

The corporate governance of MINISTOP Co., Ltd. (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Attributes, and Other Key Information

1. Basic Views

The Group endeavors to continue being a company that its customers, franchise stores, shareholders, and all other stakeholders always trust and place their expectations in by fulfilling its mission to realize a society full of beaming smiles with ‘deliciousness’ and ‘convenience.’ To achieve this, the basic view of the Group is to continue working on enhancing its business management structure with the aim of realizing effective corporate governance that enables it to make transparent, fair, swift, and decisive decisions on various management issues in addition to complying with laws and regulations.

Reasons for Non-compliance with the Principles of the Corporate Governance Code

The Company complies with the principles of the Corporate Governance Code.

Disclosure Based on each Principle of the Corporate Governance Code

Principle 1.4: Cross-shareholdings

The Company has stipulated the following policy on cross-shareholdings.

- (1) The Company’s policy on cross-shareholdings is to hold shares with the aim of contributing to the enhancement of the Group’s corporate value from a medium- to long-term perspective, comprehensively taking into consideration its business strategies, trading relationships, and other factors.
- (2) The Company undertakes a comprehensive consideration of individual cross-shareholdings in terms of their economic rationality, including the purpose of the holding, the holding costs, and the capital costs, to determine the rationality of the holding once a year at a meeting of the Board of Directors. It considers selling shares it has deemed to lack significance in holding while taking into account the impact on the market. It then discloses the results of that.
- (3) When exercising voting rights for cross-shareholdings, the Company confirms for each voting proposal whether it will lead to the sustainable growth and improvement in the medium- to long-term corporate value of that company, and whether it will impair the Company’s corporate value. Upon that, the Company makes a comprehensive decision on whether to approve or disapprove of the proposal while engaging in dialogue with the issuing company as necessary. The Company conducted a detailed examination on the status of its cross-shareholdings in terms of whether the purpose of holding them was appropriate and whether the benefits and risks associated with the holdings were commensurate with the capital costs at a meeting of the Board of Directors on January 23, 2026. It then considered whether its holdings were appropriate.

Principle 1.7: Related Party Transactions

The Company has stipulated the following procedures for transactions with Directors, major shareholders, and other parties so as not to harm the common interests of the Company and its shareholders.

- (1) When a Director intends to enter into a transaction with the Company for his/her own benefit or the benefit of a third party, or when the Company intends to enter into a transaction with a party other than a Director in which the interests of the Company and the Directors in question conflict, the Director shall disclose the material facts concerning the transaction to the Board of Directors and obtain approval. The Director shall make a report to the Board of Directors without delay after the transaction.
- (2) When the Company intends to enter into a transaction with a major shareholder, subsidiary, affiliate, or other related party, it shall undergo approval procedures based on various internal regulations. The Company shall disclose such transactions in accordance with the Companies Act, the Financial Instruments and Exchange Act, other relevant laws and regulations, and the rules established by the Tokyo Stock Exchange.
- (3) The Company confirms related party transactions by periodically requesting reports on them every year from the Directors and Audit & Supervisory Board Members of the Company and its subsidiaries.

Supplementary Principle 2.4.1: Ensuring Diversity in the Promotion of Core Human Resources, etc.

Human Resources Development Policy and Implementation Status

The Company is committed to creating a corporate environment in which employees can thrive and continue to grow. This is based on the basic human resources philosophy of the AEON Group to which MINISTOP belongs: “to listen to our employees’ opinions, to understand how they feel, and provide them with opportunities to best utilize their talents.” The Company considers its employees to be its most important management resources. As such, it supports the growth of its employees based on the idea that growth through education enriches the lives of its employees as embodied in the phrase “education is the greatest form of welfare.” To this end, the Company will strengthen its education system based on autonomous career development, skill acquisition, and workplace practice. In FY2025, the Company added new educational programs based on level-specific and job-specific education. The focus of these educational programs is on developing human resources who can lead a ‘self-driving organization’ in which individuals think and act by themselves to produce results for the organization. The Company provides group training to newly appointed Store Advisors. The purpose of this training is to equip participants with the specific skills to appropriately give guidance to franchise stores, an understanding of the profit structure, and problem-solving thinking. Through this, the Company strives to improve the practical skills in store guidance of Store Advisors. This leads to the accumulation of human capital.

Please refer to the Securities Report for the Fiscal Year Ended February 28, 2026 for details.

<https://www.ministop.co.jp/corporate/ir/library/report.html>

Internal Environment Creation Policy

MINISTOP is committed to creating a workplace environment where diverse human resources can thrive and where everyone can work comfortably regardless of their gender or employment type. The aim is for each employee to be able to fully express their individuality and make use of their abilities. The Company believes that it will be important in the future to realize management that creates new value through the exchange of opinions among employees with diverse attributes and human resources with various values. As the birth rate declines and the population ages, and as work styles that respect the individual are increasing, it is necessary for the Company to be an organization in which diverse human resources can thrive for it to survive and grow. Organizations in which diverse human resources thrive are said to have a higher rate of human resource retention and a greater likelihood of new innovation occurring compared to traditional uniform organizations. The Company believes diversity will enable it to become a highly competitive organization to realize its Medium-term Management Plan.

Please refer to the Securities Report for the Fiscal Year Ended February 28, 2026 for details.

<https://www.ministop.co.jp/corporate/ir/library/report.html>

Principle 2.6: Exercising the Function of Corporate Pensions as Asset Owners

The Company has joined the AEON Pension Fund. To ensure that corporate pension funds continue to reliably provide pension benefits and lump-sum payments to beneficiaries in the future, the Company formulates and periodically reviews its policy asset allocation ratios within the scope of acceptable risk. It does this taking into account the required total returns and after listening to the opinions of external experts. This Fund has established the Asset Management Committee. This Committee selects investment products and monitors fund performance quarterly. Decisions are then made by the Board of Representatives so as to maximize the interests of beneficiaries and appropriately manage conflicts of interest. The Asset Management Committee has adopted a structure that includes the Chief Financial Officer at AEON CO., LTD. and external experts.

Principle 3.1: Full Disclosure

(1)“We realize a society full of beaming smiles with ‘deliciousness’ and ‘convenience’” serves as the Company’s mission. Based on this mission, the Company is working to deliver the value proposition unique to MINISTOP stores in Japan to enhance its medium-to long-term corporate value and realize sustainable growth. Together with this, it is striving to establish a new format that transforms the revenue structure of its stores by achieving low-cost operations. The Company will complete reforms to its revenue structure and business structure. In addition, it will promote the expansion of its occupational field business and Vietnam business to lay the foundation for promoting its growth strategies.

Establishment of a New Combo Store Model

The Company will strive to establish a new combo store model. This model will serve as an evolution of its combo stores that combine the convenience store products and fast food products processed in store that it has been providing since its founding. In addition to enhancing fast food products processed in store that pursue freshly made deliciousness and providing products and services that offer convenience as a convenience store, the Company will enrich its everyday product lineup to meet customer needs by taking into account cost-conscious preferences. The Company will also realize low-cost operation by reviewing operations and equipment and promoting the use of digital technologies to improve store profitability. The Company will introduce measures that have proven successful in establishing the new format in advance to existing stores. This will include capital investment. Through these efforts, the Company will aim for stores that embody the MINISTOP vision of “creating stores that are more convenient, more healthy, more exciting, that customers will want to visit every day.” At the same time, it will continue working to be No. 1 in food safety and security.

Profit Structure Reform

The Company is engaging in merchandising reforms to ensure customer support and generate stable revenue throughout the year. In regard to convenience store products, the Company will focus on both price appeal and development of products with value in terms of deliciousness and health for rice balls, cooked breads, salads, side dishes, sweets, and other daily delivered goods. The Company will also promote the use of TOPVALU, the AEON Group’s private brand, to support customers’ daily lives with a focus on grocery products. Among fast food products processed in store, in regard to cold sweets, the Company will focus on the branding of its Soft-serve Ice Cream Hokkaido Milk that underwent a complete update in FY2025 as a flagship product since its founding. The Company will also advance the development of sweets that emphasize seasonal ingredients and production methods.

In regard to hot snacks, in addition to updating products that pursue freshly made deliciousness, the Company will work on product development in new categories and aim to create incentives for customers to visit its stores. Moreover, to increase its number of loyal customers, the Company will use the MINISTOP application to strengthen marketing activities based on customer purchasing behavior data and activities to acquire members in stores.

In terms of store operation, the Company will revamp its support structure, including management guidance, to create stores chosen by customers and improve income and expenditure. The Company will review the number of stores each Store Advisor is responsible for to promote a shift to efficient and effective guidance methods.

Furthermore, it will build a structure that enables closer communication between franchise store operators and the headquarters. The Company will expand headquarters support for store staff education to improve its core principles of quality (Q), service (S), cleanliness (C), and product lineup. The Company will optimize food loss and labor costs by emphasizing weekly management of business figures to improve income and expenditure at its directly managed stores. The Company will also enhance headquarters support for the appropriate operation of directly managed stores.

Business Structure Reform

The Company will strengthen its headquarters functions, improve efficiency, and support franchise store management by reducing the burden of store operations and structurally reforming its headquarters through the use of AI and digital transformation. It will also reduce the number of directly managed stores. This will include the planned closure of unprofitable stores. To steadily promote these measures and create new value propositions unique to it, the Company will undertake human resource measures, including recruitment and education. It will strive to expand the recruitment of specialized personnel and enhance the basic education for store managers at its directly managed stores.

Occupational Field Business

As a new pillar of its business, in the occupational field business, the Company will expand its number of locations including MINISTOP POCKET, unmanned convenience stores installed in offices and other facilities, and related services. It will also promote the development of new products and services that meet the needs of its office customers. It will press ahead with business expansion by developing new markets and channels while restructuring infrastructure, such as logistics and organizational structures.

Vietnam Business

The Company will work to establish Vietnamese combo stores as a new format. The Company positions drinks, bakery items, and other foods processed in store as core categories that drive visitors. As such, it aims to enhance its high-value-added product lineup while expanding convenience store products that are attractive in terms of both price and value. The Company has established the new format and will expand business through new store openings from FY2027 onward. Furthermore, to lay the foundations focused on future growth, the Company will streamline its headquarters structure. It will also press ahead with reforms to its personnel and organizational structure to develop human resources, build a personnel and evaluation system, and establish an education structure.

(2) The Group endeavors to continue being a company that its customers, franchise stores, shareholders, and all other stakeholders always trust and place their expectations in. To achieve this, the basic view of the Group is to continue working on enhancing its business management structure with the aim of realizing effective corporate governance that enables it to make transparent, fair, swift, and decisive decisions on various management issues in addition to complying with laws and regulations.

(3)The Company has stipulated the following basic policy and procedures for compensation for Directors.

i. The compensation for Directors will be determined through approval by the Board of Directors within the limit of the total amount of compensation for Directors approved at the General Meeting of Shareholders.

ii. Philosophy and objectives of the compensation system

a) The Company’s officers will take on challenges without fear of risk and contribute to the Group’s sustainable growth as a corporate group that is continuously innovating under the Company’s basic philosophy.

b) The Company’s officers will receive compensation according to the roles they should play and the degree to which they achieve management targets.

iii. Basic policy of the compensation system

a) The Company will set up a highly fair and easy-to-understand system that is understood and supported by its customers, employees, and shareholders. Under this system, it will determine compensation with transparent and appropriate processes that ensure fairness.

b) The system will be able to provide strong motivation to execute management strategies by linking to the Group’s medium- to long-term management strategies and performance.

c) The Group will set a level of compensation that helps it to secure, maintain, and motivate the human resources responsible for managing it.

d) The Company will review the compensation system and levels in a timely and appropriate manner in light of economic and social conditions, and the Group’s business environment and performance.

iv. The Company will determine the individual amount of compensation for Directors comprehensively in terms of the company’s performance, individual evaluations, and other relevant circumstances.

v. The compensation for Directors is designed to provide strong motivation to execute the management strategies and is linked to performance. It also takes into account fairness and transparency.

vi. The compensation for Directors is comprised of base compensation, performance-linked compensation, share compensation-type stock options, and non-monetary compensation through company housing.

a) The Company determines base compensation based on individual evaluations within the standard amount set for each position. The Company pays it on a monthly basis.

b) Performance-linked compensation is monetary compensation. The main indicators for it are the level of achievement of consolidated operating revenue that represents the growth of the entire business and consolidated ordinary profit that indicates overall profitability. Based on these indicators, the sum of the fixed percentages of the respective amounts serves as the payment standard. This is to be allocated based on the performance and evaluation of the division for which the Director is responsible and paid at a fixed time each year. Paying 100% of the standard amount for each position when the targets set at the beginning of the fiscal year are achieved, the payment rate of performance-linked compensation will vary within a range of 0% to 200% based on the Company’s performance and individual evaluations in that fiscal year.

c) Share compensation-type stock options share not only the benefits of a rising stock price but the risks of a falling stock price with shareholders by enhancing the link between compensation and performance and stock price. The aim is to boost motivation and morale to continually improve the Company’s performance and enhance its corporate value. Under this aim, the Company allocates share acquisition rights as share compensation-type stock options that reflect performance and individual evaluations. The Company determines the number of share acquisition rights based on the Company’s performance and individual evaluations in the applicable fiscal year with respect to the standard number for each position. However, the Company will not grant these options if targets are significantly underachieved or if there is an ordinary loss.

d) If a Director does not own a residence within commuting distance upon appointment, the Company will prepare company housing. It will lease the company housing upon collecting a monthly fee for it. The amount remaining after deducting the company housing fee from the company housing rent will be considered non-monetary compensation for Directors. The Company will not lease company housing to Outside Directors.

- vii. The Company will pay only base compensation to Outside Directors.
- viii. The 44th Annual General Meeting of Shareholders held on May 19, 2023 set the maximum compensation limit for Directors at 300 million yen per year. Of this, it resolved that up to 240 million yen per year will serve as monetary compensation and up to 60 million yen per year will serve as the fair value portion for share compensation-type stock options. It also set the upper limit for non-monetary compensation through the leasing of company housing at 30 million yen.
- ix. The authority to determine the individual amount of compensation for the Company's Directors and the policy to determine how to calculate that lies with the Nomination and Compensation Committee. With half of its members comprised of independent Outside Directors, the Nomination and Compensation Committee deliberates on matters referred to it by the Board of Directors. It then reports its findings to the Board of Directors. The Board of Directors makes the final determination based on the findings of the Nomination and Compensation Committee. The Company determines performance-linked compensation within the set range based on the performance of the division for which the Director is responsible and the Director's individual evaluation.
- x. The percentages of compensation by type, excluding non-monetary compensation through company housing, for each Director's position are as follows.
- Executive Directors: 53% to 62% for base compensation, 24% to 27% for performance-linked compensation, and 13% to 21% for share compensation-type stock options [Total: 100%]
 - Directors: 60% to 63% for base compensation, 25% to 27% for performance-linked compensation, and 10% to 13% for share compensation-type stock options [Total: 100%]
 - Outside Directors: 100% for base compensation, 0% for performance-linked compensation, and 0% for share compensation-type stock options [Total: 100%]
- This model assumes a 100% achievement rate of the targets for performance-linked compensation. The above percentages will change depending on performance and stock price fluctuations.
- (4) The Company has stipulated the following basic policy and procedures for the appointment of candidates for Directors and Audit & Supervisory Board Members.
- The President and Representative Director comes up with candidates for Directors. The candidates are then determined by the Board of Directors as proposals to be submitted to the General Meeting of Shareholders upon deliberations by the Nomination and Compensation Committee. Finally, the General Meeting of Shareholders appoints Directors from among those candidates.
 - The President and Representative Director makes proposals for candidates for Directors at meetings of the Board of Directors. The President and Representative Director then fully describes the career, expertise, reasons for selection, and other matters concerning each candidate for Director. Upon that, the Nomination and Compensation Committee deliberates on the candidates.
 - The Audit & Supervisory Board Members comprehensively consider candidates for Audit & Supervisory Board Member's qualifications, independence, suitability for the Company's auditing system, and other factors. The candidates are then determined by the Board of Directors as agenda items submitted to the General Meeting of Shareholders. Finally, the General Meeting of Shareholders appoints Audit & Supervisory Board Members from among the candidates.
- (5) The Company will disclose in the notice of convocation for the General Meeting of Shareholders the reasons for individual appointments and nominations when nominating candidates for Directors and Audit & Supervisory Board Members.

Supplementary Principle 3.1.3: Sustainability Initiatives, etc.

Aiming to implement purpose management, the Group is promoting business activities so that business growth is directly linked to solving social issues based on the AEON Group Future Vision and MINISTOP's mission of "We realize a society full of beaming smiles with 'deliciousness' and 'convenience.'"

Based on this mission, the Company established the "MINISTOP Sustainability Basic Policy" in November 2021.

MINISTOP Sustainability Basic Policy

- The Company will aim to create stores trusted by customers and local communities through the provision of safe and secure products and services.
- The Company will strive to conserve the environment and form a circular society by taking into consideration global warming prevention and biodiversity to realize a decarbonized society.
- The Company will aim to build a sustainable supply chain that delivers environmentally and socially responsible products and services to its customers.
- The Company will create an environment where all people involved in its business can play an active role by respecting the human rights and diverse values of everyone.
- The Company will engage in social contribution activities together with its stakeholders to develop local communities.
- The Company will conduct sincere business activities by complying with international norms and the laws, regulations, and rules of the countries and regions where it is engaged in business.
- The Company will build group-wide international controls and management structures to prepare for diversifying risks.

The Company is proactively working to realize a sustainable society by addressing environmental and social issues together with its franchise stores and many other stakeholders.

Investment in Human Capital

The Company believes that people are the core of the Company, the source of the Company, and that people create the corporate culture, shape the business, and are the driving force behind the realization of the Company's corporate philosophy. We believe that if each employee can come to view the essence of their work as "an opportunity for personal growth," it will lead to business innovation and, ultimately, to corporate growth.

The Company is committed to creating a corporate environment in which employees can thrive and continue to grow. This is based on the basic human resources philosophy of the AEON Group to which MINISTOP belongs: "to listen to our employees' opinions, to understand how they feel, and provide them with opportunities to best utilize their talents." The Company considers its employees to be its most important management resources. As such, it supports the growth of its employees based on the idea that growth through education enriches the lives of its employees as embodied in the phrase "education is the greatest form of welfare." To this end, the Company is strengthening its education system based on autonomous career development, skill acquisition, and workplace practice.

In FY2025, the Company added new educational programs based on level-specific and job-specific education. The focus of these educational programs is on developing human resources who can lead a 'self-driving organization' in which individuals think and act by themselves to produce results for the organization. The Company provides group training to newly appointed Store Advisors. The purpose of this training is to equip participants with the specific skills to appropriately give guidance to franchise stores, an understanding of the profit structure, and problem-solving thinking. Through this, the Company strives to improve the practical skills in store guidance of Store Advisors. This leads to the accumulation of human capital.

In March 2026, the Company was certified as "KENKO Investment for Health (Large Enterprise Category)" for the fifth consecutive year. This is a program to certify corporations that implement outstanding health and productivity management launched by the Ministry of Economy, Trade and Industry (METI) and the NIPPON KENKO KAIGI.

Investment in Intellectual Property

The Company holds numerous trademark and other intellectual property rights both in Japan and overseas. It recognizes that intellectual property is an important asset. As such, it has built a structure under which a specialized department watches over its intellectual properties and appropriately takes measures as necessary. The Company provides education as a part of building compliance systems focused on the merchandise division related to intellectual properties.

Sustainable Supply Chain

• AEON Supplier CoC Training

Under the AEON Supplier Code of Conduct (CoC) established by AEON CO., LTD. in 2003, the Company provides AEON Supplier CoC training to all its employees.

• Communication with Business Partners

The Company builds good relationships through fair transactions and establishes partnerships that enable mutual development. The Company considers itself a partner that works together with business partners to engage in corporate activities. Accordingly, the Company holds MINISTOP Meetings to ensure its business partners understand its plans and merchandise policies to strive together to achieve success. In addition to daily communication, the Company holds policy announcements twice a year. These announcements allow the Company to share its fiscal year plans and its merchandise policies for the first and second halves of the year. Through this, the Company strives for mutual development with its business partners.

• Business Partner Surveys

The Company conducts a survey on all its business partners (excluding franchise stores) once a year. The survey results are reported to the Internal Control System Committee and the Board of Directors. The Company then makes improvements on the points raised, opinions given, and requests made.

Payment of compensation and fees (including whether there are any unfair demands for reductions, etc.)

Attitude of the Company's officers and employees in business negotiations

Price pass-throughs and price increase negotiations

Whether the Company's officers and employees give instructions to engage in illegal activities, etc.

- **Aiming for Sustainable Procurement**

The Company has changed the coffee beans it uses for its coffee (hot and iced), whose freshly brewed taste can be enjoyed by ordering it at the register, to those procured through the Sustainable Coffee Project. The aim of this is to further promote its ongoing efforts toward the sustainable procurement of coffee.

Please refer to the URL below for details.

https://www.ministop.co.jp/corporate/eco_social/pickup/

Response to Human Rights

MINISTOP Human Rights Due Diligence Committee

The Company established the MINISTOP Human Rights Due Diligence Committee in 2024 in collaboration with the Regular Crisis Management Committee of AEON CO., LTD. The Committee identified the following issues and worked to make improvements on them throughout the year.

i. Rights of foreign national workers

Risks such as foreign national workers working beyond their status of residence at franchise stores and directly managed stores

ii. Child labor

Risk of minors working at night at franchise stores and directly managed stores

iii. Working hours (excessive and unfair working hours)

Risk of health damage due to Article 36 violations and increased overtime hours for managers not subject to working time regulations

iv. Harassment

Risk of decreased productivity, long-term medical treatment for employees, resignations, lawsuits, and reputational damage

v. Compliance with laws, regulations, and social norms

Risks of legal violations and employee misconduct (embezzlement, criminal cases, sexual harassment, and workplace bullying) at MINISTOP Vietnam

vi. Working hours (excessive and unfair working hours)

Risks related to working conditions at MINISTOP Vietnam (long working hours)

iv. Harassment

Risk of human rights issues at contract manufacturing plants

Coexistence with the Community

- **Safety Station Activity**

The Safety Station activity began at convenience stores affiliated with the Japan Franchise Association in 2000 in response to a request from the National Police Agency for stores to act as a hub for community safety and security. This activity involves stores not simply being places to pursue convenience, but to serve as a part of community infrastructure and lifelines during disasters. Therefore, it has been supported by many customers. The Company has proactively participated in this activity since its outset. In addition to strengthening its self-defense structure against robbery, shoplifting, and other incidents, the Company has been working to enable reporting of disasters, accidents, medical emergencies, and other incidents, helping women and children who are seeking refuge, offering shopping assistance and communication to the elderly and people with disabilities, and disseminating and providing local safety information.

- **Entering into Comprehensive Agreements**

The Company has entered into comprehensive agreements with municipalities and other entities in the regions where it operates stores as a member of the AEON Group. The Company contributes to the revitalization of the local economy and the improvement of residents' lives by developing products and services that meet local needs.

The entire AEON Group aims to strengthen cooperation with local communities and realize a sustainable society. In addition, the Company has independently entered into agreements with municipalities to support those stranded due to mass transit disruptions in the event of a disaster.

- **Disaster Prevention Initiatives**

The Company has established a business continuity plan (BCP) to maintain its functions and ensure the early recovery of critical businesses in the event of a disaster. It reviews this BCP every year.

Sustainability Data

https://www.ministop.co.jp/corporate/eco_social/eco_report/

Supplementary Principle 4.1.1: Scope of Delegation from the Board of Directors to Senior Management

The Company has stipulated the following as matters that should be decided by the Board of Directors and matters to which decisions are delegated to Directors.

(1) Matters That Should Be Decided by the Board of Directors

- Matters for which it has been determined should be resolved upon by the Board of Directors pursuant to the Companies Act and other laws and regulations
- Matters for which it has been determined should be resolved upon by the Board of the Directors pursuant to the Articles of Incorporation, the Rules of the Board of Directors, and various other internal regulations
- Matters delegated to the Board of Directors according to a resolution at a General Meeting of Shareholders
- Other important matters concerning business execution

(2) Matters to Which Decisions Are Delegated to Directors

Matters delegated to Directors pursuant to various internal regulations

Principle 4.9: Independence Criteria and Qualifications for Independent Outside Directors

The Company has stipulated the following independence criteria for independent Outside Directors.

- The person shall not serve, nor have served in the 10 years prior to appointment, as an executive Director, manager, or other employee of the Company or one of its subsidiaries (hereinafter "Business Executive of the Group").
- A person who has served as a Director, Accounting Advisor, or Audit & Supervisory Board Member of the Company or one of its subsidiaries (excluding those who have served as a Business Executive of the Group) at any point in the 10 years prior to appointment shall not have served as a Business Executive of the Group in the 10 years prior to the said appointment as Director, Accounting Advisor, or Audit & Supervisory Board Member.
- The person shall not fall under any of the following categories.
 - Director, Executive Officer, manager, or other employee (hereinafter "Business Executive, etc.") of the parent company of the Company or one of its subsidiaries or other entities (excluding the Company and its subsidiaries)
 - Spouse or relative within the second degree of kinship of a Business Executive of the Group
- The person shall not fall under any of the following categories.
 - A party for whom the Company or one of its subsidiaries is a major business partner (determined based on a criterion of 1% or more of consolidated net sales in the most recent fiscal year), or a Business Executive, etc. of such a party
 - A major business partner of the Company or one of its subsidiaries, or a Business Executive of such a party
 - A consultant, accounting professional, or legal professional who receives 10 million yen or more annually in cash or other assets other than officer compensation from the Company or one of its subsidiaries
- A person who shall not fall under any of the following categories in the three years prior to appointment
 - Persons listed in i., ii., and iii. in (4)
 - Business Executive, etc. or Director who is not a Business Executive of the parent company of the Company
 - Business Executive, etc. of a subsidiary or other entity of the parent company of the Company (excluding the Company and its subsidiaries)
- The person shall not be a spouse or a relative within the second degree of kinship of any people who fall under the following categories.
 - Persons listed in i., ii., and iii. in (5)
 - Business Executive of the Group
 - Business Executive, etc. or Director who is not a Business Executive of the parent company of the Company
 - Business Executives, etc. of a subsidiary or other entity of the parent company of the Company (excluding the Company and its subsidiaries)
 - A person who has served as a Business Executive of the Group in the three years prior to appointment

Supplementary Principle 4.10.1: Authorities and Roles of the Nomination Committee and Compensation Committee, etc.

The Company has established the Nomination and Compensation Committee as an advisory body to the Board of Directors. The Committee deliberates on the appointment and dismissal of Directors, compensation for Directors, succession planning for the President and Representative Director and others, the appointment and dismissal of the Presidents and Directors of subsidiaries, the compensation for the Presidents and Directors of subsidiaries, and other matters. It then reports its findings to the Board of Directors. The Committee is chaired by an independent Outside Director. It consists of at least three members, including the President and Representative Director, with

half of those members being independent Outside Directors. It meets at least twice a year.

Supplementary Principle 4.11.1: Views on Diversity of the Board of Directors

The Company has stipulated the following basic policy regarding the balance, diversity, and size of the Board of Directors as a whole in terms of knowledge, experience, and ability.

- (1) The Board of Directors shall be comprised of members to ensure it possesses a good balance of knowledge, experience, and abilities as a whole with both diversity and an appropriate size.
- (2) The appropriate size of the Board of Directors shall be determined by taking into consideration the necessity of human resources, including Outside Directors, to effectively make decisions on important business execution and oversee business execution by Directors on the premise of appropriate delegation of authorities to the Management Committee.
- (3) Internal Directors shall be selected with emphasis placed on the practical experience, knowledge, and qualities necessary to draft management strategies, operate divisions, and carry out other roles, as well as familiarity with the Group's business.
- (4) Outside Directors shall be selected with emphasis placed on the independence to appropriately reflect the opinions of various stakeholders in addition to diverse experience, knowledge, and a high level of insight that cannot be obtained from Internal Directors.
- (5) Audit & Supervisory Board Members shall be selected with emphasis placed on broad knowledge and experience on related industries, management, finance, accounting, and other areas beneficial to the Company's auditing system in addition to independence from business executives.
- (6) At least one individual with appropriate knowledge of finance and accounting shall be appointed as an Audit & Supervisory Board Member.
- (7) Skills matrix

"We realize a society full of beaming smiles with 'deliciousness' and 'convenience'" serves as the Company's mission. Based on this mission, the Company is working to deliver the value proposition unique to MINISTOP stores in Japan to enhance its medium-to long-term corporate value and realize sustainable growth. Together with this, it is striving to establish a new format that transforms the revenue structure of its stores by achieving low-cost operations. The Company will complete reforms to its revenue structure and business structure. In addition, it will promote the expansion of its occupational field business and Vietnam business to lay the foundation for promoting its growth strategies. Against this backdrop, to ensure Directors accelerate reconstruction and demonstrate the development of sustainable growth strategies and recovery of profits, set up a structure for management to appropriately evaluate and manage risks, and provide highly effective oversight of senior management and Directors from an independent and objective standpoint, the following composition has been established and is being subject to thorough discussions in meetings of the Nomination and Compensation Committee.

Internal Directors should possess the ability, knowledge, experience, and achievements in their specialized fields of expertise, as well as a sense of balance and decisiveness to comprehend and play an active role in all aspects of the company's operations.

Outside Directors must have extensive experience and a high level of insight in their respective fields of expertise, must be able to devote sufficient time to the performance of their duties as Directors of the Company, and must have the qualifications to supervise and make proposals to ensure the validity and appropriateness of the Board's decision-making from an independent point of view.

The Company believes the Board of Directors is appropriately fulfilling its roles and responsibilities in light of the AEON Group Future Vision, MINISTOP's mission, the Medium-term Management Plan, and other plans. The Company has particularly high expectations in its Directors in terms of the balance, diversity, and size of the knowledge, experience, and abilities in the following fields. Accordingly, the Company believes that the Board of Directors as a whole possesses the necessary skills.

Fields Where the Company Expects Skills to Be Demonstrated in Particular

General management: an essential indicator for translating medium-term management strategies into single fiscal years and implementing management plans, their state of progress, and other elements

HR, labor relations, Human resources development: the foundation for the resolute execution of structural reforms, the successful promotion of strategic growth, and human capital management found in the Company's medium-term management strategies

Product development and logistics and sales office support: the core competencies of the Company

Overseas experience: essential for the Company as it expands overseas

IT and information systems: essential to provide new value to the Company

Legal and risk management, and financial, accounting, and tax affairs: the base for decision-making concerning business activities

Sustainability (the environment and society): necessary to carry out activities rooted in the community to realize a sustainable society

Store development: essential for the Company to sustainably grow

Furthermore, the Company particularly expects Audit & Supervisory Board Members as well to demonstrate skills in financial, accounting, and tax affairs, and legal and risk management in light of their role and responsibility to audit the execution of duties by Directors. The Company believes the Audit & Supervisory Board possesses these necessary skills.

Please refer to the following URL for the skills matrix of Directors and Audit & Supervisory Board Members.

<https://www.ministop.co.jp/corporate/ir/policy/directors.html>

Supplementary Principle 4.11.2: Concurrent Service by Directors and Audit & Supervisory Board Members

The Company has a policy of limiting the number of Directors and Audit & Supervisory Board Members who concurrently serve as officers of other listed companies to a reasonable extent to ensure that they properly fulfill their roles and responsibilities. The Company discloses the main concurrent positions held by its officers in the reference documents for the General Meetings of Shareholders and other materials.

Supplementary Principle 4.11.3: Evaluation of the Effectiveness of the Board of Directors

The Company conducts analysis and evaluations on the effectiveness of the Board of Directors for each Director and Audit & Supervisory Board Member to enhance discussions on important management issues and strengthen corporate governance while giving thought to improving corporate value in the medium- to long-term. The Company is working on the following as a structure that allows independent Outside Directors to fully demonstrate their expertise in a standpoint independent from senior management and controlling shareholders.

Special Committee (Established in 2021)

This Committee serves as an advisory body to the Board of Directors. It deliberates on mergers, company splits, share transfers, and other organizational restructurings, public tender offers for shares of other companies, privatization of the Company's own shares, and other important matters relating to the Company's management and governance structure. It then reports its findings to the Board of Directors. The Committee is chaired by an independent Outside Director and is comprised of all the individuals who meet the requirements for independent Outside Director and independent Outside Audit & Supervisory Board Member as defined by the Company. This Committee meets as needed when an event occurs or is anticipated to occur that requires a recommendation from it.

Nomination and Compensation Committee (Established in 2021)

The majority of the members of this Committee are independent Outside Directors. The Committee deliberates on the appointment and dismissal of Directors, the compensation of Directors, and other matters. It then reports its findings to the Board of Directors.

In terms of the overview of the evaluation of the effectiveness of the Board of Directors, the Company is continuing to work toward improving effectiveness in the following ways.

(1) Evaluation Method

The Company conducted an evaluation of the effectiveness of the Board of Directors by analyzing and evaluating the results of a questionnaire and interviews with each Director and Audit & Supervisory Board Member from July to August 2025.

Composition of the Questionnaire

Operations: Frequency of Board of Directors' meetings, content of discussions, materials, implementation of proposals, support structure

Practical application: Issues concerning the composition of the Board of Directors, proposal explanations, sufficiency of reviews, reviews of key issues, decision making, roles and responsibilities, and other issues with the Board of Directors

In addition to the above, we reviewed initiatives implemented in response to the new requirements of the Corporate Governance Code, together with questions raised from new perspectives on issues facing the Company. We also confirmed the observations and insights of newly appointed officers following their assumption of office.

(2) Results of Surveys with Each Director and Audit & Supervisory Committee Member, and Interviews with Outside Officers

The Board of Directors in FY2024 was evaluated as having ensured effectiveness overall.

Some progress has been made on efforts in regard to the points raised about the strategic direction of the Company based on its management philosophy, reporting methods and contents at meetings of the Board of Directors, and the early provision of materials for meetings of the Board of Directors as well as the quantity and quality of those materials. Nevertheless, the Company shares the understanding that there is still room to continue making improvements from the perspective of further enriching discussions toward growth.

Company Strengths

Analysis of the survey and interview results showed that clear action had been taken to resolve issues concerning the Company.

Company Issues

The following points were outlined as issues requiring further improvement.

- i. Discussion on achieving the Medium-term Management Plan
 - ii. Decision-making with a focus on enhancing corporate value over the medium to long term
- (3) Issues and Improvement Measures to Further Enhance the Effectiveness of the Board of Directors

“Discussion on achieving the Medium-term Management Plan” and “decision-making with a focus on enhancing corporate value over the medium to long term” were identified as key issues. These issues will undergo careful review and detailed discussion by the Management Committee and other forums, while response measures to other issues will be reviewed by the relevant committee as part of a broader effort to improve the effectiveness of the Board of Directors.

Supplementary Principle 4.14.2: Training for Directors and Audit & Supervisory Board Members

The Company has stipulated the following basic policy on the training and development of Directors and Audit & Supervisory Board Members so that they can appropriately fulfill their respective expected roles and responsibilities.

- (1) Provision of opportunities for training and development and verification by the Board of Directors

The Company provides, facilitates, or financially supports opportunities for training and development both internally and externally that are suitable for individual Directors and Audit & Supervisory Board Members. The Board of Directors verifies that these appropriate measures are being taken.

- (2) Ongoing training and development upon appointment and thereafter

The Company provides its Directors and Audit & Supervisory Board Members with opportunities upon their appointment to acquire the necessary knowledge relating to the Group’s business, finances, organization, and other elements, and to fully understand the roles and responsibilities required of Directors and Audit & Supervisory Board Members.

The Company thereafter continues to regularly provide them with opportunities to participate in seminars and other events to which external experts have been invited.

The Company does this with the intention that they will deepen their understanding of amendments to laws and regulations, current management issues, and other matters. In addition, the Company provides compliance training on an ongoing basis. Through this training, the Company ensures thorough regulatory compliance, reduces management risks, and strengthens its corporate governance structure.

Through these efforts, the Company endeavors to ensure sound management and to build the foundations to support its sustainable growth.

Principle 5.1: Policies Concerning Constructive Dialogue with Shareholders

The Company has stipulated the following policy on constructive dialogue with shareholders to contribute to the sustainable growth of the Group and enhancement of medium- to long-term corporate value.

- (1) The Company engages in timely and appropriate information disclosures and constructive dialogue based on a medium- to long-term perspective with its shareholders. In addition to management strategies and financial information, the Company also strives to promote understanding of non-financial information, such as contributions to the environment and society, and corporate governance.

(2) The Company has placed all relevant departments under the Director in Charge of Stock Management as a point of contact to promote constructive dialogue with shareholders. To encourage timely and appropriate information disclosures and constructive dialogue, the relevant departments organically work together to enrich the content of dialogue. The relevant departments consist of the General Affairs & Legal Affairs Department, Environment & Communication Department (public relations, and contributions to the environment and society), Corporate Planning Department (management strategies), Finance & Accounting Department, and Business Administration Division (in charge of IR). The Business Administration Division (in charge of IR) or General Affairs & Legal Affairs Department takes the lead in handling everyday inquiries, individual meetings, and other matters in regard to constructive dialogue with shareholders and investors. Moreover, Directors or Executive Officers directly handle management strategies, capital policies, and other important matters as necessary to enhance dialogue.

(3) The Company proactively holds semi-annual financial result briefings for institutional investors and individual meetings with both domestic and international institutional investors. The Company strives to proactively disclose and explain its management policies and to engage in thorough question-and-answer sessions at General Meetings of Shareholders. Furthermore, the Company endeavors to enhance information disclosure and dialogue to further deepen shareholder understanding. The Company promptly responds to any opinions or questions it receives via the Web or over the telephone.

(4) To practice management that utilizes the requests and opinions of its shareholders, the Company holds timely and appropriate discussions in meetings of the Board of Directors and Management Committee in relation to the opinions it obtains through its dialogues. It then strives to reflect the contents of those discussions in its dialogues with shareholders.

(5) The Company thoroughly manages information based on the Insider Trading Prevention Regulations to prevent insider information being leaked externally. It strives to ensure that information is communicated fairly and impartially to its shareholders and investors.

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price (Updated on May 29, 2026)

The Company places emphasis on return on equity (ROE) as an indicator to achieve capital profitability that exceeds capital costs. In calculating capital costs, the Company refers to information such as data comparisons made by external experts on the cost of capital levels of other companies in the same industry that serve as benchmarks in the capital market and then assesses them based on certain assumptions.

The Board of Directors discusses how best to allocate management resources from the perspective of the business portfolio by taking into account appropriate capital costs. It then sets the major direction for formulating management plans and making investment decisions.

Based on these directions, the Board of Directors carries out oversight to ensure that specific measures related to growth investments and the review of the business portfolio are steadily implemented.

2. Capital Structure

| | |
|----------------------------|---------------|
| Foreign Shareholding Ratio | Less than 10% |
|----------------------------|---------------|

Status of Major Shareholders

| Name | Number of Shares Owned | Percentage (%) |
|------------------------------------------------------|------------------------|----------------|
| AEON CO., LTD. | 14,130,213 | 48.71 |
| The Master Trust Bank of Japan, Ltd. (trust account) | 1,178,100 | 4.06 |
| Cox Co., Ltd. | 687,001 | 2.36 |
| AEON Financial Service Co., Ltd. | 403,753 | 1.39 |
| Fuji Co., Ltd. | 392,753 | 1.35 |
| MINISTOP Cooperative | 373,451 | 1.28 |
| BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) | 217,360 | 0.74 |
| Daiwa Securities Co. Ltd. | 207,112 | 0.71 |
| The Chiba Bank, Ltd. | 195,675 | 0.67 |
| BNYMSANV RE GCLB RE JP RD LMGC | 193,896 | 0.66 |

| | |
|-----------------------------------------------------------------------------|----------------------------------------------|
| Name of Controlling Shareholder, if applicable (excluding Parent Companies) | ----- |
| Name of Parent Company, if applicable | AEON CO., LTD. (Listing: Tokyo (Code: 8267)) |

Supplementary Explanation

3. Corporate Attributes

| | |
|-------------------------------------------------------------------------------|------------------------------------------------------|
| Listed Stock Exchange and Market Segment | Tokyo Prime |
| Fiscal Year-End | February |
| Business Sector | Retailing |
| Number of Employees (Consolidated) as of the End of the Previous Fiscal Year | 1,000 or more |
| Net Sales (Consolidated) for the Previous Fiscal Year | 10 billion yen or more but less than 100 billion yen |
| Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year | Fewer than 10 |

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

The Company's parent company is AEON CO., LTD. (listed in the Prime section on the Tokyo Stock Exchange). AEON CO., LTD., together with its group including subsidiaries, owns 54.1% of the voting rights in the Company (48.8% through direct ownership).

When the Company enters into transactions with AEON CO., LTD. and its group companies, it ensures independence and fairness by determining the transaction terms in the same manner as general transactions so as not to harm the interests of its minority shareholders. Moreover, when entering into significant transactions, the Board of Directors receives a recommendation from a special committee serving as an advisory body to it. The Board of Directors, with the attendance of Outside Directors and Outside Audit & Supervisory Board Members who are considered independent officers as defined by the Tokyo Stock Exchange's securities listing regulations, carefully deliberates the content, terms, fairness and appropriateness of the transaction before implementing it with a resolution.

The Company enters into the following transactions with its parent company and the group companies of its parent company. However, when entering into these transactions, the Company will conduct the transactions under appropriate terms based on market prices and report the annual transaction results, such as the growth rate, with the relevant parties once a year to the Board of Directors who will scrutinize the rationality and fairness of the transactions.

- (1) The Company purchases products in bulk to enhance its price negotiation power. This allows the Company to purchase products from the applicable group companies at favorable prices compared to competitors.
- (2) The Company determines the terms for store leases through negotiations with reference to market rates in the vicinity in the same way as with general transactions.
- (3) The Company determines transaction terms through negotiations in the same way as with general transactions.

Special Committee Comprised of Those with Independence, Including Independent Outside Directors

The Company has established a special committee as an advisory body to the Board of Directors. This committee deliberates on mergers, company splits, share transfers, and other organizational restructurings, public tender offers for shares of other companies, privatization of the Company's own shares, and other important matters relating to the Company's management and governance structure. It then reports its findings to the Board of Directors. This committee is chaired by an independent Outside Director and is comprised of all the individuals who meet the requirements for independent Outside Directors and independent Outside Audit & Supervisory Board Member as defined by the Company. The Company has adopted this configuration to ensure the opinions of stakeholders, including minority shareholders, are appropriately reflected in meetings of the Board of Directors in a standpoint independent from the Company's senior management and controlling shareholders. This committee meets as needed when an event occurs or is anticipated to occur that requires a recommendation from it. The Special Committee met on March 14, 2024. All four individuals who met the requirements for independent Outside Director and independent Outside Audit & Supervisory Board Member attended the meeting. The Committee then reported to the Board of Directors its findings on a merger agreement aimed at acquiring an e-commerce liquor trade license.

5. Other Special Circumstances which May have a Material Impact on Corporate Governance

The Company's parent company is AEON CO., LTD. (listed in the Prime section on the Tokyo Stock Exchange). AEON CO., LTD., together with its group including subsidiaries, owns 54.1% of the voting rights in the Company (48.8% through direct ownership). However, the Company operates its own convenience store business and other operations. This ensures its independence.

"Pursuing peace, respecting humans, and contributing to local communities, always with customers as our starting point" serves as AEON's basic philosophy. Under this philosophy, AEON believes the overall corporate value of its group is enhanced by practicing group management based on decentralization with emphasis placed on the autonomy and uniqueness of the management of its group companies. It has been putting this into practice since its founding.

AEON is involved in a diverse range of customer-centric businesses. Each of these aims to enhance the corporate value of the group and each company by engaging in independent and autonomous business activities under the goal of becoming the number one in its region or the top in its industry with the cooperation of the holding company and other group companies. AEON believes that it can simultaneously achieve both the further enhancement of the corporate value of each listed subsidiary in its group and the medium- to long-term enhancement of the corporate value of its entire group by establishing and implementing various mechanisms to ensure the effectiveness of governance in its listed subsidiaries.

AEON designates some of its group companies as listed subsidiaries. These are the companies for which sustainable growth is expected to be promoted through autonomous management that takes into account of the characteristics of their region and business in particular, and for which the quality of that management is anticipated to improve due to the discipline imposed from capital markets. Thus, AEON requests its listed subsidiaries to appoint independent Outside Directors, establish advisory committees with independent officers, and take other measures from the perspective of protecting the minority shareholders of those companies.

In this context, AEON swiftly transitioned to being a company with a nominating committee and other committees in 2003 to enhance the transparency of group governance and the speed of management. Furthermore, it transitioned to being a pure holding company in 2008 to strengthen management from a group-wide perspective without being biased toward any particular business. Moreover, it takes various management measures to enhance synergies across its entire group. As described above, the Company recognizes that maximizing collaboration and synergies with each company in the AEON Group helps to benefit minority shareholders.

Significance of Performing Cash Management with the Parent Company (Cash Management System)

The Company uses the AEON Group's cash management system to manage temporary surplus funds on hand. It records such cases as "Deposits paid to subsidiaries and associates" in the current assets section of its consolidated balance sheet. The terms for making such deposits are reviewed every three months based on market interest rates. This makes it possible to temporarily manage funds on terms more favorable than deposit transactions with financial institutions. Therefore, the Company implements this while considering the balance with the situation of its funds on hand.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight

1. Organizational Composition and Operation

| | |
|-----------------------------|-------------------------------------------|
| Corporate Governance System | Company with an Audit & Supervisory Board |
|-----------------------------|-------------------------------------------|

Matters Relating to Directors

| | |
|-----------------------------------------------------------------------|---------------------------------------|
| Number of Directors Stipulated in the Articles of Incorporation | 15 |
| Directors' Term of Office Stipulated in the Articles of Incorporation | 1 year |
| Chairperson of the Board | President and Representative Director |
| Number of Directors | 7 |
| Election of Outside Directors | Appointed |
| Number of Outside Directors | 3 |
| Number of Outside Directors Designated as Independent Officers | 3 |

Relationship with the Company (1)

| Name | Affiliation | Relationship with the Company* | | | | | | | | | | | | | |
|------------------|----------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|---|--|--|
| | | a | b | c | d | e | f | g | h | i | j | k | | | |
| Shingo Kagawa | From another company | | | | | | | | | | | | △ | | |
| Chie Ikegawa | From another company | | | | | | | | | | | | | | |
| Makoto Sakakieda | From another company | | | | | | | | | | | | | | |

*Categories for "Relationship with the Company."

○ Applicable to the Director now or recently

△ Applicable to the Director in the past

● Applicable to a close relative of the Director now or recently

▲ Applicable to a close relative of the Director in the past

a An executive of the Company or its subsidiaries

b An executive or non-executive director of a parent company of the Company

c An executive of an affiliated company of the Company

d A person or entity of whom the Company is a major business partner or an executive thereof

e A major business partner of the Company or an executive thereof

f A consultant, accounting professional, or legal professional who receives large amounts of monetary compensation or other assets from the Company other than remuneration as a corporate officer

g A major shareholder of the Company (in cases where the major shareholder is a corporation, an executive thereof)

h An executive of a business partner of the Company (excluding persons to whom item d, e, or f above applies) (said individual only)

- i An executive of an entity holding cross-directorships with the Company (said individual only)
j An executive of an entity to whom the Company makes donations (said individual only)
k Other

Relationship with the Company (2)

| Name | Independent Officer Status | Supplementary Explanation of Applicable Items | Reasons for Appointment |
|------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shingo Kagawa | ○ | Mr. Kagawa previously worked at Fujitsu Limited, one of the Company's business partners, as CTO and Head of Digital Services Business, from April 2016 to April 2018. | The Company has appointed Mr. Kagawa as an Outside Director so that he can make necessary and pertinent contributions to constructive discussions at meetings of the Board of the Directors from the perspective of an Outside Director based on his wide-ranging experience as a business executive, broad insights, and advanced initiatives demonstrated through his extensive track record in IT and digital transformation (DX). Furthermore, Mr. Kagawa does not fall under any of the grounds listed as attributes that may create a conflict of interest with general shareholders. Accordingly, the Company has determined that there is no risk of conflict of interest with general shareholders and so has designated him as an independent officer. |
| Chie Ikegawa | ○ | | The Company has appointed Ms. Ikegawa as an Outside Director so that she can contribute her extensive track record and experience as a business executive and her wide-ranging knowledge of global business, M&As, and risk management to constructive discussions at meetings of the Board of Directors and effectiveness evaluations of the Board. Furthermore, Ms. Ikegawa does not fall under any of the grounds listed as attributes that may create a conflict of interest with general shareholders. Accordingly, the Company has determined that there is no risk of conflict of interest with general shareholders and so has designated her as an independent officer. |
| Makoto Sakakieda | ○ | Mr. Sakakieda previously worked at UCC Ueshima Coffee Co., Ltd., one of the Company's business partners, as the General Manager of the Business Planning Department in the Marketing Division from April 2003 to October 2007. | The Company has appointed Mr. Sakakieda as an Outside Director because of his extensive track record and experience as a business executive and a consultant in the restaurant business, and his wide-ranging knowledge of various business activities across the value chain. Furthermore, Mr. Sakakieda does not fall under any of the grounds listed as attributes that may create a conflict of interest with general shareholders. Accordingly, the Company has determined that there is no risk of conflict of interest with general shareholders and so has designated her as an independent officer. |

| | |
|------------------------------------------------------------------------------------------------------|-----|
| Voluntary Establishment of Committee(s) equivalent to Nomination Committee or Remuneration Committee | Yes |
|------------------------------------------------------------------------------------------------------|-----|

Status of Voluntarily Established Committee(s), Attributes of Members Constituting the Committee and the Committee Chairperson

| | Committee's Name | Total Number of Members | Number of Full-time Members | Number of Internal Directors | Number of Outside Directors | Number of Outside Experts | Number of Other | Chairperson |
|------------------------------------------------------------------------|---------------------------------------|-------------------------|-----------------------------|------------------------------|-----------------------------|---------------------------|-----------------|------------------|
| Voluntarily Established Committee Equivalent to Nomination Committee | Nomination and Compensation Committee | 4 | 0 | 1 | 3 | 0 | 0 | Outside Director |
| Voluntarily Established Committee Equivalent to Remuneration Committee | Nomination and Compensation Committee | 4 | 0 | 1 | 3 | 0 | 0 | Outside Director |

Supplementary Explanation

The Company has established the Nomination and Compensation Committee as an advisory body to the Board of Directors. The Committee deliberates on the appointment and dismissal of Directors, compensation for Directors, succession planning for the President and Representative Director and others, the appointment and dismissal of the Presidents and Directors of subsidiaries, the compensation for the Presidents and Directors of subsidiaries, and other matters. It then reports its findings to the Board of Directors. The Committee is chaired by an independent Outside Director. It consists of at least three members, including the President and Representative Director, with half of those members being independent Outside Directors. It meets at least twice a year.

Matters Relating to Audit & Supervisory Board Member

| | |
|-----------------------------------------------------------------------------------------|-------------|
| Establishment of the Audit & Supervisory Board | Established |
| Number of Audit & Supervisory Board Members Stipulated in the Articles of Incorporation | 4 |
| Number of Audit & Supervisory Board Members | 4 |

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments

While maintaining close cooperation with the Accounting Auditor, Audit & Supervisory Board Members exchange the information necessary throughout the fiscal year in addition to formulating audit plans and reporting audit results. They collaborate with the three dedicated staff members in the Management Audit Office that has been set up as an internal audit division directly under the President to be independent of the operating divisions. This allows audits to be conducted efficiently and effectively. The dedicated staff members in the Management Audit Office participate in meetings of the Audit & Supervisory Board as necessary. They also help to provide information in response to requests from Audit & Supervisory Board Members and carry out other duties. This ensures a structure that supports audits conducted by Outside Audit & Supervisory Board Members.

| | |
|----------------------------------------------------------------------------------------|-----------|
| Appointment of Outside Audit & Supervisory Board Members | Appointed |
| Number of Outside Audit & Supervisory Board Members | 3 |
| Number of Outside Audit & Supervisory Board Members Designated as Independent Officers | 1 |

Relationship with the Company (1)

| Name | Affiliation | Relationship with the Company* | | | | | | | | | | | | |
|-------------------|----------------------|--------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f | g | h | i | j | k | l | m |
| Tsutomu Taniguchi | From another company | | | | | △ | | | | | | | | |
| Hideki Tokai | Tax accountant | | | | | | | | | | | | | |
| Yohsei Honda | From another company | | | | | △ | | | | | | | | |

*Categories for "Relationship with the Company."

○ Applicable to the Director now or recently

△ Applicable to the Director in the past

● Applicable to a close relative of the Director now or recently

▲ Applicable to a close relative of the Director in the past

a An executive of the Company or its subsidiaries

b Non-executive director or accounting advisor of the Company or one of its subsidiaries

c An executive or non-executive director of a parent company of the Company

d Audit & Supervisory Board Member of the Company's parent company

e An executive of an affiliated company of the Company

f A person or entity of whom the Company is a major business partner or an executive thereof

g A major business partner of the Company or an executive thereof

h A consultant, accounting professional, or legal professional who receives large amounts of monetary compensation or other assets from the Company other than remuneration as a corporate officer

i A major shareholder of the Company (in cases where the major shareholder is a corporation, an executive thereof)

j Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to director him/herself only)

k An executive of an entity holding cross-directorships with the Company (said individual only)

l An executive of an entity to whom the Company makes donations (said individual only)

m Other

Relationship with the Company (2)

| Name | Independent Officer Status | Supplementary Explanation of Applicable Items | Reasons for Appointment |
|-------------------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tsutomu Taniguchi | | Mr. Taniguchi previously worked at AEON Compass Co., Ltd., one of the Company's affiliated companies, as Director and in Charge of Sales from November 2020 to February 2022. Mr. Taniguchi previously worked at AEON DELIGHT CO., LTD., one of the Company's affiliated companies, as Executive Officer from March 2022 to February 2025 and as Adviser from March 2025 to May 15, 2025. | The Company has appointed Mr. Taniguchi as Outside Audit & Supervisory Board Member having determined that he will be able to put to good use his oversight and effective advice across all management activities in the Company's auditing system by leveraging his extensive experience and track record in companies in the AEON Group. |
| Hideki Tokai | ○ | | The Company has appointed Mr. Tokai as Outside Audit & Supervisory Board Member having determined that he will be able to put to good use his extensive experience in tax administration and professional expertise as a tax accountant in the Company's auditing system. Furthermore, Mr. Tokai does not fall under any of the grounds listed as attributes that may create a conflict of interest with general shareholders. Accordingly, the Company has determined that there is no risk of conflict of interest with general shareholders and so has designated him as an independent officer. |
| Yohsei Honda | | Mr. Honda was previously employed at AEON RETAIL Co., Ltd., one of the Company's affiliated companies, and worked at the AEON 1% Club Foundation as Secretary-General from October 2016 to June 2024. | The Company has appointed Mr. Honda as Outside Audit & Supervisory Board Member having determined that he will be able to conduct highly effective audits with a deep understanding of all management activities by leveraging his broad knowledge and experience relating to the retail industry and his experience as a director at other companies. |

Matters Relating to Independent Officers

| | |
|--------------------------------|---|
| Number of Independent Officers | 4 |
|--------------------------------|---|

Other Matters Relating to Independent Officers

The Company designates all those who meet the qualifications for independent officers as independent officers.

Matters Relating to Incentives

| | |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Implementation Status of Measures related to Incentives Granted to Directors | Introduction of Performance-linked Compensation Scheme / Introduction of Stock Options Scheme |
|------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|

Supplementary Explanation for Applicable Items

The Company has abolished its retirement bonus system for Directors and, in its place, is allocating share compensation-type stock options with an execution price of 1 yen. The purpose of this change is to enhance motivation and morale for continued performance improvement by sharing not only the benefits of a rising stock price but the risks of a falling stock price with shareholders from the perspective of linking officer compensation with corporate performance and shareholder value.

| | |
|------------------------------------|--------------------|
| Persons Eligible for Stock Options | Internal Directors |
|------------------------------------|--------------------|

Supplementary Explanation for Applicable Items

Audit & Supervisory Board Members receive only fixed monthly monetary compensation to ensure their independence.

Matters Relating to Director Compensation

| | |
|------------------------------------------------------------|---------------------------------|
| Status of Disclosure of Individual Director's Compensation | No disclosure for any Directors |
|------------------------------------------------------------|---------------------------------|

Supplementary Explanation for Applicable Items

The total amount of compensation for the Company's Directors in the fiscal year ended February 28, 2026 is as follows.

Total amount of compensation for Directors: 85 million yen

Number of eligible Directors: 8

Note 1: The total amount of compensation for Directors does not include the employee salaries for the Directors who concurrently serve as employees.

Note 2: The number of Directors as of the end of the fiscal year ended February 28, 2026 was 8.

| | |
|--------------------------------------------------------------------|-----|
| Policy on Determining Remuneration Amounts and Calculation Methods | Yes |
|--------------------------------------------------------------------|-----|

Disclosure of Policy on Determining Compensation Amounts and Calculation Methods

The compensation for the Company's Directors is designed to provide strong motivation to execute the management strategies and is linked to performance. It also takes into account fairness and transparency. Individual compensation is comprised of base compensation, performance-linked compensation, share compensation-type stock options, and non-monetary compensation through company housing within the range of the total amount resolved upon at the General Meeting of Shareholders. The policies for determining each of these are as follows.

Base compensation is paid monthly to Directors on an individual basis within the standard amount determined for each position.

Performance-linked compensation is calculated according to the payment rate based on the achievement rate of consolidated ordinary profit and company performance with respect to the standard amount determined for each position. It is then determined after comprehensive consideration.

Share compensation-type stock options are granted to Directors as share acquisition rights after the conclusion of the fiscal year based on the Company's annual performance.

Non-monetary compensation through company housing involves the Company preparing company housing if a Director does not own a residence within commuting distance at the time of appointment and then leasing it upon collecting a monthly fee for it.

Support System for Outside Directors (and/or Outside Audit & Supervisory Board Members)

The Company's General Affairs & Legal Affairs Department is responsible for administrative tasks such as disseminating information to Outside Directors and Outside Audit & Supervisory Board Members. When meetings of the Board of Directors are held, which happens at least once a month, it distributes materials in advance. Moreover, it asks for questions, opinions, and things members have identified. It then communicates those matters to the proposing departments.

Three out of four of the Company's Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members. They maintain close cooperation with the Accounting Auditor through information exchange. The members collaborate with the three dedicated staff members in the Management Audit Office that has been set up as an internal audit division directly under the President to be independent of the operating divisions. This allows audits to be conducted efficiently and effectively. The dedicated staff members in the Management Audit Office participate in meetings of the Audit & Supervisory Board as necessary. They also help to provide information in response to requests from Audit & Supervisory Board Members and carry out other duties. In the case in which Audit & Supervisory Board Members have requested that employees be designated to assist them in their duties, the Company will assign appropriate personnel as audit staff who are independent of operating divisions. Through this and other measures, the Company ensures there is a structure that supports the audits conducted by the Outside Audit & Supervisory Board Members.

2. Matters Concerning Functions of Business Execution, Auditing and Oversight, Nomination, and Compensation Decisions (Overview of Current Corporate Governance System)

Overview of Current Corporate Governance System

The Company holds Board of Directors' meetings at least once per month and conducts decision-making on important matters related to the Group overall, including subsidiaries, and oversight of the execution of duties by Directors. In addition, the Company basically holds meetings of the Management Committee with Directors and the executives responsible for each division every week. It does this to complement the Board of Directors and to ensure a swift and appropriate response to various management issues.

The Company is also enhancing its business execution and audit and oversight functions. Three Outside Directors with extensive experience and advanced expertise (all independent officers) and three outside Audit & Supervisory Board Members (including one independent officer) participate in meetings of the Board of Directors. The Company has also set up a structure to invite Full-time Outside Audit & Supervisory Board Members as members of the Management Committee to allow them to view materials and records of proceedings.

The Audit & Supervisory Board Members maintain close cooperation with the Accounting Auditor through information exchange. The members collaborate with the three dedicated staff members in the Management Audit Office that has been set up as an internal audit division directly under the President to be independent of the operating divisions. This allows audits to be conducted efficiently and effectively.

The Company has entered into an audit agreement with Deloitte Touche Tohmatsu LLC for it to conduct accounting audits. The certified public accountants who performed this work in the fiscal year ended February 28, 2026 were Mr. Masahiro Ide (second term of service) and Mr. Go Sase (third term of service). The assistants involved in the accounting audit work included seven certified public accountants and 25 others.

There is no particular interest relationship between Deloitte Touche Tohmatsu LLC and its employees responsible for business execution.

Initiatives to Strengthen the Functions of the Audit & Supervisory Board Members

The Company selects individuals with skills in general management audit oversight and legal and risk management to serve as its Audit & Supervisory Board Members.

They are expected to provide an advanced management oversight function by leveraging their advanced insights that extend beyond industry and broad knowledge and experience that includes financial, accounting, and tax affairs. Three of the four Audit & Supervisory Board Members are Outside Audit & Supervisory Board Members. This ensures fairness, transparency and sufficient independence in audits. The Audit & Supervisory Board Members collaborate with the three dedicated staff members in the Management Audit Office that has been set up as an internal audit division directly under the President to be independent of the operating divisions. This allows audits to be conducted efficiently and effectively. The dedicated staff members in the Management Audit Office participate in meetings of the Audit & Supervisory Board as necessary. They also help to provide information in response to requests from Audit & Supervisory Board Members and carry out other duties. In the case in which Audit & Supervisory Board Members have requested that employees be designated to assist them in their duties, the Company will assign appropriate personnel as audit staff who are independent of operating divisions. Through this and other measures, the Company ensures there is a structure that supports the audits conducted by the Audit & Supervisory Board Members.

3. Reasons for Adoption of the Current Corporate Governance System

The Company holds Board of Directors' meetings at least once per month and conducts decision-making on important matters related to the Group overall, including subsidiaries, and oversight of the execution of duties by Directors. In addition, the Company basically holds meetings of the Management Committee with Directors and the executives responsible for each division every week. It does this to complement the Board of Directors and to ensure a swift and appropriate response to various management issues.

The Company is also enhancing its business execution and audit and oversight functions. Three Outside Directors with extensive experience and advanced expertise (all independent officers) and three outside Audit & Supervisory Board Members (including one independent officer) participate in meetings of the Board of Directors. The Company has also set up a structure to invite Full-time Outside Audit & Supervisory Board Members as members of the Management Committee to allow them to view materials and records of proceedings.

The Audit & Supervisory Board Members maintain close cooperation with the Accounting Auditor through information exchange. The members collaborate with the three dedicated staff members in the Management Audit Office that has been set up as an internal audit division directly under the President to be independent of the operating divisions. This allows audits to be conducted efficiently and effectively. The Company has determined that its corporate governance functions appropriately given the business activities, size of business, and other elements of the Company's present situation thanks to these current corporate governance structures.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize General Meeting of Shareholders and Facilitate Exercising of Voting Rights

| | Supplementary Explanation |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Early Posting of Notice of the General Meeting of Shareholders | The Company posted the notice 22 days in advance of the General Meeting of Shareholders in FY2026. It also disclosed it 28 days in advance on the Web. |
| Scheduling of the General Meeting of Shareholders on a Non-Peak Day | The Company held the 47th Annual General Meeting of Shareholders of May 22, 2026. |
| Allowing Electronic Exercise of Voting Rights | It is possible to exercise voting rights via the Internet on a website operated by the shareholder register administrator. |
| Participation in a Platform for the Electronic Exercise of Voting Rights and Other Initiatives to Enhance Environment for Institutional Investors to Exercise Voting Rights | The Company launched a platform for the exercising of voting rights in FY2021. |
| Provision of Notice (or Summary of Notice) of the General Meeting of Shareholders in English | The Company has been simultaneously disclosing English translations of the notices of the General Meetings of Shareholders since FY2022. |
| Other | The Company strives to operate General Meetings of Shareholders so that they can be understood easily by shareholders through the use of visuals, such as conducting business reports via video. |

2. Status of IR-related Activities

| | Supplementary Explanation | Explanation by a representative director or a representative executive officer |
|---------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Regular Investor Briefings Held for Analysts and Institutional Investors | As a general rule, the Company holds financial results briefings the day after it announces its financial results and interim financial results to provide explanations and answer questions. | Yes |
| Posting of IR Materials on Websites | The Company posts on its website financial statements, supplementary materials to the financial statements, business reports, monthly performance bulletins, securities reports, an IR calendar, and more. | |
| Establishment of Department and/or Placement of a Manager in Charge of IR | The Company has placed a Manager in Charge of IR in the Business Administration Division (in charge of IR). In FY2025, the Company engaged in two-way dialogues through individual interviews with six companies (a total of 12 times). | |

3. Status of Measures to Ensure Due Respect for Stakeholders

| | Supplementary Explanation |
|--------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Establishment of Internal Rules Stipulating Respect for the Position of Stakeholders | The AEON Group has formulated the AEON Group Future Vision to serve as a roadmap for working toward the future by incorporating the aspirations and strengths of each Group company and AEON People in line with AEON's Basic Philosophy. This vision consists of three parts: "The Future that the AEON Group Wishes to Realize," "How the AEON Group Wishes to Be" to realize that, and "The Attitudes and Vow that We Cherish" shared by AEON People. Based on this vision, the Company will build favorable relationships with its customers, local communities, shareholders and other stakeholders through collaborative initiatives with them. AEON Group Future Vision https://www.AEON.info/vision/jp/ |
| Implementation of Environmental Preservation Activities and CSR Activities, etc. | Based on the MINISTOP Sustainability Basic Policy, the Company is striving to realize a sustainable society through its business. Accordingly, it has stipulated five environmental policies and three environmental goals. This initiative takes a global view on both the environment and society. As such, it involves actively promoting activities rooted in each region together with its many stakeholders. MINISTOP's Sustainability Initiatives https://www.ministop.co.jp/corporate/eco_social/ |
| Formulation of Policies, etc. on Provision of Information to Stakeholders | The Company has stipulated policies on providing information to stakeholders through its code of conduct, environmental policy, information disclosure regulations, internal controls regulations, and similar rules. |

IV. Matters Concerning the Internal Control System

1. Basic Views on Internal Control System and Status of Development

The Company stipulates systems for ensuring the execution of duties by Directors conforms with laws, regulations, and the Articles of Incorporation and other systems for ensuring the appropriateness of business activities in the “Basic Policy for Construction of Internal Control Systems.” To have internal controls function more effectively, the policy was revised at the meeting of the Board of Directors held on June 26, 2025 to stipulate regulations concerning the auditing system and corporate group internal controls. Implementation of the policy is monitored by the Board of Directors, and the Company reviews the policy as appropriate in line with changes in social or other conditions and makes further improvements and enhancements.

Basic Policy for Construction of Internal Control Systems

- (1) Systems for ensuring execution of duties by Directors and employees conform with laws, regulations, and the Articles of Incorporation
 - i. To ensure that execution of duties by Directors and employees conform with laws, regulations, and the Articles of Incorporation and that this social responsibility is fulfilled, the Company will make all Directors and employees fully aware of the AEON Basic Philosophy and Compliance Policy.
 - ii. The Board of Directors will decide on policies and plans for development of internal control systems, including systems for compliance with laws and regulations, etc. (hereinafter, “compliance”), and receive periodic reports on the status of their operation.
 - iii. The Audit & Supervisory Board Members will audit the execution of duties by Directors, including development and implementation of internal control systems, from an independent standpoint.
 - iv. The Company will stipulate Basic Rules on Internal Control and, based on the rules, establish the Internal Control System Committee as well as the Compliance Committee and the Regular Crisis Management Committee as organizations under it, establish the Personal Information Security Management Subcommittee and Fair Trade Promotion Subcommittee under the Compliance Committee, and through their coordination promote the development and implementation of internal control systems, including compliance systems.
 - v. The President and Representative Director will be the chairperson of the Internal Control System Committee, and the officer in charge of internal controls shall be placed in charge of the overall internal control system. The officer in charge of internal controls concurrently serves as the officer in charge of compliance and risk management.
 - vi. The Company will increase the compliance-related knowledge of Directors and employees and foster an awareness of respecting compliance through training related to compliance for Directors and employees and the creation of manuals and other materials.
 - vii. An internal reporting system has been established for all employees of the AEON Group, and efforts are being made to strengthen the effectiveness of internal controls by setting up appropriate systems for internal reporting and will make efforts to raise awareness among employees through in-house education and other measures
 - viii. The Board of Directors will stipulate a basic policy on blocking all relations with anti-social forces, develop internal systems, and build a corporate culture for organizationally responding to improper demands from anti-social forces at the Group level.
 - ix. The Internal Audit Division will develop an annual audit plan based on the “Internal Audit Rules” and conduct internal audits. Any issues in the internal control system identified through internal audits will be reported to the President and Representative Director, who will instruct the relevant department to formulate and implement remedial measures. The results of internal audits and remedial measures will be reported to the Board of Directors and the Audit & Supervisory Board.
- (2) Systems related to the retention and management of information related to execution of duties by Directors
 - i. The Company will record, retain, and manage information related to decision-making by the Board of Directors, Management Committee, and other important committees, information related to important approval items, information related to finances, information related to risk and compliance, and other information related to the execution of duties by Directors and will develop systems that enable necessary related parties to access it.
 - ii. The Company will establish the Personal Information Security Management Subcommittee and the position of Personal Information Management Officer and will stipulate rules related to the security management of personal information so as to thoroughly conduct security management for personal information throughout the Group.
- (3) Rules and other systems related to management of loss risk
 - i. The Company appoints the President and Representative Director as the Chief Risk Officer and will identify risks that have a material impact on the Group’s management and develop mechanisms for evaluating them, as well as stipulate rules related to risk management and build systems for prevention in advance.
 - ii. The Company has stipulated the “Information Security Management Standards” with the aim of protecting and managing information assets from various organizational, personnel, physical, and technical aspects, including the Group, in an effort to define the responsibility structure for information security, and to maintain and improve the security level of information and information systems handled by the Company.
 - iii. The Company will establish a Regular Crisis Management Committee to prepare a system in advance for situations that may have or have a material impact on management and to handle emergencies promptly.
 - iv. The Regular Crisis Management Committee will create manuals, etc. for responding to risks that have a material impact on management and build risk management systems.
- (4) Systems for ensuring Directors execute their duties efficiently
 - i. The Company will formulate a medium-term business plan and clarify targets to be achieved by the Company, and it will clarify performance targets for each Director and make clear the evaluation methods used for them. Regarding the amount of compensation of Directors, the Company will introduce performance-linked compensation. The Board of Directors will consult with the Nomination and Compensation Committee, which will report to the Board of Directors to ensure that the compensation is appropriately exercised.
 - ii. The Board of Directors will meet at least once per month and appropriately conduct decision-making on important matters related to the Group overall, including subsidiaries, and oversight of the execution of duties by Directors.
 - iii. In order to supplement the Board of Directors and rapidly and appropriately address management issues, the Management Committee, made up primarily of Directors and executives responsible for each division, will basically meet around every week, and systems will be built for ensuring swift decision-making and flexible management.
- (5) Systems for ensuring the appropriateness of the business activities of the corporate group consisting of the Company, its parent company, and subsidiaries
 - i. Systems related to transactions with the parent company, subsidiaries, and AEON Group companies
When a Director engages in transactions that may cause a substantial conflict of interest or competition with the Company for themselves or for a third party such as a parent company, subsidiary, or other AEON Group company, the Director shall obtain the approval of the Board of Directors before carrying out such transactions. The fairness of the procedures will be ensured by adopting resolutions after excluding any special interested parties.
 - ii. Systems related to transactions with AEON Group companies
In the case in engaging in transactions with various AEON Group companies, the Company will conduct the transactions under appropriate conditions based on market prices and report the annual transaction results, such as the growth rate, with the relevant parties once a year to the Board of Directors who will scrutinize the rationality and fairness of the transactions.
 - iii. Systems related to reporting to the Company of matters concerning the execution of duties by Directors, etc. of subsidiaries.
Based on the domestic affiliated company management rules and overseas affiliated company management rules, the Company will request its subsidiaries to provide regular reports on their business activities to its Board of Directors or Management Committee.
 - iv. Rules and other systems related to management of loss risk by subsidiaries
The Regular Crisis Management Committee will appropriately evaluate risks for the Group overall, including subsidiaries, and build systems for managing them based on rules, manuals, and other materials related to risk management.
 - v. Systems for ensuring Directors, etc. of subsidiaries execute their duties efficiently
The Company will stipulate priority management targets, budget allocations and other related matters for the Group overall and build systems for appropriately and efficiently conducting Group management, and based on affiliated company management rules it will conduct necessary management based on conditions while respecting the autonomy of subsidiaries, including designating departments and managers responsible for subsidiaries and engaging in prior deliberations on important matters.
 - vi. Systems for ensuring execution of duties by Directors, etc. and employees of subsidiaries conform with laws, regulations, and the Articles of Incorporation
The Company will make all Directors and other officers and employees of subsidiaries fully aware of the AEON Basic Philosophy and Compliance Policy, and the Compliance Committee will develop systems necessary for compliance management of the Group overall and build compliance systems for the Group overall, including subsidiaries.

- vii. Audit systems related to the overall operations of the Company and its subsidiaries
The Internal Audit Division will conduct audits of the Company and its subsidiaries to ensure that their operations are conducted appropriately, based on the "Internal Audit Rules." If any defects or other issues are found in the internal control system, the Internal Audit Division will promptly report them to the Internal Control System Committee. The internal control system will be revised under the direction of the Internal Control System Committee and the Company will formulate measures to prevent recurrence.
- (6) Systems for ensuring the appropriateness of financial reporting
The Company will identify and analyze the risk of significant misstatements related to financial reporting by the Company and the Group, and to reduce the risk it will stipulate rules related to financial reporting, clarify operating procedures, and conduct evaluations every year on their design and operation.
- (7) Matters related to employees in the case in which Audit & Supervisory Board Members have requested employees to assist them in their duties
In the case in which Audit & Supervisory Board Members have requested that employees be designated to assist them in their duties, the Company will assign appropriate personnel as audit staff who are independent of operating divisions.
- (8) Matters related to the independence from Directors of employees to assist in the duties of Audit & Supervisory Board Members
Personnel transfers, performance evaluations, and disciplinary actions involving audit staff shall require the prior consent of the Audit & Supervisory Board.
- (9) Matters related to ensuring the effectiveness of instructions given to employees to assist in the duties of Audit & Supervisory Board Members
Audit staff shall not serve concurrently in other departments and shall abide by the instructions and orders of Audit & Supervisory Board Members.
- (10) Systems related to reporting to Audit & Supervisory Board Members
 - i. Systems for reporting by Directors and employees to Audit & Supervisory Board Members
Directors and employees will promptly and appropriately report to Audit & Supervisory Board Members when a situation occurs, or could occur, that has a material impact on the Group's management, when a legal violation or improper act by a Director or employee is discovered, when reporting on matters related to business execution is required by Audit & Supervisory Board Members, and when any other matter arises that the Audit & Supervisory Board determines should be reported. In addition, Directors that supervise divisions will report as appropriate on the risk management systems of the divisions they are responsible for upon discussions with the Audit & Supervisory Board.
 - ii. Systems for reporting to the Company's Audit & Supervisory Board Members by Directors, etc. and employees of subsidiaries and others receiving reports from them
Directors, etc. and employees of subsidiaries and others receiving reports from them will promptly and appropriately report to the Company's Audit & Supervisory Board Members when a situation occurs, or could occur, that has a material impact on the Group's management, when a legal violation or improper act by a Director, other officer, or employee of that subsidiary is discovered, when reporting on matters related to business execution at that subsidiary is required by the Company's Audit & Supervisory Board Members, and when any other matter arises that the Audit & Supervisory Board determines should be reported.
- (11) Systems for ensuring personnel who reported to Audit & Supervisory Board Members do not receive unfair treatment for having made such a report
The Company prohibits unfair treatment of personnel who reported to Audit & Supervisory Board Members because they made such a report, and it makes all Group employees fully aware of this prohibition.
- (12) Matters related to procedures for prepayment or reimbursement of expenses incurred in connection with execution of duties by Audit & Supervisory Board Members and to other policies on the treatment of expenses and obligations occurring in connection with such execution of duties
In order to pay expenses and other costs occurring in connection with execution of duties by Audit & Supervisory Board Members, the Company will establish a budget of a fixed amount each fiscal year. When a request is made for prepayment or reimbursement of expenses occurring in connection with Audit & Supervisory Board Members executing their duties, deliberations are made in the responsible department and the expense or obligation is promptly processed, except in cases in which it is deemed to be unnecessary to the execution of duties by the Audit & Supervisory Board Member involved.
- (13) Other systems for ensuring audits by Audit & Supervisory Board Members are conducted effectively
 - i. The Company will work for a fuller understanding by Directors and employees of audits by Audit & Supervisory Board Members and to establish an environment for such audits.
 - ii. The Company will work for coordination and understanding between executive divisions and audit divisions, for example by holding regular discussion meetings between Audit & Supervisory Board Members and the Representative Director.
 - iii. Audit & Supervisory Board Members receive regular reports on the annual audit plan and audit results from the Internal Audit Division and may request investigations as necessary. The Audit & Supervisory Board Members will effectively utilize the audit results of the Internal Audit Division's audit relating to the internal control system.
 - iv. The Company will include the Full-Time Audit & Supervisory Board Member as a member in meetings of the Management Committee, which are basically held every week, and establish a system to enable him/her to review documents and meeting minutes.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

The Guidelines for Enterprises to Prevent Damage Caused by Antisocial Forces (Agreement at a Meeting of Cabinet Ministers Responsible for Anti-Crime Measures on June 19, 2007) recommends that it is necessary to clearly position the prevention of damage by anti-social forces as an internal control system. In light of this recommendation, the Company resolved to add a policy on blocking all relations with anti-social forces to its Basic Policy for Construction of Internal Control Systems at a meetings of the Board of Directors held on April 7, 2008. Accordingly, the Board of Directors has stipulated the Basic Policy on Blocking all Relations with Anti-social Forces. It also confirmed it will establish internal structures and build a culture in which the Group as a whole systematically responds to unreasonable demands from anti-social forces.

V. Other

1. Introduction of Takeover Defense Measures

| | |
|-------------------------------------------|-------------|
| Introduction of Takeover Defense Measures | Not Adopted |
|-------------------------------------------|-------------|

Supplementary Explanation for Applicable Items

2. Other Matters Concerning the Corporate Governance System

Overview of the Timely Disclosure Structure

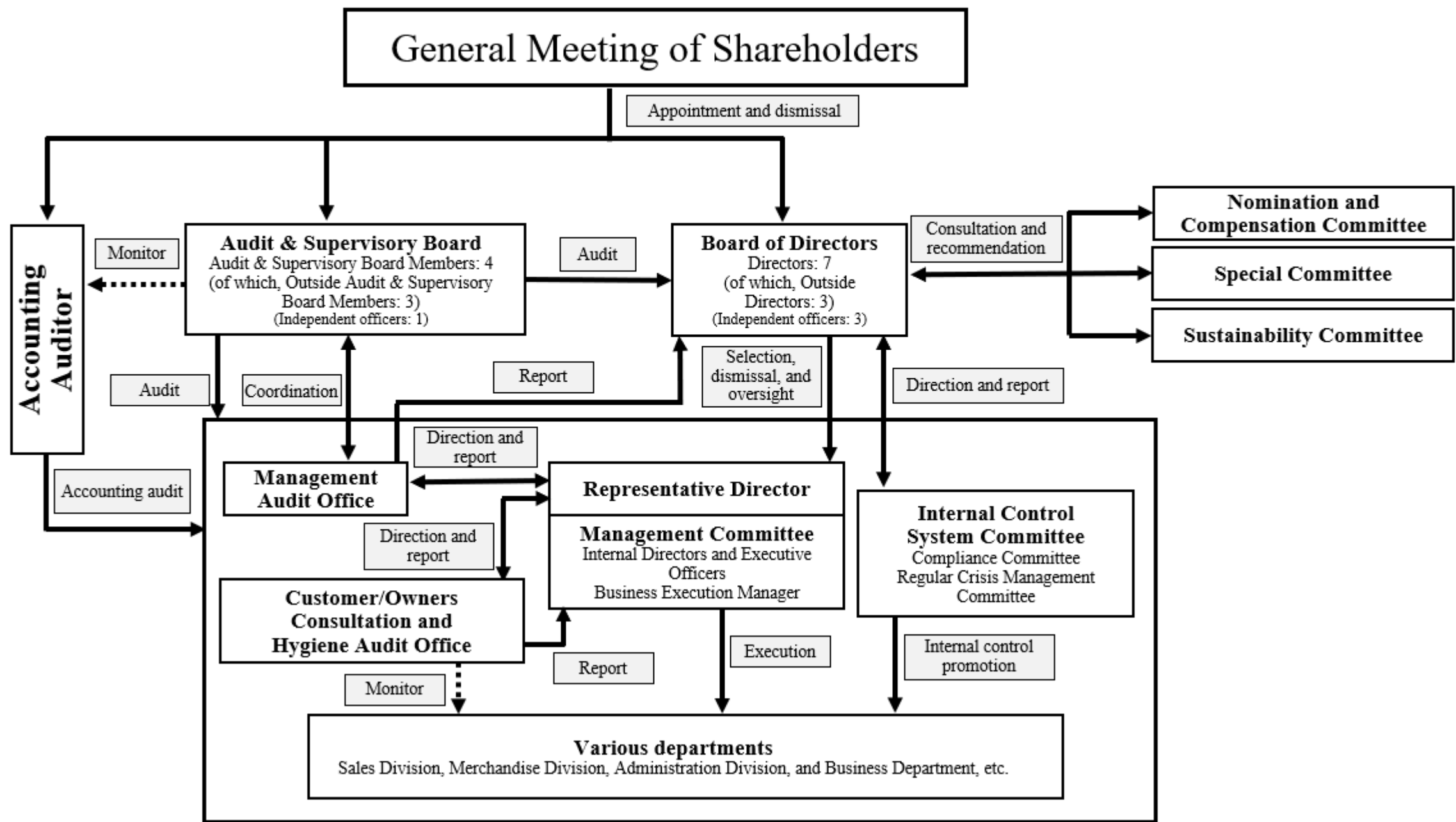
The Company has stipulated standards for the management and announcement of internal information in line with the Basic Rules on Internal Control, Basic Policy on Corporate Governance, and Disclosure Manual. The Management Committee deliberates on important management information and then reports that to the Board of Directors. The Board of Directors then determines the specific timing and method of announcements. In urgent cases, the Representative Director will make the decision on that. In addition, the Company has stipulated the Risk Management Regulations. In the event of a major natural disaster, incident, or accident, the Company will disclose information based on the instructions of the emergency headquarters that is set up.

Based on the aforementioned internal disclosure structure, the Company has appointed the Director in charge of stock management as the information handling officer. At the same time, all officers fully recognize the important of timely disclosure and ensures this is thoroughly communicated to the relevant departments. The Company has placed all the relevant departments under the Director in charge of stock management.

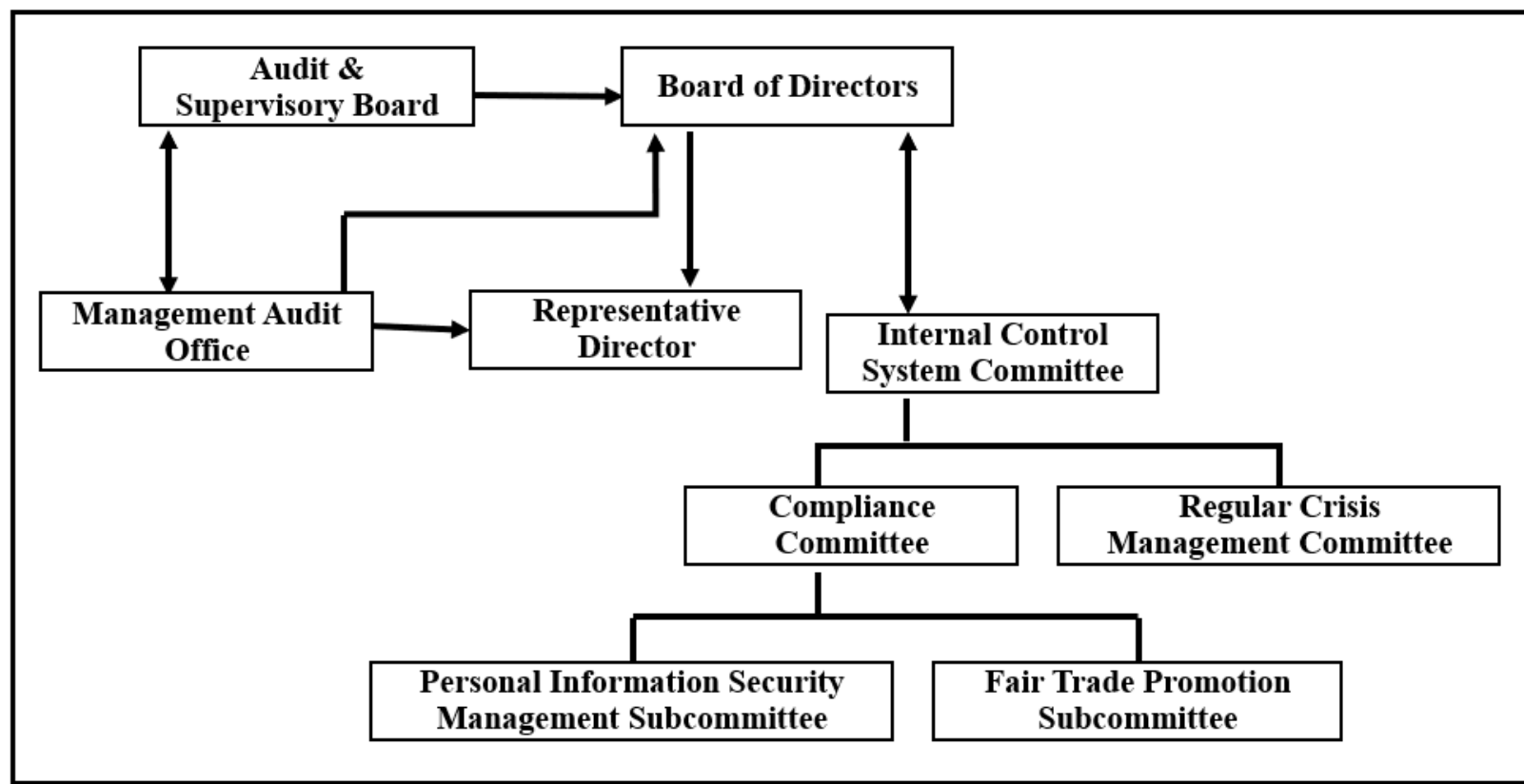
Important corporate information requiring timely disclosure (including facts of decisions, facts of occurrences, financial information, revisions to earnings forecasts and dividend forecasts, and information on subsidiaries) is collected under the President and Representative Director who serves as the information handling officer. The General Affairs & Legal Affairs Department or the Finance & Accounting Department uses TDnet and other means to make timely disclosures on the Tokyo Stock Exchange based on the instructions of the information handling officer after the information is submitted from the relevant department to the Board of Directors.

Furthermore, even when disclosing information that does not fall under the timely disclosure rules of the Tokyo Stock Exchange, the Company endeavors to ensure such information is communicated as fairly as possible in light of the intent of timely disclosures through its website and other means.

■ Schematic Diagram of the Corporate Governance System



■ Internal Control System Organization Diagram



■ Schematic Diagram of the Timely Disclosure Structure

