

30th May 2023

Notice concerning controlling shareholder, etc.

AEON DELIGHT Co., Ltd. (hereinafter referred to as “the Company”) announces the following information related to the Company’s controlling shareholder.

1. Name and other information of parent company, controlling shareholder (excluding parent company), and other affiliated companies as of 28th February 2023

Name	Attribute	Percentage of voting rights held(%)*			Stock exchange where issued shares are publicly listed
		Direct holding	Aggregate indirect holdings	Total	
Aeon Co., Ltd.	Parent company	55.96	0.95	56.90	Prime of the Tokyo Stock Exchange

* Percentage of voting rights held is rounded to the second decimal point.

2. Relationship between the Company and its parent companies or other listed companies including the positioning of the Company in the corporate group

The Company's parent company is Aeon Co., Ltd. and Aeon Co., Ltd. holds 27,613,000 shares (55.90% of voting rights) of the Company's stock.

The Board of Directors of the Company consists of eight directors, including four outside directors, and is in a position to make independent management decisions.

In addition, the Company has appointed three outside corporate auditors, including two independent officers, to ensure greater independence in management decisions, and to make its own decisions regarding management decisions in terms of business operations and fund procurement. Furthermore, the Company has one officer who concurrently serves as an executive officer of Aeon Co., Ltd. and has introduced a framework to protect the interests of minority shareholders by, for example, not allowing the said officer to participate in resolutions on matters related to transactions with controlling shareholders, etc. and consulting a special committee composed of independent outside directors on matters where there is concern about a conflict of interest between the controlling shareholders and minority shareholders.

Aeon Co., Ltd.'s "Policies on Governance of Listed Subsidiaries" is as follows.

“Based on its basic principles of "Pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core," Aeon believes that the enterprise value of the entire Group can be enhanced by emphasizing the autonomy and originality of the management of Group companies and practicing group management based on a decentralized system, and has practiced this philosophy since its founding.

Against this backdrop, as a parent company, the Company was one of the first to transition to a company with a Nomination Committee in 2003 in order to increase the transparency of Group governance and the speed of management. In 2008, the Company transitioned to a pure holding company in order to strengthen management from the perspective of the entire Group without being biased toward any particular business, and has been implementing management measures to increase synergy across the entire Group.

Among the Group companies, those that are expected to achieve sustainable growth through self-directed management that reflects business and regional characteristics and improve

management quality as a result of the discipline imposed by the capital markets are made into listed subsidiaries.

In addition, from the perspective of protecting minority shareholders of listed subsidiaries, the Company requests the appointment of independent outside directors and the establishment of an advisory committee of independent officers”.

As described above, the Company believes that collaboration and maximization of synergies with Aeon Group companies will benefit minority shareholders.

Concurrent positions held by officers as of 30th May 2023

Position	Name	Position at parent company, etc. or its group companies	Reason for appointment
Director	Hiroyuki Watanabe	Executive Vice President and Executive Officer Human Resources and Administration & Risk Management, Aeon Co., Ltd. Director, Aeon Financial Service Co., Ltd.	Mr. Watanabe was appointed to strengthen the Company's management by applying his extensive experience in corporate management and broad insight into risk management.
Auditor	Takafumi Fujimoto	Advisor, Aeon Co., Ltd. Auditor, Aeon Retail Co., Ltd. Auditor, Aeon Financial Service Co., Ltd.	Mr. Fujimoto was appointed to strengthen supervisory functions by applying his extensive experience and broad insight to the Company's audits.

3. Matters concerning transactions with controlling shareholders, etc.

Please refer to the "Related Party Transactions" section on pages 94, 95 and 96 of the Annual Securities Report filed on 22th May 2023.

4. Measures to be taken to protect minority shareholders in the event of a transaction with the controlling shareholder

The company belongs to a corporate group consisting of Aeon Co., Ltd. (pure holding company), and Aeon Co., Ltd. consolidated subsidiaries and equity-method affiliates. The Company makes its own independent management decisions related to daily business operations, and confers with or reports to Aeon Co., Ltd. concerning key management issues. The growth of Aeon Co., Ltd. and its group companies leads to more business opportunities for the Company.

Therefore, the Company believes that collaboration and maximization of synergies with Aeon Group companies will contribute to the expansion of minority shareholders' interests.

In accordance with Article 9 "Prevention of transactions that go against shareholders' interests" of the AEON delight Corporate Governance Guidelines, the Company ensures the economic rationality of the terms and conditions of transactions with Aeon Co., Ltd. and its group companies from the perspective of protecting minority shareholders, and concludes

particularly important contracts and others through deliberation at meetings of the Special Committee which is consist of independent outside directors and resolutions at meeting of the Board of Directors attended by outside directors and outside corporate auditors who are designated as independent officers stipulated by the Tokyo Stock Exchange, Inc.

In addition, we established a special committee in May 2022 as an advisory body to the Board of Directors, with the chairman and all members being independent outside directors, for the purpose of appropriately reflecting the opinions of minority shareholders and other stakeholders in the Board of Directors from a standpoint independent of management executives and controlling shareholders in the event of matters that may cause conflicts of interest between controlling shareholders and minority shareholders.