Vice President and Executive Officer	Yuki Habu	Digital
Executive Vice President and Executive Officer	Hiroyuki Watanabe	Human Resources, Administration & Risk Management
Executive Officer	Keiji Kamio	SM
Executive Officer	Manabu Oike	DS
Executive Officer	Soichi Okazaki	ASEAN
Executive Officer	Mitsuko Tsuchiya	Merchandising
Executive Officer	Tsakasa Ojima	Business Development, Branding
Executive Officer	Hiroaki Egawa	CFO, Business Management
Executive Officer	Motoyuki Shikata	Strategy
Executive Officer	Daisuke Tezuka	Logistics

**The above are the plans in the event the agenda for the election of members of the Board of Directors is approved in full. Motoya Okada, Akio Yoshida and Yuki Habu are expected to hold concurrent positions as directors.*

** The voting results for this General Meeting of Shareholders are scheduled to be published on the Company's website on Friday, May 27, 2022. Items reported on the day of the General Meeting of Shareholders and so forth are scheduled to be updated on the Company's website on Saturday, June 4, 2022 for your viewing.*

The Company's website: <https://www.aeon.info/ir/stock/meeting/>

(Translation for reference purposes only)

Excerpts of Internet Disclosure Items

● Items Related to the Company's Subscription Rights to Shares

- 1) Subscription rights to shares delivered as consideration for execution of duties, and held by the Company's executive officers as of the final day of the business year under review

Issues of stock options (Issuance resolution date)	Exercise period	Number of subscription rights to shares	Number of shares subject to the rights (Common stock)	Number of persons holding the rights	Issuing price	Amount of capital contributed upon exercise
No. 11 subscription rights to shares (June 21, 2013)	July 21, 2013 to July 20, 2028	30	3,000 shares	1	1,097 yen per share	1 yen per share
No. 15 subscription rights to shares (June 21, 2017)	July 21, 2017 to July 20, 2032	57	5,700 shares	2	1,515 yen per share	1 yen per share
No. 16 subscription rights to shares (June 21, 2018)	July 21, 2018 to July 20, 2033	151	15,100 shares	3	2,176 yen per share	1 yen per share
No. 17 subscription rights to shares (June 21, 2019)	July 21, 2019 to July 20, 2034	87	8,700 shares	3	1,618 yen per share	1 yen per share
No. 18 subscription rights to shares (June 21, 2020)	July 21, 2020 to July 20, 2035	136	13,600 shares	5	2,224 yen per share	1 yen per share
No. 19 subscription rights to shares (June 21, 2021)	July 21, 2021 to July 20, 2036	57	5,700 shares	3	2,655 yen per share	1 yen per share

* As subscription rights to shares are issued as compensation to executive officers, etc. that corresponds to accounting fair value on the allotment date, monetary payment is not required in return for subscription rights to shares.

There are no subscription rights to shares issued to directors (including outside directors) as compensation for the execution of their duties.

Conditions for exercising subscription rights to shares (same for all issues)

- The person receiving subscription rights to shares must be an executive officer of the Company (or an executive officer of a Group company whose position is deemed the equivalent of such by the Compensation Committee of AEON) at the time that the rights are exercised. However, even if a person retires from his/her position as executive officer of the Company, etc., he or she may exercise those rights within a period of five years from the date of his/her retirement.

(Translation for reference purposes only)

- When exercising subscription rights to shares, the executive officer must exercise the entire number of the rights in his/her possession and may not exercise them in installments.
- 2) New deliveries of subscription rights to shares in the business year under review as consideration for execution of duties to employees of the Company and officers and employees of Group subsidiaries and affiliates
- a. Employees of the Company (delivered as consideration for execution of duties during the terms of office as Company officers)

Issues of stock options (Issuance resolution date)	Exercise period	Number of subscription rights to shares	Number of shares subject to the rights	Number of persons to whom the rights have been delivered	Issuing price	Amount of capital contributed upon exercise
No. 19 subscription rights to shares (June 21, 2021)	July 21, 2021 to July 20, 2036	28	2,800 shares	2	2,655 yen per share	1 yen per share

Conditions for exercising subscription rights to shares are same as item 1) above.

- b. Officers and employees of Group subsidiaries and affiliates

Issues of stock options (Issuance resolution date)	Exercise period	Number of subscription rights to shares	Number of shares subject to the rights	Number of persons to whom the rights have been delivered	Issuing price	Amount of capital contributed upon exercise
No. 19 subscription rights to shares (June 21, 2021)	July 21, 2021 to July 20, 2036	118	11,800 shares	17	2,655 yen per share	1 yen per share

Conditions for exercising subscription rights to shares are same as item 1) above.

(Translation for reference purposes only)

● Company Structure and Policies

(1) Basic Concept of AEON's Corporate Governance

AEON places its Basic Principles of “pursuing peace, respecting humanity, and contributing to local communities, always with the customer’s point of view as its core” to all of its policies in corporate activities, and has pursued its business based on such policies.

Our ideal corporate governance based in these values is set forth under the Basic Policy on Corporate Governance with the following five basic stances as its core.

i. Value creation through customer orientation and frontline focus

At AEON, we consider realization of a sense of well-being for customers our most important mission. We pursue optimal value creation adapted to changing customer needs by focusing tightly on the frontline of the business, our point of contact with customers, and by always thinking with customers as the starting point.

ii. Respect for people, our most important management resource

By respecting employees, placing importance on diversity, and actively providing education opportunities in keeping with the conviction that people are the most important management resource, AEON aspires to be a company made up of employees who strive for self-growth, are linked by strong bonds, and find their greatest pleasure in contributing to customers.

iii. A posture of developing together with local communities

As a member of local communities and a caring corporate citizen, AEON seeks to develop together with our fellow community members, namely our customers, employees, shareholders, and business partners, and to contribute to the prosperity of local communities, sustainability of the natural environment, and peace.

iv. Sustained growth based on a long-term perspective and ceaseless innovation

To continue to meet the expectations of customers and local communities, AEON strives for sustained growth accompanied by value creation from a long-term perspective and management focused on sustained value enhancement for the entire group by undertaking ceaseless innovation to cope with a changing business environment.

(Translation for reference purposes only)

v. Pursuit of transparent, disciplined management

AEON strives for transparent and disciplined management by seeking proactive dialogue with customers and other stakeholders, taking their evaluation seriously, and being self-disciplined at all times.

(2) Matters Necessary for the Performance of Duties by the Audit Committee, Systems to Ensure That the Execution of Duties by Executive Officers Complies with Laws and Regulations and the Articles of Incorporation, and Other Systems Necessary to Ensure Proper Conduct of the Company's Operations

[Summary of Resolutions by the Board of Directors]

1) Matters related to auditing

The approval of the Audit Committee is required for any personnel changes within the Internal Audit Division, which assists the Audit Committee in its work.

Regular reports are provided to the Audit Committee on the status of internal auditing/control activities covering the Group as a whole and on messages that have been received through the Company's internal notification system, which is accessible by all the Group's employees.

In addition to participating in important meetings, the members of the Internal Audit Division receive reports from executive officers and others on their execution of duties, and pass this information on to the Audit Committee.

2) Preservation and management of information

The minutes of all meetings are prepared by the Secretariat Division, which also stores the minutes; documentation of the decisions reached at the meetings is also stored and managed by the individuals drafting the resolutions.

3) Risk management

AEON has established a post of Administration & Risk Management, which convenes the Risk Management Committee, as well as AEON's risk management system under the Aeon Management Committee (the Group's top-level management body), while the Internal Audit Division monitors its operating status.

AEON is committed to opposing antisocial forces in every aspect of its business. Any related matters are handled at the organizational level, and the Group's readiness in this area is maintained by providing internal regulations and by keeping close relations with investigative and other institutions.

(Translation for reference purposes only)

The Company and all its Group member companies are committed to the ongoing construction and development of internal controls related to financial reporting (as required by Japan's Financial Instruments and Exchange Act).

4) System for efficient execution of duties

Job descriptions and the authority allotted to each position within the Company are determined by regulations which spell out responsibilities and authority. In addition to promoting the organized and efficient operation of the Company's business, this structure also functions as a checking mechanism by stipulating which departments may be consulted.

5) Compliance system

The Company has formulated a compliance system in accordance with the latest revisions of laws and regulations that entails the adoption and strict enforcement of the Aeon Code of Conduct, which all of the Group's employees are expected to follow, and periodic training sessions for employees.

6) Management of Group companies

While conducting deliberations on management plans for the Group member companies at meeting bodies that are organized according to business-specific or function-specific purposes, etc., the Company operates as a Group head office aimed at promoting integrated management by having its divisions provide guidance on business operations to the individual Group member companies while allowing each company to retain their operational independence and autonomy.

[Management Status]

The Company strives to ensure transparency and fairness and practice sustainable and stable management through pursuing management based on its Basic Principles that incorporates a group-wide perspective. Moreover, the Company has chosen a company with a nomination committee and other committees system as the optimal corporate governance system to implement those objectives. The Company clearly segregates management oversight and business execution, and has instituted a governance system that realizes expeditious management decision-making through delegation of significant authority to executive officers while having established the Nomination Committee, Audit Committee, and Compensation Committee, each consisting of a majority of outside directors, to ensure management transparency and objectivity.

(Translation for reference purposes only)

In addition, by implementing supervising, monitoring and auditing by the Board of Directors and related organs, the Company improves the effectiveness of the internal control, compliance and risk management systems.

By making all the Audit Committee members independent outside directors, the Company is ensuring a maximum level of independence of the Audit Committee and carrying out audits with a high degree of transparency. Furthermore, the Group Management Audit Office has been set up independent from the business execution department. The Office ensures the effectiveness of the audit by assisting the duties of the Audit Committee, as well as conducting internal audits by cooperating with the full-time corporate auditors of the Group companies, the Internal Audit Division and independent auditors.

In the compliance structure, AEON has established the Aeon Code of Conduct, which is the guideline for behavior that includes the basic concept of every day behavior to be shared by the employees. The Code is disseminated among Group's all employees, and training for the purpose of enhancing awareness toward compliance is held on a regular basis. Furthermore, the Aeon Code of Conduct Hotline has been in operation since FY2004 as an internal notification system, which provides direct contacts with the Company and external contacts, for the prevention and early discovery of violations against laws and regulations and code of ethics, and we have been working to promote the Code of Conduct and resolve issues throughout the Group. In 2020, as part of the improvement and expansion of the Group's internal notification system, AEON has established the Aeon Code of Conduct Lawyer's Office Hotline (a dedicated hotline for misconduct involving officers) in Japan. Also, overseas (China and ASEAN countries), AEON opened a dedicated hotline for misconduct involving officers in March 2021.

In the information storage management structure, AEON makes an effort in information management and the prevention of leakage of confidential information by establishing various in-house regulations such as "Regulation on internal information management and insider trading control" for the purpose of appropriate storage and management of information along with the prevention of leakage of the aforesaid.

In the risk management structure, a post of Administration & Risk Management has been created, and meetings of the Risk Management Committee are held with the post of Administration & Risk Management as the committee chair. The Risk Management Committee extracts high-priority risks through risk assessment and other ways, and then implements progress management of the measures for the risks and effects of the measures. Furthermore, risk management status and measures are reported and proposed to the Aeon Management Committee. In FY2021, AEON, starting from the Risk Management Committee, continued to

(Translation for reference purposes only)

position the strengthening of governance at subsidiaries as the most important measure, and promoted initiatives. As measures to strengthen governance at subsidiaries, AEON worked on strengthening the effectiveness of the boards of directors at subsidiaries, maintaining risk management systems at subsidiaries and subsidiaries of subsidiaries and increasing effectiveness. In response to COVID-19, we revised the “AEON COVID-19 Protocol for Infectious Disease Control,” which was formulated in FY2020, and continuously carried out preventative measures based on scientific reasoning. We promoted initiatives to ensure the safety and security of stores in the 14 countries in which we operate. Going forward, we will predict, anticipate, and preclude risks with the potential for grave impact by assembling interdivisional task forces.

In the exclusion of antisocial forces, the Company responds as an organization through the development of internal regulations and close cooperation with investigative agencies, etc., including in transactions.

In regard to the construction and development of internal controls related to financial reporting, the Company and all its Group member companies are committed to efforts including clearly describing policies related to the management’s preparation of reliable financial reports, and developing a system for transmitting policies and instructions to consolidated subsidiaries involved in preparing financial reports. As for the management status, it is reviewed by the Group Management Audit Office.

In the management of the Group member companies, policies and budgets for each business that AEON manages are discussed by meeting bodies that are organized according to business-specific or function-specific purposes, etc., and the direction of management is set forth. Particularly important deals are discussed by the Aeon Management Committee where decisions as the holding company are made, and management of policies and numerical progress is conducted. Furthermore, meetings relating to business practice and exchange of information are held by the auditors of major Group member companies in Japan on a regular basis. Group-wide meetings are held to enhance the promotion of policies and sharing of information to realize the management based on the Basic Principles.

(Translation for reference purposes only)

● Basic Policy Regarding Control of Company

1) Outline of contents of basic policy and actions for its realization

At AEON, our eternal mission as a corporate group is to benefit our customers, and our operations are thus customer-focused to the highest degree. AEON has developed its business in the retail and other industries to contribute to more affluent customer lifestyles. AEON adheres to the unchanging ideals of pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core. Within this framework, AEON endeavors to effect measures which lead to customer satisfaction and to a continual enhancement of corporate value. These ideals form the essential core of the corporate value. Also, there are other elements contributing to the formation of AEON's corporate value, beyond continual and long-term growth and cooperating and collaborating with partners and allies. These include various other values, such as ensuring employment, enhancing lifestyles, and conserving the environment and contributing to society.

To execute good business practices and meet the Company's social responsibilities, it is required that these ideals be realized over the long-term. We believe that those who control decisions on the Company's financial and operating policies must be persons capable of sustaining and developing the corporate value as described above.

2) Measures to prevent control detrimental to shareholders' interests

Whilst the Company's shares are listed on financial instrument exchanges (stock exchanges) and can be freely bought and sold, groups intent on pursuing short-term profits may sometimes propose an unfair acquisition that ultimately endangers the interests of shareholders. The Company believes the right to make decisions on whether to accept or reject proposals to acquire the Company rests with its shareholders. Accordingly, when such proposals arise, it believes that the shareholders must be given adequate and accurate information, as well as sufficient time, to make their decisions. Toward this end—and as a means of demanding that prescribed procedures are taken for the provision of sufficient documents and countering proposed acquisitions that it believes would clearly harm the interests of shareholders in general—the Company submitted a proposal for the “Continuance of policy concerning large-scale acquisitions of the Company's shares (takeover defense measures)” among the matters to be resolved at its 96th Ordinary General Meeting of Shareholders held on May 26, 2021. Shareholder approval for this proposal was received.

This is an “advance notice-type” takeover protection policy, under which the Company requires that any person(s) seeking to purchase 20% or more of the voting rights in the

(Translation for reference purposes only)

Company respect certain rules of acquisition, including the need to provide the Company with adequate information. Under these rules, prospective purchasers are required to provide the following, among other information: a general description of the person(s) making the acquisition; the basis for their calculations of the purchase price; the methods of acquisition; the source of funds for the acquisition; and the management policy to be adopted following the acquisition. When such a prospective purchaser appears on the scene, the Company's Board of Directors shall, in addition to disclosing this fact, immediately establish an independent committee composed of one or more outside experts and its outside directors. Based on the information it has received (when additional information is requested, the deadline for the final reply shall be within 60 days from the date on which the declaration of intent is received), the Company shall seek the opinions of said committee and, while giving the utmost weight to its opinions, shall announce the results of its evaluation of the proposed purchase within a prescribed evaluation period (within 60 or 90 days). To further enhance the objectivity of their judgments, the Board of Directors and the independent committee may seek the opinions of other experts on a timely basis. On the other hand, if the purchaser fails to abide by the above-mentioned rules, or if it becomes evident that the shareholders' interests will be harmed because reasons exist to suspect that the purchaser's aim is to demand that the Company buy back the shares at an inflated price, or that its aim is to sell the shares at a profit, the Company's Board of Directors may, without waiting for the passage of the prescribed evaluation period, adopt countermeasures which include the issuance of new stock, the issuance of subscription rights to shares, etc. In addition, when it issues subscription rights to shares with differentiated exercise conditions that restrict the exercise of rights by the prospective purchaser, the Company shall issue such rights with a call option feature to avoid burdening shareholders with onerous procedures. Moreover, as a general rule, decisions on the content and the adoption of countermeasures shall be made by the Board of Directors which, in making such decisions and implementing such measures, shall abide by its duty to employ due care. In exceptional instances, however, the Board of Directors may determine that, in light of the content and effect of such measures, it is necessary to submit the matter to shareholders for their approval, in which case it will seek the approval of shareholders at the Company's General Meeting of Shareholders.

At each stage in this process, the Company shall provide shareholders with sufficient information in a timely manner to enable them to make their decisions.

These takeover defense measures are valid only until the conclusion of the Ordinary General Meeting of Shareholders scheduled to be held on May 2024.

(Translation for reference purposes only)

- 3) Determinations by the Board of Directors regarding the consistency of actions noted in item 2) above with the Company's basic policies, etc.

The materials that the Company requires a potential purchaser to provide consist not only of basic information about the purchaser but also information on parties behind the financing, on financing schemes, on items related to the legality of the stock acquisition methods, and on management plans following completion of the acquisition, etc.

Disclosing this information will not only concretely demonstrate the attitudes of the purchaser toward AEON's management ideals (the above-mentioned "basic policy") but also, and most importantly, add to the information available to the shareholders in making their decisions.

The Board of Directors therefore believes that the aforementioned policy vis-à-vis prospective large-scale acquisitions is aligned with the Company's basic policy and with the interests of shareholders, and believes that this policy has not been adopted to maintain the status of the Company's directors.

(Translation for reference purposes only)

Consolidated statement of changes in equity

(Unit: Millions of yen, rounded down)

Year ended February 28, 2022	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance as of March 1, 2021	220,007	300,964	439,600	(36,601)	923,971
Changes of items during period					
Dividends of surplus			(30,601)		(30,601)
Profit (loss) attributable to owners of parent			6,504		6,504
Purchase of treasury shares				(31)	(31)
Disposal of treasury shares		9		2,602	2,612
Change in ownership interest of parent due to transactions with non-controlling interests		(4,688)			(4,688)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(4,678)	(24,096)	2,570	(26,204)
Balance as of February 28, 2022	220,007	296,285	415,503	(34,030)	897,766

Year ended February 28, 2022	Accumulated other comprehensive income							
	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	Subscription rights to shares	Non-controlling interests	Total net assets
Balance as of March 1, 2021	62,813	(3,122)	(8,752)	(4,589)	46,349	1,550	783,904	1,755,776
Changes of items during period								
Dividends of surplus								(30,601)
Profit (loss) attributable to owners of parent								6,504
Purchase of treasury shares								(31)
Disposal of treasury shares								2,612
Change in ownership interest of parent due to transactions with non-controlling interests								(4,688)
Net changes of items other than shareholders' equity	(15,478)	1,934	26,265	594	13,315	(260)	69,797	82,851
Total changes of items during period	(15,478)	1,934	26,265	594	13,315	(260)	69,797	56,646
Balance as of February 28, 2022	47,335	(1,187)	17,512	(3,995)	59,665	1,290	853,701	1,812,423

(Translation for reference purposes only)

Nonconsolidated statement of changes in equity

(Unit: Millions of yen, rounded down)

Year ended February 28, 2022	Shareholders' equity								
	Capital surplus				Retained earnings				
	Capital stock	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings
						Reserve for advanced depreciation of fixed assets	General reserve	Retained earnings brought forward	
Balance as of March 1, 2021	220,007	316,894	8,338	325,233	11,770	4,093	80,500	6,342	102,706
Changes of items during period									
Reversal of reserve for advanced depreciation of fixed assets						(133)		133	–
Reversal of general reserve							(15,000)	15,000	–
Dividends of surplus								(30,601)	(30,601)
Profit (loss)								23,384	23,384
Purchase of treasury shares									
Disposal of treasury shares			9	9					
Net changes of items other than shareholders' equity									
Total changes of items during	–	–	9	9	–	(133)	(15,000)	7,916	(7,217)
Balance as of February 28, 2022	220,007	316,894	8,348	325,243	11,770	3,960	65,500	14,259	95,489

Year ended February 28, 2022	Shareholders' equity		Valuation and translation adjustments					Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Valuation and translation adjustments	Subscription rights to shares		
							Balance as of March 1, 2021	
Changes of items during period								
Reversal of reserve for advanced depreciation of fixed assets		–					–	
Reversal of general reserve		–					–	
Dividends of surplus		(30,601)					(30,601)	
Profit (loss)		23,384					23,384	
Purchase of treasury shares	(31)	(31)					(31)	
Disposal of treasury shares	2,602	2,612					2,612	
Net changes of items other than shareholders' equity			(11,808)	562	(11,246)	(72)	(11,318)	
Total changes of items during	2,570	(4,636)	(11,808)	562	(11,246)	(72)	(15,955)	
Balance as of February 28, 2022	(33,966)	606,774	46,661	(367)	46,293	308	653,377	