



April 10, 2024

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Representative Executive Officer
(Securities code: 8267; Tokyo Stock
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Notice of policy concerning large-scale acquisitions of the Company's shares

At the 96th Ordinary General Meeting of Shareholders held on May 26, 2021, the Company received shareholder approval for and introduced the “Policy Concerning Large-Scale Acquisitions of the Company’s Shares (the “existing Policy”).” The specified effective period of the existing Policy shall end upon the conclusion of the Company’s Ordinary General Meeting of Shareholders scheduled to be held on May 29, 2024 (“this Ordinary General Meeting of Shareholders”). Accordingly, while considering the effects of changes in management policy on the local community, changes in social and economic conditions, and the various discussions over the existing Policy, the Company has been examining the existing Policy, including the appropriateness of its continuation. As a result, at a meeting of the Company’s board of directors (the “Board of Directors”) held on April 10, 2024, the Company resolved to continue the existing Policy (the policy as it would exist after continuance is henceforth referred to as “this Policy”) subject to shareholder approval at this Ordinary General Meeting of Shareholders. All seven (7) Directors, including the four (4) outside directors, attended the aforesaid meeting of the Board of Directors and unanimously determined the contents of this Policy and its proposal at this Ordinary General Meeting of Shareholders.

This Policy, to be propositioned at this Ordinary General Meeting of Shareholders, is a policy for responding to purchases of the Company’s shares and other securities aiming at 20% or more of the Company’s voting rights by a group of shareholders (*tokutei-kabunushi group*), or purchases of the Company’s shares and other securities that would result in a group of shareholders (*tokutei-kabunushi group*) holding 20% or more of the Company’s voting rights (such purchases are referred to hereinafter as “Large-Scale Share Acquisitions” and a party carrying out or attempting a Large-Scale Share Acquisition is referred to as a “Large-Scale Share Acquirer”). At present, the Company has not received any proposals related to Large-Scale Share Acquisitions. Nevertheless, in the event that such proposals are made in the future, the Company has established this Policy to enable its shareholders to make a decision with sufficient time based on adequate and accurate information.

This Policy is detailed on the following pages.

1. Basic policy regarding control of the Company

(1) Management practice based on the Foundational Ideals

AEON Foundational Ideals
<p>Pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point.</p> <p>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.</p>

* Stipulated in Article 2 of the Articles of Incorporation.

AEON CO., LTD., and its Group companies (hereinafter, “AEON”), while adhering 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, has succeeded in increasing corporate value by practicing its “Customer-First” philosophy.

In order to steadfastly practice management based on its Foundational Ideals, the Company set forth the Foundational Ideals in the Articles of Incorporation effective from 2006. At its General Meeting of Shareholders held last year, the Company furthermore proposed and gained shareholder approval with respect to an amendment adding its stance and beliefs as a corporate group to ensure mutual sentiment with all stakeholders in that regard.

In order to respond to the rising expectation that customers and local society is placing on companies and the rising importance of the responsibility that companies should fulfill, AEON has been practicing management with a mission of contributing toward realizing affluence and a sense of well-being for society as a whole, from a long-term and sustainable perspective, instead of merely pursuing profit.

Even while companies’ activities regarding environment and social contribution in Japan were still not in full swing, we were keenly attentive to the changing times in society, and established the Aeon 1% Club Foundation, which uses profits received from our customers and local residents for the development of local communities, in 1990 and the Aeon Environmental Foundation, to promote protection of the global environment. Through these initiatives, we have been engaged in social contribution activities together with our customers. Furthermore, AEON cooperates with prefectural and municipal governments, and it currently has signed agreements for comprehensive collaboration with 140 prefectural and municipal governments (45 prefectures and 96 municipalities) for providing wider markets for locally produced products; for promoting disaster prevention, health, welfare, and environmental protection; and for contributing to the economic vibrancy of commercial trade and tourism using AEON’s infrastructure. AEON has additionally signed cooperation agreements on disaster prevention with 818 prefectural and municipal governments across Japan

to ensure that AEON fulfils its function as daily-life infrastructure in local communities of each region in the event that a disaster occurs there. With respect to the recent Noto Peninsula Earthquake, the Group has been working to facilitate swift recovery and reconstruction of the disaster-affected areas by implementing measures that have included making its stores available as evacuation centers immediately after the disaster and promptly resuming business operations, supplying relief provisions, and raising relief funds.

AEON achieved record-high operating revenue exceeding 9 trillion yen as a result of it having engaged in business while enlisting the support of many community members after having accordingly built close relationships with such community members. AEON has grown into a group of 335 companies, including 21 publicly listed subsidiaries, in Japan and overseas. The Group operations, encompassing numerous businesses operating through approximately 17,000 stores in fourteen countries, mainly in Asia, include retail businesses, financial services, a developer that specializes in retailing, and various other services.

With the Company marking its 50th year of being listed on stock exchanges this year, it has been steadily working to practice management based on its Foundational Ideals. Meanwhile, its stock price has increased approximately 40-fold relative to the level five decades ago (*Note), and its market capitalization has reached approximately 3 trillion yen (as of February 29, 2024). The Company firmly believes that it will be capable of enabling its customers to achieve better lifestyles while also increasing its corporate value by applying feedback received from those living in its communities to its stores, services, and management, while giving rise to understanding of the AEON Foundational Ideals and management policy among its shareholders, who are also its customers.

In this way, AEON enlists the fundamental notion that increasing the corporate value of the Group overall hinges on a management approach of coexistence with its communities and society from a long-term perspective based on its Foundational Ideals, while also hinging on broad and multi-faceted business expansion. As such, AEON embraces sincere proposals that align with its Foundational Ideals and accordingly seeks to achieve management oriented toward embodying such Foundational Ideals. On the other hand, changes to management policy call for prudent consideration given that any such changes that are inconsistent with the Foundational Ideals would substantially affect the Group and could furthermore give rise to concerns about effects of such changes on local communities.

Regarding any changes made to management policy, with more than 900,000 shareholders, which is the most of any company in Japan, the Company believes it must ensure that they have access to sufficient and accurate information so that they are able to make appropriate decisions. The Company also bears responsibility in regard to fulfilling its role involving community infrastructure functions.

The Company therefore believes that the people composing the management of the Group must not only be able to maintain the Group's financial capital and the relationships built up with numerous stakeholders, but also sufficiently understand the value of the Group in terms of its human capital, its social relationship capital and its nature related capital, which are also important resources for the management.

At the present time, the Financial Instruments and Exchange Act includes certain restrictions on abusive purchases, but it's possible that these restrictions will not be effective enough from the perspective of ensuring that shareholders are provided adequate information and time for consideration, etc. As such, the Company believes that this Policy should continue to be implemented as a necessary and reasonable means to prevent Large-Scale Acquisitions that are in pursuit of short-term gains and those that are capable of damaging corporate value.

** (Note) The price of the Company's shares constitutes the share price adjusted for stock splits.*

1) Growth Strategy

Under the Group's Medium-term Management Plan, which is designed to prepare for FY2025, AEON will strive to radically change the business structure of the Group and transform into a corporate group that achieves high profitability by accelerating its "environmental green concept" initiatives, which are rapidly becoming more important, in addition to working on the "five reforms" (Acceleration and evolution of the shift to digital markets; Creating unique value with the supply chain concept; Evolution of Health & Wellness for a new era; Create AEON living zone; and Accelerate the shift to Asian markets) as common strategic goals for the entire Group in order to build a business foundation that facilitates sustainable growth.

2) Sustainable Management

In order to fulfill its social responsibilities as a corporate citizen and sustain an increase in corporate value, Aeon is promoting sustainable management that simultaneously supports the realization of a sustainable society and the growth of the Group. Under the "Aeon Sustainability Principle," the following are set as priority issues: the environmental issues of "Realization of a decarbonized society," "Conservation of biodiversity," and "Better use of resources"; and the social issues of "Creating products and stores that meet society's expectations," "Implementing fair business practices based on respect for human rights," and "Collaborating with communities." With these priority issues in mind, Aeon is moving forward with various initiatives.

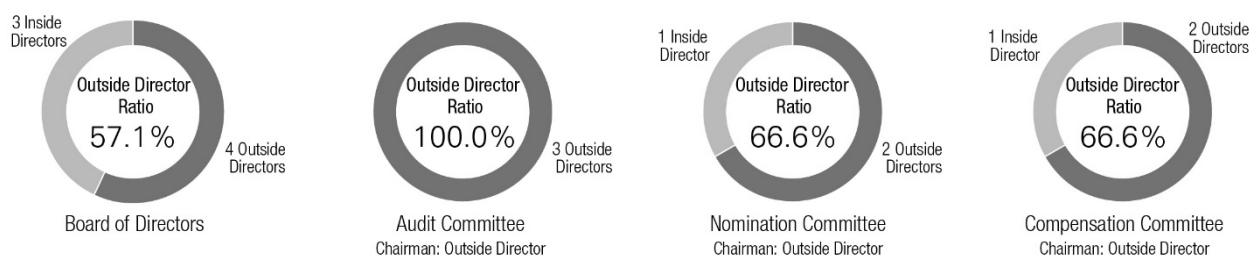
Aeon also strives to achieve management centered around respecting human rights and accordingly works to bring about unity between labor and management in seeking to make it possible for human resources to continue to grow as they work over the long term. Accordingly, Aeon actively invests in human capital toward achieving sustained growth, which in part has involved announcing wage increases for its part-time employees, who account for 80% of its workforce, over two consecutive years.

3) Corporate Governance System

The Company, aiming to realize a world standard class of open management, became an early adopter among Japanese corporations to transition to a Company with a Nomination Committee and Other Committees. In doing so, the Company established a governance system in which operational supervision and operational execution functions are explicitly divided and allocated to directors and executive officers, respectively. A

number of outside directors from a range of fields were invited to join the Company’s Board of Directors, which works to further maintain and improve the transparency and fairness of governance and to increase returns to shareholders by ensuring that a majority, four out of seven, of the members of the Board of Directors are outside directors, and by having outside directors serve as the chairpersons of the Nomination Committee, Compensation Committee, and Audit Committee. Also, the Company is working to build a foundation for the continued enhancement of corporate value, which has included becoming a pure holding company in 2008. In addition, the Company established the “Basic Policy on Corporate Governance” in 2016, and “AEON Group Future Vision” in 2023. Based on the AEON Basic Principles and DNA of innovation, the Company has been implementing a style of management with a long-term outlook that transcends the current times.

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.

Corporate governance highlights

	2000	2001–	2003–	2007	2008	2009–	2013–	2016–	2018	2019	2020–	2022	2023–
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)										
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		
Principles and policies	AEON Foundational Ideals (1989–)												
									Established Basic Policy on Corporate Governance				
	Established AEON Group Future Vision												→

(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.

(2) Policy for responding to Large-Scale Share Acquisitions and rules to be observed with respect to Large-Scale Share Acquisitions

The Board of Directors has decided to maintain the following rules (the “Rules”) regarding the provision of information by a Large-Scale Share Acquirer as well as this Policy for the triggering of countermeasures by the Company, in order to secure sufficient information and time necessary for the shareholders of the Company to make decisions regarding proposals involving the Large-Scale Share Acquisitions.

2. Details of the Rules

The Rules established by the Board of Directors 1) require a Large-Scale Share Acquirer to provide the Board of Directors with necessary and sufficient information prior to a Large-Scale Share Acquisition and 2) allow a Large-Scale Share Acquirer to commence a Large-Scale Share Acquisition only after the passage of a designated evaluation period required for the Board of Directors to examine said information.

(1) Submission of a declaration of intent

When a Large-Scale Share Acquirer intends to make a Large-Scale Share Acquisition, it shall submit to the Company beforehand a declaration of intent, written in Japanese and indicating that the Acquisition will be in accordance with the Rules. This declaration of intent shall include the name, address, laws with which the incorporation is in compliance, representatives’ names, and Japanese contact address of the Large-Scale Share Acquirer, and an overview of the Large-Scale Share Acquisition to be proposed (including the number of shares currently held and the number of shares targeted for acquisition by the Large-Scale Share Acquirer).

(2) Request to provide information

In order to receive necessary and sufficient information for the shareholders to make their decision and the Board of Directors to form an opinion (the “Required Information”) from the Large-Scale Share Acquirer, the Board of Directors shall, within five business days following the date of receipt of the declaration of intent stipulated in (1) above, deliver to the Large-Scale Share Acquirer an initial list of information to be provided, with a deadline stipulated. The specific content of this Required Information will vary depending on the attribute of the Large-Scale Share Acquirer or the details of the Large-Scale Share Acquisition, but the following items shall be included, in principle:

- 1) Detailed information about the Large-Scale Share Acquirer (including capital makeup constituted by all the members; financial status; businesses; directors and other officers’ names, summaries of personal histories and other concurrent directorships at other companies; experience in the Company’s and similar business fields; and marketing, management and labor policies implemented when management rights or businesses in other companies were acquired)
- 2) Background to decide the Large-Scale Share Acquisition

- 3) Purpose and details of the Large-Scale Share Acquisition (including the amount and type of consideration for acquisition, structure of related transactions and legality of the acquisition method)
- 4) Basis for calculation of the amount of consideration for acquisition of the Company's shares (including facts and hypotheses underlying the calculation, the amount of anticipated synergies and basis for that calculation thereof)
- 5) Detailed explanation of funds to acquire the Company's shares (including fund procurement method, structure of related transactions, and names of parties directly or indirectly providing funds or expected to do so)
- 6) Policies or plans that the Large-Scale Share Acquirer expects the Company and Group companies or plans by themselves after the Large-Scale Share Acquisition, such as management policy (including its position with respect to AEON Foundational Ideals), corporate governance, management strategies, business plans, financial plans, capital policies, dividend policy, measures to use assets, and policies on sustainability and human capital activities
- 7) Policy toward the Company's and Group companies' customers, vendors, employees, local communities and other stakeholders
- 8) Other information deemed rationally necessary for the Board of Directors and the Independent Committee

The Board of Directors shall closely examine the information initially provided, and if it is found insufficient, shall request additional information to be submitted by a specified time limit within the extent reasonable. (However, even when necessary and sufficient information has not been submitted, the time limit for the final reply shall be a maximum of 60 days beginning from the date the declaration of intent is received.)

The Board of Directors shall promptly disclose the fact that a Large-Scale Share Acquisition has been proposed. In addition, in cases where the Board of Directors finds necessary for the decision-making of shareholders of the Company, it shall disclose all or part of the submitted Required Information when it is considered appropriate.

In order for the Rules to be carried out transparently and fairly, the Board of Directors shall establish the Independent Committee immediately upon receipt of the declaration of intent stipulated in (1) above. The Independent Committee shall be independent of the management that executes the Company's operations, and shall comprise all the Company's outside directors and at least one specialist committee member (in principle, one attorney at law and one university professor or other outside person with academic experience) appointed each time by the Board of Directors based on recommendations from the outside directors. When formulating its opinion, the Independent Committee may also seek the opinions of other suitable outside specialists at the Company's expense.

The primary mission of the Independent Committee prior to the commencement of the Board of Directors' evaluation period stipulated in the following section (3), is to present to the Board of Directors their opinions

and reasoning for 1) whether the materials received from the Large-Scale Share Acquirer is sufficient to serve as Required Information, 2) whether there is any additional material to be requested to the Large-Scale Share Acquirer, and if so, items to be requested and a time limit for submission.

(3) Period of examination by the Board of Directors

The Company shall promptly disclose the commencement of the Board of Directors' evaluation period. After a Large-Scale Share Acquirer has completed the submission of the Required Information to the Board of Directors as per the preceding section (2), the Large-Scale Share Acquisition may not commence for 90 days following the submission, if any of the following apply to the proposed acquisition, and for 60 days in other cases (the "Board Evaluation Period").

- 1) The consideration for the Large-Scale Share Acquisition includes stock or other non-monetary items.
- 2) The consideration for the Large-Scale Share Acquisition is to be paid in money other than in Japanese yen.
- 3) The Large-Scale Share Acquirer's planned management policy for after the acquisition includes major changes in the constitution of Group companies or businesses.

Upon receiving the Required Information, the Independent Committee shall present to the Board of Directors their comprehensive evaluation and decision, with opinions and reasoning based on the Required Information and other materials, for 1) whether the Large-Scale Share Acquisition would damage the interests of all shareholders of the Company, 2) whether there is any additional information to be submitted from the Large-Scale Share Acquirer, and if so, items to be requested and a time limit for submission, 3) whether the "If the Large-Scale Share Acquirer does not comply with the Rules" for reasons including the Large-Scale Share Acquirer having not complied with request for submission of additional materials, 4) the contents of countermeasures to be implemented, including the allotment of stock acquisition rights without contribution, and whether the countermeasures are necessary or should be suspended, and 5) other items for which the Board of Directors requested their opinion.

The Board of Directors shall carefully formulate and announce its evaluation, decision and opinion, etc., giving maximum consideration to the opinion of the Independent Committee. In formulating this opinion, the Board of Directors shall also seek advice from outside specialists, including attorneys at law and certified public accountants. As necessary, the Board of Directors shall also negotiate with the Large-Scale Share Acquirer to improve the conditions of the Large-Scale Share Acquisition, and present alternative proposals to the shareholders of the Company.

In cases where it finds necessary for the decision-making of shareholders of the Company, the Board of Directors shall disclose all or part of the interim developments and the details of and reasons for the decisions when it is considered appropriate.

3. Policy for responding to a Large-Scale Share Acquisition

(1) If the Large-Scale Share Acquirer complies with the Rules

If the Large-Scale Share Acquirer is in compliance with the Rules, there shall, in principle, be no countermeasures implemented with respect to the Large-Scale Share Acquisition. In such cases, the shareholders of the Company shall consider the purchase proposal as well as the opinion and alternative proposals presented by the Company, and decide whether to accept the Large-Scale Share Acquirer's purchase proposal.

However, if the Company's Board of Directors' evaluation is that the Large-Scale Share Acquisition "would cause significant damage to the interests of all shareholders of the Company" (as described in Note 6 on page 11), or if the Independent Committee's evaluation is that the Large-Scale Share Acquisition "would cause significant damage to the interests of all shareholders of the Company" (Note 6), the Board of Directors, giving maximum consideration to that evaluation and as per its members' due care and diligence as directors, may adopt measures deemed appropriate to protect the interests of the shareholders of the Company.

In this case, the countermeasures shall conform to those prescribed in "(2) If the Large-Scale Share Acquirer does not comply with the Rules," below.

(2) If the Large-Scale Share Acquirer does not comply with the Rules

If the Large-Scale Share Acquirer is not in compliance with the Rules, regardless of the specific purchase method, the Board of Directors may oppose the Large-Scale Share Acquisition by allocation of stock acquisition rights without contribution or taking other countermeasures permitted under other laws, as well as the Company's Articles of Incorporation, for the purpose of protecting the interests of the Company and its all shareholders. The specific steps taken shall be those deemed most appropriate by the Board of Directors at the time. If the stock acquisition rights are allocated without contribution in accordance with provisions of this Policy, the exercise conditions and exercise period may be set taking into account the effectiveness of countermeasures, such as by making exercise conditional either on not being a party belonging to a group of shareholders (*tokutei-kabunushi group*) with more than a designated percentage of voting rights, or on not being a foreign resident who requires prescribed procedures at the time of exercising stock acquisition rights due to applicability of foreign laws and regulations.

If there is deemed to be significant concern of possible harm to the common interests of shareholders, stock acquisition rights with differentiated exercise conditions that restrict the Large-Scale Share Acquirer's exercising of rights shall be issued. In such cases, the stock acquisition rights shall have clauses allowing for their acquisition by the Company. When stock acquisition rights that do not have clauses allowing for their acquisition by the Company attached are exercised, the shareholders of those stock acquisition rights will be required to follow procedures including the payment of the exercise amount, and this would be a great inconvenience for over 900,000 shareholders. In order for such shareholders to avoid the payment procedures of the exercise amount, etc., therefore, the Company shall have, by the resolution at a meeting of the Board of Directors, the right to acquire the stock acquisition rights of shareholders except the Large-Scale Share Acquirer, and deliver the Company's shares to shareholders except the Large-Scale Share Acquirer in exchange therefor.

Furthermore, in order to make flexible allocation of stock acquisition rights without contribution possible, the Company shall continue shelf registration of stock acquisition rights.

(3) Cancellation or the like after resolution of allocation of stock acquisition rights without contribution

If the Board of Directors subsequently determines that the triggering of the countermeasure would not be appropriate in the event that the Large-Scale Share Acquirer withdraws or changes the Large-Scale Share Acquisition after the Board of Directors has passed a resolution for the allotment of stock acquisition rights without contribution, or in similar circumstances, the Board of Directors may cancel the allotment of stock acquisition rights without contribution. If there are concerns regarding the impact on the market, the Company shall, in principle, acquire the stock acquisition rights of all shareholders, including the Large-Scale Share Acquirer, in exchange for the Company's shares, in order to have the same effect as cancellation.

4. Impact etc. on shareholders and investors

The Rules are intended to disclose the information required for the shareholders of the Company to decide whether to accept a Large-Scale Share Acquisition, and the opinions of the Board of Directors to the shareholders of the Company, as well as to secure opportunities for the shareholders of the Company to receive presentation of alternative proposals. We believe this will make it possible for the shareholders of the Company to make an appropriate decision as to whether or not to accept a Large-Scale Share Acquisition, based on appropriate information.

The Board of Directors may implement countermeasures permitted under the Companies Act and other laws, as well as the Company's Articles of Incorporation, for the purpose of protecting the Company and the interests of all shareholders of the Company, in the event that a Large-Scale Share Acquirer fails to comply with the Rules or in the event it is deemed there is significant risk of this proposal harming the common interests of shareholders. In such cases, the Board of Directors will disclose its evaluation, decision, opinion, etc. in a timely and appropriate manner according to applicable laws and regulations.

The stock acquisition rights containing clauses allowing for their acquisition to be issued as a countermeasure, in principle, seen as having differentiated exercise conditions so as to restrict only the Large-Scale Share Acquirer's ability to exercise rights. Even in the event that any other countermeasure is adopted, a countermeasure that will not cause unforeseen harm to shareholders and investors other than the Large-Scale Share Acquirer shall be selected.

5. Commencement of application of this Policy and the effective period thereof

This Policy, including the Rules, shall come into effect as of an affirmative vote on this proposal to approve this Policy at this Ordinary General Meeting of Shareholders. In order to review the response policy regularly, this Policy shall be effective for a period of three years (until the conclusion of the Ordinary General Meeting of Shareholders for the final business year ending within three years of March 1, 2024).

Going forward, in the event that the Company's Board of Directors deems making a pro forma change or abolishing this Policy reasonable, based on revisions of laws and regulations or the like, it shall make the relevant change or abolishment and promptly give notification of both the change or abolishment and the reasons for making the change or abolishment. No special restrictions have been established regarding the abolishment of this Policy. In the event that the Company's Board of Directors makes changes to this Policy that have a substantive effect on the shareholders of the Company, such changes shall again be proposed as an agenda item for approval of the shareholders at a General Meeting of Shareholders of the Company.

(Note 1) *A group of shareholders (tokutei-kabunushi group) is:*

- (i) *A holder, including a holder deemed as a holder pursuant to Article 27-23(3) of the Financial Instruments and Exchange Act (the same shall apply hereinafter), and a joint holder (a joint holder prescribed in Article 27-23(5) of the same Act, including a party deemed as a joint holder pursuant to paragraph 6 of the same Article; the same shall apply hereinafter) of the Company's shares, etc. (share certificates, etc. prescribed in Article 27-23(1) of the same Act), or*
- (ii) *A party that performs purchase, etc. (as prescribed in Article 27-2(1) of the same Act, including those made on a financial instruments exchange market) of the Company's shares, etc. (share certificates, etc. as prescribed in Article 27-2(1) of the same Act), and a party in special relationship with the party conducting such purchase, etc. (a party in special relationship as prescribed in Article 27-2(7) of the same Act.)*

(Note 2) *The percentage of voting rights is:*

- (i) *In cases where the group of shareholders (tokutei-kabunushi group) is as described in Note 1(i), the holding ratio of shares, etc. (holding ratio of share certificates, etc. prescribed in Article 27-23(4) of the Financial Instruments and Exchange Act; in this case the number of shares, etc. held by the joint shareholder (number of share certificates, etc. prescribed in the same paragraph), shall be added) of the shareholder, or*
- (ii) *In cases where the group of shareholders (tokutei-kabunushi group) is as described in Note 1(ii), the total of holding ratio of shares, etc. (holding ratio of share certificates, etc. prescribed in Article 27-2(8) of the same Act) of the Large-Scale Share Acquirer and the party in special relationship. In calculating each holding ratio of shares, etc., the total number of voting rights (as prescribed in Article 27-2(8) of the same Act) and the total number of shares issued (as prescribed in Article 27-23(4) of the same Act) may be found in the most recent issue of the Annual Securities Report, Semiannual Securities Report, Quarterly Securities Report, or the Share Buyback Report.*

(Note 3) *"Share certificates, etc." prescribed in Article 27-23(1) of the Financial Instruments and Exchange Act. The same shall apply hereinafter.*

The term "Large-Scale Share Acquirer" applies regardless of the specific purchasing method, whether by market transactions or tender offers or other means, with the exception of purchases agreed to in advance by the Board of Directors.

(Note 4) *The Company lists its shares on financial instruments exchange markets in Japan and, therefore, has an obligation for timely disclosure to Japanese shareholders and investors. Lists delivered by the Company, documents containing the Required Information prepared by the Large-Scale Share Acquirer, and the Company's opinions regarding that information and requests for submitting additional materials shall consequently be written versions understandable to the average person in the Japanese language. Written documents include documents transmitted by e-mail or facsimile as well as those printed on paper.*

(Note 5) *The contact address in Japan shown on the "declaration of intent" shall be that of the sender of written documents that are sent pursuant to the relevant Rules of the Company.*

(Note 6) *Such determination that a Large-Scale Share Acquisition "would cause significant damage to the interests of all shareholders of the Company" is expected to be made if there is an objective and rational basis for determining that the Large-Scale Share Acquirer would be inappropriate as the Company's controlling shareholder from the standpoint of public order and morals, specifically in cases where 1) a Large-Scale Share Acquirer purchases the Company's shares simply to force parties affiliated with the Company to buy them back at a higher price, for example, although those concerned do not intend to actually participate in the Company's management, 2) the Large-Scale Share Acquirer purchases the Company's shares for purposes of so-called "scorched-earth" management, by temporarily taking control of the Company in order to gain intellectual assets, experience, confidential corporate information, vendors, or customers essential to the Company's management, 3) the Large-Scale Share Acquirer purchases the Company's shares with the intention of using the Company's assets as collateral for or source of repayment of its own liabilities after taking control of management, 4) the Large-Scale Share Acquirer purchases the Company's shares to gain temporary control of management and sell high-value assets or the like such as real estate and securities not immediately related to the Company's business, in order to use the profit from the sale to pay a high dividend temporarily, or to use a temporary high dividend as a device to sharply raise the share price and sell its shares at a profit, 5) the purchase method proposed by the Large-Scale Share Acquirer is a two-tiered structure with second-tier purchase conditions that are less favorable than the first-tier conditions, or it is determined that there is a concern that the opportunity and freedom of shareholders to make decisions is restricted, or that they may virtually be forced to sell the Company's shares to their disadvantage, 6)*

the handling scheme and stock acquisition methods regarding the purchase of the Company's shares proposed by the Large-Scale Share Acquirer are extremely unreasonable from the standpoint of the common interests of shareholders, such as the price being very disadvantageous to shareholders or option rights carrying high risk, or 7) it is determined that any person of the management or major shareholders of the Large-Scale Share Acquirer has a relationship with antisocial elements, including organized crime groups or their (Translation for reference purposes only) members, as defined in Article 2 of the Act on Prevention of Unjust Acts by Organized Crime Group Members.

(Note 7) *In the event that a situation arises on or after the day immediately following the date three business days prior to the reference date for determining the shareholders eligible for the allotment of stock acquisition rights (hereinafter referred to as the "Reference Date for Allotment"), which is determined and publicly announced by the Board of Directors of the Company, whereby the Company is obliged to cancel the countermeasure, the impact on the secondary market will be as follows. The financial instruments exchange market presumes that the stock will be ex-rights (no subscription rights will be attached to shares that are subsequently traded), and the theoretical share price, which is based on the assumption of the conversion of the stock acquisition rights into shares, is expected to fall to, for example, 50%–60% of the immediately preceding share price. Nevertheless, if the Company subsequently acquires the stock acquisition rights without consideration and cancels the triggering of the entire defensive measure, the number of shares will return to the number on the ex-rights date, and the share price, which had fallen, will theoretically return to the immediately preceding share price. We believe that such a result may needlessly cause confusion in the market. In principle, therefore, shares will be allocated to those stock acquisition rights after the ex-rights date.*

(Note 8) *The Aeon 1% Club Foundation mentioned on page 2 is the present name of the foundation. Its name when founded was the Aeon Group 1% Club. Also, the Aeon Environmental Foundation is the present name and its name when founded was the Aeon Group Environmental Foundation.*

(Note 9) *Share and major shareholder information (as of February 29, 2024) is as follows.*

Authorized Number of Shares: 2,400,000,000 shares

Number of Shares Issued: 871,924,572 shares (incl. treasury shares)

Number of Shareholders: 919,934

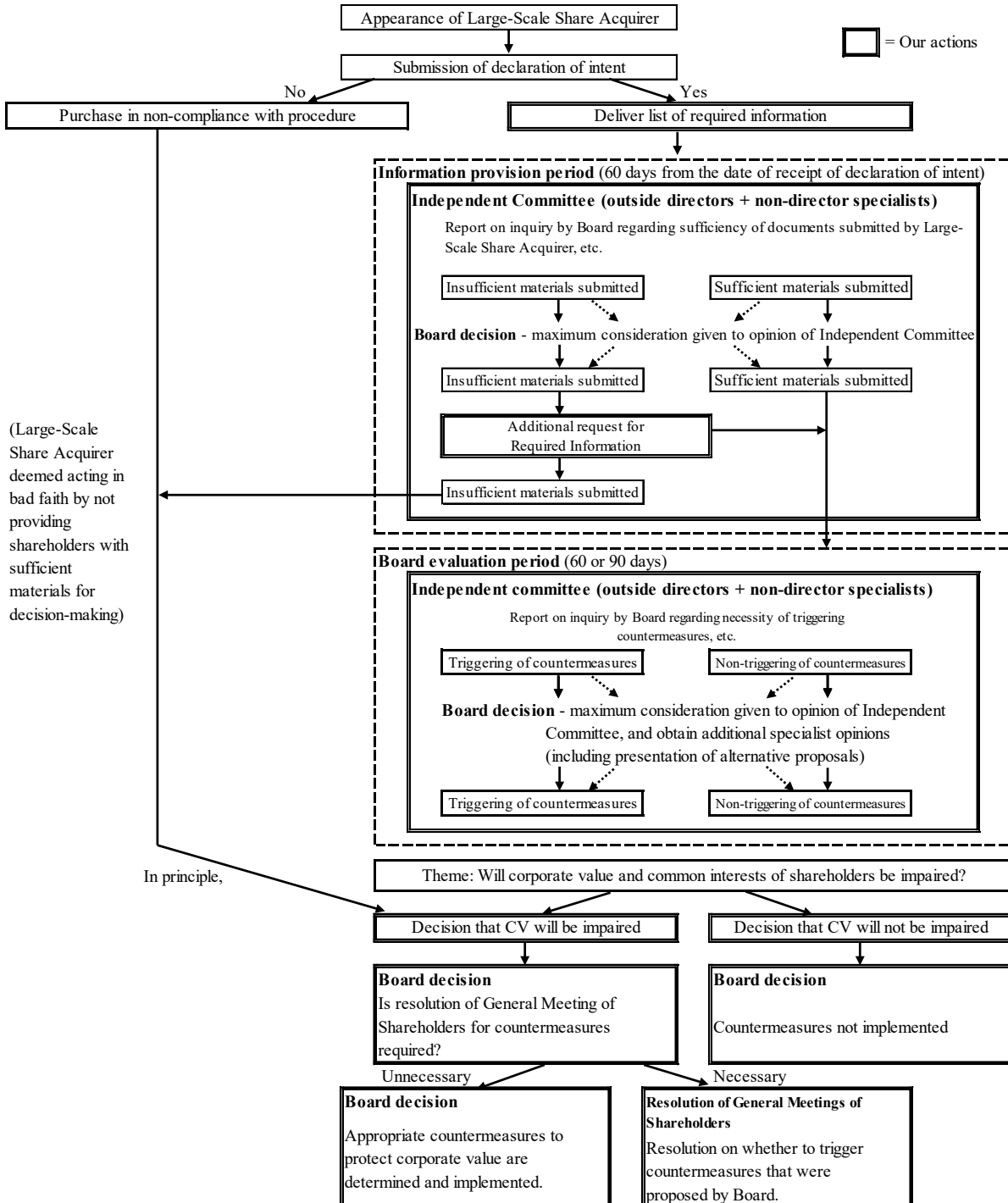
Minimum Trading Unit: 100 shares

	Number of Shares Held (Thousands of Shares)	Ratio of Shares Held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	113,729	13.27
Custody Bank of Japan, Ltd. (Trust Account)	38,133	4.45
Mizuho Bank, Ltd.	33,292	3.88
The Cultural Foundation of Okada	22,002	2.57
AEON Environmental Foundation	21,811	2.54
The Norinchukin Bank	18,133	2.12
STATE STREET BANK WEST CLIENT-TREATY505234	12,127	1.41
Employees' stockholding association	12,022	1.40
AEON Mutual Benefit Society (Nomura Securities account)	11,830	1.38
Tokio Marine & Nichido Fire Insurance Co., Ltd.	10,061	1.17

- *Calculations of ratio of shares held exclude treasury shares (14,826,481 shares) and have been rounded. The number of treasury shares does not include the Company's shares held by Employee Stock Ownership Plan Trust (1,115,400 shares).*
- *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.")*

Please check the following "Attachment 1: Procedures and Decision-Making Flow of This Policy," "Attachment 2: Overview of the Independent Committee and Committee Candidates," and "Attachment 3: Overview of Stock Acquisition Rights."

Procedures and Decision-Making Flow of This Policy



(Note 1) In principle, both parties' materials and opinions will be disclosed as soon as possible.

(Note 2) If countermeasures are triggered, in principle, stock acquisition rights with differentiated exercise conditions will be issued only if the execution is deemed appropriate.

Overview of the Independent Committee and Committee Candidates

1. Overview of the Independent Committee

(1) Establishment

The Independent Committee shall be established and disbanded by the Board of Directors.

(2) Composition

- 1) The Independent Committee shall have at least three members.
- 2) The Independent Committee members shall comprise all the Company's outside directors and at least one specialist committee member (in principle, one attorney at law and one university professor or other outside person with academic experience) recommended by the outside directors, in principle within ten business days following the day the declaration of intent is received (not including actual day of receipt), and appointed by the Board of Directors. The Independent Committee shall, however, commence its activities even prior to the appointment of the specialist committee members, and the number and composition of committee members who are not outside directors may be changed by resolution of the Board of Directors based on a unanimous opinion of the outside directors.
- 3) The appointment of the committee members who are not outside directors of the Company shall be made with their expertise in corporate management, the Companies Act, and financial instruments exchange markets of exchanges, their opinions with regard to the Company's principles, and their business experience, among others, taken comprehensively into consideration, in light of the role of the Independent Committee.
- 4) The committee members who are not outside directors of the Company shall conclude a contract of mandate with the Company that designates their duties, including due care and diligence with respect to the Company.

(3) Chairperson

The chairperson of the Independent Committee shall be elected from among outside directors of the Company.

(4) Term of office

- 1) The term of office of Independent Committee members shall be from the time the Board of Directors establishes the Committee until the Committee is disbanded by the Board of Directors.
- 2) Notwithstanding the provision of the preceding paragraph, if all or any number of the outside directors of the Company should retire because of the expiration of their term of office during the aforementioned

period, the terms of office of the members who are not outside directors of the Company shall expire at the same time. In such cases, the newly (re)elected outside directors of the Company shall recommend committee members who are not outside directors without delay and seek their appointment by the Board of Directors. This shall not preclude reappointment.

(5) Mission

The Independent Committee shall receive the Required Information submitted to the Board of Directors by a Large-Scale Share Acquirer, evaluate, examine and deliberate, in principle with regard to the following items, and based on the questions of the Board of Directors, and present the details and results of those activities to the Board of Directors:

- (a) Opinion as to whether the materials received from the Large-Scale Share Acquirer are sufficient as Required Information
- (b) Whether or not the Large-Scale Share Acquirer must provide additional information and, if so, the items to be requested and the time limit for submission
- (c) Opinion as to whether or not the case falls under the category of “The Large-Scale Share Acquirer does not comply with the Rules” due to the reasons such as the insufficiency of the materials provided by the Large-Scale Share Acquirer, and on the necessity and contents of countermeasures, including an allotment of stock acquisition rights without contribution, or on the necessity of canceling countermeasures already implemented
- (d) Evaluation and examination of whether the Large-Scale Share Acquisition will damage the interests of all shareholders of the Company and whether or not to request additional information from the Large-Scale Share Acquirer and, if so, the items to be requested and the time limit for submission
- (e) Pros and cons of gratis allotment of stock acquisition rights with differentiated exercise conditions, of cancellation thereof, and of their acquisition for elimination thereof, and other items related to stock acquisition rights and other countermeasures
- (f) Other items of inquiries from the Board of Directors concerning this Policy, or stock acquisition rights and other countermeasures

(6) Determining the contents of the evaluation, etc.

- 1) The contents of the evaluation and the like submitted to the Board of Directors by the Independent Committee shall, in principle, be approved by a majority vote of the Independent Committee at a meeting at which all the committee members are in attendance. If all the members agree by written or electromagnetic means as particular urgency is required, however, the quorum may be reduced to attendance by a majority of committee members.
- 2) When submitting the evaluation and the like pursuant to the preceding paragraph, the Independent Committee shall also present its reasons for arriving at that evaluation and the like.

(7) Administrative office, etc.

- 1) An administrative office shall be established within the Company for activities including the submission of materials that the Independent Committee must examine.
- 2) The Independent Committee may seek advice from outside specialists and the like, including attorneys at law and certified public accountants, at the Company's expense.

2. Candidates for Independent Committee members

The Independent Committee shall be established on a temporary basis, and some members shall be appointed when the Committee is established. The following five candidates are nominees for outside directors who will become members of the Independent Committee if elected as outside directors at this Ordinary General Meeting of Shareholders.

Takashi Tsukamoto

- 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
- 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)
- Jul. 2023 Appointed Senior Advisor of Mizuho Financial Group, Inc. (current position)

Peter Child

- 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)

Carrie Yu

- 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)

Makoto Hayashi

- 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)
- May 2023 Appointed Outside Director of the Company (current position)
- Jun. 2023 Appointed External Audit & Supervisory Board Member of MITSUI & CO., LTD.
(current position) and Outside Audit and Supervisory Board Member of Central Japan Railway
Company (current position)

Richard Collasse

- Oct. 1975 Joined Protocol Division of Ambassade de France au Japon
- Aug. 1979 Joined GIVENCHY, Inc.
- Apr. 1981 Established GIVENCHY Co., Ltd. (Japan Office). Appointed Representative Director
- Sep. 1985 Appointed General Manager of Perfume and Cosmetics Division of Chanel Co., Ltd.
- Aug. 1993 Appointed Managing Director of Chanel Ltd. (Hong Kong)
- Aug. 1995 Appointed Representative Director and President of Chanel Co., Ltd. (Japan Office)
- Dec. 2018 Appointed Director of Chanel Co., Ltd. (London), Chief Officer of Travel and Retail Business of
Chanel Co., Ltd. (Switzerland), and Director and Chairman of Chanel Co., Ltd. (Japan Office)

(Note): Mr. Richard Collasse is a candidate for a new Outside Director at the Ordinary General Meeting of Shareholders to be held in May 2024.

Overview of Stock Acquisition Rights

1. Eligible shareholders to receive stock acquisition rights and issuing conditions therefor

One stock acquisition right shall be allocated per share of common stock of the Company (excluding common stock of the Company held by the Company) held by shareholders recorded in the final shareholder registry as of the record date determined by the Board of Directors.

2. Class and number of shares underlying the stock acquisition rights

A maximum total of no more than 1,200 million shares of common stock of the Company shall be delivered upon exercise of stock acquisition rights. The Board of Directors shall separately determine the number of shares that shall be delivered upon exercise of one stock acquisition right (“number of target shares”). If the Company carries out a stock split, a consolidation of shares or the like, however, this number shall be adjusted as necessary.

3. Total number of stock acquisition rights to be issued

The total number of stock acquisition rights to be allocated shall be determined separately by the Board of Directors.

4. Issuing price of stock acquisition rights

Without contribution

5. Type and amount of properties to be contributed upon exercise of each stock acquisition right

The type and amount of properties to be contributed upon exercise of each stock acquisition right shall be a monetary amount of at least one yen to be determined by the Board of Directors.

6. Restrictions on assignment of stock acquisition rights

Any assignment of stock acquisition rights shall be subject to the approval of the Board of Directors.

7. Conditions for exercising stock acquisition rights

Conditions such as a provision barring any party belonging to a group of shareholders (*tokutei-kabunushi group*) that would hold at least 20% of the voting rights (“Large-Scale Share Acquirer”) from exercising the stock acquisition rights may be established. Details shall be determined separately by the Board of Directors.

8. Acquisition of stock acquisition rights by the Company

(1) On an acquisition date to be determined separately by the Board of Directors, the Company may acquire all the stock acquisition rights, except those of the Large-Scale Share Acquirer, that have not been exercised as of

the business day prior to said acquisition date, and deliver the number of target shares of the Company for each stock acquisition right in exchange.

- (2) In the event that the Company deems it appropriate to cancel a countermeasure based on this Policy, the Company may cancel the allotment of stock acquisition rights for that purpose by resolution at a meeting of the Board of Directors up to four business days prior to the Record Date (assuming the current third day settlement of the exchange, should this be changed, the date will change accordingly; the same shall apply hereinafter).
- (3) In the event that the Board of Directors determines that events necessitate a cancellation of a countermeasure on or after the third business day prior to the Record Date for the allotment of these stock acquisition rights, in order to substantively have the same effect as a cancellation, the Company may, on an acquisition date determined separately by the Board of Directors, acquire all stock acquisition rights, including those of the Large-Scale Share Acquirer, that have not been exercised as of the business day prior to said acquisition date, and deliver the number of target shares of the Company for each stock acquisition right in exchange.
- (4) Further details regarding cases in which the Company may acquire stock acquisition rights, and the conditions thereof, shall be determined separately by the Board of Directors.

9. Non-issuance of stock acquisition right certificates

No certificates of stock acquisition rights shall be issued.

10. Exercise period for stock acquisition rights

The period for exercising stock acquisition rights shall be determined separately by the Board of Directors.

11. Reasons for extinguishment of stock acquisition rights, etc.

Reasons for the extinguishment of stock acquisition rights and other necessary items shall be determined separately by the Board of Directors.

END