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April 8, 2026

To Whom It May Concern:

Company name:	AEON CO., LTD.
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Company name:	GFOOT CO., LTD.
Name of representative:	Naohisa Kinoshita, Representative Director and Executive Officer (Securities code: 2686, Tokyo Stock Exchange (Standard Market), Nagoya Stock Exchange (Premier Market))
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Notice Concerning Making GFOOT CO., LTD., a Subsidiary of AEON CO., LTD. a Wholly-Owned Subsidiary through the Share Consolidation by GFOOT CO., LTD

AEON CO., LTD. (hereinafter referred to as "AEON") and GFOOT CO., LTD. (hereinafter referred to as "GFOOT"), a subsidiary of AEON, announce that, for the purpose of making AEON the sole shareholder of GFOOT and taking the common shares of GFOOT (hereinafter referred to as the "GFOOT Shares") private, GFOOT resolved at its board of directors meeting held on April 8, 2026 to submit proposals regarding a share consolidation of the GFOOT Shares (hereinafter referred to as the "Share Consolidation"), the abolition of the provision on the number of shares constituting one unit, and partial amendments to the articles of incorporation to the annual general meeting of shareholders scheduled to be held on May 22, 2026 (hereinafter referred to as the "Annual General Meeting of Shareholders") and the class shareholders meeting of common shareholders (hereinafter referred to as the "Class Shareholders Meeting"), and to submit proposals regarding partial amendments to the articles of incorporation to the class shareholders meetings of Class A shareholders and Class B shareholders (each to be deemed approved pursuant to Article 319, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended) as applied mutatis mutandis pursuant to Article 325 of the Companies Act) scheduled to be resolved on May 22, 2026, and that AEON determinded today to vote in favor of the proposals relating to the Share Consolidation.

1. Purpose and Reasons for the Share Consolidation

   (1) Background, Purpose and Decision-Making Process for the Share Consolidation and Management Policy after the Share Consolidation

   AEON traces its origins back to Okadaya, founded in 1758, and was established as Okadaya Gofukuten Co., Ltd. in September 1926. After changing its trade name to Okadaya Co., Ltd. in November 1959, AEON conducted an absorption-type merger in March 1970, with Okadaya Co., Ltd. as the surviving company and four companies, namely Futagi Co., Ltd., Okada Chain Co., Ltd., Kawamura Co., Ltd., and JUSCO Co., Ltd., as the absorbed companies, and subsequently changed its trade name to JUSCO Co., Ltd. in April of the same year. Thereafter, AEON achieved growth by anticipating the advent of a motorization society (Note 1), developing suburban shopping centers, launching financial services, and forming alliances with various retailers throughout Japan. In the mid-1980s, AEON commenced expansion into Malaysia, Hong Kong, and Thailand, establishing the foundation for global expansion. In September 1989, AEON changed the group name from JUSCO Group to AEON Group, and changed its trade name from JUSCO Co., Ltd. to AEON CO., LTD. in Auguest 2001. In August 2008, AEON transitioned from an operating holding company to a pure holding company (with retail and other businesses succeeded by AEON RETAIL CO., LTD., a wholly-owned subsidiary of AEON (hereinafter referred to as "AEON RETAIL")). The shares of AEON were listed on the Second Section of the Tokyo Stock Exchange in September 1974, designated to the First Section in Auguest 1976, and are currently listed on the Prime Market of the Tokyo Stock Exchange following the market restructuring in April 2022.

(Note 1) A "motorization society" refers to a social condition in which, against the backdrop of widespread automobile ownership, transportation, logistics, and commercial activities are structured on the premise of automobile use, resulting in suburbanization, development of road networks, and increased automobile-based access to stores.

The group of AEON consists of AEON, its consolidated subsidiaries (305 companies), and equity-method affiliates (23 companies) (as of November 30, 2025, collectively, "AEON Group"), and has established a unique business model centered on retail operations, in which business segments such as general financial services, developers, services, and specialty stores collaborate through outsourcing with functional companies within AEON Group to create strong synergies. AEON Group's basic philosophy is "pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point," and based on the belief that retailing is an industry to promote peace, humanity, and local communities, AEON Group aims to be a corporate group that continues to innovate, fosters a corporate culture that responds flexibly to change, and practices a "customer-first" policy. Through its business activities, AEON Group wishes for the enduring health and peace of its customers' lives. Simultaneously, AEON Group engages in various environmental conservation and social contribution activities, pursuing "sustainable management" that balances "growth of the group" with "development of society," to contribute to the advancement of a sustainable society. Furthermore, in all aspects of our business activities—including products, services, and facilities— AEON Group prioritizes "safety and peace of mind" of the customers above all else. Rooted in local communities and collaborating with them, AEON Group promotes various initiatives aimed at mutual growth and development.

On the other hand, GFOOT was founded as Tsuruya Shoe Store on Amaike-dori, Showa-ku, Nagoya city Aich prefecture in December 1931 and established as Tsuruya Shoe Store Co., Ltd. (headquarter: Chikusa-ku, Nagoya City) in October 1971, commencing full-scale footwear retail and repair operations. In October 1993, GFOOT opened its first store in the Kanto region, Shimokitazawa store, in Setagaya-ku, Tokyo, and in September 1994 commenced operations under the ASBee's brand. In February 2009, GFOOT conducted an absorption-type merger with Nustep Co., Ltd. and changed its trade name to the current name, GFOOT CO., LTD. Thereafter, the GFOOT Shares were listed on the Second Section of the Nagoya Stock Exchange in December 2000, subsequently listed on the First Section of the Tokyo Stock Exchange in November 2015, and were designated from the Second Section to the First Section of the Nagoya Stock Exchange. Furthermore, in April 2022, following the market restructuring of the Tokyo Stock Exchange and the Nagoya Stock Exchange, the listing was transferred from the First Section to the Standard Market of the Tokyo Stock Exchange, and from the First Section to the Premier Market of the Naoya Stock Exchange, respectively, where they remain listed to date.

GFOOT has adopted, as its management philosophy, a business model of "proposing styles from the ground up" to practice its motto of "customer-first," and conducts its operations with the aim of becoming a leading company in the footwear industry by offering healthy, comfortable, and attractive footwear at reasonable prices. Since its establishment in 1931, GFOOT had primarily operated in the Tokai region, including Nagoya; it expanded its business into the Kanto region in 1933, the Kansai region in 2002, and Hokkaido in 2003. In December 2005, for the purpose of further business expansion, GFOOT entered into a capital and business alliance with AEON, and, following its becoming a subsidiary of AEON in June 2009, accelerated store openings in shopping centers nationwide, ultimately achieving record-high performance with net sales of 103.9 billion yen and net income of 2.8 billion yen for the fiscal year ended Feburury 2016.

However, thereafter, due to factors such as a contraction in demand-driven consumption and the impact of the spread of COVID-19, GFOOT recorded net losses for seven consecutive fiscal years starting from the fiscal year ended Feburary 2019, resulting in a critical deterioration of its financial condition. Accordingly, GFOOT received twice capital injections from AEON (amounting to approximately 11.5 billion yen in total), formulated a business revitalization plan, and undertook efforts to rebuild its operations. Although certain improvements were achieved through measures such as the closure of unprofitable stores, GFOOT is expected to fall into a negative net asset position in the fiscal year ended February 2026.

AEON determined that Share Consolidation would be necessary to enable a return to sustainable growth. Accordingly, AEON initiated a review of the Share Consolidation and, in mid-February 2026, proposed to GFOOT that discussions and negotiations be commenced toward its implementation.

GFOOT is responsible for the footwear business of AEON Group through the development of sales floors under a concessionaire model within GMS (general merchandise stores), including those operated by AEON RETAIL, as well as through tenant store openings primarily led by AEON Mall Co., Ltd. and AEON TOWN Co., Ltd. AEON believes that the performance of GFOOT, which operates in the footware category, a key category within the apparel segment, has a meaningful impact on AEON Group and, making GFOOT a wholly-owned subsidiary through the Share Consolidation will accelerate decision-making and further promote closer collaboration between GFOOT and other companies within AEON Group, as well as the integration of management resources and know-how. Through these measures, AEON considers that AEON Group can operate as an integrated group to expand new business domains and opportunities for GFOOT, create synergies, and ultimately enable GFOOT to achieve a return to sustainable growth.

For the reasons described above, in the course of advancing consideration of the Share Consolidation, AEON and GFOOT have come to believe that it is possible to achieve sustainable growth and enhancement of corporate value of AEON Group, including GFOOT, through the implementation of the following specific measures:

(I) Return to sustainable growth of the Footwear Business through AEON Group integration

Following the completion of the Share Consolidation, AEON Group will work as an integrated entity to grow the footwear business. This is expected to strengthen GFOOT’s merchandising capabilities, which have been identified as a key issue, and to revitalize footwear sales floors across group companies, accelerate store openings within group locations, and enhance product supply.

(i). Development of Sales Floors Integrated with AEON RETAIL

Under the current concessionaire model in the footwear sales floors operated by AEON RETAIL, investment and operations are separated, resulting in insufficient investment for revitalization and low profitability for both GFOOT and AEON RETAIL. AEON Group will address these issues by promoting investment in revitalizing footwear sales floors integrated with apparel floors. This is expected to expand product supply channels to various sections within apparel floors and improve GFOOT’s profitability.

(ii). Expansion of Product Deployment through Group Stores

By expanding product supply destinations, which have thus far been limited to certain entities such as AEON Hokkaido Corporation, to group companies operating GMS (general merchandise stores) and SM (supermarkets), AEON Group will seek to enhance GFOOT’s profitability.

(iii). Development of New Tenant Formats Integrating General Merchandise

Leveraging AEON group’s planning and procurement capabilities, AEON Group will develop new tenant formats that integrate footwear with general merchandise such as apparel accessories and bags, thereby achieving differentiation from competitors. GFOOT’s existing tenant spaces will be converted into these new formats, and new store openings within group locations will also be promoted.

(II) Elimination of Losses through Cost Structure Reform

GFOOT currently faces structural challenges that have resulted in operating losses. Declining store profitability has made it difficult to cover head office expenses, highlighting the need for fundamental cost structure reform. To address these challenges, AEON Group will pursue such reform.

(i). Rationalization of Unprofitable Stores

Additional closures will be carried out, focusing on loss-making stores, to reduce store-level losses.

(ii). Optimization of Head Office Costs

By further utilizing group resources such as AEON Integrated Business Service Co., Ltd., AEON Group will rationalize back-office costs and promote fundamental reductions in head office expenses.

For the reasons described above, AEON and GFOOT have determined that establishing an integrated management structure across AEON Group through the Share Consolidation represents the most appropriate approach. This determination was made from the perspectives of giving due consideration to the interests of minority shareholders and achieving the sustainable growth of AEON Group, including GFOOT, while enhancing its med- to long-term corporate value, and have therefore reached an agreement to implement the Share Consolidation.

(2) Outline of the Share Consolidation

As of today, GFOOT Shares are listed on the Standard Market of the Tokyo Stock Exchange and the Premier Market of the Nagoya Stock Exchange, and AEON holds 26,350,620 shares (Ownership Ratio (Note 2) : 61.90%), making GFOOT its consolidated subsidiary.

GFOOT plans to implement the Share Consolidation as a procedure to make AEON the sole shareholder of GFOOT and take GFOOT Shares private. Following the effective date of the Share Consolidation, GFOOT is expected to become a wholly-owned subsidiary of AEON.

(Note 2) "Ownership Ratio" means the ratio (rounded to the third decimal place) to the number of shares (42,568,529 shares) obtained by deducting the number of treasury shares held by GFOOT as of February 28, 2026 (12,371 shares) from the total number of issued and outstanding common shares of GFOOT as of the same date (42,580,900 shares), as stated in the "Earnings Summary for the Fiscal Year Ended in February 2026 (Japanese GAAP (Consolidated))" announced by GFOOT today.

Specifically, as a result of the Share Consolidation, the number of GFOOT Shares held by shareholders of GFOOT other than AEON will be reduced to fractional shares of less than one share. GFOOT plans to sell the aggregate number of such fractional shares (with any fraction of less than one share rounded down) to AEON upon obtaining approval from the court pursuant to Article 234, Paragraph 2 of the Companies Act, as applied mutatis mutandis pursuant to Article 235, Paragraph 2 thereof, and AEON has determinded today to purchase such shares. In this case, the purchase price is planned to be set at a level that enables the delivery of cash equivalent to the amount obtained by multiplying 300 yen by the number of GFOOT Shares held by each shareholder of GFOOT other than AEON as recorded in the final shareholder register as of June 24, 2026, which is the day immediately preceding the effective date of the Share Consolidation, subject to the court approval being obtained as scheduled.

The impact of the Share Consolidation on AEON's financial results is currently under review; however, at this time, it is expected to be immaterial.

2. Details of the Share Consolidation

(1) Schedule of the Share Consolidation

Public announcement	April 8, 2026 (Wednesday)
Date of Annual General Meeting of Shareholders and Class Shareholders Meeting	May 22, 2026 (Friday) (scheduled)
Date of Designation as shares to be delisted	May 22, 2026 (Friday) (scheduled)
Last trading date of GFOOT Shares	June 22, 2026 (Monday) (scheduled)
Delisting date of GFOOT Shares	June 23, 2026 (Tuesday) (scheduled)
Effective date of the Share Consolidation	June 25, 2026 (Thursday) (scheduled)

For further details regarding the Share Consolidation, please refer to the "Notice Concerning Share Consolidation, Abolition of the Provision on the Number of Shares Constituting One Unit, and Partial Amendments to the Articles of Incorporation" disclosed by GFOOT today.