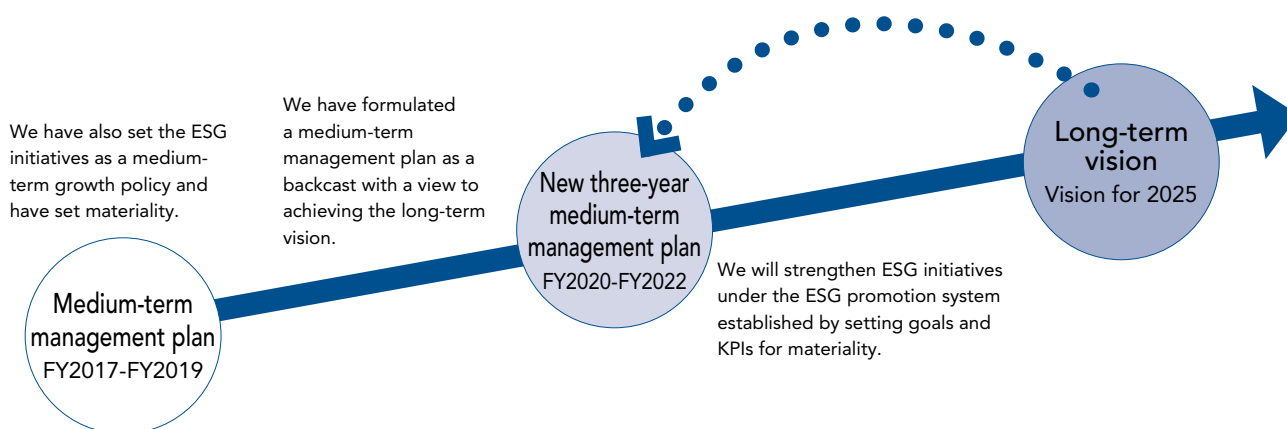


Business Strategy to Achieve Our Long-Term Vision

We have defined a long-term vision *Vision for 2025* and started a new three-year medium-term management plan in FY2020 to achieve this vision, with the aim of increasing the earning power of the overseas business and achieving the stable growth of the domestic business.



Financial Indicators for FY2025

Indicator	Type	Target (for FY2025)	End of FY2019
EPS growth rate	Growth indicator	7% per annum (annual growth between 2019 and 2025)	2.1% (YoY)
Net interest-bearing debt/ EBITDA ratio	Stability indicator	4.5 times or less	4.7 times
ROIC (Return on Invested Capital)	Efficiency indicator	At least 5%	4.3%

* EPS: Net income attributable to owners of parent/average number of shares during the year
 Net interest-bearing debt/EBITDA ratio: (interest-bearing debt - cash and cash equivalents)/ (operating income + depreciation and amortization on the statement of cash flows)
 ROIC: Operating income x (1-effective tax rate) / (average equity for the fiscal year + average interest-bearing debt for the fiscal year)
 * We revised our financial indicators in response to the adoption of IFRS16 in FY2019, as well as new goals to maximize future cash flows and improve corporate value

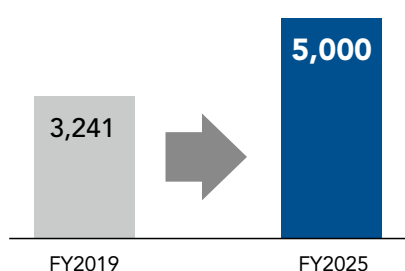
Vision for 2025

<Qualitative Goals>

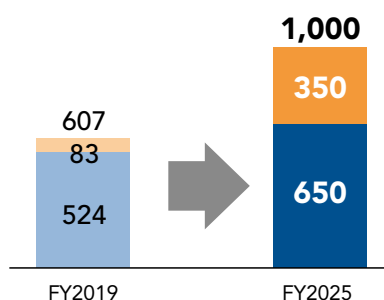
- Build a portfolio of multiple business models, rather than rely on domestic malls as a single source of profit generation.
- Make AEON MALL a leading global commercial developer with consolidated operating income of more than ¥100 billion.
- Conduct floor space expansions and renovations in Japan to become the overwhelmingly dominant mall in each region.
- Target overseas operating income of ¥35 billion (operating margin of 20%) across 70 malls, operating at the same level of efficiency and scale as our domestic operations (as of end of FY2016).

<Quantitative Goals>

Operating revenue **¥500 billion**



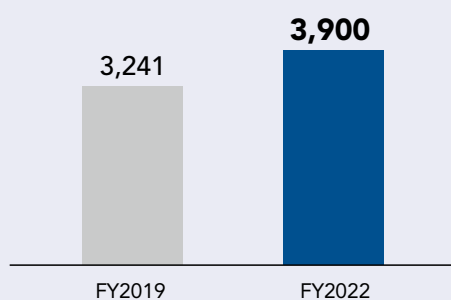
Operating income **¥100 billion**



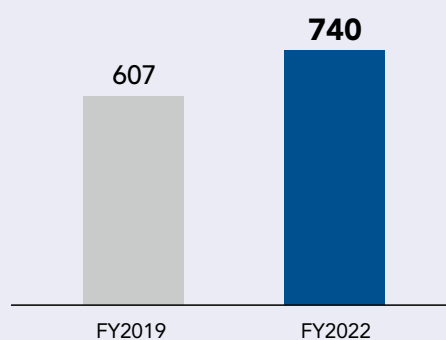
	FY2019	FY2025
Japan	86.3%	65.0%
Overseas	13.7%	35.0%

Three-Year Medium-Term Plan (FY2020-FY2022)

Operating revenue **¥390 billion**



Operating income **¥74 billion**



■ Growth Policies

Achieve high profit growth overseas	(1) Accelerate new mall openings (2) Strengthen the earning capacity of existing malls	P21
Achieve stable growth in Japan	(1) Strengthen the earning power of existing malls (2) Open new malls (3) Improve urban shopping center business income	P25
Build a financing mix and build a governance structure to support growth	(1) Global financing mix (2) Optimize cash management (3) Advance risk management	P29
Pursue ESG-based management	Promote management from an ESG perspective to achieve sustainable growth and improve corporate value	P30