



May 27, 2026

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Determination of Issuance Limit for Stock Compensation-Type Stock Options (25th Series, FY2026)

AEON CO., LTD. (the 'Company') has decided the stock issuance limit as compensation to Executive Officers and individuals who have been proposed by the Compensation Committee and approved by the Board of Directors in the Company's group entities (hereafter, these individuals will be referred to as 'Presidents and equivalent positions in Group Companies' along with Executive Officers of Group Companies). In meetings held on May 27, 2026, both the Compensation Committee and the Board of Directors endorsed the issuance limit of stock options as stock compensation options. This decision is under Articles 236 through 244 of the Companies Act. Further details regarding the limit of issuance of stock acquisition rights (stock options) are provided below.

1. Reason for Issuing Stock Options

This program aims to enhance the motivation of Executive Officers and related personnel, continuously enhance business performance, and elevate corporate value.

2. Outline of Issuance of Stock Options

(1) Name of Stock Options

AEON CO., LTD. 25th series of stock options (stock compensation-type stock options)

(2) Class and Number of Shares to Be Issued Upon Exercise of Stock Options

The class of shares underlying the stock options shall be the common stock of the Company, and the number of shares underlying each stock options shall be 100 shares.

In case the Company conducts a stock split or a reverse stock split, the number of shares to be issued upon the exercise of the stock options will be modified according to the subsequent formula. This adjustment will apply solely to the number of shares to be issued upon the exercise of stock options that have not been utilized at the moment of such adjustment, and any fraction less than one share stemming from this adjustment will be rounded down.

[Formula]

Number of shares after adjustment = Number of shares before adjustment × Split ratio (or reverse stock split ratio)

(3) The Number of Individuals Receiving Stock Options and the Corresponding Allocation of Rights

Up to 3,972 to the Company's Executive Officers (13 persons) and 2400 to the Presidents and equivalent positions in Group Companies (37 persons) shall be allotted from a total of 6,372 stock options.

(4) Number of Shares to Be Issued Upon Exercise of Each Stock Options

The number of shares to be issued upon exercise of one stock options (hereinafter referred to as the 'Number of Granted Shares') shall be one hundred shares.

(5) Issue Price of Stock Options

The shares shall be issued at the fair value for accounting purposes on the date of allotment (hereafter referred to as the "Fair Value").

(6) Amount to Be Paid in for Stock Options

The payment amount for the stock options shall be the Fair Value.

The stock options to be allotted to Executive Officers of the Company shall be issued as compensation, and the Company shall grant monetary compensation equivalent to the Fair Value to such Executive Officers who receive the allotment of the stock options, and such compensation claim shall be offset against the obligation to pay the payment amount for the stock options.

The stock options to be allotted to Presidents and equivalent positions in Group Companies shall be such that the portion of the monetary compensation payable by each Group Company to such individuals equivalent to the Fair Value shall be assumed by the Company, and such compensation claim shall be offset against the obligation to pay the payment amount for the stock options. The expenses required for the issuance of the stock options to be allotted to Presidents, etc. of Group Companies shall be borne by the respective Group Companies.

(7) Amount of Assets to Be Contributed Upon Exercise of Stock Options

The amount to be paid upon exercise of each stock options shall be the amount to be paid per share to be issued or transferred upon exercise of each stock options (hereinafter referred to as 'Exercise Price') multiplied by the Number of Granted Shares. The Exercise Price shall be one (1) yen.

(8) Exercise Period of Stock Options

The period shall be from July 21, 2027, to July 20, 2042.

(9) Other Conditions for the Exercise of Stock Options

- (i) A recipient of stock options (hereafter referred to as the 'Stock options Holder') must retain the position of Executive Officer, etc. at the time of exercise. However, even upon retirement from the position, they may only exercise the rights within five (5) years from the date of retirement.
- (ii) All stock options must be exercised collectively and cannot be exercised in parts or installments.

(10) Extinction of Stock Options, Acquisition Without Consideration, Etc.

- (i) If a stock options holder does not exercise his/her rights and the exercise period expires, or if five (5) years have passed from the date of retirement of the Executive Officers, etc. even within the exercise period, the stock options shall lapse.
- (ii) If the decision-making body for the issuance of stock options stipulated in (15) decides to acquire stock options because the holder of stock options falls under any of the following, the Company may acquire the stock options of such holder of stock options without compensation.
 - (a) In the event of a serious violation of laws and regulations or the internal rules of the Company
 - (b) If the holder is sentenced to imprisonment or severer punishment
 - (c) If he/she assumes or agrees to assume the position of director or employee of a competing company without prior permission of the Company.
 - (d) In the event that they lose their position as Executive Officers, etc. due to dismissal or removal from office, or are subject to demotion
 - (e) If the successor to the rights outlined in (12) dies.
 - (f) When the holder of stock options offers to waive all his/her rights
- (iii) If the Company's Board of Directors resolves to acquire all or part of the stock options, the Company shall acquire the stock options for no consideration, which the Board of Directors has resolved to acquire.

(11) Prohibition of Transfer of Stock Options

Holders of stock options and successors to the rights stipulated in (12) may not transfer their stock options or offer them as collateral.

(12) Inheritance of Stock Options

If a stock options holder dies, only one of the legal heirs of the stock options holder (hereinafter referred to as the 'rights successor') may succeed to the rights of the stock options holder. In the event of the death of the rights successor, the heirs of them may not inherit the stock options.

(13) Issuance of Stock Options Certificates

The holders of stock options and rights successor shall not make any request for the issuance of stock options certificates in relation to their stock options.

(14) Capital Stock and Capital Reserve to Be Increased in the Event of New Issuance of Common Stock of the Company Upon Exercise of Stock options

In the event of the issuance of new shares of common stock of the Company upon exercise of stock options, the amount of stated capital to be increased shall be half of the sum of the book value and the exercise price per share (any fraction less than one yen shall be rounded up to the nearest one yen). The amount of additional paid-in capital to be increased shall be half of the sum of the book value and the exercise price per share (any fraction less than one yen shall be rounded up to the nearest one yen).

(15) Organ to Determine the Issuance of Stock Options

Allotment of stock options to the Company's executive officers shall be decided by the Compensation Committee of the Company, and allotment of stock options to the Directors shall be decided by the Board of Directors of the Company based on the proposal of the Compensation Committee of the Company.

(16) Allotment Date of Stock Options

June 21, 2027.

END