October 31, 2024

Company Name:	AEON CO., LTD.
Representative:	Akio Yoshida, Director & President and Representative Executive Officer (Securities code: 8267; Tokyo Stock Exchange (Prime Market))
Inquiries:	Hiroaki Egawa, Executive Officer, Finance and Business Management (Telephone: +81-43-212-6042)

Announcement of Disposal of Treasury Stock by Third-Party Allotment

AEON CO., LTD. (hereinafter the "Company") hereby announce that our Representative Executive Officer delegated by the Board of Directors has decided on this date to dispose of treasury stock through a third-party allotment to Keisei Electric Railway Co., Ltd. (hereinafter "Keisei Electric Railway"; head office: Ichikawa City, Chiba Prefecture; Representative Director and President: Toshiya Kobayashi), as explained hereafter.

1. Overview of disposal

(1) Date of disposal	December 27, 2024
(2) Number of shares to be disposed of	3,954,600 common shares
(3) Disposal price	3,793 yen per share
(4) Total amount of funds raised	14,999,797,800 yen
(5) Disposal method	According to the method of third-party allotment
(6) Party receiving stock disposal	Keisei Electric Railway Co., Ltd.
(7) Other	Each of the above items is subject to the effectiveness of the filing under the Financial Instruments and Exchange Act.

2. Objectives of, and reason for, disposal

Keisei Electric Railway and the Company, both headquartered in Chiba Prefecture, provide distinct social infrastructure services to residents in the same region. This shared commitment led us to explore initiatives aimed at revitalizing local communities for area consumers by leveraging the combined assets and expertise of both companies through this business partnership. Commercial facilities not only enhance customers' daily convenience by providing shopping spaces but also serve as hubs for culture, entertainment, and community building, creating employment and economic benefits for the local area and attracting tourists from outside the region. By integrating these facilities with transportation services (such as railways, buses, and taxis), as well as hotel and leisure services, we believe we can help convey the area's appeal to a broader public while enriching the lives of residents.

To develop commercial facilities that align with these areas and locations, we will

focus on opening new stores and creating vibrant communities by sharing real estate information between the two companies.

In addition, in order to firmly promote this business alliance with Keisei Electric Railway, it was decided that a capital alliance in the form of mutual shareholdings is necessary to build a stable relationship of trust between the two companies. For this reason, we have concluded a capital and business alliance agreement on this date. (For details, please refer to the "Notice of Capital Business Alliance Agreement between Keisei Electric Railway Co., Ltd. and AEON Co., Ltd." jointly released with Keisei Electric Railway on this date. This capital and business alliance is referred to as "the Alliance" below.)

This treasury stock disposal will be undertaken as part of the Alliance. The Company will dispose of treasury stock through a third-party allotment, and Keisei Electric Railway will acquire 3,954,000 shares of our common stock (0.46% of issued shares excluding treasury stocks, totaling approximately 15 billion yen in value).

At the same time, the Company will acquire approximately 3,826,000 shares of Keisei Electric Railway (2.33% of total issued shares excluding treasury stocks, totaling approximately 15 billion yen in value) through a market purchase or other reasonable method from December 27, 2024 to December 31, 2025.

3. Amount of funds to be raised, their use and expected timing of their expenditure

(1) Amount of funds to be raised

(1) Total amount to be paid in	14,999,797,800 yen
(2) Approximate amount of issuance expenses	11,118,800 yen
(3) Approximate balance	14,988,679,000 yen

(Note) 1. The approximate amount of issuance expenses does not include consumption tax, etc.

2. The approximate amount of issuance expenses consists of legal fees and costs for creating documents such as marketable securities statements, etc.

(2) Specific use of funds to be raised and expected timing of their expenditure

This treasury stock disposal is as described above in “2. Objectives of, and reason for, disposal.” In order to firmly promote the Alliance, we believe that it is necessary for both companies to form a capital alliance in the form of mutual shareholding for the purpose of building a stable relationship of trust between the Company and Keisei Electric Railway. In connection with the Alliance, the above approximate balance of 14,988,679,000 yen obtained through this treasury stock disposal will be used to pay compensation for the purchase of Keisei Electric Railway's common stock through a market purchase or other reasonable method. The expenditure is expected to be incurred from December 27, 2024 to December 31, 2025.

4. View on the reasonableness of the use of funds

We believe that the use of funds described above in "3. Amount of funds to be raised, their use and expected timing of their expenditure" in the item "(2) Specific use of funds to be raised and expected timing of their expenditure" will increase the

Company's corporate value, and the use of funds to be raised through this treasury stock disposal has been deemed reasonable.

5. Reasonableness of disposal terms, etc.

(1) Basis for calculation of the amount to be paid in and specific details thereof

The value of this treasury stock disposal is 3,793 yen, the closing price of the Company's shares on the Tokyo Stock Exchange on October 30, 2024, the business day immediately prior to the Representative Executive Officer's decision regarding this treasury stock disposal. This value of 3,793 yen represents a premium of 0.2% (rounded to the first decimal place; the same applies below in this section) to the average closing price of the Company's shares over the most recent one-month period (from October 1, 2024 to October 30, 2024) standing at 3,784 yen (rounded up to the nearest yen, the same applies below in this section), a premium of 1.8% to the average closing price of the Company's shares over the most recent three-month period (from July 31, 2024 to October 30, 2024) standing at 3,726 yen, and a premium of 6.8% to the average closing price of the Company's shares over the most recent six-month period (from May 1, 2024 to October 30, 2024) standing at 3,550 yen.

The amount to be disposed of is based on the business day immediately prior to the Representative Executive Officer's decision regarding this treasury stock disposal in accordance with the Japan Securities Dealers Association's Guidelines on the Handling of Capital Increases through Third-Party Allotment, which stipulates that the amount to be paid will not be less than the value of 0.9 multiplied by the price on the date immediately preceding the Board of Directors' resolution. We have determined that this calculation, being based upon the market share price on such a date, is highly objective and reasonable, and does not qualify as a particularly favorable disposal value.

According to opinions received by the Audit Committee (consisting of three Outside Directors), the determination of the disposal value based on the above calculation basis is reasonable and appropriate, conforms with the Japan Securities Dealers Association's Guidelines on the Handling of Capital Increases through Third-Party Allotment, and does not qualify as a particularly favorable disposal value.

(2) Grounds for determining that the volume disposed of and the scale of equity dilution are reasonable

The number of shares pertaining to this treasury stock disposal is 3,954,600 shares (39,546 voting rights), which is equivalent to 0.46% of the total number of the Company's currently issued shares standing at 857,138,685 shares excluding treasury stocks (0.46% of 8,554,822 total voting rights as of August 31, 2024), and results in a certain level of dilution.

However, with regard to this treasury stock disposal, the Company and Keisei Electric Railway will establish a capital relationship and strengthen this relationship of trust, thereby advancing this business alliance. We believe this will lead to an improvement in the Company's corporate value and have therefore determined that the volume disposed of and the scale of equity dilution are at reasonable levels.

6. Reasons for selection of party receiving stock disposal

(1) Overview of party receiving stock disposal

①	Company Name	Keisei Electric Railway Co., Ltd.
②	Location	3-3-1 Yawata, Ichikawa City, Chiba Prefecture
③	Name, Title of Authorized Representative	Toshiya Kobayashi, President and Representative Director, President and Executive Office
④	Business Details	General transportation business using rail, sale and leasing of land and buildings
⑤	Capital	36,803 million yen (as of September 30, 2024)
⑥	Date of Establishment	June 30, 1909
⑦	Total Issued Shares	172,411,185 shares
⑧	Fiscal Year End	March 31 every year
⑨	Number of Employees	1,851
⑩	Major Business Partners	General customers, domestic companies, etc.
⑪	Main Banks	Development Bank of Japan Inc. Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Trust Bank, Limited
⑫	Major Shareholders and Shareholding Ratio (%) (as of September 30, 2024)	The Master Trust Bank of Japan, Ltd. (trust account) 16.10 Custody Bank of Japan, Ltd. (trust account) 8.23 Nippon Life Insurance Company 3.79 Oriental Land Co., Ltd. 3.56 Mizuho Bank, Ltd. 2.96 Palliser Capital Master Fund Ltd (standing proxy: Goldman Sachs Japan Co., Ltd.) 2.11 Bank of Tokyo-Mitsubishi UFJ, Ltd. 1.97 STATE STREET BANK WEST CLIENT-TREATY 505234 1.69 BINCHOTAN FUNDING LTD (standing proxy: Goldman Sachs Japan Co., Ltd.) 1.50 J.P. MORGAN SECURITIES PLC FOR AND ON BEHALF OF ITS CLIENTS JPMSP RE CLIENT ASSETS-SETT ACCT (standing proxy: Citibank, N.A., Tokyo Branch) 1.48
⑬	Relationship between Listed Company and Party Receiving Stock Disposal	
	Capital Relationship	Not applicable.
	Personal Relationship	Not applicable.
	Business Relationship	Business Relationship A business relationship exists between the companies, including real estate leasing arrangements, which enable AEON Group companies to open stores on properties owned by Keisei Electric Railway Co.

	Circumstances Applicable to Related Party	Not applicable.

⑭ Consolidated operating results and consolidated financial position for the past three years (unless otherwise noted, units are in millions of yen)

Fiscal Year End	FY Ended March 2022	FY Ended March 2023	FY Ended March 2024
Net assets	387,705	410,945	469,157
Total assets	900,346	965,573	1,064,202
Net assets per share (yen)	2,194.00	2,357.93	2,778.53
Operating revenue	214,157	252,338	296,509
Operating income (loss)	-5,201	10,228	25,241
Ordinary Income (loss)	-3,191	26,764	51,591
Net income (loss) attributable to owners of parent	-4,438	26,929	87,657
Net income per share (yen)	-26.33	161.72	524.57
Dividend per share (yen)	17.00	20.00	39.00

(Note) The intended recipient is listed on the Tokyo Stock Exchange Prime Market. Regarding its basic approach to eliminating antisocial forces and the status of related preparations, as written in the corporate governance report it submitted to the Tokyo Stock Exchange (last updated on July 4, 2024), it declared that it would take a firm and resolute stand against antisocial forces and would maintain no relations whatsoever with antisocial forces. We have determined that the intended recipient and its officers bear no relation to antisocial forces.

(2) Reasons for selection of party receiving stock disposal

Please refer to "2. Objectives of, and reason for, disposal."

(3) Stock holding guideline for party receiving stock disposal

In accordance with the Capital and Business Alliance Agreement concluded with the party receiving this stock disposal on this date, the Company has confirmed that the acquisition of shares through this treasury stock disposal is an investment aimed at strengthening the party's relationship with the Company, and that that party will continue to hold the shares over the long term. The Company will receive a written commitment from the party receiving this stock disposal regarding that party's agreement that: it will promptly report to the Company in writing regarding the pertinent details if it transfers all or part of the Company's common shares issued by this treasury stock disposal within two years of the payment date; the Company will report the corresponding information to the Tokyo Stock Exchange; and that report will be made available for public inspection.

(4) Details confirming existence of assets required for payment to the party receiving stock disposal

The Company has confirmed that the party receiving this stock disposal possesses sufficient cash and deposits required for the payment of this treasury stock disposal, as according to that party's consolidated balance sheet (as of March 31, 2024) from its securities report for its 181st term (ended March 31, 2024). We have therefore determined that there are no obstacles to this payment.

7. Major shareholders and shareholding ratio after disposal

Before Disposal (August 31, 2024)		After Disposal	
The Master Trust Bank of Japan, Ltd. (trust account)	13.23%	The Master Trust Bank of Japan, Ltd. (trust account)	13.17%
Custody Bank of Japan, Ltd. (trust account)	4.46%	Custody Bank of Japan, Ltd. (trust account)	4.44%
Mizuho Bank, Ltd.	3.88%	Mizuho Bank, Ltd.	3.87%
OKADA Cultural Foundation	2.57%	OKADA Cultural Foundation	2.56%
AEON Environmental Foundation	2.54%	AEON Environmental Foundation	2.53%
The Norinchukin Bank	2.12%	The Norinchukin Bank	2.11%
STATE STREET BANK WEST CLIENT-TREATY 505234 (Standing proxy: Settlement Sales Division, Mizuho Bank, Ltd.)	1.48%	STATE STREET BANK WEST CLIENT-TREATY 505234 (Standing proxy: Settlement Sales Division, Mizuho Bank, Ltd.)	1.47%
AEON Employee Stockholder Group	1.39%	AEON Employee Stockholder Group	1.38%
AEON Kyoei-kai (Nomura Securities Account)	1.36%	AEON Kyoei-kai (Nomura Securities Account)	1.35%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	1.17%	Tokio Marine & Nichido Fire Insurance Co., Ltd.	1.17%

(Note) 1. Although the Company owns 14,785,887 treasury shares, those shares have been excluded from the table above.

2. For the major shareholders and shareholding ratio before disposal, we have entered the percentage of shares owned compared to the total shares issued (excluding 14,785,887 treasury shares) based on the shareholder registry as of August 31, 2024.

3. For the major shareholders and shareholding ratio after disposal, we have added the number of shares held before disposal to the number of shares from this treasury stock disposal. We have entered a percentage of shares owned calculated by considering 861,093,285 shares as the total issued shares, which was derived by adding 3,954,600 shares from this treasury stock disposal to 857,138,685 total issued shares excluding treasury stock and cross-shareholdings as of August 31, 2024.

8. Outlook for the future

This treasury stock disposal and the Alliance will have no impact on the results of the current fiscal year. We will provide prompt notification if any matters requiring disclosure arise in the future.

9. Matters related to procedures under the AEON Code of Conduct

Because ① the dilution rate is less than 25% and ② this treasury stock disposal does not involve a change in controlling shareholders, the Company does not need to carry out procedures to confirm shareholder willingness or obtain opinions from an independent third party as stipulated in Article 432 of the Securities Listing Regulations prescribed by the Tokyo Stock Exchange.

10. Results and equity financing for the past three years

(1) Results for the past three years (consolidated)

	FY Ended February 2022	FY Ended February 2023	FY Ended February 2024
Net sales (million yen)	7,657,351	7,961,711	8,337,277
Operating profit (million yen)	174,312	209,783	250,822
Ordinary profit (million yen)	167,068	203,665	237,479
Profit attributable to owners of the parent (million yen)	6,504	21,381	44,692
Earnings per share (yen)	7.69	25.11	52.25
Dividend per share (yen)	36.00	36.00	36.00
Net assets per share (yen)	1,130.76	1,161.12	1,231.59

(2) Total number of issued shares and number of potential shares at the current time (as of August 31, 2024)

	Number of Shares	Percentage of Total Issued Shares
Total Issued Shares	871,924,572	100%
Current Conversion Price (Exercise Price): Number of Potential Shares	0	0.0%
Current Conversion Price (Exercise Price) at Lower Limit: Number of Potential Shares	-	-%
Current Conversion Price (Exercise Price) at Upper Limit: Number of Potential Shares	-	-%

(3) Recent stock price

① Stock price over last three years (Unit: yen)

	Term Ended February 2022	Term Ended February 2023	Term Ended February 2024
Starting value	3,225.0	2,615.0	2,535.0
High value	3,532.0	2,907.0	3,697.0
Low value	2,380.5	2,145.0	2,467.5
Ending value	2,597.5	2,540.0	3,575.0

② Stock price over last six months (Unit: yen)

	April 2024	May	June	July	August	September
Starting value	3,600	3,293	3,396	3,458	3,406	3,640
High value	3,608	3,387	3,558	3,499	3,779	4,097
Low value	3,186	3,229	3,380	3,238	3,176	3,588
Ending value	3,302	3,387	3,439	3,435	3,649	3,899

③ Stock price on business day preceding issue resolution date (Unit: yen)

	October 30, 2024
Starting value	3,829
High value	3,840
Low value	3,775
Ending value	3,793

(4) Equity financing for the past three years

Not applicable.

11. Essential points concerning disposal

(1) Date of disposal	December 27, 2024
(2) Number of shares to be disposed of	3,954,600
(3) Disposal price	3,793 per share
(4) Total amount of funds raised	14,999,797,800 yen
(5) Disposal method	Disposal of treasury stock via third-party allotment
(6) Party receiving stock disposal	Keisei Electric Railway Co., Ltd.
(7) Other	Each of the above items is subject to the effectiveness of the filing under the Financial Instruments and Exchange Act.

END