

*May 10, 2019*

## **Notice of Partial Amendment to the Articles of Incorporation**

At the Board of Directors meeting held today, AEON DELIGHT CO., LTD. resolved to submit a resolution to the 46th Ordinary General Meeting of Shareholders scheduled to be held on May 30, 2019 regarding a "Partial Amendment to the Articles of Incorporation." Details are as follows.

### **1. Reasons for the change**

We strive to realize sustainable growth through aggressive investment, increase shareholder value over the medium to long term, and increase returns to shareholders in line with corporate growth. Our basic capital policy is to maintain stable dividends to shareholders based on a consolidated dividend payout ratio of 30%, while emphasizing return on equity (ROE) as an indicator of capital efficiency to achieve a balance between growth investments and shareholder returns.

On the other hand, as described in "Notice of Discovery of Inappropriate Accounting at our Consolidated Subsidiary and Postponement of Announcement of Financial Results for the Fiscal Year Ended February 2019" dated April 5, 2019, it was found that there is a possibility of inappropriate accounting made at our consolidated subsidiary KAJITAKU CO., Ltd. As stated in the "Notice of Establishment of Special Investigation Committee" dated April 11, 2019, we have established a special investigation committee consisting of external experts who do not have an interest in us and are conducting investigations. We are currently cooperating fully with the investigation to clarify the situation, including the impact on the consolidated financial position and consolidated results of operations for the fiscal year ended February 2019. At this time, the consolidated financial position and results of operations for the fiscal year ending February 28, 2019 have yet to be determined. However, in accordance with the Company's basic capital policy of maintaining a stable dividend to shareholders, we have decided to pay a year-end dividend of 32 yen per share for the fiscal year ended February 2019, increased by 1 yen from the year-end dividend for the previous fiscal year in line with our recent forecast, as an appropriation of retained earnings. Regardless of the results of the investigation by the Special Investigation Committee, the above amount is considered to be within the scope of the amount available for distribution under the Companies Act. This matter will be discussed at the 46th Ordinary General Meeting of Shareholders to be held on May 30, 2019.

### **2. Contents of Changes**

Please refer to the attached sheet.

### **3. Schedule**

Date of General Meeting of Shareholders for amendment of Articles of Incorporation: May 30, 2019 (planned)

Effective date of change to Articles of Incorporation: May 30, 2019 (planned)

Attachment

(Underlined indicates changes.)

Current article	Proposed amendments
<p>Chapter 6 Accounting</p> <p>Article 34 (Organs That Decide Dividends of Surplus)</p> <p>Except as otherwise provided by laws and regulations, the Company shall determine the matters specified in the items of Article 459, Paragraph 1 of the Companies Act, such as dividends of surplus, <u>by resolution of the Board of Directors without resolution of the General Meeting of Shareholders.</u></p>	<p>Chapter 6 Accounting</p> <p>Article 34 (Organs That Decide Dividends of Surplus)</p> <p>Except as otherwise provided by laws and regulations, the Company may determine the matters specified in the items of Article 459, Paragraph 1 of the Companies Act, such as dividends of surplus, <u>by resolution of the Board of Directors.</u></p>