

## **50th Anniversary as a Listed Company**

### **Notice of the 99<sup>th</sup> Ordinary General Meeting of Shareholders**

#### **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)

# **More than 900,000 people participate in AEON's management.**

**AEON celebrated the 50th anniversary of its stock listing this fiscal year.**

**In order to maximize corporate value,  
AEON has been striving for innovation that is ahead of the times  
by aiming for further evolution in governance,  
being one of the first listed companies to shift to a company with committees,  
such as Nomination Committee,  
and holding hybrid attendance-type, open shareholders' meetings.**

**AEON**

**is a company with more than 900,000 "customer shareholders."  
We believe that being able to reflect the voices of our shareholders,  
who are also our customers,  
into our sales floors, services, and management,  
is what leads us to take a new step forward  
and realize better lifestyles.**

**Aiming for a prosperous future  
with as many people as possible taking part in management**

**Publicly listed for 50 years**

**AEON**

(Translation for reference purposes only)

## Greetings

We would like to express our sincere gratitude to you, our shareholders, for your continued support. We extend our heartfelt condolences to those affected by the 2024 Noto Peninsula Earthquake.

AEON has implemented measures that include making its stores available as evacuation centers immediately after the disaster and promptly resuming business operations, supplying relief provisions, and raising relief funds at its stores nationwide. Moreover, many have expressed gratitude for the swift action taken by our Group employees in ensuring safety and peace of mind among those in our communities. These efforts embody the very essence of AEON Foundational Ideals and we will continue to facilitate swift recovery and reconstruction of the disaster-affected areas.

The environment surrounding the Company encompasses many social issues that include progressing global inflation due to unstable international conditions, abnormal weather patterns in various countries, and widening social disparities. In FY2023, we encountered conspicuous signs of economic prosperity within Japan that included increasing consumer activity accompanying normalization of the economy and a new record high set by the Nikkei Stock Average, offset on the other hand by persisting adverse effects of sharp price increases on real wages. Accordingly, the Company considers that polarization of consumption is escalating amid a mounting trend of thriftiness among consumers.

I believe it has become increasingly essential that we enlist management based on our core Foundational Ideals under this highly uncertain environment, and companies that contribute to addressing challenges in local communities and even society as a whole are apt to gain support through business activities aligned with changes in the business environment, thereby enabling them to maintain a sound and high rate of growth. This fiscal year, AEON Group has made steady progress in achieving its Five Reforms in the realms of “Digital,” “Products,” “Health and Wellness,” “Regional,” and “Asia,” alongside the “environmental green concept” under the fourth year of its Medium-term Management Plan. We will strive to heighten the effectiveness of our growth strategy with the aim of ensuring that Aeon’s growth leads to the enrichment of community life in serving as a company that enlists the support and expectations of its numerous stakeholders.

This year marks AEON’s 50th anniversary since its simultaneous listing on the three securities exchanges of Tokyo, Osaka, and Nagoya in 1974. Whereas we operated 100 stores in the Kansai and Chubu regions back when we initially took the Company public, we have since accelerated the pace of our growth strategy in part by opening new stores and diversifying our business with the aims of helping to modernize the retail industry and elevating living standards through our national chain store operations. Drawing on the support of our shareholders, we have grown into a corporate group currently with approximately 17,000 stores primarily in Japan, China, and ASEAN, with operating revenue exceeding 9 trillion yen. Over the next 50 years, we will remain committed to further increasing our corporate value as we take on changes of spurring management innovation ahead of our time, in step with our shareholders who serve as our business partners.

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



April 2024  
Akio Yoshida  
Director, President and  
Representative Executive Officer

(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.

## ■ AEON Group Future Vision

### **Create a future lifestyle that leads to a smile for each and every person**

#### **<Three attitudes>**

- **Act spontaneously and follow your aspirations**

With our customer's view point at our core, we will hold our own aspirations, express ourselves, and act proactively. Our innovation will be powered by dialogue and cooperation that comes from our own initiative.

- **Keep learning to create new values**

Continuous learning is what expands the potential of our actions. Through practice, we will accumulate wisdom, sharpen our professional skills, and continuously create new values.

- **Build relationships, nurture them, and create together**

We will overcome the boundaries between corporations, groups, and organizations so we can build and nurture diverse connections. These connections will accelerate the cycles of mutual learning and value creation so we can co-create the future lifestyle.

(Translation for reference purposes only)

**[One vow]**

**“Always act with integrity and sincerity”**

It is integrity and sincerity that allows people to trust in our actions and empathize with our aspirations. Empathy from our customers and allies is the starting point of co-creation. Going forward, we will cherish our vow to always act with integrity and sincerity.

**AEON seeks to ensure an unwavering commitment to its Foundational Ideals with corporate value at the core, and accordingly stipulated this aim in its Articles of Incorporation, effective from 2006 with the approval of its shareholders.**

**As such, we will help create a better society by embodying and practicing the Foundational Ideals.**

(Translation for reference purposes only)

Stock code: 8267

April 30, 2024

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

You are cordially notified of the 99<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 virtually via the Internet. If you wish to attend, please register in advance. Moreover, we ask that you register as an attendee if you attend the meeting in person. If you wish to attend, please register. If you will not be attending the meeting in person, you can exercise your voting rights beforehand on the Internet or by mail. Please cast your vote by 6:00 p.m. on Tuesday, May 28, 2024, 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 Tuesday, May 28, 2024.

For details, please refer to "Voting on the Internet" on pages 45 and 46 (available in Japanese only).

### **[For those voting by mail]**

Those voting in writing should indicate "for" or "against" for each agenda item and return the completed Form for Exercising Voting Rights by postal mail to reach us by 6:00 p.m. on Tuesday, May 28, 2024.

(Translation for reference purposes only)

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

**1. Date and Time:** 10:00 a.m., Wednesday, May 29, 2024

**2. Place:** Makuhari Messe International Exhibition Halls, Hall No. 5  
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 99<sup>th</sup> business year (from March 1, 2023 to February 29, 2024)
  2. Reports of the Independent Auditors and Audit Committee on audit results for the Consolidated Financial Statements

**Matters to be resolved:**

- Agenda Item 1: Election of nine (9) members of the Board of Directors
- Agenda Item 2: Approval of policy concerning large-scale acquisitions of the Company's shares

### **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 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. The Audit Committee and Independent Auditors audit documents subject to audit, including the following items.

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

- \* **We are preparing a splendid present for all shareholders who exercise their voting rights.**
- \* **If you wish to attend, please register in advance and complete other such procedures upon having reviewed the documents sent out with this notice.**
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(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*

<i>Local code: 8267</i>
<i>SEDOL# 6480048 <u>JP</u></i>
<i>ISIN# <u>JP</u> 3388200002</i>

(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

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.

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

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

### 2) Exercise voting rights beforehand

**Deadline**

**By 6:00 p.m. on Tuesday, May 28, 2024**

[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 (Required)

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 15, 2024**

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

We request that you register in advance so that we will be able to confirm the number of meeting attendees. We appreciate your cooperation.

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 15, 2024**

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 virtually via the Internet, you need 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

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

### 1) Attending virtually via the Internet

**Start time:** 10:00 a.m., Wednesday, May 29, 2024

\* 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).

**[Note] Shareholders attending virtually via the Internet need to register in advance.**

### 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.

### 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 Tuesday, May 28, 2024**

### 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 arrive by 6:00 p.m. on Tuesday, May 28, 2024**

\* We recommend that shareholders attending virtually via the Internet exercise their voting rights in advance in order to prepare for the possibility of telecommunications

**Place:** Makuhari Messe International Exhibition Halls, Hall No. 5

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

**Start time:** 10:00 a.m., Wednesday, May 29, 2024

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

**[Note] We ask that shareholders who attend the meeting in person register in advance.**

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. Please exercise your voting rights. The voting results for this General Meeting of Shareholders are scheduled to be published on the Company’s website on Friday, May 31, 2024.

(Translation for reference purposes only)

## Reference Documents for the General Meeting of Shareholders

### Agenda and Reference Items

#### Agenda Item 1: Election of nine (9) members of the Board of Directors

The terms of office of all Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, management submits the following nominees for the election of nine (9) Directors based on a resolution of the Nomination Committee. Of the nine (9) nominees, five (5) 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 the 99 <sup>th</sup> business year
1	Motoya Okada	Director; Chairman of the Board; Nomination Committee member; Compensation Committee member; Chairman and Representative Executive Officer	<u>Reelection</u>	8/8
2	Akio Yoshida	Director; President and Representative Executive Officer	<u>Reelection</u>	8/8
3	Yuki Habu	Director; Executive Vice President and Executive Officer; Digital	<u>Reelection</u>	8/8
4	Mitsuko Tsuchiya	Executive Vice President and Executive Officer; Merchandising	<u>New election</u>	-
5	Takashi Tsukamoto	Director; Chairman of the Nomination Committee; Chairman of the Compensation Committee; Audit Committee member	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	8/8
6	Peter Child	Director; Nomination Committee member; Compensation Committee member	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	8/8
7	Carrie Yu	Director; Audit Committee member	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	8/8
8	Makoto Hayashi	Director; Chairman of the Audit Committee	<u>Reelection</u> <u>Outside</u> <u>Independent</u>	7/7
9	Richard Collasse	-	<u>New election</u> <u>Outside</u> <u>Independent</u>	-

\*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 10, 2024).

\*2 The attendance shown for Makoto Hayashi is his attendance after he assumed office as a director on May 26, 2023.

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

Date of birth: Jun. 17, 1951  
The number of the Company's shares owned:  
2,151,096 shares



### 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)

(Positions and areas of responsibility in the Company)

#### Attendance during the 99th business year

Board of Directors:  
100% (8/8)  
Nomination Committee:  
100% (4/4)  
Compensation Committee:  
100% (3/3)

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

(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 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.



(Translation for reference purposes only)

## 2. Akio Yoshida

Reelection

Date of birth: May 26, 1960  
The number of the Company's shares owned:  
21,700 shares



### Attendance during the 99th business year

Board of Directors:  
100% (8/8)

### 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)

(Positions and areas of responsibility in the Company)

Director

President and Representative Executive Officer

(Significant concurrent positions outside the Company)

Director of AEON Hokkaido Corporation

Director of AEON KYUSHU CO., LTD.

Director of Aeon Retail Co., Ltd.

Director of CAN DO CO., LTD.

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

Akio Yoshida has extensive management experience and track records, such as serving as the person in charge of the Shopping Center Development Business and Digital Business as well as President and CEO of the Company's main subsidiary. We are nominating him as a candidate as we have judged that he can implement the 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.

(Translation for reference purposes only)

### 3. Yuki Habu

Reelection

Date of birth: Dec. 23, 1967  
The number of the Company's shares owned:  
15,060 shares



#### Attendance during the 99th business year

Board of Directors:  
100% (8/8)

#### 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  
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)

(Positions and areas of responsibility in the Company)

Director

Executive Vice President and Executive Officer, Digital

(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.

(Translation for reference purposes only)

#### 4. Mitsuko Tsuchiya

New election

Date of birth: Dec. 9, 1963  
The number of the Company's shares owned:  
19,100 shares



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

Apr. 1986 Joined the Company  
May 2006 Appointed Executive Officer (Head of Customer Service and General Manager of CS) of the Company  
Mar. 2008 Appointed Executive Officer (Group Environment Manager) of the Company  
May 2010 Appointed President and Representative Director of AEON Fantasy Co., Ltd.  
Mar. 2013 Appointed Senior Executive Officer and Food Product Planning Division Manager of AEON Retail Co., Ltd.  
Jun. 2016 Appointed President and Representative Director of Bio c' Bon Japon Co., Ltd.  
Mar. 2019 Appointed Director, Executive Vice President, Executive Officer, and Kinki Company Branch President of AEON Retail Co., Ltd.  
Mar. 2022 Appointed Executive Officer, Merchandising of the Company, and President and Representative Director of AEON TOPVALU CO., LTD. (current position)  
Mar. 2023 Appointed Executive Vice President and Executive Officer, Merchandising of the Company (current position)

(Positions and areas of responsibility in the Company)  
Executive Vice President and Executive Officer, Merchandising

(Significant concurrent positions outside the Company)  
Outside Director of YaMaYa CORPORATION

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

Mitsuko Tsuchiya has extensive management experience and track records, such as serving as the person in charge of merchandising of the Company and the Group as well as President and Representative Director of the Company's main subsidiaries.

She has striven to increase private brand (PB) product sales as Executive Officer, Merchandising since March 2022. We are nominating her as a candidate as we have judged that she can facilitate the Group's medium- to long-term growth and improvement of corporate value as she has been enhancing coordination with Group companies while expanding the PB mix and increasing profit margins in the Group.

(Translation for reference purposes only)

## 5. Takashi Tsukamoto

Reelection

Date of birth: Aug. 2, 1950  
The number of the Company's shares owned:  
0 shares

Candidate for outside director	Candidate for independent director
Number of years served as outside director: 7 years	



### Attendance during the 99th business year

Board of Directors:  
100% (8/8)  
Audit Committee:  
100% (9/9)  
Nomination Committee:  
100% (3/3)  
Compensation Committee:  
100% (3/3)

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

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)

#### (Positions and areas of responsibility in the Company)

Director  
Chairman of the Nomination Committee  
Chairman of the Compensation Committee  
Audit Committee member

#### (Significant concurrent positions outside the Company)

Senior Advisor of Mizuho Financial Group, Inc.  
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 an 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 Compensation Committee.

(Translation for reference purposes only)

## 6. Peter Child

Reelection
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**Date of birth:** Mar. 25, 1958  
**The number of the Company's shares owned:**  
 0 shares

Candidate for outside director	Candidate for independent director
<b>Number of years served as outside director:</b> 6 years	



**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)

(Positions and areas of responsibility in the Company)

- Director
- Nomination Committee member
- Compensation Committee member

(Significant concurrent positions outside the Company)

No significant concurrent positions.

**Attendance during the 99th business year**

- Board of Directors:  
100% (8/8)
- Nomination Committee:  
100% (4/4)
- Compensation Committee:  
100% (3/3)

**<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 an 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 Compensation Committee.

(Translation for reference purposes only)

## 7. Carrie Yu

Reelection	<b>Date of birth:</b> Sep. 30, 1958 <b>The number of the Company's shares owned:</b> 0 shares	Candidate for outside director	Candidate for independent director
		<b>Number of years served as outside director:</b> 4 years	



**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)

**Attendance during the 99th business year**

Board of Directors:  
100% (8/8)  
Audit Committee:  
100% (9/9)

(Positions and areas of responsibility in the Company)  
Director  
Audit Committee member

(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 the Asia Pacific region at a major consulting firm. We are recommending her election as an 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.

(Translation for reference purposes only)

## 8. Makoto Hayashi

Reelection

Date of birth: Jul. 30, 1957  
The number of the Company's shares owned:  
0 shares

Candidate for outside director	Candidate for independent director
Number of years served as outside director: 1 year	



### Attendance during the 99th business year

Board of Directors:  
100% (7/7)  
Audit Committee:  
100% (6/6)

### 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)  
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)

(Positions and areas of responsibility in the Company)

Director  
Chairman of the Audit Committee

(Significant concurrent positions outside the Company)

Special Counsel of Mori Hamada & Matsumoto  
External Audit & Supervisory Board Member of MITSUI & CO., LTD.  
Outside Audit and Supervisory Board Member of Central Japan Railway Company

### <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 an 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.

(Translation for reference purposes only)

## 9. Richard Collasse

New election	Date of birth: Jul. 8, 1953 The number of the Company's shares owned: 0 shares	Candidate for outside director	Candidate for independent director
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### Career summary, position, and areas of responsibility in the Company, and significant concurrent positions outside the Company

- 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 the 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)

(Positions and areas of responsibility in the Company)

—

(Significant concurrent positions outside the Company)

No significant concurrent positions.

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

Richard Collasse has expertise regarding global management in the retail sector, which includes serving as Chief Officer of global companies in Europe and Asia, and as President of the Japan Office. We are recommending his election as an 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 Audit Committee member.



(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 ten 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 a 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 a 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, Carrie Yu, and Makoto Hayashi 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 12 to 13 persons who satisfy the conditions of the nomination criteria for candidates for inside directors and outside directors as well as the conditions of the independence criteria for outside directors shall be selected.*
  - The Board of Directors shall be managed by persons who have a high level of insight and extensive experience in management, international relations, risk management, legal compliance, finance and accounting, banking, IT, digital, environment, and other fields, in order to sufficiently perform the supervisory function.*
- (Note 8) *The Company has entered into a directors and officers liability insurance contract ("D&O insurance policy") with an insurance company as stipulated in Article 430-3, paragraph 1 of the Companies Act. The D&O insurance policy covers, costs for compensation for damages and litigation costs incurred by the insured persons arising from claims for compensation of damages arising from actions (including negligence) carried out pursuant to the company position of the relevant director or officer. However, the D&O insurance policy has an established excess amount, whereby damages within that excess are not covered by the policy. Furthermore, insured persons in this policy are directors and executive officers of the Company as well as any person who performs important duties, such as 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.*

*(Note 9) No conflict of interest exists between the Company and each candidate.*

(Translation for reference purposes only)

## **Agenda Item 2: Approval of policy concerning large-scale acquisitions of the Company's shares**

At the 96<sup>th</sup> 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.

(Translation for reference purposes only)

## 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. Please check pages 3 to 4 for the full text.

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 expectations that customers and local society are 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 141 prefectural and municipal governments (45 prefectures and 96 municipalities) for providing wider markets for locally produced products; for promoting disaster prevention, health, welfare,

(Translation for reference purposes only)

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 fulfills its function as daily-life infrastructure in local communities of each region in the event that a disaster occurs there. With respect to the Noto Peninsula Earthquake in January 2024, 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's 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 an understanding of the AEON Foundational Ideals and management policy among its shareholders, who are also its customers.

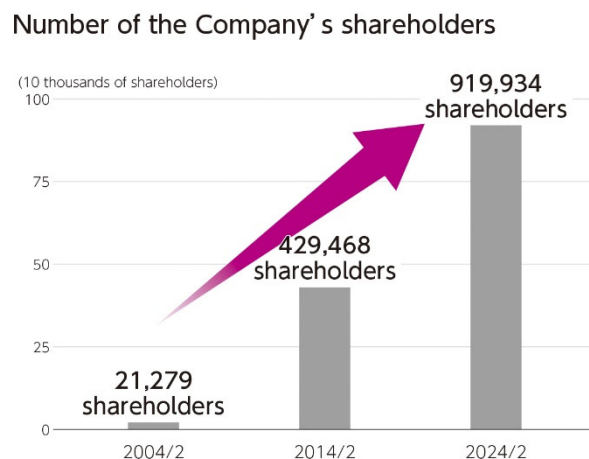
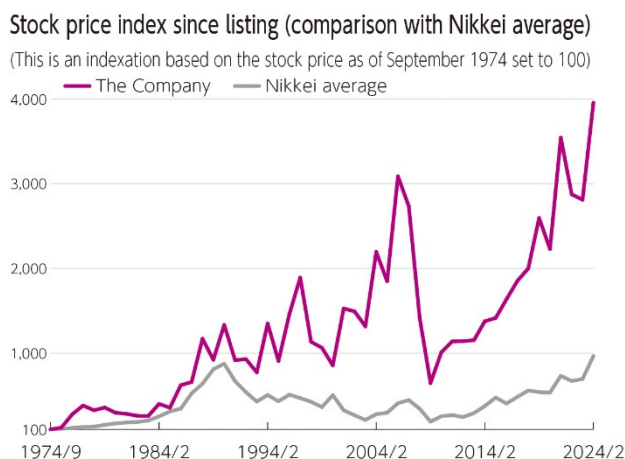
In this way, AEON enlists the fundamental notion that increasing the corporate value of the Group overall hinges on a management approach of coexistence with its communities and society from a long-term perspective based on its Foundational Ideals, while also hinging on broad and multi-faceted business 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 the effects of such changes on local communities.

(Translation for reference purposes only)

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 Company's stock price index shows stock prices retrospectively 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

(Translation for reference purposes only)

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.

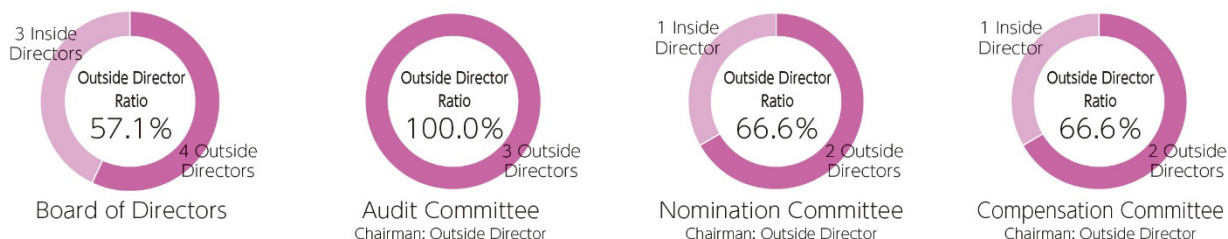
## 3) Corporate Governance System

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 the “AEON Group Future Vision” in 2023. Based on the AEON Basic Principles

(Translation for reference purposes only)

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) Rules to be observed with respect to Large-Scale Share Acquisitions and triggering of countermeasures by the Company

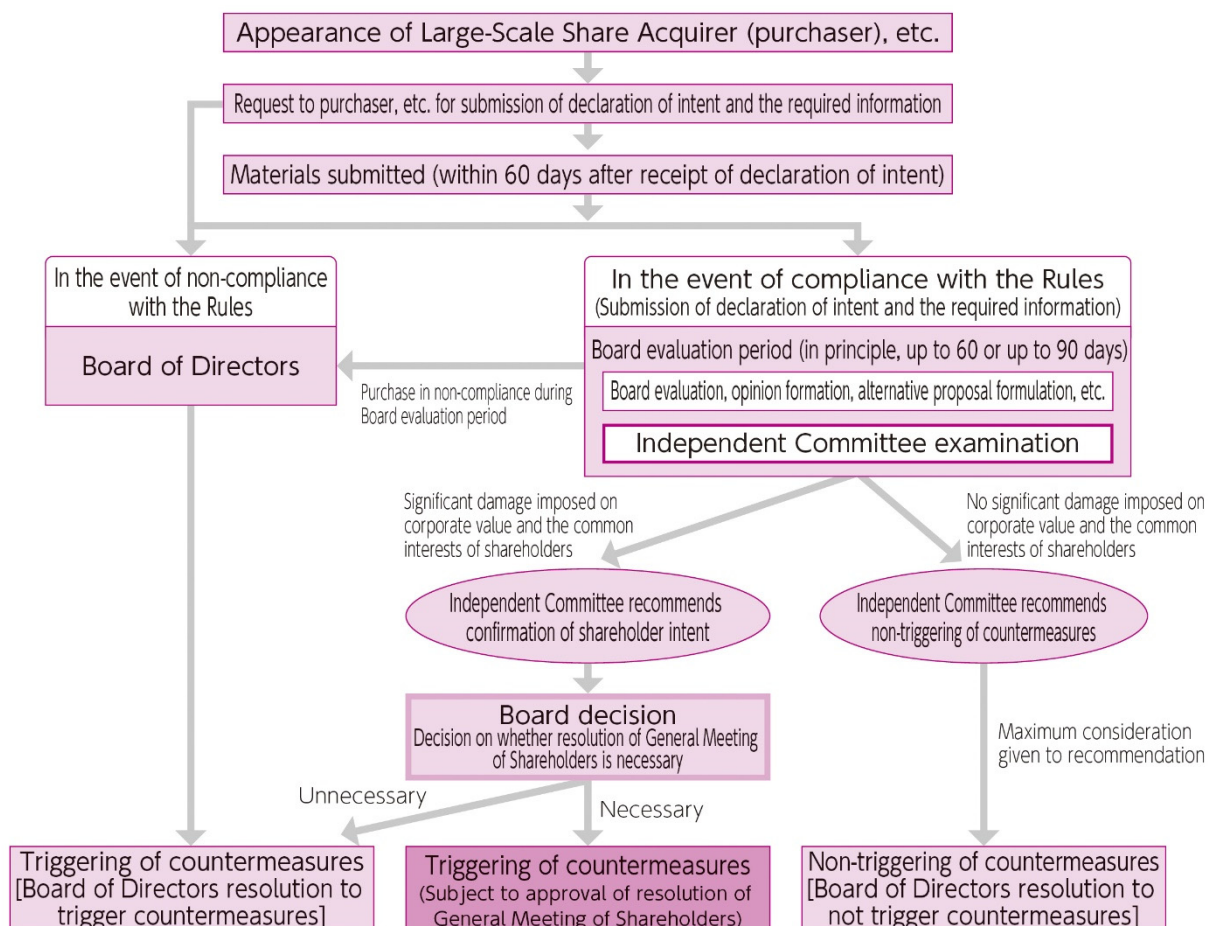
The Board of Directors has decided to maintain the following rules (the “Rules”) regarding the provision of information by a Large-Scale Share Acquirer as well as this Policy for the triggering of countermeasures by the Company, in order to secure sufficient information and



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time necessary for the shareholders of the Company to make decisions regarding proposals involving the Large-Scale Share Acquisitions.

◆ Overview of this Policy (a simplified version of procedures)



\* This schematic diagram provides a clear overview of this Policy. Please refer to the main text for specific details.

Cases applicable to triggering countermeasures	In cases where 20% or more of the Company’s voting rights are held by a group of shareholders ( <i>tokutei-kabunushi group</i> )
Countermeasures in the event of non-compliance with the Rules	Allocation of stock acquisition rights without contribution containing clauses allowing for their acquisition by the Company (Large-Scale Share Acquirers in non-compliance with the Rules will have stock acquisition rights with non-executable exercise conditions.)

(Translation for reference purposes only)

Effective period of this Policy	3 years (The Company has established the effective period such that revision or abolition as well as continuation of this Policy will fully reflect the intent of shareholders.)
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## 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)

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- 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 the acquisition, structure of related transactions, and legality of the acquisition method)
- 4) Basis for calculation of the amount of consideration for the 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

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law and one university professor or an 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.

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The Board of Directors shall carefully formulate and announce its evaluation, decision, 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 is 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" (refer to Note 6 on page 39), 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

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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 a 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 the allotment is not cancelled due to concerns regarding the impact on the market or for other reasons, 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**

(Translation for reference purposes only)

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*

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- (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 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 a 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 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 countermeasure, 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.*



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*(Note 8) The AEON 1% Club Foundation mentioned on page 27 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 provided later in the Business Report on page 58.*

Please check “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,” presented in the Items Not Provided in Paper-Based Documents Provided to Shareholders Who Request Their Delivery.

(Translation for reference purposes only)

ATTACHED DOCUMENTS

## **Business Report for Fiscal 2023**

(March 1, 2023 – February 29, 2024)

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

AEON CO., LTD. (“AEON” or the “Company”) and its 309 consolidated subsidiaries posted consolidated operating revenue of 9,553.5 billion yen, operating profit of 250.8 billion yen, ordinary profit of 237.4 billion yen, which marked record highs for all. Profit attributable to owners of the parent was 44.6 billion yen, which represented a significant increase.

All reportable segments recorded an increase in net sales in the fiscal year under review, owing to our responses to changes such as continual price hikes caused by soaring raw material prices and the weak yen, which led to a marked polarization of consumption toward high-value-added products and reasonable products. Expanded sales of profitable private brand products, improved productivity through the use of digital technology, and cost control measures such as reductions in power consumption resulted in increased operating profit in the General Merchandise Store Business (GMS Business), the Supermarket Business (SM Business), and the Discount Store Business (DS Business), which compose the core of the retail business, as well as the Shopping Center Development Business and the Services & Specialty Store Business. Conversely, profit decreased in the Financial Services Business, mainly due to an increase in the provision of allowances for doubtful accounts. The International Business, marked by the deteriorating macroeconomic environment, also reported lower earnings. Additionally, the Health & Wellness Business experienced a reduced profitability affected by the decline in demand for COVID-19-related products.

#### Common Group Strategy

AEON has been soundly executing the five reforms outlined in the AEON Group Medium-term Management Plan (FY2021 – FY2025) (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), and also promoting “environmental green concept” initiatives.

Utilizing the Group’s scale merits, each business has accelerated improvements in efficiency using AI, and improved gross profit margins and productivity. In addition, amid growing demand for online supermarkets, we launched a new online supermarket “Green Beans” in July 2023. The position of *TOPVALU*, which this year marks 50 years since its launch as private brand products, is changing from a brand that offers quality equivalent to a national brand but at a low price to a source of differentiation and competitive advantage that embodies the corporate philosophy. We

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will create new value, including replacing all *TOPVALU* products with environmentally friendly products by 2025. For Health & Wellness, AEON Welcia Kyushu Co., Ltd. has begun to operate new business model stores that combine dispensing prescription drugs and SM. Furthermore, our AEON Living Zone is steadily attracting more people, with new memberships exceeding 7.5 million for “WAON POINT,” whose introduction was completed in the Welcia stores. In addition, AEON has positioned Vietnam as its key market in Asia and is pursuing strategic dominance in Vietnam through multi-format store openings, including e-commerce.

#### Group-wide structural reforms

In November 2023, AEON conducted a tender offer to acquire Inageya Co. Ltd. under the pursuit of the “1 trillion yen sales of SM in the Kanto region” concept and turned that company into a consolidated subsidiary. In addition, in February 2024, AEON, TSURUHA HOLDINGS INC., and Welcia Holdings Co., Ltd. (“Welcia Holdings”) agreed to commence discussions on business integration with the aim of achieving higher levels of health & wellness for local residents, not only in Japan but also on a global scale, including ASEAN. The aim is to create the largest drug store alliance in Japan and to grow into the No. 1 global company in Asia.

(Translation for reference purposes only)

## Financial highlights

Years ended February 28 (2021, 2022 and 2023) and February 29, 2024	2021	2022	2023	2024
Operating revenue (Millions of yen)	8,603,910	8,715,957	9,116,823	9,553,557
Operating profit (Millions of yen)	150,586	174,312	209,783	250,822
Ordinary profit (Millions of yen)	138,801	167,068	203,665	237,479
Profit (loss) attributable to owners of the parent (Millions of yen)	(71,024)	6,504	21,381	44,692
Earnings (loss) per share (Yen)	(84.06)	7.69	25.11	52.25
Total assets (Millions of yen)	11,481,268	11,633,083	12,341,523	12,940,869
Net assets (Millions of yen)	1,755,776	1,812,423	1,970,232	2,087,201
Net assets per share (Yen)	1,147.56	1,130.76	1,161.12	1,231.59

(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 and subsequent fiscal years are the amounts after the 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	3,389,350	103.7	28,359	201.2
SM Business	2,782,171	105.3	41,911	183.5
DS Business	400,428	104.4	8,489	230.5
Health & Wellness Business	1,235,115	107.4	42,600	95.0
Financial Services Business	483,502	106.3	51,231	86.8
Shopping Center Development Business	468,342	105.6	47,348	104.7
Services & Specialty Store Business	797,491	104.2	17,284	168.3
International Business	508,741	102.3	10,372	80.7
Reportable Segments Total	10,065,144	104.8	247,597	116.3
Other Operations	59,092	115.7	(11,555)	–
Total	10,124,237	104.8	236,041	113.1
Adjustment	(570,680)	–	14,780	–
Consolidated	9,553,557	104.8	250,822	119.6

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

*GMS Business*

*General merchandise stores (GMS), etc.*

*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*

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*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.*

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## (1) Review of Operations

### Retailing and Services

- In the GMS Business, AEON Retail Co., Ltd. (“AEON Retail”) is accelerating its revenue structure reforms to establish a management base able to withstand a wide range of cost increases while pursuing gross profit maximization, shopping center revenue improvement, and expansion of online sales. To bolster gross profit, Food and Health and Beauty Care drove the figures. In Apparel, AEON Retail rolled out and expanded the “specialty store model,” which strengthens customer service by revamping products, the sales floor environment, visual merchandising (VMD), and operations, thereby further improving the gross profit margin. In addition, AEON Hokkaido Corporation, AEON TOHOKU Co., Ltd., and AEON KYUSHU CO., LTD. all produced solid results through efforts concentrated on a “regional shift” entailing the strengthening of the management base in each area. Increased profits were achieved by promoting merchandise reform to align with the needs of customers in each region, along with efforts to promote structural reforms entailing the development of local private brand products and the streamlining of logistics on a local area basis. Online sales rose due to the expansion of the scale of online supermarkets and the strengthening of measures jointly undertaken by physical stores and e-commerce. Furthermore, in terms of revenue structure reforms, the combination of reduced store and headquarters expenses and improved productivity due to the use of digital technology contributed to the further improvement of operating profits.
- 
- In the SM Business, United Supermarket Holdings, Inc. initiated a three-year medium-term business plan. The plan focuses on increasing store revenues through merchandise and store transformation, boosting non-store revenues, and expanding the business domain by leveraging its intellectual property holdings.

In addition to opening new stores, Fuji Co., Ltd. fully introduced *TOPVALU* while revitalizing existing stores with the aim of improving convenience and competitiveness. Maxvalu Tokai Co., Ltd. implemented cashless self-checkout registers and introduced an automated ordering support system for fresh food products for the agricultural category in all stores, aimed at enhancing customer convenience and productivity. In addition, My Basket Co., Ltd., which was successful in attracting customers utilizing *TOPVALU*'s price advantage, recorded a significant increase in profits.
  - In the DS Business, amid increasing stress on household budgets, measures contributing to the increase in sales included the development of DS-dedicated private brand products based on

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the “Everyday Low Price” (EDLP) strategy, and the appeal of case sales and large-volume products. In response to the increase in logistics and labor costs, the DS Business focused on building low-cost operations such as reviewing delivery efficiency by improving loading efficiency, reorganizing its logistics network, and introducing self-checkout registers.

- In the Health & Wellness Business, the early outbreak of influenza drove increased demand for general cold remedies and other pharmaceuticals, while increased outings stimulated demand for cosmetics. These factors combined with a recovery in inbound tourists demand, resulting in steady sales at existing stores of Welcia Holdings and its consolidated subsidiaries. In the prescription drugs section, the number of prescriptions increased. In addition, Welcia Holdings worked on cost optimization through initiatives to reduce energy consumption in stores and improve the efficiency of store operations by promoting automated ordering.
- In the Services & Specialty Store Business, AEON Delight Co., Ltd. (“AEON Delight”) increased its share among customers by continuing its customer-centric proposal activities and expanded its service offerings to various new facilities. In addition, AEON Delight advanced “area management,” an efficient model for managing multiple facilities, and embraced DX, including automating routine operations. AEON Fantasy Co., Ltd. opened strategic small-scale stores, as well as launched the new business model “Chikyu no Niwa (Garden on Earth)” in the playground business as a new large-scale business model following the Mollyfantasy business model. CAN DO CO., LTD. set out to expand sales channels, differentiate its products and brands, and enhance corporate value in order to maximize synergies through collaboration within the Group, and also bolster its initiatives to enhance customer satisfaction.

### 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. We also renewed the smartphone app “Aeon Wallet” as a comprehensive contact point for financial services, in order to create a link with AEON living zone through financial services and seamlessly provide products and services that meet customer needs, and strengthened cooperation within and outside the AEON Group, such as by expanding the number of locations where AEON Pay can be used and by jointly planning promotional activities with member stores, which resulted in the credit card shopping transaction volume



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remaining steady. Overseas, the credit card shopping transaction volume and installment sales continued to increase. In addition, we stepped up the introduction of financial services that meet the consumption trends and financial needs of customers in each country where we operate, and in Malaysia, we became the first company to acquire a license to operate digital banking based on the Islamic banking system.

### Shopping Center Development

- In the Shopping Center Development Business, AEON Mall Co., Ltd. (“AEON Mall”) intensified its efforts to stimulate consumer demand by continuously holding events to attract more customers, linking the events to apps and the WAON POINT program, in attempts to encourage the return of human traffic following the reduction of COVID-19 to a Class 5 infectious disease. Furthermore, overseas, AEON Mall is accelerating the opening of new stores in growth areas, including Vietnam, a key focus area, where we enhanced the implementation of an area dominance strategy. In Cambodia, a new logistics business base, managing all customs clearance and warehouse operations in-house has been operational since July 2023. AEON Mall will continue to operate our business through a novel value-creating model customized to the unique attributes of each region. This involves a thorough examination of the challenges encountered in individual countries and regions, as well as the exploration of fresh business opportunities beyond the confines of traditional retail facilities.



### International

- In Malaysia and Vietnam, it was able to maintain strong performance mainly in daily necessities thanks to successful price appeal measures such as EDLP, which responded to consumers’ needs. In addition, as a result of the efforts to offer a product lineup closely tailored to the needs of local customers at newly opened SM stores, they have been well received, especially for ready-to-eat items such as delicatessen products. Furthermore, in Vietnam, we are working to share the expertise on online supermarkets previously gained in Malaysia and to expand the customer base. In China, while in the challenging conditions of a real estate recession and sluggish import-export activities, the relaxation of COVID-19 restrictions has led to a resurgence in the number of customers, and with Apparel sales following an upward trajectory, profits increased.













(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>  Started supporting activities for “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>	

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<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. 12.68 million trees</p> 	<p>Reduction of plastic shopping bags Approx. 3.3 billion pieces</p> 	<p>408 clubs 4,467 members</p> 








### Realization of a decarbonized society

We have made continuous efforts to reduce CO<sub>2</sub> through a three-pronged approach of stores, products, and logistics, and hand in hand with customers, based on the “AEON Decarbonization Vision” formulated in 2018. We have expanded further in FY2023, with further energy savings, while generating renewable energy from solar panels installed on the rooftops of stores and rooves of car parks (onsite PPA), and with initiatives for offsite PPA utilizing the renewable energy generated from solar panels outside the store premises. In addition, we also promoted initiatives to exchange the surplus renewable energy generated from solar panels on our customers’ homes for points and to utilize it for store energy, and promoted “local production and consumption of energy” through appropriate renewable energy procurement for each region. Through these initiatives, the volume of renewable energy procured in December 2023 reached about 55% of the domestic store consumption of electricity, attaining the 2030 interim target of switching to renewable energy for 50% seven years ahead of schedule.

AEON achieved its target of switching to renewable energy by 2030 ahead of schedule.



(Translation for reference purposes only)

2009-	2018-
<p>2009  First “Asian University Students Exchange Environment Forum” (Currently Asia Youth Leaders)</p> <p> First “Biodiversity Japan Award”</p> <p>2010 Formulated “Aeon Biodiversity Principle” First “MIDORI Prize for Biodiversity (International Awards)”</p> <p> Biodiversity (International Awards)”</p> <p>2011 Formulated “Aeon Sustainability Principle” Announced the “Aeon Natural Refrigerants Declaration”</p> <p>2012 “AEON Eco Project” started Started the Tohoku Reconstruction Support “Project Aeon Joining Hands”</p> <p>2013  The cumulative total of trees planted exceeded 10 million.</p> <p>2014 Formulated “Aeon Sustainable Procurement Principle” Began selling ASC-certified (Aquaculture Stewardship Council) seafood</p> <p>2017 <b>Formulated “Aeon’s Sustainable Procurement Policy”</b> <b>Formulated “Aeon Food Waste Reduction Targets”</b> Commenced food drives</p>	<p>2018 <b>Formulated “AEON Decarbonization Vision”</b></p> <p>2019 Launched the “10 x 20 x 30 Initiative to Reduce Food Loss and Waste” Japan Program First Japanese retailer to announce participation in “Loop”</p> <p>2020 <b>Formulated “AEON Plastic Usage Policy”</b> Launched “AEON Children’s Cafeteria Support Group”  Established “Aeon Towa Research Center” in cooperation with Waseda University</p> <p>2022 Launched “Aeon Heartful Volunteer” program  Established “AEON-University of Tokyo Satoyama Lab” with the University of Tokyo  Collaborated with Kyoto University on “New Satoyama-Satoumi Co-creation Project”</p> <p>2023 Deployed agricultural products with a new  GLOBAL G.A.P. Number (GGN) label for a first in Japan.  Opened “Cheers Farm” in Ushiku City, Ibaraki.  Collaborated with Chiba City to promote biodiversity at Chiba Zoological Park. Held First AEON SATOYAMA Forum.</p>

<Medium- to long-term environmental targets>

**Sustainable Procurement**

- Promote procurement of agricultural, livestock, and fishery products, and paper, pulp, timber, and palm oil produced using sustainable approaches

**Food Waste Reduction**

- Reduce food waste by 50% by 2025
- Build food resource recycling models




**Decarbonization Vision**

- Switch to renewable energy for 50% of the energy used in our stores by 2030
- Reduce the total CO<sub>2</sub> emissions from our stores to zero by 2040

**Use of Plastics**

- Reduce the volume of disposable plastic use by 50% by 2030
- Use environmentally and socially sound materials in all private brand products

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<p>2001- <b>“Aeon Happy Yellow Receipt Campaign”</b></p>	<p>2004- <b>Solar panel installation</b></p>	<p>2020- <b>Children’s Cafeteria Support Group</b></p>
<p>Cumulative donation amount Approx. 5.1 billion yen</p>	<p>Number of stores installed 1,327 stores</p>	<p>Cumulative total donated Approx. 186 million yen</p>
		

(Figures are current as of February 2024)

### Better use of resources

Aiming for better use of resources, we are reducing containers and packaging materials and shifting to environmentally friendly materials. From October 2023, the paid shopping bags distributed at general merchandise stores AEON and AEON Style on the Apparel, Daily Necessities and Home Furnishing products sales floors, which had previously been made of plastic, were replaced with environmentally friendly paper bags. In addition, as we promote the further effective utilization of PET bottles—a valuable resource—and new pilot projects, we will continue to support the continually expanding Bottle to Bottle Project.

### Nurturing and supporting the next generation

To support the activities of local community children’s cafeterias, we continued to conduct the “National Children’s Cafeteria Support Fund” in December 2023 and contributed approximately 31.11 million yen to NPO National Children’s Cafeteria Support Center Musubie. In FY2023, amid the ongoing rise in inflation, we aimed to further enhance the project, by collaborating with community groups, businesses, schools, and organizations to share examples of initiatives and issues and to support their solution. In addition to assisting with food, we will continue initiatives to create vibrant and joyful communities through the “children’s cafeteria” activities that fulfill the role of community meeting places.

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## ■ 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 12.68 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 2023, we observed more than 1,000 species of birds, insects, plants, etc., in AEON forests at 95 stores nationwide. We also started showcasing on our website living creatures found in the forests by store and genre.



In addition, 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 2023, AEON Environmental Foundation, in collaboration with Kyoto University, Chiba University, University of Tokyo, Tohoku University, and Waseda University, opened the first “AEON SATOYAMA Forum,” which considers the creation of new value possessed by Satoyama from nature-positive, well-being and various other perspectives.

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)

The AEON 1% Club Foundation, which has been operating since 1996, offered hands-on learning programs for 4,467 children at 408 clubs located in AEON Group stores nationwide, mainly for elementary school students, providing an opportunity to develop an interest in nature and the environment, as well as to think about such issues.



In 2023, the new AEON Cheers Clubs “Kasumi Tsukuba” and “Welcia Shizuoka” started their activities, including planting and harvesting rice on farms, sales experience at stores, as well as work experience as pharmacists in a pharmacy. Working in collaboration with the AEON 1% Club

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Foundation, these clubs will continue to develop various activities for children to learn about the environment and society while having fun.

### ■ Support activities for “2024 Noto Peninsula Earthquake”

AEON conducted an emergency support donation campaign through cashless measures as well as over-the-counter collections at the Group’s 10,000 or so nationwide locations in Japan during the period from January 3 to 31, 2024. This was based on our hope for a speedy recovery and restoration of the disaster area. We presented a total of 1,164.52 million yen to Ishikawa Prefecture, Toyama Prefecture, and Niigata Prefecture to help support people in the disaster areas, including approx. 582.26 million yen donated by our generous customers and donations from the AEON 1% Club Foundation, which is funded by donations provided by the Company and companies of the AEON Group. Immediately following the earthquake, AEON conducted support activities to carry out our mission as a local lifeline, including the provision of evacuation centers, fast resumption of store operations, and the provision of supplies such as essential goods. We will continue our support activities to help with the return to normal life as quickly as possible.

### ■ 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.

### **Promoting Diversity - Aiming to realize AEON’s “daimanzoku”**

The Company is engaged in activities that promote diversity aimed at bringing satisfaction to three parties: diverse employees and their families, customers, and the Company itself. We call this idea “daimanzoku” (which means “very satisfied” in Japanese), and we are working on various activities throughout the Group to create a

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corporate environment where all employees are empowered and find it easy to work. This is aimed to bring about the Group's further growth and expansion, enable all AEON People to be empowered, and for continued innovation. To be a corporate group that continues to innovate, it is important to have an environment appropriate for the changing times that empowers diverse human resources to utilize their respective individuality. With the aim of further encouraging the empowerment of women, we have implemented training for management, managers, and general employees to remove the preconceived opinions and preconceptions that hinder such empowerment, with a total of 3,822 participants. Participating in training is not the end; it has created continuity with an awareness following training of what had been picked up in training, triggering behavioral change due to such awareness. We have held the 10<sup>th</sup> "daimanzoku" award, which shares the best practices of all Group companies, adding new examples shared from overseas companies, and reporting on 30 initiatives from 28 companies. Great initiatives have emerged, including close contact with a community from female employees, the creation of sales floors from a customer perspective, product development, the use of hourly wage employee store managers, the creation of systems for females to take part in decision-making opportunities, cultural reform, Well-being, and the creation of LGBTQ+ friendly shopping environments, which have greatly contributed to the realization of value creation from diversity. In particular, we have advanced initiatives to increase employment and promote the active participation of people with disabilities at all Group companies, and the ratio of people with disabilities has reached 2.85%.

### **Investment in human capital**

AEON believes in the growth of each and every employee and aims to be a corporate group where each individual grows autonomously. We are working to strengthen the training, appointment, and recruitment of personnel for the purpose of realizing our growth strategies. As DX progresses, we have set a target of cultivating 2,000 personnel with digital expertise by 2025 through in-house training and external hiring. Furthermore, in the retail industry, there are significant opportunities for those who work within limited hours to excel, and we are also focusing on creating an environment where such personnel can work flexibly. For the second consecutive year, the Company has announced a 7% wage increase for the roughly 400 thousand part-timers, who account for 80% of our employees. As a continually innovating corporate group, AEON aims for sustainable growth through a dual approach of investing in human capital and striving to improve productivity.

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## 2. Prospective Challenges for the AEON Group

Almost three years have passed since the start of the “Medium-Term Management Plan (FY2021 – FY2025).” Unprecedented changes in the environment have occurred on a global scale, including price hikes that exceeded initial expectations and heightened geopolitical risks. While such matters persist and are becoming usual, AEON has created new products and services that anticipate changes in society in the belief that it is precisely in turbulent times that we can continue to contribute to local communities, which is the value of our existence. This policy is seen in the reforms in line with the five pillars of “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 well as in the “Green strategies.”

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

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

Through initiatives aimed at the shift to digital markets, involving both efforts to expand digital businesses and improve productivity through introducing digital systems to stores, the Group is beginning to steadily see results. In the expansion of digital businesses, while promoting online supermarkets operating on a model of dispatching deliveries from stores, the Green Beans service, run by Aeon Next Co., Ltd., began operations in the Tokyo Metropolitan area. In order to realize a merging of real and digital, described as OMO (Online Merges with Offline) efforts were devoted to expanding shopping choices. As part of the introduction of digital systems in stores, various measures are being implemented, including not only the introduction of self-checkout systems such as the Regi Go app, and productivity improvements such as the streamlining of operations through using AI to predict demand and thereby optimizing the ordering of merchandise, but also the introduction of digital tools that make shopping fun.



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

In terms of *TOPVALU*, we will respond to changes in the behavior of customers and new needs, develop products based on a “market-oriented approach,” and launch approximately 2,500 new products and renew products in the previous fiscal year.

Furthermore, amid rising prices and with the desire to support our customers’ lives, we have conducted some price reductions, primarily on *TOPVALU BESTPRICE* products, along with increased quantity





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promotions. Moving forward, we will continue to provide more *TOPVALU* products that are supported by our customers, aiming to improve both sales and profit margins.

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

The Group notes that “Health & Wellness” is an area where we should focus our efforts for AEON’s sustainable growth. We aim to realize a society that can enjoy products, services, venues, and information related to health & wellness at affordable prices in both cities and regional areas by expanding the business scale, including through drugstore restructurings and mergers. To achieve this goal, we are promoting the expansion of business in each business segment, centering on wellness, and solving local issues focused on health, including the development of new business models and mobile sales.



### (4) Create AEON living zone

AEON’s vision is for the foundations of information and payments, in addition to the products, services, and venues provided by the Aeon Group, to be an “AEON Living Zone” that supports local economies and provides a rich life through customer convenience.



To achieve this, the Aeon Group will redefine its business area from retailing to the lifestyle industry, and promote each business from the perspective of stimulating the local economy, solving social issues faced by local cities, and playing a role in improving the global environment for each operating company.

### (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, establishing a base for private brand 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 economic growth is expected to continue.

### (6) Green strategies

We consider reducing environmental impact to be not only an urgent business issue, but an important business opportunity, and we have positioned this as a pillar for the strategies of the Group and each company. In addition to previous activities that contribute to society, we are working on incorporating this into business activities themselves as a priority measure. In addition to the tree-planting activities that AEON has continued for more than 30 years, our common Group measures include strengthening initiatives such as switching to renewable energy for the electricity used at our stores and facilities, operating the circular economy business that



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promotes the reuse of used items as a resource, and the development of environmentally friendly products.

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### 3. Overview of AEON and the AEON Group (as of February 29, 2024)

#### (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: 919,934
- 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)	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-TREATY 505234	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

(Note 1) Calculations of the 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).

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

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## (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	5	5
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	52 million yen	52 million yen	32 million yen	137 million yen
President and Representative Executive Officer Akio Yoshida	1	54 million yen	72 million yen	45 million yen	171 million yen
Executive Vice President and Executive Officers	3	109 million yen	84 million yen	64 million yen	258 million yen
Executive officers	11	297 million yen	150 million yen	135 million yen	583 million yen
Total	16	514 million yen	358 million yen	278 million yen	1,151 million yen

(Note) 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 10, 2024, based on performance during the 99<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, 2024. 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 2024.

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### (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	67.16	General merchandise store
AEON KYUSHU CO., LTD.	¥4,915 million	78.46	General merchandise store
Sunday Co., Ltd.	¥3,241 million	77.01	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	53.77	Management in supermarket
Maxvalu Tokai Co., Ltd.	¥2,267 million	64.71	Supermarket
Fuji Co., Ltd.	¥22,000 million	51.49	General merchandise store
Inageya Co., Ltd. (Note 2)	¥8,981 million	51.04	Supermarket
Ministop Co., Ltd.	¥7,491 million	54.10	Convenience store
<b><u>Health &amp; Wellness Business</u></b>			
Welcia Holdings Co., Ltd.	¥7,748 million	50.59	Management in drug store
<b><u>Financial Services Business</u></b>			
AEON Financial Service Co., Ltd.	¥45,698 million	50.00	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.	¥42,383 million	58.82	SC development
<b><u>Services &amp; Specialty Store Businesses</u></b>			
Cox Co., Ltd.	¥4,503 million	71.53	Casual apparel specialty store
G Foot Co., Ltd.	¥3,763 million	66.87	Specialty shoe store
AEON Delight Co., Ltd.	¥3,238 million	57.92	Facilities management services
CAN DO CO., LTD.	¥3,028 million	51.13	Flat-rate discount store business
AEON Fantasy Co., Ltd.	¥1,810 million	63.17	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) Inageya Co., Ltd. became a consolidated subsidiary on November 29, 2023 through the acquisition of shares by public tender.

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

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#### **(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 10, 2024, 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 Wednesday, May 1, 2024.

(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
  - **Informational materials for the general meeting of shareholders**  
Supplementary materials for Agenda Item 2
  - **Business Report**  
Activities of the Board of Directors and each committee, 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)
  - \* 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)

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(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.

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## Consolidated Financial Statements (Summary)

Consolidated balance sheet			Consolidated statement of income		
(Unit: Millions of yen, rounded down)			(Unit: Millions of yen, rounded down)		
	As of February 29, 2024	As of February 28, 2023		Year ended February 29, 2024	Year ended February 28, 2023
<b>Assets</b>			Operating revenue	9,553,557	9,116,823
Current assets	8,044,917	7,681,759	Net sales	8,337,277	7,961,711
(of which, Inventories)	625,291	596,708	Operating revenue from financial services business	424,722	401,081
Non-current assets	4,895,951	4,659,764	Other operating revenue	791,557	754,030
Property, plant, and equipment	3,414,988	3,301,444	Operating cost	6,007,745	5,778,894
Intangible assets	375,251	356,026	Cost of sales	5,953,919	5,725,286
Investments and other assets	1,105,712	1,002,292	Operating cost from financial services business	53,826	53,608
<b>Assets</b>	<b>12,940,869</b>	<b>12,341,523</b>	Operating gross profit (loss)	3,545,811	3,337,929
<b>Liabilities</b>			Selling, general and administrative expenses	3,294,989	3,128,145
Current liabilities	7,772,914	7,477,878	Operating profit (loss)	250,822	209,783
Non-current liabilities	3,080,753	2,893,412	Non-operating income	34,427	36,117
<b>Liabilities</b>	<b>10,853,667</b>	<b>10,371,290</b>	Non-operating expenses	47,769	42,235
<b>Net assets</b>			Ordinary profit (loss)	237,479	203,665
Shareholders' equity	913,399	908,498	Extraordinary income	20,717	48,048
Capital stock	220,007	220,007	Extraordinary losses	76,726	83,365
Capital surplus	288,337	299,667	Profit (loss) before income taxes	181,470	168,347
Retained earnings	425,596	411,758	Income taxes		
Treasury shares	(20,543)	(22,936)	Current	87,175	78,996
Accumulated other comprehensive income	140,720	84,077	Deferred	(10,568)	4,980
Subscription rights to shares	1,155	1,173	Profit (loss)	104,863	84,371
Non-controlling interests	1,031,925	976,482	Profit (loss) attributable to non-controlling interests	60,171	62,989
<b>Net assets</b>	<b>2,087,201</b>	<b>1,970,232</b>	Profit (loss) attributable to owners of the parent	44,692	21,381
<b>Liabilities and net assets</b>	<b>12,940,869</b>	<b>12,341,523</b>			



(Translation for reference purposes only)

**Informational Materials for the 99<sup>th</sup> Ordinary General Meeting of Shareholders  
(Additional Paper-Based Documents Provided for Shareholders  
Who Request Their Delivery)**

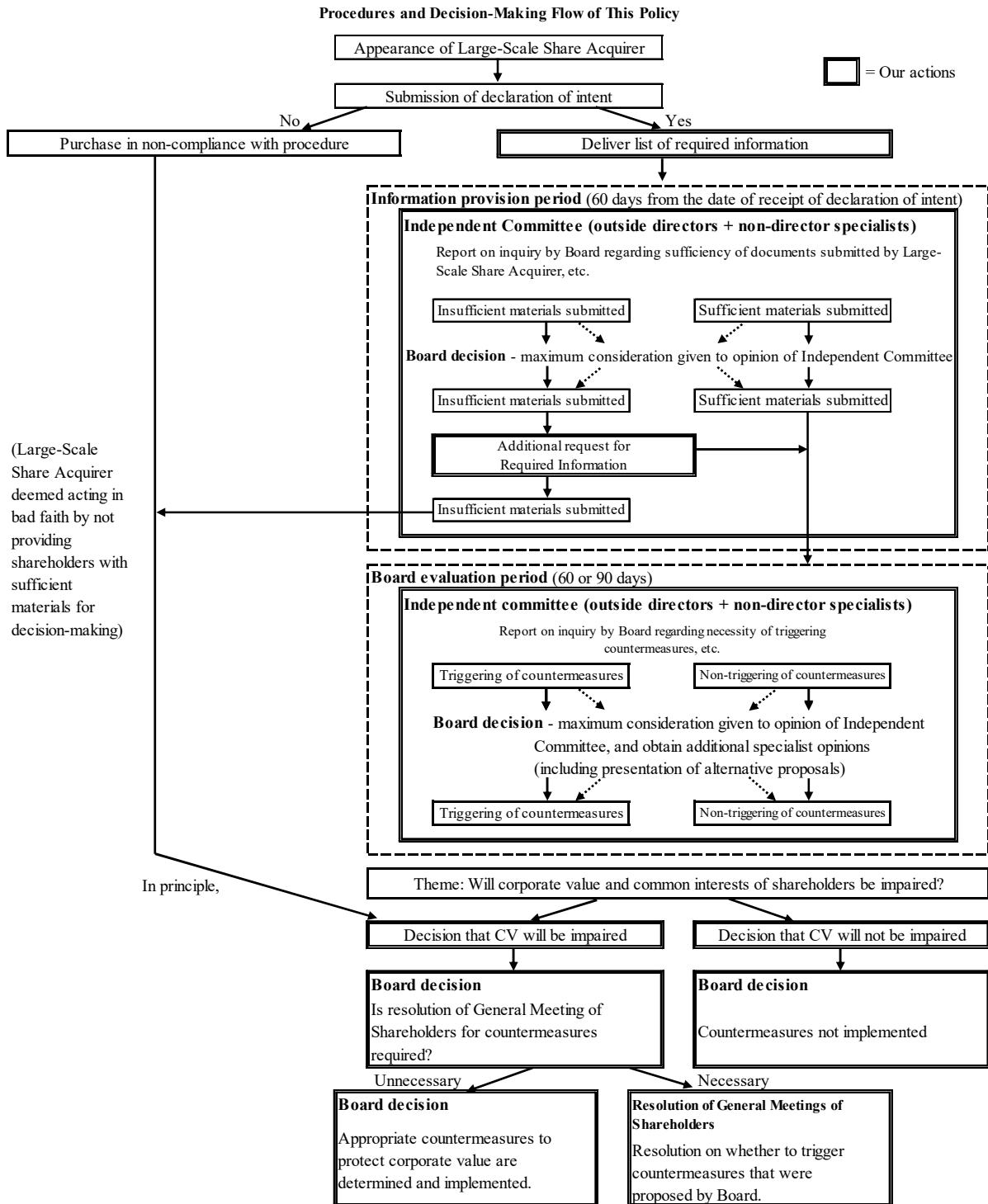
(Translation for reference purposes only)

## Reference Documents for the General Meeting of Shareholders

### Agenda Item 2: Approval of policy concerning large-scale acquisitions of the Company's shares

Attachment 1

(Reference)



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

(Translation for reference purposes only)

(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 an 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 the 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.

(Translation for reference purposes only)

(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 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

(Translation for reference purposes only)

(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.

Considering all outside directors shall become Independent Committee members, the outside directors who would become Independent Committee members subject to the approval of Agenda Item 1 are listed in the Reference Documents for this General Meeting of Shareholders.

### **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 the exercise of stock acquisition rights. The Board of Directors shall separately determine the number of shares that shall be delivered upon the exercise of one stock acquisition right (“number of target shares”). If the Company carries out a stock split, 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.

(Translation for reference purposes only)

## **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 the 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 three business days 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 the 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.



(Translation for reference purposes only)

## ● 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 and AEON Group Future Vision in 2023, 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.

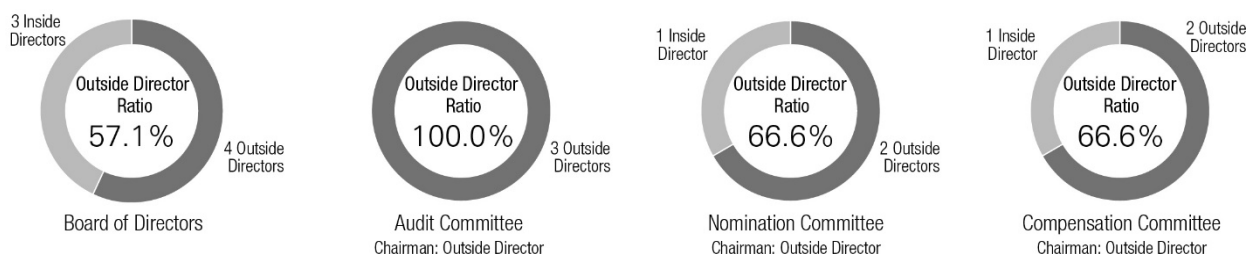
#### Corporate governance highlights

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

(Translation for reference purposes only)

(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 8 times	<ul style="list-style-type: none"> <li>- Supervision the performance of duties by directors and executive officers</li> <li>- 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</li> </ul>
Audit Committee	Met 9 times	<ul style="list-style-type: none"> <li>- Auditing of the performance of duties by directors and executive officers</li> <li>- Decisions pertaining to the content of motions to be introduced at shareholders' meetings concerning the appointment, dismissal, or non-reappointment of independent auditors</li> </ul>
Nomination Committee	Met 4 times	<ul style="list-style-type: none"> <li>- Decisions pertaining to the content of motions to be introduced at shareholders' meetings concerning the appointment or dismissal of directors</li> </ul>
Compensation Committee	Met 3 times	<ul style="list-style-type: none"> <li>- Decisions concerning the content of financial remuneration received by directors and executive officers</li> </ul>

\* In addition to the activities of the Board of Directors and Committees described above, the Company held outside directors' meetings and policy deliberation meetings, and furthermore conducted visits to overseas offices, etc.

## Activities of the Board of Directors

During the fiscal year under review, the Board of Directors convened eight times with a 100% attendance rate. In addition to voting on resolutions and reporting on matters as required by the Companies Act and other laws, the Board of Directors held vigorous discussions from a long-term perspective on important matters concerning the Company's management, with the aim of achieving sustainable growth for the Company and increasing its corporate value.

Based on opinions and suggestions to improve the effectiveness of the Board of Directors, in FY2023, the Board of Directors held preliminary briefings on important matters such as business integration, thereby creating a discussion-oriented Board of Directors supported by the extensive

(Translation for reference purposes only)

knowledge and experience of the outside directors, and thus fulfilling its governance function. In addition, the Company is further improving its environmental analysis and its provision of information on the factors and background underlying the numbers, which is useful when monitoring the execution of its business. Looking ahead, we will continue to proactively inform stakeholders about AEON's initiatives, including the medium- to long-term values aimed at achieving the AEON Group Corporate Philosophy and Future Vision.

#### **Activities of the Audit Committee**

During the fiscal year under review, the Audit Committee convened nine times with a 100% attendance rate for each of the Committee members. The main matters to be resolved at the Audit Committee have included preparing the fiscal year audit policy and audit reports, reappointing the Independent Auditors, and gaining approval regarding the remuneration of the Independent Auditors. Furthermore, the Committee receives audit plans and quarterly review reports of the Independent Auditors, audit reports of the Group Management Audit Office, as well as reports on matters such as the status of operations involving risk management initiatives and the internal notification system by the operating units, the status of addressing customer feedback, and the status of financial affairs and accounting. The Committee also engages in dialogue with the aim of achieving a more extensive understanding regarding executive officers in their performance of duties and internal control systems. In addition, the Audit Committee performs examination and resolution also with respect to basic policy on pre-approval in regard to Independent Auditors and others providing non-assurance services aligned with standards of the International Ethics Standards Board for Accountants (IESBA), with the aim of ensuring the independence of the Independent Auditors.

#### **Activities of the Nomination Committee**

During the fiscal year under review, the Nomination Committee convened four times to deliberate and make decisions on the election of new director candidates and agenda items for the election of directors. In electing new director candidates, the Nomination Committee deliberated on candidate backgrounds and track records. All members then conducted interviews with the candidates and made decisions based on such results.

#### **Activities of the Compensation Committee**

During the fiscal year under review, the Compensation Committee convened three times for the purpose of deliberating and deciding on amounts to be paid as performance-based remuneration for executive officers for FY2023 and the number of share compensation-type stock options to be issued, deliberating and deciding on amounts of remuneration for directors and executive officers for FY2024, and deliberating on revisions to Group director and executive officer remuneration guidelines.

(Translation for reference purposes only)

● **Overview of AEON and the Aeon Group** (as of February 29, 2024)

**(1) Main Business**

The Aeon Group comprises the Company (a pure holding company), 309 consolidated subsidiaries, and 25 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

Format	Number of stores	Format	Number of stores	Format	Number of stores
Mall-type SC	272	Home centers	118	Other retail	1,486
General merchandise stores	609	Department stores	1	Financial services	592
Supermarkets	2,324	Convenience stores	2,015	Other services	2,108
Supercenters	25	Specialty stores	4,347	Total	17,730
Discount stores	587	Drugstores	3,246		

**(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 digitalization of stores aimed at improving labor-hour productivity and on the digital field, including online supermarkets and e-commerce. Total capital spending on such projects as stores and digital initiatives amounted to 396.2 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 Nomination Committee; Chairman of the Compensation Committee; Audit Committee member	Senior Advisor, Mizuho Financial Group, Inc. Outside Director, Asahi Mutual Life Insurance Company Outside Director, Internet Initiative Japan Inc. Outside Director, Furukawa Electric Co., Ltd. Chairman, The Japan-British Society
Peter Child	Nomination Committee member; Compensation Committee member	
Carrie Yu	Audit Committee member	Senior Advisor, PwC Hong Kong
Makoto Hayashi	Chairman of the Audit Committee	Special Counsel, Mori Hamada & Matsumoto External Audit & Supervisory Board Member, MITSUI & CO., LTD. Outside Audit and Supervisory Board Member, Central Japan Railway Company

*(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, 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	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. Director, Inageya Co., Ltd.
Executive Vice President and Executive Officer	Mitsuko Tsuchiya	Chief Officer of Merchandising Outside Director, YAMAYA CORPORATION
Executive Officer	Tadahisa Matsumoto	Health & Wellness President and Representative Director, Welcia Holdings Co., Ltd.
Executive Officer	Keiji Kamio	Chief Officer of SM Director and Chairman of Maxvalu Tokai Co., Ltd. Director of Ministop Co., Ltd. Director, Fuji Co., Ltd.
Executive Officer	Manabu Oike	Chief Officer of DS
Executive Officer	Soichi Okazaki	Chief Officer of ASEAN
Executive Officer	Motoyuki Shikata	Chief Officer of Strategy
Executive Officer	Tsukasa Ojima	Chief Officer of Business Development, Branding
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	Daisuke Tezuka	Chief Officer of Logistics
Executive Officer	Toshiya Goto	China
Executive Officer	Keiji Ohno	Malaysia Director and President, AEON CO. (M) BHD.
Executive Officer	Yasuyuki Furusawa	Vietnam

(Note 1) Takashi Tsukamoto, Peter Child, Carrie Yu, and Makoto Hayashi 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.

(Translation for reference purposes only)

(Note 3) The following personnel changes occurred during the year ended February 29, 2024:

- On March 1, 2023, Tadahisa Matsumoto, Toshiya Goto, Keiji Ohno, and Yasuyuki Furusawa were newly elected as Executive Officers and assumed their positions.
- On May 26, 2023, Kotaro Ohno retired from the position of director upon the completion of his term.

Makoto Hayashi was newly elected as Director and assumed the position.

(Note 4) As of February 29, 2024, Motohiro Fujita and Keiji Ohno resigned from the positions of Executive Officer.

(Note 5) As a result of a restructuring effective March 1, 2024, the organizational responsibilities for executive officers are now as follows.

Position	Name	Area of responsibility
Chairman and Representative Executive Officer	Motoya Okada	
President and Representative Executive Officer	Akio Yoshida	
Executive Vice President and Executive Officer	Yuki Habu	Digital
Executive Vice President and Executive Officer	Hiroyuki Watanabe	Chief Human Resources Officer, Promotion of Living Zone & Risk Management
Executive Vice President and Executive Officer	Mitsuko Tsuchiya	Merchandising
Executive Officer	Tadahisa Matsumoto	Health & Wellness
Executive Officer	Takemi Ide	GMS
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	Yasuyuki Furusawa	Vietnam
Executive Officer	Naoya Okada	Malaysia

## 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 Senior Advisor. However, more than ten 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

(Translation for reference purposes only)

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.

- Peter Child has served as a 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.
- 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.

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

	Board of Directors	Audit Committee	Nomination Committee	Compensation Committee
Takashi Tsukamoto	8/8	9/9	3/3	3/3
Peter Child	8/8	–	4/4	3/3
Carrie Yu	8/8	9/9	–	–
Makoto Hayashi	7/7	6/6	–	–

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. 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. Furthermore, as Chairman of the Compensation Committee, he led deliberation on individual remunerations, etc.



(Translation for reference purposes only)

- 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, 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 the 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.
- Based on his ample experience and insight with regard to law and compliance, Makoto Hayashi actively participates in discussions relating to the promotion of compliance management such as risk management and legal compliance. 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 on agendas for resolutions at the Committee, including monitoring the Company's internal control systems and auditing the Company's financial statements.

### 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 outlined 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 of 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 President, however, such remuneration shall be evaluated based on corporate performance and the progress of the Medium-term Management Plan.

    - 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 evaluation of the individual performance based on the degree of achievement of the management target linked to the Medium-term Management Plan to the

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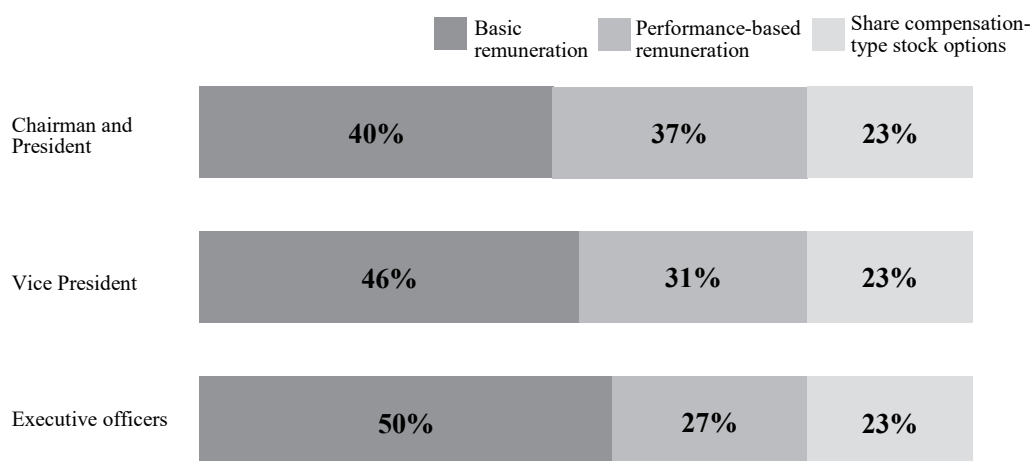
standard amounts set and the number of stock options allocated for each position.

v. Indicators for performance-linked remuneration and the actual result

The main indicators for the payment of performance-based remuneration and share compensation-type stock options shall consist of the consolidated operating revenue, which represents the growth of the overall business, and 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 operating revenue of 9,553.5 billion yen and a consolidated ordinary profit of 237.4 billion yen.

### Composition of remuneration to executive officers



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

(Translation for reference purposes only)

### Payment standards for executive officers

Items	Payment method	Payment standards			
Basic remuneration	Every month	Determined based on the table of remuneration set for each position			
Performance-based remuneration / Share compensation	Once per year	Chairman and President			
		Contents			Weight
		Quantitative evaluation	Annual financial indicators	Operating revenue	30%
				Ordinary profit	40%
		Qualitative evaluation	Medium-term Management Plan	Evaluation of the progress of the Medium-term Management Plan	30%
		Vice President and Executive officer			
		Contents			Weight
		Quantitative evaluation	Annual financial indicators	Operating revenue	20%
				Ordinary profit	30%
		Qualitative evaluation	Target linked to the Medium-term Management Plan	Evaluation of the degree of achievement of the target	50%

(Translation for reference purposes only)

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 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 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
May 26, 2023	FY2023	Deliberation on and resolution of basic remuneration for outside directors
	FY2023	Deliberation on and resolution of the number of share compensation-type stock options to allocate
	FY2023	Discussion on the agenda and schedule for the Compensation Committee
February 14, 2024	FY2024	Deliberation on remuneration for executive officers
		Deliberation on Group director and executive officer remuneration guidelines
April 10, 2024	FY2023	Deliberation on and resolution of payment amount of performance-based remuneration for executive officers
	FY2023	Deliberation on and resolution of the issuance of share compensation-type stock options
	FY2024	Deliberation on and resolution of prescribed amounts of personal basic remuneration and performance-based remuneration for executive officers
		Deliberation on and resolution of Group director and executive officer remuneration guidelines

(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	148 million yen
ii. Total cash and other compensation paid by AEON and its subsidiaries to their independent auditors	2,490 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 five 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	34,582	102,401
SM Business	27,262	88,307
DS Business	1,879	9,423
Health & Wellness Business	15,943	27,293
Financial Services Business	16,041	5,473
Shopping Center Development Business	4,261	1,911
Services & Specialty Store Business	31,062	26,319
International Business	28,015	6,723
Other Business	1,652	539
Pure Holding Company, etc.	2,887	2,877
<b>Total</b>	<b>163,584</b>	<b>271,266</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 435,000 employees. Accordingly, the actual number of individuals working for the AEON Group is approximately 599,000 employees.

## (7) Principal Creditors

<b>Creditors</b>	<b>Amount</b> (Millions of yen)
Mizuho Bank, Ltd.	44,000
Development Bank of Japan Inc.	43,500
Sumitomo Mitsui Banking Corporation	26,000
The Norinchukin Bank	23,400
MUFG Bank, Ltd.	20,000
Sumitomo Mitsui Trust Bank, Limited	19,000
Resona Bank, Limited	17,000

(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 29, 2024			
Assets		Liabilities	
<b>Current assets</b>	<b>8,044,917</b>	<b>Current liabilities</b>	<b>7,772,914</b>
Cash and deposits	1,165,536	Notes and accounts payable – trade	1,073,189
Call loans	1,192	Deposits for banking business	4,533,233
Notes and accounts receivable – trade	1,957,426	Short-term loans payable	480,274
Securities	668,271	Current portion of long-term loans payable	333,475
Inventories	625,291	Current portion of bonds	160,429
Operating loan	559,747	Commercial papers	125,000
Loans and bills discounted for banking business	2,663,103	Lease obligations	69,563
Other	527,098	Income taxes payable	52,027
Allowance for doubtful accounts	(122,751)	Contract liabilities	227,520
		Provision for bonuses	47,932
		Provision for loss on store closing	11,982
		Provision for point card certificates	6,730
<b>Non-current assets</b>	<b>4,895,951</b>	Notes payable – facilities	55,969
<b>Property, plant, and equipment</b>	<b>3,414,988</b>	Other	595,585
Buildings and structures, net	1,645,556	<b>Non-current liabilities</b>	<b>3,080,753</b>
Tools, furniture and fixtures, net	234,059	Bonds payable	958,138
Land	1,071,310	Long-term loans payable	1,259,019
Leased assets, net	93,920	Lease obligations	314,115
Construction in progress	102,332	Deferred tax liabilities	47,900
Other, net	267,808	Provision for directors' retirement benefits	316
		Provision for loss on store closing	6,731
<b>Intangible assets</b>	<b>375,251</b>	Provision for contingent loss	44
Goodwill	139,788	Provision for loss on interest repayment	2,802
Software	167,986	Net defined benefit liability	15,535
Leased assets, net	26,191	Asset retirement obligations	122,093
Other	41,284	Long-term guarantee deposited	268,256
		Reserve for insurance policy liabilities	48,358
<b>Investments and other assets</b>	<b>1,105,712</b>	Other	37,441
Investment securities	302,904	<b>Liabilities</b>	<b>10,853,667</b>
Net defined benefit asset	44,216		
Deferred tax assets	157,799	<b>Net assets</b>	
Guarantee deposits	416,991	<b>Shareholders' equity</b>	<b>913,399</b>
Deposits for stores in progress	2,439	Capital stock	220,007
Other	187,497	Capital surplus	288,337
Allowance for doubtful accounts	(6,136)	Retained earnings	425,596
		Treasury shares	(20,543)
		<b>Accumulated other comprehensive income</b>	<b>140,720</b>
		Valuation difference on available-for-sale securities	68,233
		Deferred gains or losses on hedges	417
		Foreign currency translation adjustment	67,154
		Remeasurements of defined benefit plans	4,916
		<b>Subscription rights to shares</b>	<b>1,155</b>
		<b>Non-controlling interests</b>	<b>1,031,925</b>
		<b>Net assets</b>	<b>2,087,201</b>
<b>Assets</b>	<b>12,940,869</b>	<b>Liabilities and net assets</b>	<b>12,940,869</b>

(Translation for reference purposes only)

## Consolidated statement of income

(Unit: Millions of yen, rounded down)

Year ended February 29, 2024	
<b>Net sales</b>	<b>8,337,277</b>
<b>Operating revenue from financial services business</b>	<b>424,722</b>
<b>Other operating revenue</b>	<b>791,557</b>
<b>Operating revenue</b>	<b>9,553,557</b>
<b>Cost of sales</b>	<b>5,953,919</b>
<b>Operating cost from financial services business</b>	<b>53,826</b>
<b>Operating cost</b>	<b>6,007,745</b>
<b>Gross profit (loss)</b>	<b>2,383,358</b>
<b>Operating gross profit (loss)</b>	<b>3,545,811</b>
<b>Selling, general and administrative expenses</b>	<b>3,294,989</b>
<b>Operating profit (loss)</b>	<b>250,822</b>
<b>Non-operating income</b>	
Interest income	5,570
Dividend income	4,460
Share of profit of entities accounted for using equity method	5,350
Penalty income from leaving tenants	2,139
Reversal of allowance for doubtful accounts	512
Other	16,392
	<b>34,427</b>
<b>Non-operating expenses</b>	
Interest expenses	39,066
Other	8,703
	<b>47,769</b>
<b>Ordinary profit (loss)</b>	<b>237,479</b>
<b>Extraordinary income</b>	
Gain on sales of non-current assets	7,645
Gain on sales of investment securities	4,186
Gain on step acquisition	5,102
Other	3,782
	<b>20,717</b>
<b>Extraordinary losses</b>	
Impairment loss	45,848
Provision for loss on store closing	11,150
Loss on retirement of non-current assets	3,716
Loss on store closing	3,795
Loss on valuation of investment securities	6,428
Other	5,787
	<b>76,726</b>
<b>Profit (loss) before income taxes</b>	<b>181,470</b>
Income taxes	
Current	87,175
Deferred	(10,568)
	<b>76,607</b>
<b>Profit (loss)</b>	<b>104,863</b>
Profit (loss) attributable to non-controlling interests	60,171
<b>Profit (loss) attributable to owners of the parent company</b>	<b>44,692</b>

(Translation for reference purposes only)

## Nonconsolidated balance sheet

(Unit: Millions of yen, rounded down)

As of February 29, 2024			
Assets		Liabilities	
<b>Current assets</b>	<b>367,711</b>	<b>Current liabilities</b>	<b>265,930</b>
Cash and deposits	40,269	Current portion of long-term loans payable	21,200
Short-term loans receivable to subsidiaries	299,739	Current portion of bonds	25,000
Accrued income	14,247	Commercial papers	30,000
Accounts receivable – other	9,281	Accounts payable – other	8,066
Other	4,173	Accrued expenses	3,047
		Income taxes payable	623
<b>Non-current assets</b>	<b>1,342,181</b>	Accrued consumption taxes	446
<b>Property, plant, and equipment</b>	<b>(14,588)</b>	Deposits received	175,831
Buildings, net	10,132	Provision for bonuses	339
Structures, net	90	Other	1,375
Tools, furniture and fixtures, net	382	<b>Non-current liabilities</b>	<b>777,325</b>
Land	3,984	Bonds payable	295,000
		Long-term loans payable	370,750
<b>Intangible assets</b>	<b>(1,305)</b>	Allowance for investment loss, etc.	108,893
Rights of trademark	535	Deferred tax liabilities	2,486
Other	769	Other	196
		<b>Liabilities</b>	<b>1,043,256</b>
<b>Investments and other assets</b>	<b>(1,326,287)</b>	<b>Net assets</b>	
Investment securities	184,532	<b>Shareholders' equity</b>	<b>590,279</b>
Stock of subsidiaries and affiliates	1,079,590	<b>Capital stock</b>	<b>220,007</b>
Investments in capital of subsidiaries and affiliates	78,403	<b>Capital surplus</b>	<b>316,989</b>
Other	1,016	Legal capital surplus	316,894
Allowance for doubtful accounts	(61)	Other capital surplus	94
Allowance for investment loss, etc.	(17,193)	<b>Retained earnings</b>	<b>73,760</b>
		Legal retained earnings	11,770
		Other retained earnings	61,990
		Reserve for advanced depreciation of fixed assets	3,701
		General reserve	35,500
		Retained earnings brought forward	22,788
		<b>Treasury shares</b>	<b>(20,478)</b>
		<b>Valuation and translation adjustments</b>	<b>75,995</b>
		Valuation difference on available-for-sale securities	75,920
		Deferred gains or losses on hedges	74
		<b>Subscription rights to shares</b>	<b>362</b>
		<b>Net assets</b>	<b>666,637</b>
<b>Assets</b>	<b>1,709,893</b>	<b>Liabilities and net assets</b>	<b>1,709,893</b>

(Translation for reference purposes only)

## Nonconsolidated statement of income

(Unit: Millions of yen, rounded down)

<b>Year ended February 29, 2024</b>	
<b>Operating revenue</b>	
Dividends from subsidiaries and affiliates	43,155
Commissions from subsidiaries and affiliates	23,875
Other	953
	<hr/>
	67,983
<b>Operating gross profit (loss)</b>	<b>67,983</b>
<b>Selling, general and administrative expenses</b>	<b>22,137</b>
	<hr/>
<b>Operating profit (loss)</b>	<b>45,846</b>
<b>Non-operating income</b>	
Interest and dividend income	9,028
Other	525
	<hr/>
	9,553
<b>Non-operating expenses</b>	
Interest expenses	9,708
Provision of allowance for investment loss, etc.	16,651
Other	2,869
	<hr/>
	29,229
<b>Ordinary profit (loss)</b>	<b>26,171</b>
<b>Extraordinary income</b>	
Gain on sales of investment securities	2,804
Gain on sales of stock of subsidiaries and affiliates	2,281
	<hr/>
	5,086
<b>Extraordinary losses</b>	
Loss on valuation of investment securities	6,310
Provision of allowance for investment loss, etc.	6,013
Loss on valuation of shares of subsidiaries and associates	740
Other	363
	<hr/>
	13,427
<b>Profit (loss) before income taxes</b>	<b>17,829</b>
Income taxes	
Current	805
Deferred	(5,091)
	<hr/>
	(4,285)
<b>Profit (loss)</b>	<b>22,115</b>

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## Reference

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

Committee Members (planned effective date May 29, 2024)

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

Executive Officers (planned effective date May 29, 2024)

Position	Name	Area of responsibility
Chairman and Representative Executive Officer	Motoya Okada	
President and Representative Executive Officer	Akio Yoshida	
Executive Vice President and Executive Officer	Yuki Habu	Digital
Executive Vice President and Executive Officer	Hiroyuki Watanabe	Human Resources, Promotion of Living Zone & Risk Management
Executive Vice President and Executive Officer	Mitsuko Tsuchiya	Merchandising
Executive Officer	Takemi Ide	GMS
Executive Officer	Keiji Kamio	SM
Executive Officer	Manabu Oike	DS
Executive Officer	Motoyuki Shikata	Strategy
Executive Officer	Tsakasa Ojima	Business Development, Branding
Executive Officer	Hiroaki Egawa	CFO, Business Management
Executive Officer	Daisuke Tezuka	Logistics
Executive Officer	Toshiya Goto	China
Executive Officer	Yasuyuki Furusawa	Vietnam
Executive Officer	Naoya Okada	Malaysia

*\*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, Yuki Habu, and Mitsuko Tsuchiya are expected to hold concurrent positions as directors.*

*\* The voting results for this General Meeting of Shareholders are scheduled to be published on the Company's website on Friday, May 31, 2024. 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 11, 2024, for your viewing.*

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

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## Informational Materials for the 99<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	29	2,900 shares	2	1,515 yen per share	1 yen per share
No. 16 subscription rights to shares (June 21, 2018)	July 21, 2018 to July 20, 2033	101	10,100 shares	3	2,176 yen per share	1 yen per share
No. 17 subscription rights to shares (June 21, 2019)	July 21, 2019 to July 20, 2034	62	6,200 shares	3	1,618 yen per share	1 yen per share
No. 18 subscription rights to shares (June 21, 2020)	July 21, 2020 to July 20, 2035	64	6,400 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	34	3,400 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	124	12,400 shares	5	2,001 yen per share	1 yen per share
No. 21 subscription rights to shares (June 21, 2023)	July 21, 2023 to July 20, 2038	251	25,100 shares	9	2,568 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

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equivalent of such by the Compensation Committee of AEON) at the time that the rights are exercised. However, even if a person retires from his/her position as executive officer of the Company, etc., he or she may exercise those rights within a period of five years from the date of his/her retirement.

- 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. 21 subscription rights to shares (June 21, 2023)	July 21, 2023 to July 20, 2038	164	16,400 shares	19	2,568 yen per share	1 yen per share

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

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## ● 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.



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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.

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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 its 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. To provide a framework to support this, the Company is constantly ensuring the systems for internal controls are in place and working to advance the compliance and risk management of those internal controls. 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,

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and Compensation Committee, each consisting of a majority of outside directors, to ensure management transparency and objectivity.

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. In addition, the Company has established the Group Management Audit Office (29 dedicated personnel) as a department responsible for internal audits that is independent of other execution of business. Additionally, each Group company has established either an internal audit department or an officer in charge of internal audits to provide a system for the Group Management Audit Office to guide and support the audit activities for the Group as a whole.

For the purpose of contributing to the effective achievement of the Company's and each Group company's management targets, the Group Management Audit Office operates pursuant to the Internal Audit Rules to conduct internal audits of the Company and each Group company while monitoring the status of the implementation of internal audits at each Group company to confirm that the internal control systems are properly functional. The Group Management Audit Office introduces auditing methods that conform to the standards of The Institute of Internal Auditors, an international organization relating to internal auditing, and conducts risk-based auditing while deploying those methods to each Group company. Audit results are reported to the Audit Committee. Moreover, in addition to receiving reports on the audit results and the status of auditing from independent auditors, the Group Management Audit Office has strengthened communication with independent auditors for the purpose of conducting appropriate audits by exchanging information on a fortnightly basis.

In addition to establishing a code to be followed for the compliance structure, and strictly enforcing that code on all employees of the Group, AEON regularly implements training designed to instill and foster compliance awareness. Furthermore, an internal notification system, which provides direct contacts with the Company and external contacts, for the prevention and early discovery of violations against laws and regulations and code of ethics, has been in operation since 2004 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

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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. 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 FY2023, AEON, starting from the Risk Management Committee, continued to position the strengthening of governance at subsidiaries as the most important measure, and worked to strengthen the effectiveness of the boards of directors of subsidiaries and put in place risk management structures. In a new move, AEON launched the Human Rights Due Diligence Committee as a subcommittee of the Risk Management Committee and has promoted strengthening of the effectiveness of measures taken to identify and assess serious human rights issues surrounding the AEON Group and mitigate the likelihood of serious human rights issues from arising. In addition, recognizing the risk of cyberattacks as a serious issue, AEON has been continuously monitoring the status of initiatives carried out by the Risk Management Committee concerning countermeasures for cyberattacks that could have a significant impact on business continuity. We will strive to anticipate, predict, and preclude particular 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 such as crime prevention rules 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

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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 promote integrated management while allowing each company to retain its operational independence and autonomy.

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## ● Basic Policy Regarding Control of the 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 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, 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

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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 29, 2024.

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- 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.



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## Consolidated statement of changes in equity

(Unit: Millions of yen, rounded down)

Year ended February 29, 2024	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance as of March 1, 2023	220,007	299,667	411,758	(22,936)	908,498
Changes of items during the period					
Dividends of surplus			(30,854)		(30,854)
Profit (loss) attributable to owners of the parent company			44,692		44,692
Purchase of treasury shares				(14)	(14)
Disposal of treasury shares		40		2,407	2,448
Change in ownership interest of parent due to transactions with non-controlling interests		(11,370)			(11,370)
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	(11,329)	13,837	2,393	4,901
Balance as of February 29, 2024	220,007	288,337	425,596	(20,543)	913,399

Year ended February 29, 2024	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, 2023	41,711	257	45,825	(3,716)	84,077	1,173	976,482	1,970,232
Changes of items during the period								
Dividends of surplus								(30,854)
Profit (loss) attributable to owners of the parent company								44,692
Purchase of treasury shares								(14)
Disposal of treasury shares								2,448
Change in ownership interest of parent due to transactions with non-controlling interests								(11,370)
Net changes of items other than shareholders' equity	26,521	160	21,328	8,633	56,643	(18)	55,442	112,067
Total changes of items during the period	26,521	160	21,328	8,633	56,643	(18)	55,442	116,968
Balance as of February 29, 2024	68,233	417	67,154	4,916	140,720	1,155	1,031,925	2,087,201

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## Nonconsolidated statement of changes in equity

(Unit: Millions of yen, rounded down)

Year ended February 29, 2024	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, 2023	220,007	316,894	54	316,949	11,770	3,823	45,500	21,406	82,499
Changes of items during the period									
Reversal of reserve for advanced depreciation of fixed assets						(121)		121	–
Reversal of general reserve							(10,000)	10,000	–
Dividends of surplus								(30,854)	(30,854)
Profit (loss)								22,115	22,115
Purchase of treasury shares									
Disposal of treasury shares				40	40				
Net changes of items other than shareholders' equity									
Total changes of items during the period	–	–	40	40	–	(121)	(10,000)	1,382	(8,739)
Balance as of February 29, 2024	220,007	316,894	94	316,989	11,770	3,701	35,500	22,788	73,760

Year ended February 29, 2024	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, 2023	(22,871)	596,585	53,336	220	53,557	309	650,452	
Changes of items during the period								
Reversal of reserve for advanced depreciation of fixed assets		–	–				–	
Reversal of general reserve		–	–				–	
Dividends of surplus		(30,854)					(30,854)	
Profit (loss)		22,115					22,115	
Purchase of treasury shares	(14)	(14)					(14)	
Disposal of treasury shares	2,407	2,448					2,448	
Net changes of items other than shareholders' equity			22,584	(146)	22,437	53	22,490	
Total changes of items during the period	2,393	(6,305)	22,584	(146)	22,437	53	16,184	
Balance as of February 29, 2024	(20,478)	590,279	75,920	74	75,995	362	666,637	