

October 25, 2021

**Notice of Change in Sub-subsidiary by Overseas Subsidiary
(Equity Purchase and Capital Increase Subscription)**

At today's Board of Directors meeting, AEON delight resolved that our consolidated subsidiary AEON delight (China) Co., Ltd. (hereinafter "AD China") will acquire a 51 percent equity stake in Zhejiang Metelan Property Management Co., Ltd. (hereinafter "Metelan") through equity purchase and capital increase subscription (hereinafter the "Investment").

1. Reason for the change

This Investment aims to expand the Group's medical facility-related operations in our China business and boost growth by making a sub-subsidiary of Metelan, which possesses extensive business experience, a proven record, and a high level of expertise in the management of medical facilities.

2. Method of transfer

AD China will acquire a 51 percent equity stake in Metelan through a combination of equity purchase and capital increase subscription.

3. Outline of the subsidiary making the Investment

(1)	Trade Name	AEON DELIGHT (CHINA) CO., LTD.
(2)	Representative	Chairperson Yasuo Miyake
(3)	Headquarters	Room 1003A, Building 1, Jinghope Plaza, No.88 Huachi Street, Industrial Park, Suzhou, Jiangsu
(4)	Founded	November 2007
(5)	Business Description	Management and support of Group companies in China
(6)	Capital	CNY 143 million (approx. JPY 2,157 million)
(7)	Fiscal Year-end	December
(8)	Stakeholders & Equity Share	AEON DELIGHT CO., LTD. 100%

4. Overview of the sub-subsidiary to be transferred

(1)	Trade Name	Zhejiang Metelan Property Management Co., Ltd.	
(2)	Representative	General Manager Xu Zengwei	
(3)	Headquarters	Room 1208, Building 1, Hangzhou East International Business Center, Hangzhou Economic and Technological Development Zone	
(4)	Founded	December 15, 2010	
(5)	Business Description	Cleaning, in-hospital transport, security, facility management, patient attendance, etc. at medical facilities	
(6)	Capital	CNY 10.05 million (approx. JPY 173 million) ※ 1	
(7)	Stakeholders & Equity Share before Change	Xu Zengwei 93.9%, shareholding association 6.1%	
(8)	Relationship with AEON DELIGHT	Capital	Not applicable
		Personnel	Not applicable
		Business	Not applicable
		Relevant Status with Related Parties	Not applicable
(9)	Stakeholders & Equity Share after Change	AD China 51%, Xu Zengwei 44%, Executive shareholding association 5%	
(10) Operating Results and Financial Position for the Past Three Years (million yen)			
Fiscal Year	FY ended Dec.31, 2018	FY ended Dec.31, 2019	FY ended Dec.31, 2020
Net Assets	61	38	4
Total Assets	98	93	140
Net Sales	273	353	716
Operating Income	△11	△21	△35
Ordinary Income	△10	△20	△34
Net Income	△10	△20	△34
Exchange Rate ※ 2	1 CNY = 16.14 JPY	1 CNY = 15.68 JPY	1 CNY = 15.89 JPY

※ 1 After the investment, the company plans to increase capital to CNY 12,283,000 (approx. JPY 212 million).

The exchange rate used to convert Chinese Yuan to Japanese Yen in this document is 1 CNY = 17.29 JPY (as of September 30, 2021).

※ 2 The exchange rate is the fiscal year-end rate based on Mizuho Bank's posted rate.

5. Overview of the other party in the equity purchase

(1)	Name	Xu Zengwei	
(2)	Location	Liantang New District, Hangzhou, Zhejiang	
(3)	Relationship with AEON DELIGHT	Capital	Not applicable
		Personnel	Not applicable
		Business	Not applicable
		Other special notes	Not applicable

6. Investment value and equity share before/after the Investment

Category	Investment Value	Equity Share
(1) Before Investment	—	AD China 0%
(2) Acquisition value	CNY 28,050,000 (approx. JPY 484 million) Breakdown: • Capital increase subscription CNY 10 million (approx. JPY 172 million) • Equity purchase CNY 18.05 million (approx. JPY 312 million)	—
(3) After Investment	—	AD China 51%

7. Schedule

Date of BOD Resolution	October 25, 2021
Date of Contract Conclusion	November 2021 (planned)
Date of Investment Completion	December 2021 – February 2022 (planned)

8. Future outlook

This Investment is subject to the acquisition of permits and approvals from relevant authorities. The sub-subsidiary change resulting from this Investment will have minimal impact on consolidated business results.

We will promptly disclose matters related to the acquisition of permits and approvals, along with any other important matters that impact our business outlook and should be disclosed.