

Diversity and Work-Style Reform



Diversity, Work-Styles

Diversity Management: Developing Individuality to Pioneer the Future

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. An increasing number of highly motivated female employees are pursuing higher positions within our

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

Data on Diversity Management

* Non-consolidated

Category	KPI	FY2017	FY2018	FY2019	FY2020	FY2021
Ratio of female managers to total managers	30.0%	14.2%	15.1%	17.4%	18.0%	19.4%
Paternity leave rate	100%	0.0%	5.2%	30.6%	53.5%	100%
Paid leave usage rate	60%	30%	39%	59%	58%	62%
Days of paid leave taken	—	6	8	9	10	11
Percentage of employees with disabilities	2.50%	1.90%	1.86%	2.32%	2.14%	2.17%
New employees (male / female)	—	110 (49/61)	100 (57/43)	87 (46/41)	53 (25/28)	65 (30/35)
Voluntary separation rate	—	2.9%	2.4%	3.7%	3.1%	3.5%

Reference: Data on Number of Employees

* Non-consolidated

Category	KPI	FY2017	FY2018	FY2019	FY2020	FY2021
Number of regular employees (male / female)	—	1,682 (1,131/551)	1,792 (1,191/601)	1,788 (1,168/620)	1,842 (1,196/646)	1,939 (1,239/700)
No. of local staff overseas	—	1,040	1,040	1,228	1,429	1,465

Increasing the Ratio of Women in Managerial Positions

At AEON MALL, we believe that we should aim to create “An environment in which every employee continues to work as a Life Design Producer at every stage of life, and an environment in which every person has the opportunity to play an active role in management positions” for the empowerment of women. With the goal of achieving a 30% ratio of women in management positions by fiscal 2025, we are planning and implementing a variety of initiatives to foster motivation to take on new challenges and strengthen the support system provided by Group companies and supervisors.

Initiatives for Fiscal 2025

- **Motivating employees to take the first steps toward management**
 - Providing training to change mindsets about higher positions
- **Producing and publicizing a variety of role models for management positions**
 - Operating “model malls” with managers working shorter hours
- **Follow-up before childbirth and before returning to work**
 - Motivating female employees through consultations, etc.
 - Encouraging male employees to take childcare leave
- **Improving manager skills in developing subordinates**
 - Providing subordinate development training for middle management

Initiatives for Empowering Women

■ Publishing a Guidebook to Teach Employees and Their Partners about Childbirth and Child Rearing

We publish and distribute Ikunabi, an in-house guidebook, to help employees balance work and childcare. This enables them to focus on childbirth and childcare with peace of mind and makes the return to work easier. Written with the topics of raising children and nurturing careers in mind, this guidebook is an easy-to-understand summary of the systems and benefits, as well as the necessary knowledge and procedures applicable at each stage. Each department utilizes this booklet for work-life management.



■ Opening AEON Yume-Mirai (Dreams for the Future) Nursery Schools

As part of our efforts to create an environment in which employees can continue to work with peace of mind, we opened the AEON Yume-Mirai Nursery School, an on-site nursery available to employees of AEON Group companies, specialty store tenants, and local community residents. In principle, these are open all year according to the business hours of each mall, helping each specialty store staff member to balance work and childcare. We create opportunities for children to grow both mentally and physically through events and activities that are not affected by weather and that can be held only at a mall-based daycare center, such as field days held at AEON Halls. A new nursery school was introduced to AEON MALL Shinjuku South Wing (Miyagi Prefecture), which opened in December 2021. It became the 32nd of the AEON Group's nursery schools, 22 of which are in our commercial facilities.



■ Childcare and Nursing Care Support System: Achieved 100% of Male Employees Taking Childcare Leave (FY2021)

To support employees in balancing work with childbirth and childcare, we are working to establish various systems and create environments that encourage the use of childcare leave. In fiscal 2021, 63 employees (including 36 male employees)

took childcare leave. We encourage the active participation of men in childcare, and through various support systems, we have achieved a 100% male childcare leave utilization rate in fiscal 2021.

Reducing stress by participating in childcare as a couple

Thanks to encouragement from my supervisor, I took about a month of childcare leave, including some public holidays. Not only are our systems strong, but we have a department we can consult with about leave, and the support I received on all sides put me very much at ease. When I was on leave, I and my partner were able to take the time and learn about how to raise a child, building an environment where we could do that together. After using commercial facilities from the same perspective as our customers with children, I would like to apply my experiences to my future work. I hope

that those who are uncertain about taking childcare leave will rest assured that they can take advantage of this system.



Takamichi Fukura
Management and
Auditing Department

■ External Certifications: Kurumin and Eruboshi (L-Star) Certification

In accordance with the Act on the Promotion of Female Participation and Career Advancement in the Workplace, we disclose information on the Ministry of Health, Labour and Welfare's comprehensive website for the promotion of female participation and balancing work and family.

We have also received the following certifications in recognition of our initiatives.



Kurumin award mark as a business supporting childrearing (Act on Advancement of Measures to Support Raising Next-Generation Children)



Eruboshi (L-Star) certification based on the Act on Promotion of Women's Participation and Advancement in the Workplace

Initiatives for the LGBT Community

■ Clarifying our Diversity Policy

AEON Human Rights Policy

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.

■ Clarifying Internal Rules

Our employee benefit programs for families (leave, company housing, etc.) also apply to married same-sex partners.

■ Internal Awareness-Raising Activities

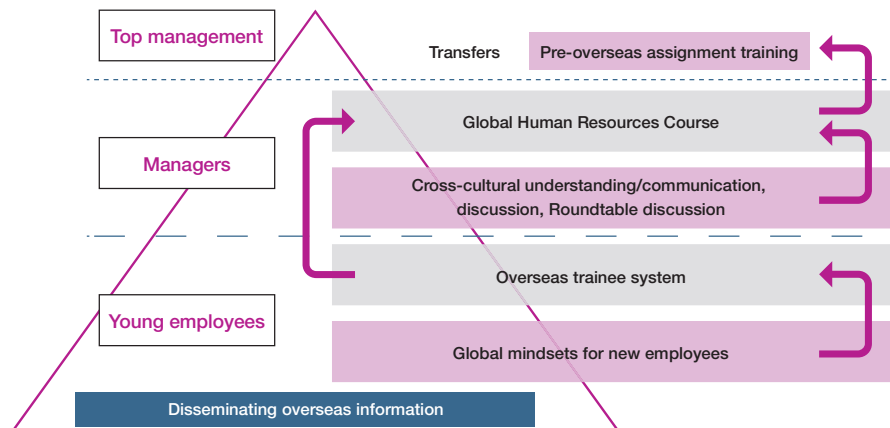
We provide training to all employees on the subjects of understanding sexual minorities and providing consideration to them in the workplace, etc., to encourage understanding and awareness of gender equality.

Global Human Resource Development: Connecting in Asia, Growing Our Talent

In our overseas business, a driver of our growth strategy, we believe that there will need to be approximately 50 new assignments (executive/general manager-class and above), mainly mall general managers, to support new locations and rotate with existing assignees in the four years through 2025. We are systematically training employees for these assignments, including through the Global Human Resources

Course and transfers from the various divisions to overseas locations. We have established an integrated overseas human resource development course that includes maintaining motivation, awareness-raising, and acquisition of skills and knowledge, in order to cultivate and appropriately assign global human resources.

■ Overseas Human Resources Programs and Structure



■ Cultivating Global Human Resources at Overseas Malls

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. Currently, 14 malls have local staff members serving as general managers (GM) who are responsible for the malls.

We strive to instill in our employees the philosophy that the customer comes first. We also teach cleanliness, safety, and various other factors that create customer loyalty. Employees grow through various training programs, using the knowledge and experience they have acquired to create malls that are supported by the local community.

In China, training programs are held periodically for local staff to improve their careers. In addition to offering unified programs throughout China, we also provide training in each area, expanding the best practices to other malls. Furthermore, we are striving to increase motivation by focusing on cultivating human resources through joint training with Japanese employees and the introduction of a personnel evaluation system.

Those employees assigned from Japan gain business experience overseas, and the experience of working and developing alongside local staff offers them first-hand experience of diversity and the chance to grow themselves.

A Range of Human Resource Development Programs

Employee Career Support

We provide many opportunities for employees to learn through various training programs based on their qualifications, positions, and other levels of growth. AEON MALL provides education and training programs across a wide range of topics. We design training to share and instill values toward the idea that the Customer Comes First, part of the AEON Basic Principles. We also offer practical training according to years of service and position to improve employee knowledge and skills required of a commercial developer. The AEON Business School is a program for employees desiring other knowledge and skills for their future careers. We also pursue a variety of certification support systems (self-study) to help employees develop personally.

Practical Business Education at Malls

In response to the increase in the number of young employees, we provide practical training with collaboration between the CX Creation Division, business divisions, and the Education

Department. In addition, we utilize a capability acquisition checklist as a support tool to confirm the knowledge and skills employees need to carry out their duties. Furthermore, we have provided a series of accumulated materials on our internal bulletin board for employees to acquire the necessary knowledge, working to create an environment where individual employees can practice self-study.

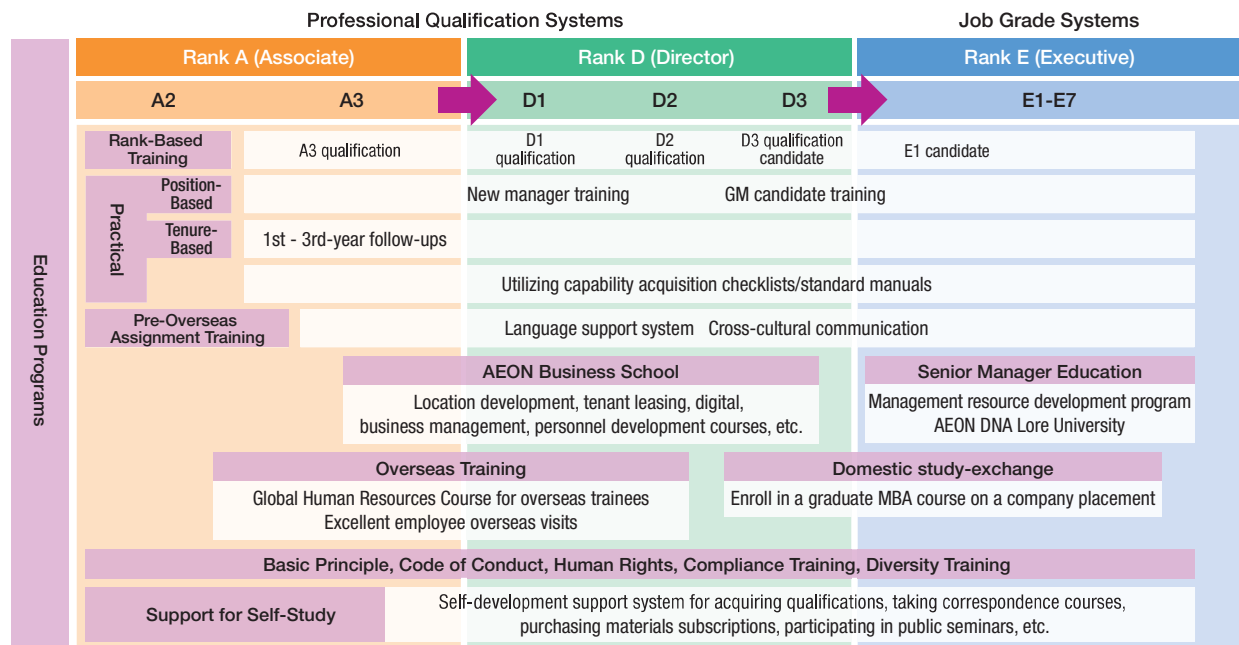
Recommended Certifications

We have a system in place whereby employees are given preferential treatment for promotion based on their possession of official qualifications, which we encourage them to acquire.

Overseas Trainee System

In our pursuit of global business, as well as to quickly foster human resources that will lead our global businesses, we have implemented a short-term system that very nearly replicates the experience of working long-term at an overseas location.

Human Resource Development Structure



Stronger Recruitment and Cultivation of Digital Human Resources: Connecting, Deepening, Transforming

One of our medium- to long-term value creation strategies is promoting digital transformation (DX). Therefore, we will establish steps to promote DX from a medium- to long-term perspective to achieve AEON MALL's desired state. In line

with this, we are developing and studying various measures to implement here, based on our belief that stronger recruitment and cultivation of digital human resources is an important part of our human resources strategy.

Health and welfare

Health Management: Nimble, healthy, sustainable

Pursuing Health Management

We engage in health management based on the belief that the health and wellness of our employees is the basis of our corporate activities and that healthy employees enable us to provide services that bring health and spiritual enrichment to our customers in local communities. In March 2022, we were recognized as a 2022 Certified Health & Productivity Management Outstanding Organization (Large Enterprise) under the Certified Health and Productivity Management Outstanding Organization program operated by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi (Japan Health Council), which recognizes corporations that practice particularly excellent health management. This is the third consecutive year that we have received this certification.



Issuance of the Health Management Declaration and Formulation of Related Policies

The Aeon Health Management Declaration

Aeon will support the health of employees and their families.
Aeon will achieve health and happiness in the local community together with employees.

AEON MALL Guidelines on Health Management

- (1) We will strive to prevent illness through the implementation of health checkups and follow-ups based on the results of these checkups.
- (2) We will strive toward mental health through ongoing stress checks and mental health care initiatives.
- (3) We will comply with the Declaration on Elimination of Service Overtime and Long Working Hours and the Anti-Harassment Regulations to create a psychologically safe organizational climate and a vibrant workplace.
- (4) We will improve the health literacy of each employee and, as a Life Design Developer, provide the local community with prosperous lifestyles where they can enjoy good mental and physical health.

Organizational Structure for Health Management Promotion

We promote health management through the following organizational structure.

Position	Personnel	Role
Chief Health Officer	General manager, Administration Division	Chief responsible party for health management Internal and external dissemination of the Health Management Declaration
Health Promotion Manager	General Manager, Personnel Management Department	Responsible party for promotion of health management Building health management structure
Health Promotion Officer	General Manager, Personnel Department Personnel Department managers Personnel Department staff	Planning and implementation of measures in cooperation with various stakeholder organizations Supporting each business location
Health Promotion Leader	General managers at business bases	Responsible party for health management at business locations/departments Promoting employee health checkups and health initiatives
Health Promotion Sub-leader	Operations managers and managers, unit managers at business bases	Responsible party for health administration at business locations/departments Specific engagement, including rigorously ensuring health checkups are taken and making recommendations for measures to be taken after health checkups

Specific Initiatives

Measures After Health Checkups and Disease Prevention

While AEON MALL's employees undergo regular health checkups at a rate of nearly 100%, the rate of secondary testing based on the results of these checkups is less than 50%.

Beginning in fiscal 2022, we are working on initiatives to the right to more accurately identify employees who need follow-up testing and to ensure that they have access to the necessary testing.

- Adjusting checkup results confirmation flow by industrial physicians (Prioritizing employees whose checkups revealed issues, and providing health guidance in a timely fashion)
- Sharing the list of those who have not undergone follow-up testing with their department heads
- Newsletters written by public health nurses disseminate information and raise awareness on the relationship between health checkup results and illnesses

Supporting Mental Health Issues

Difficulties in mental health are a major social issue. At AEON MALL, we are strengthening our efforts to protect the mental health of our employees.

- Established the AEON MALL Health Center where any employee can feel free to consult with a public health nurse
- Rigorously ensuring employees undergo stress checks and provide content for self-care based on stress check results
- Providing Mental Health and Front Line Training for managers

Reducing Long Working Hours and Streamlining Mall Operations

In promoting work-style reforms, we are also working to eliminate long working hours. In the recognition that time is a resource, we aim to reduce total annual hours worked to 1,990 hours or less by increasing work concentration and providing greater results even in short periods of time through streamlined operations and better intra-departmental communication. We are working to improve work-life balance not only by improving the state of employees who work long hours, but also by implementing various measures such as reducing unplanned working hours for entire departments and encouraging employees to take the leave they are entitled to.

Data on Health Management

Category	KPI	FY2017	FY2018	FY2019	FY2020	FY2021
Rate of regular health checkups	100%	99.8%	100%	99.9%	99.5%	99.8%
Rate of secondary testing ^{*1}	100%	-	-	-	34.6%	44.6%
Rate of specified health guidance	100%	13.1%	4.8%	9.8%	7.9%	21.7%
Percentage of smokers	16% or less	23.3%	22.4%	21.1%	19.6%	15.4%
Rate of stress checks	100%	96.7%	96.6%	95.9%	98.5%	96.2%
Total annual hours worked	2,000 hours or less	2,045 hours	2,044 hours	2,025 hours	2,018 hours	1,998 hours
Survey on Health and Productivity Management	Acquired White 500 status	Submitted questionnaire form	Submitted questionnaire form	Certified as an Outstanding Organization	Certified as an Outstanding Organization	Certified as an Outstanding Organization

^{*1} Rate of secondary testing: The rate of undergoing secondary testing by those who were judged by an industrial physician to require examination among those whose initial checkups revealed issues (those requiring secondary testing, detailed testing, or treatment)

Human Capital Compliance

Establishing a Dedicated Compliance Department

In order to empower diverse human resources in a workplace culture where employees can maximize their abilities, we are strengthening our systems and conducting various training programs to deepen accurate knowledge and understanding of human rights.

In April 2022, the Compliance Department was newly established within the Administration Division as a central body for the implementation of compliance measures such as encouraging legal compliance and compliance with our code of conduct, including with regard to harassment. The

Compliance Department promotes compliance education by developing a compliance promotion system, educating employees, and ensuring that all employees are aware of the importance of compliance. The schedule for this year's compliance training is as follows.

Implementing the AEON Code of Conduct Survey

We regularly conduct the AEON Code of Conduct Survey every year to monitor the degree of penetration of the aforementioned code, compliance awareness, and the workplace environment.

Compliance Training

Period	Eligible Trainees	Training Content
First half of FY2022	Department heads (317 employees)	Training case studies are based on AEON MALL's situations, and by the end of the training, all participants submitted action plans for improved compliance
Second half of FY2022	All employees	<ul style="list-style-type: none"> • Compliance training at each sales office and office, led by general managers (including of business departments) and office heads • All employees participate in this training