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To our shareholders:

Kazumasa Hamada, President

AEON DELIGHT CO., LTD.

2-3-2 Minamitemba, Chuo-ku, Osaka City, Osaka

Notice of the 52nd Annual General Meeting of Shareholders

We are pleased to announce the 52nd Annual General Meeting of Shareholders of AEON DELIGHT CO., LTD. (the “Company”), which will be held as indicated below.

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. (hereinafter, “matters subject to measures for electronic provision”) in electronic format in accordance with laws and regulations and the provisions of Article 14 of the Articles of Incorporation of the Company, and posts this information as “Notice of the 52nd Annual General Meeting of Shareholders” on each of the websites below. Please access either of the websites below to review the information.

The Company’s website: <https://www.aeondelight.co.jp/english/ir/stock/meeting.html>

Website for posted informational materials for the general meeting of shareholders:

<https://d.sokai.jp/9787/teiji/> (in Japanese)

In addition to posting matters subject to measures for electronic provision on the websites listed above, the Company also posts this information on the website of Tokyo Stock Exchange, Inc. (TSE). To access this information from the latter website, access the TSE website (Listed Company Search) by using the URL shown below, enter the issue name (company name) “AEON DELIGHT” or securities code “9787,” and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information,” and “Notice of the general meeting of shareholders / Informational materials for the general meeting of shareholders.”

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

We also accept questions from shareholders over the Internet. Please refer to the notice on acceptance of questions in advance for details.

If you are attending on the day of the meeting, please present the voting form to the receptionist.

If you are unable to attend the meeting, you may exercise your voting rights in writing or via the Internet, etc. Please review the Reference Documents for General Meeting of Shareholders, and exercise your voting rights by 6:00 p.m. on Thursday, May 15, 2025 (JST).

- 1. Date and Time:** Friday, May 16, 2025, at 10:00 a.m. (JST)
- 2. Venue:** The banquet room “Tsuru,” Hotel Nikko Osaka (5th floor)
1-3-3 Nishi-Shinsaibashi, Chuo-ku, Osaka City, Osaka
There will be no gifts provided for the shareholders who attend this meeting.

3. Purpose of the Meeting

Matters to be reported:

1. The Business Report and the Consolidated Financial Statements for the 52nd fiscal year (from March 1, 2024 to February 28, 2025), and the results of audits of the Consolidated Financial Statements by the Financial Auditors and the Audit & Supervisory Board
2. The Non-consolidated Financial Statements for the 52nd fiscal year (from March 1, 2024 to February 28, 2025)

Matters to be resolved:

Proposal No. 1 Election of Seven Directors

Proposal No. 2 Election of Two Audit & Supervisory Board Members

4. Exercise of Voting Rights

If you exercise your voting rights in writing (by postal mail) and do not indicate your approval or disapproval of the proposals on the voting form, we will treat it as if you indicated your approval.

Please refer to Guide to Exercise of Voting Rights below.

If revisions to the matters subject to measures for electronic provision arise, a notice of the revisions and the details of the matters before and after the revisions will be posted on the Company’s website, the website for posted informational materials for the general meeting of shareholders, and the TSE website mentioned previously.

Guide to Exercise of Voting Rights

If you exercise your voting rights via the Internet, etc.

Please refer to the “Guide to Exercise of Voting Rights via the Internet, Etc.” and exercise your voting rights by accessing the Smart Exercise website or the voting website (<https://soukai.mizuho-tb.co.jp/>) (in Japanese), and using the “Voting Code” and “Password” indicated on the voting form. Please follow the instructions on the screen and enter your approval or disapproval of the proposals by 6:00 p.m. on Thursday, May 15, 2025 (JST).

- * If you exercise your voting rights twice (in writing and via the Internet, etc.), we will treat your exercise of voting rights via the Internet, etc. as a valid exercise of your voting rights. If you exercise your voting rights more than once via the Internet, etc., the last exercise will be treated as a valid exercise of your voting rights.

If you exercise your voting rights in writing

Please indicate your approval or disapproval of the proposals on the voting form and return it to arrive no later than 6:00 p.m. on Thursday, May 15, 2025 (JST).

If you attend on the day of the meeting

Please present the voting form to the receptionist (no seal is required).

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Election of Seven Directors

At the conclusion of this meeting, the terms of office of all eight Directors will expire. In this regard, the Company proposes the election of seven Directors.

In addition, all candidates for outside Director satisfy the requirements of an independent officer under the provisions of the Tokyo Stock Exchange. Furthermore, the Company stipulates the following items as conditions of eligibility for Director. All candidates for Director fulfill these conditions.

[Election criteria for inside Director candidates]

1. The candidate shall have the personality and insight appropriate for being a Director.
2. The candidate shall have sufficient experience and knowledge in the Company's business as well as in the business of its affiliates and outstanding ability for business judgment and execution.
3. The candidate shall be able to take responsibility for the basic policy, strategic planning, and business execution of the Company and its group companies (the "Group"), and fulfill accountability for the Board of Directors.

[Election criteria for outside Director candidates]

1. The candidate shall have the personality and insight appropriate for being an outside Director.
2. The candidate shall subscribe to the Company's management principles, code of conduct, etc.
3. The candidate shall have extensive experience as a chief executive officer or other corporate executive, or shall have comparable experience, knowledge and insight.
4. The candidate shall be able to make judgments independently of the Company's management.
5. The candidate shall be able to participate in most of the Company's Board of Directors' meetings.
6. The candidates shall satisfy the Company's criteria for determining independence.

[Criteria for determining independence of outside Director candidates]

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

1. The candidate does not presently serve, or has not served for the past ten years as executive director, executive officer, or employee (hereafter referred to as "Executing Person") of the Company, its subsidiaries, parent company, or sister companies.
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 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 Financial Auditors of the Company or employee who conducts the Company's audit
 - (3) Executing Person of the Company's principal creditors (creditors who have lent to the Group an amount that exceeds 2% of the Group's consolidated total assets)
 - (4) Executing Person of the Company's major vendors (vendors where the amount of Group transaction exceeds 2% of their annual consolidated sales 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 Group other than the director's remuneration.
 - (6) Executing Person of a nonprofit organization where donation from the Group exceeds 10 million yen and where the amount of such donation exceeds 2% of the organization's total revenue.
 - (7) Spouse or a relative within the second degree of kinship of 1. and (1) through (6) above.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Kazumasa Hamada (December 30, 1964) Reelection	<p>Mar. 1987 Joined JUSCO Co., Ltd. (currently Aeon Co., Ltd.)</p> <p>Nov. 2006 Head of Management Planning Department of Posful Corporation (currently AEON Hokkaido Corporation)</p> <p>Mar. 2007 Executive Officer</p> <p>Sept. 2008 General Manager of Control Division of AEON Retail Co., Ltd.</p> <p>Mar. 2011 Executive Officer</p> <p>Mar. 2013 Director and Control and Accounting Officer of Aeon Co., Ltd.</p> <p>Feb. 2015 Regional Office Manager of Kitakanto and Niigata Company of AEON Retail Co., Ltd.</p> <p>Feb. 2015 Director and Senior Managing Executive Officer</p> <p>Mar. 2017 Senior Managing Executive Officer</p> <p>Mar. 2018 Temporarily transferred to the Company (Advisor)</p> <p>May 2018 President and CEO</p> <p>Dec. 2018 President Commissioner of PT Sinar Jernih Sarana (current position)</p> <p>July 2019 President and CEO, and Group CEO of the Company</p> <p>Dec. 2019 President and CEO, Group CEO and General Manager of Financial and Accounting Division (CFO)</p> <p>Apr. 2020 President and CEO, and Group CEO (current position)</p> <p>July 2021 Director of AEON DELIGHT (CHINA) CO., LTD.</p> <p>Aug. 2023 Director of Aeon Delight (China) Service Management Group Co., Ltd.</p>	1,200 shares
<p>Reasons for selection as candidate for Director and roles expected to be performed</p> <p>Kazumasa Hamada was an Executing Person at Aeon Co., Ltd., the Company's parent company, and AEON Retail Co., Ltd., its subsidiary. He has served as President and CEO of the Company since May 2018, and has promoted the growth of the Group in this role. The Company judges that he can continue to contribute to sustainable growth and the increase of corporate value by providing appropriate supervision of the Group's overall management as a Director, and has therefore selected him as a candidate for Director.</p>			
<p>Conflicts of interest</p> <p>There is no conflict of interest between Kazumasa Hamada and the Company.</p>			

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
2	Goro Miyamae (November 17, 1965) Reelection	Jan. 1999	Joined the Company	1,200 shares
		June 2007	Manager, QMS Department, Crisis Management & QMS Division	
		Mar. 2008	Manager, Cleaning Business Department, Cleaning Business Division	
		Mar. 2010	General Manager, Cleaning Business Division	
		May 2016	Executive Officer and General Manager of Cleaning Business Division	
		Nov. 2018	Executive Officer and General Manager of Service Network Promotion Division	
		July 2019	Executive Officer and Manager of Kanto Regional Office	
		Mar. 2020	Executive Officer in charge of overseeing East Japan operations	
		Feb. 2021	Executive Officer in charge of overseeing Marketing DX	
		Mar. 2021	Managing Director in charge of overseeing Marketing DX	
		May 2022	Director and Managing Director in charge of overseeing Marketing DX	
		Dec. 2022	Director and Managing Director in charge of overseeing China business	
		Jan. 2023	Chairperson of Aeon Delight (Jiangsu) Comprehensive Facility Management Service Co., Ltd. (currently Aeon Delight (China) Service Management Group Co., Ltd.) (current position)	
		Mar. 2023	Chairperson and General Manager of AEON DELIGHT (CHINA) CO., LTD. (current position)	
		Mar. 2023	Director and Senior Managing Executive Officer of the Company in charge of overseeing China business	
		Mar. 2024	Director, Senior Managing Executive Officer, and Chief Manager of Overseas Business (current position)	
Reasons for selection as candidate for Director and roles expected to be performed Goro Miyamae has served in the Company as a general manager and as an executive officer in charge of overseeing the cleaning business, a regional office, marketing, DX promotion and the China business. He has sufficient knowledge of the Company's operations, and has excellent ability for business judgment and execution as a Senior Managing Executive Officer. The Company judges that he is able to draw upon his experience and knowledge to supervise management execution as a Director and play an adequate role in deciding on important matters, and has therefore selected him as a candidate for Director.				
Conflicts of interest There is no conflict of interest between Goro Miyamae and the Company.				

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
3	Tetsuya Akutsu (March 21, 1967) Reelection	Apr. 1989	Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)	2,200 shares
		Apr. 2014	General Manager of Investor Relations Department of Mizuho Financial Group, Inc.	
		Apr. 2016	General Manager of Strategic Planning Department of Mizuho Financial Group, Inc. and Mizuho Bank, Ltd.	
		Apr. 2018	Project Team Manager of Overseas Coordination Infrastructure Establishment Project of Mizuho Bank, Ltd.	
		Apr. 2019	Senior Executive Officer, General Manager of Global Corporate Coordination Department of Mizuho Financial Group, Inc. and Mizuho Bank, Ltd.	
		Apr. 2020	Senior Executive Officer, Deputy Officer in charge of Global Corporate Company of Mizuho Financial Group, Inc. Executive Officer, Joint Division Manager of Global Corporate Division of Mizuho Bank, Ltd.	
		May 2021	Managing Director, General Manager of Financial and Accounting Division (CFO) of the Company	
		May 2022	Director of AQTIA Inc.	
		May 2022	Director of PT Sinar Jernih Sarana	
		May 2023	Director, Senior Managing Executive Officer, General Manager of Financial and Accounting Division (CFO) of the Company	
		May 2023	Director of Askmaintenance Co., Ltd. (current position)	
		Aug. 2023	Director of AEON DELIGHT (CHINA) CO., LTD. (current position)	
		Aug. 2023	Director of Aeon Delight (China) Service Management Group Co., Ltd. (current position)	
		Mar. 2024	Director, Senior Managing Executive Officer, Chief Manager of Group Business Management, and CFO of the Company (current position)	
Reasons for selection as candidate for Director and roles expected to be performed Tetsuya Akutsu has broad work experience as an officer and employee of Mizuho Financial Group and the Company in addition to adequate knowledge related to the Company's operations as the person responsible for financial management of the Group, and has a high level of management judgment skills and management execution capability as a Senior Managing Executive Officer. The Company judges that he is able to draw upon his experience and knowledge to supervise management execution as a Director and play an adequate role in deciding on important matters, and has therefore selected him as a candidate for Director.				
Conflicts of interest There is no conflict of interest between Tetsuya Akutsu and the Company.				

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
4	Hiroyuki Watanabe (July 17, 1958) Reelection	<p>Apr. 1982 Joined Isejin Jusco Co., Ltd. (currently Aeon Co., Ltd.)</p> <p>Sept. 2003 General Manager of Administration Division of Kanto Company of JUSCO Co., Ltd.</p> <p>May 2006 Representative Director of AEON Financial Project Co., Ltd. (currently, AEON Bank, Ltd.)</p> <p>Sept. 2006 Director in charge of overseeing Human Resources and General Affairs, and Public Relation</p> <p>Apr. 2008 Director and Managing Executive Officer in charge of Human Resources and General Affairs</p> <p>June 2012 Director, Senior Managing Executive Officer, and Head of Corporate Management Division</p> <p>Nov. 2012 Director of AEON CREDIT SERVICE CO., LTD. (currently, AEON Financial Service Co., Ltd.)</p> <p>Apr. 2014 Representative Director and Senior Managing Executive Officer, Head of Sales Division of AEON Bank, Ltd.</p> <p>Apr. 2015 President and Representative Director</p> <p>June 2017 Director and Executive Vice President of AEON Financial Service Co., Ltd.</p> <p>Sept. 2018 Executive Officer in charge of Human Resources and Administration, Administration & Risk Management of Aeon Co., Ltd.</p> <p>Oct. 2018 Director of AEON Financial Service Co., Ltd. (current position)</p> <p>May 2021 Director of the Company (current position)</p> <p>Mar. 2022 Executive Vice President and Executive Officer in charge of Human Resources and Administration, Administration & Risk Management of Aeon Co., Ltd.</p> <p>June 2023 Director of Inageya Co., Ltd.</p> <p>Mar. 2024 Executive Vice President and Executive Officer in charge of Human Resources and AEON Living Zone Promotion, Administration & Risk Management of Aeon Co., Ltd. (current position)</p>	0 shares
Reasons for selection as candidate for Director and roles expected to be performed Hiroyuki Watanabe, currently or in the past, is or was an Executing Person at Aeon Co., Ltd., the Company's parent company, and AEON Bank, Ltd. and AEON Financial Service Co., Ltd., its subsidiaries. The Company judges that he is able to draw upon the experience and knowledge he has accumulated in his career to supervise management execution as a Director and play an adequate role in deciding on important matters, and has therefore selected him as a candidate for Director.			
Conflicts of interest There is no conflict of interest between Hiroyuki Watanabe and the Company.			

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company's shares owned
5	Keiji Yoshikawa (July 6, 1950) Reelection Candidate for outside Director Candidate for independent officer	Apr. 1973	Joined Nippon Sheet Glass Co., Ltd.	1,300 shares
		June 2004	Corporate Officer, General Manager of Information & Telecommunication Device Division, and Plant Manager of Sagamihara Plant	
		Jan. 2008	Corporate Officer and General Manager of IT Business Unit	
		June 2008	Director, Executive Officer, and Head of Specialty Glass Worldwide	
		Feb. 2012	Director, Representative Executive Officer, and Executive Vice President and CPMO (Chief Project Management Officer)	
		Apr. 2012	Director, Representative Executive Officer, and President and CEO	
		June 2015	Advisor	
		June 2018	Director of Kansai Paint Co., Ltd. (outside)	
		May 2021	Director of the Company (outside, current position)	
		June 2021	Director and Member of the Audit and Supervisory Committee of Fujikura Ltd. (outside, current position)	
Reasons for selection as candidate for outside Director and roles expected to be performed Keiji Yoshikawa has management experience as the representative executive officer and president and CEO of a company listed on the first section (currently Prime Market) of the Tokyo Stock Exchange, as well as experience as the top of a global corporation based in Japan. The Company therefore judges that he is able to continue to supervise management execution as a Director by contributing to improve the Company's management and corporate governance, not only in the Company's domestic business but also its overseas business management, and play an adequate role in deciding on important matters, and has therefore selected him as a candidate for outside Director.				
Conflicts of interest There is no conflict of interest between Keiji Yoshikawa and the Company.				
Note: The Company has entered into an agreement with Keiji Yoshikawa regarding liabilities under Article 423, paragraph 1 of the Companies Act, to limit his liability for damages to the minimum liability amount stipulated by laws and regulations, if he has acted in good faith and without gross negligence in performing his duties as an outside Director. If his reelection is approved, the Company plans to renew this agreement with him. He is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been four years.				

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company, and significant concurrent positions outside the Company		Number of the Company’s shares owned
6	Asako Takada (March 20, 1964) Reelection Candidate for outside Director Candidate for independent officer	Apr. 1987	Joined E.F. Hutton & CO., Inc.	600 shares
		Jan. 1988	Joined Morgan Stanley Japan Limited	
		Apr. 2002	Lecturer of Faculty of Business Administration, Takachiho University	
		Apr. 2003	Assistant Professor of Faculty of Business Administration	
		Apr. 2008	Associate Professor of Hosei Business School of Innovation Management	
		Apr. 2011	Professor of Hosei Business School of Innovation Management (current position)	
		Sept. 2015	Director of Global MBA Program, Hosei Business School of Innovation Management (current position)	
		Apr. 2021	General Manager of Recurrent Education Office of Hosei University (current position)	
		May 2021	Director of the Company (outside, current position)	
		Apr. 2022	Assistant to President, Advisor on regrowth of The Asahi Shimbun Company (current position)	
Reasons for selection as candidate for outside Director and roles expected to be performed Asako Takada has insight and knowledge in the areas of organization theory and innovation, which are her research fields as a university professor. The Company judges that she is able to continue to supervise management execution as a Director by drawing on these attributes to contribute to promote organizational culture reforms for improving the Company’s corporate value, improving the Company’s corporate governance, and promoting diversity, and play an adequate role in deciding on important matters, and has therefore selected her as a candidate for outside Director.				
Conflicts of interest There is no conflict of interest between Asako Takada and the Company.				
Note: The Company has entered into an agreement with Asako Takada regarding liabilities under Article 423, paragraph 1 of the Companies Act, to limit her liability for damages to the minimum liability amount stipulated by laws and regulations, if she has acted in good faith and without gross negligence in performing her duties as an outside Director. If her reelection is approved, the Company plans to renew this agreement with her. She is currently an outside Director of the Company, and at the conclusion of this meeting, her tenure will have been four years.				

Candidate No.	Name (Date of birth)	Career summary, position, and responsibility in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Toshio Shimada (June 4, 1957) Reelection Candidate for outside Director Candidate for independent officer	Apr. 1980 Joined Japan Gasoline Co., Ltd. July 1990 Joined Sanwa Research Institute Corp. (currently Mitsubishi UFJ Research and Consulting Co., Ltd.) Aug. 1992 Joined JGC Information Systems Co., Ltd. Nov. 1997 Joined CAC Co., Ltd. (currently CAC Holdings Corporation) Mar. 2000 Executive Officer and General Manager of Corporate Planning Department Mar. 2002 Director and Senior Vice President of Corporate Planning Department July 2003 Managing Director and Senior Vice President of Corporate Division Mar. 2004 President and CEO Jan. 2011 Representative Director and Chairman Mar. 2015 Chairman and Director Mar. 2019 Special Advisor (current position) June 2021 Director of Bandai Namco Holdings Inc. (outside, current position) May 2023 Director of the Company (outside, current position)	0 shares
Reasons for selection as candidate for outside Director and roles expected to be performed Toshio Shimada has served in the corporate planning department of an IT company and as its representative director, and possesses experience and insight in corporate management as well as broad knowledge and insight related to digital technology. The Company judges that he is able to draw upon his experience and knowledge to contribute to the Company's promotion of DX and supervise management execution as a Director and play an adequate role in deciding on important matters, and has therefore selected him as a candidate for outside Director.			
Conflicts of interest There is no conflict of interest between Toshio Shimada and the Company.			
Note: The Company has entered into an agreement with Toshio Shimada regarding liabilities under Article 423, paragraph 1 of the Companies Act, to limit his liability for damages to the minimum liability amount stipulated by laws and regulations, if he has acted in good faith and without gross negligence in performing his duties as an outside Director. If his reelection is approved, the Company plans to renew this agreement with him. He is currently an outside Director of the Company, and at the conclusion of this meeting, his tenure will have been two years.			

Summary of Directors and Officers Liability Insurance Policy

In accordance with Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy in which the Directors are insureds. The policy will cover loss incurred when an insured assumes responsibility for the performance of their duties or receives a claim related to the pursuit of such responsibility. However, loss, etc. resulting from criminal acts and intentional violations of the law by the Directors themselves are not covered. When the candidates assume their offices as Directors, they will be insureds under the insurance policy. The full amount of the insurance premiums is borne by the Company, and at the time of the next renewal, the Company plans to renew the policy with the same content.

Proposal No. 2 Election of Two Audit & Supervisory Board Members

The terms of office of Audit & Supervisory Board Members, Kiyonori Suzuki and Takafumi Fujimoto, will expire at the conclusion of this meeting.

Therefore, the Company proposes the election of two Audit & Supervisory Board Members.

The candidate for outside Audit & Supervisory Board Member satisfies the requirements of an independent officer under the provisions of the Tokyo Stock Exchange.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Kiyonori Suzuki (March 3, 1965) Reelection Candidate for outside Audit & Supervisory Board Member Candidate for independent officer	<div>Apr. 1987 Joined The Dai-Ichi Kangyo Bank, Limited (currently Mizuho Bank, Ltd.)</div> <div>May 2005 Takanawadai Branch Manager and Takanawadai Ekimae Branch Manager of Mizuho Bank, Ltd.</div> <div>Apr. 2008 Examiner of Corporate Examination Department 2</div> <div>Apr. 2012 General Manager of Semba Corporate Department of Semba Branch</div> <div>June 2015 Managing Director of Mizuho Capital Co., Ltd.</div> <div>May 2024 Audit & Supervisory Board Member of the Company (outside, current position)</div> <div>May 2024 Audit & Supervisory Board Member of AEON DELIGHT (VIETNAM) CO., LTD. (outside, current position)</div> <div>Jan. 2025 General Auditor of Aeon Delight (China) Service Management Group Co., Ltd. (outside, current position)</div>	0 shares
Reasons for selection as candidate for outside Audit & Supervisory Board Member Kiyonori Suzuki had held key positions in Mizuho Bank, Ltd. The Company judges that he will contribute to the further enhancement of the Company's audit operations as he has abundant experience and deep knowledge acquired through his career as well as experience serving as a Director at Mizuho Capital Co., Ltd., and has therefore selected him as a candidate for outside Audit & Supervisory Board Member.			
Conflicts of interest There is no conflict of interest between Kiyonori Suzuki and the Company.			
Note: The Company has entered into an agreement with Kiyonori Suzuki regarding liabilities under Article 423, paragraph 1 of the Companies Act, to limit his liability for damages to the minimum liability amount stipulated by laws and regulations, if he has acted in good faith and without gross negligence in performing his duties as an outside Audit & Supervisory Board Member. If his reelection is approved, the Company plans to renew this agreement with him. He is currently an outside Audit & Supervisory Board Member of the Company, and at the conclusion of this meeting, his tenure will have been one year.			

Candidate No.	Name (Date of birth)	Career summary, position in the Company, and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Takafumi Fujimoto (March 23, 1965) Reelection	Apr. 1987 Joined National Police Agency Oct. 2009 Director of Community Police Affairs Division, Community Safety Bureau of National Police Agency Oct. 2011 Chief of Kagawa Prefectural Police Headquarters Feb. 2013 Executive Assistant to the National Public Safety Commission, Commissioner-General's Secretariat, National Police Agency Jan. 2014 Director, Community Safety Bureau, National Police Agency Aug. 2015 Personnel Division, Commissioner-General's Secretariat, National Police Agency Apr. 2017 Chief Inspector General, Commissioner-General's Secretariat, National Police Agency Sept. 2018 Deputy Vice-Minister for Policy Coordination, Commissioner-General's Secretariat, National Police Agency Jan. 2020 Chief of Osaka Prefectural Police Headquarters Jan. 2021 Director-General, Criminal Investigation Bureau, National Police Agency May 2022 Advisor of AEON CO., Ltd. (current position), Auditor of The Daiei, Inc., Auditor of AEON CREDIT SERVICE CO., LTD. May 2023 Audit & Supervisory Board Member of the Company (current position) May 2023 Auditor of AEON Retail Co., Ltd. (current position) May 2023 Corporate Auditor of AEON Financial Service Co., Ltd. (current position)	0 shares
Reasons for selection as candidate for Audit & Supervisory Board Member Takafumi Fujimoto has held key positions in the National Police Agency. The Company judges that he will contribute to the further enhancement of the Company's audit operations, as he has abundant experience and deep knowledge acquired through his career as well as serving as an Auditor of AEON Retail Co., Ltd. and a Corporate Auditor of AEON Financial Service Co., Ltd., which are subsidiaries of the Company's parent company, and has selected him as a candidate for Audit & Supervisory Board Member.			
Conflicts of interest There is no conflict of interest between Takafumi Fujimoto and the Company.			

Summary of Directors and Officers Liability Insurance Policy

In accordance with Article 430-3, paragraph 1 of the Companies Act, the Company has entered into a directors and officers liability insurance policy in which the Audit & Supervisory Board Members are insureds. The policy will cover loss incurred when an insured assumes responsibility for the performance of their duties or receives a claim related to the pursuit of such responsibility. However, loss, etc. resulting from criminal acts and intentional violations of the law by the Audit & Supervisory Board Members themselves are not covered. When the candidate assumes his office as Audit & Supervisory Board Member, he will be an insured under the insurance policy. The full amount of the insurance premiums is borne by the Company, and at the time of the next renewal, the Company plans to renew the policy with the same content.

3. Matters related to Share Subscription Rights (As of February 28, 2025)

Share Subscription Rights (Stock compensation-type stock options)

The following is the status of the share subscription rights that were issued as compensation for the execution of duties owned by the Company's Directors excluding outside Directors as of the end of the fiscal year.

Issues of stock options (Issuance resolution date)	Exercise period	Number of share subscription rights	Number of shares subject to the rights	Number of persons holding the rights	Issuing price	Amount of capital contributed upon exercise
No. 13 share subscription rights (May 11, 2020)	June 10, 2020 to June 10, 2035	60	6,000 shares	1	2,738 yen per share	0.5 yen per share
No. 14 share subscription rights (May 10, 2021)	June 10, 2021 to June 10, 2036	60	6,000 shares	1	2,823 yen per share	0.5 yen per share
No. 15 share subscription rights (May 10, 2022)	June 10, 2022 to June 10, 2037	33	3,300 shares	1	2,379 yen per share	0.5 yen per share
No. 16 share subscription rights (May 10, 2023)	June 10, 2023 to June 10, 2038	43	4,300 shares	2	2,460 yen per share	0.5 yen per share
No. 17 share subscription rights (May 10, 2024)	June 10, 2024 to June 10, 2039	34	3,400 shares	2	3,133 yen per share	0.5 yen per share

Conditions for exercising share subscription rights (same for all issues)

1. For the issuance of shares resulting from exercise of the share subscription rights, capitalization shall not be conducted if treasury stocks are appropriated for this purpose.
2. Conditions for exercising share subscription rights
 - (1) The person receiving the share subscription rights must be a Director or Audit & Supervisory Board Member of the Company at the time of exercise of the rights. However, even a person who resigned as a Director or Audit & Supervisory Board Member of the Company may exercise the rights only within five years from the date of the resignation.
 - (2) When exercising share subscription rights, the Director or Audit & Supervisory Board Member must exercise the entire number of the rights in his/her possession and may not exercise them in installments.

Note: Share options are not granted to outside Directors.

6. Systems for Ensuring Fair Business Transactions and Operation Status of the System

(1) Overview of decisions on the systems for ensuring fair business transactions

On May 17, 2024, the Board of Directors adopted a resolution on the basic policy related to systems for ensuring that Directors execute their duties in compliance with laws and regulations and with the Company's Articles of Incorporation and for ensuring just and fair execution of business operations of the Company. The resolution is as follows:

- (i) The system to ensure that the execution of duties by its Directors and employees complies with laws and regulations and with the Company's Articles of Incorporation (compliance system)
 - In addition to complying with laws and regulations and with its Articles of Incorporation, the Company always adheres to its Management Principles, Code of Conduct and My Promises that sets out corporate compliance, and acts with high ethical standards.
 - The Company will implement a system to ensure that the execution of duties by its Directors and employees complies with laws and regulations and with its Articles of Incorporation, as follows:
 - (a) The Board of Directors will make decisions on matters of importance as prescribed by the Board of Directors rules and standards on deliberations as well as provide oversight over the execution of the Company's business operations. Directors will mutually exercise checks and balances within the Board and will ensure that decisions of the Board and the Company's execution of its business comply with laws and regulations and with its Articles of Incorporation;
 - (b) The Board of Directors will appoint an officer in charge of compliance, and the Group Human Resources and General Affairs Department that supervises internal control and compliance will be under this officer's control. The officer in charge of compliance and the Group Human Resources and General Affairs Department will be responsible for ensuring that the Company and its consolidated subsidiaries (hereinafter referred to as the "Group") implement necessary measures to strengthen compliance;
 - (c) The Company's Group Human Resources and General Affairs Department will appoint compliance committee members who do not concurrently serve as Directors or officers at Group companies. Under the supervision of the Company's officer in charge of compliance, it will evaluate the appropriateness of their activities and nominate and dismiss committee members;
 - (d) The Company will require all employees to adhere to laws, regulations, company rules, etc. in the Company's working rules and will organize compliance training periodically or whenever necessary to raise Directors' and employees' compliance awareness of the Group;
 - (e) The Company will implement training and enlightenment programs regarding human rights for its all officers and employees in order for them to be fully aware of AEON's Basic Policy on Human Rights at work places, putting them into practice at work;
 - (f) The Company will establish a whistleblower system to ensure early detection and remedy of inappropriate corporate activities and prevent similar incidents from happening again; and
 - (g) The Group Corporate Audit Department, as an internal audit department, will examine and assess the effectiveness of the compliance system.
- (ii) The system for preservation of information related to execution of duties by the Directors (information preservation system)
 - The Company will implement a system to appropriately store and preserve documents such as the minutes of the general meetings of shareholders and of the Board of Directors, the preservation of which is a statutory requirement, and other important information, as follows:
 - (a) In accordance with laws and regulations as well as the internal regulations on document management and other internal regulations, the Company will appropriately store and preserve important documents and electromagnetic digital record relating to execution of business by its Directors;
 - (b) The Company will respond immediately to requests from Directors and Audit & Supervisory Board Members to examine those documents and media; and
 - (c) The Company will set out a basic policy on information security, comply with the internal regulations, including regulations on information security management and on protection of personal information,

strengthen information security, and defend against cyber attacks to prevent the leakage of confidential information and personal information.

- (iii) The regulations and systems for management of risk of loss (risk management system)
- To make necessary judgment for and response to expected risks in business activities, the Company will set out a basic policy of risk management and implement a system in accordance with the Risk Management Basic Regulations of AEON delight Group as follows:
 - (a) As for risk management during the normal course of business, risk management departments, assigned for each risk, will manage risk to prevent risk-related incidents and reduce loss;
[Basic Policy of Risk Management]
 - Various risks that have significant impact on the Group's business activities and may cause loss or damage will be managed in an integrated and continuous manner;
 - After identifying and analyzing risks, specifying material risks among them, and examining countermeasures to avoid, reduce, transfer, or hold risks, the Company will develop appropriate countermeasures to reduce loss or damage suffered by the Group due to the materialization of significant risks. In the event of risk materialization, the Company will work to minimize damage to stakeholders, including customers, and to promote rapid recovery by responding appropriately and promptly as an organization; and
 - The entire Group will operate the PDCA cycle and promote risk management.
 - (b) The Risk Management Committee, with the Group Human Resources and General Affairs Department serving as its secretariat, will summarize significant risks identified by the Committee, the results of risk assessment and analysis performed by each department in charge of risk management as well as the proposed countermeasures, and periodically report its findings to the Board of Directors. In addition, each company of the Group has the person in charge of risk management who will identify the status of management of its significant risks and report to the Chief Risk Management Officer of the Company. If risk becomes actualized and substantial damage can be expected, Directors must promptly report it to the Audit & Supervisory Board Members;
 - (c) In times of emergencies, the Disaster Response Headquarters will be established, with the President acting as the head, to enable quicker decision-making and execution than during normal times. In addition, it will prepare the basic regulations and manuals for business continuity in times of crisis (BCP basic regulations), BCP detailed regulations, disaster recovery handbook, etc., periodically revise regulations and manuals, and plan and conduct disaster drills;
 - (d) For risks of infringement of human rights among the business risks, the Company will conduct human rights due diligence under AEON's Basic Policy on Human Rights and promote initiatives to avoid or reduce negative impact on human rights; and
 - (e) The Group Corporate Audit Department will evaluate the effectiveness of risk management through audits of the departments in charge of risk.
 - The Company, with its commitment to quality of its operations as a way to embody "creation of environmental value" enshrined in its Management Principle, will implement a system for maintaining and improving quality so as to continue to prove popular with customers, as follows:
 - (a) The Company will establish an Integrated Manual on Quality and Environment and review its contents as needed.
 - (b) To ensure that operations are conducted based on such regulations and manuals on quality standards, the Company will provide qualification education for ISO internal audits to all area and site managers. Staffs who are certified for ISO internal audits will conduct mutual audits to measure the effectiveness of ISO internal audits.
- (iv) The system for ensuring that Directors are executing their duties efficiently (system to ensure efficiency)
- The Company will implement a system to ensure that Directors are executing their duties with efficiency, as follows:
 - (a) The Company will set out the rules of the Board of Directors and identify those issues that require a resolution of the Board, those issues that require discussion of the Board, and those issues that must be reported to the Board. As for other issues before the Board, the Company will demarcate decision-making authority based on regulations on decision-making and on responsibilities and authority of

- the Directors. It will also set out clearly the division of labor for executing business operations within the organization and the boundaries of jobs and responsibilities;
- (b) The Board of Directors will ensure that sufficient deliberation is made for decisions on important management issues and for overseeing management and execution of business operations. In addition, the Company will promote efficiency in the execution of business operations under the executive officer system. At the same time, the Company will promote efficient management of the Group through deliberative bodies such as the Board of Executive Officers meetings, Branch Management Committee meetings, and presidents' meetings of the AEON Group;
 - (c) The Company has put in place a system that ensures the efficiency of management by including multiple independent outside Directors on the Board of Directors to examine the proposals of the management team from multiple angles and carry out effective supervision of the Directors, while supporting swift and decisive decision making. To supervise the fairness of the execution of duties and evaluate the appropriateness of such execution, the Board of Directors has established the Nomination and Compensation Advisory Committee and the Evaluation Advisory Committee composed of independent outside Directors as voluntary advisory committees; and
 - (d) The basic concepts of the Company's corporate governance, which have been outlined above, will be set down in writing and disclosed in AEON delight Corporate Governance Guidelines.
- (v) The system to ensure fair business transactions within the corporate group consisting of the Company, its parent company and subsidiaries (internal control within the corporate group)
- Measures will be implemented for transactions between AEON delight and AEON Co., Ltd., AEON Group companies, or AEON delight subsidiaries to prevent conflicts of interest and to ensure fair transactions.
 - Significant transactions in conflict of interest between controlling shareholders and minority shareholders will be deliberated and examined in a special committee composed of independent outside Directors.
 - The Group will implement a system for sharing its basic philosophy and principles and reinforcing internal control within the Group, as follows:
 - (a) The Company has set down the basic framework for governance of subsidiaries by parent companies in the regulations on management of affiliated companies and the regulations on responsibilities and authority in each Group company, including provisions on matters that subsidiaries must report to the parent company and matters requiring prior approval of the parent company. The Company will also dispatch its Directors and Audit & Supervisory Board Members to its subsidiaries to supervise management of the subsidiaries;
 - (b) In addition to receiving monthly performance reports from its subsidiaries, the Company will organize meetings of the Domestic Group companies, meetings of Chinese Group companies, and meetings of ASEAN Group companies, all of which include the Company's Executive Officers, General Managers, and the Presidents of subsidiaries as members. Through these, the Company will take stock of the performance of its subsidiaries and establish individual growth strategies, budget performance management, and internal control systems as a part of Group governance;
 - (c) The Group will operate its compliance and whistleblower system under a common, unified framework. The Company will conduct annual compliance training for Directors and employees of the Group to foster compliance awareness. The Group Human Resources and General Affairs Department will work with the Compliance Committee members appointed for each Group company to carry out activities that raise compliance awareness among the management and employees of each company. In addition, the Company will ensure that all employees are aware of the Group's whistleblower system and will operate it independently of the management of each Group company;
 - (d) As for internal control related to financial reporting, risk management, and internal audits, the Group will have basic policies implemented across the Group. On the other hand, it will also consider the nature, scope and complexity of the businesses of its subsidiaries so that it can determine the reporting and management systems of each of its subsidiaries; and
 - (e) The Group Corporate Audit Department will regularly inspect the subsidiaries. In conducting business operation audits, the Group Corporate Audit Department will place under close scrutiny those subsidiaries that are considered high risk in light of past performance audits and whistleblower incidents.

- (vi) Matters related to employees assisting the Audit & Supervisory Board Members (assignment of audit & supervisory board member staff)
 - If requested by the Audit & Supervisory Board Members, the Company will assign employees to work exclusively for the Audit & Supervisory Board Members as assistants.
 - Such employees will follow the instructions of the Audit & Supervisory Board Members and assist their work.
- (vii) Matters related to the independence of employees assisting the Audit & Supervisory Board Members from the Directors (independence of audit & supervisory board member staff)
 - The Company must obtain prior approval of full-time Audit & Supervisory Board Members or of the Audit & Supervisory Board on matters related to the employment, selection, transfer, and other personnel decisions related to the employees assisting the Audit & Supervisory Board Members. Full-time Audit & Supervisory Board Members will perform the performance evaluation of such employees.
 - The Company must obtain prior approval of full-time Audit & Supervisory Board Members or of the Audit & Supervisory Board before initiating disciplinary action against employees working in the Audit Office.
- (viii) The System for enabling Directors and employees to report to the Audit & Supervisory Board Members and other matters related to making reports to the Audit & Supervisory Board Members (Audit & Supervisory Board Member reporting system)
 - The Directors and employees of the Group must report immediately to the Audit & Supervisory Board Members or the Audit & Supervisory Board if they discover or come to have knowledge of any fact that will have a significant impact on the Group's business or business performance, or if they discover or come to have knowledge of any breach of laws and regulations or other compliance-related issues.
 - The Group Corporate Audit Department and the Group Human Resources and General Affairs Department will regularly report the statuses of internal audits, compliance, and risk management of the Group to the Audit & Supervisory Board Members of the Company.
 - The Audit & Supervisory Board Members may attend the Board of Directors meetings and other important meetings related to the management of the Company's business and freely express their views.
 - The Group Human Resources and General Affairs Department will be the office responsible for the Group's whistleblower system. That office will, periodically or whenever necessary, provide reports to the Audit & Supervisory Board Members on the status of whistleblower reports made by the Group's Directors and employees through the whistleblower system.
 - The Company prohibits anyone from unfavorably treating or taking retaliatory action against any Director or employee of the Group or any user of the whistleblower system for having made a report to an Audit & Supervisory Board Member or for having used the whistleblower system. The Company will ensure that Directors and employees of the Group are made fully aware of this prohibition.
- (ix) Other systems for ensuring that the Audit & Supervisory Board Members can execute their duties effectively (system for ensuring effective audit by Audit & Supervisory Board Members)
 - The Company will implement a system to ensure that the Audit & Supervisory Board Members can conduct their audits effectively, as follows:
 - (a) The President has regular meetings with Audit & Supervisory Board Members at the request of the Audit & Supervisory Board and full-time Audit & Supervisory Board Members, and exchanges views on issues that need to be dealt with and other important issues pertaining to the audit. In addition, the outside Directors regularly attend the Audit & Supervisory Board meetings to exchange views for mutual understanding.
 - (b) The Group Corporate Audit Department reports to Audit & Supervisory Board Members on the state of implementation of internal audits and closely coordinates such as by exchanging opinions in a system contributing to the effective implementation of audit operations.
 - (c) If requested by the Audit & Supervisory Board Members to make a report or submit related documents and other materials on matters within the remit of the Audit & Supervisory Board Members, the Directors and employees of the Group will comply with the request promptly and in good faith.
 - The Company will meet reasonable requests made by the Audit & Supervisory Board Members for payment of expenses required for execution of their duties, as follows:

- (a) If requested by the Audit & Supervisory Board Members to make advance payment of costs related to execution of their duties pursuant to the provisions of the Companies Act, Article 388, the Company will promptly settle such expenses or debt; and
 - (b) The Company will allocate a certain amount of budget in advance for expenses that the Company deems necessary for the Audit & Supervisory Board Members to execute their duties. Contingencies paid by the Audit & Supervisory Board Members will be settled afterward based on a claim made by the Audit & Supervisory Board Members.
- (x) System for eliminating anti-social forces
- The Company will sever any and all ties with anti-social forces. If unfair claims are made against the Company by anti-social forces, the Company will work with specialist outside organizations to take legal steps as an organization.
 - If it comes to light that a business partner of the Company is an anti-social force, has business dealings with anti-social forces, or has resorted to violent and intimidating anti-social behavior, the Company will immediately rescind all transactions and agreements with such business partner.
 - The Company will appoint the Group Human Resources and General Affairs Department to handle requests from anti-social forces, actively collect information from external organizations, and strive to eliminate anti-social forces.
- (xi) Internal control system for financial reporting
- The Company will set out the Regulations on Internal Control Related to Financial Reporting based on the Company's internal control and reporting system. The Company will work towards ensuring the accuracy and reliability of financial reporting of the Group through education, supervision, and evaluation.

(2) Systems for ensuring fair business transactions and operation status of the system

The Company is implementing and operating the internal control system based on the Basic Policy on the Internal Control System mentioned above. The following is an overview of the operational status of the system to ensure fair business transactions of the Company for the current fiscal year.

- (i) The system to ensure that the execution of duties by its Directors and employees complies with laws and regulations and with the Company's Articles of Incorporation (compliance system)
- The Company has set out the rules of the Board of Directors and other internal regulations and appointed an officer in charge of compliance to ensure that Directors act in compliance with laws, regulations, and the Articles of Incorporation. The Board of Directors has held 19 meetings and one written resolution in the current fiscal year to deliberate each proposal and supervise the execution of business operations. Moreover, the Company is also providing officer compliance training to Directors and Executive Officers of the Company.
 - The officer in charge of compliance has been appointed the Officer of Operation Control in compliance, and the Group Human Resources and General Affairs Department is under this officer's control. The officer in charge of compliance and the Group Human Resources and General Affairs Department implement measures necessary to strengthen compliance of the Group and regularly report the status of those measures to the Board of Directors.
 - The Basic Regulations on AEON delight Group Compliance have been set out, and the officer and department in charge of compliance have been appointed for each organization including Group companies to raise compliance awareness across the Group.
 - The Company requires all employees to adhere to laws, regulations, company rules, etc. in the Company's working rules and has distributed the booklet entitled Compliance Basics 2021 to raise employees' compliance awareness as an effort in the AEON Group as a whole.
 - The Company has established a whistleblower system to ensure early detection and remedy of inappropriate corporate activities and prevent similar incidents from happening again. The Group Human Resources and General Affairs Department, as the office to accept whistleblower reports, regularly makes reports on the status of whistleblower reports to the Board of Directors.
- In addition to the whistleblower system within the Company, an office to accept whistleblower reports for the Group as a whole has also been established at an external attorney's office.

- The Group Corporate Audit Department, as an internal audit department, examines and assesses the effectiveness of the compliance system, and regularly reports the findings to the Board of Directors.
- (ii) The system for preservation of information related to execution of duties by the Directors (information preservation system)
- For the minutes of the general meetings of shareholders, the minutes of the Board of Directors, and other legal documents as well as documents and information relating to execution of important duties, the Company has set out and complied with the internal regulations on document management, AEON delight Group regulations on information security management, AEON delight Group regulations on protection of personal information, and other necessary regulations, and has worked on strengthening information security and defending against cyber attacks to prevent the leakage of confidential information and personal information. In addition, the Company has implemented a system to respond immediately to requests from Directors and Audit & Supervisory Board Members to examine those documents and media.
- (iii) The regulations and systems for management of risk of loss (risk management system)
- For risk management during the normal course of business, the Company has assigned departments in charge of each risk to prevent risk-related incidents and reduce losses. In addition, the Company has prepared the Basic Regulations for Business Continuity in Times of Crisis (BCP Basic Regulations), the BCP Detailed Regulations, and other regulations, as well as manuals including the Disaster Recovery Handbook, and plans and conducts disaster response drills in order to prepare for responses in case of disaster. A head office disaster countermeasures headquarters and an on-site disaster countermeasures headquarters are established in the event of a large-scale disaster, swiftly making decisions aimed at business continuity, providing local support, and conducting restoration activities. For risks that may arise in terms of corporate management and business, meetings of the Risk Management Committee, with the Group Human Resources and General Affairs Department serving as its secretariat, shall be held to examine risk analysis and countermeasures, verify the risk scenarios of each Group company, and periodically report the findings to the Board of Directors. The Group Corporate Audit Department evaluates the effectiveness of risk management through audits of the departments responsible for risk.
 - The Company has established the Integrated Manual on Quality and Environment for the maintenance and improvement of the quality of its operations. In addition, to ensure that operations are conducted based on the Integrated Manual on Quality and Environment, the Company is providing qualification education for ISO internal audits focused on all site managers, and ISO internal auditors perform ISO internal audits (mutual audits with site managers as internal auditors) once per year, in order to measure the effectiveness of such audits.
- (iv) The system for ensuring that Directors are executing their duties efficiently (system to ensure efficiency)
- The Company has set out the rules of the Board of Directors and identified those issues that require the resolution of the Board, those that require discussion and those issues that must be reported to the Board. As for other issues before the Board, the Company has demarcated decision-making authority based on regulations on decision-making and on responsibilities and authority of the Directors. It has also set out clearly the division of labor for executing business operations within the organization and the boundaries of jobs and responsibilities.
 - Through the appointment of four independent outside Directors out of the eight Directors in total, the Company has put in place a system that ensures the efficiency of management by examining the proposals of the management team from multiple angles and carrying out effective supervision of the Directors, while supporting swift and decisive decision making.
 - By clearly separating the supervisory functions of the Directors from those of the Executive Officers under the executive officer system, the Board of Directors is able to focus on important decisions and supervisory functions, such as setting the management framework.
 - To supervise the fairness of the execution of duties and evaluate the appropriateness of such execution, the Board of Directors has established the Nomination and Compensation Advisory Committee and the Evaluation Advisory Committee with a majority composed of independent outside Directors and chaired by independent outside Directors as voluntary advisory committees.

- The Board of Executive Officers has been established as an organ for prior discussion of matters to be submitted to the Board of Directors (mainly matters for resolution). On the execution side, the content (cost effectiveness, risk, etc.) is adequately examined to review the content and organize topics for discussion, and the system ensures rational decisions and active deliberation in the Board of Directors.
 - Members of the Board of Directors (mainly outside Directors and outside Audit & Supervisory Board Members) are provided with the necessary information about the content of items to be presented to the Board of Directors in advance. The system ensures the improvement of effectiveness and efficiency of the Board of Directors by establishing a system for outside Directors and outside Audit & Supervisory Board Members to obtain information.
 - The basic concepts of corporate governance have been set down in writing and disclosed in AEON delight Corporate Governance Guidelines.
- (v) The system to ensure fair business transactions within the corporate group consisting of the Company, its parent company and subsidiaries (internal control within the corporate group)
- Measures have been implemented for transactions between AEON delight and any of AEON Co., Ltd., AEON Group companies, or AEON delight subsidiaries to prevent conflicts of interest and to ensure fair transactions through deliberation based on the rules of the Board of Directors and the regulations on responsibilities and authority of the Directors.
 - The Company has established a special committee to deliberate and examine significant transactions in conflict of interest between controlling shareholders and minority shareholders. The committee is composed of independent outside Directors, providing a system ensuring independence from controlling shareholders and performing highly effective supervision.
 - The Company has set down matters that subsidiaries must report to the parent company and matters requiring prior approval of the parent company in the regulations on management of affiliated companies as well as in the table of common standards on responsibilities and authority in each AEON delight Group company, and set out the basic framework for governance of subsidiaries by parent companies. The Company also generally dispatches its Directors and Audit & Supervisory Board Members to its subsidiaries to supervise management of the subsidiaries.
 - In addition to receiving monthly performance reports from its subsidiaries, the Company has organized meetings of the Domestic Group companies, meetings of Chinese Group companies, and meetings of ASEAN Group companies, all of which include the Company's full-time Directors and the Presidents of subsidiaries as members. Through these, the Company is taking stock of the performance of its subsidiaries, and establishing individual growth strategies, budget performance management, and internal control systems as a part of Group governance.
 - The Group is operating its compliance and whistleblower system under a common, unified framework. In the current fiscal year, the Company provided officer compliance training to the Presidents of subsidiaries and general compliance training to ordinary employees, and distributed educational content to all the staff every month to foster compliance awareness.
 - The Group has established a system for the corporate departments of the Group headquarters to directly manage and guide subsidiaries concerning specialized areas in order to further strengthen group management.
 - For risk management for subsidiaries, the Group has developed a system where the Group Human Resources and General Affairs Department requests each company to submit a monthly risk report to verify the status of their risk management.
 - The Company has implemented a system where the Group Corporate Audit Department regularly inspects the subsidiaries. In addition, the Group Corporate Audit Department places under close scrutiny those subsidiaries that are considered high risk in light of past performance audits and whistleblower incidents, and regularly reports their findings to the Board of Directors.
- (vi) Matters related to employees assisting the Audit & Supervisory Board Members (assignment of audit & supervisory board member staff)
- The Company has not assigned such employees.

- (vii) Matters related to the independence of employees assisting the Audit & Supervisory Board Members from the Directors (independence of audit & supervisory board member staff)
 - The Company will obtain prior approval of full-time Audit & Supervisory Board Members or of the Audit & Supervisory Board on the transfer, performance evaluation, disciplinary action, etc. of the employee assisting the Audit & Supervisory Board Members.
- (viii) The System for enabling Directors and employees to report to the Audit & Supervisory Board Members and other matters related to making reports to the Audit & Supervisory Board Members (Audit & Supervisory Board Member reporting system)
 - The Directors and employees of the Company will promptly report to the Audit & Supervisory Board Members if there has arisen any fact that will have a significant impact on the Company's business or business performance, or any breach of laws and regulations or other compliance-related issues.
 - The Group Corporate Audit Department and the Group Human Resources and General Affairs Department have implemented a system to regularly report the statuses of internal audits, compliance, and risk management of the Group to the Audit & Supervisory Board Members. In addition, the Group Human Resources and General Affairs Department has been assigned as the office responsible for the Group's whistleblower system, and reports the status of their whistleblower reports to the Audit & Supervisory Board Members regularly or whenever necessary.
 - The Company has implemented a system where the Audit & Supervisory Board Members may attend important meetings related to the management of the Company's business such as the Board of Executive Officers meetings, in addition to the Board of Directors meetings, and freely express their views.
 - The Company has set down in writing the protection of the user of the whistleblower system (hereinafter referred to as the "reporter") in the AEON delight Group Regulations on the Handling of Whistleblower Reports. In these Regulations, the Company has also set down in writing the penalties imposed on persons who unfavorably treated the reporter or took retaliatory action against the reporter.
- (ix) Other systems for ensuring that the Audit & Supervisory Board Members can execute their duties effectively (system for ensuring effective audit by Audit & Supervisory Board Members)
 - The President has regular meetings with Audit & Supervisory Board Members at the request of the Audit & Supervisory Board and full-time Audit & Supervisory Board Members, and exchanges views on issues that need to be dealt with and other important issues pertaining to the audit. In addition, the outside Directors regularly attend the Audit & Supervisory Board meetings to exchange views.
 - The Group Corporate Audit Department reports to Audit & Supervisory Board Members on the state of implementation of internal audits and closely coordinates such as exchanging opinions in a system contributing to the effective implementation of audit operations.
 - If requested by the Audit & Supervisory Board Members to make a report or submit related documents and other materials on matters within the remit of the Audit & Supervisory Board Members, the Directors and employees of the Group shall comply with the request promptly and in good faith.
 - The Company shall meet reasonable requests made by the Audit & Supervisory Board Members for payment of expenses required for execution of their duties.
- (x) System for eliminating anti-social forces
 - The Company has set out regulations on handling anti-social forces, and has severed any and all ties with anti-social forces. If unfair claims are made against the Company by anti-social forces, the Company shall take legal steps. In addition, the Company shall set out provisions on the elimination of anti-social forces in contracts for transactions. If any existing contracts have no provisions on the elimination of anti-social forces, the Company shall incorporate such provisions in those contracts upon renewal. If a business partner should fall within this criterion, the Company shall rescind all the applicable contracts immediately. Furthermore, the Company has joined an external organization in which the Osaka Prefectural Police provides guidance to companies on prevention of organized crime violence, and makes efforts to actively collect information on and eliminate antisocial forces.
- (xi) Internal control system for financial reporting

- The Company has set out the Regulations on Internal Control Related to Financial Reporting based on the Company's internal control and reporting system, has implemented internal control related to financial reporting, evaluates their operation, and submits the internal control report.

Consolidated Balance Sheet
(As of February 28, 2025)

(Millions of yen)

Assets		Liabilities	
Items	Amount	Items	Amount
Current assets	148,964	Current liabilities	55,711
Cash and deposits	71,764	Notes and accounts payable - trade	29,304
Notes and accounts receivable - trade, and contract assets	53,241	Electronically recorded obligations - operating	5,552
Electronically recorded monetary claims	8,025	Short-term borrowings	260
Securities	8,401	Accounts payable	8,611
Inventories	2,874	Income taxes payable	3,433
Other	4,829	Provision for bonuses	1,714
Allowance for doubtful accounts	(171)	Accrued directors' and corporate auditors' remuneration:	76
		Other	6,759
Fixed assets	20,918	Fixed liabilities	3,716
Tangible fixed assets	6,181	Deferred tax liabilities	1,157
Buildings and structures, net	1,310	Provision for directors' retirement benefits	63
Tools, furniture and fixtures, net	2,639	Retirement benefit liability	1,100
Land	193	Asset retirement obligations	429
Other	2,038	Other	966
Intangible fixed assets	5,376	Total liabilities	59,427
Goodwill	1,231	Net assets	
Other	4,144	Shareholder's equity	104,507
Investments and other assets	9,359	Capital stock	3,238
Investment securities	4,558	Retained earnings	103,417
Deferred tax assets	1,002	Treasury stock	(2,148)
Retirement benefit assets	1,091	Other accumulated comprehensive income	4,765
Other	2,764	Valuation difference on securities	1,435
Allowance for doubtful accounts	(57)	Foreign currency translation adjustments	2,948
		Remeasurements of defined benefit plans	382
		Share subscription rights	62
		Non-controlling shareholders' equity	1,118
		Total net assets	110,454
Total assets	169,882	Total liabilities and net assets	169,882

Consolidated Statement of Income
(March 1, 2024 to February 28, 2025)

(Millions of yen)

Items	Amount	
Net sales		337,929
Cost of sales		292,793
Gross profit		45,136
Selling, general and administrative expenses		28,706
Operating income		16,429
Non-operating income		
Interest income	127	
Dividends income	107	
Equity in income of affiliates	163	
Other	120	518
Non-operating expenses		
Interest expenses	36	
Tender offer advisory fees	138	
Other	139	314
Ordinary income		16,633
Extraordinary loss		
Impairment loss	302	
Other	70	373
Income before income taxes		16,260
Income taxes	4,429	
Income taxes-deferred	192	4,622
Net income		11,638
Net income attributable to non-controlling interests		113
Net income attributable to owners of parent		11,524

Consolidated Statement of Changes in Equity
(March 1, 2024 to February 28, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of period	3,238	532	97,918	(1,779)	99,909
Changes during period					
Dividends of surplus			(4,155)		(4,155)
Net income attributable to owners of parent			11,524		11,524
Purchase of treasury stock				(2,790)	(2,790)
Disposal of treasury stock		(4)		24	19
Cancellation of treasury stock		(527)	(1,870)	2,398	—
Net changes in items other than shareholders' equity					
Total changes during period	—	(532)	5,498	(368)	4,598
Balance at end of period	3,238	—	103,417	(2,148)	104,507

	Other accumulated comprehensive income			
	Valuation difference on securities	Foreign currency translation adjustments	Remeasurements of defined benefit plans	Total other accumulated comprehensive income
Balance at beginning of period	1,212	1,951	17	3,181
Changes during period				
Dividends of surplus				
Net income attributable to owners of parent				
Purchase of treasury stock				
Disposal of treasury stock				
Cancellation of treasury stock				
Net changes in items other than shareholders' equity	222	997	364	1,584
Total changes during period	222	997	364	1,584
Balance at end of period	1,435	2,948	382	4,765

	Share subscription rights	Non-controlling shareholders' equity	Total net assets
Balance at beginning of period	68	1,054	104,212
Changes during period			
Dividends of surplus			(4,155)
Net income attributable to owners of parent			11,524
Purchase of treasury stock			(2,790)
Disposal of treasury stock			19
Cancellation of treasury stock			—
Net changes in items other than shareholders' equity	(5)	64	1,643
Total changes during period	(5)	64	6,241
Balance at end of period	62	1,118	110,454

Notes to Consolidated Financial Statements

Notes to Significant Matters Forming the Basis for Preparing Consolidated Financial Statements

1. Scope of consolidation

Number of consolidated subsidiaries and names of major consolidated subsidiaries

- Number of consolidated subsidiaries 27
- Names of major consolidated subsidiaries
 - AEON DELIGHT ACADEMY CO., LTD.
 - AEON DELIGHT SECURITY CO., LTD.
 - Kankyouseibi Co., Ltd.
 - AEON DELIGHT CONNECT CO., LTD.
 - AEON COMPASS CO., LTD.
 - Hakuseisha CO., LTD.
 - Askmaintenance Co., Ltd.
 - AEON DELIGHT (CHINA) CO., LTD.
 - Aeon Delight (China) Service Management Group Co., Ltd.
 - AEON DELIGHT (MALAYSIA) SDN.BHD.
 - AEON DELIGHT (VIETNAM) CO., LTD.
 - PT Sinar Jernih Sarana
 - Fifteen other companies

2. Application of equity method

There are five associates accounted for using the equity method, and financial statements based on a provisional settlement of accounts are used for those whose closing dates differ from the consolidated closing dates.

There are two associates not subject to application of the equity method, and they are excluded from the scope of application of the equity method due to the insignificant effect on the consolidated financial statements in terms of net income or loss (amount corresponding to equity) and retained earnings (amount corresponding to equity), etc., respectively, and the lack of importance as a whole even when excluded from the equity method.

3. Fiscal years, etc. of consolidated subsidiaries

Among the consolidated subsidiaries, the closing date of 20 companies including AEON DELIGHT (CHINA) CO., LTD. is December 31.

Consolidated financial statements are prepared by using financial statements as of the same date. Adjustments necessary for consolidation are made for significant transactions that have occurred during the period between then and the consolidated closing date.

Fiscal year-ends of consolidated subsidiaries other than the above are the same as the consolidated closing dates.

4. Accounting policies

(1) Valuation standards and methods for significant assets

(i) Valuation standards and methods for securities

Held-to-maturity bonds: Stated at amortized cost (straight-line method)

Other securities

Securities other than shares, etc. without market prices: Stated at fair value (valuation differences are reported as a component of net assets, and the cost of securities sold is calculated by the moving-average method)

Shares, etc. without market prices: Stated at cost using the moving-average method

(ii) Valuation standards and methods for inventories

Merchandise: Stated at cost using the weighted-average method (the book value stated in the balance sheet is written down based on the decreased profitability)

Raw materials and supplies

- Materials: Stated at cost using the first-in first-out (FIFO) method (the book value stated in the balance sheet is written down based on the decreased profitability)
- Supplies: Stated at last purchase price method (the book value stated in the balance sheet is written down based on the decreased profitability)

(2) Depreciation method for significant depreciable assets

- (i) Tangible fixed assets (excluding leased assets): mainly straight-line method

The main useful lives are as follows:

Buildings	3 to 47 years
Area management facility equipment	6 to 15 years
Furniture and fixtures	3 to 20 years

- (ii) Intangible fixed assets (excluding leased assets): straight-line method

Goodwill is amortized over a 5- to 20-year period.

In regard to software for internal use, the straight-line method based on the internal usable period (5 years) is applied.

- (iii) Leased assets:

Leased assets in finance lease transactions that do not transfer ownership are depreciated using the straight-line method assuming that lease periods are useful lives and residual values are zero.

(3) Accounting method for significant provisions

- (i) Allowance for doubtful accounts:

To prepare for loss from uncollectible credits such as notes and accounts receivable-trade, the estimated uncollectible amount is recorded based on actual bad debts with respect to general receivables, and based on individual examinations of recoverability with respect to specific receivables such as debt claims with default potential.

- (ii) Provision for bonuses:

To provide for expenses of bonuses to be paid to employees, the estimated amount of payment corresponding to the current fiscal year is recorded.

- (iii) Accrued directors' and corporate auditors' remuneration:

To provide for performance-based remuneration to be paid to directors and corporate auditors, an amount deemed to be accrued at the end of the current fiscal year is recorded.

- (iv) Provision for directors' retirement benefits:

To provide for directors' retirement benefits of subsidiaries, the necessary payment amount at the end of the fiscal year is recorded based on internal regulations.

(4) Accounting standards for material revenue and expenses

The details of principal performance obligations and the normal time when the performance obligations are satisfied (the normal time of recognition of revenue) in major businesses related to revenue arising from contracts with customers of the Company and consolidated subsidiaries are as follows.

- (i) Facility management business, security business, cleaning business

In the facility management business, security business and cleaning business, the Company has performance obligations to provide building and facility upkeep, inspection and maintenance services, general security services such as facility security, crowd and traffic guidance and security, and security for transportation of valuables, and building and facility cleaning services, and revenue is recognized when judged that the performance obligations have been satisfied upon the completion of each task. However, revenue is recognized equally over the contract period for constant services for a partial contract period because performance obligations are satisfied equally over a certain period.

(ii) Construction work business

In the construction work business, there are performance obligations to provide planning, design and construction of large-scale renovations and store interior design, and the performance obligations are determined to be satisfied over a certain period, with progress of the satisfaction of the progress obligations being estimated, and revenue being recognized based in the progress. For work contracts with a very short period, performance obligations are determined to be satisfied and revenue is recognized upon delivery of completed work.

(iii) Material-related business and vending machine business

In the material-related business and vending machine business, there are performance obligations to deliver products to customers mainly by purchasing indirect materials, procuring materials, etc. and selling products through beverage vending machines, and performance obligations are determined to be satisfied and revenue is recognized at the time control over products is obtained by the customer. Of these product sales, for those for which the Company's role is determined to be that of an agent, such as in consignment buying, revenue is recognized using the net amount. This net amount is obtained by deducting the amount paid to the supplier from the total amount received from the customer.

(5) Standard for translation of significant assets or liabilities denominated in foreign currencies into Japanese yen

Foreign currency-denominated monetary receivables and payables are translated into Japanese yen at the spot exchange rate on the consolidated closing date, and the difference arising from exchange is treated as profit or loss. Assets and liabilities of overseas subsidiaries, etc. are translated into Japanese yen at the spot exchange rate on the closing date. Revenue and expenses are translated into Japanese yen at the average exchange rate during the period. The difference arising from exchange is recorded by including in foreign currency translation adjustments and non-controlling shareholders' equity under net assets.

(6) Other significant matters forming the basis for preparing consolidated financial statements

Accounting standards for retirement benefit liability

To prepare for employees' retirement benefits, retirement benefit liability is recorded at the amount remaining after deducting pension assets from retirement benefit obligations based on the estimated amount at the end of the current fiscal year. In calculating retirement benefit obligations, the benefit formula standard is used as the method to attribute the estimated payment obligation to the period until the end of the current fiscal year.

Actuarial gains and losses are amortized by the straight-line method over a certain number of years (5 to 10 years) within the average remaining service period of employees at the time of occurrence of each fiscal year, commencing from the following fiscal year of the occurrence. Actuarial gains and losses for certain consolidated subsidiaries are expensed in full amount at the time of occurrence.

Any untreated amount of unrecognized actuarial gains and losses is recorded in the remeasurements of defined benefit plans of other accumulated comprehensive income under net assets, after adjusting for tax effects.

Notes to Consolidated Balance Sheet

1. Assets pledged as collateral

Investment securities ¥30 million

2. Accumulated depreciation of tangible fixed assets ¥14,465 million

3. Breakdown of inventories

Merchandise ¥2,326 million

Work in process ¥272 million

Raw materials and supplies ¥275 million

4. Breakdown of notes and accounts receivable - trade, and contract assets

Notes receivable - trade ¥3,928 million

Accounts receivable - trade ¥47,798 million

Contract assets ¥1,514 million

5. Contract liabilities

The amount of contract liabilities included in “Other” under current liabilities on the consolidated balance sheets is as follows.

Contract liabilities ¥1,423 million

Notes to Consolidated Statement of Income

1. Details of impairment loss

Use	Location	Class	Impairment loss (million yen)
—	Kumamoto Prefecture	Goodwill	204
Business assets	Chiba Prefecture	Software	98

(Note 1) For judgments on impairment losses of goodwill, the Group’s assets are grouped using the consolidated company as the grouping unit.

The impairment losses on goodwill stated above concern the loss arising from the impairment of the unamortized balance due to the expected non-achievement of business plan revenue projections, which had been examined at the time of a partial acquisition of a subsidiary’s shares. The recoverable amount was measured at value in use, which is assessed as zero because future cash flows are not expected.

(Note 2) The Group’s business assets are grouped based mainly on business categories of management accounting.

Since recovery of investment cannot be expected due to a decrease in profitability for the above-mentioned business assets, the carrying amount of assets of the asset group was reduced down to the recoverable value. The recoverable amount was measured at value in use, which is assessed as zero because future cash flows are not expected.

2. Details of extraordinary loss – other

Economic compensation was provided for dismissing local employees in line with the liquidation of U-COM Design Consultants (Shenzhen) Co., Ltd., a company of the Group.

Notes to Consolidated Statement of Changes in Equity

1. Class and total number of issued shares at the end of the current fiscal year

Classes of shares	Number of shares at the beginning of the current fiscal year (shares)	Increase (shares)	Decrease (shares)	Number of shares at the end of the current fiscal year (shares)
Ordinary shares	49,169,633	–	700,000	48,469,633

(Note) A decrease of 700,000 shares in the number of issued shares was due to the cancellation of treasury stock.

2. Treasury stock

Classes of shares	Number of shares at the beginning of the current fiscal year (shares)	Increase (shares)	Decrease (shares)	Number of shares at the end of the current fiscal year (shares)
Ordinary shares	634,347	700,000	707,300	627,047

(Note 1) The breakdown of the increase in number is as follows:

Increase due to market purchases 700,000 shares

(Note 2) The breakdown of the decrease in number is as follows:

Decrease due to cancellation of treasury stock 700,000 shares

Decrease due to exercise of share subscription rights 7,300 shares

3. Dividends of surplus

(1) Dividend payment

Resolution	Classes of shares	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
April 9, 2024 Board of Directors' meeting	Ordinary shares	2,087	43.00	February 29, 2024	May 7, 2024
October 8, 2024 Board of Directors' meeting	Ordinary shares	2,068	43.00	August 31, 2024	November 5, 2024

(2) Dividends of which the record date falls within the current fiscal year and the effective date falls later than the current fiscal year-end

Resolution	Classes of shares	Source of dividends	Total amount of dividends (million yen)	Dividend per share (yen)	Record date	Effective date
April 10, 2025 Board of Directors' meeting	Ordinary shares	Retained earnings	2,105	44.00	February 28, 2025	May 2, 2025

4. Share subscription rights

Class and number of shares subject to share subscription rights

Ordinary shares 23,000 shares

Notes on Financial Instruments

1. Matters regarding status of financial instruments

The Group limits its asset management mainly to financial assets with a high level of safety. Funds are procured primarily through own funds.

In regard to trade receivables such as notes and accounts receivable, the Group regularly monitors the status of customers and manages due dates and outstanding balances by customer. The Group also promptly detects any concerns over collection due to deterioration of financial position, etc. and mitigates default risks.

Securities and investment securities are mainly held-to-maturity bonds and shares of companies that have business relations with the Company. Market prices are determined every quarter for securities with available market prices.

Trade payables such as notes and accounts payable - trade have payment dates due within one year.

Short-term borrowings are procurement associated with working capital.

2. Fair values of financial instruments

The amounts recorded on the consolidated balance sheet, fair values, and the difference between them are as follows.

(Millions of yen)

	Amount recorded on the consolidated balance sheet	Fair value	Difference
(1) Securities and investment securities			
(i) Held-to-maturity bonds	8,401	8,401	—
(ii) Other securities	3,918	3,918	—
Total assets	12,320	12,320	—

(Note 1) “Cash and deposits,” “notes and accounts receivable - trade, and contract assets,” “electronically recorded monetary claims,” “notes and accounts payable - trade,” “electronically recorded obligations - operating,” “short-term borrowings,” “accounts payable,” and “income taxes payable” are omitted, because the fair values are approximately equal to the carrying amounts due to being cash and being settled within a short period of time.

(Note 2) Shares, etc. without market prices are not included in (1) “Securities and investment securities” mentioned above. The amount recorded on the consolidated balance sheet for the financial instruments is as follows.

Type	Current fiscal year (million yen)
Unlisted shares	639

3. Matters regarding the breakdown table, etc. for each appropriate fair value classification of financial instruments

The fair values of financial instruments are classified into the three following levels according to observability and significance of inputs pertaining to calculation of fair value.

- Level 1 fair value: Fair value calculated using calculation of market price related to observable inputs for calculation of fair value that are assets or liabilities subject to calculation of the fair value formed in an active market
- Level 2 fair value: Fair value calculated using observable inputs for calculation of fair value that are inputs for calculation of fair value other than Level 1
- Level 3 fair value: Fair value calculated using inputs for calculation of unobservable fair value

When using multiple inputs that have a significant effect on calculation of fair value, the fair value is classified in the level to which each of the inputs belongs that has the lowest priority in the calculation of fair value.

(1) Financial instruments recorded on the consolidated balance sheet at fair value

(Millions of yen)

Type	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Other securities				
Shares	3,918	—	—	3,918
Total assets	3,918	—	—	3,918

(2) Financial instruments other than financial instruments recorded on the consolidated balance sheet at fair value
(Millions of yen)

Type	Fair value			
	Level 1	Level 2	Level 3	Total
Securities and investment securities				
Held-to-maturity bonds				
Bonds	—	2,403	—	2,403
Other	—	5,997	—	5,997
Total assets	—	8,401	—	8,401

(Note) Valuation method used for calculation of fair value and explanation of inputs for calculation of fair value
Securities and investment securities

The fair values of these are based on prices on exchanges for shares. The fair values of listed shares traded on active markets are classified in Level 1. Meanwhile, the fair values of bonds and other securities with low market transaction frequency that are not recognized as having a market price on an active market are classified in Level 2.

Notes on revenue recognition

1. Information separating revenue arising from contracts with customers

(Millions of yen)

	Reportable segments							Total
	Facility management business	Security business	Cleaning business	Construction work business	Material-related business	Vending machine business	Support business	
Net sales	75,381	53,345	71,875	60,794	48,209	9,300	19,023	337,929
Revenue arising from contracts with customers	75,381	53,345	71,875	60,794	48,209	9,300	19,023	337,929
Sales to external customers	75,381	53,345	71,875	60,794	48,209	9,300	19,023	337,929

2. Information forming the basis for understanding revenue arising from contracts with customers

This is stated in “Consolidated Financial Statements. Notes to Significant Matters Forming the Basis for Preparing Consolidated Financial Statements 4. Accounting policies (4) Accounting standards for material revenue and expenses.”

3. Information for understanding the amount of revenue for the current fiscal year and from the following fiscal year

(1) Balance of contract assets and contract liabilities, etc.

(Millions of yen)

	Current fiscal year
Receivables arising from contracts with customers (balance at beginning of period)	54,939
Receivables arising from contracts with customers (balance at end of period)	59,752
Contract assets (balance at beginning of period)	1,817
Contract assets (balance at end of period)	1,514
Contract liabilities (balance at beginning of period)	1,557
Contract liabilities (balance at end of period)	1,423

Contract assets are related to the rights of the Company and consolidated subsidiaries for consideration pertaining to the performance obligations for providing services based on contracts with customers in the facility management business, security business, cleaning business and construction work business where a performance obligation has been fulfilled but an invoice has not been issued as of the end of the period. Contract assets are transferred to receivables arising from contracts with customers at the time the rights of the Company and consolidated subsidiaries for consideration become unconditional.

Contract liabilities are related to contracts with customers where an advance has been received from the customer. Contract liabilities are reversed as revenue is recognized.

(2) Transaction price allocated to residual performance obligations

A practical expedient is applied and information on residual performance obligations has been omitted because the Group has no material contracts with a contract period initially anticipated to exceed one year. Furthermore, there are no material amounts not included in transaction prices within the consideration arising from contracts with customers.

Notes on Per Share Information

Net assets per share	¥2,284.02
Net income per share	¥239.29
Diluted net income per share	¥239.16

Non-consolidated Balance Sheet
(As of February 28, 2025)

(Millions of yen)

Assets		Liabilities	
Items	Amount	Items	Amount
Current assets	111,696	Current liabilities	51,129
Cash and deposits	48,804	Notes payable - trade	839
Notes receivable - trade	3,764	Electronically recorded obligations - operating	5,506
Electronically recorded monetary claims	8,009	Accounts payable - trade	24,376
Accounts receivable - trade and contract assets	36,895	Lease debts	177
Leased investment assets	745	Accounts payable	4,938
Securities	8,401	Accrued expenses	147
Inventories	2,547	Income taxes payable	2,679
Prepaid expenses	861	Advances received	294
Short-term loans receivable to subsidiaries and associates	350	Deposits received	9,517
Accounts receivable-other	508	Provision for bonuses	1,205
Other	878	Accrued directors' and corporate auditors' remuneration:	25
Allowance for doubtful accounts	(70)	Other	1,420
Fixed assets	36,578	Fixed liabilities	966
Tangible fixed assets	4,609	Lease debts	628
Buildings	1,044	Asset retirement obligations	300
Area management facility equipment	1,094	Other	36
Tools, furniture and fixtures	1,969		
Land	1	Total liabilities	52,095
Construction in progress	134	Net assets	
Other	366	Shareholder's equity	95,015
Intangible fixed assets	4,663	Capital stock	3,238
Goodwill	844	Capital surplus	4,551
Software	3,290	Legal capital surplus	2,963
Other	528	Other capital surplus	1,587
Investments and other assets	27,305	Retained earnings	89,374
Investment securities	2,557	Legal retained earnings	395
Shares of subsidiaries and associates	12,895	Other retained earnings	88,978
Investments in capital of subsidiaries and associates	8,795	General reserve	7,120
Long-term loans receivable	15	Retained earnings brought forward	81,858
Distressed receivables	30	Treasury stock	(2,148)
Long-term prepaid expenses	641	Valuation and translation adjustments	1,101
Deferred tax assets	1,087	Valuation difference on securities	1,101
Other	1,322	Share subscription rights	62
Allowance for doubtful accounts	(41)		
Total assets	148,275	Total net assets	96,179
		Total liabilities and net assets	148,275

Non-consolidated Statement of Income
(March 1, 2024 to February 28, 2025)

(Millions of yen)

Items	Amount	
Net sales		269,370
Cost of sales		237,042
Gross profit		32,327
Selling, general and administrative expenses		19,467
Operating income		12,859
Non-operating income		
Interest income	21	
Dividends income	482	
Other	6	509
Non-operating expenses		
Interest expenses	32	
Tender offer advisory fees	138	
Other	65	237
Ordinary income		13,131
Income before income taxes		13,131
Income taxes	3,410	
Income taxes-deferred	(41)	3,368
Net income		9,763

Non-consolidated Statement of Changes in Equity
(March 1, 2024 to February 28, 2025)

(Millions of yen)

	Shareholders' equity			
	Capital stock	Capital surplus		
		Legal capital surplus	Other capital surplus	Total capital surplus
Balance at beginning of period	3,238	2,963	3,990	6,953
Changes during period				
Dividends of surplus				
Net income				
Purchase of treasury stock				
Disposal of treasury stock			(4)	(4)
Cancellation of treasury stock			(2,398)	(2,398)
Net changes in items other than shareholders' equity				
Total changes during period	—	—	(2,402)	(2,402)
Balance at end of period	3,238	2,963	1,587	4,551

	Shareholders' equity					
	Retained earnings				Treasury stock	Total shareholders' equity
	Legal retained earnings	Other retained earnings		Total retained earnings		
		General reserve	Retained earnings brought forward			
Balance at beginning of period	395	7,120	76,250	83,766	(1,779)	92,178
Changes during period						
Dividends of surplus			(4,155)	(4,155)		(4,155)
Net income			9,763	9,763		9,763
Purchase of treasury stock					(2,790)	(2,790)
Disposal of treasury stock					24	19
Cancellation of treasury stock					2,398	—
Net changes in items other than shareholders' equity						
Total changes during period	—	—	5,608	5,608	(368)	2,836
Balance at end of period	395	7,120	81,858	89,374	(2,148)	95,015

	Valuation and translation adjustments		Share subscription rights	Total net assets
	Valuation difference on securities	Total valuation and translation adjustments		
Balance at beginning of period	979	979	68	93,225
Changes during period				
Dividends of surplus				(4,155)
Net income				9,763
Purchase of treasury stock				(2,790)
Disposal of treasury stock				19
Cancellation of treasury stock				–
Net changes in items other than shareholders' equity	122	122	(5)	116
Total changes during period	122	122	(5)	2,953
Balance at end of period	1,101	1,101	62	96,179

Notes to Non-consolidated Financial Statements

Notes to Matters Regarding Significant Accounting Policies

1. Valuation standards and methods for assets

(1) Valuation standards and methods for securities

- (i) Shares of subsidiaries and associates: Stated at cost using the moving-average method

- (ii) Other securities

Securities other than shares, etc. without market prices: Stated at fair value (valuation differences are reported as a component of net assets, and the cost of securities sold is calculated by the moving-average method)

Shares, etc. without market prices: Stated at cost using the moving-average method

(2) Valuation standards and methods for inventories

- (i) Merchandise: Stated at cost using the weighted-average method (the book value stated in the balance sheet is written down based on the decreased profitability)

- (ii) Raw materials and supplies

Materials: Stated at cost using the first-in first-out (FIFO) method (the book value stated in the balance sheet is written down based on the decreased profitability)

Supplies: Stated at last purchase price method (the book value stated in the balance sheet is written down based on the decreased profitability)

2. Accounting policy for depreciation of assets

(1) Tangible fixed assets (excluding leased assets): straight-line method

The main useful lives are as follows:

Buildings	3 to 47 years
Area management facility equipment	6 to 15 years
Furniture and fixtures	3 to 20 years

(2) Intangible fixed assets (excluding leased assets): straight-line method

Goodwill is amortized over a 20-year period.

In regard to software for internal use, the straight-line method based on the internal usable period (5 years) is applied.

(3) Leased assets:

Leased assets in finance lease transactions that do not transfer ownership are depreciated using the straight-line method assuming that lease periods are useful lives and residual values are zero.

3. Accounting policy for provisions

(1) Allowance for doubtful accounts:

To prepare for loss from uncollectible credits such as notes and accounts receivable-trade, the estimated uncollectible amount is recorded based on actual bad debts with respect to general receivables, and based on individual examinations of recoverability with respect to specific receivables such as debt claims with default potential.

(2) Provision for bonuses:

To provide for expenses of bonuses to be paid to employees, the estimated amount of payment corresponding to the current fiscal year is recorded.

(3) Accrued directors' and corporate auditors' remuneration:

To provide for performance-based remuneration to be paid to directors and corporate auditors, an amount deemed to be accrued in the current fiscal year is recorded.

(4) Provision for retirement benefits:

To prepare for retirement benefits of employees, the amount is recorded based on the estimated amounts of retirement benefit obligations and pension assets in the current fiscal year. In calculating retirement benefit obligations, the benefit formula standard is used as the method to attribute the estimated payment obligation to the period until the current fiscal year.

Actuarial gains and losses are amortized by the straight-line method over a certain number of years (10 years) within the average remaining service period of employees at the time of occurrence of each fiscal year, commencing from the following fiscal year of the occurrence.

4. Accounting standards for revenue and expenses

The details of principal performance obligations and the normal time when the performance obligations are satisfied (the normal time of recognition of revenue) in major businesses related to revenue arising from contracts with customers of the Company are as follows.

(i) Facility management business, security business, cleaning business

In the facility management business, security business and cleaning business, the Company has performance obligations to provide building and facility upkeep, inspection and maintenance services, general security services such as facility security, crowd and traffic guidance and security, and security for transportation of valuables, and building and facility cleaning services, and revenue is recognized when judged that the performance obligations have been satisfied upon the completion of each task. However, revenue is recognized equally over the contract period for constant services for a partial contract period because performance obligations are satisfied equally over a certain period.

(ii) Construction work business

In the construction work business, there are performance obligations to provide planning, design and construction of large-scale renovations and store interior design, and the performance obligations are determined to be satisfied over a certain period, with progress of the satisfaction of the progress obligations being estimated, and revenue being recognized based in the progress. For work contracts with a very short period, performance obligations are determined to be satisfied and revenue is recognized upon delivery of completed work.

(iii) Material-related business and vending machine business

In the material-related business and vending machine business, there are performance obligations to deliver products to customers mainly by purchasing indirect materials, procuring materials, etc. and selling products through beverage vending machines, and performance obligations are determined to be satisfied and revenue is recognized at the time control over products is obtained by the customer. Of these product sales, for those for which the Company's role is determined to be that of an agent, such as in consignment buying, revenue is recognized using the net amount. This net amount is obtained by deducting the amount paid to the supplier from the total amount received from the customer.

5. Other significant matters forming the basis for preparing non-consolidated financial statements

Accounting for retirement benefits

The method of accounting for untreated amount of unrecognized actuarial gains and losses in regard to retirement benefits is different from that of consolidated financial statements.

Notes to Non-consolidated Balance Sheet

1. Assets pledged as collateral

Shares of subsidiaries and associates	¥29 million
Investment securities	¥1 million

2. Guarantee obligations

Guarantee is provided to the following subsidiaries and associates.

PT Sinar Jernih Sarana	¥116 million
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3. Accumulated depreciation of tangible fixed assets ¥11,286 million

4. Monetary receivables from and payables to subsidiaries and associates (excluding those presented separately)

Short-term monetary receivables	¥918 million
Short-term monetary payables	¥11,977 million

5. Breakdown of inventories

Merchandise	¥2,323 million
Work in process	¥142 million
Raw materials and supplies	¥81 million

Notes to Non-consolidated Statement of Income

Amount of transactions with subsidiaries and associates

Amount of operating transactions

Net sales	¥2,652 million
Purchase of goods	¥22,406 million
Selling, general and administrative expenses	¥2,412 million
Amount of non-operating transactions	¥447 million

Notes to Non-consolidated Statement of Changes in Equity

Class and number of shares of treasury stock at the end of the current fiscal year

Ordinary shares	627,047 shares
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Notes on Tax Effect Accounting

1. Breakdown of deferred tax assets and liabilities by main cause

(Millions of yen)

Deferred tax assets	
Provision for bonuses	368
Allowance for doubtful accounts	22
Enterprise tax payable, etc.	173
Accounts payable	259
Shares of subsidiaries and associates	472
Investments in capital of subsidiaries and associates	285
Inventories	14
Other	370
Total deferred tax assets	1,966
Deferred tax liabilities	
Temporary differences in regard to securities assumed due to merger	(161)
Valuation difference on securities	(485)
Other	(232)
Total deferred tax liabilities	(879)
Deferred tax assets (net)	1,087

2. Breakdown of cause of difference between the statutory effective tax rate and burden rate of income taxes after application of tax effect accounting by main item

Statutory effective tax rate	30.6%
(Adjustment)	
Permanently non-deductible items such as entertainment expenses	0.2%
Permanently non-taxable items such as dividend income	(1.0)%
Inhabitants tax on a per capita basis	1.8%
Goodwill	1.6%
Tax incentives to increase wages	(4.6)%
Other	(2.9)%
Burden rate of income taxes after application of tax effect accounting	25.7%

Notes on Related Party Transactions

1. Subsidiaries and associates, etc.

(Millions of yen)

Type	Name of company	Holding of voting rights, etc. (Ownership) ratio	Relationship with related parties	Details of transaction	Transaction amount	Items	Balance at end of period
Subsidiary	Kankyouseibi Co., Ltd.	(Holding) Direct 100.0%	Fund deposits received	Fund deposits received (Note 1)	3,680	Deposits received	3,750
				Interest expenses (Note 2)	13		
Subsidiary	Hakuseisha CO., LTD.	(Holding) Direct 94.4% Indirect 5.6%	Fund deposits received	Fund deposits received (Note 1)	4,757	Deposits received	4,550
				Interest expenses (Note 2)	16		

2. Fellow subsidiaries, etc.

(Millions of yen)

Type	Name of company	Holding of voting rights, etc. (Ownership) ratio	Relationship with related parties	Details of transaction	Transaction amount	Items	Balance at end of period
Subsidiary of parent company	AEON Retail Co., Ltd.	—	Equipment management, security, cleaning, contracting of construction work, sales of materials, etc., management of vending machine Concurrent directors	Net sales	63,199	Electronically recorded monetary claims	3,887
						Accounts receivable - trade	7,376
Subsidiary of parent company	AEON MALL Co., Ltd.	(Holding) Direct 0.4% (Ownership) Direct 0.2%	Equipment management, security, cleaning, contracting of construction work, sales of materials, etc., management of vending machine	Net sales	28,840	Electronically recorded monetary claims	1,695
						Accounts receivable - trade	3,681

Type	Name of company	Holding of voting rights, etc. (Ownership) ratio	Relationship with related parties	Details of transaction	Transaction amount	Items	Balance at end of period
Subsidiary of parent company	AEON Hokkaido Corporation	(Holding) Direct 0.2%	Equipment management, security, cleaning, contracting of construction work, sales of materials, etc., management of vending machine	Net sales	11,724	Notes receivable - trade Accounts receivable - trade	2,425 1,380
Subsidiary of parent company	AEON KYUSHU CO., LTD.	(Holding) Direct 0.3%	Equipment management, security, cleaning, contracting of construction work, sales of materials, etc., management of vending machine	Net sales	10,432	Electronically recorded monetary claims Accounts receivable - trade	791 1,239
Subsidiary of parent company	AEON TOHOKU Co., Ltd.	—	Equipment management, security, cleaning, contracting of construction work, sales of materials, etc., management of vending machine	Net sales	8,663	Notes receivable - trade Accounts receivable - trade	367 1,272

Transaction terms and its decision policies, etc.

Price and other transaction terms are the same as the terms applied to other parties that are not related to the Company.

(Note 1) The transaction amount of deposits received represents the average balance during the period.

(Note 2) In regard to the interest of deposits received, interest rate, etc. are reasonably determined taking into account the market interest rate.

Notes on revenue recognition

Information forming the basis for understanding revenue arising from contracts with customers is stated in “Notes to Non-consolidated Financial Statements. Notes Regarding Significant Accounting Policies 4. Accounting standards for revenue and expenses.”

Notes on Per Share Information

Net assets per share	¥2,009.03
Net income per share	¥202.73
Diluted net income per share	¥202.61