

Pursuing ESG-Based Management

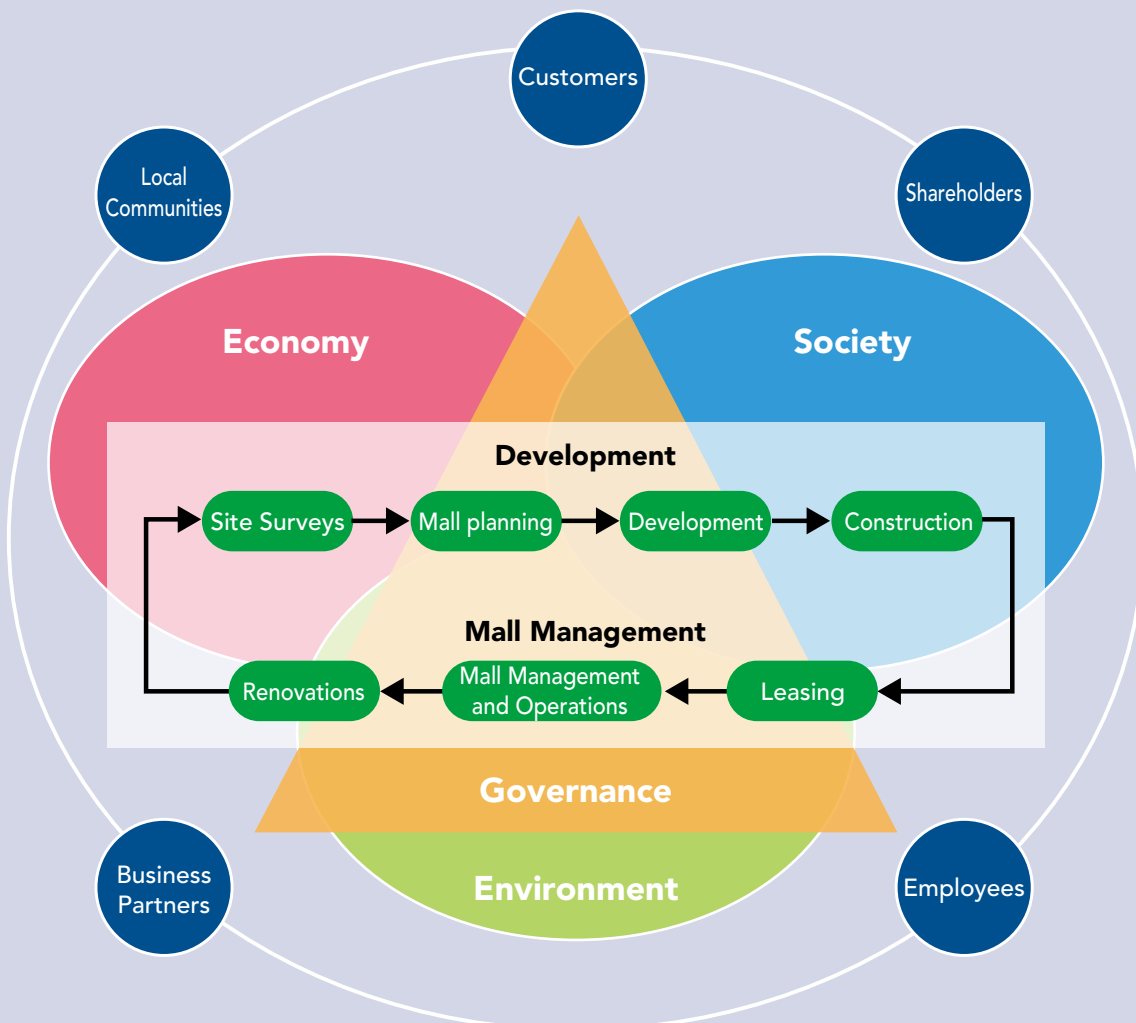
In 2019, AEON MALL identified Materiality as a priority measure, reflecting the perspective of ESG in maximizing the economic and social values we create through the integration of growth strategies and ESG-based management. This approach is driving us to achieving our goals for 2025.

We pursue management based on a perspective of ESG to achieve sustainable growth and higher levels of corporate value. In addition, we have leveraged COVID-19 as an impetus to seek reform based on ESG concepts, striving to create economic value, social value, and environmental value for our stakeholders.

The current business environment surrounding AEON MALL reflects the emergence of modern shopping centers and high-growth retail markets in connection with overseas GDP growth on the one hand, and accelerated mall openings by competing developers and concerns about a slowing Chinese economy on the other. Other emerging factors include demographic changes in Japan (declining population, aging society, low birthrates), as well as changing family compositions, and changes in consumer behavior, including e-commerce, budget-mindedness, sharing economies, etc. In this changing environment, we will

strive to achieve ESG-based management, defining materialities in terms of regional and social infrastructure development, local community ties, the environment, diversity, work-style reform, and responsible business.

Our Vision for 2025 encompasses more than generating profits from malls in Japan. We aim to build a portfolio consisting of multiple businesses, while becoming a top-class global commercial developer with consolidated operating income in excess of ¥100 billion. Further, we plan to be active in floor space expansions and renovations, evolving into the overwhelmingly dominant mall in each region. In our overseas business, we are targeting an operating margin of 20% across 70 malls, operating at the same level of efficiency and scale as our domestic operations. We are also targeting operating revenue of ¥500 billion and operating income of ¥100 billion.



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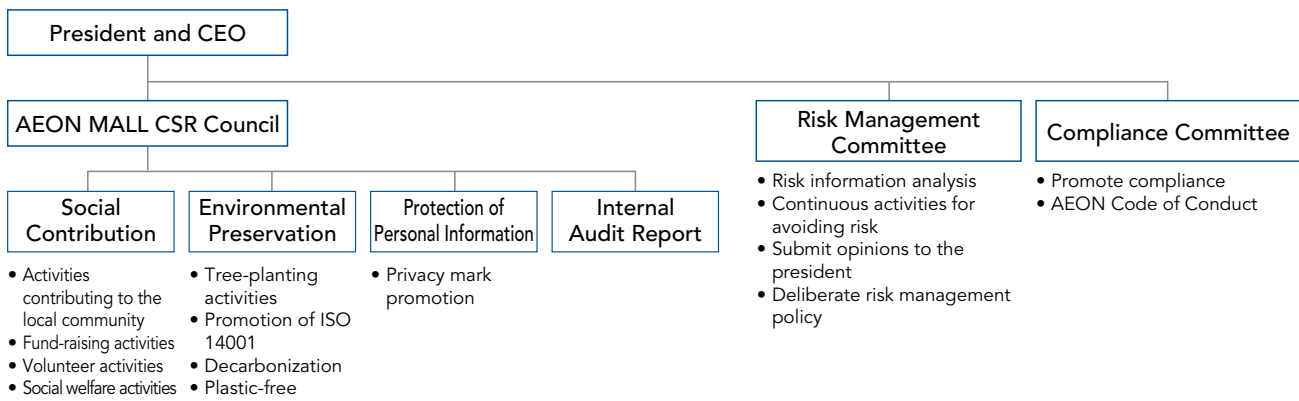
AEON Basic Policy on Sustainability

AEON MALL pursues ESG-oriented management in line with the Basic Policy on Sustainability of the AEON Group.















Aeon Sustainability Principle

We at Aeon operate on the basic principles of pursuing peace, respecting humanity, and contributing to local communities, always with the customer's point of view as its core. Based on these, it is our goal to achieve a sustainable society and grow as a group. In our endeavors we think globally both on the environment and society. Our actions are rooted in each community and we move forward together with our many stakeholders.

CSR Promotion System



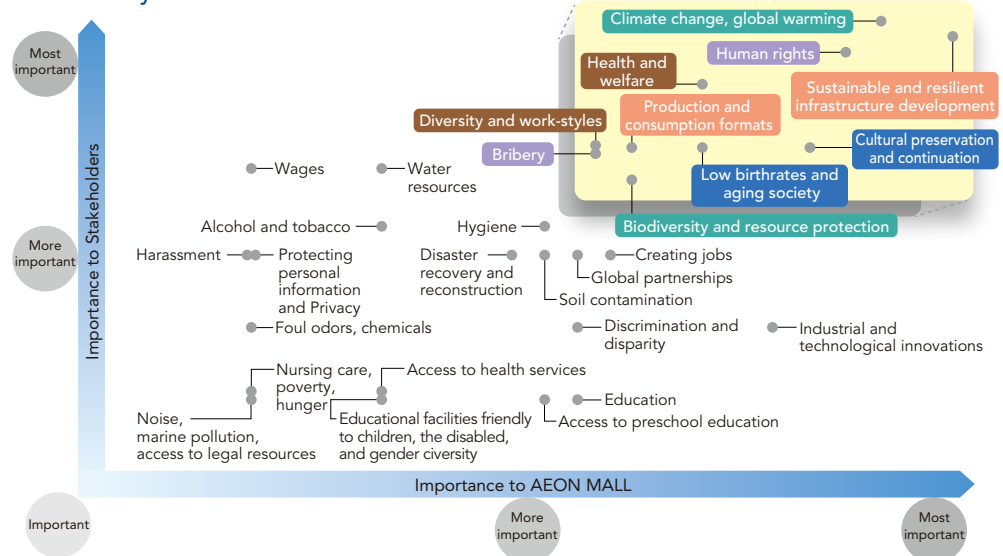
Measures Addressing Materiality

Materiality	Related SDGs	Main measures	Reference
Developing community and social infrastructure Developing sustainable and resilient infrastructure Production and consumption formats	 	Developing safe, secure, and comfortable facilities Developing malls that promote the unique character of the community Town planning for disaster prevention Expansion of public functions Promote the use of electric vehicles (EVs) Promote the use of public transportation	→ P.33
Build community relationships Cultural preservation and inheritance Low birth rates, aging society	 	Happiness Mall initiative Hyper-localization that enhances the attractiveness of the community AEON Yume-Mirai Nursery School	→ P.34
Environment Climate change, global warming Protecting biodiversity, resources	    	Responding to climate change and global warming AEON Hometown Forest Project (biodiversity) Recycling waste products	→ P.35
Diversity and work-style reform Health and welfare Diversity, work-styles	  	Globalization of human resources Nadeshiko Brand Improving employee satisfaction (ES)	→ P.37
Promote responsible business Human rights Bribery	 	Human Rights Policies, Systems, and Training Initiatives to Prevent Corruption	→ P.39

Identifying Materialities

We conducted a materiality analysis that considers the SDGs and social issues unique to Japan. We assessed the importance to stakeholders and AEON MALL, and classified into 10 categories across five topics.

Materiality Matrix



The Materiality Analysis Process

Step
1

Identify Topics

We identified relevant social issues by referencing sources including DJSI*1, FTSE*2, GRI, generally accepted industry issues, etc. The AEON MALL Group defined 34 topics related to our business in Japan and overseas, reflecting SDGs and issues specific to Japanese society.

*1 Sustainability indicators jointly selected by S&P Dow Jones Indices (US) and RobecoSAM (Switzerland)

*2 The London-based FTSE calculates and manages stock indices.

Step
2

Importance to Stakeholders

We used SASB* and other guidelines, as well as categories used by ESG benchmarking organizations, to assess importance to stakeholders.

* US-based Sustainability Accounting Standards Board

Step
3

Importance to AEON MALL

We used our management philosophy and medium-term management plan to ascertain the importance of these topics to AEON MALL.

Step
4

Confirm Relevance

Finally, we confirmed the relevance (materiality analysis process and results) of these topics from the standpoint of our outside independent directors and in consideration of the unique AEON MALL business model. We revised group-wide materiality based on these opinions and then confirmed the topics in a meeting of the CSR Council.

Monthly AEON MALL CSR Council to Achieve ESG-Based Management

AEON MALL believes that solving community social issues is part of our mission as a business. Based on this belief, we aim to achieve the goal of *Creating Shared Value (CSV)*, conducting business integrated with the principles of CSR. The AEON MALL CSR Council, chaired by the president of our company, meets monthly to discuss details and progress of important issues related to four areas represented by the Environment (E) Social (S), Governance (G), and Communication, (C). The CSR Council establishes individual committees to oversee progress in certain areas,

such as social contribution and environment.

Under this system, we discussed the installation of EV chargers and our response to United Nations SDGs in FY2019. The United Nations asks companies to clearly state which SDGs they will pursue and describe how the company will contribute to achieving the SDG in question. AEON MALL intends to conduct more extensive discussions on this topic in the future. We will continue to not only reduce the environmental and social impact of our business activities, but also remain conscious of social demands related to CSR. At the same time, we will seek to further define the direction of and strengthen our activities.

Pursuing ESG-Based Management

ESG Initiatives



Develop Community and Social Infrastructure

Facilities That Serve as Community Infrastructure Support

On September 9 and 10, the Boso Peninsula Typhoon landed in the Kanto are of Japan, causing extended power outages, water supply disruptions, the collapse of houses, and other extensive damage in Chiba Prefecture. AEON MALL Kisarazu (Chiba Pref.) fulfilled its function as part of the regional infrastructure, playing a role as a base for recovery activities.



Encouraging the Spread and Use of Electric Vehicles (EV)

In 2008, AEON MALL began installing EV recharging stations at our malls. We encourage the use of low-CO² electric vehicles and plug-in hybrids as one measure to preserve the global environment create sustainable societies. As of the end of February 2020, we have installed 1,837 recharging networks at 138 malls throughout Japan. We have also installed 564 units at 14 malls in China and three units at two malls in ASEAN. AEON MALL Ha Dong (Vietnam) offers 20 EV bike chargers for guests.



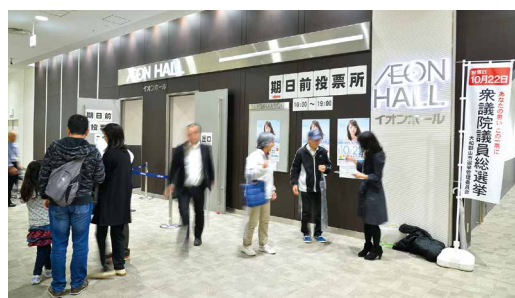
Smart Mall Initiatives

AEON MALL aims to create smart malls that use digital technology for more convenient shopping experiences. AEON MALL Makuhari Shintoshin (Chiba Pref.) is serving as a pilot mall for a variety of leading-edge technologies.



Polling Stations

As one way to improve lifestyle services for the community, AEON MALL locations offer polling stations during elections. Our polling stations serve as comfortable environments for customers to exercise their voting rights with access to large parking areas and shuttle buses. Our polling stations also provide a convenient way for employees working at our malls to vote. For the 25th regular election of members of the House of Councillors in July 2019, AEON MALL and AEON shopping centers offered poll locations for early voting (and same-day voting in some locations).





Building Community Relationships

Evolving AEON MALL Walking in Collaboration With Industry, Government, and Academia

To support the healthy lifestyles of our customers, we offer AEON MALL Walking at nearly all malls in Japan. These malls feature a walking course in which customers can enjoy shopping and physical exercise regardless of the season, weather, or time. In collaboration with the Center for Preventive Medical Sciences, Chiba University, AEON MALL Miyazaki (Miyazaki Pref.) and AEON MALL Higashiura (Aichi Pref.) offer a Spatial Design Program based on Primordial Prevention to promote health awareness. AEON MALL Miyazaki is also working to raise awareness of health in cooperation with the official Miyazaki Prefecture walking smartphone application SALKO, which features a pedometer and ranking functions.



Supporting the Sport in Life Project

We have been cooperating with the Ministry of Health, Labour and Welfare and the Japan Sports Agency in their efforts to promote health. In 2019, we endorsed the new Sport in Life project advocated by the Japan Sports Agency. For two months beginning in July, we implemented a sports experience event called Mall de Sports. This event used the cool and comfortable mall environment at nearly 150 malls for customers to experience the fun of moving their bodies while attending sports experience events and shopping.



Supporting Refugee Aid Activities

As an opportunity to deepen our understanding of refugees around the world, we conducted a campaign in collaboration with the UNHCR Association, the official support agency of UNHCR (UN High Commissioner for Refugees), during the period before and after the June 20 World Refugee Day, sponsored by the United Nations General Assembly. We set up booths at 29 malls to provide information about refugees and raise funds. We also invited a lecturer to give a speech at AEON MALL Kyoto Katsuragawa (Kyoto Pref.) and AEON MALL Tamadairanomori (Tokyo).



Sustainable Town Development Agreement With Saiseikai

AEON MALL entered into an agreement with the Social Welfare Organization Saiseikai Imperial Gift Foundation, which embodies social inclusion through the comprehensive provision of medical, health, and welfare activities. Through this support, we contribute to local town development where AEON MALL and Saiseikai have operations. As the first step in our contribution activities in June 2019, we sponsored a health-themed AEON MALL Walking event and medical field career experience for children at AEON MALL Takaoka (Toyama Pref.).



Pursuing ESG-Based Management

ESG Initiatives

Environment



Eliminating Plastic Straws at all Malls and Working toward a Complete Ban on Disposable Plastic Products

In recent years, we have seen a worldwide rise in initiatives to reduce the use of plastic products, considered to have a negative impact on ocean life and marine ecosystems. We are doing our part for the cause, achieving a 94.9% recycling rate for waste plastics in fiscal year 2019. In this and other ways, we are striving to create sustainable malls and conserve the global environment. Our ultimate goal is to completely eliminate the use of disposable plastic products. As the first step, we discontinued providing plastic straws in eating and drinking facilities at all malls on March 16, 2020 (some exceptions applied). For customers who wish to use straws, we offer paper straws and other environmentally friendly alternatives. We will continue to work together with store operators to reduce the use of plastics.



Utilization of Solar Energy

Using solar energy systems at 88 malls

We deployed solar power system at 71 malls in Japan and 17 malls overseas, demonstrating leadership ahead of other commercial facilities. Some of our malls incorporate a system for uninterrupted electricity in the case of a power failure. We installed a 1MW rooftop solar power system and a high-efficiency chiller in our AEON MALL Sen Sok City facility in Cambodia, aiming to reduce CO² emissions by approximately 1,564 tons per year.

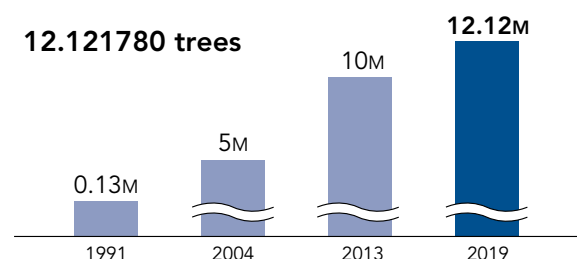
Driving Energy Conservation Initiatives Forward

We are striving to reduce energy use by 50% compared to the year 2010, as specified in the AEON Eco Project launched in 2012. As a new initiative, the AEON Group is aiming to achieve a decarbonized society by the year 2050, as described in the AEON Decarbonization Vision 2050 announced in March 2018. The group plans to accomplish this goal by promoting energy conservation, the use of renewable energy, and other measures. To date, 13 facilities in the AEON Group, 12 of which are operated by AEON MALL, have become environmentally friendly model facilities. We are currently developing the Next-Generation Smart AEON program, a further evolution in our decarbonization. For example, AEON MALL Zama (Kanagawa Pref.) has significantly reduced CO² emissions compared to standard AEON stores.

AEON Hometown Forest Project

The AEON Hometown Forest Project began in 1991 in Malaysia. The AEON Group regards the tree planting initiative as an activity to embody a philosophy centered on pursuing peace, respecting humanity, and contributing to local communities, always from the customer's point of view. Every time a new mall is opened in Japan or overseas, AEON hosts a tree planting ceremony, working with customers to plant native trees most appropriate for the local natural environment. We planted about 28,700 trees at four new malls opened in Japan and overseas in fiscal 2019. As of the end of February 2020, the AEON Group has planted a total of nearly 12.12 million trees.

■ Total number of trees planted (as of the end of February 2020)



Waste Reduction and Recycling

To reduce waste generated from malls, it is important to clearly understand what is disposed of, where, and how much, engaging the help of tenants and making them aware of the issue. Each mall has a system to classify waste into 18 basic categories and measure weight by category. Each tenant measures the weight of waste

by category, and then affixes a label indicating that the weight has been measured. Tenants then place waste in the location designated for each category for disposal. Segregated waste that is recyclable is recycled to the greatest extent possible. We calculate the recycling rate for each category.

■ **Total waste output volume and recycling rate for fiscal 2019** (recycling rate (including thermal recycling) for directly managed malls in Japan 89.4%)

	Output volume by category		Recycling rate
1	Raw garbage	16,060t	91.9%
2	Cardboard	23,262t	100%
3	Mixed garbage	23,110t	74.8%
4	Waste plastics	3,543t	94.9%
5	Waste plastics (valuable)	106t	100%
6	PET bottle	606t	100%
7	Glass bottle	367t	97.5%
8	Can	606t	100%
9	Styrofoam	132t	100%

	Output volume by category		Recycling rate
10	Waste oil	2,167t	100%
11	Paper	2,433t	100%
12	Large garbage	216t	92.7%
13	Other non-combustible waste	1,399t	61.6%
14	Fluorescent bulb	17t	91.9%
15	Waste battery	16t	87.6%
16	Disposable chopsticks	115t	97.0%
17	Waste alkali/paint remover	17t	23.0%
18	Sludge	5,321t	90.4%

Response to Climate Change

As one measure for ESG-oriented management, AEON MALL aims to help create a carbon-less society by the year 2050. In June 2020, we declared our support for the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD was established in 2016 by the international Financial Stability Board (FSB). In the future, we will be using the TCFD framework to disclose information appropriately.

Governance

AEON MALL recognizes that climate change is an important management issue. We report our related initiatives and results regularly at board of director meetings, ensuring a system of board oversight.

Identify risk categories

Transition risk	Policy and legal risk	Carbon pricing	Two types of carbon pricing are anticipated; one is a carbon tax that is applied to crude oil and energy (electricity, gas, and fuel) and the other is cap-and-trade, under which charges vary depending on business-related GHG emissions
	Policy and legal risk	Regulations on energy conservation/ CFC alternatives	We expect tighter restrictions based on the regulations of the current Energy Saving Act (METI), the Building Energy Efficiency Act (MLIT), and the Act on Rational Use and Appropriate Management of Fluorocarbons (MOE). We also reflect expectations for the establishment of new related laws.
	Market risk	Energy price	We consider two types of energy prices. One type varies in response to the unit price of electricity, accounting for about 90% of total GHG emissions discharged from business activities. The other type reflects prices for fossil fuel energy and renewable energy.
	Market risk and technical risk	Supply and demand balance of food and raw materials	We project changes in the geographical suitability of manufacturing and processing related to perishable food raw materials, water resources, and products in Japan and overseas. We must also consider changes in supply and demand due to population increase, which serves as an indirect indicator. These changes impact anchor stores and specialty stores.
	Market risk and reputation risk	Changes in customers	Customers refers to citizens, including consumers and ordinary citizens. Changes refers to changes in consumption behavior and awareness.
Physical risk	Acute risk Chronic risk	Damage caused by abnormal weather	A risk of operational interruption of a certain number of stores (areas are unidentifiable) caused by weather damage is anticipated every year. We use a certain ration to project costs and time for recovery related to malls affected by flood or other physical damage. We project market area contraction some areas due to frequent weather disasters or changes in demographics.

Pursuing ESG-Based Management

ESG Initiatives



Diversity and Work-Style Reform

Human Resources Policy

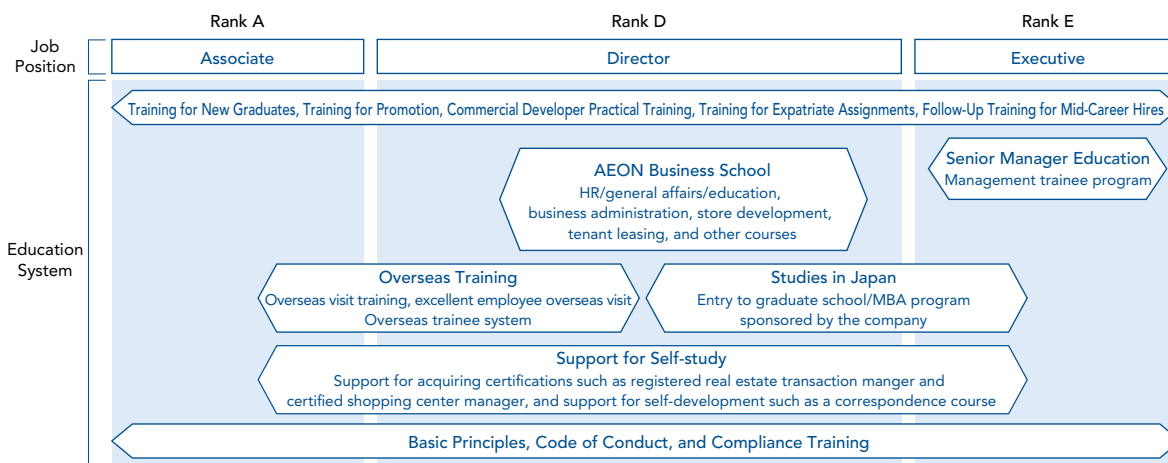
Human resources are the most important management resources for sustainable growth. Based on this policy, we pursue growth strategies by investing in our human resources, aiming to be a company that fosters diverse human resources who are healthy and have the opportunity to exercise their talents. In response to advancing globalization and digitalization of business, we commit ourselves to creating new value by transforming our education system from a traditional single-track specialist education to a double-

track generalist and specialist education. We will use the power of diverse human resources in areas such as systems, digital, finance, and HR. We pursue diversity management to create new business models to adapt to the changes in society and the diversification of employee needs. This management style allows a diverse base human resources to exercise their talents. At the same time, we are developing various human resources training and education programs to support human resources development.

Human Resources Education

The AEON Group has established basic principles on personnel. One of these principles is to create a corporate environment in which human resources can continue to grow as they work over the long term. Based on our guiding philosophy of listening to employee aspirations, understanding employee feelings, and making the most of what employees have to offer, we are committed to creating a corporate environment in which every employee not only continues to work, but also continues to excel and grow over the long term. We offer a variety of training courses for specific job descriptions and development stages. These courses include commercial developer practical training to acquire the knowledge and skills required for a commercial developer. Recently, we have encouraged the exchange of personnel between Japan and overseas to cultivate human resources

responsible for the future of our growing overseas business. For example, we have a training program to send staff from Japan to China and ASEAN countries as trainees for one-year assignments. We encourage younger employees and others to experience different cultures and history. In this way, they can improve their business skills and develop leadership skills through the experience. We also offer core personnel training programs, such as the AEON Business School (ABS) Program, to provide learning opportunities for aspiring employees. In addition to these learning opportunities, employees can use a self-reporting system to communicate their career plans to supervisors and management. We also offer a promotion test system for promotion to a higher position. In this way, we provide equal opportunities for all and encourage everyone to take on new challenges.



Health Management Initiatives

We promote health management based on the belief that employee health is essential for corporate activities. We also believe healthy employees can provide services that bring health and wellness for customers. We promote the Happiness Mall initiative

at our malls to contribute to the health and wellness of our customers in local communities. At the same time, we enhance health management by improving work systems and workplace environments in an effort to maintain and improve the health of our employees.

Diversity Policy

The promotion of diversity has a great significance for our business. Diverse human resources are necessary to implement our policy that the customer comes first. This is because a diverse range of customers come to our malls. Creative ideas are born through the active exchange of opinions from diverse points of view. Many highly motivated female employees pursue

higher positions within our organization. We provide flexible options to enable all to work flexibly, regardless of gender, during life-stage changes, including child rearing or aging parent care. We are building a foundation for comfortable work environments upon which employees can develop their careers.

Globalization of Human Resources

Our basic policy is to engage in management tied to local communities by hiring local staff overseas who have a deep understanding of the AEON MALL philosophy. We promote individuals who generate results to management positions, regardless of nationality. In China today, locally hired individuals serve as general managers at seven malls. As well, we are making progress in ASEAN to promote local staff to senior management positions. Meanwhile, we create opportunities for our Japanese employees to

gain experience overseas. We believe that the experience of working with local staff gives Japanese employees the chance to grow and develop in their own careers.



Japanese Employees Working Overseas With Local Staff Members

Providing Comfortable Work Environments

Overseas malls create work opportunities

Since opening our first mall in Beijing in 2008, we have opened a total of 21 malls in China and nine in Indonesia, Vietnam, and Cambodia. Our basic policy for operating malls overseas is to delegate the operation to local staff members who have a deep understanding of our philosophy.



We focus on the education of human resources in each country. We are also

active in promoting local staff members to management positions.

Initiatives for tenants

We adopt digital technology to improve efficiencies (e.g. AEON MALL Works in-store tablets), reduce the burden on tenant employees, and promote labor-savings. Labor shortages have become a social issue. As developers, we believe we have a responsibility to create workplace environments that support the long-term careers of tenant employees at our commercial facilities and improve employee satisfaction. We have introduced various measures in pursuit of this belief.

Pursuing ESG-Based Management

ESG Initiatives

Accountability in Business



Human Rights Policies, Systems, and Training

The unwavering principle of AEON is pursuing peace, respecting humanity, and contributing to local communities, always from the customer's point of view. To honor these principles we will comply with all relevant laws and regulations, while dealing with all people honestly and sincerely through proper behavior. The AEON Code of Conduct was enacted in April 2003 on the basis of these values. In September 2014, AEON codified a philosophy of human rights and the workplace producing AEON's Basic Human Rights Policy in support of the AEON Code of Conduct.

AEON MALL follows this philosophy and these

policies in respect for human rights. The company aspires to create an organization that allows all people, regardless of their gender or nationality, to participate in the development of the company. We strive to create workplaces that enable all employees to perform to the highest level of their abilities.

All AEON MALL employees must attend an annual human rights training. We also provide employees with a handbook that lists both internal and external help desks. This handbook provides clear information about respect for human rights, prevention of discrimination, and other matters in the context of the AEON MALL employment rules.

AEON Code of Conduct—Our Commitment

1. AEON people are always grateful to the many other individuals who provide support and help, never forgetting to act with humility.
2. AEON people value the trust of others more than anything else, always acting with integrity and sincerity in all situations.
3. AEON people actively seek out ways to exceed customer expectations.
4. AEON people continually challenge themselves to find new ways to accomplish the AEON ideals.
5. AEON people support local community growth, acting as good corporate citizens in serving society.

AEON Human Rights Policy

In accordance with this policy, all of AEON executives and employees (AEON People) deepen further their understanding of human rights and help achieve a society that respects these rights.

This policy applies to all AEON People, and we share this policy with all business partners.

1. Our Approach to Human Rights

AEON has established the Aeon Basic Principles and the Aeon Code of Conduct. We also subscribe to the United Nations Global Compact, which we joined in 2004. In accordance with these principles and in compliance with domestic laws on human rights and labor, the International Bill of Human Rights, and the rules on human rights set forth in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, we respect the rights of all individuals who are impacted by our businesses. In addition, we support and follow the United Nations Guiding Principles on Business and Human Rights.

2. Respect for Human Rights in Business Activities

We will respect the privacy of individuals as well as their diverse values and personalities and never discriminate against anyone for any reasons, including discriminatory treatment based on race, nationality, ethnicity, gender, age, place of birth, religion, educational background, physical or mental disability, sexual orientation, or gender identity. In addition, we remain mindful of the positions of others

and respect them as our equals.

- We treat all customers in a fair and impartial manner and provide them with safe, reliable products and services, as well as related information.
- We actively communicate with local community members to ensure that we respect their human rights.
- We comply with sound corporate ethics and workplace environment-related laws, regulations, and international standards in our business activities by dealing with business partners fairly. Moreover, we improve our performance in this regard continually.
- We listen to our coworkers, respect the human rights of each coworker, and create workplace environments that are free of harassment, safe, and employee-friendly. At the same time, we train and educate all AEON People to further their knowledge and understanding of human rights.

3. Implementation of Human Rights Due Diligence

We conduct due diligence regarding the human rights impacted by our business activities to contribute to achieving a society in which human rights are respected.

Initiatives to Prevent Corruption

See *Corporate Governance* (P.58) for more about our initiatives to prevent corruption.

Executing Fair Contracts for Mall Construction

We respect the human rights and the occupational safety and health of all stakeholders. When selecting a general contractor for mall development in overseas, our selection criteria emphasizes the contribution of general contractors to regional development, including the active hiring of local workers and measures for environmental conservation. As the party contracting for services, AEON Mall strives to execute contracts that share the risk burden equally with the contractor, maintaining a high level of fairness between parties.



Moreover, we are committed to the protection of human rights, requiring ID checks for people entering and existing from the work site

to prevent child labor and illegal employment. We also require health checkups of workers.

We pursue initiatives to enhance compliance. We provide compliance training for managers and general employees at each mall and business unit once every year. Participants share the basic knowledge and case studies on violations based on laws, regulations, and internal rules. About two-thirds of employees at a new AEON MALL facility are newly hired employees. We provide comprehensive employee education at the initial stages to create compliance awareness by interviewing individuals within one year after opening the mall. In the case of harassment or other unfair treatment, tenants and external vendors can use our system to report incidents to the compliance division directly via email or phone.

Building Internal Control Systems in China and ASEAN

We have established internal control systems in both China and ASEAN to ensure compliance. We have also established a risk management system and conduct audits through our Japanese internal audit division.

China

In 2013, we established AEON (China) Investment Co., Ltd. to provide head office functions for China as part of a structure to manage our business in China centrally. Beginning in FY2014, we have been creating and improving regulations and rules related to of investment companies and other affiliates in China. These measures include the building of an internal control system. We have identified organizational issues and practical operations necessary to observe compliance, implementing key measures steadily. We are addressing risk areas that include operation risk, security risk, social risk, and political risk to bolster risk management. In FY2019, we established and implemented the Emergency Management Manual (in Japanese, Chinese, and the languages of ASEAN countries) and Basic Policy for Preventing Bribery (in Chinese). We created a progress management table to visualize the progress of our (1) Current understanding and issues, (2) PDCA progress results in FY2018, (3) PDCA progress targets in FY2019, and (4) vision for the end of FY2019. We monitor and advise the risk management committees within local affiliates for improvement.

ASEAN

With respect to country risks in ASEAN, we have determined eight common issues to be addressed by three ASEAN countries. We manage these risk scenarios, the details of activities, and results of the three countries in parallel. Each ASEAN country holds a risk management committee meeting twice every year. In these meetings, risk management results from the previous year are reviewed and confirmed. Next, members set action plans for the next year, which are monitored via the PDCA cycle. These risk management activities are reported to management at board of director meetings in each country. In FY2019, we established Corporate Risk Management Rules and the Emergency Management Manual for our overseas affiliates with help from General Affairs Department in Japan and the ASEAN group. The ASEAN group created a mailing list to ensure that critical accidents and incidents occurring at overseas subsidiaries are shared swiftly and put to use in each country. The ASEAN group collects information regarding risk management, incidents, and accidents for inclusion in meeting minutes and reports. This information is submitted to the head office Risk Management Committee in Japan on a timely basis.