

## Priority Measures Overseas

### Overseas

In our overseas business that supports the future growth of AEON MALL, we are aiming for high profit growth with the dual pillars of accelerating new mall openings and further strengthening the earning capacity of existing malls.

### Further Expansion of Operations in China and ASEAN

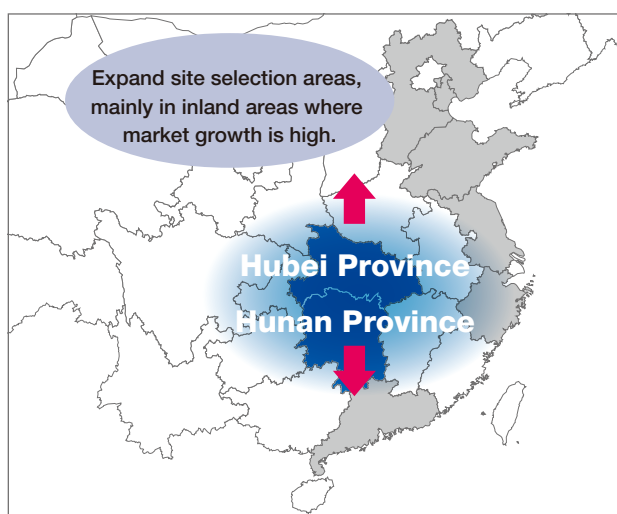
Given that we consider our overseas business as central to future growth and are aggressively opening new malls, we are working to improve the organizational structure and strengthen the cash management of our overseas business. In particular, in order to cultivate the next generation of local management, we will consider dispatching player managers and will move forward with building a governance system. We will strengthen support from headquarters aiming for rapid expansion of personnel and sales bases together with ensuring localized management functions appropriately and smoothly.

In our Three-Year Plan Growth Policies, we are working on the following three common initiatives for each country — promoting ESG-based management, creating new businesses, and cultivating local human resources.

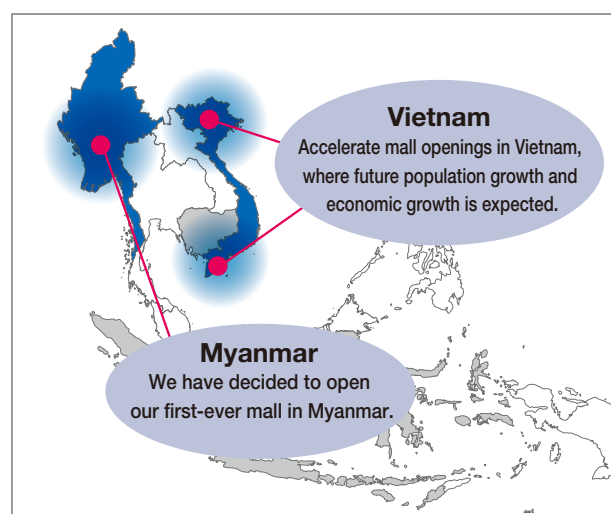
Vietnam is positioned as a top-priority area within our ASEAN strategy. As well as concentrating

investment in management resources, we are building a cooperative framework for the mutual promotion of mall development by strengthening links with local governments in order to secure land for new mall openings. We are contributing towards sustainable development and urban design in Vietnam, which has seen rapid economic growth in recent years, and are working to expand our business. Indonesia has been particularly hard-hit by COVID-19 sweeping through Southeast Asia; however, we are currently working to improve the profitability of existing malls, including the renovation of BSD CITY, and are looking to open in Tanjung Barat. Also in Cambodia, our presence in the country will be further enhanced with the opening of our third mall in 2023. We do, however, need to ensure differentiation in order to prevent cannibalization of existing malls.

#### China



#### ASEAN



## AEON MALL Overseas Strengths and Growth

We have the following five strengths that help us expand our overseas businesses, and based around these we have in place an aggressive policy of opening new stores.

- (1) Large parking capacity in response to motorization
- (2) Ability to create a sales area localized to the community
- (3) More entertainment options to meet the demand for experiential consumption
- (4) Events that attract customers
- (5) Safe, secure, pleasant facilities

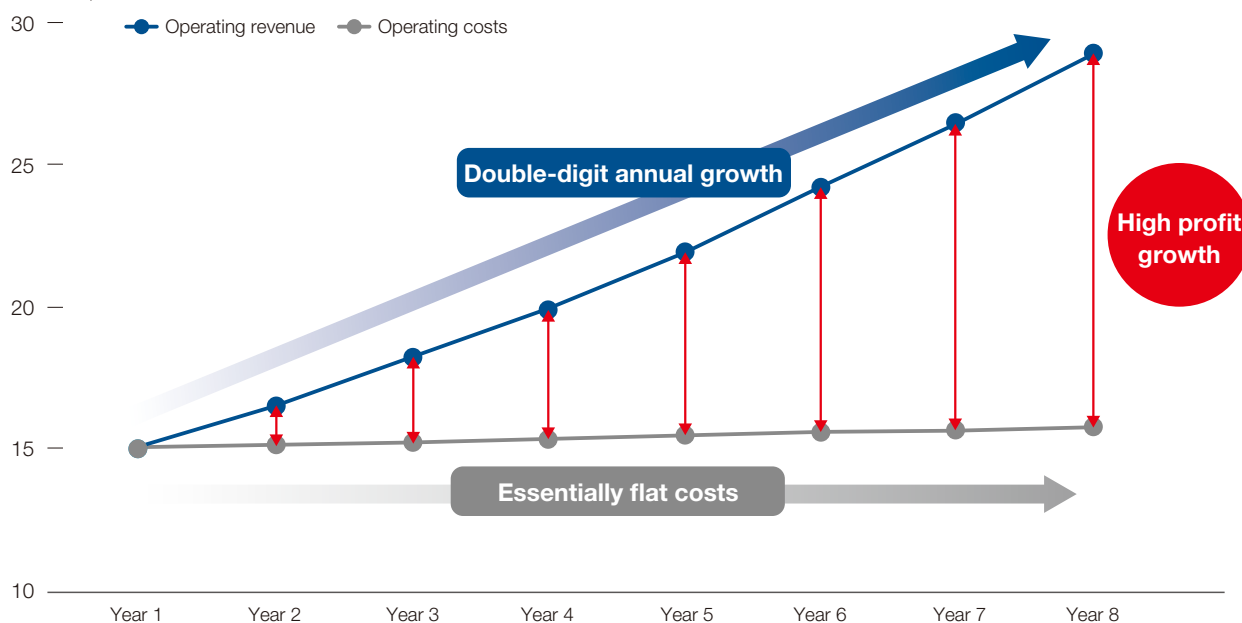
The expertise in mall management and operations we have accumulated in Japan allows us to develop and operate competitive malls overseas. While overseas developers tend to emphasize efficiency, our malls in China and ASEAN feature large flat parking areas, reflecting our understanding of the future growth of motorization in these regions. These parking lots also serve as a competitive advantage for use in

future expansion. We conduct mall management and operations that compare favorably with our malls in Japan, offering safe, secure, pleasant facilities on par with those in Japan. This is another factor that contributes to our superior market position.

In addition to our strengths noted above, our unique growth model for malls will contribute in significant ways to future business expansion. Costs remain at a constant level under this growth model, as real estate costs account for the majority of mall operating costs. At the same time, we grow operating revenue from commission rental income and revisions in rental fees tied to increases in sales. In this way, mall revitalizations generate further profit improvements in the time after the expiration of three-year tenant lease agreements. In this way, we can post the same level of profits as those of our malls in Japan within seven or eight years after opening.

### ■ Profit Growth Model

(¥100 million)



## Priority Measures Overseas

## Overseas

## Accelerate New Mall Openings

We are accelerating new mall openings in China and ASEAN countries. Our original plan called for 70 malls in operation by 2025. However, the impact of the COVID-19 pandemic means negotiations and urban development at planned sites have seen delays so we revised our goal to 50 malls in operation by 2025. However, by 2025 we plan to secure a pipeline for reaching a 70-mall structure. Overseas, at least three years are required from the securing of development rights through to the start of business, therefore construction commencing in 2022 will only bear fruit in 2025 — this makes the next one to two years vitally important.

With regard to our policy for opening new malls, in order for management plans for opening malls not to be left to local companies and for these plans to be

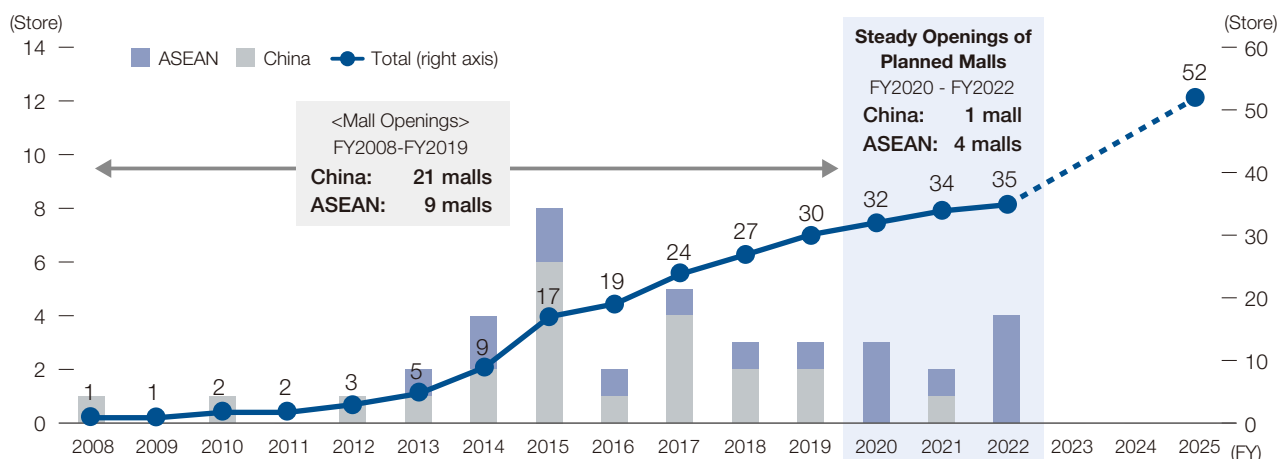
properly put in place, we will manage and supervise the development progress of each property, including the schedule for discussions at meetings and the status of negotiations, from the management meetings in Japan. If any delays to this plan occur, we will clarify causes and problems, and work with the relevant departments both in Japan and overseas to resolve them.

In Vietnam, we are signing comprehensive memoranda of understanding with local governments regarding investment and business development for shopping mall development, and are accelerating mall openings. We plan to have 16 malls in operation by FY2025 toward an eventual 20-mall network within Vietnam, and aim to have preparations for this 20-mall structure complete within FY2021.

## ■ Mall Opening Plan Through FY2025

	As of end FY2019	FY2020	FY2021	FY2022	FY2020 - FY2022	FY2023 - FY2025	As of end FY2025
Overseas	30	2	2	1	5	17	52
China	21	0	1	0	1	7	29
ASEAN	9	2	1	1	4	10	23

## ■ Changes in Number of New Malls Opened Overseas



## Strengthen the Earnings Capacity of Existing Malls

### Expansions and Renovations

AEON MALL is implementing renewal and rent revisions principally for the replacement of specialty stores at the end of their three-year contracts, and is working on policies that through systematic floor space expansion, will increase sales and earnings without being affected by the macro environment. In April



AEON MALL BSD CITY (Indonesia)

2021, we renovated 53 stores at AEON MALL BSD CITY (Indonesia), including opening 32 new stores for fashion, cosmetics, and global brands. In May 2021, AEON MALL Wuhan Jingkai renovated and reopened 76 specialty stores, including 42 new specialty stores, offering an expanded sports zone, kids-related stores, and more.



AEON MALL Wuhan Jingkai (China)

### Events and Sales

We are implementing events and sales plans that correspond to social events, and are working to attract more customers. In 2021, we started our first Hyper-Localization in China, which we already have in place in Japan. This project is our own initiative, and headed by young employees with the aim of promoting the appeal of local areas. Since 2015, we have been implementing various initiatives at malls across Japan. The AEON MALL Qingdao Xihai New Area in Shandong Province held an event to promote the appeal of blueberries, which are local specialty goods.



Making Blueberry Cakes

### Improved Operational Level

AEON MALL is working to create a mall environment by utilizing the latest digital technology, and to also improve levels of customer service and increase efficiency through operations of a quality comparable to Japan. At AEON MALL Guangzhou Xintang (China), the fourth AEON mall in Guangdong that opened in May 2021, we are also proposing a venue for futuristic shopping. This will include the use of digital applications and the installation of large LED displays and digital signage, and for CRM, the introduction of a WeChat-based membership system and an AI-based information service.



360° LED Vision

AI Information





## Priority Measures in Japan

### Japan

In our domestic business, we are creating customer experience to increase the appeal of brick-and-mortar malls and thus achieve stable growth, and are deepening our localization initiatives.

## Deepen Localization Initiatives

AEON MALL is creating customer experience to increase the appeal of brick-and-mortar malls and thus achieve stable growth, and we are further enhancing our domestic localization initiatives. Furthermore, by understanding the characteristics of local regions and working towards what is truly Hyper-Localization, we hope to increase the value of our malls in the community.

### Use Malls as Vaccination Centers

As one of our activities to combat the spread of COVID-19, we actively provide vaccination sites in response to requests from governments and municipalities nationwide. As of February 2021, the AEON Group has formed agreements with approximately 50 local governments to provide vaccination centers within our facilities. We are also coordinating with other governments and will expand this program as needed.



AEON MALL Kasukabe  
(Saitama Prefecture)  
Vaccination Center



### Opening Government Facilities

On December 7, 2020, AEON MALL Uki (Kumamoto Prefecture) opened a branch office of Uki City in an outlying building. The new branch office features a café operated by a facility that employs disabled individuals to support employment, a large area at which adults raising children can relax, and other services to improve convenience for users and enhance functions for workers.



### Expand Functions as Local Community Infrastructure

In order to improve convenience for customers, we have expanded social infrastructure functions such as the permanent installation of post offices in the mall. We offer polling stations for early voting in our facilities, and in cooperation with the Japan Red Cross Society, we provide blood donation centers at malls throughout Japan. We are also working on various initiatives such as providing cinemas as venues for coming-of-age ceremonies.



Post office



Event hall (Coming of Age Day)



Blood donation centers



Early voting poll locations

## Initiatives as a Center for Community Health



### Supporting Our Customers in Achieving a Healthy Lifestyle

To support the healthy lifestyles of our customers, we offer AEON MALL Walking at nearly all our malls in Japan. These malls feature a walking course in which customers can readily enjoy shopping and physical exercise regardless of the season, weather, or time.



### Spatial design program based on zero-order prevention that promotes health awareness

At AEON MALL Miyazaki (Miyazaki Prefecture), we put in place a walking program that encourages people to be aware of their health from the perspective of preventative medicine. This program is being actively introduced at new malls as well as at expanded and revitalized malls such as AEON MALL Shinriku South Wing (Miyagi Prefecture) which opened in March 2021, and is supporting the community by promoting health.

#### ● Step walking

Program to check your stride



#### ● Balance walking

Program to check your walking speed and posture



#### ● Climb walking

Program to enhance memory and creativity



### Use AEON MALL walking functions

If users register with the AEON MALL app, then linking with the WAON Card gives them the chance to accumulate WAON points, and also lets them view at a glance nationwide user rankings as well as their number of steps, consumed calories, and distance walked. We will continue to expand these offerings so that users can enjoy walking in a healthier manner.

歩くだけでポイントが  
当たるかも!?

アタリが  
出たら  
WAON POINT  
プレゼント!

モール内を1日  
1,000歩で

どこでも1日  
8,000歩で

1枚で1回  
ワンリは

5枚で1回  
ワンリは

銀  
補助券

気になる  
ウォーキングデータも!

グラフでひと目で  
わかる!毎日CHECK!

平均  
歩数

カロリー

距離

私は全国何位?

週間歩数  
ランキングが  
わかる!

もしかして  
1位?

モールを、歩こう。

イオンモールは、館内にウォーキングコースをつくりました。

NEW AEON MALL  
MALL WALKING  
イオンモール ウェルネス



## Priority Measures in Japan

### Japan

## Create Added Value Through New Business Model Development

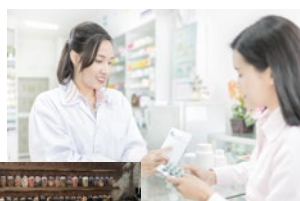
### Co-Create Initiatives Through Relationships with Tenant Companies

#### Health and Wellness Initiatives

In order to maximize the appeal of brick-and-mortar malls in our domestic business, we are working to co-create initiatives through relationships with tenant companies. In the field of health and wellness, we are developing new zoning focused on sports gyms, drugstores, organic/health, and comprehensive medical services.



Sports gym



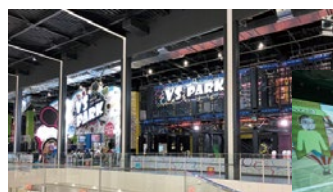
Drugstores



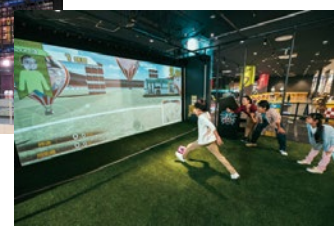
Organic/Health

#### Expand entertainment and leisure functions

In leasing, we are working to provide added value by creating new businesses through our relationship with tenant companies. Given the increasing diversification of customer needs, as a new core method to attract customers we will plan and put in place entertainment businesses using all-new original content such as all-weather attractions and entertainment theaters. Furthermore, to create a new core for attracting customers that can adapt to these diversifying needs, we are promoting the development of facilities that let customers enjoy music, theater, musicals, documentaries, art, and activities.



AEON MALL Shinriku South Wing  
(Miyagi Prefecture)  
VS Park



## Build Next-Generation Malls

### A Place for Local Communities, a Space to Gather and Slow Down

As a direction for the development of a next-generation mall, we are creating a place that will be a venue for local communities, and a space where people can gather and slow down. The mall will provide customers with a space that has a sense of openness and where



AEON MALL Hakusan (Ishikawa Prefecture)

they can shop while taking in nature such as greenery and the wind blowing, not only on special occasions but also in their daily lives. This year, at the AEON MALL Hakusan (Ishikawa Prefecture) opening in Ishikawa Prefecture, we will create a cityscape in the atrium, as well as an indoor space where people can relax surrounded by greenery.



AEON MALL Nagoya Noritake Garden (Aichi Prefecture)

Opening Date	Lease Area	Parking Capacity	Tenants
Jul 2021	74,000m <sup>2</sup>	3,800 cars	200

Opening Date	Lease Area	Parking Capacity	Tenants
Oct 2021	Commercial 37,000m <sup>2</sup> Office 22,000m <sup>2</sup>	2,100 cars	150

## Reform Business Portfolio

We will also work to reform our business portfolio not only through uniform mall development, but also by diversifying development patterns depending on local characteristics. In our multi-purpose developments, AEON MALL Nagoya Noritake Garden (Aichi Prefecture) scheduled to open this year will integrate commercial and office spaces thus providing office workers with a new lifestyle and added value. Additionally, AEON MALL's office brand will go by the name "BIZrium" with a sub-theme of working and living. Looking forward, we will develop the concepts optimized for each region both in Japan and overseas in order to achieve freedom of living and working for each individual.

In business model development, we are developing our outlet business category and plan to open our second The Outlets regional innovative commercial facility in the Yahata Higashida Project (tentative name) scheduled to open next year. In addition to suburban mall THE OUTLETS HIROSHIMA (Hiroshima Prefecture) in Hiroshima, we plan to develop

our outlet business in two other locations, such as our AEON Lake Town Outlets (Saitama Prefecture), in metropolitan areas.

In urban development, on March 1, 2021, we reorganized the OPA Urban Shopping Center Business with the aim of promoting initiatives better tailored to individual localities, and to improve the profitability and efficiency of facilities. The newly established OPA will specialize in the management and operations of urban facilities (8 facilities) mainly located in transportation terminals, creating new value through a concentration of management resources. AEON MALL will absorb consolidated community-based facilities and urban shopping centers (14 facilities) under the AEON MALL business, transforming these assets into facilities that meet customers' daily needs and working to increase property values. In addition, the AEON Group owns some properties in prime locations in front of stations that are aging, and we hope to actively redevelop these existing properties.

### Our Ideal Future

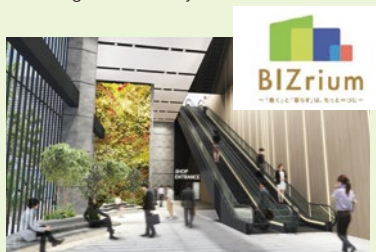
**Provide solutions to regional and social issues, establishing a position through social infrastructure functions to be a central facility for the local community.**

## Initiatives to Grow Business via Portfolio-Building

### <Office Complex Development>

#### Office/retail commercial facilities

Develop office business in response to changes in work styles



Scheduled to open in October 2021  
AEON MALL Nagoya Noritake Garden (Aichi Prefecture)

### <Business Model Development>

#### Outlet business development

Develop two location channels:  
suburban and urban



Scheduled to open in spring 2022  
Yahata Higashida Project (tentative name)

### <Urban Development>

#### Revitalize the urban shopping center business (OPA)

- (1) Create facilities in line with the new normal
- (2) Successfully revitalize existing malls
- (3) Improve vacant floor space ratio

