

# **Notice of the 98<sup>th</sup> Ordinary General Meeting of Shareholders**

(from March 1, 2022 to February 28, 2023)

## **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. 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.

---

## **[Start of System for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format]**

Following the introduction of the system for providing information in electronic format in accordance with revisions to the Companies Act, the provision of informational materials for the General Meeting of Shareholders has, in principle, been changed from providing paper-based documents to posting online. However, as was done previously, the Company will provide paper-based documents of portions of the reference documents and business report to shareholders this year. To view all of the informational materials for the General Meeting of Shareholders, please access the websites provided in this notice.

**AEON Group Future Vision**  
**Create a future lifestyle that leads to a smile for each and every person**

**AEON CO., LTD.**

Stock code: 8267

(Translation for reference purposes only)

## Greetings



May 2023  
Akio Yoshida  
Director, President and  
Representative Executive Officer

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

Although FY2022 saw economies picking up as the COVID-19 pandemic came under control, the lives of consumers were impacted by higher prices due to worldwide inflation, and corporate management as well was affected by unprecedented upward pressure on costs. In this challenging business environment, by ensuring that we shifted to the implementation phase of the growth strategies set forth in the Aeon Group Medium-term Management Plan, we were able to achieve increases in both revenue and profit in the Group's consolidated financial results for FY2022.

With regard to product initiatives, by advancing our stance on supporting lifestyles through *TOPVALU* products while proceeding with development of unique products, we received the support of many customers. In addition, in terms of digital initiatives, we have been seeing increases in convenience and productivity mainly as a result of expanding the use of self-checkout registers and introducing digital tools for supporting the staff at stores.

FY2023, as the third year in the Aeon Group Medium-term Management Plan, represents the midpoint of the plan and we will strive to further enhance the plan's execution and work to establish a new foundation for growth looking ahead to 2030.

AEON has been practicing its "Customer-First" philosophy with its ever-lasting innovative spirit, underpinned by its Foundational Ideals of "pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point."

Particularly in this era of increasing uncertainty, I believe that a management approach based on our Foundational Ideals, which have been cherished over many years and are a central part of our business, is of even greater importance.

To enable stakeholders to gain a deeper understanding of the Group's stance, we have rewritten our Foundational Ideals to better reflect those underlying reasons and meaning. Accordingly, in regard to this matter, we propose the amendment of our Articles of Incorporation at this General Meeting of Shareholders.

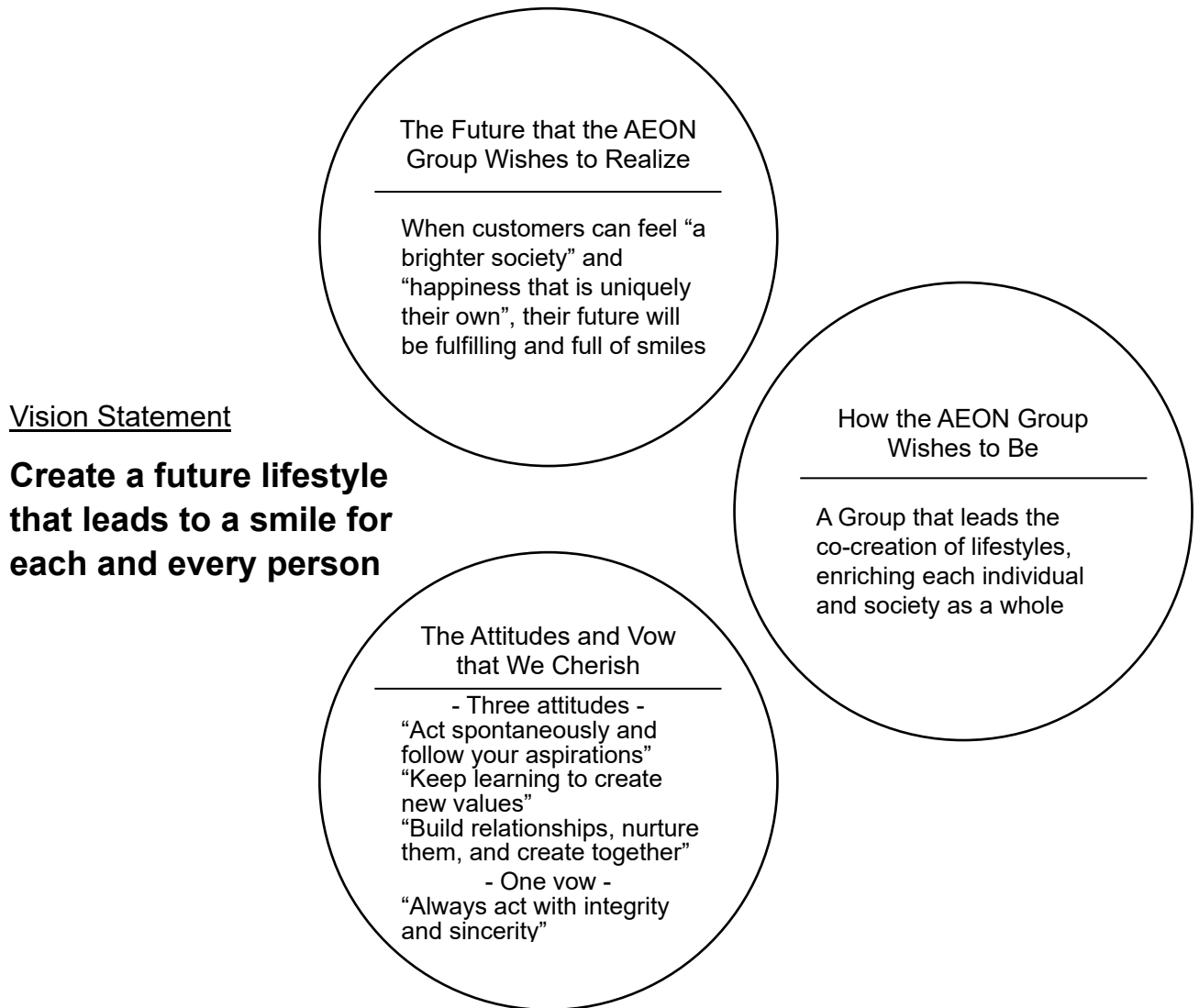
While there have been significant changes in the business environment of AEON, the Company has diversified its business fields and grown into a corporate group with operating revenue of over 9 trillion yen. With a renewed belief that it was necessary to clarify the value of AEON's existence and the direction we should take, we formulated the "AEON Group Future Vision," indicating the vision for the AEON Group from a long-term perspective.

It is our hope that, by having shareholders and many other stakeholders share our vision for AEON, it will continue to serve as a company that is highly regarded and supported in any era by many people.

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

(Translation for reference purposes only)

## ■ AEON Group Future Vision



We wish to be a group that will create a lifestyle in the future where smiles abound together with customers and stakeholders who share our vision. We wish to be a group that grows while enriching each individual and society as a whole through proprietary innovation and by leading co-creation. In order to realize these desires, we have formulated the “AEON Group Future Vision.” Based on our unchanging basic philosophy of constantly innovating while continually putting customers first, we will create the future with our ever-lasting innovative spirit so that we can continue to be a company that draws expectations and support from many stakeholders generation after generation.

For further details on our future vision please read this digital booklet

➔ [https://www.aeon.info/company/code\\_of\\_conduct/](https://www.aeon.info/company/code_of_conduct/)  
(in Japanese)

(Translation for reference purposes only)

## ■ AEON Foundational Ideals

**Pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point.**

\*

**AEON firmly believes that retailing is an industry to promote peace, humanity, and local communities. To remain a thriving corporate group that fulfills this mission, we are committed to continuous innovation, with customers as our starting point.**

Peace cannot be achieved without active and conscious engagement, whether it be in recovering from war and disaster or in maintaining and promoting living in peace. Our conviction is grounded in the real-life experience of Takuya Okada, Honorary Chairman and Senior Advisor to the President. After the Second World War, Mr. Okada witnessed a customer in line at a store, holding a flyer and weeping tears of joy, saying, “The war is really over,” and he came to realize that the existence of retailing was a symbol of peace. From this realization, he decided that peace was a prerequisite for retailing to exist, and that retailing must contribute to the maintenance of peace.

Peace is more than just the absence of war and violence. It encompasses not only peace of mind but also resilience in the face of wars, disasters, and other hardships. Even in the 21st century, we continue to witness wars and face natural disasters such as earthquakes and extreme weather events more frequently than ever. This calls for us to rethink the value of peace now. Peace cannot be given by itself. Peace can only be maintained through our active and conscious engagement.

AEON will never do anything that contradicts peace. AEON will never take part in any such actions or activities. Our aim is to make a positive contribution to peace.

As for humans, by believing in and respecting each person, their abilities and aspirations will flourish, and by connecting with others, they feel much happier in their lives.

Honorary President Okada called the retailing sector a “humanistic industry.” This means respecting the “human way,” which includes having respect for each person’s individuality, dignity, and autonomy. It also means believing in their potential and encouraging them to grow and become better humans through work and learning. However, it is difficult for humans to grow alone, and it is through “human connections” that we can become better humans together with others. It is both a realization of happiness and a pursuit of norms among people. In short, retailing is an industry of people’s happiness and norms.

Enriching local communities requires us to respect the diversity and independence of each region, and to constantly meet and care for their specific needs.

Retailing is by nature a region-based industry that flourishes with the local communities. To maintain the richness and well-being of regions and the local communities within them, it is vital to take care of them continuously. This is one of the important roles of retailing. As regions and local communities increasingly become more important in the future, AEON will actively contribute to their prosperity by developing products tailored to each region and promoting the welfare of the local people.

AEON is committed to actively engaging in peace efforts, supporting human happiness and norms, and contributing to the prosperity of local communities. These ideals form the foundation of putting “customers as our starting point,” which places the needs and preferences of our customers first at the center of our operations.

(Translation for reference purposes only)

Putting our customers first means that we do not put ourselves first, that is, we do not think and act for our own convenience. On the contrary, we always put our customers first and act with the highest standards of integrity, which is the foundation of AEON. We will use this as a mirror to reflect ourselves and as the standard for every decision and action made by all AEON People. Even when it becomes tempting to prioritize our company's or personal interests or convenience, we must firmly resist and overcome such temptations to preserve our unwavering dedication to our customers.

To achieve this, AEON must be a corporate group that continues to innovate.

Ensuring a company's growth and survival is of paramount importance, but without constant innovation, it will decline and eventually perish. Even if maintaining the status quo is stable and comfortable, a company should not be complacent but continuously change and improve itself. Having the foresight and insight to constantly look ahead to changes in our customers and various social changes, it is essential for us to continue innovating. All AEON People are dedicated to anticipating the evolution and changes in our customers' lifestyles and the needs of society.

AEON has transformed from a family business to a corporation, and then to an industry. It has always preserved a dynamic corporate culture. However, as society changes faster and faster, we are most worried about losing the required innovative and entrepreneurial spirit and becoming stagnant like many large companies. We understand that static equilibrium, where the status quo continues without change, will not last at all. The only way to avoid being overtaken by newer innovators is for AEON to remain the largest and most advanced innovator. It is our firm determination to be an organization that constantly renews itself by keeping its founding spirit and staying ahead of its time.

AEON will act with the firm belief that by embodying and practicing these ideals, we can contribute to the maintenance and development of peace, humans, and local communities.

(Translation for reference purposes only)

Stock code: 8267

May 1, 2023

**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 98<sup>th</sup> Ordinary General Meeting of Shareholders**

You are cordially notified of the 98<sup>th</sup> 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 either in person or virtually via the internet. 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 Thursday, May 25, 2023 after reviewing the Reference Documents for the General Meeting of Shareholders.

When convening this General Meeting of Shareholders, the Company takes measures for providing information that constitutes the content of Reference Documents for the General Meeting of Shareholders, etc. (items subject to measures for electronic provision) in electronic format, and posts this information on the websites. Please access either of the following websites by using the internet address shown below to review the information.

The Company's website: <https://www.aeon.info/ir/> (in Japanese)

\* Click "General Meeting of Shareholders" on the website.

Website for posting informational materials for the General Meeting of Shareholders:

<https://d.sokai.jp/8267/teiji/> (in Japanese)

### **[For those voting on the internet]**

To exercise your voting rights beforehand on the internet, please access the online voting site designated by the Company (<https://www.web54.net> (in Japanese)). Using the voting code and password shown on the Form for Exercising Voting Rights sent out with this notice, follow the on-screen instructions and enter your vote for each agenda item by 6:00 p.m. on Thursday, May 25, 2023.

### **[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 Thursday, May 25, 2023.

(Translation for reference purposes only)

## **98<sup>th</sup> Ordinary General Meeting of Shareholders**

**1. Date and Time:** 10:00 a.m., Friday, May 26, 2023

**2. Place:** Makuhari Messe International Exhibition Halls, Hall No. 7  
2-1 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 98<sup>th</sup> business year (from March 1, 2022 to February 28, 2023)
  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

### **4. Matters Determined Concerning the Convocation**

- (1) Among the items subject to measures for electronic provision, in accordance with the provisions of laws and regulations and Article 14 of the Articles of Incorporation of the Company, the following items are not provided in the paper-based documents delivered to shareholders who have made a request for delivery of such documents. Accordingly, the documents that are delivered to shareholders who have made a request for delivery of paper-based documents are part of the documents included in the scope of audits by the Independent Auditors and the Audit Committee when they create their respective audit reports.

Items Related to the Company's Subscription Rights to Shares, etc., Company Structure and Policies (Systems to Ensure Proper Conduct of Operations and Their Management Status), Basic Policy Regarding Control of Company, Consolidated statement of changes in equity, Notes to the consolidated financial statements, Nonconsolidated statement of changes in equity, Notes to the nonconsolidated financial statements

- (2) If you have exercised your voting rights both via the internet and in writing, those exercised via the internet will be considered as valid. If you have exercised your voting rights multiple times on the internet, the final vote will be considered as valid.
- (3) If a vote for or against is not indicated for the respective agenda items on the returned Form for Exercising Voting Rights, we will treat it as an indication of approval.
- (4) 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.

- \* **We are preparing a splendid present for all shareholders who exercise their voting rights.**  
\* **If you wish to attend, please register in advance.**  
**(Please refer to the enclosed documents for details of the procedures.)**

(Translation for reference purposes only)

*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 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**

The method has changed to one where the informational materials for the general meeting of shareholders (convocation notice) are viewed in the form of paper-based documents and materials posted online due to the introduction of the system for providing information in electronic format.

**2) Exercise voting rights beforehand**

Deadline

**By 6:00 p.m. on Thursday, May 25, 2023**

[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 Wednesday, May 17, 2023**

Register in advance from this URL

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

\* Please visit 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**

**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."

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 Wednesday, May 17, 2023**

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. 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 refer to the above.

(Translation for reference purposes only)

We are offering a splendid present to all shareholders who exercise their voting rights!

## The day of General Meeting of Shareholders

### 1) Attending virtually via the internet

**Start time:** 10:00 a.m., Friday, May 26, 2023

\* 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.

**Place:** Makuhari Messe International Exhibition Halls, Hall No. 7

2-1 Nakase, Mihama-ku, Chiba-shi, Chiba

**Start time:** 10:00 a.m., Friday, May 26, 2023

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

**[Note] Please note that shareholders who are attending the meeting in person need to register in advance.**

**If you are not attending on the day of the meeting**  
(Please exercise your voting rights in advance using one of the methods below)

### For those voting on the internet

Please access the online voting site (<https://www.web54.net> (in Japanese only)), and enter your vote for each agenda item.

**Deadline**

**To be exercised by 6:00 p.m. on  
Thursday, May 25, 2023**

### 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.

**Deadline**

**To be received by 6:00 p.m. on  
Thursday, May 25, 2023**

\* 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.

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. 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)

## 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

- In order to steadfastly practice management that is based on its Foundational Ideals and ensure mutual sentiment with all stakeholders, the Company proposes to add its stance and beliefs as a corporate group to the provision of Article 2 of the current Articles of Incorporation.
- Bearing in mind the progress, etc. of digitalization of overall society, and in light of the fact that the increased options available for methods for holding meetings provide more shareholders, such as shareholders in remote locations, with the opportunity to easily attend meetings, facilitate the holding of more lively, efficient and smooth General Meetings of Shareholders, and enable meetings to be held flexibly at times of large-scale disruption such as a pandemic or natural disaster, the Company proposes to make necessary amendments to Article 11 of the current Articles of Incorporation.

##### 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
(Foundational Ideals) Article 2 <u>Believing that everything begins with the customer, Aeon shall adhere to an unchanging philosophy of pursuing peace, respecting people, and contributing to local community. It shall engage in practices that ensure customer satisfaction and take steps to realize the continuing enhancement of enterprise value. A philosophy that originates with “the customer”: Aeon’s eternal mission as a corporate group is to benefit our customers, and our operations are thus customer-focused to the highest degree. Our foundational ideals is “peace”: Aeon is a corporate group whose operations are dedicated to the pursuit of peace through prosperity.</u>	(Foundational Ideals) Article 2 <u>Pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point.</u>  <u>AEON firmly believes that retailing is an industry to promote peace, humanity, and local communities. To remain a thriving corporate group that fulfills this mission, we are committed to continuous innovation, with customers as our starting point.</u>  <u>Peace cannot be achieved without active and conscious engagement, whether it be in recovering from war and disaster or in maintaining and promoting living in peace. Our conviction is grounded in the real-life experience of Takuya Okada, Honorary</u>

(Translation for reference purposes only)

Current Articles of Incorporation	Proposed Amendments
<p><u>Our foundational ideals is “people”: Aeon is a corporate group that respects human dignity and values personal relationships.</u></p> <p><u>Our foundational ideals is “the community”: Aeon is a corporate group rooted in local community life and dedicated to making a continuing contribution to the community.</u></p>	<p><u>Chairman and Senior Advisor to the President. After the Second World War, Mr. Okada witnessed a customer in line at a store, holding a flyer and weeping tears of joy, saying, “The war is really over,” and he came to realize that the existence of retailing was a symbol of peace. From this realization, he decided that peace was a prerequisite for retailing to exist, and that retailing must contribute to the maintenance of peace.</u></p> <p><u>Peace is more than just the absence of war and violence. It encompasses not only peace of mind but also resilience in the face of wars, disasters, and other hardships. Even in the 21st century, we continue to witness wars and face natural disasters such as earthquakes and extreme weather events more frequently than ever. This calls for us to rethink the value of peace now. Peace cannot be given by itself. Peace can only be maintained through our active and conscious engagement.</u></p> <p><u>AEON will never do anything that contradicts peace. AEON will never take part in any such actions or activities. Our aim is to make a positive contribution to peace.</u></p> <p><u>As for humans, by believing in and respecting each person, their abilities and aspirations will flourish, and by connecting with others, they feel much happier in their lives.</u></p> <p><u>Honorary President Okada called the retailing sector a “humanistic industry.” This means respecting the “human way,” which includes having respect for each person’s individuality, dignity, and autonomy. It also means believing in their potential and encouraging them to grow and become better humans through work and learning. However, it is difficult for humans to grow alone, and it is through “human connections” that we can become better humans together with others. It is both a realization of happiness and a pursuit of norms among people. In short, retailing is an industry of people’s happiness and norms.</u></p> <p><u>Enriching local communities requires us to respect the diversity and independence of each region, and to constantly meet and care for their specific needs.</u></p> <p><u>Retailing is by nature a region-based industry that flourishes with the local communities. To maintain the richness and well-being</u></p>

(Translation for reference purposes only)

Current Articles of Incorporation	Proposed Amendments
	<p><u>of regions and the local communities within them, it is vital to take care of them continuously. This is one of the important roles of retailing. As regions and local communities increasingly become more important in the future, AEON will actively contribute to their prosperity by developing products tailored to each region and promoting the welfare of the local people. AEON is committed to actively engaging in peace efforts, supporting human happiness and norms, and contributing to the prosperity of local communities. These ideals form the foundation of putting “customers as our starting point,” which places the needs and preferences of our customers first at the center of our operations.</u></p> <p><u>Putting our customers first means that we do not put ourselves first, that is, we do not think and act for our own convenience. On the contrary, we always put our customers first and act with the highest standards of integrity, which is the foundation of AEON. We will use this as a mirror to reflect ourselves and as the standard for every decision and action made by all AEON People. Even when it becomes tempting to prioritize our company’s or personal interests or convenience, we must firmly resist and overcome such temptations to preserve our unwavering dedication to our customers.</u></p> <p><u>To achieve this, AEON must be a corporate group that continues to innovate.</u></p> <p><u>Ensuring a company’s growth and survival is of paramount importance, but without constant innovation, it will decline and eventually perish. Even if maintaining the status quo is stable and comfortable, a company should not be complacent but continuously change and improve itself. Having the foresight and insight to constantly look ahead to changes in our customers and various social changes, it is essential for us to continue innovating. All AEON People are dedicated to anticipating the evolution and changes in our customers’ lifestyles and the needs of society.</u></p> <p><u>AEON has transformed from a family business to a corporation, and then to an industry. It has always preserved a dynamic</u></p>

(Translation for reference purposes only)

Current Articles of Incorporation	Proposed Amendments
	<p><u>corporate culture. However, as society changes faster and faster, we are most worried about losing the required innovative and entrepreneurial spirit and becoming stagnant like many large companies. We understand that static equilibrium, where the status quo continues without change, will not last at all. The only way to avoid being overtaken by newer innovators is for AEON to remain the largest and most advanced innovator. It is our firm determination to be an organization that constantly renews itself by keeping its founding spirit and staying ahead of its time. AEON will act with the firm belief that by embodying and practicing these ideals, we can contribute to the maintenance and development of peace, humans, and local communities.</u></p>
<p>(Convening the General Meeting of Shareholders)</p> <p>Article 11</p> <p>1 The Company’s Ordinary General Meeting of Shareholders shall be convened within three months from the following day of the base date. An Extraordinary General Meeting of Shareholders may be convened at any time as needed.</p> <p>2 The General Meeting of Shareholders shall be convened at the location of the Company’s headquarters, or at a location in Chiyoda-ku, Tokyo, or at sites bordering these areas.</p> <p>(Newly established)</p> <p>3 Unless otherwise provided for in laws and regulations, a director appointed by the Board of Directors shall convene the General Meeting of Shareholders. When such director is incapacitated as a result of an accident, another director determined by the Board of Directors shall convene the General Meeting of Shareholders.</p>	<p>(Convening the General Meeting of Shareholders)</p> <p>Article 11</p> <p>(Unchanged)</p> <p>2 The <u>Company’s</u> General Meeting of Shareholders shall be convened at the location of <u>its</u> headquarters, or at a location in Chiyoda-ku, Tokyo, or at sites bordering these areas. <u>However, this shall not apply for General Meetings of Shareholders without a designated location according to the following paragraph.</u></p> <p>3 <u>The Company may hold a General Meeting of Shareholders without a designated location for the meeting.</u></p> <p>4 Unless otherwise provided for in laws and regulations, a director appointed by the Board of Directors shall convene the <u>Company’s</u> General Meeting of Shareholders. When such director is incapacitated as a result of an accident, another director determined by the Board of Directors shall convene the General Meeting of Shareholders.</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 an independent director as stipulated by the Tokyo Stock Exchange. Furthermore, the Company stipulates the following items as conditions of eligibility for a 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 the 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 Foundational Ideals, etc.
3. The outside director shall have extensive experience as a chief executive officer or other corporate executives 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 on the next page.



(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, or 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 the 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 98 <sup>th</sup> business year
1	Motoya Okada	Director; Chairman of the Board; Nomination Committee member; Compensation Committee member; Chairman and Representative Executive Officer	7/7
2	Akio Yoshida	Director; President and Representative Executive Officer	7/7
3	Yuki Habu	Director; Executive Vice President and Executive Officer; Digital	6/6
4	Takashi Tsukamoto	Director; Chairman of the Compensation Committee; Audit Committee member	7/7
5	Peter Child	Director; Nomination Committee member; Compensation Committee member	7/7
6	Carrie Yu	Director; Audit Committee member	7/7
7	Makoto Hayashi	–	-

\*1 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 12, 2023).

\*2 The attendance shown for Yuki Habu is her attendance after she assumed office as director on May 25, 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% (6/6)

### Number of the Company's shares owned

2,551,096 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



### 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)

(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.

### 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

15,300 shares

### Date of birth

May 26, 1960

### <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

Reelection



#### Current positions and areas of responsibility in the Company

Director  
Executive Vice President and Executive Officer, Digital

#### Attendance at Board/committee meetings

Board of Directors: 100% (6/6)

#### 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  
May 2022 Appointed Director, 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



#### 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% (6/6)

#### Number of years served as outside director

6 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 a member of the Audit Committee, Nomination Committee, and Remuneration Committee.

#### <Conflicts of interest>

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

(Translation for reference purposes only)

## 5. Peter Child

Reelection	Candidate for outside director	Candidate for independent director
------------	--------------------------------	------------------------------------



### 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 Tire 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.

### 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% (6/6)

### Number of years served as outside director

5 years

### Number of the Company's shares owned

0 shares

### Date of birth

Mar. 25, 1958

### <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 a member of the Remuneration Committee.

### <Conflicts of interest>

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

(Translation for reference purposes only)

## 6. Carrie Yu

Reelection	Candidate for outside director	Candidate for independent director
------------	--------------------------------	------------------------------------



### 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

3 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)

## 7. Makoto Hayashi

New election

Candidate for outside director

Candidate for independent director



**Number of the Company's shares owned**  
0 shares

**Date of birth**  
Jul. 30, 1957

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

Apr. 1983 Appointed Public Prosecutor of Tokyo District Public Prosecutors Office  
Jun. 2001 Appointed Director of International Affairs Division of the Criminal Affairs Bureau of Ministry of Justice  
Apr. 2003 Appointed Director of General Affairs Division of the Correction Bureau of Ministry of Justice  
Jul. 2006 Appointed Director of General Affairs Division of the Criminal Affairs Bureau of Ministry of Justice  
Jan. 2008 Appointed Director of Personnel Division of the Minister's Secretariat of Ministry of Justice  
Apr. 2011 Appointed Public Prosecutor of Supreme Public Prosecutors Office  
Apr. 2012 Appointed Director-General of the General Affairs Department of Supreme Public Prosecutors Office  
Jul. 2013 Appointed Chief Prosecutor of Sendai District Public Prosecutors Office  
Jan. 2014 Appointed Director-General of the Criminal Affairs Bureau of Ministry of Justice  
Jan. 2018 Appointed Superintending Prosecutor of Nagoya High Public Prosecutors Office  
May 2020 Appointed Superintending Prosecutor of Tokyo High Public Prosecutors Office  
Jul. 2020 Appointed Prosecutor-General  
Jun. 2022 Retired as Prosecutor-General  
Aug. 2022 Appointed Special Counsel of Mori Hamada & Matsumoto (current position)

(Significant concurrent positions outside the Company)  
Special Counsel of Mori Hamada & Matsumoto

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

Makoto Hayashi is an attorney at law who has successively filled posts of Superintending Prosecutor of Tokyo High Public Prosecutors Office 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 Audit Committee member.

### **<Conflicts of interest>**

No conflict of interest exists between the Company and Makoto Hayashi.

(Translation for reference purposes only)

- (Note 1) *The number of years served as an 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 nine 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) *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 4) *Carrie Yu serves as Senior Advisor of PricewaterhouseCoopers (PwC) Hong Kong. The Company has transactions with multiple member firms of PwC, and the monies paid to PwC represent less than 0.1% of the Company's total consolidated SG&A expenses. Carrie Yu's legal name is "Carrie Ip."*
- (Note 5) *The Company has transactions with Mori Hamada & Matsumoto of which Makoto Hayashi is the Special Counsel. The monies paid to Mori Hamada & Matsumoto represent less than 0.1% of the Company's total consolidated SG&A expenses.*
- (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, 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 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 16 to 17 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 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*

(Translation for reference purposes only)

*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)

ATTACHED DOCUMENTS

## **Business Report for Fiscal 2022**

(March 1, 2022 – February 28, 2023)

### **1. Consolidated Business Review**

While the business environment in which AEON CO., LTD. (“AEON” or the “Company”) operates began to show signs of recovery in domestic socio-economic activities as a result of the easing of activity restrictions associated with the COVID-19 pandemic, the business environment remained uncertain as consumers became increasingly cautious about spending due to factors including soaring global energy and raw materials prices, as well as the depreciation of the yen. Amid this environment, the General Merchandise Store Business (GMS Business) further promoted earnings structural reforms and substantially improved profitability to become profitable, while the Supermarket Business (SM Business) and the Discount Store Business (DS Business) both worked on revitalizing stores and advancing the digital shift, thereby limiting the impact of the reactionary decline in special demand for eating at home during the pandemic. Also, Shopping Center Development Business, Health & Wellness Business, Services & Specialty Store Business and International Business, responded swiftly to the changing environment and achieved increased profits. In addition, Financial Services Business booked the largest operating profit among all of the business segments. As a result, the Company and its 301 consolidated subsidiaries posted consolidated operating revenue of 9,116.8 billion yen, operating profit of 209.7 billion yen, ordinary profit of 203.6 billion yen, which includes 27 entities accounted for using equity method, and profit attributable to owners of the parent company of 21.3 billion yen, which represented a significant increase.

#### Common Group Strategy

Amid continued price increases on daily necessities resulting in added strain on household budgets, in order to continue to provide even higher-quality, reasonable products that match customers’ lifestyles, the Company kept the prices of *TOPVALU* food products and everyday goods unchanged for most of the approximately 5,000 products. At the same time, the Company has responded to changes in the behavior of customers and new needs during the COVID-19 pandemic, and also expanded its development of value-added-type products, thereby increasing sales. We will continue to strive to provide valuable products by making maximum use of the Group’s scale merits and unique supply chain capabilities while strengthening product development to meet customers’ diverse needs.

In April 2022, Aeon’s WAON e-money service (“WAON”) marked its 15th anniversary, and annual spending via the service has grown and surpassed 2 trillion yen, and cumulative donations

(Translation for reference purposes only)

through the “Gotouchi (Regional) WAON,” in which a portion of the amount spent contributes to local communities, amounted to approximately 2.6 billion yen.

In our efforts to address new growth areas, in September 2022, AEON KYUSHU CO., LTD. and Welcia Holdings Co., Ltd (“Welcia Holdings”). established AEON Welcia Kyushu Co., Ltd., with the aim of developing and operating a new business model by progressively merging the business of each company. AEON Welcia Kyushu Co., Ltd. will build a new business model to realize “well-being” by supporting the health of people in the region.

In addition, to strengthen the rapidly growing Digital Business, the Company is making progress on constructing a cutting-edge customer fulfillment center employing AI and robots in Chiba City, and plans to launch an online supermarket in FY2023. Furthermore, preparations are also underway for a second customer fulfillment center in Hachioji City, Tokyo, with operations scheduled to begin in 2026.

Going forward, in addition to reforming the existing business model and establishing a new growth model, we will boost profitability and concentrate investment of management resources thus produced into growth domains, thereby achieving further growth.

(Translation for reference purposes only)

## Financial highlights

Years ended February 29, 2020 and February 28 (2021, 2022 and 2023)	2020	2021	2022	2023
Operating revenue (Millions of yen)	8,604,207	8,603,910	8,715,957	9,116,823
Operating profit (Millions of yen)	215,530	150,586	174,312	209,783
Ordinary profit (Millions of yen)	205,828	138,801	167,068	203,665
Profit (loss) attributable to owners of the parent company (Millions of yen)	26,838	(71,024)	6,504	21,381
Earnings (loss) per share (Yen)	31.88	(84.06)	7.69	25.11
Total assets (Millions of yen)	11,062,685	11,481,268	11,633,083	12,341,523
Net assets (Millions of yen)	1,849,278	1,755,776	1,812,423	1,970,232
Net assets per share (Yen)	1,264.63	1,147.56	1,130.76	1,161.12

(Note) The Company has adopted “Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020)” and relevant ASBJ regulations from 2023 (March 1, 2022 to February 28, 2023), and the consolidated operating results and financial position for 2023 are the amounts after adoption of said accounting standard and relevant ASBJ regulations.

## Business segment information

Business segment	Operating revenue (Millions of yen)	YOY (%)	Operating profit (Millions of yen)	YOY (%)
GMS Business	3,269,042	99.3	14,097	–
SM Business	2,642,119	104.8	22,844	74.8
DS Business	383,490	98.8	3,682	133.5
Health & Wellness Business	1,149,689	111.5	44,828	107.0
Financial Services Business	456,875	96.7	60,313	97.6
Shopping Center Development Business	443,482	120.9	45,242	116.4
Services & Specialty Store Business	765,620	108.8	10,270	–
International Business	497,428	120.7	12,859	229.9
Reportable Segments Total	9,607,749	104.6	214,138	121.4
Other Operations	49,097	92.3	(5,422)	–
Total	9,656,847	104.5	208,715	118.5
Adjustment	(540,023)	–	1,067	–
Consolidated	9,116,823	104.6	209,783	120.3

(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*

(Translation for reference purposes only)

*Shopping Center Development Business*

*Development and leasing of shopping centers*

*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.*

## (1) Review of Operations

### Retailing and Services

- In the GMS Business, AEON Retail Co., Ltd. (hereinafter “AEON Retail”) promoted sales and product strategies to maximize operating gross profit, and the entire Group has been working as one with a focus on expanding growth areas, such as online supermarkets, and improving gross profit margins. In mainly apparel, household goods, and recreational products, AEON Retail fundamentally improved its selling approach by reviewing the timing of seasonal products, such as early deployment and sell-out, and expanding visual merchandising (VMD), while in food and health and beauty care, it strengthened its efforts in the growth areas of delicatessen, frozen foods, and pharmaceutical dispensing. At the same time, as part of earnings structure reforms, it reviewed costs, accelerated back-office reforms, reduced register labor hours, and promoted initiatives to expand areas such as online supermarkets and strengthen the product lineup. Furthermore, operating profit returned to profit as a result of efficiency improvements through the use of AI and RPA. 
- In the SM Business, United Super Markets Holdings Inc. worked on initiatives such as revitalizing stores, increasing convenience for customers, increasing the deployment of full self-checkout registers and expanding the introduction of *Scan & Go Ignica* (self-checkout app). In addition to concluding an exclusive distribution agreement with a U.S. company that produces plant-derived meat substitutes, we started the full-fledged operation of a plant factory that has achieved fully indoor plant cultivation. Fuji Co., Ltd., which implemented a management integration with Maxvalu Nishinohon Co., Ltd. in March 2022, worked to enhance activities rooted in communities and customers’ lives, such as focusing on responding to the latest needs from the viewpoint of customers, while promoting initiatives aimed at creating synergy ahead of the establishment of a new integrated company following the merger in March 2024. Maxvalu Tokai Co., Ltd. endeavored to suggest healthy dietary habits through coordination with local communities. In addition, efforts were made to meet customer needs by expanding the lineup of small portion products, strengthening the lineup of delicatessen offerings, and expanding the frozen foods lineup, as well as making efforts to improve productivity by introducing self-checkout registers.
- In the DS Business, Aeon Big Co., Ltd. promoted common product and price policies after the integration due to the reorganization within the Group, and worked to reduce indirect costs of head office operations and bolster stores’ sales capabilities.
- In the Health & Wellness Business, Welcia Holdings and its consolidated subsidiaries worked on the free PCR and other testing programs business of each community as a measure to



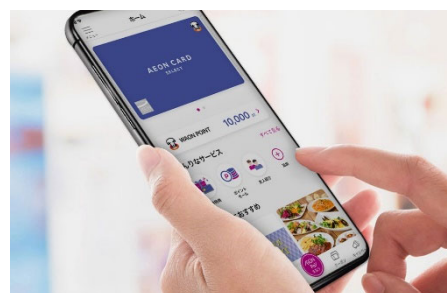
(Translation for reference purposes only)

prevent the spread of new infections under the COVID-19 pandemic. Sales of products related to the pharmaceutical products section were strong, and the number of prescriptions increased from the previous year. Despite the significant increase in utility costs due to soaring fuel prices, Welcia Holdings made efforts to reduce expenses, by conserving electricity through utilizing light-dimming functions, along with continuous efforts aimed at optimizing store-labor hours, as well as by increasing the operating efficiency of stores including through automated ordering and other initiatives. In addition, it made efforts to improve business efficiency by integrating subsidiaries, and expanding and dominating regions through M&A.

- In the Services & Specialty Store Business, AEON Delight Co., Ltd. (“AEON Delight”) contributed to energy savings at facilities through the use of LED lighting, the updating of air conditioning equipment, and sales of CFC-free cases, as well as developed tools to visualize power usage. In addition, AEON Delight is utilizing IoT and other technologies to develop and roll out “area management” that efficiently manages multiple facilities, and has made investments in equipment in order to automate inspection work, along with consolidating some operations at customer support centers. At AEON Fantasy Co., Ltd., domestic operations remained strong, while overseas operations in Malaysia, the Philippines, and Vietnam performed well. CAN DO CO., LTD. worked to “expand sales channels,” “differentiate products and brands,” and “enhance corporate value” in order to maximize synergies through collaboration with the Group. At Cox Co., Ltd., measures for the improvement in gross profit margin through strengthening brand power and merchandising reforms, increasing e-commerce sales by improving e-commerce operations and bolstering the D-to-C business, and bringing about a recovery in store sales through reforms to sales methods and sales floors were successful, resulting in the company becoming profitable.

### Financial services

- In the Financial Services Business, we promoted investments targeting medium- to long-term growth and upgrades to its base, including enhancing convenience utilizing the common Group-wide points system, bolstering mobile services, and creating new businesses, among others. Aeon Card refreshed its card design and strengthened its efforts to acquire members by conducting a new member sign-up campaign both online and in stores. Also, in addition to adding the QR code-based payment function “AEON Pay” to the Aeon Card official app “Aeon Wallet,” we expanded the scope of participating external stores to improve customer convenience. In overseas markets, credit card shopping, consumer loans, and installment sales recovered steadily. Furthermore, we attained the first digital bank license in Malaysia.



### Shopping Center Development

- In the Shopping Center Development Business, AEON Mall Co., Ltd. (“AEON Mall”) opened 2 new shopping centers and completed refurbishment of 12 shopping centers in Japan. AEON Mall is working to maximize the appeal of brick-and-mortar stores through the creation of CX (customer experience) and is endeavoring to enhance the ability of malls to draw in customers. AEON Mall will also continue to work to address social issues, such as the utilization of renewable energy and the reduction of food loss. Through these kinds of initiatives, as well as through other initiatives such as efforts to draw in customers as increasing numbers of people went out, specialty store sales at existing malls in Japan grew 110.0% from the previous year. Overseas, in fast-growing Vietnam, AEON Mall promoted initiatives to strengthen mall openings, including the conclusion of comprehensive memoranda of understanding to implement investment decisions for new shopping mall development.



### International

- In Malaysia, we held various events at malls on an ongoing basis, thus sustaining the recovery trend in tenant sales, while sales recovered in the GMS Business as well for all lines, especially in apparel, household goods, and recreational products. In addition, the number of people registered grew for the online supermarket, which utilizes a U.S. e-commerce platform that possesses an advanced automated logistics system and a high-level capability of proposing products to customers utilizing AI. Furthermore, in Vietnam, an increase in opportunities for outings resulted in a recovery in tenant sales, and sales grew significantly in the GMS Business and the SM Business. Also, sales grew significantly as a result of the promotion of DX in order to raise operational efficiency and reduce expenses. We strengthened the business development in China, and the online supermarket’s food sales composition ratio rose, exceeding the ratio in Japan.











(Translation for reference purposes only)

## (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 societal issues through its business activities.

### History of AEON’s Sustainability

1989-	2000-
<p><b>1989</b>  Declared the establishment of “AEON Group 1% Club”</p>	<p><b>2000</b>  School Construction Support Project Started in Cambodia Acquired ISO 14001 certification, the international standard for environmental management</p>
<p><b>1990</b></p> <p>Established “JUSCO Earth-Friendly Committee”</p> <p> Established “Aeon Group Environmental Foundation” (now AEON Environmental Foundation)</p> <p> Established “AEON Group 1% Club” (now AEON 1% Club)</p> <p> First “Teenage Ambassadors”</p>	<p><b>2001</b></p> <p>“Aeon Happy Yellow Receipt Campaign” Started</p> <p><b>2003</b></p> <p>Established “Aeon Supplier Code of Conduct (CoC)”</p> <p><b>2004</b></p> <p>Commenced sales of “Fairtrade Coffee under the <i>TOPVALU</i> label”</p> <p><b>2005</b></p> <p>Opened first Eco Store, Aeon Chikusa SC (now Aeon Town Chikusa)</p> <p><b>2006</b></p> <p>First Japanese retailer to begin selling MSC-certified seafood</p> <p> Commenced “AEON Scholarship”</p>
<p><b>1991</b></p> <p>“Aeon Hometown Forests Program” started</p> <p>Started “Clean &amp; Green Activities”</p> <p>Commenced the “Bring Your Own Shopping Bag Campaign” and “Collecting Recyclable Resources at Stores Campaign”</p>	<p><b>2007</b></p> <p>Initiated a policy of not providing free plastic shopping bags in food sections</p>
<p><b>1993</b></p> <p>Started development of organic and other agricultural produce for “Gurinai” (now <i>TOPVALU</i> Gurinai)</p>	<p><b>2008</b></p> <p>Announced “AEON Manifesto on the Prevention of Global Warming”</p> <p>Formulated the “Aeon Human Rights Policy”</p>
<p><b>1996</b>  Founded Children’s Eco Club (now AEON Cheers Club)</p>	
<p><b>1998</b>  Beijing Great Wall tree planting (1998-2000, 2003-2005, 2007-2010)</p>	

(Translation for reference purposes only)

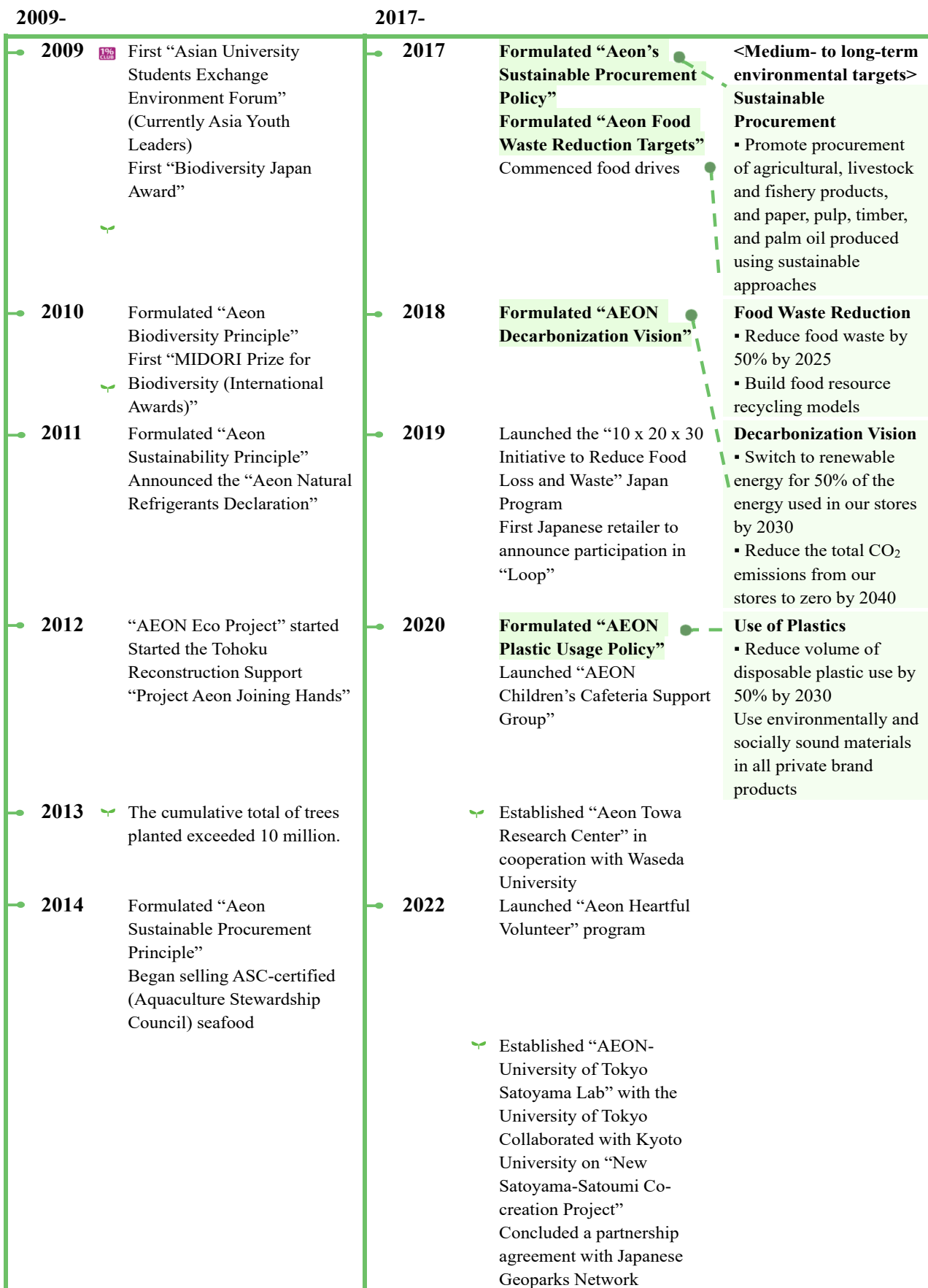
<p>1991- <b>Tree-planting activities</b></p>	<p>1991- <b>Bring Your Own Shopping Bag Campaign</b></p>	<p>1996- <b>“AEON Cheers Club”</b></p>
<p>Cumulative total of trees planted Approx. 12.55 million trees</p> 	<p>Reduction of plastic shopping bags Approx. 3.37 billion pieces</p> 	<p>396 clubs Approx. 4,170 members</p> 

### Realization of a decarbonized society




AEON has set a target of switching to renewable energy for 50% of the energy used in its stores in Japan by 2030. The number of stores and offices with 100% renewable energy increased by seven in FY2022, bringing the total to 20 locations nationwide. In addition, we launched “AEON Mall Town Power Plant” in September 2022, an initiative to procure renewable energy through off-site corporate PPA (power purchase agreement), and supply electricity to AEON Mall from approximately 740 solar power plants on a self-consignment basis. AEON Mall Toyokawa (Aichi Prefecture) has installed large carport solar panels with a power generation capacity (1,300 kW), one of the largest in Japan for commercial facilities. The plan is to expand the introduction of this model as a means of procuring renewable energy through the use of parking lots. Going forward, we seek more rapidly to help bring about a decarbonized society by drawing on a variety of resources.



(Translation for reference purposes only)



(Translation for reference purposes only)

2001- “Aeon Happy Yellow Receipt Campaign”	2004- Solar panel installation	2020- Children’s Cafeteria Support Group
Cumulative donation amount Approx. 4.9 billion yen 	Number of stores installed 1,120 stores 	Cumulative total donated Approx. 170 million yen 

(Figures are current as of February 2023)

### Better use of resources

To reduce the use of disposable plastics, we are reducing containers and packaging materials, shifting to environmentally friendly materials, and building a resource recycling model based on our stores.

“Loop,” an initiative to change the containers of daily necessities and food products to more durable ones for repeated use, has expanded to 100 stores handling the containers. We are also working with local governments to promote better use of resources in local communities.

We will continue to work with our customers, local governments, and suppliers to realize a recycling-oriented society.

### Nurturing and supporting the next generation

To support the activities of local community children’s cafeterias, as part of the “AEON Children’s Cafeteria Support Group” project, we conducted the “National Children’s Cafeteria Support Fund” in the winter of FY2022 and contributed approximately 41.99 million yen to NPO National Children’s Cafeteria Support Center Musubie.

In FY2022, we aimed to enhance the project by collaborating with organizations and businesses that support children in the region, and began to provide opportunities for information dissemination, exchange of opinions, food drives, and other activities. We will continue to promote activities for a future in which all children can grow up healthy.



(Translation for reference purposes only)

## ■ AEON Forest Programs

Feeling a sense of crisis as “the loss of nature’s richness would lead to a loss of sources of wealth,” we have continued tree planting activities since 1991 based on the idea of working to resolve environmental issues through tree planting. We have planted a cumulative total of about 12.55 million trees together with customers in Japan and around the world through the “AEON Hometown Forests Program,” in which trees native to the region are planted on store premises, and tree-planting activities in cooperation with the AEON Environmental Foundation to restore forests devastated by logging, natural disasters, and other causes.

Over the years, AEON forests have grown into rich natural forests that are home to many local indigenous plants and animals. We conduct a “survey of living creatures” to learn and measure the ecological functions and biodiversity value of such AEON forests together with customers and employees, and in 2022, we observed more than 1,100 species of birds, insects, plants, etc., including native and rare species, in AEON forests at 70 stores nationwide.



In addition, from 2020, we further evolved the creation of AEON forests, working on the “Aeon Satoyama” in collaboration with local governments, public administrations, universities, international organizations, and others, with the aim of realizing sustainable communities. In addition to the conservation of biodiversity, the “Aeon Forest Aya-chou (Miyazaki Prefecture)” and “Minamishimabara Aeon Satoyama (Nagasaki Prefecture),” among others, the project also takes into account the traditional culture, topography, industry, and history of each region, and aims to create new Satoyama where people and nature can coexist in harmony.

AEON will continue to plant and nurture trees together with customers and local residents to pass on forests and communities rich in nature to the next generation.

## ■ Nurturing the next generation (AEON Cheers Club)

Since 1996, the AEON 1% Club Foundation has been offering hands-on learning programs at 395 clubs located in AEON stores nationwide, mainly for elementary school students, as a place to develop an interest in nature and the environment, as well as the ability to think.

In 2022, the AEON Cheers Club “Welcia Tsukuba” started its activities in cooperation with 22 new Welcia Pharmacies. We will continue to develop various activities for children to learn about the environment and society while having fun through harvesting rice and carrots at the farm, learning about the nutritional content of food, and experiencing being a pharmacist.



(Translation for reference purposes only)

### ■ Support for Children in Ukraine

AEON Foundational Ideals demand the pursuit of peace and it is opposed to all forms of war. The “AEON Ukraine Children’s Relief Fund” was implemented from March 8 to April 30, 2022, to support children who have been forced to live in unfamiliar evacuation centers due to being suddenly caught up in the conflict. We presented the Japan Committee for UNICEF with a total amount of approx. 933.31 million yen, including approx. 466.65 million yen donated by our customers and donations from the AEON 1% Club Foundation which is funded by donations provided by the Company and companies of the AEON Group. The program is not limited to providing shelter and supplies but also extends to providing educational support and psychological care for Ukrainian children.

### ■ A public interest incorporated foundation that embodies the AEON Foundational Ideals

We promote activities that contribute to the environment and society through our cooperation with the AEON 1% Club Foundation and the AEON Environmental Foundation, as well as through initiatives conducted as part of our business activities.

#### **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**

Based on the AEON Foundational Ideals, the Foundation was established in 1990 as Japan's first corporate independent foundation focused on the theme of the global environment. Since then, we have been promoting activities with our diverse stakeholders, focusing on four main projects: “tree planting,” “environmental activity subsidies,” “environmental education,” and “partnerships.” Currently, we are also working to create new Satoyama with the goal of realizing a sustainable community.

**AEON aims to be a rewarding company where everyone can work with vitality and enthusiasm.**

### **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. A total of 387 employees participated in the training program, which was designed to promote the growth of advancing female managers



(Translation for reference purposes only)

as leaders and to promote the development of candidates for the next and next-generation management positions, and the event provided opportunities to enhance interaction among employees of Group companies and to motivate them through friendly competition with their colleagues. Through online training, in which 730 executives and managers from Group companies participated, the Company adhered to being an organization that respects diversity and psychological well-being, and it promoted required management style reforms. We incorporated content promoting childcare leave for male employees into our online training regarding “support for balancing work and childcare.” Some 500 employees took part in the training, including female employees as well as male employees, supervisors and human resources personnel. The training introduced the best practices of Group companies and helped to raise awareness of matters pertaining to childcare leave. “Training for persons with handicaps” is held every month to foster a culture of recognizing and taking advantage of differences by learning about various handicaps and understanding points to keep in mind when hiring and employing people with handicaps. At the awards, which are held to share and recognize the best practices of Group companies, initiatives that lead to the creation of new value created by diversity were introduced, ranging from the promotion of women, people with handicaps, and LGBTQ individuals to generational diversity and the challenge of diversifying oneself.

### **Initiatives promoting health management**

AEON is working to improve the health of its employees and their families based on the belief that, as a Group, employee health is the cornerstone of our corporate activities and that only when our employees are healthy, we can contribute to the health and happiness of our customers in the community. We are working to create safe, secure, and energetic workplaces that promote mental and physical health through measures such as the implementation of a no-smoking policy during working hours and on company premises at 115 Group companies in Japan as a measure to prevent harm from passive smoking and to promote quitting smoking, improvement in the implementation rate of specific health guidance to improve lifestyle habits, health challenge campaigns, and learning about women’s health, etc. These efforts have been recognized with our designation as a “Health and Productivity Management Organization 2023 (White 500).” Fifty Group companies have obtained recognition as Health and Productivity Management Organizations.

(Translation for reference purposes only)

## 2. Prospective Challenges for the AEON Group

Almost two years have passed since the start of the “Medium-Term Management Plan (FY2021 - FY2025),” and unprecedented changes in the environment have occurred on a global scale, including price hikes that exceeded initial expectations and heightened geopolitical risks. AEON believes that it is precisely in turbulent times that it can create new products and services that anticipate changes in society and continue to contribute to local communities, which is the value of its existence. As a group-wide strategy to create new value, we are accelerating and evolving “environmental green concept” initiatives which are rapidly becoming more important at each Group company, in addition to reforms in line with the five pillars of “Digital,” “Products,” “Health & Wellness,” “Community” and “Asia.”

### <Common Group strategies under the medium-term management plan>

#### (1) Acceleration and evolution of the shift to digital markets

To achieve OMO (online merges with offline) that integrates real and digital worlds, the Aeon Group is working as one to shift to digital markets in order to transform the business foundation, which has been built based on the real world, with the digital world at the center.



In addition to promoting improved convenience of “iAEON,” a comprehensive app that serves as a common infrastructure for creating digital connections with customers, and online supermarkets that utilize store assets, Aeon Next Co., Ltd. is planning to start operations in 2023 of the state-of-the-art customer fulfillment center (CFC) employing AI and robots. By utilizing the strengths that the real and digital worlds each possess, we are building an AEON OMO system where customers can obtain the products and services they want anytime and anywhere.

#### (2) Creating unique value with the supply chain concept

In terms of product initiatives, we will respond to changes in the behavior of customers and new needs, develop products together with producers and contracted manufacturers based on a “market-oriented approach,” and launch approximately 2,500 new products and renew products. In addition, we will carry out “small mass” marketing targeting single-person households, millennials and generation Z, and work to acquire new fans of *TOPVALU*. We believe that PB products are an area where we, as a retailer with a “sales floor” that is the point of contact with customers, can demonstrate our unique strength in directly reflecting customer feedback on our products. In the future, we will strengthen product development in



(Translation for reference purposes only)

new categories that we have not yet launched and products that add value unique to AEON, and we will evolve *TOPVALU* into a brand that delivers new ideas and excitement for people's daily lives based on the concept of "Let's make things exciting!"

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

We recognize that "Health & Wellness" is an area where we should focus all our efforts for the sustainable growth of the Group in the future. We will aim to provide value as a synergistic product that includes the three aspects of not only "physical" health, but also "spiritual fulfillment" and "connection with the local community." Toward achieving this goal, in addition to expanding the drugstore format business, we will promote the expansion of each business segment, centering on wellness, by maximizing group synergies.



### (4) Create AEON living zone

AEON commercial facilities are an important component of each community's daily living zone, and in addition to daily shopping, they incorporate health-related services such as clinics and gyms, and further enhance the development of local community facilities. We will continue to promote the development of facilities that contribute to improving the attractiveness of the local community, and through our business, we aim to build a "daily living zone" that will lead to the enrichment of the community by stimulating the local economy, solving social issues faced by local cities, and playing a role in improving the global environment.



### (5) Accelerate the shift to Asian markets

With regard to overseas business, we are expanding our business base to enjoy future growth, particularly in high-growth Vietnam, by strengthening our store development capabilities through utilizing local and professional human resources, establishing a base for PB product development, and shifting investments to expand real stores and digital business.



The entire Group will continue to work together as one to promote business expansion in Asia, where high economic growth is expected to continue.

(Translation for reference purposes only)

## (6) Green strategies

In addition to the tree-planting activities that AEON has been involved in for more than 30 years, we are strengthening measures to realize a decarbonized, recycling-oriented society, such as switching to renewable energy for electricity used at our commercial facilities and strengthening the development of environmentally friendly PB products.



In the future, we hope that each Group company will find business opportunities based on “green” and propose new lifestyles. Together with all stakeholders, especially our customers, we will take action for the future and contribute to the realization of prosperous and sustainable local communities.

(Translation for reference purposes only)

### 3. Overview of AEON and the AEON Group (as of February 28, 2023)

#### (1) 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: 908,221
- 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)	116,318	13.57
Custody Bank of Japan, Ltd. (Trust Account)	37,348	4.36
Mizuho Bank, Ltd.	33,292	3.88
AEON Environmental Foundation	21,811	2.54
The Cultural Foundation of Okada	21,461	2.50
The Norinchukin Bank	18,133	2.12
Employees' stockholding association	12,123	1.41
Aeon Mutual Benefit Society (Nomura Securities account)	12,047	1.41
STATE STREET BANK WEST CLIENT-TREATY 505234	11,370	1.33
Tokio Marine & Nichido Fire Insurance Co., Ltd.	10,061	1.17

(Note 1) Calculations of ratio of shares held exclude treasury shares (14,861,590 shares) and have been rounded. The number of treasury shares does not include the Company's shares held by Employee Stock Ownership Plan Trust (2,136,600 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.").

(Translation for reference purposes only)

## (2) Directors and Executive Officers of the Company

- 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	27 million yen	12 million yen	90 million yen
President and Representative Executive Officer Akio Yoshida	1	51 million yen	30 million yen	13 million yen	94 million yen
Executive Vice President and Executive Officers	2	71 million yen	36 million yen	19 million yen	126 million yen
Executive officers	9	212 million yen	86 million yen	53 million yen	353 million yen
Total	13	384 million yen	181 million yen	99 million yen	665 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 12, 2023, based on performance during the 98<sup>th</sup> business year. In regard to the share compensation-type stock options, the subscription rights to shares will be allocated on June 21, 2023. 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 2023.
  2. In addition to the above, basic remuneration of 2 million yen was paid to one executive officer who resigned from the position on February 28, 2022, and basic remuneration of 10 million yen was paid to one director who retired at the conclusion of the Ordinary General Meeting of Shareholders held on May 25, 2022.

(Translation for reference purposes only)

### (3) Group Status

#### Major subsidiaries

Name	Capital	Voting rights (Note 1) (%)	Main businesses
<b><u>GMS Business</u></b>			
AEON Hokkaido Corporation	¥6,100 million	67.21	General merchandise store
AEON KYUSHU CO., LTD.	¥4,915 million	78.49	General merchandise store
Sunday Co., Ltd.	¥3,241 million	77.10	Home center
AEON Retail Co., Ltd.	¥100 million	100.00	General merchandise store
<b><u>SM Business</u></b>			
United Super Markets Holdings Inc.	¥10,000 million	53.67	Management in supermarket
Maxvalu Tokai Co., Ltd.	¥2,267 million	64.84	Supermarket
Fuji Co., Ltd. (Note 2)	¥22,000 million	51.49	Management in retail store, etc., of food, clothing, daily goods, etc.
Ministop Co., Ltd.	¥7,491 million	54.10	Convenience store
<b><u>Health &amp; Wellness Business</u></b>			
Welcia Holdings Co., Ltd.	¥7,747 million	50.59	Management in drug store
<b><u>Financial Services Business</u></b>			
AEON Financial Service Co., Ltd.	¥45,698 million	49.99	Financial services
AEON CREDIT SERVICE (ASIA) CO., LTD.	HK\$269 million	68.32	Financial services
AEON CREDIT SERVICE (M) BERHAD	M\$541 million	63.32	Financial services
AEON THANA SINSAP (THAILAND) PCL.	THB250 million	63.12	Financial services
Aeon Bank Ltd.	¥51,250 million	100.00	Banking services
<b><u>Shopping Center Development Business</u></b>			
AEON Mall Co., Ltd.	¥42,381 million	58.80	SC development
<b><u>Services &amp; Specialty Store Businesses</u></b>			
Cox Co., Ltd.	¥4,503 million	71.56	Casual apparel specialty store
G Foot Co., Ltd.	¥3,761 million	66.88	Specialty shoe store
AEON Delight Co., Ltd.	¥3,238 million	56.90	Facilities management services
CAN DO CO., LTD.	¥3,028 million	51.15	Flat-rate discount store business
AEON Fantasy Co., Ltd.	¥1,806 million	68.45	Amusement services
<b><u>International Business</u></b>			
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, Fuji Co., Ltd. and Maxvalu Nishinohon Co., Ltd. integrated their managements.

(Note 3) No specified wholly owned subsidiary is present as of the fiscal year-end.

(Translation for reference purposes only)

#### **(4) 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 12, 2023, the year-end dividend payment from the 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 Tuesday, May 2, 2023.

---

*(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 Financial Statements (Summary)

### Consolidated balance sheet

	(Unit: Millions of yen, rounded down)	
	As of February 28, 2023	As of February 28, 2022
<b>Assets</b>		
Current assets	7,681,759	7,185,666
(of which, Inventories)	596,708	555,136
Non-current assets	4,659,764	4,447,417
Property, plant and equipment	3,301,444	3,130,888
Intangible assets	356,026	326,415
Investments and other assets	1,002,292	990,112
<b>Assets</b>	<b>12,341,523</b>	<b>11,633,083</b>
<b>Liabilities</b>		
Current liabilities	7,477,878	7,047,966
Non-current liabilities	2,893,412	2,772,693
<b>Liabilities</b>	<b>10,371,290</b>	<b>9,820,660</b>
<b>Net assets</b>		
Shareholders' equity	908,498	897,766
Capital stock	220,007	220,007
Capital surplus	299,667	296,285
Retained earnings	411,758	415,503
Treasury shares	(22,936)	(34,030)
Accumulated other comprehensive income	84,077	59,665
Subscription rights to shares	1,173	1,290
Non-controlling interests	976,482	853,701
<b>Net assets</b>	<b>1,970,232</b>	<b>1,812,423</b>
<b>Liabilities and net assets</b>	<b>12,341,523</b>	<b>11,633,083</b>

### Consolidated statement of income

	(Unit: Millions of yen, rounded down)	
	Year ended February 28, 2023	Year ended February 28, 2022
Operating revenue	9,116,823	8,715,957
Net sales	7,961,711	7,657,351
Operating revenue from financial services business	403,040	421,803
Other operating revenue	752,071	636,801
Operating cost	5,778,894	5,601,694
Cost of sales	5,725,286	5,538,956
Operating cost from financial services business	53,608	62,738
Operating gross profit (loss)	3,337,929	3,114,262
Selling, general and administrative expenses	3,128,145	2,939,949
Operating profit (loss)	209,783	174,312
Non-operating income	36,117	38,276
Non-operating expenses	42,235	45,520
Ordinary profit (loss)	203,665	167,068
Extraordinary income	48,048	18,184
Extraordinary losses	83,365	62,429
Profit (loss) before income taxes	168,347	122,823
Income taxes		
Current	78,996	71,015
Deferred	4,980	(6,175)
Profit (loss)	84,371	57,982
Profit (loss) attributable to non-controlling interests	62,989	51,477
Profit (loss) attributable to owners of the parent company	21,381	6,504

(Translation for reference purposes only)

The following details have been made available on the websites so they have not been included in this notice. Please check the websites below to confirm such details.

● Matters that can be confirmed via the websites

▪ **Business Report**

Activity Report of the Board of Directors, etc., Main Business, Number of Stores, Financing and Capital Investments, Directors and Executive Officers of the Company (Directors and executive officers, Items related to outside directors, Summary of agreements limiting liability, Summary of directors and officers liability insurance contract, Policies on personal remuneration for directors and executive officers, etc.), Independent Auditors, Employees, Principal Creditors

Items Related to the Company's Subscription Rights to Shares, Company Structure and Policies, Basic Policy Regarding Control of the Company

▪ **Consolidated Financial Statements / Nonconsolidated Financial Statements**

Consolidated balance sheet, Consolidated statement of income, Consolidated statement of changes in net assets, Notes to the consolidated financial statements

Nonconsolidated balance sheet, Nonconsolidated statement of income, Nonconsolidated statement of changes in equity, Notes to the nonconsolidated financial statements

▪ **Audit reports**

Independent Auditor's Report on Consolidated Financial Statements

Independent Auditor's Report on Nonconsolidated Financial Statements

Audit Report of the Audit Committee

● The Company's website: <https://www.aeon.info/ir/> (in Japanese)

● Website for posting informational materials for the General Meeting of Shareholders:  
<https://d.sokai.jp/8267/teiji/> (in Japanese)

(Translation for reference purposes only)

## Informational Materials for the 98<sup>th</sup> Ordinary General Meeting of Shareholders (Additional Paper-Based Documents Provided for Shareholders Who Request Their Delivery)

### ● Consolidated Business Review

#### 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 are 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

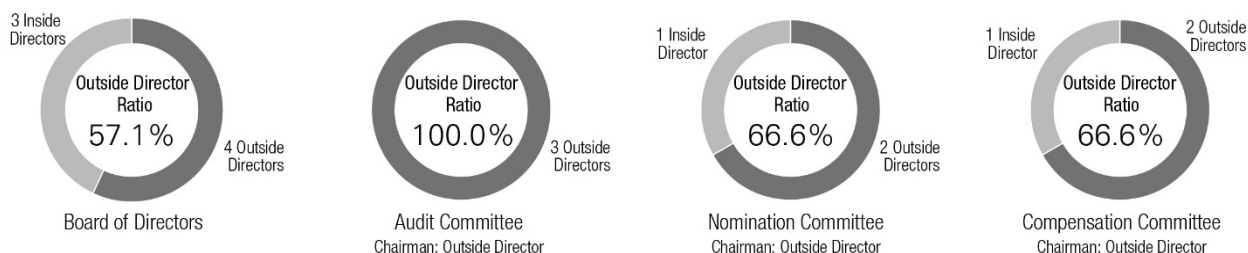
	2000	2001–	2003–	2007	2008	2009–	2013–	2016–	2018	2019	2020–	2022–		
Trade name	JUSCO Co., Ltd.	AEON CO., LTD. (since Aug. 2001)												
Organization form	Operating holding company				Pure holding company (since Aug. 2008)									
Corporate governance system	Company with a Board of Directors		Company 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						2	
(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					

(Translation for reference purposes only)

	2000	2001–	2003–	2007	2008	2009–	2013–	2016–	2018	2019	2020–	2022–
Principles and policies	AEON Foundational Ideals (1989–)											
									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.

## 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	- Supervision 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	- 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	- Decisions pertaining to the content of motions to be introduced at shareholders' meetings concerning the appointment or dismissal of directors
Compensation Committee	Met 6 times	- 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 its meetings from a long-term perspective in aiming to achieve sustainable corporate growth and improvement of corporate value. To complement the functions of the Board of Directors, the Company has been holding policy deliberation meetings with the participation of independent outside directors, thereby engaging in many discussions focused on the progress of the Medium-term Management Plan and

(Translation for reference purposes only)

management issues through to FY2025. Furthermore, discussions were held exclusively among the independent outside directors who presented their opinions and proposals to management on achieving the best form of Group governance in a Board of Directors setting and contributing to the improvement of the effectiveness of the Board of Directors. We have confirmed that discussions seeking to improve the corporate value of the Group overall have been substantial without being limited to Board of Directors meetings 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.

(Translation for reference purposes only)

● **Overview of AEON and the AEON Group** (as of February 28, 2023)

**(1) Main Business**

The AEON Group comprises the Company (a pure holding company), 301 consolidated subsidiaries, and 27 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**

1) Head Office

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

2) Number of stores and facilities by format

<b>Format</b>	<b>Number of stores</b>	<b>Format</b>	<b>Number of stores</b>	<b>Format</b>	<b>Number of stores</b>
Mall-type SC	271	Home centers	119	Other retail	1,405
General merchandise stores	620	Department stores	1	Financial services	596
Supermarkets	2,309	Convenience stores	2,039	Other services	2,049
Supercenters	25	Specialty stores	4,447	Total	17,662
Discount stores	605	Drugstores	3,176		

**(3) Financing and Investment**

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 370.8 billion yen, which was financed by internal cash flows and new borrowings.

(Translation for reference purposes only)

#### (4) Directors and Executive Officers of the Company

##### 1) Directors and executive officers

##### Board of Directors

<b>Name</b>	<b>Area of responsibility</b>	<b>Significant concurrent positions outside the Company</b>
Motoya Okada	Chairman of the Board; Nomination Committee member; Compensation Committee member	
Akio Yoshida		
Yuki Habu		
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	Advisor (Attorney at law), Atsumi & Sakai 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

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

(Translation for reference purposes only)

## 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 Chairman and Executive Officer	Motohiro Fujita	Chief Officer of Special Missions President and Representative Director, United Super Markets Holdings Inc.
Executive Vice President and Executive Officer	Yuki Habu	Chief Officer of Digital
Executive Vice President and Executive Officer	Hiroyuki Watanabe	Chief Human Resources Officer, Administration & Risk Management Director, AEON Financial Service Co., Ltd. Director, AEON Delight Co., Ltd.
Executive Officer	Keiji Kamio	Chief Officer of SM Director and Chairman of Maxvalu Tokai Co., Ltd. Director of Ministop Co., Ltd.
Executive Officer	Manabu Oike	Chief Officer of DS
Executive Officer	Soichi Okazaki	Chief Officer of ASEAN
Executive Officer	Mitsuko Tsuchiya	Chief Officer of Merchandising
Executive Officer	Tsukasa Ojima	Chief Officer of Business Development, Branding Director of Keiyo Co., Ltd.
Executive Officer	Hiroaki Egawa	CFO Chief Officer of Business Management Director, AEON CO. (M) BHD. Audit & Supervisory Board Member, AEON Retail Co., Ltd.
Executive Officer	Motoyuki Shikata	Chief Officer of Strategy
Executive Officer	Daisuke Tezuka	Chief Officer of Logistics

(Note 1) 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 2) 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 audits. Furthermore, the Group Management Audit Office has been set up independently of 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 3) The following personnel changes occurred during the year ended February 28, 2023:

- March 1, 2022 Keiji Kamio, Mitsuko Tsuchiya, Tsukasa Ojima, Hiroaki Egawa, Motoyuki Shikata and Daisuke Tezuka were newly elected as Executive Officer, and assumed their positions.
- May 25, 2022 Akinori Yamashita retired from the position of director upon the completion of his term.  
Yuki Habu was newly elected as Director, and assumed the position.

(Note 4) As a result of a restructuring effective March 1, 2023, the organizational responsibilities for executive officers are now as follows.



(Translation for reference purposes only)

<b>Position</b>	<b>Name</b>	<b>Area of responsibility</b>
Chairman and Representative Executive Officer	Motoya Okada	
President and Representative Executive Officer	Akio Yoshida	
Executive Vice Chairman and Executive Officer	Motohiro Fujita	
Executive Vice President and Executive Officer	Yuki Habu	Digital
Executive Vice President and Executive Officer	Hiroyuki Watanabe	Human Resources, Administration & Risk Management
Executive Vice President and Executive Officer	Mitsuko Tsuchiya	Merchandising
Executive Officer	Tadahisa Matsumoto	Health & Wellness
Executive Officer	Keiji Kamio	SM
Executive Officer	Manabu Oike	DS
Executive Officer	Soichi Okazaki	ASEAN
Executive Officer	Motoyuki Shikata	Strategy
Executive Officer	Tsukasa Ojima	Business Development, Branding
Executive Officer	Hiroaki Egawa	CFO, Business Management
Executive Officer	Daisuke Tezuka	Logistics
Executive Officer	Toshiya Goto	China
Executive Officer	Keiji Ohno	Malaysia
Executive Officer	Yasuyuki Furusawa	Vietnam

## 2) Items related to outside directors

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

- 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 nine 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 the International Civil and Commercial Law Centre Foundation of which Kotaro Ohno is President. However, the monies paid to the International Civil and Commercial Law Centre

(Translation for reference purposes only)

Foundation 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 multiple member firms of PwC. However, the monies paid to PwC 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	–	6/6
Kotaro Ohno	7/7	9/9	3/3	–
Peter Child	7/7	–	3/3	6/6
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 the 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 the maintenance and improvement of transparency and soundness throughout management as a whole, and the 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

(Translation for reference purposes only)

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

(Translation for reference purposes only)

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. 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 the 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 the 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.

b. Remuneration to directors

- i. Basic remuneration shall be paid to directors.

(Translation for reference purposes only)

- 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 morale 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.
    - 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

(Translation for reference purposes only)

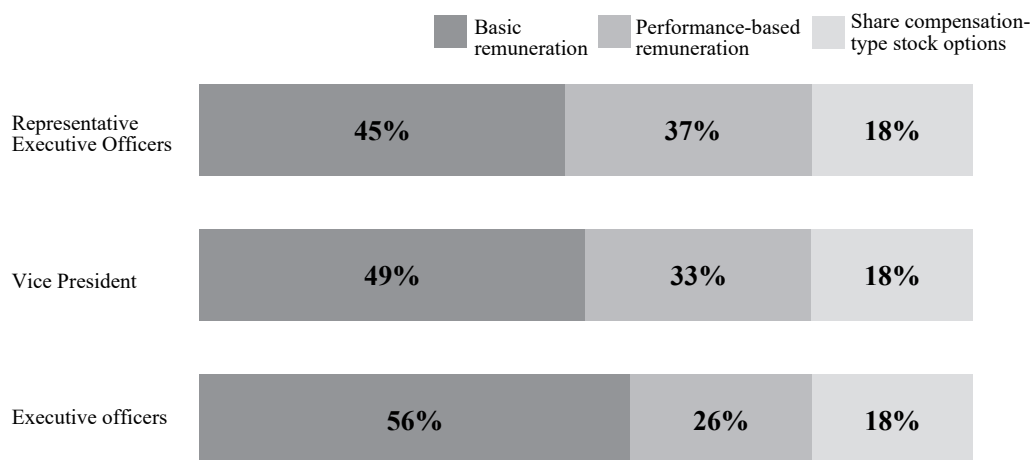
the standard amounts set and the number of stock options allocated for each position.

v. Indicators for performance-linked remuneration and the 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 203.6 billion yen.

### Composition of remuneration to executive officers



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

6) 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

(Translation for reference purposes only)

this deliberation and determination are 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 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
May 25, 2022	FY2022	Deliberation on and resolution of basic remuneration for outside directors
	FY2022	Deliberation on and resolution of the number of share compensation-type stock options to allocate
July 6, 2022		Deliberation on the revision of the remuneration system for directors and executive officers
October 5, 2022		Deliberation on the revision of the remuneration system for directors and executive officers
January 13, 2023		Deliberation on the revision of the remuneration system for directors and executive officers
February 10, 2023		Deliberation on and resolution of the revision of the remuneration system for directors and executive officers
April 12, 2023	FY2022	Deliberation on and resolution of payment amount of performance-based remuneration for executive officers
	FY2022	Deliberation on and resolution of the issuance of share compensation-type stock options
	FY2023	Deliberation on and resolution of prescribed amounts of personal basic remuneration and performance-based remuneration for executive officers

(Translation for reference purposes only)

## (5) 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	140 million yen
ii. Total cash and other compensation paid by AEON and its subsidiaries to their independent auditors	2,432 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 advisory services, etc. that contribute to the improvement of corporate value, 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 with 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.



(Translation for reference purposes only)

## (6) Employees

<b>Business segment</b>	<b>Number of employees</b> (Note 1)	<b>Number of hourly employees</b> (Note 2)
GMS Business	34,297	103,151
SM Business	25,331	83,243
DS Business	1,914	9,818
Health & Wellness Business	14,984	25,549
Financial Services Business	16,377	5,227
Shopping Center Development Business	4,212	1,861
Services & Specialty Store Business	31,008	26,095
International Business	28,276	6,998
Other Business	1,161	450
Pure Holding Company, etc.	2,844	2,625
<b>Total</b>	<b>160,404</b>	<b>265,017</b>

(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 loans to AEON Group companies).

(Note 2) The 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 418,000 employees. Accordingly, the actual number of individuals working for the AEON Group is approximately 578,000 employees.

## (7) Principal Creditors

<b>Creditors</b>	<b>Amount</b> (Millions of yen)
Mizuho Bank, Ltd.	46,500
Development Bank of Japan Inc.	33,500
Sumitomo Mitsui Banking Corporation	26,000
The Norinchukin Bank	21,000
Sumitomo Mitsui Trust Bank, Limited	21,000
Resona Bank, Limited	17,000
The Chiba Bank, Ltd.	12,500
The Bank of Yokohama, Ltd.	11,600
MUFG Bank, Ltd.	10,000

(Note) The amounts in this Business Report have been rounded down to the appropriate units used in the document.

(Translation for reference purposes only)

## Consolidated balance sheet

(Unit: Millions of yen, rounded down)

As of February 28, 2023			
Assets		Liabilities	
<b>Current assets</b>	<b>7,681,759</b>	<b>Current liabilities</b>	<b>7,477,878</b>
Cash and deposits	1,309,725	Notes and accounts payable – trade	1,039,947
Call loans	10,373	Deposits for banking business	4,392,204
Notes and accounts receivable – trade	1,877,761	Short-term loans payable	453,904
Securities	508,223	Current portion of long-term loans payable	346,338
Inventories	596,708	Current portion of bonds	167,920
Operating loan	502,737	Commercial papers	75,000
Loans and bills discounted for banking business	2,462,327	Lease obligations	67,311
Other	543,011	Income taxes payable	48,344
Allowance for doubtful accounts	(129,109)	Contract liabilities	243,376
		Provision for bonuses	38,260
		Provision for loss on store closing	2,706
		Provision for point card certificates	6,529
<b>Non-current assets</b>	<b>4,659,764</b>	Notes payable – facilities	57,453
<b>Property, plant and equipment</b>	<b>3,301,444</b>	Other	538,579
Buildings and structures, net	1,630,449	<b>Non-current liabilities</b>	<b>2,893,412</b>
Tools, furniture and fixtures, net	212,266	Bonds payable	905,541
Land	1,043,143	Long-term loans payable	1,157,865
Leased assets, net	99,930	Lease obligations	291,267
Construction in progress	78,909	Deferred tax liabilities	31,669
Other, net	236,746	Provision for directors' retirement benefits	350
		Provision for loss on store closing	6,228
		Provision for contingent loss	48
<b>Intangible assets</b>	<b>356,026</b>	Provision for loss on interest repayment	5,180
Goodwill	145,160	Net defined benefit liability	18,653
Software	148,348	Asset retirement obligations	116,891
Leased assets, net	26,248	Long-term guarantee deposited	264,994
Other	36,269	Reserve for insurance policy liabilities	54,338
		Other	40,382
<b>Investments and other assets</b>	<b>1,002,292</b>	<b>Liabilities</b>	<b>10,371,290</b>
Investment securities	263,947		
Net defined benefit asset	25,729	<b>Net assets</b>	
Deferred tax assets	145,431	<b>Shareholders' equity</b>	<b>908,498</b>
Guarantee deposits	412,691	Capital stock	220,007
Deposits for stores in progress	1,720	Capital surplus	299,667
Other	159,597	Retained earnings	411,758
Allowance for doubtful accounts	(6,825)	Treasury shares	(22,936)
		<b>Accumulated other comprehensive income</b>	<b>84,077</b>
		Valuation difference on available-for-sale securities	41,711
		Deferred gains or losses on hedges	257
		Foreign currency translation adjustment	45,825
		Remeasurements of defined benefit plans	(3,716)
		<b>Subscription rights to shares</b>	<b>1,173</b>
		<b>Non-controlling interests</b>	<b>976,482</b>
		<b>Net assets</b>	<b>1,970,232</b>
<b>Assets</b>	<b>12,341,523</b>	<b>Liabilities and net assets</b>	<b>12,341,523</b>

(Translation for reference purposes only)

## Consolidated statement of income

(Unit: Millions of yen, rounded down)

Year ended February 28, 2023	
<b>Net sales</b>	<b>7,961,711</b>
<b>Operating revenue from financial services business</b>	<b>403,040</b>
<b>Other operating revenue</b>	<b>752,071</b>
<b>Operating revenue</b>	<b>9,116,823</b>
<b>Cost of sales</b>	<b>5,725,286</b>
<b>Operating cost from financial services business</b>	<b>53,608</b>
<b>Operating cost</b>	<b>5,778,894</b>
<b>Gross profit (loss)</b>	<b>2,236,425</b>
<b>Operating gross profit (loss)</b>	<b>3,337,929</b>
<b>Selling, general and administrative expenses</b>	<b>3,128,145</b>
<b>Operating profit (loss)</b>	<b>209,783</b>
<b>Non-operating income</b>	
Interest income	4,728
Dividend income	3,666
Share of profit of entities accounted for using equity method	5,836
Penalty income from leaving tenants	2,713
Reversal of allowance for doubtful accounts	563
Other	18,609
	<b>36,117</b>
<b>Non-operating expenses</b>	
Interest expenses	35,750
Other	6,484
	<b>42,235</b>
<b>Ordinary profit (loss)</b>	<b>203,665</b>
<b>Extraordinary income</b>	
Gain on sales of non-current assets	11,375
Gain on sales of stock of subsidiaries and affiliates	24,068
Insurance income	5,849
Gain on step acquisition	3,290
Subsidy income	1,620
Other	1,844
	<b>48,048</b>
<b>Extraordinary losses</b>	
Impairment loss	51,269
Provision for loss on store closing	5,929
Loss on retirement of non-current assets	4,229
Disaster-related loss	7,563
Infectious disease-related cost	4,370
Other	10,003
	<b>83,365</b>
<b>Profit (loss) before income taxes</b>	<b>168,347</b>
Income taxes	
Current	78,996
Deferred	4,980
	<b>83,976</b>
<b>Profit (loss)</b>	<b>84,371</b>
Profit (loss) attributable to non-controlling interests	62,989
<b>Profit (loss) attributable to owners of the parent company</b>	<b>21,381</b>

(Translation for reference purposes only)

## Nonconsolidated balance sheet

(Unit: Millions of yen, rounded down)

As of February 28, 2023			
Assets		Liabilities	
<b>Current assets</b>	<b>310,653</b>	<b>Current liabilities</b>	<b>250,905</b>
Cash and deposits	4,735	Current portion of long-term loans payable	95,400
Short-term loans receivable to subsidiaries	278,837	Accounts payable – other	7,294
Accrued income	12,206	Accrued expenses	3,091
Accounts receivable – other	11,397	Income taxes payable	182
Other	3,476	Accrued consumption taxes	443
		Deposits received	143,090
<b>Non-current assets</b>	<b>1,243,552</b>	Provision for bonuses	283
<b>Property, plant and equipment</b>	<b>14,702</b>	Other	1,120
Buildings, net	10,205	<b>Non-current liabilities</b>	<b>652,848</b>
Structures, net	96	Bonds payable	270,000
Tools, furniture and fixtures, net	416	Long-term loans payable	281,950
Land	3,984	Allowance for investment loss, etc.	100,665
		Other	233
<b>Intangible assets</b>	<b>952</b>	<b>Liabilities</b>	<b>903,753</b>
Rights of trademark	578		
Other	374	<b>Net assets</b>	
		<b>Shareholders' equity</b>	<b>596,585</b>
<b>Investments and other assets</b>	<b>1,227,896</b>	<b>Capital stock</b>	<b>220,007</b>
Investment securities	151,969	<b>Capital surplus</b>	<b>316,949</b>
Stock of subsidiaries and affiliates	1,007,335	Legal capital surplus	316,894
Investments in capital of subsidiaries and affiliates	77,186	Other capital surplus	54
Deferred tax assets	2,235	<b>Retained earnings</b>	<b>82,499</b>
Other	1,234	Legal retained earnings	11,770
Allowance for doubtful accounts	(61)	Other retained earnings	70,729
Allowance for investment loss, etc.	(12,002)	Reserve for advanced depreciation of fixed assets	3,823
		General reserve	45,500
		Retained earnings brought forward	21,406
		<b>Treasury shares</b>	<b>(22,871)</b>
		<b>Valuation and translation adjustments</b>	<b>53,557</b>
		Valuation difference on available-for-sale securities	53,336
		Deferred gains or losses on hedges	220
		<b>Subscription rights to shares</b>	<b>309</b>
		<b>Net assets</b>	<b>650,452</b>
<b>Assets</b>	<b>1,554,205</b>	<b>Liabilities and net assets</b>	<b>1,554,205</b>

(Translation for reference purposes only)

## Nonconsolidated statement of income

(Unit: Millions of yen, rounded down)

Year ended February 28, 2023	
<b>Operating revenue</b>	
Dividends from subsidiaries and affiliates	33,422
Commissions from subsidiaries and affiliates	21,026
Other	984
	<hr/>
	55,433
<b>Operating gross profit (loss)</b>	<b>55,433</b>
<b>Selling, general and administrative expenses</b>	<b>19,431</b>
	<hr/>
<b>Operating profit (loss)</b>	<b>36,001</b>
<b>Non-operating income</b>	
Interest and dividend income	7,495
Other	761
	<hr/>
	8,257
<b>Non-operating expenses</b>	
Interest expenses	8,920
Provision of allowance for investment loss, etc.	20,036
Other	1,568
	<hr/>
	30,526
<b>Ordinary profit (loss)</b>	<b>13,733</b>
<b>Extraordinary income</b>	
Gain on sales of stock of subsidiaries and affiliates	9,381
Other	243
	<hr/>
	9,625
<b>Extraordinary losses</b>	
Loss on valuation of investment securities	4,409
Loss on valuation of shares of subsidiaries and associates	993
	<hr/>
	5,403
<b>Profit (loss) before income taxes</b>	<b>17,955</b>
Income taxes	
Current	(8)
Deferred	224
	<hr/>
	215
<b>Profit (loss)</b>	<b>17,739</b>

(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 26, 2023)

Committee	Name
Audit Committee	Takashi Tsukamoto, Makoto Hayashi, Carrie Yu
Nomination Committee	Takashi Tsukamoto, Peter Child, Motoya Okada
Compensation Committee	Takashi Tsukamoto, Peter Child, Motoya Okada

Executive Officers (planned effective date May 26, 2023)

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	
Executive Vice President and Executive Officer	Yuki Habu	Digital
Executive Vice President and Executive Officer	Hiroyuki Watanabe	Human Resources, Administration & Risk Management
Executive Vice President and Executive Officer	Mitsuko Tsuchiya	Merchandising
Executive Officer	Tadahisa Matsumoto	Health & Wellness
Executive Officer	Keiji Kamio	SM
Executive Officer	Manabu Oike	DS
Executive Officer	Soichi Okazaki	ASEAN
Executive Officer	Motoyuki Shikata	Strategy
Executive Officer	Tsukasa Ojima	Business Development, Branding
Executive Officer	Hiroaki Egawa	CFO, Business Management
Executive Officer	Daisuke Tezuka	Logistics
Executive Officer	Toshiya Goto	China
Executive Officer	Keiji Ohno	Malaysia
Executive Officer	Yasuyuki Furusawa	Vietnam

*\*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 Tuesday, May 30, 2023. 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 Tuesday, June 6, 2023 for your viewing.*

*The Company's website: <https://www.aeon.info/ir/stock/meeting/> (in Japanese)*

(Translation for reference purposes only)

## Informational Materials for the 98<sup>th</sup> Ordinary General Meeting of Shareholders (Items Not Provided in Paper-Based Documents Provided to Shareholders Who Request Their Delivery)

### ● 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	27	2,700 shares	1	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	88	8,800 shares	2	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	57	5,700 shares	2	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	86	8,600 shares	4	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	42	4,200 shares	3	2,655 yen per share	1 yen per share
No. 20 subscription rights to shares (June 21, 2022)	July 21, 2022 to July 20, 2037	111	11,100 shares	4	2,001 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

(Translation for reference purposes only)

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.

- 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)

None.

- 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. 20 subscription rights to shares (June 21, 2022)	July 21, 2022 to July 20, 2037	251	25,100 shares	20	2,001 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 Foundational Ideals 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 on 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 the 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 evaluations 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 norms 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 Foundational Ideals that incorporate 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 independently of 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.

As part of initiatives concerning the compliance structure, in addition to regularly implementing training designed to instill and foster compliance awareness among employees, since 2004, AEON has been operating an internal notification system that provides direct contacts with the Company and external contacts for the prevention and early discovery of violations against laws and regulations and codes of ethics as part of efforts to promote and solve problems regarding the compliance of the entire Group. In 2020, as part of the improvement and expansion of the Group's internal notification system, AEON established the Aeon Code of Conduct Lawyer's Office Hotline (a dedicated hotline for misconduct involving officers) for Group companies in Japan and expanded the hotline to cover Group companies overseas (including China and ASEAN countries) in 2021.

In the information storage management structure, AEON makes efforts 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 FY2022, AEON, starting from the Risk Management Committee, continued to 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

(Translation for reference purposes only)

management systems at subsidiaries and subsidiaries of subsidiaries and increasing effectiveness. In FY2022, as was done in FY2021, we newly revised the “AEON COVID-19 Protocol for Infectious Disease Control,” which was formulated in FY2020 in response to COVID-19. We promoted initiatives in order to ensure safety and security. Going forward, we will strive harder to 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, important issues common to the entire Group regarding policies and budgets for each business that AEON manages are discussed and information is shared at meeting bodies that are organized according to business-specific or function-specific purposes. 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 Foundational Ideals.

(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 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 that lead to customer satisfaction and to a continual enhancement of corporate value. These ideals form the essential core of 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 96<sup>th</sup> 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 in which the majority of the members are independent outside 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, 2023	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance as of March 1, 2022	220,007	296,285	415,503	(34,030)	897,766
Cumulative effects of changes in accounting policies			5,602		5,602
Restated balance	220,007	296,285	421,106	(34,030)	903,369
Changes of items during the period					
Dividends of surplus			(30,728)		(30,728)
Profit (loss) attributable to owners of the parent company			21,381		21,381
Purchase of treasury shares				(17)	(17)
Disposal of treasury shares		(8,294)		11,112	2,817
Change in ownership interest of parent due to transactions with non-controlling interests		11,676			11,676
Net changes of items other than shareholders' equity					
Total changes of items during the period	–	3,382	(9,347)	11,094	5,129
Balance as of February 28, 2023	220,007	299,667	411,758	(22,936)	908,498

Year ended February 28, 2023	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance as of March 1, 2022	47,335	(1,187)	17,512	(3,995)	59,665	1,290	853,701	1,812,423
Cumulative effects of changes in accounting policies								5,602
Restated balance	47,335	(1,187)	17,512	(3,995)	59,665	1,290	853,701	1,818,025
Changes of items during the period								
Dividends of surplus								(30,728)
Profit (loss) attributable to owners of the parent company								21,381
Purchase of treasury shares								(17)
Disposal of treasury shares								2,817
Change in ownership interest of parent due to transactions with non-controlling interests								11,676
Net changes of items other than shareholders' equity	(5,623)	1,445	28,312	278	24,412	(116)	122,781	147,077
Total changes of items during the period	(5,623)	1,445	28,312	278	24,412	(116)	122,781	152,206
Balance as of February 28, 2023	41,711	257	45,825	(3,716)	84,077	1,173	976,482	1,970,232

(Translation for reference purposes only)

## Nonconsolidated statement of changes in equity

(Unit: Millions of yen, rounded down)

Year ended February 28, 2023	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, 2022	220,007	316,894	8,348	325,243	11,770	3,960	65,500	14,259	95,489
Changes of items during the period									
Reversal of reserve for advanced depreciation of fixed assets						(136)		136	–
Reversal of general reserve							(20,000)	20,000	–
Dividends of surplus								(30,728)	(30,728)
Profit (loss)								17,739	17,739
Purchase of treasury shares									
Disposal of treasury shares			(8,294)	(8,294)					
Net changes of items other than shareholders' equity									
Total changes of items during the period	–	–	(8,294)	(8,294)	–	(136)	(20,000)	7,147	(12,989)
Balance as of February 28, 2023	220,007	316,894	54	316,949	11,770	3,823	45,500	21,406	82,499

Year ended February 28, 2023	Shareholders' equity		Valuation and translation adjustments					Subscription rights to shares	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	Total			
Balance as of March 1, 2022	(33,966)	606,774	46,661	(367)	46,293		308	653,377	
Changes of items during the period									
Reversal of reserve for advanced depreciation of fixed assets			–					–	
Reversal of general reserve			–					–	
Dividends of surplus		(30,728)						(30,728)	
Profit (loss)		17,739						17,739	
Purchase of treasury shares	(17)	(17)						(17)	
Disposal of treasury shares	11,112	2,817						2,817	
Net changes of items other than shareholders' equity			6,675	588	7,263		0	7,264	
Total changes of items during the period	11,094	(10,189)	6,675	588	7,263		0	(2,925)	
Balance as of February 28, 2023	(22,871)	596,585	53,336	220	53,557		309	650,452	